



Operating Budget

TTC Conventional & Wheel-Trans
2022

December 20, 2021

2022 Budget Highlights



Keeps the TTC affordable
No fare increase



Restores Pre-Pandemic Service Capacity in Q2 2022



Readies TTC for Line 5 Eglinton LRT operation

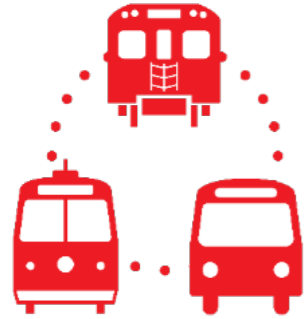


Incorporates \$25 million in efficiency savings, with no service impact.



Includes 2022 COVID-19 impact of \$461.2M
Ongoing discussions with City and Province to secure required funding.

TTC's Service Objectives and Outcomes



**Provide Safe, Seamless
& Reliable Transit
Service**

Customer Satisfaction



**Transform to Solidify
Fiscal Foundation**

Financial sustainability



**Lead as an
Inclusive & Accessible
Service Provider**

**Inclusion and
Accessibility**



**Innovate for
Future Demand**

System Resiliency

2021 Financial Plan



Demand Responsive Service

Preserve priority service; More buses on key routes



COVID-19 response

Ensure customer and employee safety



Gradual Ridership Return

49% by Year-End 2021



New & Enhanced Priorities

Advance Accessibility, Diversity and Reliability initiatives.

Key 2021 Accomplishments (slide 1 of 2)

Despite COVID-19's continued service and financial impact, significant progress made on TTC's key priorities:



- ✓ Opened McNicoll Garage, improving garage operations and reducing non-revenue driving time.
- ✓ Successfully implemented planned vehicle maintenance initiatives; all vehicle reliability KPIs met or exceeded.
- ✓ Eliminated the need to have 20 to 30 future weekend subway closures and avoided 2 years of bypassing station platforms, by completing 44,000 square feet of asbestos abatements.
- ✓ Approved the procurement of 60 zero-emission streetcars and upgrades to the Hillcrest storage facility.



- ✓ Keele Station Easier Access completed; 53 stations are now accessible.
- ✓ Reduced Wheel-Trans call wait time, down to 2 minutes in September.
- ✓ Overachieved TTC's gender recruitment target of 40% of new women operator hires by 23%.

Key 2021 Accomplishments (slide 2 of 2)

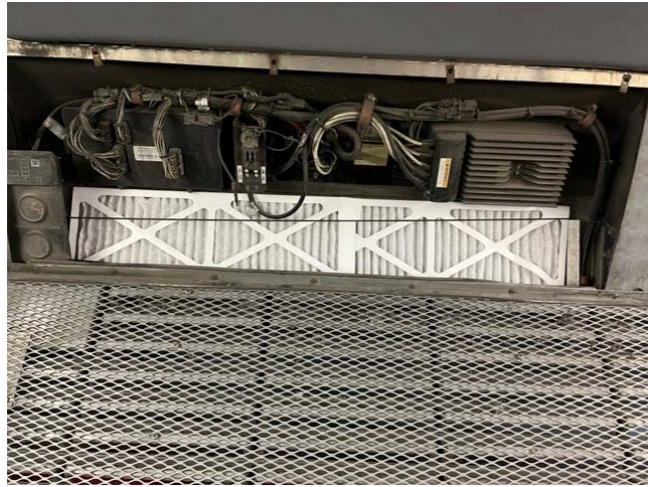


- ✓ Introduced a WiFi pilot on the 35 Jane and 102 Markham Road bus routes
- ✓ Established the new Innovation and Sustainability function.



- ✓ Implemented second sourcing initiatives for McNicoll Garage facility maintenance and streetcar cleaning.
- ✓ Concluded agreement with Metrolinx inclusive of a financial settlement and a framework for delivering all outstanding PRESTO contractual business requirements.
- ✓ Completed implementation of 72 Auditor General recommendations and continued implementation of alternate source parts, after-market part warranties and Wheel-Trans reservations.
- ✓ Reduced overall overtime costs by 30% and overtime charged to the operating budget by 45% since 2019, based on third quarter results.
- ✓ Commenced planning work to support the implementation of ModernTO to rationalize office space.

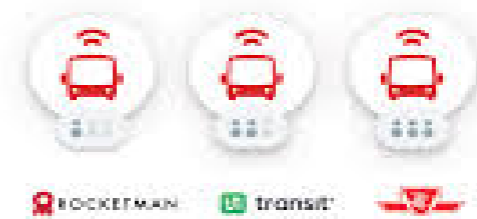
COVID-19: TTC's Pandemic Response



- Installed high-grade filters on all vehicles



**Real-time
bus passenger
info is here!**



- Introduced real-time bus passenger count to Rocketman and Transit apps
- Actively monitored bus capacity



- Distributed more than two million masks



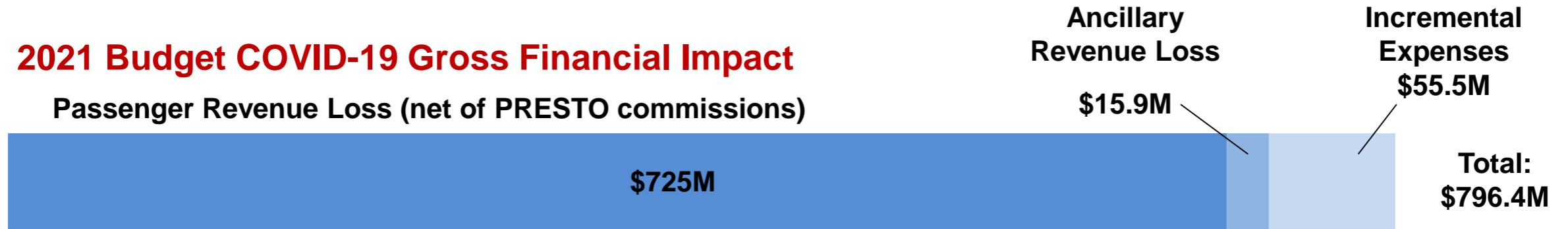
- Delivered 9,400 vaccines at TTC stations and facilities



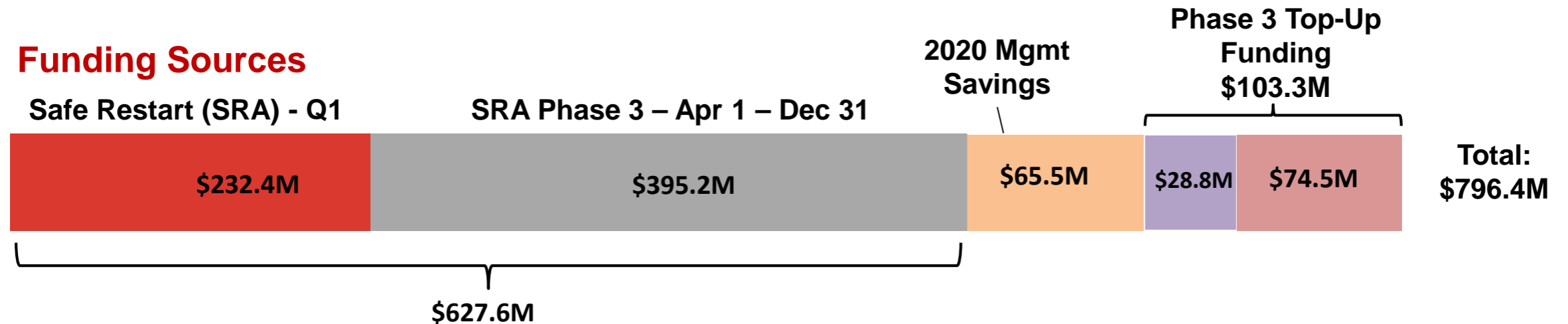
- Provided ride vouchers and shuttles to vaccine clinics

COVID-19: 2021 Operating Impact

2021 Budget COVID-19 Gross Financial Impact

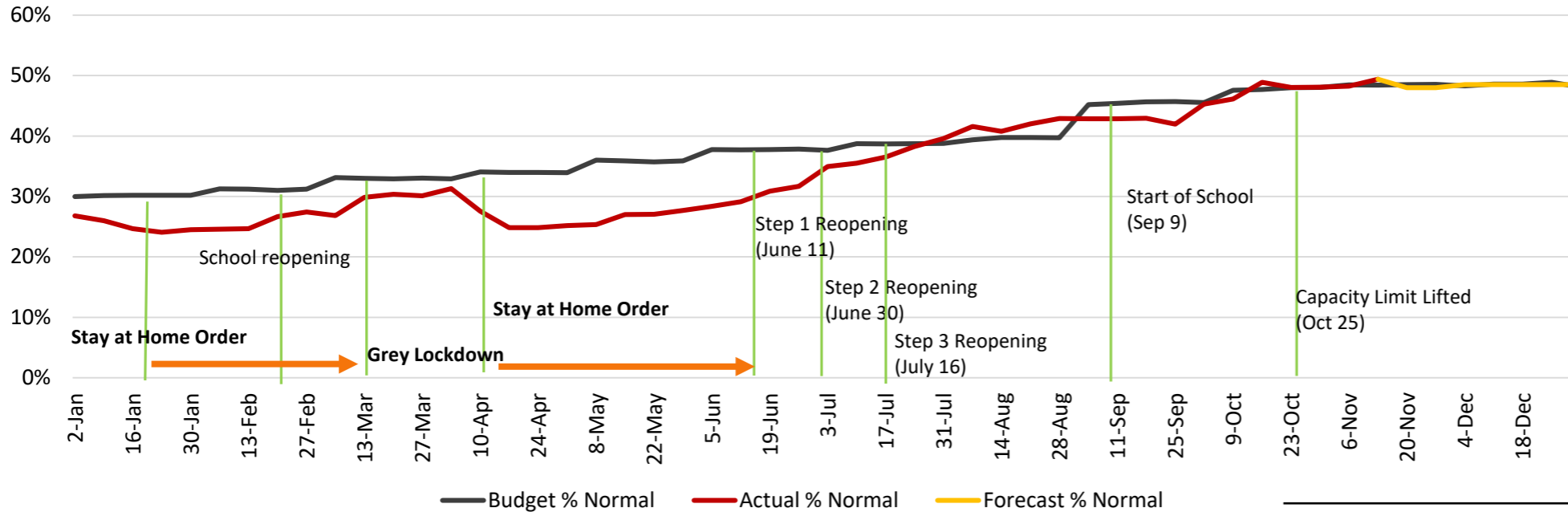


Funding Sources



Passenger Revenue Trend

YTD Weekly Passenger Revenue as a % of pre-Pandemic Normal



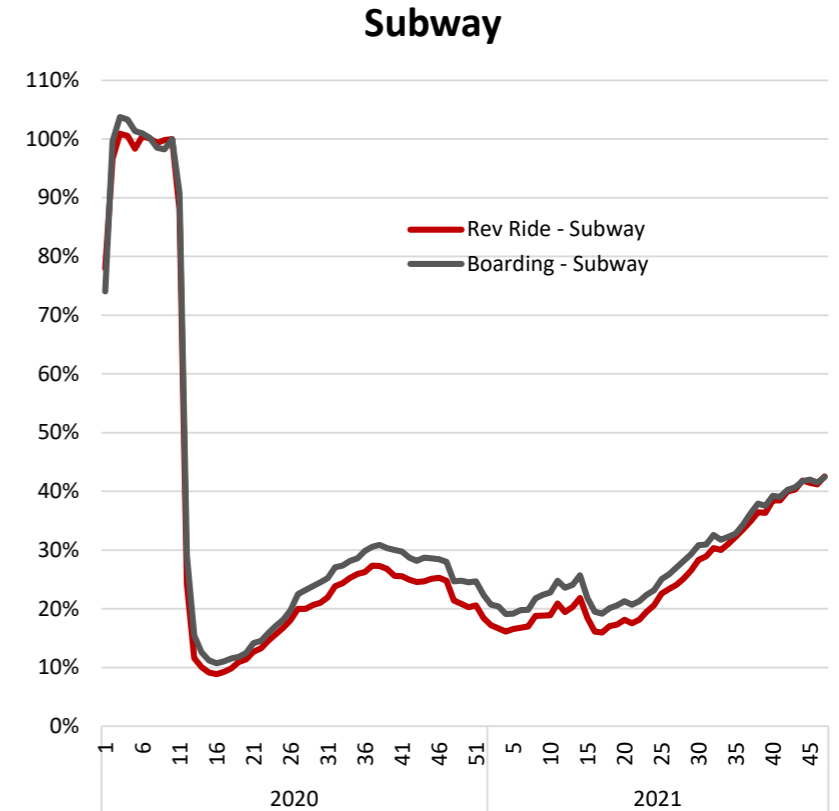
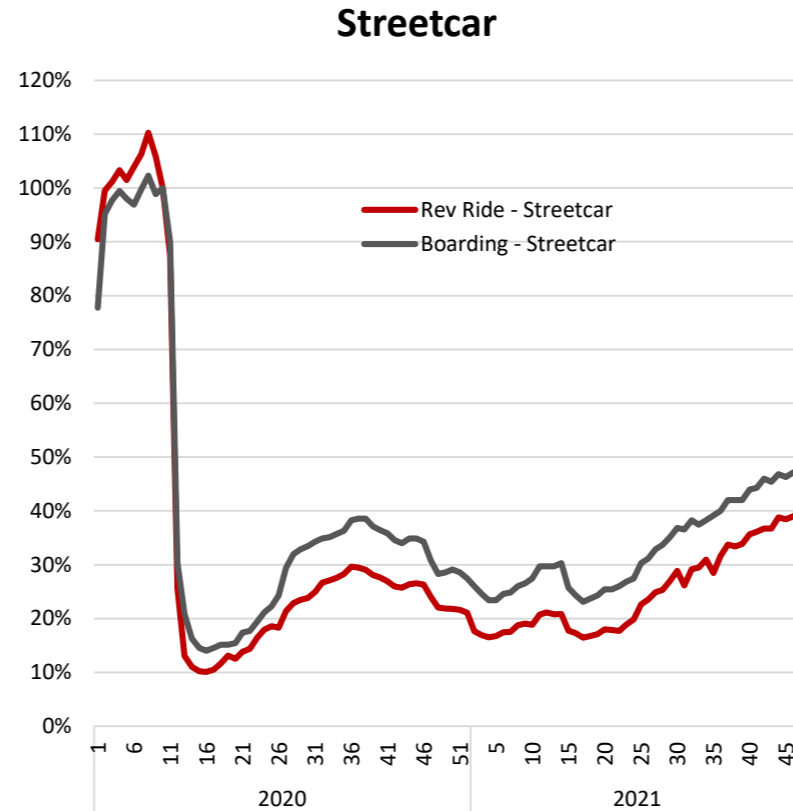
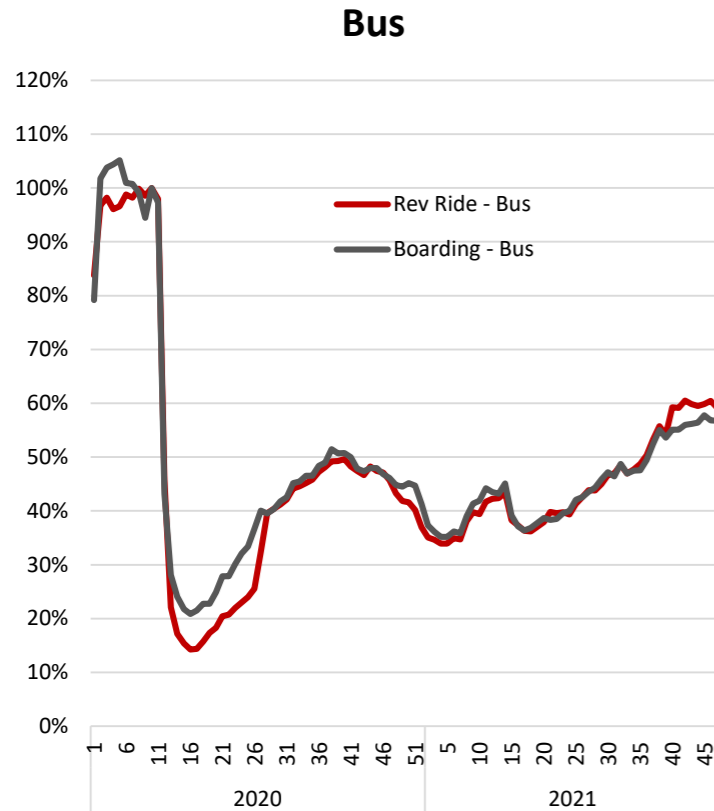
Overall Passenger Revenue was below 2021 Budget

- Largest impact during Stay at Home order periods.
- Since Step 3 Reopening on July 16, Passenger Revenue has been broadly consistent with levels anticipated in the 2021 Budget.

2021 Revenue (% of Normal)	Budget	Actual/Forecast
Q1	32%	27%
Q2	36%	28%
Q3	42%	41%
Q4	48%	48%

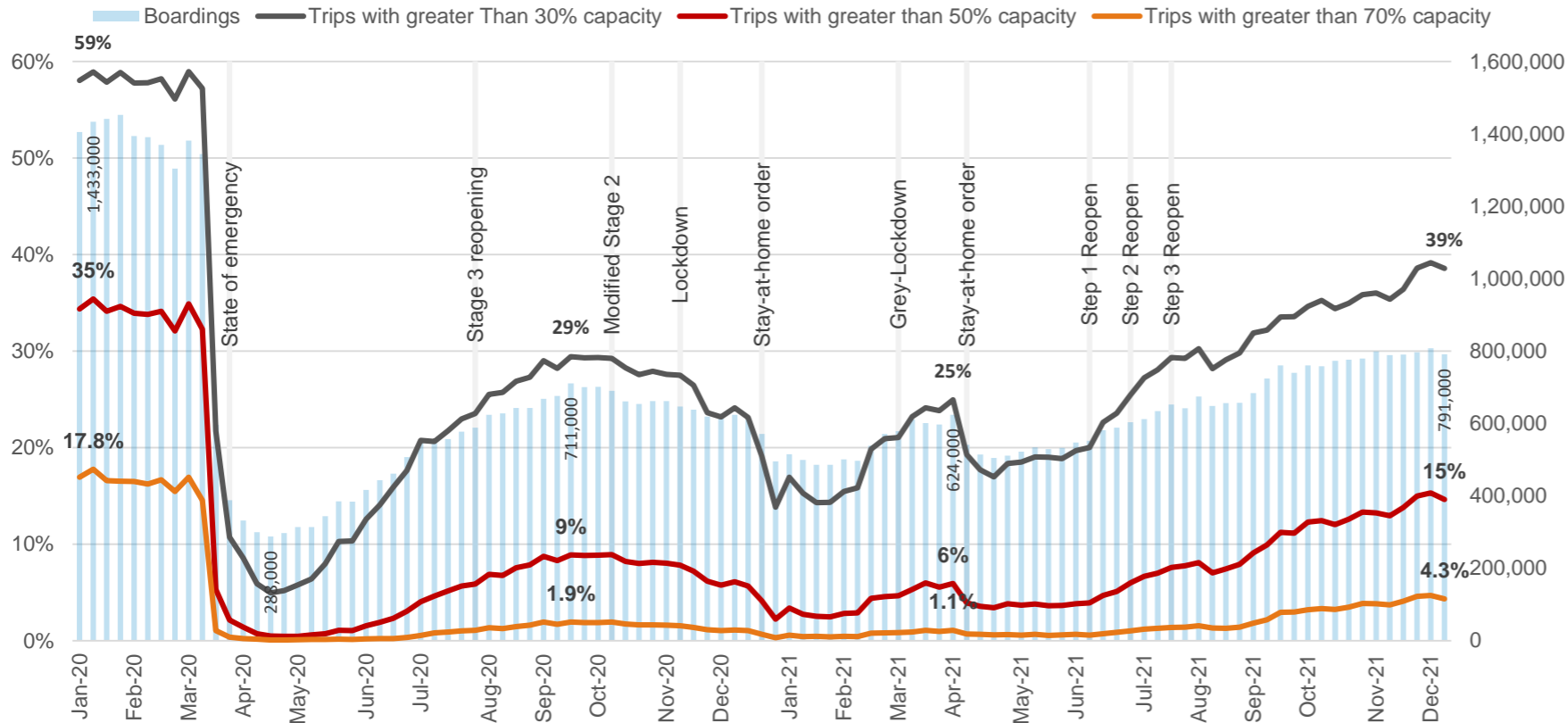


2021 Ridership Demand: by Mode



Bus Capacity Monitoring

% of trips more than 30%, 50%, 70% of capacity * (Weekday)



For the Week ending on Dec 10th

- **39%** of trips more than 30% of capacity
- **15%** of trips more than 50% of capacity
- **4.6%** of trips more than 70% of capacity

* 30% of Capacity: 15 passengers onboard for regular bus; 23 passengers onboard for artic bus
 50% of Capacity: 25 passengers onboard for regular bus; 39 passengers onboard for artic bus
 70% of Capacity: 35 passengers onboard for regular bus; 54 passengers onboard for artic bus



2022 Operating Budget & 2023-2024 Outlook

December 20, 2021



2022 Service Priorities



Safe, Seamless & Reliable Transit Service

Priority Initiatives

- Match Service to Demand
- Building vehicle maintenance capacity given warranty expiry
- LRV Apprentice Program

Capital:

- Streetcar and bus procurement
- Bloor-Yonge, Line 1 and Line 2 Capacity Enhancements
- Queue Jump Lanes and Transit Signal Priority



Transform to Solidify Fiscal Foundation

Priority Initiatives

- Continue Business Transformation
- Implement Service Efficiencies and Auditor General recommendations
- Manage Overtime

New:

- Ridership reacquisition strategy
- ModernTO

Capital:

- Capital Investment Plan Update
- Real Estate Investment Plan
- SAP; Maximo Implementation



Lead as an Inclusive & Accessible Service Provider

Priority Initiatives

- Freeze TTC Fares
- Gender Recruitment Outreach
- Apply equity lens to Service Planning
- Family of Services model

New:

- Diversity & Mental Health Training
- Embracing Diversity: 10 Point Action Plan

Capital:

- Fully Fund Easier Access
- Add accessible bus and streetcar stops



Innovate for Future Demand

Priority Initiatives

- Advance Service Integration
- Line 5 Eglinton LRT Startup

New:

- Innovation & Sustainability
- 10 Year Fare Collection Strategy

Capital:

- Procurement of additional E-Buses
- Pilot Free Wi-Fi Access to TTC's Surface Routes



2022 Operating Budget Submission: Overview

TTC Conventional & Wheel-Trans Operating Budgets							
(In \$Millions)	2021 Approved Budget	2022 Base Budget Changes	2022 New & Enhanced	2022 Change in COVID Impact	2022 Recommended Budget	Change vs. 2021 Budget	
Total Revenues	566.7	8.1	1.1	346.2	922.1	355.4	62.7%
Total Gross Expenditures	2,153.0	67.5	3.2	11.0	2,234.7	81.6	3.8%
Total City Funding	1,586.3	59.4	2.1	(335.2)	1,312.5	(273.7)	-17.3%
COVID Impact	796.4	-	-	(335.2)	461.2	(335.2)	-42.1%
Total City Funding ex COVID	789.9	59.4	2.1	-	851.4	61.5	7.8%
Approved Operating Positions	13,823	(8)	8	(11)	13,812	(11)	-0.1%

- Base Budget Request of \$59.4M, limited to unavoidable pressures
- Includes efficiencies and balancing actions of \$38.6M
- COVID Impact of \$461.2M



Unavoidable Pressures

Total \$61.5 million increase in funding required, driven by unavoidable pressures:

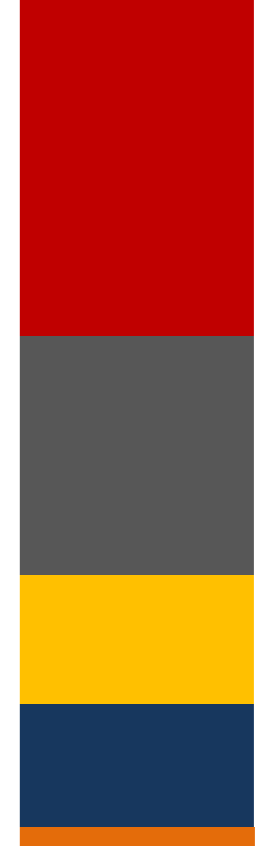
ECLRT: Start-up & Revenue Service Commencement

Restoring Pre-Pandemic Service Capacity

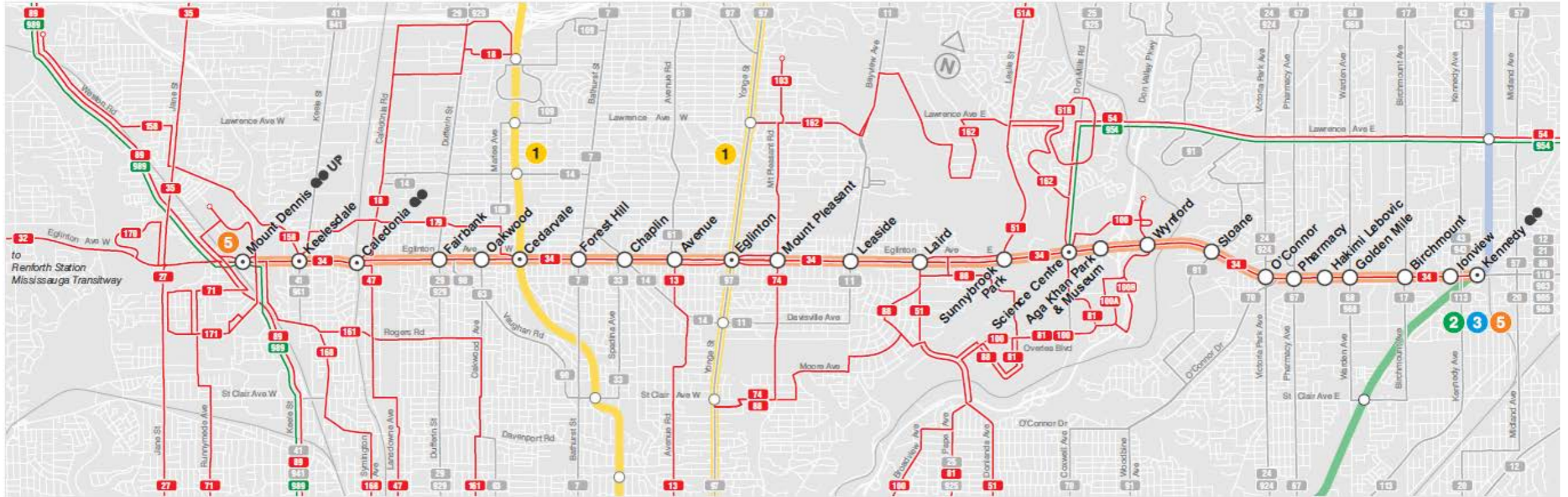
Fuel Price increase

Legislative Impacts

New & Enhanced



Line 5 Eglinton Revenue Service



- 19 Kilometers: Mount Dennis to Kennedy
- 15 stations and 10 surface stops, Dedicated Right of Way.
- Connections: 59 bus routes, 3 Subway Stations, 3 GO Transit lines & UP Express

Restoring Service Capacity: TTC Conventional

2022 Operating Budget TTC Conventional Service Capacity as a % of Pre-Pandemic Normal Service Levels				
POLICY - 50% DEMAND, 100% SERVICE				
Mode	Q1	Q2	Q3	Q4
Bus	100%	100%	100%	100%
Streetcar	95%	100%	100%	100%
Subway	95%	100%	100%	100%

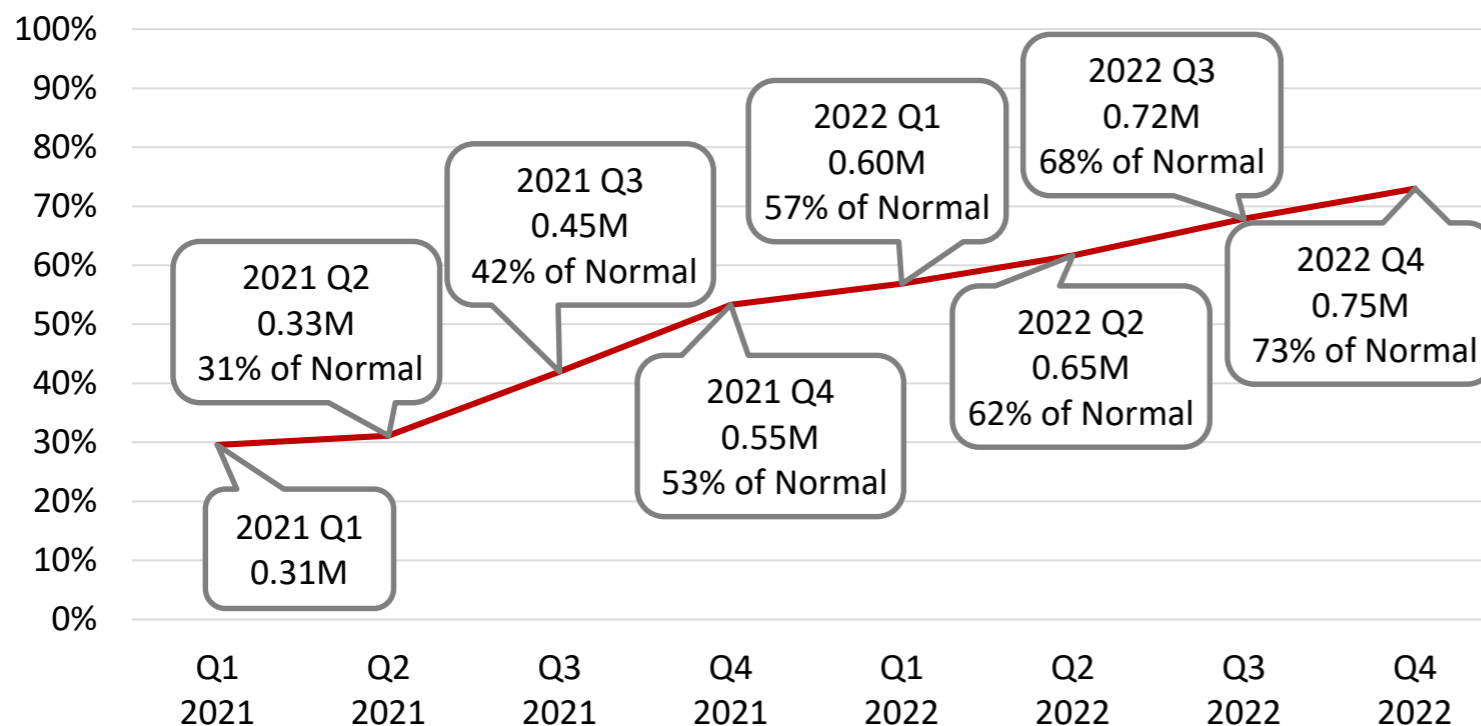
2022 Operating Budget TTC Conventional Service Capacity as a % of Pre-Pandemic Normal Service Levels				
BASED ON AVAILABLE WORKFORCE				
Mode	Q1	Q2	Q3	Q4
Bus	94.3%	100%	100%	100%
Streetcar	90.4%	100%	100%	100%
Subway	90.0%	100%	100%	100%

- Implementation of the Mandatory Vaccination Policy requires some temporary service adjustments due to operator availability.
- Anticipates 100% of pre-pandemic service on all conventional transit modes in Q2, 2022.



Restoring Service Capacity: Wheel-Trans

2021/2022 Actual/Projected Ridership



2022 Wheel-Trans
Forecast
Ridership Demand:
2.7 million rides

Service capacity aligned
with demand.



Efficiency Measures offset Base Pressures

Efficiencies, Reduction & Balancing Actions (\$Millions)						
Description	TTC	WT	Gross	Revenue	Net	Pos.
Base Expenditure Reductions:						
Diesel Consumption Savings	(5.4)		(5.4)		(5.4)	
Diesel Hedging	(1.4)		(1.4)		(1.4)	
Other Line by Line Reductions	(3.7)	(0.5)	(4.2)		(4.2)	
Subtotal: Base Budget Reductions	(10.5)	(0.5)	(11.0)		(11.0)	0.0
Efficiency Measures:						
Overtime Reduction Strategy	(3.8)	(0.7)	(4.5)		(4.5)	
Overtime Reduction Pension Contribution Savings	(0.5)	(0.1)	(0.6)		(0.6)	
Improved Vehicle Maintenance Work Methods & Tool Usage	(1.7)		(1.7)		(1.7)	(5)
Streetcar Interior Lighting Upgrade	(0.9)		(0.9)		(0.9)	(1)
Facility Maintenance Contract Optimizations	(0.7)		(0.7)		(0.7)	
One Person Train Operation	(2.6)		(2.6)		(2.6)	(66)
ATC Efficiency	(0.1)		(0.1)		(0.1)	
McNicoll Deahead Savings	(0.2)		(0.2)		(0.2)	
Articulated Buses Route 927	(0.1)		(0.1)		(0.1)	(4)
Subtotal: Efficiency Measures	(10.6)	(0.8)	(11.4)		(11.4)	(76)
Transformation Initiatives:						
Second Source Streetcar cleaning/servicing	(0.4)		(0.4)		(0.4)	
Materials Management: Storeperson Efficiency	(0.3)		(0.3)		(0.3)	(3)
Wheel-Trans - Family of Services		(0.2)	(0.2)		(0.2)	
Subtotal: Transformation Initiatives	(0.7)	(0.2)	(0.9)		(0.9)	(3)
Implementation of AG Recommendations:						
Wheel-Trans: Reservationists		(1.7)	(1.7)		(1.7)	(21)
After Market Parts Warranty	(0.4)		(0.4)		(0.4)	
Alternate Source Savings	(0.2)		(0.2)		(0.2)	1
Subtotal: Implementation of AG Recommendations	(0.6)	(1.7)	(2.3)		(2.3)	(20)
Total 2022 Efficiencies & Reduction Measures before Reserve Draw	(22.3)	(3.3)	(25.6)		(25.6)	(99)
Balancing Actions						
TTC Stabilization Reserve Draw: Re Fuel Prices				8.5	(8.5)	
TTC Stabilization Reserve Draw: Re Insurance Premiums				1.6	(1.6)	
TTC Long-Term Liability Reserve Draw: Re Insurance and Accident Claims				3.0	(3.0)	
Total 2022 Efficiencies, Reduction & Balancing Actions	(22.3)	(3.3)	(25.6)	13.1	(38.6)	(99)

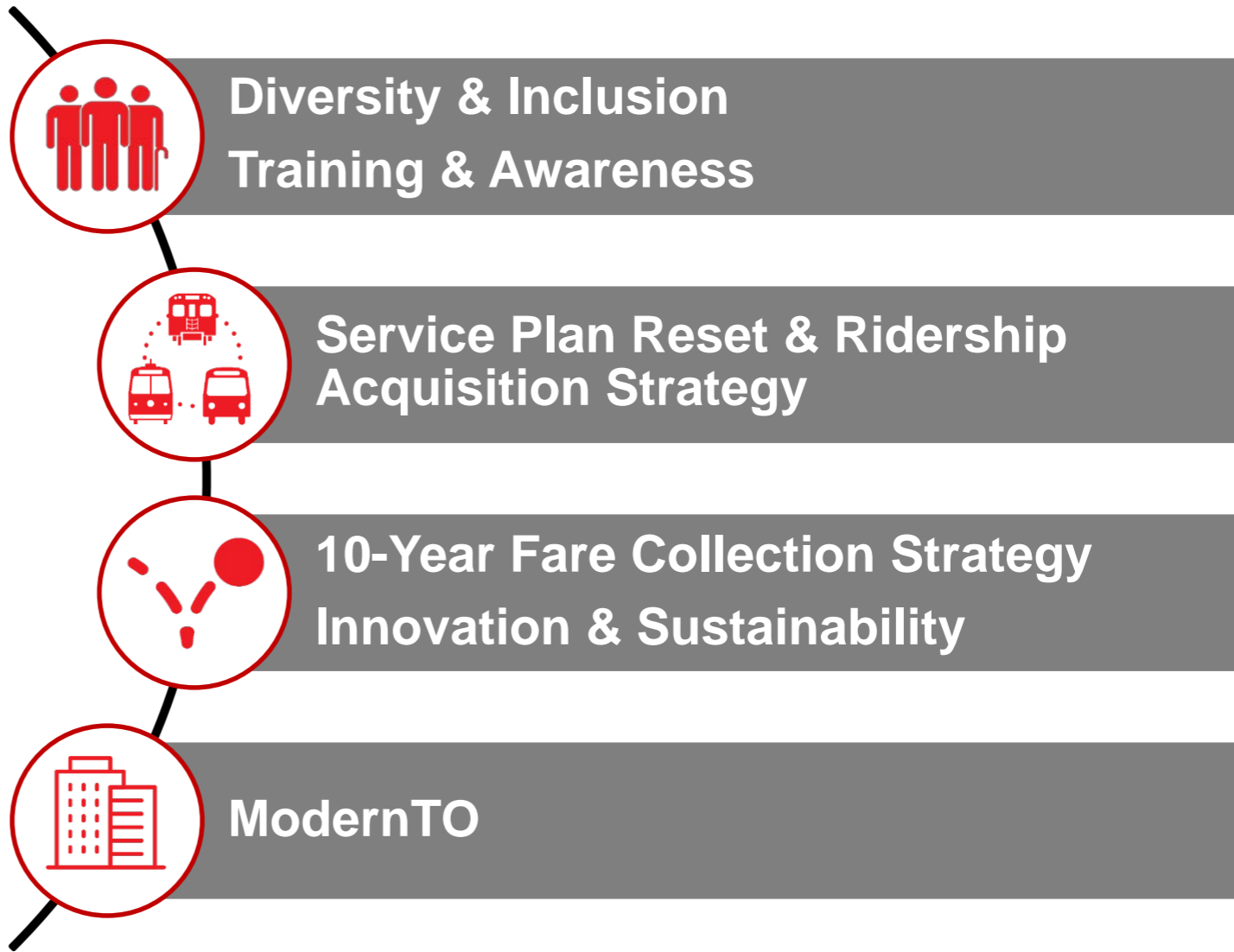
Savings from efficiency measures, used to offset all other base pressures.

\$25.6 million in savings from efficiency measures with no impact to service.

\$13.1 million in balancing actions to address volatility.

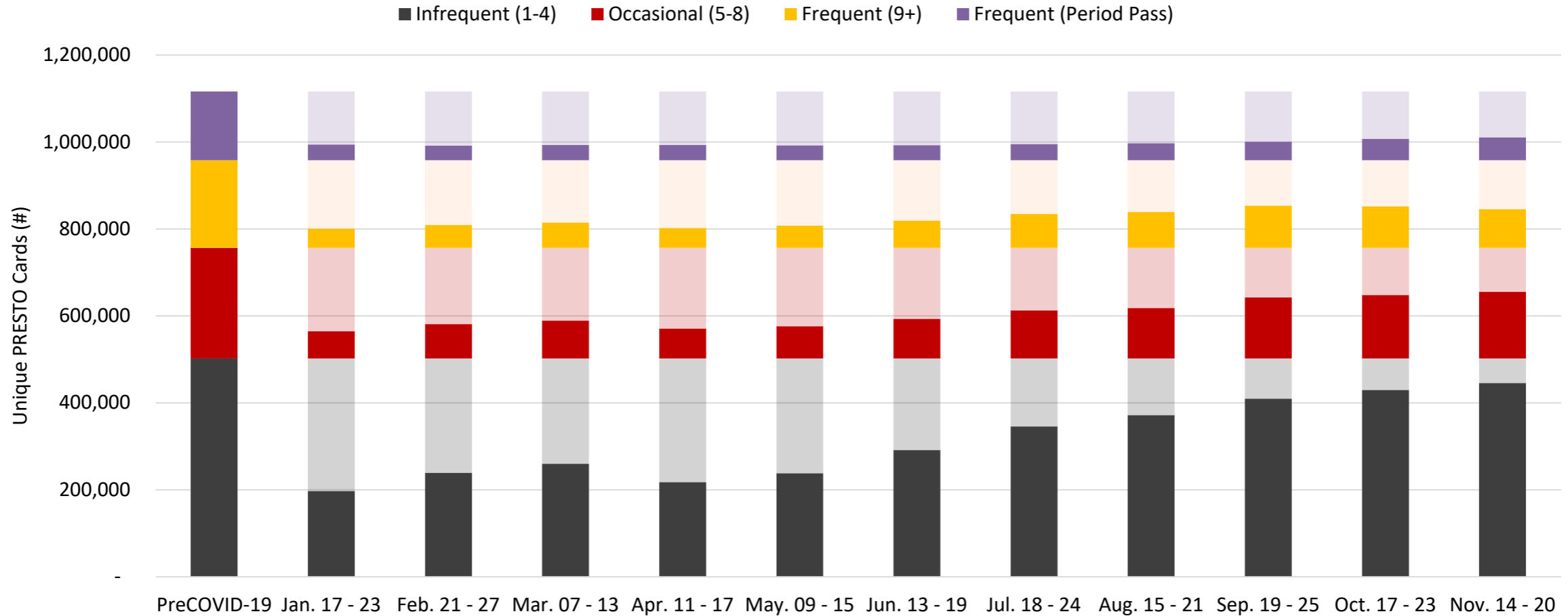


New & Enhanced Service Priority Investments



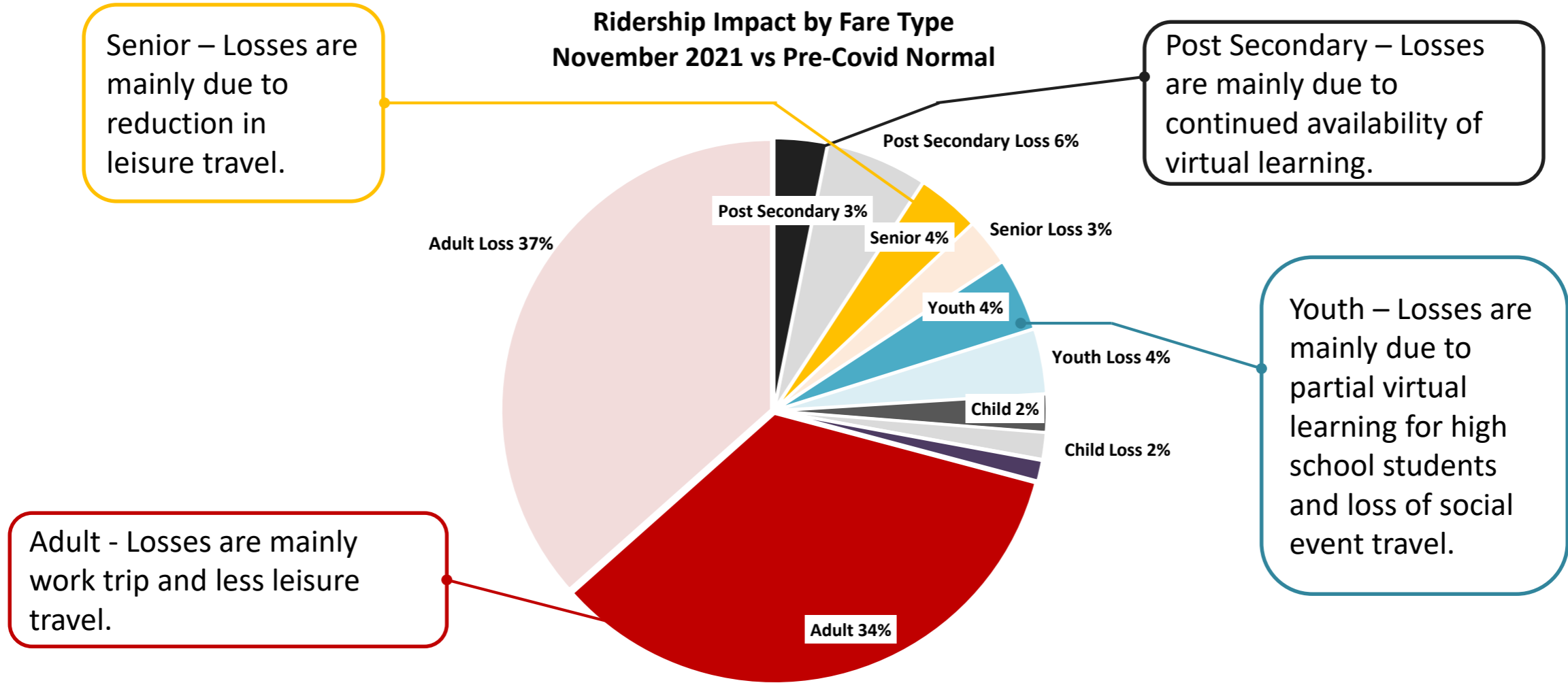
Revenue Ridership Impact: By User Frequency

User Count by Usage Frequencies (PreCOVID & 2021)



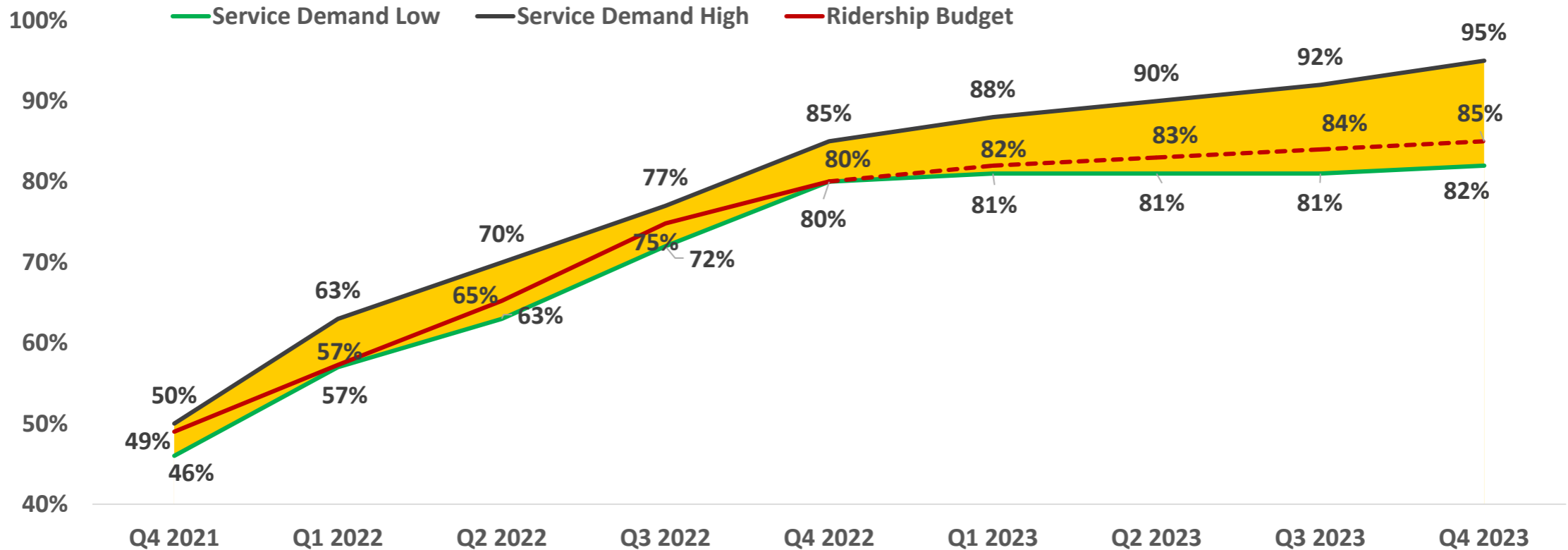
Revenue Ridership Impact: By User Group

Ridership Impact by Fare Type
November 2021 vs Pre-Covid Normal



2022 Forecast Revenue Ridership and Service Demand

Ridership & Service Demand Forecast (% of Pre-Pandemic Normal)



2022 Passenger Revenue Ridership Forecast

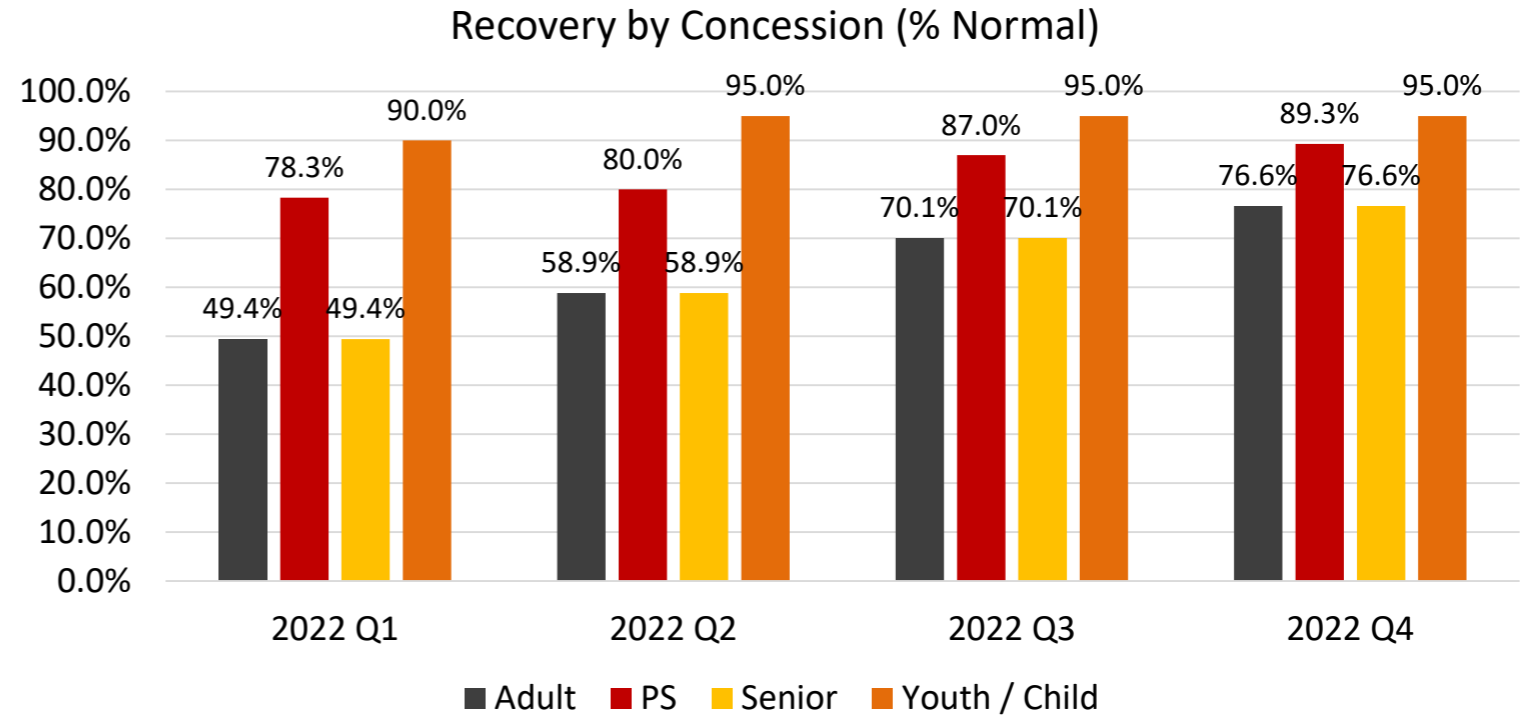
Ridership
369,417,000

532.2M Normal
69.4%

Revenue
\$845,858,000

\$1,250M Normal
67.7%

Period	% Normal
1	54.0%
2	57.0%
3	60.0%
4	62.5%
5	65.0%
6	67.5%
7	71.0%
8	74.5%
9	78.0%
10	79.0%
11	80.0%
12	81.0%
Overall	69.4%



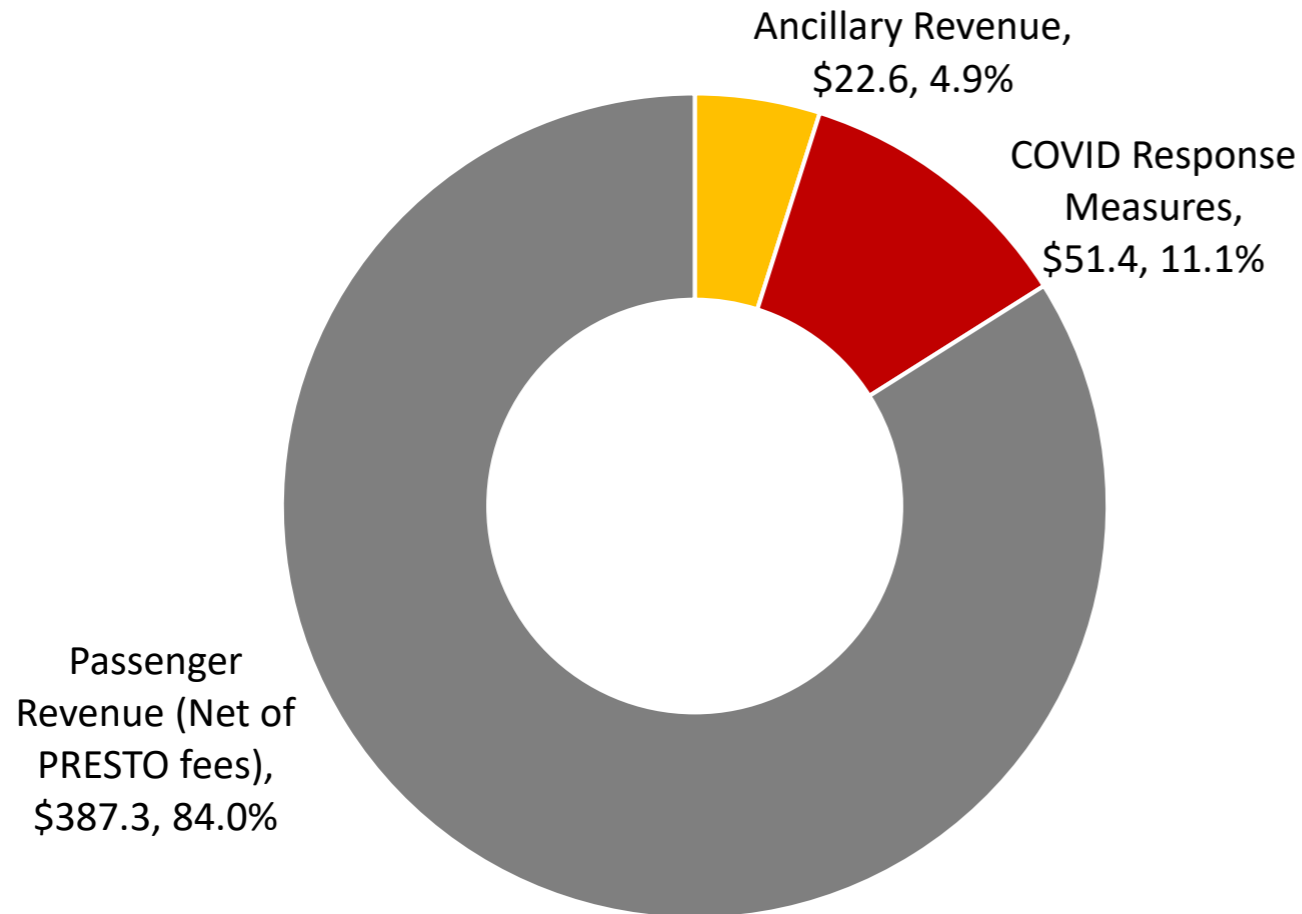
Key Assumptions

- No significant waves of COVID cases.
- Q1 ramp up in return to office.
- Return to office reaches average of 1.7 days / week
- Restrictions lifted, return of all public events (similar to pre-COVID) ramp-up in Q2/Q3



COVID-19: 2022 Budget Impact - Operating

COVID-19 2022 Budget Impact
(\$ Millions)



- **Total Impact \$461.2 million**

- **Highly dependent on anticipated ridership recovery**

- To date the TTC has received \$1.3 billion in funding relief from other orders of government
- The City and TTC continue to meet with other levels of government to address 2022 COVID impacts and secure stable and long-term funding.



2023 & 2024 Outlooks

Opening of Line 5 Eglinton LRT and Line 6 Finch West LRT will provide opportunity to expand network & grow ridership

Need stable, long-term funding to sustain existing and new service.

Highlights

Operating Pressures*

- \$125 million in 2023
- \$59 million in 2024

Key 2023 Drivers

- | | |
|-----------------------------|-------|
| ▪ Eglinton & Finch West LRT | \$56M |
| ▪ Restoring Service | \$19M |
| ▪ Economic Factors | \$27M |

*Note CBA is not included



2023 and 2024 Outlooks: With COVID Impact

Combined funding pressure of \$375 million in 2023.

Financial Impact of COVID-19 will continue through 2024.

Combined 2023 & 2024 Outlook (\$Millions)		
TTC Conventional & Wheel-Trans	2023	2024
Operating Funding Pressure	125.6	59.4
COVID-19 Pressure		
Passenger Revenues (Net of Presto Fees)	211.5	155.2
Ancillary Revenue	10.0	2.2
Incremental Expenses	28.6	19.1
Subtotal COVID-19 Pressure	250.1	176.4
Total 2023 & 2024 Combined Operating Funding Pressure	375.7	235.8



