



## Financial Update for the Period Ended May 1, 2021 and Major Projects Update

Date: June 16, 2021  
To: TTC Board  
From: Interim Chief Financial Officer

### Summary

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This report sets out operating and capital financial results for TTC Conventional and Wheel-Trans services for the four-month period ended May 1, 2021. Projections to year-end 2021 are also provided.

### Financial Summary

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#### ***COVID-19 Impact and Relief Funding***

The financial impact of COVID-19 has, to date, been primarily offset by financial support received from our Federal and Provincial partners through the Safe Restart Agreement (SRA) and the Municipal Transit Enhanced Cleaning program (MTEC). As noted in the COVID-19 Response and Recovery Update, considered at the May 12, 2021 TTC Board meeting, the total estimated funding shortfall to the end of 2021 was \$126.3 million. The May 12 funding shortfall estimate has since been updated to \$106.8 million, as shown in the table below:

| <b>2021 Estimated Funding Shortfall (\$M)</b>                                     |                     |                       |
|---|---------------------|-----------------------|
|   | <b>May 12 Board</b> | <b>Current Update</b> |
| <b>SRA Funding Shortfall: Available Funding vs 2021 Budgeted COVID-19 Impacts</b> | <b>\$74.5</b>       | <b>\$74.5</b>         |
| Add: Unused Phase 2 funding   | \$31.8              | \$28.8                |
| <b>Subtotal: SRA Funding Shortfall, including unused Phase 2 funding</b>          | <b>\$106.3</b>      | <b>\$103.3</b>        |
| 2021 Budget Impact, net of under-expenditures                                     | \$20.0              | \$3.5                 |
| <b>Total Estimated Funding Shortfall</b>  | <b>\$126.3</b>      | <b>\$106.8</b>        |

The primary driver of this favourable change can be attributable to an increase in anticipated passenger revenue in June and through the third quarter, given the recent accelerated pace of vaccinations and reduction in case counts. While these events provide an improvement in the revenue forecast, passenger revenue is still projected to be \$60.0 million under budget by year-end. The revenue shortfall is anticipated to be substantially offset by anticipated under-expenditures that will result in a \$3.5 million projected net unfavourable budget variance in 2021.

## 2021 Operating Results

To the end of Period 4, the cumulative revenue shortfall to budget, has been fully offset by under-expenditures. On a combined basis, the favourable year-to-date variance is \$14.3 million. With expenditures expected to largely return to budgeted levels in the coming months, the favourable budget results on a year-to-date basis are projected to reverse to a \$3.5 million net unfavourable variance by year-end.

| Description<br>(\$Millions)      | Year-To-Date (4 Months) |              |               | Year-End Projection |                |               |
|----------------------------------|-------------------------|--------------|---------------|---------------------|----------------|---------------|
|                                  | Budget                  | Actual       | Variance      | Budget              | Projection     | Variance      |
| <b>Revenue</b>                   |                         |              |               |                     |                |               |
| TTC Conventional                 |                         |              |               |                     |                |               |
| Passenger Revenue                | 131.8                   | 108.9        | (22.9)        | 492.0               | 432.6          | (59.4)        |
| Ancillary Revenue                | 13.7                    | 13.3         | (0.4)         | 54.7                | 53.3           | (1.4)         |
| Reserve Draw                     | 0.0                     | 0.0          | 0.0           | 15.8                | 15.8           | 0.0           |
| Wheel-Trans Passenger Revenue    | 1.2                     | 0.9          | (0.3)         | 4.3                 | 3.7            | (0.6)         |
| <b>Total Revenue</b>             | <b>146.7</b>            | <b>123.1</b> | <b>(23.6)</b> | <b>566.8</b>        | <b>505.4</b>   | <b>(61.4)</b> |
| <b>Expenditures</b>              |                         |              |               |                     |                |               |
| TTC Conventional                 | 663.2                   | 631.9        | (31.3)        | 2,034.4             | 1,990.0        | (44.4)        |
| Wheel-Trans                      | 36.4                    | 29.8         | (6.6)         | 118.6               | 105.1          | (13.5)        |
| <b>Total Expenditures</b>        | <b>699.6</b>            | <b>661.7</b> | <b>(37.9)</b> | <b>2,153.0</b>      | <b>2095.1</b>  | <b>(57.9)</b> |
| <b>Combined Net City Funding</b> | <b>552.9</b>            | <b>538.6</b> | <b>(14.3)</b> | <b>1,586.2</b>      | <b>1,589.7</b> | <b>3.5</b>    |

## 2021 Capital Results

| Description<br>(\$ Millions) | 2021<br>Budget | Year-to-Date Actuals |              | Year-End Projection |              |
|------------------------------|----------------|----------------------|--------------|---------------------|--------------|
|                              |                | \$                   | %            | \$                  | %            |
| TTC Base Capital             | 1,283.6        | 184.1                | 14.3%        | 1,137.2             | 88.6%        |
| TTC Transit Expansion        | 92.4           | 6.6                  | 7.1%         | 89.2                | 96.5%        |
| <b>Total</b>                 | <b>1,376.0</b> | <b>190.7</b>         | <b>13.9%</b> | <b>1,226.4</b>      | <b>89.1%</b> |

At the end of Period 4, total base capital expenditures were \$184.1 million, representing a spending rate of 14.3% of the 2021 Approved Capital Budget. Transit Expansion expenditures were \$6.6 million with 7.1% of the 2021 Approved Capital Budget being spent. Combined, a total of \$190.7 million was spent as of May 1, 2021, representing a 13.9% spending rate.

By year-end, TTC base capital expenditures are projected at \$1.137 billion or 88.6% of the 2021 Approved Capital Budget. In addition, it is expected that the TTC will also incur \$89.2 million in expenditures by year-end for transit expansion initiatives reflecting 96.5% of the 2021 approved funding being spent for these projects. In summary, the TTC is projecting to spend 89.1% of its 2021 Approved Capital Budget.

These reported results take into account the most recent amendments approved by the TTC Board on May 25, 2021 and City Council on May 26, 2021 to increase the 2021 Capital Budget and future year cash flows in the 10-Year Capital Plan by \$425.785 million. This amendment incorporates the increased spending authority and funding by the City, the Province and the Federal government for the purchase of an additional 48 streetcars and changes to the Hillcrest facility to accommodate the additional fleet.

Any unspent 2021 capital funding, which is currently projected to be \$149.6 million, will be carried forward into 2022 to complete capital work, in accordance with the City's Carry Forward policy.

## **Equity/Accessibility Matters**

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The TTC is strongly committed to making Toronto's transit system barrier-free and accessible to all. We believe all customers should enjoy the freedom, independence and flexibility to travel anywhere on the public transit system.

In addition to ongoing efforts to address access, diversity and inclusion, the 2021 TTC Operating Budget funds new investments totalling \$2.8 million to:

- Increase Wheel-Trans reservation call centre capacity to reduce call wait times and abandoned calls, thereby improving accessibility.
- Support implementation of the Embrace Diversity Action Plan to provide resources to improve community and recruiting outreach initiatives and ensure the continued implementation of anti-racism initiatives.

The 2021-2030 Capital Budget and Plan includes \$80.1 million in 2021 and \$693 million over the 10 years for the TTC's Easier Access Program, which is underway to make all subway stations accessible by 2025 with elevators, wide fare gates and automatic sliding doors. With reduced ridership demands due to COVID-19, the TTC is accelerating Easier Access construction activities.

## **Decision History**

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At its meeting on December 21, 2020, the TTC Board approved the 2021-2030 TTC Capital Budget and Plan of \$11.689 billion in funding with \$1.315 billion in 2021 cash flow.

[http://www.ttc.ca/About the TTC/Commission reports and information/Commission meetings/2020/Dec 21/Reports/Decisions/2050 2 TTC 15 Year Capital Investment Plan and 2021 to 2030 .pdf](http://www.ttc.ca/About%20the%20TTC/Commission%20reports%20and%20information/Commission%20meetings/2020/Dec%2021/Reports/Decisions/2050%20TTC%2015%20Year%20Capital%20Investment%20Plan%20and%202021%20to%202030.pdf)

At its meeting on December 21, 2020, the TTC Board approved the 2021 Operating Budgets of \$2.034 billion gross and \$1.472 billion net for TTC Conventional Service and \$118.6 million gross and \$114.3 million net for Wheel-Trans Service and a 2021 total year-end workforce complement of 16,313 positions.

[http://www.ttc.ca/About the TTC/Commission reports and information/Commission meetings/2020/Dec 21/Reports/Decisions/2050 1 2021 TTC and Wheel Trans Operating Budgets Decision.pdf](http://www.ttc.ca/About%20the%20TTC/Commission%20reports%20and%20information/Commission%20meetings/2020/Dec%2021/Reports/Decisions/2050%201%202021%20TTC%20and%20Wheel%20Trans%20Operating%20Budgets%20Decision.pdf)

At its meeting on February 10, 2021, the TTC Board approved the amended 2021 workforce complement with the addition of 34 temporary positions dedicated to core resourcing for the Metrolinx subway expansion program. These roles and associated costs will be fully funded by Metrolinx and as such require no new funding.

[http://www.ttc.ca/About the TTC/Commission reports and information/Commission meetings/2021/February 10/Reports/Decisions/2051 8 Transit Network Expansion Decision.pdf](http://www.ttc.ca/About%20the%20TTC/Commission%20reports%20and%20information/Commission%20meetings/2021/February%2010/Reports/Decisions/2051%208%20Transit%20Network%20Expansion%20Decision.pdf)

At its meeting on May 25, 2021, The TTC Board approved an amendment to the TTC Streetcar Program by increasing the 2021-2030 Approved Capital Budget and Plan by \$425.785 million for the procurement of an additional 47 streetcars at an incremental cost of \$328.248 million, and the modifications to the Hillcrest Facility to accommodate the additional fleet at an additional cost of \$97.537 million.

[http://www.ttc.ca/About the TTC/Commission reports and information/Commission meetings/2021/May 25/Reports/2054 1 TTC Streetcar Program Procurement of 60 Streetcars De.pdf](http://www.ttc.ca/About%20the%20TTC/Commission%20reports%20and%20information/Commission%20meetings/2021/May%2025/Reports/2054%201%20TTC%20Streetcar%20Program%20Procurement%20of%2060%20Streetcars%20De.pdf)

## Comments

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### Key Indicators – Operating Budget

The TTC's net operating results are primarily driven by six key indicators. These indicators impact year-to-date spending and revenues, as well as provide the basis for estimated year-end spending projections.

The key indicators include TTC and Wheel-Trans ridership and average fare, which impact the \$492-million TTC fare revenue budget. Additional key drivers for TTC include the price of fuel and electric power that affect a combined fuel and utilities budget of \$156.4 million. The final, and most significant, driver on expenses relates to service hours, which impacts labour expenses (\$1.116 billion), non-labour expenses (\$303 million), such as parts and maintenance, as well as fuel and utility consumption.

The following table details the TTC's key operating indicators, which are discussed below:

| Item                                | Year-To-Date Actuals |        |          | Year-End Projection |            |          | Status |
|-------------------------------------|----------------------|--------|----------|---------------------|------------|----------|--------|
|                                     | Budget               | Actual | Variance | Budget              | Projection | Variance |        |
| TTC Ridership                       | 57.0M                | 48.5M  | (8.5M)   | 214.4M              | 189.8M     | (24.6M)  | ✘      |
| TTC Average Fare                    | 2.31                 | 2.25   | (0.06)   | 2.29                | 2.28       | (0.01)   | ✘      |
| TTC Regular Scheduled Service Hours | 3.111M               | 2.950M | (0.161)  | 9.393M              | 9.099M     | (0.294)  | ✘      |
| Price of Fuel (\$/litre)            | 0.848                | 0.914  | 0.066    | 0.866               | 0.957      | 0.091    | ✘      |
| Price of Electric Power (\$/kWh)    | 0.137                | 0.140  | 0.003    | 0.150               | 0.147      | (0.003)  | ✔      |
| WT Passengers                       | 0.4M                 | 0.3M   | (0.1M)   | 1.94M               | 1.67M      | (0.27M)  | ✘      |

### Revenue Ridership

Based on the anticipated impact of COVID-19, the 2021 Budget for revenue ridership over the first four months of 2021 was set at an average of 33% of normal, or pre-COVID levels, rising from 31% in January to 35% by the end of April 2021. The implementation of Stay-at-Home orders on January 14 and again on April 2, have significantly impacted ridership levels, relative to budgeted expectations, with actual revenue ridership dropping to as low as 25% of normal levels. During the Grey Lockdown period, actual revenue ridership came within 1% of budgeted revenue, before declining again with the implementation of the second Stay-at-Home order on April 2.

Based on the Province of Ontario's Roadmap to Reopen, revenue ridership is expected to gradually increase, but remain below budgeted levels in June and through the third quarter, before returning to budgeted levels in the fourth quarter. Revenue ridership is expected to be approximately 24.6 million rides (11.5%) below the 2021 revenue ridership budget for the year as a whole. Discussion of passenger revenue trends is included in the Financial Update section below.

### Service Hours

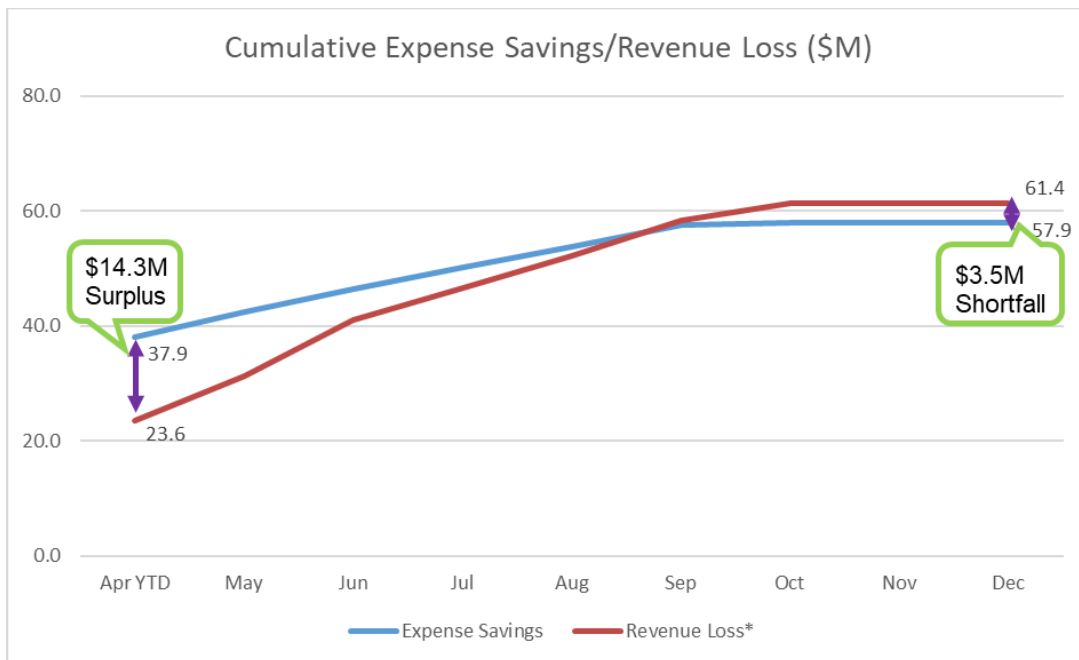
Notwithstanding the decline in revenue ridership, year-to-date and full-year service hours are only slightly below budget. As of May 2021, 95% of budgeted service system-wide is being scheduled (97% on bus, 95% on streetcar and 87% on subway).

Based on current demand forecasts, it is estimated that ridership will exceed 50% of pre-pandemic levels in early 2022. As noted in previous Board reports, at 50% of pre-pandemic ridership the TTC would increase service levels to 100%. As a result, service levels are expected to gradually increase starting in September and through the remainder of the year with 100% of service budgeted for January 2022.

### **Financial Update – Operating**

The unfavourable revenue variance experienced to date has been offset by year-to-date under-expenditures. However, it is expected that this trend will gradually diminish as the pace and extent of under-expenditures is expected to narrow, as amongst other initiatives, operator hiring has recently re-commenced in order to support a full return to pre-pandemic service levels by the start of 2022. As a result, a \$3.5-million

unfavourable budget variance is projected by year-end, as summarized in the following chart:

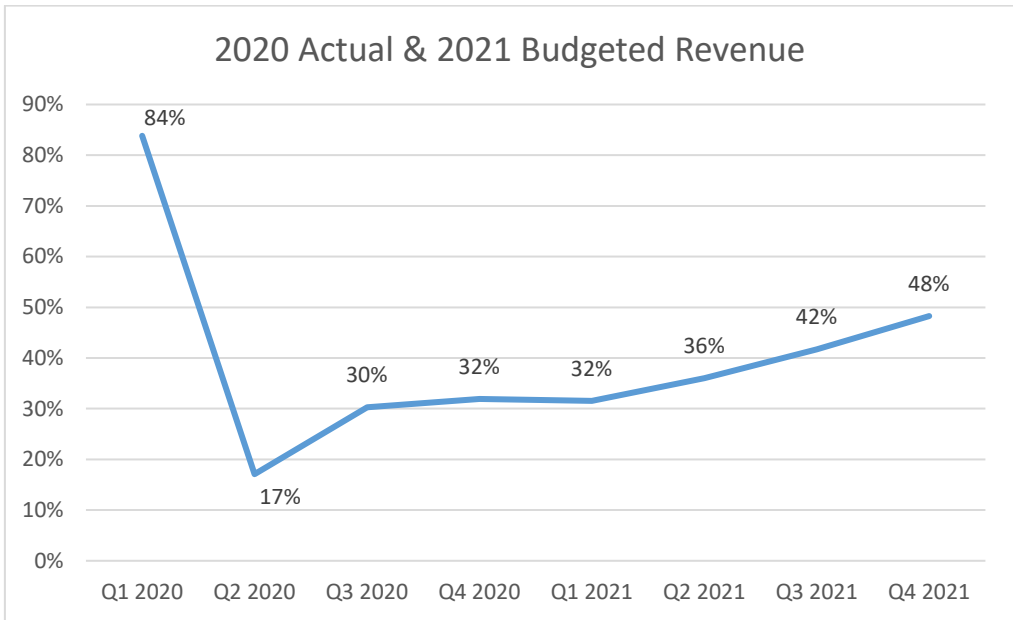


## COVID-19 Financial Impact

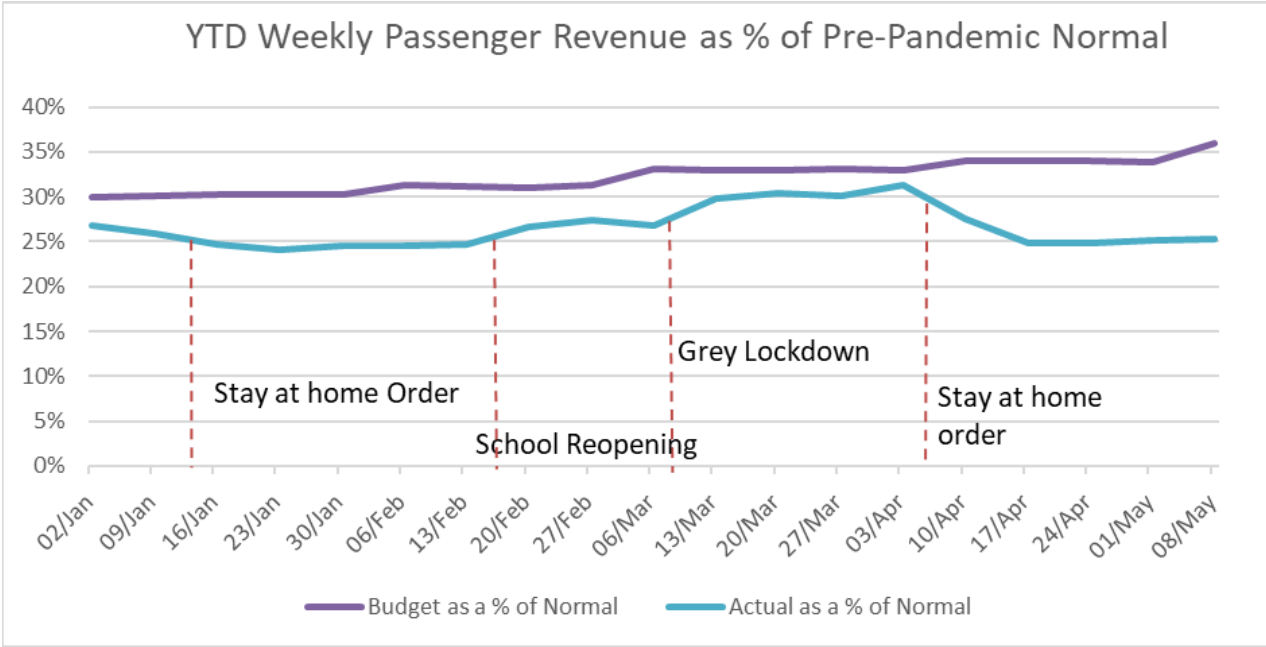
### Passenger Revenue

The 2021 Operating Budget anticipated a \$796.4-million financial impact due to COVID-19, most of which related to an anticipated \$725-million passenger revenue loss net of PRESTO commissions.

When the 2021 ridership budget was finalized in early December 2020, passenger revenue was trending at 30% of pre-pandemic levels. The 2021 Passenger Revenue budget was established on the basis that this ridership level would continue into 2021 with gradual increases in passenger revenue throughout the year as shown below:



The unfavourable budget variance in passenger revenue has been driven by Ontario having been placed in a four-week lockdown beginning December 26, 2020, and the implementation of a Stay-at-Home order on January 14, 2021 and again on April 8, 2021. This caused TTC passenger revenue to fall below budgeted levels throughout January 2021, reaching a low of 25% of pre-COVID experience near the end of January. As schools reopened on February 16, and Toronto entered the Grey Lockdown Zone on March 8, TTC passenger revenue gradually increased, and was as high as 31% of pre-COVID experience in the first few days of April, reaching within 1% of the ridership revenue budgeted level. However, with a Stay-at-Home order coming into effect on April 8, passenger revenue began to decline again to 25% of pre-COVID experience through April. A weekly breakdown of revenue relative to pre-COVID experience is shown in the following chart:



## Passenger Revenue Forecast

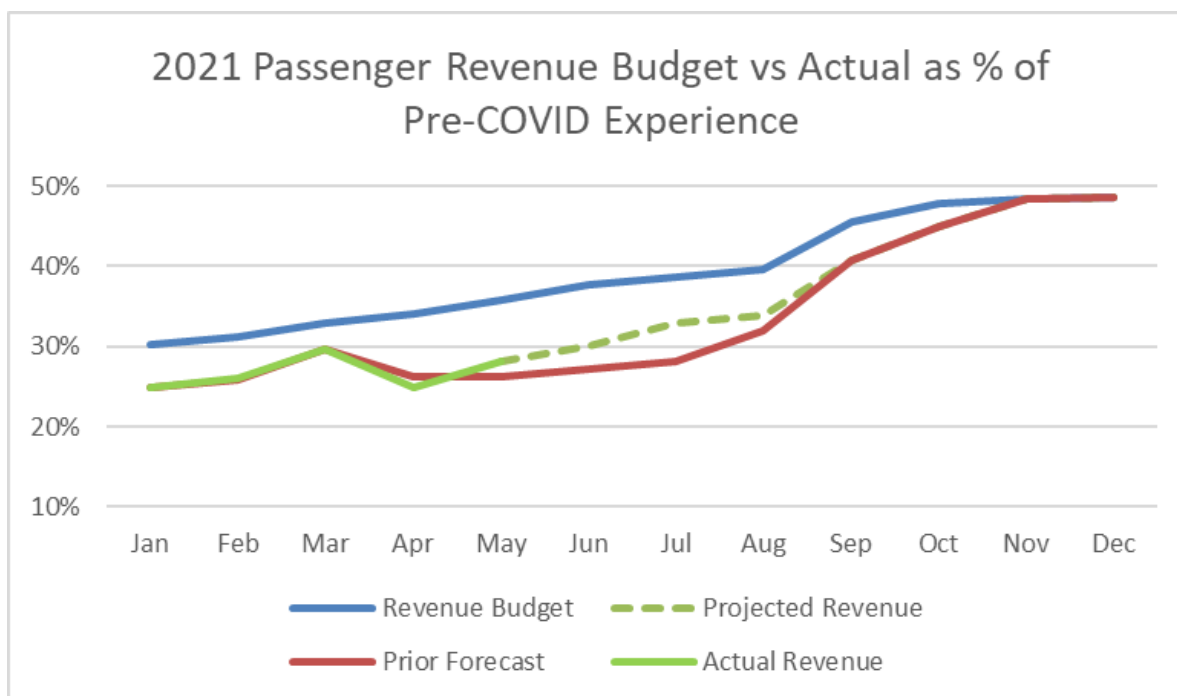
In the COVID-19 Response and Recovery Update, considered at the May 12, 2021 TTC Board meeting, the year-end passenger revenue was forecasted to be approximately \$70 million (or \$67 million net of PRESTO commissions) below budget. However, given the TTC's current experience, with ridership approaching 28% of pre-COVID experience in mid-May, vaccines being deployed at an accelerated pace, and case counts dropping, an updated forecast now indicates a passenger revenue shortfall of approximately \$60 million (or \$57.5 million net of PRESTO commissions) by year-end. The key assumptions incorporated into this projection include:

- Expiry of the current Stay-at-Home Order on June 2;
- Gradual reopening as mandated under the Province of Ontario's three-step Roadmap to Reopen;
- Schools and post-secondary institutions return to in-person learning in September;
- Special events continue to be cancelled for the summer;
- Substantially, all adults are vaccinated by the end of August;
- Ridership returning slowly from May to July; and
- Partial return of non-essential trips (office, leisure) in Q4.

As progress is made through each step of the Province's Reopening Plan, ridership is expected to gradually return through the summer months and the unfavourable passenger revenue variance to budget is expected to narrow and return to the levels anticipated in the 2021 Operating Budget by the fourth quarter.

As shown in the following chart, this budget variance is expected to be concentrated in Q2 and Q3. Q4 is expected to substantially align with budgeted levels, as key assumptions regarding vaccinations, return to school and non-essential trips currently remain consistent with those assumed for the fourth quarter. The TTC will continue to monitor and update forecasts throughout 2021 as new information becomes available.





### Total Financial Impact

The following table summarizes the 2021 financial impacts of COVID-19 as anticipated in the 2021 Operating Budget and based on the current year-end projection. The impact of the unfavourable passenger revenue variance to budget is expected to be substantially offset by projected under-expenditures, with COVID-19 expenses and expenditure trends by service analyzed in the following sections:

| Total Financial Impact                       |                |                     |                       |
|--|----------------|---------------------|-----------------------|
| in Millions                                  | 2021 Budget    | Year-End Projection | Variance Over/(Under) |
| Passenger revenue, net of PRESTO Commissions | \$725.0        | \$782.5             | \$57.5                |
| Ancillary Revenues                           | \$15.9         | \$17.3              | \$1.4                 |
| COVID-19 Expenses                            | \$55.5         | \$50.1              | (\$5.4)               |
| <b>COVID-19 Financial Impact</b>             | <b>\$796.4</b> | <b>\$849.9</b>      | <b>\$53.5</b>         |
| Projected Under-Expenditures                 | -              | (\$50.0)            | (\$50.0)              |
| <b>Total Financial Impact</b>                | <b>\$796.4</b> | <b>\$799.9</b>      | <b>\$3.5</b>          |

### COVID-19 Expenses

The COVID-19 financial impact incorporated into the 2021 Operating Budget includes \$55.5 million in COVID-19 response expenses to protect customer and employee safety. As outlined in the following table, a \$5.4 million favourable variance to budget is anticipated by year-end, primarily due to refined cost estimates associated with response activities:

| COVID-19 Expenses                         |              |             |              |                     |             |              |
|---|--------------|-------------|--------------|---------------------|-------------|--------------|
| Item (\$Millions)                         | Year-To-Date |             |              | Year-End Projection |             |              |
|   | Budget       | Actual      | Variance     | Budget              | Projection  | Variance     |
| <b>Safety and Other Required Measures</b> |              |             |              |                     |             |              |
| Vehicle Disinfection                      | 8.1          | 4.5         | (3.7)        | 25.8                | 20.3        | (5.5)        |
| Personal Protective Equipment             | 2.0          | 1.6         | (0.3)        | 5.9                 | 5.6         | (0.3)        |
| Vehicle Ventilation Filters               | 0.4          | 0.3         | (0.1)        | 1.4                 | 1.2         | (0.1)        |
| Facility Disinfection, Decals and Other   | 1.7          | 0.7         | (1.1)        | 5.8                 | 3.7         | (2.1)        |
| Hand Sanitizer for Customers              | 0.8          | 0.2         | (0.5)        | 2.3                 | 1.7         | (0.5)        |
| Employee Screening Costs                  | 2.5          | 2.4         | (0.1)        | 5.5                 | 7.2         | 1.7          |
| <b>Managing Resourcing</b>                |              |             |              |                     |             |              |
| Incremental Labour Costs                  | 1.3          | 2.4         | 1.2          | 2.7                 | 4.2         | 1.5          |
| Sick Benefit Costs                        | 2.0          | 3.0         | 1.0          | 6.1                 | 6.1         | 0.0          |
| <b>Total COVID-19 Expense</b>             | <b>18.8</b>  | <b>15.2</b> | <b>(3.6)</b> | <b>55.5</b>         | <b>50.1</b> | <b>(5.4)</b> |

### Year-To-Date Results and Projections to Year-End by Service

The following tables present TTC Conventional and Wheel-Trans Services year-to-date financial results and year-end projections, respectively.

#### TTC Conventional Service

##### *2021 Operating Results by Key Account Grouping*

TTC Conventional Service expenses are \$31.3 million below budget and are expected to reach \$44.4 million by year-end. Key drivers of the under-expenditures on a year-to-date basis include:

- Continued expenditure management resulting in deferred hiring and material purchases wherever possible.
- TTC Conventional service levels operating slightly below budget, resulting in wage and energy under-expenditures.

The year-end under-expenditure projection reflects an expectation that the pace and extent of under-expenditures is expected to narrow in the coming months, as amongst other initiatives, operator hiring has recently re-commenced in order to support a full return to pre-pandemic service levels by the start of 2022.

On a year-to-date basis, under-expenditures have offset revenue shortfalls to budget. By year-end, however, revenue shortfalls are expected to exceed under-expenditures for the TTC Conventional service by \$16.4 million, as shown in the following table:

| Item<br>(\$Millions)           | Year-To-Date Actuals |              |               | Year-End Projection |                |               | Status |
|--------------------------------|----------------------|--------------|---------------|---------------------|----------------|---------------|--------|
|                                | Budget               | Actual       | Variance      | Budget              | Projection     | Variance      |        |
| <b>Expenses</b>                |                      |              |               |                     |                |               |        |
| Departmental Labour & Benefits | 487.0                | 474.5        | (12.5)        | 1,469.3             | 1446.8         | (22.5)        | ✓      |
| Departmental Non-Labour        | 80.8                 | 66.3         | (14.5)        | 258.1               | 247.3          | (10.8)        | ✓      |
| Diesel                         | 22.6                 | 21.2         | (1.4)         | 71.0                | 71.0           | 0.0           | –      |
| Traction Power & Utilities     | 29.1                 | 26.4         | (2.7)         | 85.4                | 81.9           | (3.5)         | ✓      |
| PRESTO Commissions             | 5.8                  | 4.6          | (1.2)         | 21.3                | 18.8           | (2.5)         | ✓      |
| Other Corporate Costs          | 19.7                 | 24.2         | 4.5           | 75.6                | 75.6           | 0.0           | –      |
| COVID-19 Costs                 | 18.2                 | 14.7         | (3.5)         | 53.7                | 48.6           | (5.1)         | ✓      |
| <b>Total Expenses</b>          | <b>663.2</b>         | <b>631.9</b> | <b>(31.3)</b> | <b>2,034.4</b>      | <b>1,990.0</b> | <b>(44.4)</b> | ✓      |
| <b>Revenues</b>                |                      |              |               |                     |                |               |        |
| Passenger Revenue              | 131.8                | 108.9        | (22.9)        | 492.0               | 432.6          | (59.4)        | ✗      |
| Other Ancillary Revenue        | 13.7                 | 13.3         | (0.4)         | 54.7                | 53.3           | (1.4)         | ✗      |
| Reserve Draw                   | 0.0                  | 0.0          | 0.0           | 15.8                | 15.8           | 0.0           | –      |
| <b>Total Revenue</b>           | <b>145.5</b>         | <b>122.2</b> | <b>(23.3)</b> | <b>562.5</b>        | <b>501.7</b>   | <b>(60.8)</b> | ✗      |
| <b>Net (Operating Funding)</b> | <b>517.7</b>         | <b>509.7</b> | <b>(8.0)</b>  | <b>1,471.9</b>      | <b>1,488.3</b> | <b>16.4</b>   | ✗      |

Note: The year-end TTC Conventional service shortfall is expected to be mostly offset by a favourable variance in Wheel-Trans, to arrive at a combined \$3.5-million budget shortfall.

### 2021 vs 2020 Results Comparison

Year-end spending is projected to be \$123.5 million (6.6%) higher in 2021 than 2020. Key drivers of this net increase include:

- Higher cost containment savings in 2020:
  - Matching service capacity to demand
  - Expenditure constraint
  - Deferred implementation of new service priorities
  - Workforce realignment strategy
- Annualization of COVID-19 costs to ensure public safety
- Net increase in diesel and hydro prices and consumption

These key drivers were partially offset by:

- A one-time prior-year Reserve Draw contribution associated with the proceeds of the Parliament Street Sale.

Passenger revenue is expected to decrease by \$79.5 million (15.5%) year-over-year, largely reflecting that January and February 2020 had normal levels of passenger revenue and the comparable 2021 amounts were 70% below normal, pre-COVID levels. This unfavourable variance in 2021 is partially offset by passenger revenue projected to be modestly above 2020 revenue ridership levels for the balance of the current year.

| Item<br>(\$Millions)              | Period 4 (Year-To-Date) |                 |                | Year-End        |                 |               |
|-----------------------------------|-------------------------|-----------------|----------------|-----------------|-----------------|---------------|
|                                   | 2021<br>Actuals         | 2020<br>Actuals | Change         | 2021<br>Actuals | 2020<br>Actuals | Change        |
| <b>Expenses</b>                   |                         |                 |                |                 |                 |               |
| Departmental Labour & Benefits    | 474.5                   | 478.3           | (3.8)          | 1,446.8         | 1,371.2         | 75.6          |
| Departmental Non-Labour           | 66.3                    | 63.5            | 2.8            | 247.3           | 216.8           | 30.5          |
| Diesel                            | 21.2                    | 22.3            | (1.1)          | 71.0            | 60.7            | 10.3          |
| Traction Power & Utilities        | 26.4                    | 28.9            | (2.5)          | 81.9            | 81.1            | 0.8           |
| PRESTO Commissions                | 4.6                     | 11.8            | (7.2)          | 18.8            | 21.7            | (2.9)         |
| Other Corporate Costs             | 24.2                    | 25.6            | (1.4)          | 75.6            | 69.7            | 5.9           |
| Reserve Draw Contribution         | 0.0                     | 0.0             | 0.0            | 0.0             | 18.0            | (18.0)        |
| COVID-19 Costs                    | 14.7                    | 4.2             | 10.5           | 48.6            | 27.3            | 21.3          |
| <b>Total Expenses</b>             | <b>631.9</b>            | <b>634.6</b>    | <b>(2.7)</b>   | <b>1,990.0</b>  | <b>1,866.5</b>  | <b>123.5</b>  |
| <b>Revenues and Reserve Draws</b> |                         |                 |                |                 |                 |               |
| Passenger Revenue                 | 108.9                   | 267.8           | (158.9)        | 432.6           | 512.1           | (79.5)        |
| Other Ancillary Revenue           | 13.3                    | 22.4            | (9.1)          | 53.3            | 57.9            | (4.6)         |
| Parliament St. Sale               | 0.0                     | 0.0             | 0.0            | 0.0             | 18.0            | (18.0)        |
| Reserve Draw                      | 0.0                     | 0.0             | 0.0            | 15.8            | 0.0             | 15.8          |
| <b>Total Revenue</b>              | <b>122.2</b>            | <b>290.2</b>    | <b>(168.0)</b> | <b>501.7</b>    | <b>588.0</b>    | <b>(86.3)</b> |
| <b>Net (Operating Funding)</b>    | <b>509.7</b>            | <b>344.4</b>    | <b>165.3</b>   | <b>1,488.3</b>  | <b>1278.5</b>   | <b>209.8</b>  |

## Wheel-Trans Service

### 2021 Operating Results by Key Account Grouping

As noted in the following table, Wheel-Trans expenses are \$6.6 million below budget with under-expenditures in all categories, partially offset by a revenue budget shortfall of \$0.3 million. Given the rise in COVID-19 cases and the subsequent Stay-at-Home order in early 2021, Wheel-Trans continues to experience lower-than-budgeted ridership. As a result of lower ridership demand, Wheel-Trans is experiencing reduced contracted taxi and bus service costs. This trend is expected to continue for the remainder of the year.

| Item<br>(\$Millions)           | Year-To-Date Actuals |             |              | Year-End Projection |              |               | Status |
|--------------------------------|----------------------|-------------|--------------|---------------------|--------------|---------------|--------|
|                                | Budget               | Actual      | Variance     | Budget              | Projection   | Variance      |        |
| <b>Expenses</b>                |                      |             |              |                     |              |               |        |
| Bus Service                    | 16.2                 | 14.8        | (1.4)        | 52.3                | 48.9         | (3.4)         | ✓      |
| Contracted Taxi                | 8.5                  | 5.4         | (3.1)        | 31.1                | 24.5         | (6.6)         | ✓      |
| Employee Benefits              | 5.7                  | 4.8         | (0.9)        | 16.1                | 16.2         | 0.1           | ✗      |
| Administration/Management      | 5.4                  | 4.3         | (1.1)        | 17.3                | 14.0         | (3.3)         | ✓      |
| COVID-19 Costs                 | 0.6                  | 0.5         | (0.1)        | 1.8                 | 1.5          | (0.3)         | ✓      |
| <b>Total Expenses</b>          | <b>36.4</b>          | <b>29.8</b> | <b>(6.6)</b> | <b>118.6</b>        | <b>105.1</b> | <b>(13.5)</b> | ✓      |
| <b>Passenger Revenues</b>      | <b>1.2</b>           | <b>0.9</b>  | <b>(0.3)</b> | <b>4.3</b>          | <b>3.7</b>   | <b>(0.6)</b>  | ✗      |
| <b>Net (Operating Subsidy)</b> | <b>35.2</b>          | <b>28.9</b> | <b>(6.3)</b> | <b>114.3</b>        | <b>101.4</b> | <b>(12.9)</b> | ✓      |

### 2021 vs 2020 Results Comparison

As noted in the table below, expenses and revenues are substantially lower on a year-to-date basis in 2021 versus 2020, primarily due to a reduction in ridership demand and the resultant reduced requirement for contracted taxi services.

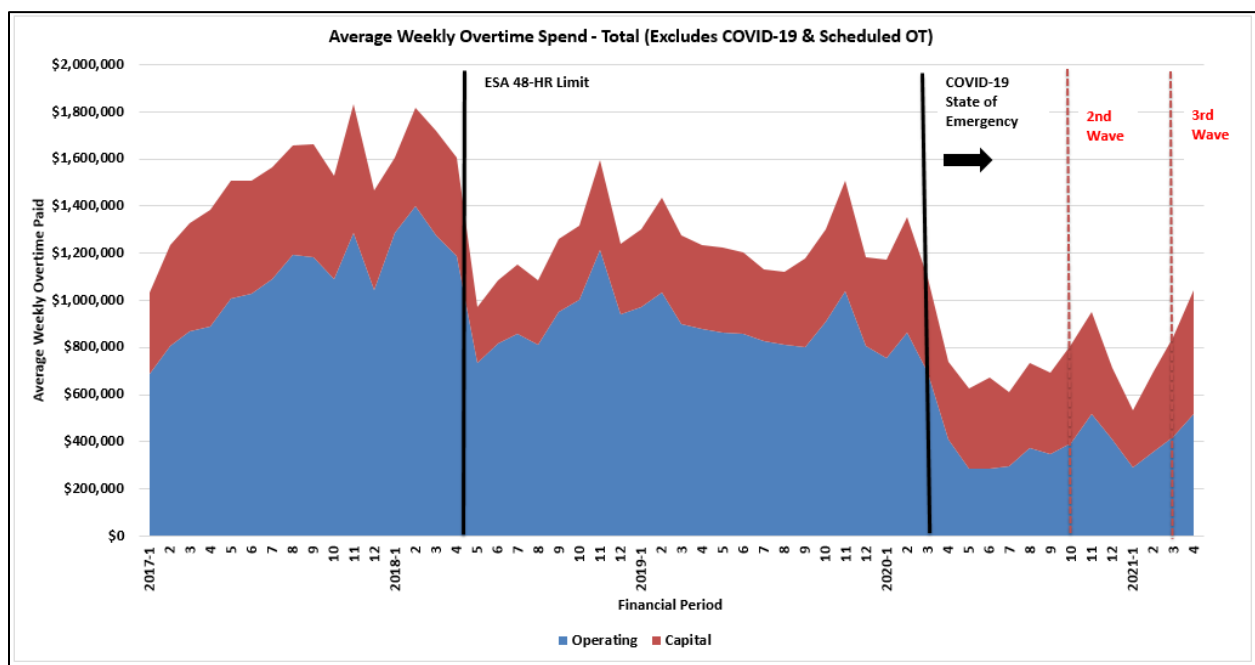
For the balance of the current year, ridership demand is expected to trend above 2020 levels resulting in year-end expenditure and revenue projections, which are comparable to 2020 experience, as shown in the following table:

| Item<br>(\$Millions)           | Period 4 (Year-To-Date) |                 |               | Year-End        |                 |              |
|--------------------------------|-------------------------|-----------------|---------------|-----------------|-----------------|--------------|
|                                | 2021<br>Actuals         | 2020<br>Actuals | Change        | 2021<br>Actuals | 2020<br>Actuals | Change       |
| <b>Expenses</b>                |                         |                 |               |                 |                 |              |
| Bus Service                    | 14.8                    | 16.0            | (1.2)         | 48.9            | 49.3            | (0.4)        |
| Contracted Taxi                | 5.4                     | 15.6            | (10.2)        | 24.5            | 27.4            | (2.9)        |
| Employee Benefits              | 4.8                     | 5.7             | (0.9)         | 16.2            | 15.4            | 0.8          |
| Administration/Management      | 4.3                     | 4.6             | (0.3)         | 14.0            | 13.3            | 0.7          |
| COVID-19 Incremental Costs     | 0.5                     | 0.0             | 0.5           | 1.5             | 0.0             | 1.5          |
| <b>Total Expenses</b>          | <b>29.8</b>             | <b>41.9</b>     | <b>(12.1)</b> | <b>105.1</b>    | <b>105.4</b>    | <b>(0.3)</b> |
| <b>Passenger Revenues</b>      | <b>0.9</b>              | <b>2.1</b>      | <b>(1.2)</b>  | <b>3.7</b>      | <b>3.9</b>      | <b>(0.2)</b> |
| <b>Net (Operating Funding)</b> | <b>28.9</b>             | <b>39.8</b>     | <b>(10.9)</b> | <b>101.4</b>    | <b>101.5</b>    | <b>(0.1)</b> |

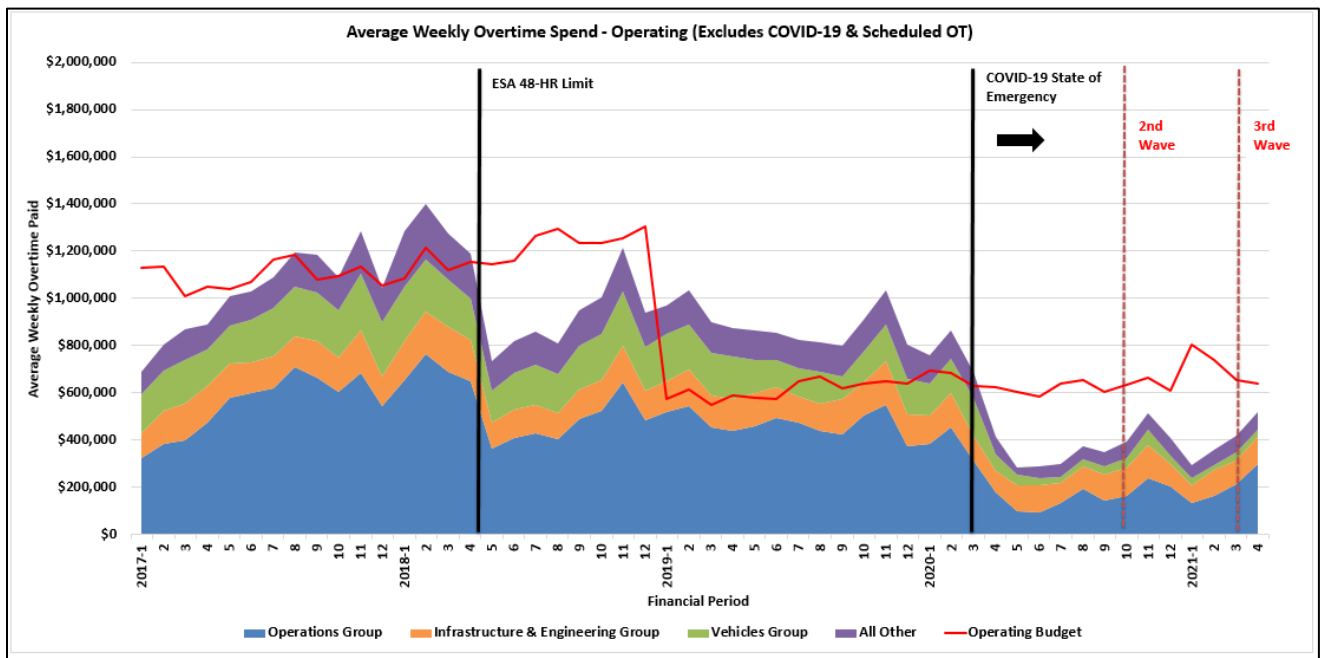
## Overtime Management

The management of overtime expenses continues to be a key area of focus for the TTC, one that contributes to meeting TTC's service objective of enhancing its financial sustainability. Overtime expenditures are required to meet both operating and capital needs. Operating requirements are driven by the need to address incident response and absence coverage, and capital requirements support efforts to maximize productivity, while minimizing disruption during capital project delivery.

As shown in the following graph, excluding overtime required for the TTC's COVID-19 response and scheduled service overtime, average weekly overtime spending (total combined) has been reduced by approximately 40%, from an average of \$1.3 million per week in 2019, to an average of \$0.8 million in 2021. TTC staff have managed to reduce overtime by 40% after accounting for a recent increase in overtime due to increased closures and diversions activity, higher absenteeism due to the second and third waves of the pandemic resulting in a need to fill open shifts, and capital overtime incurred specifically to advance unplanned subway state of good repair work.



The management of overtime has been a priority over the past several years. There has been a general decline since 2017, and cost containment efforts as part of the TTC's COVID-19 response have resulted in approximately 42% decline in overtime for operating requirements in the first four months of 2021 compared to the first four months of 2020. A substantial decline has been experienced across all operating groups and departments as shown in the following graph:



Overtime spending trends are actively being monitored by department. Increased efforts are being made to fill vacancies and implement schedule adjustments to further reduce overtime requirements. Reductions will be made to 2022 budget requirements to reflect efficiencies achieved to date and anticipated impact of ongoing initiatives.

## Financial Update – Capital

### Adjustments to the 2021-2030 Capital Budget and Plan

At its meeting on May 25, 2021, the TTC Board approved the following expenditure adjustments to the TTC's 2021-2030 Capital Budget and Plan for the TTC Streetcar Program by:

- A. Increasing the 2021-2030 Approved Capital Budget and Plan by \$425.785 million to a total of \$568.0 million for the TTC Streetcar Program to reflect the procurement of an additional 47 streetcars at an incremental cost of \$328.248 million, and the modifications to the Hillcrest Facility to accommodate the additional fleet at an additional cost of \$97.537 million; and
- B. Amending the 2021 Capital Budget and 2022-2027 cash flow funding estimates to align with the estimated project delivery schedule to the following:

|                    | 2021           | 2022          | 2023          | 2024           | 2025           | 2026          | 2027         | Total          |
|--------------------|----------------|---------------|---------------|----------------|----------------|---------------|--------------|----------------|
| 60 Streetcars      | 103,042        | 14,925        | 64,495        | 194,289        | 87,006         | 4,243         |              | 468,000        |
| Hillcrest Facility | 200            | 2,800         | 8,000         | 14,000         | 40,000         | 30,000        | 5,000        | 100,000        |
| <b>Total</b>       | <b>103,242</b> | <b>17,725</b> | <b>72,495</b> | <b>208,289</b> | <b>127,006</b> | <b>34,243</b> | <b>5,000</b> | <b>568,000</b> |

The above amendments were subsequently approved by Toronto City Council at its meeting on May 26, 2021.

With the amendments approved by the TTC Board and Toronto City Council, the TTC's 10-Year Capital Budget and Plan has been revised as noted in the table below:

| Description<br>\$ Millions                      | 2021<br>Budget  | 2022            | 2023            | 2024            | 2025            | 2026            | 2027          | 2028          | 2029          | 2030          | 10-Year<br>Total |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|---------------|---------------|---------------|------------------|
| Total Approved Budget & Plan                    | 1,414.87        | 1,660.47        | 1,544.21        | 1,299.14        | 1,254.77        | 1,178.73        | 988.70        | 959.48        | 952.56        | 754.21        | 12,007.14        |
| Budget & Plan Amendments                        | (38.83)         | 17.59           | 72.50           | 208.29          | 127.01          | 34.24           | 5.00          | -             | -             | -             | 425.78           |
| <b>Revised Total Approved Budget &amp; Plan</b> | <b>1,376.04</b> | <b>1,678.06</b> | <b>1,616.70</b> | <b>1,507.43</b> | <b>1,381.77</b> | <b>1,212.97</b> | <b>993.70</b> | <b>959.48</b> | <b>952.56</b> | <b>754.21</b> | <b>12,432.93</b> |

The reporting of capital results takes into account these amendments to the 2021-2030 Capital Budget and Plan.

### TTC 2021 Capital Results

As of May 1, 2021, the TTC has incurred \$184.1 million in capital spending, reflecting a spending rate of 14.3% for the TTC base capital program and \$6.6 million or 7.1% for transit expansion projects, resulting in an overall spending rate of 13.9% at the end of Period 4.

By year-end, the TTC is projecting \$1.226 billion in overall capital spending, representing an 89.1% spending rate, split between the TTC's base capital program (\$1.137 billion or 88.6%) and transit expansion projects (\$89.2 million or 96.5%).

The following table summarizes year-to-date and projected year-end results by key project type:



| Description<br>(\$ Millions)          | 2021<br>Budget | Year-to-Date Actuals |              | Year-End Projection |              |
|---------------------------------------|----------------|----------------------|--------------|---------------------|--------------|
|                                       |                | \$                   | %            | \$                  | %            |
| <b>TTC Base Capital</b>               |                |                      |              |                     |              |
| Infrastructure Projects               | 895.4          | 120.9                | 13.5%        | 780.1               | 87.1%        |
| Vehicle Related Projects              | 388.2          | 63.3                 | 16.3%        | 357.1               | 92.0%        |
| <b>Total - Base Capital</b>           | <b>1,283.6</b> | <b>184.1</b>         | <b>14.3%</b> | <b>1,137.2</b>      | <b>88.6%</b> |
| <b>TTC Transit Expansion</b>          |                |                      |              |                     |              |
| Toronto York Spadina Subway Extension | 59.7           | 2.4                  | 4.0%         | 59.9                | 100.3%       |
| Scarborough Subway Extension          | 26.1           | 2.1                  | 8.1%         | 20.1                | 77.1%        |
| Waterfront Transit - Design           | 6.6            | 2.0                  | 31.1%        | 9.2                 | 139.6%       |
| <b>Total - Transit Expansion</b>      | <b>92.4</b>    | <b>6.6</b>           | <b>7.1%</b>  | <b>89.2</b>         | <b>96.5%</b> |
| <b>Total</b>                          | <b>1,376.0</b> | <b>190.7</b>         | <b>13.9%</b> | <b>1,226.4</b>      | <b>89.1%</b> |

The results summarized above and outlined in Appendix 1 reflect adjustments made to the 2021 Capital Budget and Plan in order to offset projects that have had accelerated spending with projects that have experienced some delays and therefore lower spending. These budget adjustments, detailed in Appendix 2, will be submitted for City Council approval with the City's Period 4 Capital Variance Report.

### **Key Highlights**

The TTC's 2021 year-to-date and projected year-end capital results are primarily driven by the purchase of buses and streetcars for vehicle-related projects. For infrastructure projects, the main drivers are attributable to projects in the Other Buildings and Structures, Computer Equipment and Software, and Service Planning capital programs.

### **Vehicle Related Projects**

Purchase of Buses:

While only \$0.8 million or 6% of the 2021 Approved Capital Budget of \$14.7 million has been spent as of Period 4, the TTC will be releasing a Request for Proposal for the procurement of 337 hybrid buses in Q2 2021. As part of the payment terms within this RFP, 20% of the contract value (approximately \$70 million) will be issued once the Notice to Proceed is provided. This is expected in Q3 2021. As such, year-end spending is projected to exceed the current approved budget with projected spending of \$87.2 million. A budget adjustment to increase the TTC's spending authority will be included in the Quarter 2 Variance Report to City Council for approval to accommodate this accelerated funding requirement for 2021.

### Purchase of Streetcars:

\$28.4 million or 13% of the 2021 Approved Capital Budget of \$221.5 million has been spent as of Period 4. Projected year-end spending is anticipated to be \$137.6 million or 62% of the 2021 Approved Capital Budget. With Council's approval of the purchase of an additional 47 streetcars, for a total of 60, on May 26, 2021, the Notice to Proceed was issued and the first payment of approximately \$65 million will be made, resulting in 100% spending for 2021 for this procurement.

The underspending in this program is driven by the 204 LRV Procurement and the Major Repair Program. The projected underspending on the 204 LRV procurement is due to project closure activities not being completed until 2022. The Major Repair Program, also included in this project, is tracking behind schedule due to the impact of the COVID-19 pandemic, which forced Alstom's production facilities to temporarily shut down in late March 2020. Currently, Alstom is working on accelerating the program to be completed by the end of 2022.

### Infrastructure Projects

#### Other Buildings and Structures:

\$16.8 million or 13% of the \$133 million allocated for the Other Buildings and Structures program in the 2021 Approved Capital Budget has been spent as of Period 4. Projected year-end spending is anticipated to be \$91.4 million or 69% of the 2021 Approved Capital Budget. Underspending is mainly a result of property expenditures being deferred to 2022. In addition, the design period for the Birchmount Bus Dryer project has also been extended due to code compliance and operational issues related to acceptable noise limits from the bus dryer, which has delayed the construction phase of this project.

#### Computer Equipment and Software:

\$8.0 million or 8% of the \$102.5 million included in the 2021 Approved Capital Budget for this capital program has been spent as of Period 4. Projected year-end spending is anticipated to be \$79.8 million or 78% of the 2021 Approved Capital Budget.

The projected underspending is primarily driven by the VISION project, where ongoing project testing for the Yard Management System has delayed vendor payments. For the SAP program, protracted negotiations for the Time and Attendance project has delayed the projected start time. The award for hardware, software and vendor services for this project will be submitted for consideration at the July Board meeting. The Cybersecurity project has also experienced some delay on issuing an RFP (Managed Security Services Provider – MSSRP) so the TTC could first assess whether the City's Master Service Agreement could be leveraged. However, the scope of that agreement does not extend to services for operating technology required by the TTC. The contract execution is now targeted for Q4 2021 and payments for security services will begin in 2022.

## Service Planning:

\$4.0 million or 9% of the \$45.3 million allocated in the 2021 Approved Capital Budget has been spent as of Period 4. Projected year-end spending is anticipated to be \$23.8 million or 52% of the 2021 Approved Capital Budget. Underspending is due to a lower than planned contract award price for platform, road and signal work related to the queue jump lane at Lakeshore and Brown's Line/Long Branch Loop and the deferral of planned work for the Broadview and Dundas platform to 2022 to align with a revised City schedule for this project.

## TTC Transit Expansion

### Waterfront Transit:

\$2.0 million or 31% of the \$6.6 million included in the 2021 Approved Capital Budget for the Waterfront Transit project has been spent as of Period 4. Projected year-end spending is anticipated to be \$9.2 million or 140% of the 2021 Approved Capital Budget. The increase in projected year-end spending is due to the advancement of design work. A budget adjustment to increase the spending authority will be included in the Quarter 2 Variance Report to City Council for approval to accommodate this accelerated funding requirement for 2021.

Additional information summarizing 2021 capital spending results for the period by program is provided in Appendix 1 – 2021 Capital Spending Summary by Program. Appendix 2 itemizes the budget adjustments that will be included in the TTC's submission to the City for inclusion in the Quarter 2 Variance Report to City Council for its approval.

## Major Capital Projects Update

The TTC's delivery of a multi-billion-dollar capital program is guided by the TTC's Project Management Framework. The broad range of capital projects are categorized into three project types; the greater the category the more complex the project (higher risks and uncertainties). The categorization takes into consideration amongst other things: budget, staff experience in delivery, risks and uncertainty behind the project itself.

The programs and projects referred to hereafter as projects, have been included in the dashboard due to their value, scope and/or strategic significance. This quarterly update highlights the performance of these projects against their approved budget, planned schedule and in-scope activities.

**Please see Appendix 3 for the TTC's Category 3 Projects Capital Spending Dashboard, which highlights capital performance for the TTC's major**

**capital projects and Appendix 4 for Category 3 Major Projects Update (as of Year-end) which provides an update on the capital delivery performance for each major project within the TTC's base capital and transit expansion programs.**

## **Contact**

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Alex Cassar, Director – Budgets, Costing and Financial Reporting  
416-393-3647  
alex.cassar@ttc.ca

Mark Del Vecchio, Director – Capital Accounting (Acting)  
416-393-2633  
mark.delvecchio@ttc.ca

## **Signature**

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Josie La Vita  
Interim Chief Financial Officer

## **Attachments**

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Appendix 1 – 2021 Capital Spending Summary by Program  
Appendix 2 – 2021 Budget Adjustments for Council Approval  
Appendix 3 – Category 3 Projects Capital Spending Dashboard  
Appendix 4 – Category 3 Major Projects Update

## Appendix 1 – 2021 Capital Spending Summary by Program

### Toronto Transit Commission 2021 Capital Budget Variance (Pd 4) For the Period Ended May 1, 2021

| EXPENDITURES BY PROGRAM                       | 2021 Budget      | Year-to-Date   |                  |            | Year End         |                |            |
|---|------------------|----------------|------------------|------------|------------------|----------------|------------|
|   |                  | Actuals        | Variance         | %          | Projection       | Variance       | %          |
| <b>TRACK</b>                                  | <b>95.274</b>    | <b>8.957</b>   | <b>86.317</b>    | <b>9%</b>  | <b>89.862</b>    | <b>5.411</b>   | <b>94%</b> |
| 1.1 Subway Track                              | 43.704           | 4.911          | 38.793           | 11%        | 41.204           | 2.499          | 94%        |
| 1.2 Surface Track                             | 51.570           | 4.046          | 47.524           | 8%         | 48.658           | 2.912          | 94%        |
| <b>ELECTRICAL SYSTEMS</b>                     | <b>131.040</b>   | <b>28.697</b>  | <b>102.343</b>   | <b>22%</b> | <b>113.305</b>   | <b>17.735</b>  | <b>86%</b> |
| 2.1 Traction Power                            | 26.805           | 6.076          | 20.729           | 23%        | 24.367           | 2.438          | 91%        |
| 2.2 Power Distribution/Electric Systems       | 8.168            | 1.435          | 6.732            | 18%        | 8.194            | (0.026)        | 100%       |
| 2.3 Communications                            | 18.096           | 3.254          | 14.843           | 18%        | 14.928           | 3.168          | 82%        |
| 2.4 Signal Systems                            | 16.309           | 4.543          | 11.766           | 28%        | 14.167           | 2.142          | 87%        |
| ATC Resignalling                              | 61.662           | 13.389         | 48.272           | 22%        | 51.650           | 10.012         | 84%        |
| <b>BUILDINGS &amp; STRUCTURES</b>             | <b>469.648</b>   | <b>66.354</b>  | <b>403.295</b>   | <b>14%</b> | <b>434.962</b>   | <b>34.686</b>  | <b>93%</b> |
| 3.1 Finishes                                  | 39.689           | 7.152          | 32.538           | 18%        | 34.274           | 5.415          | 86%        |
| 3.2 Equipment                                 | 51.211           | 4.939          | 46.272           | 10%        | 47.943           | 3.268          | 94%        |
| 3.3 Yards & Roads                             |                  |                |                  |            |                  |                |            |
| Streetcar Network Upgrades & BRT              | 4.829            | 0.064          | 4.765            | 1%         | 4.745            | 0.084          | 98%        |
| On-Grade Paving Rehabilitation Program        | 8.970            | 1.404          | 7.566            | 16%        | 13.679           | (4.709)        | 152%       |
| Bicycle parking at stations                   | 0.652            | 0.000          | 0.652            | 0%         | 0.552            | 0.100          | 85%        |
| Transit Shelters & Loops                      | 0.591            | 0.000          | 0.591            | 0%         | 0.591            | 0.000          | 100%       |
| 3.4 Bridges & Tunnels                         | 34.423           | 6.540          | 27.883           | 19%        | 31.725           | 2.698          | 92%        |
| 3.9 Buildings and Structures Projects         |                  |                |                  |            |                  |                |            |
| Fire Ventilation Upgrades & Second Exits      | 23.719           | 4.030          | 19.689           | 17%        | 35.459           | (11.740)       | 149%       |
| Easier Access Phase III                       | 80.148           | 14.619         | 65.528           | 18%        | 80.496           | (0.348)        | 100%       |
| Leslie Barns                                  | 8.105            | 0.512          | 7.593            | 6%         | 2.224            | 5.881          | 27%        |
| Toronto Rocket/T1 Rail Yard Accommodation     | 34.983           | 7.409          | 27.574           | 21%        | 32.160           | 2.823          | 92%        |
| McNicoll New Bus Garage                       | 1.951            | 0.759          | 1.192            | 39%        | 2.347            | (0.396)        | 120%       |
| Warehouse Consolidation                       | 2.240            | (0.108)        | 2.348            | -5%        | 2.101            | 0.138          | 94%        |
| Yonge-Bloor Capacity Enhancement              | 45.148           | 2.270          | 42.878           | 5%         | 55.265           | (10.117)       | 122%       |
| Other Buildings and Structures                | 132.990          | 16.764         | 116.226          | 13%        | 91.401           | 41.588         | 69%        |
| <b>VEHICLES</b>                               | <b>388.218</b>   | <b>63.283</b>  | <b>324.935</b>   | <b>16%</b> | <b>357.088</b>   | <b>31.130</b>  | <b>92%</b> |
| REVENUE VEHICLES                              |                  |                |                  |            |                  |                |            |
| 4.11 Purchase of Buses                        | 14.687           | 0.818          | 13.869           | 6%         | 87.164           | (72.477)       | 593%       |
| 4.11 Purchase of Buses - Wheel Trans Buses    | 27.976           | 1.469          | 26.507           | 5%         | 12.355           | 15.621         | 44%        |
| 4.12 Purchase of Subway Cars                  | 13.876           | 1.388          | 12.488           | 10%        | 12.715           | 1.161          | 92%        |
| 4.13 Bus Overhaul                             | 62.228           | 19.849         | 42.379           | 32%        | 62.229           | (0.001)        | 100%       |
| 4.15 Streetcar Overhaul                       | 4.640            | 0.789          | 3.851            | 17%        | 4.486            | 0.154          | 97%        |
| 4.16 Subway Car Overhaul                      | 31.300           | 9.253          | 22.048           | 30%        | 28.764           | 2.536          | 92%        |
| 4.18 Purchase of Streetcars                   | 221.535          | 28.386         | 193.148          | 13%        | 137.625          | 83.910         | 62%        |
| NON-REVENUE VEHICLES                          |                  |                |                  |            |                  |                |            |
| 4.21 Purchase Automotive Non-Revenue Vehicles | 6.369            | 0.402          | 5.967            | 6%         | 6.322            | 0.047          | 99%        |
| 4.22 Rail Non-Revenue Vehicle Overhaul        | 3.445            | 0.602          | 2.843            | 17%        | 3.418            | 0.027          | 99%        |
| 4.23 Purchase Rail Non-Revenue Vehicles       | 2.162            | 0.326          | 1.836            | 15%        | 2.010            | 0.152          | 93%        |
| <b>TOTAL OTHER</b>                            | <b>199.444</b>   | <b>16.849</b>  | <b>182.595</b>   | <b>8%</b>  | <b>141.989</b>   | <b>57.455</b>  | <b>71%</b> |
| TOOLING, MACHINERY & EQUIPMENT                |                  |                |                  |            |                  |                |            |
| 5.1 Shop Equipment                            | 12.121           | 0.618          | 11.503           | 5%         | 11.607           | 0.514          | 96%        |
| 5.2 Revenue & Fare Handling Equipment         | 12.860           | 2.119          | 10.741           | 16%        | 7.062            | 5.798          | 55%        |
| 5.3 Other Maintenance Equipment               | 3.047            | 0.038          | 3.009            | 1%         | 3.047            | 0.000          | 100%       |
| 5.4 Fare System                               | 4.585            | 0.196          | 4.389            | 4%         | 4.436            | 0.149          | 97%        |
| ENVIRONMENTAL PROGRAMS                        |                  |                |                  |            |                  |                |            |
| 6.1 Environmental Programs                    | 17.679           | 2.035          | 15.644           | 12%        | 10.918           | 6.761          | 62%        |
| 6.1 Safety and Reliability                    | 1.004            | (0.217)        | 1.221            | -22%       | 1.304            | (0.300)        | 130%       |
| COMPUTER EQUIPMENT & SOFTWARE                 |                  |                |                  |            |                  |                |            |
| 7.1 Computer Equipment & Software             | 102.526          | 8.033          | 94.493           | 8%         | 79.767           | 22.759         | 78%        |
| OTHER   |                  |                |                  |            |                  |                |            |
| 9.1 Furniture & Office Equipment              | 0.299            | 0.041          | 0.258            | 14%        | 0.087            | 0.212          | 29%        |
| 9.2 Service Planning                          | 45.322           | 3.987          | 41.335           | 9%         | 23.760           | 21.562         | 52%        |
| <b>Total Base Programs</b>                    | <b>1,283.624</b> | <b>184.140</b> | <b>1,099.484</b> | <b>14%</b> | <b>1,137.207</b> | <b>146.417</b> | <b>89%</b> |
| Toronto York Spadina Subway Extension         | 59.706           | 2.409          | 57.298           | 4%         | 59.900           | (0.193)        | 100%       |
| Scarborough Subway Extension                  | 26.136           | 2.115          | 24.021           | 8%         | 20.144           | 5.992          | 77%        |
| Waterfront Transit - Design                   | 6.574            | 2.043          | 4.531            | 31%        | 9.175            | (2.601)        | 140%       |
| <b>Total Transit Expansion Projects</b>       | <b>92.416</b>    | <b>6.567</b>   | <b>85.850</b>    | <b>7%</b>  | <b>89.218</b>    | <b>3.198</b>   | <b>97%</b> |

## Appendix 2 – 2021 Budget Adjustments for Council Approval

| CTT                      | Program                                   | Amount<br>(\$ 000's) |
|--------------------------|---|----------------------|
| CTT001                   | Subway Track                              | 1,070                |
| CTT002                   | Surface Track                             | (1,493)              |
| CTT003                   | Traction Power                            | 1,234                |
| CTT006                   | Communications                            | (99)                 |
| CTT008                   | Signal Systems                            | (1,070)              |
| CTT010                   | Finishes                                  | 13,700               |
| CTT018                   | Ongrade Paving                            | (504)                |
| CTT024                   | Fire Ventilation & Second Exits           | (6,804)              |
| CTT028                   | Easier Access III                         | (3,327)              |
| CTT046                   | Purchase of Subway Cars                   | (165)                |
| CTT051                   | Subway Car Overhaul                       | 845                  |
| CTT052                   | Automotive Non-Revenue Vehicle Purchase   | 46                   |
| CTT053                   | Rail Non-Revenue Vehicle Overhaul         | (315)                |
| CTT054                   | Rail Non-Revenue Vehicle Purchase         | 260                  |
| CTT055                   | Shop Equipment                            | 80                   |
| CTT058                   | Environmental Programs                    | 395                  |
| CTT061                   | Computer Equipment & Software             | 669                  |
| CTT063                   | Service Planning                          | 8,258                |
| CTT110                   | Other Buildings & Structures              | (10,994)             |
| CTT111                   | Purchase of Buses                         | 3,042                |
| CTT122                   | Purchase of Streetcars                    | (39,752)             |
| CTT142                   | ATC Resignalling                          | (2,240)              |
| CTT146                   | Toronto Rocket/T1 Rail Yard Accommodation | (100)                |
| CTT152                   | Safety & Reliability                      | (300)                |
| CTT153                   | Warehouse Consolidation                   | (126)                |
| CTT154                   | Corporate Initiatives                     | (1,143)              |
| <b>Total Adjustments</b> |   | <b>(38,833)</b>      |

## Appendix 3 – Category 3 Projects Capital Spending Dashboard

### Category 3 Projects Capital Spending Dashboard

| Projects/Programs                         | Critical Path | Cost (millions) |               |                |                |                  |                  |    |                  |    |    | Schedule |    | Scope |    | Overall |  |
|---|---------------|-----------------|---------------|----------------|----------------|------------------|------------------|----|------------------|----|----|----------|----|-------|----|---------|--|
|   |               | 2021 YTD        |               | 2021           | 2021           | Approved         | Actual           |    | Projected        |    | CS | OS       | CS | OS    | CS | OS      |  |
|   |               | Budget          | Actual        | Approved       | Forecast       | Budget           | LTD              | CS | EFC              | OS |    |          |    |       |    |         |  |
| <b>Category 3</b>                         |               |                 |               |                |                |                  |                  |    |                  |    |    |          |    |       |    |         |  |
| ATC Resignalling - Line 1                 | 3             | \$19.0          | \$13.1        | \$57.8         | \$50.0         | \$737.0          | \$577.3          | G  | \$737.0          | G  | G  | G        | G  | G     | G  | G       |  |
| Easier Access Phase III                   | 4             | \$18.9          | \$14.6        | \$80.1         | \$80.5         | \$1080.7         | \$402.3          | G  | \$1080.7         | G  | G  | Y        | G  | G     | G  | Y       |  |
| Fire Ventilation Upgrades                 | Safety        | \$6.6           | \$4.0         | \$23.7         | \$35.5         | \$521.1          | \$307.0          | Y  | \$2252.2         | G  | Y  | G        | G  | G     | Y  | G       |  |
| Purchase of Buses                         | 3             | \$1.1           | \$0.8         | \$13.6         | \$86.2         | \$899.3          | \$206.6          | G  | \$3572.9         | Y  | G  | G        | G  | G     | G  | Y       |  |
| Charging Systems                          | 3             | \$0.2           | \$0.3         | \$17.7         | \$17.7         | \$117.6          | \$39.4           | G  | \$696.2          | Y  | G  | G        | G  | G     | G  | Y       |  |
| Wheels Trans 10-Yr Transformation Program | 4             | \$1.2           | \$0.1         | \$4.1          | \$4.3          | \$49.8           | \$28.2           | G  | \$49.8           | G  | G  | Y        | G  | Y     | G  | Y       |  |
| PRESTO                                    | 3             | \$0.7           | \$0.2         | \$4.0          | \$4.0          | \$79.8           | \$60.3           | Y  | \$79.8           | Y  | Y  | Y        | G  | G     | Y  | Y       |  |
| Stations Transformation                   | 4             | \$1.8           | \$2.0         | \$8.8          | \$8.8          | \$50.8           | \$26.4           | Y  | \$50.8           | G  | Y  | Y        | G  | G     | Y  | G       |  |
| VISION Program (CAD/AVL)                  | 3             | \$1.8           | \$1.8         | \$34.2         | \$16.3         | \$114.7          | \$82.2           | Y  | \$114.7          | G  | R  | R        | G  | G     | Y  | Y       |  |
| SAP ERP Implementation                    | 5             | \$3.1           | \$2.6         | \$16.5         | \$14.6         | \$272.8          | \$80.2           | G  | \$272.8          | G  | G  | G        | G  | G     | G  | G       |  |
| <b>Total</b>                              |               | <b>\$54.4</b>   | <b>\$39.4</b> | <b>\$260.5</b> | <b>\$317.8</b> | <b>\$3,923.6</b> | <b>\$1,810.1</b> |    | <b>\$8,906.9</b> |    |    |          |    |       |    |         |  |



| Cost (\$Millions) |                 |                 |                      |
|-------------------|-----------------|-----------------|----------------------|
| 2021 YTD Budget   | 2021 YTD Actual | Approved Budget | Estimated Final Cost |
| \$54.4M           | \$39.4M         | \$3,923.6M      | \$8,906.9M           |

#### Performance Scorecard Status

- G On Track to Meet Project Objectives
- Y At Risk of Not Meeting Project Objectives
- R Will Not Meet Project Objectives

EFC: Estimated Final Cost

LTD: Life to Date

CS: Current State

CT: Current Trend

OS: Outlook to Completion Status

#### Note:

- Financials are reported as of Period 4 including Carry Forward amounts from 2020 and reflect budget approvals as of February 18, 2021 (Council Approval). All other Project Performance Indicators (overall status, schedule and scope) reflect year-to-date results as of May 1, 2021.

## Appendix 4 – Category 3 Major Projects Update

### Overview

The TTC's delivery of a multi-billion-dollar capital program is guided by TTC's Project Management Framework. The broad range of capital projects are categorized into three project types; the greater the category the more complex the project (higher risks and uncertainties). The categorization takes into consideration amongst other things: budget, staff experience in delivery, risks and uncertainty behind the project itself.

The programs and projects referred to hereafter as projects, have been included in the dashboard due to their magnitude and/or strategic significance. This quarterly update highlights the performance of these projects against their approved budget, planned schedule and in scope activities.

Please see Appendix 3 for Category Major Projects Capital Spending Dashboard.

Symbols:

Scorecard:  Good  Caution  At Risk



## Line 1 ATC Re-Signalling

### Description

Resignalling Line 1 (Yonge-University-Spadina) to enable reliability and provide customers with increased on-time service and reduced travel time.

### Financials

| Program Start       | Forecast Completion Year | Total Approved Budget | Spend to Date    | Estimated Final Cost |
|---------------------|--------------------------|-----------------------|------------------|----------------------|
| 2015                | 2023                     | \$737.0M              | \$577.3M         | \$737.0M             |
| Overall Performance |                          | 2021 YTD Budget       | 2021 YTD Actuals | 2021 Approved Budget |
| Current Status      | Outlook to Completion    |                       |                  |                      |
| <b>G</b>            | <b>G</b>                 | \$19.0M               | \$13.1M          | \$57.8M              |

### Project Deliverables

- Phase 1 (Yorkdale to Dupont) – Completed – In service Q4 2017
- Phase 2 (VMC to Sheppard West) – Completed – In service Q4 2017
- Phase 2B/2C (Wilson Yard Interface) – Completed – In service Q4 2018
- Phase 3A (Dupont to St. Patrick) – Completed – In service Q2 2019
- Phase 3B (St. Patrick to Queen) – Completed – In service Q1 2020
- Phase 3C (Queen to Rosedale) – Completed – In service Q4 2020
- Phase 4 (Rosedale to Eglinton) – In progress, targeted in service Q4 2021
- Phase 5 (Eglinton to Finch) – In progress, targeted In service Q3 2022.

### Progress Update (P1-P4)

- ATC is in operation from Vaughan Metropolitan Centre to Rosedale stations and the project remains on schedule to achieve the phase commissioning milestones.
- Completed 69% of Phase 4 low speed train testing, as planned in March 2021.
- Completed 98% of Phase 5 (Eglinton to Finch) main construction and 7% of testing respectively.

### Key Issues/Risks and Mitigation Activities

- Eglinton Crosstown LRT interface with ATC Project (Platform Change): The LRT project may impact ATC design and implementation timeline. Mitigation: Updating the project impact analysis based on potential completion dates of platform. Awaiting Eglinton Crosstown LRT updated schedule.
- Workcar Program and ATC implementation timeline. Mitigation: Ongoing co-ordination with Subway Infrastructure and Rail Cars and Shops for required workcars for Phase 5 implementation. Continue discussions with stakeholders on need for post revenue support to facilitate future workcars into the ATC system.

## Key Issues/Risks and Mitigation Activities

- COVID-19 Impact:
  - Limited TTC and Contractor staff due to restrictions, including recent Toronto Public Health Section 22 Order, which may impact design progress, testing and commissioning, construction activities and/or closures. Mitigation: Continue monitoring resources, availability and potential impacts due to staff self-isolation. Backup plan for critical activities has been identified where possible. The project's critical path has not been impacted to date.
  - Supply chain delays potentially impacting construction activities: Construction impacted by material shortage delaying or postponing installation activities. Mitigation: Supply chain issues are currently being managed and the project's critical path has not been impacted to date, continue monitoring.
- Closure cancellations potentially impacting project completion. Mitigation: Prioritization and planning of alternate closure weekends have been implemented and will continue throughout the remaining phases. Risk might be lower this year due to cancellation of city events. However, next year may be a challenge due to closures required for other work and city events restarting.

## Next Steps

- Phase 4 high speed train testing remains on track and is scheduled for May 2021.
- Phase 5 construction is forecasted to be completed in May 2021.

### Note:

- This project is included under 2.4 Signal Systems as indicated in Appendix 1.

## Easier Access Phase III

### Description

Make all remaining subway stations accessible and compliant with required legislation by 2025.

### Financials

| Program Start                        | Forecast Completion Year                | Total Approved Budget | Spend to Date    | Estimated Final Cost |
|--------------------------------------|---|-----------------------|------------------|----------------------|
| 2007                                 | 2025                                    | \$1080.7M             | \$402.3M         | \$1,080.7M           |
| Overall Performance                  |   | 2021 YTD Budget       | 2021 YTD Actuals | 2021 Approved Budget |
| Current Status                       | Outlook to Completion                   |                       |                  |                      |
| <span style="color: green;">G</span> | <span style="color: yellow;">Y</span> * | \$18.9M               | \$14.6M          | \$80.1M              |

### Project Deliverables

- Make subway stations accessible by providing elevators, wide fare gates, automatic sliding doors and signage improvements. Currently, 52 stations meet AODA requirements.

### Progress Update (P1-P4)

- Detailed design for Old Mill, High Park, Warden and Islington Stations in progress.
- Completed detailed design for Greenwood and Christie Stations.
- Tender for Castle Frank, Rosedale, Glencairn and Summerhill Stations in progress.
- Construction for station accessibility is on-going at 6 stations: Yorkdale, Lansdowne, Keele, Sherbourne, Donlands and College Stations.
- Substantial Performance for Chester Station Easier Access combined with Second Exit/Entrance was achieved in March 2021.

### Key Issues/Risks and Mitigation Activities

- Design Complexities: Impacts due to retrofit of complex stations, including impacts with stairs/escalators, adjacent properties, utility conflicts may result in longer design durations to resolve issues. Mitigation: Continue assessing alternate design options.
- Warden and Islington Station accessibility: Magnitude and complexity of the bus terminal redevelopments and interfacing with existing stations at each location may delay full station accessibility. Mitigation: a) Continue advancing Passenger Pick-Up and Drop-Off and platform elevators, b) construction completion of temporary bus terminal for Warden at the end of 2024, and continue to investigate opportunities/feasibility for advancing new accessibility entrance and new platform elevator through construction staging for Islington by end of 2024, \*currently scheduled for 2025.
- 3rd Party Delays - Permits and Approvals, Utility relocations: Potentially delayed by third party issues due to limited resources, competing priorities and multiple reviews and

## Key Issues/Risks and Mitigation Activities

complex processes. Mitigation: Continue coordination with the City. A resource to review TTC applications has been assigned by the City. Continue early coordination with utility companies.

- Property Identification and Expropriation: Expropriation with hearing of necessity may delay property acquisitions. Limited City resources and competing priorities requiring the City's involvement on all property-related matters mandate specific procedures, including multiple council approvals. Mitigation: Ongoing discussions with City Real Estate Services, along with early property identification. Opportunity to continue the negotiation and reach settlement agreement while processing the expropriation when possible.

## Next Steps

- Substantial Performance for Keele Station is expected to be achieved by Q2.
- Detailed design progressing for Museum Easier Access combined with Second Exit/Entrance.

## Fire Ventilation Upgrade

### Description

Improvement of ventilation in subway tunnels, construction of second exits at 14 high priority stations to provide second means of egress, and replace the existing subway ventilation equipment which are nearing the end of its service life or due to failure.

### Financials

| Program Start       | Forecast Completion Year | Total Approved Budget | Spend to Date    | Estimated Final Cost |
|---------------------|--------------------------|-----------------------|------------------|----------------------|
| 1998                | 2030                     | \$521.1M              | \$307.0M         | \$2,252.2M**         |
| Overall Performance |                          | 2021 YTD Budget       | 2021 YTD Actuals | 2021 Approved Budget |
| Current Status      | Outlook to Completion    |                       |                  |                      |
| Y*                  | G                        | \$6.6M                | \$4.0M           | \$23.7M              |

### Project Deliverables

- Subway Ventilation System Upgrades.
- Second Exits at 14 priority stations.
- Subway Ventilation Equipment Replacement.

### Progress Update (P1-P4)

- Donlands and College stations – Second Exit/Entrance combined with Easier Access: construction continues.
- Construction continues at Sheppard West Station and Clanton Park.
- Substantial Performance for Chester Station Second Exit/Entrance combined with Easier Access was achieved in March 2021.

### Key Issues/Risks and Mitigation Activities

- High complexity of Second Exit may cause activities to take longer than expected and result in additional costs. Mitigation: Advance design and utility relocation work where possible. Continue to investigate potential partial or full station closures as fallback plan to reduce schedule impact. Request for additional funding may be identified as projects proceed through the stage gate process.
- Property unavailable and/or acquisition and may take longer than expected (Second Exit): Mitigation: Commence early consultations and negotiations with property owners for property acquisitions as required. Continue to work closely with the City and identify development opportunities early.
- Permits and approvals for Second Exit projects may take longer than anticipated impacting the contracts award timelines and burn rate/cash flow. Mitigation: A dedicated team within the City Transit Expansion Office has been assigned to process TTC approvals for Third

## Key Issues/Risks and Mitigation Activities

Party Utility Review moving forward. The TTC has received delegated approval from City Council for all long-term Right of Way permits until 2025 (except for Greenwood Station).

- Cashflow/budget burn rate impact: Timing of finalizing the Memorandum of Understanding (MOU) for projects managed by Metrolinx impacts expenditures (Dundas W.). Action Plan: Finalize MOU with Metrolinx and obtain approvals for payment authorization.
- \*Year to date underspending with an anticipated increase in construction expenditures and progress higher than budgeted in the current year for Donlands, Eglinton, Sheppard West and College Stations.

## Next Steps

- Detailed design progressing for Museum Second Exit/Entrance combined with Easier Access, Summerhill Second Exit/Entrance and Dundas West Second Exit/Entrance.

### Note:

- \*\*EFC includes \$1.5B in unfunded post 2030.

## McNicoll Bus Garage (Final Update)

### Description

To improve the transit system and meet growing ridership demands by building a facility that is fully compliant with Toronto Green Standards. This new bus garage constructed at Kennedy Road and McNicoll Avenue in Scarborough will be fully compliant with Toronto Green Standards and is the first major Design-Build project for the TTC in over a decade.

### Financials

| Program Start       | Forecast Completion Year | Total Approved Budget | Spend to Date    | Estimated Final Cost |
|---------------------|--------------------------|-----------------------|------------------|----------------------|
| 2013                | 2020                     | \$169.0M              | \$162.0M         | \$169.0M             |
| Overall Performance |                          | 2021 YTD Budget       | 2021 YTD Actuals | 2021 Approved Budget |
| Current Status      | Outlook to Completion    |                       |                  |                      |
| <b>G</b>            | <b>G</b>                 | \$0.8M                | \$0.8M           | \$2.0                |

### Project Deliverables

- Construction only, substantial completion was achieved in Q2 2020.

### Progress Update (P1-P4)

- Overall project was completed on-time and under budget\*.
- Revenue Service from the facility began on March 28, 2021.

### Key Issues/Risks and Mitigation Activities

- None.

### Next Steps

- N/A

### Note:

- \*The revised estimated final cost is \$169.0M and reflects anticipated project savings.
- The garage is in-service and the project is in closeout phase. No further updates will be included in the quarterly reporting.

## Purchase of Buses

### Description

Replacement of old vehicles to maintain service reliability, increase system accessibility for customers, increase fleet capacity to match customer demand and reduce overcrowding. Advance the TTC's transition towards zero-emissions fleet by 2040 and the City of Toronto's TransformTO target of Net-Zero by 2050, or sooner.

### Financials

| Program Start                        | Forecast Completion Year              | Total Approved Budget | Spend to Date    | Estimated Final Cost |
|--------------------------------------|---------------------------------------|-----------------------|------------------|----------------------|
| Ongoing                              | 2035                                  | \$899.3M              | \$206.6M         | \$3,572.9M           |
| Overall Performance                  |                                       | 2021 YTD Budget       | 2021 YTD Actuals | 2021 Approved Budget |
| Current Status                       | Outlook to Completion                 |                       |                  |                      |
| <span style="color: green;">G</span> | <span style="color: orange;">Y</span> | \$1.1M                | \$0.8M           | \$13.6M              |

### Project Deliverables

- Hybrid-Electric Buses – Request for Proposal targeted for Q2 2021. Deliveries expected to commence in 2022.
- e-Buses – Request for Proposal targeted for Q4 2021. Deliveries expected between 2023 and 2025 (approximately 300 e-Buses).

### Progress Update (P1-P4)

- Hybrid Electric Buses:
  - At the October 2020 Board meeting, the TTC Board delegated authority to the TTC CEO to: a) undertake a public procurement through issuance of a Negotiated Request for Proposal; b) enter into up to two contracts for the supply of approximately 300 hybrid-electric buses.
  - The draft RFP for hybrid-electric buses is under final review and is planned for release in June 2021 with deliveries beginning in 2022.
- e-Buses:
  - At the April 2021 Board meeting, the TTC Board delegated authority to the TTC CEO to: a) undertake a public procurement through issuance of a Negotiated Request for Proposal; b) enter into up to two contracts for the supply of 300 long-range e-Buses within the approved funding of \$300M; and c) apply lessons learned through the e-Bus Head-to-Head Evaluation to inform must-have requirements.
  - The head-to-head evaluation, which commenced in October 2020 is ongoing with the next update scheduled for Q1 2022.
  - The RFP for e-Buses is in development and is planned for release Q4 2021 with deliveries beginning in 2023.



## Key Issues/Risks and Mitigation Activities

- **Vehicle Reliability and Fleet Availability:** Only one (New Flyer Industries) of three vendors for e-Buses are meeting availability and reliability targets. Action Plan: The TTC is working with all vendors on a daily basis to improve both vehicle availability and reliability to address these issues through root cause analysis, vehicle modifications and improvements for the supply chain.
- **New technology adoption:** Business transformation will include route design, planning and dispatching, training of operators and maintainers. Engage all stakeholders to minimize disruption to operations while ensuring that the benefits of full fleet electrification are achieved.
- **Shortfall in Program Funding:** The current ongoing program of bus procurements for 2021-2030 is only funded up to 2025 and the electrification infrastructure program is only one-third funded through the City of Toronto's City Building Fund. The City and the TTC will continue to work with the other levels of government to close the funding gap to ensure state-of-good-repair and greening of our bus fleet.

## Next Steps

- Release the RFP in Q2 2021 for the procurement of approximately 337 Hybrid Electric buses.
- Release the RFP in Q3 2021 for the procurement of approximately 300 e-Buses.

### Note:

- This project is included under 4.11 Purchase of Buses as indicated in Appendix 1.

## e-Bus Charging Systems

### Description

Construction of the e-Bus electrification infrastructure advance the TTC's transition towards zero-emissions fleet by 2040 and the City of Toronto's TransformTO target of Net-Zero by 2050, or sooner.

### Financials

| Program Start                        | Forecast Completion Year              | Total Approved Budget | Spend to Date    | Estimated Final Cost |
|--------------------------------------|---------------------------------------|-----------------------|------------------|----------------------|
| 2016                                 | 2035                                  | \$117.6M              | \$39.4M          | \$696.2M             |
| Overall Performance                  |                                       | 2021 YTD Budget       | 2021 YTD Actuals | 2021 Approved Budget |
| Current Status                       | Outlook to Completion                 |                       |                  |                      |
| <span style="color: green;">G</span> | <span style="color: orange;">Y</span> | \$0.2M                | \$0.3M           | \$17.7M              |

### Project Deliverables

- e-Bus electrification infrastructure to support 60 e-Buses: substantially complete, full completion is expected by June 30, 2021.
- Memorandum of Understanding (MOU) between the TTC, Ontario Power Generation (OPG) and Toronto Hydro-Electric Systems Ltd. (THESL) for the electrification of the TTC's fleet: completed.
- Principal Agreement between the TTC and OPG: in development and the draft is targeted for completion by Q3 2021.
- The next phase of electrification infrastructure for 10 e-Buses (scalable to 40 e-Buses) at Birchmount Garage in Scarborough: targeted to be complete in Q4 2021.

### Progress Update (P1-P4)

- In April 2021, the TTC Board approved the Framework for Agreement between the TTC, Ontario Power Generation and Toronto Hydro-Electric System Ltd. for the co-investment, ownership, design, build, operations and maintenance of all electrification infrastructure required to implement the TTC's Green Fleet Program. On May 6, 2021, the TTC-OPG-THESL memorandum of understanding was fully executed.
- The TTC and OPG are continuing to advance the Principal Agreement for the engineering, procurement, construction, operation and maintenance of electrification infrastructure required to support future e-Bus fleet. A negotiating position will be presented to the TTC Board later this year.
- Feasibility studies for full electrification of eight garages is in progress.
- Completed the back-up generator at Arrow Road Garage and the three battery energy storage systems at Arrow Road, Mount Dennis and Eglinton garages on May 28, 2021.

## Key Issues/Risks and Mitigation Activities

- Impact of new technology adoption on operations and maintenance: All stakeholders will continue to be engaged to minimize disruption to operations. In addition, a full fleet electrification study has commenced to provide an overall strategy and recommendations for the TTC to transition from vehicles powered by fossil fuel to a zero-emission fleet by 2040.
- Shortfall in program funding: The ongoing program of bus procurements for 2021-2030 and the electrification infrastructure program is only one-third funded through the City of Toronto's City Building Fund. The City and the TTC will continue to work with the other levels of government to close the funding gap to ensure state-of-good-repair and greening of our bus fleet.

## Next Steps

- Completion of feasibility studies for full garage electrification by Q4 2021.
- Principal Agreement between the TTC and OPG is in development and the draft is targeted for completion by Q3 2021.
- The next phase of electrification infrastructure for 10 e-Buses (scalable to 40 e-Buses) at Birchmount Garage in Scarborough is targeted to be complete in Q4 2021.

**Note:** This project is included under 3.2 Equipment as indicated in Appendix 1.

## Wheel Trans 10-Year Transformation Program

### Description

Implement new policies, processes and systems to support a new service delivery model that integrates Wheel-Trans (WT) customers into the TTC's conventional network through a 'Family of Services' (FOS) approach.

### Financials

| Program Start                        | Forecast Completion Year              | Total Approved Budget | Spend to Date    | Estimated Final Cost |
|--------------------------------------|---------------------------------------|-----------------------|------------------|----------------------|
| 2017                                 | 2026                                  | \$49.8M               | \$28.2M          | \$49.8M              |
| Overall Performance                  |                                       | 2021 YTD Budget       | 2021 YTD Actuals | 2021 Approved Budget |
| Current Status                       | Outlook to Completion                 |                       |                  |                      |
| <span style="color: green;">G</span> | <span style="color: yellow;">Y</span> | \$1.2M                | \$0.1M           | \$4.1M               |

### Project Deliverables

- Phase 1-4 (Reservation, Scheduling and Dispatch (RSD))
  - Family of Services (FOS) operationalized in 2018
  - Upgrade of the Integrated Voice Response (IVR) system completed in 2018
  - Full complement of 128 six-metre Pro Master mini-buses in service by December 2019
  - Customer Relationship Management facilitating mass emailing capability implemented in 2019
  - Upgraded RSD to enhance FOS capabilities and introduced Mobile App pilot in 2020
  - Construction of 16 Access Hubs completed in 2020
  - Conditional trip matching in progress
  - RSD Go-Live scheduled for Q4 2021
- Phase 5-8 - Reservation, Scheduling and Dispatch Improvements: Initiated assessment.

### Progress Update (P1-P4)

- Scheduling and Dispatch project: Phase 3 successfully launched January 24, 2021, Phase 4 development underway.
- Customer Relationship Management: Phase 2 successfully launched January 10, 2021, Phase 3 with target implementation of October 2021.
- Reporting and Analytics: completed requirements, schedule set, development underway. Phase 2, release 1 was successfully launched April 12, 2021.
- Access Hubs: All 16 hubs are in service, while road repairs at Neilson and Ellesmere NE are pending.
- Completed Fleet Replacement and Contact Centre Review projects.
- Communications: Access Newsletter is ready for print and distribution with target distribution date of May 31, 2021.

## Key Issues/Risks and Mitigation Activities

- Potential risk that there will be negative customer response to mandatory re-registration and conditional trip matching (requiring capable customers to utilize the fully accessible TTC network). Action Plan: Communicate benefits of re-registering to customers. Current efforts are having a positive impact with over 6,500 customers re-registered. COVID-19: Delayed the launch of Conditional Trip Matching and re-registration. Action Plan: To be evaluated in Q3 2021 via Toronto Public Health guidance and Customer Surveys.

## Next Steps

- Implementation of Reservation, Schedule and Dispatch project Phase 4 on track (October 2021).
- Phase 5-8: Conduct assessment to evaluate and validate requirements identified in 2016 (Q3 2021).

### Note:

- This project is included under 3.9 Building and Structures as indicated in Appendix 1.

## Fare Collection/PRESTO

### Description

Transforming the TTC fare collection processes, including the TTC's scope of work supporting Metrolinx activities for the implementation of the PRESTO farecard system, overall project management, assistance with equipment installation, upgrades to TTC facilities to accommodate PRESTO equipment, and oversight to ensure the PRESTO system fully meets the TTC's business requirements.

### Financials

| Program Start       | Forecast Completion Year | Total Approved Budget | Spend to Date    | Estimated Final Cost |
|---------------------|--------------------------|-----------------------|------------------|----------------------|
| 2012                | 2021                     | \$79.8M               | \$60.3M          | \$79.8M              |
| Overall Performance |                          | 2021 YTD Budget       | 2021 YTD Actuals | 2021 Approved Budget |
| Current Status      | Outlook to Completion    |                       |                  |                      |
| Y                   | Y                        | \$0.7M                | \$0.2M           | \$4.0M               |

### Project Deliverables

- Measure fare compliance system-wide.
- Human Machine Interface (HMI): a) Provide customers with additional fare payment information, including displaying card balances, b) time remaining in the two-hour transfer window, and c) and eliminate the feature that identifies Fair Pass Program recipients.
- Settlement Negotiation – deliver all the outstanding requirements from the Metrolinx e-Master Agreement.

### Progress Update (P1-P4)

- HMI: Requirement document completed and signed off by key stakeholders. Project is in design phase with target completion of early Q4 2021.
- TTC/Metrolinx Settlement Negotiation: 18 Delivery Plans have been drafted and circulated for comments and feedback. Legal Definitive Agreement is in progress. Target completion is extended to July 2021. Scope for joint capability and capacity assessment established and tendered at the end of April.
- Service Plan for PRESTO maintenance adjusted based on Toronto Public Health guidelines to address COVID-19, continually monitoring and adjusting.
- Due to the pandemic, the Board has approved the distribution of refund for March and April 2020 passes. The refund program commenced in Q2 and will extend into December 2021. Currently, 83% of the passes have been picked up by customers. Continue to monitor.

### **Key Issues/Risks and Mitigation Activities**

- HMI development completion may vary between vendor and Metrolinx. Mitigation: Regular schedule review to address schedule variances quickly.

### **Next Steps**

- Metrolinx Negotiation: Complete definitive agreements.
- The TTC and Metrolinx to present a joint recommendation paper on Device Refresh to Joint Executive Group on May 13, 2021.
- Select vendor for joint capability and capacity assessment.

### **Note:**

- This project is included under 5.4 Fare System as indicated in Appendix 1.
- Fare gate program is not included in this update.
- Approved budget and completion year adjusted to reflect approval to end of 10-year envelope.

## Stations Transformation

### Description

To enhance the customer experience by introducing Customer Service Agents (CSA) and infrastructure improvements, which will result in increased safety and security of TTC stations, employees and customers.

### Financials

| Program Start       | Forecast Completion Year | Total Approved Budget | Spend to Date    | Estimated Final Cost |
|---------------------|--------------------------|-----------------------|------------------|----------------------|
| 2017                | 2024                     | \$50.8M               | \$26.4M          | \$50.8M              |
| Overall Performance |                          | 2021 YTD Budget       | 2021 YTD Actuals | 2021 Approved Budget |
| Current Status      | Outlook to Completion    |                       |                  |                      |
| Y                   | G                        | \$1.8M                | \$2.0M           | \$8.8M               |

### Project Deliverables

- Introduction of CSAs to proactively assist customers facing barriers in navigating the system.
- Upgrading the Public Announcement system (PA).
- Upgrading the stations Passenger Assistance Intercoms (PAI) by making them user friendly, improving sound quality and live video feed for customers needing assistance.
- Installing/upgrading of existing CCTV cameras.
- Constructing six Zone Hubs to serve as central command posts monitoring the stations and responding to emergencies in an efficient manner.

### Progress Update (P1-P4)

- CCTV Monitors have been installed at all high-risk farelines (31 locations).
- PAI upgrade completed at all auto entrances and Designated Waiting Areas (DWAs).

### Key Issues/Risks and Mitigation Activities

- Full implementation of the CSA model will be achieved with implementation of the fare collection policy currently in development.

### Next Steps

- A business case is being developed to identify opportunities where CSA rollout can be expanded beyond the current ten stations.

**Note:** This program is included under 3.9 Building and Structures as indicated in Appendix 1.



## VISION

### Description

Implementation of a new Computer Aided Dispatch/Automatic Vehicle Location (CAD/AVL) System on the TTC's bus and streetcar fleets to: a) enable tracking and managing communications with TTC's fleet of over 2,000 buses and streetcars b) provide better information for scheduling and planning; c) provide better real-time information to provide operators and customers during their trip; d) provide more efficient Transit Signal Priority to keep TTC vehicles moving; and e) provide more efficient yard management and crew sign-ups.

### Financials

| Program Start       | Forecast Completion Year | Total Approved Budget | Spend to Date    | Estimated Final Cost |
|---------------------|--------------------------|-----------------------|------------------|----------------------|
| 2016                | 2022                     | \$114.7M              | \$82.2M          | \$114.7M             |
| Overall Performance |                          | 2021 YTD Budget       | 2021 YTD Actuals | 2021 Approved Budget |
| Current Status      | Outlook to Completion    |                       |                  |                      |
| Y                   | Y                        | \$1.8M                | \$1.8M           | \$34.2M              |

### Project Deliverables

- Data and voice communications, automatic vehicle location and stop display, stop announcements, vehicle performance monitoring.
- Integrating with the onboard camera and automatic passenger counting systems.
- Integrating the Yard Management System at all streetcar, carhouses and bus garages.

### Progress Update (P1-P4)

- Horizontal Boring Completed at Arrow Road, Eglinton and Queensway garages.
- Smart Yard installation at Arrow Road, Eglinton and Queensway garages continue, commissioning of Leslie Barns carhouse is in progress.
- Commenced Smart Yard Installation at Wilson, Birchmount and Malvern garages.

### Key Issues/Risks and Mitigation Activities

- Software issues were identified during the testing of the Smart Yard solution provided by CleverDevices, which has delayed the completion of testing and the final rollout. Action Plan: The project team will continue to work with the vendor to address these issues and revise the project schedule.
- COVID-19 quarantine protocols have affected the availability of Cable and Electrical Crew members thus impacting the schedule. Action Plan: Proceeding with indoor and external work ensuring that public health and safety directives for physical distancing are being observed. Impacts are being continually assessed.

## Next Steps

- Completion of commissioning of Yard Management at Leslie Barns.
- Rollout of Operator Performance Module on buses and streetcars.

**Note:** This project is included under 7.1 Computer Equipment & Software as indicated in Appendix 1.

## SAP Enterprise Resource Planning Program

### Description

Implementing an industry-standard enterprise software solution that modernizes the TTC's core systems that aligns with the City of Toronto's SAP Roadmap by integrating business processes through the replacement of legacy systems and modernizing business processes.

### Financials

| Program Start       | Forecast Completion Year | Total Approved Budget | Spend to Date    | Estimated Final Cost |
|---------------------|--------------------------|-----------------------|------------------|----------------------|
| 2015                | 2025                     | \$272.8M              | \$80.2M          | \$272.8M             |
| Overall Performance |                          | 2021 YTD Budget       | 2021 YTD Actuals | 2021 Approved Budget |
| Current Status      | Outlook to Completion    |                       |                  |                      |
| <b>G</b>            | <b>G</b>                 | \$3.1M                | \$2.6M           | \$16.5M              |

### Project Deliverables and Status

#### Phase 2

- Finance Accounts Payable (Release1) – Launch Completed, Project Closeout in Progress.
- SAP Costing Solution for Operations – In Progress, targeted completion by Q2 2022
- Time, Attendance and Workforce Scheduling System – In Progress, targeted completion by 2025.
- New Learning Management System (LMS) – In Progress, targeted completion by Q3 2021.
- Employee Engagement Platform – In Progress, assessment phase to start in Q3 2021
- Employee Mobile App – Launch Completed, Project Closeout in Progress.

#### Phase 3

- Procurement and Category Management/Materials Management – In Progress, assessment phase targeted completion by Q3 2021.
- Asset Accounting – In Progress, assessment phase targeted completion by Q3 2021.

### Progress Update (P1-P4)

- Accounts Payable Release 1: Completed Project Benefits and Lessons Learned.
- SuccessFactors LMS – Completed Production cutover for March 8 corporate launch
- SAP Costing Solution Release 1: Kicked off Solution design phase with Operations/Finance/EC&E on March 29, 2021.
- SAP Procurement and Category and Materials Management: Onboarded Assessment Vendor.
- MyTTC|SAP Jam: Hypercare Support and Benefits Realization, adoption of over 6000+ users.
- Time and Attendance: Completed RFP #1 evaluation as well as RFP # 2 contract award, and vendor onboarded for Operator sign-up assessment.

**Progress Update (P1-P4)**

- SAP Procurement and Category/Materials Management: Completed 70% of Assessment.

**Key Issues/Risks and Mitigation Activities**

- N/A

**Next Steps**

- Time and Attendance contract award (Q3).

**Note:**

- The EFC represents the total SAP program cost with the future phases.
- This project is included under 7.1 Computer Equipment and Software as indicated in Appendix 1.
- Approved budget and completion year adjusted to reflect approval to end of 10-year envelope.