



Financial and Major Projects Update for the Period Ended April 30, 2022

Date: June 23, 2022

To: TTC Board

From: Chief Financial Officer

Summary

This report sets out the operating and capital financial results for TTC Conventional and Wheel-Trans services and provides a status update of the TTC's major capital projects for the four-month period ended April 30, 2022. Projections to year-end 2022 are also provided.

Recommendations

It is recommended the TTC Board:

1. Amend the 2022-2031 Capital Budget and Plan by reducing the 2022 Capital Budget by \$128.1 million and increasing the 2023 Capital Plan estimates by \$132.4 million to account for projects that have had accelerated spending and projects that have experienced some delays and therefore lower spending.

Financial Summary

2022 Operating Results

To the end of Period 4, the TTC has experienced a favourable revenue variance of \$45.0 million, primarily due to the ridership impact of the Omicron variant not being as severe as originally anticipated in the Council approved 2022 Operating Budget. On the expenditure side, the TTC has experienced a favourable variance of \$26.4 million, driven by service levels operating approximately 2% below budgeted levels, timing of material and service expenditures and workforce vacancies.

Based on projected results to year-end, a favourable revenue variance to budget of \$66 million is anticipated. Consistent with year-to-date experience, ridership recovery is forecast to exceed budgeted levels in May and June and align with the budgeted trend for Q3 and Q4.

Due to unanticipated global events in early 2022, market prices for diesel have been trending well above budget resulting in unfavourable budget variances of \$5.9 million to the end of Period 4, and is expected to reach \$25 million by year-end, representing a

30% increase over budgeted levels in 2022. It is anticipated that the unfavourable variance for diesel will be accommodated within the TTC base gross expenditure budget, due to under-expenditures experienced on a year-to-date basis, including service operating slightly below budgeted levels, as summarized in Table 1.

Notwithstanding that the 30% cost increase in diesel fuel may be accommodated in 2022 based on under-expenditures realized to date, diesel fuel will be a significant cost driver in 2023.

Table 1 – 2022 Operating Results and Forecast Summary

Operating Results and Forecast						
Description (\$Millions)	Year-To-Date (4 Months)			Year-End Projection		
	Budget	Actual	Variance	Budget	Forecast	Variance
Revenue						
Total Revenue	160.1	205.1	45.0	817.2	883.2	66.0
Expenditures						
TTC Conventional						
Departmental Labour & Benefits	497.3	482.0	(15.3)	1,533.3	1,514.7	(18.6)
Departmental Non-Labour	78.8	66.7	(12.1)	271.7	270.7	(1.0)
Diesel	26.3	32.2	5.9	82.0	107.0	25.0
Traction Power & Corporate Costs	61.0	61.0	-	212.2	210.3	(1.9)
Wheel-Trans	38.0	34.9	(3.1)	133.5	133.0	(0.5)
Subtotal Base Expenditures	701.4	676.8	(24.6)	2,232.7	2,235.7	3.0
COVID Incremental Costs	18.1	16.3	(1.8)	51.4	39.8	(11.6)
Total Expenditures	719.5	693.1	(26.4)	2,284.1	2,275.5	(8.6)
Net Expenditure (Funding Required)	559.4	488.0	(71.4)	1,466.9	1,392.3	(74.6)
Operating Funding						
COVID Impact Funding	276.1	231.4	(44.7)	561.2	486.6	(74.6)
Base Operating Funding	283.3	256.6	(26.7)	905.7	905.7	(0.0)
Total Operating Funding	559.4	488.0	(71.4)	1,466.9	1,392.3	(74.6)

Funding of the TTC's 2022 Operating Budget of \$2.233 billion, approved by City Council on February 17, 2022, included \$905.7 million in Base City Funding and \$561.1 million in anticipated COVID relief funding to offset expected COVID financial impacts. Base operating funding requirements are expected to be on budget, as the higher price of diesel fuel for the balance of the year is expected to be offset by under-expenditures realized on year-to-date basis.

The COVID financial impact is comprised of lost passenger and ancillary revenues relative to pre-pandemic levels, as well as incremental COVID response expenses. Based on favourable passenger revenue results to date and a forecast of continued ridership recovery, the \$561.1 million COVID financial impact anticipated in the Council approved 2022 Operating Budget is now forecasted to be to \$486.5 million, as summarized in Table 2.

Table 2 – 2022 COVID-19 Financial Impact

2022 COVID Financial Impact						
	Year-To-Date Period 4			Year-End Forecast		
in \$ Millions	Budget	Actual	Variance Over/(Under)	Budget	Forecast	Variance Over/(Under)
COVID-19 Financial Impact						
Lost Passenger revenue, net of PRESTO Commissions	250.0	205.7	(44.3)	487.1	424.1	(63.0)
Lost Ancillary Revenues	8.0	9.4	1.4	22.6	22.6	0.0
Incremental COVID-19 Expenses	18.1	16.3	(1.8)	51.4	39.9	(11.5)
Total COVID-19 Financial Impact	276.1	231.4	(44.8)	561.1	486.5	(74.6)

The favourable change of \$74.6 million in the anticipated COVID financial impact is contingent on the achievement of forecasted ridership recovery for the balance of the year. As of the end of May, ridership recovery has reached 60% of pre-pandemic levels, and consistent with the budget, is forecasted to reach 81% of pre-pandemic levels by year-end. The forecast assumes public health restrictions that would impact ridership will not be required for the balance of the year.

COVID-19 Relief Funding

Of the projected \$486.6 million 2022 COVID financial impact, \$67.2 million in funding relief through Safe Restart Agreement Phase 3 Top-Up funding has been received, leaving a remaining funding requirement of \$419.4 million.

On February 17, 2022, the Federal government announced up to \$750 million in funding to support municipalities facing transit operating shortfalls. This funding was conditional on Provincial matching contributions and, on April 28, 2022, the Province of Ontario announced \$316.2 million in matching funding for its share, resulting in total COVID relief funding of \$632.4 million for Ontario municipalities.

Of the announced relief funding, the specific amount available for the TTC has not been confirmed at this time, as program terms and conditions have not been announced. TTC staff continue to work with the City and staff from the other orders of government to secure the remaining projected COVID relief funding requirement of \$419.4 million.

Taking into account the \$67.2 million received for January 2022, the TTC has received a total of \$1.453 billion in funding relief from the other orders of government, which recognizes the importance of public transit as an essential service and the critical role it plays in the city's environmental, social and economic well-being and vitality, particularly in post-COVID recovery.

Looking forward, ridership recovery is expected to continue in Q3 and Q4 2022. However, ridership is expected to remain below pre-pandemic levels and is currently forecasted to average 83% in 2023, as the rate of recovery is anticipated to slow given the structural change in ridership patterns due to the adoption of hybrid work arrangements. In addition to continuing advocacy for a more sustainable funding model for transit, TTC staff continue its ridership reacquisition efforts with campaigns to attract riders back to transit and the resetting of the 5-year Service Plan. The 5-year Service Plan reset will closely examine ridership patterns; review service levels to ensure that capacity aligns with post-pandemic travel patterns; work with City staff to advance

RapidTO initiatives to improve customer travel times; and explore other innovative opportunities, such as microtransit, to better serve customer needs.

2022 Capital Results

As of April 30, 2022, the TTC incurred \$214.4 million in capital expenditures, reflecting a spend rate of 13.8% for the TTC’s base capital program and \$4.4 million or 6.8% for transit expansion-related projects. Combined, a total of \$218.8 million was spent at the end of Period 4, representing a 13.5% overall spend rate.

By year-end, the TTC’s overall capital spending is projected to be in the order of \$1.369 billion, representing an 84.7% spend rate, split between the TTC’s base capital program (\$1.309 billion or 84.4%) and transit expansion-related capital works (\$59.6 million or 91.6%), as summarized in Table 3 below.

The projected underspending at year-end is the result of various drivers, including but not limited to, resourcing and supply chain constraints; protracted negotiations for complex projects; adjustments to project schedules due to dependencies with third-parties; and property acquisition delays.

Table 3 – 2022 Capital Results and Forecast Summary

Description (\$ Millions)	2022 Budget	Year-to-Date Actuals		Year-End Projection	
		\$	%	\$	%
TTC Base Capital	1,551.0	214.4	13.8%	1,309.2	84.4%
TTC Transit Expansion	65.0	4.4	6.8%	59.6	91.6%
Total	1,616.0	218.8	13.5%	1,368.8	84.7%

The year-to-date and year-end projections summarized in Table 3 above, and outlined in Appendix 1, reflect adjustments made to the 2022 Capital Budget to account for projects that have had accelerated spending and projects that have experienced some delays and therefore lower spending.

These budget adjustments, summarized below and detailed in Appendix 2 are before the Board for approval and will be submitted for City Council approval with the City’s Period 4 Capital Variance Report.

Description	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	10-Year
Total Approved Budget & Plan	1,744.07	1,960.02	1,639.50	1,347.63	1,206.70	1,018.80	962.56	1,029.51	736.35	710.49	12,355.64
Budget & Plan Amendments	(128.12)	132.44	-	-	-	-	-	-	-	-	4.32
Revised Total Approved Budget & Plan	1,615.95	2,092.45	1,639.50	1,347.63	1,206.70	1,018.80	962.56	1,029.51	736.35	710.49	12,359.95

It should be noted that the TTC will be submitting a subsequent budget adjustment to the 2022 Capital Budget and Capital Plan at the first opportunity post Council recess to account for the hybrid bus procurement delays, as a result of supply chain issues.

Based on the 2022 COVID-19 Intergovernmental Funding Update and the Federal/Provincial COVID-19 backstop funding plan that was presented to City Council at its meeting on April 5, 2022, the TTC is also finalizing a list of capital projects that are

at risk of a permanent budget reduction of \$87 million to the 2022 Capital Budget to help address the City of Toronto's COVID-19 related funding gap.

Equity/Accessibility Matters

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 accessibility, diversity and inclusion, the 2022 TTC Operating Budget funds new investments totalling \$0.7 million to support implementation of the Embrace Diversity Action Plan, including the provision of employee training and anti-racism initiatives consistent with Ombudsman Toronto recommendations, and to expand outreach initiatives.

The 2022-2031 Capital Budget and Plan includes \$107.7 million in 2022 and \$630.2 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

At its meeting on December 20, 2021, the TTC Board approved the 2022-2031 TTC Capital Budget and Plan of \$11.902 billion in funding over the 10-year period, with \$1.698 billion approved in the 2022 Capital Budget.

[TTC 15-Year Capital Investment Plan, Real Estate Investment](#)

At its meeting on December 20, 2021, the TTC Board approved the 2022 Operating Budgets of \$2.102 billion gross and \$1.185 billion net for TTC Conventional Service; \$133.4 million gross and \$127.2 million net for Wheel-Trans Service for a total \$2.235 billion gross and \$1.312 billion net; and a 2022 total year-end workforce complement of 16,467 positions.

[2022 TTC Conventional and Wheel-Trans Operating Budgets](#)

At its meeting on February 10, 2022, the TTC Board approved an increase to the TTC's 2022-2031 Capital Budget and Plan to reflect the updated cost required to undertake the Queen Streetcar Infrastructure work for the Ontario Line Project by \$4.3 million and amend the number of temporary capital positions from four to 16 positions to perform the capital work. The total cost is to be fully recovered from Metrolinx.

The budget adjustment is incorporated in the recommended list of adjustments in Appendix 2 to reflect this approval.

[Transit Network Expansion Update](#)

Subsequently on February 17, 2022, City Council approved an amended 2022 TTC Operating Budget to reflect the anticipated ridership impact from the Omicron variant.

The budget for the TTC conventional service was increased by \$99.9 million net to \$1.285 billion net reflecting the estimated impact from the Omicron variant.

[City of Toronto 2022 Capital and Operating Budgets.](#)

At its meeting on May 11, 2022, City Council approved additional carry-forward funding of \$45.998 million to the 2022 Capital Budget and \$258.2 million added to the 2023 cashflow estimates based on unspent capital project funding in 2021 for the TTC.

[Adjustments to Capital Budget, Carry Forward Funding and Future Year Commitments](#)

At the same meeting on May 11, 2022, City Council approved an increase in taxicab fares of \$1 per trip in response to rise in gas prices, with corresponding impact on Wheel-Trans sedan taxi trips.

[Ensuring Accessibility and Equity for Toronto Taxi Drivers](#)

Comments

Key Operating Budget Indicators

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, and market prices for diesel fuel and electric power, which affect a combined fuel and utilities budget of \$170.3 million. The final and most significant driver of expenses relates to service hours, which impact labour expenses (\$1.154 billion) and non-labour expenses (\$303 million), such as parts and maintenance, as well as fuel and utility consumption.

Table 4 details the TTC's key operating indicators, which are discussed below:

Table 4 – Summary of Key Operating Budget Indicators

Item	Year-To-Date Actuals			Year-End Projection			Status
	Budget	Actual	Variance	Budget	Forecast	Variance	
TTC Ridership	66.5M	83.5M	16.9M	325.2M	351.0M	25.8M	✓
TTC Average Fare	2.19	2.30	0.11	2.28	2.30	0.02	✓
TTC Actual Operating Service Hours	2.961M	2.897M	(0.064)	9.285M	9.059M	(0.226)	✗
Price of Fuel (\$/litre)	1.11	1.39	0.27	1.13	1.48	0.35	✗
Price of Electric Power (\$/kWh)	0.14	0.15	0.01	0.15	0.15	0.00	–
WT Passengers	0.6M	0.6M	(0.0M)	2.7M	2.7M	(0.0M)	–

Revenue Ridership

With the emergence of the Omicron variant and the return to a Modified Step 2 reopening as of January 5, the 2022 Board approved revenue budget was revised through the City's 2022 Budget process to account for the Omicron impact, decreasing the 2022 passenger revenue by \$99.9 million, net of PRESTO commissions. This budget amendment assumed restrictions continued throughout Q1 before recovery would recommence in Q2.

In actual experience, the Omicron impact on ridership was limited to the month of January. While January ridership results were broadly consistent with the amended budget, ridership recovery has exceeded levels forecasted in the budget since February, driven by the accelerated Provincial reopening plan. Starting January 31, the Province gradually eased public health restrictions with the majority of measures lifted by March. Since then, ridership recovery has continued, driven by resumption of special events and festivals, an increase in post-secondary in-person learning and a gradual hybrid return to office workplaces.

The return of special events and festivals has been the key catalyst in the ridership recovery achieved to date in 2022, growing from 37% of pre-pandemic normal levels in January to 60% in May. Revenue ridership is expected to exceed budgeted levels for May and June, and are forecasted to align with budgeted levels of an average of 75% of pre-pandemic normal for Q3, 79% for Q4 and 81% by year-end. Key drivers impacting ridership and passenger revenue are discussed in further detail below.

Service Hours

Service hours have trended 2.2% below budget on a year-to-date basis due to reduced operator availability during the Omicron wave and the impact of the Mandatory Vaccination Policy. Several actions have been taken, and remain ongoing, to mitigate service impacts on customers. These include accelerated operator hiring and training, targeted use of overtime to address spikes in absenteeism, and the use of Run-as-Directed vehicles. Vehicle occupancy levels are regularly monitored and available resources are deployed to routes with the highest demand.

Diesel Fuel

Due to unanticipated global events in early 2022, and including partial mitigation achieved through diesel price hedging, average realized prices for diesel have been 24% above budget year-to-date. While available future market prices indicate that diesel fuel prices are expected to moderate from current levels later in the year, diesel prices are forecasted to average 30% higher than budgeted levels for the year as a whole. As a result, the cost of diesel fuel is expected to be a key cost driver for 2023.

TTC Operating Results

The favourable revenue variance experienced to date is primarily due to actual ridership impact of the Omicron variant not being as severe as originally anticipated. Favourable revenue variances to budget are expected to continue until July, and thereafter, revenue levels are anticipated to align with the budgeted recovery trajectory for the balance of the year.

Under-expenditures experienced to date are driven by service levels operating approximately 2% below budgeted levels, timing of material and service expenditures and other workforce vacancies. Year-to-date under-expenditures are expected to be offset by unfavourable expenditure variances anticipated in the second half of the year.

Due to unanticipated global events in early 2022, market prices for diesel have been trending well above budget resulting in unfavourable budget variances, which are expected to reach \$25 million by year-end. Combined with year-to-date under-expenditures and excluding COVID-related financial impacts, the TTC and Wheel-Trans budgets are expected to be on budget at the end of the year on a net basis, as shown in Table 5 below.

Table 5 – TTC and Wheel-Trans Operating Results and Year-End Forecast

Operating Results and Forecast						
Description (\$Millions)	Year-To-Date (4 Months)			Year-End Projection		
	Budget	Actual	Variance	Budget	Forecast	Variance
Revenue & Recoveries						
TTC Conventional						
Passenger Revenue	145.6	192.0	46.4	741.0	807.0	66.0
Ancillary Revenue	13.1	11.7	(1.4)	49.5	49.5	-
Wheel-Trans Passenger Revenue	1.4	1.4	-	6.0	6.0	-
Subtotal Revenue	160.1	205.1	45.0	796.5	862.5	66.0
Reserve Draw	-	-	-	20.7	20.7	-
Total Revenue & Recoveries	160.1	205.1	45.0	817.2	883.2	66.0
Expenditures						
TTC Conventional						
Departmental Labour & Benefits	497.3	482.0	(15.3)	1,533.3	1,514.7	(18.6)
Departmental Non-Labour	78.8	66.7	(12.1)	271.7	270.7	(1.0)
Diesel	26.3	32.2	5.9	82.0	107.0	25.0
Traction Power & Utilities	29.2	28.5	(0.7)	88.3	84.5	(3.8)
PRESTO Commissions	6.2	8.2	2.0	31.4	34.4	3.0
Other Corporate Costs	25.6	24.3	(1.3)	92.5	91.4	(1.1)
Wheel-Trans	38.0	34.9	(3.1)	133.5	133.0	(0.5)
Subtotal Base Expenditures	701.4	676.8	(24.6)	2,232.7	2,235.7	3.0
COVID Incremental Costs	18.1	16.3	(1.8)	51.4	39.8	(11.6)
Total Expenditures	719.5	693.1	(26.4)	2,284.1	2,275.5	(8.6)
Net Expenditure (Funding Required)	559.4	488.0	(71.4)	1,466.9	1,392.3	(74.6)
Operating Funding						
COVID Impact Funding	276.1	231.4	(44.7)	561.2	486.6	(74.6)
Base Operating Funding	283.3	256.6	(26.7)	905.7	905.7	(0.0)

COVID-19 Financial Impact

Table 6 summarizes the year-to-date financial impacts of COVID-19 and the projected year-end impact to the 2022 Operating Budget.

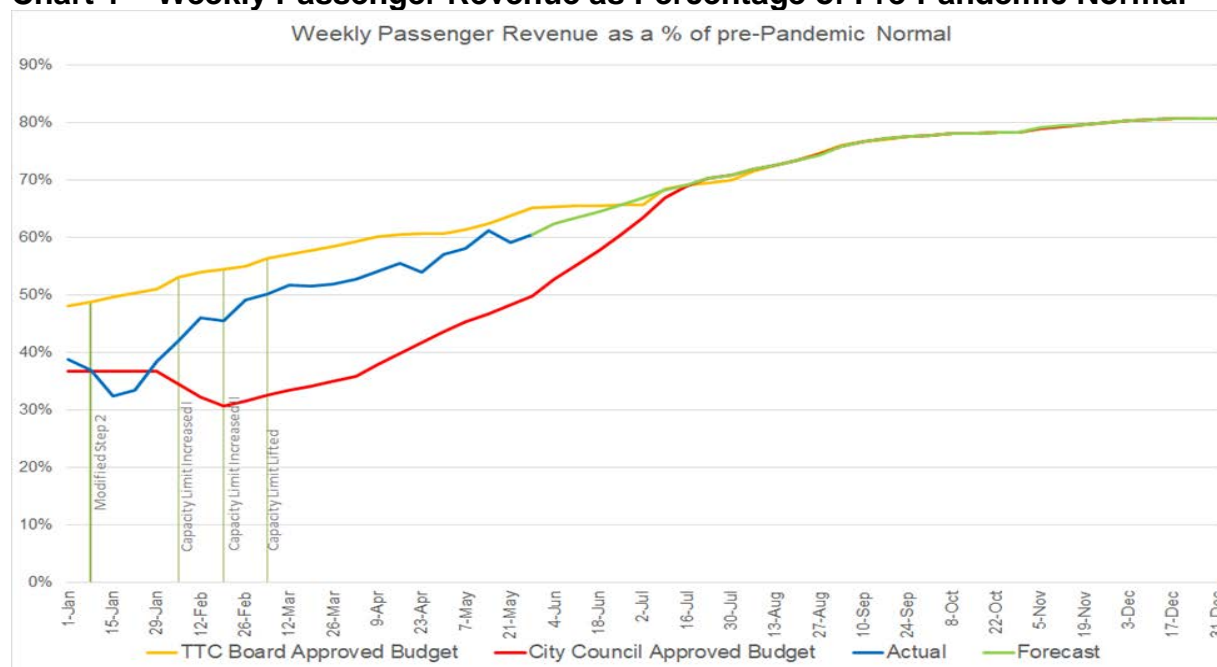
Table 6 – 2022 Operating Budget COVID-19 Impacts

2022 COVID Financial Impact						
	Year-To-Date Period 4			Year-End Forecast		
in \$ Millions	Budget	Actual	Variance Over/(Under)	Budget	Forecast	Variance Over/(Under)
COVID-19 Financial Impact						
Lost Passenger revenue, net of PRESTO Commissions	250.0	205.7	(44.3)	487.1	424.1	(63.0)
Lost Ancillary Revenues	8.0	9.4	1.4	22.6	22.6	0.0
Incremental COVID-19 Expenses	18.1	16.3	(1.8)	51.4	39.9	(11.5)
Total COVID-19 Financial Impact	276.1	231.4	(44.8)	561.1	486.5	(74.6)

TTC Conventional Passenger Revenue

The year-end passenger revenue is forecast to be approximately \$66.0 million (or \$63.0 million net of PRESTO commissions) above budget. As shown below in Chart 1, this favourable budget variance is driven by the faster than expected recovery from the Omicron variant, and assumes substantial alignment to budgeted levels, and corresponding continued ridership recovery in the second half of the year barring COVID-imposed Public Health restrictions that would impact ridership.

Chart 1 – Weekly Passenger Revenue as Percentage of Pre-Pandemic Normal



The continuation of ridership recovery for the balance of the year is substantially based on the continued transition to return-to-office utilizing a hybrid working model that has

been announced by many major employers. Passenger revenue reached approximately 60% of pre-COVID normal for May, and is projected to continue to grow to an average of 74% for Q3 and 79% for Q4 and reaching 81% of pre-COVID normal levels by year-end. Achievement of this forecasted ridership recovery is dependent on a return to in-office work as the major driving factor. The key assumptions incorporated into this projection include: an increase in passenger return due to increased in-office work, as well as ridership relating to events and festivals returning to pre-pandemic levels over the summer months; and an increase in post-secondary in-person learning expected in the fall/winter months.

However, some uncertainty remains on whether budgeted passenger revenue levels in the second half of the year will be achieved should there be potential future COVID waves that may required employers to revise their return-to-office arrangements. The TTC will continue to monitor ridership trends and recovery and will update forecasts as new information becomes available.

COVID-19 Expenses

The COVID-19 financial impact incorporated into the 2022 Operating Budget included \$51.4 million in COVID-19 response expenses to protect customer and employee safety. As outlined in Table 7, actual expenses to the end of Period 4 are \$1.8 million below planned spending, and the TTC anticipates an \$11.5 million favourable variance to budget by year-end, primarily due to the suspension of employee screening as of May 7, 2022 and revised vehicle disinfecting requirements.

Table 7 – Period 4 COVID-19 Expenses and Year-End Forecast

COVID-19 Expenses						
Item (\$Millions)	Year-To-Date			Year-End Projection		
	Budget	Actual	Variance	Budget	Forecast	Variance
Safety and Other Required Measures						
Vehicle Disinfection	3.9	2.1	(1.8)	11.6	7.5	(4.1)
Personal Protective Equipment	1.9	1.4	(0.5)	6.0	4.9	(1.1)
Vehicle Ventilation Filters	0.6	0.0	(0.6)	1.7	1.7	0.0
Facility Disinfection, Decals and Other	1.7	0.4	(1.3)	4.4	2.6	(1.8)
Hand Sanitizer for Customers	0.5	0.3	(0.2)	1.6	1.0	(0.6)
Employee Screening Costs	2.6	2.0	(0.7)	8.0	2.1	(5.9)
Managing Resourcing						
Incremental Labour Costs	0.6	1.4	0.8	1.7	1.9	0.2
WSIB Claims	3.4	3.4	0.0	10.2	10.2	0.0
Sick Benefit Payment Impact	3.0	5.4	2.4	6.2	8.1	1.9
Total COVID-19 Expense	18.1	16.3	(1.8)	51.4	39.9	(11.5)

Year-End Results and Projections to Year-End by Service

TTC Conventional Service: 2022 Operating Results by Key Account Grouping

As of April 30, 2022, the TTC Conventional Service base budget is \$23.6 million net below budget due to the following key drivers of underspending:

- Service hours delivered being 2.2% below budget. Labour and benefit under-expenditures resulting from vacancies due to the competitive employment market to hire and retain skilled workforce.
- Timing of material and service expenditures.

For the full year, the base budget is anticipated to be substantially on budget on a net expenditure basis. This reflects an expectation that year-to-date under-expenditures will be offset by higher than budgeted expenditures for the balance of the year due to the continued impact of higher than anticipated diesel fuel prices and accelerated hiring to fill current vacancies. The unfavourable base budget variance of \$0.5 million from TTC Conventional Service will be offset by the \$0.5 million favourable base budget variance projected by year-end for the Wheel-Trans Service.

Favourable actual and projected year-end variances to budget for passenger revenue and COVID incremental expenses itemized in Table 8 below reflect the key drivers outlined in the COVID Financial Impact discussion above.

Table 8 – Passenger Revenue Variances and COVID-19 Expenses Summary

TTC Conventional Service							
Item (\$Millions)	Year-To-Date Actuals			Year-End			Status
	Budget	Actual	Variance	Budget	Forecast	Variance	
Revenues							
Passenger Revenue	145.6	192.0	46.4	741.0	807.0	66.0	✓
Other Ancillary Revenue	13.1	11.7	(1.4)	49.5	49.5	-	✗
Reserve Draw	-	-	-	20.7	20.7	-	✗
Total Revenue	158.7	203.7	45.0	811.2	877.2	66.0	✓
Expenses							
Departmental Labour & Benefits	497.3	482.0	(15.3)	1,533.3	1,514.7	(18.6)	✓
Departmental Non-Labour	78.8	66.7	(12.1)	271.7	270.7	(1.0)	✓
Diesel	26.3	32.2	5.9	82.0	107.0	25.0	✗
Traction Power & Utilities	29.2	28.5	(0.7)	88.3	84.5	(3.8)	✓
PRESTO Commissions	6.2	8.2	2.0	31.4	34.4	3.0	✗
Other Corporate Costs	25.6	24.3	(1.3)	92.5	91.4	(1.1)	✓
Subtotal Base Expenses	663.4	641.9	(21.5)	2,099.2	2,102.7	3.5	✗
COVID-19 Costs	17.4	16.2	(1.2)	49.5	38.5	(11.0)	✓
Total Expenses	680.8	658.1	(22.7)	2,148.7	2,141.2	(7.5)	✓
Net Expenditure (Funding Required)	522.1	454.4	(67.7)	1,337.5	1,264.0	(73.5)	✓
Operating Funding							
COVID Funding Impact	275.4	231.3	(44.1)	559.3	485.3	(74.0)	✓
Base City Funding	246.7	223.1	(23.6)	778.2	778.7	0.5	✗
Total Operating Funding	522.1	454.4	(67.7)	1,337.5	1,264.0	(73.5)	✓

TTC Conventional Service: 2022 versus 2021 Results Comparison

Year-end passenger revenue is projected to be \$354.4 million higher in 2022 than 2021, largely reflecting the impact of the anticipated ridership recovery over the course of 2022. Year-to-date 2022 ridership has averaged 48.4% of pre-pandemic levels up from 27.9% for the same time period in 2021. For the full year, ridership is expected to average 66% of pre-pandemic levels, up from 37% achieved in 2021.

Other year-over-year revenue changes include lower ancillary revenue in 2022, due to the impact of one-time settlement proceeds on 2021 results and the budgeted 2022 stabilization reserve draw, with no comparable amount drawn in 2021.

Year-end base expenditures excluding PRESTO commissions is estimated to be \$211.9 million (11.2%) higher in 2022 than 2021, prior to the TTC Stabilization Reserve contribution. Key drivers of this net increase include:

- Increased service costs as service is gradually restored to pre-pandemic levels.
- Increased diesel cost in 2022 due to higher market prices.
- Impact of Local ATU 113 Collective Agreement arbitrated settlement and staff economic increase.
- Onboarding and training to prepare for the start of Line 5 revenue service.
- Employee benefits inflation and utilization increase.

COVID expenditures are projected to be \$6.8 million (15.0%) lower in 2022 primarily due to the suspension of employee screening as of May 2022.

Table 9 – 2022 versus 2021 Results Comparison

TTC Conventional Service						
Item (\$Millions)	Period 4 (Year-To-Date)			Year-End Projection		
	2022 Actuals	2021 Actuals	Change	2022 Forecast	2021 Actuals	Change
Revenues						
Passenger Revenue	192.0	108.9	83.1	807.0	452.6	354.4
Other Ancillary Revenue	11.7	13.3	(1.6)	49.5	64.9	(15.4)
Reserve Draw	-	-	-	20.7	-	20.7
Total Revenue	203.7	122.2	81.5	877.2	517.5	359.7
Expenses						
Departmental Labour & Benefits	482.0	474.5	7.5	1,514.7	1,405.7	109.0
Departmental Non-Labour	66.7	66.3	0.4	270.7	223.7	47.0
Diesel	32.2	21.2	11.0	107.0	68.8	38.2
Traction Power & Utilities	28.5	26.4	2.1	84.5	72.5	12.0
PRESTO Commissions	8.2	4.6	3.6	34.4	19.0	15.4
Other Corporate Costs	24.3	24.2	0.1	91.4	96.2	(4.8)
Subtotal Base Expenses	641.9	617.2	24.7	2,102.7	1,885.8	216.9
COVID-19 Costs	16.2	14.7	1.5	38.5	45.3	(6.8)
Base Expenses incl. COVID	658.1	631.9	26.2	2,141.2	1,931.1	210.1
Reserve Contribution	-	-	-	-	75.1	(75.1)
Total Expenses	658.1	631.9	26.2	2,141.2	2,006.2	135.0
Net Expenditure (Funding Required)	454.4	509.7	(55.3)	1,264.0	1,488.7	(224.7)
Operating Funding						
COVID Impact Funding	231.3	305.2	(73.9)	485.3	795.3	(310.0)
Base City Funding	223.1	204.5	18.6	778.7	693.4	85.3
Total Operating Funding	454.4	509.7	(55.3)	1,264.0	1,488.7	(224.7)

Wheel-Trans Service: 2022 Operating Results by Key Account Grouping

On a year-to-date basis, Wheel-Trans expenses are \$3.7 million or 10.5% below budget with under-expenditures in all expense categories, including workforce vacancies, and shorter than budgeted average trip lengths on contracted taxi services. Revenue and ridership levels are currently aligned with budgeted levels and this trend is expected to continue for the remainder of the year.

This year-end projection incorporates \$0.4 million in unanticipated taxi rate increase approved by City Council on May 12, which impacts sedan taxi services, offset by lower taxi trip length experienced. In addition, expenditures are expected to increase as vacancies are filled, along with the expectation that diesel fuel prices will continue to exceed budget.

Table 10 – 2022 Wheel-Trans Operating Results and Forecast

Wheel-Trans Service							
Item (\$Millions)	Year-To-Date Actuals			Year-End Projection			Status
	Budget	Actual	Variance	Budget	Forecast	Variance	
Passenger Revenues	1.4	1.4	0.0	6.0	6.0	0.0	–
Expenses							
Bus Service	15.4	14.2	(1.2)	52.0	50.9	(1.1)	✓
Vehicle Fuel	0.9	1.1	0.2	3.1	4.2	1.1	✗
Contracted Taxi	10.4	9.8	(0.6)	45.3	45.3	0.0	–
Employee Benefits	6.0	5.1	(0.9)	17.5	17.5	0.0	–
Administration/Management	5.3	4.7	(0.6)	15.6	15.1	(0.5)	✓
Subtotal Base Expenses	38.0	34.9	(3.1)	133.5	133.0	(0.5)	✓
COVID-19 Costs	0.7	0.1	(0.6)	1.9	1.4	(0.5)	✓
Total Expenses	38.7	35.0	(3.7)	135.4	134.4	(1.0)	✓
Net Expenditure (Funding Required)	37.3	33.6	(3.7)	129.4	128.4	(1.0)	✓
Operating Funding							
COVID Impact Funding	0.7	0.1	(0.6)	1.9	1.4	(0.5)	✓
Base City Funding	36.6	33.5	(3.1)	127.5	127.0	(0.5)	✓
Total Operating Funding	37.3	33.6	(3.7)	129.4	128.4	(1.0)	✓

Wheel-Trans Service 2022 versus 2021 Results Comparison

As noted in Table 11, expenses and revenue are higher on a year-to-date basis in 2022 versus 2021, primarily due to a gradual return in ridership demand and the resultant requirements for contracted taxi services, workforce and vehicle maintenance costs.

Table 11 – 2022 versus 2021 Wheel-Trans Results Comparison

Wheel-Trans Service						
Item (\$Millions)	Period 4 (Year-To-Date)			Year-End		
	2022 Actuals	2021 Actuals	Change	2022 Forecast	2021 Actuals	Change
Passenger Revenues	1.4	0.9	0.5	6.0	3.5	2.5
Expenses						
Bus Service	14.2	14.0	0.2	50.9	43.2	7.7
Vehicle Fuel	1.1	0.8	0.3	4.2	2.6	1.6
Contracted Taxi	9.8	5.4	4.4	45.3	23.8	21.5
Employee Benefits	5.1	4.8	0.3	17.5	15.6	1.9
Administration/Management	4.7	4.3	0.4	15.1	14.1	1.0
Subtotal Base Expenses	34.9	29.3	5.6	133.0	99.3	33.7
COVID-19 Costs	0.1	0.5	(0.4)	1.4	1.1	0.3
Base Expenses incl. COVID	35.0	29.8	5.2	134.4	100.4	34.0
Reserve Contribution	-	-	-	-	18.2	(18.2)
Total Expenses	35.0	29.8	5.2	134.4	118.6	15.8
Net Expenditure (Funding Required)	33.6	28.9	4.7	128.4	115.1	13.3
Operating Funding						
COVID Funding Impact	0.1	0.5	(0.4)	1.4	1.1	0.3
Base City Funding	33.5	28.4	5.1	127.0	114.0	13.0
Total Operating Funding	33.6	28.9	4.7	128.4	115.1	13.3

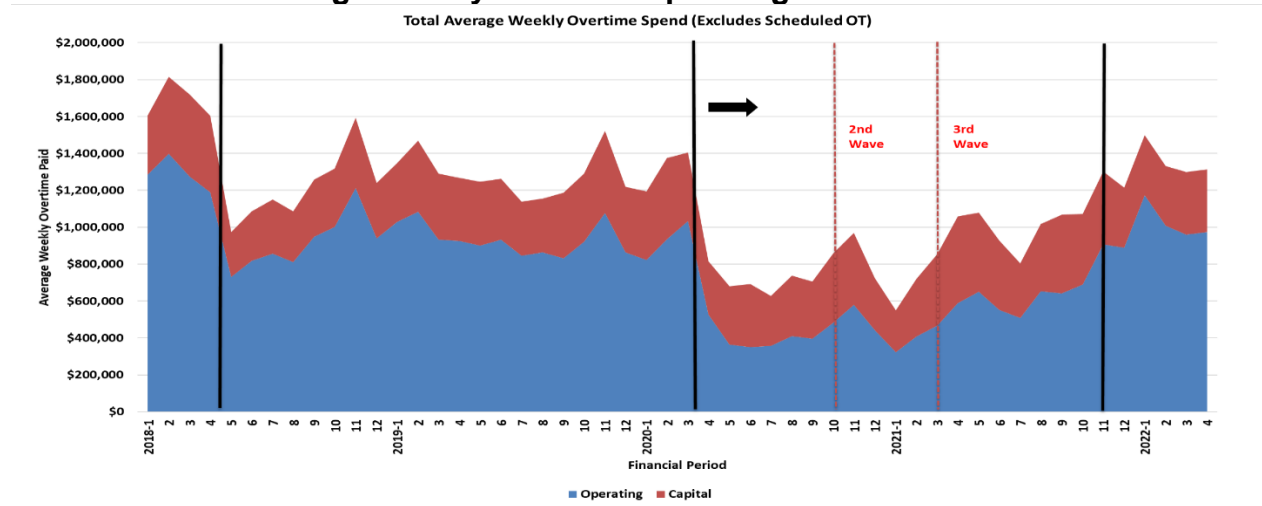
Overtime Management

The management of overtime expenses continues to be a key area of focus for the TTC, one that contributes to meeting the 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.

Excluding overtime required for scheduled service, Chart 2 shows that average weekly overtime spending (operating and capital combined) increased from 2021 levels, and is currently broadly in line with 2019 levels. The increase in overtime requirements in 2022, relative to 2021, was primarily driven by temporary measures to ensure service continuity. Overtime was required as a means to address increased absence coverage during the fourth wave of COVID-19 (Omicron variant) from December to March. This was especially required in January, at the height of the Omicron wave, where absenteeism amongst operators spiked by as much as 35% over December 2021 and as much as 60% over the average of 2021. In addition, the TTC implemented the Mandatory Vaccination Policy in November, which resulted in a reduction of available operators, and therefore it was necessary for the TTC to rely on overtime to mitigate

service impacts. Filling this open work on overtime was a last resort and a temporary measure to ensure service continuity.

Chart 2 – Total Average Weekly Overtime Spending

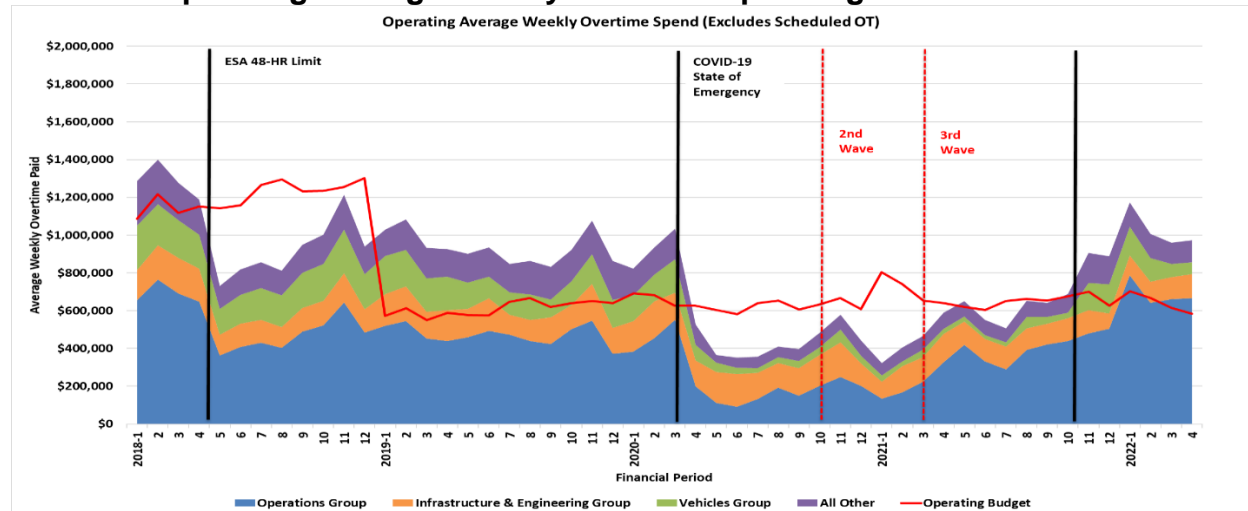


Operating Overtime

Consistent with key 2022 events in Q1 and the overall trend noted above, operating overtime in 2022 increased relative to the 2021 experience and is now in line with pre-pandemic levels from 2019. To maintain service continuity, higher levels of overtime were incurred in the Operations Group for operator overtime relative to 2021, particularly due to the fourth wave and the implementation of the Mandatory Vaccination Policy, as noted above.

As shown in Chart 3 below, operating overtime for the Vehicles Group was also slightly higher than 2021 levels given the need to mitigate service impacts and maintain vehicle availability. Overtime levels in the remaining groups remained relatively unchanged. It is important to note that while overtime spending is temporarily higher than budgeted levels, total labour spending is still below budget as noted earlier in the report.

Chart 3 – Operating Average Weekly Overtime Spending



Overtime spending trends are actively being monitored by departments. Action plans to reduce overtime include ongoing work to accelerate operator hiring and other vacant positions, and the ongoing review of potential schedule adjustments to reduce overtime requirements.

TTC Financial Update – Capital

Adjustments to the 2022-2031 Capital Budget and Plan

At its meeting on February 10, 2022, the TTC Board approved an increase to the TTC's 2022-2031 Capital Budget and Plan to reflect the updated costs required to undertake the Queen Streetcar Infrastructure work for the Ontario Line Project by \$4.3 million and amended the number of temporary capital positions from four to 16 positions to perform the capital work. The total cost is to be fully recovered from Metrolinx.

At its meeting on April 14, 2022, the TTC Board was presented with the Preliminary Financial and Major Projects Update for the Period Ending December 31, 2021. Based on the year-end results, there was a total of \$46 million of 2021 unspent funding that was carried forward and added to the 2022 Capital Budget, and another \$258.2 million added to the 2023 Capital Plan estimates. These adjustments were approved by City Council at its meeting on May 11, 2022.

Due to the increased complexity surrounding planned property acquisitions that will not be finalized this year, and the acceleration of projects ahead of schedule with projects experiencing delays, a total of \$128.1 million is being reduced in 2022 and a total of \$132.4 million is being deferred to 2023, as summarized in Table 12 below and itemized in Appendix 2 of this report.

Table 12 – Revised 10-Year Capital Budget and Plan

Description	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	10-Year
Total Approved Budget & Plan	1,744.07	1,960.02	1,639.50	1,347.63	1,206.70	1,018.80	962.56	1,029.51	736.35	710.49	12,355.64
Budget & Plan Amendments	(128.12)	132.44	-	-	-	-	-	-	-	-	4.32
Revised Total Approved Budget & Plan	1,615.95	2,092.45	1,639.50	1,347.63	1,206.70	1,018.80	962.56	1,029.51	736.35	710.49	12,359.95

The year-end projections based on the above amendments to the 2022 Capital Budget are reflected in the Financial Update Report presented here, and will be included in the TTC's submission for the City's Period 4 2022 Capital Variance Report to the Budget Committee and for City Council's approval at its meeting in July 2022.

The TTC will be submitting a subsequent adjustment to the 2022 Capital Budget and Capital Plan at the first opportunity post Council recess to account for the hybrid bus procurement delays as a result of supply chain issues.

Based on the 2022 COVID-19 Intergovernmental Funding Update and the Federal/Provincial COVID-19 backstop funding plan that was presented to City Council at its meeting on April 5, 2022, the TTC is also finalizing a list of capital projects that are at risk of a permanent budget reduction of \$87 million to the 2022 Capital Budget to help address the City of Toronto's COVID-19-related funding gap.

TTC 2022 Capital Results

As of April 30, 2022, the TTC incurred \$214.4 million in capital spending, reflecting a year-to-date spending rate of 13.8% for the TTC base capital program and \$4.4 million or 6.8% for transit expansion projects, resulting in an overall spending rate of 13.5% at the end of Period 4.

By year-end, the TTC is projected to spend \$1.369 billion, representing an overall spending rate of 84.7% of the 2022 approved Capital Budget, split between the TTC’s base capital program (\$1.309 billion or 84.4%) and transit expansion-related projects (\$59.6 million or 91.6%). Table 13 summarizes the year-to-date and projected year-end results by key project type.

Table 13 – 2022 Capital Budget Results and Forecast

Description (\$ Millions)	2022 Budget	Year-to-Date Actuals		Year-End Projection	
		\$	%	\$	%
TTC Base Capital					
Infrastructure Projects	1,038.5	124.4	12.0%	982.9	94.6%
Vehicle Related Projects	512.5	90.0	17.6%	326.3	63.7%
Total - Base Capital	1,551.0	214.4	13.8%	1,309.2	84.4%
TTC Transit Expansion					
Toronto York Spadina Subway Extension	38.0	2.3	6.1%	38.0	100.0%
Scarborough Rapid Transit Life Extension	22.5	1.4	6.2%	17.5	77.8%
Waterfront Transit - Design	4.5	0.7	15.6%	4.1	90.0%
Total - Transit Expansion	65.0	4.4	6.8%	59.6	91.7%
Total	1,616.0	218.8	13.5%	1,368.8	84.7%

Key Highlights

The TTC’s capital spending projected to year-end will be impacted by factors, including but not limited to, resourcing and supply chain constraints; protracted negotiations for complex projects; adjustments to project schedules due to dependencies with third parties; and scope/schedule deferrals.

The TTC’s 2022 year-to-date and projected year-end capital results are primarily driven by the purchase of vehicle-related projects. Underspensing in infrastructure programs is primarily attributable to various Buildings and Structures programs as well as various Service Planning projects, while delays related to the SRT Life Extension capital work plans contribute to underspensing in the Transit Expansion-related programs.

Vehicle-related Projects

Purchase of Buses

\$49.4 million or 17% of the 2022 Approved Capital Budget of \$284.1 million was spent as of Period 4. In February, the TTC awarded a contract for the purchase of 334 hybrid-electric buses. As a result of supply chain issues with critical microprocessors, the vehicle delivery schedule for hybrid-electric buses has been impacted. As such, the 2022 Approved Budget of \$284.1 million will be adjusted at the first opportunity to reflect the revised payment milestones and updated bus delivery schedule. Currently, the 2022 year-end spending projection is estimated at \$133.8 million or 47% of the 2022 Approved Capital Budget.

Purchase of Wheel-Trans Buses

\$3.0 million or 12% of the 2022 Approved Capital Budget of \$25.4 million was spent as of Period 4. It is anticipated that the TTC will spend \$25.2 million or 99% of the 2022 Approved Capital Budget by the end of this fiscal year. To date, 19 seven-metre units have been delivered. It is expected that the remaining 67 seven-metre units will be delivered in 2022 and 52 seven-metre units will be delivered in 2023.

Rail Non-Revenue Vehicle Overhaul

\$0.4 million or 8% of the 2022 Approved Capital Budget of \$4.2 million was spent as of Period 4 and projected year-end spending is projected to be \$2.9 million or 69% of the 2022 Approved Capital Budget. The underspending is mainly due to the lower-than-anticipated expenditure in the Work Car Overhaul Program, due to supply chain delays for parts to complete the work as planned.

Purchase Rail Non-Revenue Vehicles

\$0.2 million or 5% of the 2022 Approved Capital Budget of \$4.4 million was spent as of Period 4. It is anticipated that TTC will spend \$2.7 million or 61% of the 2022 Approved Capital Budget. The underspending is mainly due to supply chain issues. As a result, the TTC is taking steps to address these issues with standing order procurements.

Infrastructure Projects

Automatic Train Control (ATC) Resignalling

\$9.2 million or 17% of the 2022 Approved Capital Budget of \$55.3 million has been spent as of Period 4. The projected year-end spending is anticipated to be \$38.9 million or 70% of the 2022 Approved Capital Budget. Some of construction works were completed earlier than anticipated, which resulted in savings from 2022 TTC Installation Forecast. These construction savings are permanent, but will be used to fund Phase 6 requirements. Additionally, with the completion of Phase 6 coming in 2023, some capital activities will be deferred to align with the timing of the Eglinton Platform Relocation and the co-ordination with third parties.

Finishes

\$3.7 million or 14% of the 2022 Approved Capital Budget of \$27.4 million has been spent as of Period 4. The projected year-end spending is anticipated to be \$19.8 million or 72% of the 2022 Approved Capital Budget. The underspending is primarily driven by

the revised construction phasing and staging for Queen's Park and St Patrick stations (Finish Renewal project) due to interdependencies with third parties.

Streetcar Network Upgrades

It is anticipated that the year-end spending is projected to be \$0.6 million or 43% of the 2022 Approved Capital Budget of \$1.5 million. The projected underspending is a result of the work package for High Park Loop coming in lower than estimated, resulting in permanent savings.

Line 1 Capacity Enhancement

\$3.8 million or 13% of the 2022 Approved Capital Budget of \$30.7 million has been spent as of Period 4. The projected year-end spending is anticipated to be \$18.3 million or 60% of the 2022 Approved Capital Budget. The lower-than-anticipated expenditure is mainly due to the review of the property purchase, realignment of design works and implementation works that are being deferred to 2023.

Service Planning

\$1.4 million or 5% of the \$27.9 million has been spent as of Period 4. The projected year-end spending is anticipated to be \$16.9 million or 61% of the 2022 Approved Capital Budget. The underspending is due to a lower-than-planned contract award price for the Bus Stop Improvements for Accessibility project and Platform Modification project. Construction and design works have been postponed to 2023 based on the City of Toronto's revised schedule.

Computer Equipment and Software

\$12.0 million or 12% of the 2022 Approved Capital Budget of \$96.2 million has been spent as of Period 4. The projected year-end spending is anticipated to be \$80.5 million or 84% of the 2022 Approved Capital Budget. The underspending is due to the delays in the start dates of the contractors dedicated to the SAP project and timing of invoices. Progress in the Vision Project has been impacted due to delays in receiving Smart Yard re-designs from Clever Devices. Design changes are required to address vehicle location accuracy issues in TTC carhouses and bus garages, which is impacting the schedule.

TTC Transit Expansion

SRT Life Extension

\$1.4 million or 6% of the \$22.5 million included in the 2022 Approved Capital Budget for the SRT Life Extension project has been spent as of Period 4. The projected year-end spending is anticipated to be \$17.5 million or 78% of the 2022 Approved Capital Budget. The underspending is primarily driven by design costs being deferred to 2023.

Additional information summarizing 2022 capital spending results for the period and projected year-end spending by program is provided in Appendix 1 – 2022 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 Period 4 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).

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.

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Attachments

Appendix 1 – 2022 Capital Spending Summary by Program
Appendix 2 – 2022-2031 Capital Budget and Plan Adjustments for Council Approval
Appendix 3 – Category 3 Projects Capital Spending Dashboard
Appendix 4 – Category 3 Major Projects Update

Appendix 1 – 2022 Capital Spending Summary by Program

Toronto Transit Commission 2022 Capital Budget Variance (Pd 4) For the Period Ended April 30, 2022

EXPENDITURES BY PROGRAM	2022 Budget	Year-to-Date			Year End		
		Actuals	Variance	%	Projection	Variance	%
TRACK	92.174	13.318	78.856	14%	97.275	(5.101)	106%
1.1 Subway Track	33.172	9.567	23.604	29%	33.172	(0.000)	100%
1.2 Surface Track	59.002	3.751	55.251	6%	64.103	(5.101)	109%
ELECTRICAL SYSTEMS	121.722	24.885	96.837	20%	101.472	20.250	83%
2.1 Traction Power	27.678	5.111	22.567	18%	27.693	(0.015)	100%
2.2 Power Distribution/Electric Systems	7.893	2.208	5.685	28%	7.025	0.867	89%
2.3 Communications	14.703	3.746	10.957	25%	13.640	1.063	93%
2.4 Signal Systems	16.193	4.598	11.595	28%	14.213	1.980	88%
ATC Resignalling	55.255	9.222	46.033	17%	38.901	16.355	70%
BUILDINGS & STRUCTURES	657.654	69.399	588.256	11%	646.500	11.155	98%
3.1 Finishes	27.428	3.704	23.724	14%	19.835	7.593	72%
3.2 Equipment	78.182	6.697	71.484	9%	74.311	3.871	95%
3.3 Yards & Roads							
Streetcar Network Upgrades & BRT	1.453	(0.659)	2.112	-45%	0.626	0.827	43%
On-Grade Paving Rehabilitation Program	8.235	2.148	6.087	26%	9.495	(1.260)	115%
Bicycle parking at stations	0.200	0.034	0.166	17%	0.200	0.000	100%
Transit Shelters & Loops	1.135	0.000	1.135	0%	1.135	0.000	100%
3.4 Bridges & Tunnels	40.893	7.327	33.566	18%	38.811	2.082	95%
3.9 Buildings and Structures Projects							
Fire Ventilation Upgrades & Second Exits	44.622	15.974	28.648	36%	48.737	(4.115)	109%
Easier Access Phase III	107.699	12.637	95.062	12%	100.142	7.557	93%
Leslie Barns	1.610	0.101	1.509	6%	1.515	0.095	94%
Toronto Rocket/T1 Rail Yard Accommodation	17.767	4.623	13.143	26%	32.910	(15.143)	185%
McNicoll New Bus Garage	0.500	0.073	0.427	15%	1.443	(0.943)	289%
Warehouse Consolidation	0.587	0.012	0.575	2%	0.153	0.434	26%
Yonge-Bloor Capacity Enhancement	50.000	1.349	48.651	3%	50.000	0.000	100%
Line 1 Capacity Enhancement	30.661	3.844	26.817	13%	18.319	12.342	60%
Line 2 Capacity Enhancement	10.191	1.830	8.361	18%	10.191	0.000	100%
Other Buildings and Structures	236.491	9.702	226.789	4%	238.677	(2.186)	101%
VEHICLES	512.466	90.018	422.447	18%	326.301	186.165	64%
REVENUE VEHICLES							
4.11 Purchase of Buses	284.102	49.351	234.751	17%	133.800	150.302	47%
4.11 Purchase of Buses - Wheel Trans Buses	25.448	3.003	22.445	12%	25.168	0.280	99%
4.12 Purchase of Subway Cars	8.628	0.815	7.814	9%	2.652	5.976	31%
4.13 Bus Overhaul	77.098	16.333	60.765	21%	57.076	20.022	74%
4.15 Streetcar Overhaul	7.063	1.027	6.036	15%	7.062	0.000	100%
4.16 Subway Car Overhaul	32.207	9.440	22.767	29%	28.914	3.292	90%
4.18 Purchase of Streetcars	59.650	9.331	50.319	16%	54.979	4.671	92%
NON-REVENUE VEHICLES							
4.21 Purchase Automotive Non-Revenue Vehicles	9.671	0.162	9.509	2%	11.071	(1.400)	114%
4.22 Rail Non-Revenue Vehicle Overhaul	4.184	0.350	3.834	8%	2.904	1.280	69%
4.23 Purchase Rail Non-Revenue Vehicles	4.414	0.206	4.208	5%	2.675	1.740	61%
TOTAL OTHER	166.926	16.749	150.177	10%	137.669	29.256	82%
TOOLING, MACHINERY & EQUIPMENT							
5.1 Shop Equipment	9.308	0.505	8.804	5%	7.778	1.530	84%
5.2 Revenue & Fare Handling Equipment	8.820	0.161	8.659	2%	8.818	0.002	100%
5.3 Other Maintenance Equipment	3.426	0.258	3.167	8%	2.854	0.572	83%
5.4 Fare System	6.420	0.214	6.207	3%	7.375	(0.954)	115%
ENVIRONMENTAL PROGRAMS							
6.1 Environmental Programs	12.923	2.112	10.811	16%	11.600	1.323	90%
6.1 Safety and Reliability	1.477	0.126	1.351	9%	1.477	0.000	100%
COMPUTER EQUIPMENT & SOFTWARE							
7.1 Computer Equipment & Software	96.238	11.978	84.260	12%	80.455	15.783	84%
OTHER							
9.1 Furniture & Office Equipment	0.366	0.000	0.366	0%	0.366	(0.000)	100%
9.2 Service Planning	27.947	1.395	26.552	5%	16.947	11.000	61%
Total Base Programs	1,550.941	214.369	1,336.572	14%	1,309.217	241.725	84%
Toronto York Spadina Subway Extension	38.001	2.359	35.642	6%	38.000	0.001	100%
Scarborough Rapid Transit Life Extension	22.495	1.361	21.133	6%	17.495	5.000	78%
Waterfront Transit - Design	4.516	0.711	3.805	16%	4.066	0.450	90%
Total Transit Expansion Projects	65.012	4.431	60.581	7%	59.561	5.451	92%
Total TTC Base & Transit Expansion Projects	1,615.953	218.800	1,397.153	14%	1,368.777	247.176	85%

Appendix 2 – 2022-2031 Capital Budget & Plan Capital Budget Adjustment Request for City Council Approval

CTT	Program	2022 Capital Budget Adjustment Request (\$ 000's)	2023 Capital Budget Adjustment Request (\$ 000's)	Total 10-Year Capital Budget & Plan Adjustment Request (\$ 000's)
CTT002	Surface Track	(2,139)	10,381	12,602
CTT003	Traction Power	(1,016)	(2,833)	(8,208)
CTT005	Power Distribution/Electric Systems	309	0	309
CTT010	Finishes	200	0	200
CTT012	Equipment	300	715	1,015
CTT024	Fire Ventilation Upgrades and Second Exits	(2,808)	386	(2,422)
CTT028	Easier Access Phase III	0	331	331
CTT051	Subway Car Overhaul	(130)	0	(130)
CTT052	Automotive Non-Revenue Vehicle Replace	(1,400)	0	(1,400)
CTT055	Shop Equipment	1,398	0	1,398
CTT061	Computer Equipment and Software	1,831	378	3,824
CTT110	Other Buildings and Structures	(48,222)	46,512	(1,709)
CTT112	Bus Overhaul	5,004	0	5,004
CTT122	Purchase of Legacy LRVs	(300)	(715)	(1,015)
CTT134	Spadina Subway Extension	(25,966)	25,966	0
CTT146	Toronto Rocket/T1 Rail Yard Accommodation	(6,161)	0	(6,161)
CTT151	Waterfront Transit - Design	(2,577)	0	(2,577)
CTT154	Corporate Initiatives	3,559	(1,858)	86
CTT155	Yonge-Bloor Capacity Improvement	(50,000)	50,000	0
CTT156	Line 1 Capacity Enhancement	0	1,875	1,875
CTT157	Line 2 Capacity Enhancement	0	1,297	1,297
Total Adjustments		(128,118)	132,437	4,319

Note: The increase of \$4.3 million in the 10-Year Capital Budget and Plan is based on the updated cost required to undertake the Queen Streetcar Infrastructure work for the Ontario Line Project as approved by the TTC Board at its meeting of February 10, 2022.

Appendix 3 – Category 3 Projects Capital Spending Dashboard

Category 3 Projects Capital Spending Dashboard

Projects/Programs	Critical Path	Cost (millions)							Status			
		2022 YTD		2022	2022	Approved	Actual	Projected	Cost	Schedule	Scope	Overall
		Budget	Actual	Approved	Forecast	Budget	LTD	EFC				
Category 3												
ATC Resignalling - Line 1	3	\$12.4	\$8.8	\$50.0	\$36.5	\$737.0	\$618.7	\$737.0	G	G	G	G
Easier Access Phase III	4	\$24.1	\$12.6	\$107.7	\$91.5	\$1089.6	\$472.9	\$1089.6	G	Y	G	Y
Fire Ventilation Upgrades	Safety	\$10.8	\$16.0	\$44.6	\$48.7	\$571.6	\$354.5	\$2279.1	Y	Y	G	Y
Purchase of Buses	3	\$76.2	\$49.2	\$282.7	\$132.4	\$889.1	\$260.0	\$3819.8	G	G	G	G
Charging Systems	3	\$6.4	\$2.3	\$40.5	\$40.5	\$117.9	\$42.8	\$766.2	G	G	G	G
Purchase of 60 Streetcars	3	\$0.3	\$0.3	\$14.8	\$17.3	\$468.0	\$114.7	\$468.0	G	G	G	G
Wheels Trans 10-Yr Transformation Program	4	\$1.5	\$0.5	\$4.4	\$4.4	\$49.8	\$31.5	\$49.8	G	G	G	G
PRESTO	3	\$0.4	\$0.1	\$5.5	\$6.8	\$79.8	\$63.0	\$79.8	G	R	Y	R
Stations Transformation	4	\$1.7	\$0.9	\$8.9	\$3.3	\$50.8	\$31.3	\$50.8	Y	G	G	G
VISION Program (CAD/AVL)	3	\$1.4	\$1.2	\$12.3	\$6.9	\$111.7	\$89.2	\$111.7	G	Y	G	Y
SAP ERP Implementation	5	\$8.3	\$3.1	\$24.9	\$19.4	\$272.8	\$90.2	\$272.8	G	Y	G	Y
Total		\$143.4	\$95.0	\$596.3	\$407.7	\$4,438.2	\$2,168.9	\$9,724.6				



	Cost (\$Millions)			
	2022 YTD Budget	2022 YTD Actual	Approved Budget	Estimated Final Cost
Total Base Capital Program (Cat 3)	\$143.4M	\$95.0M	\$4,438.2M	\$9,724.6M

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

Note:

- Financials are reported as of Period 12, including Carry Forward amounts from 2021 and reflect budget approvals as of February 17, 2022 (Council Approval) and in-year adjustments subject to approval. All other Project Performance Indicators (overall status, schedule and scope) reflect year-to-date results as of April 30, 2022.

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 Resignalling

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
2009	2023	\$737.0M	\$618.7M	\$737.0M
Overall Performance Status		2022 YTD Budget	2022 YTD Actuals	2022 Approved Budget
G		\$17.0M	\$8.8M	\$50.0M

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) – Completed – In service Q4 2021
- Phase 5 (Eglinton to Finch) – In progress, targeted for In service Q3 2022
- Phase 6 (ATC enhancements) – In development – Scope and Schedule under review

Progress Update (P1 - P4 2022)

- ATC is in operation from Vaughan Metropolitan Centre to Eglinton stations. Phase 4 of ATC (Rosedale to Eglinton) was commissioned in October 2021.
- The project is forecasting Phase 5 (Eglinton to Finch) will be commissioned by September 2022, resulting in the full implementation of ATC on Line 1. Recent progress on Phase 5 includes:
 - Phase 5 Part 2 Low Speed testing completed in February 2022.
 - Phase 5 Part 1 High Speed testing completed in March 2022.
 - 19 work cars have been equipped with Automatic Train Protection (ATP).
- Currently finalizing the scope for a new Phase 6 as a result of the inclusion of ATC flanking and fouling (to provide additional system protection for trains operating in emergency/manual (non-ATC) modes through a switch area) enhancements in Phase 4 and 5. Some non-safety critical functional changes has been moved into the new Phase 6.

Key Issues/Risks and Mitigation Activities

- Eglinton Crosstown LRT interface with ATC Project: The LRT project (Subway platform relocation for better passenger exchange) may impact the ATC implementation timeline (Phase 5 – if station stopping location is required to move prior to full revenue service). Mitigation: Current direction is that any change triggered by the Eglinton

Crosstown LRT project will be implemented post Phase 5, and movement of platform stopping point would be expected during Phase 6. RFQ initiated with Contractor.

Next Steps

The following are the next key milestones under Phase 5 of the ATC project:

- Phase 5 High Speed Testing Part 2 (May 2022).
- Phase 5 Performance Testing (August 2022).
- Commissioning – Eglinton to Finch (September 2022).

The following are next key milestones under Phase 6:

- Alstom to provide quote for the Flanking and Fouling enhancements RFQ that was issued in April 2022.
- Phase 6 Enhancement Deployment (Q1 2023 under review).

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	\$1,089.6	\$472.9M	\$1,089.6
Overall Performance Status		2022 YTD Budget	2022 YTD Actuals	2022 Approved Budget
Y		\$24.1M	\$12.6M	\$107.7M

Project Deliverables

- Make subway stations accessible by providing elevators, ramps, wide fare gates, automatic sliding doors and signage improvements. Currently, 55 stations meet AODA requirements.

Progress Update (P1 – P4 2022)

- Posted Tender for King Station.
- Completed Tender evaluation for Museum and Spadina stations.
- Awarded contracts for Lawrence, Warden [Passenger Pick Up and Drop Off (PPUDO) and Platform Elevator], High Park and Christie stations.

The table below provides the status by station for the Elevator in Service (EIS) date, which is key to the TTC meeting its AODA requirements. The table also outlines the date by which substantial completion of all station works is anticipated.

Station Status (April 30, 2022)

Station	Current Status	Elevators in Service	Substantial Completion
Keele	Completed	In Service	Achieved
Yorkdale	Construction	In Service	Q4 2022
Sherbourne	Completed	In Service	Achieved
Donlands	Construction	Q2 2023	Q3 2023
Lansdowne	Construction	Q4 2022	Q4 2022

Station Status (April 30, 2022)			
College	Construction	Q4 2023	Q4 2023
Summerhill	Construction	Q4 2023	Q1 2024
Castle Frank	Construction	Q4 2023	Q1 2024
Rosedale	Construction	Q4 2023	Q1 2024
Greenwood	Construction	Q4 2023	Q1 2024
Glencairn	Construction	Q1 2024	Q2 2024
Christie	Construction	Q1 2024	Q3 2024
Lawrence	Construction	Q4 2024	Q4 2024
Spadina	Tender	Q4 2024	Q1 2025
High Park	Tender	Q4 2024	Q4 2024
Museum	Tender	Q4 2024	Q4 2024
King	Tender	Q4 2024	Q1 2025
Old Mill	Design (100%)	Q4 2024	Q2 2025
Islington ¹ (EA/Re-dev)	Detailed Design	Q4 2024	Q2 2026
Warden EA ²	Tender	Q4 2023	Q1 2024
Warden (Re-dev)	Detailed Design	Q4 2024 ³	Q3 2026

¹ Islington (EA/Re-dev) work will provide accessibility from new street entrance (ramp) to concourse and from concourse to subway platform (elevator). Accessibility from new bus terminal to concourse will be provided with an elevator as part of the Re-development. Bus access to new street level entrance anticipated to be completed by end of 2024.

² Warden EA Contract will provide accessibility from drop-off PPUDO to concourse (first elevator) and concourse to subway (second elevator).

³ Warden Station will become accessible once construction of the temporary bus terminal is completed (end of 2024) under the Re-development contract.

Key Issues/Risks and Mitigation Activities

- Warden Station accessibility: Magnitude and complexity of the bus terminal re-development and interfacing with existing station, including site conditions, may delay full station accessibility. Site Plan Approval (SPA) by the City is required by mid-2022, including completion of design-related work and acceptance in parallel. Mitigation: PPUDO and platform elevators are targeted for award in Q2 2022 to achieve elevator-in-service as an advance work in Q4 2023 to fulfil AODA mandate for barrier-free accessibility from street/PPUDO level to subway platform level at the station.
- Islington Station accessibility: Magnitude and complexity of the bus terminal re-development and interface with existing station may delay full station accessibility. Site Plan Approval (SPA) by the City is required by mid-2022. Approvals by Toronto Water and Create TO and completion of design-related work, including internal acceptance is required by Q3 2022. City Transportation comments on SPA received in Q1 2022. Mitigation: TTC-City Executive steering committee engaged to facilitate high-level approvals with the City. Agreement is required with the City to mitigate municipal requirements (Council Approval) in order to achieve SPA approval on time.
- Property Expropriation/Easement: Property acquisitions may take longer than anticipated. Potential impact on EIS date for Old Mill, Museum and High Park. Mitigation: Agreements for High Park and Museum anticipated in Q2 2022. The work at Old Mill requires multiple property easements and ongoing discussions with City Real Estate Services and property owners while processing expropriations in parallel.
- 3rd Party – Permits and Approvals, Utility relocations: Schedule impacts at Greenwood, King and Christie. Christie Station impacted by delay in municipal agreement. Mitigation: Proceeding with construction in parallel with ongoing discussions on provincial environmental protection mandate and municipal agreement. Continue close co-ordination with utility companies.
- Design and Construction Complexities: Impacts due to retrofit of complex stations, including stairs/escalators, adjacent properties, utility conflicts result in longer design durations to resolve issues. Impacted stations: King, Lawrence, Old Mill, Museum and High Park. Mitigation: Continue resolving issues to completion, including continued support from Operations during construction, service relocations, support for track level access, and closures to facilitate the work. Achieved agreement in principle on Enwave utility issue at King Station.
- Union Strikes: A number of construction unions, including LIUNA Local 183, International Union of Operating Engineers Local 793 and the Ontario Chapter of the United Brotherhood of Carpenters and Joiners have exercised their right to strike. These labour disruptions are impacting EAIII locations in construction, including: Glencairn, Lansdowne, Summerhill, Rosedale, Greenwood, Castle Frank, Donlands and College stations. Mitigation: Continue to monitor and work with Contractors to mitigate impacts where possible.

Next Steps

- Contract award for Spadina and Museum stations (Q2 2022)
- Closing tender and contract award for King Station (Q3 2022)

Key Issues/Risks and Mitigation Activities

- Posting for tender the contract for Old Mill Station (Q2 2022)

Fire Ventilation Upgrade (FVU)

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 is 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 ¹	\$571.6M	\$354.5M	\$2,279.1M ²
Overall Performance		2022 YTD Budget	2022 YTD Actuals	2022 Approved Budget
Y		\$10.8M	\$16.0M	\$44.6M

Project Deliverables

- Subway Ventilation System Upgrades (5 Completed, 1 in construction).
 - Completed: York Mills, Sheppard, Finch, Union, Lawrence.
- Subway Ventilation Equipment Replacement (3 completed, 2 in construction).
 - Completed: Bloor F#2, Sheppard W. station F#2, Sherbourne.
- Second Exits at 14 priority stations (7 completed, 2 at planning/property search, 2 in Design, 1 in Procurement and 3 in Construction).
 - Completed: Broadview, Castle Frank, Pape, Dufferin, Woodbine, Wellesley, Chester.

Progress Update (P1 - P4 2022)

Progress is ongoing for the following:

- Construction:
 - Eglinton Subway Ventilation Upgrade (Design Built by Metrolinx)
 - Sheppard West and Clanton Park Emergency Service Building (ESB), and Dundas West Subway Ventilation Equipment Replacement
 - Chester, Donlands and College Station Second Exits Combined with Easier Access
- Design Stage:
 - Summerhill and Dundas West Second Exit/Entrance
- Tender evaluation completed for Museum Station Second Exit combined with Easier Access.

Key Issues/Risks and Mitigation Activities

- Property easements for Museum Second Exit may take longer than anticipated impacting the contract award timelines. Mitigation: TTC and City of Toronto personnel are following up and escalating the matter with the University of Toronto regarding finalization of the easement agreement. University of Toronto comments on the draft easement agreement are under review by TTC and City of Toronto.

- Unexpected site conditions and community impacts at College and Donlands during construction will impact Substantial Performance. Mitigation: TTC site teams are working collaboratively with the Contractors to develop and execute recovery plans.
- Complexity of Greenwood and Summerhill Second Exit projects may cause activities to take longer than expected and result in additional costs. Mitigation: Advance design and utility relocation work where possible. 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 (Dundas and Greenwood Second Exits): 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.
- Project Interdependencies: Delay in Substantial Performance of Sheppard West and Clanton Park ESB – Subway Ventilation Equipment Replacement due to delay in delivery of equipment due to supply chain issues related to COVID-19.

Next Steps

- Award for Museum Station Second Exit combined with Easier Access (Q2 2022).

Note:

¹ 2030 represents the completion of the funded scope.

² EFC includes \$1.5B in unfunded post 2030.

Purchase of Buses

Description

Replacement of vehicles at end-of-life 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 meet the City of Toronto's TransformTO target of Net Zero by 2040.

Financials

Program Start	Forecast Completion Year	Total Approved Budget	Spend to Date	Estimated Final Cost
2018	2036	\$899.1M	\$260.0M	\$3,819.8M
Overall Performance		2022 YTD Budget	2022 YTD Actuals	2022 Approved Budget
G		\$76.2M	\$49.2M	\$282.7M

Project Deliverables

- Current funding allows for the procurement of 336 hybrid-electric buses and approximately 240 zero-emission battery-electric buses (e-Buses) required between 2023 and 2025.

Progress Update (P1 – P4 2022)

- Hybrid-Electric Buses:
 - Contract was awarded on February 28, 2022. (134 forty-foot buses Nova, 134 forty-foot buses to New Flyer, and 68 sixty-foot articulated buses to New Flyer).
 - Commenced pre-production meetings on March 2022.
 - Preliminary delivery schedules have been provided by vendors allow TTC to plan for the delivery and decommissioning of end-of-life buses starting in 2023.
- e-Buses:
 - Issued Request for Proposal to the market on April 4, 2022 and completed the pre-qualification of vendors using pass/fail criteria on April 28, 2022.
 - Presented final report on the head-to-head evaluation to the Board on April 14, 2022.

Key Issues/Risks and Mitigation Activities

Hybrid-Electric Buses Risks:

- Issue: Vendor (New Flyer Industries) advised that a shortage of critical microprocessors may impact the vehicle delivery schedule. Corrective Action: Work closely with New Flyer to determine the impact to schedule and opportunities to recover.

e-Buses Issues:

- Issue: Vehicle availability of the BYD fleet of buses is not meeting targets. Action Plan: Meet with vendors weekly to review repairs and report on availability. Liquidated Damages regarding availability have been incorporated into the latest procurement specifications.

e-Buses Risks:

- Risk: Inability to adapt to business transformation. The business transformation will include route design, planning and dispatching as well as transitioning from fueling buses with diesel to charging buses. Risk may impact the schedule and operations. Mitigation Activities: TTC will continue to engage its stakeholders through every stage of the program. Further, a full fleet electrification feasibility study is on track to be completed by Q4 2022.

e-Buses and Hybrid-Electric Buses Risks:

- Risk: General global supply chain challenges. Action Plan: Monitor the supply chain closely with vendors and enact recovery plans, alternative sources, etc. as required. Should there be an impact to the schedule, communicate and collaborate with all interdependent projects.

Next Steps

Hybrid-Electric Buses:

- Review bus configuration with the vendors prior to bus production (June 2022).
- TTC to negotiate final delivery schedule with vendors (June 2022).
- Commence delivery of 336 buses (Q1 2023).

e-Buses:

- Commercial Confidential Meetings with the proponents (June 2022).
- Contract Award (Q3 2022).

Note:

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

e-Bus Charging Systems

Description

The e-Bus Charging Systems Program consists of the design, delivery, construction, installation, operation and maintenance of charging infrastructure at bus garages. This includes the installation of approximately 2,200 charge points for electric buses, an upgrade of power to each property, installation of substation, battery energy storage system, natural gas emergency backup generators, Level 2 non-revenue electric vehicle (EV) chargers and solar panels where practical to advance the TTC's transition towards zero-emissions fleet along with the City of Toronto's TransformTO target of Net Zero by 2040.

Financials

Program Start	Forecast Completion Year	Total Approved Budget	Spend to Date	Estimated Final Cost
2016	2040	\$117.9M	\$42.8M	\$766.2M
Overall Performance		2022 YTD Budget	2022 YTD Actuals	2022 Approved Budget
G		\$6.4M	\$2.3M	\$40.5M

Project Deliverables

- Design, delivery, construction, installation, operation and maintenance of charging infrastructure at bus garages to support the TTC's Green Fleet plan. This includes:
 - Phase 1 – Approximately 25% electrification (up to 50 charge points) at six garages: Eglinton, Wilson, Birchmount, Malvern, McNicoll and Queensway by 2024.
 - Phase 2 – Approximately 50% electrification at each garage: Eglinton, Wilson, Birchmount, Malvern, McNicoll, Queensway, Arrow Road and Mount Dennis by 2030.
 - Phase 3 – 100% electrification at each garage: Eglinton, Wilson, Birchmount, Malvern, McNicoll, Queensway, Arrow Road and Mount Dennis by 2037.

Progress Update (P1 - P4 2022)

- Completed site mobilization for the Birchmount Proof of Concept (PoC).
- Completed e-Bus feasibility studies for the following garages: Malvern, Mount Dennis, McNicoll, Queensway, Eglinton, Wilson, Birchmount and Arrow Road.
- At the February 10, 2022 TTC Board meeting, the CEO received delegated authority to enter into the TTC-PowerON Principal Agreement (PA) with PowerON Energy Solutions. The final PA is in progress with a target completion by Q3 2022. Phase 1 engineering and design is ongoing for Phase 1 at Wilson, Eglinton, Birchmount, Malvern, McNicoll and Queensway garages.

Key Issues/Risks and Mitigation Activities

Risks:

- Delay in the execution of TTC-PowerOn Principal Agreement can hinder the timely completion of Phase 1 of the program. Mitigation: Continue to work with internal

stakeholders and PowerON to resolve any outstanding points of clarification or potential issues. Target completion is Q3 2022.

- Challenge in adapting to business transformation may impact program schedule and operations. Mitigation: Continue to foster collaboration and take a holistic view of the capabilities of the new technologies and develop the appropriate training programs to enhance the internal skills and tools required to use and maintain the new technology efficiently. A full fleet electrification feasibility study is expected to be completed by Q4 2022; this will further all stakeholder's understanding of the entire business needs to enable business transformation readiness.
- Lack of program funding may impact the ability to deliver on the full program scope. Mitigation: The TTC will continue to work with various levels of government to acquire the appropriate funding for the various phases of the program and will keep the TTC Board updated on the plan and its progress for the implementation of the system-wide charging infrastructure.

Next Steps

- Finalize the TTC-PowerON Principal Agreement by Q3 2022 and issue the Notice to Proceed (NTP) to PowerON upon execution.
- Complete end-to-end testing of existing Battery Energy Storage System (BESS) by the end of June 2022.
- Complete the draft design package for Birchmount, Malvern, Wilson and Eglinton garages by Q3 2022.
- Complete the PoC for Birchmount by Q4 2022.

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

Purchase of 60 Streetcars

Description

This project provides for the purchase of 60 new accessible streetcars to address latent service demand, projected increases in travel time due to traffic congestion, and enable growth.

Financials

Program Start	Forecast Completion Year	Total Approved Budget	Spend to Date	Estimated Final Cost
2019	2026	\$468.0M	\$114.7M	\$468.0M
Overall Performance		2022 YTD Budget	2022 YTD Actuals	2022 Approved Budget
G		\$0.3M	\$0.3M	\$14.9M

Project Deliverables

- The procurement and delivery of 60 streetcars by 2026.

Progress Update (P1 - P4 2022)

- Production of major sub-assemblies continue to ramp-up.
- Produced cab and sidewall structures for two complete car sets. In addition, completed Customer Final Article Inspections for the cab structure in Sahagun and side wall structures in La Pocatière.
- The setup of a Transfer Payment Agreement (TPA) and Contribution Agreement (CA) with the Ministry of Transportation (MTO) and Infrastructure Canada (INFC) are in progress.

Key Issues/Risks and Mitigation Activities

- Risk: Given market conditions and recent increases in escalation, there is a risk that the EFC may increase. Per contract, the escalation formula includes factors that are correlated to the market conditions and associated indices. Mitigation: Continue to monitor producer's price indices, update escalation projections and explore potential funding opportunities and offsets.
- Risk: Potential technical and quality issues with the remobilized production line and sub-suppliers. Mitigation: Continue to work with Alstom and ensure quality through final article inspection of components and the introduction of joint quality gates.
- Risk: Certain parts may become obsolete prior to production. Mitigation: Continue to work with Alstom to evaluate alternative solutions prior to production.

Next Steps

- Conduct Canadian Content audit by Q3 2022.
- Complete the Transfer Payment Agreement with MTO by Q3 2022.
- Complete Contribution Agreement with Infrastructure Canada by Q4 2022.

- Complete connection of major sub-assemblies for the first car, including underframe, side walls and roof (Splice of First Car) – Q4 2022.

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 accessible 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	\$31.5M	\$49.8M
Overall Performance		2022 YTD Budget	2022 YTD Actuals	2022 Approved Budget
G		\$1.5M	\$0.5M	\$4.4M

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 ProMaster mini-buses in service by December 2019.
 - Customer Relationship Management facilitating mass e-mailing 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 Phase 4 Go-Live implemented in Q4 2021.
- Phase 5-8 – Reservation, Scheduling and Dispatch Improvements: third-party assessment in progress.

Progress Update (P1 - P4 2022)

- Program is prepared for Stage Gate 3. Business Transformation Projects remain active with 5 of 8 now closed.
- BI Reporting and Analytics Phase 4 project is on track for May 2022 completion.
- ITS Solution Assessment: Formally awarded the RFP to vendor "IBI Group" in early January 2022 and kicked off the project in late January 2022.
- ITS Solution Assessment: Phase 1 "As-Is Discovery" completed on March 31, 2022.
- ITS Solution Assessment: Phase 2 "Options and Recommendation" commenced on April 4, 2022.
- FOS Project: Wave 6 Routes and Stops – SSP Stop Assessment review in progress. 2,000 stops added for FOS trips, testing in progress.

Key Issues/Risks and Mitigation Activities

- Issue: COVID impact on Conditional Trip Matching. Action Plan: Reevaluate in Q4 2022 via Toronto Public Health guidance and Customer Surveys.
- 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 7,000 customers re-registered.

Next Steps

- Implement BI Reporting and Analytics Phase 4 in May 2022.
- Complete the ITS Solution Assessment in Q3 2022 and present executive summary of assessment and recommendations back to the Board in Q4 2022.

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 TTC's scope of work supporting Metrolinx activities for the implementation of the PRESTO fare card 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	2024	\$79.8M	\$63.0M	\$79.8M
Overall Performance		2022 YTD Budget	2022 YTD Actuals	2022 Approved Budget
R		\$0.4M	\$0.1M	\$5.5M

Project Deliverables

- Measure fare compliance system-wide across buses, streetcars and stations (2023).
- Human Machine Interface (HMI):
 - a) Provide customers with additional fare payment information, including displaying card balances and time remaining in the 2-hour transfer window.
 - b) Display the same light and sound for Fair Pass concession card as Adult concession when tapped to avoid differentiation of customers using a Fair Pass.
 - c) Apply distinct light and sound for Child Concession to distinguish it from all other concession cards to avoid fraud.
 - d) Settlement Negotiation: Finalize Minutes of Settlement with settlement amount from Metrolinx and terms and conditions for Metrolinx to deliver all the outstanding requirements from the Metrolinx e-Master Agreement.

Progress Update (P1 – P4 2022)

- Bus Fare Transaction Processors (BFTP)/Light Rail Fare Transaction Processors (LFTP): Compressed schedule presented by PRESTO to commence installation in late August and completed by the end of November 2022 as per the original plan.
- User Acceptance Testing (UAT) for BFTB and LFTP proceeding as per plan.
- Mobile Fare Transaction Processors (MFTP): Completed accessible taxi vehicle assessments and released Mobile Fare Payment Application (MFPA) HMI software on April 26, 2022.
- Completed field trials and uploaded HMI release on April 30, 2022.
- Bulk Limited Use Media (LUMs): Completed UAT and PRESTO back-end system enabled to begin Pilot.
- Faregate Smart Card Reader II to be implemented for Open Payment and PRESTO Virtual Card (VC) in Google Wallet. Will need another reader upgrade (Smart Card Reader III) to enable PRESTO VC in Apple Wallet.

Key Issues/Risks and Mitigation Activities

- Device Refresh for BFTP/LFTP – Hardware delays caused by supply chain issues in China, resulting in contracting needed for installations. Mitigation: Installation schedule to be compressed with completion date of November 30, 2022.
- Metrolinx’s capability to deliver quality completion plan on time. Mitigation: Escalated to TTC-Metrolinx Governance body and monitor closely.
- TTC stakeholders have concerns related to delivery timelines and unclear risk mitigation strategies by Metrolinx. Mitigation: Support Metrolinx to define the respective TTC-owned activities in the delivery plans. Identify project acceptance criteria and establish a penalty structure due to project delay or cancellation by Metrolinx.

Next Steps

- DR MFPA – Complete HMI upgrade to all sedan taxis and accessible taxis.
- MFTP – Hardware installation plan provided by PRESTO.
- DR BFTP/LFTP – Receive hardware installation plan from PRESTO.
- Facilitate a compressed schedule to replace all devices with new Open Payment and Mobile Wallet enabled hardware.
- Bulk LUMs – Complete TTC Customer Service Centre pilot enrollment with a new order as the first customer.
- PRESTO enrollment of 3 major TTC customers; TDSB, TCDSB and the City of Toronto.

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	\$31.3M	\$50.8M
Overall Performance		2022 YTD Budget	2022 YTD Actuals	2022 Approved Budget
Y		\$1.7M	\$0.9M	\$8.9M

Project Deliverables

- Introduction of CSAs to proactively assist customers facing barriers in navigating the system.
- Upgrading the Public Announcement (PA) system.
- 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 2022)

- Installed CCTV monitors at 27 stations with secondary/auto entrances out of 46 stations. This will enhance customers' security/safety and mitigate illegal behaviour, including fare evasion deterrence.
- New digital IP cameras have been installed at 6 out of 70 stations (excludes SRT stations due to be decommissioned in 2023) to increase the stations camera coverage to 90%. Installation design has been completed for 35 stations. This will augment stations visibility and aid staff with investigations and improve safety and security of customers.
- Construction has been completed for St Clair West and Sheppard hubs. Currently going through the deficiencies list for remedial action.
- Ongoing discussions with Union to finalize the transitioning of Collectors to CSAs.

Key Issues/Risks and Mitigation Activities

- Risk: Increased construction costs for St Clair West and Sheppard Hubs due to construction delays and COVID impact. Currently reviewing claims to determine legitimacy of claims.

Next Steps

- St Clair West and Sheppard Hubs projected to be completed in Q2 2022.
- Security fare line monitored to be installed at all secondary entrances Q4 2022.

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 more than 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	2023	\$111.7M	\$89.2M	\$111.7M
Overall Performance		2022 YTD Budget	2022 YTD Actuals	2022 Approved Budget
Y		\$1.4M	\$1.2M	\$12.3M

Project Deliverables

- Implement on-board CAD/AVL solution on TTC's bus and streetcar vehicle fleet (i.e. data and voice communications, automatic vehicle location and stop display, stop announcements, vehicle performance monitoring): Completed
- Integrate central CAD/AVL solution with existing onboard camera on buses: Completed
- Integrate central CAD/AVL solution with automatic passenger counting systems on buses and streetcars in scope: Completed on buses and to be completed on streetcars by Q4 2022.
- Implement the Operator Performance module: Completed Q3 2021.
- Implement Yard Management System at all streetcar, carhouses and bus garages: In Progress, Construction 70% complete, Clever Devices Commissioning 10% complete, with Target completion in 2023.

Progress Update (P1 - P4 2022)

- Progress has been impacted due to delays in receiving Smart Yard re-designs from Clever Devices. Siemens has reviewed the issues and has recommended design changes to Clever Devices. The design recommendations were piloted at Leslie Barns and improvements in vehicle tracking were observed. New versions of Smart Yard Software to correct issues were delivered. An initial acceptance test at Leslie Barns was completed in May 2022. A second acceptance test is schedule for the first week of July. Clever Devices has delivered samples of new antennae to correct signal issues at Arrow Garage. The

antennae were installed on 2 buses during the last week of May and are currently being piloted. Thus far, initial results are looking positive.

- Completed construction of Mount Dennis Garage TTC Smart Yard and the garage has been handed over to Clever Devices for commissioning.
- In progress of testing the General Transit Feed/Real-time (GTFS/RT) feed. This real-time feed once implemented will be visible to public consumers (i.e. open data) to provide real-time expected arrivals at stops and bus crowding information.
- CleverVISION upgrades were delivered and demonstrated to Marketing and Customer Experience for 585 buses equipped with CleverVISION signs.

Key Issues/Risks and Mitigation Activities

- Issue: Design changes are required to address vehicle location accuracy issues in TTC carhouses and bus garages, which are impacting the project's schedule. Action Plan: TTC has escalated to Clever Devices' senior management and Clever Devices is working with Siemens to identify design gaps.
- Issue: Defects in the Smart Yard software solution is delaying the acceptance test of the solution and in result delaying the commissioning of the solution at the carhouses and garages. Action Plan: Clever Devices is addressing the defects. TTC has escalated concerns of quality to Clever Devices' is working with Siemens to resolve issues at Leslie Carhouse and Arrow Road Garage.

Next Steps

- Commissioning of Yard Management at Leslie Barns Carhouse and Arrow Garage.
- Commission Smart Yard at Leslie Barns Carhouse and Arrow Road Garage (Q3 2022).
- Rollout of General Transit Feed Specification/Real-Time (Q3 2022).
- Integrate Transit Signal Priority (TSP) with the VISION system (Q4 2022).

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

SAP Enterprise Resource Planning Program

Description

Implementing an industry-standard enterprise software solution that modernizes 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.

The SAP implementation will establish a system of record to provide improved information for decision making for various areas of the business with focus on:

- a. Payroll, Time, Attendance and Workforce Scheduling for all Employees
- b. Procurement, Materials/Warehouse Management and Accounts Payable and Accounts Receivable
- c. Costing for Reporting of Maintenance Operations, Facilities for Capital and Operating Costs
- d. Asset Accounting
- e. Learning Management System
- f. Corporate Communications Employee Mobile App
- g. Resume Screening Tool powered by AI
- h. Employee Performance and Compensation Management
- i. Succession Development and Planning
- j. Grievance Management
- k. Employee Engagement

Financials

Program Start	Forecast Completion Year	Total Approved Budget	Spend to Date	Estimated Final Cost
2015	2025	\$272.8M	\$90.2M	\$272.8M
Overall Performance		2022 YTD Budget	2022 YTD Actuals	2022 Approved Budget
G		\$8.3M	\$3.1M	\$24.9M

Project Deliverables and Status

Phase 2:

- Finance Accounts Payable (Release1) – Completed and Closed.
- Corporate Communications Employee Mobile App – Completed and Closed.
- New Learning Management System (LMS) – Launch Completed, Closeout in Progress by June 2022.

- SAP Costing Release 1 Solution for Operations – In Progress, targeted completion by Q4 2022.
- Time, Attendance and Workforce Scheduling System – In Progress, targeted completion by 2025.
- Employee Engagement Platform – Assessment Phase in Progress.

Phase 3:

- Procurement/Management/Materials Management/Finance – In Progress, assessment phase targeted completion by Q3 2022.
- Asset Accounting – In Progress, assessment phase targeted completion by Q3 2022.
- Talent Management – Resume Screening Tool Solution Design Completed. Targeted launch planned for Q3 2022. Employee Engagement.

Progress Update (P1 - P4 2022)

- New Learning Management System (LMS) – Project Closeout in Progress.
- SAP Procurement/Materials Management/Finance: Completed final presentation of assessment report and received approval for TTC SAP Roadmap. RFP Planning Initiated.
- SAP Time and Attendance: In Progress, Solution Workshops for Non-Union Release 1, Transit Operations Workforce Management Solution RFP Published.
- SAP Asset Accounting: Pilot assets identified for financial data sourcing initiated.
- SAP Costing Solution Release 1: Solution Design presented and approved. Build Phase Kicked off.
- Talent Management: Resume Screening Tool – Workshops in progress.

Key Issues/Risks and Mitigation Activities

- 40-year-old legacy system (Job Based Cost System) data requires cleansing for 17,000+ Job number records used to record Operations costs, which will take longer than planned. This will impact migration/conversion efforts to load data in SAP. Mitigation: Business teams to review active jobs and prioritize data cleansing activities.

Next Steps

- Learning Management System – Stage Gate 7 (Q2 2022).
- SAP Costing Solution Release 1 – Stage Gate 6 (Q4 2022).
- SAP Procurement and Category Management and Materials Management – Stage Gate 5 (Q3 2022).
- Time, Attendance and Workforce Scheduling Release 1 – Stage Gate 6 (Q4 2023).
- SAP Asset Accounting – Stage Gate 1 (Q2 2022).
- Talent Management – Resume Screening Tool – Stage Gate 6 (Q3 2022).

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.