



Financial and Major Projects Update for the Period Ended September 30, 2023

Date: December 7, 2023 (deferred to December 20, 2023)

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 period ended September 30, 2023. Projections to year-end 2023 are also provided.

For the period ended September 30, 2023, operating results indicate a net year-to-date underspending of \$36.9 million, which includes under-expenditures of \$39.7 million, offset by \$2.8 million in unfavourable revenue variances. Under-expenditures are primarily due to deferred Line 5 and Line 6 training and mobilization activities, workforce vacancies, and lower energy costs, partially offset by the cost of Conventional service delivered 2% above budgeted level, cost escalation experienced on vehicle parts, and the implementation of Safety, Security and Well-Being measures approved through delegated authority. The \$2.8 million in unfavourable revenue variances is comprised of lower-than-anticipated construction service recoveries due to refinements in third-party project schedules, which has been partially mitigated by higher ancillary revenues due to higher bank interest rates. The previously reported unfavourable passenger revenue variance attributable to inclement weather in Q1 has since recovered.

For the full year, the TTC's 2023 Operating Budget of \$2.380 billion gross and \$1.326 billion net, is forecasted to be underspent by \$21.9 million net. Expenditures are projected to be \$46.5 million below budget primarily due to the opening of Line 5 and Line 6 being deferred to 2024. These under-expenditures are partially offset by the cost of Conventional service being delivered 2% above the budgeted level at 93% of pre-COVID service, rising to 95% of pre-pandemic levels by the end of the year as well as significant cost escalation experienced on vehicle parts. Given the projected year-end favourable expenditure variance, it is anticipated that planned use of the TTC Stabilization Reserve as a funding source will not be required. The anticipated foregoing of the planned reserve withdrawal of \$35.6 million is the largest contributor to the unfavourable revenue variance of \$24.6 million estimated to year-end. This variance reflects \$9.9 million in higher passenger revenues as revenue ridership is forecasted to remain at approximately 4% above budgeted levels to year-end less the delayed realization of incremental passenger revenue associated with the opening of Line 5 and Line 6, which has been deferred to 2024.

For the period ended September 30, 2023, the TTC's capital expenditures total \$776.8 million and represents a spending rate of 90.5% when compared to the year-to-date planned (calendarized) budget of \$858.8 million. Of the total 2023 capital expenditures incurred to date, \$729.4 million or 90.3% of the base capital program's planned budget of \$807.3 million has been spent. Approximately \$47.4 million or 92.0% of the planned budget for transit expansion-related projects of \$51.5 million has been spent.

When comparing year-to-date spending to the 2023 Capital Budget, 53.6% has been spent to the end of Period 9 for the TTC base capital program and 54.2% for transit-expansion-related projects resulting in an overall spending rate of 53.6% for the nine-month period.

By year-end, the TTC's capital spending is projected to be in the order of \$1.269 billion, representing an overall spending rate of 87.6%, with the TTC's base capital program projected to expend \$1.203 billion or 88.3% and transit expansion-related capital works at a projected total of \$66.2 million or 75.7%. The year-to-date results and year-end projections reflect the recommended adjustments to the 2023 Capital Budget and future year cash flows in the 10-Year Capital Plan to account for projects that have had accelerated spending and projects that have experienced some delays and, therefore, lower spending.

Recommendations

It is recommended the TTC Board:

1. Approve the 2023 Capital Budget in-year budget adjustments to offset projects that have had accelerated spending by \$61.5 million with projects that have experienced delays and lower spending by \$61.2 million with no debt impact, as outlined in Appendix 3 of this report.
2. Authorize the recommended budget adjustments noted in Recommendation 1 above and in TTC's 2023-2033 Capital Budget and Plan be included in the TTC's Capital Variance Report submission for the nine months ended September 30, 2023 for City Council consideration and approval.

Financial Summary

2023 Operating Results

Based on results to the end of Period 9, the TTC has experienced a favourable \$36.9 million operating budget variance comprised of \$39.7 million in under-expenditures partially offset by \$2.8 million in unfavourable revenue variances.

As of Period 9, passenger revenue has recovered from the unfavourable variance experienced primarily due to inclement weather in Q1 and is now above budget, as ridership has trended above budgeted levels since May through to the end of Q3, and is now at 78% of pre-pandemic levels in Period 9. For the remainder of the year,

passenger revenue is forecasted to be above budget, offset by the delayed realization of incremental passenger revenue associated with the opening of Line 5 and Line 6, which has been deferred to 2024. As a result, a projected year-end favourable passenger revenue variance of \$9.9 million is anticipated. The reporting of financial results in this report compares actual spending against approved budgets, and therefore, does not consider the implications of fare evasion, a matter that will be reported separately in Q1, 2024.

Ancillary revenue is \$2.8 million below budget year-to-date, reflecting lower-than-budgeted construction recoveries resulting from adjustments to planned third-party project schedules, partially offset by higher bank interest revenue. By year-end, ancillary revenues are expected to be \$1.0 million above budget. This projection includes \$9.2 million in anticipated reimbursements, currently being finalized with Metrolinx staff, for sunk costs incurred by the TTC due to deferred Line 5 training and mobilization activities.

Based on projected expenditure results to year-end, the planned reserve withdrawal of \$35.6 million is not expected to be required and is anticipated to be foregone. The planned reserve withdrawal was approved in TTC's 2023 Operating Budget as a means to limit the TTC fare increase and partially mitigate inflationary pressures due to affordability concerns and to fund various one-time service costs associated with LRT construction and Line 5 and 6 start-up costs. Furthermore, the TTC Stabilization Reserve, approved as the funding source by City Council for the TTC's Safety, Security and Well-Being emergency response during 2023, will not be required. As a result, the TTC Stabilization Reserve balance will be retained for future year requirements. Given the anticipated foregone reserve withdrawal, revenues will result in a projected unfavourable variance of \$24.6 million at year-end.

The unfavourable revenue variance of \$2.8 million realized during the nine-month period has been fully offset by \$39.7 million in favourable expenditure variances. Year-to-date under-expenditures are driven by deferred Line 5 and Line 6 training and mobilization activities, workforce vacancies, lower energy prices and lower COVID response costs, including reduced COVID-related absences and Personal Protective Equipment (PPE) usage. Based on projected results to year-end, operating expenses are anticipated to be \$46.5 million (2.0%) below the 2023 approved expenditure budget based on the year-to-date variances noted above, as well as deferred Line 5 maintenance contract costs with revenue service planned for 2024.

While overall expenditures will be below budget, the year-end projection also incorporates anticipated over-expenditures resulting in ongoing cost pressures that will impact the TTC's 2024 Operating Budget, including:

- Increase in unit cost and requirements of bus and LRV parts.
- Higher benefit costs of approximately \$5 million, primarily due to a higher-than-anticipated 8.5% increase in the dental fee guide and benefit utilization.
- Wheel-Trans Service costs of \$2.2 million due to higher ridership demand, which is expected to be 4% above the 2.95 million rides budgeted.
- Additional \$10 million to support Safety, Security and Well-being measures.

In addition, Operator availability for bus and subway services are above budgeted levels due to the return of staff with the elimination of the mandatory vaccine policy and lower absence rates. This Operator availability has been leveraged to operate bus shuttle service associated with the early closure of Line 3 and to improve service reliability. Actions to improve service reliability include the operation of additional Run-as-Directed buses and the restoration of service on routes with the highest demand to reduce crowding and customer wait times. Overall, Conventional service levels increased from the planned 91% of pre-pandemic service hours to 93% in the summer to maintain service reliability due to increased congestion. In the fall of 2023, service was increased further to approximately 95% of pre-pandemic service hours to reduce crowding and customer wait times on routes with the highest demand.

Operating results for the period ended September 30, 2023, and projected year-end results are summarized in Table 1 below:

Table 1 – 2023 Operating Year-to-Date Results and Forecast Summary

Description (\$Millions)	Year-To-Date Actuals			Year-End Forecast		
	Budget	Actual	Variance	Budget	Forecast	Variance
Revenue						
TTC Conventional						
Passenger Revenue	687.2	687.3	0.1	931.4	941.3	9.9
Ancillary Revenue	46.8	44.0	(2.8)	81.2	82.2	1.0
Wheel-Trans Passenger Revenue	4.9	4.8	(0.1)	6.5	6.6	0.1
Reserve Draw	0.0	0.0	0.0	35.6	0.0	(35.6)
Total Revenue	738.9	736.1	(2.8)	1,054.7	1,030.1	(24.6)
Expenditures						
TTC Conventional						
Departmental Labour	881.9	868.7	(13.2)	1,188.2	1,172.9	(15.3)
Departmental Non-Labour	216.3	206.9	(9.4)	310.2	293.5	(16.7)
Employee Benefits	305.9	308.8	2.9	403.9	407.2	3.3
Diesel	76.3	74.9	(1.4)	102.9	103.9	1.0
Traction Power & Utilities	57.6	53.6	(4.0)	79.6	72.6	(7.0)
Accident Claims	15.0	10.3	(4.7)	20.0	17.0	(3.0)
Corporate Costs	72.0	66.0	(6.0)	109.3	103.6	(5.7)
Wheel-Trans	106.0	106.0	(0.0)	142.3	144.5	2.2
Subtotal Base Expenditures	1,731.0	1,695.2	(35.8)	2,356.4	2,315.2	(41.2)
COVID Incremental Costs	17.7	13.8	(3.9)	23.8	18.5	(5.3)
Total Expenditures	1,748.7	1,709.0	(39.7)	2,380.2	2,333.7	(46.5)
Net Expenditure (Funding Required)	1,009.8	972.9	(36.9)	1,325.5	1,303.6	(21.9)
Operating Funding						
COVID Impact Funding	277.0	267.8	(9.2)	366.4	346.1	(20.3)
Base Operating Funding	732.8	705.1	(27.7)	959.1	957.5	(1.6)
Total Operating Funding	1,009.8	972.9	(36.9)	1,325.5	1,303.6	(21.9)

*Note: Projections in Table 1 are based on a 2024 revenue service commencement date for Line 5 with training and mobilization activities beginning in 2024.

The TTC's 2023 Operating Budget of \$2.380 billion gross was approved by City Council on February 15, 2023, with funding comprised of \$1.055 billion in revenues; \$959.1 million in City funding for TTC base operating requirements, and \$366.4 million in anticipated COVID funding relief to address COVID financial impacts.

Base operating funding requirements are expected to be below budget, as outlined above.

The COVID financial impact accounts for lost passenger and ancillary revenues relative to pre-pandemic levels, as well as incremental COVID response expenses. The actual COVID financial impact as of Period 9 is \$267.8 million, and is anticipated to be \$346.1 million by year-end or \$20.3 million below budget, as summarized in Table 2 below:

Table 2 – 2023 COVID-19 Financial Impact

Total COVID-19 Financial Impact						
	Year-To-Date Period 9			Year-End Forecast		
in \$ Millions	Budget	Actual	Variance	Budget	Forecast	Variance
COVID-19 Financial Impact						
Lost Passenger revenue, net of PRESTO Commissions	248.4	244.1	(4.3)	328.1	314.3	(13.8)
Lost Ancillary Revenues	10.9	9.9	(1.1)	14.5	13.2	(1.3)
Incremental COVID-19 Expenses	17.7	13.8	(3.9)	23.8	18.5	(5.3)
Total COVID-19 Financial Impact	277.0	267.8	(9.2)	366.4	346.1	(20.3)

The year-to-date net favourable COVID financial impact variance of \$9.2 million is due to revenue trending above budgeted levels driven by higher ridership, a reduction in COVID-related absenteeism and lower PPE requirements. Looking ahead to year-end, the anticipated COVID-19 financial impact is projected to be \$20.3 million below budget as passenger revenue continues to trend at approximately 4% above budgeted levels for the remainder of the year; PPE requirements continue to be lower than anticipated and COVID-related absenteeism is expected to be maintained for the balance of the year.

2023 COVID-19 Relief Funding

From 2020 to 2022, the TTC received a total of \$1.8 billion in funding relief from other orders of government. This funding support recognized the importance of public transit as an essential service and was critical to supporting an effective COVID-19 response and the continuation of transit service throughout the pandemic and initial phases of recovery.

With the TTC continuing to be impacted by COVID effects, primarily due to the continued loss of passenger revenue relative to pre-pandemic levels, the 2023 anticipated financial impact of COVID-19 is projected to be \$346.1 million, reflecting a decrease of \$12.7 million from the Period 6 Financial Update report to the Board on September 26, 2023.

Discussions between the City and the TTC continue regarding the development of a sustainable funding strategy to address the TTC's ongoing revenue gap. The resultant

shortfall has been part of the broader discussions between the City and the Province on the City's long-term fiscal framework. The November 27 announcement of a new funding agreement between the City and the Province will provide the TTC with a three-year funding commitment totalling \$330 million beginning in 2024 to support new subway-integrated provincial transit projects, plus a one-time \$300 million Subway and Transit Safety, Recovery and Sustainable Operations Fund, with a commitment to review ridership recovery beyond 2026. The terms of the agreement are an important advancement. However, securing stable and long-term funding to sustain TTC transit services is essential for the economic, environmental and social health and well-being of the city of Toronto and surrounding regions.

2023 Community Safety Response Unbudgeted Expenditures

To the end of Period 9, unbudgeted expenditures approved through Board delegated authority total \$4.1 million, with \$10.1 million projected to the end of the year driven by the increase in costs associated with the increased staff presence in key subway stations. Actual expenditures to September 30, 2023, and projected expenditures to December 31, 2023, are summarized in Table 3 below.

Table 3 – Unbudgeted Safety, Security and Well-Being Initiatives

	Actual Cost to September 30, 2023	Projected Cost to December 31, 2023
2023 Community Safety, Security and Well-being Emergency Response (\$M)		
High-visibility Presence and Incident Management		
Current Emergency Initiatives		
50 Temporary Security Guards	2.2	3.4
Six Transit Control Dispatchers	0.5	0.7
Special Constables Overtime – High Visibility Patrols	0.2	0.2
Extended Station Cleaning	0.1	0.1
Subtotal	3.0	4.4
New Initiatives		
Additional Stations Staff	-	3.6
Employee Trauma Assist Program	-	-
Subtotal	-	3.6
Subtotal: High-visibility Presence and Incident Management	3.0	8.0
Social Supports for Persons Experiencing Homelessness and Individuals with Complex Needs		
Current Emergency Initiatives		
20 Community Safety Ambassadors	0.9	1.4
De-Escalation Training	0.1	0.1
Subtotal	1.0	1.5
New Initiatives		
Transport Buses	0.1	0.6
Subtotal	0.1	0.6
Subtotal: Social Support	1.1	2.1
2023 Community Safety, Security and Well-being Emergency Response	4.1	10.1

The revised year-end projection for Safety, Security and Well-Being Initiatives is \$0.2 million lower than what was reported through the Period 9 Financial Update report to the TTC Board on September 26, 2023. The decrease reflects a refined schedule of onboarding staff in key station, bus and streetcar terminals (130 Customer Service Agents and 30 Supervisors).

Based on the projected year-end results, it is anticipated that under-spending will be leveraged to fund these unbudgeted costs as an alternative to a TTC Stabilization Reserve withdrawal authorized by the TTC Board on February 28, 2023 and by City Council on March 30, 2023, and therefore have been factored into the year-end projection.

2023 Capital Results

For the period ended September 30, 2023, the TTC’s capital expenditures total \$776.8 million and represents a spending rate of 90.5% when compared to the year-to-date planned (calendarized) budget of \$858.8 million. Of the total 2023 capital expenditures incurred during this Period, \$729.4 million or 90.3% of the base capital program’s planned budget of \$807.3 million has been spent. Approximately \$47.4 million or 92.0% of the planned budget for transit expansion-related projects of \$51.5 million has been spent.

When comparing year-to-date spending to the 2023 Capital Budget, 53.6% has been spent to the end of Period 9 for the TTC base capital program and 54.2% for transit-expansion-related projects resulting in an overall spend rate of 53.6% for the nine-month period ending.

By year-end, the TTC’s total capital spending is projected to be in the order of \$1.269 billion, representing an overall spending rate of 87.6%, reflective of \$1.203 billion or 88.3% projected spending in the TTC’s base capital program and \$66.2 million or 75.7% spending for transit-expansion-related capital works as summarized in Table 4 below.

Any unspent 2023 capital funding, which is currently projected to be \$180.5 million, will be carried forward into 2024 to complete capital work, in accordance with the City’s Carry Forward Policy.

Table 4 – 2023 Capital Year-to-Date Results and Forecast Summary

Description (\$ Millions)	Year-To-Date			2023		
	Budget	Actual	%	Budget	YE Proj	%
TTC Base Capital	807.3	729.4	90.3%	1,362.0	1,202.8	88.3%
TTC Transit Expansion Related Projects	51.5	47.4	92.0%	87.5	66.2	75.7%
Total	858.8	776.8	90.5%	1,449.5	1,269.0	87.6%

Capital underspending both to date and as projected to year-end has been impacted by various drivers, including but not limited to, resourcing and supply chain constraints, and adjustments to project schedules due to dependencies with third parties/other projects and unforeseen factors. The most significant underspending is attributable to the Purchase of Hybrid Buses where supply chain constraints have impacted the delivery schedule resulting in the deferral of planned deliveries from 2023 to 2024, while schedule changes in City projects have impacted the planned activities for Surface Track Replacement and the Waterfront East Area 1 – Concept Design projects. In addition, the Toronto-York Spadina Subway Extension (TYSSE) project has been

impacted by the deferral of close out activities, while unexpected site conditions as well as labour disruptions/strikes has required adjustments to the Easier Access and Fire Ventilation and Second Exits project schedules to account for these unforeseen events.

The Capital Budget and Plan is updated annually to reflect refined estimates based on capital planning progress made through stage gating, changes to planned timing or requirements, and resultant costs, as well as significant collaboration with key stakeholders. However, not all impacts to capital spending can be predicted or controlled, as noted above. When these drivers are excluded from the capital program, the projected spending rate increases to 95.6% for the TTC's base capital program and 94.4% for transit-expansion-related projects, or 95.5% overall, as summarized in Table 5:

Table 5 – 2023 Capital Results Excluding Deferred Projects

Description (\$ Millions)	Year-To-Date			2023		
	Budget	Actual	%	Budget	YE Proj	%
TTC Base Capital	807.3	729.4	90.3%	1,362.0	1,202.8	88.3%
Excl. Deferred Base Projects				(103.9)		0.0%
TTC Adjusted Base Capital Program	807.3	729.4	90.3%	1,258.1	1,202.8	95.6%
TTC Transit Expansion Related Projects	51.5	47.4	92.0%	87.5	66.2	75.7%
Excl. Deferred Expansion Projects				(17.4)		0.0%
TTC Adjusted Base Capital Program	51.5	47.4	92.0%	70.1	66.2	94.4%
Total (Excl. Deferred Projects)	858.8	776.8	90.5%	1,328.2	1,269.0	95.5%

The year-to-date results and year-end projections summarized in Table 5 above, and outlined in Appendix 2, reflect the recommended adjustments to the 2023 Capital Budget and future year cash flows in the 10-Year Capital Plan to account for projects that have had accelerated spending and projects that have experienced some delays and therefore lower spending, with no debt impact.

These budget adjustments, summarized in Table 6 below, and detailed in Appendix 3, are before the Board for approval and will be submitted for City Council approval with the City's Period 9 Capital Variance Report.

Table 6 – Recommended Adjustments to the 2023-2032 Capital Budget & Plan

Capital Plan and Adjustments (\$ Millions)	2023 Budget	2024	2025	2026	2027	2028	2029	2030	2031	2032	10-Year Total
Council Approved Capital Plan February 15, 2023	1,341.5	1,637.7	1,513.3	1,238.1	1,138.1	1,316.0	1,252.4	1,117.9	1,058.8	877.3	12,491.2
Previously Approved Amendments:											
Incremental Carryforward Adjustment	20.8	60.7									81.5
4M Variance Report Adjustments	88.9	93.3	141.5	25.7							349.3
6M Variance Report Adjustments	(2.0)	(0.2)	(34.9)	(24.3)	37.7	23.7					-
Total Previously Approved Amendments	107.7	153.8	106.5	1.4	37.7	23.7					430.8
Recommended Amendments:											
9M Variance Report Adjustments - Acceleration	61.5	(48.4)									13.1
9M Variance Report Adjustments - Deferrals	(61.2)	48.1									(13.1)
Total Recommended Amendments	0.3	(0.3)									
Revised Capital Plan	1,449.5	1,791.2	1,619.8	1,239.5	1,175.8	1,339.7	1,252.4	1,117.9	1,058.8	877.3	12,922.1

Economic Impacts of TTC Spending

As part of its annual budget, the TTC allocates funds for capital spending, which are used to invest in infrastructure, equipment and other assets to improve the quality, safety and efficiency of its transit services. This spending generates economic activity that benefits Toronto, the GTA region and the rest of Canada. Key findings from research conducted by the University of Toronto regarding the economic impact of TTC investments conclude that:

- Every \$1 invested creates the equivalent of \$2.40 in economic activity (Gross Output);
- Every \$1 invested adds an additional \$1 dollar in Gross Domestic Product (GDP), generating a value-added impact resulting in an increase in profit, taxes and spending on labour; and
- Every \$1 million invested creates 15 new jobs.

Based on year-to-date actual capital spending of \$777 million in 2023, and based on ratios derived from the research conducted by the University of Toronto, it can be estimated this investment spending has already generated \$1.9 billion in economic activity (Gross Output); has contributed \$456 million in GDP (value-added); and has created or sustained 11,655 jobs.

Given the projected year-end capital spending of \$1.3 billion in 2023, it can be estimated this investment spending will: generate \$3.2 billion in economic activity (Gross Output); will contribute \$1.3 billion in GDP (value-added); and will create or sustain 20,000 jobs, as summarized in Table 7 below:

Table 7 – Economic Impact of Projected Year End Capital Spending by the TTC

	Year to Date	Projected Year End
Capital Results	\$777 Million	\$1.3 Billion
Economic Activity (Gross Output)	\$1.2 Billion	\$3.2 Billion
Gross Domestic Product (GDP)	\$456 Million	\$1.3 Billion
Jobs	11,655	20,000

While research from the University of Toronto regarding the economic impact of the TTC’s operating spending continues, the Multi-Regional Input Output (MRIO) multiplier for Urban Transit Systems of 2.26 can be applied to the TTC’s operational expenditures on goods and services. In 2023, year-to-date spending on goods and services was \$474.7 million, which is estimated to have generated \$1.1 billion in economic activity, and projected year-end spending on goods and services is expected to be \$690.9 million, which is anticipated to generate \$1.6 billion in economic activity.

The next phase of the research project with the University of Toronto is underway, focusing on quantifying transit rider, social, health and environmental benefits. The findings from this phase of work are expected to be presented to the TTC Board with its 2024 Budget deliberations.

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 order to support the accessibility of transit, all passes, Fair Pass fares and seniors fares were exempted from the 2023 recommended TTC fare increase. In addition, the 2023 Operating Budget includes a one-time \$2.0-million contribution to the City's Social Development, Finance and Administration Division to facilitate an expansion of the Fair Pass program, which provides more affordable single-ride and monthly passes to eligible customers. The third phase of the program opened in July 2023 to approximately 50,000 additional residents experiencing deep poverty who were not eligible in earlier phases. This prioritized individuals receiving social assistance through Ontario Works and Ontario Disability Support Program and low-income individuals receiving City-administered childcare and rent-geared-to-income subsidies. Toronto residents aged 20-64 with a family income below 75% of the Low-Income Measure are now eligible to apply for the Fair Pass program. In future years, as funding permits, income eligibility will expand to the Low-Income Measure, plus 15% income threshold.

The 2023-2032 Capital Budget and Plan includes \$104 million in 2023 and \$627.9 million over the 10 years for the TTC's Easier Access program, which continues to make all subway stations accessible with elevators, wide fare gates and automatic sliding doors.

It also provides funding for several improvements elsewhere across the transit system, including Warden and Islington stations, new low-floor streetcars, new accessible bus and Wheel-Trans fleets, as well as making an additional 322 bus and streetcar stops accessible.

Decision History

At its meeting on January 9, 2023, the TTC Board approved the 2023-2032 TTC Capital Budget and Plan of \$12.491 billion in funding over the 10-year period, with \$1.341 billion approved in the 2023 Capital Budget.

[TTC 15-Year Capital Investment Plan, Real Estate Investment Plan Update and 2023 – 2032 Capital Budget and Plan](#)

At its meeting on January 9, 2023, the TTC Board approved the 2023 Operating Budget of \$2.237 billion gross and \$1.189 billion net for TTC Conventional Service; \$142.8 million gross and \$136.3 million net for Wheel-Trans Service. As a result, the TTC Board approved a 2023 Operating Budget of \$2.380 billion gross and \$1.325 billion net, with a 2023 total year-end workforce complement of 16,787 positions for the TTC.

[2023 TTC Conventional and Wheel-Trans Operating Budgets](#)

Subsequently, on February 15, 2023, City Council approved an amended 2023 TTC Operating Budget to support a one-year pilot for expanding the multidisciplinary teams on the TTC that provide mental health supports to persons experiencing homelessness. The 2023 Operating Budget for TTC Conventional Service was increased by \$0.5 million gross and net, reflecting the estimated cost for the expansion.

[City of Toronto 2023 Capital and Operating Budgets](#)

At its meeting on February 28, 2023, the TTC Board considered the Community Safety Issues and Response report that outlined the TTC's action plan and multidisciplinary approach required to manage the increasing number of societal challenges that have shifted onto public transit. The TTC Board also adopted recommendations to increase the delegated expenditure authority to a cumulative \$15 million to the TTC's Chief Executive Officer to respond to the safety emergency and requested a detailed update on expenditures at the next TTC Board meeting.

[Community Safety Issues and Response](#)

At its meeting on May 10, 2023, City Council approved additional carry-forward funding of \$20.855 million to the 2023 Capital Budget and \$60.684 million added to the 2024 cash flow estimates based on unspent capital project funding in 2022 for the TTC.

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

At the meeting on May 10, 2023, City Council considered EX4.10 – Transit Priority Measures to Support Scarborough SRT Bus Replacement and directed the TTC to proceed with design work on the Scarborough Rapid Transit busway conversion and request the Province of Ontario to reimburse the TTC \$2.9 million for the projected cost of the design-related work.

[Transit Priority Measures to Support Scarborough SRT Bus Replacement](#)

At its meeting on June 12, 2023, the TTC Board approved adjustments to the TTC's 2023-2032 Capital Budget and Plan for the TTC Green Bus Program that increased the 10-Year Capital Plan by \$349 million to a total of \$799 million for the TTC Green Bus Program. This increase was fully offset by \$349 million in incremental funding to be received through Infrastructure Canada's Zero Emission Transit Fund for the procurement of 340 eBuses and 248 charge points.

[Financial and Major Projects Update for the Period Ended April 29, 2023](#)

At its meeting on September 26, 2023, the TTC Board approved adjustments to the TTC's 2023-2032 Capital Budget and Plan to offset projects that have had accelerated spending by \$2.1 million with projects that have experienced delays and lower spending by \$2.1 million with no debt impact.

[Financial and Major Projects Update for the Period Ended July 1, 2023](#)

Comments

2023 Operating Budget: Financial Update

Key Operating Budget Indicators

The TTC's 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 are TTC and Wheel-Trans revenue ridership and average fare and market prices for diesel fuel and electric power, which affect a combined fuel and utilities budget of \$182.6 million. The final and most significant driver of expenses relates to service hours, which impact labour expenses (\$1.1823 billion) and non-labour expenses (\$318 million), such as parts and maintenance, as well as fuel and utility consumption.

Table 8 details the TTC's key operating indicators, which are discussed below:

Table 8 – Summary of Key Operating Budget Indicators

Item	Year-To-Date Actuals			Year-End Forecast			Status
	Budget	Actual	Variance	Budget	Forecast	Variance	
TTC Ridership	290.80M	293.01M	2.21M	392.99M	399.29M	6.300M	✓
TTC Average Fare	2.36	2.35	(0.01)	2.37	2.36	(0.01)	✗
TTC Actual Operating Service Hours	6.495M	6.645M	0.15M	8.681M	8.94M	0.259M	✓
Price of Fuel (\$/litre)	1.49	1.34	(0.15)	1.50	1.38	(0.12)	✓
Price of Electric Power (\$/kWh)	0.14	0.14	(0.00)	0.14	0.14	(0.00)	✗
WT Passengers	2.21M	2.23M	0.02M	2.95M	3.06M	0.10M	✓

TTC Conventional Revenue Ridership

TTC Conventional revenue ridership has seen steady growth thus far in 2023, starting the year slightly below budget at an average of 69% of pre-COVID levels in Period 1 and has since increased to an average of 78% in Period 9, above the Period 9 budget of 75%. Overall year-to-date ridership is at 74% of pre-COVID levels versus a year-to-date budgeted plan of 73%.

In the first three months of the year, ridership was notably lower on inclement weather days, given the greater availability of flexible work arrangements relative to pre-COVID experience, and as a result ridership was slightly below budget in the first quarter. With no significant weather events after March, ridership has remained slightly above budget since the first quarter, aligning to the budget assumption of employers maintaining hybrid work practices throughout the year with the average number of in-office days increasing marginally throughout the year to 2.5 days per week.

Similar to pre-COVID experience and in line with seasonality, weekly ridership increased again in September. However, Period 9 ridership increased more than expected, averaging 4.6% above budgeted levels for Period 9, driven by an increase in the number of employees returning to office in September. Average fares were slightly

lower due to differences between actual and budget assumptions for fare media and concessions mix. Actual experience will continue to be monitored as it will be critical to understand any change to commuter patterns or discretionary travel, further informing projections to year-end and the 2024 Budget.

Service Hours

Conventional service hours delivered year-to-date are 2% over budget. To maintain service reliability in the spring of 2023, additional Operator availability was leveraged to increase service to 93% of pre-pandemic hours, up from the budgeted service level of 91% of pre-pandemic service hours. This allowed for increased route travel time due to increased traffic congestion on key routes and included the operation of additional Run-as-Directed buses to address vehicle overcrowding in real time. With the increase in ridership demand on bus routes that are approaching capacity, service was increased to 95% of pre-pandemic hours in the fall. The restoration of service on routes with highest demand will reduce crowding and customer wait times. The increased service has been achieved by leveraging surplus Operator availability for bus and subway services, stemming from the return of staff with the elimination of the mandatory vaccine policy and lower absence rates.

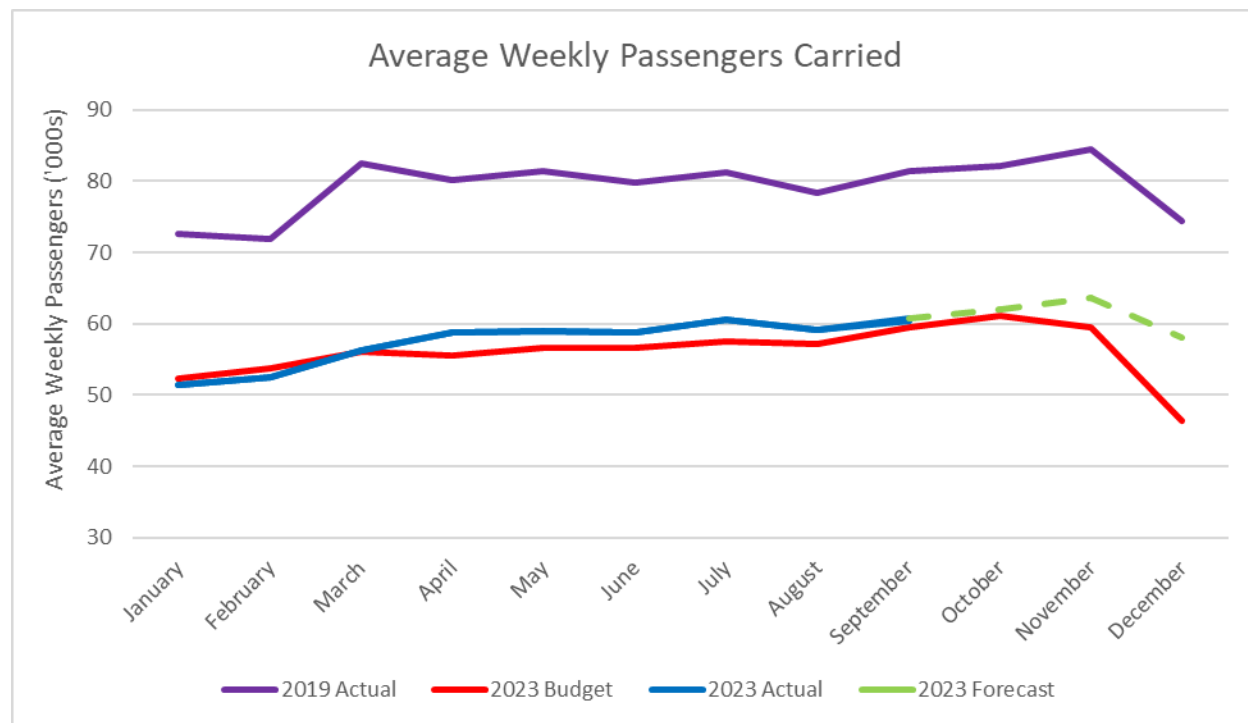
Diesel Fuel

Overall, for the first nine months of the year, diesel prices have averaged \$1.34 per litre, below the budgeted price of \$1.50 per litre. Recently, diesel prices have been increasing and are currently forecast to average \$1.38 per litre for the year as a whole. Anticipated savings on the diesel price have been partially offset by an increase in actual service hours being delivered as compared with budget, as noted in the service hours commentary above.

Wheel-Trans Ridership

Wheel-Trans ridership began the year slightly below budget before increasing in April, consistent with pre-COVID seasonal trends. Throughout the summer, weekly ridership has remained consistent and has slightly increased in September, which is in line with pre-COVID trends as shown in Chart 1 below. Based on year-to-date experience and consistent with pre-COVID seasonal trends, a further increase in weekly ridership is expected in November.

Chart 1 – 2023 Weekly Wheel-Trans Passenger Ridership



Overall, total ridership is projected to be 3.7% above budget for the year with Operator recruitment and training activities ongoing to ensure demand will be accommodated.

2023 Year-to-Date Operating Results and Year-End Forecast

For the period ending September 30, 2023, the TTC incurred actual expenditures of \$1,709.0 million gross and \$972.9 million net against year-to-date planned (calendarized) spending of \$1,748.7 million gross and \$1,009.8 million net, resulting in a net favourable operating variance of \$36.9 million. The favourable operating variance is primarily driven by underspending as a result of the deferred opening of Line 5, workforce vacancies, lower incremental COVID costs, plus higher than planned interest revenue. The favourable variance is partially offset by increased employee benefits costs due to higher dental costs and benefit utilization, and lower passenger and ancillary revenues, which are anticipated to recover by year-end.

Based on projected results to year-end, a net favourable variance to budget of \$21.9 million is anticipated. This reflects a forecasted under-expenditure of \$46.5 million due to lower hydro prices, labour savings from vacancies and deferred Line 5 training and mobilization activities based on Line 5 and Line 6 revenue service and mobilization activities being deferred to 2024. Discussions relating to reimbursements for sunk costs incurred as part of Line 5 and Line 6 mobilization activities are being finalized with Metrolinx staff, and the anticipated reimbursement amount has been incorporated into year-end projections.

Partially offsetting these under-expenditures are increased service costs to accommodate higher-than-budgeted Conventional and Wheel-Trans ridership demand and higher dental costs and benefit utilization. While passenger and ancillary revenues are projected to exceed budgeted levels by \$10.9 million by year-end given increased ridership, the anticipated foregone withdrawal of \$35.6 million from the TTC Stabilization Reserve will result in an unfavourable revenue variance of \$24.6 million.

Table 9 below reflects the key drivers of the year-to-date and projected year-end variances from the 2023 Operating Budget:

Table 9 – TTC Year-to-Date Operating Results and Year-End Forecast

Operating Results and Forecast						
Description (\$Millions)	Year-To-Date Actuals			Year-End Forecast		
	Budget	Actual	Variance	Budget	Forecast	Variance
Revenue						
TTC Conventional						
Passenger Revenue	687.2	687.3	0.1	931.4	941.1	9.7
Ancillary Revenue	46.8	44.0	(2.8)	81.2	82.4	1.2
Wheel-Trans Passenger Revenue	4.9	4.8	(0.1)	6.5	6.6	0.1
Reserve Draw	0.0	0.0	0.0	35.6	0.0	(35.6)
Total Revenue	738.9	736.1	(2.8)	1,054.7	1,030.1	(24.6)
Expenditures						
TTC Conventional						
Departmental Labour	881.9	868.7	(13.2)	1,188.2	1,172.9	(15.3)
Departmental Non-Labour	216.3	206.9	(9.4)	310.2	293.5	(16.7)
Employee Benefits	305.9	308.8	2.9	403.9	407.2	3.3
Diesel	76.3	74.9	(1.4)	102.9	103.9	1.0
Traction Power & Utilities	57.6	53.6	(4.0)	79.6	72.6	(7.0)
Accident Claims	15.0	10.3	(4.7)	20.0	17.0	(3.0)
Corporate Costs	72.0	66.0	(6.0)	109.3	103.6	(5.7)
Wheel-Trans	106.0	106.0	(0.0)	142.3	144.5	2.2
Subtotal Base Expenditures	1,731.0	1,695.2	(35.8)	2,356.4	2,315.2	(41.2)
COVID Incremental Costs	17.7	13.8	(3.9)	23.8	18.5	(5.3)
Total Expenditures	1,748.7	1,709.0	(39.7)	2,380.2	2,333.7	(46.5)
Net Expenditure (Funding Required)	1,009.8	972.9	(36.9)	1,325.5	1,303.6	(21.9)
Operating Funding						
COVID Impact Funding	277.0	267.8	(9.2)	366.4	346.1	(20.3)
Base Operating Funding	732.8	705.1	(27.7)	959.1	957.5	(1.6)
Total Operating Funding	1,009.8	972.9	(36.9)	1,325.5	1,303.6	(21.9)

Further analysis of Operating results by service is provided in Appendix 1.

2023 COVID-19 Financial Impact

Table 10 below summarizes the financial impacts of COVID-19 on the 2023 Operating Budget:

Table 10 – 2023 Operating Budget COVID-19 Impacts

Total COVID-19 Financial Impact						
	Year-To-Date Period 9			Year-End Forecast		
in \$ Millions	Budget	Actual	Variance	Budget	Forecast	Variance
COVID-19 Financial Impact						
Lost Passenger revenue, net of PRESTO Commissions	248.4	244.1	(4.3)	328.1	314.3	(13.8)
Lost Ancillary Revenues	10.9	9.9	(1.1)	14.5	13.2	(1.3)
Incremental COVID-19 Expenses	17.7	13.8	(3.9)	23.8	18.5	(5.3)
Total COVID-19 Financial Impact	277.0	267.8	(9.2)	366.4	346.1	(20.3)

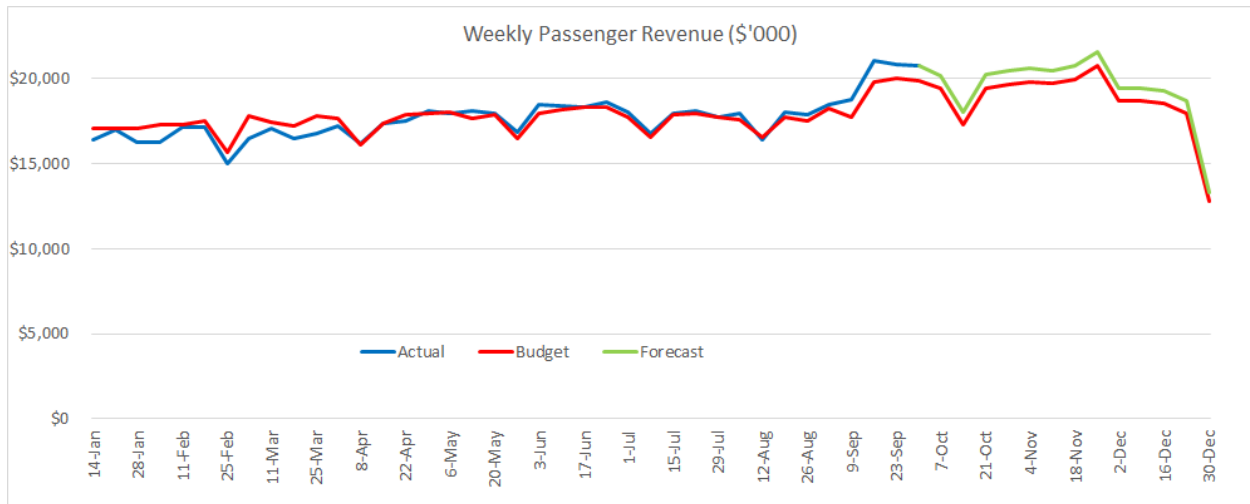
The net favourable variance of \$9.2 million year-to-date and the projected year-end net favourable variance of \$20.3 million are reflective of passenger revenue loss experienced in Q1 from a more pronounced ridership impact on severe weather days compared to pre-pandemic. Revenue has since recovered and is trending above budgeted levels, while reduced COVID-related absenteeism, PPE requirements and ventilation filter usage are expected to continue to year-end.

TTC Conventional Passenger Revenue

The year-to-date passenger revenue surplus is \$0.1 million, comprised of an \$8.8 million Q1 budget shortfall, primarily due to days with inclement weather in Q1, offset by an \$8.9 million budget surplus from Periods 4-9. For the remainder of the year, passenger revenue is forecast to remain at the Period 9 recovery rate of 78%, above the budgeted 75% to the end of Q4, driving the year-end passenger revenue forecast to be approximately \$9.9 million above budget.

As shown below in Chart 2, passenger revenue has been trending slightly above budgeted levels since April. Similar to pre-COVID experience and in line with seasonality, weekly fare revenue increased again in September, driven by an increase in the number of employees returning to the office in September. Period 9 fare revenue increased more than expected, averaging 4.7% above budgeted levels for Period 9, and is expected to average approximately 4% above budgeted levels for the balance of the year. Actual experience will continue to be monitored as it will be critical to understand any change to commuter patterns or discretionary travel, further informing projections to year-end and the 2024 Budget ridership and revenue budgets.

Chart 2 – 2023 TTC Conventional Weekly Passenger Revenue



Ancillary Revenues

The COVID-19 financial impact incorporated into the 2023 Operating Budget includes \$14.5 million in lost ancillary revenue, due to lower commuter parking, advertising, and subway concession revenue. On a year-to-date basis, ancillary revenues are \$1.1 million above the cumulative planned revenue to the end of Period 9 and is anticipated to be \$1.3 million above budget at year-end, as commuter parking revenue has continued to recover at a higher rate than budgeted.

COVID-19 Expenses

The COVID-19 financial impact incorporated into the 2023 Operating Budget also includes \$23.8 million in COVID-19 response expenses to protect customer and employee safety. Actual expenses to date are \$3.9 million below planned expenses and is anticipated to be \$5.3 million below at end of the year, as there has been a reduction in PPE requirements and COVID-related absenteeism.

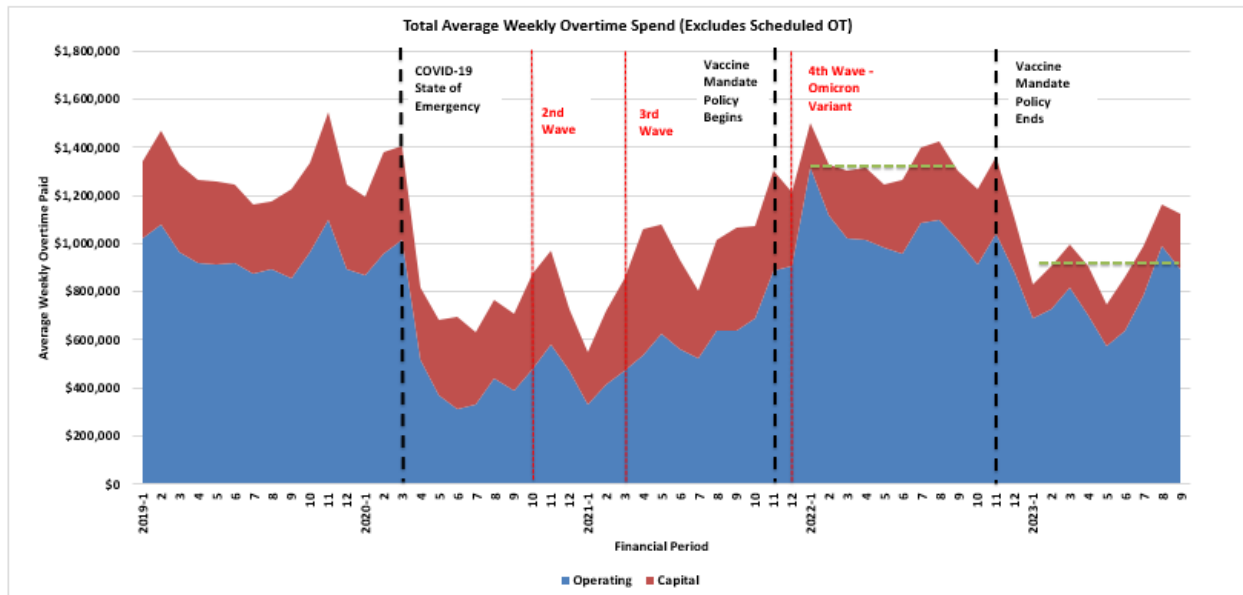
Overtime Management

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 3 below shows that average weekly overtime spending (operating and capital combined) up to Period 9 YTD has decreased from an average of \$1.3 million per week in 2022 to \$0.9 million per week for the same time period, representing a reduction of 29%, and trending well below pre-pandemic (2019) levels. A key contributor to this change is due to increased Operator availability. Higher overtime in 2022 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 2021 to March 2022 and the implementation of the mandatory vaccination policy in November 2021. This resulted in a reduction of available Operators and maintenance staff, 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 3 – Total Average Weekly Overtime Spending

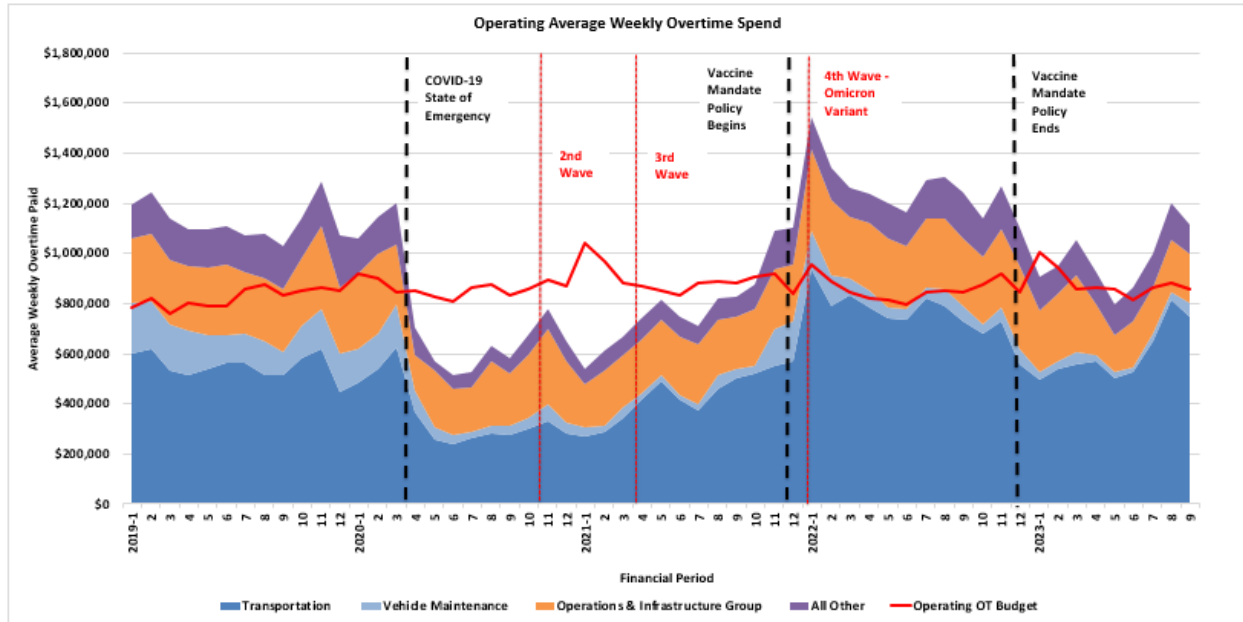


Operating Overtime

Consistent with key events and the overall trend noted above, operating overtime in 2023 has decreased relative to the 2022 experience and is below pre-pandemic levels from 2019, as illustrated in Chart 4 below. Operating overtime has declined approximately 31% in the first nine months of 2023 compared to the same period in 2022. Overtime has especially declined in the Transportation and Vehicles Group, as hiring efforts were targeted at recruiting Operators in late 2022 while coincidentally, many employees in this group were reinstated when the mandatory vaccine policy also ended in late 2022.

In the first half of 2023, improved Operator availability allowed the TTC to fill absence coverage on regular time through the use of spare Operators. However, in Q3 2023, additional Operator overtime was required as a result of the emergency closure of Line 3 SRT in July and August, which required unplanned bus replacement service in advance of the planned closure date in November 2023. Continuous improvement actions are being undertaken to enhance the effective deployment of spare Operators to achieve further overtime reductions. The TTC is also focused on filling priority vacancies amongst maintenance employees in the Operations and Infrastructure Group to further reduce the reliance on overtime, wherever possible.

Chart 4 – Operating Average Weekly Overtime Spending



2023 Capital Budget: Financial Update

Adjustments to the 2023-2032 Capital Budget and Plan

To date, the TTC Board and City Council have approved in-year budget adjustments to the TTC’s 2023-2032 Capital Budget and Plan to account for:

- \$81.5 million in incremental carry-forward funding based on 2022 actual results;
- A \$349-million contribution from the Federal Government’s Zero Emission Transit Fund towards the purchase of 340 electric buses and 248 charge points; and
- Budget adjustments that reallocate funds from projects that have deferred spending to projects with accelerated spending, with no impact on debt funding.

Further in-year adjustments are being recommended in this report, as detailed in Appendix 3, in order to offset projects that have had accelerated spending with projects that have experienced delays and lower spending with no debt impact. These adjustments allow the TTC to maximize its capital project delivery by “borrowing” funds from those projects impacted by delays during the year and reallocating them to projects moving ahead of schedule. The “borrowed funds” are then reinstated to the delayed projected in the following year. With approval of the budget adjustments noted above and detailed in Appendix 3, the TTC’s 10-Year Capital Budget and Plan’s annual cash flow estimates will be revised, as summarized in Table 11 below:

Table 11 – Revised 10-Year Capital Budget and Plan

Capital Plan and Adjustments (\$ Millions)	2023 Budget	2024	2025	2026	2027	2028	2029	2030	2031	2032	10-Year Total
Council Approved Capital Plan February 15, 2023	1,341.5	1,637.7	1,513.3	1,238.1	1,138.1	1,316.0	1,252.4	1,117.9	1,058.8	877.3	12,491.2
Previously Approved Amendments:											
Incremental Carryforward Adjustment	20.8	60.7									81.5
4M Variance Report Adjustments	88.9	93.3	141.5	25.7							349.3
6M Variance Report Adjustments	(2.0)	(0.2)	(34.9)	(24.3)	37.7	23.7					-
Total Previously Approved Amendments	107.7	153.8	106.5	1.4	37.7	23.7					430.8
Recommended Amendments:											
9M Variance Report Adjustments - Acceleration	61.5	(48.4)									13.1
9M Variance Report Adjustments - Deferrals	(61.2)	48.1									(13.1)
Total Recommended Amendments	0.3	(0.3)	-	-	-	-	-	-	-	-	-
Revised Capital Plan	1,449.5	1,791.2	1,619.8	1,239.5	1,175.8	1,339.7	1,252.4	1,117.9	1,058.8	877.3	12,922.1

The 2023 year-end projected results presented in this Financial Update report take into account the above amendments to the 2023 Capital Budget and subject to the Board’s approval, will be included in the TTC’s submission for the City’s Period 9 2023 Capital Variance report to the Budget Committee and for City Council’s approval at its meeting on December 13, 2023.

2023 Capital Results and Projection to Year-End

As of September 30, 2023, the TTC incurred a total of \$776.8 million compared to the nine-month planned (calendarized) spending of \$858.8 million, resulting in an overall spending rate of 90.5% to the end of Period 9, This reflects year-to-date spending of \$729.4 million or 90.3% when compared to the year-to-date planned budget of \$807.3 million for the TTC base capital program and \$47.4 million or 92.0% of the planned budget of \$51.5 million for transit-expansion-related projects.

When comparing year-to-date spending to the 2023 Capital Budget, 53.6% was spent to the end of Period 9 for the TTC base capital program and 54.2% for transit-expansion-related projects, resulting in an overall spending rate of 53.6% for the nine-month period.

By year-end, the TTC is projected to spend \$1.269 billion, representing an overall spending rate of 87.6% of the 2023 Approved Capital Budget, with \$1.203 billion or 88.3% anticipated to be spent on the TTC’s base capital program and \$66.2 million or 75.7% on transit-expansion-related projects.

Any unspent 2023 capital funding, which is currently projected to be in the order of \$180.5 million, will be carried forward into 2024 to complete capital work, in accordance with the City’s Carry Forward Policy.

Table 12 below summarizes the year-to-date and projected year-end results by key project type:

Table 12 – 2023 Capital Budget Results and Forecast

Description (\$ Millions)	Year-To-Date			2023		
	Budget	Actual	%	Budget	YE Proj	%
TTC Base Capital						
Infrastructure Projects	520.2	424.5	81.6%	871.1	783.2	89.9%
Vehicle Related Projects	287.1	304.9	106.2%	490.9	419.6	85.5%
Total - Base Capital	807.3	729.4	90.3%	1,362.0	1,202.8	88.3%
TTC Transit Expansion-Related Projects						
Toronto York Spadina Subway Extension	32.5	32.5	100.0%	56.1	39.7	70.8%
SRT Conversion to Busway	16.1	12.8	79.4%	27.4	23.5	85.8%
Waterfront Transit - Design	2.9	2.1	73.2%	4.0	3.0	76.0%
Total - Transit Expansion Related Proj	51.5	47.4	92.0%	87.5	66.2	75.7%
Total	858.8	776.8	90.5%	1,449.5	1,269.0	87.6%

Capital underspending both to date and as projected to year-end has been impacted by various drivers, including but not limited to, resourcing and supply chain constraints, adjustments to project schedules due to dependencies with third parties/other projects and other unforeseen factors. The most significant underspending is attributable to the Purchase of Hybrid Buses where supply chain constraints have impacted the delivery schedule, which have deferred planned deliveries from 2023 to 2024, while schedule changes in City capital projects have impacted the planned activities for Surface Track Replacement and Waterfront East Area 1 – Concept Design projects. In addition, the TYSSE project has been impacted by the deferral of closeout activities, while unexpected site conditions as well as labour disruptions/strikes have required the Easier Access and Fire Ventilation and Second Exits project schedules to be adjusted to account for these unforeseen events.

The Capital Budget is updated annually to reflect refined estimates based on capital planning progress made through stage gating; changes to planned timing or requirements and resultant costs and significant collaboration with key stakeholders. However, not all impacts to capital spending, as noted above, can be predicted or controlled. When these drivers are excluded from the base capital program, the spending rate increases to 95.6% for the TTC’s base capital program and 94.4% for transit-expansion-related projects, or a 95.5% spending rate overall, as summarized in Table 13:

Table 13 – 2023 Capital Results Excluding Deferred Projects

Description (\$ Millions)	Year-To-Date			2023		
	Budget	Actual	%	Budget	YE Proj	%
TTC Base Capital						
Infrastructure Projects	520.2	424.5	81.6%	871.1	783.2	89.9%
Vehicle Related Projects	287.1	304.9	106.2%	490.8	419.6	85.5%
Total - Base Capital	807.3	729.4	90.3%	1,362.0	1,202.8	88.3%
Excl. Deferred Base Projects				(103.9)		
TTC Adjusted Base Capital Program	807.3	729.4	90.3%	1,258.1	1,202.8	95.6%
TTC Transit Expansion-Related Projects						
Toronto York Spadina Subway Extension	32.5	32.5	100.0%	56.1	39.7	70.8%
SRT Conversion to Busway	16.1	12.8	79.4%	27.4	23.5	85.8%
Waterfront Transit - Design	2.9	2.1	73.2%	4.1	3.1	76.0%
Total - Transit Expansion Related Projects	51.5	47.4	92.0%	87.5	66.2	75.7%
Excl. Deferred Base Projects				(17.4)		
TTC Adjusted Base Capital Program	51.5	47.4	92.0%	70.1	66.2	94.4%
Total	858.8	776.8	90.5%	1,328.2	1,269.0	95.5%

Key Project Variances

The TTC's capital spending is being impacted by various factors, including but not limited to, resourcing and supply chain constraints, adjustments to project schedules due to dependencies with third parties and other projects, and scope/schedule deferrals.

Both the year-to-date and projected 2023 projected year-end capital results are primarily driven by underspending in Infrastructure programs and is anticipated in the following capital projects: Surface Track, Communications, Fire Ventilation and Second Exits, Easier Access III, Service Planning, and IT-related projects. Underspending in Vehicle projects is forecasted for the Purchase of Buses and Streetcar Overhaul projects, while delays related to the closeout of the TYSSE project contribute to underspending in the Transit-Expansion-Related programs.

Infrastructure Projects

Surface Track

\$22.4 million or 37% of the 2023 Approved Capital Budget of \$60.9 million for the Surface Track projects was spent as of the end of Period 9. The projected year-end spending is anticipated to be \$51.0 million or 84% of the 2023 Approved Capital Budget. This underspending is mainly driven by the deferral of planned work by the City for the King-Queen-Queensway-Roncesvalles construction project thereby impacting the completion of the TTC's planned capital works for this area.

Communications

Of the \$15.3 million 2023 Approved Capital Budget for Communications projects, \$8.2 million or 54% was spent to the end of Period 9. By year-end, the projected spending is anticipated to be \$10.5 million or 69% of the 2023 Approved Capital Budget. Projected underspending is primarily the result of a delay on the delivery of equipment for Subway Radio Antenna Systems due to vendor-related issues. The contract was awarded in September 2023, but due to the factory acceptance test taking longer than anticipated, the planned purchase and associated funding will be deferred to 2024.

Fire Ventilation Upgrades and Second Exits

Up to the end of the reporting period, \$10.0 million or 26% of the 2023 Approved Capital Budget of \$37.9 million was spent. The projected year-end spending is anticipated to be \$25 million or 66% of the 2023 Approved Capital Budget. The underspending is largely related to unforeseen site conditions and labour disruptions at the College and Donlands Second Exit sites, which have caused a delay in the construction schedule.

Easier Access III

\$57.3 million or 51% of the 2023 Approved Capital Budget of \$112.9 million was spent to the end of Period 9. The projected year-end spending is anticipated to be \$103.9 million or 92% of the 2023 Approved Capital Budget. The projected underspending is a result of multiple factors at various locations, including unforeseen site conditions, labour shortages and site constraints.

Service Planning

A total of \$5.5 million or 35% of the 2023 Approved Capital Budget of \$15.9 million was spent within the nine months of 2023. By year-end, the projected spending is expected to be \$10.0 million or 63% of the 2023 Approved Capital Budget. Projected underspending is largely related to the Transit Priorities project, as technical issues with the compatibility of the VISION system has necessitated schedule changes. The Bus Lane Implementation project is also projected to be underspent due to a delay in the RapidTO plan approval on Jane Street. The municipal election and the request for additional consultation have caused the project delay. The work will be finished in 2024.

Computer Equipment and Software

Up to the end of Period 9, a total of \$32.2 million or 42% of the 2023 Approved Capital Budget of \$77.1 million was spent. By year-end, the projected spending is anticipated to be \$56.3 million or 73% of the 2023 Approved Capital Budget. The primary driver of projected underspending is due to delays associated with supply chain constraints in obtaining the necessary camera equipment thereby requiring changes to the design and hardware delivery schedule on the Corporate Camera Delivery project. In addition, a number of SOGR projects have experienced schedule delays, shifting expected work plans and funding to 2024 due to resourcing challenges.

Vehicle Projects

Purchase of Buses

\$154.5 million or 56% of the 2023 Approved Capital Budget of \$276.2 million was spent during the reporting period and \$207.8 million or 75% of the 2023 Approved Capital Budget is projected to be spent by year-end. The projected underspending is a result of supply chain constraints faced by the vendors, which have caused delays in the delivery of hybrid bus purchases from both NOVA and New Flyer, and underspending to be carried forward into 2024.

Streetcar Overhaul

Of the \$20.5 million 2023 Approved Capital Budget for the Streetcar Overhaul projects, \$13.1 million or 64% was spent to the end of Period 9. Projected year-end spending is anticipated to be \$17.6 million or 86% of the 2023 Approved Capital Budget. Underspending is primarily the result of schedule slippage to 2024 resulting from vendor challenges during the testing phase for push-button switches and a delay in the production of GPS units, with delivery now deferred to 2024.

TTC Transit-Expansion-Related Projects

Toronto-York Spadina Subway Extension

\$32.5 million or 58% of the \$56.1 million included in the 2023 Approved Capital Budget for the TYSSE project was spent to the end of Period 9. The projected year-end spending is anticipated to be \$39.7 million or 71% of the 2023 Approved Capital Budget. The underspending is primarily driven by changes to the expected timing for some of the project closeout activities and associated costs.

Additional information summarizing 2023 capital spending results for the period and projected year-end spending by capital program is provided in Appendix 2 – 2023 Capital Spending Summary by Program. Appendix 3 itemizes the budget adjustments that will be included in the TTC's Capital Variance Report submission for the nine months ended September 30, 2023 for City Council consideration and approval.

Major Capital Projects Update

The TTC's approved 2023-2032 Capital Budget and Plan consists of capital investments to provide customers with safe, seamless and reliable transit that is inclusive as well as accessible, while also building resiliency to meet future demand. The TTC's delivery of a multi-billion-dollar capital program is guided by the TTC's Project Management Framework. The TTC's framework consists of three classifications of projects: Category 1, 2 and 3. Category 3 projects and programs represent the TTC's major projects and are afforded more project management rigour and oversight. The categorization takes into consideration, amongst other things, the budget, scope, risks and complexity, as well as the strategic importance to the organization.

Category 3 projects and programs comprise approximately 61% of the TTC's Capital Plan. These projects and programs are grouped into specific mode-based portfolios: Subway, Streetcar, Bus and Wheel-Trans, and Network Wide. This portfolio-based

approach ensures integrated planning, co-ordination and oversight for projects and programs with many complex interdependencies.

Attachment 1 contains the Major Projects Update, portfolio dashboards and individual project profiles (for the period ending September 30, 2023), and includes an update on the capital delivery performance for each major project against the approved budget, planned schedule and in-scope activities within the TTC's Capital Plan.

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Signature

Josie La Vita
Chief Financial Officer

Attachments

Appendix 1 – Operating Results by Service for the Period Ended September 30, 2023

Appendix 2 – 2023 Capital Spending Summary by Program

Appendix 3 – 2023-2032 Capital Budget and Plan Adjustments for Council Approval

Attachment 1 – Major Projects Update Report (Periods 1-9, 2023)

Appendix 1 – Operating Results by Service for the Period Ended September 30, 2023

TTC Conventional Service: 2023 Operating Results by Key Account Grouping and Comparison to 2022

As of September 30, 2023, the TTC Conventional Service net under-expenditures total \$36.9 million (4.1%), comprising of base under-expenditures of \$27.8 million and a COVID-19 under-expenditure of \$9.1 million.

Key drivers of underspending include:

- Deferred Line 5 training and mobilization activities.
- Workforce vacancies.
- Lower average diesel fuel prices.
- Lower COVID incremental expenditures due to lower PPE usage and absence rates returning to pre-pandemic levels.

The net under-expenditure is partially offset by:

- Cost of regular service hours operated 2% above budget levels to improve service reliability on routes experiencing an increase in congestion, operate additional Run-as-Directed buses and to restore service on routes with highest demand to reduce crowding and customer wait times.
- Increased benefit expenses due to higher utilization and an 8.5% dental fee guide increase.

The year-end net under-expenditure of \$24.1 million reflects a favourable expenditure variance of \$48.8 million, resulting from the key expenditure drivers noted above. The favourable variance is partially offset by a revenue shortfall of \$24.6 million reflecting the foregone budgeted reserve withdrawal of \$35.6 million given the projected year-end favourable expenditure variance. The revenue shortfall is partially mitigated by passenger revenue remaining above budget for the balance of the year and increased ancillary revenue resulting from anticipated cost recoveries from Metrolinx in Q4.

Key drivers of the favourable actual and projected year-end variances are detailed in Table 14 below:

Table 14 – TTC Conventional Service: 2023 Operating Results by Key Account Grouping

Item (\$Millions)	Year-To-Date Actuals			Year-End Forecast			Status
	Budget	Actual	Variance	Budget	Forecast	Variance	
Revenues							
Passenger Revenue	687.2	687.3	0.1	931.4	941.3	9.9	✓
Other Ancillary Revenue	46.8	44.0	(2.8)	81.2	82.2	1.0	✓
Reserve Draw	0.0	0.0	0.0	35.6	0.0	(35.6)	✗
Total Revenue	734.0	731.3	(2.6)	1,048.2	1,023.5	(24.7)	✓
Expenses							
Departmental Labour	881.9	868.7	(13.2)	1,188.2	1,172.9	(15.3)	✓
Departmental Non-Labour	216.3	206.9	(9.4)	310.2	293.5	(16.7)	✓
Employee Benefits	305.9	308.8	2.9	403.9	407.2	3.3	✗
Diesel	76.3	74.9	(1.4)	102.9	103.9	1.0	✗
Traction Power & Utilities	57.6	53.6	(4.0)	79.6	72.6	(7.0)	✓
Accident Claims	15.0	10.3	(4.7)	20.0	17.0	(3.0)	✓
Other Corporate Costs	72.0	66.0	(6.0)	109.3	103.6	(5.7)	✓
Subtotal Base Expenses	1,625.0	1,589.2	(35.8)	2,214.1	2,170.7	(43.4)	✓
COVID-19 Costs	17.4	13.6	(3.8)	23.4	18.0	(5.4)	✓
Total Expenses	1,642.4	1,602.8	(39.6)	2,237.5	2,188.7	(48.8)	✓
Net Expenditure (Funding Required)	908.4	871.5	(36.9)	1,189.3	1,165.2	(24.1)	✓
Operating Funding							
COVID Funding Impact	276.7	267.6	(9.1)	366.0	345.6	(20.3)	✓
Base City Funding	631.7	603.9	(27.8)	823.3	819.5	(3.8)	✓
Total Operating Funding	908.4	871.5	(36.9)	1,189.3	1,165.2	(24.1)	✓

TTC Conventional Service: 2023 versus 2022 Results Comparison

Year-end passenger revenue is projected to be \$203.5 million (28%) higher in 2023 than in 2022, largely reflecting the impact of ridership recovery trending 3% above budgeted levels by year-end. Year-to-date 2023 ridership has averaged 74% of pre-pandemic levels, up from the 57% for the same time period in 2022.

Ancillary revenue is projected to be \$29.9 million (57%) higher in 2023 reflecting the impact of increased ridership recovery, higher interest rate and additional cost recoveries related to reimbursement for sunk costs incurred as part of Line 5 and Line 6 mobilization activities and service disruption costs related to third-party construction projects.

Year-over-year expenditures are estimated to be \$121.4 million (6%) higher in 2023 than in 2022. Key drivers of this net increase include:

- Additional resources to advance System Safety, Cleanliness and Accessibility initiatives.
- Impact of Collective Agreement arbitrated settlement and staff economic increase.
- Inflationary impacts on materials and services.
- Increased utilization and inflationary impact on employee benefits.
- Significant accident claims resolved and settled in 2023.

- Higher PRESTO Commissions, commensurate with the increase in Passenger Revenue and adoption of PRESTO.

COVID expenditures are forecasted to be \$13.3 million (42%) lower in 2023, primarily due to lower COVID-related sick benefit payments, lower PPE usage, the full year impact of the suspension of employee screening as of May 2022, and discontinuation of facility and vehicle COVID-19 disinfecting in July 2022 and November 2022, respectively. Please see Table 16 below.

Table 15 – TTC Conventional Service 2023 versus 2022 Results Comparison

Item (\$Millions)	Year-To-Date Actuals			Year-End		
	2023 Actuals	2022 Actuals	Change	2023 Forecast	2022 Actuals	Change
Revenues						
Passenger Revenue	687.3	523.9	163.4	941.3	737.8	203.5
Other Ancillary Revenue	44.0	37.8	6.2	82.2	52.3	29.9
Reserve Draw	0.0	0.0	0.0	0.0	0.0	0.0
Total Revenue	731.3	561.7	169.6	1,023.5	790.1	233.4
Expenses						
Departmental Labour	868.7	821.3	47.4	1,172.9	1,126.3	46.6
Departmental Non-Labour	206.9	172.4	34.5	293.5	250.6	42.9
Employee Benefits	308.8	276.3	32.5	407.2	371.0	36.2
Diesel	74.9	79.6	(4.7)	103.9	109.9	(6.0)
Traction Power & Utilities	53.6	52.2	1.4	72.6	71.5	1.1
Accident Claims	10.3	9.7	0.6	17.0	12.7	4.3
Other Corporate Costs	66.0	59.4	6.6	103.6	94.0	9.6
Subtotal Base Expenses	1,589.2	1,470.9	118.3	2,170.7	2,036.0	134.7
COVID-19 Costs	13.6	26.4	(12.7)	18.0	31.3	(13.3)
Total Expenses	1,602.8	1,497.3	105.5	2,188.7	2,067.3	121.4
Net Expenditure (Funding Required)	871.5	935.6	(64.1)	1,165.2	1,277.2	(112.0)
Operating Funding						
COVID Funding Impact	267.6	231.3	36.3	345.6	543.5	(197.9)
Base City Funding	603.9	704.3	(100.4)	819.6	733.7	85.9
Total Operating Funding	871.5	935.6	(64.1)	1,165.2	1,277.2	(112.0)

Wheel-Trans Service: 2023 Operating Results by Key Account Grouping and Comparison to 2022

On a year-to-date basis, Wheel-Trans expenses are \$0.1 million (0.1%) below budget mainly due to lower fuel and maintenance costs, offset by higher contracted taxi costs due to higher ridership demand, while revenues are \$0.1 million below budget, due to a slightly lower average fare than expected. Overall on a year-to-date basis, Wheel-Trans net expenditures are on budget.

Year-end expenditures are anticipated to be \$2.2 million above budget. This is mainly the result of higher-than-anticipated ridership levels, which additional Contracted Taxi

and Call Centre requirements are anticipated to accommodate the increased forecast in ridership demand.

Year-end revenues are anticipated to be above budget by \$0.1 million, driven by higher-than-anticipated ridership levels. Ridership began the year slightly below budgeted levels and has since increased to averaging 2% above budget in Period 9, and is currently forecasted to exceed the budget by 4% at year-end.

Overall, the projected over-expenditure on Wheel-Trans Service of \$2.1 million is expected to be accommodated through the net under-expenditure on TTC Conventional Service. Please see Table 16 below.

Table 16 – 2023 Wheel-Trans Service: 2023 Operating Results by Key Account Grouping

Item (\$Millions)	Year-To-Date Actuals			Year-End Forecast			Status
	Budget	Actual	Variance	Budget	Forecast	Variance	
Passenger Revenues	4.9	4.8	(0.1)	6.5	6.6	0.1	✓
Expenses							
Bus Service	39.4	38.0	(1.4)	53.5	52.4	(1.1)	✓
Vehicle Fuel	3.2	2.8	(0.4)	4.3	3.9	(0.3)	✓
Contracted Taxi	37.7	40.2	2.5	50.1	54.3	4.2	✗
Employee Benefits	14.2	13.5	(0.8)	18.8	17.8	(1.0)	–
Administration/Management	11.5	11.6	0.1	15.6	16.3	0.6	✗
Subtotal Base Expenses	106.0	106.0	(0.0)	142.3	144.5	2.2	✗
COVID-19 Costs	0.3	0.2	(0.1)	0.4	0.4	0.0	–
Total Expenses	106.3	106.2	(0.1)	142.7	144.9	2.2	✗
Net Expenditure (Funding Required)	101.4	101.4	(0.0)	136.2	138.3	2.1	✗
Operating Funding							
COVID Impact Funding	0.3	0.2	(0.1)	0.4	0.4	0.0	–
Base City Funding	101.1	101.2	0.1	135.8	137.9	2.1	✗
Total Operating Funding	101.4	101.4	(0.0)	136.2	138.3	2.1	✗

As noted in Table 17 below, Wheel-Trans expenses are \$17.4 million (19.6%) higher and revenue is \$1.2 million (33.2%) higher on a year-to-date basis compared to 2022, primarily due to increased ridership demand driven by growth in new registrants and the resultant requirements for Contracted Taxi services, Bus service costs and Call Centre services.

Year-end passenger revenue is projected to be \$1.6 million (31.9%) higher in 2023 than in 2022, largely reflecting the impact of ridership trending above anticipated levels over the course of 2023. For the full year, ridership is expected to be 33.7% higher compared to 2022.

Year-over-year expenditures are estimated to be \$23.1 million (18.9%) higher in 2023 than in 2022. Key drivers of this net increase include:

- Gradual return in ridership demand resulting in increased requirements for Contracted Taxi services, Bus service, including Operator and Maintenance costs, and Call Centre services.
- Inflationary impacts on materials and Contracted Taxi services.
- Employee benefits inflation and utilization increase.
- Increased labour expenditures as prior-year workforce vacancies are filled.

Table 17 – Wheel-Trans Service: 2023 versus 2022 Results Comparison

Item (\$Millions)	Year-To-Date Actuals			Year-End		
	2023 Actuals	2022 Actuals	Change	2023 Forecast	2022 Actuals	Change
Passenger Revenues	4.8	3.6	1.2	6.6	5.0	1.6
Expenses						
Bus Service	38.0	35.3	2.7	52.4	48.3	4.1
Vehicle Fuel	2.8	2.7	0.1	3.9	3.6	0.3
Contracted Taxi	40.2	27.8	12.4	54.3	39.0	15.3
Employee Benefits	13.5	12.0	1.5	17.8	15.5	2.3
Administration/Management	11.6	10.6	1.0	16.3	15.1	1.2
Subtotal Base Expenses	106.0	88.4	17.6	144.7	121.5	23.2
COVID-19 Costs	0.2	0.4	(0.2)	0.4	0.5	(0.1)
Total Expenses	106.2	88.8	17.4	145.1	122.0	23.1
Net Expenditure (Funding Required)	101.4	85.2	16.2	138.5	117.0	21.5
Operating Funding						
COVID Impact Funding	0.2	0.4	(0.2)	0.4	0.5	(0.1)
Base City Funding	101.2	84.8	16.4	138.1	116.5	21.6
Total Operating Funding	101.4	85.2	16.2	138.5	117.0	21.5

Appendix 2 – 2023 Capital Spending Summary by Program

Toronto Transit Commission 2023 Capital Budget Variance for the Period Ended September 30, 2023*

EXPENDITURES BY PROGRAM	Year-to-Date				2023			
	Budget	Actuals	Variance	%	Budget	YE Projection	Variance	%
TRACK	47.757	46.447	1.310	97%	91.714	81.806	9.908	89%
1.1 Subway Track	23.131	24.050	(0.919)	104%	30.801	30.801	0.000	100%
1.2 Surface Track	24.626	22.397	2.229	91%	60.913	51.005	9.908	84%
ELECTRICAL SYSTEMS	70.334	72.202	(1.868)	103%	114.536	103.652	10.883	90%
2.1 Traction Power	15.781	16.640	(0.859)	105%	27.776	27.776	0.000	100%
2.2 Power Distribution/Electric Systems	5.025	5.000	0.025	100%	8.555	8.555	0.000	100%
2.3 Communications	10.161	8.230	1.931	81%	15.321	10.543	4.779	69%
2.4 Signal Systems	10.263	9.227	1.036	90%	18.208	14.921	3.287	82%
ATC Resignalling	29.104	33.104	(4.000)	114%	44.675	41.857	2.818	94%
BUILDINGS & STRUCTURES	310.663	254.071	56.592	82%	533.469	497.037	36.432	93%
3.1 Finishes	19.478	10.881	8.597	56%	26.423	25.085	1.338	95%
3.2 Equipment	43.585	45.641	(2.056)	105%	133.629	132.819	0.810	99%
3.3 Yards & Roads								
Streetcar Network Upgrades & BRT	0.329	0.765	(0.436)	232%	1.196	1.196	0.000	100%
On-Grade Paving Rehabilitation Program	8.526	6.981	1.545	82%	11.337	11.318	0.019	100%
Bicycle parking at stations	0.065	0.055	0.010	84%	0.065	0.065	0.000	100%
Transit Shelters & Loops	0.000	0.001	(0.001)		0.216	0.216	0.000	100%
3.4 Bridges & Tunnels	32.640	24.440	8.200	75%	42.483	42.101	0.382	99%
3.9 Buildings and Structures Projects								
Fire Ventilation Upgrades & Second Exits	18.349	10.020	8.329	55%	37.908	24.980	12.928	66%
Easier Access Phase III	82.613	57.315	25.298	69%	112.885	103.922	8.963	92%
Leslie Barns	0.544	1.229	(0.685)	226%	1.331	1.331	0.000	100%
Toronto Rocket/T1 Rail Yard Accommodation	23.848	22.782	1.067	96%	30.812	30.812	0.000	100%
McNicoll New Bus Garage	0.275	0.341	(0.066)	124%	0.607	0.607	0.000	100%
Warehouse Consolidation	0.031	0.024	0.007	78%	0.411	0.344	0.068	84%
Yonge-Bloor Capacity Enhancement	5.812	8.679	(2.867)	149%	19.351	18.828	0.523	97%
Line 1 Capacity Enhancement	18.921	14.898	4.023	79%	25.426	23.353	2.074	92%
Line 2 Capacity Enhancement	10.774	8.004	2.770	74%	13.334	12.512	0.822	94%
Other Buildings and Structures	44.874	42.016	2.858	94%	76.055	67.549	8.506	89%
VEHICLES	287.057	304.863	(17.806)	106%	490.846	419.606	71.241	85%
REVENUE VEHICLES								
4.11 Purchase of Buses	146.444	154.517	(8.073)	106%	276.173	207.802	68.372	75%
4.11 Purchase of Buses - Wheel Trans Buses	12.253	12.303	(0.051)	100%	21.290	21.290	0.000	100%
4.12 Purchase of Subway Cars	1.599	1.249	0.349	78%	2.310	2.310	0.000	100%
4.13 Bus Overhaul	45.396	52.185	(6.788)	115%	70.710	70.710	0.000	100%
4.15 Streetcar Overhaul	10.796	13.144	(2.348)	122%	20.468	17.607	2.861	86%
4.16 Subway Car Overhaul	20.199	24.606	(4.407)	122%	26.000	26.000	0.000	100%
4.18 Purchase of Streetcars	42.476	39.155	3.320	92%	62.119	62.119	0.000	100%
NON-REVENUE VEHICLES								
4.21 Purchase Automotive Non-Revenue Vehicles	6.463	6.629	(0.166)	103%	9.712	9.712	0.000	100%
4.22 Rail Non-Revenue Vehicle Overhaul	1.157	0.828	0.329	72%	1.418	1.418	0.000	100%
4.23 Purchase Rail Non-Revenue Vehicles	0.275	0.246	0.029	90%	0.645	0.638	0.008	99%
TOTAL OTHER	91.496	51.808	39.689	57%	131.410	100.701	30.709	77%
TOOLING, MACHINERY & EQUIPMENT								
5.1 Shop Equipment	5.770	4.164	1.606	72%	9.147	8.873	0.274	97%
5.2 Revenue & Fare Handling Equipment	7.745	0.228	7.517	3%	9.345	8.345	1.000	89%
5.3 Other Maintenance Equipment	0.759	0.629	0.130	83%	2.911	1.707	1.204	59%
5.4 Fare System	5.596	3.158	2.439	56%	5.596	4.500	1.096	80%
ENVIRONMENTAL PROGRAMS								
6.1 Environmental Programs	8.459	5.438	3.021	64%	8.827	8.466	0.361	96%
6.1 Safety and Reliability	1.104	0.382	0.722	35%	2.130	2.130	0.000	100%
COMPUTER EQUIPMENT & SOFTWARE								
7.1 Computer Equipment & Software	51.208	32.226	18.982	63%	77.125	56.250	20.875	73%
OTHER								
9.1 Furniture & Office Equipment	0.448	0.058	0.390	13%	0.477	0.418	0.059	88%
9.2 Service Planning	10.407	5.524	4.883	53%	15.852	10.012	5.840	63%
Total Base Programs	807.307	729.390	77.916	90%	1,361.975	1,202.802	159.173	88%
Toronto York Spadina Subway Extension	32.487	32.487	(0.000)	100%	56.061	39.671	16.390	71%
SRT Conversion to Busway	16.147	12.827	3.320	79%	27.355	23.461	3.894	86%
Waterfront Transit - Design	2.906	2.126	0.779	73%	4.087	3.108	0.979	76%
Total Transit Expansion Projects	51.540	47.440	4.100	92%	87.504	66.241	21.263	76%
Total Base & Transit Expansion Projects	858.847	776.831	82.016	90%	1,449.479	1,269.043	180.436	88%

*Note: The 2023 Capital Budget and year-end results reflect recommended acceleration/deferral adjustments, as outlined in Appendix 3, which in many cases, adjust the budget to match the projection, evidenced by a projected 100% spending rate at year-end.

Appendix 3 – 2023-2032 Capital Budget and Plan Adjustments for Council Approval

CTT	Program	2023 Capital Budget Adjustments	2024-2032 Capital Plan Adjustments	Comments
CTT002	Surface Track	\$7,235	(\$3,349)	Acceleration of work on Hillcrest Maintenance Facility Trackwork and Surface Track - Civil Works
CTT003	Traction Power	\$3,271	(\$3,271)	Increase in material and alternate service costs for Reconstruction of Streetcar Overhead
CTT005	Power Distribution / Electrical Systems	\$310	(\$1,185)	Mainly due to scope/budget transfer from Uninterruptable Power Supply (UPS) Replacement to CTT110
CTT006	Communications	(\$130)	(\$575)	Permanent savings realized across multiple SOGR projects reallocated to address cost escalations
CTT010	Finishes	\$748	\$362	Acceleration of Roofing Rehabilitation Program; Cost escalation for Platform Edge Tile Replacement
CTT012	Equipment	\$22,934	(\$22,158)	Acceleration of equipment purchases for Bus Charging Systems
CTT015	Yards & Roads	\$854	(\$852)	Acceleration of construction for streetcar network accessibility upgrades
CTT020	Bridges & Tunnels	(\$1,945)	\$58	Scope/Funding transferred to Surface Track Replacement project
CTT028	Easier Access Phase III	(\$3,553)	\$3,553	Deferred due to unforeseen site conditions and labour disruptions/strike
CTT045	Replacement of Wheel-Trans Vehicles	(\$5,689)	\$5,689	Deferred due to vendors supply chain constraints impacting delivery
CTT050	Streetcar Overhaul Program	\$1,663	(\$1,663)	Acceleration of HVAC and hydraulic components replacement within overhaul program
CTT051	Subway Car Overhaul Program	(\$2,974)	(\$2,227)	Funds reallocated to address cost escalation
CTT053	Rail Non-Revenue Vehicle Overhaul	(\$404)	\$404	Deferred due to supply chain constraints and coordination with other projects
CTT054	Rail Non-Revenue Vehicle Purchase	(\$1,114)	\$1,114	Deferral due to protracted negotiations on complex projects
CTT055	Tools & Shop Equipment	\$949	(\$949)	Acceleration of equipment purchases
CTT056	Fare Handling Equipment	(\$2,000)	\$1,000	Deferral of project close out costs
CTT058	Environmental Programs	(\$4,162)	\$4,162	Contract awards occurred later than planned impacting start of construction
CTT061	Information Technology Systems - Infrastructure	(\$3,023)	\$3,273	Deferral due to resource constraints
CTT062	Furniture & Office Equipment	(\$9)	\$9	Deferral of equipment purchases
CTT063	Other Service Planning	(\$1,317)	\$1,317	Schedule change for scope of work planned in 2023
CTT064	Transit Shelters & Loops	(\$147)	(\$103)	Scope transferred to another project
CTT110	Other Buildings & Structures Projects	\$11,440	(\$9,839)	Acceleration of Russel Yard and Carhouse Modifications
CTT111	Purchase of Buses	(\$23,236)	\$23,221	Deferred due to vendors supply chain constraints impacting delivery
CTT112	Bus Overhaul	\$5,719	\$860	Cost escalation for hybrid bus components
CTT113	Other Maintenance Equipment	(\$649)	\$649	Deferral of equipment purchases
CTT122	Purchase of Streetcars	\$4,931	(\$4,931)	Advancement of milestone payment; increase in escalation adjustment
CTT141	Fare System	(\$3,581)	\$2,904	Deferral due to protracted negotiations on complex project
CTT142	YUS ATC Resignalling	(\$5,520)	\$5,520	Deferred due to resource constraints
CTT145	Leslie Barns Maintenance & Storage Facility	\$765	(\$765)	Accelerated construction costs
CTT146	TR/T1 Rail Yard Accommodation	\$477	(\$477)	Accelerated construction costs
CTT147	SRT Life Extension / Transition	\$0	(\$3)	Savings reallocated to cover cost escalation
CTT148	McNicoll Bus Garage Facility	\$57	(\$57)	Accelerated close out costs
CTT151	Waterfront Transit	\$108	(\$108)	Increase in Exhibition Loop conceptual layout costs
CTT153	Warehouse Consolidation	(\$300)	\$300	Deferral of equipment purchases
CTT154	Corporate Initiatives - CLA	(\$1,451)	(\$2,140)	Savings reallocated to cover cost escalation
Total Adjustments		\$257	(\$257)	



MAJOR PROJECTS UPDATE REPORT

Period Ended September 30, 2023

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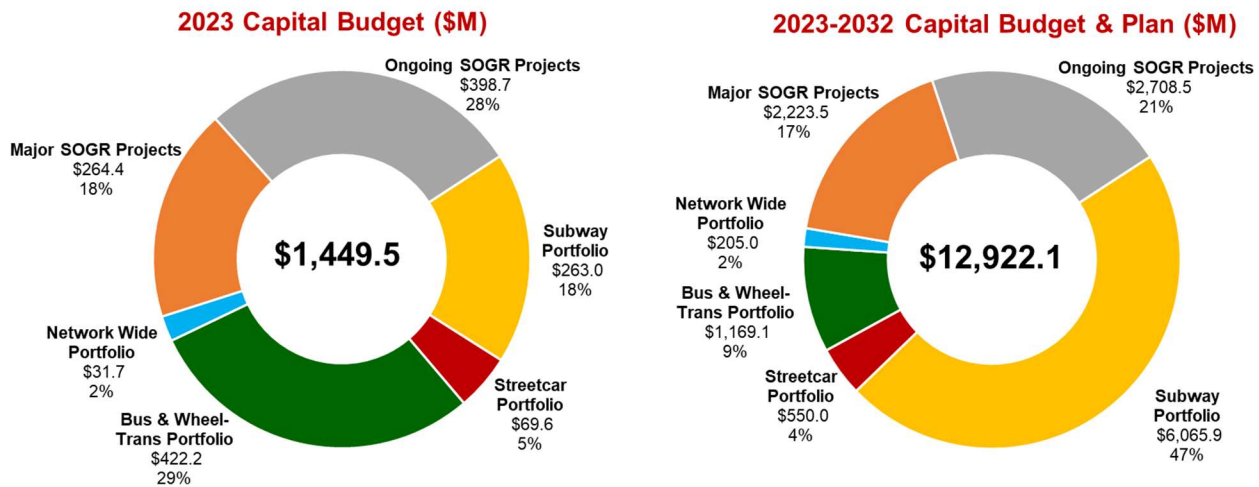
This report has been prepared by the Portfolio Management Office in consultation with the Project Teams.

Overview

The TTC's delivery of a multi-billion-dollar capital program is guided by the TTC's Project Management Framework. The TTC's framework consists of three classifications of projects: Category 1, 2, and 3. Category 3 projects and programs represent the TTC's major projects. The categorization takes into consideration, amongst other things, the budget, experience in delivery, risks and complexity, as well as strategic importance to the organization.

These major projects and programs, referred to hereafter as projects, have been included in the Category 3 Major Project Capital Spending Dashboard due to their magnitude and/or strategic significance. This Major Projects Update highlights the performance of these projects against their approved budget, planned schedule, and in-scope activities.

The TTC's approved 2023-2032 10-Year Capital Plan is \$12.922 billion, which consists of capital investments to provide customers with safe, seamless, and reliable transit that is accessible while also building resiliency to meet future demand. Category 3 projects and programs comprise approximately 62% of the TTC's 10-Year Capital Budget and Plan. These projects and programs are grouped into specific mode-based portfolios: Subway, Streetcar, Bus and Wheel-Trans, and Network Wide. This portfolio-based approach provides coordination and oversight for projects and programs with many interdependencies.



Please see the Category 3 Major Projects Capital Spending Dashboard by Portfolio.

Subway Portfolio

Category 3 / Major Projects & Programs	Project Category	Financial Summary (\$ Millions)							Status			
		2023 YTD		2023 Budget	10-Year Approved Budget (2023-2032)	Total Approved Budget	Spend-to-Date	Total Projected EFC	Schedule	Cost	Scope	Overall
		Budget	Actual									
Subway Portfolio												
Line 1 - Capacity Enhancement Program (Line 1 CEP)	SI	\$18.9	\$14.9	\$25.4	\$1345.0	\$1385.3	\$55.2	\$5949.3	Y	Y	G	Y
Line 1 - Automatic Train Control (ATC) Resignalling	SOGR	\$21.9	\$25.0	\$35.6	\$69.9	\$710.2	\$665.2	\$710.2	G	G	G	G
Purchase of New Subway Trains (T1 Replacement & Growth)	Growth/SOGR	\$1.6	\$1.2	\$2.3	\$811.6	\$817.1	\$6.6	\$2492.7	R	R	G	R
Line 2 - Capacity Enhancement Program (Line 2 CEP)	SI	\$10.8	\$8.0	\$13.3	\$847.6	\$867.2	\$27.6	\$2770.5	Y	Y	G	Y
Line 2 - Automatic Train Control (ATC) Resignalling	SOGR	\$7.2	\$8.1	\$9.1	\$619.7	\$624.9	\$13.3	\$812.6	Y	Y	G	Y
Bloor-Yonge Capacity Improvements	SI	\$5.8	\$8.7	\$19.4	\$1380.0	\$1440.1	\$68.8	\$1514.0	Y	G	G	Y
Easier Access Phase III	Legislative	\$82.6	\$57.3	\$112.9	\$627.9	\$1168.7	\$598.1	\$1168.7	Y	G	G	Y
Fire Ventilation Upgrades & Second Exits	SOGR/H&S	\$18.3	\$10.0	\$37.9	\$347.8	\$726.9	\$389.1	\$836.2	G	Y	G	Y
Stations Transformations	SI	\$4.5	\$6.3	\$7.1	\$16.4	\$50.8	\$40.7	\$50.8	Y	G	G	Y
Total Subway Portfolio		\$171.6	\$139.5	\$263.0	\$6065.9	\$7791.1	\$1864.7	\$16304.9				
Performance Scorecard Status		Total Category 3 Portfolio Cost (\$ Millions)					EFC: Estimated Final Cost YTD: Year-to-Date H&S: Health & Safety SI: Service Improvement SOGR: State-of-Good-Repair					
		2023 Year-to-Date Budget	2023 Year-End Budget	10-Year Approved Budget (2023-2032)	Total Approved Budget	Total EFC						
G	On Track											
Y	Caution / Tracking Behind											
R	At Risk / Missed Target	\$431.2M	\$786.4M	\$7,990.0M	\$10,485.9M	\$22,928.4M						

Note: Status reflects outlook to completion of the project/program.

Line 1 – Capacity Enhancement Program (Line 1 CEP)

Description

This program includes the accommodation of train storage and maintenance requirements, and other infrastructure enhancements, to expand capacity and improve circulation on Line 1 by achieving headways of up to 100 seconds by 2037. This will provide capacity to serve forecasted demand, address overcrowding, increase the frequency of trains, and reduce travel times, which will result in improved customer service.

The full benefits of Line 1 CEP is also dependent on the Line 1 Automatic Train Control implementation (completed in 2022), and the procurement of New Subway Trains for Line 1 to accommodate growth in ridership demand to 2041.

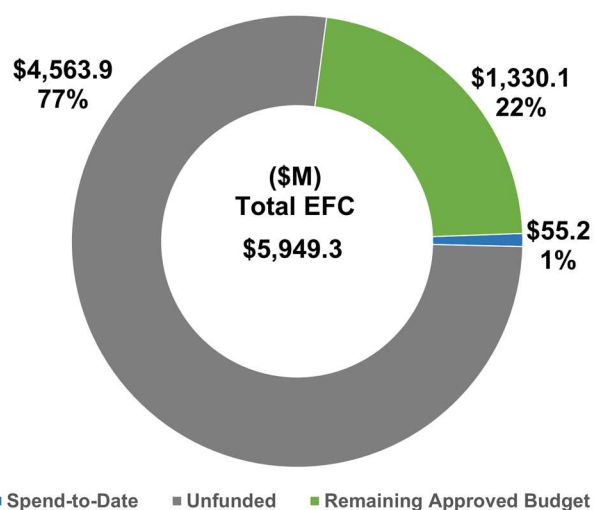
Scope Description

The scope as defined in the Line 1 CEP Stage Gate 1 Preliminary Business Case includes:

- **Station Capacities:** Stations Modifications to improve station capacities and increase service at 11 stations total, including three pilot stations: St Andrew, St George and Dundas.
- **Systems and Infrastructure:** Electrical Traction Power Upgrades; additional Fire Ventilation requirements to achieve target headways and Guideway Enhancement.
- **A new Line 1 Train Maintenance and Storage Facility (TMSF),** which includes:
 - Storage for 34 trains, including a test track, and access track to the site;
 - Carhouse with five Bays for Preventative and Corrective Maintenance to support daily service;
 - Operations and Infrastructure (O&I) facility to support maintenance activities (small shop building, outdoor and indoor storage tracks for work cars, material storage and staging area); and
 - Ancillary facilities (Traction Power Substation (TPSS), Hostler platform).

Financials

Project/Program Start	2019
Forecast Completion Year	2041
Estimated Final Cost (EFC) ¹	\$5,949.3M
Total Approved Budget	\$1385.3M
10-Year Approved Budget (2023-2032)	\$1,345.0M
2023 Budget	\$25.4M
2023 YTD Budget	\$18.9M
2023 YTD Actuals	\$14.9M
Overall Performance Status	Y



Progress Update

Station Capacity – Modifications and Upgrades:

- King Station: Completed Preliminary Design (30%) for King Station – Concourse Expansion and Additional Exit, and the Stakeholder review is underway.
- St Andrew Station: Completed construction for Phase 1 of the St Andrew – Concourse Modification in August 2023.

Traction Power:

- Detailed Design (100%) for the Positive and Negative Feeders and Duct Bank Replacement at the Duncan, Richmond and Granby substations commenced as planned in Q1 2023 and is expected to be completed by Q1 2025.
- Detailed Design (100%) for the Negative Reinforcing Cables – Vaughan Metropolitan Centre to Sheppard West stations commenced as planned in Q4 2022 and is expected to be completed by Q2 2024.

Fire Ventilation Requirements:

- Detailed Design (100%) for St Clair West Station Fire Ventilation System commenced in Q2 2023 and is expected to be completed by Q4 2024.
- Preliminary Design (30%) for the Markdale Emergency Service Building (ESB) is underway and is expected to be completed by Q1 2024.
- Feasibility and Concept Design (10%) for the Lytton ESB is complete and Stage Gate 2 approval is expected by Q1 2024.

Guideway Enhancement:

- Preliminary Design (30%) for the New Siding Track (Bloor-Yonge to Rosedale) has been completed as planned and is awaiting Stakeholder sign-off.

Train Maintenance and Storage Facility (TMSF):

- The TTC is undertaking the necessary due diligence for potential site locations for a new Line 1 TMSF, which is in the early planning phase.
- Completed the draft Procurement Strategy Report, Market Sounding Strategy and the Stakeholder Management Plan.

Key Issues/Risks and Action Plan/Mitigation Activities

Key Risks and Mitigation:

- Potential changes to forecast demand may impact the Target Horizon Years and program objectives. The TTC is closely monitoring the demand model and adjusting program scope and schedule, as required. The TTC is also monitoring the progress by Metrolinx on the Line 1 Yonge North Subway Extension (YNSE) to assess implications on timing for achieving Line 1 capacity and service requirements to accommodate growth in ridership demand to 2041.

Key Issues and Action Plan:

- A new TMSF is essential to store and maintain the new subway trains required for Line 1. Both the TMSF and the New Subway Trains for Line 1 are not fully funded. Funding for the New Subway Trains and TMSF is part of ongoing intergovernmental funding advocacy. A separate report was provided to the November 22 Board meeting. ([Report Link](#))

Next Steps

The following activities are scheduled for 2023:

Stations Modifications:

- Progress Stage Gate 2 approval for King Station – Concourse Expansion and Additional Exit.

Systems and Infrastructure:

- Feasibility Study and Concept Design for New Traction Power Substation at Highway 407.
- Commence Detailed Design in Q4 2023 for New Siding Track from Bloor-Yonge to Rosedale.

Train Maintenance and Storage Facility (TMSF):

- Continue to advance due diligence and consultation with municipal partners on potential site locations.
- Review the Market Sounding strategy.
- Review the Stakeholder Management Plan and Procurement Strategy Report.

Note: ¹\$2,450.1M is currently unfunded in the 10-Year Plan (2023-2032), and \$2,113.8M is unfunded post-2032 (status at caution).

Line 1 – Automatic Train Control (ATC) Resignalling

Description

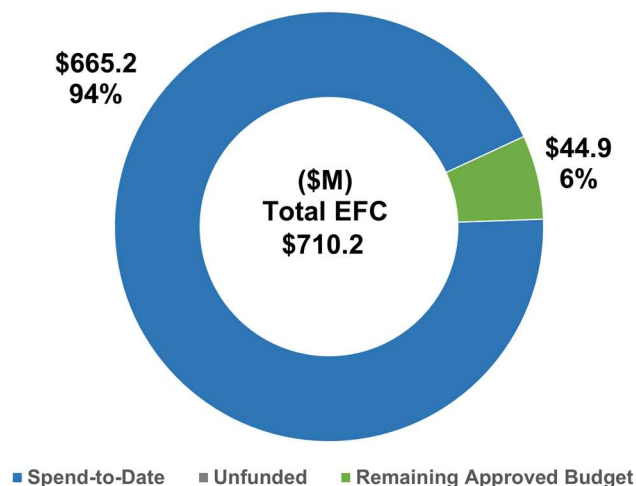
The program includes resignalling Line 1 (Vaughan Metropolitan Centre to Finch) to improve reliability, on-time service, faster travel times, and increase capacity to reduce crowding.

Scope Description

- Phase 1 (Yorkdale to Dupont) – In-service Q4 2017.
- Phase 2 (VMC to Sheppard West) – In-service Q4 2017.
- Phase 2B/2C (Wilson Yard Interface) – In-service Q4 2018.
- Phase 3AB (Dupont-St Patrick-Queen) – In-service Q2 2019/Q1 2020.
- Phase 3C (Queen to Rosedale) – In-service Q4 2020.
- Phase 4 (Rosedale to Eglinton) – In-service Q4 2021.
- Phase 5 (Eglinton to Finch) – In-service Q3 2022.
- Phase 6 (ATC enhancements) – Completed in Q2 2023.

Financials

Project/Program Start	2009
Forecast Completion Year	2023
Estimated Final Cost (EFC)	\$710.2M
Total Approved Budget	\$710.2M
10-Year Approved Budget (2023-2032)	\$69.9M
2023 Budget	\$35.6M
2023 YTD Budget	\$21.9M
2023 YTD Actuals	\$25.0M
Overall Performance Status	G



Progress Update

- Phase 1-5: Fully operational from Vaughan Metropolitan Centre to Finch stations.
- Phase 6: Works completed, including the opening of the Eglinton platform extension modifications in Q2 2023.

Key Issues/Risks and Action Plan/Mitigation Activities

Key Risks and Mitigation:

- The full benefits of Line 1 ATC may not be realized if the new subway trains for Line 1 are not procured. A separate report was provided to the November 22, 2023 meeting of the Board. ([Report Link](#))

Next Steps

- Complete Reliability, Availability and Maintainability (RAM) works by Q4 2023.

Purchase of New Subway Trains (T1 Replacement + Growth)

Description

This project provides for the purchase of 80 New Subway Trains (NST) to replace the Line 2 T1 subway fleet, which is at the end of its useful life, address capacity constraints, increase operational efficiencies and accommodate ridership growth on Line 1.

Scope Description

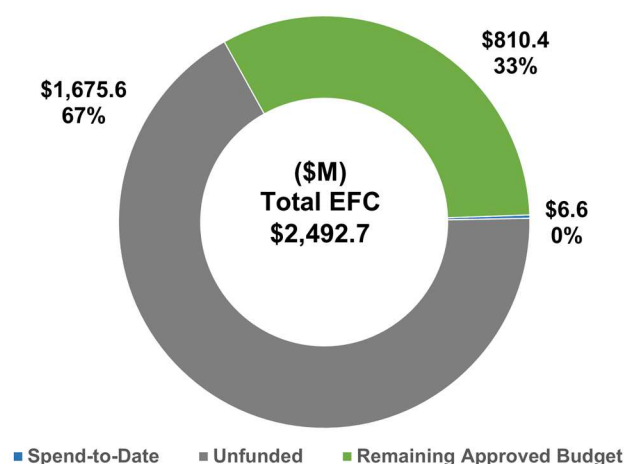
Procurement and delivery of 80 subway trains required to be delivered starting in 2029:

- 55 subway trains to replace the 30-year-old T1 fleet on Line 2.
- 25 subway trains to accommodate growth on Line 1.

Procurement options of 17 additional trains to meet future growth requirements (post-2032) and for 15 Metrolinx expansion trains subject to funding, to be included in the procurement.

Financials

Project/Program Start	2020
Forecast Completion Year	TBD ¹
Estimated Final Cost (EFC) ²	\$2,492.7M
Total Approved Budget	\$817.1M
10-Year Approved Budget (2023-2032)	\$811.6M
2023 Budget	\$2.3M
2023 YTD Budget	\$1.6M
2023 YTD Actuals	\$1.2M
Overall Performance Status	R



Progress Update

In June 2023, the TTC was required to cancel the active RFP for the new train procurement due to lack of full funding commitment to advance. The TTC continues to seek matching funding from other orders of government in order to restart the procurement process. A separate report was provided to the November 22, 2023 meeting of the Board. ([Report Link](#))

For background, in order to prepare for the anticipated replacement of the Line 2 T1 fleet, which will reach 30 years of service starting in 2026, the TTC initiated the following procurement-related activities, while continuing to seek matching funding from other orders of government:

- Issued Request for Information (RFI) in August 2020.
- Conceptual designs of exterior and interior in December 2020.
- Market sounding exercise in June 2021.
- Issued Request for Supplier Qualifications (RFSQ) in January 2022.
- Issued Request for Proposal (RFP) in October 2022.
- RFP cancellation notice in June 2023.

The TTC had communicated the requirement for matching funding by Q1 2023 to the prospective vendors and other levels of government in order to proceed with the next steps of procurement. As of this submission, there is currently no full funding commitment for the new subway train order. On November 27, 2023, the Province of Ontario announced commitment of \$758 million towards the purchase of 55 replacement trains for Line 2, subject to matching funding from the Federal government. The TTC continues to have ongoing engagement with the Provincial and Federal partners.

Please note the November 22, 2023 report – *New Subway Train Procurement and Implications for Line 2 Modernization and Future Growth*, outlined updated cost estimates for the train procurement, ranging from \$3.2 billion to \$3.7 billion, depending on timing to restart the procurement. ([Report Link](#))

Key Issues/Risks and Action Plan/Mitigation Activities

Key Issues and Action Plan:

- Three new planning scenarios have been developed for the New Subway Train procurement based on timing for securing full funding to proceed. The TTC is actively seeking matching funding to restart a procurement preferably in Q1 2024. Planning for mitigation activities is also underway in the event of further delay in procurement due to insufficient funding in the immediate term. See report provided to the November 22 Board meeting for further detail.
- Recent increases in market conditions will result in an increase in overall cost. The TTC will continue to monitor producer's price indices, update escalation projections and identify potential offsets to the greatest extent possible.

Next Steps

- Continue intergovernmental funding discussions to secure necessary funding for new trains procurement to proceed. Continue to plan for mitigation activities as reported to the Board.
- Further discussion will continue to seek full funding required to restart the procurement.

Notes:

- ¹The forecast completion year is contingent upon the timing of the funding commitment for the procurement of the New Subway Trains.
- ²\$1,618.6M is currently unfunded in the 10-Year Plan (2023-2032), and \$57.0M is unfunded post-2032. The revised EFC is dependent on the level of design, schedule and market conditions, and has been outlined in the [Board report](#) based on the three scenarios.

Line 2 – Capacity Enhancement Program (Line 2 CEP)

Description

This program includes modifications to Greenwood Yard to accommodate the T1 replacement trains, maintenance requirements and other infrastructure enhancements to expand capacity and improve circulation on Line 2 by achieving headways of up to 120 seconds by 2041. This will also address overcrowding, increase the frequency of trains and reduce travel times, which will result in improved customer service.

The full benefits of the Line 2 CEP program will be realized with the completion of separate, but interdependent projects, including the procurement of the New Subway Trains (NSTs) to replace the T1 fleet, and Line 2 Automatic Train Control (ATC) signalling system.

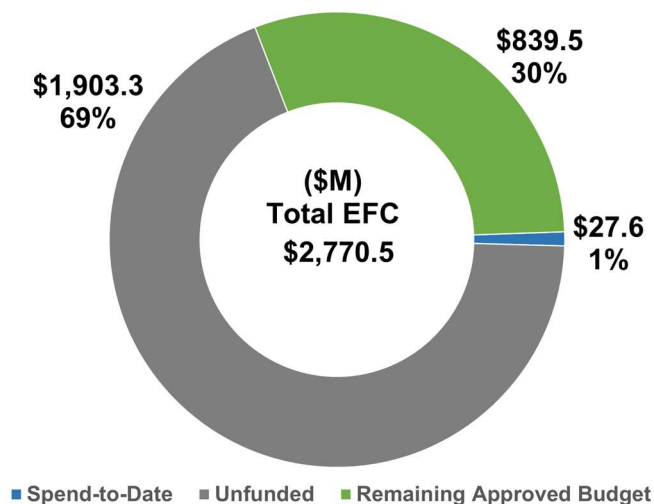
Scope Description

The scope as defined in the Line 2 CEP Stage Gate 1 Preliminary Business Case includes:

- Station Capacities: Stations Modifications to improve station capacities and increase service.
- Systems and Infrastructure: Electrical Traction Power Upgrades; Guideway Enhancement.
- Trains and Yards – Greenwood Yard: Facility Carhouse Modification; Overhaul Shop Modifications; and Signalling System Upgrades.

Financials

Project/Program Start	2019
Forecast Completion Year	2041
Estimated Final Cost (EFC) ¹	\$2770.5M
Total Approved Budget	\$867.2M
10-Year Approved Budget (2023-2032)	\$847.6M
2023 Budget	\$13.3M
2023 YTD Budget	\$10.8M
2023 YTD Actuals	\$8.0M
Overall Performance Status	⚠



Progress Update

Station Capacity – Modifications and Upgrade:

- Spadina Station: Detailed Design (100%) for the Spadina Station – Streetcar Platform Extension was approved by Stakeholders and tender preparation is in progress. Developer portion of work is expected to be completed by Q2 2024.
- Spadina Station: Feasibility and Concept Design (10%) for the Spadina Station – Central VCE Relocation, and Expanded Corridor and Fareline Concept Design was completed in July 2023.

Traction Power:

- Scope Design (30%) for the Duct Bank Installation at Warden and Victoria Park stations commenced in Q1 2023 and is forecasted to be completed by Q2 2024.
- Scope Design (30%) for the Duct Bank Installation at Bedford and Asquith stations commenced in Q3 2023 and is forecasted to be completed by Q3 2024.
- Lansdowne Station: Preliminary Design (30%) for the Lansdowne Substation Upgrade commenced in Q2 2023 and is expected to be completed by Q2 2024.
- Broadview Substation: Detailed Design (100%) for the Positive and Negative Feeders at the Broadview Substation commenced in August 2023.
- Indian Grove Substation: Detailed Design (100%) for the Positive and Negative Feeders at the Indian Grove Substation commenced in September 2023.

Guideway Enhancement:

- Feasibility and Concept Design (10%) for the Extension Storage Track at Warden Station is under review and has been extended to Q2 2024 to allow for additional options analysis.

Trains and Yards – Greenwood Yard:

- Completed the Preliminary Design Review (30%) for the Facility Carhouse and obtained Stakeholder sign-off.
- The Concept Design Review (10%) for the Overhaul Shop is underway and is expected to be completed by Q4 2023.
- The Concept Design Review (10%) for Equipment Room commenced in Q1 2023 and is expected to be completed by Q4 2023.

Key Issues/Risks and Action Plan/Mitigation Activities

Key Risks and Mitigation:

- New Subway Train (NST) program: Changes to T1 replacement train delivery strategy and schedule may have a significant impact on program scope, cost and schedule. The TTC is proactively co-ordinating with stakeholders and seeking to confirm full funding for the NST procurement.
- Potential changes to forecast demand may impact the Target Horizon Years and program objectives. The TTC is closely monitoring the demand model and adjusting program scope and schedule, as required.

Next Steps

Trains and Yards – Greenwood Yard:

- Obtain Feasibility Study and Concept Design (10%) approval for Greenwood Overhaul Shop (2023).

Notes:

- Stage Gate: This program is comprised of multiple projects, which are at various stages in the project life cycle. The class estimates for each of the projects within the program are dependent on their current stage gate within the project life cycle.
- \$194.5M is currently unfunded in the 10-Year Plan (2023-2032), and \$1,708.8M is unfunded post-2032 (status at caution).

Line 2 – Automatic Train Control (ATC) Resignalling

Description

This program includes the resignalling of Line 2 (Kipling to Kennedy) in order to improve reliability, on-time service, faster travel times and increase capacity to reduce overcrowding. The implementation of ATC on Line 2 is a State of Good Repair (SOGR) project and is intended to modernize the existing fixed-block signalling system that was first implemented on Line 2 in 1966 and is currently 57-years-old.

In order to operationalize ATC on Line 2, the existing T1 fleet on Line 2, needs to be replaced with New Subway Trains equipped with the required modernized systems to operate with ATC.

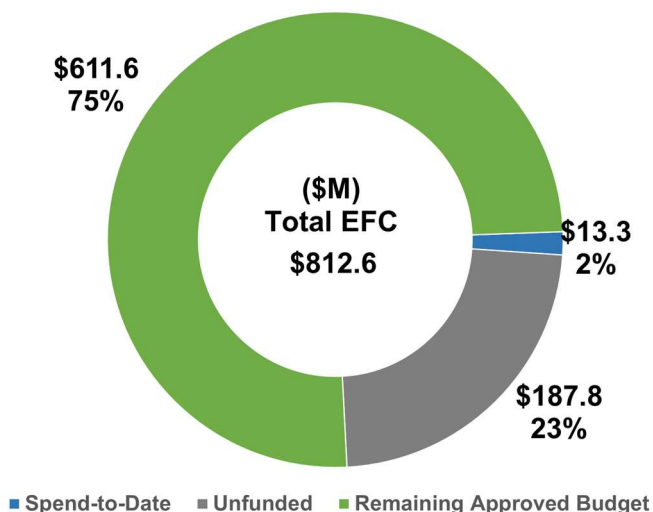
Scope Description

Improve safety, reliability, capacity and service levels on Line 2 with the following:

- Installation of ATC between Kipling to Kennedy.
- Modifications to the Centralized Signalling System (CSS).
- Automatic Train Protection (ATP) system for work cars.

Financials

Project/Program Start	2021
Forecast Completion Year	2035
Estimated Final Cost (EFC) ¹	\$812.6M
Total Approved Budget	\$624.9M
10-Year Approved Budget (2023-2032)	\$619.7M
2023 Budget	\$9.1M
2023 YTD Budget	\$7.2M
2023 YTD Actuals	\$8.1M
Overall Performance Status	Y



Progress Update

- Stage Gate 1 (Approved for Planning) has been completed and the development of Technical Specifications and Request for Proposal (RFP) documents is in progress.
- The design-enabling works for the Cable Route Management System is in progress.
- Commenced early works in Q2 2023.

Key Issues/Risks and Action Plan/Mitigation Activities

Key Issues and Action Plan:

- The implementation of ATC on Line 2 is contingent on the delivery of the New Subway Trains (NSTs). The current T1 trains operate on a fixed-block signalling system, which is

currently 57-years-old. The TTC will continue advocating to secure the required funding from other levels of government.

- The RFP cancellation for the procurement of NSTs has a direct impact on the schedule and cost, which is reflected in the overall status (caution). Schedule for the ATC on Line 2 can only be confirmed once full funding commitment has been made for the procurement of the NSTs. See November 22, 2023 report to the Board for details ([Report Link](#)).

Next Steps

- Complete ATC supplier specifications, with RFP issuance subject to the NST funding commitment.
- Continue ATC Line 2 enabling works to prepare required ATC infrastructure.

Notes:

- Program Stage Gate: Stage Gate 1 (Planning).
- Cost Estimate Class: Class 5.
- ¹\$187.8M is unfunded post-2032.

Bloor-Yonge Capacity Improvements

Description

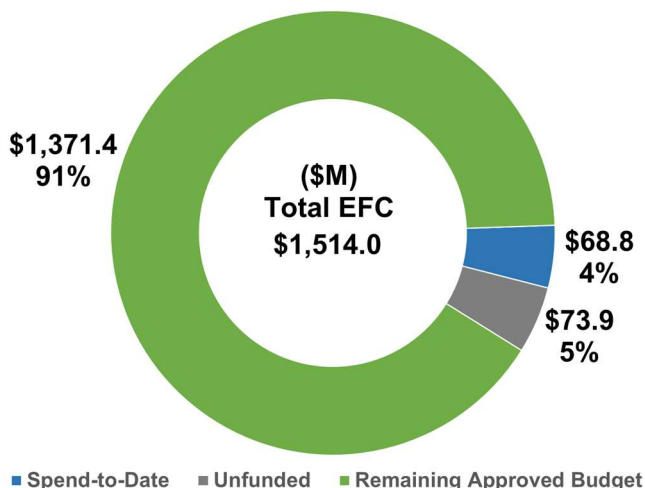
This project provides for a design retrofit and expansion of the Bloor-Yonge interchange station, including a new Line 2 platform, and the expansion of the Line 1 platforms to address overcrowding, improve accessibility and accommodate future ridership growth from expansion.

Scope Description

- A new Line 2 eastbound platform and expanded Line 1 platforms to enhance capacity for passengers.
- Line 2 original platform reconfiguration to enhance capacity for westbound passengers.
- Modified main entrance.
- A new accessible entrance on Bloor Street.
- New escalators, elevators and stairs.
- New public art and station finishes.
- One new electrical substation to power new and existing areas of the station and ventilation systems.
- Platform Edge Doors (PEDs) on Line 1 platforms and enabling PED infrastructure for Line 2 platforms.
- New fan plants to improve ventilation and utility upgrades.

Financials

Project/Program Start	2015
Forecast Completion Year	2035 ¹
Estimated Final Cost (EFC) ²	\$1,514.0M
Total Approved Budget	\$1,440.1M
10-Year Approved Budget (2023-2032)	\$1380.0M
2023 Budget	\$19.4M
2023 YTD Budget	\$5.8M
2023 YTD Actuals	\$8.7M
Overall Performance Status	Y



Progress Update

- The early works demolition package for removal of the existing structures on 81 Bloor St. E., 40/42 Hayden St. and 830 Church St. was awarded in March 2023 and will be utilized for the construction of a new accessible entrance and electrical building on Bloor Street as well as a fan plant building on Church Street.
- Award of the early works construction package for the relocation of existing utilities was approved at the July 12, 2023 Board meeting. Utility relocations, including sewer and hydro within the Bloor Street East right-of-way are necessary prior to the commencement of the main construction work.

- Hearing of Necessity (appeal) was held on July 6-7, 2023 following issuance of Stage 1 expropriation notices for 2 Bloor St. E. by the City in October 2022. Following receipt of a decision from the Hearing Officer, the City will initiate Stage 2 expropriation in Q4 2023 unless a negotiated settlement can be reached with the developer. Negotiations are continuing regarding property acquisition and chiller plant replacement works.
- A Request for Pre-Qualification (RFPQ) for a Progressive Design-Builder closed on October 19, 2023. The TTC will be undertaking evaluations and shortlisting proponents before issuing the Request for Proposal (RFP) in early Q1 2024.

Key Issues/Risks and Action Plan/Mitigation Activities

The overall status is at caution due to the following:

Key Issues and Action Plan:

- Negotiations and/or expropriations impacting the property requirements of the project. The TTC, City of Toronto and CreateTO will continue to minimize impacts to project timelines.
- The revised RFPQ and RFP schedule will lead to schedule impacts for award to Q3 2024 for the Progressive Design-Build contract (Development Phase) to develop the design to 60-80%.

Key Risks and Mitigation:

- The addition of PEDs to the project scope. The concept design is underway to determine the cost estimate and schedule impacts, which will be incorporated into the Development Phase work.

Next Steps

- Evaluation of the Progressive Design-Build RFPQ submissions by late Q4 2023 before issuing the RFP in early Q1 2024.
- The City to initiate Stage 2 expropriation of the required properties in Q4 2023, pending a decision from the Hearing of Necessity Officer, unless a negotiated settlement can be reached with the developer through the ongoing negotiations.

Notes:

- ¹The forecast completion year includes the completion of all secondary construction work that will take place after the opening of the Line 2 Eastbound Platform.
- ²\$73.9M is unfunded post-2032.
- Cost Estimate Class: Class 3.

Easier Access Phase III

Description

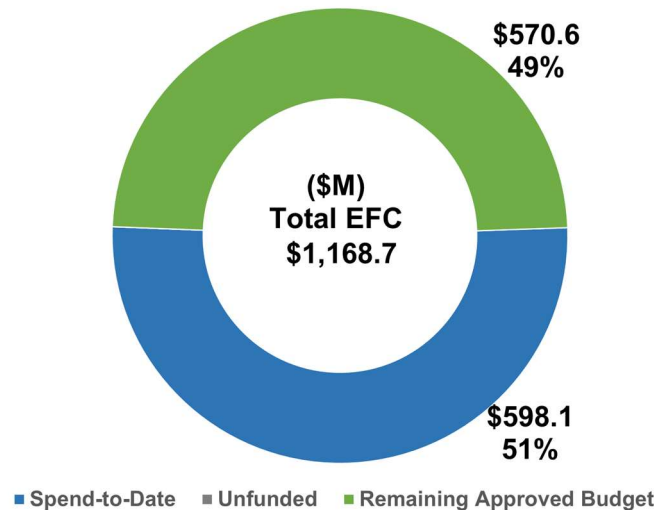
The Easier Access Phase III (EAIII) program provides upgrades to all TTC subway stations with accessible features, such as elevators, automatic sliding doors, updated signage and wayfinding. The program also includes the redevelopment of Islington and Warden stations. The program contributes to the TTC's efforts to meet accessibility requirements in accordance with the Accessibility for Ontarians with Disabilities Act, 2005 (AODA). AODA has identified a January 1, 2025 date for compliance.

Scope Description

The TTC's EA III program is renovating subway stations across the city to design for universal accessibility and enhanced pedestrian access. The program includes making subway stations accessible by providing elevators, ramps, automatic sliding doors and signage improvements. This program also includes the redevelopment of Islington and Warden stations, which incorporates the construction of a new accessible bus terminal at each station once completed.

Financials

Project/Program Start	2007
Forecast Completion Year	2027 ¹
Estimated Final Cost (EFC)	\$1,168.7M
Total Approved Budget	\$1,168.7M
10-Year Approved Budget (2023-2032)	\$627.9M
2023 Budget	\$112.9M
2023 YTD Budget	\$82.6M
2023 YTD Actuals	\$57.3M
Overall Performance Status	⚠



Progress Update

A full update on all program activities and schedule was included in a detailed [report](#) to the TTC Board at the September 26, 2023 Board meeting.

- The report included adjustments to completion dates for the remaining stations to reflect the status and outlook at each station based on a comprehensive risk analysis performed for each station. As a result, elevators in service will not be achieved at all remaining stations by January 1, 2025.

To date, 54 out of the 70 subway stations have been made accessible. The following summarizes the current phase of the remaining stations in the program:

- 15 stations are under construction, which include:
 - a) Seven stations commenced construction in 2022 (Lawrence, High Park, Christie, Museum, Warden (Easier Access), Spadina and King);
 - b) Two stations commenced construction in 2023 (Islington Station and Warden Station (Redevelopment Contract)).

For a full listing of stations and program schedule, see Appendix A, Page 12, of the September 26, 2023 [Board Report](#).

- Yorkdale Station is accessible and construction continues in order to reach Substantial Performance (SP) while Lansdowne and Dupont stations have reached SP in 2023.
- Warden Station Redevelopment contract was awarded in August 2023.

Key Issues/Risks and Action Plan/Mitigation Activities

Key Risks and Mitigation:

- Design and Construction complexities pose significant challenges. Impacts due to the retrofit of complex stations in operation, including stairs/escalators, adjacent properties and utility conflicts may result in longer design durations. The project team continues to resolve issues to achieve completion, including continued support from the operations group during construction, service relocations, support for track-level access and closures to facilitate the work.
- The program is experiencing cost pressures due to current market conditions, escalations, as well as labour shortages and other issues. The TTC is continuing to monitor costs and look for opportunities to reduce costs, where possible.

Key Issues and Action Plan:

- Construction at Old Mill Station is delayed since the property acquisitions required for the construction have not yet been secured through negotiated agreements. The TTC is working with the City on the required property acquisitions/easements. Hearing of Necessity proceedings were held in late September 2023 and a ruling is expected by the Hearing Officer in early 2024.
- The program schedule has been impacted due to COVID-19, labour strikes, third-party conflicts, labour shortages, unforeseen site conditions, permits/approvals and property acquisitions/easements. The TTC is working closely with contractors, third parties and all relevant stakeholders to mitigate construction issues, looking for opportunities to advance work by removing constraints and accelerate work activities, where feasible.

Next Steps

The following pre-construction activities are underway for the Old Mill Station:

- Continue negotiations with affected property owners, including expropriation proceedings and secure outstanding property requirements, permits and approvals.
- Re-tender the contract in 2024 once the property has been secured.

The project team also continues to monitor and update the progress and outlook of the 15 stations currently under construction. A full update [report](#) on the Easier Access program was provided to the TTC Board in September 2023.

Note: ¹In addition to station accessibility, this program will also deliver the redevelopment of Warden and Islington stations, which will not be complete until 2027.

Fire Ventilation Upgrades and Second Exits

Description

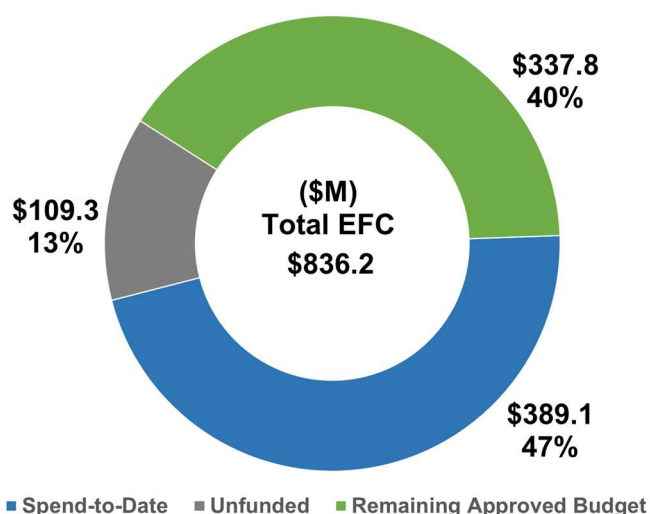
This program provides for the improvement of ventilation in subway tunnels, the construction of second exits at 14 high-priority stations to provide a second means of egress, and the replacement of the existing subway ventilation equipment and associated services, which are nearing the end of its service life or due to failure.

Scope Description

- Upgrades to the Subway Ventilation System on Line 1 and 2.
- Replacement of Existing Subway Ventilation Equipment and associated services.
- Construction of Second Exits at 14 high-priority stations.

Financials

Project/Program Start	1998
Forecast Completion Year	2032 ¹
Estimated Final Cost (EFC) ²	\$836.2M
Total Approved Budget	\$726.9M
10-Year Approved Budget (2023-2032)	\$347.8M
2023 Budget	\$37.9M
2023 YTD Budget	\$18.3M
2023 YTD Actuals	\$10.0M
Overall Performance Status	Y ²



Progress Update

Fire Ventilation Upgrades:

To date, the following works have been completed:

- Major upgrades at York Mills, Sheppard, Finch, Union and Lawrence stations.
- Subway Ventilation Equipment Replacement at Bloor (Fan #2), Sheppard West, Dundas West and Clanton Park Emergency Service Building (ESB) and Sherbourne stations.

The following work is currently underway as part of the program:

- The construction upgrades at Eglinton Station are being completed as part of Eglinton Crosstown LRT project. Testing and commissioning of the subway ventilation system is delayed due to unavailability of the Toronto Hydro permanent power and delay in fabrication of portal doors. Interim completion (50%) of testing and commissioning is planned for Q4 2023.
- Commenced design of two locations for State of Good Repair – Subway Ventilation Equipment Replacement at Russell Hill ESB and Dupont Station and Spadina Station Lines 1 and 2. Scope review design is underway for both contracts.

Second Exits/Entrances:

To date, the following outlines the status of the 14 Second Exits in the program:

- Seven stations now have second exits/entrances in-service: Broadview, Castle Frank, Pape, Dufferin, Woodbine, Wellesley and Chester.
- Three stations are currently under construction: Donlands, College and Museum.
- Summerhill Station is currently in Detailed Design.
- Two stations are in the planning and property search phase: Greenwood and Dundas.
- Obtained Board approval at the February 2023 meeting for the execution of the design and construction agreement with Metrolinx for Dundas West Station. Awarded the contract (managed by Metrolinx) for Dundas West and Metrolinx Bloor GO/UP Express Interchange connection.

Key Issues/Risks and Action Plan/Mitigation Activities

Key Risks and Mitigation:

- In order to address unforeseen site conditions or labour strikes at College, Donlands and Museum stations, the TTC is working collaboratively with contractors to develop and execute recovery plans. The TTC is also conducting early consultations and negotiations with property owners for the required properties, and is advancing design where possible to avoid potential delays and additional costs during construction.
- To mitigate concerns resulting from construction complexities that may impact the community, the TTC is consulting with local Councillors in the early design stage to support the permit approval process for partial or full station closures.

Key Issues and Action Plan:

- The overall program status is indicated at caution, as the upgrades portion of the program is not yet fully funded. Additionally, higher costs due to current market conditions, supply chain issues and escalations and/or exchange rates are being closely monitored.

Next Steps

- Complete the scope review design of two locations for State of Good Repair – Subway Ventilation Equipment Replacement at Russell Hill ESB, Dupont Station and Spadina Station Lines 1 and 2 (Q2 2024).

Notes:

- ¹2032 represents the completion of the funded scope.
- ²\$47.6M is currently unfunded in the 10-Year Plan (2023-2032), and \$61.7M is unfunded post-2032.
- Stage Gate: This program is comprised of multiple projects that are at various stages in the project life cycle. The class estimates for each of the projects within the program are dependent on their current stage gate within the project life cycle.

Stations Transformation

Description

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

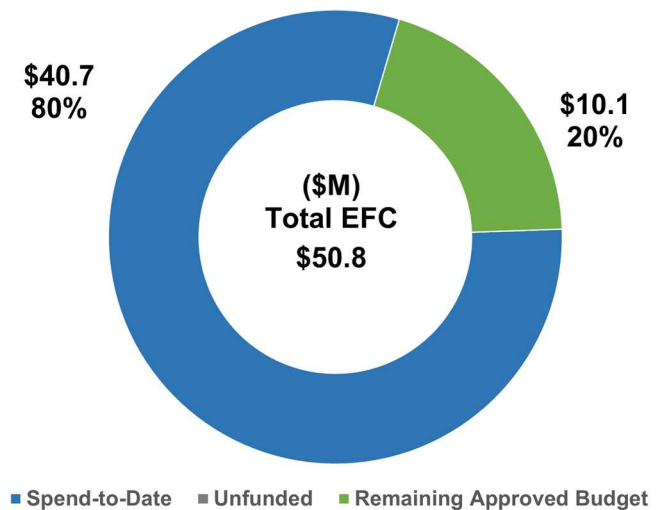
Scope Description

The Stations Transformation Program includes the following capital investments:

- Upgrading the Public Announcement system (PA).
- Upgrading the stations' Passenger Assistance Intercoms (PAIs) 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 (York University, Union, Kipling, Bloor-Yonge, St Clair West and Sheppard-Yonge) to serve as central command posts monitoring the stations and responding to customer requests in an efficient manner.
- In addition to these infrastructure improvements under this program, the TTC has introduced CSAs to proactively assist customers facing barriers in navigating the system.

Financials

Project/Program Start	2017
Forecast Completion Year	2024
Estimated Final Cost (EFC)	\$50.8M
Total Approved Budget	\$50.8M
10-Year Approved Budget (2023-2032)	\$16.4M
2023 Budget	\$7.1M
2023 YTD Budget	\$4.5M
2023 YTD Actuals	\$6.3M
Overall Performance Status	Y



Progress Update

Passenger Assistance Intercoms (PAI):

- Completed in Q4 2021. This upgraded system features a dual button that provides an option for customers to request information (from the Hub) or emergency response (the call connects to Transit Control Centre). This helps triage calls to the appropriate areas for action. Furthermore, this system has a built-in camera, which enables staff to have visibility of the customer requesting assistance. All of these features provide enhanced customer safety and security.

Zone Hubs:

- The construction and commissioning of all Zone Hubs was completed, with the final hubs located at St Clair West and Sheppard-Yonge stations commissioned in Q2 2023. These Hubs provide zone management, security monitoring and the ability to respond efficiently to customer service requests.

CCTV Cameras:

- 46 out of 70 stations have at least 90% camera coverage (excludes decommissioned SRT stations). The additional camera coverage provides added visibility for Stations staff to improve customer service and augment the safety and security of TTC customers and employees. The TTC plans to have the camera coverage increased to at least 90% at 15 additional stations by the end of 2023. The remaining nine stations are scheduled to be completed in 2024. Note: at present, all stations have at least 75% camera coverage as of Q1 2022.
- CCTV fare gate monitors have been installed at all secondary entrances. This provides visual deterrence for fare evasion, visibility of service conditions to TTC customers prior to crossing the farelines, and the ability for Collectors/CSAs to monitor the stations.

Public Announcement (PA) System:

- A four station pilot was initiated, however, an intermittent problem was uncovered which prevented Public Address calls to all stations. Out of caution, the four-station pilot was paused to avoid any service interruptions, or inability to communicate with customers. The vendor is working on a software upgrade to address the issue in the coming weeks, at which time the pilot will proceed as planned. Initial test results have shown improved quality of announcements. An update will be provided in the next report.

Other Improvements:

- The stations' interface for the Real-Time Monitoring System (RTMS) for Escalator and Elevator status was completed in Q4 2022. Currently, a soft launch is underway at the Downtown, Central, and Yonge-North Zones, and will be expanded to all the zones by the end of 2023. Ultimately, RTMS will minimize escalator downtime and allow Stations staff to respond to emergencies in an efficient manner to improve customer service.

Key Issues/Risks and Action Plan/Mitigation Activities

Key Risks and Mitigation:

- The PA system upgrade is tracking behind schedule and is at risk of not being completed by the scheduled project completion date of Q4 2024. The TTC is working on accelerating the installation work in order to meet the scheduled completion date.
- The full CSA transition is an interdependency of the TTC fare policy and/or CBA. Staff is in negotiations with the Union to consolidate the Collector and CSA job responsibilities/positions into one CSA position.

Next Steps

CCTV Cameras:

- Complete 90% Camera coverage at 15 additional stations by the end of 2023, and the final nine stations in 2024.

Bus and Wheel-Trans Portfolio

Category 3 / Major Projects & Programs	Project Category	Financial Summary (\$ Millions)							Status			
		2023 YTD		2023 Budget	10-Year Approved Budget (2023-2032)	Total Approved Budget	Spend-to-Date	Total Projected EFC	Schedule	Cost	Scope	Overall
		Budget	Actual									
Bus & Wheel-Trans Portfolio												
Purchase of Buses (Hybrid & Electric)	SOGR	\$146.2	\$154.4	\$275.9	\$889.2	\$1118.9	\$384.0	\$4095.8	Y	Y	G	Y
eBus Charging Systems	SOGR	\$26.9	\$32.7	\$107.5	\$176.3	\$233.7	\$90.1	\$793.1	Y	G	G	Y
Purchase of Wheel-Trans Buses	SOGR	\$12.3	\$12.3	\$21.3	\$48.7	\$92.3	\$55.8	\$429.0	Y	G	G	Y
Wheel-Trans 10-Year Transformation	Legislative	\$0.6	\$0.8	\$1.2	\$17.2	\$49.8	\$33.4	\$49.8	G	G	G	G
SRT Bus Replacement & Modifications	SOGR	\$10.5	\$11.9	\$16.2	\$37.7	\$40.5	\$14.6	\$96.2	Y	R	G	R
Total Bus & Wheel-Trans Portfolio		\$196.4	\$212.0	\$422.2	\$1169.1	\$1535.1	\$578.0	\$5463.8				
Performance Scorecard Status		Total Category 3 Portfolio Cost (\$ Millions)					EFC: Estimated Final Cost YTD: Year-to-Date H&S: Health & Safety SI: Service Improvement SOGR: State-of-Good-Repair					
		2023 Year-to-Date Budget	2023 Year-End Budget	10-Year Approved Budget (2023-2032)	Total Approved Budget	Total EFC						
G	On Track											
Y	Caution / Tracking Behind	\$431.2M	\$786.4M	\$7,990.0M	\$10,485.9M	\$22,928.4M						
R	At Risk / Missed Target											

Note: Status reflects outlook to completion of the project/program.

Purchase of Buses (Hybrid and Electric)

Description

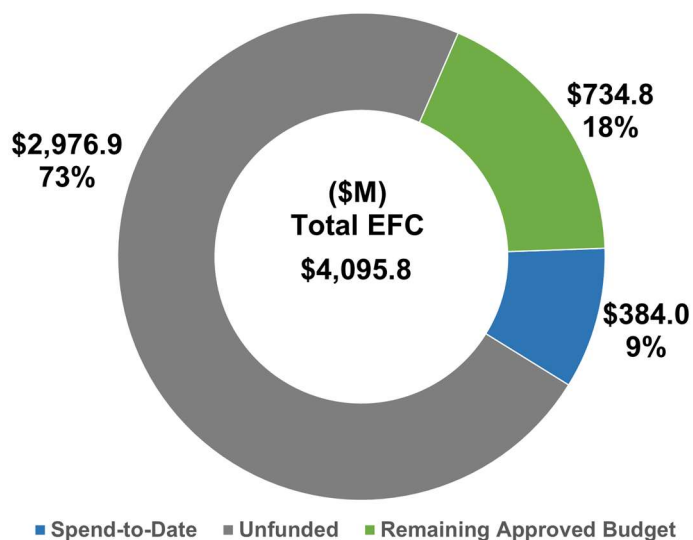
Replacement of vehicles at end-of-life to maintain service reliability, increase system accessibility for customers, increase fleet capacity to match customer demand and reduce overcrowding. The TTC's Green Bus Program is a strategy to transition the conventional bus fleet to zero-emissions by the year 2040. To meet this target, the electrification of the TTC's bus fleets is necessary to transform the fleet to zero-emissions by replacing diesel and hybrid buses as they reach end-of-life.

Scope Description

Current funding allows for the procurement of 336 hybrid-electric buses between 2023 and 2024, and 340 zero-emissions, battery-electric buses (or eBuses) between 2024 and 2025. Post-2025, the Green Bus Program outlines a plan for approximately 1,840 zero-emissions buses to be delivered between 2026 to 2035. This scope is currently unfunded.

Financials

Project/Program Start	2018
Forecast Completion Year	2036
Estimated Final Cost (EFC) ¹	\$4,095.8M
Total Approved Budget	\$1,118.9M
10-Year Approved Budget (2023-2032)	\$889.2M
2023 Budget	\$275.9M
2023 YTD Budget	\$146.2M
2023 YTD Actuals	\$154.4M
Overall Performance Status	Y



Progress Update

336 Hybrid-Electric Buses:

- Pre-production meetings with the vendors have been completed and the buses are currently in production.
- The First Article Inspections for the NOVA 12-metre (40-foot), New Flyer 12-metre (40-foot), and New Flyer 18-metre (60-foot) hybrid buses were completed in March 2023.
- Vehicle deliveries commenced in April 2023, with 160 buses out of 336 delivered to-date, of which 98 are in-service, and the remaining are undergoing commissioning.

340 Zero Emission Buses/eBuses:

- The TTC submitted an application for grant funding under the Federal government's Zero Emission Transit Fund (ZETF). The application was approved and the Federal announcement was made on April 24, 2023.

- A competitive Request for Proposal (RFP) process was concluded for the procurement of eBuses, and two vendors were awarded the Contract (New Flyer and NOVA) for a total of 310 eBuses. An amendment for an additional 30 eBuses was issued, bringing the total to 340 eBuses.
- The project is on schedule and on budget, and pre-production meetings were completed and deliveries are expected to start in Q2 2024.

Key Issues/Risks and Action Plan/Mitigation Activities

336 Hybrid-Electric Buses:

Key Issues and Action Plan:

- Scheduled vehicle deliveries have been delayed by both vendors due to supply chain challenges. The first bus was delivered in April 2023 and all remaining buses are now projected to be delivered in 2024. The delivery and commissioning process for these buses are ongoing. The TTC continues to closely monitor the schedule with both vendors and update key stakeholders.

Post-2025 – Zero Emission Buses/eBuses:

Key Risks and Mitigation:

- The program is currently funded for 340 eBuses to the end of 2025. Funding commitment for buses beyond 2025 is required by Q1 2024 in order to transition the fleet to achieve the zero-emissions target by 2040 as part of TTC's Green Bus program, which was approved by the Board in November 2017. The lead-time for eBuses and required infrastructure is approximately two years (scope is currently unfunded, as reflected in the Overall Performance Status). This plan is in alignment with the City of Toronto's Transform TO Action Plan and the C40 Fossil-Fuel-Free Streets Declaration.
- Cost Escalation: The current eBus contract has an escalation clause tied to an index. Should the index increase, there will be a corresponding price increase for any buses delivered in 2025 and beyond. The TTC will continue to evaluate and identify potential offsets to the greatest extent possible.

Next Steps

Hybrid-Electric Buses:

- Continue to receive delivery of vehicles from the vendors and ensure an effective commissioning process is in place for the new vehicles to enter revenue service.

eBuses:

- Complete first article inspections in Q2 2024.

Note: ¹\$1,610.5M is currently unfunded in the 10-Year Plan (2023-2032), and \$1,366.4M is unfunded post-2032.

eBus Charging Systems

Description

The eBus Charging Systems program consists of the design, delivery, construction, installation, operation and maintenance of charging infrastructure at eight bus garages. This includes the installation of charge points for electric buses, an upgrade of power to each property, installation of substation, battery energy storage system, natural gas emergency backup generators, and solar panels where practical to advance the TTC's transition towards a zero-emissions fleet along with the City of Toronto's TransformTO target of Net-Zero by 2040.

Scope Description

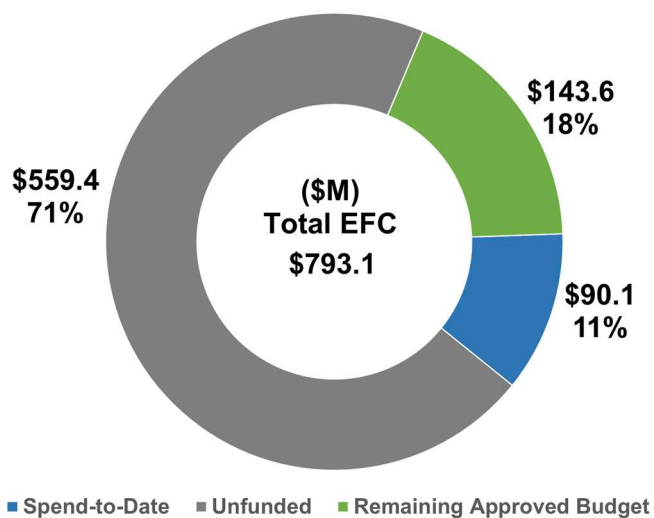
Design, delivery, construction, installation, operation and maintenance of charging infrastructure at bus garages to support the TTC's Green Fleet plan. This includes:

- Phase 1 – Up to 25% electrification (average of 32 net new charge points) at six garages: Arrow Road, Eglinton, Wilson, Birchmount, Malvern, and McNicoll by 2024.
- Phase 2 – Up to 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.

Note: Current funding allows for the procurement of 248 charge points between 2023 and 2025.

Financials

Project/Program Start	2016
Forecast Completion Year	2040
Estimated Final Cost (EFC) ¹	\$793.1M
Total Approved Budget	\$233.7M
10-Year Approved Budget (2023-2032)	\$176.3M
2023 Budget	\$107.5M
2023 YTD Budget	\$26.9M
2023 YTD Actuals	\$32.7M
Overall Performance Status	Y



Progress Update

- In August 2022, the TTC and PowerON Energy Solutions LP, a subsidiary of Ontario Power Generation, signed the Principal Agreement, and PowerON was issued the Notice to Proceed (NTP) upon execution.
- In February 2023, the TTC launched its first 10 eBus pantograph charging systems at Birchmount Garage and completed the transition to operations. This innovative eBus charging system is the first initiative since the signing of the Principal Agreement to increase the TTC's charging capacity since the pilot that launched in 2020.

- In April 2023, the TTC secured \$349 million in Federal funding towards the TTC's procurement of 340 Zero Emission Buses (eBuses) and delivery of 248 charge points to meet the TTC's eBus fleet needs by March 31, 2026. The existing 70 charge points are available to support bus deliveries until Q2 2024.

Since the execution of the Principal Agreement, PowerON and the TTC have been advancing the design and installation of the 248 charge points:

- PowerON has been provided with approval to initiate planning and detailed engineering for six garages for Phase 1 to achieve Stage Gate 1 (Approval for Planning) and Stage Gate 2 (Approval for Design) milestones.
- Design is in progress for the seven garages. In mid-November, the first 10 of 248 new charge points have been successfully installed and commissioned at Arrow Garage.
- Completed construction mobilization for 21 additional charge points at Eglinton Garage.

Key Issues/Risks and Action Plan/Mitigation Activities

Key Risks and Mitigation:

- There is a risk of insufficient availability of charge points in time for the eBus deliveries. The program team will continue to monitor and mitigate appropriately.
 - The program schedule is at risk of being delayed due to the long lead-time for critical equipment. To mitigate this risk, PowerON has initiated the early procurement of the long lead-time equipment. Approximately 50% of electrification infrastructure equipment for Zero Emissions Transit Fund (ZETF) commitments have been ordered.
- Of the 68 charge points to be installed at Mount Dennis Garage, 40 will be installed outdoors. The installation of the outdoor charge points is dependent on the Mount Dennis Parking Lot Rehabilitation project, which will ensure duct banks are installed in appropriate locations in order to provide power for the required electrification infrastructure. This project impacts the critical path. Schedules are being integrated and monitored closely (status at caution). In addition, alternative options are being developed to mitigate this risk.
- Post-2025, an additional 1,455 charge points will be required to operate the additional eBuses that are planned to be delivered between 2026 to 2035 (currently unfunded in the TTC's Capital Investment Plan). The achievement of the zero-emissions target by 2040 is contingent on full funding for the electrification infrastructure and the procurement of eBuses and Wheel-Trans buses.

Note: The lead-time for eBuses and required infrastructure is approximately two years.

Next Steps

- Complete Conceptual Design and 80% Design for four garages by the end of Q4 2023.

Note: ¹\$499.3M is currently unfunded in the 10-Year Plan (2023-2032), and \$60.1M is unfunded post-2032.

Purchase of Wheel-Trans Buses

Description

This project provides for the procurement of 137, 7m ProMaster buses and 75, 6m ProMaster buses to replace end-of-life vehicles and grow the fleet to meet the ridership demand.

Scope Description

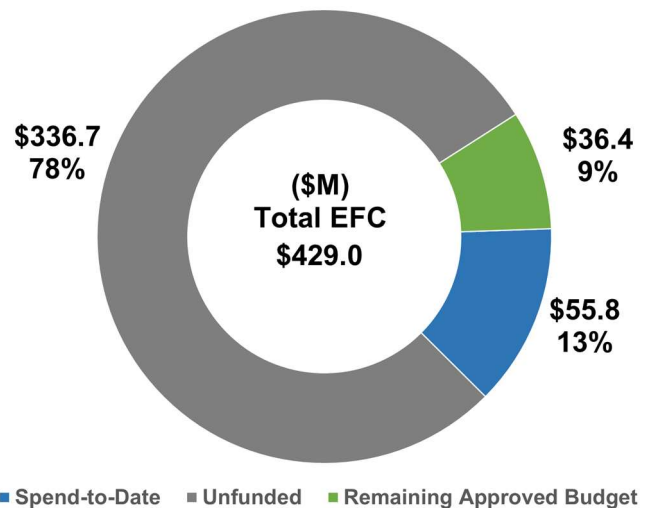
Improved accessibility, customer experience, vehicle reliability and safety by replacing existing Wheel-Trans buses at end-of-life with the procurement and deployment of:

- 137, 7m ProMaster buses between 2021 and 2023.
- 75, 6m ProMaster buses between 2023 and 2025.
- 10 electric Wheel-Trans buses for delivery in 2025 (pilot).

Current funding allows for the procurement of up to 222 paratransit vehicles for delivery between 2023 and 2025. This includes up to 10 electric Wheel-Trans pilot buses for delivery in 2025. Post 2025, the Wheel-Trans program outlines a plan for the procurement of approximately 521 vehicles, which includes 396 zero-emissions buses to be delivered between 2026 to 2035. This scope is currently unfunded.

Financials

Project/Program Start	2016
Forecast Completion Year	2025
Estimated Final Cost (EFC) ¹	\$429.0M
Total Approved Budget	\$92.3M
10-Year Approved Budget (2023-2032)	\$48.7M
2023 Budget	\$21.3M
2023 YTD Budget	\$12.3M
2023 YTD Actuals	\$12.3M
Overall Performance Status	Y



Progress Update

137, 7m ProMaster Buses:

- To date, the TTC has received 109 of 137 vehicles (7m ProMaster), of which 106 are in-service, and the remaining are undergoing commissioning.

75, 6m ProMaster Buses:

- The first vehicle was delivered on October 4, 2023. To date, three of 23 vehicles have been delivered and are undergoing the commission process.

Electric Wheel-Trans Buses:

- The Request for Information (RFI) for the Battery-Electric Wheel-Trans vehicles was issued to the market on February 6, 2023 and closed on March 13, 2023. The project team has completed engagement with internal stakeholders as well as ACAT in June 2023.

- Currently, the RFP documents are in development and scheduled to be issued to the market by December 2023.

Key Issues/Risks and Action Plan/Mitigation Activities

Key Risks and Mitigation:

- The lead-time for chassis build and delivery has been significantly increased by more than eight months, which will result in 17 vehicles being deferred to Q1 2024 from Q4 2023. The project team is meeting with the vendor on a monthly basis to co-ordinate the chassis build dates and delivery schedules.
- The program is currently funded for Wheel-Trans vehicle procurements to the end of 2025. Funding commitment for electric Wheel-Trans vehicles beyond 2025 will be required by Q1 2024 in order to transition the fleet to achieve the zero-emissions target by 2040 as part of TTC's Green Bus program, which was approved by the Board in November 2017. This plan is in alignment with the City of Toronto's Transform TO Action Plan and the C40 Fossil-Fuel-Free Streets Declaration. The lead-time for electric buses and required infrastructure is approximately two years. This scope is currently unfunded.

Next Steps

- 7m ProMaster: Continue to receive production vehicles and complete the commissioning process. Receive 11, 7m ProMaster vehicles by the end of Q4 2023.
- 6m ProMaster: Continue to receive production vehicles and complete the commissioning process. Receive remaining 20, 6m ProMaster vehicles by the end of Q4 2023.
- Electric Wheel-Trans vehicles: Develop and issue the Request for Proposal (RFP) for up to 10 Electric Wheel-Trans vehicles by the end of Q4 2023.

Note: ¹\$141.0M is currently unfunded in the 10-Year Plan (2023-2032), and \$195.7M is unfunded post-2032.

Wheel-Trans 10-Year Transformation Program

Description

Implement new policies, processes and systems to support a new service delivery model that integrates Wheel-Trans customers into the TTC's accessible-conventional network through a Family of Services (FOS) approach. A FOS trip includes a combination of Wheel-Trans vehicles and accessible-conventional transit for all or part of a customer's journey. The goal is to connect Wheel-Trans conditional-eligible customers to wherever they need to go in the city.

Scope Description

Phases 1-4: Reservation, Scheduling and Dispatch (RSD):

- Family of Services (FOS).
- Re-Registration.
- Conditional Trip Matching.
- Construction of 16 Access Hubs.
- Upgrading RSD to enhance FOS capabilities and introducing the Mobile App pilot.
- Implementation of the Customer Relationship Management technology

Phases 5-8: RSD improvements based on third-party assessment:

- Implement additional system upgrades.
- Expand the Mobile Application pilot.
- Launch the Wheel-Trans Mobile Application.
- Continue the process of FOS expansion.
- Complete the Re-registration process.

Financials

Project/Program Start	2017	<p>(\$M) Total EFC \$49.8</p> <p>■ Spend-to-Date ■ Unfunded ■ Remaining Approved Budget</p>
Forecast Completion Year	2026	
Estimated Final Cost (EFC)	\$49.8M	
Total Approved Budget	\$49.8M	
10-Year Approved Budget (2023-2032)	\$17.2M	
2023 Budget	\$1.2M	
2023 YTD Budget	\$0.6M	
2023 YTD Actuals	\$0.8M	
Overall Performance Status	G	

Progress Update

Phase 1-4:

Family of Services (FOS):

- The FOS approach, which provides Wheel-Trans customers with options for a multi-modal trip that is faster, flexible and efficient was operationalized in 2018. The FOS expansion of 5,000 non-vehicle transfers (walking stops), Wave 3 testing and analyses were completed

on March 3, 2023. FOS remains optional at this time. Additional routes for FOS have been ranked for review and will be finalized by the end of December 2023.

Re-Registration:

- Wheel-Trans introduced new eligibility criteria and an application process in January 2017. Customers who registered before this date must re-register by submitting a new eligibility application. Currently, more than 12,000 legacy customers (an increase of 3,000 customers since last reporting) have already re-registered with another 6,500 that still need to do so by 2025.
- Wheel-Trans Self-Serve Portal allows customers to register or re-register online, eliminating the need of the paper application. Customers can also appeal their eligibility decision online.

Conditional Trip Matching:

- Customers with conditional eligibility will be provided with a one trip solution that matches their conditions and abilities. If none of the registered conditions are present, they will be offered an FOS trip (i.e. connection to accessible-conventional TTC bus/streetcar/subway).

Access Hubs:

- 16 Access Hub shelters are in service, providing customers with large, accessible, well-lit and heated locations to transfer to and from the accessible-conventional TTC system.

Mobile App:

- Mobile Application, full release for both IOS and Android, went live on September 25, 2023. To date, we have approximately 2,000 application downloads and 2,000 trips booked using the application and over 600 customers are using the application regularly.

Customer Relationship Management (CRM):

- Completed automation of the customer applications tracking and customer service contacts. This process involved integration with the CRM system, the TTC's document management provider and the Wheel-Trans RSD system.

Phase 5-8:

- A third-party consultant was selected to complete an assessment and provide recommendations to continue the modernization of the Reservations, Scheduling and Dispatch software. Based on those recommendations, the final phases (5-8) of the program are forecasted to be completed by the end of 2026, in alignment with the TTC's 10-year strategy timeline.
- The Wheel-Trans ITS Solution for Phases 5-8 was approved by the Project Review Board in May 2023. The third-party vendor to help Wheel-Trans in the tender preparation to replace the Integrated Voice Recognition (IVR) and the Automatic Vehicle Location (AVL) systems was onboarded in July 2023. Planning sessions for the Request for Information (RFI) were completed in September 2023 and RFI activities have commenced.

Next Steps

- Re-baseline the program and update the budget for the planned procurement for Phases 5-8 (Q2 2024).
- Initiate the RFI activities for the Wheel-Trans ITS Solution (IVR/AVL) in Q1 2024.

Scarborough Rapid Transit (SRT) – Bus Replacement and Modifications

Description

The project is comprised of two phases. As a first phase, modifications are required to the bus terminals at Scarborough Centre and Kennedy stations to accommodate additional buses required for the SRT replacement bus service. In addition, a new temporary bus terminal will be constructed at Kennedy Station as well as implementing various transit priority measures along Kennedy, Midland, Ellesmere, and Eglinton to accommodate the additional bus traffic until the future opening of the Line 2 East Extension (Scarborough Subway Extension). The second phase involves the conversion of the SRT right-of-way (ROW) between Kennedy and Ellesmere stations into a bus roadway.

Scope Description

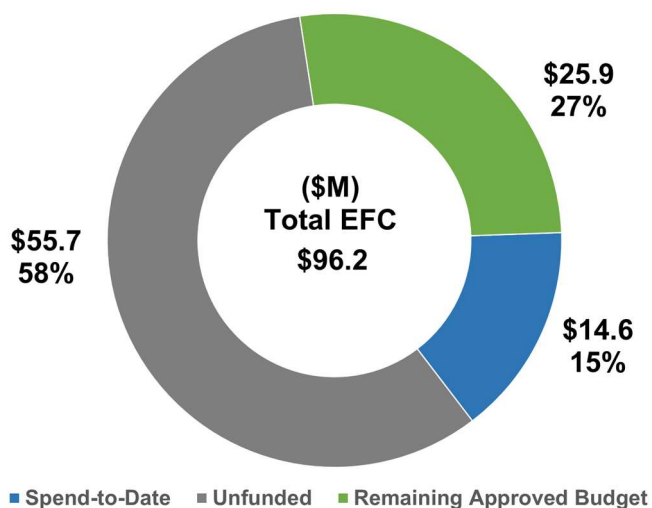
In 2023, the following will be implemented as part of Phase 1:

- Express bus service via the Kennedy and Midland between Scarborough Centre and Kennedy stations.
- Modifications to the bus platforms at Scarborough Centre and Kennedy stations.
- Construction of a temporary bus terminal in the south commuter parking lot at Kennedy Station.
- Transit priority measures to facilitate efficient operation of the bus replacement service.

As part of Phase 2, the TTC has funding to complete the design of SRT ROW busway conversion. Additional funding is required to proceed with the construction work.

Financials

Project/Program Start	2015
Forecast Completion Year	2023 ¹
Estimated Final Cost (EFC) ²	\$96.2M
Total Approved Budget	\$40.5M
10-Year Approved Budget (2023-2032)	\$37.7M
2023 Budget	\$16.2M
2023 YTD Budget	\$10.5M
2023 YTD Actuals	\$11.9M
Overall Performance Status	R



Progress Update

Since the Line 3 closure in July 2023, and the subsequent implementation of a bus replacement service, this project is being accelerated to deliver the major components related to bus terminal improvements and transit priority measures ahead of the original planned closure date of November 19, 2023.

Phase 1: Interim Bus Service Requirements

Scarborough Centre Station Bus Terminal:

- Stage 1 and 2: Completed the bus platform modifications on the north and south side of the bus terminal, as planned. Interior modifications are ongoing.

Kennedy Station Bus Terminal Modification and Temporary Bus Terminal:

- Commenced construction in May 2023. Excavation has been completed as well as the electrical work and paving for the new bus driveway and bus platform. The temporary bus terminal construction has been completed and is available for customer service.

Transit Priority Measures:

- The transit priority work was tendered in May 2023 and closed in June 2023. The contract was awarded in July 2023 and the contractor was provided with the Notice to Proceed. The TTC is working with the contractor on accelerating the implementation of the Transit Priority Measures plan. Substantial performance was completed in November 2023.
- On November 19, 2023, the TTC launched the expanded and enhanced Line 3 Bus Replacement Plan. This included full transit priority measures, including express corridors between Scarborough Centre and Kennedy stations, to replace Line 3 SRT train service. It also included changing a number of bus routes to provide reliable and seamless, transfer-free service directly to the new terminal at Kennedy Station, using the new transit priority lanes.

Phase 2: Conversion of the SRT ROW between Kennedy Station and Ellesmere Station into a Busway:

The TTC is advancing the design for the busway to 100% from 30%. The updated cost and schedule will be reported back to the Board and Council in early 2024.

Key Issues/Risks and Action Plan/Mitigation Activities

Key Issues and Action Plan:

- In order to maintain and improve service reliability and availability in the longer term, the conversion of the SRT ROW for buses is critical. However, the SRT ROW conversion is currently unfunded and the City will be requesting funding from the Province, which is reflected in the overall status (at risk). The TTC has engaged the City of Toronto and Metrolinx to define roles and responsibilities for the treatment of legacy SRT infrastructure.

Next Steps

- Continue with interior modifications, including signage at Scarborough Centre bus terminal and the Kennedy Station bus terminal improvements, to be completed by December 2023.

Notes:

¹The conversion of the SRT ROW between Kennedy and Ellesmere stations to a busway is forecasted to be completed post-2023.

²\$55.7M is currently unfunded in the 10-Year Plan (2023-2032), with the estimate subject to the completion of 100% design.

Streetcar Portfolio

Category 3 / Major Projects & Programs	Project Category	Financial Summary (\$ Millions)							Status			
		2023 YTD		2023 Budget	10-Year Approved Budget (2023-2032)	Total Approved Budget	Spend-to-Date	Total Projected EFC	Schedule	Cost	Scope	Overall
		Budget	Actual									
Streetcar Portfolio												
Purchase of 60 Streetcars	Growth	\$36.4	\$36.1	\$54.0	\$330.9	\$468.0	\$173.1	\$468.0	G	Y	G	Y
Hillcrest Facility	SI	\$0.9	\$3.2	\$3.6	\$97.3	\$100.7	\$6.7	\$100.7	Y	Y	G	Y
Russell Carhouse	SOGR	\$3.5	\$10.4	\$12.0	\$121.8	\$127.3	\$15.9	\$127.3	Y	Y	G	Y
Total Streetcar Portfolio		\$40.8	\$49.7	\$69.6	\$550.0	\$696.0	\$195.8	\$696.0				
Performance Scorecard Status		Total Category 3 Portfolio Cost (\$ Millions)					EFC: Estimated Final Cost YTD: Year-to-Date H&S: Health & Safety SI: Service Improvement SOGR: State-of-Good-Repair					
		2023 Year-to-Date Budget	2023 Year-End Budget	10-Year Approved Budget (2023-2032)	Total Approved Budget	Total EFC						
G	On Track											
Y	Caution / Tracking Behind	\$431.2M	\$786.4M	\$7,990.0M	\$10,485.9M	\$22,928.4M						
R	At Risk / Missed Target											

Note: Status reflects outlook to completion of the project/program.

Purchase of 60 Streetcars

Description

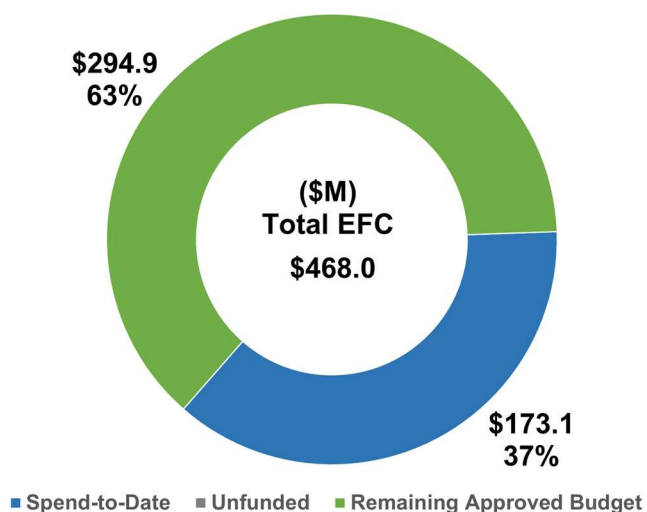
This project provides for the purchase of 60 new, accessible streetcars to address latent service demand, projected increases in travel time due to traffic congestion, and enable growth.

Scope Description

The procurement and delivery of 60 accessible streetcars by 2026.

Financials

Project/Program Start	2019
Forecast Completion Year	2026
Estimated Final Cost (EFC)	\$468.0M
Total Approved Budget	\$468.0M
10-Year Approved Budget (2023-2032)	\$330.9M
2023 Budget	\$54.0M
2023 YTD Budget	\$36.4M
2023 YTD Actuals	\$36.1M
Overall Performance Status	Y



Progress Update

- The Transfer Payment Agreement (TPA) with the Ministry of Transportation (MTO) was executed in March 2023. The Contribution Agreement (CA) with Infrastructure Canada (INFC) is in progress, with completion targeted for Q4 2023. The TTC is receiving \$360 million in funding towards the TTC Streetcar Program (60 Streetcars and Hillcrest Facility) from the Provincial and Federal governments.
- Production work for major sub-assemblies continues at all three of Alstom's locations: Thunder Bay, Ontario, La Pocatière, Quebec and Sahagun, Mexico).
- The first car of the 60 streetcars was delivered on schedule in August 2023, and routine tests have been completed and passed successfully. The second car was delivered and accepted by the TTC in November 2023. The program continues to track on schedule and on budget.
- The second (of four) Canadian Content audits was conducted in September 2023 by an independent auditor. The project's Canadian Content value is projected to be approximately 46%, exceeding the contract requirement of 25%. The audit report also identified that the procurement of 60 streetcars is anticipated to have a net positive job creation impact (approximately 150-plus additional full-time Canadian jobs) within the Canadian economy over the contract.

Key Issues/Risks and Action Plan/Mitigation Activities

Key Risks and Mitigation:

- The TTC continues to monitor producer's price indices and update escalation projections. Recent trends have resulted in projected escalation increases and may result in an increase in overall EFC (reflected in Overall Performance Status). The TTC will continue to evaluate and identify potential offsets to the greatest extent possible.

Next Steps

- Continue to receive production vehicles and complete the commissioning process.
- Complete Contribution Agreement with Infrastructure Canada (Q4 2023).

Hillcrest Facility

Description

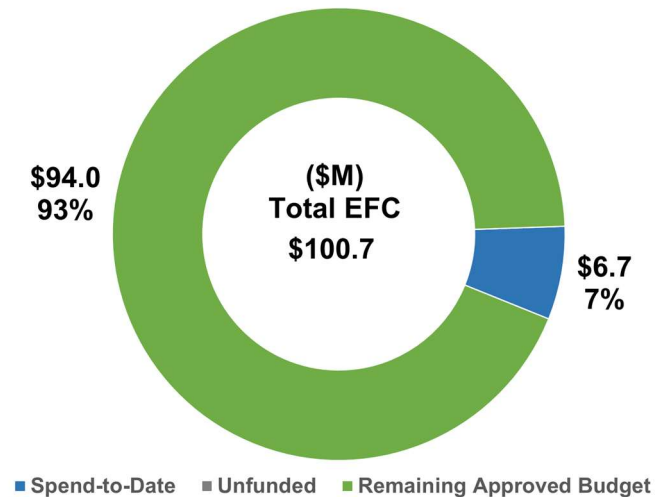
The Hillcrest Facility began operating in 1924. As part of the larger Streetcar Program, this project involves the modification of this facility in order to accommodate the storage, pre-service, testing and maintenance of 25 new accessible streetcars. In addition, the Hillcrest Facility Study will provide a long-term strategy for the use of the Hillcrest Complex in alignment with the Real Estate Investment Plan (REIP).

Scope Description

- Phase 1 (Storage for 25 streetcars and temporary pre-servicing).
- Phase 2 (Permanent pre-servicing, including Sand Silo).
- Study: Provide a long-term strategy for the use of the Hillcrest Complex in alignment with the Real Estate Investment Plan (REIP).

Financials

Project/Program Start	2018
Forecast Completion Year	2027
Estimated Final Cost (EFC)	\$100.7M
Total Approved Budget	\$100.7M
10-Year Approved Budget (2023-2032)	\$97.3M
2023 Budget	\$3.6M
2023 YTD Budget	\$0.9M
2023 YTD Actuals	\$3.2M
Overall Performance Status	Y



Progress Update

Hillcrest Maintenance and Storage Facility (MSF):

- Achieved Stage Gate 3 (Approval for Detailed Design) and commenced Detailed Design in December 2022.
- Detailed Design was distributed to stakeholders for review in mid-Q3 2023 and stakeholder review is underway.

Hillcrest Long-Term Study:

- An Assessment of Operational Requirements at Hillcrest was conducted in Q3 2022 along with a Needs Analysis (short-, medium-, long-term), which were then ranked based on value and necessity.
- Stakeholders from all relevant departments have been engaged and continue to be consulted.

- A decision was made at the Steering Committee meeting to evaluate as part of the study the potential storage of an additional 25, 50 and maximum streetcars at Hillcrest.
- Stakeholder consultation continues as part of the development of high-level scenarios for the options being considered.

Key Issues/Risks and Action Plan/Mitigation Activities

Key Risks and Mitigation Activities:

In order to address potential schedule impacts, the TTC has proactively taken the following steps:

- Developed a community engagement plan to address any concerns from the community and avoid potential delays.
- Continuing to co-ordinate with the City for related permits and approvals.
- Staging plans to minimize disruption to be further refined in consultation with stakeholders as part of Detailed Design.
- Monitoring and co-ordinating key interdependencies – Delivery of 60 new streetcars, access for Spur Line, and Harvey Shop State of Good Repair (SOGR).

Key Issues and Action Plan:

- The project planning and design has advanced to Stage Gate 3. As a result of the development of the baseline project scope there is an additional funding requirement of \$47 million to reflect a cost estimate increase and the additional scope - a) Transfer Table Fill-in, b) 33-Track connection to run-around, c) replacement of tracks inside Harvey Shop (7, 8, 33 and 34), d) reinforcement of concrete slab on Track 34 to support the use of portable hoists, and e) Electric Switch at Hillcrest Complex entrance. The additional costs have been included as part of the 2024-2033 budget submission and the impact of the additional scope is being evaluated.

Next Steps

Hillcrest MSF:

- Address stakeholder comments in the Detailed Design.
- Update the project schedule based on project scope being re-baselined at Stage Gate 3.

Hillcrest Study:

- Continue assessment and scenario development for three additional streetcar storage options (25, 50, maximum capacity).

Russell Carhouse

Description

Operating since 1921, the Russell Carhouse supports the TTC's streetcar operations. The Russell Carhouse program is comprised of State of Good Repair and modernization investments to enable the facility to support the new low-floor streetcars.

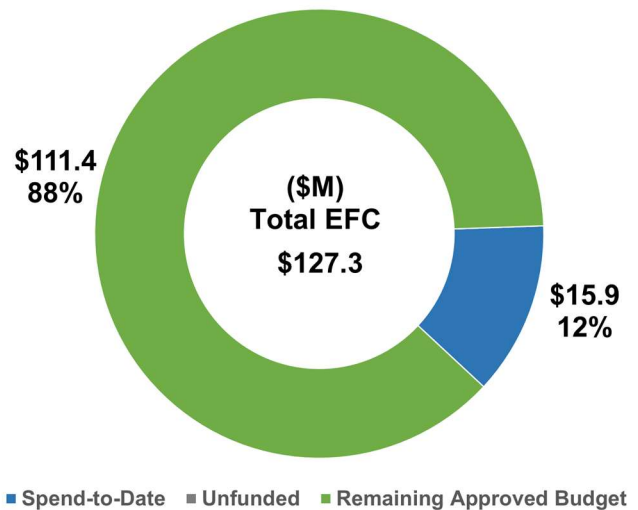
Scope Description

The Russell Carhouse program consists of the following upgrades to accommodate the new low-floor streetcars:

- Russell Carhouse Track and Yard Overhaul: Replace tracks with concrete embedded rail; replace underground utility services and provide a stormwater management system to meet City requirements; replace the overhead system to accommodate streetcar pantograph operations.
- Russell Carhouse Interior Modifications and Extension: West extension of carhouse to allow for additional vehicle maintenance bays; reconfiguration of maintenance tracks and pits in the carhouse for streetcar operational maintenance; maintenance access for rooftop equipment, and additional ancillary facility requirements (i.e. hoist, pit access, lift tables).

Financials

Project/Program Start	2018
Forecast Completion Year	2028
Estimated Final Cost (EFC)	\$127.3M
Total Approved Budget	\$127.3M
10-Year Approved Budget (2023-2032)	\$121.8M
2023 Budget	\$12.0M
2023 YTD Budget	\$3.5M
2023 YTD Actuals	\$10.4M
Overall Performance Status	⚠



Progress Update

- Russell Carhouse Track and Yard Overhaul: Stage 1 construction on Tracks 1-7 has been delayed due to the following:
 - Unforeseen site conditions.
 - Change for enabling works for future carhouse extension.
 - Lack of subcontractor resources.
- Russell Carhouse Interior Modifications: 100% Construction Design is currently being reviewed by stakeholders.

- Russell Carhouse Extension: Completed 30% Scope Design Review. Commenced 100% Construction Design in June 2023, which is currently in progress.

Key Issues/Risks and Action Plan/Mitigation Activities

Key Risks and Mitigation Activities:

- Potential delay to Stages 2 and 3 including Substantial Performance for the Russell Carhouse Track and Yard Overhaul. The project team is evaluating mitigation strategies on all phases including adding resources, re-prioritizing/combining tasks, and revising staging plans.

Key Issues and Action Plan:

- The project planning and design has advanced to Stage Gate 3. As a result of the development of the baseline project scope, there is an additional funding requirement of \$40.7 million to reflect cost escalation, a cost estimate increase and the additional scope – a) in-ground hoist, b) site pit access, c) two additional lift tables and d) increased GFA to accommodate change rooms, washrooms and offices. The additional costs have been included as part of the 2024-2033 budget submission and the impact of the additional scope is being evaluated.

Next Steps

- Russell Carhouse Track and Yard Overhaul: Continue with construction of Stage 1.
- Russell Carhouse Extension:
 - Continue with 100% Construction Review.
 - Finalize schedule impact for additional requirements.
- Russell Carhouse Interior Modifications: Complete review by stakeholders and obtain Construction Review sign-offs.

Network Wide Portfolio

Category 3 / Major Projects & Programs	Project Category	Financial Summary (\$ Millions)							Status			
		2023 YTD		2023 Budget	10-Year Approved Budget (2023-2032)	Total Approved Budget	Spend-to-Date	Total Projected EFC	Schedule	Cost	Scope	Overall
		Budget	Actual									
Network Wide Portfolio												
PRESTO	Growth	\$5.6	\$3.1	\$5.6	\$13.2	\$79.2	\$69.1	\$79.2	R	G	Y	R
VISION - CAD/AVL	SOGR	\$2.9	\$2.1	\$7.4	\$18.5	\$111.7	\$95.3	\$111.7	Y	G	G	Y
SAP ERP Implementation	SOGR	\$13.8	\$11.5	\$18.6	\$173.3	\$272.8	\$111.0	\$272.8	G	G	G	G
Total Network Wide Portfolio		\$22.3	\$16.7	\$31.7	\$205.0	\$463.7	\$275.4	\$463.7				
Performance Scorecard Status		Total Category 3 Portfolio Cost (\$ Millions)					EFC: Estimated Final Cost YTD: Year-to-Date H&S: Health & Safety SI: Service Improvement SOGR: State-of-Good-Repair					
G	On Track	2023 Year-to-Date Budget	2023 Year-End Budget	10-Year Approved Budget (2023-2032)	Total Approved Budget	Total EFC						
Y	Caution / Tracking Behind	\$431.2M	\$786.4M	\$7,990.0M	\$10,485.9M	\$22,928.4M						
R	At Risk / Missed Target											

Note: Status reflects outlook to completion of the project/program.

PRESTO

Description

Transforming the TTC fare collection processes, including the 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.

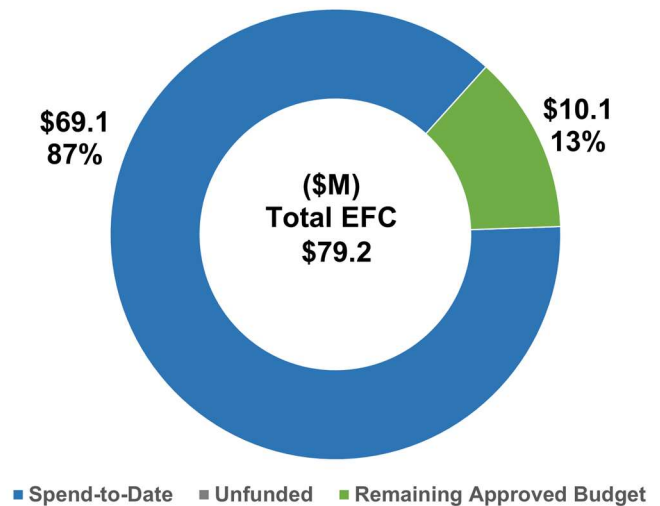
Scope Description

This program provides TTC oversight for the implementation of the PRESTO fare payment method by Metrolinx, as outlined in the Master E-Fare Agreement signed with Metrolinx in 2012 to meet the TTC’s business requirements. The scope of work to be completed by Metrolinx includes:

- Modifications and enhancements to the PRESTO system to allow for an e-fare account-based payment system with an open architecture using industry standards to accommodate open loop financial cards, mobile applications and future technological innovations (“PRESTO Next Generation”).
- Ensure PRESTO implements and operates a wide range of “managed services” as agreed to in the Master Service Agreement in 2012 (i.e. back office operations, customer services, revenue collection and maintenance of all system field equipment).
- Service-Level Agreement for KPI and performance measurement and tracking.

Financials

Project/Program Start	2012
Forecast Completion Year	2024
Estimated Final Cost (EFC)	\$79.2M
Total Approved Budget	\$79.2M
10-Year Approved Budget (2023-2032)	\$13.2M
2023 Budget	\$5.6M
2023 YTD Budget	\$5.6M
2023 YTD Actuals	\$3.1M
Overall Performance Status	R



Progress Update

The program milestones achieved since 2012 include:

- The PRESTO Ticket provides fare payment options for customers who would like to purchase one ride, two rides or a day pass without a PRESTO card. The TTC has transitioned approximately 200 institutions from legacy fares to PRESTO tickets via the implementation of a new bulk Limited Use Medias (LUMs) sales program. As a result, this has enabled the TTC to discontinue the sale of legacy fares. To date, 1.4 million PRESTO

tickets have been sold since June 2022, and the monthly TTC Metropass was moved onto the PRESTO card.

- PRESTO vending machines are available at all subway stations as well as the Mobile Fare Payment Application on all streetcars, buses, and Wheel-Trans vehicles, including contracted accessible vans.
- The City of Toronto's Fair Pass Program launched in 2018, and provides a discount for eligible adult residents when using the balance on their PRESTO card or a monthly pass.
- Two-Hour Transfer was launched in August 2018, which makes short-distance travel more affordable for all customers. In addition, PRESTO payment options have integrated fares and allowed customers to travel seamlessly into Mississauga and York Region.
- Human Machine Interface (HMI) has been fully implemented on all fare gates, buses, streetcars and Wheel-Trans vehicles, as well as contracted taxis, which provides customers with information on card balances, and time remaining in the two-hour transfer window. This also provides the TTC with additional tools to track and enforce fare compliance. In 2021, the TTC implemented an enhancement on the HMI to prevent the use of child cards for fare evasion.
- New fare gates have been installed at all subway stations.
- Open Payment: This option allows customers the flexibility and convenience of using Credit/Debit as fare payment. To allow for the launch of Open Payment, it is essential to refresh the devices (Fare Gate Readers). As of April 30, 2023, 100% of devices have been refreshed on buses, streetcars (excluding streetcars that are in long-term maintenance), and Wheel-Trans vehicles. In addition, approximately 100% of fare gates have been refreshed with the installation of a new smart card reader at all stations, which was completed in June 2023. The Open Payment User Acceptance Testing (UAT) was completed in Q2 2023. The deployment and activation of Phase I of Open Payment to enable adult fare concession was launched in Q3 2023 as scheduled. The implementation of Open Payment for senior and youth concession is currently under development in co-ordination with Metrolinx. Presto card for Google wallet was launched in November 2023. On track to commence the reader upgrades to enable mobile payment and is expected to be completed by the end of Q1 2024.
- Fare Integration with other regional transit agencies and GO Transit is scheduled to be completed by the end of Q1 2024.

Key Issues/Risks and Action Plan/Mitigation Activities

Key Risks and Mitigation:

- The Metrolinx PRESTO procurement program could delay delivery of outstanding settlement agreement gaps within the 2024 target timeline per the Minutes of Settlement.
- TTC requirements related to cash payment (i.e. Machine Readable Transfers) are at risk of not being delivered as PRESTO is heavily focused on Digital Transformation initiatives that discourage the use of cash on transit. There are ongoing discussions with Metrolinx with a resolution expected by the end of Q4 2023.
- The TTC is working with Metrolinx to ensure the proposed delivery and closeout plans remain on schedule. Reference: [February 28, 2023 Board report](#).

Next Steps

- The enablement of the PRESTO virtual card is targeted for Q3 2024.

Note: Approved budget and completion year adjusted to reflect approval to end of 10-year envelope.

VISION – CAD/AVL

Description

Implementation of a new Computer-Aided Dispatch/Automatic Vehicle Location (CAD/AVL) System (or VISION) on the TTC's bus and streetcar fleets to provide improved: a) tracking and communications with the TTC's fleet of more than 2,000 buses and streetcars; b) information for scheduling and planning; c) real-time information to provide Operators and customers during their trip; d) more efficient Transit Signal Priority to keep TTC vehicles moving; and e) management of the assignment and dispatching of vehicles to service through the implementation of the new yard management system.

Scope Description

The project's scope has been organized into three phases:

Phase 1:

- Implement onboard CAD/AVL solution on the TTC's bus fleet (i.e. data and voice communications, automatic vehicle location and stop display, stop announcements and vehicle performance monitoring).
- Integrate central CAD/AVL solution with existing onboard camera on buses.

Phase 2:

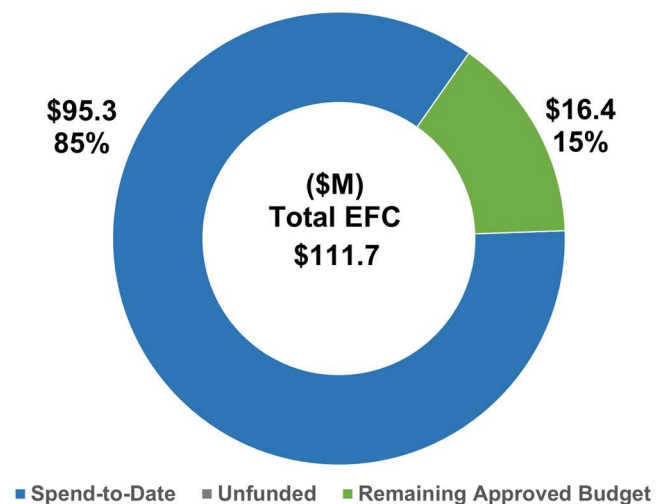
- Install CAD/AVL on the 204 streetcars.
- Integrate central CAD/AVL solution with automatic passenger counting systems on buses and streetcars in scope.

Phase 3:

- Implement the Operator Performance module.
- Implement Yard Management System at all streetcar carhouses and bus garages.
- Implement Bustime and upgrades to SMS text messaging.

Financials

Project/Program Start	2016
Forecast Completion Year	2024
Estimated Final Cost (EFC)	\$111.7M
Total Approved Budget	\$111.7M
10-Year Approved Budget (2023-2032)	\$18.5M
2023 Budget	\$7.4M
2023 YTD Budget	\$2.9M
2023 YTD Actuals	\$2.1M
Overall Performance Status	Y



Progress Update

Phases 1 and 2 of the program were completed and achieved the following:

- Deployment of the Central CAD/AVL System in Transit Control as well as the completion of Transit Control renovations.
- Deployment of the onboard system to the fleet of buses and streetcars.

The benefits from implementing Phases 1 and 2 have resulted in improved On-Time Performance, improved customer information, reduced road calls and improved vehicle to Transit Control communications.

Phase 3:

- Includes the deployment of the Smart Yard Management System at the 11 vehicle garages and streetcar carhouses. The Smart Yard system will track the locations of the vehicles in the bus garages and carhouses and automatically assign the scheduled service to the vehicles. The expected benefits of the system include improved pull-out performance and efficiencies for tracking and dispatching vehicles from the yards.
- The implementation of the Smart Yard system at all streetcar carhouses and bus garages is currently in progress. To date, 85% of the construction and 10% of vendor commissioning has been completed. Full implementation is scheduled to be completed by Q2 2025. Operationalization of the Smart Yard system continues at Leslie Barns and is scheduled to be completed in November 2023.
- Recent improvements to CAD/AVL system include the deployment of the new early departure from the end events functionality onboard the vehicles and in Transit Control.
- Operator Performance Module: Completed latest Speed Layer Testing, vendor provided final Speed Layer for implementation and it is currently being evaluated by Operations.
- Upgraded SMS Text Messaging using real-time data from Bustime has been deployed, and the Bustime website is scheduled to be launched at the end of November 2023. The website will provide customers with predictions for Run As Directed (RAD) vehicles (additional vehicles that are used to address gapping so that customers are no longer waiting for long periods of time for the next vehicle).

Key Issues/Risks and Action Plan/Mitigation Activities

Key Issues and Action Plan:

- The Yard Management project has experienced delays in its rollout phase due to quality assurance issues. The testing has revealed that there are problems with vehicle location accuracy, which has had a significant impact on the ability to operationalize the solution.
- The TTC has been collaborating closely with the vendor to identify the root causes of the issues and to explore potential mitigation plans. To ensure appropriate attention is given, the TTC has escalated the matter to the vendor's management team, and the TTC is closely monitoring progress.

Next Steps

- Commissioning of the Smart Yard Management System at Leslie Barns Carhouse by the end of 2023 and at Arrow Road Garage by November 2023. Arrow Garage Operationalization in progress, and scheduled to be implemented in December 2023.
- General Transit Feed Specification/Real Time to be implemented in Q4 2023.
- Transit Signal Priority (TSP) with the VISION system to be integrated in Q1 2024. Transit Signal Priority (TSP) with the VISION system is to be integrated in Q1 2024.

SAP ERP Implementation

Description

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

Scope Description

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

Phase 1:

- Recruiting, Onboarding, Organization Management and Employee Central Service Centre
- Payroll and Benefits Administration.
- Budget Planning, Capital Accounting, Cost Centre Accounting and General Ledger.

Phase 2:

- Corporate Communications Employee Mobile App.
- Learning Management System.
- Time and Attendance and Workforce Scheduling for all Employees.
- Capital and Operating Costing.
- Accounts Payable I.

Phase 3:

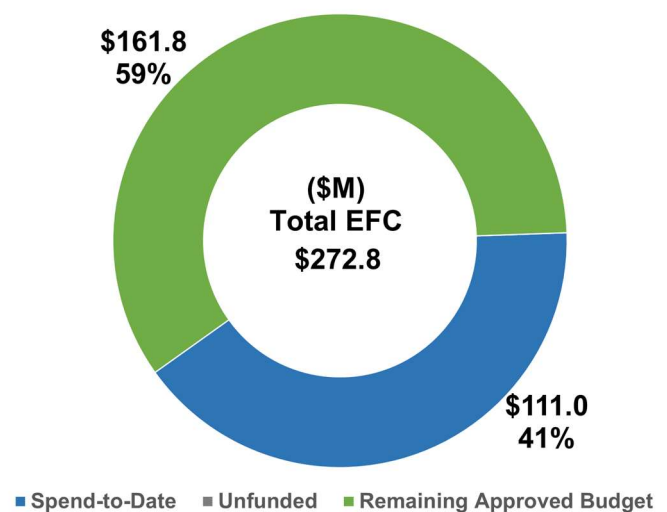
- Procurement, Materials/Warehouse Management, Accounts Payable II.
- Accounts Receivable.
- Asset Accounting.
- Resume Screening Tool powered by AI.
- Employee Engagement.

Phase 4:

- Employee Performance/Compensation Management and Succession Planning.
- Grievance Management.

Financials

Project/Program Start	2014
Forecast Completion Year	2027 ¹
Estimated Final Cost (EFC)	\$272.8M
Total Approved Budget	\$272.8M
Total Approved Budget (2023-2032)	\$173.3M
2023 Budget	\$18.6M
2023 YTD Budget	\$13.8M
2023 YTD Actuals	\$11.5M
Overall Performance Status	G



Progress Update

Phase 1:

- Completed 2018 Launch of SAP Finance General Ledger, Cost Centre Accounting, Project Internal Orders, SAP SuccessFactors: Recruiting, Onboarding, Employee Service Centre and Systems, MyTTC Employee and Manager Self Services and Payroll.

Phase 2:

- The TTC's first Employee Communication App was launched in 2020. This application, which has been adopted by more than 14,000 TTC employees, provides access to corporate information on their mobile devices, including Operator run/crew guides, safety, and health and wellness information.
- The MyTTC | Learning Centre online Learning Management System in SuccessFactors was launched in 2021. This platform provides employees with online access to learning, including modern instructor-led learning using WebEx. Additionally, this allows for certifications to be tracked for regulatory and compliance purposes.
- The SAP Costing Release 1 Solution for Operations is currently in progress with a targeted completion date of Q1 2024. The data cleansing phase has been completed and system integration testing and is in progress (45% completed).
- The Time, Attendance and Workforce Scheduling System project is in progress and is targeted for completion by 2025. The project is being delivered in three releases (Release 1: Staff; Release 2: Union-Non Operators; and Release 3: Union-Operators).
 - Release 1: Completed Solution Workshops to finalize design. Release 1 is in progress, targeting a scheduled go-live in Q1 2024.
 - Release 2: Scheduled to be kicked off in Q2 2024.
 - Release 3: The Transit Operator Workforce Management Solution RFP evaluation was completed and the contract award was approved by the TTC Board at its meeting on July 12, 2023.

Phase 3:

- The assessment phase for the Asset Accounting Module was completed in Q3 2022.
- The Procurement/Management/Materials Management/Finance is currently in progress, with the assessment phase completed in Q1 2022. The development of the Request for Proposal (RFP) has been completed and will be released to the market in November 2023.
- The Resume Screening Tool Artificial Intelligence (AI) for Talent Management and Talent Acquisition Intelligence module was successfully launched in Q3 2022. The Diversity, Equity and Inclusion module was completed in Q4 2022. The vendor announced a change in ownership in Q1 2023, resulting in a loss of support for the product. The TTC is evaluating other options.

Key Issues/Risks and Action Plan/Mitigation Activities

Key Risks and Mitigation:

- To combat the difficulties associated with using the current vendor of record to hire contractor resources due to the current competitive market, the TTC is leveraging other vendor of record alternatives to mitigate the impact to the Costing Release 1 Project implementation.

- Data quality from legacy systems' records may impact implementation timelines due to the effort required for data cleansing. Records in legacy systems may not be current, which requires additional cleansing efforts prior to loading into the new SAP system. The project team continues to work with departments to have their data cleansed prior to loading into the new SAP system. Data strategies have been included in all SAP projects.

Next Steps

Phase 2:

- SAP Costing Solution Release 1 – Achieve Stage Gate 6 (Approval for Deliverables) in Q2 2024.
- Time, Attendance and Workforce Scheduling Release 1 – Achieve Stage Gate 6 (Approval for Deliverables) in Q2 2024 and kick-off Release 3 – Transit Operations Workforce Management Solution by end of December 2023.

Notes:

- ¹The contingency for the program was reallocated to 2027 for budgetary purposes only. The overall program schedule is on target.
- The EFC represents the total SAP program cost with the future phases.
- Approved budget and completion year adjusted to reflect approval to end of 10-year envelope.