



Financial and Major Projects Update for the Period Ended July 1, 2023

Date: September 26, 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 July 1, 2023. Projections to year-end 2023 are also provided.

For the period ended July 1, 2023, operating results indicate a net year-to-date underspending of \$11.7 million, which includes under-expenditures of \$16.5 million, offset by \$4.8 million in unfavourable revenue variances. Under-expenditures are primarily due to deferred Line 5 training and mobilization activities, workforce vacancies and lower energy prices, offset by the cost of regular operating service delivered above the budgeted level. The \$4.8 million in unfavourable revenue variances is comprised of unfavourable passenger revenue variances due to lower-than-budgeted ridership levels for the first six months, attributable to inclement weather in Q1, and partially mitigated by favourable ancillary revenue due to higher bank interest rates.

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 \$26.3 million net. Expenditures are projected to be \$39.4 million below budget, primarily due to the opening of Line 5 being deferred to 2024, projected lower energy prices and lower incremental COVID costs, including lower absence rates. These under-expenditures are partially offset by the cost of regular operating service delivered above the budgeted level with service anticipated to operate at 95% of pre-pandemic levels by the end of the year as well as significant cost escalation experienced on vehicle parts. The projected unfavourable revenue variance of \$13.1 million estimated to year-end accounts for the lower conventional service passenger revenue variance resulting from significant weather events in Q1 and the loss of the anticipated incremental revenue to be generated from Line 5. Lower-than-anticipated construction service recoveries due to refinements in project schedules from third parties are also contributing to lower-than-anticipated revenues.

As of July 1, 2023, the TTC incurred \$418.2 million in capital spending, reflecting a year-to-date spending rate of 88% when compared to the year-to-date planned (calendarized) budget of \$475.0 million for the TTC base capital program and \$38.0 million or 203.2% of the planned budget for the first six months for transit-expansion-related projects, resulting in an overall spending rate of 92.4% to the end of Period 6.

When comparing year-to-date spending to the total 2023 Capital Budget, 30.7% has been spent to the end of Period 6 for the TTC base capital program and 43.4% for transit-expansion-related projects resulting in a spending rate of 31.5% for the six month period.

By year-end, the TTC's capital spending is projected to be in the order of \$1.328 billion, representing an overall 91.5% spending rate, with the TTC's base capital program projected to expend \$1.262 billion or 92.5% and transit expansion-related capital works at a projected total of \$66 million or 75.6%. 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 that the TTC Board:

1. Approve the 2023 Capital Budget in-year budget adjustments 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, as outlined in Appendix 3 of this report.
2. Authorize that the recommended budget adjustments in Recommendation 1 above to the TTC's 2023-2033 Capital Budget and Plan be included in the TTC's submission for the Capital Variance Report for the six months ended June 30, 2023 for City Council consideration and approval.

Financial Summary

2023 Operating Results

Based on results to the end of Period 6, the TTC has experienced a favourable \$11.7 million operating budget variance comprised of \$16.5 million in under-expenditures partially offset by \$4.8 million in unfavourable revenue variances.

As of Period 6, passenger revenue is \$6.1 million below budget with the unfavourable variance due primarily to lower ridership on days with inclement weather in Q1. For the remainder of the year, passenger revenue is forecast to be substantially on budget due to the favourable impact of slightly higher than forecast ridership recovery, offset by the delayed realization of incremental passenger revenue associated with the opening of Line 5. For the full year, a projected year-end unfavourable passenger revenue variance of \$3.6 million is anticipated.

Ancillary revenue is \$1.5 million over budget year-to-date, primarily due to higher bank interest revenue to the end of Period 6. By year-end, ancillary revenues are expected to be \$9.5 million under budget. This projection reflects adjustments to planned third-party construction schedules, which will result in lower-than-budgeted recoveries. While not currently reflected in year-end projections, reimbursements for sunk costs incurred as

part of Line 5 mobilization activities are being reviewed with Metrolinx staff. These amounts will be incorporated into the year-end projections once review of the costs incurred has concluded.

Unfavourable revenue variances realized during the six-month period have been fully offset by \$16.5 million in favourable expenditure variances. Year-to-date under-expenditures are driven by deferred Line 5 training and mobilization activities, workforce vacancies, lower energy prices and lower COVID response costs, including improved absence rates. Based on projected results to year-end, operating expenses are anticipated to be \$39.4 million (1.6%) 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 that include:

- Increase in unit cost and requirements of bus and LRV parts with anticipated unfavourable impact of \$15 million by year-end.
- 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 \$2.5 million due to higher ridership demand, which is expected to be 5% above the 2.9 million rides budgeted.

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, lower absence rates and the deferral of Line 5 Operator training. This Operator availability is being 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 highest demand to reduce crowding and customer wait times. Overall, regular 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 will increase further to approximately 95% of pre-pandemic service hours to meet service requirements on routes experiencing higher-than-average rates of ridership recovery.

Operating results for the period ended July 1, 2023 and projected year-end operating results are summarized in Table 1:

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

Operating Results and Forecast						
Description (\$Millions)	Year-To-Date Actuals			Year-End Forecast		
	Budget	Actual	Variance	Budget	Forecast	Variance
Revenue						
TTC Conventional						
Passenger Revenue	451.8	445.6	(6.2)	931.4	927.6	(3.8)
Other Ancillary Revenue	27.0	28.5	1.5	81.2	71.7	(9.5)
Wheel-Trans	3.2	3.1	(0.1)	6.5	6.7	0.2
Reserve Draw	0.0	0.0	0.0	35.6	35.6	0.0
Total Revenue	482.0	477.2	(4.8)	1,054.7	1,041.6	(13.1)
Expenditures						
TTC Conventional	1,072.4	1,060.2	(12.2)	2,214.2	2,177.2	(37.1)
Wheel-Trans	70.7	69.6	(1.1)	142.3	144.8	2.5
Subtotal Base Expenditures	1,143.1	1,129.8	(13.3)	2,356.5	2,321.9	(34.6)
COVID Incremental Costs	12.7	9.5	(3.2)	23.8	19.0	(4.8)
Total Expenditures	1,155.8	1,139.3	(16.5)	2,380.3	2,340.9	(39.4)
Net Expenditure (Funding Required)	673.8	662.1	(11.7)	1,325.6	1,299.3	(26.3)
Operating Funding						
COVID Impact Funding	189.2	188.5	(0.7)	366.4	358.8	(7.6)
Base Operating Funding	484.6	473.6	(11.0)	959.2	940.5	(18.7)
Total Operating Funding	673.8	662.1	(11.7)	1,325.6	1,299.3	(26.3)

*Note: Projections in Table 1 are based on a 2024 revenue service commencement date for Line 5 with training and mobilization activities beginning in Q4 2023.

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 and \$959.2 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 6 is \$188.5 million, and is anticipated to be \$358.8 million by year-end, as summarized in Table 2 below:

Table 2 – 2023 COVID-19 Financial Impact

Total COVID-19 Financial Impact						
	Year-To-Date Period 6			Year-End Forecast		
in \$ Millions	Budget	Actual	Variance	Budget	Forecast	Variance
COVID-19 Financial Impact						
Lost Passenger revenue, net of PRESTO Commissions	169.3	172.2	2.9	328.1	325.9	(2.2)
Lost Ancillary Revenues	7.2	6.8	(0.4)	14.5	13.9	(0.6)
Incremental COVID-19 Expenses	12.7	9.5	(3.2)	23.8	19.0	(4.8)
Total COVID-19 Financial Impact	189.2	188.5	(0.7)	366.4	358.8	(7.6)

The net favourable COVID financial impact variance of \$0.7 million year-to-date is primarily due to reduced COVID-related absenteeism, and lower Personal Protective Equipment (PPE) requirements. Looking ahead to year-end, the anticipated COVID-19 financial impact is anticipated to be \$7.6 million below budget as passenger revenue is expected to be slightly above budgeted levels in Q3 and relatively aligned to budget in Q4, while trends with lower-than-anticipated PPE requirements 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, the 2023 anticipated financial impact of COVID is \$358.8 million, primarily due to the continued loss of passenger revenue relative to pre-pandemic levels. As highlighted in the companion report, *Sustaining a Reliable Transit System to Keep Toronto Moving: 2024 Outlook and Beyond*, 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

As summarized in the *Community Safety, Security and Well-being on Public Transit* companion report, and in Table 3 below, unbudgeted expenditures approved under CEO delegated authority to the end of Period 6 total \$2.8 million. Including the addition of station staff recommended for Board approval in the companion *Community Safety, Security and Well-being on Public Transit* report, unbudgeted costs are anticipated to reach \$10.3 million by the end of the year. Actual expenditures to July 1, 2023, and projected expenditures to December 31, 2023, are summarized in Table 3 below.

Table 3 – Unbudgeted System Safety and Cleanliness Initiatives

	Actual Cost to July 1, 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	1.4	3.4
Six Transit Control Dispatchers	0.3	0.7
Special Constables Overtime – High Visibility Patrols	0.2	0.2
Extended Station Cleaning	0.1	0.1
Subtotal	2.0	4.4
New Initiatives		
Additional Stations Staff	-	3.8
Subtotal	-	3.8
Subtotal: High-visibility Presence and Incident Management	2.0	8.2
Social Supports for Persons Experiencing Homelessness and Individuals with Complex Needs		
Current Emergency Initiatives		
20 Community Safety Ambassadors	0.6	1.4
De-Escalation Training	0.1	0.1
Subtotal	0.7	1.5
New Initiatives		
Transport Buses	0.1	0.6
Subtotal	0.1	0.6
Subtotal: Social Support	0.8	2.1
2023 Community Safety, Security and Well-being Emergency Response	2.8	10.3

This updated year-end projection is \$6.1 million higher than the year-end projected expenditures reported through the Financial Update report to the TTC Board on June 12, 2023. The increase is due to the additional, \$3.8 million anticipated to be spent for staffing in key stations, bus and streetcar terminals (130 Customer Service Agents and 30 Supervisors) and \$1.3 million for the extension of the Security Guards and Community Safety Ambassador contracts and modifications made to buses to support the operation and maintenance of Transport Buses.

All 2023 costs will be funded by a draw from the TTC Stabilization Reserve that was authorized by the TTC Board on February 28, 2023 and by City Council on March 30, 2023. Year-end under-spending may also be leveraged as an alternative to a stabilization reserve draw, should under-expenditures be available upon finalization of year-end results.

2023 Capital Results

For the period ended July 1, 2023, the TTC’s capital expenditures total \$456.2 million and represents a spending rate of 92.4% when compared to the year-to-date planned (calendarized) budget of \$493.7 million. Of the total 2023 capital expenditures incurred to date, \$418.2 million or 88.0% of the base capital program’s planned budget of \$475.0 million has been spent and \$38.0 million or 203.2% of the planned budget for transit expansion-related projects of \$18.7 million has been spent.

When comparing year-to-date spending to the total 2023 Capital Budget, 30.7% has been spent to the end of Period 6 for the TTC base capital program and 43.4% for transit-expansion-related projects resulting in a spending rate of 31.5% for the six-month period.

By year-end, the TTC's total capital spending is projected to be in the order of \$1.328 billion, representing an overall 91.6% spending rate, reflective of \$1.262 billion or 92.6% projected spending in the TTC's base capital program and \$66 million or 75.5% spending for transit-expansion-related capital works, as summarized in Table 4 below:

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

Description (\$ Millions)	Year-To-Date			2023		
	Budget	Actual	%	Budget	Projection	%
TTC Base Capital	475.0	418.2	88.0%	1,361.8	1,261.7	92.6%
TTC Transit Expansion Related Projects	18.7	38.0	203.2%	87.4	66.0	75.5%
Total	493.7	456.2	92.4%	1,449.2	1,327.7	91.6%

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; protracted negotiations for complex projects; and adjustments to project schedules due to unforeseen factors.

Resourcing challenges have impacted the early works for Line 2 ATC Resignalling and various IT projects while supply chain issues have delayed receipt of necessary equipment for the Corporate Camera Program and the delivery of Hybrid Buses and Wheel-Trans Buses. The Fire Ventilation and Easier Access programs' project schedules have been impacted by unforeseen site conditions and labour disruption, while the Subway Car Overhaul capital project continues to refine its technical requirements. Delays related to issue resolution for the Toronto-York Spadina Subway Extension (TYSSE) project contribute to underspending in the Transit-Expansion-related projects.

The year-to-date and year-end projections summarized in Table 4 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 5 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 6 Capital Variance Report.

Table 5 – 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							349.4
Warden Station Bus Terminal Redevelopment	(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	-	-	-	-	430.9
Recommended Amendments:											
6M Variance Report Adjustments - Accelerations	2.1	(0.3)									1.8
6M Variance Report Adjustments - Deferrals	(2.1)	0.3									(1.8)
Total Recommended Amendments	-	-	-	-	-	-	-	-	-	-	-
Revised Capital Plan	1,449.2	1,791.5	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 spending of \$456 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 \$1.1 billion in economic activity (Gross Output); has contributed \$456 million in GDP (value-added); and has created or sustained 6,840 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 6 below:

Table 6 – Economic Impact of Projected Year End Capital Spending by the TTC

	Year to Date	Projected Year End
Capital Results	\$456 Million	\$1.3 Billion
Economic Activity (Gross Output)	\$1.1 Billion	\$3.2 Billion
Gross Domestic Product (GDP)	\$456 Million	\$1.3 Billion
Jobs	6,840	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 \$313.2 million, which is estimated to have generated \$707.8 million in economic activity, and projected year-end spending on goods and services is expected to be \$672.3 million, which is anticipated to generate \$1.5 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 is expected to be presented to the TTC Board at its October 26 meeting.

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 \$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 \$118.4 million in 2023 and \$582.9 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 for a total 2023 Operating Budget of \$2.380 billion gross and \$1.325 billion net; and 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 in the amount of \$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 by increasing the 2023-2032 Approved Capital Budget and Plan by \$349 million to a total of \$799 million for the TTC Green Bus Program to be 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](#)

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

Table 7 – Summary of Key Operating Budget Indicators

Item	Year-To-Date Actuals			Year-End Forecast			Status
	Budget	Actual	Variance	Budget	Forecast	Variance	
TTC Ridership	192.30M	190.87M	(1.44M)	392.99M	392.55M	(0.44M)	⊖
TTC Average Fare	2.35	2.33	(0.02)	2.37	2.36	(0.01)	⊖
TTC Actual Operating Service Hours	4.378M	4.429M	0.052M	8.681M	8.942M	0.261M	✓
Price of Fuel (\$/litre)	1.49	1.32	(0.17)	1.50	1.36	(0.14)	✓
Price of Electric Power (\$/kWh)	0.14	0.13	(0.01)	0.14	0.13	(0.01)	✓
WT Passengers	1.44M	1.45M	0.01M	2.95M	3.10M	0.15M	✓

TTC Conventional Revenue Ridership

TTC Conventional revenue ridership began 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 75% in Period 6, above Period 6 budget of 73%. Overall year-to-date ridership is at 72% of pre-COVID levels versus a year-to-date budgeted plan of 73%.

The 2023 revenue budget anticipated most employers would maintain current hybrid work practices with the average number of in-office days increasing marginally throughout the year. Actual ridership to date in 2023 is aligned to these budget assumptions, with the exception of a few significant weather events that occurred during the first three months of the year. These caused a direct reduction in ridership on those days with significant inclement weather given the availability of flexible work arrangements relative to pre-COVID experience.

In June, ridership averaged 75% of pre-COVID levels for the period, above the budgeted level of 73%. Based on year-to-date experience, ridership is anticipated to trend slightly above budget in Q3 2023 (75% of pre-COVID levels versus budget of 74%) and track to budgeted levels for Q4 2023 (75%). The percentage of pre-COVID

levels is seasonally adjusted as the actual 2023 ridership is compared to the similar time of year pre-COVID. Therefore, although the percentage of pre-COVID levels is expected to stay at 75% throughout the third and fourth quarters of 2023, ridership is expected to increase in the fall, consistent with seasonal trends from previous years. Ridership is projected to increase by 3% – to 102.2 million rides in Q4 from 99.5 million rides in Q3. Staff will be closely monitoring fall ridership changes to provide any indication whether projected year-end results may vary from current projections.

Service Hours

Regular service hours delivered year-to-date are 1.2% 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 planned 91%. 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 anticipated increase in ridership demand on routes that are approaching capacity, service will be 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, lower absence rates and the deferral of Line 5 Operator training.

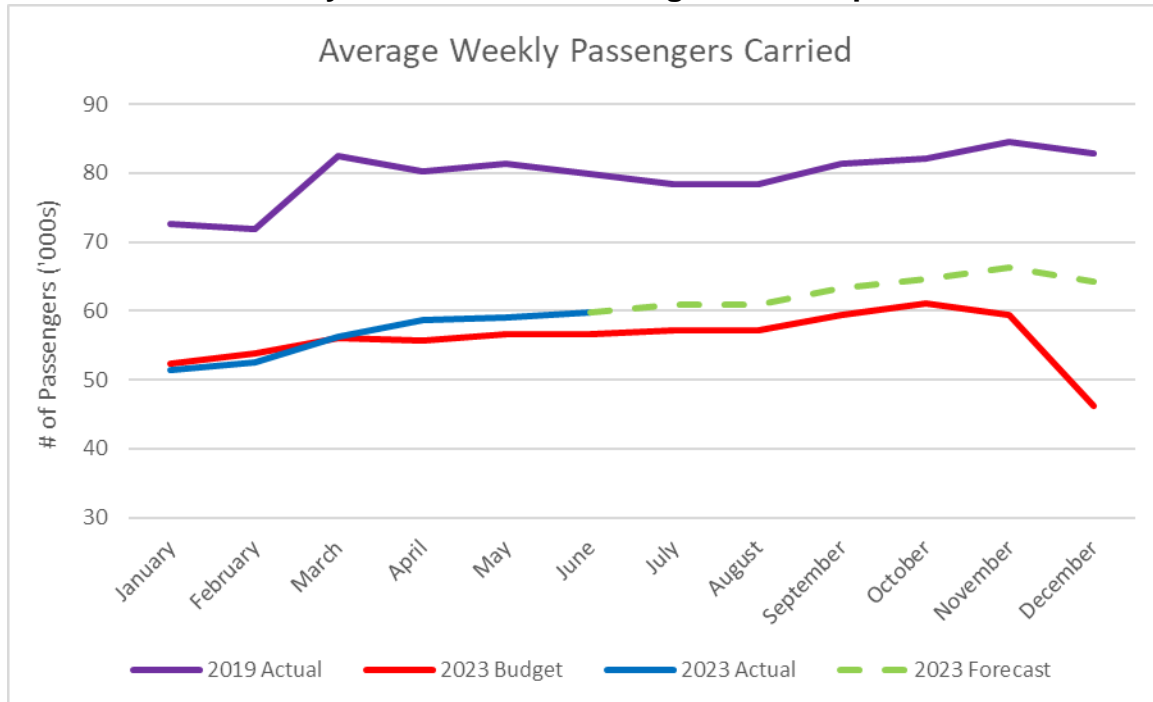
Diesel Fuel

Overall, for the first six months of the year, diesel prices have averaged \$1.32 per litre, below the budgeted price of \$1.50 per litre. Recently, diesel prices have been increasing and are currently forecast to average \$1.36 for the year as a whole. Anticipated savings on 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. While weekly ridership has remained consistent since April, it has been aligned with pre-COVID trend as shown below in Chart 1. Based on year-to-date experience and consistent with pre-COVID seasonal trends, a further weekly ridership increase is expected in the fall.

Chart 1 – 2023 Weekly Wheel-Trans Passenger Ridership



Overall, total ridership is projected to be 5% above budget for the year with Operator recruitment and training activities ongoing to ensure all demand will be accommodated.

2023 Operating Results and Year-End Forecast

For the period ending July 1, 2023, the TTC incurred actual expenditures of \$1,139.3 million gross and \$662.1 million net against year-to-date planned (calendarized) spending of \$1,155.8 million gross and \$673.8 million net, resulting in a net favourable operating variance of \$11.7 million. The favourable operating variance is primarily due to the deferred opening of Line 5, workforce vacancies, lower incremental COVID costs, including improved absence rates and higher interest revenue. The favourable variance is partially offset by passenger revenue being below budget due to the significant weather events experienced in Q1, which has since improved due to ridership levels being slightly above budget.

Based on projected results to year-end, a favourable variance to budget of \$26.3 million is anticipated. A forecasted under-expenditure of \$39.4 million incorporates lower hydro prices, labour savings from vacancies and deferred Line 5 training and mobilization activities. The year-end projections are based on a Line 5 revenue service commencement in 2024 with training and mobilization activities beginning in Q4 2023. While not currently reflected in year-end projections, reimbursements for sunk costs incurred as part of Line 5 mobilization activities are being reviewed with Metrolinx staff. These amounts will be incorporated into the year-end projections once a review of the costs incurred has concluded.

Partially offsetting these under-expenditures are increased costs to accommodate higher-than-budgeted Wheel-Trans ridership demand, higher dental costs and benefit utilization and Operator availability above budgeted levels due to the elimination of the mandatory vaccine policy that resulted in the return of staff to the TTC. Table 8 below reflects the key drivers of the favourable variances from the 2023 Operating Budget:

Table 8 – 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	451.8	445.6	(6.2)	931.4	927.6	(3.8)
Ancillary Revenue	27.0	28.5	1.5	81.2	71.7	(9.5)
Wheel-Trans Passenger Revenue	3.2	3.1	(0.1)	6.5	6.7	0.2
Reserve Draw	0.0	0.0	0.0	35.6	35.6	0.0
Total Revenue	482.0	477.2	(4.8)	1,054.7	1,041.6	(13.1)
Expenditures						
TTC Conventional						
Departmental Labour	582.0	575.8	(6.2)	1,188.2	1,178.0	(10.2)
Departmental Non-Labour	137.4	134.8	(2.6)	310.3	293.3	(17.0)
Employee Benefits	210.4	212.0	1.6	403.9	407.9	3.9
Diesel	50.5	49.2	(1.3)	102.9	101.4	(1.5)
Traction Power & Utilities	39.1	36.7	(2.4)	79.6	70.5	(9.1)
Accident Claims	10.0	6.7	(3.3)	20.0	20.0	0.0
Corporate Costs	43.0	45.1	2.1	109.3	106.2	(3.1)
Wheel-Trans	70.7	69.6	(1.1)	142.3	144.8	2.5
Subtotal Base Expenditures	1,143.1	1,129.8	(13.3)	2,356.5	2,321.9	(34.6)
COVID Incremental Costs	12.7	9.5	(3.2)	23.8	19.0	(4.8)
Total Expenditures	1,155.8	1,139.3	(16.5)	2,380.3	2,340.9	(39.4)
Net Expenditure (Funding Required)	673.8	662.1	(11.7)	1,325.6	1,299.3	(26.3)
Operating Funding						
COVID Impact Funding	189.2	188.5	(0.7)	366.4	358.8	(7.6)
Base Operating Funding	484.6	473.6	(11.0)	959.2	940.5	(18.7)
Total Operating Funding	673.8	662.1	(11.7)	1,325.6	1,299.3	(26.3)

*Note: Projections in Table 1 are based on a 2024 revenue service commencement date for Line 5, with training and mobilization activities beginning in Q4 2023.

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

2023 COVID-19 Financial Impact

Table 9 summarizes the financial impacts of COVID-19 on the 2023 Operating Budget:

Table 9 – 2023 Operating Budget COVID-19 Impacts

Total COVID-19 Financial Impact						
in \$ Millions	Year-To-Date Period 6			Year-End Forecast		
	Budget	Actual	Variance	Budget	Forecast	Variance
COVID-19 Financial Impact						
Lost Passenger revenue, net of PRESTO Commissions	169.3	172.2	2.9	328.1	325.9	(2.2)
Lost Ancillary Revenues	7.2	6.8	(0.4)	14.5	13.9	(0.6)
Incremental COVID-19 Expenses	12.7	9.5	(3.2)	23.8	19.0	(4.8)
Total COVID-19 Financial Impact	189.2	188.5	(0.7)	366.4	358.8	(7.6)

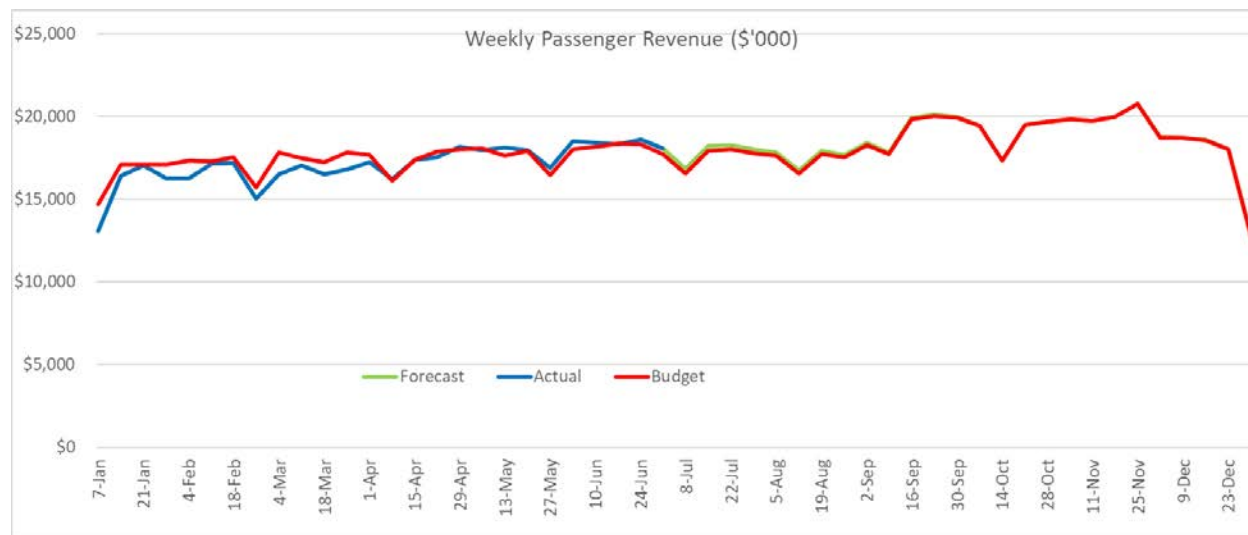
The net favourable variance of \$0.7 million year-to-date and a net favourable \$7.6 million anticipated at year-end are primarily due to passenger revenue loss experienced in Q1 from a more pronounced ridership impact on severe weather days compared to pre-pandemic. Revenue has since recovered and is 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-end passenger revenue is forecasted to be approximately \$3.8 million below budget. Of this \$3.8 million variance to budget, \$6.1 million is attributable to year-to-date Period 6 results due to year-to-date ridership levels being lower than budgeted primarily due to days with inclement weather in Q1. For the remainder of the year, passenger revenue is forecast to be substantially on budget due to slightly higher-than-expected ridership recovery. However, any incremental revenue going forward will mitigate the unrealized incremental passenger revenue due to the delayed opening of Line 5.

As shown below in Chart 2, passenger revenue have been slightly above budgeted levels since April and is anticipated to continue into Q3 as a result of increased discretionary travel in the warmer months. In Q4, passenger revenue is anticipated to track to budgeted levels as ridership recovery is expected to be limited primarily by the frequency of in-office workdays averaging approximately two days a week, resulting in marginal change in commuter ridership behaviour in 2023. The TTC will continue to monitor ridership trends and recovery and will update forecasts as new information becomes available.

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 as a result of COVID-19, due to lower commuter parking, advertising and subway concession revenue. The year-to-date impact is \$0.4 million below planned revenue and is anticipated to be \$0.6 million above at year-end, as commuter parking has recovered more than budgeted, which is partially offset by subway concessions recovery not achieving budgeted levels.

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 \$3.2 million below planned and is anticipated to be \$4.8 million below at end of the year, as COVID-related absenteeism gradually returns to pre-pandemic levels along with reduced PPE requirements.

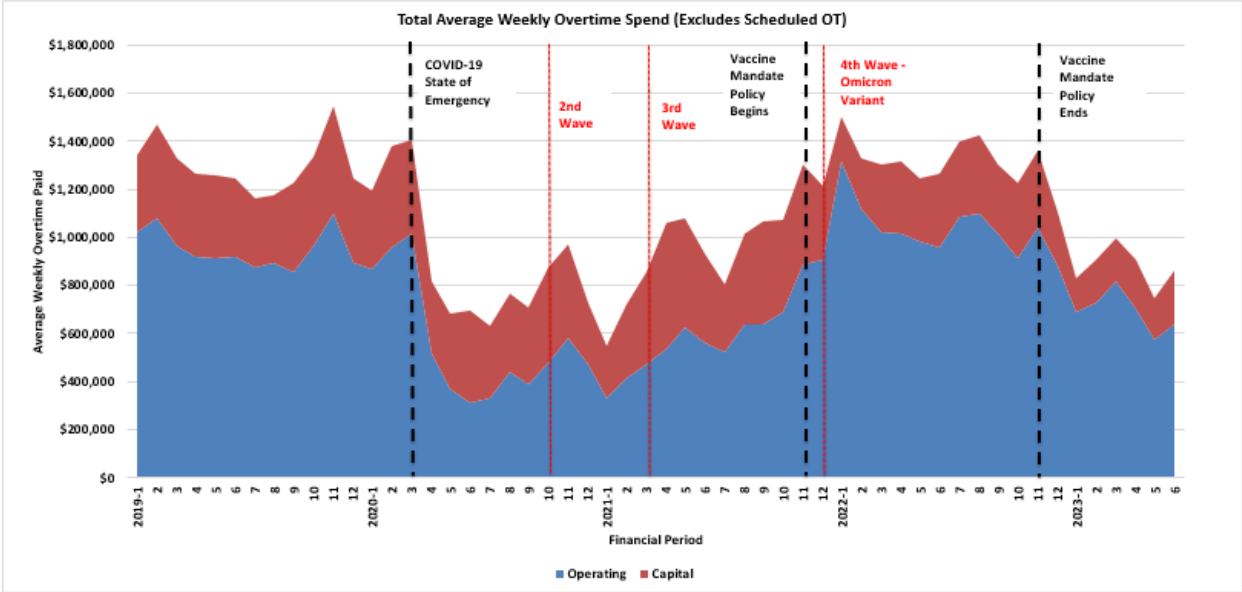
Overtime Management

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) in early 2023 has decreased from an average of \$1.3 million per week in 2022 to \$0.9 million per week for the same time period, a reduction of 34%, and is currently trending well below pre-pandemic (2019) levels. A key contributor to this change is improved 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.

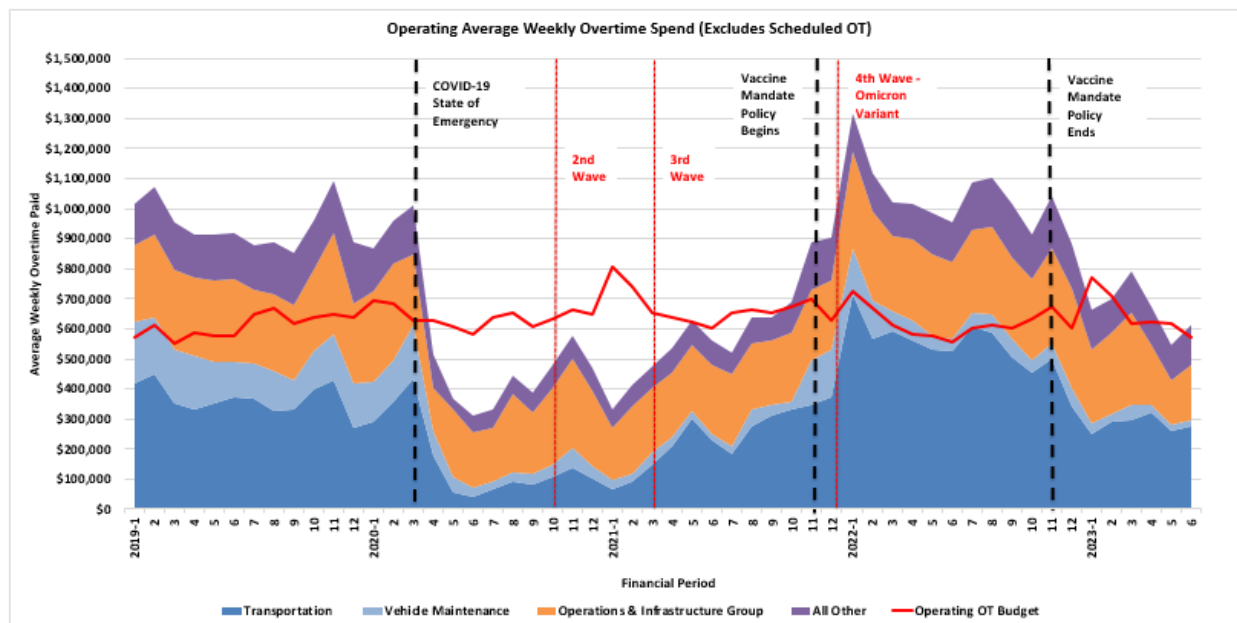
Chart 3 – Total Average Weekly Overtime Spending



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. Operating overtime has declined approximately 35% in the first half of 2023 compared to 2022. Overtime has especially declined in the Transportation and Vehicles Group, as hiring efforts were targeted at Operators in late 2022 and in addition to this, many employees in this group were reinstated when the mandatory vaccine policy ended in late 2022. In the first half of 2023, improved Operator availability has allowed the TTC to fill absence coverage on regular time through the use of spare Operators. Building on this improvement, continuous improvement actions are being taken to enhance the effective deployment of spare Operators to achieve further overtime reductions. Going forward, 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 and an increase in expenditures, and a \$349 million contribution from the Federal Government’s Zero Emission Transit Fund towards the purchase of 340 electric buses and 248 charge points, as well as other project acceleration/deferral adjustments.

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 will also be submitted with the Capital Variance Report for the six months ended June 30, 2023 for City Council consideration and approval.

With approval of the amendments included above and in Appendix 3, the TTC’s 10-Year Capital Budget and Plan will be revised as outlined in Table 10 below:

Table 10 – 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							349.4
Warden Station Bus Terminal Redevelopment	(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	-	-	-	-	430.9
Recommended Amendments:											
6M Variance Report Adjustments - Accelerations	2.1	(0.3)									1.8
6M Variance Report Adjustments - Deferrals	(2.1)	0.3									(1.8)
Total Recommended Amendments	-	-	-	-	-	-	-	-	-	-	-
Revised Capital Plan	1,449.2	1,791.5	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 6 2023 Capital Variance report to the Budget Committee and for City Council’s approval at its meeting on October 11, 2023.

2023 Capital Results and Projection to Year-End

As of July 1, 2023, the TTC incurred \$418.2 million in capital spending, reflecting a year-to-date spending rate of 88% when compared to the year-to-date planned (calendarized) budget of \$475.0 million for the TTC base capital program and \$38.0 million or 203.2% of the planned budget for the first six months for transit-expansion-related projects, resulting in an overall spending rate of 92.4% to the end of Period 6.

When comparing year-to-date spending to the total 2023 Capital Budget, 30.7% has been spent to the end of Period 6 for the TTC base capital program and 43.4% for transit-expansion-related projects resulting in a spending rate of 31.5% for the six month period.

By year-end, the TTC is projected to spend \$1.328 billion, representing an overall spending rate of 91.6% of the 2023 Approved Capital Budget, reflecting \$1.262 billion or 92.6% anticipated to be spent on the TTC’s base capital program and \$66 million or 75.5% on transit-expansion-related projects. Table 11 below summarizes the year-to-date and projected year-end results by key project type:

Table 11 – 2023 Capital Budget Results and Forecast

Description (\$ Millions)	Year-To-Date			2023		
	Budget	Actual	%	Budget	Projection	%
TTC Base Capital						
Infrastructure Projects	329.6	277.8	84.3%	849.8	802.2	94.4%
Vehicle Related Projects	145.4	140.4	96.6%	512.0	459.5	89.8%
Total - Base Capital	475.0	418.2	88.0%	1,361.8	1,261.7	92.6%
TTC Transit Expansion-Related Projects						
Toronto York Spadina Subway Extension	8.4	33.7	399.6%	56.0	39.6	70.7%
SRT Conversion to Busway	8.0	3.2	40.5%	27.4	23.5	85.8%
Waterfront Transit - Design	2.3	1.0	45.8%	4.0	2.9	73.4%
Total - Transit Expansion Related Projects	18.7	38.0	203.2%	87.4	66.0	75.5%
Total	493.7	456.2	92.4%	1,449.2	1,327.7	91.6%

Key Project Variances

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

Both the year-to-date and projected 2023 year-end capital results are primarily driven by underspending in Vehicle-Related projects, with the key project underspending attributable to the Purchase of TTC Buses/Wheel-Trans Buses and Subway Car Overhaul capital projects. Underspending in Infrastructure programs is projected in the following capital projects: the ATC Line 2 Resignalling project; Fire Ventilation Upgrades, Easier Access, Service Planning as well as IT-related projects, while delays related to the Toronto-York Spadina Subway Extension (TYSSE) contribute to underspending in the Transit-Expansion-Related programs.

Vehicle-Related Projects

Purchase of TTC Buses

A total of \$68.2 million or 22.8% of the 2023 Approved Capital Budget of \$299.4 million was spent as of the end of Period 6. Due to supply chain constraints, the TTC has experienced delays in the delivery of hybrid bus purchases from NOVA and New Flyer. As a result, the 2023 year-end spending projection is estimated at \$247.7 million or 83% of the 2023 Approved Capital Budget of \$299.4 million, as reflected in Appendix 2 of this report.

Purchase of Wheel-Trans Buses

A total of \$6.4 million or 23.7% of the 2023 Approved Capital Budget of \$27.0 million was spent as of the end of Period 6. The 2023 year-end spending projection is estimated at \$21.3 million, or 79% of the 2023 Approved Capital Budget of \$27.0 million. It is anticipated that the delivery of 17 seven-metre vehicles will be deferred to

Q1 2024 due supply chain issues related to the manufacturing of the bus chassis. As a result, \$5.7 million in planned milestone payments will be carried forward into 2024.

Subway Car Overhaul

A total of \$17.0 million or 59% of the 2023 Approved Capital Budget of \$29.0 million was spent as of the end of Period 6. The 2023 year-end spending projection is estimated at \$23.8 million or 82% of the 2023 Approved Capital Budget. The projected underspending is attributed to an ongoing review and refinement of technical requirements.

Infrastructure Projects

Lines 1 and 2 Automatic Train Control (ATC) Resignalling

A total of \$25.5 million or 51% of the 2023 Approved Capital Budget of \$50.2 million approved for the ATC Resignalling projects was spent as of the end of Period 6. The projected year-end spending is anticipated to be \$43.0 million or 86% of the 2023 Approved Capital Budget. The underspending is mainly driven by the Line 2 ATC Resignalling project's installation program. Due to limited construction resource availability, planned work was reduced. The ATC Line 2 early works construction activities have been re-forecasted to accommodate higher-priority SOGR programs that require resources to be utilized for that work.

Fire Ventilation Upgrades and Second Exits

A total of \$6.7 million or 18% of the 2023 Approved Capital Budget of \$37.9 million was spent to the end of Period 6. The projected year-end spending is anticipated to be \$29.5 million or 78% of the 2023 Approved Capital Budget. The underspending is primarily driven by the unforeseen site conditions and labour disruptions at the College Second Exit and Donlands Second Exit sites, which have caused a delay in the construction schedule.

Easier Access III and Stations Redevelopment

A total of \$34.6 million or 29% of the 2023 Approved Capital Budget of \$118.5 million was spent to the end of Period 6. The projected year-end spending is anticipated to be \$107.2 million or 91% 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 \$3.3 million or 19% of the 2023 Approved Capital Budget of \$17.1 million was spent as of the end of Period 6. The projected year-end spending is expected to be \$10.8 million or 63% of the 2023 Approved Capital Budget. The projected underspending is mainly attributed to the Transit Priorities project due to schedule changes and technical issues that need to be resolved with the compatibility of the VISION system. The Bus Lane Implementation project is also projected to be underspent due to a delay in the RapidTO plan approval at Dufferin and Jane, which has resulted in a deferral of the planned work and costs included the 2023 Capital Budget to 2024.

Computer Equipment and Software

A total of \$20.4 million or 25% of the 2023 Approved Capital Budget of \$80.1 million was spent to the end of Period 6. The projected year-end spending is anticipated to be \$57.5 million or 72% of the 2023 Approved Capital Budget. The underspending is primarily driven by changes to the design and hardware delivery schedule on the Corporate Camera Delivery project as a result of supply chain issues in obtaining the necessary camera equipment. In addition, a number of SOGR projects have experienced schedule delays, shifting expected work plans and funding to 2024 due to resourcing challenges.

TTC Transit Expansion-Related Projects

Toronto-York Spadina Subway Extension (TYSSE)

A total of \$33.7 million or 60% of the \$56.1 million included in the 2023 Approved Capital Budget for the YYSSE project was spent as of the end of Period 6. 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 close-out 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 submission to the City for inclusion in the Period 6 Variance report to City Council for its 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 June 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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Attachments

Appendix 1 – Period Ended July 1, 2023 Operating Results by Service
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 1-6, 2023)

Appendix 1 – Period Ended July 1, 2023 Operating Results by Service

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

As of July 1, 2023, the TTC Conventional Service net under-expenditures total \$10.6 million (1.7%), comprising of base under-expenditures of \$10.0 million and a COVID-19 under-expenditure of \$0.6 million.

Key drivers of underspending include:

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

The net under-expenditure is partially offset by:

- Cost of regular service hours operated 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 expenditure due to higher utilization and an 8.5% dental fee guide increase.
- Lower-than-anticipated passenger revenue due to significant weather events impacting ridership on inclement weather days in Q1.

The year-end net under-expenditure of \$28.4 million reflects a favourable expenditure variance of \$41.7 million, resulting from drivers noted above as well as diesel price forecasts trending below budgeted levels. The favourable expenditure variance is partially offset by an unfavourable revenue variance of \$13.3 million due to lower construction service recoveries and the unfavourable passenger revenue variance.

Key drivers to the favourable actual and projected year-end variances are detailed in Table 13 below:

Table 13 – TTC Conventional Service: 2023 Operating Results by Key Account Grouping

TTC Conventional Service							
Item (\$Millions)	Year-To-Date Actuals			Year-End Forecast			Status
	Budget	Actual	Variance	Budget	Forecast	Variance	
Revenues							
Passenger Revenue	451.8	445.6	(6.2)	931.4	927.6	(3.8)	✘
Other Ancillary Revenue	27.0	28.5	1.5	81.2	71.7	(9.5)	✘
Reserve Draw	0.0	0.0	0.0	35.6	35.6	0.0	-
Total Revenue	478.8	474.1	(4.7)	1,048.2	1,034.9	(13.3)	✘
Expenses							
Departmental Labour	582.0	575.8	(6.2)	1,188.2	1,178.0	(10.2)	✓
Departmental Non-Labour	137.4	134.8	(2.6)	310.3	293.3	(17.0)	✓
Employee Benefits	210.4	212.0	1.6	403.9	407.9	4.0	✘
Diesel	50.5	49.2	(1.3)	102.9	101.4	(1.5)	✓
Traction Power & Utilities	39.1	36.7	(2.4)	79.6	70.5	(9.1)	✓
Accident Claims	10.0	6.7	(3.3)	20.0	20.0	0.0	-
Other Corporate Costs	43.0	45.1	2.1	109.3	106.2	(3.1)	✓
Subtotal Base Expenses	1,072.4	1,060.2	(12.2)	2,214.2	2,177.3	(36.9)	✓
COVID-19 Costs	12.4	9.3	(3.1)	23.4	18.6	(4.8)	✓
Total Expenses	1,084.8	1,069.5	(15.3)	2,237.6	2,195.8	(41.7)	✓
Net Expenditure (Funding Required)	606.0	595.4	(10.6)	1,189.4	1,161.0	(28.4)	✓
Operating Funding							
COVID Funding Impact	188.9	188.4	(0.6)	366.0	358.4	(7.6)	✓
Base City Funding	417.1	407.0	(10.0)	823.4	802.5	(21.0)	✓
Total Operating Funding	606.0	595.4	(10.6)	1,189.4	1,161.0	(28.4)	✓

TTC Conventional Service: 2023 versus 2022 Results Comparison

Year-end passenger revenue is projected to be \$189.9 million (26%) higher in 2023 than in 2022, largely reflecting the impact of ridership recovery continuing as anticipated over the course of 2023. Year-to-date 2023 ridership has averaged 72% of pre-pandemic levels, up from the 53% for the same time period in 2022.

Other year-over-year revenue changes include higher ancillary revenue in 2023 reflecting the impact of increased ridership recovery, higher interest rate and construction cost recovery, and the impact of the budgeted 2023 Stabilization Reserve funding, with no comparable amount drawn in 2022.

Year-over-year expenditures is estimated to be \$128.6 million (6%) higher in 2023 than in 2022. Key drivers of this net increase include:

- Mobilization costs to prepare for the start of Line 5 revenue service based on a 2024 revenue service commencement date.
- Additional resources to advance System Safety, Cleanliness and Accessibility initiatives.
- Impact of Collective Agreement arbitrated settlement and staff economic increase.
- Inflationary impacts on materials, services and employee benefits.

- Several significant accident claims anticipated to be resolved and settled in 2023.
- Higher PRESTO Commissions, commensurate with the increase in Passenger Revenue.

COVID expenditures are forecasted to be \$12.7 million (40.8%) lower in 2023, primarily due to lower COVID-related sick benefit payments, lower PPE usage and 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.

Table 14 – TTC Conventional Service 2023 versus 2022 Results Comparison

TTC Conventional Service						
Item (\$Millions)	Year-To-Date Actuals			Year-End		
	2023 Actuals	2022 Actuals	Change	2023 Forecast	2022 Actuals	Change
Revenues						
Passenger Revenue	445.6	322.5	123.1	927.6	737.8	189.9
Other Ancillary Revenue	28.5	21.4	7.1	71.7	52.3	19.4
Reserve Draw	0.0	0.0	0.0	35.6	0.0	35.6
Total Revenue	474.1	343.9	130.2	1,034.9	790.1	244.8
Expenses						
Departmental Labour	575.8	538.6	37.2	1,178.0	1,126.3	51.7
Departmental Non-Labour	134.8	109.2	25.6	293.3	250.6	42.7
Employee Benefits	212.0	196.7	15.3	407.9	371.0	36.9
Diesel	49.2	53.4	(4.2)	101.4	109.9	(8.5)
Traction Power & Utilities	36.7	37.3	(0.6)	70.5	71.5	(1.1)
Accident Claims	6.7	6.7	(0.0)	20.0	12.7	7.3
Other Corporate Costs	45.1	44.2	0.9	106.2	94.0	12.2
Subtotal Base Expenses	1,060.2	986.2	74.1	2,177.3	2,036.0	141.3
COVID-19 Costs	9.3	16.2	(6.9)	18.6	31.3	(12.7)
Total Expenses	1,069.5	1,002.3	67.2	2,195.9	2,067.3	128.6
Net Expenditure (Funding Required)	595.4	658.4	(63.0)	1,161.0	1,277.2	(116.2)
Operating Funding						
COVID Funding Impact	188.4	231.3	(42.9)	358.4	543.5	(185.1)
Base City Funding	407.0	427.1	(20.1)	802.5	733.7	68.8
Total Operating Funding	595.4	658.4	(63.0)	1,161.0	1,277.2	(116.2)

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

On a year-to-date basis, Wheel-Trans expenses are \$1.2 million (1.7%) below budget with under-expenditures primarily due to lower maintenance costs from higher reliability on the new fleet. This is partially offset by higher average cost per trip on Contracted Taxis and an increase in Contracted Taxi requirement to accommodate higher-than-anticipated ridership levels while additional Operators are trained. Revenue and ridership began the year slightly below budgeted levels and has since increased to being 5.6% above budget in June, and is currently forecast to exceed the 2023 budget by 5%.

As a result of higher-than-anticipated ridership levels, additional Operators are being trained and the year-end projection reflects higher-than-budget expenditures for the balance of the year to accommodate the forecast ridership demand. Currently, the projected over-expenditure on the Wheel-Trans Service is expected to be offset by a net under-expenditure on the TTC Conventional Service.

Table 15 – 2023 Wheel-Trans Service: 2023 Operating Results by Key Account Grouping

Wheel-Trans Service							
Item (\$Millions)	Year-To-Date Actuals			Year-End Forecast			Status
	Budget	Actual	Variance	Budget	Forecast	Variance	
Passenger Revenues	3.2	3.1	(0.1)	6.5	6.7	0.2	✓
Expenses							
Bus Service	26.6	24.9	(1.7)	53.5	53.1	(0.4)	✓
Vehicle Fuel	2.1	1.8	(0.3)	4.3	3.9	(0.4)	✓
Contracted Taxi	24.5	26.5	2.0	50.1	54.4	4.3	✗
Employee Benefits	9.8	9.0	(0.8)	18.8	17.6	(1.2)	–
Administration/Management	7.7	7.4	(0.3)	15.6	15.8	0.2	✗
Subtotal Base Expenses	70.7	69.6	(1.1)	142.3	144.8	2.5	✗
COVID-19 Costs	0.3	0.2	(0.1)	0.4	0.4	0.0	–
Total Expenses	71.0	69.8	(1.2)	142.7	145.2	2.5	✗
Net Expenditure (Funding Required)	67.8	66.7	(1.1)	136.2	138.5	2.3	✗
Operating Funding							
COVID Impact Funding	0.3	0.2	(0.1)	0.4	0.4	0.0	–
Base City Funding	67.5	66.5	(1.0)	135.8	138.1	2.3	✗
Total Operating Funding	67.8	66.7	(1.1)	136.2	138.5	2.3	✗

As noted in Table 16 below, expenses are \$12.1 million (21.0%) higher and revenue is \$0.9 million (38.2%) higher on a year-to-date basis compared to 2022, primarily due to a gradual return in ridership demand and the resultant requirements for Contracted Taxi services and Operator workforce costs.

Year-end passenger revenue is projected to be \$1.7 million (34.2%) higher in 2023 than in 2022 largely reflecting the impact of ridership recovery continuing above anticipated levels over the course of 2023. For the full year, ridership is expected to be 35% higher compared to 2022.

Year-over-year expenditure are estimated to be \$23.2 million (19%) 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 and Operator workforce.
- 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 16 – Wheel-Trans Service: 2023 versus 2022 Results Comparison

Wheel-Trans Service						
Item (\$Millions)	Period 6 (Year-To-Date)			Year-End		
	2023 Actuals	2022 Actuals	Change	2023 Forecast	2022 Actuals	Change
Passenger Revenues	3.1	2.2	0.9	6.7	5.0	1.7
Expenses						
Bus Service	24.9	22.7	2.2	53.1	48.3	4.8
Vehicle Fuel	1.8	1.8	0.0	3.9	3.6	0.3
Contracted Taxi	26.5	17.7	8.8	54.4	39.0	15.4
Employee Benefits	9.0	7.8	1.2	17.6	15.5	2.1
Administration/Management	7.4	7.4	(0.0)	15.8	15.1	0.7
Subtotal Base Expenses	69.6	57.4	12.2	144.8	121.5	23.3
COVID-19 Costs	0.2	0.3	(0.1)	0.4	0.5	(0.1)
Total Expenses	69.8	57.7	12.1	145.2	122.0	23.2
Net Expenditure (Funding Required)	66.7	55.5	11.2	138.5	117.0	21.5
Operating Funding						
COVID Impact Funding	0.2	0.3	(0.1)	0.4	0.5	(0.1)
Base City Funding	66.5	55.2	11.3	138.1	116.5	21.5
Total Operating Funding	66.7	55.5	11.2	138.5	117.0	21.5

Appendix 2 – 2023 Capital Spending Summary by Program

Toronto Transit Commission 2023 Capital Budget Variance (Period 6) For the Period Ended July 1, 2023

EXPENDITURES BY PROGRAM	Year-to-Date				2023			
	Budget	Actuals	Variance	%	Budget	YE Projection	Variance	%
TRACK	26.914	29.621	(2.707)	110%	84.615	80.129	4.486	95%
1.1 Subway Track	15.344	18.061	(2.717)	118%	30.801	30.801	0.000	100%
1.2 Surface Track	11.570	11.560	0.010	100%	53.814	49.328	4.486	92%
ELECTRICAL SYSTEMS	47.759	50.236	(2.477)	105%	116.599	108.308	8.290	93%
2.1 Traction Power	9.772	10.946	(1.173)	112%	24.505	27.776	(3.271)	113%
2.2 Power Distribution/Electric Systems	2.699	2.638	0.062	98%	8.245	8.135	0.111	99%
2.3 Communications	7.225	5.370	1.855	74%	15.018	11.231	3.787	75%
2.4 Signal Systems	5.818	5.768	0.049	99%	18.636	18.208	0.428	98%
ATC Resignalling	22.245	25.514	(3.269)	115%	50.194	42.959	7.236	86%
BUILDINGS & STRUCTURES	199.386	165.422	33.963	83%	503.829	508.440	(4.611)	101%
3.1 Finishes	11.499	6.319	5.179	55%	25.700	25.432	0.268	99%
3.2 Equipment	44.081	38.864	5.218	88%	110.694	135.122	(24.428)	122%
3.3 Yards & Roads								
Streetcar Network Upgrades & BRT	0.316	0.493	(0.177)	156%	0.342	0.898	(0.556)	262%
On-Grade Paving Rehabilitation Program	5.503	2.979	2.524	54%	11.312	12.507	(1.195)	111%
Bicycle parking at stations	0.043	0.051	(0.008)	120%	0.087	0.043	0.044	50%
Transit Shelters & Loops	0.000	0.000	(0.000)		0.226	0.363	(0.137)	161%
3.4 Bridges & Tunnels	18.877	14.639	4.238	78%	44.428	44.526	(0.097)	100%
3.9 Buildings and Structures Projects								
Fire Ventilation Upgrades & Second Exits	11.687	6.710	4.977	57%	37.908	29.534	8.374	78%
Easier Access Phase III	43.665	34.631	9.034	79%	116.438	107.217	9.221	92%
Leslie Barns	0.327	0.857	(0.529)	262%	0.566	0.974	(0.408)	172%
Toronto Rocket/T1 Rail Yard Accommodation	14.315	12.799	1.516	89%	30.335	32.030	(1.695)	106%
McNicoll New Bus Garage	0.220	0.243	(0.023)	111%	0.550	0.478	0.072	87%
Warehouse Consolidation	0.025	0.013	0.012	51%	0.711	0.339	0.372	48%
Yonge-Bloor Capacity Enhancement	3.127	5.051	(1.924)	162%	19.351	18.422	0.929	95%
Line 1 Capacity Enhancement	10.151	9.252	0.899	91%	25.426	23.069	2.357	91%
Line 2 Capacity Enhancement	7.510	5.814	1.695	77%	13.325	13.090	0.235	98%
Other Buildings and Structures	28.041	26.708	1.332	95%	66.429	64.396	2.032	97%
VEHICLES	145.392	140.385	5.008	97%	511.951	459.494	52.457	90%
REVENUE VEHICLES								
4.11 Purchase of Buses	68.920	68.242	0.678	99%	299.409	247.705	51.705	83%
4.11 Purchase of Buses - Wheel Trans Buses	10.701	6.388	4.313	60%	26.979	21.290	5.689	79%
4.12 Purchase of Subway Cars	1.011	1.013	(0.002)	100%	2.310	1.623	0.687	70%
4.13 Bus Overhaul	30.791	33.271	(2.480)	108%	64.991	70.578	(5.586)	109%
4.15 Streetcar Overhaul	7.292	7.406	(0.115)	102%	20.301	20.579	(0.278)	101%
4.16 Subway Car Overhaul	15.694	16.986	(1.292)	108%	27.478	23.773	3.705	87%
4.18 Purchase of Streetcars	7.038	3.517	3.521	50%	57.189	62.119	(4.931)	109%
NON-REVENUE VEHICLES								
4.21 Purchase Automotive Non-Revenue Vehicles	2.820	2.899	(0.080)	103%	9.712	9.712	0.000	100%
4.22 Rail Non-Revenue Vehicle Overhaul	0.826	0.527	0.299	64%	1.838	1.553	0.286	84%
4.23 Purchase Rail Non-Revenue Vehicles	0.300	0.135	0.165	45%	1.743	0.562	1.182	32%
TOTAL OTHER	55.538	32.556	22.982	59%	144.833	105.293	39.540	73%
TOOLING, MACHINERY & EQUIPMENT								
5.1 Shop Equipment	3.867	2.930	0.938	76%	8.198	9.208	(1.010)	112%
5.2 Revenue & Fare Handling Equipment	4.184	0.093	4.091	2%	11.345	8.345	3.000	74%
5.3 Other Maintenance Equipment	0.659	0.014	0.645	2%	3.560	2.027	1.533	57%
5.4 Fare System	4.575	2.260	2.315	49%	9.178	5.178	4.000	56%
ENVIRONMENTAL PROGRAMS								
6.1 Environmental Programs	5.972	3.257	2.715	55%	12.678	9.621	3.058	76%
6.1 Safety and Reliability	0.729	0.231	0.498	32%	2.130	2.130	0.000	100%
COMPUTER EQUIPMENT & SOFTWARE								
7.1 Computer Equipment & Software	30.530	20.391	10.138	67%	80.148	57.491	22.657	72%
OTHER								
9.1 Furniture & Office Equipment	0.360	0.037	0.323	10%	0.477	0.477	0.000	100%
9.2 Service Planning	4.662	3.342	1.320	72%	17.119	10.816	6.302	63%
Total Base Programs	474.990	418.220	56.770	88%	1,361.826	1,261.664	100.162	93%
Toronto York Spadina Subway Extension	8.430	33.689	(25.259)	400%	56.061	39.671	16.390	71%
SRT Life Extension / Transition	7.998	3.241	4.757	41%	27.355	23.461	3.894	86%
Waterfront Transit - Design	2.260	1.036	1.224	46%	3.979	2.920	1.059	73%
Total Transit Expansion Projects	18.688	37.966	(19.278)	203%	87.396	66.052	21.343	76%
Total Base & Transit Expansion Projects	493.677	456.186	37.492	92%	1,449.222	1,327.716	121.506	92%

Note: Projected year-end overspending will continue to be assessed and budget adjustments will be submitted with the Financial and Major Projects Update for the Period Ended September 30, if required.

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

CTT	Program	2023 Recommended Capital Budget Adjustments (\$000s)	2024-2032 Recommended Capital Budget Adjustments (\$000s)
CTT002	Surface Track	\$137	\$0
CTT006	Communications	(\$428)	\$0
CTT008	Signal Systems	\$428	\$0
CTT010	Finishes	\$25	(\$25)
CTT018	On-Grade Paving Rehabilitation Program	(\$25)	\$25
CTT020	Bridges and Tunnels	\$0	\$520
CTT050	Streetcar Overhaul Program	\$1,496	(\$296)
CTT051	Subway Car Overhaul Program	(\$1,496)	\$296
CTT053	Rail Non-Revenue Vehicle Overhaul	\$16	\$0
CTT054	Rail Non-Revenue Vehicle Purchase	(\$16)	\$0
CTT064	Transit Shelters and Loops	(\$137)	\$0
CTT110	Other Buildings and Structures Projects	\$9	(\$520)
CTT149	Bicycle Parking at Stations	\$22	\$0
CTT154	Corporate Initiatives-CLA	(\$22)	\$0
CTT157	Line 2 Capacity Enhancement	(\$9)	\$0
Total Adjustments		\$0	\$0



MAJOR PROJECTS UPDATE REPORT

Period Ended July 1, 2023

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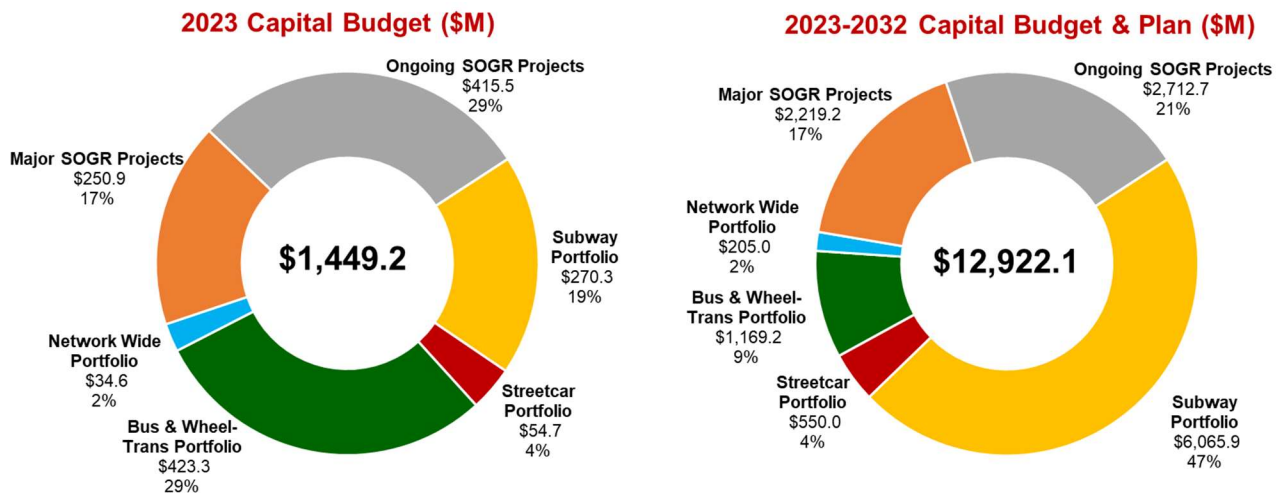
This report has been prepared by the Portfolio Management Office in consultation with the Project Teams.

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 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 provides co-ordination 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	\$10.2	\$9.3	\$25.4	\$1345.0	\$1385.3	\$49.6	\$5949.3	Y	Y	G	Y
Line 1 - Automatic Train Control (ATC) Resignalling	SOGR	\$16.9	\$20.4	\$35.6	\$69.9	\$710.2	\$660.6	\$710.2	G	G	G	G
Purchase of New Subway Trains (T1 Replacement & Growth)	Growth/SOGR	\$1.0	\$1.0	\$2.3	\$811.6	\$817.1	\$6.4	\$2492.7	R	R	G	R
Line 2 - Capacity Enhancement Program (Line 2 CEP)	SI	\$7.5	\$5.8	\$13.3	\$847.6	\$867.2	\$25.4	\$2770.5	Y	Y	G	Y
Line 2 - Automatic Train Control (ATC) Resignalling	SOGR	\$5.3	\$5.1	\$14.6	\$619.7	\$624.9	\$10.3	\$812.6	Y	Y	G	Y
Bloor-Yonge Capacity Improvements	SI	\$3.1	\$5.1	\$19.4	\$1380.0	\$1440.1	\$65.1	\$1514.0	Y	G	G	Y
Easier Access Phase III	Legislative	\$43.7	\$34.6	\$116.4	\$627.9	\$1168.7	\$575.5	\$1178.7	R	Y	G	R
Fire Ventilation Upgrades & Second Exits	Legislative	\$11.7	\$6.7	\$37.9	\$347.8	\$726.9	\$385.8	\$836.2	Y	Y	G	Y
Stations Transformations	SI	\$3.0	\$3.5	\$5.4	\$16.4	\$50.8	\$37.9	\$50.8	Y	G	G	Y
Total Subway Portfolio		\$102.4	\$91.4	\$270.3	\$6065.9	\$7791.1	\$1816.6	\$16314.9				
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					
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	\$237.1M	\$782.8M	\$7,990.2M	\$10,486.0M	\$22,938.6M						
R	At Risk / Missed Target											

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 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 to accommodate growth in ridership demand to 2041.

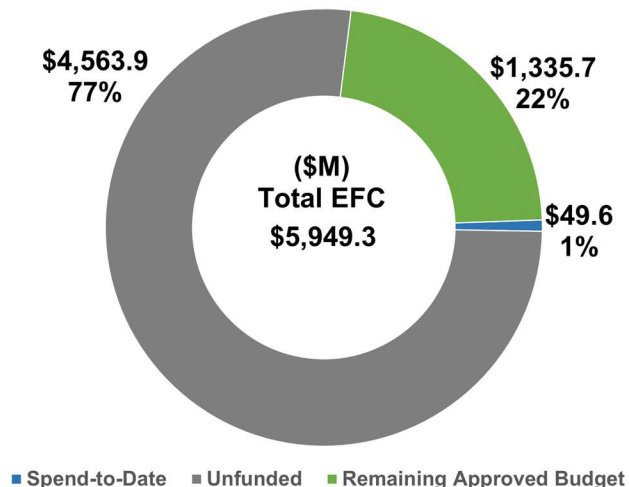
Scope Description

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; 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);
 - 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	\$10.2M
2023 YTD Actuals	\$9.3M
Overall Performance Status	Y



Progress Update

Station Capacity – Modifications and Upgrades:

- King Station: Preliminary Design Review (30%) – Concourse Expansion and Additional Exit is underway and expected to be completed by Q4 2023.
- 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 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 expected to be completed by Q2 2024.

Fire Ventilation Requirements:

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

Guideway Enhancement:

- Preliminary Design Review (30%) for the New Siding Track (Bloor-Yonge to Rosedale) is underway and expected to be completed by Q4 2023.

Train Maintenance and Storage Facility (TMSF):

- The TTC is undertaking the necessary due diligence for potential site locations for a new Line 1 TMSF. A Stakeholder Management Plan and Procurement Strategy Report is under development. The TMSF is in early planning phase.

Key Issues/Risks and Mitigation Activities

Key Risks and Mitigation:

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

- A new Train Maintenance and Storage Facility (TMSF) is essential to store and maintain the new subway trains required for Line 1. As of this submission, 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 the ongoing intergovernmental funding advocacy. A separate report to the Board will outline recommendations and next steps.

Next Steps

The following activities are scheduled for 2023:

Stations Modifications:

- Commence Detailed Design (100%) for the King Station – Concourse Expansion and Additional Exit in Q3 2023.

Systems and Infrastructure:

- Feasibility Study and Concept Design for Lytton Emergency Service Building (ESB).
- Preliminary Design for Markdale ESB Fire Ventilation Upgrade.
- Feasibility Study and Concept Design for New Traction Power Substation at Highway 407.
- Preliminary Design Review for New Siding Track from Bloor-Yonge to Rosedale.
- Detailed Design for Negative Reinforcing Cables from Vaughan Metropolitan Centre to Sheppard West.

Train Maintenance and Storage Facility (TMSF):

- Continue to advance due diligence and consultation with municipal partners on potential site locations.
- Develop a market-sounding strategy.
- Complete 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.

Line 1 – Automatic Train Control (ATC) Resignalling

Description

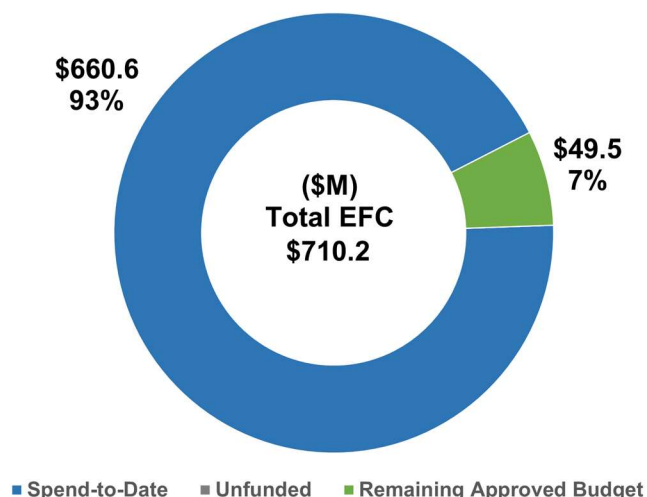
The program includes resignalling Line 1 (Vaughan Metropolitan Centre to Finch) to improve reliability, on-time service, faster travel times, and increase capacity to reduce crowding.

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	\$16.9M
2023 YTD Actuals	\$20.4M
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 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 to the Board will outline recommendations and next steps.

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

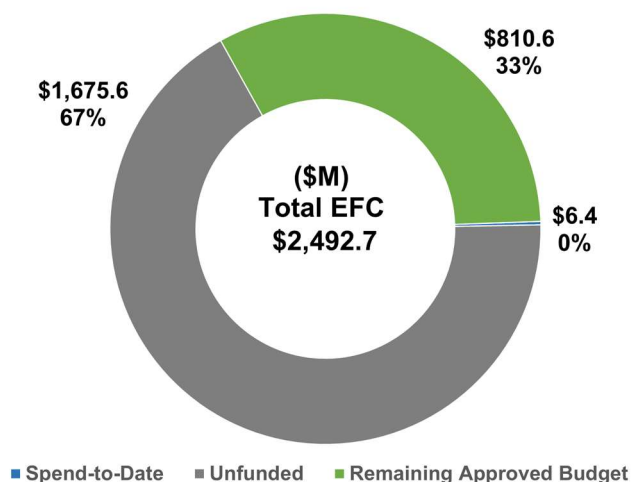
Procurement and delivery of 80 subway trains required to be delivered starting in 2029:

- 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	\$1.0M
2023 YTD Actuals	\$1.0M
Overall Performance Status	R



Progress Update

In June 2023, the TTC was required to cancel the active RFP for the new subway 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 has been prepared for the Board to provide an overview of the implications and recommended next steps.

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 previously 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 (City of Toronto has committed \$811M).

As of this submission, there is no committed funding for the new subway train order from Provincial or Federal partners. The TTC continues to have ongoing engagement with the Provincial and Federal governments.

Key Issues/Risks and Mitigation Activities

Key Issues and Mitigation:

- The recent cancellation of the RFP, which was issued in October 2022, has resulted in the need to update and rebaseline the schedule and cost estimates based on a number of scenarios, including implications to the system. The TTC is actively engaged with its Federal and Provincial partners. A separate report will be presented to the Board outlining recommendations and next steps.
- Recent increases in market conditions will potentially 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

- Report to Board on recommendations and next steps.

Note:

- 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. Note: cost estimate will need to be revised.

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 interdependent investments in the procurement of the New Subway Trains (NSTs) to replace the aging T1 fleet, and the implementation of Automatic Train Control (ATC) signalling system on Line 2.

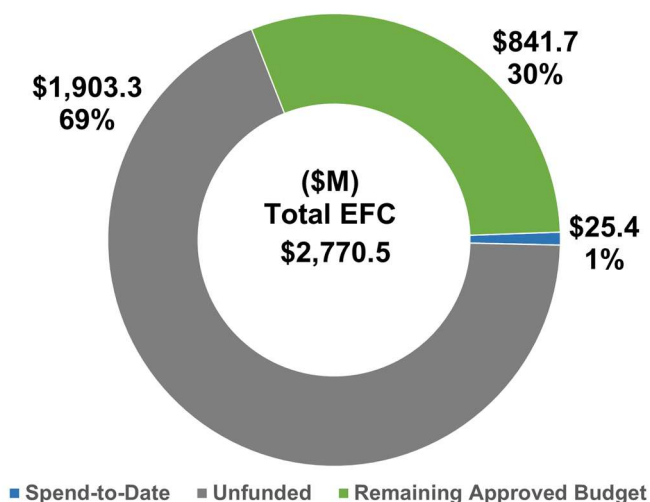
Scope Description

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)	\$847.2M
2023 Budget	\$13.3M
2023 YTD Budget	\$7.5M
2023 YTD Actuals	\$5.8M
Overall Performance Status	⚠



Progress Update

Station Capacity – Modification and Upgrade:

- Spadina Station: Detailed Design Review (100%) for the Spadina Station – Streetcar Platform Extension is underway and expected to be completed by Q3 2023.
- Feasibility and Concept Design Review (10%) for the Spadina Station – Central Vertical Circulation Elements (VCE) Relocation is underway and expected to be completed by Q3 2023.

Traction Power:

- Scope Design (30%) for the Duct Bank Installation at Warden and Victoria Park commenced in Q1 2023 and expected to be completed by Q2 2024.
- Lansdowne Station: Scope Design (30%) for the Lansdowne Substation Upgrade commenced in Q2 2023 and expected to be completed by Q2 2024.

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.

Greenwood Facility:

- Completed the Preliminary Design Review (30%) for the Facility Carhouse.
- The Concept Design Review (10%) for the Overhaul Shop is underway and expected to be completed by Q4 2023.
- The Concept Design (10%) for Equipment Room commenced in Q1 2023 and expected to be completed by Q3 2023.

Key Issues/Risks and 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 to confirm train delivery strategy.
- Potential changes to forecast demand can 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

Stations Capacity:

- Obtain Detailed Design (100%) approval for Spadina Streetcar Platform Extension.

Trains and Yards – Greenwood Yard:

- Obtain Preliminary Design (30%) approval for Greenwood Yard Carhouse Modifications.
- Obtain Feasibility Study and Concept Design (10%) approval for Greenwood Overhaul Shop.

Systems and Infrastructure:

- Commence Detailed Design (100%) for the Positive and Negative Feeders at the Broadview Substation in Q3 2023.

Note:

- 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.

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, which is at /approaching its 30-year service life needs to be replaced with New Subway Trains equipped with the required modernized systems to operate with ATC.

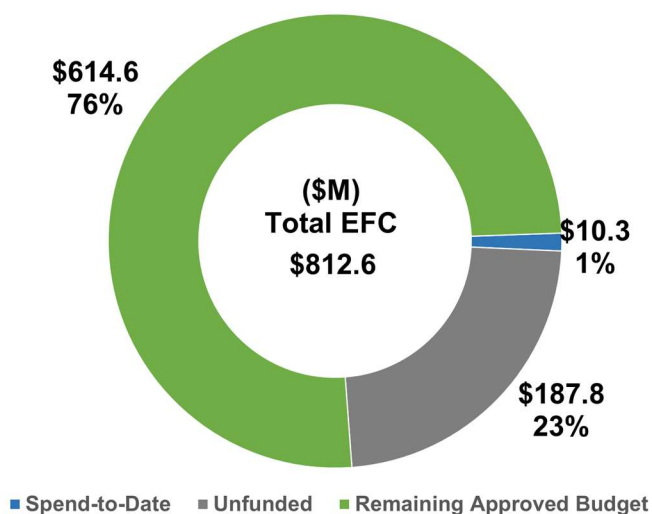
Scope Description

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	\$14.6M
2023 YTD Budget	\$5.3M
2023 YTD Actuals	\$5.1M
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) document 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 Mitigation Activities

Key Issues and Mitigation:

- 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 RFP cancellation for the procurement of NSTs has a direct impact on the schedule, 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. A separate report will be presented to the Board on recommendations and next steps.

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.

Note:

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

Bloor-Yonge Capacity Improvements

Description

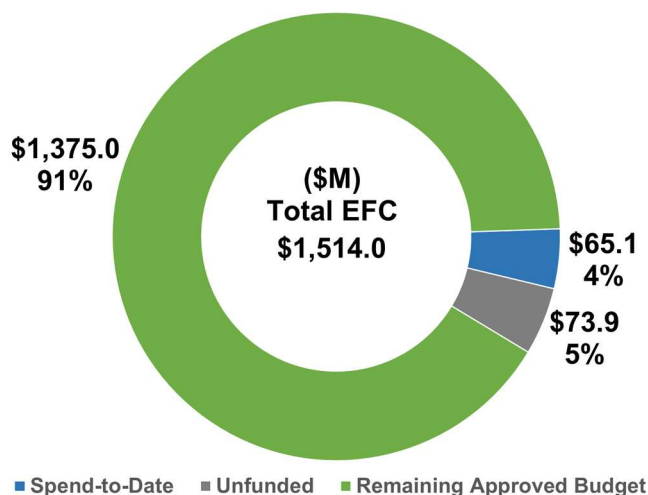
This project provides for a design retrofit and expansion of the Bloor-Yonge interchange station, including a new Line 2 platform, and the expansion of the Line 1 platforms to address overcrowding, improve accessibility and accommodate future ridership growth from expansion.

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	\$3.1M
2023 YTD Actuals	\$5.1M
Overall Performance Status	Y



Progress Update

- The early works demolition package for removal of the existing structures on 81 Bloor Street 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.
- A Request for Pre-Qualification (RFPQ) for a Progressive Design-Builder was released on December 6, 2022, which will be closing in Q3 2023. This process allows for greater efficiency to make easy comparisons and shortlist vendors from a list of qualified proponents. The TTC will be undertaking evaluations and shortlisting proponents before issuing the Request for Proposal (RFP) in Q4 2023.

Key Issues/Risks and Mitigation Activities

Key Risks and Mitigation:

The overall status is at caution due to the following:

- 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%.
- 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

- The RFPQ for a Progressive Design-Builder is scheduled to close in Q3 2023, followed by an evaluation of submissions before issuing the RFP in Q4 2023.
- The City will initiate Stage 2 expropriation of 2 Bloor St. E. in Q4 2023 unless a negotiated settlement can be reached with the developer.

Note:

- 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

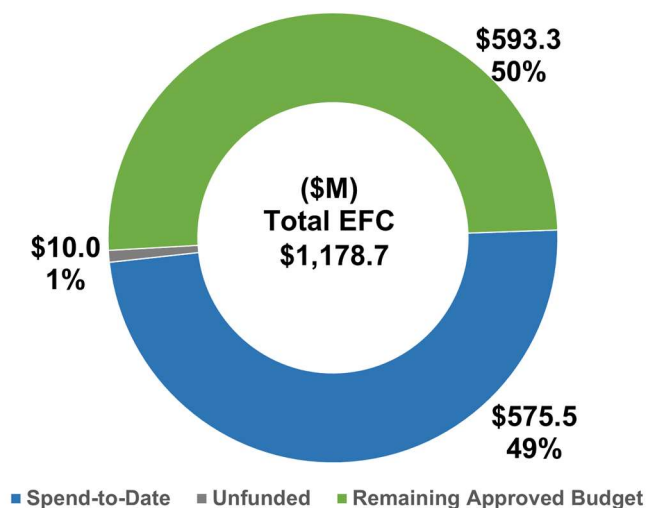
The Easier Access Phase III (EAIII) program provides upgrades to all TTC subway stations with accessible features such as elevators, automatic sliding doors, updated signage and wayfinding. The program also includes the redevelopment of Islington and Warden stations. The program contributes to the TTC's 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	2026 ¹
Estimated Final Cost (EFC)	\$1,178.7M
Total Approved Budget	\$1,168.7M
10-Year Approved Budget (2023-2032)	\$627.9M
2023 Budget	\$116.4M
2023 YTD Budget	\$43.7M
2023 YTD Actuals	\$34.6M
Overall Performance Status	Ⓜ



Progress Update

As of July 1, 2023, 56 subway stations have been made accessible. The following summarizes the current phase of the remaining stations in the program:

- 15 stations are under construction, with seven stations having commenced construction in 2022 (Lawrence, High Park, Christie, Museum, Warden (Easier Access), Spadina and King); Islington Station commenced in 2023.
- Yorkdale and Lansdowne stations are accessible and construction continues in order to reach Substantial Performance (SP).
- The contract award for Islington Station Redevelopment was approved by the Board and awarded in May 2023.
- The tender for Warden Station Redevelopment contract closed on July 25, 2023 and construction was awarded as planned.

Key Issues/Risks and Mitigation Activities

A full update on all program activities has been developed and is included in a detailed report for the September Board meeting. Further consultation with ACAT and related communications have also been outlined.

Key Issues and Mitigation:

- Construction at Old Mill Station is delayed because 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.
- The program schedule has been impacted due to COVID-19, labour strikes, third-party conflicts, labour shortages, 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.

Key Risks and Mitigation:

- Design and Construction complexities pose significant challenges. Impacts due to retrofit of complex stations, including stairs/escalators, adjacent properties and utility conflicts result in longer design durations to resolve issues. The project team continues to resolve issues to 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 design development and maturity. The TTC is continuing to monitor costs and look for opportunities to reduce costs where possible.

Next Steps

The following activities are underway for the two stations that are currently in pre-construction:

- Warden (Redevelopment): Advance the redevelopment construction contract for Warden Station (Redevelopment).
- Old Mill: Continue negotiations with affected property owners, including expropriation proceedings and secure outstanding property requirements, permits and approvals.

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 has been included in the September Board agenda.

Note: ¹In addition to station accessibility, this program will also deliver the redevelopment of Warden and Islington stations, which will not be complete until 2026. The overall program schedule is also under review and will be reported in September 2023.

Fire Ventilation Upgrades and Second Exits

Description

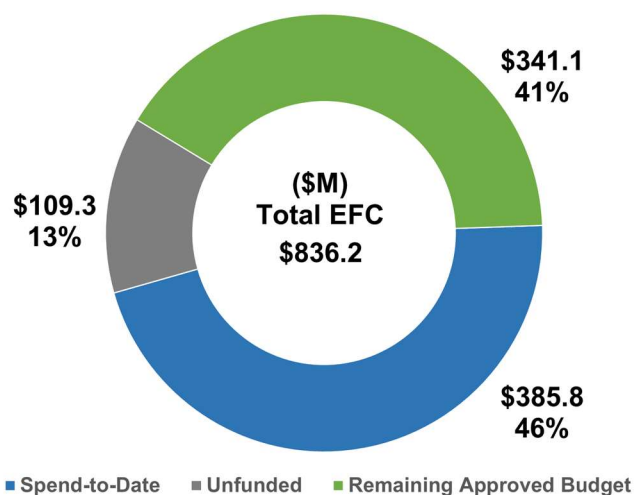
This program provides for the improvement of ventilation in subway tunnels, the construction of second exits at 14 high-priority stations to provide a second means of egress, and the replacement of the existing subway ventilation equipment and associated services, which are nearing the end of its service 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	\$11.7M
2023 YTD Actuals	\$6.7M
Overall Performance Status	Y



Progress Update

Fire Ventilation Upgrades:

As of July 1, 2023, 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 and Clanton Park Emergency Service Building (ESB), and Sherbourne stations.
- Construction of all fan rooms, vent shafts and electrical rooms.
- Installation of Subway Ventilation fan assemblies and all associated equipment and services.

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.
- Planning/Design are currently underway at St Clair West Station, Markdale and Lytton ESB as part of the Line 1 Capacity program; and at Bloor-Yonge Station as part of the Bloor-Yonge Capacity Improvements project.

- 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.

Second Exits/Entrances:

As of July 1, 2023, 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.
- Two stations are in detailed design: Summerhill and Dundas West.
- Two stations are in planning and property search phase: Greenwood and Dundas.
- Obtained Board approval at the February meeting for the execution of the design and construction agreement with Metrolinx.
- Awarded the contract (managed by Metrolinx) for Dundas West and Metrolinx Bloor GO/UP Express Interchange connection.

Key Issues/Risks and Mitigation Activities

Key Risks and Mitigation:

- The TTC is working collaboratively with contractors, developing and executing recovery plans arising from unforeseen site conditions or labour strikes at College, Donlands and Museum stations. 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.
- The TTC is also consulting with local Councillors in the early design stage to support the permit approval process for partial or full station closures to mitigate concerns resulting from construction complexities that may impact the community.
- 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

- Advance 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.

Note:

- 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.

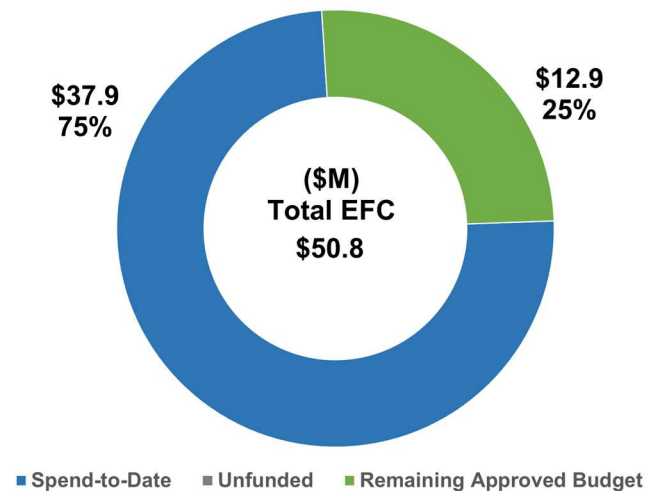
Scope Description

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	\$5.4M
2023 YTD Budget	\$3.0M
2023 YTD Actuals	\$3.5M
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 (call connects to Transit Control Centre). This helps to 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 is now complete, 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:

- 29 stations have at least 90% camera coverage out of 70 stations (excludes SRT stations that are being decommissioned in 2023). 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 27 additional stations by the end of Q4 2023. The remaining 14 stations are scheduled to be completed by the end of Q4 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 (46 stations). 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 and will be commissioned in 2023 starting with a soft launch in the Downtown Zone. 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 Mitigation Activities

- 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 regulations. 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 21 additional stations by Q3 2023, and further six stations by the end of Q4 2023.

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	\$68.8	\$68.2	\$298.2	\$889.2	\$1118.9	\$297.9	\$4095.8	Y	Y	G	Y
eBus Charging Systems	SOGR	\$33.4	\$30.7	\$81.3	\$176.4	\$233.8	\$88.1	\$793.2	Y	Y	G	Y
Purchase of Wheel-Trans Buses	SOGR	\$10.7	\$6.4	\$27.0	\$48.7	\$92.3	\$49.9	\$429.0	Y	Y	G	Y
Wheel-Trans 10-Year Transformation	Legislative	\$0.4	\$0.5	\$0.6	\$17.2	\$49.8	\$33.2	\$49.8	G	G	G	G
SRT Bus Replacement & Modifications	SOGR	\$4.2	\$2.6	\$16.2	\$37.7	\$40.5	\$5.4	\$96.2	Y	R	G	R
Total Bus & Wheel-Trans Portfolio		\$117.5	\$108.4	\$423.3	\$1169.2	\$1535.2	\$474.4	\$5463.9				
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											
		\$237.1M	\$782.8M	\$7,990.2M	\$10,486.0M	\$22,938.6M						
R	At Risk / Missed Target											

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.

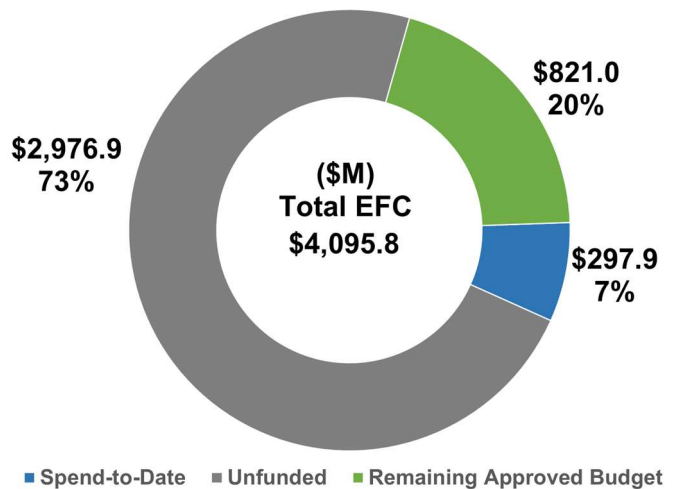
Scope Description

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-emission 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	\$298.2M
2023 YTD Budget	\$68.8M
2023 YTD Actuals	\$68.2M
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 89 buses out of 336 delivered to-date, of which 36 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.
- Pre-production meetings have commenced with deliveries expected to start in Q2 2024.

Key Issues/Risks and Mitigation Activities

Hybrid-Electric Buses:

Key Issues and Mitigation:

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

Zero Emission Buses/eBuses:

Key Risks and Mitigation:

- The bus delivery schedule is currently being finalized with the vendor following the recent contract award and announcement of ZETF Federal funding in April 2023. The project team is working closely with the vendors to mitigate potential delays.
- The program is currently funded for 340 eBus procurements. Funding commitment for buses in 2025 and beyond is required beginning in Q3 2023 in order to transition the fleet to achieve zero-emissions target by 2040 as part of TTC's Green Bus program, which was approved by the Board in November 2017.
- 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.

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 pre-production meetings and negotiate all aspects of the contract with the vendors by Q3 2023.
- Finalize the delivery schedule, requiring the vendors to deliver a total of 340 eBuses by 2025.

Note: \$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 zero-emissions fleet along with the City of Toronto's TransformTO target of Net-Zero by 2040.

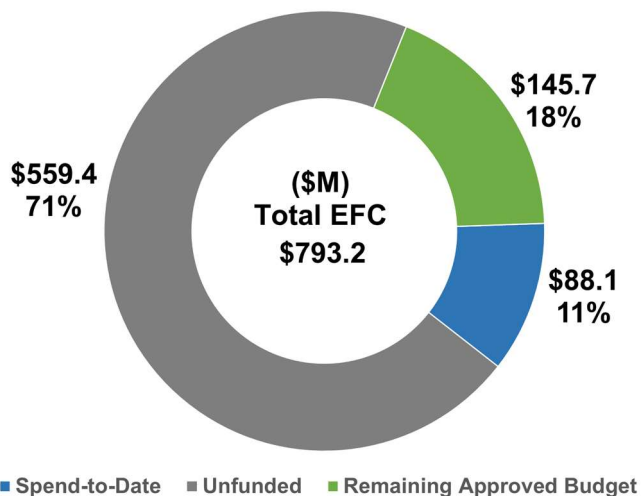
Scope Description

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.

Financials

Project/Program Start	2016
Forecast Completion Year	2040
Estimated Final Cost (EFC) ¹	\$793.2M
Total Approved Budget	\$233.8M
10-Year Approved Budget (2023-2032)	\$176.4M
2023 Budget	\$81.3M
2023 YTD Budget	\$33.4M
2023 YTD Actuals	\$30.7M
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 the first eBus pantograph charging system at Birchmount Garage. This innovative eBus charging system is the first initiative 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. Currently, charge points are available to support bus deliveries until Q2 2024.

- Since the execution of the Principal Agreement, a schedule has been developed for the program. 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, with Phase 1 at Arrow Road Garage, which is on track to complete installation by the end of Q4 2023.
- Procurement is on track for the ZETF projects at seven garages.

Key Issues/Risks and Mitigation Activities

Key Risks and Mitigation:

- 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.
- 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 and schedules are being integrated and monitored closely (status at caution). In addition, alternative options are being developed to mitigate this risk.
- Post 2025, the TTC electrification infrastructure to support the required additional buses between 2026 to 2037 remains unfunded in the TTC's Capital Investment Plan. This poses a risk to the achievement of the Net Zero target emissions by 2040. The project team will continue to progress work using the current approved funding.

Next Steps

- Complete Conceptual Design for four garages and 80% Design for four garages by end of Q4 2023.
- Complete installation and commissioning for Phase 1 at Arrow Road Garage by the end of Q4 2023.
- Complete baseline schedule for the program by 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 seven-metre ProMaster buses and 75 six-metre ProMaster buses to replace end-of-life vehicles and grow the fleet to meet the ridership demand.

Scope Description

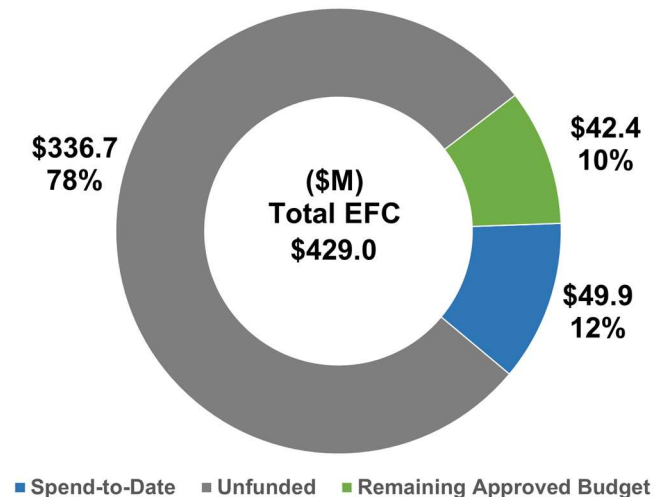
Improved accessibility, customer experience, vehicle reliability and safety by replacing existing Wheel-Trans buses at end-of-life with the procurement and deployment of:

- 137 seven-metre ProMaster buses between 2021 and 2023.
- 75 six-metre ProMaster buses between 2023 and 2025.

Note: Electric Wheel-Trans buses are planned post 2024.

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	\$27.0M
2023 YTD Budget	\$10.7M
2023 YTD Actuals	\$6.4M
Overall Performance Status	Y



Progress Update

137 Seven-Metre ProMaster Buses:

- To date, the TTC has received 91 of 137 vehicles (seven-metre ProMaster), of which 85 are in-service and the remaining are undergoing commissioning.

75 Six-Metre ProMaster Buses:

- The First Article Inspection for the six-metre ProMaster vehicle was completed on February 21, 2023.

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 submissions are currently being reviewed. Completed engagement with internal stakeholders as well as ACAT in June 2023.

Key Issues/Risks and Mitigation Activities

Key Risks and Mitigation:

- The lead time for Fiat Chrysler Automotive (FCA) 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 and FCA 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 these vehicles for 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.

Next Steps

- 7m ProMaster: Continue to receive production vehicles and complete commissioning process. Receive 29, 7m ProMaster vehicles by the end of Q4 2023.
- 6m ProMaster: Complete pre-production meetings and receive production vehicles commencing in Q4 2023. Receive 23, 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 and award contract in 2024.

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

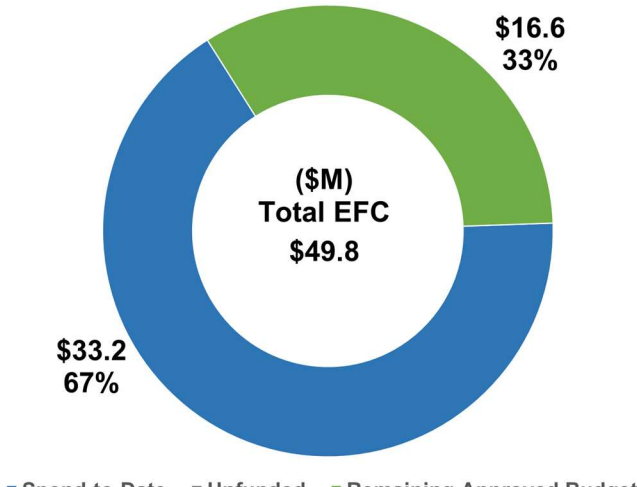
Phases 1-4: Reservation, Scheduling and Dispatch (RSD):

- 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, which facilitates mass e-mailing capability.

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>\$33.2 67%</p> <p>\$16.6 33%</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	\$0.6M	
2023 YTD Budget	\$0.4M	
2023 YTD Actuals	\$0.5M	
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, which are expected to be operational by Q3 2023.

Re-Registration:

- Wheel-Trans introduced new eligibility criteria and application process in January 2017. Customers, who registered before this date, must re-register by submitting a new eligibility application. Currently, more than 9,000 legacy customers (increase of 1000 customers since last reporting) have already re-registered with another 10,000 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 one trip solution that matches their conditions and abilities. If none of the registered conditions are present, they will be offered a FOS trip (i.e. a connection to the accessible-conventional TTC bus/streetcar or 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 pilot extended to more users and it will continue to expand in 2023, and full implementation will follow in Q3 2023. This application provides instant information and self-service.

Customer Relationship Management (CRM):

- Completed automation of the customer applications tracking and customer service contacts. This process involved the 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 Recommendations for Phases 5-8 were approved by the Board in May 2023. As of this submission, the TTC has initiated the onboarding of a third-party vendor for the preparation of the tender to replace Integrated Voice Recognition (IVR) and Automatic Vehicle Location (AVL) systems. In addition, the TTC is in the process of commencing negotiations with the vendor to enhance the Reservation, Scheduling and Dispatch (RSD) software.

Next Steps

- Re-Baseline the program and update the budget for the planned procurement.
- On-board the third-party vendor and initiate the IVR/AVL Request for Information (RFI) activities.
- Update the scope, schedule and cost for the approved Wheel-Trans program Phase 5-8.

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 due to the closure of the SRT, which was past its useful life. 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

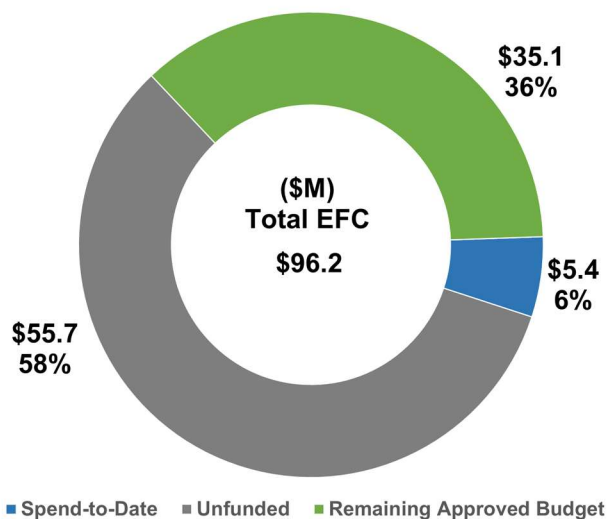
In 2023, the following will be implemented as part of Phase 1:

- Express bus service via the Kennedy and Midland Couplet between Scarborough Centre and Kennedy Stations.
- Modifications to the bus platforms at Scarborough Centre and Kennedy stations.
- Construction of a new 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 also has authority and funding to complete the design of SRT ROW busway conversion. Additional funding would be required to proceed with the construction work to convert the SRT ROW into a dedicated busway.

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	\$4.2M
2023 YTD Actuals	\$2.6M
Overall Performance Status	R



Progress Update

- Since the Line 3 train derailment on July 24, 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 on 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 drive way and bus platform. In September 2023, a bus test was conducted on the new temporary bus terminal to ensure vehicle and platform alignment.

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.

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% and will be re-allocating funding from within the plan. The updated cost and schedule will be reported back to the Board and Council in Q4 2023.

Key Issues/Risks and Mitigation Activities

Key Risks and Mitigation:

- 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 in discussions with the City of Toronto and Metrolinx to define clear roles and responsibilities for the treatment of legacy SRT infrastructures.
- Multiple Metrolinx projects are scheduled and ongoing, including the ongoing Line 5 Eglinton Crosstown LRT project, GO platform expansion project, and the Scarborough Subway Extension (SSE) project, in and around Kennedy Station. The TTC is co-ordinating with Metrolinx to avoid any schedule conflict.
- Substantial completion of critical customer service elements like platform modifications at Scarborough Centre, the construction of the new temporary bus platforms at Kennedy Station and key transit priority measures are important to be completed as soon as possible, particularly with the SRT's permanent closure effective on August 24, 2023. The

TTC is actively seeking to accelerate the construction in order to open the temporary bus terminal at Kennedy; the improved platforms at Scarborough Centre are already in use. Risks are being closely managed by working with contractors to optimize the schedule in order to achieve all the critical elements as quickly as possible.

- In order to improve the travel times for the SRT bus replacement service, TTC contractors, working with the City of Toronto Transportation Services Division has completed the installation of temporary road markings and signage to establish bus-only lanes.

Next Steps

- Continue with interior modifications at Scarborough Centre bus terminal and the Kennedy station area improvements, which is expected to be completed by October 2023.
- Complete the accelerated delivery of the transit priority measures to improve the operations and customer experience of the bus replacement service.
- Report back in Q4 2023 to the Board and Council with an updated estimate for constructing the conversion of the SRT ROW between Kennedy Station and Ellesmere Station to a busway.

Note:

- 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	\$1.3	\$0.8	\$49.1	\$330.9	\$468.0	\$137.9	\$468.0	G	Y	G	Y
Hillcrest Facility	SI	\$0.6	\$1.7	\$1.2	\$97.3	\$100.7	\$5.2	\$100.7	Y	R	G	R
Russell Carhouse	SOGR	\$2.2	\$7.8	\$4.4	\$121.8	\$127.3	\$13.3	\$127.3	Y	R	G	R
Total Streetcar Portfolio		\$4.0	\$10.3	\$54.7	\$550.0	\$696.0	\$156.4	\$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											
		\$237.1M	\$782.8M	\$7,990.2M	\$10,486.0M	\$22,938.6M						
R	At Risk / Missed Target											

Purchase of 60 Streetcars

Description

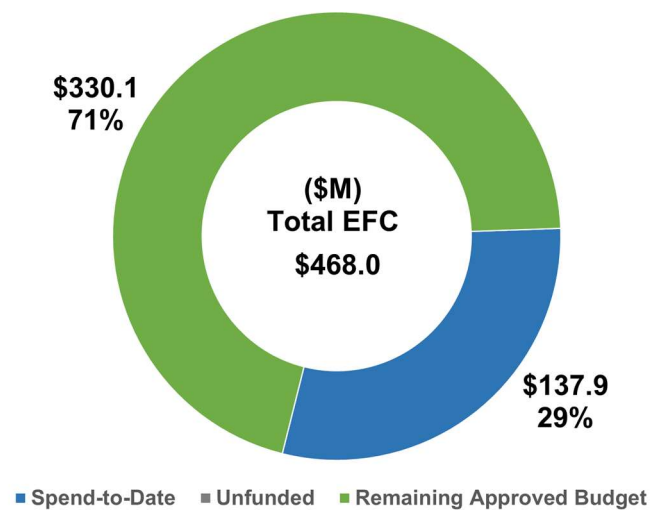
This project provides for the purchase of 60 new, accessible streetcars to address latent service demand, projected increases in travel time due to traffic congestion, and enable growth.

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	\$49.1M
2023 YTD Budget	\$1.3M
2023 YTD Actuals	\$0.8M
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 in August 2023, as per schedule, and the TTC will commence the car acceptance routine tests.
- The first (of four) Canadian Content audits was conducted in September 2022 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 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 base contract.

Key Issues/Risks and Mitigation Activities

Key Risks and Mitigation:

- Recent increases in escalation may 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

- Commence final acceptance routine tests on the first streetcar, which will be available for service in Q3 2023.
- Continue production and commissioning activities as streetcars are delivered.

Hillcrest Facility

Description

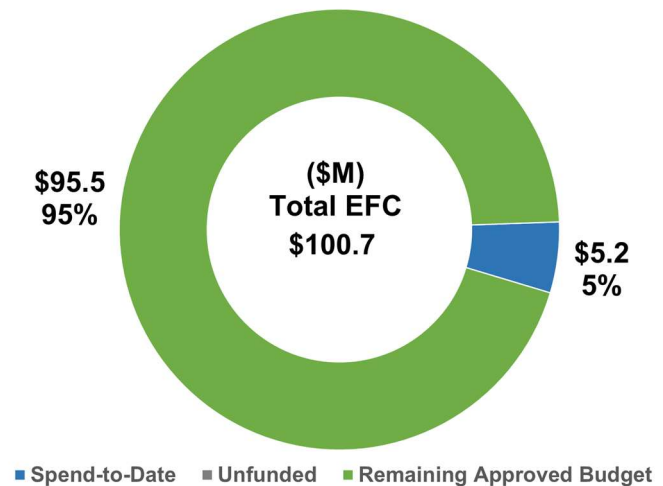
The Hillcrest Facility began operating in 1924. As part of the larger Streetcar Program, this project involves the modification of this facility in order to accommodate the storage, pre-service, testing and maintenance of 25 new accessible streetcars. In addition, the Hillcrest Facility Study will provide 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	\$1.2M
2023 YTD Budget	\$0.6M
2023 YTD Actuals	\$1.7M
Overall Performance Status	R



Progress Update

Hillcrest Maintenance and Storage Facility (MSF): To date, the following has been achieved:

- Achieved Stage Gate 3 (Approval for Detailed Design) and commenced Detailed Design in December 2022.
- Detailed Design continues and is anticipated to be distributed to stakeholders for review by late Q3 2023.

Hillcrest Study: To date, the following has been achieved:

- 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 made at the Steering Committee meeting to evaluate 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 Mitigation Activities

Key Risks and Mitigation Activities: To ensure that the project is delivered on schedule, 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 with related permits and approvals.
- Staging plans to minimize disruption to be further refined in consultation with stakeholders as part of Detailed Design.
- Monitoring and coordinating key interdependencies – Delivery of 60 new streetcars, access for Spur Line, and Harvey Shop State-of-Good-Repair (SOGR).

Key Issues and Mitigation Activities:

- Cost Estimate Baseline: The project planning and design have advanced to Stage Gate 3. As a result of the development of the baseline project scope for the Hillcrest project, this will now inform an updated cost estimate and schedule. Other key SOGR activities will be coordinated in the scope of the project for efficiency purposes. Additional funding to complete all required work in scope will be identified in the 2024 budget. The TTC is reviewing the funding required in context of overall capital program requirements.

Next Steps

Hillcrest MSF:

- Continue Detailed Design based on project scope baseline established in Q1 2023.
- Update 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.

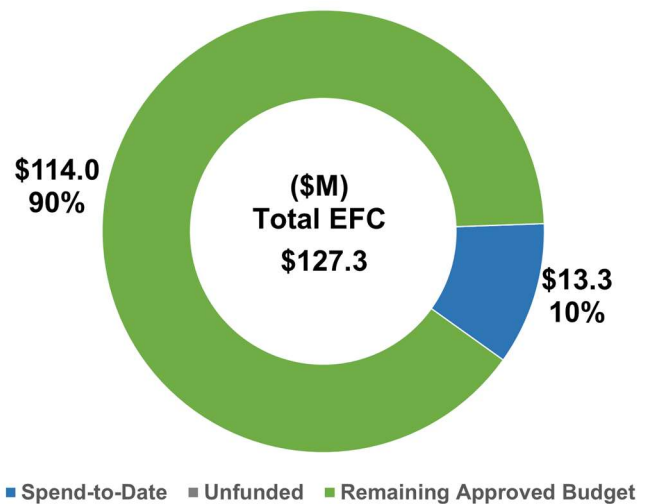
Scope Description

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 storm-water 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	\$4.4M
2023 YTD Budget	\$2.2M
2023 YTD Actuals	\$7.8M
Overall Performance Status	R



Progress Update

To date, the following has been achieved:

- Russell Carhouse Track and Yard Overhaul: Stage 1 construction on Tracks 1-7 is in progress and scheduled to be completed by November 2023.
- 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 Mitigation Activities

Key Risks and Mitigation:

- A delay in completion of the Russell Track and Yard Overhaul work may result in a subsequent delay in commencing the interdependent Carhouse Extension and the Interior Modifications works. The TTC is co-ordinating with the contractor to ensure that the Stage 1 construction on Tracks 1-7 is completed on schedule.

Key Issues and Mitigation Activities:

- Cost Estimate Baseline for Carhouse Extension: The project planning and design has advanced to Stage Gate 3. As a result of the development of the baseline project scope for the Russell Carhouse Extension project, this will now inform an updated cost estimate and schedule. Other key SOGR activities will be co-ordinated in scope of the project for efficiency purposes. Additional funding to complete all required work in scope will be identified in the 2024 budget. The TTC is reviewing funding required in context of overall capital program requirements.

Next Steps

- Russell Carhouse Track and Yard Overhaul: Continue with construction of Stage 1.
- Russell Carhouse Extension: Advance design based on agreed to scope requirements, and develop baseline project schedule. Advance funding requirements to proceed to construction to 2024 budget process.
- 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	\$4.2	\$2.2	\$8.5	\$13.2	\$79.2	\$68.2	\$79.2	R	G	Y	R
VISION - CAD/AVL	SOGR	\$1.7	\$1.3	\$7.4	\$18.5	\$111.7	\$94.5	\$111.7	Y	G	G	Y
SAP ERP Implementation	SOGR	\$7.3	\$6.4	\$18.6	\$173.3	\$272.8	\$106.0	\$272.8	G	G	G	G
Total Network Wide Portfolio		\$13.2	\$9.9	\$34.6	\$205.0	\$463.7	\$268.6	\$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											
R	At Risk / Missed Target	\$237.1M	\$782.8M	\$7,990.2M	\$10,486.0M	\$22,938.6M						

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.

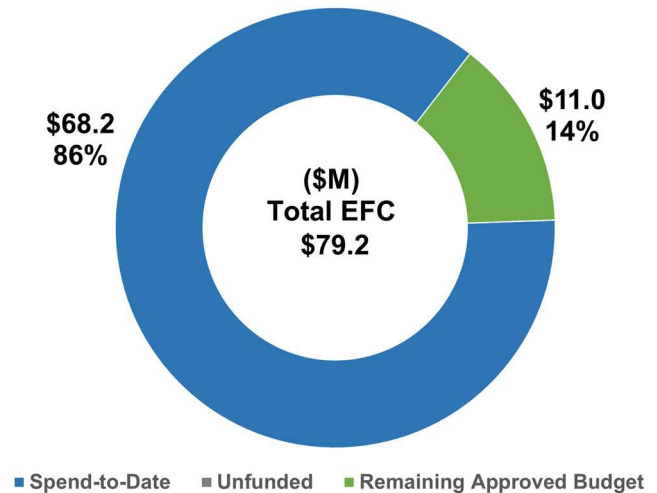
Scope Description

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	\$8.5M
2023 YTD Budget	\$4.2M
2023 YTD Actuals	\$2.2M
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, and to date, 1.4 million PRESTO tickets have been sold since June 2022.

- The monthly TTC Metropass was moved on to the PRESTO card.
- PRESTO vending machines are available at all subway stations, as well as the Mobile Fare Payment Application on all streetcars, buses, 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 coordination with Metrolinx.

Key Issues/Risks and Mitigation Activities

Key Risks and Mitigation:

- The Metrolinx PRESTO procurement program could delay the delivery of all outstanding settlement agreement gaps within the target timeline of 2024 as stated in 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. Ongoing discussions with Metrolinx with a resolution expected by the end of Q4 2023.
- The TTC is working with Metrolinx to ensure both parties are aligned and the proposed delivery and closeout plans remain on schedule. Reference: [February 28, 2023 Board report](#).

Next Steps

- The enablement of the PRESTO virtual card, which allows the PRESTO card to be added in the Google wallet, is targeted for Q4 2023 and Q1 2024, respectively.

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 in 3 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:

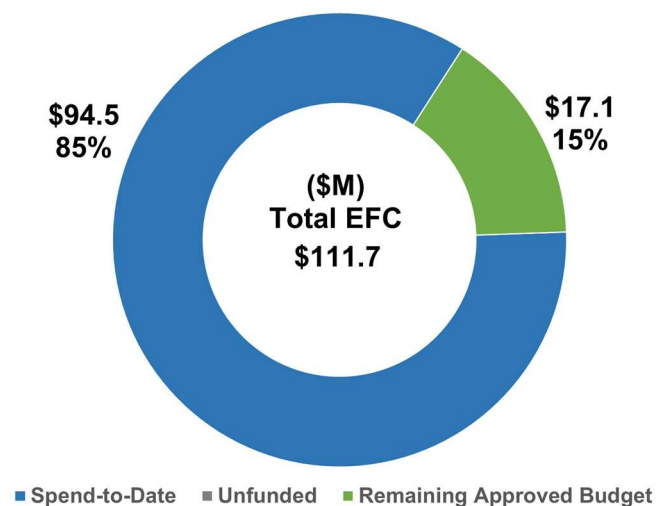
- Install CAD/AVL on the 204 streetcars.
- Integrate central CAD/AVL solution with automatic passenger counting systems on buses and streetcars in scope.

Phase 3:

- Implement the Operator Performance module.
- Implement Yard Management System at all streetcar carhouses and bus garages.

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	\$1.7M
2023 YTD Actuals	\$1.3M
Overall Performance Status	Y



Progress Update

Phases 1 and 2 of the program have been 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 has 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 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 Management 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 2024. Operationalization of the Yard Management System continues at Leslie Barns and is scheduled to be completed in September 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: Latest Speed Layer Testing completed, vendor to provide final Speed Layer for implementation for the October 2023 Board Period.

Key Issues/Risks and Mitigation Activities

Key Issues and Mitigation:

- The Yard Management project has experienced delays in its rollout phase due to issues that have been identified during quality assurance. 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. Although the vendor has made progress, the TTC is continuing to work on resolving the few remaining issues. 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 Yard Management System at Leslie Barns Carhouse by September 2023 and at Arrow Road Garage by October 2023.
- General Transit Feed Specification/Real Time to be implemented in Q3 2023.
- Transit Signal Priority (TSP) with the VISION system 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:

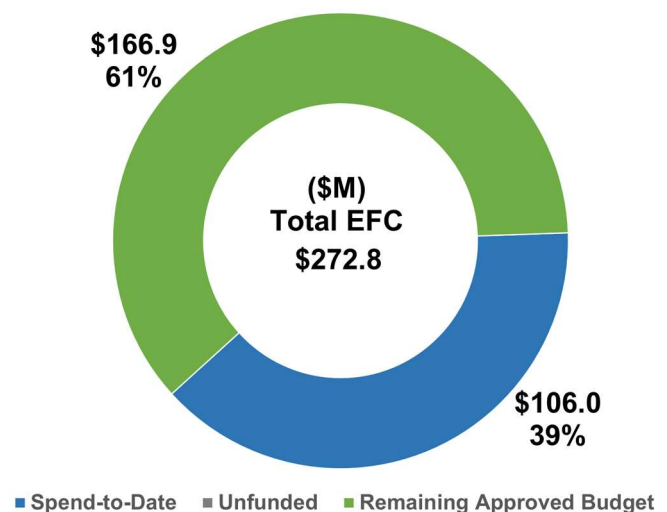
- Procurement, Materials/Warehouse Management, Accounts Payable II
- Accounts Receivable
- Asset Accounting
- Resume Screening Tool powered by AI
- Employee Engagement

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	\$7.3M
2023 YTD Actuals	\$6.4M
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 certification 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 Q4 2023. The solution testing and data cleansing phases are in progress, with 90% 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: Solution Workshops to finalize design are 98% complete. The Release 1 is in progress targeting a scheduled go-live in Q1 2024.
 - Release 2: The second release is 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.

The Employee Engagement Platform was deferred to 2025 due to higher corporate priorities within the People Group with no impact to overall schedule.

Phase 3:

- 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 the Fairness Monitor Review is 98% complete.
- The assessment phase for the Asset Accounting Module was completed in Q3 2022.
- 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 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 require 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 Q4 2023.
- Time, Attendance and Workforce Scheduling Release 1 – Achieve Stage Gate 6 (Approval for Deliverables) in Q4 2023 and kick-off Release 3 – Transit Operations Workforce Management Solution.

Phase 3:

- SAP Procurement and Category Management and Materials Management – Achieve Stage Gate 3 (Approval for Project Baseline) in Q4 2023.

Note:

- 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.