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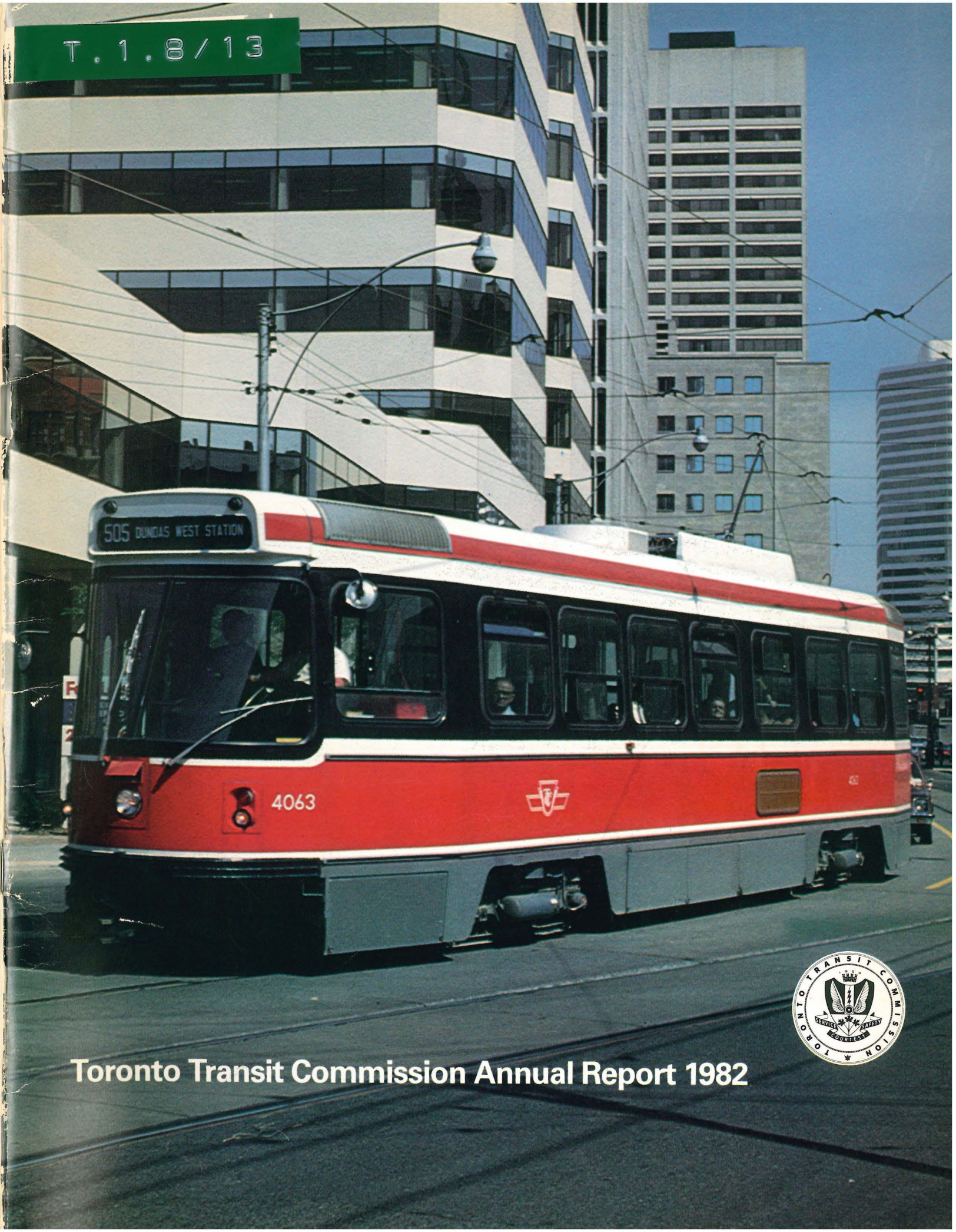

Toronto Transit Commission Annual Report 1982

TORONTO TRANSIT COMMISSION

ANNUAL REPORT FOR THE YEAR 1982

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Toronto Transit Commission – 1982

Commissioners

Julian Porter, Q.C., Chairman
Karl L. Mallette, Vice-Chairman
Paul Godfrey, Commissioner
Jeffrey S. Lyons, Q.C., Commissioner
June Rowlands, Commissioner

Officers

Alfred H. Savage,
Chief General Manager
David C. Phillips,
General Secretary
W. Graham Chase, Q.C.,
General Counsel
Lloyd O. Morley,
Treasurer and Comptroller

Senior Officials

Lloyd G. Berney,
General Manager – Operations
Stanley T. Lawrence,
General Manager –
Engineering and Construction
Dr. Juri Pill,
Executive Director – Planning

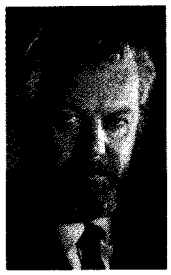

Julian Porter


Karl L. Mallette


Paul Godfrey


Jeffrey S. Lyons


June Rowlands


A.H. Savage


D.C. Phillips


W.G. Chase


L.O. Morley


L.G. Berney


S.T. Lawrence


Dr. J. Pill

A Letter from the Commission

August 21, 1983

Paul V. Godfrey, Chairman
and Members of the Council of the
Municipality of Metropolitan Toronto

Ladies and Gentlemen:

The 1982 Annual Report of the Toronto Transit Commission is presented for the approval of the Council of the Municipality of Metropolitan Toronto.

1982 was a challenging year for the Commission. Despite the generally poor economic conditions and the high unemployment rate that prevailed, TTC vehicles operated more miles and carried more passengers than in any previous year. For major Canadian and U.S. cities, your transit system's total riding of 401,150,000 revenue passengers was second only to the much larger city of New York.

Throughout the world, public transportation is receiving greater attention as a means of making major urban areas more livable. In this respect, over 400 elected government officials, transit planners and transportation specialists from around the globe visited your transit system in 1982. These visits provided them with an opportunity to view and discuss the management and operation of Metropolitan Toronto's transit system. The visits also provided a forum for the mutually beneficial exchange of ideas and views on the future role of public transportation in the major cities of the world.

In planning for the future transit needs of Metropolitan Toronto, the Commission produced its Long Range Plan and also participated in the Joint Metro/TTC Rapid Transit Study during 1982. Each of these important documents will be finalized in early 1983 and will serve as blueprints for meeting the future transportation requirements of the residents of Metropolitan Toronto.

The major operating and financial results for 1982 are summarized in the Chief General Manager's "Year in Review" message and subsequently detailed in the pages which follow.

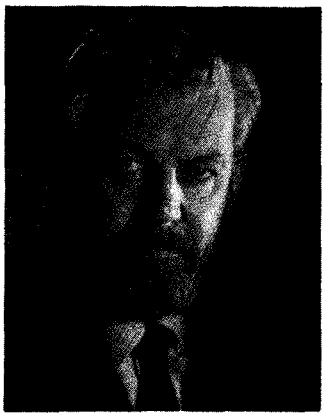
On behalf of my fellow Commissioners, I wish to extend our appreciation to Metropolitan Toronto Council, to the elected representatives, to the Province and to the public generally for their continued support and confidence.

The Commission also gratefully acknowledges the conscientious and capable work of its employees throughout the year.

Yours truly,

Julian Porter
Chairman

A Message from the Chief General Manager



The Year In Review

1982 was yet another year of record setting achievements for the TTC in terms of passengers carried and service operated.

For the third consecutive year, TTC ridership set a new record, surpassing the 400 million mark for the first time, to reach a total of 401.2 million in 1982 — an increase of 9.2 million over the previous record established in 1981.

The record ridership was achieved in spite of the most severe national economic recession since the 1930's, which saw employment and retail trade (two of the major factors which influence riding) drop significantly in 1982. This resulted in a slightly lower than expected rate of ridership growth. Nevertheless, the Commission succeeded in maintaining its agreed revenue/cost ratio and at the same time, increased service operated. In order to adjust for the shortfall in passenger growth and in budgeted passenger revenue, some expenses had to be trimmed late in the year. Overall, 1982 can be considered a successful year in difficult times.

A fare increase implemented on January 3, 1982 was required in order to maintain the Commission's revenue/cost ratio at the required level of 68% in line with the Commission's budgeted increase in expenses. The adult ticket/token fare was increased from 7 for $4.00 (57.1¢) to 8 for $5.00 (62.5¢) and the adult cash fare was increased from 65¢ to 75¢. Other fares were also increased at a similar level. Overall, the increase averaged 10.6%, which compared favourably with general inflation of 11.3% as measured by the Toronto Consumer Price Index.

Largely as a result of the fare increase, total revenues increased by $25.9 million to $240.9 million (60.0¢ per passenger). Concurrently, total expenses rose by $49.4 million to $333.8 million (83.2¢ per passenger). Much of this increase resulted from increased wage and salary costs. Furthermore, manpower and non-labour costs, particularly fuel, also rose as a result of the 5.1% increase in service operated. Consequently, the Operating Subsidy rose by $23.5 million to $92.9 million (23.2¢ per ride).

As noted, ridership growth and budgeted revenues were less than expected in 1982; however, the Commission was able to stay within its approved subsidy budget of $93.8 million as a result of savings and cutbacks in expenditures. Service improvements planned for the Fall and personnel hiring were curtailed and expenditures were reduced in all departments wherever possible.

With these measures, the Commission was able to achieve a revenue/cost ratio of 68.6%, which was in excess of the targeted 68.0%. This ratio, which is determined using Provincial subsidy formula regulations, is among the highest in major North American cities. The difference between revenue and expenses is borne by the Municipality of Metropolitan Toronto which in turn receives a subsidy from the Province. For 1982, the Province's contribution was $55.9 million (subject to audit) while Metro assumed the remaining $57.7 million (including $20.6 million of its own transit-related costs).

Looking in general terms at 1982 results, the continuing success of the TTC in terms of attracting and maintaining passengers is evidenced by the fact that our level of ridership per capita (the "riding habit") remains the highest for all major cities in Canada and the U.S. In addition, ridership increased, albeit at a lesser rate than expected, while riding in many other North American properties actually declined.

As TTC patronage continues to increase, it is essential that the system grows to meet the increase and to keep abreast of technological improvements. In 1982, capital expenditures for additions and improvements to the system totalled $87.9 million. Two hundred and one new buses were purchased; design and construction work continued on the Scarborough RT Line; several subway stations on the Yonge Line were substantially renovated and the new Malvern bus garage in north-east Scarborough is nearing completion. Good progress was also made in 1982 on the development of new automatic fare collection equipment.

Some of the other more visible projects undertaken in the course of the year include the introduction of new "express" services; the testing of articulated ("bendable") vehicles and the expansion of transit priority programs, including reserved transit lanes and pre-emptive traffic signals. 1982 saw an extensive campaign which encouraged the use of Variable Work Hours to alleviate the overcrowding experienced during the rush hour peak.

Special services for the elderly and disabled have become increasingly important in recent years. In 1982, a major change in direction was approved for the Wheel-Trans program for those confined to wheelchairs and others unable to use regular TTC services. Commission staff will take over the work involved in administering the provision of trips, work formerly carried out by the contractor. This change, to be made in 1983, will bring the operation of the service more under the control of Commission staff. On the regular system, in response to input from the elderly, and others with mobility problems, a number of improvements have been made, such as additional subway benches and handrails on vehicles, experiments with subway stop announcements to help the visually impaired and with "kneeling" buses to make it easier for passengers to board. Special note should also be made of the film "Touchdown"; this TTC-produced training film, which deals with the attitudinal barriers encountered by the disabled, has been widely acclaimed in Canada and internationally.

Looking towards the future, in 1982 the Commission produced its Long Range Plan and participated in the Joint Metro/TTC Rapid Transit Study. The Long Range Plan outlines trends in factors likely to have an impact on the future direction of the Commission and proposes strategies to accommodate these trends. The Joint Metro/TTC Rapid Transit Study investigates carrying capacity of the present transit system with a view to future demands and proposes the construction of two new rapid transit lines. Final versions of these reports will be released in 1983 following input by municipal agencies and the public.

Finally, I wish to thank all the employees of the TTC who contribute to the provision of a consistently high level of transit service to the public. I also wish to extend my appreciation to the Toronto Transit Commissioners and to the officials of the Municipality of Metropolitan Toronto and the Province of Ontario for their continued support and co-operation.

Alfred H. Savage
Chief General Manager

Canadian Light Rail Vehicle (CLRV) on Queen Street.

90 Years of Electric Street Cars in Toronto

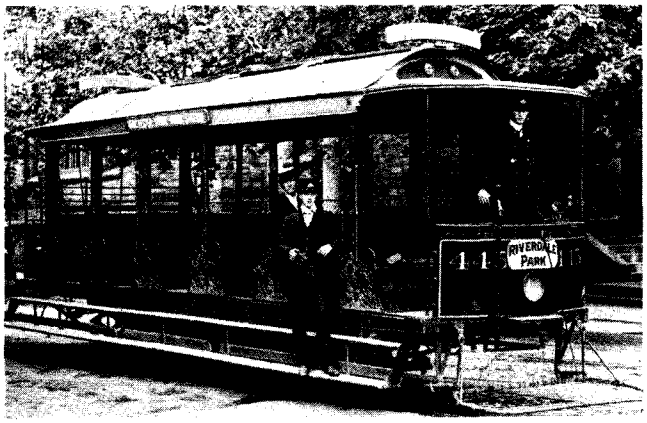
August 15, 1982 marked the 90th Anniversary of the introduction of electric street cars in Toronto. On that day in 1892, horse-drawn cars were withdrawn from the Church Street route and replaced with new electric vehicles. The last horse-drawn cars were withdrawn on December 14, 1894.

Inauguration of electric street cars to Toronto was a gala affair. Newly-built car 270 was chosen for the honour. Toronto Railway Company and civic officials boarded at the old waterfront City Hall and the two-mile trip north to Bloor Street took about 12 minutes.

To highlight the Anniversary in 1982, arrangements were made for a media and civic reception and for a tour of historic Toronto aboard a vintage Peter Witt street car.

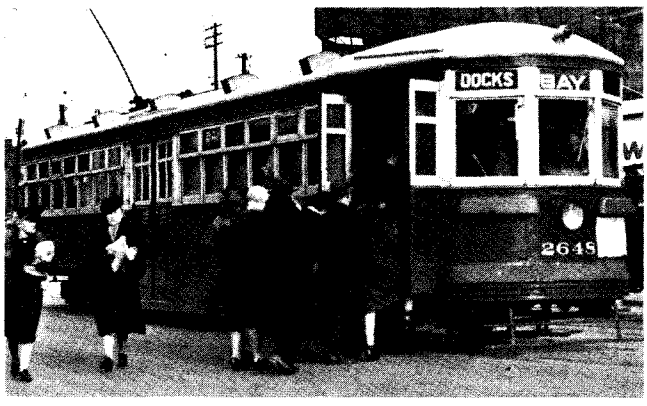
Today, the TTC's street car fleet rolls up millions of miles annually, providing Metropolitan Toronto citizens with efficient and reliable transportation services.

One of the first electric street cars built between 1892 and 1894 by the Toronto Railway Co. (TRC) to replace horse cars.



Open cars were very popular during the warm weather, but they offered too many risks and were withdrawn from service after 1915.

A number of large wooden cars, originally owned by the TRC were inherited by the TTC in 1921 and saw service until 1953.



By 1923, 575 new steel-bodied, "Peter Witt" street cars were in service on TTC lines.

The PCC car was introduced to Toronto in 1938. By 1957, the Commission operated 715 — the largest PCC fleet in North America.

For Our Customers

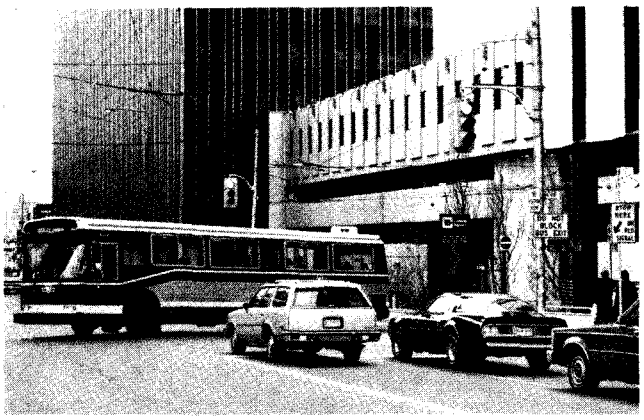
Meeting The Challenge

As TTC ridership continues to grow to record levels, the Commission has taken several steps to meet the demand. These measures include improved service, new "express" services, new vehicles and expansion of transit priority programs including reserved transit lanes, pre-emptive signals and a program to encourage motorists to voluntarily yield the right-of-way to transit vehicles.

Despite these initiatives, however, peak hour congestion is placing pressure on parts of the TTC system and, in particular, on the subway in the downtown core area. In addition, the speed and regularity of surface transit vehicles on major routes is seriously hindered by increasing rush hour traffic.

In order to make more efficient use of existing system capacity and reduce the need for expensive capital investments, the TTC launched a program to encourage Metropolitan Toronto employers and employees to consider the adoption of Variable Work Hours Programs. Variable Work Hours is a general term incorporating staggered hours, flexible hours, the compressed work week or any variation of these. The objective is to decrease the demand in the peak hours by spreading the demand more evenly over a longer period.

As a result of the promotion of Variable Work Hours the Commission received over 1,400 inquiries by the end of 1982. Research conducted during 1982 indicates that 5% of Metro employees have changed their working hours as a result of Variable Work Hours. This 5% figure represents approximately 55,000 Metro employees. Several groups of Commission employees are also involved in a range of Variable Work Hours programs.



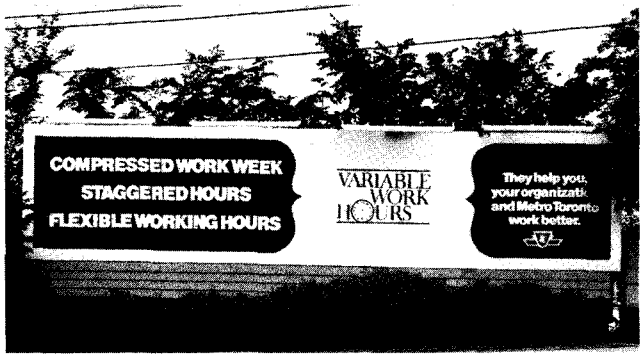
First pre-emptive traffic signal was installed at the Yonge St. exit from busy Eglinton Station.

Improving Service

During 1982, the following major route extensions and service improvements were made:

- *Anglesey 2*— extended from Mill Road to Sherway Gardens, Monday to Friday, 12 hours a day.
- *Avenue Road 5*— extended to serve the hospital area on University Avenue, Monday to Friday, midday hours.
- *Bathurst 7*— extended to serve Carpenter Road in the Bathurst Street-Steeles Avenue area.
- *Birchmount 17*— extended to 14th Avenue in Markham, Monday to Friday, 12 hours a day.
- *Cummer 42*— new service to the Gordon Baker industrial area, Monday to Friday, rush hours.
- *Finch East 39*— extended from McCowan Road to Neilson Road to serve the Malvern area, Monday to Friday, 12 hours a day.
- *Finch West 36*— extended to serve the Humberline Drive industrial area, Monday to Friday, rush hours; new evening service provided to Humberline Drive via Albion Road.
- *Kipling 45*— new express service from Kipling Station to Steeles Avenue, Monday to Friday, rush hours.
- *Oakdale 116*— new route serving the Oakdale and Norfinch industrial areas.
- *Pharmacy 67*— extended from Ellesmere Road to Steeles Avenue, Monday to Saturday, 12 hours a day.
- *Ranee 109*— new Sunday service between Lawrence West Station and Eglinton West Station.
- *Wilson 96*— new branch serving the Arrow Road area, Monday to Friday, rush hours.
- *Wilson Heights 105*— extended through the Glen Shields area, Monday to Saturday.

In addition, ongoing schedule improvements were made on many other routes throughout the system.



Large billboard on a major roadway promoting Variable Work Hours.

Knowing Our Customers

In the Fall of 1982, the Commission's annual "Attitude Survey" designed to measure attitudes toward the TTC and ridership behaviour was conducted. As in previous years, the major objectives of this study were to examine and track attitudes toward the TTC and various aspects of its service, to monitor ridership levels and patterns and to develop demographic profiles of riders and non-riders.

The Attitude Survey identifies elements of TTC service over which customers express concern. For example, the 1982 Attitude Survey contained several such recommendations which resulted in action being initiated or continued by TTC staff in several important areas such as improving subway escalator reliability, continuing programs aimed at easing overcrowding and improving subway reliability.

The collection and analysis of these data provide the Commission with an insight into why people do or do not use transit and assist in identifying opportunities for selectively increasing ridership. These activities also provide the information necessary to develop future marketing strategies.

Serving The Elderly And Disabled

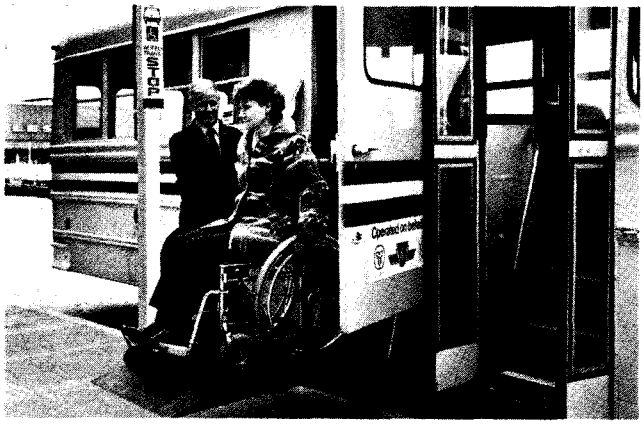
Wheel-Trans, Metropolitan Toronto's specialized transit service for physically disabled people who cannot use regular public transit, continued to grow during 1982. A full-time co-ordinator was brought on staff and at year's end plans were underway for the Commission to assume full responsibility for the Wheel-Trans reservation, scheduling and dispatching functions. By mid-1983, the TTC will assume the staffing of these functions from the private contractor currently operating the service.

Wheel-Trans service is provided seven days a week utilizing 53 lift-equipped vans for passengers in wheelchairs and 21 taxi cabs for persons who can walk with assistance. In 1982, approximately 273,700 passenger trips were operated by Wheel-Trans. Service is provided on a door-to-door basis.

In addition, good progress was made on a number of projects to make transit travel easier and more convenient for elderly and disabled customers who can use regular TTC services but with varying degrees of difficulty. The work is the result of the Commission's Technical Advisory Committee for Improved Accessibility (TACIA) which was formed in 1979 to investigate ways to improve accessibility to the transit system. TACIA worked closely and received valuable input from various organizations representing elderly and disabled persons. 1982 marked the third year of the five-year TACIA program. Among some of the projects undertaken were:

- installation of 151 replacement and 126 new subway benches with additional benches to be installed in 1983.
- continuing installation of stairway handrails in subway stations.
- installation of butterfly doors at 30 locations now completed with 17 additional doors to be installed in 1983.
- installation and testing of P.A. and automatic station stop announcement system in two subway cars.
- installation of additional handholds in all "M" and "H" type subway cars.
- testing of "kneeling" buses on two routes.

Work on these and other TACIA projects will continue during 1983.



Wheel-Trans vehicles feature special doors and hydraulic lifts to permit easy boarding for wheelchair passengers.

The Subway Train Automatic Stop Announcement System was tested on the Yonge line between Davisville and Wellesley Stations.

TTC Info-Centre at Bloor/Yonge Station proved very popular and handled an average of over 3,000 inquiries a week.

Renderings showing the platform and mezzanine improvements to Davisville Station.

Providing Information

As part of an improved customer information program, the Commission introduced a completely redesigned new full-colour Ride Guide featuring over 90 points of interest in Toronto.

The Commission also opened its new Transit Info-Centre at the busy Bloor/Yonge subway station to provide TTC users with route and schedule information and self-serve rider information units were installed in three subway stations (Finch, Islington and Union).

Over 2,071,000 calls for schedule, route and fare information were handled by TTC Telephone Information staff in 1982, an increase of over 65,800 calls over 1981. In addition, the testing of TimeLine — a computerized telephone passenger information service — continued in 1982. First introduced in late 1981, TimeLine enables customers to dial a special telephone number associated with specific TTC bus and street car stops and to obtain information on scheduled arrival times for transit vehicles. During the first full year of the three-year test on eleven transit routes in south-west Etobicoke, an average of 7,000 calls a week were handled by TimeLine.

Commission officials and staff attended meetings to speak to various Metro area community business people, educational and special interest groups reviewing transit-related services, future plans, construction projects and other transit-related matters. Approximately 35 such visits were made in 1982 including a special presentation to Scarborough Council on the construction progress of the Scarborough RT and presentations to three Metro area senior citizen organizations on the work of the Commission's Technical Advisory Committee on Improved Accessibility (TACIA). In addition, TTC orientation sessions and system tours were arranged for 65 organizations involving over 400 visitors to the Commission from all over the world.

Subway Station Improvements

During 1982, work continued on improving and upgrading stations along the original Yonge Street subway which opened in 1954. Contracts were in progress at year's end for these improvements at Davisville, College, Dundas and King Stations. These contracts include allowance for the replacement of ten escalators and the addition of four new escalators along the line.

All work associated with the subway station improvements is designed to provide customers with maximum convenience when using the stations and to improve overall station appearance.

Keeping The Transit System Safe

Less than 2% of all crime in Metropolitan Toronto occurs on the transit system. During 1982, offences against passengers for the entire 778-mile TTC system totalled 881, an increase of 43 offences over 1981. This is considered a relatively modest increase when viewed in the context of an additional 9.2 million passengers using the system during the year.

Throughout the year, instruction was provided for approximately 600 Metro Police Officers and 239 new TTC employees to familiarize them with transit security and emergency procedures. Also, a number of improvements were made in emergency procedures following the successful Subway Emergency Simulation which was conducted in the Fall of 1981 to test the capabilities and effectiveness of the emergency personnel, equipment and procedures used to cope with an actual subway fire situation. These included the formation of an Emergency Procedures Committee comprised of senior officers of the six Municipal Fire Departments, Metro Toronto Police, Metro Toronto Department of Ambulance Services staff and TTC staff. The Committee meets on a regular basis to discuss items of mutual concern relating to the entire transit system.

The continuing public confidence in the subway Passenger Assistance Alarm System is evidenced by the fact that it was used effectively on 445 occasions during 1982. This feature has consistently proven to be an effective method of responding to passenger emergencies and has served to be a deterrent to the small percentage of people who would abuse the transit system.

In a continuing program to increase public awareness of passenger safety and security, representatives of the Safety and Security Department, together with staff from the Transportation and Marketing and Community Relations Departments, participated in 41 community functions throughout the Metropolitan Toronto area. Through the use of displays, printed information, audio/visual presentations and personal contact, the public was informed of the Commission's commitment to ensure that the TTC system continues to be one of the safest major transit systems in the world.

All subway cars are equipped with yellow Passenger Assistance Alarm strips, located above the windows.

About Our Employees

Human Resources

As of December 31, 1982, the total employee strength, including Gray Coach Lines, Limited, was 9,240 people. Placement services processed over 21,000 applications for employment during 1982. Over 1,300 new employees were taken on staff and 120 internal transfers were arranged. Thirty women were hired as bus drivers and another 20 were hired in various non-traditional occupations. Two women were appointed to senior positions in the middle management group.

During 1982, the Personnel Department was re-organized to provide enhanced monitoring of, and response to Human Rights issues, and the Commission's Affirmative Action, Work Availability and Employee Assistance Programs.

An Employee Climate Survey was completed during the year to determine employees' perceptions and attitudes regarding various critical areas of the organization as they affect their personal and work environments. The Commission is studying the results of this survey and will implement positive programs to improve the workplace.

The Personnel Department also played a prominent role in the development and production of the Commission's sensitivity awareness film, "Touchdown", which deals with the attitudinal barriers encountered by disabled individuals in everyday situations. The film has been certified by the National Film Board and has been widely acclaimed both in Canada and internationally for its overall quality and excellence. It has been widely shown through the facilities of the Canadian Rehabilitation Council for the Disabled.

Transportation Safety

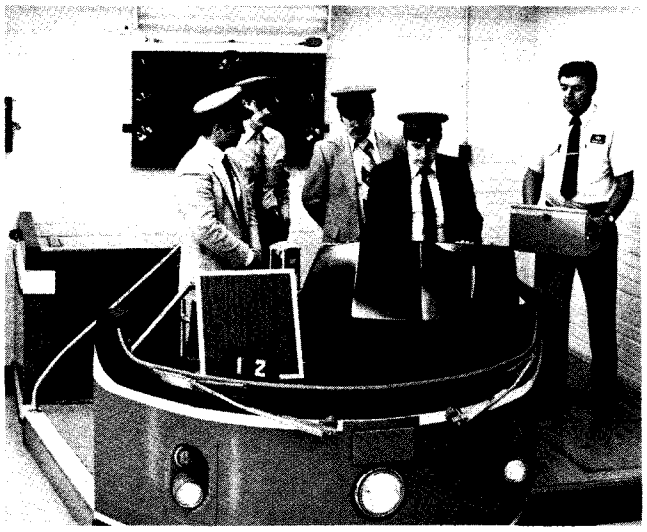
Several programs highlight and encourage safe operation on the part of all TTC operating employees.

The "Safety Shield" was presented to Eglinton Division. This division had a 29.9% improvement in its traffic accident record in 1982 compared to 1981.

As a result of emphasis on safe driving, TTC operators have again won North America's highest transit safety award, the American Public Transit Association's Silver Plaque. This is in recognition of their achievement in traffic and passenger safety among transit companies in the U.S. and Canada serving populations of one million and over. In 1982, TTC operating employees achieved an accident rate of only 3.52 accidents per 100,000 miles of operation, an all-time record low. TTC operators have won the Silver Plaque an unprecedented 13 times in the past 16 years, including eight consecutive wins between 1967 and 1974. Other transportation safety programs included the Eleventh Annual Bus Roadeo and the Zero Injury Contest.

A major contributor to the Commission's safety record is the Operations Training Centre (OTC). During 1982, over 3,700 people received more than 37,300 hours of instruction from OTC staff. These included not only Transportation Department staff, but Plant, Equipment and other TTC personnel as well as staff from outside agencies including Metro Toronto Ambulance Service and the Canadian Armed Forces.

CLRV console at Operations Training Centre.



Tops in Safety

Industrial Safety

In 1982, there were 222 lost time injuries which represents a rate of 16.9 lost time injuries per million hours worked. This compares very favourably with current information presented in the booklet, "Industry In Ontario" from the Industrial Accident Prevention Association which indicates an overall average rate of 29.4.

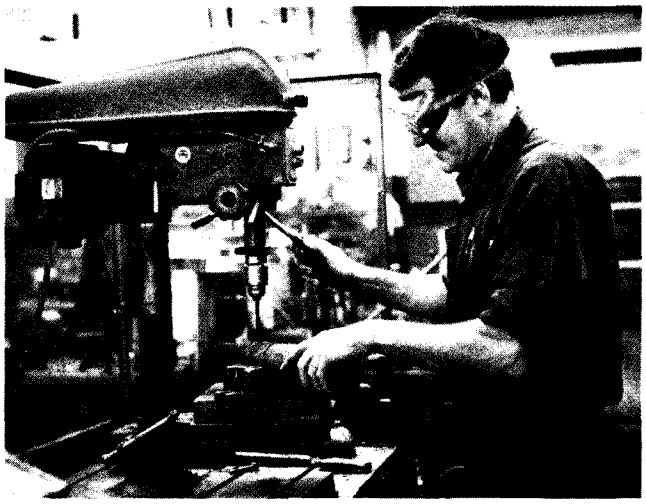
Various work groups received Occupational Safety Achievement awards from the American Public Transit Association. There were one gold, four silver, and two bronze awards for working 1,000,000, 500,000 and 250,000 hours, respectively, without a lost time accident.

In the Commission's Zero Injury Contest, 30 safety award presentations were made at various plateaus among the 46 competing groups. It should be noted that four work groups attained the plateau of one million or more injury-free hours, as follows:

Wilson Division	—3,528,697
Station Collectors	—1,788,039
Parkdale Shops (Unit Overhaul and Free Stores)	—1,603,422
Hillcrest Shops (Motor Repair, Electrical Repair and Wiring)	—1,253,910

Overall, the Commission's 46 work groups have accumulated a total of over 12,700,000 accident-free hours.

Welding the armature of a subway car motor.



Shopworker repairing engine part on bench press.

Employees are recognized for their achievements in zero injury progress.

Shopworker rebuilding diesel bus engine.

About The System

Passenger Vehicle Fleet

At the end of 1982, the Commission's passenger vehicle fleet (excluding inactive vehicles) compared to 1981 was as follows:

	1982	1981
Standard Diesel Buses[1]	1,409	1,323
Intermediate Capacity Diesel Buses[2]	19	9
High Capacity Diesel Buses[3]	12	0
Trolley Coaches	150	150
Street Cars (PCC)	175[4]	207[4]
Canadian Light Rail Vehicles (CLRV)	196[5]	188[6]
Subway Cars	630	630
TOTAL	2,591	2,507

[1] 40-foot long vehicles.
[2] 30-foot long vehicles.
[3] 60-foot long articulated vehicles leased from the Province of Ontario.
[4] Includes 3 Witt cars (2 leased from the Ontario Electric Railway Historical Association and the Ontario Rail Association).
[5] Includes 71 vehicles leased from the Province of Ontario.
[6] Includes 68 vehicles leased from the Province of Ontario.

General Motors articulated bus.

Canadian Articulated Light Rail Vehicle.

New revenue vehicles added to the TTC fleet included 10 Ontario Bus Industries Orion buses and the remaining 120 General Motors of Canada buses of a 160 vehicle order placed in 1981. In addition, 71 GMC buses of a 246 vehicle order had been delivered by the end of 1982. The remainder are to be delivered in the first half of 1983. Twelve articulated buses, built by General Motors of Canada under a provincially-sponsored demonstration program, were delivered to the TTC in late 1982. These high capacity vehicles will be tested by the Commission in revenue service for a three-year period at which time the TTC can purchase the buses outright.

The remaining Canadian Light Rail Vehicles (CLRV) were accepted by the Commission early in 1982, completing the 196 car order.

One hundred buses were disposed of during 1982 and several buses were assigned to inactive storage in order to rationalize the active fleet size. Eighty PCC street cars (32 from the active fleet and 48 previously stored cars) were also disposed of in 1982.

The Commission also tested an articulated light rail vehicle in revenue service during the latter half of 1982. The design of the unit is based on the CLRV and can carry approximately one-and-a-half times as many people as a conventional street car or CLRV. Future vehicle acquisitions will be based on the results of the testing of articulated bus and light rail vehicles.

Fare Collection — Test Equipment

The current subway fare collection system has served the TTC and its customers well over the years. However, there is a need to ensure that fare collection keeps pace with ridership growth and consumer needs.

The development of automatic fare collection equipment for use in the subway system continued during the year. Late in 1982 a contract was signed with ALTA/CGA of France to design, manufacture and deliver 12 magnetically-encoded ticket operated turnstiles and 5 "swipe-thru" pass operated turnstiles. This test equipment is to be installed in early 1984 at a number of busy subway stations on the Yonge line. Should the testing prove successful, consideration will be given to replacing all token operated turnstiles in the subway system with those capable of handling magnetically-encoded tickets and passes.

Keeping The System In Top Condition

The Commission's surface track rehabilitation program continued during 1982 in conjunction with Metro and City road paving programs. Work locations included Lakeshore Road (completing a four-year project which replaced all track on the 507 route), Gerrard Street East, Howard Park Avenue, Queen Street, College Street and King Street (2 sections). Special trackwork was replaced at six intersections and rail was replaced at 23 car stops. A new loop facility was installed at the eastern entrance to the Exhibition Place which includes a double crossover and controlling signals, both firsts for the surface system. Work also included platform construction and the supply and installation of a new supervisory tower.

Various lengths of rail, expansion joints and switch points were replaced at 29 locations throughout the subway system, including the installation of welded rail and concrete ties northbound from Rosedale Station to Summerhill Station.

The Electrical and Buildings Sections carried out work on a number of projects. This included work on renovations at the McBrien Building (Head Office), work associated with the redesigned Exhibition loops, and various improvements to subway and maintenance facilities.

Materials To Keep The System Running Smoothly

During 1982, Materials Department's files covering over 30,000 stock items were transferred to microfiche. A comprehensive microfiche process was put into place with the assistance of the Management Services Department. In addition, a specialized hardware catalogue was also developed for use by Commission departments.

During 1982, more than 19,000 purchase orders were written for over 41,000 items. The total value of these orders exceeded $31 million.

Major Purchase Orders During 1982

	Thousands of Dollars
162,630,000 litres of diesel fuel (for Jan. 1983-Dec. 1985)	82,000
3,800,000 litres of gasoline and various lubricants (for Jan. 1983-Dec. 1985)	4,300
4,760 tons of rail	3,600
4,980,000 litres of heating fuel	900
2,760 operator uniforms	600
2,800 parkas and 3,050 topcoats	400

Sales of surplus materials generated $306,000 during 1982.

Promoting System Usage

In early 1982, marketing activities were directed at increasing ridership by stressing the economy and convenience of public transit. High profile Metro personalities, who use transit, stressed the economic benefits of using the TTC versus the car. With this rapid growth in ridership and the resultant congestion at points within the transit system, emphasis in late Spring was directed to encouraging Metro residents to adopt a form of Variable Work Hours.

In addition, increased off-peak promotion was undertaken to emphasize the convenience of taking the TTC to many Metro attractions. 1982 saw an all-time high in participants in the TTC's "Great Places" co-operative advertising program, including the Canadian Opera Company, Harbourfront, the Toronto Blizzard Soccer Club, Royal Winter Fair and the Art Gallery of Ontario.

The Special Transit Plan, which involves the addition of three regular fare express bus routes to the existing service to Exhibition Place was aimed at increasing transit's share of trips and decreasing overall traffic congestion. Ridership on the three Special Transit Plan routes totalled 64,000 in 1982, the largest average carrying per occasion since the Plan began in 1978.

The continuing success of the TTC's adult monthly pass — Metropass — is reflected in the sale of 879,000 passes compared with 693,000 passes sold in 1981.

Exhibition Loop was expanded and completely rebuilt.

Planning Meets Customer Needs

During 1982, the Operational Planning Department was involved in the administration of the 8,000 transit service stops throughout Metro Toronto as well as the completion of schedules and crew guides for 11 separate board periods and special service days. In line with the Commission's objective of pursuing more transit priority on the road system, a very positive test installation of a pre-emptive traffic signal for TTC buses exiting onto Yonge Street south of Eglinton Avenue was achieved. Staff were also responsible for, or involved in various studies related to Trolley Coach Conversion, Kipling-Islington Transportation, and the Kipling Regional Terminal. Statistical information collected in 1982 included subway station usage counts, downtown and TTC cordon counts, riding and stationary counts throughout the system, subway peak point counts, TimeLine monitoring information and an analysis of fares being collected.

The Service Planning Department continued its management of the annual Service Standards Program which involves the review of all existing services and the analysis and evaluation of requests submitted by area municipal councils. In 1982, a total of 70 such requests were considered. Ridership was also monitored on all regular routes and based on these counts, staff observations and customer communications, service was adjusted where warranted. In addition, staff were involved in a number of major projects including revision of the Service Standards base document, participation in the Joint Metro/TTC Rapid Transit Study, preparation of an interim surface transit plan for the Central Area, review of the Ridership Monitoring Program, and the design, conduct and analysis of four on-board origin-destination surveys.

The Corporate Planning Department continued to monitor and forecast changes in external factors affecting the Commission throughout 1982. Spring and Fall five-year forecasts of ridership, mileage and vehicle requirements resulted from this ongoing activity. The TTC's first Long Range Plan, which outlines overall policy direction for the Commission over the next 10 years, was completed. Planning, along with Engineering and Construction staff played a major role along with the Metropolitan Toronto Planning Department in completing the Metro/TTC Rapid Transit Study in June of 1982.

Financial Management

The distribution, collection and processing of fare media is one of the Treasury Department's major responsibilities. The General Cashier's area controls the supply of tickets, tokens and Metropasses to the subway collectors, TTC guides and to more than 1,000 independent ticket agents. In 1982, about 250 million tickets and tokens were processed.

The Payroll area is responsible for the computation, preparation and distribution of payroll cheques. Approximately 300,000 were prepared in 1982. In order to improve the operation of the payroll process and to provide better information on employees, a new Payroll/Personnel computer software package has been acquired and is presently being adapted to the Commission's needs. Labour Relations, Personnel and Management Services staff worked with Treasury to develop this new package. The system will become operational for certain payrolls in 1983.

The Accounting and Budgets area, working with Management Services, has also been heavily involved with a new state-of-the-art computer system. 1982 saw the introduction of a new software package to handle the Commission's accounting and financial reporting. The new system, which processes 100,000 consolidated account entries and presently produces more than 150 financial reports each month, will provide for the capability of improved financial and statistical record-keeping and reporting, and will assist in the preparation of the operating and capital budgets and in financial reporting to different levels of management.

In addition to these functional areas, the Department processed more than 60,000 invoices for materials and services purchased and issued more than 13,000 billings to third parties during the year.

New Technology Plays A Major Role

The expansion of office automation and computerization programs in the Commission continued in 1982.

An IBM model 4341 Group 1 computer was installed during 1982, replacing the older IBM 370/138. The new computer system has four times the internal storage capacity and three times the speed of the older unit. This upgrading of computer equipment was necessary to keep pace with the increasing demand for user application systems and the increasing use of computer terminals throughout the Commission.

User-oriented information systems were developed and installed in the Marketing, Legal and Treasury areas. In addition, Management Services was actively involved in the introduction of the new financial system and the development of the Payroll/Personnel system, as well as systems for the Communications and Information System (C.I.S.) and Wheel-Trans operations.

During the year, a Word Processing Centre was established at Hillcrest and a new microfilm retrieval system was introduced in the Materials Department.

Focus On The Future

TTC Long Range Plan

The TTC's first-ever Long Range Plan was developed and presented for approval to the Commission in late 1982. It outlines overall policy direction for the Commission and proposes a long-term (20-30 years) rapid transit concept based on projected economic, social, employment, technological and transportation trends for the Metro area over the next decade. Information from thirteen separate background studies indicated the following main growth trends over the next decade:

— Population in Metro will remain relatively stable with a growth of only 50,000. The regions surrounding Metro, particularly to the west and north, will experience a much more significant population increase of about 375,000.

— Employment in Metro will grow by between 100,000 and 175,000 jobs, most of them concentrated in the Central Area, while the regions surrounding Metro will experience growth in excess of 200,000 jobs.

— Annual ridership will grow from its present level of approximately 400 million rides to between 450 and 500 million rides.

Based on these trends, the Plan makes several major recommendations:

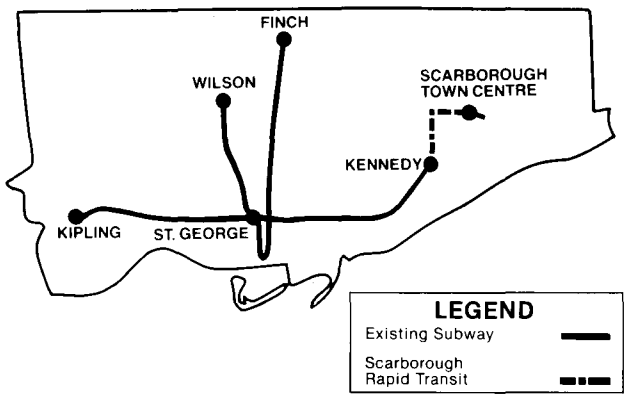
— Short-term implementation of a downtown relief subway line linking Union Station with the Danforth line in the vicinity of Donlands Station and a possible western extension of this line to the waterfront and north to the Bloor subway.

— Adoption of a 30-year *Long Range Concept* of a rapid transit ring, featuring a major east-west line across north Metro.

— Pursuit of options to increase productivity such as transit priority measures, articulated vehicles and various technological innovations.

— Improvements in inter-regional transportation planning liaison including a possible transit union comprising TTC, GO Transit, Ontario Ministry of Transportation and Communications and all area municipal transit operators.

The Long Range Plan will serve as a policy base for defining the role of the TTC in the future metropolitan and regional transportation network, and will be updated as required on an annual basis. A major policy study looking into the most appropriate long-term surface vehicle fleet mix was also started during the latter part of 1982 and will be completed early in 1983.



First elevated structure beam is placed on supporting piers for the Scarborough RT.

Scarborough RT

Work continued on the Scarborough RT (Rapid Transit) line which will run from Kennedy Station to the Scarborough Town Centre area utilizing a variation of an advanced design Intermediate Capacity Transit System (ICTS) developed by the Urban Transportation Development Corporation of Ontario (UTDC).

ICTS is a computer-assisted rail transit system which uses steel wheel/steel rail vehicles powered by linear induction motors, which have no moving parts.

Major developments in construction of the RT line in 1982 included the initial placing of structural beams for the elevated sections of the line, good progress in the construction of the CN Rail underpass just north of Ellesmere, trackbed work from Eglinton Avenue to Ellesmere Road and start of production of the 24 vehicles to be used on the new line.

Station design work continued during 1982, with contracts for the stations to be awarded early in 1983. Work also progressed on finishing details for the RT vehicles and an RT logo was introduced for the line.

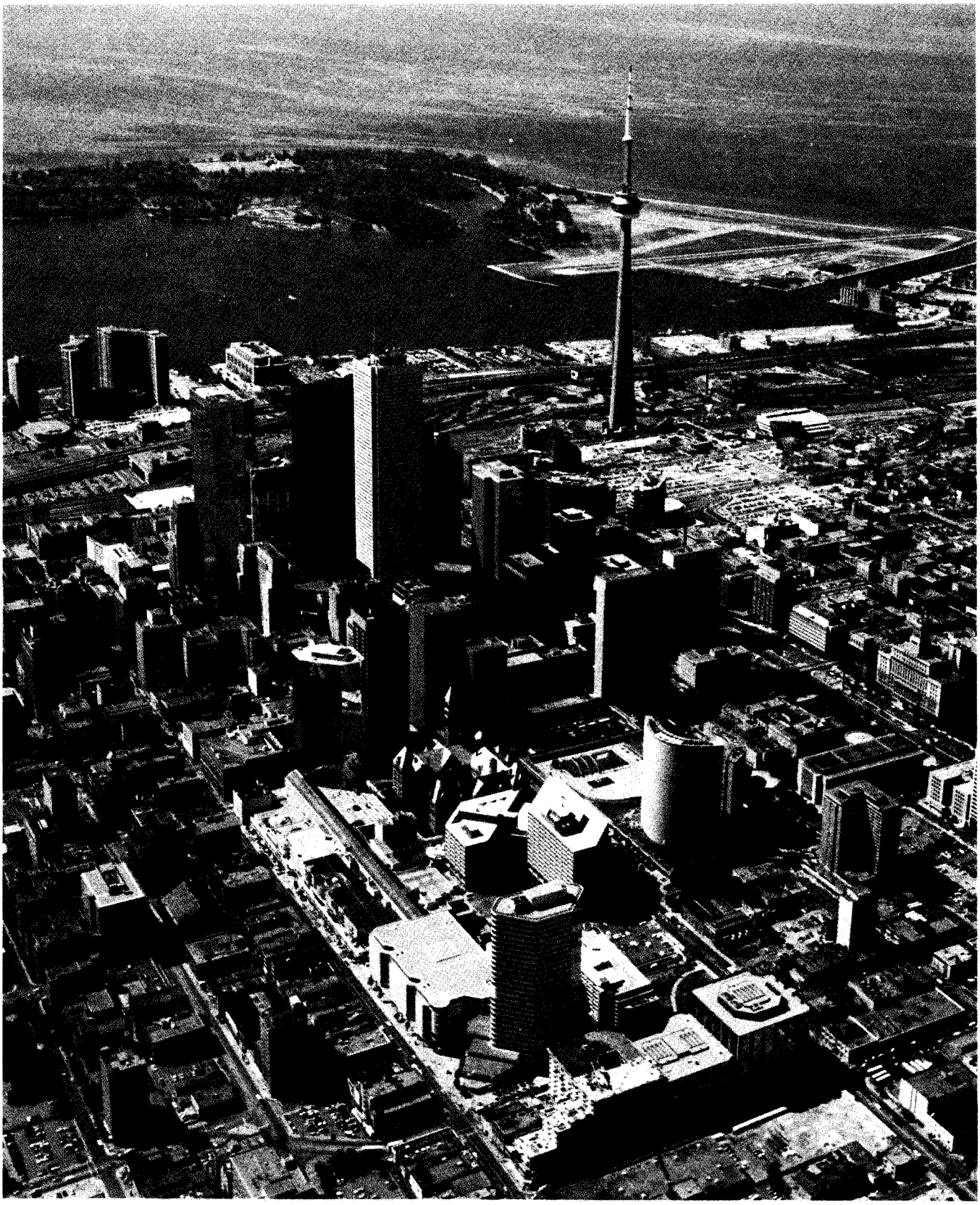
At year's end, nine contracts were in progress, two had been awarded and 11 were out for tender.

Completion of the Scarborough RT is scheduled for late 1984.

New Bus Facility — Malvern

A major contract was executed in 1982 for the construction of a new TTC bus maintenance and operating facility in the north-east section of Metropolitan Toronto. To be known as "Malvern", the new facility will include modern bus maintenance and operating equipment, a TTC operating division and provision for a Communications and Information System (C.I.S.) Centre. Malvern is scheduled to open in July, 1983.

Prototype of ICTS vehicle for the RT line.



Financial

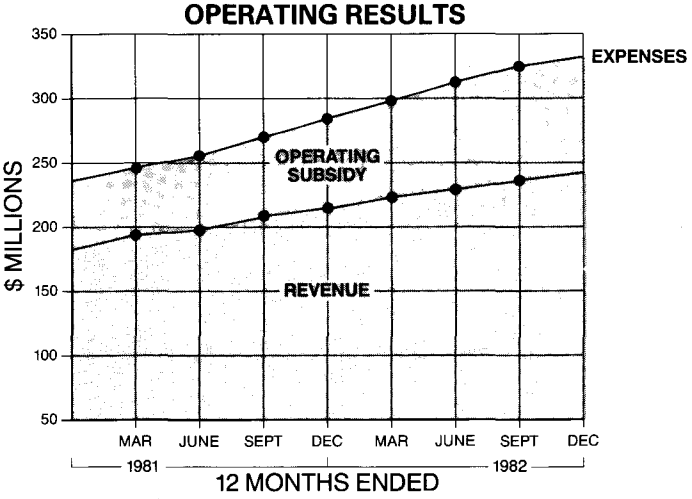
Contents **Page**

TTC Fares — 1982

	Fares	Revenue Passengers Millions	%
Tokens			
– Adult	8 for $ 5.00		
	24 for $15.00	126.8	31.6
Tickets			
– Adult	8 for $ 5.00		
	24 for $15.00	50.4	12.6
– Scholar	8 for $ 2.50	36.7	9.1
– Senior Citizen	8 for $ 2.50	26.3	6.6
– Child	5 for $ 1.00	8.7	2.2
Cash			
– Adult	$ .75	65.8	16.4
– Scholar	$ .40	19.4	4.8
– Child	$ .25	7.0	1.7
Passes			
– Metropass	$32.50	59.2	14.8
– Family Pass	$ 2.25	.9	.2
		401.2	100.0

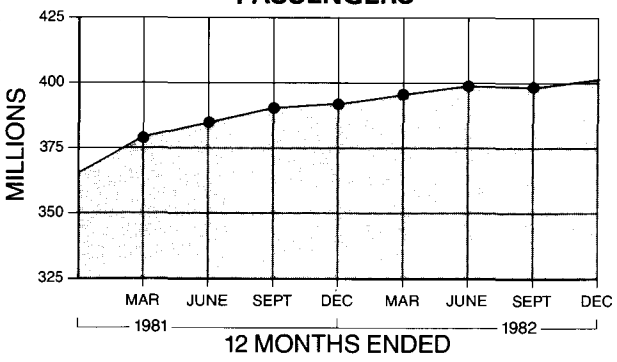
NOTE: The split of passengers and revenue by category is estimated based on the sales and collections of tickets and tokens and a sample analysis of cash fares.

OPERATING RESULTS



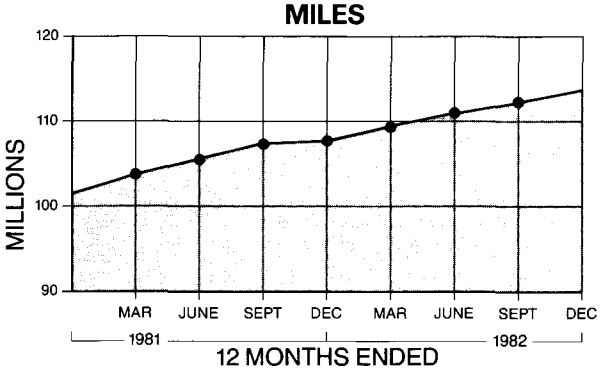
Revenues increased to $240.9 million while expenses rose to $333.8 million; the required operating subsidy was $92.9 million.

PASSENGERS



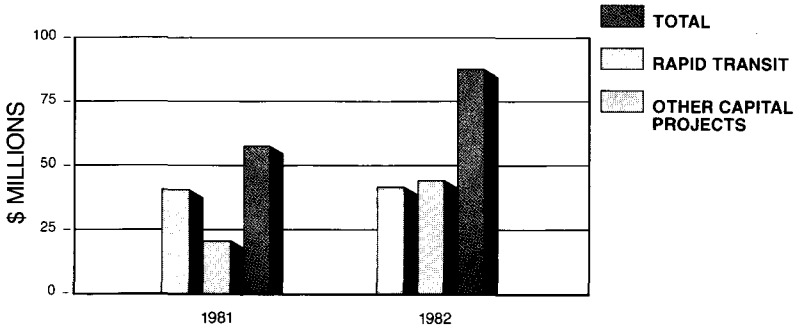
Although the recession slowed growth, 1982 passengers increased by 2.3% over 1981 to a record 401.2 million.

MILES



Service was increased by 5.5 million miles over 1981, a 5.1% increase, most of this increase the result of additional rush hour service.

CAPITAL EXPENDITURES



$87.9 million in total in 1982, including $27.2 million for buses and $26.4 million for the Scarborough RT.

Operating Results	1982	1981	Increase	%
Revenue ($ Millions)	240.9	215.0	25.9	12.0
Operating Subsidy ($ Millions)	92.9	69.4	23.5	33.9
Expenses ($ Millions)	333.8	284.4	49.4	17.4
Passengers (Millions)	401.2	392.0	9.2	2.3
Revenue per Passenger	60.0¢	54.9¢	5.1¢	9.3
Operating Subsidy per Passenger	23.2¢	17.7¢	5.5¢	31.1
Expenses per Passenger	83.2¢	72.6¢	10.6¢	14.6
Miles (Millions)	113.4	107.9	5.5	5.1
Revenue per Mile	212.4¢	199.3¢	13.1¢	6.6
Operating Subsidy per Mile	81.9¢	64.3¢	17.6¢	27.4
Expenses per Mile	294.3¢	263.6¢	30.7¢	11.6
Capital Expenditures				
Rapid Transit ($ Millions)	44.9	19.0	25.9	136.3
Other Capital Projects ($ Millions)	43.0	41.7	1.3	3.1
Total ($ Millions)	87.9	60.7	27.2	44.8

Revenue

	1982	1981	Increase (Decrease)	%
	(Thousands of Dollars)			
1. Regular Service	219,846	195,785	24,061	12.3
2. Metro Fare Subsidies	8,855	8,071	784	9.7
	228,701	203,856	24,845	12.2
3. Charters and Special Services	2,093	1,823	270	14.8
	230,794	205,679	25,115	12.2
4. Rental Income	4,347	3,930	417	10.6
5. Advertising	3,689	3,076	613	19.9
6. Other Revenue	2,068	2,289	(221)	(9.7)
Total Revenue	240,898	214,974	25,924	12.1

1. Regular Service — $219,846,000

Most of the increase in passenger revenue from 1981 to 1982 resulted from the fare change implemented on January 3, 1982. The adult ticket and token fares were increased from 7 for $4.00 (57.1¢) to 8 for $5.00 (62.5¢) and the adult cash fare was increased from 65¢ to 75¢. Similar increases were applied to other fares and the overall increase averaged 10.6%. This fare change generated additional revenue of $21,142,000 in 1982.

The remainder of the increase is the result of the 2.3% increase in ridership. Offsetting these increases was a reduction in the average fare mainly as a result of the continuing trend towards usage of Metropass which increased its share of ridership from 11.9% in 1981 to 14.8% in 1982.

2. Metro Fare Subsidies — $8,855,000

As in previous years, Metro Toronto pays a subsidy to allow senior citizens to travel at half fare and the blind and war amputees to travel free. The amount of these subsidies in 1982 were $8,330,000 and $525,000 respectively.

3. Charters and Special Services — $2,093,000

Charter revenue of $1,085,000 increased by $277,000 over 1981. 30,000 hours of service were operated in 1982 at an average rate of $36.17 per hour.

On the other hand, revenue from special services fell slightly below 1981 levels, by $7,000 to $1,008,000 despite the fact that fares for major services were increased during the year. Patronage generally declined in 1982, most notably on the Canadian National Exhibition special service which carried 122,000 passengers in 1982, down from 185,000 carried in 1981.

4. Rental Income — $4,347,000

This revenue classification includes station concessions such as Garfield News, rentals of Commission property, equipment "rented" to other operators, parking lot income and other items. Revenue from station concessions, which is based on a percentage of concessionaires' gross sales, was $1,637,000, an increase of $230,000, reflecting higher gross sales. Recoveries of expenses totalled $758,000 for services operated outside the Metro boundary. Parking lot net revenues decreased by $134,000 to $606,000 as fees remained unchanged but costs rose due to inflation.

5. Advertising — $3,689,000

This revenue consists of amounts received from the Commission's advertising contractor for advertisements on Commission vehicles and property and for advertisements for Gray Coach Lines. The increase of $613,000 over 1981 is attributable to a substantial increase in business handled by the contractor, increased rates charged to clients and growth in advertising space available.

6. Other Revenue — $2,068,000

This includes dividends from Gray Coach Lines ($600,000), recoveries of administrative costs for construction projects and for work done for others ($807,000), interest income ($201,000), revenue from sale of student identification cards ($231,000), and revenue from items such as profit on the sale of land. Compared to 1981, other revenue decreased by $221,000 in total, the result mainly of reduced profit on sale of land as only one small parcel of land was sold in 1982 for a profit of $30,000 compared with $404,000 realized in 1981.

Expenses

	1982	1981	Increase (Decrease)	%
		(Thousands of Dollars)		
1. Wages, Salaries and Other Employee Costs	254,724	215,004	39,720	18.5
2. Materials, Services and Supplies	32,395	29,227	3,168	10.8
3. Electric Traction Power	13,656	12,242	1,414	11.6
4. Automotive Fuel	17,879	14,054	3,825	27.2
5. Vehicle and Other Licences	556	428	128	29.9
6. Municipal Taxes	2,865	2,634	231	8.8
7. Public Liability Costs	3,433	2,830	603	21.3
8. Depreciation	7,008	6,406	602	9.4
9. Debenture Interest	1,323	1,583	(260)	(16.4)
Total Expenses	333,839	284,408	49,431	17.4

1. Wages, Salaries and Other Employee Costs — $254,724,000

The Commission's labour costs consist of $221,884,000 in wages and salaries and $32,840,000 for the Commission's share of pensions and other employee costs.

Wage and salary costs increased in total by $34,379,000 or 18.3% from 1981 to 1982 as a result of wage increases which averaged 12.6% and the increase in service operated of 5.1%.

The two-year agreement signed with Local 113 of the Amalgamated Transit Union in 1981 provided for an increase of 9.8% effective July 1, 1982. This follows increases in 1981 which aggregated 18.1%. The same general adjustments were given to the other unions and salaried employees in 1982 and as a result the composite wage rate increase from 1981 to 1982 was 12.6%.

In line with the wage and salary increases, payments made on behalf of the Commission's employees for pension, health care and other benefits increased by $5,341,000 or 19.4%. This increase represents increased labour costs and manpower strength together with general increases in OHIP and other premiums.

The Commission's labour costs are summarized by functional activities on the following page.

2. Materials, Services and Supplies — $32,395,000

This includes all non-labour costs not shown separately in the table above.

The increase of $3,168,000 or 10.8% is mainly attributable to general inflation in the cost of services and materials, as well as to increased consumption as a result of the 5.1% increase in miles operated. These costs are analyzed in more detail on the following page.

3. Electric Traction Power — $13,656,000

The Commission consumed 299.1 million kilowatt hours of power in 1982 in the operation of 56.6 million miles by electric vehicles. Increases in hydro rates averaged 12.2%; however, the increase in rates was partially offset by the increased efficiency resulting from a program to convert rectifier substations to solid state operation.

4. Automotive Fuel — $17,879,000

Automotive fuel costs have increased steadily over the past year reflecting price increases from $1.18 per gallon in January, 1981 to $1.66 per gallon in December, 1982. In addition, in 1982, bus miles increased 4.7 million miles to 57.3 million miles, an increase of 8.9%.

5. Vehicle and Other Licences — $556,000

Vehicle and other licence costs increased by $128,000 or 29.9% in 1982, the result of an expanded bus fleet as well as the removal of the exemption that previously applied to trolley coaches and non-revenue vehicles operated by the Commission within Metro Toronto.

6. Municipal Taxes — $2,865,000

Realty and business taxes are payable on all Commission properties except those used for rapid transit purposes. Mill rate increases in 1982 resulted in a $231,000 (8.8%) increase in municipal taxes.

7. Public Liability Costs — $3,433,000
Costs rose appreciably in 1982 mainly due to the payment of several large individual claims and to the general impact of increased automobile and property repair costs.

8. Depreciation — $7,008,000
This represents the amortization of the Commission's share of the costs of its capital assets (vehicles, plant, equipment and buildings). The increase over 1982 represents depreciation taken on the Commission's 25% share of the capital cost of the large bus purchases in 1981 and 1982.

9. Debenture Interest — $1,323,000
Debenture interest relates to the Commission's share of capital debt issued to finance the construction of subway lines prior to 1968. Debenture interest expense declines each year as principal payments reduce the balance outstanding.

Expenses By Function

	1982	1981	Increase (Decrease)	%
		(Thousands of Dollars)		
Wages, Salaries and Other Employee Costs				
1. Vehicle Operations	148,330	124,882	23,448	18.8
2. Vehicle Maintenance	55,730	47,030	8,700	18.5
3. Non-Vehicle Maintenance	28,271	24,362	3,909	16.0
4. General and Administration	22,393	18,730	3,663	19.6
	254,724	215,004	39,720	18.5
Materials, Services and Supplies				
1. Vehicle Operations	1,231	1,144	87	7.6
2. Vehicle Maintenance	14,501	12,635	1,866	14.8
3. Non-Vehicle Maintenance	10,443	8,841	1,602	18.1
4. General and Administration	6,220	6,607	(387)	(5.9)
	32,395	29,227	3,168	10.8

The table above analyzes the Commission's expenditures for labour and for material, services and supplies in terms of major functional activities. Set out below are comments on these areas.

1. Vehicle Operations

The table includes the labour costs for the Commission's operators, station collectors, inspectors, training staff and Transportation Department management (a total of 4,418 at December 31, 1982). Vehicle operations account for more than half (54%) of the Commission's operating work force. The increase in labour costs is due to the general wage adjustment as well as a manpower increase of 4.2% in the department, relative to a 5.1% increase in miles operated, mainly in motor bus operation.

The cost of materials, services and supplies relates mainly to the purchase and cleaning of uniforms.

2. Vehicle Maintenance

These expenses relate to the servicing, maintenance and repair of the Commission's fleet of 2,713 revenue vehicles at December 31, 1982 (1,556 buses, 632 subway cars, 178 street cars, 196 CLRV's and 151 trolley coaches).

Approximately one quarter of the Commission's work force is involved with vehicle maintenance. The increased mileage and vehicle fleet combined with the general wage increase contributed to the increase in labour costs associated with vehicle maintenance. In addition, higher costs were incurred as the result of increased maintenance requirements on older PCC vehicles and on CLRV's due to expiration of warranty periods.

The cost of materials, services and supplies for vehicle maintenance increased due to general inflation, increases in miles operated and vehicle fleet size, increased material requirements to maintain older PCC cars and the expiry of the warranty period on some of the CLRV's.

3. Non-Vehicle Maintenance

In addition to its vehicle fleet, the Commission has a major investment in its subway buildings, track and equipment, surface track and overhead wiring, and maintenance and administrative facilities. These structures and facilities are maintained by approximately 12% of the Commission's work force. Manpower increases, increased costs for snow removal and additional costs for signal maintenance on the Spadina subway due to the expiration of warranties in 1982, account for the additional costs over and above the general wage and salary adjustments.

Increases in materials, services and supplies for non-vehicle maintenance are due primarily to inflation, additional costs incurred for snow removal, higher building and ground maintenance charges, increased costs of way maintenance and higher utility costs.

4. General and Administration

This covers the cost of providing administration by senior management, accounting and financial management, marketing and community relations, human resources administration, purchasing and inventory control, corporate and transit planning, safety and security, legal activities and computer and other management services.

Administrative labour represents approximately 10% of the Commission's work force.

Labour costs increased mainly as a result of general salary adjustments in 1981 and 1982 but also because of manpower increases principally in the areas of Planning, Treasury, Management Services, Safety and Security, and Personnel.

Non-labour costs declined by $387,000 from 1981 to 1982, as increases due to general inflation were more than offset by two major decreases in respect of (a) the provision for obsolete maintenance inventory and (b) stationery in inventory. 1981 costs included a major one-time charge to provide for obsolete street car and subway car material, which was not repeated in 1982. In addition, stationery costs in 1982 were reduced as the stationery stock on hand which had previously been expensed was recharged to inventory with a resulting reduction in expense.

Capital Expenditures

	1982	1981	Increase
	(Thousands of Dollars)		
Rapid Transit	44,874	18,966	25,908
Other Capital Projects	43,043	41,695	1,348
Total Capital Expenditures	87,917	60,661	27,256

Rapid Transit	($ 000's)
Scarborough RT	26,354
Subway Station Modernization Program	6,827
Yorkdale Commuter Parking Facility	5,482
Other	6,211
	44,874

Other Capital Projects	($ 000's)
201 Buses	27,213
Malvern Bus Garage	6,106
Surface Track	3,580
Communications and Information System	1,431
Other	4,713
	43,043

These figures do not include Metro's direct expenditure for land purchased for subway and other projects. Metro Municipalities' costs of constructing transit shelters are also not included.

The Scarborough RT project continued in 1982, with the first progress payments made on the ICTS vehicles, track material being purchased and payments made on awarded contracts. The 7.1 km line is scheduled for operation in late 1984.

Work under the Subway Station Modernization Program commenced or continued in 1982 at a number of stations on the Yonge subway line including Davisville, King, College, Dundas, Queen and St. Clair.

Construction work started in 1982 on the New Commuter Parking Facility at the Yorkdale subway station. The covered parking deck provides about a thousand parking spaces and will open in mid-1983.

Other rapid transit expenditures include additional and replacement escalators, continuation of the handicapped accessibility project, electrolysis corrosion control and asbestos removal in the subway.

Two hundred and one new buses (37 additions and 164 replacements) were purchased in 1982 at a total cost of $27.2 million, bringing the Commission's bus fleet to 1,556 and its total vehicle fleet to 2,713. Included in the new buses were ten 30-ft. Orion buses.

Structural work on the Malvern Bus Garage in north-east Scarborough was close to completion by the end of 1982. Malvern has been designed to accommodate more than 250 buses, and is scheduled to open in the summer of 1983.

Surface track projects are undertaken in conjunction with Metro Toronto or the City's program for repaving of streets.

Work continued during 1982 on the computer-based communications and information system for surface transit vehicles. One division (Wilson) now has its fleet of buses completely fitted with this equipment.

Other major surface expenditures pertained to the purchase of automotive service vehicles, furniture and office equipment, and a new central computer.

Financing

	1982	1981	Increase (Decrease)
	(Thousands of Dollars)		
Operating Expenditures			
By the Commission	333,839	284,408	49,431
By Metro and Metro Municipalities	20,618	20,479	139
	354,457	304,887	49,570
Financed From			
Commission Revenues	240,898	214,974	25,924
Metro and Metro Municipalities	57,659	44,113	13,546
Provincial Subsidy	55,900*	45,800*	10,100
	354,457	304,887	49,570
Capital Expenditures			
By the Commission	87,917	60,661	27,256
By Metro and Metro Municipalities	3,346	5,302	(1,956)
	91,263	65,963	25,300
Financed From			
Provincial Subsidy	70,300*	49,000*	21,300
Metro and Metro Municipalities	11,037	9,232	1,805
Commission	9,926	7,731	2,195
	91,263	65,963	25,300

*Subject to Provincial audit and approval

Operating

Financing of the Commission's operating expenditures is based on a "fair share" agreement under which the Commission aims to provide approximately 68% of expenses (as defined for Provincial subsidy purposes) from its revenues, while the Municipality of Metropolitan Toronto and the Province of Ontario assume the remaining expenses on an approximately equal basis. In practice the 68% revenue/cost target is arrived at through the Commission's budget setting procedures, which forecast number of passengers, service to be operated and required fare increases. Actual financial results may result in these percentages fluctuating above or below the targets from year to year.

The present Provincial formula is based on a sliding subsidy scale which provides for a basic subsidy of 13.75% of eligible expenses plus 25% of the shortfall between the actual revenue/cost ratio (as defined under Provincial subsidy rules) and the target of 72.5% for Toronto, up to a maximum subsidy rate of 15.47%.

The Province also pays a special operating subsidy to municipalities with new major transit facilities. Agreements are developed with the Province for each facility on an individual basis.

The Commission's operating subsidy requirement assumed by Metro Toronto amounted to $92,941,000 in 1982. In addition, Metro and Metro Municipalities incurred further public transit related costs totalling $20,618,000, primarily for debenture debt payments, senior citizens' fare subsidy and maintenance of transit shelters. The Provincial contribution amounted to $55,900,000, (subject to Provincial audit), and Metro's residual cost was $57,659,000.

When the figures in the table above are adjusted in accordance with Provincial subsidy regulations it results in a cost sharing between the three parties for 1982 as follows:

TTC Revenues	68.6%
Provincial Subsidy	16.6%
Metro and Metro Municipalities Contribution	14.8%

Capital

The Commission's capital expenditures for 1982 totalled $87,917,000. Of this total $53,309,000 was for new rapid transit and other major construction work included in the Capital Works Programme and $34,608,000 was for the purchase of buses and replacement and renovation of surface and general facilities included in the Capital Budget.

Metro assumes the full cost of the projects included in the Capital Works Programme, including land for subway and other projects purchased directly by Metro and not recorded on the Commission's books ($3,149,000). Metro receives a 75% Provincial subsidy for substantially all of these costs. In addition, the Province has agreed to pay a further subsidy representing 100% of the extra costs required to construct the Scarborough RT line using ICTS rather than CLRV technology.

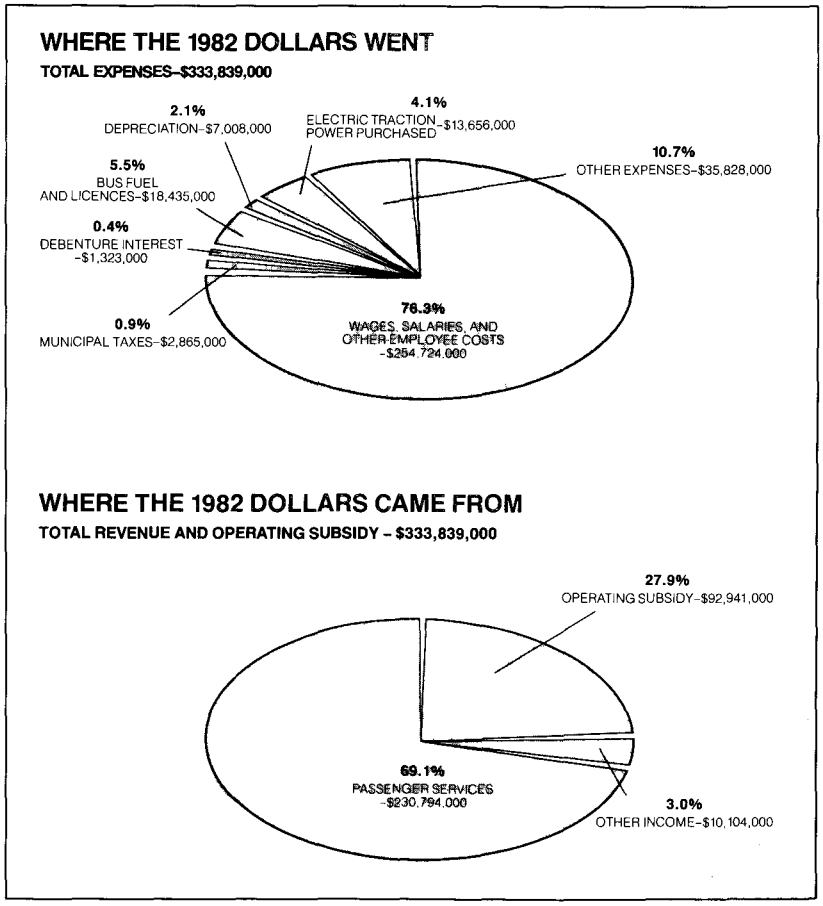
Capital Budget expenditures are borne by the Commission, with the exception of expenditures for transit shelters which are borne by the Metro Municipalities. The Province pays a 75% subsidy on most projects, but does not subsidize automotive service vehicles, revenue collection equipment, office furniture and equipment and certain other minor items.

Total Provincial subsidy on capital expenditures in 1982 amounted to $70,300,000 (subject to Provincial audit) including $3,350,000 for additional RT subsidy. The Commission's contribution was $9,926,000 and the remaining $11,037,000 was financed by Metro and the Metro Municipalities.

Financial Statements And Audit

Price Waterhouse, the independent Chartered Accountants retained by the Commission, have reviewed the accounting procedures and made such tests of the accounting records for 1982 as they considered necessary. Their report is appended to the financial statements which are part of this report.

The Metropolitan Auditor has not as yet submitted his report covering the 1982 accounts.



Financial Statements
December 31, 1982

Statement of Revenue and Expenses

	Year ended December 31 1982	1981
	(in thousands)	
Revenue from operations:		
Passenger services	$230,794	$205,679
Rental of land, air rights, buildings, subway concessions and equipment	4,347	3,930
Rental of advertising space	3,689	3,076
Dividend from Gray Coach Lines, Limited	600	600
Profit on sale of land	30	404
Miscellaneous	1,438	1,285
Total	240,898	214,974
Operating subsidy (Note 1)	92,941	69,434
Total revenue and operating subsidy	$333,839	$284,408
Expenses:		
Wages, salaries and other employee costs	$254,724	$215,004
Materials, services and supplies other than the items shown below	32,395	29,227
Electric traction power	13,656	12,242
Automotive fuel, including federal and provincial taxes	17,879	14,054
Vehicle and other licences	556	428
Municipal taxes	2,865	2,634
Public liability costs	3,433	2,830
Depreciation (Note 3)	7,008	6,406
Debenture interest	1,323	1,583
Total expenses	$333,839	$284,408

Balance Sheet

Assets

	December 31 1982	1981
	(in thousands)	
Current assets:		
Cash	$ 1,151	$ 533
Accounts receivable—		
The Municipality of Metropolitan Toronto	32,104	36,601
Gray Coach Lines, Limited — current account	4,125	3,095
Other	2,403	2,105
Materials and supplies, at cost	13,595	11,894
Working funds and prepaid expenses	2,733	1,656
	56,111	55,884
Investment in capital stock of Gray Coach Lines, Limited, at cost (Note 4)	1,000	1,000
Unamortized debenture discount	442	482
Capital assets (Note 2):		
Land, buildings, subway, power distribution system, trackwork, rolling stock, buses and other equipment, at cost	1,065,301	1,024,391
Less: Capital contributions	845,056	807,872
	220,245	216,519
Less: Accumulated depreciation	143,145	143,619
	77,100	72,900
Under construction and not yet in service	82,109	42,729
Less: Capital contributions	82,109	41,391
	–	1,338
Total capital assets	77,100	74,238
	$ 134,653	$ 131,604

Liabilities

	December 31 1982	1981
	(in thousands)	
Current liabilities:		
Accounts payable and accrued liabilities	$ 49,051	$ 42,988
Debenture interest accrued	396	408
	49,447	43,396
Provision for:		
Tickets and tokens held by the public	10,550	10,475
Public liability and workmen's compensation	2,500	2,500
	13,050	12,975
Capital debt (Note 5):		
The Municipality of Metropolitan Toronto—		
For debentures maturing in annual instalments from 1983 to 1995	20,949	22,768
For sinking fund debentures maturing between 1993 and 1997, less sinking fund balance of $14,110,000 (1981 — $12,852,000)	6,022	7,280
	26,971	30,048

Equity

Equity acquired from Toronto Transportation Commission on January 1, 1954:		
Earnings retained and invested in improvement and expansion of the system by Toronto Transportation Commission	24,804	24,804
Earnings retained and invested in the system by Toronto Transit Commission (unchanged from prior year)	20,381	20,381
	45,185	45,185
	$134,653	$131,604

Statement of Changes in Financial Position

	Year ended December 31	
	1982	1981
	(in thousands)	
Source of funds:		
Revenue from operations	$240,898	$214,974
Sales of capital assets	56	59
	240,954	215,033
Operating subsidy (Note 1)	92,941	69,434
	333,895	284,467
Application of funds:		
Operating expenses	333,839	284,408
Deduct items not requiring current funds—		
Depreciation	(7,008)	(6,406)
Other	804	(2,641)
	327,635	275,361
Expenditures on capital assets (Note 2)	87,917	60,661
Less: Capital contributions	77,991	52,930
	9,926	7,731
Debenture debt repayments	2,158	2,436
	339,719	285,528
Decrease in working capital	(5,824)	(1,061)
Working capital at beginning of year	12,488	13,549
Working capital at end of year	$ 6,664	$ 12,488

Notes to Financial Statements December 31, 1982

1. Operating Subsidy:

By agreement with The Municipality of Metropolitan Toronto, the Commission establishes its fares each year at the level required to produce total budgeted revenue from operations equal to 68% of total operating expenses (as defined for provincial subsidy purposes). The Municipality undertakes in its budget to provide an operating subsidy equal to the remaining expenses.

The Province of Ontario, through its Transit Operating Assistance Programme, pays a subsidy to the Municipality, calculated on a formula which provides for:

(i) a basic subsidy of 13.75% of transit operating expenses plus an additional 0.25% for each 1% that the actual revenue/cost ratio falls below 72.5%, up to a maximum subsidy rate of 15.47%, plus

(ii) special subsidies on the initial operations of major new transit facilities.

Under these arrangements, if actual revenue and expenses for the year are equal to the budgeted figures, the operating subsidy is shared approximately equally by the Municipality and the Province.

In 1982, the actual funding of transit operating expenses (as defined for provincial subsidy purposes) for the year is expected to be as follows:

By the Commission	68.4%
By the Municipality	15.1%
By the Province of Ontario	16.5%

2. Capital Assets and Capital Contributions:

The Commission constructs or purchases its capital asset additions and receives capital contributions as described below. Capital assets are recorded at gross cost in the financial statements and the capital contributions received are recorded as a deduction from this cost. Land purchased directly by the Municipality, mainly for rapid transit purposes, is not recorded on the Commission's books. The current bases for capital contributions are as follows:

(i) For additions and improvements to the subway and light rail systems and equipment and for certain other projects, the Municipality makes a capital contribution equal to the total cost and recovers 75% of this amount from the Province.

(ii) For most of its other capital asset additions, including buses, the Commission receives from the Province a 75% capital contribution that is paid through the Municipality.

3. Depreciation Policy:

The provision for depreciation on capital assets is computed on the straight-line method at rates based on the estimated average useful life of each asset group. Depreciation is charged only on that portion of the total cost of capital assets borne by the Commission.

4. Gray Coach Lines, Limited:

Gray Coach Lines, Limited, a wholly-owned subsidiary of the Toronto Transit Commission, operates interurban coach services and, through its subsidiary, Gray Coach Travel Inc., a travel business. Its consolidated financial statements are published separately. The accounts of Gray Coach Lines are not consolidated with those of the Toronto Transit Commission because consolidation is not felt to be the more informative presentation in the circumstances. The earnings of the Company, after payment of dividends to the Commission, are retained to maintain and improve the service and facilities for the benefit of the population it serves and are not likely to accrue to the Commission. In addition, the Company's fares and routes are regulated by the Province of Ontario and a significant part of the Company's operations is carried out under an agreement with the Toronto Area Transit Operating Authority as part of the "Go Transit" commuter system.

The earnings of Gray Coach Lines, Limited are recorded in the accounts of the Commission only to the extent of dividends received which amounted to $600,000 in January 1982 (January 1981 — $600,000). A dividend of $700,000 was received in January 1983. The results of Gray Coach Lines' operations are summarized as follows:

Gray Coach Lines, Limited
(including Gray Coach Travel Inc.)

	Year ended December 31	
	1982	1981
	(in thousands)	
Revenue	$44,542	$39,449
Expenses, including Ontario income taxes	42,352	37,746
Net earnings for the year	$ 2,190	$ 1,703

The Company's balance sheet is summarized as follows:

	December 31	
	1982	1981
	(in thousands)	
Assets		
Current assets	$ 6,666	$ 5,663
Short-term investments and interest-bearing deposits, held for replacement of terminals and public liability settlements	6,000	5,100
Capital assets, at cost less accumulated depreciation	13,022	12,062
	$25,688	$22,825
Liabilities and Shareholder's Equity		
Current liabilities	$ 6,473	$ 5,200
Provisions, mainly for public liability and workmen's compensation	1,691	1,591
Capital stock, reserve and retained earnings	17,524	16,034
	$25,688	$22,825

The Statement of Revenue and Expenses reflects charges of $5,799,000 in 1982 ($5,293,000 in 1981) made to Gray Coach Lines, Limited by the Commission for rental of property and equipment, use of joint facilities and administrative services.

5. Capital Debt:
Capital borrowings by the Commission are effected through the issue of Municipality of Metropolitan Toronto debentures. The Commission is required to provide the Municipality with funds to meet all principal and interest payments on such debentures. At December 31, 1982, the net capital debt of the Commission was as follows:

	1982	1981
	(in thousands)	
Instalment debentures—		
3½% final instalment due 1983*	$ 290	$ 569
4% final instalment due 1983	201	395
3½% final instalment due 1984	359	530
5⅜% final instalment due 1992	2,147	2,306
5½% final instalment due 1993	5,567	5,929
5¼% final instalment due 1995	12,385	13,039
	20,949	22,768
Sinking fund debentures—		
5% due 1993	356	501
6% due 1996	2,934	3,580
6% due 1997	1,209	1,428
7% due 1997	1,523	1,771
	6,022	7,280
	$26,971	$30,048

* This debenture is payable in U.S. dollars and has been converted into Canadian dollars at rates ruling at time of issue. On the basis of the December 31, 1982 exchange rate the Commission would have an additional liability of approximately $71,000 on the above amount.

Instalment debenture maturities and scheduled sinking fund payments required in each of the next five years are approximately $1,873,000.

The sinking fund balance of $14,110,000 at December 31, 1982 consists of:

(i) the annual levies paid by the Commission into The Municipality of Metropolitan Toronto sinking fund together with interest credited at the rate of 3% per annum, which is the rate to provide sufficient funds to retire the debentures at maturity, and

(ii) the Commission's equity of $4,421,000 in the actual earnings of the sinking fund in excess of the 3% rate.

6. Pensions:
The Commission has a contributory pension plan covering substantially all employees including those assigned to Gray Coach Lines, Limited. The Commission and employees contribute equally to the Pension Fund Society. The rate of contributions for 1982 for each member and the Commission was 7.5% of wages and salaries less the amounts required to be contributed to the Canada Pension Plan. The contribution by the Commission covers both its share of current service costs and amounts required to liquidate the unfunded liabilities of the plan, which at January 1, 1982, amounted to approximately $91,000,000, over the periods prescribed by law. These unfunded liabilities result from improvements made to the plan in 1980 and prior years, based on the advice of the Society's independent actuaries.

April 19, 1983

Auditors' Report

To the Chairman and Members
of the Toronto Transit Commission:

We have examined the balance sheet of the Toronto Transit Commission as at December 31, 1982 and the statements of revenue and expenses and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Commission as at December 31, 1982 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Price Waterhouse

Chartered Accountants

Financial and Operating Statistics
10 Year Summary
1973 - 1982

	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	% Increase (Decrease) 1973-82
Passengers/Operating Revenue											
Passengers (Millions)	329.0	329.8	357.6	350.6	348.7	337.6	346.2	366.4	392.0	401.2	21.9
Basic Adult Ticket Fare (at December 31)	25.0¢	25.0¢	33.3¢	40.0¢	40.0¢	42.9¢	50.0¢	50.0¢	57.1¢	62.5¢	150.0
Total Operating Revenue ($ Millions)	85.3	84.3	107.9	132.1	137.7	146.0	165.9	183.6	215.0	240.9	182.4
Operating Revenue per Mile	106.5¢	101.0¢	114.4¢	137.5¢	145.9¢	147.9¢	167.6¢	181.1¢	199.3¢	212.4¢	99.4
Operating Revenue per Passenger	25.9¢	25.6¢	30.2¢	37.7¢	39.5¢	43.2¢	47.9¢	50.1¢	54.9¢	60.0¢	131.7
Operations/Expenses											
Miles Operated, Including Charters and Special Services (Millions)											
Bus	39.4	40.5	46.0	47.5	46.9	46.9	48.1	49.3	52.1	56.8	44.2
Subway Car	26.2	29.7	34.1	34.6	33.8	38.2	37.7	38.6	42.6	43.2	64.9
Street Car	10.9	9.9	10.5	10.1	9.5	9.4	9.1	9.4	9.3	9.4	(13.8)
Trolley Coach	3.6	3.4	3.7	3.9	4.2	4.2	4.1	4.1	3.9	4.0	11.1
	80.1	83.5	94.3	96.1	94.4	98.7	99.0	101.4	107.9	113.4	41.6
Average Number of Employees (including Gray Coach Lines, Ltd.)	7,330	7,565	8,047	8,473	8,525	8,632	8,703	8,689	8,906	9,314	27.1
Average Hourly Wages & Benefits per Driver	$6.07	$7.52	$8.15	$8.86	$9.62	$10.27	$10.81	$11.67	$14.13	$15.49	155.2
Total Expenses ($ Millions)	103.2	118.5	146.0	167.7	180.0	196.4	211.6	236.8	284.4	333.8	223.4
Expenses per Mile	128.8¢	141.9¢	154.8¢	174.5¢	190.7¢	199.0¢	213.7¢	233.5¢	263.6¢	294.3¢	128.5
Expenses per Passenger	31.4¢	35.9¢	40.8¢	47.8¢	51.6¢	58.2¢	61.1¢	64.6¢	72.6¢	83.2¢	165.0
Operating Subsidy											
Operating Subsidy ($ Millions)	17.9	34.2	38.2	35.6	42.3	50.4	45.7	53.2	69.4	92.9	
Operating Subsidy per Mile	22.3¢	41.0¢	40.5¢	37.0¢	44.8¢	51.1¢	46.2¢	52.4¢	64.3¢	81.9¢	
Operating Subsidy per Passenger	5.4¢	10.4¢	10.7¢	10.2¢	12.1¢	14.9¢	13.2¢	14.5¢	17.7¢	23.2¢	
Capital Assets											
Investment in Capital Assets (before depreciation and contributions) at December 31 ($ Millions)											
Subway	436.6	453.1	523.1	611.7	726.8	786.8	827.3	836.3	841.6	885.4	102.8
Surface	93.9	107.1	117.1	124.6	125.0	126.6	134.5	174.0	225.5	262.0	179.0
	530.5	560.2	640.2	736.3	851.8	913.4	961.8	1,010.3	1,067.1	1,147.4	116.3
Metro and Provincial Contributions	320.4	349.1	426.8	522.9	637.6	701.0	748.2	796.4	849.3	927.2	189.4
TTC Investment (before depreciation)	210.1	211.1	213.4	213.4	214.2	212.4	213.6	213.9	217.8	220.2	4.8
Vehicle Fleet — Owned or Leased											
Buses	1,097	1,165	1,218	1,219	1,235	1,219	1,231	1,262	1,403	1,556	41.8
Subway Cars	410	416	498	494	534	590	618	632	632	632	54.1
Trolley Coaches	152	151	151	151	151	151	151	151	151	151	(0.7)
Street Cars	393	389	388	358	354	344	342	311	258	178	(54.7)
CLRV's	–	–	–	–	–	–	17	89	188	196	
	2,052	2,121	2,255	2,222	2,274	2,304	2,359	2,445	2,632	2,713	32.2

Notes