G.Y. Chien
Manager - Operational Planning

Annual Report

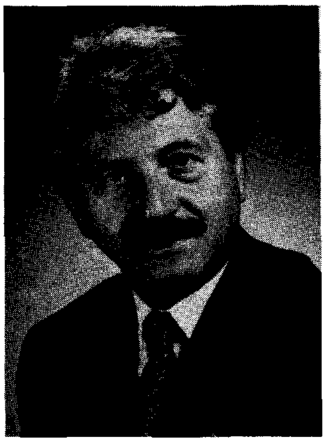
1991

Toronto Transit Commission

1991 ANNUAL REPORT

Toronto Transit Commission

Letter from the Chair



AUGUST 28, 1992

TO: MR. ALAN TONKS, CHAIRMAN, AND COUNCILLORS OF THE MUNICIPALITY OF METROPOLITAN TORONTO

It is with pleasure that I present the 1991 Annual Report on behalf of the Commissioners and employees of the Toronto Transit Commission (TTC).

This was a difficult year for the TTC. The recession has been much deeper and has lasted much longer than anyone had anticipated. It has had an undeniable effect on both the number of customers using our service and on our revenue.

Nevertheless — and in spite of restricted funding — we continued to ensure that public transit remained high on the political agendas of our governments. Since the provincial announcement of the $5 billion Let's Move Programme in 1990, we have seen significant strides forward.

In 1991, the Ministry of Environment reviewed the Environmental Assessment reports for the Spadina LRT and the Spadina subway extension from Wilson subway station to Sheppard Avenue. Final approval for both was received in early 1992, and construction began in June on the extension. Environmental Assessment studies continued throughout the year on the remaining lines, with reports expected to be submitted to the Ministry by the end of 1992.

In 1991, it was also our very great pleasure to host the annual American Public Transit Association (APTA) conference. More than 3,000 delegates from transit authorities worldwide came to Toronto, met with each other, TTC staff and Commissioners, and familiarized themselves with our system. Without exception they praised our efficiency, courtesy and safety — and I know they were speaking not only of the TTC, but of Toronto as well.

It was the year we approved the Long Range Plan. This is a plan that sets the corporate direction for the TTC: moving it firmly forward, doing more with less — and always for the benefit of the customer.

And that customer is one who clearly supports public transit.

It takes only a few days without a transit system, as happened last September during a full labour strike, to vividly bring home the fact that public transit is essential not only for mobility but for the entire economic health of a city.

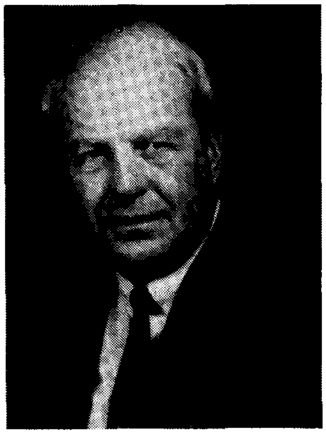
We are moving to a future where public transit truly replaces the car as the most effective means of urban transportation. In 1991, significant steps were taken in that direction.

I would sincerely like to thank Commissioner Lois Griffin, who was TTC Chairman through the majority of 1991, and Commissioners Alan Tonks, Brian Harrison, Howard Moscoe, Paul Christie and Vice-Chair Bev Salmon for their dedication and commitment to the goals of the TTC. Thanks also go to TTC management and staff for the superb job they have done throughout the year.

Michael T. Colle

Michael T. Colle
Chair

Letter from the Chief General Manager



AUGUST 28, 1992

TO: MR. ALAN TONKS, CHAIRMAN, AND COUNCILLORS OF THE MUNICIPALITY OF METROPOLITAN TORONTO

The Toronto Transit Commission faced a tough economic year in 1991, but it was not unexpected. It was, in many ways, a repeat of a difficult 1990 and a prelude to a 1992 that, to date, has shown little sign of improvement.

It is an unavoidable fact that our success is contingent on the economic success of Metropolitan Toronto. People must have steady jobs and freer spending habits to take the TTC regularly, and until then, we face a difficult ride.

Even so, we came through 1991 with much to be proud of. Subway reliability, perhaps our most important measuring tool, was the best it has been in five years. Customers rewarded us with commendations that rose by 24 per cent, and delay complaints that dropped 93 per cent.

In 1991, we saw a renewed commitment to teamwork and an equally strong emphasis on customer service. Throughout the TTC, departmental responsibilities were analyzed and layers of approval were reduced so that customer benefits could be put into place more quickly.

Safety and security continued to be paramount. We were recognized across North America as we won both the Canadian Urban Transit Association (CUTA) and APTA awards for industrial and passenger safety. And we are particularly proud of our Request Stop and Designated Waiting Area Programmes, which increase the customer's sense of safety and security when using the system — both above and below the surface.

Our commitment to easier access transit remains strong and 1991 proved a record-breaking year for Wheel-Trans; and I am pleased to report that the Lawrence Manor Community Bus route was so successful that four new community bus routes have recently been introduced.

Tough times call for tough measures and for the first time since the TTC's Equal Opportunity Programme was established in 1980, the internal work force decreased. In spite of this, representation of women, racial minorities, Aboriginal Peoples and people with disabilities increased from 23 per cent to 24 per cent.

Finally, it is said that the key to surviving the recession is a tight organization. It means reduction of staff through attrition, harsh restraints on spending and using employees more effectively. In 1991 we set ourselves even more firmly on this path, and in 1992 and beyond, we will continue.

It is my strong belief that when the economy turns and customers return, they will find a TTC that is not just safe and reliable — but one that is more "the better way" than ever.

Allan F. Leach
Chief General Manager

Review of Operations

National affairs and urban transit are inseparable. When the economy spirals downwards, jobs are lost and fewer people use regular transit.

This fact played through every aspect of 1991 as the Toronto Transit Commission was forced to deal with significant loss of ridership and revenue. This, however, is not a bad news story. The recession demanded a readjustment in many areas of the TTC but, ultimately, this readjustment was looked upon as an opportunity.

It sent the TTC firmly back to basics, where service, safety and courtesy are paramount. As ridership fell more than 35 million to 424 million customers – as operating expenses were limited to $663 million – and as economic conditions continued to deteriorate, customer service became the by-word of the TTC.

The challenge was to do more with less.

Customer Service

The TTC made genuine progress in the quality of service. Surveys revealed that customers were more satisfied than in the past.

And why not? Subway reliability improved significantly over 1990. The TTC points proudly to statistics showing that delays were down by 27 per cent and on-time performance was up 23 per cent. Further, subway defects decreased 30 per cent and subway miles per defect improved by 33 per cent.

Customers noticed the difference. Delay complaints dropped 93 per cent, and commendations rose by 24 per cent.

But service means not only vehicle reliability. It is often far more intangible and other initiatives taken by the TTC in 1991 focus on these:

- The Request Stop Programme was introduced. A first in North America, this programme increases security for women, enabling them to leave TTC buses anywhere along a route after dark – not just at designated stops – and ensuring they are not followed off the vehicle.
- The Commission approved the installation of Designated Waiting Areas (DWAs) in all subway stations. DWAs offer customers a safe, well-lit and monitored area to wait for trains. They are expected to be in place throughout the system by summer 1992.
- Proof of Payment (POP) rides were tested successfully on the Queen Street streetcar line, leading to a recommendation that POP be introduced on all streetcar lines. Budget cuts have delayed this proposal indefinitely, although the POP system remains in place on the Queen Street line.
- A Student Metropass was introduced to secondary school students aged 19 and younger.
- Metropass free parking was offered at four parking lots in late 1991 and received a favourable response from customers. It is expected that this programme will be expanded in 1992.

Internal training programmes emphasized customer service and show how it benefits employees as well as customers. More than 1,000 Operators and Collectors have participated in the "Ambassador Programme", while "Everybody's Business" trained an additional 1,200 employees.

Long Range Plan

Customer service is crucial to the TTC. It is looked upon not only in terms of the immediate future, but also over the long term. The Long Range Plan was approved by the Commission in July.

The Plan identifies future demands facing the TTC and assesses what needs to be done to meet them. It highlights opportunities created by changes in demographics, social attitudes and the economy. It sets a logical corporate direction, assesses the TTC's performance, and identifies areas that need improvement.

Performance targets include increasing ridership to exceed 500 million passengers by the year 2000, and striving to complete the Let's Move Programme by the same time.

Let's Move

Let's Move, a $5 billion investment in rapid transit in the Greater Toronto Area by the Province of Ontario, was initially approved in 1990. When complete, eight new lines will put rapid transit within two kilometres of 400,000 more residents than are currently served.

Environmental Assessments continued throughout 1991 on the following Let's Move projects:

- A connection between the existing Yonge and Spadina subway lines in the area of Metro's north boundary.
- An extension of the Bloor subway line to Metro's west boundary.
- An eastward and westward extension of a light rail line along Metro's waterfront.
- A new subway line along Sheppard Avenue in the cities of North York and Scarborough.
- A new rapid transit line along Eglinton Avenue linking the Spadina subway line to a proposed Mississauga Transitway in the area of Toronto's international airport.
- An extension of the elevated Scarborough Rapid Transit line.
- A light rail streetcar line down Spadina Avenue linking the Bloor subway to the Harbourfront LRT.
- Provision for yard facilities for the added equipment and service requirements.

Environmental Assessment reports have been prepared and forwarded to the Ministry of Environment for the Spadina Light Rail Transit streetcar line, and the Spadina subway extension from Wilson subway station to Sheppard Avenue – which is the first step in linking the Yonge and Spadina subway lines. Construction for these two projects is expected to begin in 1992.

Studies for the remaining Let's Move projects are intended to be complete in 1992, with construction on some anticipated to begin in 1993.

Improving Access

All new lines and vehicles purchased in the future will be fully accessible. The Easier Access Programme is dedicated to the transit needs of seniors and people with reduced mobility.

In 1991 almost 2,000 additional registrants were approved for the Wheel-Trans service, bringing the total number to more than 18,000. An additional 10 Orion II vehicles were acquired and the number of taxi companies providing Wheel-Trans services increased to 10.

As a result of these expanded services, unaccommodated trip requests were reduced to 5 per cent with an unprecedented 1,156,345 customers transported during 1991. This represents an annual increase of 20 per cent and is the first year in Wheel-Trans' 16-year history that more than one million passengers have been carried.

The Lawrence Manor Community Bus service passed its first-year trial with flying colours, and it has been recommended that four new community bus routes be added in 1992. The new routes are expected to ease pressure on Wheel-Trans, as approximately 12 per cent of customers who ride the Lawrence Manor Community Bus are registrants of Wheel-Trans. Six new community buses were purchased. All have low floors and are wheelchair accessible.

During 1991 design also advanced on escalators and elevators at a number of subway stations, and on cane-detectable platform edge marking tiles for all subway and RT stations. Improved signage was also tested.

Investigation of low floor buses and streetcars was undertaken in 1991. The TTC is working towards procurement of these types of vehicles over the next few years.

Equal Opportunity

The TTC is committed to equal opportunity for people with disabilities, women, racial minorities and Aboriginal Peoples.

In anticipation of provincial employment equity legislation, the TTC conducted a formal employment systems review of its corporate policies, practices and systems. As setting employment equity goals and timetables will be a major part of the proposed legislation, information sessions for senior management were held throughout 1991.

Nine sessions of the HART Management Training Programme were held in 1991. These involved 155 managers/supervisors, two executive board members of Amalgamated Transit Union Local 113, one executive board member of Canadian Union of Public Employees Local 2 and one executive board member of the International Association of Machinists and Aerospace Workers Lodge 235. HART equips participants with the skills and knowledge to manage a diverse workforce.

The TTC also established a task force on ethno-racial access to transit services, analyzing the needs of cultural multilingual communities.

Studies continued to focus on outreach recruitment programs, pay equity, an alternate work program for employees disabled through injury or illness, and departmental analyses that help place workers with disabilities.

Employee Initiatives

The TTC's greatest strength lies in its people. It continued to make considerable investment in employees through staff training and career development. Job enrichment and secondment programmes were also initiated in 1991, enabling employees to gain insight into other departments and round out their on-the-job experience.

It always makes good business sense to listen to those closest to the job. TTC's staff suggestion programme rewards those who discover new ways to improve service, systems and quality of customer service – and benefit the bottom line. More than 120 suggestions were put into practice in 1991, with a first-year savings for the TTC of approximately $246,000.

Various branches began experimenting with the concept of Total Quality Management. The Transportation Branch continued to make improvements to routes and schedules at the recommendation of its Surface Transit Enhancement Programme (STEP) teams.

And with thoughts turning to the less fortunate, TTC employees donated more than $451,000 to the United Way in 1991, topping the 1990 total by almost $70,000. The TTC's first ever food drive was also a great success, collecting more than 17,000 pounds of food for the Daily Bread Food Bank.

APTA Conference

In 1991, the TTC and GO Transit jointly hosted the APTA annual conference. It was declared a resounding success by all involved. More than 3,000 delegates from transit authorities worldwide came to Metro to see the TTC's latest ideas in action.

Safety and Security

The TTC was again cited for its industrial and passenger safety records, winning both the APTA and the CUTA awards in these areas.

The 1991 crime statistics proved it was still safer on the subway than the streets, as incidents reported on the TTC rose by only 6.7 per cent. The increase – which accounts for slightly more than 1 per cent of all criminal code offences in Metro – was attributed to the poor economic climate.

In 1989 a joint report by the TTC, the Metro Action Committee on Public Violence Against Women and Children and the Metropolitan Toronto Police Force made 63 recommendations for making TTC travel safer for women. Many of these recommendations, including Request Stop and Designated Waiting Areas have already been either implemented or successfully tested. In 1991, a 100-page report on surface transit in Scarborough was released. It was a joint effort of the TTC, the Metropolitan Police Force, the Scarborough Women's Action Network and the City of Scarborough. Several recommendations focusing on improving sightlines and reducing isolation of transit stops are being acted upon.

In 1991, measures were taken to improve safety for both passengers and employees. An important step forward was the full implementation of the Communications and Information System (CIS) on all 2,000 surface vehicles.

The $37 million system is the largest network of its type in the world. It allows two-way voice and data communications between Operators and divisional personnel. Along with immediate safety and service benefits, the TTC plans to use CIS in developing a transit watch programme, in conjunction with the Metropolitan Police, to benefit the entire community.

Equipment

In 1991 the Commission approved the purchase of 216 new subway cars at an estimated $580 million. It is anticipated the contract will be awarded to the new owner of UTDC, Bombardier Inc., in 1992 with the vehicles scheduled to arrive from 1996 to 1999.

These new T-1 cars will replace ageing M-1 (1963) and H-1 (1965 and 1966) vehicles. Customers were given a voice in the design of the prototype T-1 subway car, which is wheelchair accessible and will have a new interior design and colour scheme.

The TTC also began testing the use of chimes and flashing lights instead of whistles on a six-car train. The chimes and lights are activated when doors open and close. If the results are favourable, all vehicles are expected to be wired with the system in 1992 with system-wide conversion the year after.

During 1991 there was a major effort to improve subway and surface vehicle reliability. The Equipment Control Desk, the Vehicle Maintenance System and the enhanced Subway Maintenance System helped these efforts.

Work on the Intermediate Point Headway Control (IPHC) system also continued. When complete, the IPHC system will control the time intervals between trains and will result in improved efficiency.

Surface operations saw 17 of a total 18 PCC streetcars rebuilt and in revenue service by year end. And the first of more than 100 new-look buses, with air-conditioning, new seating and colours and a special kneeling feature were introduced in the summer.

Environment

The environment is always of special concern to the TTC, and the evaluation of 25 Compressed Natural Gas (CNG) buses continued through 1991. If the tests prove successful, an additional 100 CNG buses may be added to the fleet.

To keep these environmentally-friendly buses moving, the TTC opened the CNG fuelling station at Wilson garage in 1991. With a fast-fill system designed in Ontario, the fuelling station is the largest of its kind of any transit authority in the world.

Bringing the TTC's concern for the environment further into day-to-day operations, the Environmental Review Committee drafted a corporate policy regarding environmental issues, and an environmental audit was initiated. Investigation commenced on fuelling procedures, and noise level surveys were conducted at selected locations on the rail transit system.

Again, the public responded. A campaign urging customers to drop their expired Metropasses in recycling boxes was well received, and more than eight tons of newspapers were retrieved each week from the blue boxes located in 14 subway stations. Students from Etobicoke's West Humber Collegiate Institute helped stage a series of photos for the TTC's environmental awareness campaign.

And Transit Tuesday – the day the TTC challenged motorists to leave their cars at home – resulted in 60,000 more transit trips taken on April 23 than on the day before.

New Services and Facilities

The TTC made several major service changes in 1991 for the benefit of passengers. With the addition of the Queen Street East route, customers could choose from five express routes. Off-peak service was also increased, relief buses were able to operate on any route and service was extended into new suburban areas.

The number of surface routes increased by nine to 154 and, of these, 144 made a total of 221 connections with the subway/Scarborough RT systems during the morning rush hour period.

A study of the operational requirements of a new Transit Control Centre was also completed in 1991. A larger facility will be necessary to accommodate the technology required for the Let's Move expansion. Discussion of the new centre will move into 1992.

Construction was completed on 36 projects throughout 1991. One of the most visible is continuing, as Bloor Station has undergone the most difficult part of its improvements, including the removal of 250 feet of roof to widen the platforms. A new entrance opened at the same station and entrances at Queens Quay on the Harbourfront LRT opened in time for increased summer traffic.

Adjustments were also made to the organizational structure. A corporate reorganization resulted in a reduction in the number of branches from seven to six. Legal, Finance and Human Resources were consolidated into the Corporate Services Branch and the Transportation Branch and the Equipment Branch – each of which had previously been a department under the Operations Branch – were formed.

Subsidiaries

Toronto Transit Consultants Limited (TTCL), the consulting subsidiary of the TTC advised on several international projects, the largest of these being in Shanghai, Hangzhou, Chicago and San Jose.

The TTC officially reopened the Metropolitan Toronto Coach Terminal on Bay Street in May after a one-year $15 million facelift. The terminal has three times as much floor space as before, with seating for 250 people, more ticket windows and an underground walkway linking the terminal to the Dundas subway station.

Economics

The recession cut deeply into TTC ridership in 1991. The loss meant an estimated $27 million shortfall in the operating budget. In an effort to make it up, service times were widened, the expense budget was reduced and a hiring freeze and administrative cuts were effected.

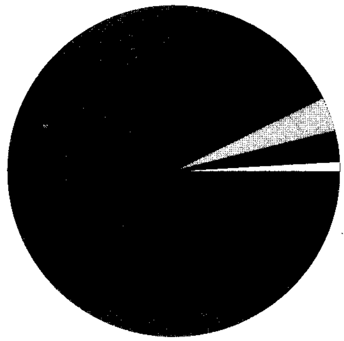
Rider numbers were also influenced by a full labour strike, which occurred from September 12 to September 19, 1991 inclusive.

During that time the TTC was unable to provide service to its customers, although Wheel-Trans continued to operate.

The TTC welcomed back its customers with free rides and parking on the first day of service after members of Amalgamated Transit Union Local 113 accepted a two-year contract. Metropass holders were also given a credit for the eight days of the strike and the free day.

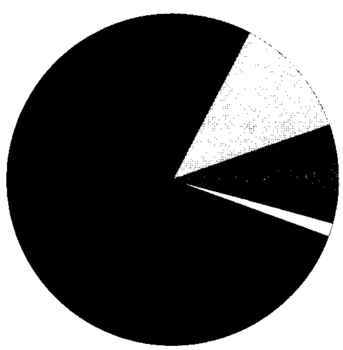
Conventional System Financial Overview

1991 REVENUE
Total Revenue:
$478,782,000



- Regular Service, Including Fare Grants $403,628,000 (84.3%)
- Dividend Income $48,000,000 (10.0%)
- Rental Income $15,112,000 (3.1%)
- Advertising Space Rental $7,986,000 (1.7%)
- Miscellaneous $2,183,000 (0.5%)
- Charters and Special Services $1,873,000 (0.4%)

1991 EXPENSES
Total Expenses:
$662,659,000



- Wages, Salaries and Other Employee Costs $510,841,000 (77.1%)
- Materials, Services and Supplies $79,584,000 (12.0%)
- Electric Traction Power $22,706,000 (3.4%)
- Automotive Fuel $21,380,000 (3.2%)
- Property Taxes $10,358,000 (1.6%)
- Depreciation $9,016,000 (1.4%)
- Accident Claims Costs $8,774,000 (1.3%)

TTC Fares at December, 1991

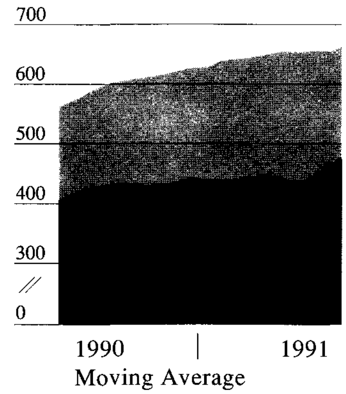
	Fares	Passengers millions	%
TOKENS			
Adult	7 for $7.50	111.4	26.3
TICKETS			
Adult	7 for $7.50	35.8	8.4
	2 for $2.50	17.9	4.2
Scholar	7 for $3.75	31.2	7.4
Senior	7 for $3.75	25.4	6.0
Child	8 for $2.50	11.7	2.8
CASH			
Adult	$1.30	60.0	14.1
Scholar	$0.80	6.0	1.4
Child	$0.55	2.6	0.6
PASSES			
Metropass	$56.50	108.2	25.5
Twin Pass	$46.50	3.2	0.8
Students' Pass	$42.50	0.6	0.1
Seniors' Pass	$36.75	5.2	1.2
Day Pass	$5.00	1.2	0.3
OTHER			
Postal Contract		1.3	0.3
Blind and War Amputees		1.1	0.3
Free Day		1.4	0.3
		424.2	100.0

Note:
The split of passengers and revenue by category is estimated on the basis of collection of tickets and tokens and a sample analysis of cash fares.

Operating results

	1991	1990	Increase (Decrease)	%
■ Revenue ($ millions)	478.8	440.4	38.4	8.7
▒ Operating subsidy ($ millions)	183.9	187.9	(4.0)	(2.1)
Expenses ($ millions)	662.7	628.3	34.4	5.5

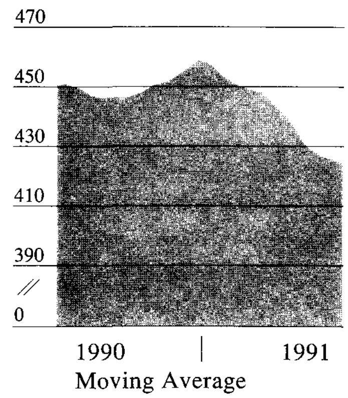
Revenue increased to $478.8 million, primarily as a result of a $48,000,000 dividend from Metropolitan Toronto Coach Terminal Inc. (MTCTI) and a 7.3% fare increase. This was offset by a 7.6% decline in passengers as a result of the 8-day strike and the continuing economic recession. Expenses rose to $662.7 million because of a year-over-year wage increase of 6.0% and general inflation in non-labour costs offset by a 3.7% decrease in miles operated. Operating subsidy decreased by 2.1%.



Passengers

	1991	1990	Increase (Decrease)	%
Passengers (millions)	424.2	459.2	(35.0)	(7.6)
*Revenue per passenger	101.6¢	95.9¢	5.7¢	5.9
Operating subsidy per passenger	43.3¢	40.9¢	2.4¢	5.9
Expenses per passenger	156.2¢	136.8¢	19.4¢	14.2

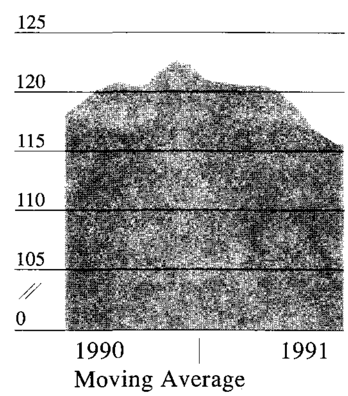
Ridership decreased by 7.6% primarily due to the 8-day strike and the continuing economic recession.
***Revenue per passenger excludes $48.0 million dividend from MTCTI.**



Miles

	1991	1990	Increase (Decrease)	%
Miles (millions)	116.8	121.3	(4.5)	(3.7)
*Revenue per mile	368.8¢	363.1¢	5.7¢	1.6
Operating subsidy per mile	157.5¢	154.9¢	2.6¢	1.7
Expenses per mile	567.4¢	518.0¢	49.4¢	9.5

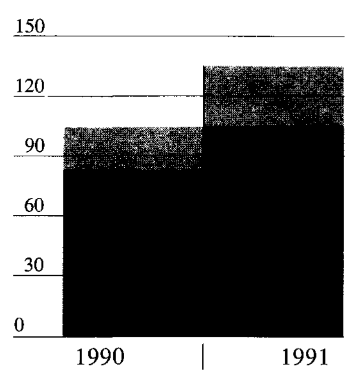
Vehicle mileage decreased in 1991 by 4.5 million miles or 3.7%. Surface mileage (buses, streetcars and trolley coaches) decreased by 2.6 million miles, while rapid transit miles decreased by 1.9 million miles. The decrease in mileage is mainly the result of the 8-day strike.
***Revenue per mile excludes $48.0 million dividend from MTCTI.**



Capital expenditures

	1991	1990	Increase	%
▒ Revenue vehicle acquisition ($ millions)	31.5	22.2	9.3	41.9
■ Other capital projects ($ millions)	104.0	82.2	21.8	26.5
Total ($ millions)	135.5	104.4	31.1	29.8

Among the major expenditures in 1991 were the purchase of 106 diesel buses and 21 natural gas buses ($26.9 million), modifications to the maintenance facilities ($23.3 million), Let's Move Programme ($17.8 million) replacement of track ($10.6 million), Easier Access ($5.9 million), and Yonge-Bloor Platform Protection project ($5.8 million).



Revenue

(thousands of dollars)	1991	1990	Increase (Decrease)	%
Regular service	386,746	390,076	(3,330)	(0.9)
Fare grants	16,882	16,314	568	3.5
Regular service, including fare grants	403,628	406,390	(2,762)	(0.7)
Charters and special services	1,873	2,215	(342)	(15.4)
Total passenger services	405,501	408,605	(3,104)	(0.8)
Rental income	15,112	15,752	(640)	(4.1)
Advertising space rental	7,986	8,059	(73)	(0.9)
Dividend from MTCTI	48,000	2,000	46,000	
Miscellaneous	2,183	5,995	(3,812)	(63.6)
Total revenue	478,782	440,411	38,371	8.7

Regular Service, Including Fare Grants

Regular service, or "passenger" revenue, including fare grants from Metro Toronto, amounted to $403,628,000 in 1991. Fare increases implemented on December 31, 1990, resulted in an increase in the average fare of 7.3%. The adult ticket and token fare was increased to 7 for $7.50 ($1.07) from 8 for $8.00 ($1.00). The fare increase generated $33,280,000 in additional revenue.

The 1991 passenger level of 424,167,000 declined by 35,067,000, or 7.6%, from 1990, most of it due to the 8-day strike (September 12-19) and the economic recession. This resulted in a decrease in revenue of $33,370,000. A further $2,672,000 decline occurred due to reduction in the average fare.

As in previous years, Metro Toronto continued to provide grants that allow senior citizens to travel at half fare, the blind and war amputees to travel free and eligible war veterans to use seniors' fares. The amounts of Metro grants in 1991 were: senior citizens – $16,011,000; blind and war amputees – $791,000; eligible war veterans – $80,000.

Charters and Special Services

Charter revenue totalled $962,000, as compared with $1,328,000 in 1990. Revenue in 1991 was lower than normal due to reduced business as a result of the poor economic climate. Special service revenue increased by $24,000 to $911,000.

Rental Income

Rent from station concessions and leases of property totalled $4,240,000, a 16.3% increase from 1990. This increase was mainly due to rent increases at the Yonge-Eglinton station and rent from a building acquired from a subsidiary. Parking lot revenue totalled $5,572,000, a 22.8% decrease over 1990, primarily as a result of allowing Metropass holders to park free at four lots from October 1, 1991, and decreased patronage due to the economic recession. Other rental income totalled $5,300,000, an increase of $409,000, mainly the result of additional services provided beyond the Metro Toronto boundary.

Advertising Space Rental

Advertising revenue is obtained from advertisements on TTC vehicles and property. Advertising revenue decreased as a result of rebates to advertisers that were necessitated by the strike.

Dividend from Metropolitan Toronto Coach Terminal Inc. (MTCTI)

In December 1991, Metropolitan Toronto Coach Terminal Inc., paid a dividend of $48,000,000 to the Commission. This reduced the amount of the operating subsidy required from the Municipality allowing the Municipality to contribute $28,900,000 to a reserve fund for the purpose of financing future transit related initiatives.

Miscellaneous

The decrease in miscellaneous revenue is mainly due to the recognition of the gain on sale of land ($3,800,000) in 1990. No similar sale occurred in 1991.

Expenses

(thousands of dollars)	1991	1990	Increase (Decrease)	%
Wages, salaries and other employee costs	510,841	479,277	31,564	6.6
Materials, services and supplies	79,584	74,141	5,443	7.3
Automotive fuel	21,380	21,900	(520)	(2.4)
Electric traction power	22,706	21,377	1,329	6.2
Accident claims costs	8,774	10,852	(2,078)	(19.1)
Depreciation	9,016	10,716	(1,700)	(15.9)
Property taxes	10,358	10,052	306	3.0
Total expenses	662,659	628,315	34,344	5.5

Wages, Salaries and Other Employee Costs

Wage and salary costs increased to $422,936,000 while the TTC's share of pension contributions and other employee benefit costs totalled a further $87,905,000. General wage increases granted in 1990 and 1991 resulted in a composite year-over-year increase of 6.0%. Specifically, a 7.0% wage increase became effective on July 1, 1990, and a further 4.95% became effective July 1, 1991.

An analysis of wage and salary costs by function is shown on page 11.

Materials, Services and Supplies

This represents the cost of materials, services and supplies of items not shown separately in the table above. These costs are also analyzed on page 11.

Automotive Fuel

The decrease in this cost is due to a 3.0% decrease in bus miles operated (61.8 million miles in 1991) offset by a slight increase in the average price of diesel fuel.

Electric Traction Power

The increase in the electric traction power cost is primarily due to rate increases offset by a 4.5% decrease in miles operated by electric vehicles. In 1991, 55.0 million miles were operated.

Accident Claims Costs

Accident claims costs consist of premiums for catastrophe insurance, payments for self-insured claims and an increase in the provision for unsettled accident claims. Claims paid in 1991 were almost equal to those paid out in 1990. However, the provision for unsettled accident claims at December 31, 1991, was increased by $1.9 million ($3.9 million increase in 1990) thereby reducing the overall expenditure by over $2.0 million from 1990.

Depreciation

This expense relates to the annual amortization of the TTC's investment (net of municipal and provincial subsidies) in its capital assets. The reduction in depreciation expense is mainly due to the change in the estimated life of buses from 10 to 18 years.

Property Taxes

Realty and business taxes are payable on all TTC properties used for rapid transit purposes. The increase in taxes is attributable to a mill rate increase offset by a reduction in the Commercial Concentration Tax on commuter parking lots. This tax is not imposed at the four parking lots free to Metropass holders only.

Expenses by Function

(thousands of dollars)	1991	1990	Increase	%
WAGES, SALARIES AND OTHER EMPLOYEE COSTS				
Vehicle operation	282,782	265,422	17,360	6.5
Vehicle maintenance	117,566	108,520	9,046	8.3
Non-vehicle maintenance	58,133	54,910	3,223	5.9
General and administration	52,360	50,425	1,935	3.8
	510,841	479,277	31,564	6.6
MATERIALS, SERVICES AND SUPPLIES				
Vehicle operation	3,215	2,763	452	16.4
Vehicle maintenance	35,439	32,762	2,677	8.2
Non-vehicle maintenance	23,310	22,419	891	4.0
General and administration	17,620	16,197	1,423	8.8
	79,584	74,141	5,443	7.3
Total expenses by function	590,425	553,418	37,007	6.7

VEHICLE OPERATION

Approximately 50% of the operating work force is involved in vehicle operations: Operators, Station Collectors, Inspectors, Training Staff and Transportation Branch Management. Labour costs increased in 1991, mainly because of the general wage adjustment, increased employee benefit costs and the full implementation of the Communications and Information System. The increase in non-labour costs is the result of higher uniform costs due to inflation and more employees.

VEHICLE MAINTENANCE

Servicing, maintaining and repairing the revenue fleet employs approximately 25% of the TTC's work force. Costs increased mainly as a result of the general wage adjustment and inflation in the cost of maintenance material. Additional costs related to job upgrading in the automotive and rail categories and increased maintenance of subway cars, which was undertaken to improve subway reliability.

NON-VEHICLE MAINTENANCE

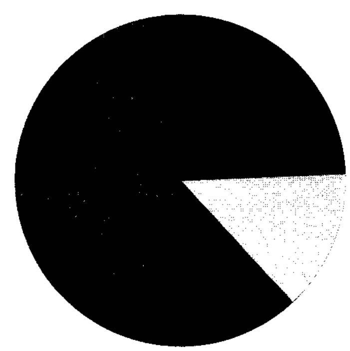
Approximately 15% of the work force is engaged in maintaining the TTC's garages, carhouses, repair shops and administration facilities, as well as the track and wiring along the subway and surface routes. The increase in costs in this area is the result of the general wage adjustment and increased employee benefits and inflation in the cost of maintenance material.

GENERAL AND ADMINISTRATION

The general and administration functions include the Executive, Finance, Marketing and Public Affairs, Human Resources, Materials and Procurement, Planning, Safety, Security, Legal, and Management Services operations. These activities account for approximately 10% of the work force.

The increase in labour costs was again mainly due to the general salary adjustment and higher employee benefit costs. The increase in non-labour costs was due to general inflation in the cost of supplies and services.

EXPENSES BY FUNCTION
Total:
$590,425,000



Vehicle Operation
$285,997,000 (48.4%)

Vehicle Maintenance
$153,005,000 (25.9%)

Non-Vehicle Maintenance
$81,443,000 (13.8%)

General and Administration
$69,980,000 (11.9%)

Wheel-Trans System Revenue and Expenses

(thousands of dollars)	1991	1990	Increase (Decrease)	%
REVENUE				
Passenger services	1,250	992	258	26.0
Rental of land and buildings	570	–	570	
	1,820	992	828	83.5
EXPENSES				
Wages, salaries and other employee costs	23,469	19,533	3,936	20.2
Materials, services and supplies	5,514	5,660	(146)	(2.6)
Contract services	8,001	5,044	2,957	58.6
Automotive fuel	788	793	(5)	(0.6)
Accident claims costs	182	195	(13)	(6.7)
	37,954	31,225	6,729	21.6

Wheel-Trans is a specialized transit service for people with disabilities who are unable to board regular transit vehicles.

TTC staff handle all administrative duties, reservations, scheduling and dispatching functions. Service is provided through Orion II specialized buses that are operated and maintained by the TTC, and by station wagons and sedans operated by outside contractors.

In addition to the traditional door-to-door Wheel-Trans service, a community bus route was introduced in October, 1990. This service provides a regular route service for seniors and people with disabilities. During 1991, 19,178 passengers were carried and 17,033 miles were operated.

Operating statistics for 1991 and 1990 for the regular Wheel-Trans Service are as follows:

(thousands)	1991	1990	Increase	%
Passengers carried	1,156.3	958.2	198.1	20.7
Miles operated	7,398.6	6,492.2	906.4	14.0
Number of registrants	18.2	16.4	1.8	11.0

Conventional and Wheel-Trans Systems Capital Expenditures

(thousands of dollars)	1991	1990	Increase
Revenue vehicle acquisition	31,488	22,178	9,310
Other capital projects	104,049	82,222	21,827
	135,537	104,400	31,137

Revenue Vehicle Acquisition		
106	Diesel buses	22,201
25	Compressed Natural Gas buses (current year's expenditures)	4,673
10	Wheel-Trans buses	1,839
18	Rebuilt PCC streetcars (current year's expenditures)	1,550
6	Special purpose buses for community bus service	1,225
		31,488

Other Capital Projects	
Maintenance facilities	23,313
Let's Move	17,785
Surface and subway track	10,645
Easier access	5,925
Yonge-Bloor platform protection	5,818
Other capital projects	40,563
	104,049

These figures do not include Metro Toronto's direct expenditures for land purchased for subway and other projects, or Metro municipalities' costs for constructing transit shelters and loops.

Revenue Vehicle Acquisition

106 Diesel buses:
Final payments were made for ninety-four 40 ft. diesel buses in 1991. The figure above includes value of the work completed to December 31, 1991, on the 12 buses not yet delivered by the year end.

25 CNG buses:
All 25 natural gas buses had been received by December 31, 1991. After evaluation, an additional 100 buses may be purchased for delivery in 1993.

10 Wheel-Trans buses:
Ten Orion II buses for use on the regular Wheel-Trans service were received in 1991.

18 Rebuilt PCC streetcars:
Twenty-two PCC streetcars were to be rebuilt from 1986 to 1992. Seventeen cars were completed by the end of 1991. One more was completed in early 1992 and work on the remaining four cars was cancelled as the TTC is now committed to provide low floor accessible streetcars on all new LRT lines.

6 Special purpose buses:
Six Orion II stretch buses (25 ft.) were received in 1991. These buses will be used for the operation of the community bus service.

Other Capital Projects

Maintenance facilities:
Work done in 1991 included garage modifications to accommodate articulated and natural gas buses, divisional office improvements, rebuilding of service pits and bus hoists, replacement of fuel tanks and expansion of Greenwood Yard to provide additional storage space and maintenance pits.

Let's Move:
The Let's Move programme consists of various major system expansion projects to be constructed in the next several years. Expenditures in 1991 include the development of design standards, the procurement of a project management information system, environmental assessment work on various individual projects and overall programme management.

Surface and subway track:
Surface track projects are undertaken in conjunction with Metro Toronto and the City of Toronto's programme for repairing streets. Subway track projects in 1991 consisted of the replacement of cross-overs and curves at various locations and the reinsulation of negative rail on the Bloor-Danforth line.

Easier access:
This project is designed to improve access to the existing subway system. The 1991 expenditures were primarily for station improvements for aiding people with disabilities and for subway car public address systems.

Yonge-Bloor platform protection:
This project is to allow for the option of building a centre third platform on the Yonge line at the Bloor Station to alleviate congestion.

Other capital projects:
These include the Communications and Information System (CIS); subway station modernization; office building alterations; electric destination signs; subway ventilation and asbestos removal projects; acquisition of computer hardware; garage improvements; purchase of shop and garage equipment; purchase of service vehicles; studies related to proposed new transit lines; and other capital acquisitions.

Financing

(thousands of dollars)	1991	1990	Increase (Decrease)
CONVENTIONAL SYSTEM OPERATING EXPENSES			
By the TTC	662,659	628,315	34,344
By Metro Toronto and Metro municipalities	69,710	40,805	28,905
	732,369	669,120	63,249
Financed from: TTC revenue	478,782	440,411	38,371
Metro Toronto and Metro municipalities	145,387	127,109	18,278
Provincial subsidy	108,200*	101,600*	6,600
	732,369	669,120	63,249
WHEEL-TRANS OPERATING EXPENSES			
By the TTC	37,954	31,225	6,729
By Metro Toronto	269	184	85
	38,223	31,409	6,814
Financed from: Metro Toronto	18,202	15,209	2,993
Provincial subsidy	18,201*	15,208*	2,993
TTC	1,820	992	828
	38,223	31,409	6,814
CAPITAL EXPENDITURES			
By the TTC	135,537	104,400	31,137
By Metro Toronto and Metro municipalities	1,327	15,041	(13,714)
	136,864	119,441	17,423
Financed from: Provincial subsidy	98,400*	80,700*	17,700
TTC	19,363	14,733	4,630
Metro Toronto and Metro municipalities	19,101	24,008	(4,907)
	136,864	119,441	17,423

* Subject to provincial audit and approval.

CONVENTIONAL SYSTEM OPERATING EXPENSES

Financing is based on a users' fair-share agreement under which the TTC aims to provide approximately 68% of expenses (as defined for provincial subsidy purposes) from its revenues.

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 TTC's budget-setting procedures, which forecast numbers of passengers, service to be operated and required fare increases. Actual financial results may result in these percentages fluctuating slightly above or below the targets from year to year.

The basic provincial subsidy is 16% of eligible expenses. In addition, special subsidies are also provided. In 1990, special subsidy was paid for the extra costs of the Scarborough RT line that resulted from the use of the Intermediate Capacity Transit System instead of the originally planned streetcar (LRT) system. In 1991, this subsidy was terminated and was replaced by special subsidies for improved system reliability and for initiatives undertaken to increase ridership.

In 1991, the operating subsidy requirement assumed by Metro Toronto amounted to $183,877,000. Metro Toronto and Metro municipalities incurred further costs totalling $69,710,000 for debenture debt payments, senior citizens' fare subsidy, maintenance of transit shelters and a $28.9 million payment to a new Transit Improvement Reserve Fund. The provincial contribution amounted to $108,200,000 (subject to provincial audit), and Metro's residual cost was $145,387,000.

Wheel-Trans Operating Expenses

The Wheel-Trans operating subsidy requirement is funded equally by the Municipality of Metropolitan Toronto and the Province of Ontario.

In 1991, the operating subsidy requirement assumed by Metro Toronto amounted to $36,134,000. Metro Toronto incurred further costs of $269,000 for senior citizens' fare subsidy. The provincial contribution was $18,201,000 (subject to provincial audit).

Capital Expenditures

Capital expenditures totalled $135,537,000, consisting of $83,377,000 for rapid transit extensions, major vehicle purchases and other projects included in the Metro Capital Works Programme, and $52,160,000 for the purchase of buses and for the replacement and renovation of surface and general facilities included in the TTC's capital budget.

Metro assumes the full cost of the projects included in the Capital Works Programme, including land and certain buildings purchased directly by Metro and not recorded on the TTC's books ($715,000 in 1991). Metro receives provincial subsidy for all of these costs, the majority at a rate of 75%.

Capital budget expenditures are assumed by the TTC, with the exception of costs for transit shelters and loops, which are paid for by the Metro municipalities. The Province pays a 75% provincial subsidy on most projects but does not subsidize automotive service vehicles, revenue collection equipment, office furniture and equipment, and certain minor items.

Provincial subsidies on capital expenditures in 1991 amounted to $98,400,000 (subject to provincial audit). The TTC's contribution was $19,363,000, and the remaining $19,101,000 was financed by Metro and Metro municipalities.

Toronto Transit Commission

FINANCIAL STATEMENTS

Year Ended
December 31, 1991

Auditors' Report

APRIL 9, 1992

TO THE CHAIRMAN AND MEMBERS
OF THE TORONTO TRANSIT COMMISSION

We have audited the balance sheet of the Toronto Transit Commission as at December 31, 1991 and the statement of revenue and expenses, statements of revenue and expenses for the Conventional Transit System and the Wheel-Trans System and the statement of changes in financial position for the year then ended. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Commission as at December 31, 1991 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.

THE MUNICIPALITY OF METROPOLITAN TORONTO · 1953 ·

Allan G. Andrews, C.A.,
Metropolitan Auditor

KPMG Peat Marwick Thorne
Chartered Accountants

Peat Marwick Thorne

Chartered Accountants
Toronto, Canada

Metropolitan Auditor
Toronto, Canada

Balance Sheet

(in thousands)	December 31, 1991	December 31, 1990
ASSETS		
Current assets		
Cash	$ 40,681	$ 7,139
Accounts receivable		
The Municipality of Metropolitan Toronto	13,948	75,882
Metropolitan Toronto Coach Terminal Inc.	1,798	4,555
Other	10,571	6,387
Inventories	30,519	26,085
Working funds and prepaid expenses	3,247	3,676
	100,764	123,724
Investment in and advances to Metropolitan Toronto Coach Terminal Inc. (note 4)	14,600	1,000
Capital assets		
Land, buildings, subway, power distribution system, trackwork, rolling stock, buses and other equipment	2,181,639	2,100,265
Less capital contributions	(1,923,544)	(1,843,122)
	258,095	257,143
Less accumulated depreciation	(162,986)	(172,381)
	95,109	84,762
Under construction and not yet in service	124,175	88,423
Less capital contributions	(124,175)	(88,423)
	–	–
Net capital assets	95,109	84,762
	$ 210,473	$ 209,486
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	$ 95,630	$ 98,066
Current portion of debenture debt (note 5)	1,978	1,877
	97,608	99,943
Provision for		
Fare media held by the public	18,100	20,200
Unsettled accident claims	22,300	20,400
Long-term employee benefits	23,000	17,500
	63,400	58,100
Long-term portion of debenture debt due to The Municipality of Metropolitan Toronto (note 5)	4,280	6,258
EQUITY		
Equity acquired from Toronto Transportation Commission on January 1, 1954	24,804	24,804
Earnings retained and invested in the system by Toronto Transit Commission (unchanged from 1972)	20,381	20,381
	45,185	45,185
	$ 210,473	$ 209,486

Statement of Revenue and Expenses

(in thousands)	Year ended December 31, 1991	Year ended December 31, 1990
Revenue		
Conventional Transit System	$ 478,782	$ 440,411
Wheel-Trans System	1,820	992
	480,602	441,403
Expenses		
Conventional Transit System	662,659	628,315
Wheel-Trans System	37,954	31,225
	700,613	659,540
Net Operating Costs	$ 220,011	$ 218,137
Operating subsidy (note 2)		
Conventional Transit System	$ 183,877	$ 187,904
Wheel-Trans System	36,134	30,233
	$ 220,011	$ 218,137

Statement of Revenue and Expenses for the Conventional Transit System

(in thousands)	Year ended December 31, 1991	Year ended December 31, 1990
REVENUE		
Passenger services	$ 405,501	$ 408,605
Rental of land, air rights, buildings, subway concessions and equipment	15,112	15,752
Rental of advertising space	7,986	8,059
Dividend from Metropolitan Toronto Coach Terminal Inc. (note 2)	48,000	2,000
Miscellaneous	2,183	5,995
Total revenue	478,782	440,411
EXPENSES		
Wages, salaries and other employee costs	510,841	479,277
Materials, services and supplies other than the items shown below	79,584	74,141
Automotive fuel, including federal and provincial taxes	21,380	21,900
Electric traction power	22,706	21,377
Accident claims costs	8,774	10,852
Depreciation	9,016	10,716
Property taxes	10,358	10,052
Total expenses	662,659	628,315
Net operating costs (operating subsidy) (note 2)	$ 183,877	$ 187,904

Statement of Revenue and Expenses for the Wheel-Trans System

(in thousands)	Year ended December 31, 1991	Year ended December 31, 1990
REVENUE		
Passenger services	$ 1,250	$ 992
Rental of land and buildings	570	–
Total revenue	1,820	992
EXPENSES		
Wages, salaries and other employee costs	23,469	19,533
Materials, services and supplies other than the items shown below	5,514	5,660
Contract services	8,001	5,044
Automotive fuel, including federal and provincial taxes	788	793
Accident claims costs	182	195
Total expenses	37,954	31,225
Net operating costs (operating subsidy) (note 2)	$ 36,134	$ 30,233

Statement of Changes in Financial Position

(in thousands)	Year ended December 31, 1991	Year ended December 31, 1990
CASH USED IN OPERATIONS		
Net operating costs	$ 220,011	$ 218,137
Items not affecting cash		
Depreciation	(9,016)	(10,716)
Provision for fare media held by the public	2,100	(1,800)
Provision for unsettled accident claims	(1,900)	(3,900)
Provision for long-term employee benefits	(5,500)	(4,500)
	205,695	197,221
Changes in non-cash operating working capital	(54,066)	1,816
	151,629	199,037
CASH USED IN INVESTMENT ACTIVITIES		
Advances to Metropolitan Toronto Coach Terminal Inc.	13,600	–
Acquisition of capital assets	135,537	104,400
	149,137	104,400
CASH RECEIVED FROM (USED IN) FINANCING ACTIVITIES		
Operating subsidies	220,011	218,137
Capital contributions	116,174	89,667
Debenture debt repayment	(1,877)	(1,782)
	334,308	306,022
Increase in cash	33,542	2,585
Cash, beginning of year	7,139	4,554
Cash, end of year	$ 40,681	$ 7,139

Notes to Financial Statements Year Ended December 31,1991

The Toronto Transit Commission (the Commission) was established on January 1, 1954 to provide the conventional transit service for the municipalities comprising The Municipality of Metropolitan Toronto (the Municipality). The Commission also operates Wheel-Trans, a transit service for the physically disabled, which is subsidized by the Municipality and the Province of Ontario (the Province).

1. Significant Accounting Policies

The accounting policies followed in the preparation of the financial statements for the Commission are in accordance with generally accepted accounting principles and have been consistently applied. The significant accounting policies are as follows:

a. **Revenue recognition**
Passenger revenue is recognized when tickets and tokens are used. Revenue from monthly passes is recognized in the period in which the passes are valid.

b. **Inventories**
Inventories are valued at average cost.

c. **Investment in wholly owned subsidiary – Metropolitan Toronto Coach Terminal Inc.**
The investment in Metropolitan Toronto Coach Terminal Inc. (MTCTI) is carried at cost. Dividends are recorded as revenue when received and effectively decrease the operating subsidy provided from the Municipality.

d. **Capital assets**
Capital assets are recorded at cost less capital contributions.

Holdbacks on construction contracts are not recorded until paid since the Municipality has complete financial responsibility.

Land purchased directly by the Municipality for the Commission's use is recorded in the Municipality's records.

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

ASSET	Years
Buildings	40
Subway	65
Power distribution system	30
Trackwork	15 - 25
Rolling stock	25 - 30
Buses	18
Other equipment	5 - 25

2. Operating Subsidy

a. **Conventional transit**
By agreement with the Municipality, 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 Municipality in turn obtains a subsidy from the Province equal to 16% of eligible expenses, and additional special operating subsidies for certain costs.

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.

The funding of conventional transit operating expenses (as defined for provincial subsidy purposes) for 1990 and 1991 is estimated to be as follows:

	1991	1990
By the Commission	65.3%	67.4%
By the Municipality	18.3%	16.4%
By the Province of Ontario	16.4%	16.2%

In December 1991, MTCTI paid $48 million in dividends to the Commission resulting in a reduction in the operating subsidy required from the Municipality. The funding by the Municipality of 18.3% of the conventional transit operating expenses, shown above, consists of the subsidy together with $28.9 million contributed by the Municipality to a new Transit Improvement Reserve Fund.

b. Wheel-Trans

For Wheel-Trans, there is no defined revenue contribution. The Municipality undertakes in its budget to provide an operating subsidy equal to the deficit on operations, and in turn receives a 50% contribution from the Province.

3. Capital Subsidy

The current bases for capital contributions are as follows:

a. Conventional transit

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.

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.

b. Wheel-Trans

For Wheel-Trans, the Municipality fully funds all capital expenditures and recovers 50% from the Province.

4. Investment in and Advances to Metropolitan Toronto Coach Terminal Inc.

MTCTI owns and operates a coach terminal located in Metropolitan Toronto. Financial statements of MTCTI are published separately.

The investment in and advances to MTCTI comprise:

(in thousands)	1991	1990
Investment	$ 1,000	$ 1,000
Advance on December 30, 1991, bearing interest at prime	13,600	–
	$ 14,600	$ 1,000

Included in the Commission's statement of revenue and expenses is a charge to MTCTI of $1.6 million (1990 – $6 million) for rental of property and equipment, use of joint facilities, and administrative services.

5. Debenture Debt

Capital borrowings by the Commission are financed through the issue of The 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 the net debenture debt was as follows:

(in thousands)	1991	1990
Serial debentures:		
5 3/8% final instalment due 1992	$ 269	$ 524
5 1/2% final instalment due 1993	1,270	1,856
5 1/4% final instalment due 1995	4,719	5,755
	6,258	8,135
Less: current portion	1,978	1,877
	$ 4,280	$ 6,258

Serial debenture payments required in each of the next four years are approximately $1.6 million.

Sinking fund debentures due in 1993 to 1997 amounting to $17.5 million have been fully funded by sinking fund investments.

6. Pensions

Substantially all employees, including those assigned to MTCTI, are members of the Toronto Transit Commission Pension Fund Society (the Society).

Pensions provided by the Society are based on length of service and average base year earnings. The base years, which are currently the highest consecutive four years of earnings up to the end of 1991, are updated from time to time, provided that the financial position of the Society so permits.

By agreement, the Commission is obligated to contribute to the Society 6.25% of wages and salaries up to the year's maximum pensionable earnings as defined by the Canada Pension Plan, and 7.85% of wages and salaries in excess of this amount. Commission employees contribute equally to the Society.

The contributions by the Commission amounted to $31.4 million in 1991 (1990 – $29 million).

7. Taxes

The Commission is not subject to income taxes and receives exemption from certain property taxes.

Conventional System 10-Year Financial and Operating Statistics

	1982	1983	1984	1985
PASSENGERS/OPERATING REVENUE				
Passengers (Millions)	401.2	405.7	427.7	432.2
Basic Adult Ticket Fare (at December 31)	62.5¢	66.7¢	70.0¢	73.8¢
Total Operating Revenue ($ Millions)	240.9	259.4	283.2	301.6
Operating Revenue per Mile	212.4¢	228.5¢	247.3¢	260.2¢
Operating Revenue per Passenger	60.0¢	63.9¢	66.2¢	69.8¢
OPERATIONS/EXPENSES				
Miles Operated, Including Charters and Special Services (Millions)				
Bus	56.8	57.2	58.2	59.0
Subway Car	43.2	43.1	43.3	43.3
Streetcar	9.4	9.3	9.2	9.1
Trolley Coach	4.0	3.9	3.8	3.6
Scarborough RT	–	–	–	0.9
	113.4	113.5	114.5	115.9
Average Number of Employees (Including MTCTI)	9,200	9,414	9,614	9,628
Average HourlyWages and Benefits per Driver	$15.49	$16.50	$17.43	$18.40
Total Expenses ($ Millions)	333.8	362.8	393.0	427.0
Expense per Mile	294.3¢	319.6¢	343.2¢	368.4¢
Expense per Passenger	83.2¢	89.4¢	91.9¢	98.8¢
OPERATING SUBSIDY				
Operating Subsidy ($ Millions)	92.9	103.4	109.8	125.4
Operating Subsidy per Mile	81.9¢	91.1¢	95.9¢	108.2¢
Operating Subsidy per Passenger	23.2¢	25.5¢	25.7¢	29.0¢
REVENUE/COST RATIO	68.6%	68.5%	69.3%	68.1%
CAPITAL ASSETS				
Investment in Capital Assets (Before Depreciation and Contributions) at December 31 ($ Millions)				
Rapid Transit	885.4	971.9	1,060.0	1,149.2
Surface	262.0	307.9	330.8	425.6
	1,147.4	1,279.8	1,390.8	1,574.8
Metro and Provincial Contributions	927.2	1,057.6	1,170.9	1,348.2
TTC Investment (Before Depreciation)	220.2	222.2	219.9	226.6
Vehicle Fleet (Owned and Leased)				
Buses	1,556	1,561	1,465	1,512
Articulated Buses	–	–	–	–
Subway Cars	632	632	632	631
Trolley Coaches	151	151	150	150
Streetcars				
PCCs	178	175	169	124
CLRVs	196	196	196	196
ALRVs	–	–	–	–
ICTS Vehicles	–	–	–	24
Wheel-Trans Buses	–	–	–	19
	2,713	2,715	2,612	2,656

1986	1987	1988	1989	1990	1991	% Increase (Decrease) 1982 - 1991
441.0	456.9	463.5	450.7	459.2	424.2	5.7
80.0¢	83.3¢	87.5¢	93.8¢	100.0¢	107.1¢	71.4
334.8	357.7	381.5	401.7	440.4	478.8	98.8
283.2¢	297.3¢	315.6¢	339.6¢	363.1¢	409.9¢	93.0
75.9¢	78.3¢	82.3¢	89.1¢	95.9¢	112.9¢	88.2
60.0	61.0	62.7	61.4	63.7	61.8	8.8
44.1	45.3	44.8	43.7	44.0	42.1	(2.5)
9.0	8.8	8.6	8.1	8.2	7.9	(16.0)
3.5	3.6	3.3	3.1	3.4	3.0	(25.0)
1.6	1.6	1.5	2.0	2.0	2.0	
118.2	120.3	120.9	118.3	121.3	116.8	3.0
9,636	9,734	9,963	10,176	10,351	10,218	11.1
$19.49	$20.58	$21.63	$23.24	$24.99	$26.59	71.7
461.0	494.5	531.9	561.5	628.3	662.7	98.5
390.0¢	411.0¢	440.0¢	474.6¢	518.0¢	567.4¢	92.8
104.5¢	108.1¢	114.8¢	124.6¢	136.8¢	156.2¢	87.7
126.2	136.8	150.4	159.8	187.9	183.9	98.0
106.8¢	113.7¢	124.4¢	135.1¢	154.9¢	157.5¢	92.3
28.6¢	29.9¢	32.4¢	35.5¢	40.9¢	43.3¢	86.6
69.5%	70.0%	69.5%	69.2%	67.4%	65.3%	
1,234.9	1,283.0	1,350.1	1,384.4	1,426.1	1,466.9	65.7
502.1	573.4	636.2	704.8	762.6	838.9	220.2
1,737.0	1,856.4	1,986.3	2,089.2	2,188.7	2,305.8	101.0
1,505.5	1,619.5	1,745.2	1,841.2	1,931.5	2,047.7	120.8
231.5	236.9	241.1	248.0	257.2	258.1	17.2
1,561	1,641	1,621	1,663	1,679	1,707	9.7
–	9	68	90	90	90	
631	662	721	746	752	630	(0.3)
150	150	150	150	180	174	15.2
124	123	116	99	62	54	(69.7)
196	196	196	196	196	196	–
–	–	32	52	52	52	
28	28	28	28	28	28	
30	69	123	123	123	124	
2,720	2,878	3,055	3,147	3,162	3,055	12.6

Management Directory - 1991

OFFICERS AND SENIOR OFFICIALS

Allan F. Leach
Chief General Manager

Norman E. Balfour, QC
General Counsel and Solicitor

Gerald L. Brolley
General Manager
Transportation

Arnold S. Dubé
General Secretary

R. Ian Kingston
General Manager
Equipment

Donald J. Morton
General Manager
Engineering and Maintenance

Dr. Juri Pill
General Manager
Administration and Planning

Earl Rowe
General Manager
Corporate Services

DEPARTMENT HEADS

Robert Allan
Manager
Surface Rail Operations

Douglas P. Anton
Manager
Property Management

Gordon R. Armstrong
Manager
Claims

William J. Bennett
Manager
Transit District #2

William Brown
Manager
Engineering
(Equipment)

Dennis R. Callan
Manager
Let's Move

John D. Cannell
Manager
Pension Fund

George Y. Chien
Manager
Operational Planning

Allen J. Chocorlan
Manager
Management Services

David A. Cowan
Manager
Plant

Clifford Davies
Manager
Automotive Operations

Kathryn Dean
Director
Equal Opportunity

Robert J. Evans
Manager
Wheel-Trans

William G. Frost
Manager
Communications & Information Systems

Theodore J. Galinis
Manager
Transit Control/Collectors

Alfred J. Gallo
Manager
Marketing and Public Affairs

Oscar G. Giovannini
Manager
Transit District #3

David W.R. Hammond
Associate General Counsel
and Solicitor

Morgan Harris
Manager
Financial Control

Joseph A. Heaney
Director
Corporate Security

Lynn Hilborn
Director
Corporate Relations

Graham Jones
Manager
Payroll, Budgets and Costs

Kenneth G. Knight
Manager
Construction

Nancy J. Littlewood
Manager
Personnel

Douglas W. Mair
Manager
Materials and Procurement

Ronald D. McLaughlin
Director
Management Consulting and Audit

Nelson R. Melnyck
Manager
Corporate Planning

Dr. Joel A. Miller
Manager
Project Administration

Bryan A. Millsip
Assistant General Secretary

James H. Ralston
Manager
Transit District #1

Murray J. Rigney
Manager
Engineering
(Engineering & Maintenance)

Martin Rubenstein
Manager
Administration

Bud L. Simpson
Manager
Subway Operations

John M. Taylor
Manager
Project Management

Robert J. Thacker
Manager
Employee Relations

Edelgard von Zittwitz
Manager
Transit Administration

Gary M. Webster
Manager
Service Planning

Paul A. Wenning
Director
Safety and Fire Prevention

William D. Wood
Manager
Special Projects and Treasury

SUBSIDIARY COMPANIES

Metropolitan Toronto Coach Terminal Inc.
Allan F. Leach
President

Toronto Transit Consultants Limited
Warren H. Bartram
President/Director

Year ending December 31, 1991

For further information, please contact:

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