

TORONTO TRANSIT COMMISSION REPORT NO.

MEETING DATE: NOVEMBER 21, 2012

SUBJECT: CHIEF EXECUTIVE OFFICER'S REPORT -
NOVEMBER 2012 UPDATE

ACTION ITEM

RECOMMENDATION

It is recommended that the Commission forward a copy of this report to (1) each City of Toronto Councillor and (2) the City Deputy Manager and Chief Financial Officer, for information.

DISCUSSION

The attached report provides a corporate-level focus on the organization's Key Performance Indicators (KPI).

These KPIs are presented in a performance "dashboard" format that allows the reader to view periodic performance in all of these areas at a glance. Targets for each KPI are provided although some are yet to be finalized. In addition, a "traffic light" indicates whether the organization is ahead of target (green), at risk (yellow) or below target (red) for the KPI in question and the trend arrows show whether performance is trending up or down.

In the balance of the report, detailed comments are provided highlighting and explaining issues concerning each of the KPIs.

November 6, 2012

42-81

Attachment: Chief Executive Officer's Report



TORONTO TRANSIT COMMISSION

CHIEF EXECUTIVE OFFICER'S REPORT



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TORONTO TRANSIT COMMISSION – MONTHLY SCORECARD



Key Performance Indicator	Description	Frequency	Latest Measure	Current	Target	Current Status	Trend	Ref. #
CSS	Customer Satisfaction Survey	Quarter	Q2	74%	TBD			2.2
Customer Journeys	Customer Trips	Period	P9	51.6M	50.4M			2.3
Punctuality								
Yonge-University-Spadina	On schedule +/- 3 minutes	Period	P9	92.7%	96.0%			2.4.1
Bloor-Danforth	On schedule +/- 3 minutes	Period	P9	96.5%	96.0%			2.4.1
Sheppard	On schedule +/- 3 minutes	Period	P9	99.1%	96.0%			2.4.1
Scarborough Rapid Transit	On schedule +/- 3 minutes	Period	P9	88.3%	96.0%			2.4.2
Reliability								
Bus	Headway +/- 3 minutes	Period	P9	61.1%	65.0%			2.5.1
Wheel-Trans	Within 10 minutes of schedule	Period	P9	81.7%	90.0%			2.5.2
Streetcar	Headway +/- 3 minutes	Period	P9	71.1%	70.0%			2.5.3
Safety and Security								
Lost Time Injuries	Injuries / 100 Employees	Period	P9	4.58	TBD			2.6.1
Customer Injuries	Injury incidents / 1M Vehicle Boardings	Period	P8	2.29	NA			2.6.2
Behavioural Safety Index	Safety Focused Behaviour	Period						2.6.3
Offences against Customers	Assault, theft, other	Period	P8	21	NA			2.6.4
Offences against Staff	Assault, threat, other	Period	P8	37	NA			2.6.5
People								
Attendance	Employee Absence	Period	P9	6.6%	< 6.5%			2.7.1
Operator Hires	Actual vs. Budget	Period	P10	40	32			2.7.2

TORONTO TRANSIT COMMISSION – MONTHLY SCORECARD



Key Performance Indicator	Description	Frequency	Latest Measure	Current	Target	Current Status	Trend	Ref. #
Device Availability								
Elevators	% Elevators Available	Period	P9	98.3%	97.0%			2.8.1
Escalators	% Escalators Available	Period	P9	97.1%	97.0%			2.8.2
Fare Purchase Opportunity	% TVM's / PVM's Available	Period	P9	93.2%	95.0%			2.8.3
Mystery Shopping and Audits								
Station Cleanliness	Cleanliness Audit Score	Quarter	Q3	72.3%	70.0%			2.9.1
Vehicle Cleanliness	Cleanliness Audit Score	Quarter	Q3	67.3%	70.0%			2.9.2
Information MSS	Customer Announcements Score	Quarter						
Staff Helpfulness MSS	Welcoming Staff Score	Quarter						
Financials								
TTC Revenue	Actual vs. Budget	Period	P1-9	\$805.5M	\$792.2M			4.1
TTC Operating Expenditure	Actual vs. Budget	Period	P1-9	\$1067.6M	\$1070.3M			4.1
Wheel-Trans Revenue	Actual vs. Budget	Period	P1-9	\$4.14M	\$4.05M			4.2
W-T Operating Expenditure	Actual vs. Budget	Period	P1-9	\$72.8M	\$75.2M			4.2
Capital Expenditure	Actual vs. Budget	Period	P1-9	\$719M	\$1278M			4.3

Key to Symbols



On target



Target at risk at current trend



Off target



Positive up from last



Positive down from last



Negative up from last



Negative down from last



No change from last

Note:

The arrows on the accompanying charts in this report indicate the favourable direction of the Key Performance Indicator (KPI):

↑ Higher (or increasing) values for the KPI are favourable

↓ Lower (or decreasing) values for the KPI are favourable

Part 2 – Commentary and Current Issues

2.1 – Chief Executive Officer’s Commentary

Customer journeys (ridership) continue to exceed budget and are projected to be 514 million at year-end, surpassing the 2012 target by 11 million. Additional service (costing \$2.1 million) was approved by the Commission at its meeting of May 30th to accommodate these additional customer journeys.

Subway punctuality is generally ahead of target, with the exception of the Yonge-University-Spadina line. This line continues to be affected by issues relating to Toronto Rocket (TR) integration. A high level CEO to CEO meeting is being arranged to allow the TTC to impress upon Bombardier the need for substantial improvement in the performance of the TR units as current performance is unacceptable. Both the YUS and BD Line punctuality statistics were significantly affected by the tragic staff fatality of September 14th. Bus and Wheel-Trans reliability are below target and have been impacted by the end of the summer vacation period and the beginning of the return-to-school period. Streetcar reliability is above target.

Employee absence continues to improve period-on-period in 2012 compared to 2011.

Elevator and escalator availability are better than target. TVM and PVM availability is below target.

On the financial side, for both TTC and Wheel-Trans, revenues continue to be better than target and operating expenses continue to be below budget (see Sections 4.1 and 4.2). Of particular note, the TTC Operating Budget surplus (operating expenses less revenue less City Operating Subsidy) is estimated at about \$27 million. This is up from the previous estimate of about \$14 million. The two biggest changes since the last projection are a drop in accident claims of almost \$4 million from budget and a similar drop in the utilization of certain employee-provided healthcare benefits. Capital expenditures are currently tracking below budget for a host of reasons (see Section 4.3).

On October 18th, the TTC Chair and I attended a meeting with members of three west-end communities and their municipal representatives to address the issue of noise and vibration on the Bloor-Danforth Subway Line that is impacting these communities. As an outcome of this meeting, I have committed to ensuring that TTC staff is dedicated to working on this issue, setting targets, and achieving them. To ensure this issue continues to receive heightened attention and its progress reviewed, monthly updates will be provided to the affected Councillors’ offices and published in the CEO Report. The first of these updates is provided in Section 3.7 of this report.

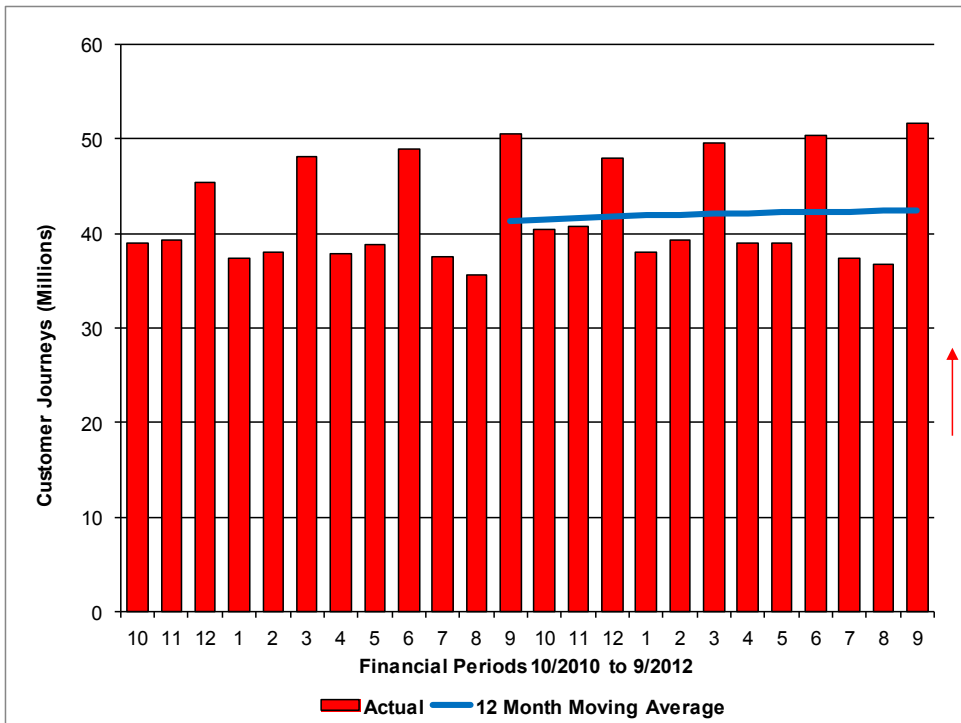
2.2 – Customer Satisfaction Survey

The CSS measures customer perception of twelve station and ten vehicle attributes ranging from the quality of information, personal safety and security, value for money, and help and appearance of staff. Data for the CSS survey will be gathered continuously and reported on a quarterly basis.

Averages are reported separately for vehicle and station measures in addition to an overall average, which is a numerical average of the measures. Analysis of the Q2 2012 Customer Satisfaction Survey results has been completed. Although the overall score fell from 76/100 in Q1 to 74/100 in Q2, these differing results are within the margin of error for a study of this kind. While average ratings of service quality have changed little from Q1 to Q2, Q2 respondents show a greater preference for using the middle of the 10-point rating scales.

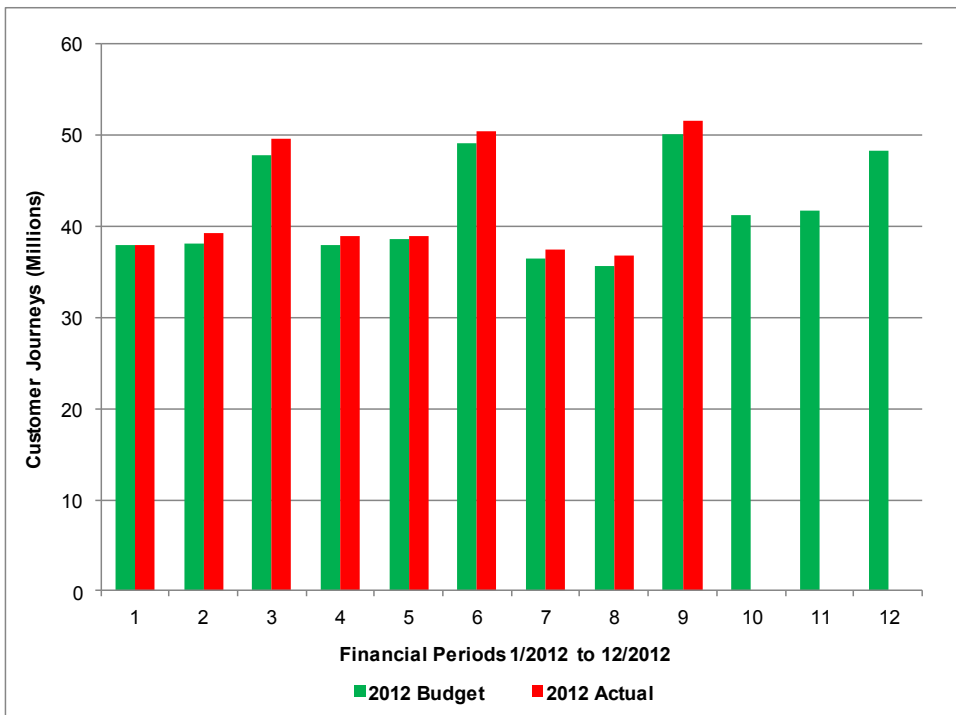
Field work for Q3 finished at the end of September and analysis is being conducted.

2.3 – Customer Journeys



There were 51.6M customer journeys (ridership) taken during Period 9 2012, which was 1.2M (+2%) more than the 50.4M journeys taken during Period 9 2011.

The annual number of customer journeys to the end of Period 9 2012 was 509.9M, which was 13.6M (+3%) more than the 496.3M annual journeys taken to the end of Period 9 2011.

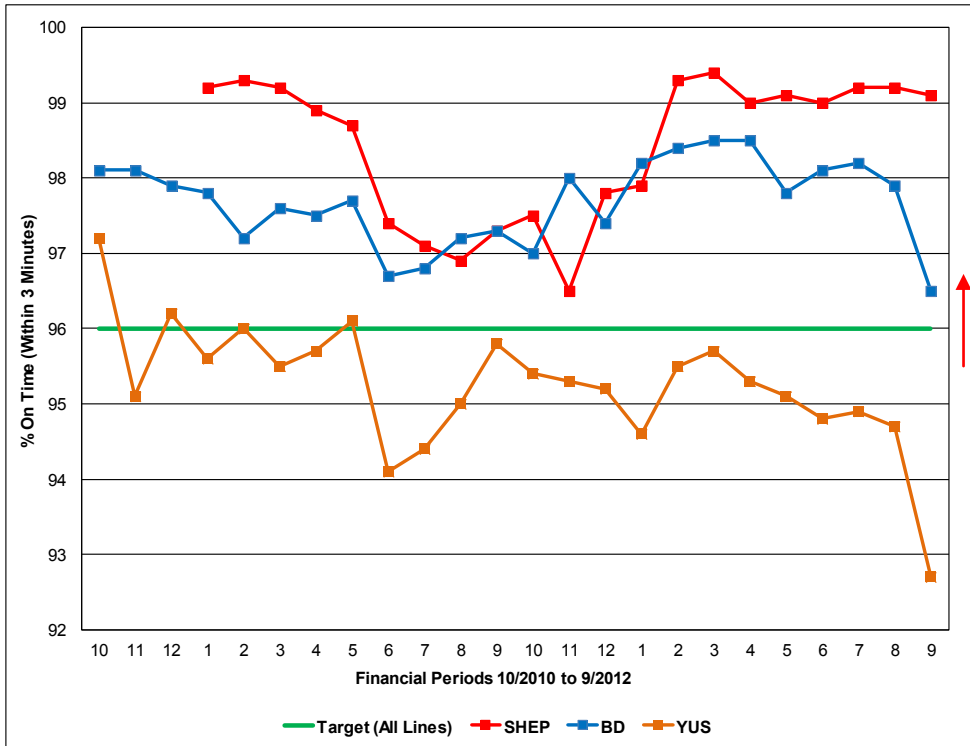


There were 51.6M customer journeys taken during Period 9 2012, which was 1.5M (+3%) more than the budget of 50.1M journeys.

The number of customer journeys taken year-to-date to the end of Period 9 2012 was 380.8M, which was 9.1M (+2%) more than the budget of 371.7M journeys.

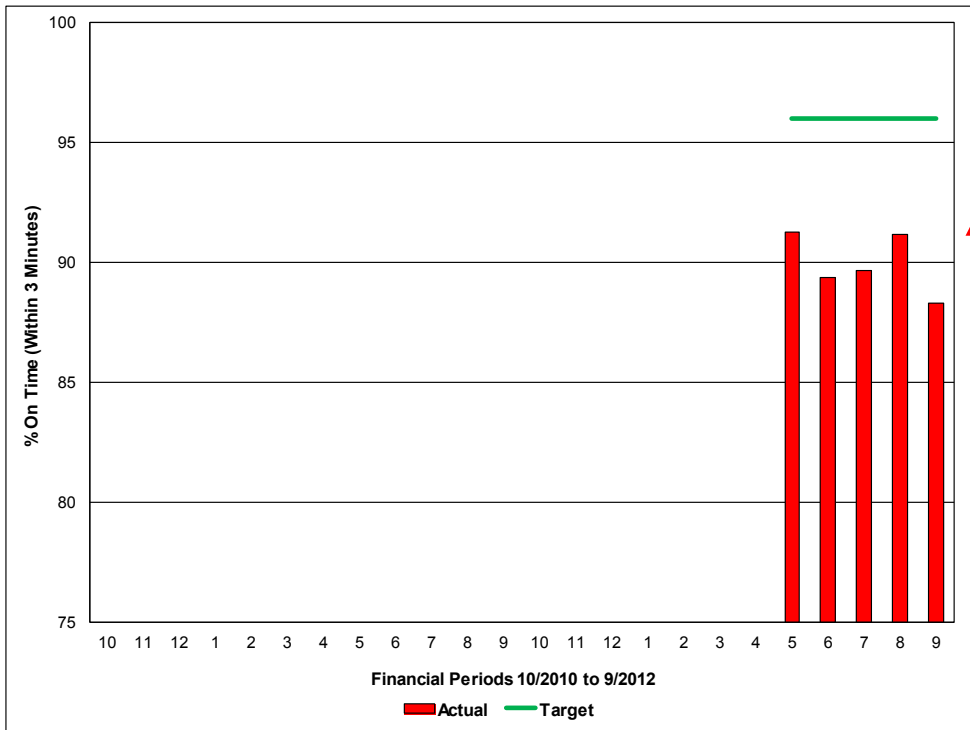
2.4 – Punctuality

2.4.1 – Subway Punctuality



The employee fatality on September 14 resulted in operation of only half service on both BD and YUS subway due to the landlocked condition of Wilson Yard and the dispatch of half of the BD service to the YUS subway. This single day had a significant effect on overall P9 performance on both routes.

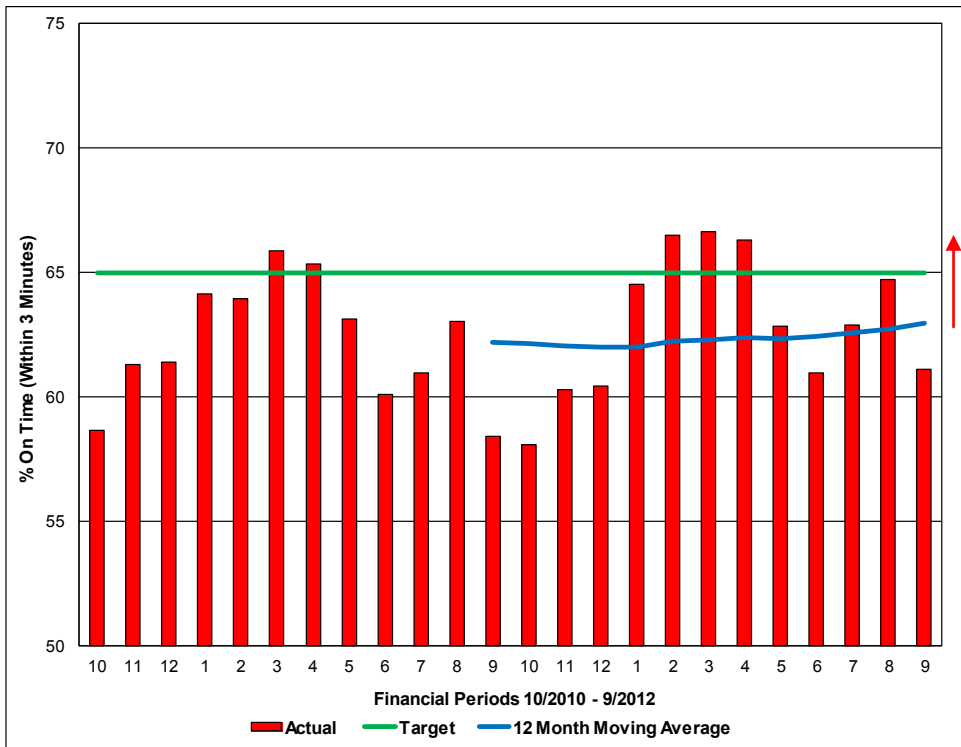
2.4.2 – Scarborough Rapid Transit Punctuality



A new trip time schedule to automatically manage headways was implemented in mid-September. It is anticipated that the new schedule, which more closely matches the reduced capability of the system as it nears the end of its useful life, will result in improved on-time performance.

2.5 – Reliability

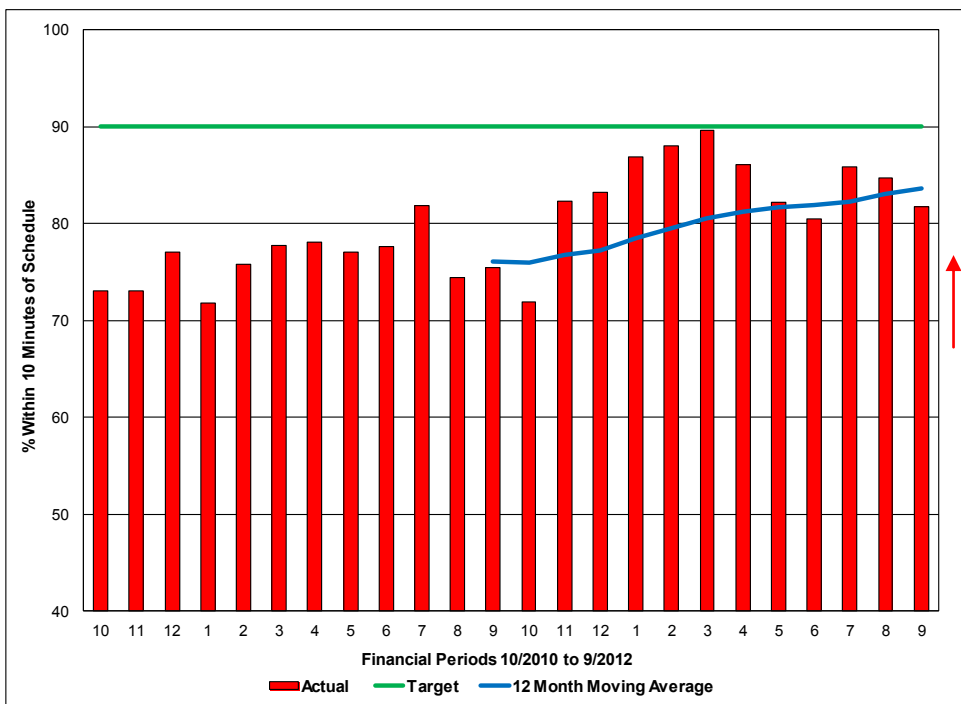
2.5.1 – Bus Reliability



Results for Period 9 2012 are above the results for period 9 2011 but are short of the target.

Performance in Period 9 typically declines as a result of changing travel patterns associated with the end of the summer vacation period and the return to schools, universities, etc. By the end of the period there was a marked improvement in performance.

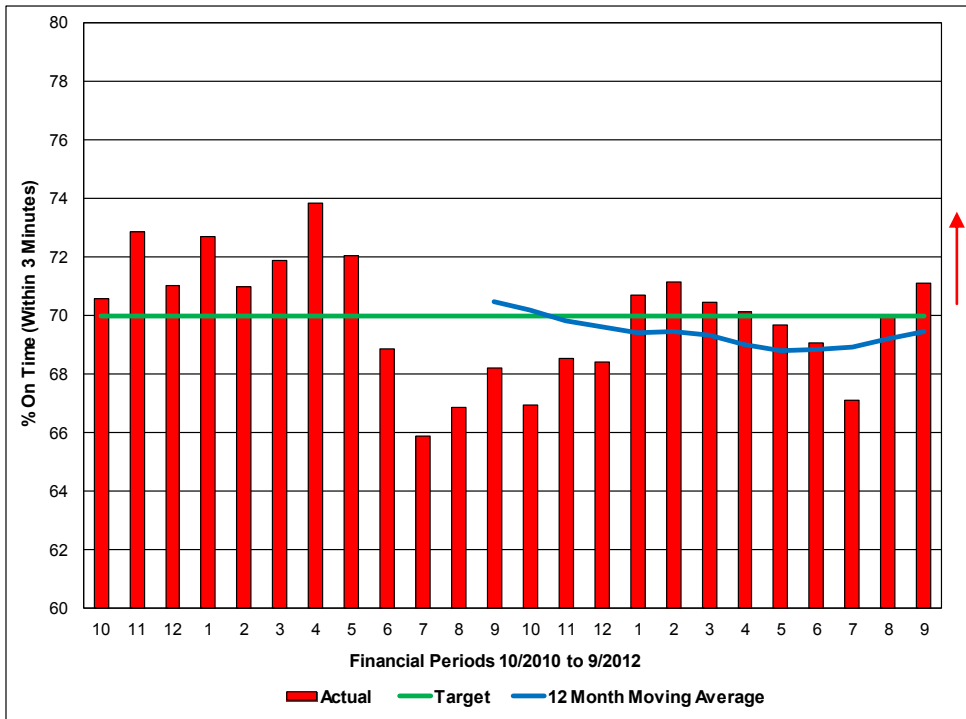
2.5.2 – Wheel-Trans Reliability



Period 9 performance fell short of target but year-to-date results continue to improve over the comparable periods in 2011 with a clear and ongoing trend of improvement.

Changes associated with the September return to school and changing traffic patterns compared to the summer give rise to the deterioration compared to summer months.

2.5.3 – Streetcar Reliability

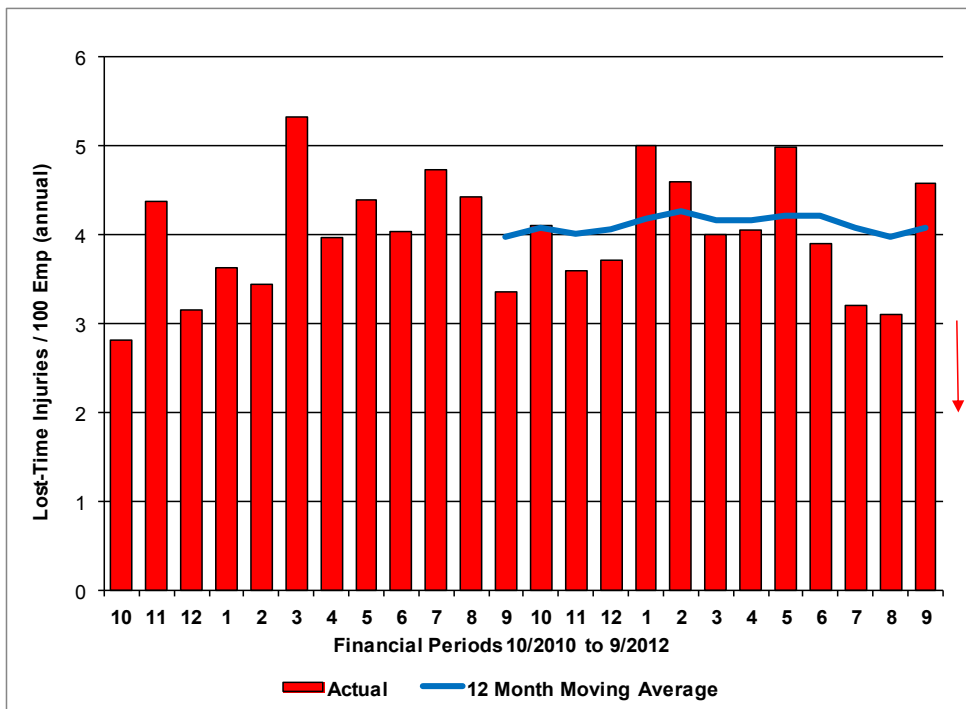


Period 9 was above target. The return to regular routing on 501 Queen in the last week of the period contributed to the improvement.

Construction-related route diversions and partial conversion to bus operation continue to have an impact on reliability. Rail Transportation is pursuing additional run time and changes to crewing on chronically under-performing routes. Period 10 should see improvements on 504 King and 506 Carlton.

2.6 – Safety and Security

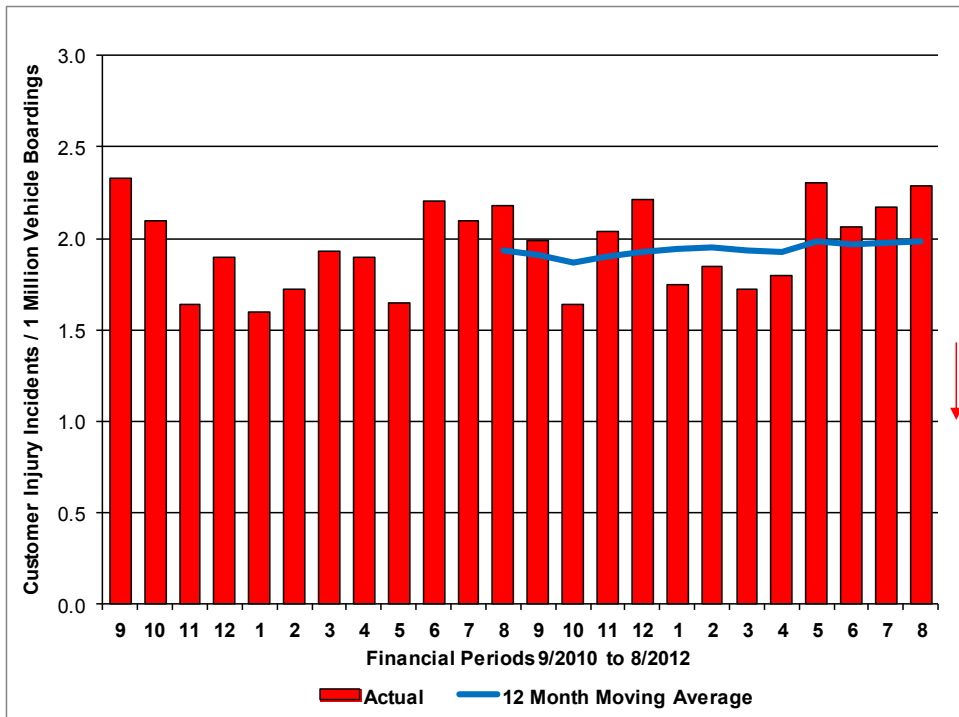
2.6.1 – Lost-Time Injuries (Annual Injuries / 100 Employees)



The annualized lost-time injury rate (LTIR) for Period 9 2012 was 4.58 lost-time injuries per 100 employees, which was 36% higher than the LTIR of 3.36 for Period 9 2011.

The moving annual LTIR to the end of Period 9 2012 was 4.04, which was 2% higher than the corresponding rate of 3.97 to the end of Period 9 2011.

2.6.2 – Customer Injury Incidents (Injury Incidents / 1m vehicle boardings)



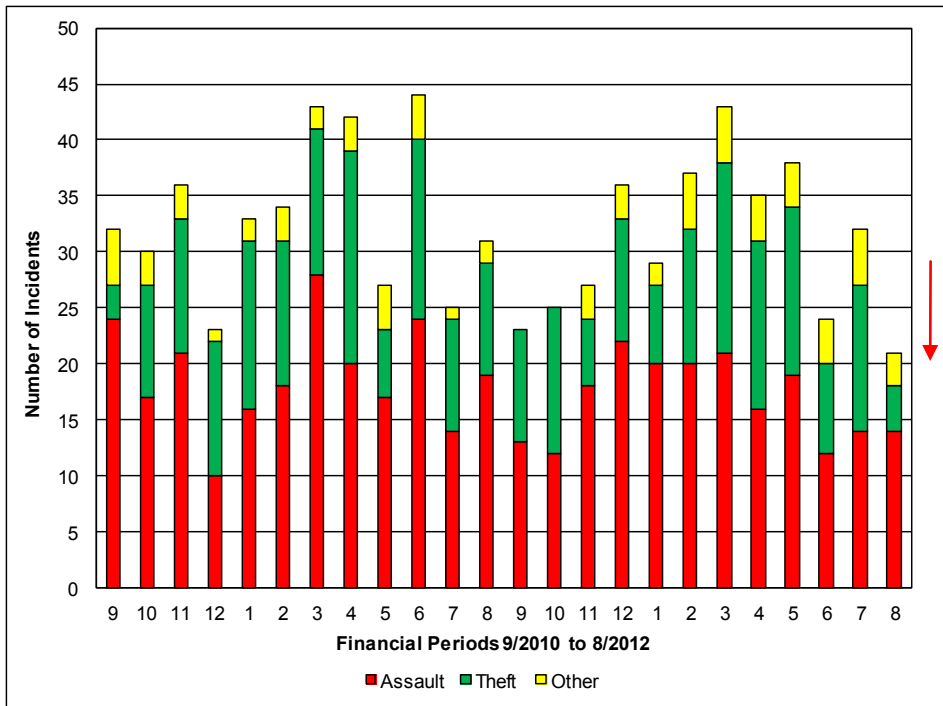
The customer injury incident rate for Period 8 2012 was 2.29 injury incidents per 1 million vehicle boardings, which was 5% higher than the corresponding rate of 2.18 for Period 8 2011.

The moving annual customer injury incident rate to the end of Period 8 2012 was 1.98, which was 2% higher than the corresponding rate of 1.95 to the end of Period 8 2011.

2.6.3 – Behavioural Safety Index

The data for this index is being gathered and calculated. This information will be presented in a future CEO Report.

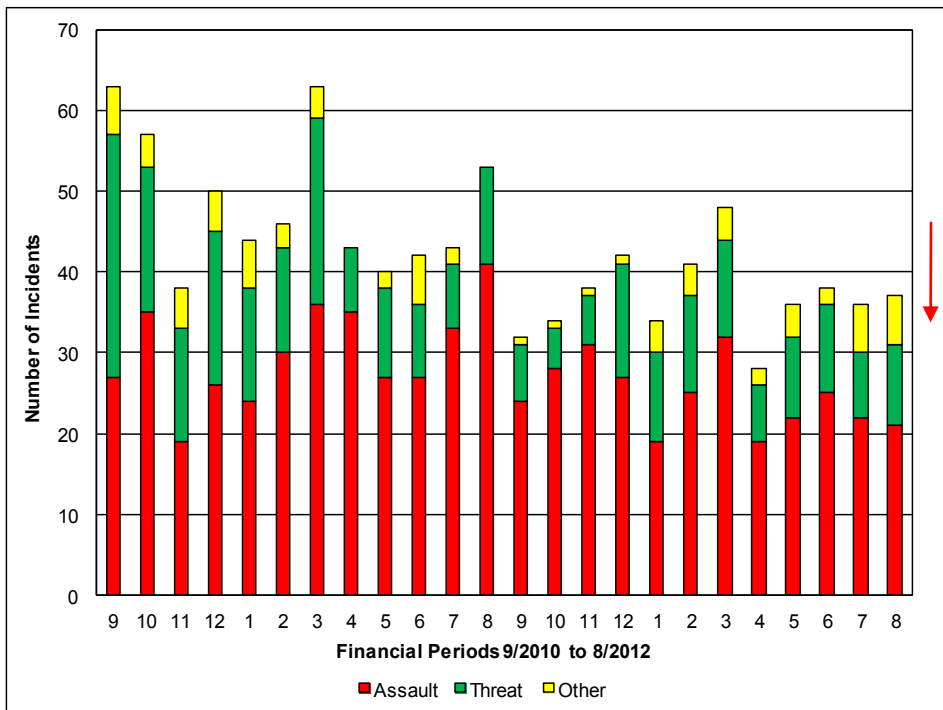
2.6.4 – Offences against Customers



Total offences against customers decreased in Period 8.

Year-to-date to Period 8, there were 20 fewer offences (259 vs. 279) compared with the corresponding period in 2011. This includes 11 fewer theft and robbery offences (91 vs. 102) and 20 fewer assault offences (136 vs. 156).

2.6.5 – Offences against Staff

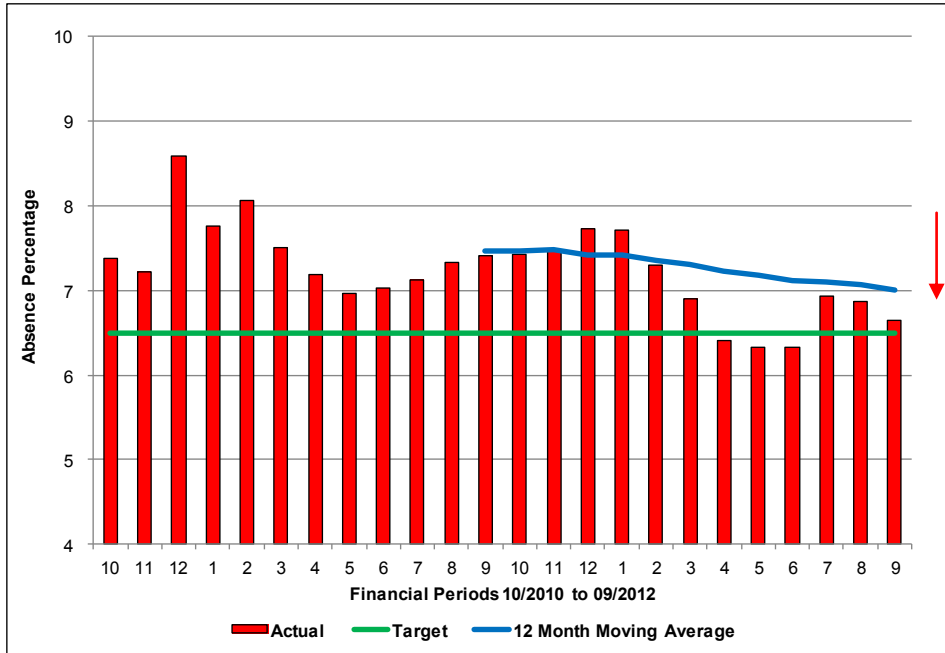


Total offences against staff increased marginally in Period 8.

Year-to-date to Period 8, there were 76 fewer offences (298 vs. 374) compared with the corresponding period in 2011. This includes 68 fewer employee assaults (185 vs. 253) and 17 fewer threats (81 vs. 98).

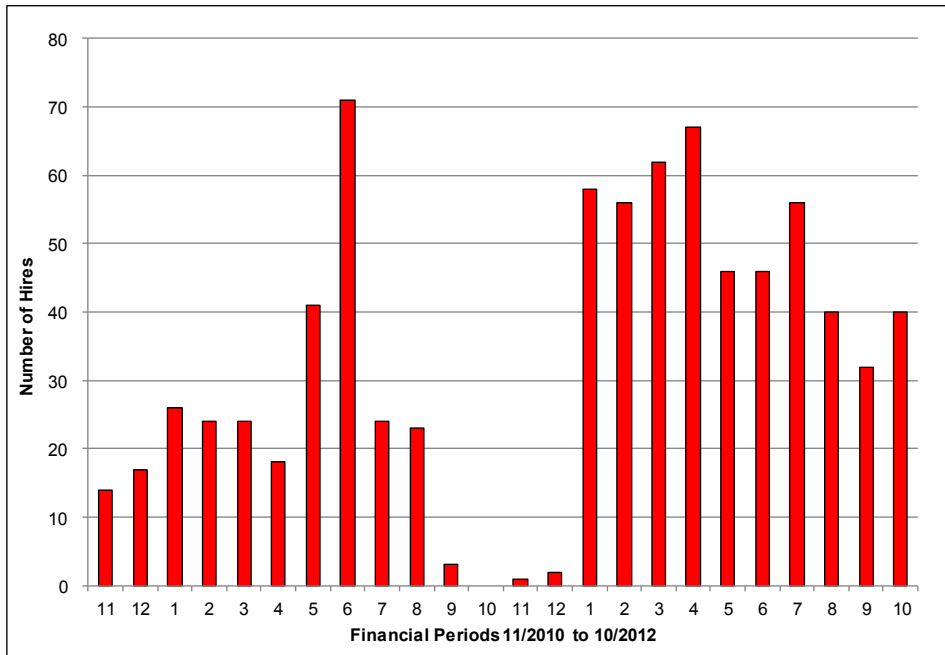
2.7 – People

2.7.1 – Attendance



The Period 9 absence rate is 6.64%, a 3% decrease from Period 8.

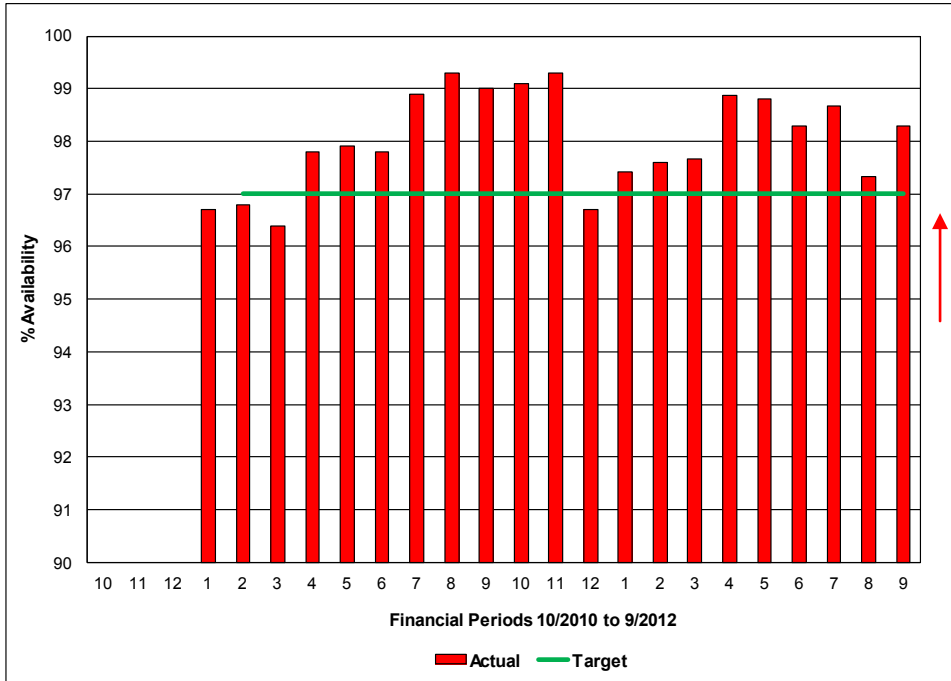
2.7.2 – Operator Hires



Year-to-date, a total of 503 Operators have been hired, which is slightly above the target of 500 hires.

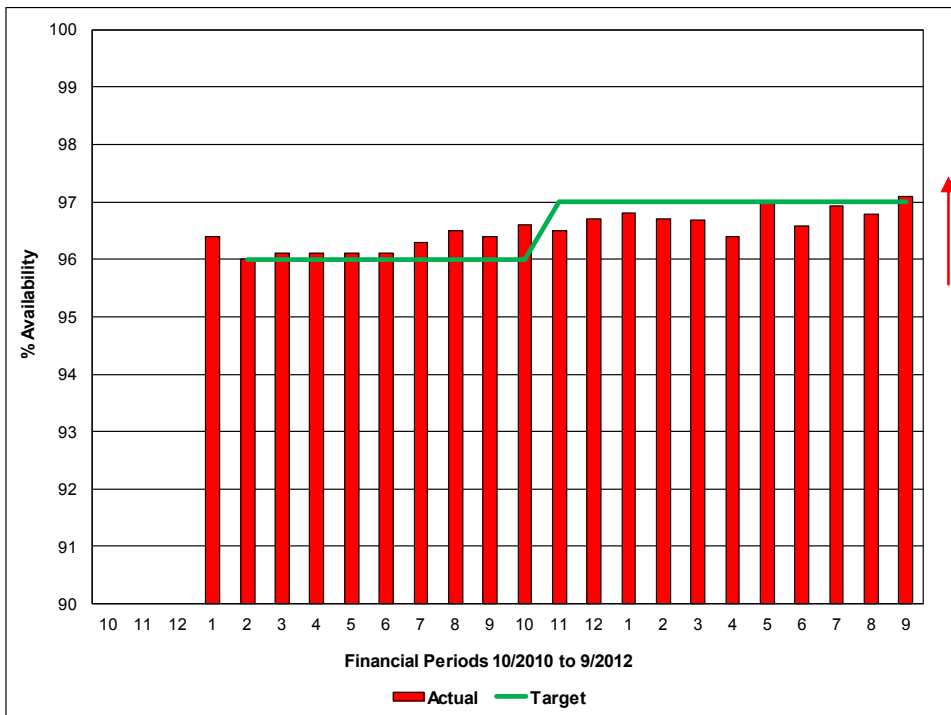
2.8 – Device Availability

2.8.1 – Elevator Availability



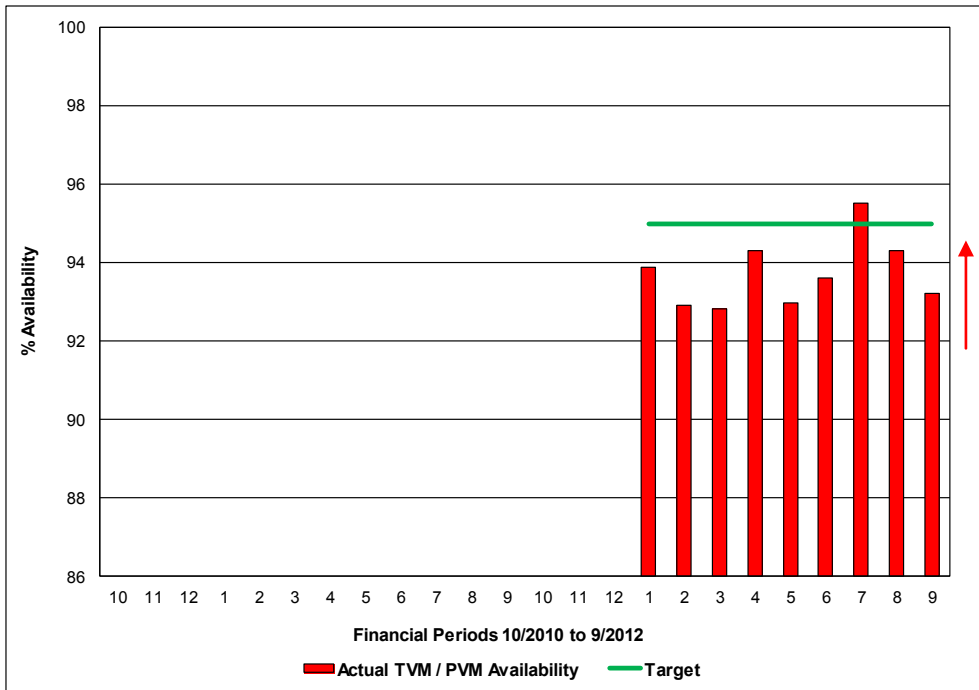
Elevator availability continues to be well above target. The increase from Period 8 to Period 9 is the result of an elevator at Leslie Station being returned to service after an extended downtime.

2.8.2 – Escalator Availability



Escalator availability in Period 9 was above target. This is the first time this level has been achieved since the 97% target was first established in Period 11 2011.

2.8.3 – Fare Purchase Opportunity

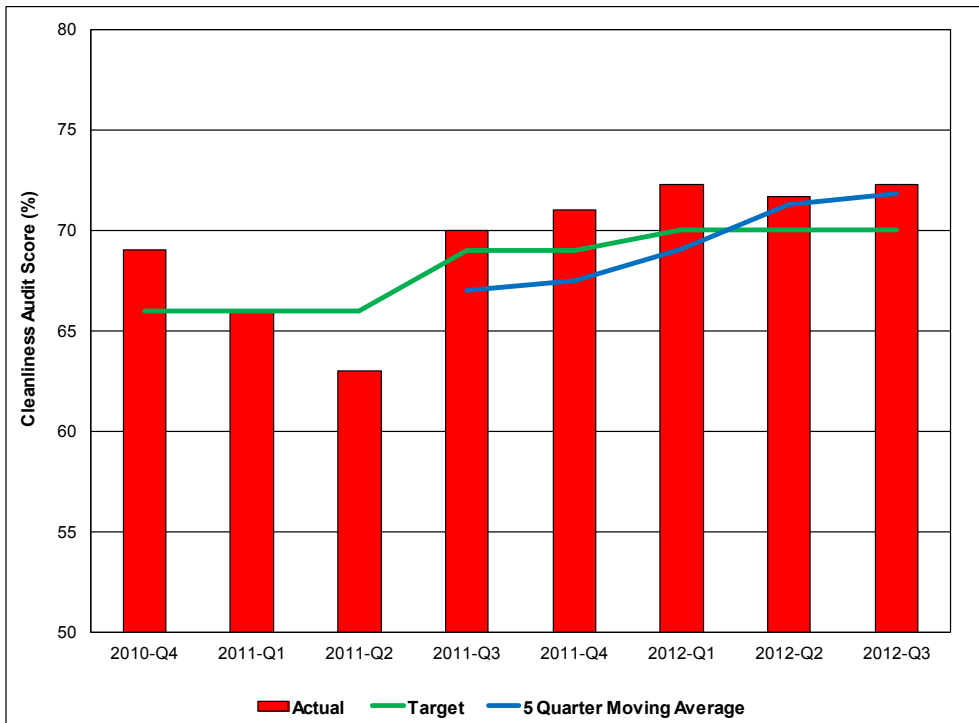


Period 9 availability was impacted by an increase in vandalism of Token Vending Machines involving items used to jam coin and bill slots. The Transit Enforcement Unit is engaged in crime prevention at high vandalism locations. Collectors and Janitorial staff have also been directed to make frequent observations of TVMs at problem locations.

Replacement of single modems at multiple device locations with multiple modems to build in redundancy for communication failures has taken place in P10.

2.9 – Mystery Shopping and Audits

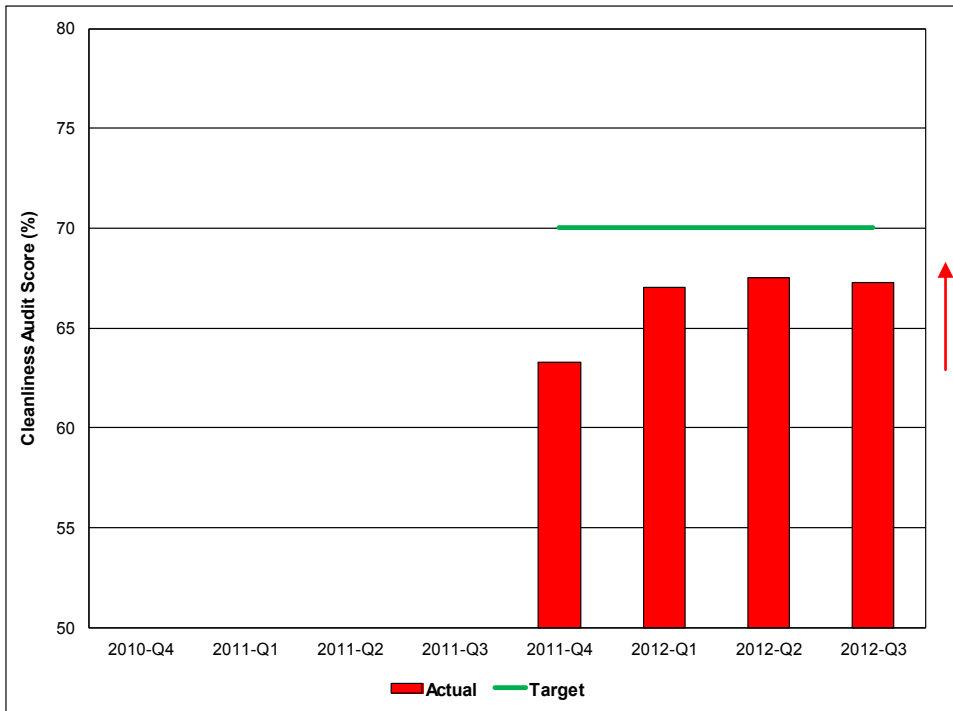
2.9.1 – Station Cleanliness



Station Cleanliness continues to exceed target as a result of a revised public washroom cleaning program and the continued monitoring by supervisory staff of scheduled and project work performed by frontline employees.

In addition, further deep cleans were undertaken to trackside walls and other public areas of TTC stations.

2.9.2 – Vehicle Cleanliness

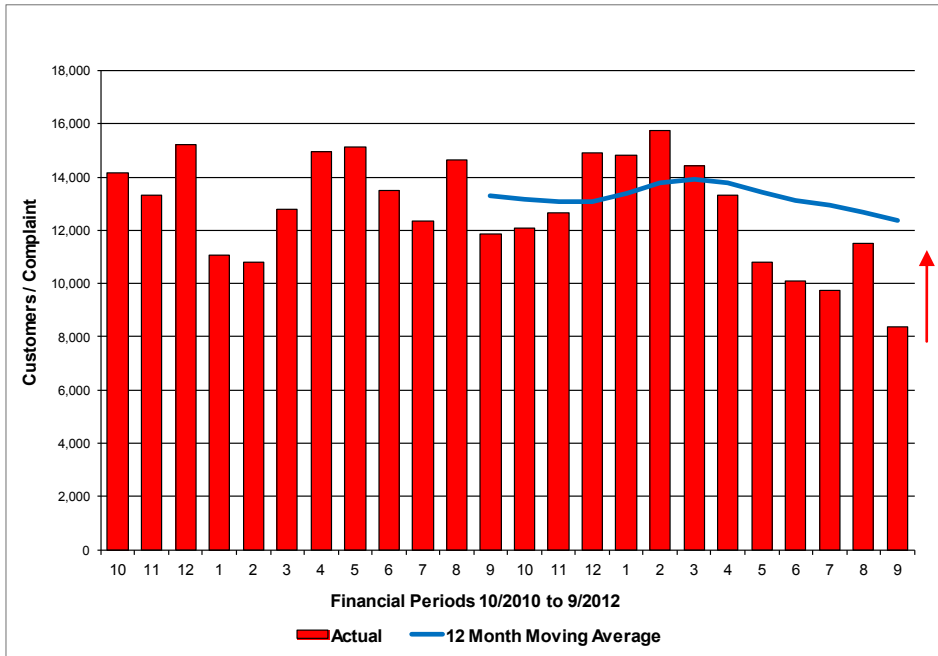


Programs are being established to consistently raise performance (e.g. end-of-line cleaning).

Part 3 – Customer Measures and Improvement Program Progress

This section provides additional information on a series of customer-related issues such as major upcoming events and specific results for customer complaints and compliments.

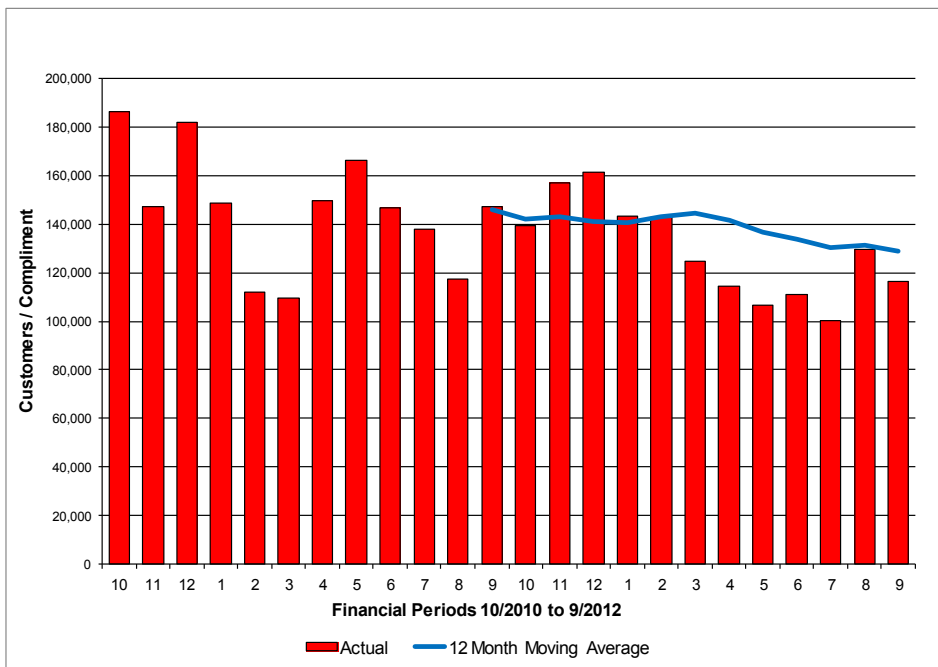
3.1 – Customers / Complaint



After a better Period 8, customers per complaint decreased in Period 9.

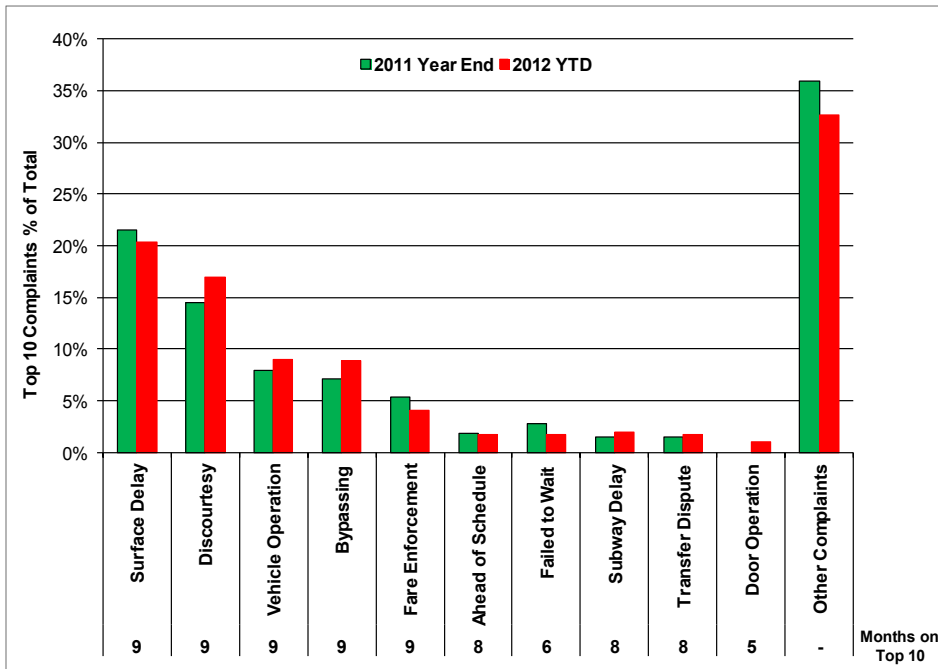
Complaints on weekday evenings and weekends, when the CSC is now open, continue to keep contact levels higher than last year.

3.2 – Customers / Compliment



Customers per compliment improved significantly in Period 9 over Period 8 with compliments covering a wide variety of areas but primarily around staff behaviour.

3.3 – Top Ten Complaints



The top 10 types of complaints remained largely unchanged, however, the proportion of complaints regarding surface delay, the number one complaint category, are lower than last year.

3.4 – Commentary on Customer Satisfaction Improvement

Consultations have begun with a group of employees regarding a new uniform for front line staff. The new uniforms will help to deliver on the TTC’s vision of a transit system that makes Toronto proud. A number of activities are also planned to gather customer comments and engage Toronto in developing a new uniform for a service at the centre of the city. All supplier contracts come up in 2013 and 2014, making now the right time for a redesign.

Plans are in place to launch a customer charter in January 2013. The charter will serve notice to customers about what we are striving to achieve in terms of punctuality, reliability, cleanliness and helpfulness from staff, and also specific promises that the TTC will deliver on.

From the beginning of November, credit and debit are now accepted at 27 stations, up from 8 stations previously. Further, stations will be added in time for the December sales period. Initially, purchases will be restricted to Metropasses until the effects of increasing transaction times on queue times are better understood. New wave and pay terminals will help to manage transaction times as will better communications links between collector booths and back office systems. Furthermore, whilst small increases in queue times may be experienced at the newly added stations, it is expected that large decreases will be experienced at stations that currently offer debit and credit card sales as these sales migrate to other stations that are potentially more convenient for our customers.

Work on a new suite of customer information tools for bus stops and shelters continues and will be rolled out later this fall as a trial project on the 94 Wellesley route. The trial will include additional customer information such as route numbers, a clearer set of iconography to provide information about service regularity, and next vehicle arrival information. Maps at shelters will be specific to services from that local area and provide local street information. Focus groups have been conducted to ensure the information is usable and understandable and further research will be undertaken on-line and on-street to refine the information.

3.5 – Current Major Closures / Diversions

Y-U-S Service North of Eglinton – Revenue subway service on the Yonge Subway north of Eglinton Station will end early at night, at approximately 12:30 a.m., Sunday through Friday service, for necessary tunnel structural repair work. Regular subway service will be maintained from Downsview Station to Eglinton Station.

A frequent accessible shuttle bus service will replace the subway between Eglinton Station and Finch Station. The replacement buses will serve the bus terminals at Eglinton Station, Lawrence Station, York Mills Station, Sheppard-Yonge Station, and Finch Station. This temporary service will operate until late 2013.

Mode	Area Affected	Dates	Reason	Purpose
Streetcar	McCaul (Queen to McCaul Loop)	June 17 to Nov 17, 2012	Track Replacement and City of Toronto water main replacement	State of Good Repair (TTC and City)
Streetcar	Dufferin (Queen W to Dufferin Loop)	June 17 to Nov 17, 2012	Track Replacement	State of Good Repair
Streetcar	Spadina (King to north of Lake Shore)	June 17 to Dec 22, 2012	Platform Upgrades & Track Replacement	Improvement & State of Good Repair
Streetcar	Queen & Spadina	June 17 to Nov 17, 2012	Intersection Replacement	State of Good Repair
Streetcar	Adelaide & Spadina	June 17 to Nov 17, 2012	Intersection Replacement	State of Good Repair
Streetcar	Spadina (College to Bloor)	June 17 to Nov 17, 2012	Platform Upgrades & Track Replacement	Improvement & State of Good Repair
Streetcar	Queens Quay (Union Stn to Spadina)	July 29, 2012 to mid-2013	Waterfront Toronto Queens Quay reconstruction	Improvement (Waterfront Toronto) State of Good Repair

Streetcar service that normally operates on McCaul Street is replaced with shuttle buses because of Kingston Road project.

Bus service on 29 Dufferin is being diverted around the streetcar track construction on Dufferin Street. Frequent bus service is replacing streetcars on the entire length of Spadina Avenue for the entire duration of all four Spadina projects. Diversion of bus and east-west streetcar services will be required for short periods of time during the project.

Frequent bus service is replacing streetcars on the entire length of the 509 Harbourfront route for this phase of the Queens Quay Waterfront Toronto reconstruction.

3.6 – Pending Planned Closures

Significant planned closures for 2012 consist of:

Mode	Area Affected	Dates	Reason	Purpose
YUS Subway	Union Station to St. Andrew Station	Nov 10 to 12, 2012 and Dec 8 to 10, 2012	Union Station Foundation Construction	Expansion
BD Subway	Kipling Station to Keele Station	December 1 to 3, 2012	Jane Crossover Installation Stage 2 of 3	State of Good Repair

3.7 – Noise & Vibration Update – Three West-End Communities (B-D Subway Line)

Update for October 2012

This update is further to the information that was provided in the PowerPoint presentation at the October 18, 2012 meeting with members of the three west-end communities and their municipal representatives.

The purpose of this month's update is to outline the status of works identified to be completed as a result of the tests conducted by Aercoustics. Monthly updates will continue to be provided until all planned work is completed. More specific timeline will be provided as we adjust our schedule for next year. The second part of this update relates to some Q&A's of the meeting. The third part of this update relates to Bloor-Danforth Subway Axle Machining in October 2012.

Part 1

Old Mill (Kings Lynn/Prince Edward/Montgomery)

Planned Action	Timeline	Completed
Localized rail replacement in the westbound directions at subway chainage 171+76, located between Prince Edward Dr and Kings Lynn Rd.	To be completed by 30-Nov-12	
Aercoustics to conduct additional testing of the effect of delaminated concrete invert on noise & vibration at westbound subway chainage 174+50, located between Kings Lynn Rd and Kingscourt Dr.	Testing planned for Oct 28/29 Report due 3-Dec-12	✓

Keele (Mountview to Pacific)

Planned Action	Timeline	Completed
Perform localized hand grinding at westbound insulated joint at subway chainage 291+04, in the vicinity of Oakmount Rd	To be completed 17-Nov-12	
Rail grinding to be performed as part of the State of Good Repair program in the eastbound direction from subway chainage 278+31 to 297+24 between High Park Station and Keele Station.	To be completed Fall 2013	

Jane (Old Mill Dr/Traymore Cres)

Planned Action	Timeline	Completed
Perform localized hand grinding at eastbound insulated joints at subway chainage 217+63 located east of Traymore Cres and at subway chainage 220+20 located west of Old Mill Dr	To be completed 17-Nov-12	
The high rail will be replaced in both directions along the Riverside curve. Point of replacement; between Riverside Dr at subway chainage 209+98 and east of Old Mill Dr at subway chainage 224+19.	To be completed 2013*	

* Schedule for 2013 under review, a more specific timeline to be determined.

Part 2

Q&A / Action Items (per October 18th public meeting)

- A resident enquired about a report for the Montgomery area (west of Royal York Station).

A: Report for the Montgomery area to be published December 7, 2012, and provided to Councillor Milczyn's office.

Additionally, in response to another resident's concerns, an inspection of the insulated joints at east end of Royal York Station in both directions at subway chainage 161+40 in the vicinity of Grenview and Jackman has been scheduled to be conducted by 11-Nov-12.

- A vibration concern was raised by a resident from Kennedy Avenue (Runnymede to Jane station).

A: None of the three studies included this area. Kennedy Avenue corresponds to Runnymede Station (254+80 to 255+80). A visual inspection will be conducted the week of November 11, 2012.

- A resident suggested that TTC consider purchasing a rail grinder instead of renting.

A: In 2008, NRC (National Research Council) recommended that the TTC not purchase its own rail grinder. The requirement to only use dedicated, highly trained operators was cited as the main reason to opt for the contracted service that we use. Furthermore, it's a matter of economics; initial cost, continued maintenance costs and the expertise in vehicle repairs during overnight operational equipment failure. As well, there is no need for year round rail grinding to maintain standard. The contractor is also more likely to update his grinding fleet with the newest technological advancements, whereas the TTC would have to maintain the use of the same purchased grinding vehicle in its work-car fleet for many years.

- A resident requested that a street level map depicting the areas where work will take place be provided.

A: This was published to the Councillor's office on October 26, 2012.

- A resident requested a task force be established that is responsible to the community.

A: While the suggestion of a task force is an interesting concept, the TTC CEO's preference is to ensure that TTC staff is dedicated to working on this issue; setting targets and achieving them. There is accountability and consequences relating to performance. The TTC will nevertheless be getting back to the communities, the two local Councillors, and to TTC Chair and Commission with monthly updates through the TTC CEO report.

- A resident suggested that another cause of the noise and vibration problems is brakes. The resident enquired whether the wheel monitoring equipment can also check for brake condition, since it is poor brakes that create wheel flats.

A: The cause of wheel flats is not reflective of "poor" brakes. The wheel monitoring equipment is strictly used to check for wheel flats and cannot distinguish between good or bad brake equipment. Each wheel is equipped with a pneumatically applied brake unit. The air pressure is supplied equally to all (8) brake units on a car. Testing has been conducted which shows all brake units apply the same brake shoe force. Function (application and release) of the brake unit is checked at each standard inspection, scheduled every 60 days. Any failures or deviations from specification outputs are repaired.

- Residents expressed scepticism, stating that it has taken us a number of years to get to this point and how will the TTC ensure that it gets fixed and stays fixed. Another resident asked, how the TTC plans to bring levels back to the way they were, maintain and sustain. How will the TTC know it is successful?

A: The TTC knows that the 2 main issues are; wheel conditions and rail conditions, and is committed to do something to fix it. The TTC is currently working to correct the wheel conditions and wheel profile. The intent with rotary grinding is state-of-good repair by; improving the wheel/rail profile and remove rail defects. Additionally, the consultant's reports tell us what to do in each area. The TTC will continue to use Aercoustics Engineering as our monitoring tool.

We have in the past provided updates to the Councillors and we will continue with providing updates of action as we move forward. We will try to stay away from being vague.

- How will the TTC manage itself, assuring that wheel machining and rail maintenance will be prioritized, to ensure that levels go back to being reasonable?

A: Both preventative and corrective maintenance programs for rail infrastructure and vehicles have been augmented in the past year, and will continue to be improved. Objective means of measuring defects are being introduced to improve timing of intervention (corrective/preventative). As well, more resources are being applied to the maintenance of wheels. Wheel truing performance is measured. This improves the condition of our assets and has an impact on noise and vibration.

- A resident asked about the possibility of having new Toronto Rocket (TR) trains moved to the Bloor-Danforth Line.

A: The new TR trains are operating on the Yonge-University-Spadina Line. There is much emphasis on the Y-U-S because statistics show heavier travel. The TR has a larger carrying capacity, and the TTC will be introducing train control in order to operate trains closer together on the line. T1 trains operate on the Bloor-Danforth line; they are reliable and still considered new to our fleet of trains.

- A resident feels that speed is an issue, and train speeds should be permanently reduced through this section of subway operations.

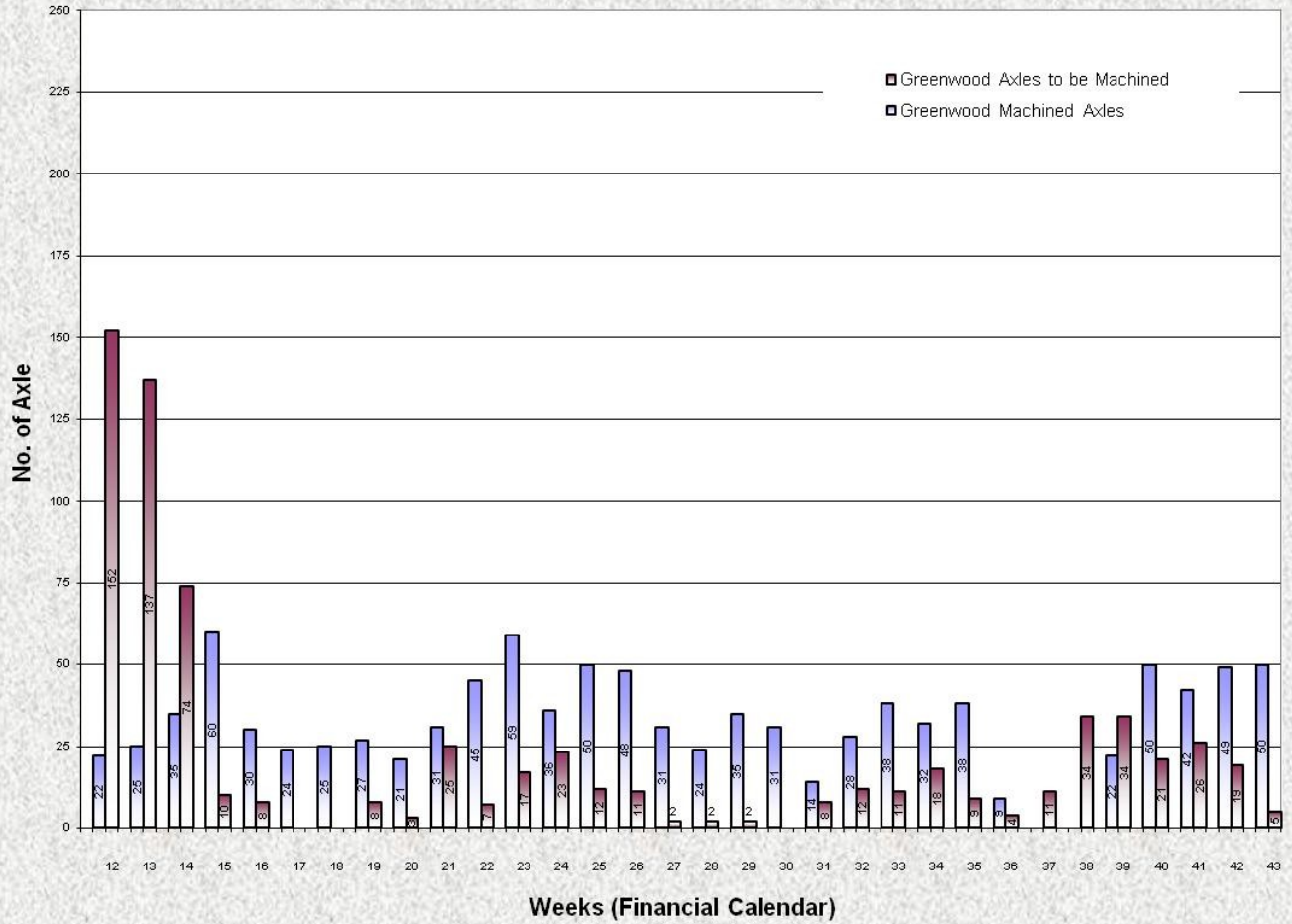
A: The TTC will consider all factors and look at the root cause, but the TTC is not prepared to slow trains because it will clearly have a significant impact on capacity and travel time along the line.

- Closing remarks from TTC Chair and TTC CEO at the public meeting regarding subway noise and vibrations on the Bloor-Danforth line included;

A: To ensure that this issue continues to receive heightened attention and its progress reviewed, the TTC has committed to providing a monthly update on action required to the Councillors offices and publishing it in the monthly CEO report to the Commission. The TTC will attend any follow-up meetings that the Councillors schedule in the future.

Part 3

Subway-BD Axle Machining Status



Part 4 – Financial Commentary

This section provides detailed information about the TTC and Wheel-Trans Operating Budgets. In addition, progress on the Commission’s Capital Program and specific information about the major capital projects is also provided.

4.1 – TTC Operating Budget

2012 Year-to-Date Results

To the end of Period 9 (September 29), total revenues were \$13.3 million (1.7%) better than budget primarily due to 9 million more customer journeys than budgeted. Over the same period, expenses were \$2.7 million (0.3%) below budget primarily due to more favourable rates paid for diesel, hydro, and natural gas so far this year as well as reduced consumption owing to the warmer winter weather.

The above-noted results include the retroactive pay related to the recent arbitration award for the TTC’s unions. Retroactive pay for the remaining employees will be processed later in the year. In accordance with the City of Toronto’s direction, these Collective Bargaining Agreement (CBA) expenses will be offset by additional subsidy from the City. Consequently, the budgeted subsidy has been adjusted in the following table and these CBA expenses will have no impact on the year-end projected budget variances.

2012 Year-End Projections

Ridership continues to grow with year-to-date (to Period 9) results 2.4% above budget. This growth is being driven by strong Adult Monthly Metropass sales, which are 5% above budget. It is anticipated that this favourable trend will continue throughout the remainder of 2012 and the current ridership projection for the year is 514 million. It should be noted that additional service (costing \$2.1 million) was approved by the Commission at its meeting of May 30th to accommodate these additional 2012 customer journeys.

(millions)	Projection	Budget	Variance
2012 TTC Operating Budget			
Customer Journeys (Ridership)	514	503	11
Revenue*	\$1,084.7	\$1,069.9	\$14.8
Expenses*	\$1,468.6	\$1,480.9	(\$12.3)
Subsidy Required	\$ 383.9	\$411.0	(\$27.1)
Subsidy Available	\$411.0	\$411.0	-
Surplus	\$27.1	-	\$27.1

*the 2012 Revenue and Expenses budgets have been increased by \$2.1M each as a result of City Council’s June 6, 7 and 8, 2012 approval of the additional service to accommodate higher-than-anticipated ridership which will be funded by higher passenger revenues.

The projected year-end subsidy surplus of \$27.1 million reflects the following significant budget variances:

- **Passenger Revenues: \$15.4 million increase.** This favourable variance reflects an anticipated additional 2.2% or 11 million rides over the budgeted level of 503 million partially offset by a declining average fare stemming from increased monthly pass sales.

- **Diesel Fuel: \$5.0 million decrease.** On a year-to-date basis, the market price of diesel fuel has been lower than budgeted.
- **Accident Claims: \$4.0 million decrease.** May 2011 changes to Provincial no-fault insurance legislation for public transit systems which were spearheaded by the TTC have helped to reduce accident claims settlements costs.
- **Other Employee Costs: \$4.0 million decrease.** Lower utilization of certain healthcare benefits accounts for this favourable variance.
- **Other Changes: \$1.3 million increase.** All other changes net out to an increase of about \$1.3 million.

4.2 - Wheel-Trans Operating Budget

2012 Year-to-Date Results

To the end of Period 9 (September 29), revenues were slightly (2.2%) above budget. Over the same period, expenses fell \$2.4 million (3.2%) below budget primarily due to the lower diesel prices, lower demand for trips and shorter average trip lengths on the contracted taxi service. To date, the unaccommodated rate (i.e. trip requests which cannot be serviced) has been about 2.2%, compared with the targeted rate of 2%. These results include the retroactive pay related to the recent arbitration award for the TTC's unions. Retroactive pay for the remaining employees will be processed later in the year. In accordance with the City of Toronto's direction, these Collective Bargaining Agreement (CBA) expenses will be offset by additional subsidy from the City. Consequently, the budgeted subsidy has been adjusted in the following table and these CBA expenses will have no impact on the year-end projected budget variances.

2012 Year-End Projections

(millions)	Projection	Budget	Variance
2012 Wheel-Trans Operating Budget			
Customer Journeys (Ridership)	3.0	3.1	(0.1)
Revenue	\$5.6	\$5.3	\$0.3
Expenses	\$100.1	\$102.1	(\$2.0)
Subsidy Required	\$94.5	\$96.8	(\$2.3)
Subsidy Available	\$96.8	\$96.8	-
Surplus	\$2.3	-	\$2.3

The \$2.3 million projected year-end subsidy surplus reflects the combination of slightly higher revenues and savings from lower diesel prices and lower demand for trips and shorter average trip lengths on the contracted taxi service partially offset by higher maintenance costs for both the ELF and Friendly bus fleets.

4.3 - Capital Program

2012 Year-to-Date Results

The financial results for capital expenditures to Period 9 include significant project work activity through the summer construction season typically involving continuation of design work and progression of construction, vehicle and other supply activity on all contracts in place for capital project work. While significant progress is still expected in 2012, under spending on vehicle delivery milestones and on delayed facility contract work are the most significant variances in the current period results.

2012 Year-End Projections

(millions)	Projection	Budget	Variance
2012 Capital Program Budget*			
Base Program Total Costs	\$891.4	\$1,079.8	(\$188.4)
TYSSE Project	\$417.2	\$685.5	(\$268.3)

*Excludes carry forward spending on the base capital program (\$199.1 million) and on the YYSSE project (\$95.5 million).

Base Capital Expenditures: \$188.4 million under spent. The budget of \$1,079.8 million approved by Council in January 2012 was increased by an additional carry forward adjustment of \$199.1 million in June 2012. The current projected spending on the base capital program currently reflects expectations of being 17% under spent versus budget (under spending of \$188.4 million before the application of the carry forward). Variances on selected major programs are as follows:

Legacy LRVs - \$20.0 million; revised project milestones and deferral impacts on contingency allowance, escalation and PST cashflow timing;

Ashbridges Bay Maintenance & Storage Facility - (\$86.2) million; currently projected to be significantly delayed in 2012 due to delay in award of facility contract and slippage of Leslie St connection track;

Purchase of Subway Cars - \$20.4 million; reflects slippage of 2012 contract milestones for preliminary acceptance of train sets including timing differences for PST, escalation and contingency requirements;

Toronto Rocket/T1 Rail Yard Accommodation - (\$14.0) million; currently projected slippage based on schedule refinement and reassessment of 2012 cashflow.

ATC Resignalling Project - (\$38.7) million; schedule slippage of work on various contracts;

Surface Track Program - (\$12.4) million; deferral of trackwork (Queens Quay) and special track work (King & Spadina, Russell Yard) into future years;

Finishes - (\$13.1) million; deferral of roofing work at Malvern and Greenwood Carhouse as well as modifications at Dufferin station;

Bridges & Tunnels - (\$12.9) million; delayed work and reduced scope in structure rehabilitation programs;

Easier Access Project – (\$10.0) million; delay of St. Clair West station work due to property issue;

Other Buildings & Structures – (\$15.6) million; delayed design and construction of LRV modifications work at the Roncesvalles Maintenance Facility, delayed facility requirements work at Dundas West and Victoria Park Stations, Inglis and Revenue Operations facilities and delayed Fire Main Replacement at Wilson Yard.

TYSSE Project Expenditures: \$268.3 million under spent. The project schedule has been impacted by a number of contractor performance schedules and other earlier issues now past. On October 24, 2012, a report was tabled at the Commission meeting indicating a service date of fall 2016. The impacts of these schedule changes are currently being assessed for the current and future years and will be factored into future reports.

Part 5 - Critical Projects

5.1 Toronto Rockets and Rail Yard Accommodation

Under the TR/T1 Rail Yard Accommodation project, major expansions are planned to address storage and maintenance of the Toronto Rocket on the YUS line and consolidated storage of the T1 trains on the BD line. The work includes:

- Wilson Yard: carhouse expansion, storage tracks and corresponding ladder tracks, runaround tracks, signal system, substation, T&S building renovation;
- Davisville Yard: carhouse expansion, consolidation of T&S facility;
- Keele Yard: facility rehabilitation for storage of T1 trains;
- Kipling Station: storage track; and
- Greenwood Yard: conversion of CN delivery track to storage and T&S building renovation.

Twenty-five trainsets have been accepted for revenue service to date. A delivery gap exists due to technical issues in manufacturing and commissioning. A recovery plan is being reviewed with respect to challenges meeting the year-end quantity target. On average, two trainsets are scheduled for FAC (Final Acceptance Certificates) per month until completion in Q1 2014 for all 70 trainsets in the Toronto Rocket subway train order. The 70 trainsets are comprised of 39 trainsets for replacement of H4 and H5 series cars, 21 trainsets for replacement of H6 cars, and 10 trainsets for the Toronto-York Spadina Subway Extension project.

5.2 LRT Program and Maintenance & Storage Facility

LRT Vehicle Procurement

The low floor light rail vehicle procurement project is partway through the Final Design phase. The first of the three prototype vehicles was delivered as scheduled in September 2012, with the other two scheduled for delivery before year end. The prototype vehicles will undergo extensive vehicle reliability, performance and technology verification tests. System compatibility tests including accessibility features, platform and on-street boarding interface with the vehicle, its bridgeplate and ramp deployment, farecard system if available, and overhead power interface, etc. will be conducted.

Based on the prototype tests, a baseline vehicle configuration will be established for production vehicles, scheduled for delivery beginning in the fall of 2013.

Ashbridges Bay Maintenance & Storage Facility Project

This project has two main areas: the facility and the Leslie Street connection track. At its meeting of January 31, 2012, the Commission approved the award of the facility construction contract. The TTC received the Notice of Approval Conditions (NOAC) associated with site plan approval on April 4, 2012, which allowed essential building permits to be issued. Staff awarded the main facility contract on April 12, 2012 and are working closely with staff from the City of Toronto to fulfill the terms and conditions associated with the NOAC. As of the end of October, construction of the storm water management pond and the electrical substation foundation were complete, and work on the carhouse foundation

and buried sewer, water and electrical services was in progress. Substantial performance of facility construction is currently scheduled for June 2014.

Construction of a duct bank for the relocation of a Hydro One Networks Inc. (HONI) transmission cable that runs around the perimeter of the facility site is in progress by a HONI contractor. The relocation of this cable is necessary for the construction of the main facility.

The construction review package of the Leslie Street connection track was distributed for review by TTC departments, City of Toronto divisions, private utilities and other stakeholders in September and comments are being incorporated into the tender package. Due to the complexity of this work, the schedule is currently six months delayed. The Leslie Street connection track contract will be tendered in November and awarded in early 2013. In conjunction with Waterfront Toronto and the City, a public communications strategy for the streetscape design and construction staging plan has been developed. Meetings to present the streetscape design to businesses and residents were held in October. The construction staging and traffic management design is in the final stages and will be presented to the local Councillors and the public shortly.

5.3 Station Enhancements

Union Station

Construction of the second platform for the Union Station subway station is proceeding toward completion in 2014.

Dufferin Station

Construction of the Dufferin Station Modernization project is expected to be completed by summer of 2014.

Pape Station

Construction of the Pape Station Modernization project is expected to be completed by fall 2013.

5.4 Easier Access

To date, 31 subway stations have been made accessible. The Easier Access III project will make the remaining stations accessible by 2025.

The elevators at St. Andrew station were opened for service on June 20, 2012. Pape and Dufferin stations are expected to be completed by 2013 and 2014 respectively.

Construction at Lawrence West station is expected to start this year with completion slated for 2014. Construction at Coxwell and St. Clair West stations is expected to start in 2013 with completion in 2015.

5.5 Toronto-York Spadina Subway Extension Project

To date, the TYSSE project is on budget with a total budget of \$2,634 M including inflation.

The project schedule has been impacted by a number of contractor performance schedules and other earlier issues now past. Contractor performance has improved whereby contractors are currently performing well with the exception of the Sheppard West (Downsview Park) and Southern Tunnels contract where the progress of the tunnelling component continues to be slow. Efforts by staff to improve progress of this component have intensified. Issues with the advancement of the HWY 407 and Northern Tunnels contract and the other contracts are largely resolved.

There have been schedule risk analysis workshops and schedule recovery workshops since early summer and it was determined that some recovery is possible but complete recovery of lost schedule was not feasible.

On October 24, 2012, a report was tabled at the Commission meeting indicating a service date of fall 2016. The impacts of these schedule changes are currently being assessed for the current and future years and will be factored into future reports.

5.6 PRESTO / TTC Farecard Project

Discussions continue with PRESTO/Metrolinx to finalize the legal agreements for implementing PRESTO at the TTC. The outstanding issues are expected to be resolved and the agreements finalized by mid-November.

Discussions are also ongoing involving TTC, PRESTO and Bombardier to finalize the detailed design necessary to implement PRESTO on the new streetcars. These discussions are targeted for completion by November 15. Once Final Design is completed, Bombardier will assess the changes required to support the design and identify the potential impact on the overall schedule for the new streetcars and any added costs that may be incurred. In parallel, a plan is being developed to test PRESTO equipment and systems for the new streetcars.

TTC and PRESTO continue work on developing a schedule for the overall project through to final implementation and operation, including details regarding civil works at TTC facilities. Field studies are underway to determine whether sufficient power is available in TTC subway stations to support PRESTO equipment. These studies are scheduled to be completed by Q1-2013.

TTC is currently supporting a limited test of a PRESTO open payments device at College and Dundas stations. The pilot test is being conducted with a small group of pre-selected participants. The current plan is to continue the test until early 2013. PRESTO devices that are currently installed at TTC stations and accept only PRESTO card payments would continue to operate.