

TORONTO TRANSIT COMMISSION REPORT NO.

MEETING DATE: December 9, 2014

SUBJECT: Chief Executive Officer's Report – November/December 2014
Update

ACTION ITEM

RECOMMENDATION

It is recommended that the TTC Board 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.

December 9, 2014

42-81

Attachment: Chief Executive Officer's Report



TORONTO TRANSIT COMMISSION

CHIEF EXECUTIVE OFFICER'S REPORT

NOVEMBER/DECEMBER 2014 UPDATE



TABLE OF CONTENTS

	<u>PAGE</u>
1. TTC MONTHLY SCORECARD	2
2. COMMENTARY AND CURRENT ISSUES	5
3. CUSTOMER MEASURES AND IMPROVEMENT PROGRAM PROGRESS	18
4. FINANCIAL COMMENTARY	22
5. CRITICAL PROJECTS	26

TORONTO TRANSIT COMMISSION – MONTHLY SCORECARD



Key Performance Indicator		Description	Frequency	Latest Measure	Current	Target	Current Status	Trend	Ref. #
CSS		Customer Satisfaction Survey	Quarter	Q3	74%	TBD			2.2
Customer Journeys		Customer Trips	Period	P10	43.581M	43.580M			2.3
Punctuality – Subway and Scarborough Rapid Transit (SRT)									
Line 1 (Yonge-Univ-Spadina)	Headway + 3 minutes	Period	P10	94.6%	96.0%			2.4.1	
Line 2 (Bloor-Danforth)	Headway + 3 minutes	Period	P10	96.8%	97.0%			2.4.1	
Line 4 (Sheppard)	Headway + 3 minutes	Period	P10	99.4%	98.0%			2.4.1	
Line 3 (SRT)	Headway + 3 minutes	Period	P10	98.6%	96.0%			2.4.2	
Punctuality – Bus, Streetcar, and Wheel-Trans									
Bus	Headway +/- 3 minutes	Period	P10	62.4%	65.0%			2.5.1	
Streetcar	Headway +/- 3 minutes	Period	P10	66.8%	70.0%			2.5.2	
Wheel-Trans	Within 10 minutes of schedule	Period	P10	83.0%	90.0%			2.5.3	
Safety and Security									
Lost Time Injuries	Injuries / 100 Employees	Period	P10	3.16	TBD			2.6.1	
Customer Injuries	Injury incidents / 1M Vehicle Boardings	Period	P10	0.98	NA			2.6.2	
Behavioural Safety Index	Safety Focused Behaviour	Period	TBD					2.6.3	
Offences against Customers	Assault, theft, other	Period	P10	37	NA			2.6.4	
Offences against Staff	Assault, threat, other	Period	P10	27	NA			2.6.5	
People									
Attendance	Employee Absence	Period	P10	6.89%	< 6.50%			2.7.1	
Operator Hires	Actual vs. Budget	Period	P10	52	52			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	P10	98.9%	98.0%			2.8.1
Escalators	% Escalators Available	Period	P10	97.3%	97.0%			2.8.2
Fare Purchase Opportunity	% TVM's / PVM's Available	Period	P10	97.5%	96.4%			2.8.3
Mystery Shopping and Audits								
Station Cleanliness	Cleanliness Audit Score	Quarter	Q3	72.6%	75.0%			2.9.1
Vehicle Cleanliness	Cleanliness Audit Score	Quarter	TBD					2.9.2
Information MSS	Customer Announcements Score	Quarter	TBD					2.9.3
Staff Helpfulness MSS	Welcoming Staff Score	Quarter	TBD					2.9.4
Financials								
TTC Revenue	Actual vs. Budget	Period	P1-10	\$964.0M	\$974.4M			4.1
TTC Operating Expenditure	Actual vs. Budget	Period	P1-10	\$1313.9M	\$1338.0M			4.1
Wheel-Trans Revenue	Actual vs. Budget	Period	P1-10	\$4.8M	\$4.8M			4.2
W-T Operating Expenditure	Actual vs. Budget	Period	P1-10	\$91.5M	\$94.3M			4.2
Capital Expenditure – Base	Actual vs. Budget	Period	P1-10	\$644.4M	\$873.6M			4.3
Capital Expenditure – TYSSE	Actual vs. Budget	Period	P1-10	\$227.4M	\$460.7M			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 black arrows in the top right corner of 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

The TTC’s modernization efforts are a key theme in our Corporate Plan. While this Plan takes a mid to long-term view of where we need to get to in the next five years, equally important is maintaining a day-to-day focus on achieving continuous improvement in everything we do. We at the TTC are working very hard to get the basics of our service delivery right. Daily conference calls are convened, looking at each delay incident to identify root cause, capture lessons learned, and implement corrective actions. In parallel, we are adopting a more proactive approach to the maintenance of vehicles and infrastructure to increase their reliability, fixing problems before they occur.

The ultimate solution is to replace worn out assets well before they reach the end of their life cycle. The London Underground has achieved significant performance improvement as a result of sustained investment in vehicles, track and signals. We are moving in that direction here in Toronto. Our Toronto Rocket trains, the new articulated buses, and the new streetcars are all proving to be increasingly reliable. This, coupled with the work we are doing to progressively upgrade signals on Line 1 of the subway means big reliability improvements are in the offing. Upgrading track and signals takes a long time because it can only be done when trains aren’t running. The first job is to stabilize and update the current, conventional signalling, while at the same time, install computerized signals and automatic train control to enable more trains to operate and thereby increase line capacity. This massive undertaking will be completed by 2020, including replacement of worn out track, after which we will turn our attention to Line 2.

In the meantime, we will continue to set out every day to improve the quality and reliability of your service by obsessing about the basics on every mode that we operate.

I am encouraged by the results of the first weeks of operation of our revised subway timetable. Two trains have been added to both Line 1 (Yonge-University-Spadina) and Line 2 (Bloor-Danforth) in the peak hours. Combined with a moratorium on non-essential track inspections at those times and a renewed focus on minimizing delays at terminus stations, these changes are beginning to deliver additional capacity and a better, more punctual, peak-hour service.

Effective November 24, Dufferin Station became the 33rd TTC subway station to be fully accessible, with new automatic sliding doors, accessible fare gate, and elevators for easier access. Over the past four years, Dufferin Station has undergone a significant transformation, including expansion of the station building and indoor waiting area, second exits from both platforms, a new staircase, modern wall, ceiling, floor and stair finishes, new windows for more natural light, bicycle parking, canopies over the sidewalks, a green roof and new public art.

Customer journeys (ridership) achieved target; however, the overall year-to-date trend will not enable the 2014 year-end target of 540 million rides to be reached. At this time, it is estimated that year-end ridership will be about 535 million. This constitutes a 2% increase over the 2013 actual of 525 million as opposed to 3% growth as originally projected. Daily ridership now regularly tops 1.8 million, putting ever-increasing strain on the network and reinforcing the need for sustained investment.

Subway punctuality on Line 1 (Yonge-University-Spadina) and Line 2 (Bloor-Danforth) continued to improve but remained below target. Punctuality remained above target on Line 3 (SRT) and Line 4 (Sheppard). As noted above, changes have been made to the subway timetable to make the service more reliable and to add peak capacity on Line 1 and Line 2.

Bus, streetcar, and Wheel-Trans punctuality were each below target and continued to be negatively impacted by extensive construction work across the city.

Employee absence continued to be above target (unfavourable). This trend negates some of the improvements that had been achieved earlier this year. Achieving sustained improvements in employee attendance continues to be a high priority of my management team.

Elevator, escalator, and TVM/PVM availability each continued to be above target.

On the financial side, year-to-date revenues were below budget, primarily due to 4.1 million fewer customer journeys than planned and a lower average fare stemming from higher monthly pass sales. Operating expenses were below budget largely due to lower costs for diesel fuel, hydro, and accident claims, as well as the timing of certain non-labour expenses. Capital expenditures were below budget due to less-than-expected project activity.

2.2 – Customer Satisfaction Survey

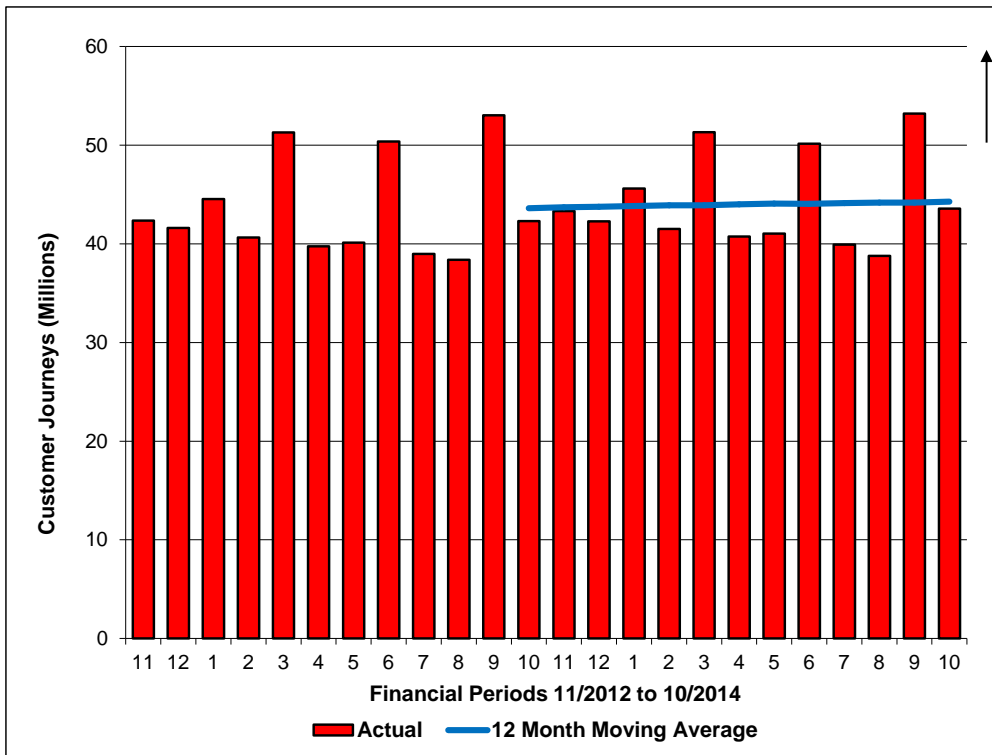
The overall customer satisfaction score in Q3 2014 (74%) was consistent with results observed in the previous quarter (72%) and in the same time period a year ago (75%). Satisfaction with the TTC streetcar service improved significantly and now matches the scores of subway and bus service.

Customers noticed improvements in the following aspects of customer service (Q3 2014 vs. Q3 2013): cleanliness of the subway station, station staff available for help, ease of getting to train platform, cleanliness and freedom from litter inside the subway train, personal safety during the trip (subway), and helpfulness of the streetcar operator.

Perceived value for money continues to be positive, with 91% of respondents providing a score of 'average', 'good', or 'excellent'. Daily riders perceive lower value for money than other TTC customers. The leading customer suggestion for providing better value for money was keeping to the scheduled times.

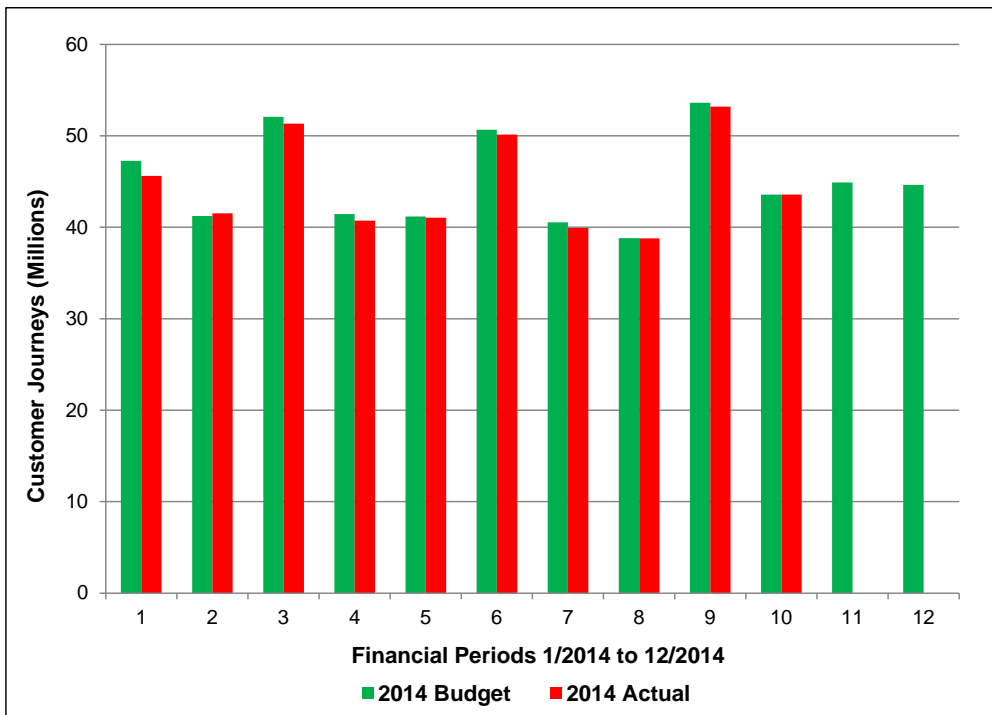
Pride in the TTC and what it means to Toronto is consistent with the historical trend (71%).

2.3 – Customer Journeys



There were 43.581M customer journeys (ridership) taken during Period 10 2014, which was 1.280M (3.0%) more than the 42.301M journeys taken during the comparable period in 2013.

The annual number of customer journeys taken to the end of Period 10 2014 was 531.520M, which was 8.046M (1.5%) more than the 523.474M annual journeys taken to the end of the comparable period in 2013.



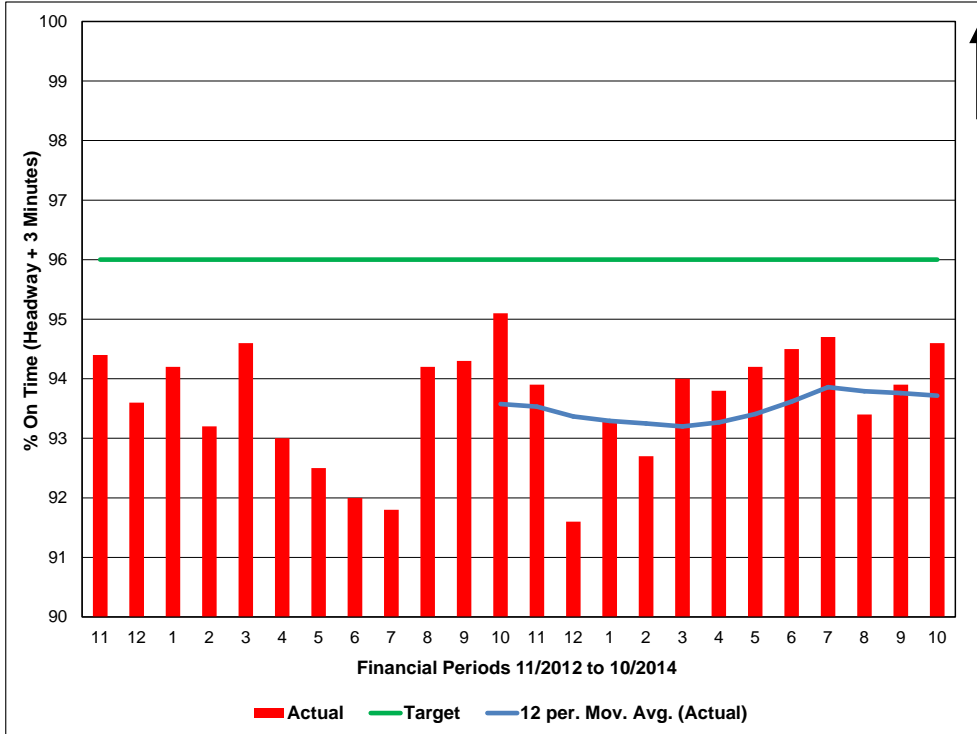
There were 43.581M customer journeys taken during Period 10 2014, which was 0.001M (0.002%) more than the budget of 43.580M journeys.

The number of customer journeys taken year-to-date to the end of Period 10 2014 was 445.897M, which was 4.563M (1.0%) less than the budget of 450.460M journeys.

2.4 – Punctuality – Subway and Scarborough Rapid Transit (SRT)

2.4.1 – Subway

Line 1 (Yonge-University-Spadina)

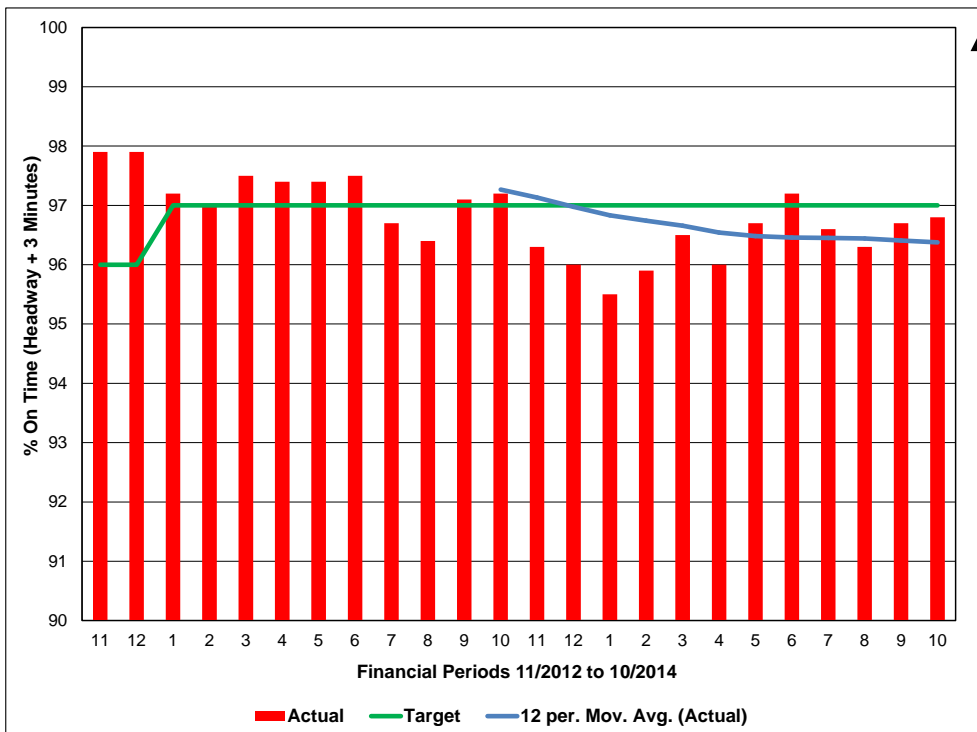


Performance in Period 10 increased for the second consecutive period but remained well below target.

Schedule improvements designed to reduce end terminal congestion and increase train throughput and line capacity have been introduced and initial indications are that those objectives have been achieved.

The schedule improvements have targeted the peak service periods. Focus is now turning to the impact of delays on headway consistency in the off-peak service periods, especially in the evening, when Line 1 typically struggles.

Line 2 (Bloor-Danforth)

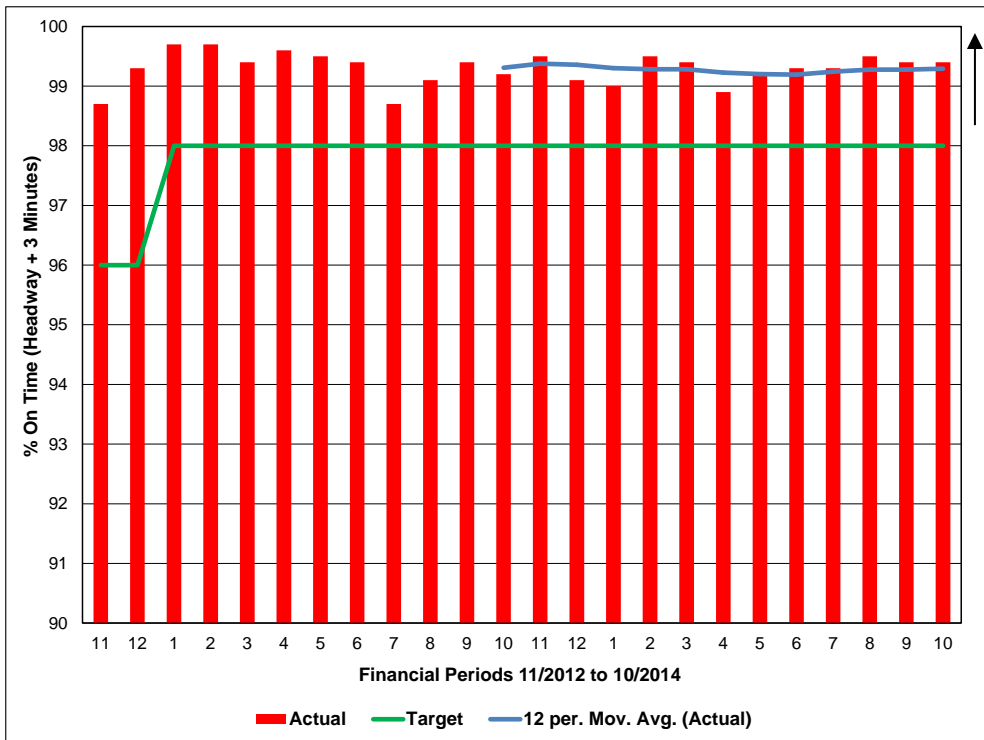


Performance in Period 10 increased for the second consecutive period but remained slightly below target.

Schedule improvements designed to reduce end terminal congestion and increase train throughput and line capacity have been introduced and initial indications are that those objectives have been achieved.

The schedule improvements have targeted the peak service periods. Focus is now turning to improving performance in the mid-day and early evening service periods, when performance on Line 2 has dipped below expectations.

Line 4 (Sheppard)

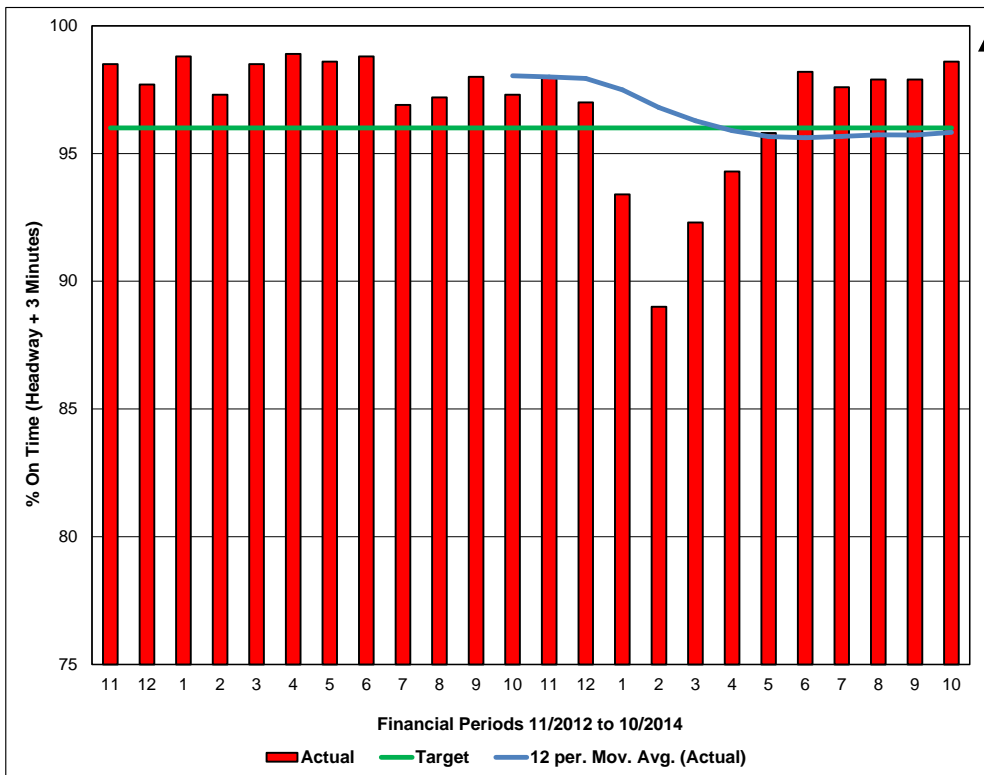


Performance in Period 10 remained well above target.

The relatively low volume of delay incidents and a high level of resilience in the ability to maintain headway performance when incidents occur are factors that contribute to consistently good performance on this line.

2.4.2 – SRT

Line 3 (SRT)

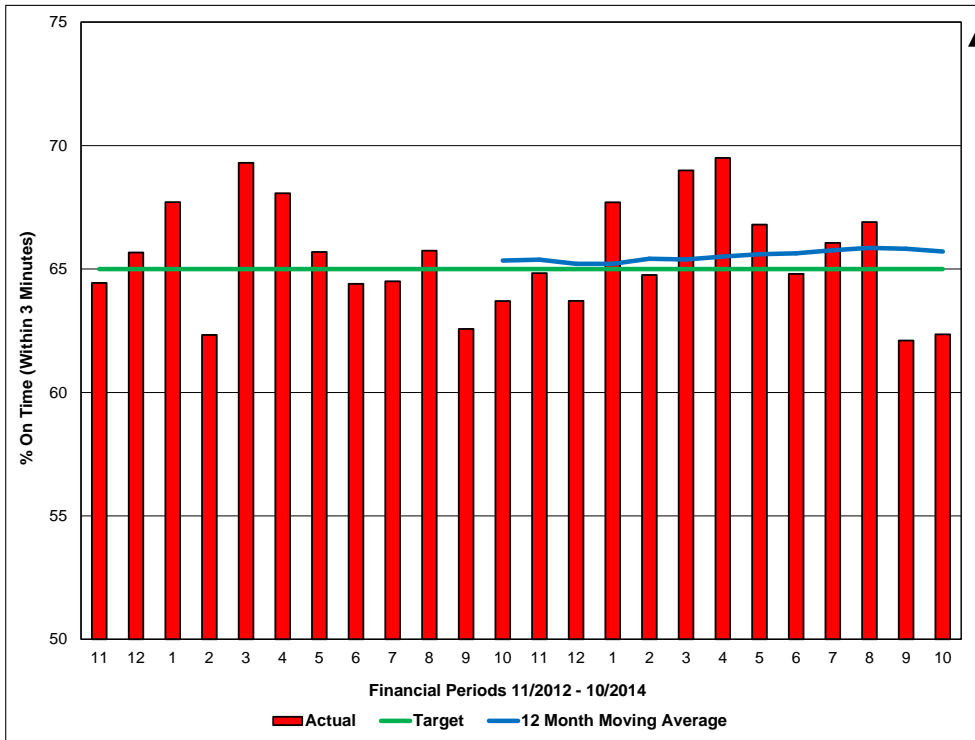


Performance increased in Period 10 and was above target for the fifth consecutive period.

The improved performance is attributable to reductions in delay incidents, including a dramatic improvement in rolling stock incidents.

2.5 – Punctuality – Bus, Streetcar, and Wheel-Trans

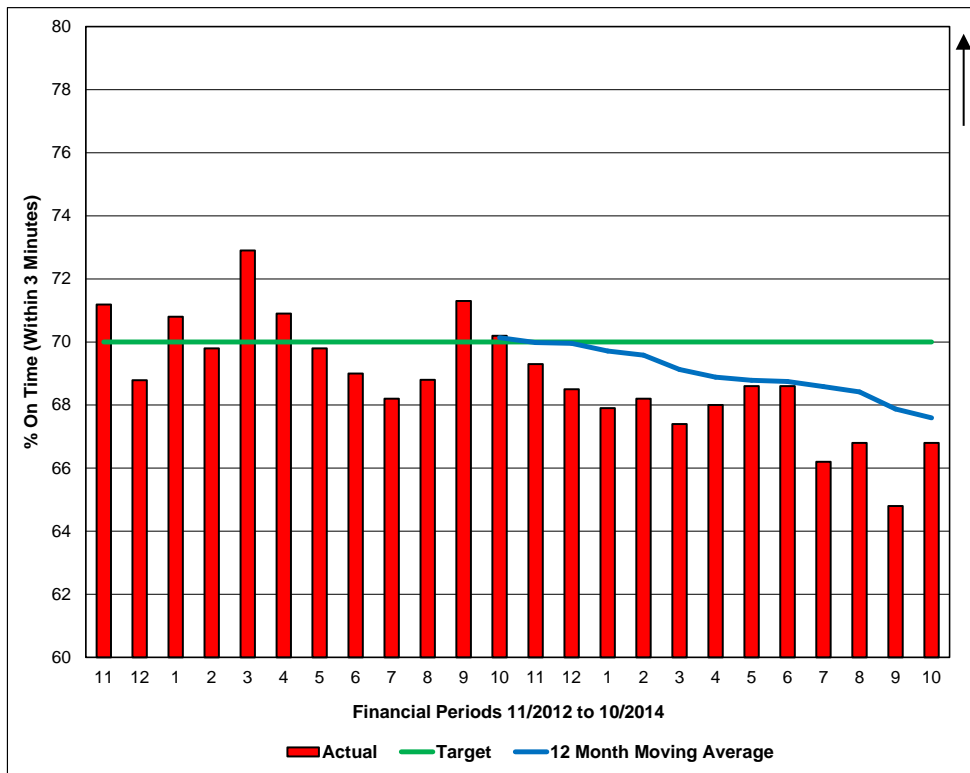
2.5.1 – Bus



Performance increased slightly in Period 10 but was below target for the second consecutive period.

The decrease in performance following the summer break extended into Period 10 as construction on many major routes continued to cause delays.

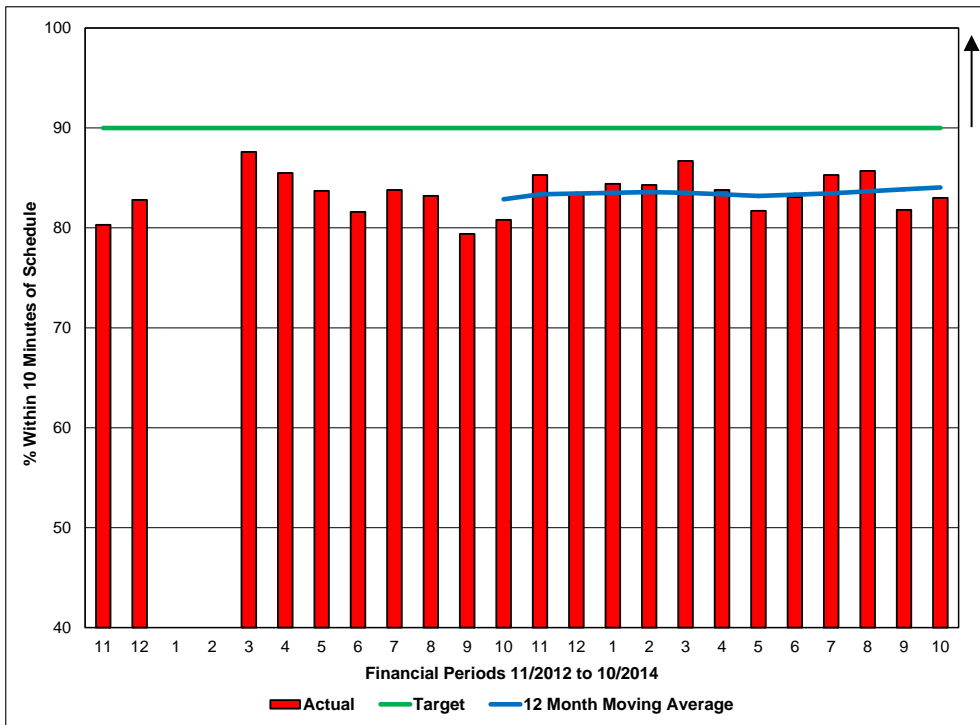
2.5.2 – Streetcar



Performance increased in Period 10 but continued to remain well below target.

The improved performance was attributable to the near elimination of short turns and reduced gapping / bunching on the 512 St. Clair route and increased running times on the 504 King route.

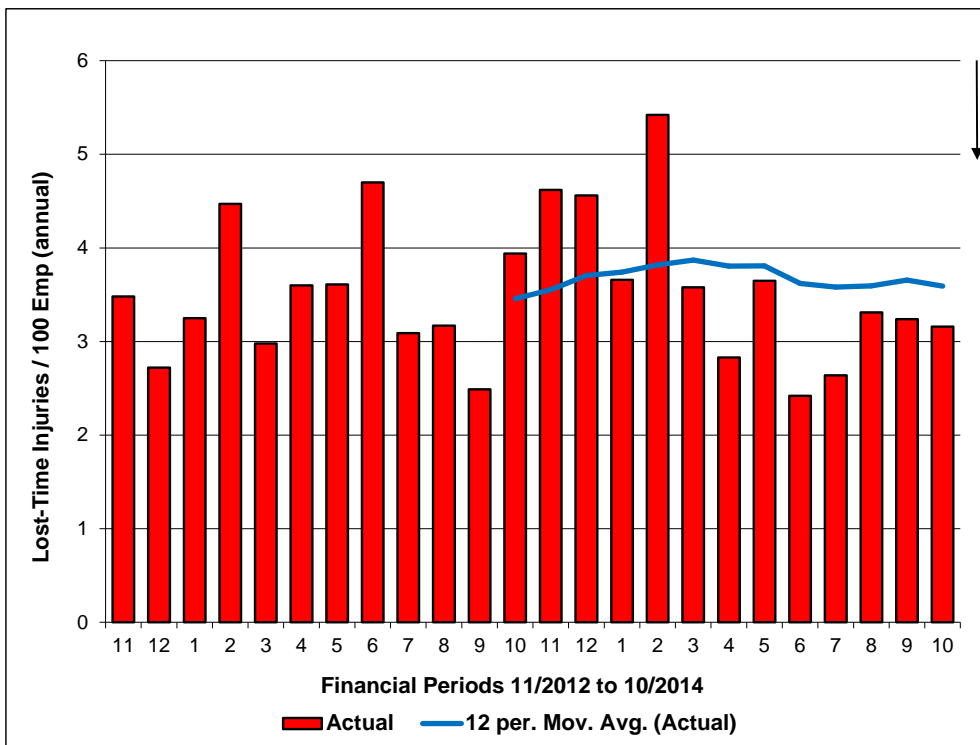
2.5.3 – Wheel-Trans



Performance increased slightly in Period 10 but continued to remain below target.

2.6 – Safety and Security

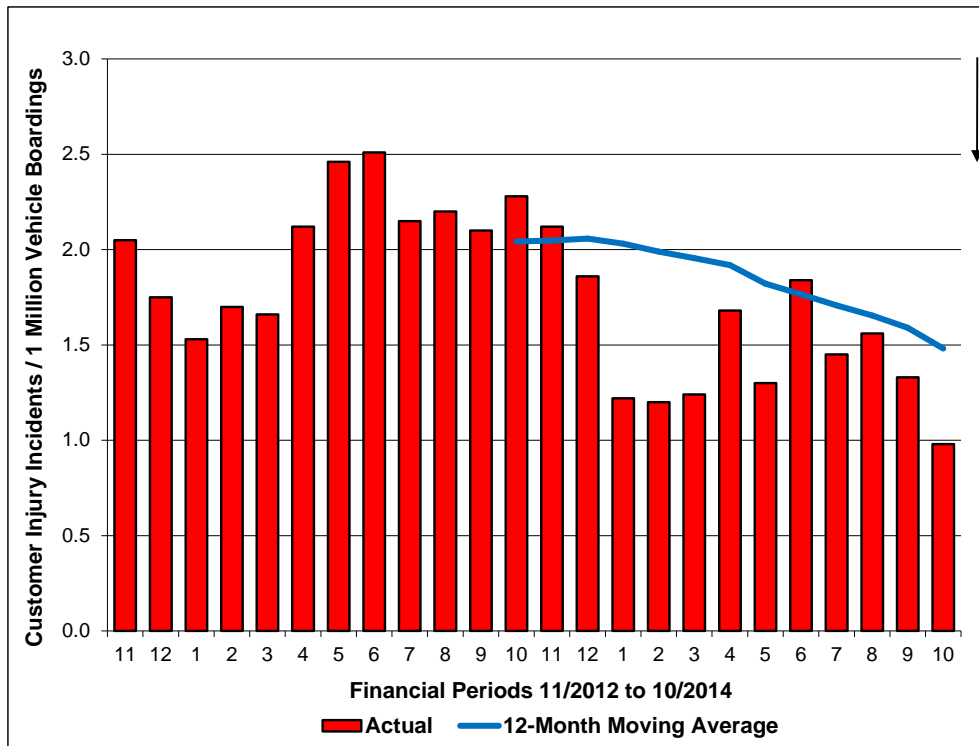
2.6.1 – Lost-Time Injuries (Annual Injuries / 100 Employees)



The annualized lost-time injury rate (LTIR) for Period 10 2014 was 3.16 lost-time injuries per 100 employees, which was 20% lower than the corresponding LTIR of 3.94 for Period 10 2013.

The moving annual LTIR to the end of Period 10 2014 was 3.59, which was 4% higher than the corresponding rate of 3.46 to the end of Period 10 2013.

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



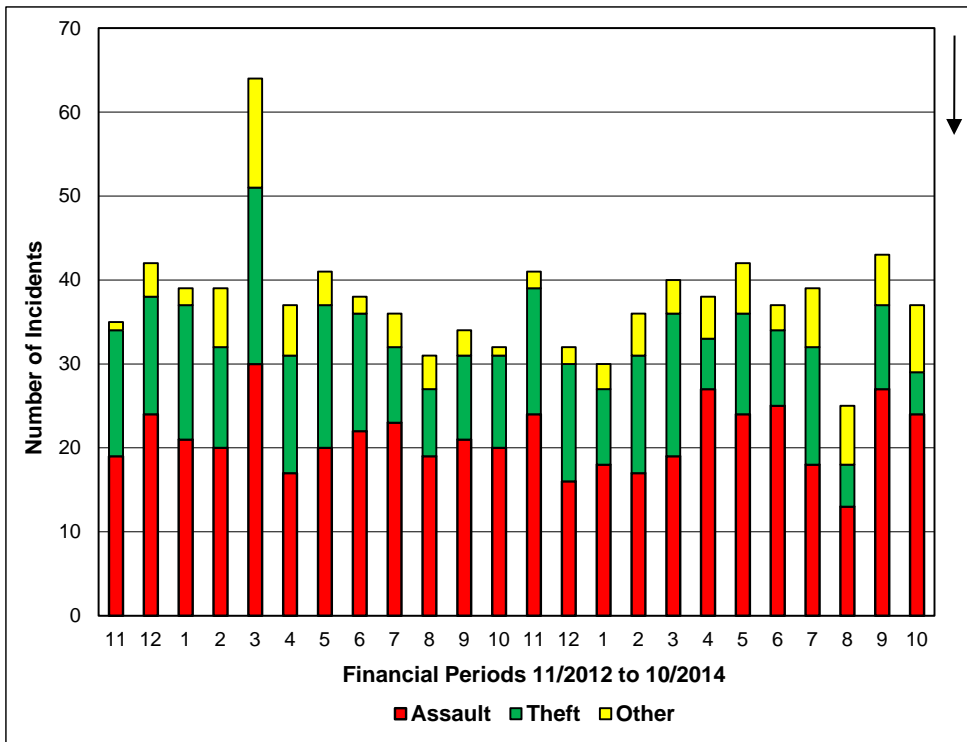
The customer injury incident rate for Period 10 2014 was 0.98 injury incidents per 1 million vehicle boardings, which was 57% lower than the corresponding rate of 2.28 for Period 10 2013.

The moving annual customer injury incident rate to the end of Period 10 2014 was 1.48, which was 27% lower than the corresponding rate of 2.04 to the end of Period 10 2013.

2.6.3 – Behavioural Safety Index

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

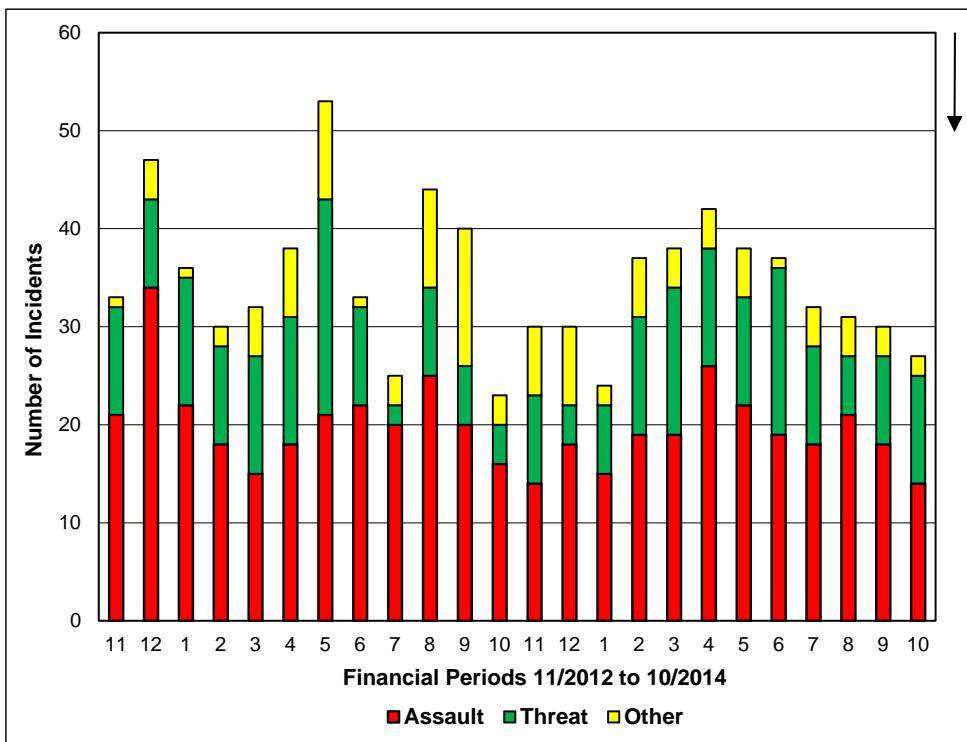
2.6.4 – Offences Against Customers



Total offences against customers decreased in Period 10.

Year-to-date to Period 10, there were 24 fewer offences (367 vs. 391) compared with the corresponding period in 2013. This includes 1 fewer assault (212 vs. 213), 31 fewer thefts and robberies (101 vs. 132), and eight more 'other' offences (54 vs. 46).

2.6.5 – Offences Against Staff

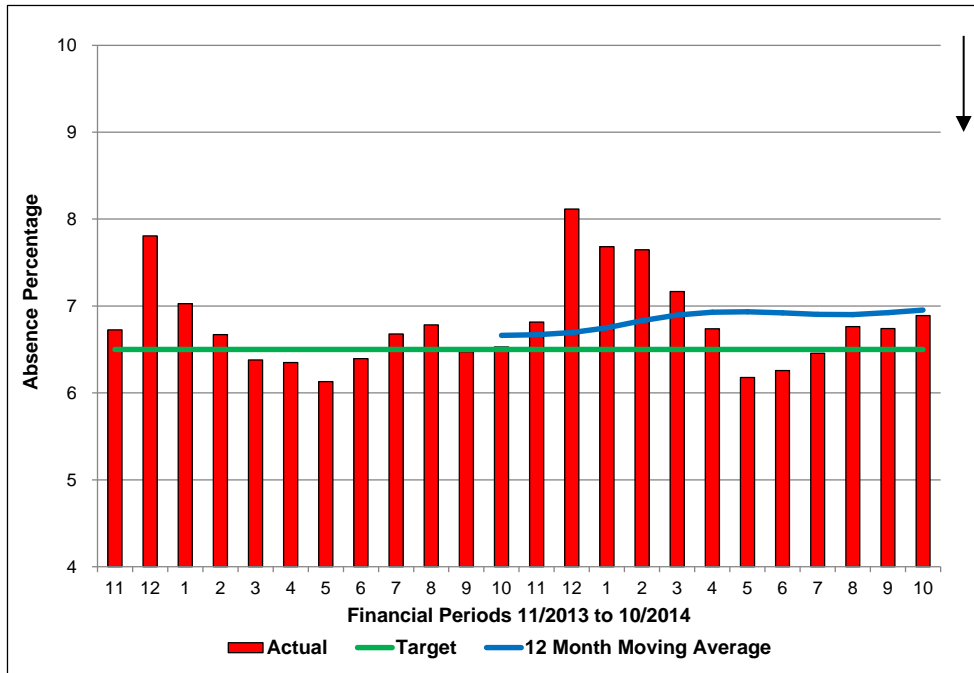


Total offences against staff decreased in Period 10.

Year-to-date to Period 10, there were 18 fewer offences (336 vs. 354) compared with the corresponding period in 2013. This includes six fewer assaults (191 vs. 197), nine more threats (110 vs. 101), and 21 fewer 'other' offences (35 vs. 56).

2.7 – People

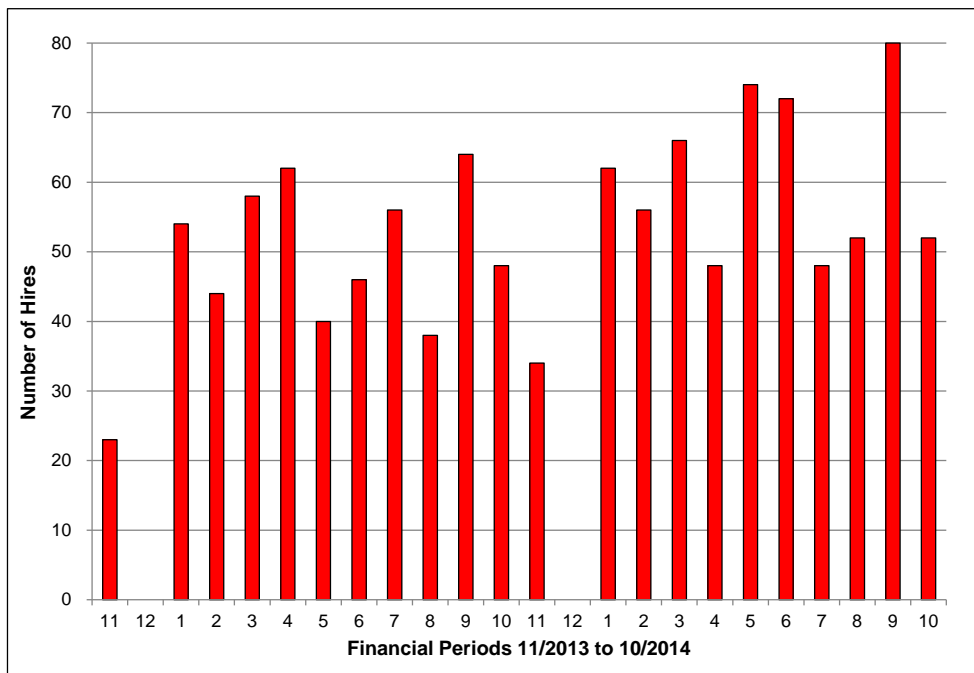
2.7.1 – Attendance



The absence rate increased in Period 10 and was above target (unfavourable) for the third consecutive period.

Focus continues to be placed on actively and systematically managing employees with problematic attendance records.

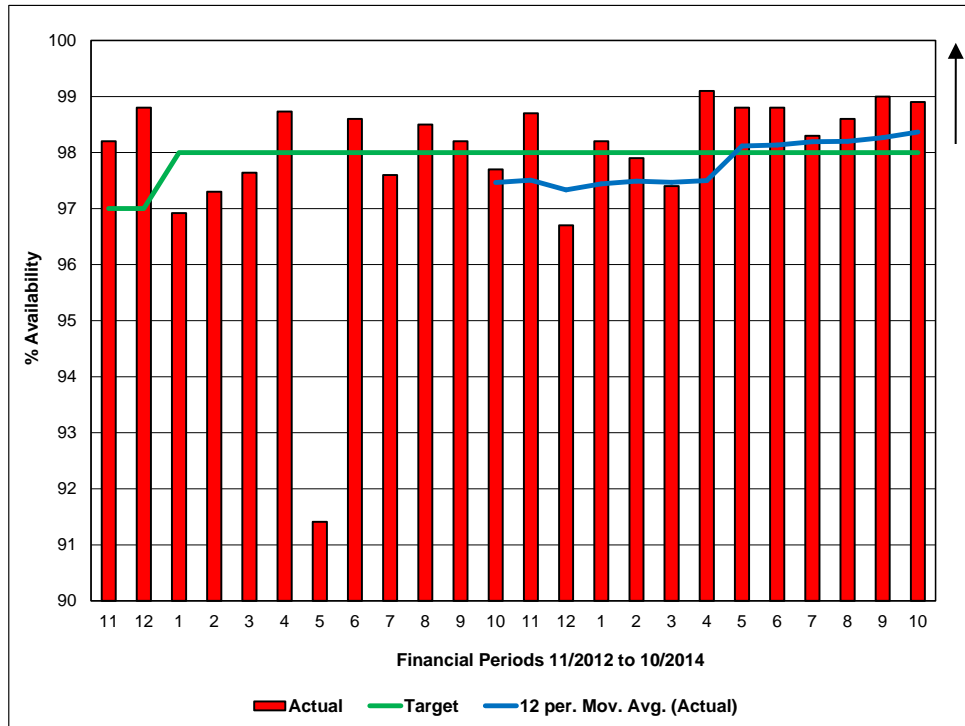
2.7.2 – Operator Hires



In Period 10, 52 Operators were hired and began training.

2.8 – Device Availability

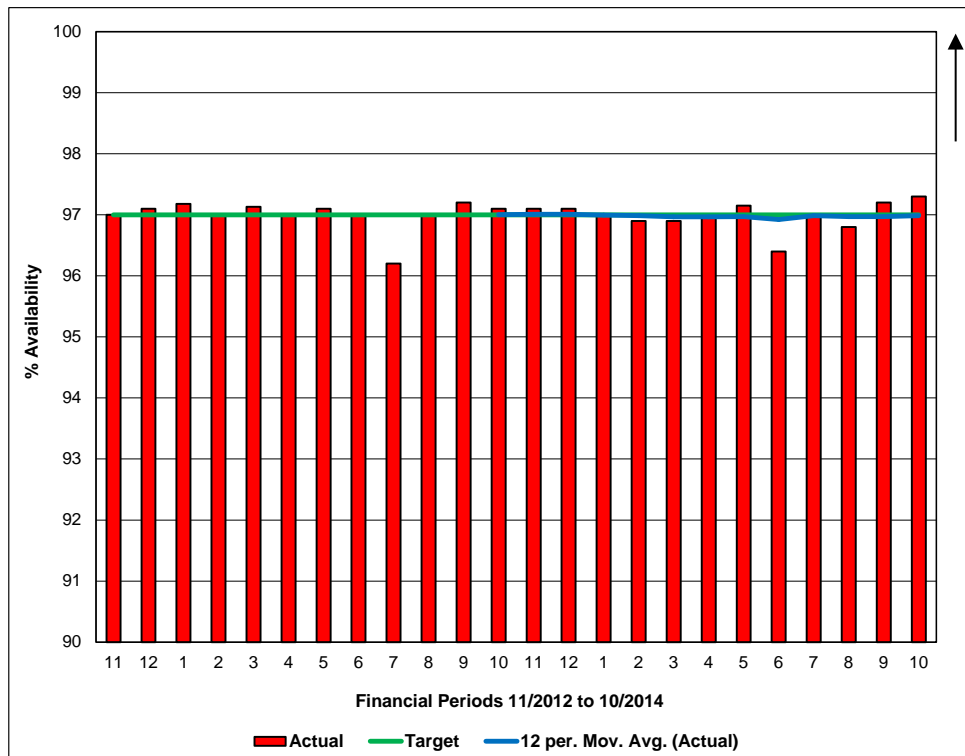
2.8.1 – Elevator Availability



Performance in Period 10 remained above target for the seventh consecutive period.

Elevator maintenance was completed as planned and scheduled and overall downtime was reduced due to the absence of any major elevator overhaul activity.

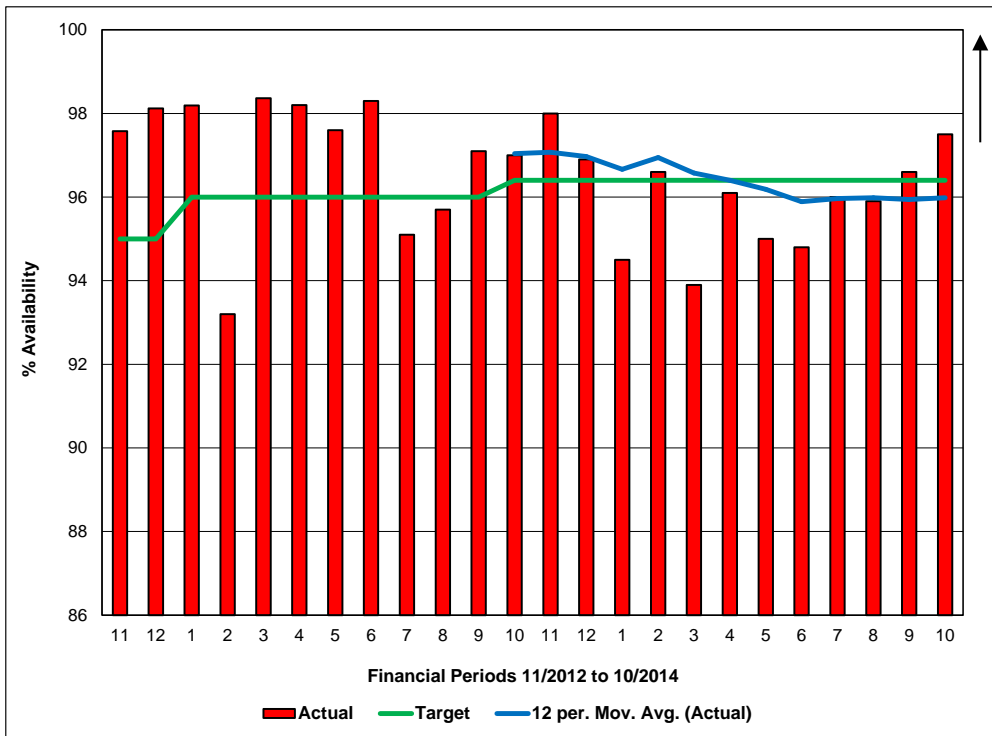
2.8.2 – Escalator Availability



Performance in Period 10 was above target for the second consecutive period.

Maintenance programs are being completed as planned and scheduled, which is contributing to keeping trouble calls to a minimum.

2.8.3 – Fare Purchase Opportunity



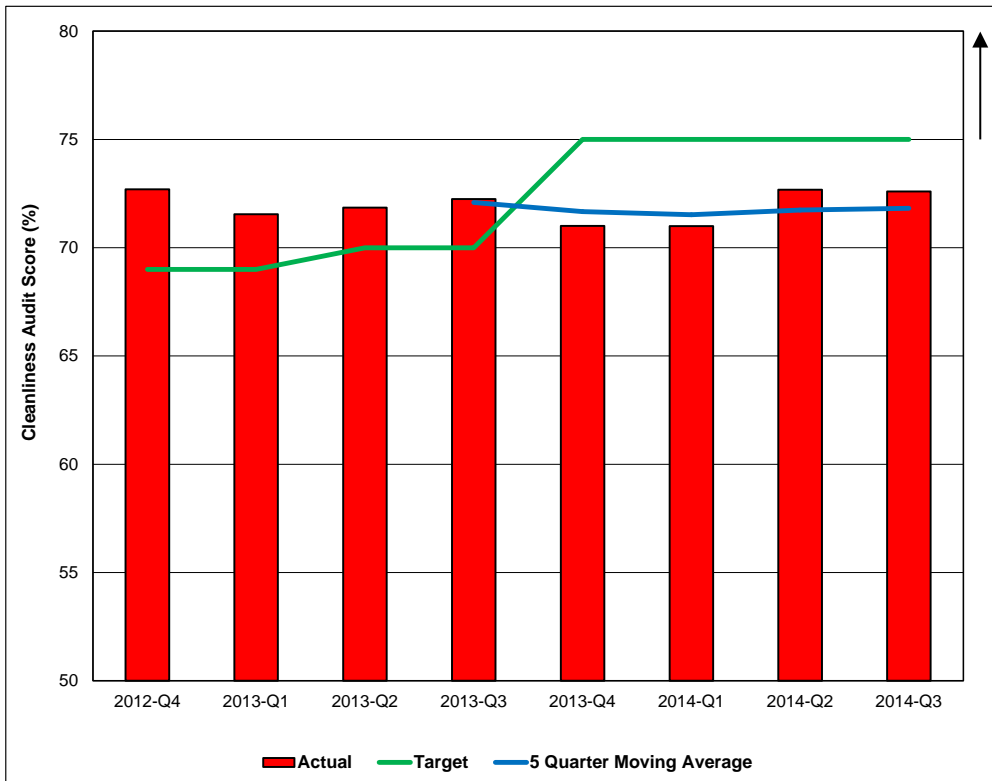
Performance increased in Period 10 and was above target for the second consecutive period.

Efforts continue to focus on resolving software issues associated with Pass Vending Machine (PVM) applications and payment devices.

Token Vending Machine (TVM) performance has improved due to better maintenance response times and a significant reduction in vandalism.

2.9 – Mystery Shopping and Audits

2.9.1 – Station Cleanliness



Performance in Q3 was negligibly lower than in Q2.

The overall target of 75% was not achieved in either Station Services or in Group Station Managers and was due, in part, to workforce shortages resulting from delayed hiring of temporary and student employees. This negatively impacted the ability to completely fill schedules.

2.9.2 – Vehicle Cleanliness

The existing cleanliness audit process for vehicles was developed and implemented throughout 2012 and 2013. The audit process is under review to identify improvements in data collection and assessment that will allow a more effective means of identifying root causes and developing action plans to increase vehicle cleanliness. The results of this review are being incorporated into a revised cleanliness audit contract specification. The revised cleanliness audits for buses, streetcars, and subway cars will begin in Q4 2014. A revised performance chart will be provided in this section when the results for Q4 2014 are available.

2.9.3 – Information MSS

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

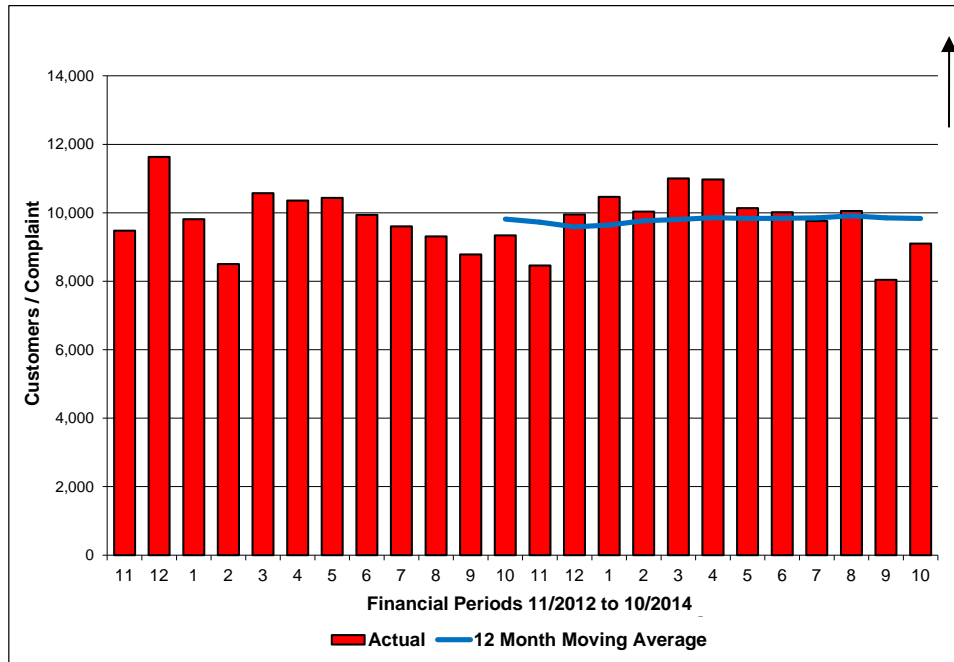
2.9.4 – Staff Helpfulness MSS

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

Part 3 – Customer Measures and Improvement Program Progress

This section provides information on various customer-related issues, including trends for customer complaints and compliments, customer satisfaction improvement initiatives, and major closures.

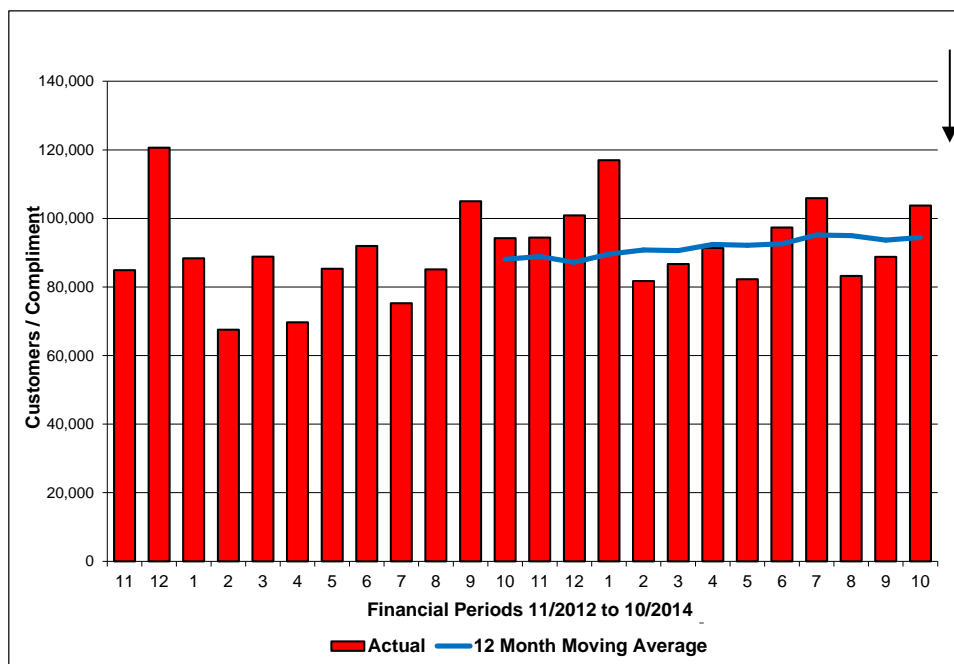
3.1 – Customer Complaints



Customers per complaint is trending upward (favourable).

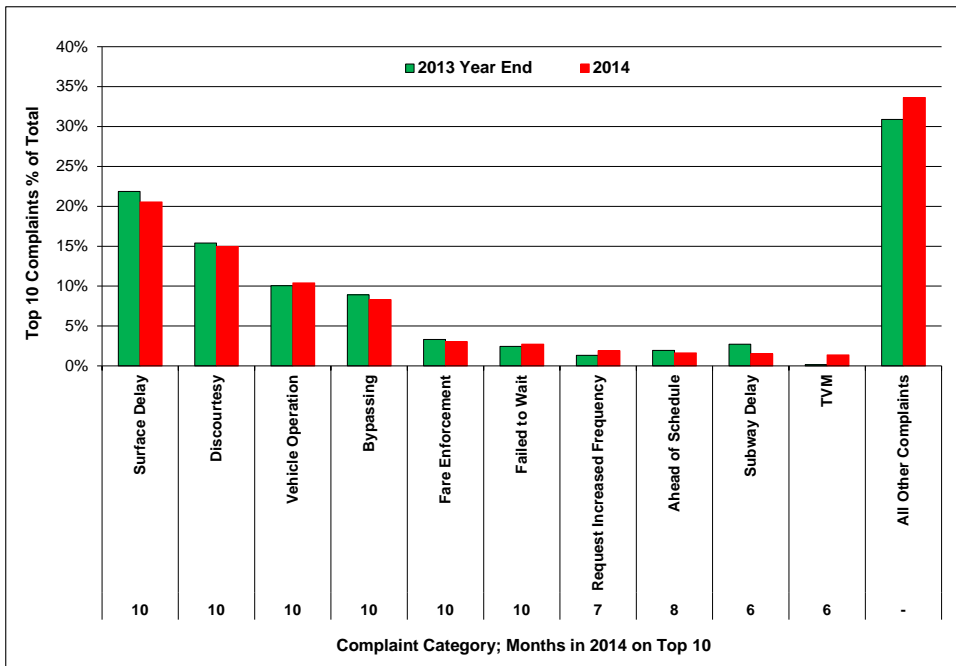
Although the results are better than last period, they are below the 12 month rolling average.

3.2 – Customer Compliments



Customers per compliment has trended unfavourably for the last 3 periods, slightly higher than the 12 month rolling average.

3.3 – Top Ten Complaints



Improvements can be seen in Surface Delay and Subway Delay complaint categories when compared with 2013 year end.

Slight increases are seen in Vehicle Operation, Failed to Wait, and Request Increased Frequency categories.

3.4 – Commentary on Customer Satisfaction Improvement

In February, the TTC unveiled its 2014 Customer Charter. It’s comprised of 39 time-bound commitments that include improved service reliability, better customer communications and information, modern equipment and vehicles, continued advancements on customer accessibility, and cleaner vehicles and stations. The 2014 Charter in its entirety, as well as quarterly progress reports, are located on the TTC website.

In the third quarter, the TTC achieved 11 of 12 Customer Charter commitments for 2014. The eleven initiatives included: post two explainer videos online; establish a special task force to seek long-term capital and operating funding; additional TTC merchandise available for purchase; add 20 more fare enforcement officers; complete a Wheel-Trans customer satisfaction survey; upgrade speakers in five subway stations; open the new second platform at Union Station; begin the construction of the Wellesley Station second exit; begin the construction of the Woodbine Station easier access project; wash and replace bulbs on 25 per cent of the platform lighting; and complete a fall cleaning of every station.

To date, we have added 14 of the 20 route supervisors with an additional six route supervisor positions to be filled once supervisor training is complete.

In August, we celebrated the inaugural service of the new low-floor streetcar on the 510 Spadina line. TTC customers, staff, and government officials were on-hand to witness the historic event, which saw the first new generation of streetcar in Toronto in 30 years enter service. The new streetcars have all door boarding, double the capacity of current streetcars, bike racks, and are accessible. The 510 Spadina line now also becomes a proof-of-payment route on all cars, old and new alike.

As of September 1, we made it easy for students to ride the TTC. Middle school and high school students aged 13 to 15 are no longer required to carry TTC-issued photo ID when paying a discounted fare. Students aged 16 to 19 must carry their school-issued student photo ID or government-issued photo ID to present as proof of age if requested by TTC

staff.

The TTC continues to conduct Meet the Managers sessions at subway stations. So far this year, sessions have been conducted at the following stations: Union, St. Andrew, St. Clair, Eglinton, Bloor-Yonge, Kipling, Finch, Downsview, Lawrence, Queen, Main, Chester, Runnymede, Osgoode, Don Mills, Scarborough Centre, St. George, Sheppard-Yonge, Bathurst, and Dufferin. In addition, a Meet the Managers session was held at the People in Motion exhibition. Feedback was received from customers on a variety of issues, both positive and negative. These sessions will continue at other stations throughout the remainder of 2014, with the schedule posted on the TTC website.

3.5 – Major Closures

Line 1 (Yonge-University-Spadina) - North Yonge Segment

Throughout 2014 and 2015, subway service north of Eglinton Station will end early at approximately 12:30 a.m., Sunday through Friday, for tunnel structural repair work. Regular service will continue to be maintained from Downsview Station to Eglinton Station.

During the nightly early closures, a replacement bus shuttle service will be available from 12:30 a.m. to 2:30 a.m., servicing the bus terminals at Eglinton, Lawrence, York Mills, Sheppard-Yonge, and Finch Stations.

Yorkdale Commuter Parking Lot

The TTC commuter parking lot located at Yorkdale Shopping Centre is being demolished for redevelopment. As a result, TTC commuter parking at Yorkdale will be unavailable for approximately 18 months beginning in January 2014. The TTC commuter lots at Wilson, Downsview, and Finch Stations are alternatives during construction. The new TTC commuter parking lot at Yorkdale is expected to open in the fall of 2015.

Streetcar and Subway

Mode	Area Affected	Dates	Reason
Streetcar	Lake Shore Blvd – Humber Loop to Long Branch Loop	Aug 31/14 – Dec 20/14	City of Toronto Gardiner Expressway Rehabilitation
Subway	Line 2 (Bloor-Danforth) St. George Stn to Pape Stn	Dec 6/14 – Dec 7/14	Infrastructure Maintenance

Detailed information on alternative services available during all closures is provided on the TTC's website.

Part 4 – Financial Commentary

This section provides detailed information about the TTC and Wheel-Trans Operating Budgets. Progress on the TTC's Capital Program and specific information about selected capital projects is also provided.

4.1 – TTC Operating Budget

2014 Year-to-Date Results

To the end of Period 10 (November 1), total revenues were \$10.4 million (1.1%) below budget primarily due to 4.1 million (1%) fewer customer journeys than planned and a slightly lower average fare (0.59¢ or 0.3%) stemming from marginally higher monthly pass sales. Over the same time period, expenses were \$24.1 million (1.8%) below budget largely due to lower diesel fuel, hydro and accident claims costs to date as well as the timing of certain non-labour expenses.

2014 Year-End Projections

(millions)	Projected	Budget	Variance
2014 TTC Operating Budget			
Customer Journeys (Ridership)	535	540	(5)
Revenue	\$1,154.4	\$1,166.6	(\$12.2)
Expenses	\$1,576.7	\$1,606.7	(\$30.0)
Subsidy Required	\$422.3	\$440.1	(\$17.8)
Subsidy Available	\$440.1	\$440.1	-
Surplus/(Shortfall)	\$17.8	-	\$17.8

The currently projected year-end subsidy surplus of \$17.8 million primarily reflects the following significant variances.

Passenger Revenues: \$14.3 million decrease

The number of customer journeys for the year is expected to be about 5 million below target largely due to the severe cold temperatures experienced in January, February, and March, and the impact of planned system closures particularly for the Automatic Train Control resignalling work on Line 1 (Yonge-University-Spadina) and the Union Station project. Additionally, as noted throughout 2013, higher than anticipated monthly pass sales continue to cause a slight decline in the average fare. Consequently, at this time it is anticipated that passenger revenues will fall about \$14.3 million below budget by the end of the year. Staff continues to monitor both ridership and revenue performance and will provide updates in future reports.

Other Employee Costs: \$10 million decrease

Lower healthcare, dental and WSIB expenses primarily account for this favourable variance.

Diesel: \$10 million decrease

To date, the price paid for diesel fuel has generally been lower than budget.

Hydro & Other Utilities: \$5 million decrease

Overall hydro consumption to date is lower than projected and natural gas rates are below expectation.

Accident Claims: \$4 million decrease

Payments to date continue to trend below budget.

Depreciation: \$2.6 million decrease

Based on current 2014 capital expenditure projections for capital assets funded in part or in whole by TTC, the associated depreciation expenses are anticipated to be lower than budget.

Other: \$0.5 million decrease

All other projected changes in other expenses and revenues add up to this favourable variance from budget.

4.2 - Wheel-Trans Operating Budget**2014 Year-to-Date Results**

To the end of Period 10 (November 1), total revenues were marginally (\$10K or 0.2%) below budget. This reflects a lower average fare (\$0.02 or 0.9%) partially offset by increased revenue from 18K (0.7%) additional customer journeys. Over the same period, expenses were \$2.8 million (2.9%) below budget primarily due to reduced diesel fuel requirements as fewer than anticipated bus trips were provided and prices were lower than anticipated, and workforce gapping savings.

2014 Year-End Projections

(millions)	Projected	Budget	Variance
2014 Wheel-Trans Operating Budget			
Customer Journeys (Ridership)	3.111	3.066	0.045
Revenue	\$5.7	\$5.7	-
Expenses	\$110.6	\$112.5	(\$1.9)
Subsidy Required	\$104.9	\$106.8	(\$1.9)
Subsidy Available	\$106.8	\$106.8	-
Surplus/(Shortfall)	\$1.9	-	\$1.9

The currently projected year-end subsidy surplus of \$1.9 million primarily reflects the following variances.

Diesel: \$1.4 million decrease

To date, fewer than anticipated bus trips have been provided and the price paid for diesel fuel has generally been lower than budget.

Other: \$0.5 million decrease

This favorable variance reflects the net impact of a number of smaller changes. Workforce gapping has yielded both labour and benefit costs reductions and accident claims payments have been lower than anticipated so far this year. Partially offsetting these reductions are increased vehicle maintenance requirements due to higher than anticipated bus engine failures and axle repairs.

4.3 - Capital Program

2014 Year-to-Date Results

Capital expenditures to Period 10 reflect lower than projected activity and include continued progress on vehicle and construction contracts already in place. Significant variances in the current period stem from under-spending on delayed facility contract work and vehicle deliveries.

2014 Year-End Projections

(millions)	Projected	Budget*	Variance
2014 Capital Program Budget			
Base Program	\$915.6	\$1,084.0	(\$168.4)
Toronto-York Spadina Subway Extension (TYSSE)	\$331.0	\$527.6	(\$196.6)
Scarborough Subway Extension (SSE)	\$1.4	\$14.5	(\$13.1)

*Excludes additional carry forward spending on Base Program and YYSSE (\$197.7M and \$150M respectively)

Base Capital Program Expenditures: \$168.4 million under

The current projected spending on the base capital program reflects expectations of being under budget involving a number of project variances as outlined below:

Subway Track: \$30.8 million under

The projected under-spending is due to the Davisville Area Rehabilitation Project (DARP). While the detailed design work by consultant will continue, the schedule for main construction and commissioning of DARP is set for 2016 due to time and logistical constraints, availability of buses/operators, co-ordination issues, and conflict with other major City events.

ATC Resignalling: \$36.7 million under

The under-spending is primarily due to supplier delays relating to Computer Based Interlocking (CBI) between Union, Bloor and Davisville interlocking; hiring new TTC installation crews deferred to end of 2014.

Purchase of Subway Cars: \$57.9 million over

Mainly due to slower train delivery schedule which resulted in \$51 million slipping from 2013 to 2014 and future years for project milestones and other related costs.

Purchase of Streetcars: \$98.4 million under

Production quality and design change requirements to improve on vehicle functionality, reliability and maintainability continue to present challenges to the delivery schedule. Unifor labour strike action at the Bombardier's Thunder Bay plant from July 14, 2014 to September 12, 2014 had a significant impact on the production and delivery schedule. The carbuilder is in the process of restarting production and will be providing an updated delivery schedule.

Subway Car Overhaul: \$12.3 million under

The variance is mainly due to unexpected longer time required to prototype the new component, Insulated-Gate Bipolar Transistor (IGBT) for T1 15 year overhaul program and also the design for Train Door Monitoring System – T1 & TR program.

Computer Equipment and Software: \$12.3 million under

The under-spending is primarily a function of the level of activity related to the increased number of budgeted projects this year. Given their interrelated nature and complexity and the pace which project teams (and users) have been mobilized, some projects and project activity has been deferred to 2015.

TYSSE Program Expenditures: \$196.6 million under

The project schedule has been negatively impacted by less than expected contractor performance among other issues as noted in previous CEO Reports. Schedule concerns remain a factor on all major facilities contracts. Staff is continuing their efforts to minimize the impacts of potential schedule delays and improve overall contractor performance.

Scarborough Subway Extension: \$13.1 under

The project is under budget due to delays in hiring and launching the EA process.

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, run around 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.

To date, 57 trainsets have been accepted into revenue service. This marks the acceptance of the 18th trainset for the 21 H6 replacement trainset option after the acceptance of trainset 39 from the base order on August 6, 2013.

Now that the Unifor labour strike in Bombardier's Thunder Bay plant that started on July 14, 2014 was resolved on September 12, 2014, a revised delivery schedule has been established to ensure the production quality is retained after the vehicle build was fully resumed on October 2014.

Retrofit work for trains that missed the ATO-readiness cut-in date in the Thunder Bay production line was completed in May 2014. All TR trains on property are now ATO-ready. During a dynamic test in the mainline on the last week of September, the testing train was successfully operated under the full automatic mode in between the stations.

A reliability improvement plan comprising of component and system testing is largely completed. Retrofit work has been progressing well. An attainable schedule to install low ceiling handholds, exterior door chimes, an additional bungee cord for the inter-car barrier and the blue priority seating has been established. Production prototypes have been completed. Key train performance indicators and reliability are improving.

The overall 80 trainset Toronto Rocket project is comprises of 39 trainsets for replacement of H4 and H5 series cars, 21 trainsets for replacement of H6 cars, 10 trainsets for the Toronto-York Spadina Subway Extension (TYSSE), and 10 trainsets for the forecasted capacities increase of Line 1 needs.

5.2 Streetcar Program and Maintenance & Storage Facility

Streetcar Procurement and Implementation

The final design phase of the low floor streetcar procurement project is largely complete. The three test vehicles (4400, 4401, 4402) have undergone extensive testing in Thunder Bay and throughout the Toronto streetcar network, as well as at the National Research Council in Ottawa for comprehensive hot/cold environment testing. The year-long series of tests have allowed engineering teams to collect necessary technical data, understand real-world performance of these custom-designed vehicles, confirm functionality of systems and components and make improvements, develop specialized operational procedures, and prepare for safe, reliable, and efficient service of the new accessible fleet.

In addition to testing all systems and features onboard the streetcars, there have also been comprehensive human factor assessments including evaluation by members of the Advisory Committee on Accessible Transit (ACAT) Design Review Subcommittee. The demonstrations have been a culmination of years of consultation with the committee and the public. Further input was collected during an evaluation session for continued dialogue with ACAT and engineering design changes were initiated to further improve the transition between the accessibility ramp and the vehicle floor through the door threshold allowing people with mobility devices to use the new streetcars with greater ease.

Based on the test results, operational experience and defined design improvements, a production vehicle configuration has been established and production manufacturing of the vehicles is commencing. The first production vehicle was delivered on May 31, 2014; the second vehicle arrived on TTC property on July 4th. Commissioning activities for the new streetcars has commenced. Program efforts such as vehicle-wayside interface, fare collection system, training for maintenance employees and operators and operational policy development were undertaken to ensure a smooth launch and transition to the new fleet for our customers and internal staff.

The production and delivery of streetcars was interrupted due to the Unifor labour strike in Bombardier's plant in Thunder Bay from July 14, 2014 to September 12, 2014. Bombardier chose to ramp up production over a 5-week period following the strike in order to refresh worker technical and safety related training.

Despite the labour strike situation, revenue service of the new streetcars remained on schedule and service was launched successfully on August 31, 2014 on the 510 Spadina route. The vehicles are running well in service with only a few minor delays and service problems related to workmanship issues occurring over the past 11-weeks. The vehicles have successfully passed the initial 2-month maintenance inspection and continue to be well received by the public and our operating and maintenance staff.

A third production vehicle (4404) was delivered by rail to the TTC on November 11, 2014. This car is currently being prepared for testing and commissioning with the goal of entering it into revenue service on November 30, 2014.

Deployment of additional new accessible streetcars will continue on Spadina until the full complement of vehicles is allocated. Deployment will then carry on incrementally to the other streetcar routes in the following order: 511 Bathurst, 509 Harbour front, 505 Dundas, 501 Queen & 508 Lakeshore, 504 King, 512 St Clair, 502 Downtowner, 503 Kingston Rd, and 506 Carlton as more new streetcars are delivered and as the planned network upgrades are completed. Completion of the 204 vehicle order from Bombardier and the eventual conversion of the whole streetcar fleet was scheduled for 2019. In light of the Unifor strike, a new schedule is being negotiated with Bombardier relative to an updated contractual delivery schedule.

Leslie Barns Streetcar Maintenance & Storage Facility Project

The Leslie Barns project consists of four major contracts. A description and the status of each major contract are as follows:

1. Soil Removal and Capping

The site preparation contract was completed in January 2012.

2. Hydro One Cable Relocation

The contract was completed in July 2013.

3. Leslie Barns Maintenance and Storage Facility

This contract consists of the construction of the maintenance facility and storage yard on the site. The contract was awarded on April 12, 2012. The contract was initially expected to be completed in June 2014; however, construction delays have resulted in expected completion in 2015. The facility is now planned to be delivered in stages between Q2 and Q4 2015.

4. Leslie Street Connection Track

This contract consists of the construction of the streetcar tracks from the Leslie Barns site entrance to the existing streetcar network on Queen Street, associated utility relocations, road reconstruction, streetscape enhancements on Leslie Street and Queen Street, and the perimeter landscaping of the Leslie Barns site. The contract was awarded on April 8, 2013. Work is progressing towards completion and the connection track will be ready for use early 2015.

The landscape enhancements will be completed by the end of 2014 as part of the Leslie Street Connection Track Contract.

The City of Toronto's Notice of Approval Conditions (NOAC) requires decorative hydro transmission poles and compatible decorative street light poles that integrate with the streetscape design. The design details are being finalized with the City of Toronto.

The Construction Liaison Group (CLG), comprised of local businesses and residents, school representatives and local councillors meets on a monthly basis to address construction issues for residents and businesses. The last meeting was held on October 30, 2014 and the next meeting is scheduled for late November/early December 2014. Safety walks to identify specific concerns to cyclists and pedestrians are planned after every new construction stage and as required. The latest safety walk was held on October 6, 2014 and the next walk will be arranged for mid- December 2014.

The Leslie Twitter page and project website are being used on a regular basis to provide construction updates and to promote local business. Additional initiatives to help promote the Leslieville BIA include advertising of events on the Leslie Barns website, promotional signage, and incorporating the BIA benches into the streetscape design on Queen Street. The Community Liaisons have continued their outreach efforts by continuing to hold one-on-one meetings with local businesses and residents and respond to emails, phone calls and walk-in questions and concerns from the community. The next issue of the project newsletter is scheduled for winter 2014/2015.

5.3 **Station Enhancements**

Union Station

The new second platform, south concourse fareline/collectors booths and moat doors were opened to the public on August 18, 2014. The existing centre platform and concourse above is undergoing a full structural rehabilitation and finishing to match the new platform. Monthly stakeholder meetings are held to keep adjacent businesses and agencies informed. The project is on schedule for completion in advance of the Pan Am/ParaPan Am games.

Dufferin Station

The second exits on Russett Avenue were opened to the public on August 28, 2013. The newly enlarged west entrance was opened to the public on December 23, 2013. The east side entrance to Dufferin Station was reopened to customers on April 5, 2014. The modernized, accessible station was opened to the public on November 24, 2014.

Pape Station

Elevators to make the station accessible were put into service October 31, 2013. The second exit opened to the public December 24, 2013.

Easier Access

The elevators at St. Andrew, Pape, and Dufferin Stations were opened for service on June 20, 2012, October 31, 2013, and November 24, 2014, respectively. The elevator construction at Lawrence West Station is expected to be completed in 2014. Work to make stations accessible is on-going at Woodbine, St. Clair West, and Ossington Stations. The contract for Coxwell Station was awarded in August 2014 and construction on-site is expected to commence in November 2014.

5.4 Automatic Train Control Project (ATC)

To achieve capacity increases, Line 1 requires modernisation. This will happen with the introduction of ATC. A limited conventional signalling system (CBI) will be provided to allow mixed mode operation and as a back-up to the ATC system. Life expired signalling equipment and updating of the current communications network must also be addressed. Project scope also includes provision of ATC equipment on the new Toronto Rockets.

ATC on TYSSE is now part of the Line 1 ATC Project scope and will be implemented as a separate phase on completion of ATC on Line 1.

The ATC project is currently working within the January 2014 approved budget of \$562 Million. No increase is requested in the 2015 budget submission.

Communication Based Train Control system (CBTC) for Line 1 and TYSSE is scheduled to be in revenue service across the entire line by 2020.

The commissioning of the Union Interlocking scheduled for October 11, 2014 has been postponed indefinitely as a result of design deficiencies from the supplier. This has negatively impacted the spending for 2014, along with causing TTC to delay implementing a second Construction team and relevant associated project activities. While the design deficiencies are under review, the existing resources have been redirected to non-ATC related SOGR work on the Yonge line, targeting signaling infrastructure that is beginning to impact subway system reliability. The intent of a moving forward plan that addresses the design deficiencies, must maintain the planned completion date of 2020 for ATC operation. An update will be provided to the Board in early 2015.

5.5 Toronto-York Spadina Subway Extension Project (TYSSE)

To date, the TYSSE project is on budget with a total budget of \$2,634 Million. The in-service date is targeted for the fall of 2016 however the project is facing a serious schedule challenge.

Work to complete concreting within the tunnels is nearing completion. Track work started in June 2013 and is advancing well.

Work on the major facility contracts consisting of six stations and attendant infrastructure (emergency exit buildings, three track structure, etc.) is advancing at different paces with three stations, York University, Steeles West (Pioneer Village) and Hwy 407 not maintaining schedule. At this time, the progress on these stations, particularly Steeles West (Pioneer Village), poses the most serious schedule challenge to the overall project schedule. Efforts to have the contractors on these stations improve their schedule performance are intense and have been ongoing for some time. Sheppard West (Downsview Park) likewise is not maintaining its schedule but due to its early contract award and good performance at the beginning, work is well advanced and current progress is not expected to impact the overall project schedule. The Vaughan Metropolitan Station schedule faltered around October last year to late April this year with indications of improvement starting in late April. Work on Finch West Station is currently progressing well.

Design of the various Systems components is complete or well underway. On-site delivery of some Systems equipment has started.

5.6 PRESTO / TTC Farecard Project

The legal agreement for implementing PRESTO at the TTC has been completed. The agreement includes a commitment to develop a detailed project schedule for the overall project through to final implementation and operation and will consist of two major phases: Phase 1 and Phase 2. Discussions between Metrolinx and TTC continue towards developing an overall schedule for Phase 2 and the full implementation of PRESTO at the TTC.

A schedule for the Phase 1 release of PRESTO has been developed. The Phase 1 scope includes fare payment functionality on-board the first 50 Low-Floor-Light-Rail-Vehicles (new streetcars) and off-board at select streetcar transit stops for the 510 Spadina, 511 Bathurst, 505 Dundas, and 509 Harbourfront routes. The Phase 1 release will also replace the current PRESTO equipment at 14 stations currently equipped with PRESTO fare payment equipment while adding PRESTO equipment to 12 additional subway stations. In October, PRESTO readers were located at Spadina station bringing to 15 stations the total number of stations with PRESTO devices.

TTC implemented an interim fare payment solution for the new streetcars when they were implemented into service on August 31, 2014. This equipment accepts tokens and cash, and issues POP receipt to customers. In addition, ticket validator machines for child, student and senior tickets were also installed on-board and off-board the new streetcars for the August 31 launch.

These interim devices on the new streetcars will be replaced by PRESTO devices starting November 30, 2014. The on-board PRESTO devices will be able to accept tokens and cash and issue POP receipts, while the PRESTO readers at the doors of the new streetcars will accept payments with a PRESTO card. The ticket validators will continue to process concession tickets. The off-board interim devices will be replaced by PRESTO equipment by the latter half of December. Significant testing of these devices has been undertaken over the last number of months in preparation for the use of PRESTO devices in revenue service.

PRESTO devices have also been installed at the TTC's MDP Office located at Yonge and Davisville to enhance the services available to PRESTO customers. As of December 1, 2014 PRESTO customers will be able to get assistance with their PRESTO cards from TTC staff in the MDP Office (e.g. purchasing a PRESTO card; loading value onto the PRESTO card).

Field studies to determine whether sufficient power is available at TTC subway stations to support PRESTO equipment are now completed. The design of the required electrical upgrades at subway stations has been completed for 28 subway stations and the electrical construction work to upgrade the power configuration has been completed at 17 stations. In addition, Museum Station was selected as the initial test station to validate the timelines and process for installing the PRESTO power and communications infrastructure. This work is now complete for Museum Station and Spadina Station. The next stations to undergo work on installing PRESTO power and communications infrastructure include Bathurst, Yonge/Bloor, Dundas West, and Broadview.