Chief Executive Officer’s Report – April 2016 Update

<table>
<thead>
<tr>
<th>Date:</th>
<th>April 27, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>To:</td>
<td>TTC Board</td>
</tr>
<tr>
<td>From:</td>
<td>Chief Executive Officer</td>
</tr>
</tbody>
</table>

**Summary**
The Chief Executive Officer’s Report is submitted each month to the TTC Board, for information. Copies of the report are also forwarded to each City of Toronto Councillor, the City Deputy Manager, and the City Chief Financial Officer, for information. The report is also available on the TTC’s website.

**Financial Summary**
There are no financial impacts associated with this report.

**Accessibility/Equity Matters**
There are no accessibility or equity issues associated with this report.

**Decision History**
The Chief Executive Officer’s Report, which was created in 2012 to better reflect the Chief Executive Officer’s goal to completely modernize the TTC from top to bottom, has been transformed to be more closely aligned with the TTC’s seven strategic objectives – safety, customer, people, assets, growth, financial sustainability, and reputation.

**Issue Background**
For each strategic objective, updates of current and emerging issues and performance are now provided, along with a refreshed performance dashboard that reports on the customer experience. This information is intended to keep the reader completely up-to-date on the various initiatives underway at the TTC that, taken together, will help the TTC achieve its vision of a transit system that makes Toronto proud.

**Contact**
Vince Cosentino, Director – Statistics, vince.cosentino@ttc.ca, Tel. 416-393-3961

**Attachments**
Chief Executive Officer’s Report – April 2016 Update
A fleet of 135 shuttle buses support operations to keep Toronto moving during planned closures as we implement ATC.
Introduction

The Chief Executive Officer’s Report, which was created in 2012 to better reflect our work to completely modernize the TTC from top to bottom, has been transformed to be more closely aligned with the TTC’s seven strategic objectives – safety, customer, people, assets, growth, financial sustainability, and reputation. For each of these objectives, updates of current and emerging issues and performance are now provided, along with a refreshed performance dashboard that reports on the customer experience. This information is intended to keep you completely up-to-date on the various initiatives underway at the TTC. It is a work in progress that will continue to evolve over the coming months and will help us achieve our vision of a transit system that makes Toronto proud.

One of our seven strategic objectives, Reputation, involves creating an organization that is transparent and accountable, well-regarded by stakeholders and peers, and in which employees are proud to play a part. Through my monthly commentary, I will keep you up-to-date on the key activities that I and my management team are involved in as we work to transform the TTC.

Andy Byford
Chief Executive Officer
Toronto Transit Commission

Our Vision: A transit system that makes Toronto proud.
The Honourable Amarjeet Sohi, Minister of Infrastructure and Communities, tours Hillcrest’s Harvey Shop complex

1. TTC Performance Scorecard
## TTC Performance Scorecard

<table>
<thead>
<tr>
<th>Key Performance Indicator</th>
<th>Description</th>
<th>Latest Measure</th>
<th>Current</th>
<th>Target</th>
<th>Current Status</th>
<th>Annual Trend</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Safety and Security</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Lost Time Injuries</td>
<td>Injuries per 100 Employees</td>
<td>Feb 2016</td>
<td>4.68</td>
<td>3.16</td>
<td>✗</td>
<td></td>
<td>15</td>
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<tr>
<td>Customer Injury Incidents</td>
<td>Injury Incidents per 1M Boardings</td>
<td>Feb 2016</td>
<td>1.16</td>
<td>1.19</td>
<td>✓</td>
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<td>15</td>
</tr>
<tr>
<td>Offences against Customers</td>
<td>Offences per 1M Boardings</td>
<td>Feb 2016</td>
<td>0.88</td>
<td>0.52</td>
<td>✗</td>
<td></td>
<td>16</td>
</tr>
<tr>
<td>Offences against Staff</td>
<td>Offences per 100 Employees</td>
<td>Feb 2016</td>
<td>0.23</td>
<td>0.25</td>
<td>✓</td>
<td></td>
<td>16</td>
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<tr>
<td><strong>Customer: Journeys</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TTC Customer Trips</td>
<td>TTC Customer Trips</td>
<td>Feb 2016</td>
<td>40.4M</td>
<td>42.9M</td>
<td>✗</td>
<td></td>
<td>19</td>
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<tr>
<td>TTC Customer Trips</td>
<td>2016 y-t-d to Feb</td>
<td>83.9M</td>
<td>87.9M</td>
<td></td>
<td>✗</td>
<td>NA</td>
<td>19</td>
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<tr>
<td>PRESTO Customer Trips</td>
<td>Feb 2016</td>
<td>1.6M</td>
<td>0.9M</td>
<td></td>
<td>✓</td>
<td></td>
<td>20</td>
</tr>
<tr>
<td>Wheel-Trans Customer Trips</td>
<td>Feb 2016</td>
<td>288K</td>
<td>272K</td>
<td></td>
<td>✓</td>
<td></td>
<td>20</td>
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<tr>
<td>Wheel-Trans Customer Trips</td>
<td>2016 y-t-d to Feb</td>
<td>589K</td>
<td>557K</td>
<td></td>
<td>✓</td>
<td>NA</td>
<td>20</td>
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<tr>
<td><strong>Customer: Satisfaction</strong></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Customer Satisfaction Score</td>
<td>Customer Satisfaction Score</td>
<td>Q1 2016</td>
<td>79%</td>
<td>75%</td>
<td>✓</td>
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<td><strong>Customer: Environment</strong></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Station Cleanliness</td>
<td>Audit Score</td>
<td>Q4 2015</td>
<td>77.7%</td>
<td>75%</td>
<td>✓</td>
<td></td>
<td>24</td>
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- **On Target**
- **Target at risk at current trend**
- **Off Target**

Bolded target values indicate the KPI target is under development. Interim target is based on the comparable prior period.
<table>
<thead>
<tr>
<th>Key Performance Indicator</th>
<th>Description</th>
<th>Latest Measure</th>
<th>Current</th>
<th>Target</th>
<th>Current Status</th>
<th>Annual Trend</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Train Cleanliness</td>
<td>Audit Score</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Streetcar Cleanliness</td>
<td>Audit Score</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Bus Cleanliness</td>
<td>Audit Score</td>
<td></td>
<td></td>
<td></td>
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**Customer: Service Performance**

**Subway**

<table>
<thead>
<tr>
<th>#</th>
<th>Location</th>
<th>Description</th>
<th>Latest Measure</th>
<th>Current</th>
<th>Target</th>
<th>Current Status</th>
<th>Year</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yonge-University</td>
<td>Delay Incidents</td>
<td>Q4 2015</td>
<td>1,914</td>
<td>10% less than 2014</td>
<td>❌</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Delay Minutes</td>
<td>Q4 2015</td>
<td>3,078</td>
<td>10% less than 2014</td>
<td>✔</td>
<td>25</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Trains per Hour in AM Peak</td>
<td>Feb 2016</td>
<td>22.1</td>
<td>25.5</td>
<td>❌</td>
<td>26</td>
<td></td>
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<tr>
<td>2</td>
<td>Bloor-Danforth</td>
<td>Delay Incidents</td>
<td>Q4 2015</td>
<td>2,677</td>
<td>10% less than 2014</td>
<td>❌</td>
<td>27</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Delay Minutes</td>
<td>Q4 2015</td>
<td>3,772</td>
<td>10% less than 2014</td>
<td>✔</td>
<td>27</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Trains per Hour in AM Peak</td>
<td>Feb 2016</td>
<td>24.7</td>
<td>25.5</td>
<td>❌</td>
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<td>3</td>
<td>Scarborough</td>
<td>Delay Incidents</td>
<td>Q4 2015</td>
<td>127</td>
<td>10% less than 2014</td>
<td>❌</td>
<td>29</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Delay Minutes</td>
<td>Q4 2015</td>
<td>671</td>
<td>10% less than 2014</td>
<td>❌</td>
<td>29</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Trains per Hour in AM Peak</td>
<td>Feb 2016</td>
<td>13.2</td>
<td>13.3</td>
<td>❌</td>
<td>30</td>
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- ✔ On Target
- 🔫 Target at risk at current trend
- ❌ Off Target

Bolded target values indicate the KPI target is under development. Interim target is based on the comparable prior period.
<table>
<thead>
<tr>
<th>Key Performance Indicator</th>
<th>Description</th>
<th>Latest Measure</th>
<th>Current</th>
<th>Target</th>
<th>Current Status</th>
<th>Annual Trend</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>4</strong> Sheppard</td>
<td>Delay Incidents</td>
<td>Q4 2015</td>
<td>184</td>
<td>10% less than 2014</td>
<td>❌</td>
<td></td>
<td>31</td>
</tr>
<tr>
<td></td>
<td>Delay Minutes</td>
<td>Q4 2015</td>
<td>509</td>
<td>10% less than 2014</td>
<td>❌</td>
<td></td>
<td>31</td>
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<tr>
<td></td>
<td>Trains per Hour in AM Peak</td>
<td>Feb 2016</td>
<td>11.0</td>
<td>10.9</td>
<td>✔️</td>
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<td>32</td>
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<tr>
<td><strong>Streetcar</strong></td>
<td>On-Time Departure</td>
<td>Feb 2016</td>
<td>48.8%</td>
<td>90%</td>
<td>❌</td>
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<td>33</td>
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<tr>
<td></td>
<td>Short Turns</td>
<td>Feb 2016</td>
<td>1,298</td>
<td>50% less than 2015</td>
<td>✔️</td>
<td></td>
<td>33</td>
</tr>
<tr>
<td><strong>Bus</strong></td>
<td>On-Time Departure</td>
<td>Feb 2016</td>
<td>73.3%</td>
<td>90%</td>
<td>❌</td>
<td></td>
<td>34</td>
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<tr>
<td></td>
<td>Short Turns</td>
<td>Feb 2016</td>
<td>1,610</td>
<td>50% less than 2015</td>
<td>✔️</td>
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<td>34</td>
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<tr>
<td><strong>Wheel-Trans</strong></td>
<td>% Within 10 Minutes of Schedule</td>
<td>Feb 2016</td>
<td>88.3%</td>
<td>90%</td>
<td>❌</td>
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<td>35</td>
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<tr>
<td><strong>People</strong></td>
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<td></td>
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<tr>
<td>Employee Absence</td>
<td>Absenteeism Rate</td>
<td>Feb 2016</td>
<td>7.41%</td>
<td>6.50%</td>
<td>❌</td>
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<td>37</td>
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<tr>
<td><strong>Assets: Vehicle Reliability</strong></td>
<td></td>
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<td></td>
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<td></td>
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<tr>
<td><strong>Subway</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>T1</td>
<td>Mean Distance Between Failures</td>
<td>Feb 2016</td>
<td>397,588 km</td>
<td>300,000 km</td>
<td>✔️</td>
<td></td>
<td>39</td>
</tr>
<tr>
<td>TR</td>
<td>Mean Distance Between Failures</td>
<td>Feb 2016</td>
<td>752,265 km</td>
<td>772,485 km</td>
<td>❌</td>
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<td>39</td>
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<td>Key Performance Indicator</td>
<td>Description</td>
<td>Latest Measure</td>
<td>Current</td>
<td>Target</td>
<td>Current Status</td>
<td>Annual Trend</td>
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<tr>
<td><strong>Streetcar</strong></td>
<td></td>
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<tr>
<td>CLRV</td>
<td>Mean Distance Between Failures</td>
<td>Feb 2016</td>
<td>3,553 km</td>
<td>4,500 km</td>
<td>✖️</td>
<td></td>
<td>40</td>
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<tr>
<td>ALRV</td>
<td>Mean Distance Between Failures</td>
<td>Feb 2016</td>
<td>1,743 km</td>
<td>3,500 km</td>
<td>✖️</td>
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<td>40</td>
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<tr>
<td>New Streetcar</td>
<td>Mean Distance Between Failures</td>
<td>Feb 2016</td>
<td>17,081 km</td>
<td>35,000 km</td>
<td>✖️</td>
<td></td>
<td>41</td>
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<tr>
<td><strong>Bus</strong></td>
<td>Mean Distance Between Failures</td>
<td>Feb 2016</td>
<td>8,402 km</td>
<td>8,100 km</td>
<td>✓️</td>
<td></td>
<td>42</td>
</tr>
<tr>
<td><strong>Wheel-Trans</strong></td>
<td>Mean Distance Between Failures</td>
<td>Feb 2016</td>
<td>10,554 km</td>
<td>11,000 km</td>
<td>✖️</td>
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<td>42</td>
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**Assets: Equipment Reliability**

<table>
<thead>
<tr>
<th>Equipment</th>
<th>Description</th>
<th>Latest Measure</th>
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<th>Target</th>
<th>Current Status</th>
<th>Annual Trend</th>
<th>Page</th>
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<tbody>
<tr>
<td>Elevators</td>
<td>Percent Available</td>
<td>Feb 2016</td>
<td>98.8%</td>
<td>98%</td>
<td>✓️</td>
<td></td>
<td>43</td>
</tr>
<tr>
<td>Escalators</td>
<td>Percent Available</td>
<td>Feb 2016</td>
<td>97.2%</td>
<td>97%</td>
<td>✓️</td>
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<td>43</td>
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</table>

**Financials**

<table>
<thead>
<tr>
<th>Revenue/Expenditure</th>
<th>Description</th>
<th>Latest Measure</th>
<th>Current</th>
<th>Target</th>
<th>Current Status</th>
<th>Annual Trend</th>
<th>Page</th>
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</thead>
<tbody>
<tr>
<td>TTC Revenue</td>
<td>Actual vs. Budget</td>
<td>2016 y-t-d to Feb</td>
<td>$190M</td>
<td>$200M</td>
<td>✖️</td>
<td>Section 3.5</td>
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<tr>
<td>TTC Operating Expenditure</td>
<td>Actual vs. Budget</td>
<td>2016 y-t-d to Feb</td>
<td>$267M</td>
<td>$268M</td>
<td>✓️</td>
<td>Section 3.5</td>
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<tr>
<td>Wheel-Trans Revenue</td>
<td>Actual vs. Budget</td>
<td>2016 y-t-d to Feb</td>
<td>$1.1M</td>
<td>$1.1M</td>
<td>✓️</td>
<td>Section 3.5</td>
<td></td>
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<tr>
<td>W-T Operating Expenditure</td>
<td>Actual vs. Budget</td>
<td>2016 y-t-d to Feb</td>
<td>$19.4M</td>
<td>$19.1M</td>
<td>✖️</td>
<td>Section 3.5</td>
<td></td>
</tr>
</tbody>
</table>

**On Target** ✅ **Target at risk at current trend** ❌ **Off Target** ✗

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<th>Annual Trend</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Expenditure – Base</td>
<td>Actual vs. Budget</td>
<td>2016 y-t-d to Feb</td>
<td>$91M</td>
<td>$164M</td>
<td>✗</td>
<td>Section 3.5</td>
<td></td>
</tr>
<tr>
<td>Capital Expenditure – TYSSE</td>
<td>Actual vs. Budget</td>
<td>2016 y-t-d to Feb</td>
<td>$36M</td>
<td>$106M</td>
<td>✗</td>
<td>Section 3.5</td>
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<tr>
<td>Capital Expenditure – SSE</td>
<td>Actual vs. Budget</td>
<td>2016 y-t-d to Feb</td>
<td>$3M</td>
<td>$19M</td>
<td>✗</td>
<td>Section 3.5</td>
<td></td>
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<tr>
<td>Operator Efficiency</td>
<td>Crewing Efficiency</td>
<td>Feb 2016</td>
<td>87.17%</td>
<td>87.15%</td>
<td>✓</td>
<td></td>
<td>50</td>
</tr>
</tbody>
</table>

- **On Target**
- **Target at risk at current trend**
- **Off Target**

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2. CEO Commentary

PRESTO has arrived at Main Street Station!
Andy celebrates with our Metrolinx partners – Robert Hollis and Bruce McQuaig
CEO Commentary and Current Issues

General Overview

This month’s report includes data to the end of February 2016.

It has been a busy month. It was fantastic to host Minister Sohi on a visit to Hillcrest to confirm his government’s plans to invest in cities and transit. The TTC ticks both boxes and this very welcome news is all the more sweet given the four year campaign we have run for a sustained funding increase. Coming on the back of City Council’s $95 million increase in subsidy in 2015, the TTC is in a better funding position as we continue our work to modernize the system.

Another highlight in recent weeks was the formal entry into service of the first “paddle” style PRESTO gate line at Main Street station. This marks another milestone in the PRESTO roll-out and I commend the joint TTC/PRESTO teams that are doing the work and making such good progress.

Customer satisfaction has rebounded in Q1 to 79%, maintaining the upward trend of the last year. Now that we have resumed unpopular (but hugely necessary) subway closures to facilitate signal and track upgrades, it will be a challenge to continue to drive up CSS but ultimately, this work will see satisfaction soar with improved service reliability and additional capacity.

Construction season has also resumed. In addition to getting TYSSE station construction completed, other critical work needs to happen this year. This includes completion of the wall and beautification, as well landscaping around Leslie Barns carhouse and its vicinity, extensive track and yard renovations at Roncesvalles carhouse, and replacement of 60 track ties and ballast replacement in the Warden area to improve service in this exposed, known trouble spot.
Safety & Security

We are working very closely with law enforcement agencies to monitor the prevailing security situation, given recent events in Europe.

Safety and security indicators were largely stable with no major incidents. The two security-related charts on page 16 have been modified so that they are based on rates, not absolute numbers. This approach provides better context for the number of offences that occur, relative to the number of customer journeys and TTC employees, and also creates a consistency with the safety-related charts on page 15.

Customer: System Performance

Subway performance was generally satisfactory during the period. Speed control incidents remain a challenge and we are working with Thales to modify the software to minimize delays, while maintaining the safety benefit.

Surface modes continue to show strong improvement, particularly in terms of continued reduction in the number of unforced short turns, and in on-time departures.

Financials

Customer journeys (ridership) in March rebounded slightly from the first two months of the year to be 0.2% above the 2015 comparable period but still about 3% below budget. Current forecasts indicate that year-end ridership could be in the range of 540 to 545 million with a corresponding passenger revenue shortfall of about $20 to $30 million. An update on ridership results and year-end projections will be provided at the TTC Board meeting in June.

Operating expenses to the end of February were marginally under budget. Capital expenditures were below budget due to typically lower project activity early in the year.
**Delivery of Major Projects**

- **TYSSE**

  Good physical progress continues to be made. Track installation was completed in March, a considerable milestone towards project completion. Systems installation is progressing well. Commercial discussions continue with our General Contractors as part of the commercial reset of the project.

- **PRESTO**

  Our focus remains on fitting the bus fleet, Wheel-Trans, and remaining stations with PRESTO equipment so that we meet our target of system-wide availability by year-end.

- **Automatic Train Control**

  The project continues on schedule and on budget.

  I recently visited the supplier (Alstom) in Rochester, New York, to see for myself, progress on our ATC order and to meet the CEOs of Alstom's European and North American divisions. I impressed upon both, the need for Line 1 ATC to be delivered on-time and to work “out of the box,” a fact that they acknowledged and are equally determined to achieve. It was good to witness a simulated test of our system and to see physical construction of equipment racks underway.

- **New Streetcar Deployment**

  At the time of writing, 17 new vehicles are now in service.

  In early March, we were advised by Bombardier that a new CEO has been appointed and I have spoken with him to outline our complete frustration and dissatisfaction with Bombardier's current performance. At the time of writing, I am unable to confirm a delivery schedule, but it is evident that Bombardier will not hit the four vehicles per month that we were promised as recently as last month.
• Culture Change

In preparation for changes to the Station Collector role post-PRESTO, the Change Team have held a series of employee road shows at the Collector Division to explain the upcoming change, to answer queries, and to gather concerns. This new way of approaching change has been well received by Collectors and provides a model for further structural changes, going forward.

• Accessibility Matters

Work continues to progress well on our current Easier Access projects.

• McNicoll Bus Garage

The RFP for the design and construction of the McNicoll Bus Garage was released at the end of February. Three short-listed proponents have begun work on their proposals and presented their progress to TTC during confidential meetings in mid-April. The RFP technical proposals are on schedule for submission in Q3 2016, and financial proposals are on schedule for submission in Q4 2016. The project team is co-ordinating with utility companies and the City to facilitate interfaces in advance of construction. Planning has also begun for an extension of the TTC fibre-optic IT network to the garage site. The McNicoll project budget was the subject of a City Manager’s Report at the April 18 Executive Committee meeting. Executive Committee approved the report recommendations, and as a result, the TTC Board will be requested to adjust the project budget to reflect construction costs as awarded.

Andy Byford
Chief Executive Officer, Toronto Transit Commission
Modern ventilation systems at Leslie Barns keeps the work environment safe for service staff.
Safety and Security

Lost-Time Injuries

The lost-time injury rate (LTIR) increased in February. The rate of 4.68 injuries per 100 employees was 48% higher than the corresponding rate of 3.16 for February 2015.

The moving annual LTIR to the end of February 2016 was 3.10, which was 2% higher than the corresponding rate of 3.04 to the end of February 2015.

Customer Injury Incidents

The customer injury incident rate increased in February. The rate of 1.16 injury incidents per 1 million vehicle boardings was 3% lower than the corresponding rate of 1.19 for February 2015.

The moving annual customer injury incident rate to the end of February 2016 was 1.35, which was 6% higher than the corresponding moving annual rate of 1.27 to the end of February 2015.
Total offences against customers increased in February for the fourth consecutive month. The rate of 0.88 offences per 1 million vehicle boardings was 69% higher than the corresponding rate for February 2015.

The Transit Enforcement Unit has assigned directed patrols in higher-crime areas at higher-crime times of day to deter violent offences against customers.

Total offences against staff decreased in February. The rate of 0.23 offences per 100 employees was 8% lower than the corresponding rate for February 2015.
3.2 Customer
Customer: Journeys

TTC: 2016 Actual vs. 2015 Actual

There were 40.4M customer journeys (ridership) taken during February, which was 1.3M (3.1%) less than the 41.7M journeys taken during February 2015.

The annual number of customer journeys taken to the end of February 2016 was 534.7M, which was 2.2M (0.4%) less than the 536.9M annual journeys taken to the end of February 2015.

Average weekly ridership in February was below the prior year comparable for the ninth consecutive month.

TTC: 2016 Actual vs. 2016 Budget

There were 40.4M customer journeys taken during February, which was 2.5M (5.8%) less than the budget of 42.9M journeys.

The number of customer journeys taken year-to-date to the end of February was 83.9M, which was 4.0M (4.6%) less than the budget of 87.9M journeys.

Average weekly ridership has been below budget for 12 consecutive months.
Customer: Journeys

**PRESTO: 2016 Actual vs. 2015 Actual**

There were 1.6M customer journeys (ridership) taken using the PRESTO Farecard in February, which was 0.7M (78%) more than the 0.9M journeys taken during February 2015.

The annual number of customer journeys taken to the end of February 2016 was 14.2M, which was 4.1M (41%) more than the 10.1M annual journeys taken to the end of February 2015.

Note: PRESTO ridership is included in TTC ridership totals.

**Wheel-Trans: 2016 Actual vs. 2016 Budget**

There were 288K customer journeys taken during February, which was 16K (6%) more than the budget of 272K journeys.

The number of customer journeys taken year-to-date to the end of February was 589K, which was 32K (6%) more than the budget of 557K journeys.

Average weekly ridership has been above budget for 18 consecutive months.

Note: Wheel-Trans ridership is not included in TTC ridership totals.
Overall customer satisfaction in Q1 has rebounded and once again matches the strong trend that emerged last year. In 2015, improvements in customer perceptions of key service reliability attributes (the length of time they waited for the vehicle, trip duration, and the level of crowding inside the vehicle) led to the highest customer satisfaction score observed in several years, 81%. After a brief decline in Q4 which can be attributed to the removal of very visible PanAm specific service enhancements, overall customer satisfaction has returned to 79% (the proportion of customers who were satisfied with their most recent trip on the TTC).

This can be linked to our improved consistency delivering a reliable service, which has led to higher customer perceptions of trip duration on buses and streetcars, wait times on streetcars and level of crowding on buses. Customer perceptions of subway service also
remained high. The overall satisfaction score for Q1 2016 is statistically higher than the 
score from last quarter (72%) and the score from a year ago (75%).

The areas of highest customer satisfaction (80%+) include: personal safety (subway, bus, 
streetcar), easy of buying token/ticket (subway, bus, streetcar), wait time (subway), length of 
trip (bus, subway), cleanliness of subway station, helpfulness of maps and signs at the 
station/inside vehicle (subway), ease of getting to train platform, helpfulness and appearance 
of operator (bus, streetcar), ease of hearing announcements and helpfulness of 
announcements (bus, streetcar), quality of announcements (subway), comfort of ride 
(subway).

Pride in the TTC and what it means for Toronto also continues to improve. This quarter 74% 
of customers agreed with this statement - a significant improvement compared to results 
observed a year ago (67%) and higher than the average score over time (71%, Q3 2012 – 
Q1 2016).

**Commentary on Improvement in Customer Satisfaction**

Work continues toward meeting the goals of the 2016 Customer Charter, with 35 time-bound 
commitments that include improved service reliability, increased accessibility, cleaner 
stations, and continued transparency in reporting and explaining delays. The Charter has 
evolved in 2016, with promises tracked by quarter rather than by category and core actions 
have been developed into overall commitments. The results will be same – delivering a 
transit system that makes Toronto proud. The 2016 Customer Charter is the fourth released 
by the TTC, adding to the 110 promises we have already delivered since the Charter was 
first unveiled in 2013. The Customer Charter is designed to track promises and 
improvements that benefit customers, while holding TTC’s management to account if they’re 
not met. Progress against these commitments is reported to the TTC Board each quarter 
and is posted on ttc.ca.

In the first quarter, 2016, all commitments were met. The 510 Spadina streetcar route is 
serviced by new, fully accessible streetcars; payment through Apple Pay at collector booths 
at all subway stations is now available; streetcar short turns are on track to be reduced by a 
further 20%; subway service on Sundays now begins approximately one hour earlier, at 8 
a.m.; additional trains were added to Line 1 to decrease delays during off-peak hours; a 
“Local Working Group” was established to begin public consultations for a new second exit at 
Donlands Station; and five new express bus services were introduced.
The first Meet the Managers session of 2016 was held in February at Kipling station; in March, sessions were held at Ossington station, where a new elevator is being installed and at the busy Bloor-Yonge interchange station. Meet the Managers allows customers and managers to interact face-to-face and for managers to gain additional insight into the challenges and opportunities experienced by customers while travelling on the TTC. The meet the manager session schedule has been confirmed for the year and are planned at the following stations: April 21 at Main Street, May 12 at Downsview, June 7 at Kennedy, July 5 at St. Clair West, August 10 at Sheppard, September 26 at Finch, October 18 at Eglinton, November 16 at St. George, and December 8 at Union.

The TTC Customer Liaison Panel continues to meet on a monthly basis to help transform the TTC into a customer-focused transit system that makes Toronto proud. Its members help the TTC to understand customer priorities and develop customer experience improvements. The panel continues to work on a number of important issues including new fare payment methods, bike strategy, and feedback on the new PRESTO enabled faregates.

A number of TTC vintage and modern streetcars joined the annual Toronto Beaches Lions Easter Parade on March 27. The parade ran along Queen Street East from Munro Park to Woodbine Avenue. Toronto’s new low-floor, air-conditioned streetcar was accompanied by a refurbished ALRV and a CLRV streetcar. These cars joined the vintage Peter Witt streetcar, which served the citizens of Toronto from 1921 until 1963, and the PCC streetcar that was the backbone of the TTC’s streetcar fleet from 1938 until 1995.

TTC and BAI Canada have expanded the availability of Wi-Fi service to seven additional stations: Dupont on Line 1; and Keele, Old Mill, High Park, Lansdowne, Ossington, and Main Street stations on Line 2. BAI Canada has committed to a full rollout of Wi-Fi and cellular infrastructure across the subway system, and plans to bring 24 additional stations online by the end of 2016 – almost doubling the size of the current rollout. BAI Canada and WIND Mobile are also increasing the number of stations with cellular connectivity in the TTC subway system. WIND Mobile’s customers will soon have cellular service across five additional stations – Bathurst, Christie, Dupont, Sherbourne, and Castle Frank.

During March Break, the Group/Family Day Pass was made available for purchase through TTCconnect, the TTC’s E-Ticketing program. The TTC Group/Family Day Pass was made available from March 12-20 for use by groups of up to six people (maximum two adults), making it easier for families to explore the city all day during the break.
Customer: Environment

Station Cleanliness

Performance in Q4 2015 was 77.7% and was above target for the second consecutive quarter. Overall performance has improved for three quarters in a row.

The unseasonably warm weather in Q4 2015 facilitated further improvements of the gains that were first achieved in Q3 2015, when additional resources were invested before and during the Pan Am and Parapan Am Games.
Customer: Service Performance

Subway

Line 1: Delay Incidents

The number of delay incidents decreased in Q4 2015 to 1,914; however, performance was slightly above target. Overall in 2015, performance achieved the annual target of a 10% reduction in delay incidents from the 2014 baseline.

All major delay categories were reduced in 2015 but there were noteworthy reductions in rolling stock incidents stemming from improved reliability with the Toronto Rocket train and from a 37% reduction in Fire/Smoke Plan B incidents. Speed control-related incidents generated 29% of delays in 2015; the Speed Control Program is expected to result in further reductions in 2016.

Note:
The quarterly performance target is based on a 10% or more reduction in delay incidents, year-over-year.

Line 1: Delay Minutes

The number of delay minutes increased in Q4 2015 for the first time in three quarters to 3,078; however, performance in Q4 2015 achieved target for the fourth consecutive quarter. Overall in 2015, delay minutes decreased 25% from the 2014 baseline.

In 2015, Fire/Smoke Plan B delays were reduced by 480 minutes, or 33%, and the increasing reliability of the Toronto Rocket trains helped to generate a reduction of 407 minutes, or 22.7%, from 2014 levels.

Note:
The quarterly target is based on a 10% or more reduction in delay minutes, year-over-year.
The daily average number of trains per hour in the morning peak service period decreased in February to 22.1, which was 87% of what was scheduled. Overall monthly performance continued to remain below target.

Performance in February was negatively impacted by an increase in the number of delay incidents. Programs are underway to return the number of delay incidents to a downward trend similar to 2015, including a signal system state of good repair program, smoke/fire incident reduction initiatives, and software improvements to the speed control system scheduled for Fall 2016.

Note:
Data are based on weekday service from Monday to Friday.
The number of delay incidents decreased in Q4 2015 to 2,677; however, performance in Q4 2015 did not achieve target for the fourth consecutive quarter. The number of delay incidents increased since Q2 2014 as speed control was gradually implemented. Full implementation was completed by Q2 2015 and the number of delays subsequently levelled out during the last half of 2015.

A strategy is being developed to modify the overall Speed Control Program, primarily to reduce the current level of incidents.

Note:
The quarterly performance target is based on a 10% or more reduction in delay incidents, year-over-year.

The number of delay minutes increased in Q4 2015 for the first time in three quarters to 3,772; however, performance in Q4 2015 achieved target for the second consecutive quarter. Overall in 2015, there was a 9% decrease in delay minutes; however, total delay minutes were higher than for Line 2.

Rolling stock incidents increased 46% in Q4 2015; however, there was a significant reduction in delay minutes for these incidents. This indicates that remedial actions taken when incidents occur are successful at clearing delays in less time than in previous quarters.

Note:
The quarterly target is based on a 10% or more reduction in delay minutes, year-over-year.
Line 2: Trains per Hour in Morning Peak

The daily average number of trains per hour in the morning peak service period increased in February to 24.7, which was 97% of what was scheduled. Overall performance has steadily improved over the past three months.

Delay incidents less than five minutes in duration have remained fairly steady and speed control incidents, typically half of all delay incidents, have steadily improved over the past 12 months as a result of determined, co-ordinated efforts by transportation and maintenance staff. Coupled with speed restrictions being kept to a minimum, performance should continue to improve towards target.

Note:
Data are based on weekday service from Monday to Friday.
The number of delay incidents decreased in Q4 2015 to 127; however, performance in Q4 2015 did not achieve target for the third consecutive quarter. Of note is that the number of incidents was below 2014 levels for the first time since Q1 2015. Overall in 2015, the number of incidents increased 3% from the 2014 baseline.

Work continues on improving SRT train reliability, with an accelerated car overhaul program in place, as well as work on the guideway including optimizing the car / reaction rail interface, and working proactively to eliminate the sources of timed-outs.

Note:
The quarterly performance target is based on a 10% or more reduction in delay incidents, year-over-year.

The number of delay minutes decreased in Q4 2015 to 671; however, performance in Q4 2015 did not achieve target for the third consecutive quarter. Overall in 2015, there was a 5% increase in delay minutes from the 2014 baseline.

Rolling stock and rail infrastructure-related delays more than doubled from 2014 levels and represented 74% of the total 2015 delay minutes. To mitigate this problem, the Car Overhaul Program is being accelerated and infrastructure work on the guideway is already improving performance. As the SRT revitalization program continues into 2016, these incidents are expected to improve.

Note:
The quarterly target is based on a 10% or more reduction in delay minutes, year-over-year.
The daily average number of trains per hour in the morning peak service period increased in February to 13.2, which was 99% of what was scheduled.

Combined with a headway performance over 98%, this represents a very reliable level of service.

Note:
Data are based on weekday service from Monday to Friday.
Line 4: Delay Incidents

The number of delay incidents increased in Q4 2015 for the third consecutive quarter to 184. Performance in Q4 2015 did not achieve target for the fourth consecutive quarter; however, the number of incidents was below 2014 levels for the first time since Q1 2015. Overall in 2015, there was a 4% increase in delay incidents from the 2014 baseline.

In 2015, there was a 29% increase in equipment incidents. Speed Control incidents also showed a notable increase (18%), consistent with the other Speed Control lines. Options are being investigated for how best to move forward with Speed Control across the system.

Note:
The quarterly performance target is based on a 10% or more reduction in delay incidents, year-over-year.

Line 4: Delay Minutes

The number of delay minutes increased in Q4 2015 for the second consecutive quarter to 509. Performance in Q4 2015 did not achieve target for the third consecutive quarter. Overall in 2015, there was a 17% increase in delay minutes from the 2014 baseline.

Equipment delays were a major source of the total 2015 delay minutes. Of note is the encouraging improvement in Speed Control delay minutes, which decreased 25% in 2015.

Note:
The quarterly target is based on a 10% or more reduction in delay minutes, year-over-year.
The daily average number of trains per hour in the morning peak service period increased in February to 11.0. Overall performance achieved target for the first time in four months.

With a relatively low number of delay incidents, it is anticipated that morning peak trains per hour will remain relatively high. Along with good headway adherence, overall service quality is very strong.

Note: Data are based on weekday service from Monday to Friday.
On-time performance increased in February to 48.8%. The increase was mostly due to the improvement on the 501 Queen route.

Note:
This KPI measures adherence to scheduled (-1 to +5 minutes) departure times from end terminals.

The number of streetcar short turns decreased in February for the fourth consecutive month to 1,298, falling to the lowest level in the past two years. Overall performance has achieved target for 12 consecutive months.

Note:
Data are based on all seven days of service from Sunday to Saturday.
Bus

On-Time Performance

On-time performance increased in February for the third consecutive month to 73.3%.

Note:
This KPI measures adherence to scheduled (-1 to +5 minutes) departure times from end terminals.

Short Turns

The number of bus short turns decreased in February for the fifth consecutive month to 1,610, falling to the lowest level in the past two years. Overall performance has achieved target for three consecutive months.

Note:
Data are based on all seven days of service from Sunday to Saturday.
Performance increased in February for the fifth consecutive month to 88.3%. Overall performance continued to remain below target.
3.3 People
People

Employee Absence

The absenteeism rate in February increased to 7.41% and remained above target (unfavourable) for the seventh consecutive month.

Focus continues to be placed on actively and systematically managing employees with problematic attendance records.
3.4 Assets
Asset: Vehicle Reliability

**Subway**

**T1 Train: Mean Distance Between Failures (MDBF)**

The MDBF increased in February to 397,588 kilometres. Overall performance was above target for the fifth consecutive month.

Benefits from accelerated door overhauls are expected to be realized in the coming months. Door pocket guides are being overhauled, with an estimated completion at the end of 2016. Master controller upgrades commenced in Q2 2014, with an estimated completion date of Q3 2016.

Maintenance and engineering staff are collaborating to ensure that the standard inspection and door set-up programs are robust. Long-term design solutions include a PLC Door Control System, a Door Interlock Rebuild Program, and a new cab seat prototype design.

**TR Train: Mean Distance Between Failures (MDBF)**

The MDBF decreased in February for the second consecutive month to 752,265 kilometres. Overall performance was below target for the first time in six months.

Reliability teams are testing a cab door solution that provides the option of allowing trains to remain in service. The car builder has begun installing the solution on the remainder of the fleet. The Passenger Door System received numerous modifications and fleet retrofits of the new modifications are now underway.

Maintenance staff continues to monitor vehicle performance, as well as hosting regular meetings with Bombardier’s Product Integration (PI) Team.
The MDBF decreased in February to 3,553 kilometres, falling below target for the second consecutive month.

A shortage of overhauled components contributed to the parts shortage and reliability problem. On the positive side, availability of vehicles has improved due to the winter readiness program that addressed the pneumatic and heating system problems.

The TTC Board has approved staff’s funding request to maintain the non-overhauled CLRVs in a state of good repair. It is anticipated that the MDBF performance will improve.
The MDBF in February increased to 17,081 kilometres.

The contractual MDBF is 35,000 kilometres. This target must be met as a pre-requisite for delivery of the 61st new streetcar and beyond. The MDBF results for the new streetcars are subject to review by the Failure Review Board, which is composed of representatives from the car builder and TTC. The MDBF data is for relevant vehicle-related delays only. The data does not account for delays caused by the systems such as Radio (TTC Communications) and Farecard (PRESTO).

The TTC's target will be established after the receipt of the 60th new streetcar in 2017.
Bus: Mean Distance Between Failures (MDBF)

The MDBF decreased in February for the second consecutive month to 8,402 kilometres; however, overall monthly performance continued to remain above target.

Maintenance facilities staff will continue to focus efforts on quality of repairs.

Note: The original 2016 MDBF target of 9,100 kilometres has been adjusted to 8,100 kilometres because a funding request for parts for a reliability-centred maintenance program was not approved.

Wheel-Trans: Mean Distance Between Failures (MDBF)

The MDBF decreased in February for the third consecutive month to 10,554 kilometres.

The Friendly 1 & 2 bus fleet axle replacement program increased fleet reliability, resulting in a decrease in ELF bus fleet usage, which is inherently less reliable due to age and technology. The F1 air system upgrade and F2 battery cable upgrade helped with the increase in reliability.

Note: The original 2016 MDBF target of 12,000 kilometres has been adjusted to 11,000 kilometres because a funding request for parts for a reliability-centred maintenance program was not approved.
Performance in February decreased slightly to 98.8% and was above target.

Elevator maintenance was completed as planned and scheduled.

Performance February remained unchanged at 97.2% and was above target.

Escalator maintenance was completed as planned and scheduled.
3.5 Financials

Adult Metropass

Apr 2016
Financials

This section provides information about the TTC and Wheel-Trans Operating Budgets and the TTC Capital Program.

TTC Operating Budget

2016 Year-to-Date Results

To the end of Period 2 (February 27), total revenues were $10.2 million (5.1%) below budget primarily due to 4 million (4.6%) fewer customer journeys than planned and a lower average fare (1.69¢ or 0.8%) stemming from ongoing changes in the mix of fare media.

Over the same time period, expenses were marginally under budget ($1.3 million or 0.5%) largely due to budget timing differences on certain non-labour expenses.

2016 Year-End Projections

<table>
<thead>
<tr>
<th>(millions)</th>
<th>Projection</th>
<th>Budget</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016 TTC Operating Budget</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Journeys (Ridership)</td>
<td>553</td>
<td>553</td>
<td>-</td>
</tr>
<tr>
<td>Revenue</td>
<td>$1,242.1</td>
<td>$1,242.1</td>
<td>-</td>
</tr>
<tr>
<td>Expenses</td>
<td>$1,736.7</td>
<td>$1,736.7</td>
<td>-</td>
</tr>
<tr>
<td>Subsidy Required</td>
<td>$494.6</td>
<td>$494.6</td>
<td>-</td>
</tr>
<tr>
<td>Subsidy Available*</td>
<td>$494.6</td>
<td>$494.6</td>
<td>-</td>
</tr>
<tr>
<td>Surplus/(Shortfall)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

*Includes a $1 million draw from the TTC Stabilization Reserve held by the City of Toronto

It is still quite early in the year to project any year-end budget variances with any degree of certainty. However, further to the March 23 TTC Board Report regarding the 2016 Ridership, unfavourable ridership results so far this year have resulted in lower than anticipated passenger revenues in the order of $10 million. Current forecasts indicate that ridership could fall anywhere from 8 to 13 million rides below the target of 553 million (or 540 to 545 million) with corresponding passenger revenue shortfalls of about $20 to $30 million. Staff will continue to closely monitor and scrutinize additional results and will provide an update on the year-end projected actual ridership at the TTC Board meeting in June.
## Toronto Transit Commission

### 2016 Operating Budget - Income Statement

**Period 2: 4 Weeks**  
January 31 to February 27, 2016

<table>
<thead>
<tr>
<th>($000s)</th>
<th>Actual</th>
<th>Budget</th>
<th>Over/(Under)</th>
<th>Over/(Under) Budget</th>
<th>%</th>
<th>Probable</th>
<th>Budget Variance</th>
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<tbody>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td>93,761</td>
<td>99,884</td>
<td>(6,123)</td>
<td>-6.2%</td>
<td>189,645</td>
<td>199,797</td>
<td>(10,152)</td>
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<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td>115,566</td>
<td>131,231</td>
<td>(15,665)</td>
<td>-11.9%</td>
<td>266,703</td>
<td>286,038</td>
<td>(1,335)</td>
</tr>
</tbody>
</table>

**Operating Subsidy Required in 2016**

- 77,058
- 68,241
- 8,817
- 12.9%
- 494,628
- 494,628

**City Operating Subsidy Available**

- 100.0%
- 493,627
- 493,627

**Draw from Stabilization Reserve**

- -
- 1,001
- 1,001

**Shortfall / (Surplus)**

- 77,058
- 68,241
- 8,817
- 12.9%
- -

### Revenues:

- **Passenger Revenues**
  - Actual: 87,762
  - Budget: 94,171
  - Over/(Under): (6,409) -6.8%
  - Probable: 178,625
  - Probable Variance: 1,175,300

- **Outside City & Charters**
  - Actual: 1,454
  - Budget: 1,321
  - Over/(Under): 133 10.1%
  - Probable: 2,953
  - Probable Variance: 2,953

- **Advertising**
  - Actual: 892
  - Budget: 930
  - Over/(Under): 38 -4.1%
  - Probable: 1,770
  - Probable Variance: 1,770

- **Rent Revenue**
  - Actual: 829
  - Budget: 784
  - Over/(Under): 45 5.7%
  - Probable: 1,635
  - Probable Variance: 1,635

- **Commuter Parking**
  - Actual: 340
  - Budget: 147
  - Over/(Under): 193 131.3%
  - Probable: 336
  - Probable Variance: 336

**Total Revenues**

- Actual: 93,761
- Budget: 99,884
- Over/(Under): (6,123) -6.2%
- Probable: 189,645
- Probable Variance: 1,242,128

### Expenses (Labour & Non-Labour):

- **CEO's Office**
  - Actual: 1,360
  - Budget: 1,803
  - Over/(Under): (443) -24.6%
  - Probable: 3,062
  - Probable Variance: 24,342

- **Engineering, Construction & Expansion Group**
  - Actual: 2,484
  - Budget: 2,331
  - Over/(Under): 153 6.6%
  - Probable: 4,662
  - Probable Variance: 4,662

- **Corporate Services Group**
  - Actual: 4,128
  - Budget: 6,119
  - Over/(Under): (2,001) -32.5%
  - Probable: 8,406
  - Probable Variance: 8,406

- **Strategy and Customer Experience Group**
  - Actual: 1,174
  - Budget: 1,464
  - Over/(Under): (290) -19.8%
  - Probable: 2,421
  - Probable Variance: 2,421

- **Operations Group**
  - Actual: 36,514
  - Budget: 39,282
  - Over/(Under): (2,768) -7.0%
  - Probable: 52,868
  - Probable Variance: 52,868

- **Service Delivery Group**
  - Actual: 36,710
  - Budget: 36,748
  - Over/(Under): (38) -0.1%
  - Probable: 50,368
  - Probable Variance: 50,368

- **Employee Benefits**
  - Actual: 17,707
  - Budget: 25,250
  - Over/(Under): (7,543) -29.9%
  - Probable: 301,600
  - Probable Variance: 301,600

- **Vehicle Fuel**
  - Actual: 6,194
  - Budget: 6,343
  - Over/(Under): (149) -2.3%
  - Probable: 84,556
  - Probable Variance: 84,556

- **Traction Power**
  - Actual: 4,266
  - Budget: 4,272
  - Over/(Under): (6) -0.1%
  - Probable: 54,371
  - Probable Variance: 54,371

- **Utilities (Hydro, Natural Gas, Water)**
  - Actual: 2,141
  - Budget: 2,703
  - Over/(Under): (562) -20.8%
  - Probable: 25,938
  - Probable Variance: 25,938

- **Taxes and Licences**
  - Actual: 302
  - Budget: 258
  - Over/(Under): 44 17.1%
  - Probable: 3,261
  - Probable Variance: 3,261

- **Depreciation**
  - Actual: 2,551
  - Budget: 2,578
  - Over/(Under): (27) -1.0%
  - Probable: 33,448
  - Probable Variance: 33,448

- **Accident Claims & Insurance**
  - Actual: 1,591
  - Budget: 2,333
  - Over/(Under): (742) -31.8%
  - Probable: 31,384
  - Probable Variance: 31,384

- **Non-Departmental Costs**
  - Actual: 866
  - Budget: 1,790
  - Over/(Under): (924) -51.6%
  - Probable: 36,585
  - Probable Variance: 36,585

**Total Expenses**

- Actual: 115,566
- Budget: 131,231
- Over/(Under): (15,665) -11.9%
- Probable: 266,703
- Probable Variance: 1,736,756

**Operating Subsidy Required in 2016**

- 77,058
- 68,241
- 8,817
- 12.9%
- 494,628
- 494,628

**City Operating Subsidy Available**

- 100.0%
- 493,627
- 493,627

**Draw from Stabilization Reserve**

- -
- 1,001
- 1,001

**Shortfall / (Surplus)**

- 77,058
- 68,241
- 8,817
- 12.9%
- -
- -
Wheel-Trans Operating Budget

2016 Year-to-Date Results

To the end of Period 2 (February 27), total revenues were on target ($1K or 0.1%). This reflects slightly higher revenues from 32K (5.7%) more customer journeys partially offset by a lower average fare ($0.07 or 3.8%).

Over the same time period, expenses were $0.3 million (1.5%) over budget primarily due to the additional customer journeys.

2016 Year-End Projections

<table>
<thead>
<tr>
<th>(millions)</th>
<th>Projection</th>
<th>Budget</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016 Wheel-Trans Operating Budget</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Journeys (Ridership)</td>
<td>3.69</td>
<td>3.69</td>
<td>-</td>
</tr>
<tr>
<td>Revenue</td>
<td>$7.0</td>
<td>$7.0</td>
<td>-</td>
</tr>
<tr>
<td>Expenses</td>
<td>$123.7</td>
<td>$123.7</td>
<td>-</td>
</tr>
<tr>
<td>Subsidy Required</td>
<td>$116.7</td>
<td>$116.7</td>
<td>-</td>
</tr>
<tr>
<td>Subsidy Available</td>
<td>$116.7</td>
<td>$116.7</td>
<td>-</td>
</tr>
<tr>
<td>Surplus/(Shortfall)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

It is still quite early in the year to project any year-end variances with any degree of certainty. However, 2016 ridership results to date are consistent with the trend identified in 2015 where ridership demand continues to outpace expectations. Preliminary staff estimates of 2016 projected ridership suggest that an additional 200,000 trips (roughly 5.5%) over the 3.7 million trips budgeted could be carried in 2016. These additional trips could potentially increase expenses by several millions of dollars. Staff are currently refining their 2016 ridership forecast and are assessing the possibility of partially mitigating these demand-driven expense increases. Year-end projections for both ridership and the associated budgetary impacts will be reported in the next CEO’s Report.
## WHEEL-TRANS
### OPERATING BUDGET - INCOME STATEMENT

<table>
<thead>
<tr>
<th>PERIOD 2</th>
<th>Period 2: Four Weeks</th>
<th>Two Periods to</th>
<th>Full Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>January 31 to February 27, 2016</td>
<td>February 27, 2016</td>
<td>2016</td>
</tr>
<tr>
<td></td>
<td>($000s) Actual</td>
<td>Budget</td>
<td>Over/(Under)</td>
</tr>
<tr>
<td><strong>REVENUES:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passenger Fares</td>
<td></td>
<td>545</td>
<td>527</td>
</tr>
<tr>
<td><strong>EXPENSES:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contracted Taxi Service</td>
<td></td>
<td>3,896</td>
<td>3,471</td>
</tr>
<tr>
<td>Wheel-Trans Bus Service</td>
<td></td>
<td>3,555</td>
<td>3,740</td>
</tr>
<tr>
<td>Other Wheel-Trans Expenses</td>
<td></td>
<td>2,107</td>
<td>2,127</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td></td>
<td>9,558</td>
<td>9,338</td>
</tr>
<tr>
<td><strong>OPERATING SUBSIDY REQUIRED IN 2016</strong></td>
<td></td>
<td>116,712</td>
<td>116,712</td>
</tr>
<tr>
<td><strong>OPERATING SUBSIDY AVAILABLE IN 2016</strong></td>
<td></td>
<td>116,712</td>
<td>116,712</td>
</tr>
<tr>
<td><strong>SHORTFALL/(SURPLUS)</strong></td>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>PASSENGER TRIPS (000s)</strong></td>
<td></td>
<td>288</td>
<td>272</td>
</tr>
<tr>
<td><strong>UNACCOMMODATED RATE (%)</strong></td>
<td></td>
<td>0.4</td>
<td>0.5</td>
</tr>
<tr>
<td><strong>SUBSIDY PER TRIP ($)</strong></td>
<td></td>
<td>31.25</td>
<td>32.43</td>
</tr>
</tbody>
</table>
Operator crewing efficiency remained unchanged in February at 87.17% and continued to remain above target.

Note:
Crewing efficiency is defined as the ratio of scheduled hours to pay hours.
TTC Capital Budget

2016 Year-to-Date Results

Capital expenditures to the end of Period 2 (February 27) typically reflect lower project activity as early efforts are focussed on setting up schedules and tendering work. Other current period activity includes settlement of 2015 accrued contract payments and continued progress on vehicle and construction contracts already in place.

2016 Year-End Projections

<table>
<thead>
<tr>
<th>(millions)</th>
<th>Projection</th>
<th>Budget*</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016 TTC Capital Budget</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Base Program</td>
<td>$1,241.3</td>
<td>$1,115.0</td>
<td>$126.3</td>
</tr>
<tr>
<td>Toronto-York Spadina Subway Extension (TYSSE)</td>
<td>$719.6</td>
<td>$719.6</td>
<td>-</td>
</tr>
<tr>
<td>Scarborough Subway Extension (SSE)</td>
<td>$81.5</td>
<td>$133.0</td>
<td>($51.5)</td>
</tr>
</tbody>
</table>

*Excludes additional carry forward spending on Base Program ($101.7M), TYSSE ($69.6M), and SSE ($22.5M)
2016 Base Program: Month-to-Month Budget Tracking

- Required monthly Burn Rate to achieve YE Projection = $115M
- Projected Actual = $1,241.3 M
- Monthly Variance (Budget VS Actuals)

2016 Base Program: Cumulative Budget Tracking

For an explanation of the projected variance, please see the next page
**Base Program – 2016 Year-End Projected Variance: $126.3 million over**

The 2016 Council Approved Budget of $1,115.0 million excludes an additional carry forward of $101.7 million that was reported to Budget Committee on March 22, 2016. There is typically significant variability in the early estimates of various programs which, if continued, will result in staff requesting budget re-allocations from programs with under-spending to those with higher needs. Significant projected year-end base program variances are outlined below:

**Subway Track: $7.1 million over**

The variance is due to procurement deferrals from 2015 to 2016 for the Optical Inspection Equipment (Rail Base Inspection) and deferral resulting from consulting services for the Davisville Area Rehabilitation and slippage into 2016 of the Eglinton Double Crossover.

**Traction Power: $5.8 million over**

The variance is mainly due to: Traction Power Substation – slippage to 2016 as a result of cash flow adjustments to align with revised construction; Substation Electrical Rebuild – slippage of material purchase and portion of service contracts; Replace Obstacle Rectifier Transformers – slippage to accommodate work plan; Electrolysis Control – Negative bonding switches slipped to 2016 due to manufacturing delay, and Rebuild TTC Cable Chambers – Outstanding Waterfront charges slipped to 2016.

**Signal System: $5.1 million over**

The variance is mainly due to: Speed Control System - Slippage as a result of ATC project changes and stop order issued by ATC to Thales. Work is in progress to change to non-vital supervision of safe train operation; Workcar Advanced Warning - Slippage due to Track Level Safety Committee not finalizing decision; SRT Loop Cable Axle Counter Improvement - Work slipped to be consistent with the 10 years SRT life extension scope; and Wilson Yard Resignalling - slippage of work from 2015 into outer years because of Stage 7 which is the resignalling of the Yard area outside of TYSSSE and T1/TR scope is commencing in 2016 with the installation for stages 0 to 6, Signal and Train Control Engineering (S&TCE) technical support with design reviews and technical meetings will continue.
Finishes: $3.5 million over

The variance is Primarily Roofing Rehabilitation - Prior year slippage of Hillcrest Subway Operation Building due to design changes requested by Operation group and advancement of roofing work at Finch Station.

Streetcar Network Upgrades and Bus Rapid Transit (BRT): $3.4 million over

The variance is mainly due to Streetcar Network Upgrades – variance reflects City of Toronto work completed in 2015 with the payment in 2016 and Bus Rapid Transit (BRT) - Spadina Subway to York University/Steeles Avenue - Funds advanced from future years to complete artwork/landscaping and public realm improvements.

On Grade Paving Rehabilitation Program: $3.5 million under

Variance of $3.5M is due to work advancement in 2015, work progressed faster than anticipated at Davisville Lower Roadway, Malvern Garage, St. Clair Station & Eglinton Bus Roadway.

Bridges and Tunnels: $10.5 million over

Variance is mainly due to Structural Paving Rehabilitation Program: Advanced work to 2016 for Islington Bus Transfer Shoring to meet MiWay commitment and St. Clair Streetcar Loop Platform to coincide with planned Streetcar service interruption; Bridges/Structures Maintenance Program: Advanced work to 2016 for Union Station Platform close out and a new work due to revised scope at CNE Loop Retaining Wall.

Leslie Barns Project: $24.1 million over

The variance is due to prior year slippage and delays of substantial performance for Leslie Street Connection Track and delays in commissioning which impacted the value of progress payments for Leslie Barns.

Toronto Rocket/T1 Rail Yard Accommodation: $4.3 million over

Variance is due to advanced construction work for Keele Yard Retrofit & Wilson Yard Tie Tracks 33 to 43.
McNicoll Bus Garage: $1.0 million over

Variance is due to advanced construction work for contract to extend the TTC network fiber-optic backbone to McNicoll Garage site, and legal consultant fees for development of Design-Build Agreement.

Other Building and Structures: $8.3 million over

Major contributors to the variance are Union Station New Platform (+$11.0M) - funds brought into 2016 as project completion is anticipated this year; Surface Way Building Replacement - deferred construction due to revised contracting strategy (-$4.5M); and Relief Line Study - schedule delays as a result of delays in obtaining ridership modeling results from the City of Toronto (+$1.6M).

Purchase of Buses: $6.5 million under

Variance is due to delivery of buses accelerated into 2015.

Purchase of Subway Cars: $36.9 million over

Variance is due to slippage of vehicle deliveries from 2015 to 2016 due to Unifor Strike, additional scopes (4-car conversion and Train Door Monitoring prototyping on Sheppard Line).

Bus Overhaul: $9.4 million over

Variance is mainly due to Orion VII Bus Rebuild Program –28 buses deferred from 2015 to 2016 due to delay in delivery of rebuild material kits (+$4.9M), Fleet Plan re-adjusted with the 2014 efficiency gains deferred into 2016 (+$4.5M).

Purchase of Streetcars:

Staff is working with Bombardier to address the issues and delays surrounding the LRV order. At this time it is difficult to determine the projected cash flows for 2016. Once a recovery schedule is finalized and approved, the cash flows and projections for this project will be provided.
Purchase of Rail Non-Revenue Vehicles: $2.9 million over

Variance is due to slippage from 2015; priority was given to workcar (Automatic Train Protection) ATP prototyping project.

Other Service Planning: $5.7 million over

The variance is mainly due to two projects: Platform Modification to Accommodate Artic buses – TTC and City are unable to come to a consensus on the scope and delivery of the project at various locations, required to meet TTC objectives; Transit Priorities project – Considerable amount of work slipped from 2015 to 2016 because of external approvals (City Transportation Services, Toronto Hydro, etc.) that are required for this project to proceed.

Scarborough Subway Extension – 2016 Year-End Projected Variance: $51.5 million under

Variance is due to delays in the EA process and the rebaselining of the project scope.
4. Critical Projects
Critical Projects

The dashboard below provides a quarterly snapshot in time of the health status for major programs and projects that comprise the TTC project portfolio. The programs and projects, referred to hereafter as 'projects', have been included in the dashboard due to their magnitude and/or strategic significance. Collectively, the dashboard comprises 52% of the base capital program and 100% of the fully funded expansion projects.

Dashboard data will be refreshed quarterly. The CEO Reports for March, May, August, and November will include a dashboard update as well as one-page project performance updates for each of the projects listed in the dashboard. Major changes necessitating an immediate update will be discussed in Section 2 – CEO Commentary.

<table>
<thead>
<tr>
<th>Project</th>
<th>Strategic Objective</th>
<th>Cost (millions)</th>
<th>Schedule</th>
<th>Outlook to Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Actual</td>
<td>Projected</td>
<td>Start Date</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Budget</td>
<td></td>
<td>%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>LTD</td>
<td></td>
<td>%</td>
</tr>
<tr>
<td><strong>Bus Fleet &amp; Facilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vehicles: Purchase of Buses *</td>
<td>Assets</td>
<td>$837</td>
<td>$522</td>
<td>62%</td>
</tr>
<tr>
<td>Facilities: McNicoll Bus Garage</td>
<td>Growth</td>
<td>$181</td>
<td>$7</td>
<td>4%</td>
</tr>
<tr>
<td>Management Systems: VISION (CAD/AVL)</td>
<td>Customer</td>
<td>$95</td>
<td>$2</td>
<td>2%</td>
</tr>
<tr>
<td><strong>Streetcar Fleet &amp; Facilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vehicles: Purchase of New Streetcars</td>
<td>Assets</td>
<td>$1,187</td>
<td>$53</td>
<td>4%</td>
</tr>
<tr>
<td>Facilities: Leslie Barns</td>
<td>Growth</td>
<td>$507</td>
<td>$432</td>
<td>85%</td>
</tr>
<tr>
<td>Track: Surface Track *</td>
<td>Assets</td>
<td>$358</td>
<td>$211</td>
<td>59%</td>
</tr>
<tr>
<td><strong>Subway Fleet &amp; Infrastructure</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vehicles: Purchase of Subway Cars</td>
<td>Assets</td>
<td>$1,172</td>
<td>$1,088</td>
<td>93%</td>
</tr>
<tr>
<td>Stations: Easier Access III **</td>
<td>Assets</td>
<td>$491</td>
<td>$221</td>
<td>45%</td>
</tr>
<tr>
<td>Facilities: TR / T1 Rail Yard Accomodation **</td>
<td>Assets</td>
<td>$514</td>
<td>$110</td>
<td>21%</td>
</tr>
<tr>
<td>Track &amp; Tunnels: Subway Track *</td>
<td>Assets</td>
<td>$304</td>
<td>$126</td>
<td>41%</td>
</tr>
<tr>
<td>Signals: Automatic Train Control (ATC Line 1)</td>
<td>Assets</td>
<td>$563</td>
<td>$258</td>
<td>46%</td>
</tr>
<tr>
<td><strong>Expansion</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Toronto-York Spadina Subway Extension (TYSSE)</td>
<td>Growth</td>
<td>$2,748</td>
<td>$2,213</td>
<td>81%</td>
</tr>
<tr>
<td>Scarborough Subway Extension</td>
<td>Growth</td>
<td>$3,305</td>
<td>$9</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Management Systems</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PRESTO</td>
<td>Customer</td>
<td>$47</td>
<td>$18</td>
<td>38%</td>
</tr>
<tr>
<td>SAP</td>
<td>Financial</td>
<td>$63</td>
<td>$4</td>
<td>6%</td>
</tr>
</tbody>
</table>

*These projects are ongoing in nature. The performance data presented reflects the 10-year funding envelope only.

**A portion of required scope for this project is currently not in the approved budget. The projected cost and the end date reflect the total scope.
For further information on TTC performance, projects, and service, please see www.ttc.ca

**Andy Byford**
Chief Executive Officer
Toronto Transit Commission