



## STAFF REPORT FOR INFORMATION

### Chief Executive Officer's Report – October 2017 Update

<b>Date:</b>	October 16, 2017
<b>To:</b>	TTC Board
<b>From:</b>	Chief Executive Officer

#### 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

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#### Attachments

Chief Executive Officer's Report – October 2017 Update

***Chief Executive Officer's Report***

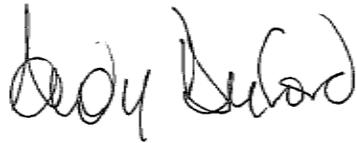
***Toronto Transit Commission  
October 2017 Update***



## 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.**

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*About the cover:*

***A view of York University station. Operational testing and training began in September when the general contractor's work reached final completion.***



**1. TTC Performance Scorecard & Critical Projects Dashboard**

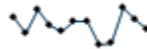
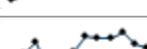


2. Promote and encourage wheelchair users to use accessible transit services  
3. Integrate conventional transit into their trip planning  
4. Actively working to resolve "platform gap" issues at affected stations  
5. Ensure harmonization of accessible features in Eglington LRT design, to existing TTC standards

TTC Public Forum  
On Accessible Transit

*TTC's Annual Accessibility Forum took place on September 19th, where staff reviewed major planned accessibility initiatives from 2017 to 2018 progressing towards the implementation and objectives of the Multi-Year Accessibility Plan.*

## TTC Performance Scorecard

Key Performance Indicator	Description	Latest Measure	Current	Target	Current Status	Annual Trend	Page
<b>Safety and Security</b>							
Lost Time Injuries	Injuries per 100 Employees	Aug 2017	3.31	<b>3.47</b>	✓		18
Customer Injury Incidents	Injury Incidents per 1M Boardings	Aug 2017	1.46	<b>1.48</b>	✓		18
Offences against Customers	Offences per 1M Boardings	Aug 2017	0.51	<b>0.54</b>	✓		19
Offences against Staff	Offences per 100 Employees	Aug 2017	2.2	<b>3.1</b>	✓		19
<b>Customer: Journeys</b>							
	TTC Customer Trips	Aug 2017	38.1M	38.8M	✗		22
	TTC Customer Trips	2017 y-t-d to Aug	345.8M	351.6M	✗	NA	22
	PRESTO Customer Trips	Aug 2017	5.45M	<b>2.08M</b>	✓		23
	Wheel-Trans Customer Trips	Aug 2017	315K	381K	✗		23
	Wheel-Trans Customer Trips	2017 y-t-d to Aug	2.72M	2.95M	✗	NA	23
<b>Customer: Satisfaction</b>							
	Customer Satisfaction Score	Q2 2017	82%	<b>80%</b>	✓		24
<b>Customer: Environment</b>							
Station Cleanliness	Audit Score	Q2 2017	73.7%	75%	✗		29

✓ 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.

Key Performance Indicator	Description	Latest Measure	Current	Target	Current Status	Annual Trend	Page
Streetcar Cleanliness	Audit Score	Q2 2017	89.5%	90%	✘		30
Bus Cleanliness	Audit Score	Q2 2017	90%	90%	✔		30
Subway Cleanliness	Audit Score	Q2 2017	93.1%	75%	✔		31

### Customer: Service Performance



#### Subway

1	Yonge-University	Delay Incidents	Q2 2017	1,827	1,567	✘		32
		Delay Minutes	Q2 2017	3,511	3,197	✘		32
		Trains per Hour in AM Peak	Aug 2017	23.0	25.5	✘		33
2	Bloor-Danforth	Delay Incidents	Q2 2017	2,192	1,397	✘		34
		Delay Minutes	Q2 2017	3,909	2,923	✘		34
		Trains per Hour in AM Peak	Aug 2017	22.3	23.8	✘		35
3	Scarborough	Delay Incidents	Q2 2017	300	137	✘		36
		Delay Minutes	Q2 2017	2,020	811	✘		36
		Trains per Hour in AM Peak	Aug 2017	11.7	12.0	✘		37

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.

Key Performance Indicator	Description	Latest Measure	Current	Target	Current Status	Annual Trend	Page
4 Sheppard	Delay Incidents	Q2 2017	168	113	✗		38
	Delay Minutes	Q2 2017	349	272	✗		38
	Trains per Hour in AM Peak	Aug 2017	11.0	10.9	✓		39
Streetcar	On-Time Departure	Aug 2017	54.2%	90%	✗		40
	Short Turns	Aug 2017	838	2,592	✓		40
Bus	On-Time Departure	Aug 2017	75.5%	90%	✗		41
	Short Turns	Aug 2017	1,273	2,625	✓		41
Wheel-Trans	% Within 10 Minutes of Schedule	Aug 2017	91.1%	90%	✓		42

### Customer: Amount of Service

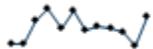
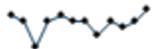
Streetcar	Weekly Service Hours	Jul 2017	17.1K	22.3K	✗		43
Bus	Weekly Service Hours	Jul 2017	142.8K	145.0K	✗		43
Subway	Weekly Service Hours	Jul 2017	9.7K	9.7K	✓		44

### People

Employee Absence	Absenteeism Rate	Aug 2017	7.77%	6.50%	✗		46
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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.

Key Performance Indicator	Description	Latest Measure	Current	Target	Current Status	Annual Trend	Page
<b>Assets: Vehicle Reliability</b>							
	<b>Subway</b>						
T1	Mean Distance Between Failures	Aug 2017	384,111 km	300,000 km	✓		49
TR	Mean Distance Between Failures	Aug 2017	647,071 km	600,000 km	✓		49
	<b>Streetcar</b>						
CLRV	Mean Distance Between Failures	Aug 2017	5,216 km	4,500 km	✓		50
ALRV	Mean Distance Between Failures	Aug 2017	5,891 km	3,500 km	✓		50
New Streetcar	Mean Distance Between Failures	Aug 2017	19,189 km	35,000 km	✗		51
	<b>Bus</b>						
	Mean Distance Between Failures	Aug 2017	16,838 km	12,000 km	✓		52
	<b>Wheel-Trans</b>						
	Mean Distance Between Failures	Aug 2017	12,573 km	12,000 km	✓		52
<b>Assets: Equipment Availability</b>							
Elevators	Percent Available	Aug 2017	98.2%	98%	✓		53
Escalators	Percent Available	Aug 2017	97.2%	97%	✓		53

 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.

Key Performance Indicator	Description	Latest Measure	Current	Target	Current Status	Annual Trend	Page
<b>Financials</b>							
TTC Revenue	Actual vs. Budget	2017 y-t-d to Aug	\$801M	\$800M	✓	Section 3.5	
TTC Operating Expenditure	Actual vs. Budget	2017 y-t-d to Aug	\$1,112M	\$1,172M	✓	Section 3.5	
Wheel-Trans Revenue	Actual vs. Budget	2017 y-t-d to Aug	\$5.0M	\$5.4M	✗	Section 3.5	
W-T Operating Expenditure	Actual vs. Budget	2017 y-t-d to Aug	\$85M	\$96M	✓	Section 3.5	
Capital Expenditure – Base	Actual vs. Budget	2017 y-t-d to Aug	\$498M	\$692M	✗	Section 3.5	
Capital Expenditure – TYSSE	Actual vs. Budget	2017 y-t-d to Aug	\$202M	\$395M	✗	Section 3.5	
Capital Expenditure – SSE	Actual vs. Budget	2017 y-t-d to Aug	\$33M	\$55M	✗	Section 3.5	
Operator Efficiency	Crewing Efficiency	Aug 2017	86.92%	87.15%	✗		63

✓ 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.

## Critical Projects Dashboard

Current as of September 2017 | Next Update in November 2017 CEO Report

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

CEO Reports for March, May, September, and November include an updated dashboard as well as one-page project performance updates for each project listed in the dashboard. Exception reporting for projects with a yellow 'Y' or red 'R' status is provided in the CEO Commentary (see Section 2 of this CEO Report).

Project	Strategic Objective	Cost (millions)					Schedule			Outlook to Completion			
		Budget	Actual		Projected		Start Date	End Date		Schedule	Cost	Scope	Risk
			LTD	%	Cost	%		Approved	Revised				
<b>Bus Fleet &amp; Facilities</b>													
Vehicles: Purchase of Buses *	Assets	\$1,271	\$294	23%	\$1,266	100%	Ongoing	Q4 2019	Q1 2018	G	G	G	G
Facilities: McNicoll Bus Garage	Growth	\$181	\$14	8%	\$181	100%	Q4 2012	Q2 2020	Q2 2020	G	G	G	G
Management Systems: VISION (CAD/AVL)	Customer	\$115	\$14	12%	\$115	100%	Q1 2014	Q4 2020	Q1 2020	Y	G	G	G
<b>Streetcar Fleet &amp; Facilities</b>													
Vehicles: Purchase of New Streetcars	Assets	\$1,187	\$576	49%	\$1,187	100%	Q2 2009	Q4 2019	Q4 2019	Y	G	G	Y
Facilities: Leslie Barns	Growth	\$523	\$492	94%	\$523	100%	2008	Q4 2017	Q4 2017	G	G	G	G
Track: Surface Track *	Assets	\$616	\$267	43%	\$616	100%	Ongoing	Q4 2017	Q2 2018	Y	G	G	Y
<b>Subway Fleet &amp; Infrastructure</b>													
Vehicles: Purchase of Subway Cars	Assets	\$1,167	\$1,128	97%	\$1,167	100%	Q2 2011	Q4 2016	Q2 2017	G	G	G	G
Stations: Easier Access III	Assets	\$774	\$277	36%	\$776	100%	2006	Q4 2025	Q4 2025	Y	G	G	Y
Facilities: TR / T1 Rail Yard Accommodation **	Assets	\$973	\$187	19%	\$966	99%	2010	Post 2026	Post 2026	G	G	G	G
Track & Tunnels: Subway Track *	Assets	\$557	\$157	28%	\$540	97%	Ongoing	Q2 2018	Q2 2018	G	G	G	G
Signals: Automatic Train Control (ATC Line 1-YUS)	Assets	\$563	\$350	62%	\$563	100%	Q2 2009	Q4 2019	Q4 2019	G	G	G	G
<b>Expansion</b>													
Toronto-York Spadina Subway Extension (TYSSE)	Growth	\$3,184	\$2,562	80%	\$3,184	100%	Q2 2008	Q4 2017	Q4 2017	Y	Y	G	G
Scarborough Subway Extension**	Growth	\$3,305	\$51	2%	\$3,305	100%	Q4 2013	Q4 2023	Q2 2026	R	Y	R	R
<b>Management Systems</b>													
PRESTO	Customer	\$44	\$42	95%	\$52	118%	Q4 2012	Q4 2017	Q4 2019	Y	Y	Y	G
SAP	Financial	\$63	\$33	52%	\$63	100%	Q1 2014	Q3 2019	Q3 2019	Y	Y	Y	G

### Legend – Outlook to Completion

	On Track to Meet Project Objective
	At Risk of Not Meeting Project Objective
	Will Not Meet Project Objective

\*These projects are ongoing in nature. Performance data reflects the 10-year funding envelope.

\*\*The scope is not sufficiently defined to establish a complete budget or schedule. The cost and schedule above reflect known/approved scope, which will be reset when the scope is better known.



**#ThisIsWhere**  
you can  
help combat  
harassment  
on the TTC.  
**Here's how:**

**#ThisIsWhere**  
you can  
help combat  
harassment  
on the TTC.  
**Here's how:**

- Use the SafeTTC app and report the incident.
- Alert a TTC employee.
- Use the intercom located in Designated Waiting Areas.
- Press the yellow Emergency Alarm strip or call 911 if you need police assistance.

Report crime and harassment wherever you see it.  
thisiswhere.ca  
#ThisIsWhere  
@thisiswhere

## 2. CEO Commentary

*The TTC recently launched a new campaign and mobile app as part of its commitment to combat harassment titled #ThisIsWhere; the campaign confronts different kinds of harassment through a series of real-life customer encounters.*

## CEO Commentary and Current Issues

### General Overview

This month's report includes data to the end of August 2017.

At the time of writing, there are just over 10 weeks to go until the opening of the Toronto York Spadina Subway Extension (TYSSE).

Virtually every TTC department is now involved in bringing this magnificent project to a successful conclusion. A lot remains to be done and I have directed that this be our prime focus between now and December 17 with all other projects and requests to be deemed as lower priority.

That said, work continues to finalize the TTC 2018 budget submission and on preparing the groundwork for the upcoming 2018 Collective Bargaining Agreement negotiations.

The opening of the Line 1 extension will perfectly book-end our inaugural five year plan, one that saw huge change sweep across the TTC as we modernized infrastructure, processes and culture. The next five year plan is nearing completion, the result of extensive consultation with stakeholders, customers and employees. Once my Executive signs off the final draft, it will be submitted to the Board.

Since my last report, I am pleased to advise that the TTC continues to be recognized for achievement across our full spectrum of activity. The Ontario Minister of Transportation, Steven Del Duca, presented the TTC with the Ontario Safety League Award of Excellence for Public Sector Safety in recognition of the TTC's leadership in implementing a random drug and alcohol testing program. Coupled with the ultimate accolade of the 2017 APTA Transit of The Year Award, and on the back of record customer satisfaction scores, there is a buzz about the TTC and a surge in pride that will serve us very well as we head into 2018.

### Safety & Security

Safety and security trends remain within control limits set by the monthly Safety Executive meeting.

A milestone was reached with the launch of the SafeTTC app and associated customer campaign, #ThisIsWhere. The TTC believes, strongly, that awareness is one part of combatting harassment and sexual assault on the TTC and that we, as a public service and transit provider, have a responsibility to help combat it.



## Customer: System Performance

Subway delay incident and minute statistics reflect quarter 2 performance that was broken down in detail to the Board at its September meeting.

This summer saw a huge reduction in the number of “hot car” incidents on Line 2, testament to the hard work of our car house maintenance employees and engineering staff to deliver reliable air conditioning.

Year over year, subway delay minutes have been reduced by 21%; subway delay incidents are down 6.5%; track fires are down by 48%. On our surface routes, short turns have been reduced year over year by 86%.

All TTC stations now feature WiFi and this (plus cell coverage) will be a further feature of TYSSE stations.

The recent Accessibility Forum was very successful with a high level of interest and engagement. Recent changes to the no show and late cancellation policies for Wheel-Trans have been favorably received. In short, the new policy provides customers with more freedom and flexibility by extending the cancellation window and increasing the number of late-cancellation, no-show and cancel-at-the-door occurrences customers can have in a month.

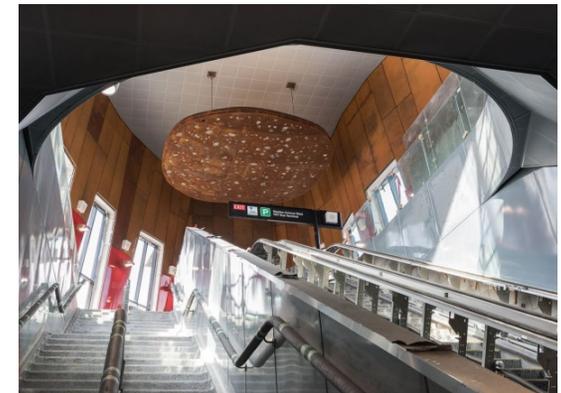
## Financials

Operating expenses to the end of August were under budget, largely due to workforce being under budgeted strength, budget timing on certain non-labour expenses and accident claims, and savings on energy costs. It is projected that there will be a TTC/Wheel-Trans combined year-end operating subsidy surplus of \$44.5 million. Capital expenditures were below budget due to typically lower project activity early in the year.

Customer journeys (ridership) to the end of August were 1.7% below budget and 0.4% below the 2016 comparable actual. Interim results for September indicate similar trends. Year-end ridership is projected to be about 1% below budget (538M vs. 544M). Staff will advise the Board throughout the remainder of 2017 of any forecast changes to ridership and/or revenue.

## Delivery of Major Projects

Referring to the Critical Projects Dashboard on page 8, the following section is a new addition to my commentary. It brings to the Board’s attention the status of major projects and includes exception reporting for projects with yellow ‘Y’ and red ‘R’ status.



To aid the reader, I have indicated which project performance scorecard has had *no change in overall status* and those that have had a *change in status*.

**VISION**

*No change in overall status*

Schedule	Cost	Scope	Overall Risk
Y	G	G	G

High level meetings have been held with the contractor to ensure that project slippage is recovered. A mini fleet trial will be the next stage of delivery.

**New Streetcars**

*No change in overall status*

Schedule	Cost	Scope	Overall Risk
Y	G	G	Y

The performance scorecard above has not changed since last month but continues to be in my commentary due to the highlighted risk.

Schedule is at risk due to known manufacturing issues that are being addressed. TTC continues to work as business partners with Bombardier. However, the TTC’s ability to mitigate this risk is limited.



Yr\Month	1	2	3	4	5	6	7	8	9	10	11	12	Total
2017	0	2	1	1	3	2	3	2	4	7	8	7	40
2018	3	7	7	6	8	7	7	3	6	7	8	7	76
2019	5	7	6	8	7	6	8	3	7	1			58

Forty-three new vehicles are now in service. At the time of writing, I am awaiting confirmation from Bombardier about the status of the remaining 2017 deliveries. It is now clear that the year end of 70 is in serious doubt and I have insisted that Bombardier publicly clarify and explain their position before the Board meeting so that the issue may be discussed.

I have asked the Chief Service Officer to prepare a presentation for the Board that will show the increasing pressure that the late delivery of new vehicles – combined with accelerated,

forced retirement of legacy streetcars – is having on our bus fleet and on our ability to maintain service. As such, I need to emphasize to the Board the need to continue purchase of new buses to fill the gap left by the streetcar situation.

Surface Track

*No change in overall status*

Schedule	Cost	Scope	Overall Risk
Y	G	G	Y

The performance scorecard above has not changed since last month but continues to be in my commentary due to the highlighted risk.

As a reminder, schedule is at risk primarily due to the deferral of planned rehabilitation work at Roncesvalles and Russell streetcar yards. The root cause of this deferral was delayed commissioning of Leslie Barns and prolonged storage demands of the legacy fleet due to delay of the new streetcar project.

Easier Access Phase III (Accessibility)

*No change in overall status*

Schedule	Cost	Scope	Overall Risk
Y	G	G	Y

I am pleased to report good progress across all current projects. Elevators at St Clair West and Woodbine stations are now in service.

Toronto-York Spadina Subway Extension

*No change in overall status*

Schedule	Cost	Scope	Overall Risk
Y	Y	G	G

The performance scorecard above has not changed since last month, but continues to be in my commentary due to the highlighted risk.

Numerous schedule and cost risks are being tracked and mitigated through an active approach to commercial management and critical path management.



Two additional stations have now been handed over to TTC for occupation and staff familiarization and training. Emergency planning exercises will occur later this month and in November for first responders. Testing and commissioning of assets and systems is well advanced.

A detailed trial operations plan has been signed off, ready for that essential activity to commence during October. Safety case paperwork is progressing as are event plans to precede the first day of revenue operation on December 17.

Claims work is progressing and the project remains on schedule and within the revised budget envelope to open December 17.

Scarborough Subway Extension

*No change in overall status*

Schedule	Cost	Scope	Overall Risk
R	Y	R	R

The performance scorecard above has not changed since last month, but continues to be in my commentary due to the highlighted risk.

Work continues to progress design to the 30% stage.

PRESTO

*No change in overall status*

Schedule	Cost	Scope	Overall Risk
Y	Y	Y	G

The performance scorecard above has not changed since last month, but continues to be in my commentary due to the highlighted risk.

Work is well under way at a number of stations to convert the remaining turnstiles and high gates to paddle style, PRESTO enabled equipment.

PRESTO is making progress on development, testing and delivery of the next round of machines and we still expect these to feature at all six TYSSE stations on opening day.



Automatic Train Control

*No change in overall status*

Schedule	Cost	Scope	Overall Risk
G	G	G	G

Substantial progress has been made. High speed testing involving multiple trains has been successfully concluded.

SAP

*Change in Status*

Schedule	Cost	Scope	Overall Risk
Y	Y	Y	G

Work continues to progress this project. The first deliverable (Pension) will go live by the end of this year.

Culture Change

Work continues on the major change initiatives. It is highly encouraging to witness the caliber, diversity and motivation of new and promoted employees, as typified by a recent graduation class of route supervisors.



Andy Byford  
Chief Executive Officer, Toronto Transit Commission



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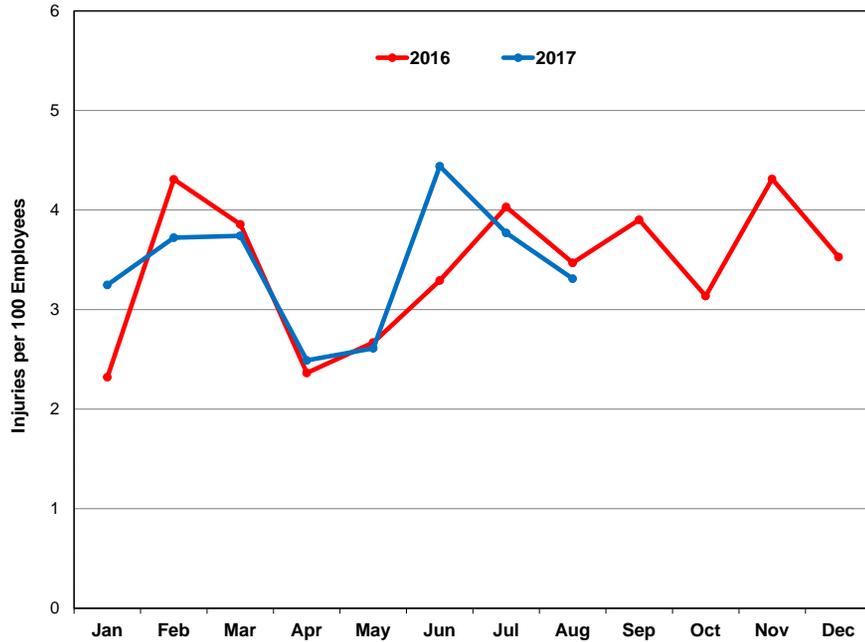


### 3.1 Safety & Security

*The new SafeTTC app enables customers to send a discreet message, image, or video directly to Transit Control where it will be received by trained staff, and addressed promptly – all part of the TTC's new #ThisIsWhere campaign.*

## Safety and Security

### Lost-Time Injuries

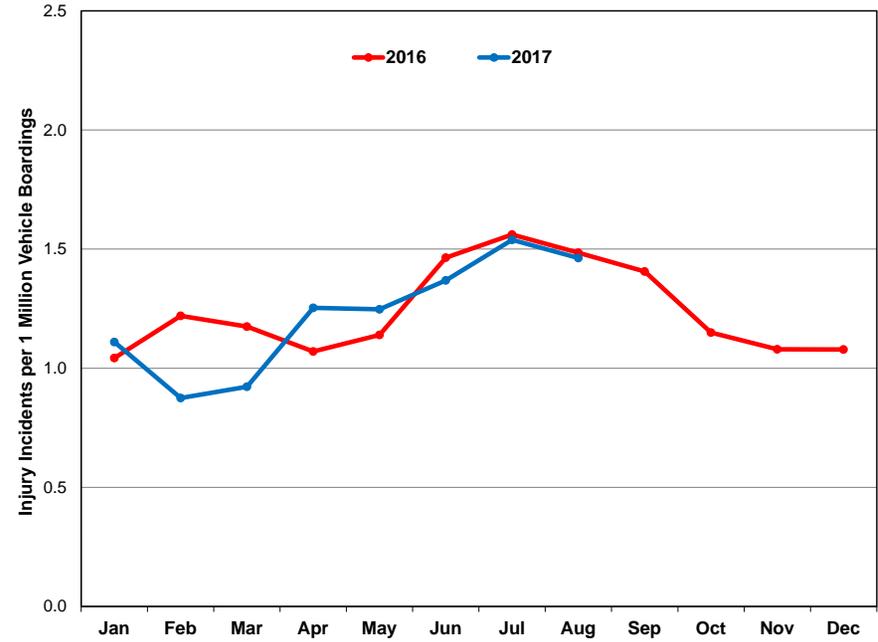


The lost-time injury rate (LTIR) decreased in August. The rate of 3.31 injuries per 100 employees was 5% lower than the corresponding rate of 3.47 for August 2016.

The moving annual LTIR to the end of August 2017 was 3.52, which was 9% higher than the corresponding rate of 3.24 to the end of August 2016.

The observed changes in the trend are partly due to the inherent variability in the data from month to month.

### Customer Injury Incidents

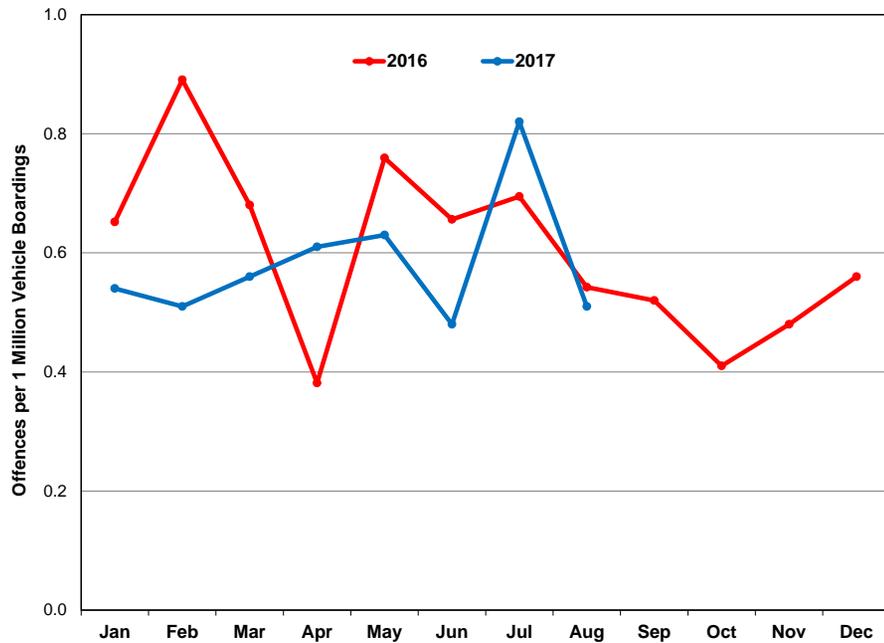


The customer injury incident rate decreased in August. The rate of 1.46 injury incidents per 1 million vehicle boardings was 1% lower than the corresponding rate of 1.48 for August 2016.

The moving annual customer injury incident rate to the end of August 2017 was 1.21, which was 6% lower than the corresponding moving annual rate of 1.29 to the end of August 2016.

The observed changes in the trend are partly due to the inherent variability in the data from month to month.

### Offences Against Customers

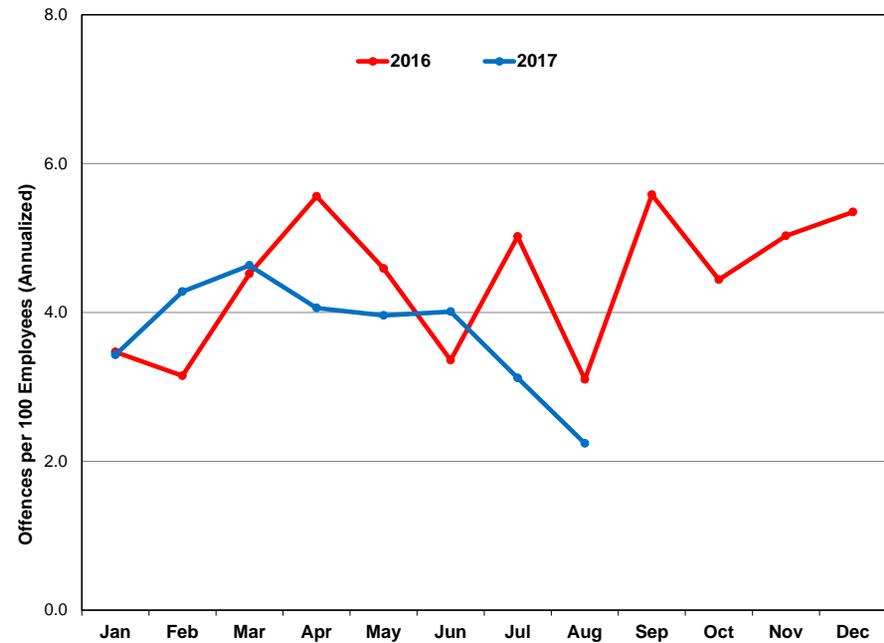


Total offences against customers decreased in August to 0.51 offences per 1 million vehicle boardings, which was 6% lower than the corresponding rate of 0.54 for August 2016.

The moving annual rate of offences against customers to the end of August 2017 was 0.55, which was 10% lower than the corresponding moving annual rate of 0.61 to the end of August 2016.

Targeted patrol deployments continue to address specific concerns across all modes.

### Offences Against Staff



Total offences against staff decreased in August to 2.2 offences per 100 employees, which was 29% lower than the corresponding rate of 3.1 for August 2016.

The moving annual rate of offences against staff to the end of August 2017 was 4.2, which was 8% higher than the corresponding moving annual rate of 3.9 to the end of August 2016.

Transit Enforcement Officers have continued their intelligence-led deployment along surface routes to support operating personnel.

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UNION

Yonge Line  
Northbound to Finch / Next Station: King

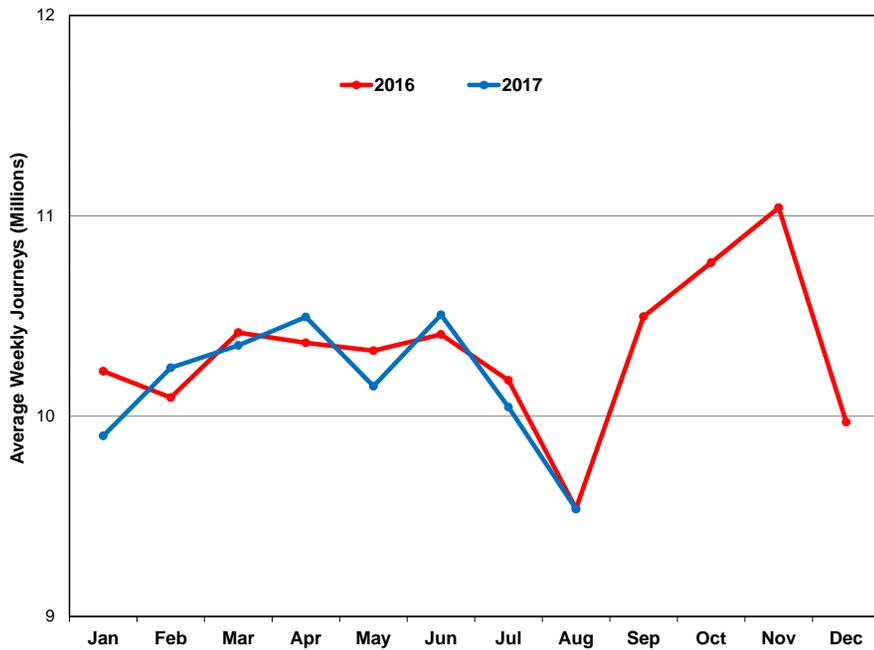
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**3.2 Customer**

## Customer: Journeys

TTC: 2017 Actual vs. 2016 Actual

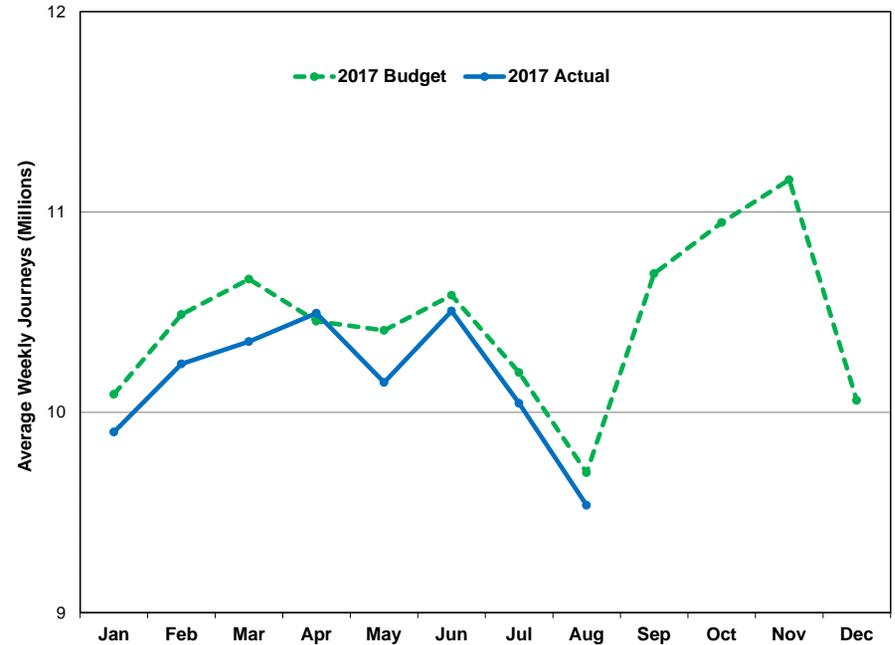


There were 38.1M customer journeys (ridership) taken during August, which was equivalent to the journeys taken during August 2016.

The annual number of customer journeys taken to the end of August 2017 was 535.3M, which was 1.4M (0.3%) less than the 536.7M annual journeys taken to the end of August 2016.

Average weekly ridership in August 2017 was at or above the prior year comparable for the fourth time this year.

TTC: 2017 Actual vs. 2017 Budget



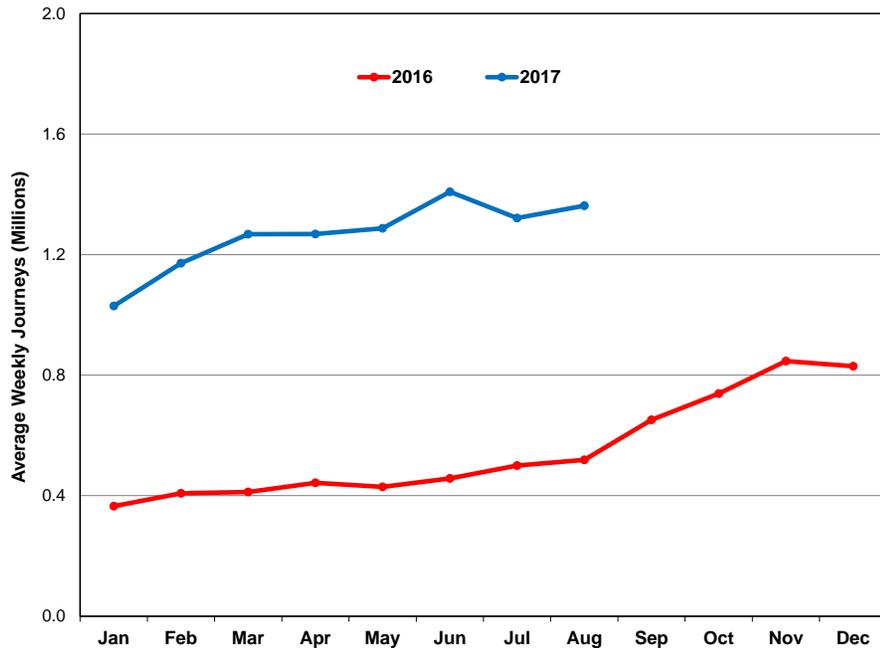
There were 38.1M customer journeys taken during August, which was 0.7M (1.8%) less than the budget of 38.8M journeys.

The number of customer journeys taken year-to-date to the end of August was 345.8M, which was 5.8M (1.6%) less than the budget of 351.6M journeys.

Average weekly ridership has been below budget for seven of the past eight months in 2017.

## Customer: Journeys

**PRESTO: 2017 Actual vs. 2016 Actual**

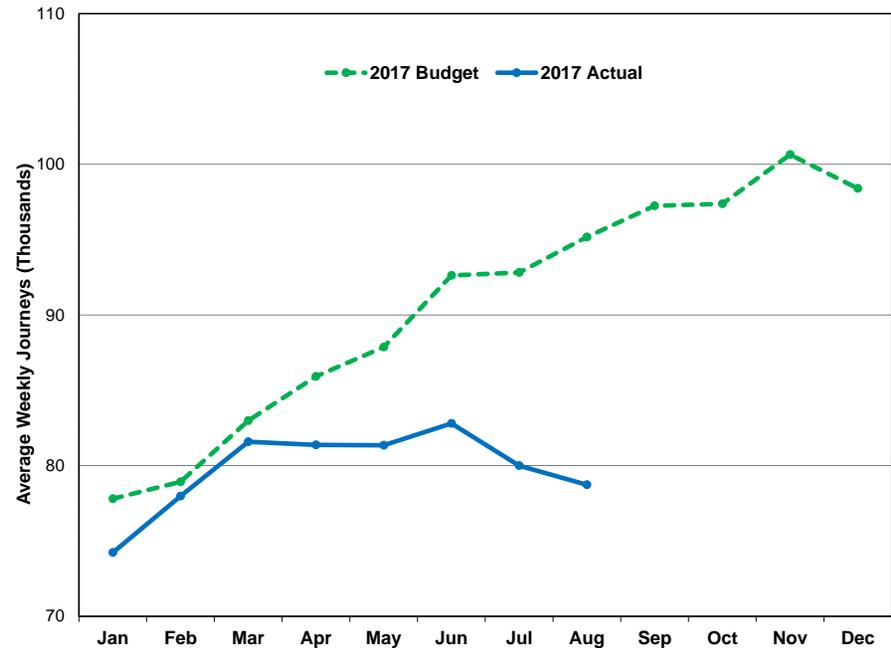


There were 5.45M customer journeys (ridership) taken using the PRESTO Farecard in August, which was 3.37M (162%) more than the 2.08M journeys taken during August 2016.

The annual number of customer journeys taken to the end of August 2017 was 56.9M, which was 36.5M (179%) more than the 20.4M annual journeys taken to the end of August 2016.

Note:  
PRESTO ridership is included in TTC ridership totals.

**Wheel-Trans: 2017 Actual vs. 2017 Budget**



There were 315K customer journeys taken during August, which was 66K (17.3%) less than the budget of 381K journeys.

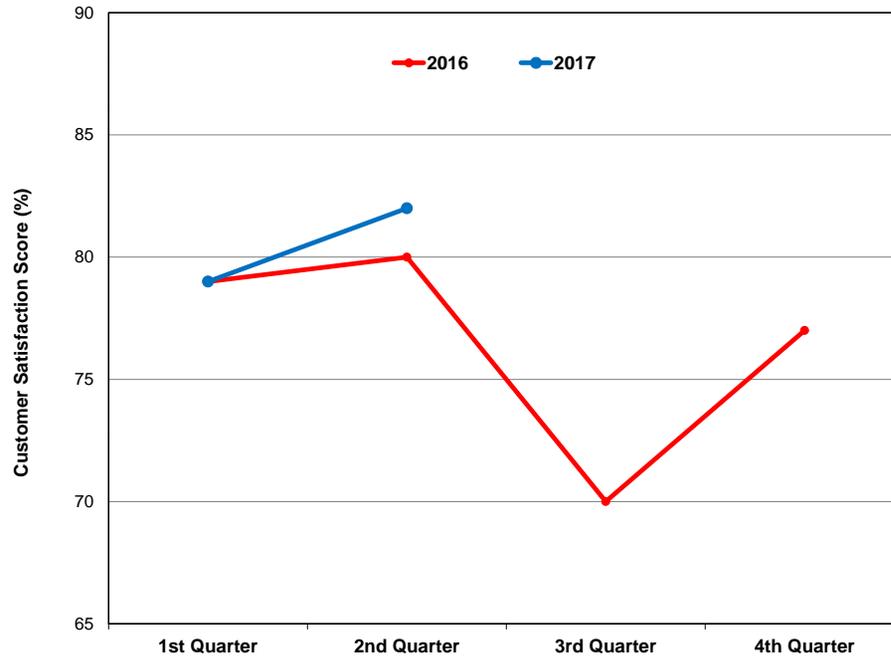
The number of customer journeys taken year-to-date to the end of August was 2.717M, which was 235K (8.0%) less than the budget of 2.952M journeys.

Average weekly ridership was below budget for the eighth consecutive month.

Note:  
Wheel-Trans ridership is not included in TTC ridership totals.

## Customer: Satisfaction

### Customer Satisfaction Score



High perceptions of overall customer satisfaction with the TTC continued in Q2 2017 (82%) and are in line with the previous quarter (Q1 2017: 79%) and last year (Q2 2016: 80%). By mode, satisfaction levels of subway (81%), bus (81%) and streetcar (79%) riders are consistent quarter-over-quarter and year-over-year.

Perceptions of overall customer satisfaction across all modes are mainly driven by trip duration, comfort of ride, wait time and level of crowding in the vehicle. Overall, these four metrics have remained consistent for all three modes; however, the perceptions of wait time for subway riders have declined significantly compared to that of last year, from 84% in Q2 2016 to 80% in Q2 2017.

The areas of highest customer satisfaction (≥80%) include:

- Helpfulness of maps and signs at station (subway)
- Cleanliness of station (subway)
- Cleanliness & freedom from litter in vehicle (subway)
- Ease of getting to train platform (subway)
- Ease of using or paying for fare (subway, bus, streetcar)
- Personal safety during trip (subway, bus, streetcar)
- Maps and information inside the vehicle (subway)
- Wait time (subway),
- Trip duration (subway, bus, streetcar)
- Comfort of ride (subway,)
- Quality of announcements (subway, bus, streetcar)
- Ease of hearing announcements (bus, streetcar)
- Helpfulness of announcements (bus, streetcar)
- Helpfulness and appearance of operator/station staff (subway, bus, streetcar)

Pride in the TTC and what it means for Toronto remained consistent quarter-over-quarter (73%) and year-over-year (Q1 2017: 71%; Q2 2016: 73%). Perceptions of value for money continue to be high with vast majority of customers (92%), saying they received average or better value for money on their last trip.

Approximately one-in-five customers (22%) indicated using PRESTO to pay for their last trip, which is a significant increase from this time last year (Q2 2016: 8%).

### **Customer: Charter**

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. The progress against these commitments is reported to the TTC Board quarterly and posted on [ttc.ca](http://ttc.ca).

### 2017 Customer Charter

The 2017 Charter includes 37 time-bound commitments which include:

- a) Promises around Wheel-Trans and introducing new No-Show and Late Cancellation policies.
- b) Launch an Anti-Harassment campaign and a Safety and Security app.
- c) Open the Line 1 Toronto-York Spadina Subway Extension with six new fully accessible modern stations including: two new TTC bus Terminals, three new TTC commuter parking

lots with 2800 spaces, and direct transit connections with GO Rail, GO Bus, York Region Transit buses including Viva. The stations will feature modern architecture with sustainable design features including: LED lighting, bird-friendly glass, green and cool roofs and landscaping designed to manage water run-off. Other station amenities will include Wi-Fi, covered bicycle storage, new Presto fare gates and new self-service Presto machines in service. The bus network along the corridors will be redesigned to serve the new stations.

- d) Continue with the PRESTO rollout by having PRESTO-enabled fare gates at all entrances at 43 subway stations.
- e) Start phasing out legacy fare media as the PRESTO rollout nears completion. This milestone leads one step closer to the full adoption of PRESTO.
- f) Complete Wi-Fi for 100% of our stations.
- g) Open a new second exit/entrance at Woodbine station and open two new elevators as part of the Easier Access program, making the station accessible.
- h) Open three new elevators at St. Clair West station and two elevators at Coxwell station, making the stations accessible.
- i) 300+ new buses in service to replace aging buses.
- j) Work with Bike Share Toronto to incorporate docking stations at a minimum of five TTC stations. This will offer customers a great solution for the first and last mile of their journey.
- k) Work with the Bombardier to have a minimum of 40 additional new low-floor, accessible streetcars on property.

## Q1 Results

All of the commitments for the first quarter were met. Commitments include:

- 1) The new Wheel-Trans eligibility processes and expanded eligibility criteria will be rolled out
  - This commitment was met by making improvements, such as expanding the eligibility criteria to include any disability that prevents a person from taking conventional transit and no longer requiring the applicant to travel to an interview to apply
- 2) The pilot for subway musician stages will be completed to increase and improve the entertainment experience in the stations

## Q2 Results

Four of the eight commitments were met for the quarter. Commitments include:

- 1) A Wheel-Trans Family of Services pilot program will be introduced, which allows for spontaneity and freedom of travel. This will include improved same-day booking availability for short trips to access TTC accessible vehicles and stations
  - This commitment was met by launching the Family of Services pilot program on May 29, 2017, with over 400 customer pilot volunteers and over 1000 Family of Services trips
  - The main focus was integration of Wheel-Trans on the subway system and will be extended to the conventional bus network in the fall
  - A dedicated phone line was established to support booking and scheduling of Family of Services trips
- 2) 200 passenger information displays will be installed in shelters to provide real time information on vehicle arrivals
  - The 200 shelter displays were installed on April 28<sup>th</sup>
- 3) The 514 Cherry route will be ensured to be serviced by new, fully accessible streetcars
  - All of the Cherry runs are currently operating with the new low floor cars
- 4) All entrances at 43 subway stations will have new PRESTO-enabled fare gates
  - New PRESTO-enabled fare gates were installed at the 43 stations by December 2016
  - Remaining subway entrances will have new PRESTO fare gates installed by early 2018

Commitments that were not met include:

- 5) An Anti-harassment campaign will be launched to raise awareness of and combat harassment on the TTC
  - This will be completed in Q3 to accommodate training and development
- 6) A Safety and Security app will be launched as another tool for customers to report related incidents
  - This will be completed in Q3 to accommodate training and development
- 7) The bike repair stop network will be expanded by an additional 10 stations
  - Due to delays in funding, the installation will take place in Q4
- 8) Time-saving signal priority technology will be installed at 15 intersections to speed up bus travel time
  - Six have been installed but there are technical issues with firmware
  - This should be completed by Q4 2017

For further details on the TTC customer charter, visit [ttc.ca](http://ttc.ca).

## **Customer: Engagement**

### Meet the Managers

Meet the Managers sessions enable customers and managers to interact on a personal level. This allows managers to gain additional insight into the challenges and opportunities experienced by customers while travelling on the TTC.

The Meet the Managers sessions for the remainder of 2017 are at the following stations:

October 19 – Dufferin; November 16 – Woodbine; December 14 – Coxwell

## **Customer: Fares**

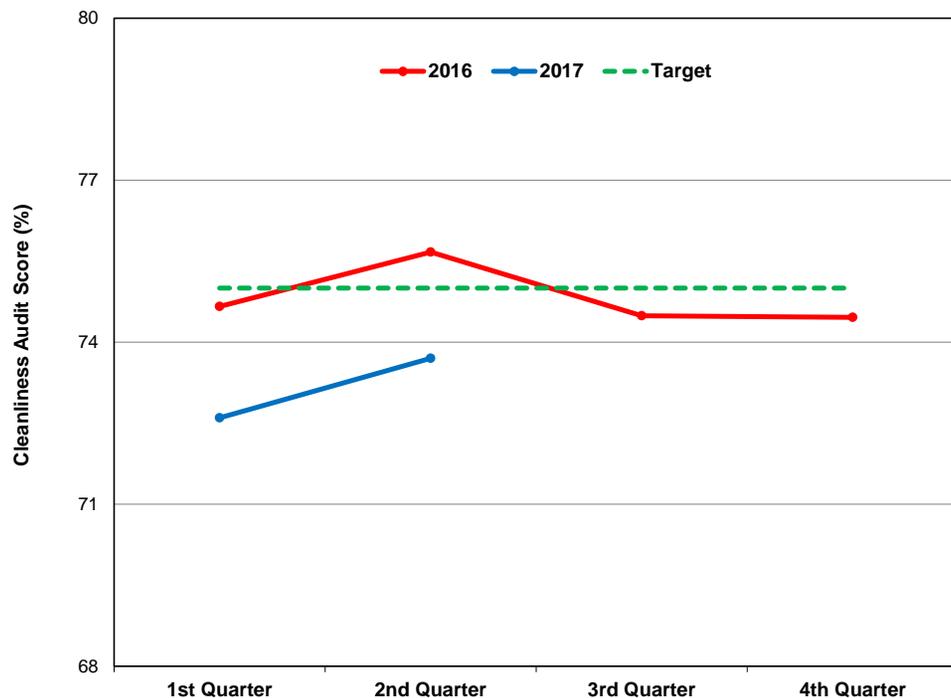
### PRESTO

The PRESTO rollout continues across the TTC.

- 44 stations and 76 entrances now have the new paddle-style fare gates.
- Fare gate construction is underway at Davisville, Kipling, Islington, Dundas West, Dundas, King, Spadina, Broadview, Scarborough Centre, Don Mills and Bathurst stations. It will continue until April 2018. In total, 25 stations and more than 50 entrances will have the new PRESTO-enabled fare gates installed during this final wave of construction.
- Software upgrades continue to be deployed to card readers and fare gates to improve their performance. Card readers now average greater than 97 percent availability.
- TTC Monthly Passes continue to be phased in on PRESTO. In September, 2,758 adult and 25 senior TTC Monthly Passes on PRESTO were sold. Passes are available for sale online at [prestocard.ca](http://prestocard.ca) or at the 38 Shoppers Drug Mart locations that sell PRESTO cards. The number of passes and locations to purchase them will be increased throughout 2017 and 2018. An MDP equivalent will be available on PRESTO early next year.

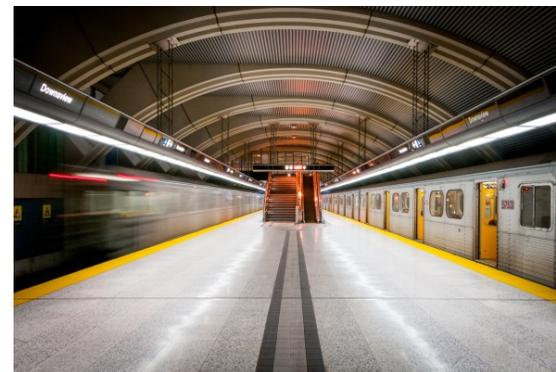
## Customer: Environment

### Station Cleanliness



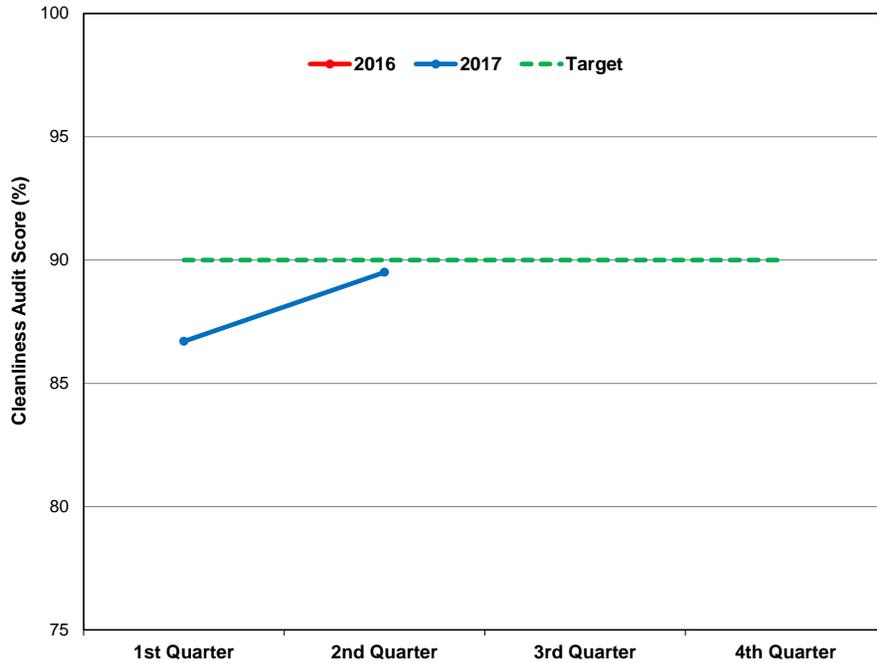
Performance in Q2 2017 increased to 73.7%, but it was below target and below the performance in Q2 2016.

Construction and renovations were still under way in many stations, which included total rebuilds of some areas, new revenue equipment (Presto) machines being installed and new elevators being installed. The construction areas had a large impact on the dust/debris that was around the station and the cleaner's ability to get access to certain areas. While the audits were done, there were days with extreme weather conditions with mixed precipitation, which contributed to the year-over-year decline in the score.



**Customer: Environment**

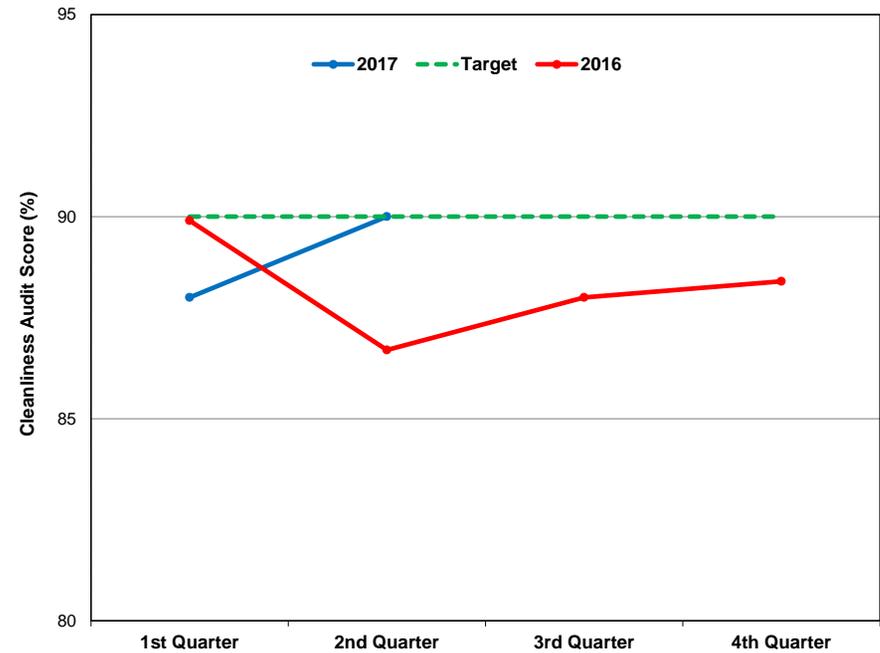
**Vehicle Cleanliness – Streetcar**



The streetcar cleanliness audit score increased in Q2 2017 to 89.5% but performance remained below target.

The top five problematic areas have been identified as the vehicle exterior, floors, gum, trash/debris and doors; efforts to improve scores in these areas are underway.

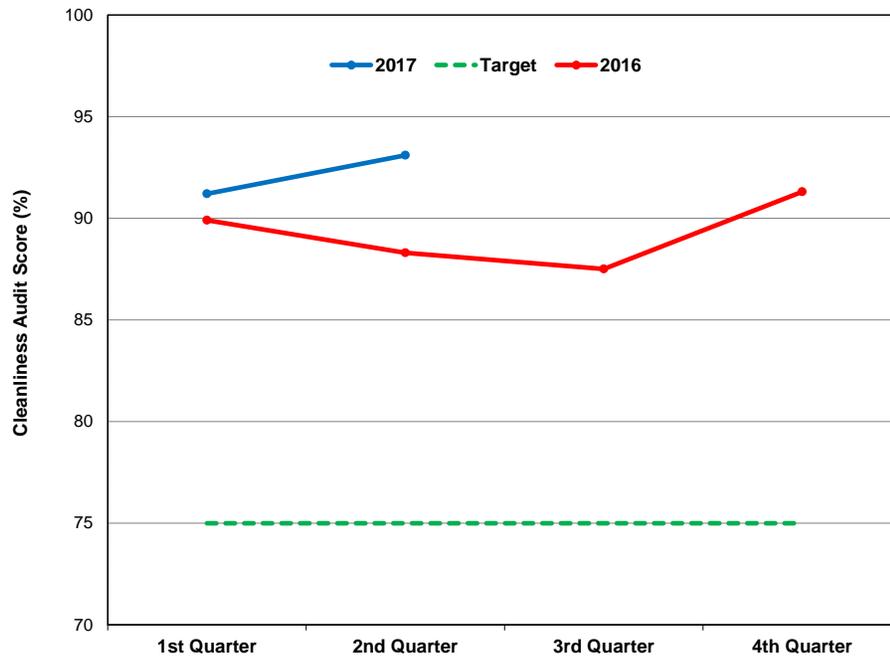
**Vehicle Cleanliness – Bus**



The bus cleanliness audit score increased in Q2 2017 to 90% and reached target.

Although a new wash rack helped increase audit scores, exterior cleanliness scores are still impacted by ongoing new wash rack adjustments and optimization at one of the garages. Maintenance and Engineering staff is working to improve the performance of the new wash rack through further equipment adjustments.

## Vehicle Cleanliness – Subway



The subway cleanliness audit score increased in Q2 2017 to 93.1%. Performance achieved target for the sixth consecutive quarter.

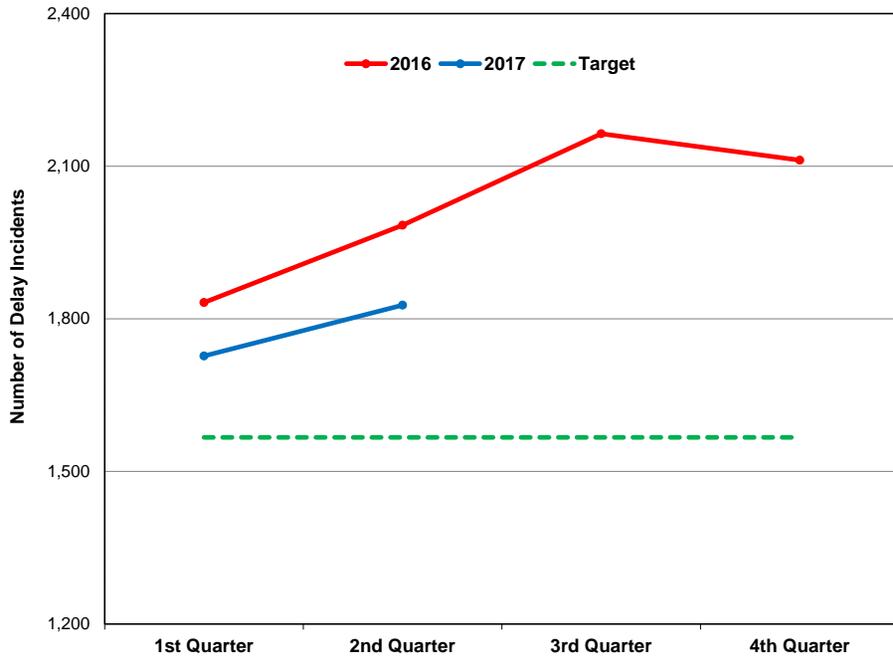
Both areas of improvement, walls and ceilings, were addressed since Q4 2016. Floor cleanliness improved since Q1. Currently, the floors are addressed every 14 days during the Floor Wash cycle. It is anticipated that the results for exterior wash and floors will improve in Q3 2017, since floors are typically less clean in Q1 and early Q2 with greater amount of salt and sand brought into the vehicles by the passengers.

**Customer: Service Performance**



**Subway**

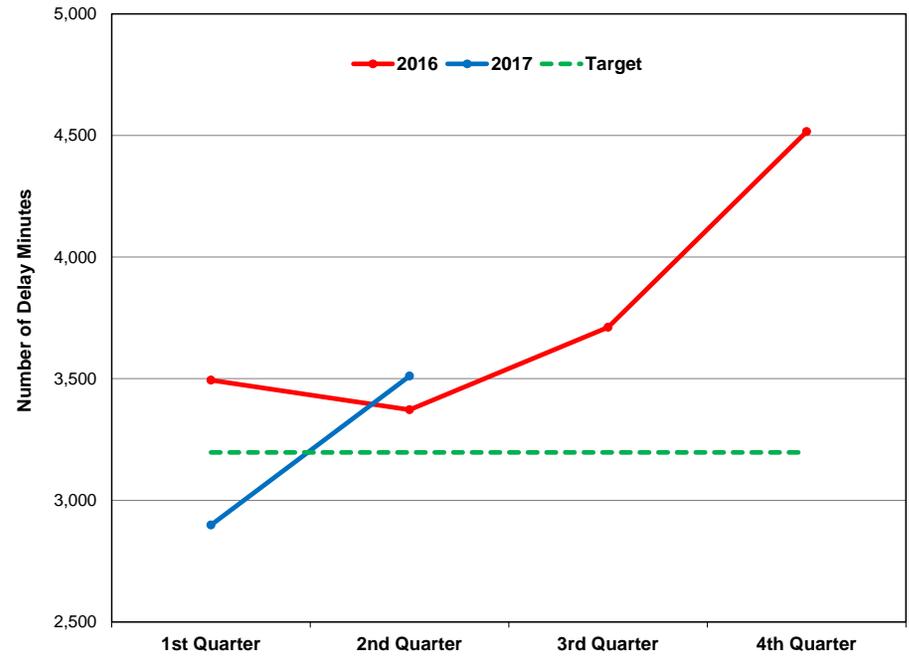
**Line 1: Delay Incidents**



The number of delay incidents increased in Q2 2017 to 1,827 and performance continued to not achieve target.

Note:  
The 2017 target is based on a 30% or more reduction in delay incidents from the 2014 quarterly average baseline.

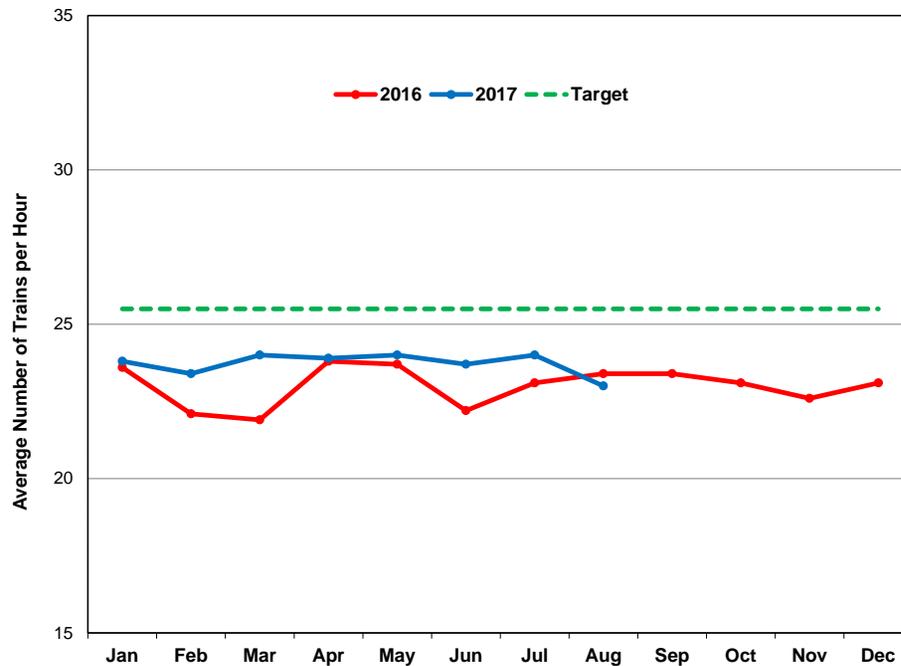
**Line 1: Delay Minutes**



The number of delay minutes increased in Q2 2017 to 3,511 and performance did not achieve target.

Note:  
The 2017 target is based on a 30% or more reduction in delay minutes from the 2014 quarterly average baseline.

### Line 1: Trains per Hour in Morning Peak



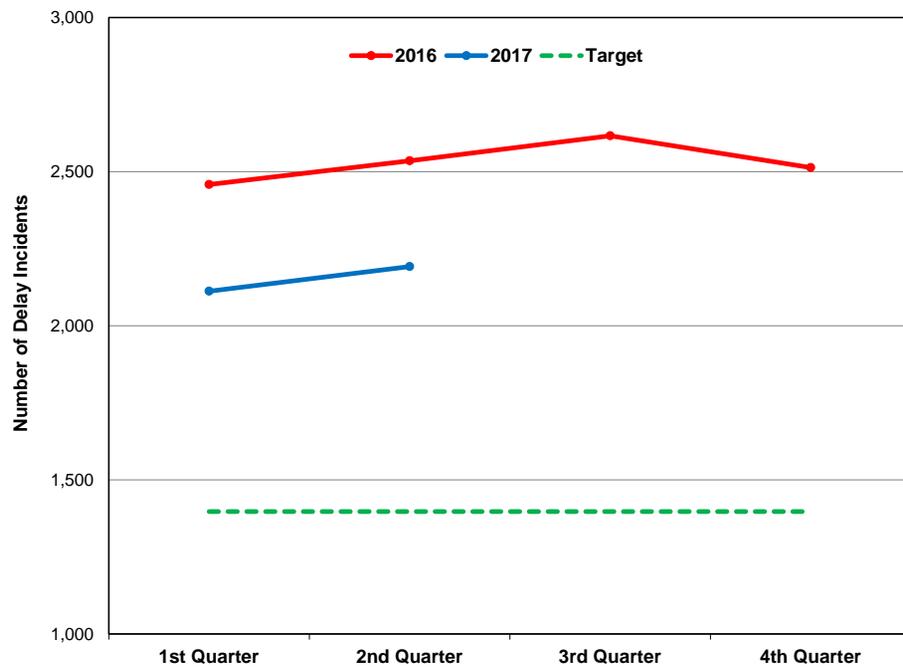
The daily average number of trains per hour (TPH) in the morning peak service period decreased in August to 23.0, or 90% of what was scheduled, partly due to a significant signal issue on August 10<sup>th</sup>. Performance remained below target.

As this measure focuses exclusively on the AM peak period, any incidents that occur anywhere on the line during that period will have a negative impact on the ability to meet the capacity target.

Note:

Data are based on weekday service from Monday to Friday.

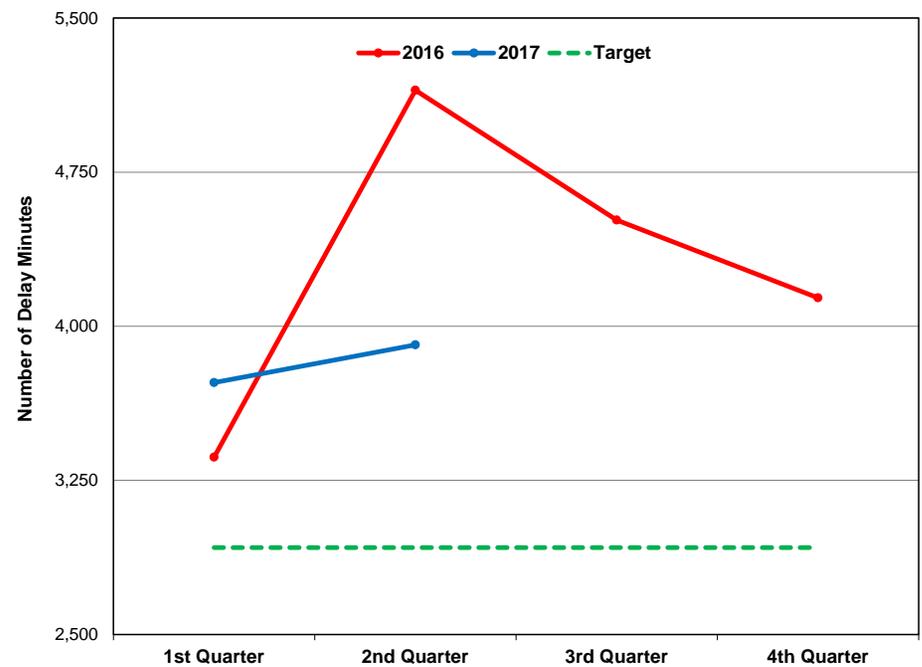
**Line 2: Delay Incidents**



The number of delay incidents increased in Q2 2017 to 2,192 and performance continued to not achieve target.

Note:  
The 2017 target is based on a 30% or more reduction in delay incidents from the 2014 quarterly average baseline.

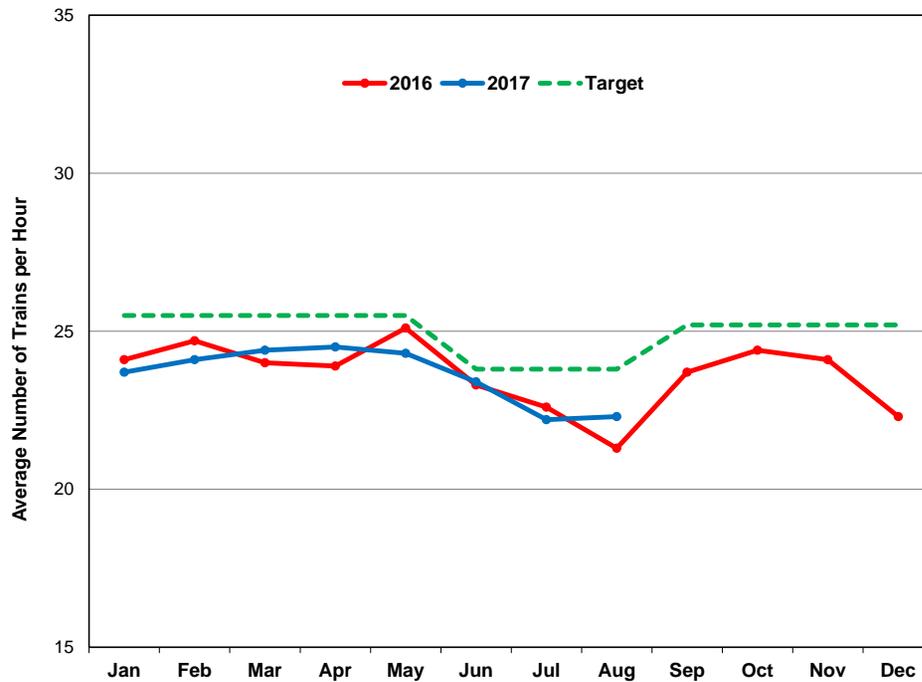
**Line 2: Delay Minutes**



The number of delay minutes increased in Q2 2017 to 3,909 and performance continued to not achieve target.

Note:  
The 2017 target is based on a 30% or more reduction in delay minutes from the 2014 quarterly average baseline.

### Line 2: Trains per Hour in Morning Peak

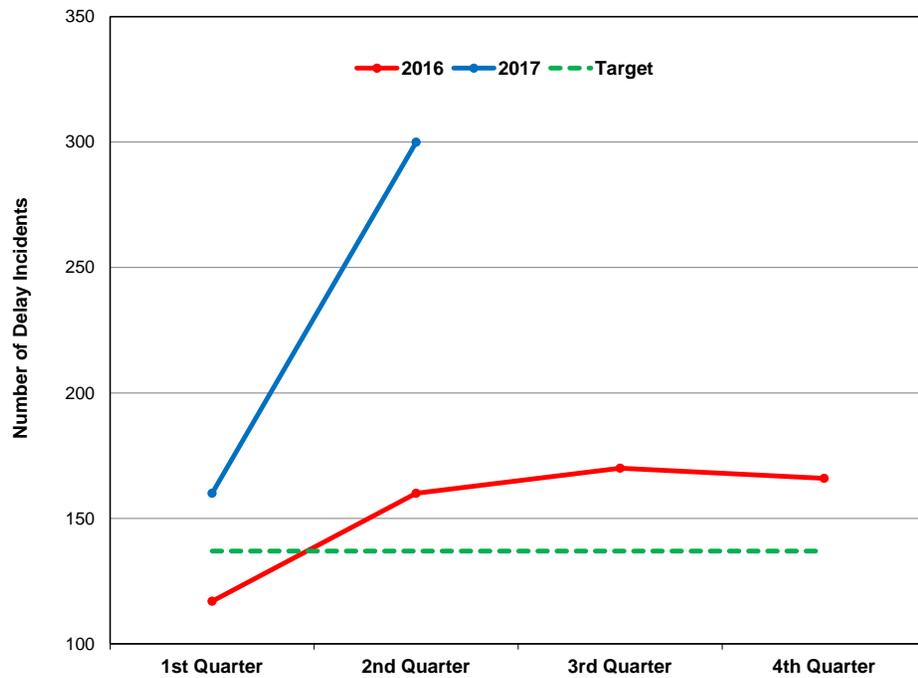


The daily average number of trains per hour (TPH) in the morning peak service period increased in August to 22.3, which was 94% of what was scheduled. Performance continued to remain below target, however.

As this measure focuses exclusively on the AM peak period, any incidents that occur anywhere on the line during that period will have a negative impact on results.

Note: Data are based on weekday service from Monday to Friday.

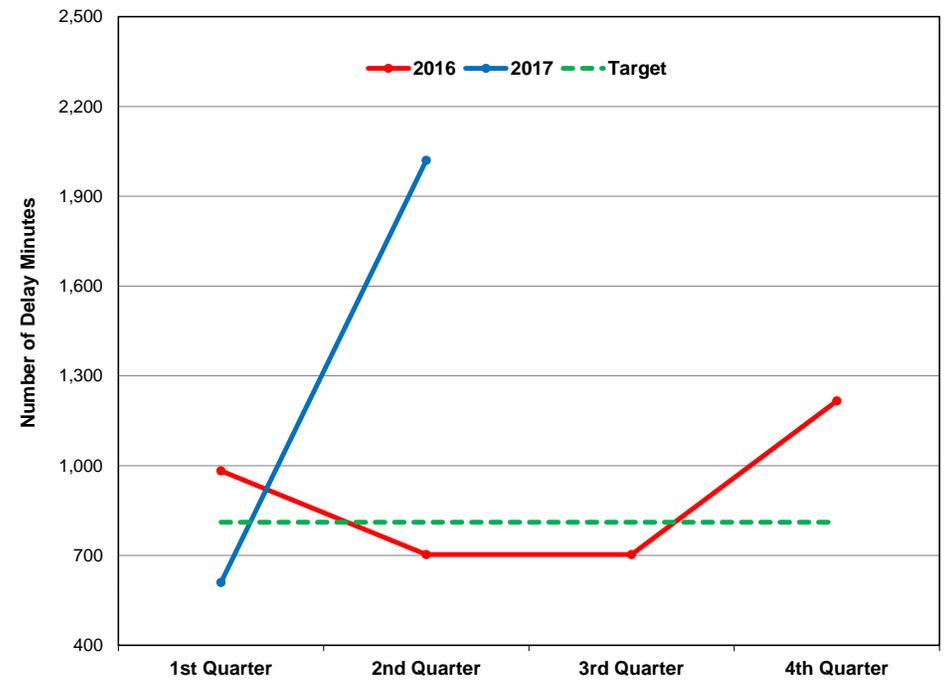
### Line 3: Delay Incidents



The number of delay incidents increased in Q2 2017 to 300; performance did not achieve target for the fifth consecutive quarter.

Note:  
The 2017 target is based on a 30% or more reduction in delay incidents from the 2014 quarterly average baseline.

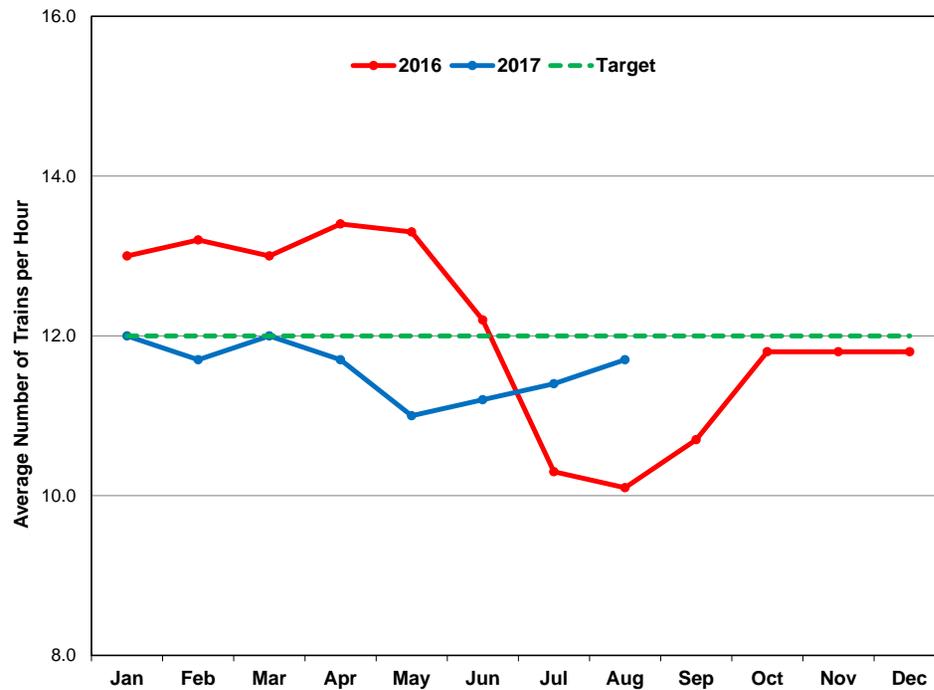
### Line 3: Delay Minutes



The number of delay minutes increased in Q2 2017 to 2,020 and performance did not achieve target.

Note:  
The 2017 target is based on a 30% or more reduction in delay minutes from the 2014 quarterly average baseline.

### Line 3: Trains per Hour in Morning Peak



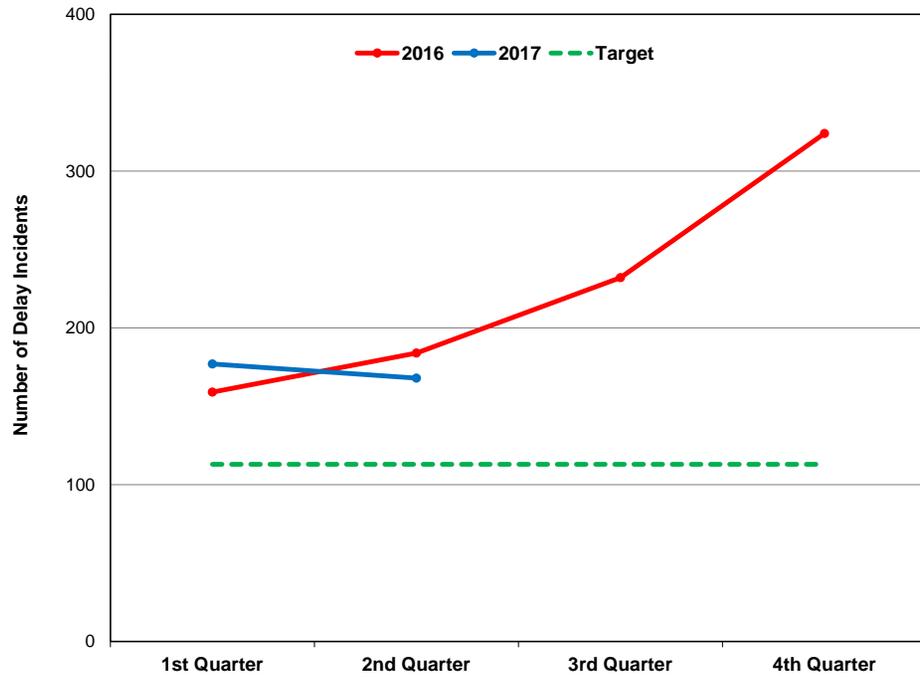
The daily average number of trains per hour (TPH) in the morning peak service period increased in August to 11.7, or 98% of what was scheduled. Overall performance did not achieve target, however.

Performance has improved year-over-year, due to more moderate summer temperatures as well as various management strategies related to the velocity and braking adjustments in warmer weather.

Note:

Data are based on weekday service from Monday to Friday.

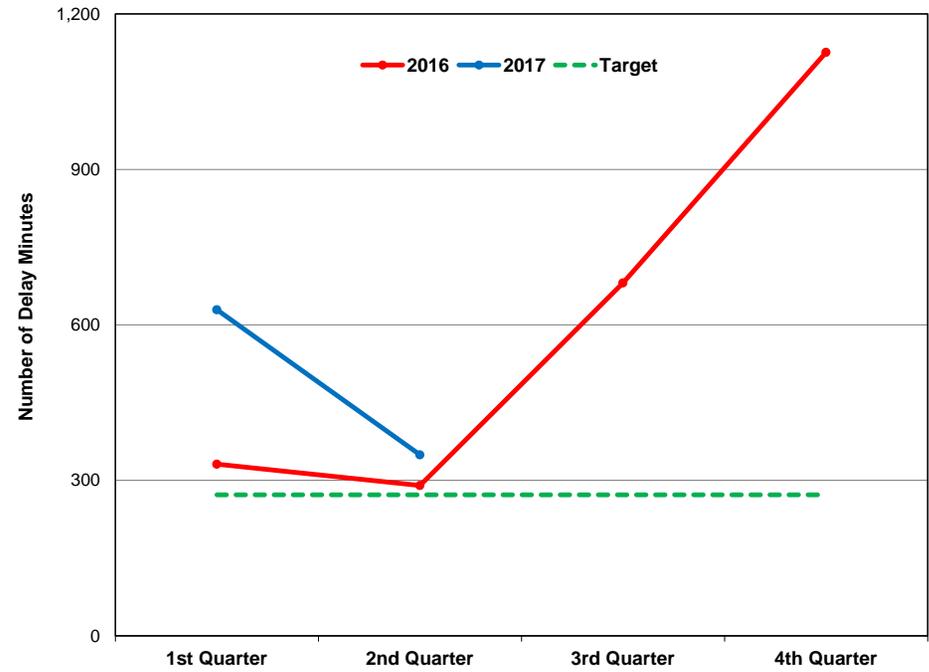
### Line 4: Delay Incidents



The number of delay incidents decreased in Q2 2017 to 168; however, performance continued to not achieve target.

Note:  
The 2017 target is based on a 30% or more reduction in delay incidents from the 2014 quarterly average baseline.

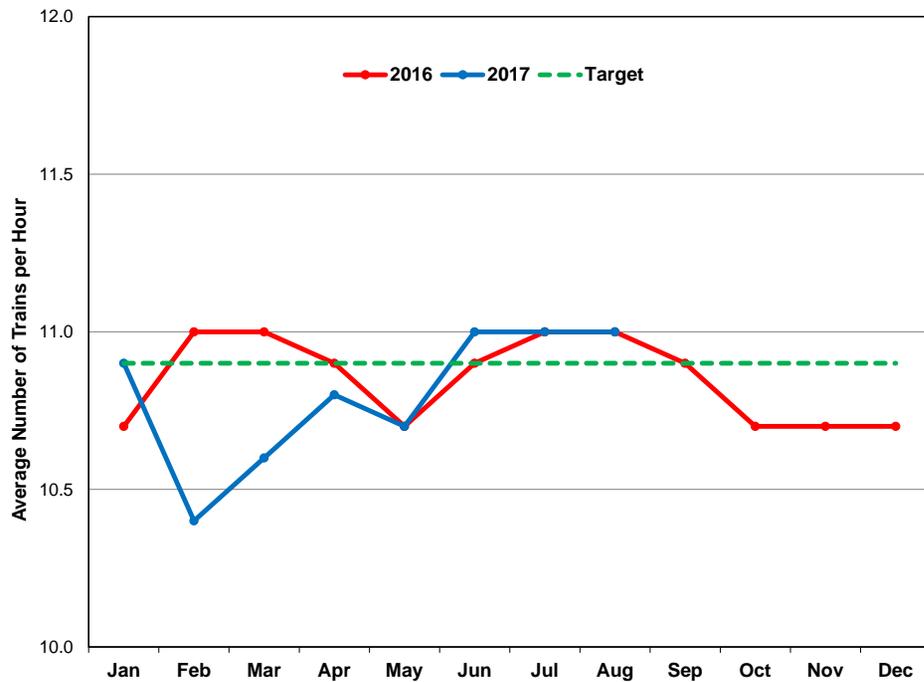
### Line 4: Delay Minutes



The number of delay minutes decreased in Q2 2017 to 349; however, performance continued to not achieve target.

Note:  
The 2017 target is based on a 30% or more reduction in delay minutes from the 2014 quarterly average baseline.

### Line 4: Trains per Hour in Morning Peak

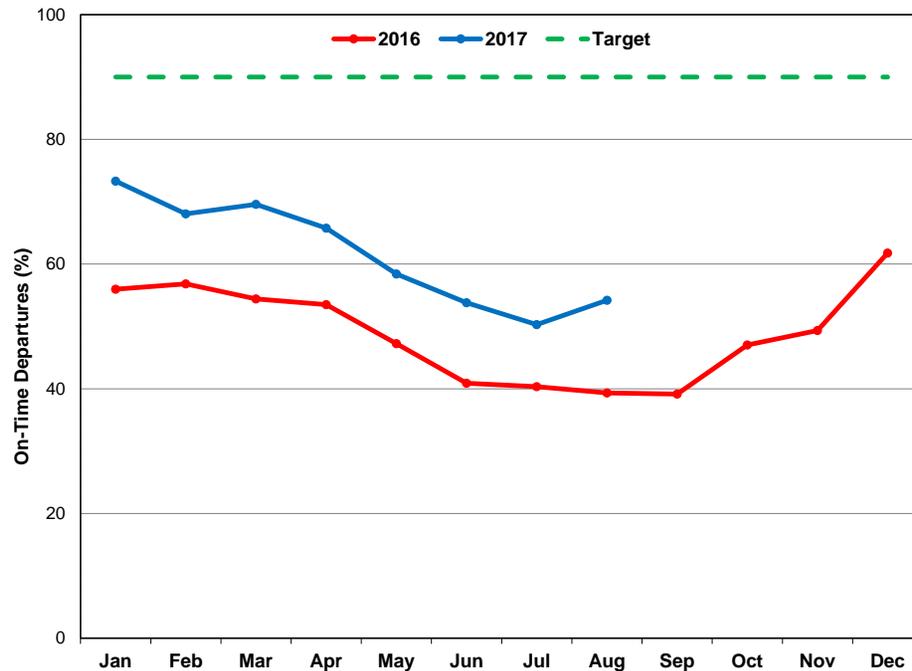


The daily average number of trains per hour (TPH) in the morning peak service period remained unchanged in August at 11.0, or 101% of what was scheduled. Overall performance achieved target for the fourth time this year.

As this measure focuses exclusively on the AM peak period, any incidents that occur anywhere on the line during that period will adversely impact results.

Note:  
Data are based on weekday service from Monday to Friday.

### On-Time Performance



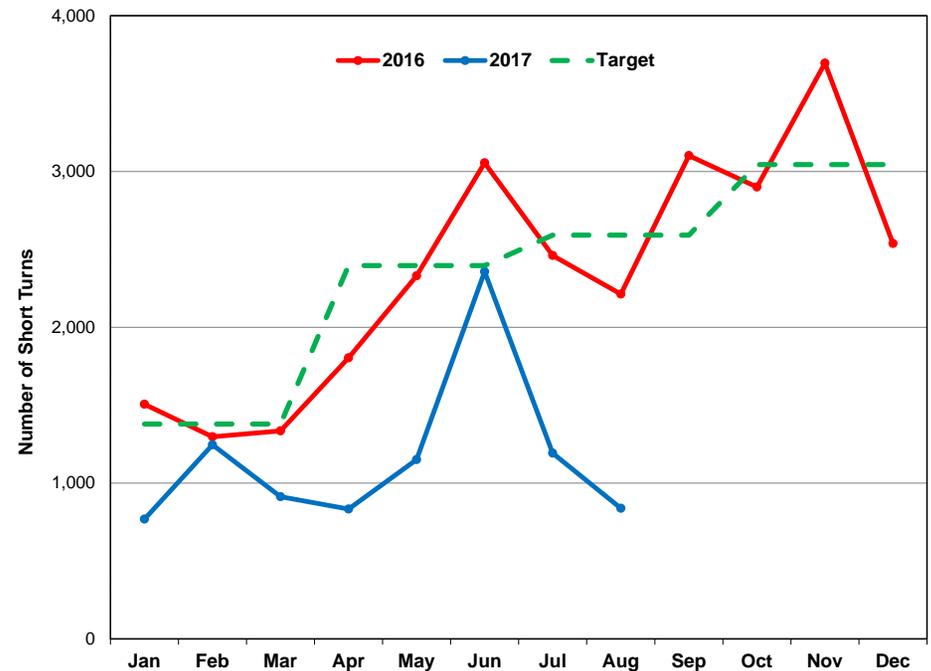
Performance in August increased to 54.2%, but continued to not achieve target.

The “construction season” with a number of major projects has had negative impact on the performance. Increased traffic flows and route diversions have negatively impacted on-time departures. In addition, interlacing of the 509 Harbourfront and 510 Spadina routes has had some negative effect on the performance; efforts will continue to improve scheduling at this location. Efforts to improve all ten routes are continuing.

Note:

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

### Short Turns



The number of short turns decreased in August to 838; performance continued to remain below target (favourable).

Constructions on Queen Street, Dundas Street and Carlton Street came to completion in July and August. With the return to regular routing along these routes, schedule reliability returned to normal levels and the number of short turns decreased. The route management strategies have continued to meet the target.

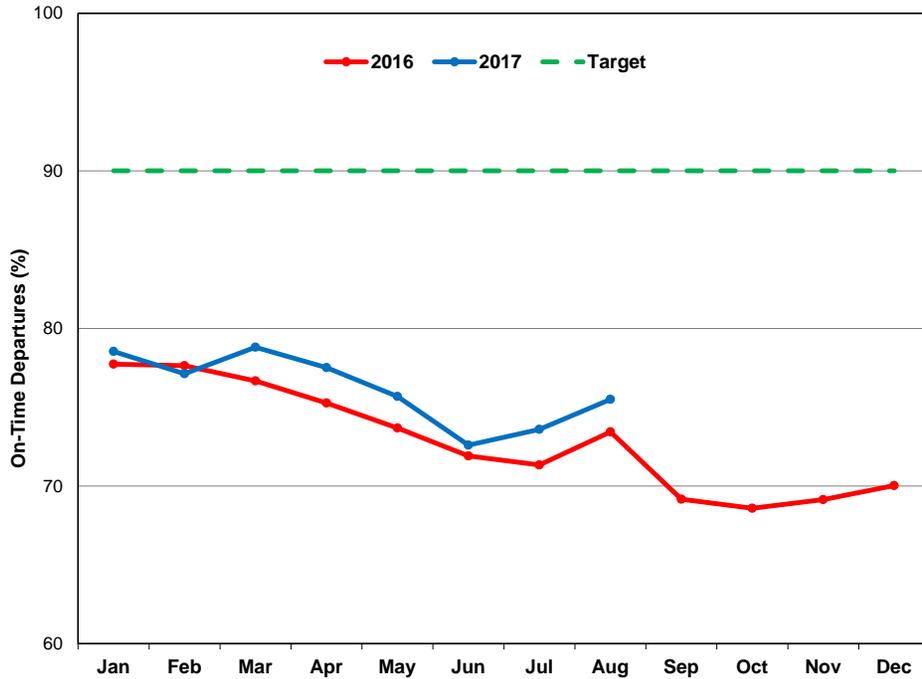
Note:

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



Bus

### On-Time Performance

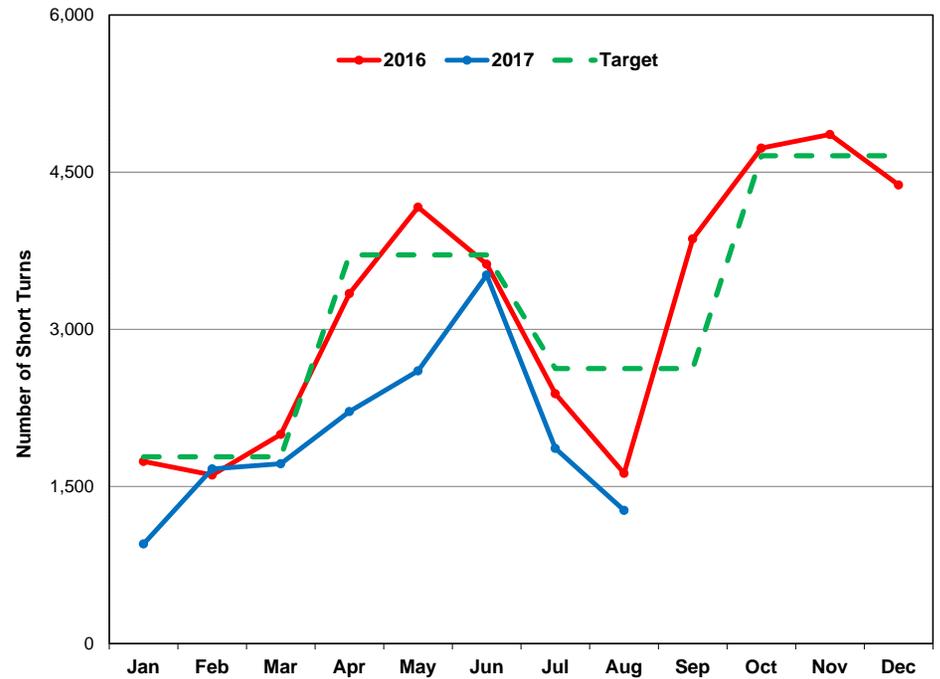


Performance in August increased to 75.5%, but continued to not achieve target.

As a result of schedule improvements, early departures have reduced and on-time performance improved year-over-year. The focus on route improvement strategies will continue in an effort to reverse the seasonal trend of declining performance, which has occurred in Q3 and Q4 historically.

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

### Short Turns



The number of short turns in August decreased to 1,273; performance was below target (favourable).

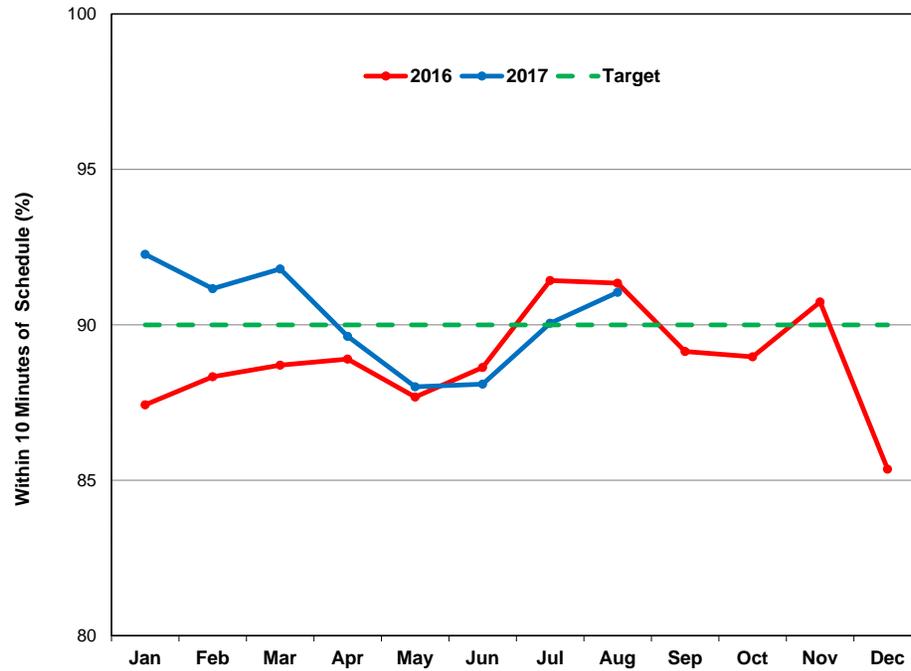
Short turns have continued to trend lower than last year, despite the Metrolinx construction in the east end of the city. A strong commitment to improving route management strategies continues in the area of short turns and has shown year-over-year improvement.

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



## Wheel-Trans

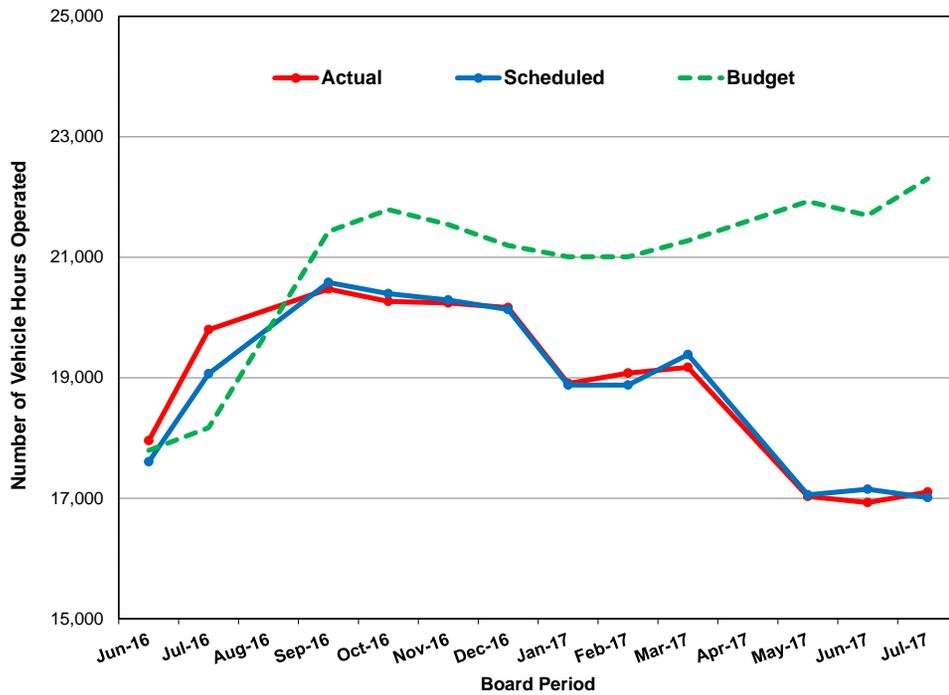
### Punctuality



Performance in August increased to 91.1%; performance achieved target for the fifth time this year. There were intermittent delays due to closures and construction projects throughout the city, which caused gridlock during most days. During the weekends, improvements were made in communicating which areas of the city to avoid, due to construction and events.

**Customer: Amount of Service**

**Weekly Service Hours - Streetcar**

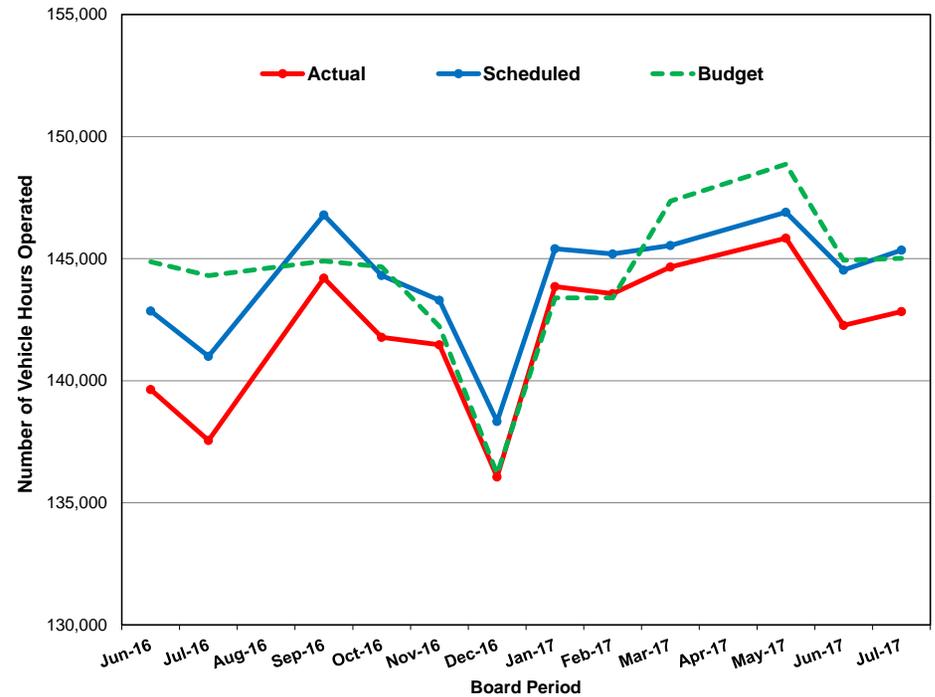


In the July 2017 Board Period, 22,305 streetcar weekly hours were budgeted for service, while 17,013 streetcar weekly hours were scheduled to operate, which represents a -23.7% variance.

This variance can be attributed to the reduction of the streetcar fleet from a budgeted 196 to 160 AM peak cars required in the 2017 May Board Period.

Of the 17,013 streetcar weekly hours scheduled to operate, 17,106 streetcar weekly hours were actually delivered, which represents a variance of 0.5%.

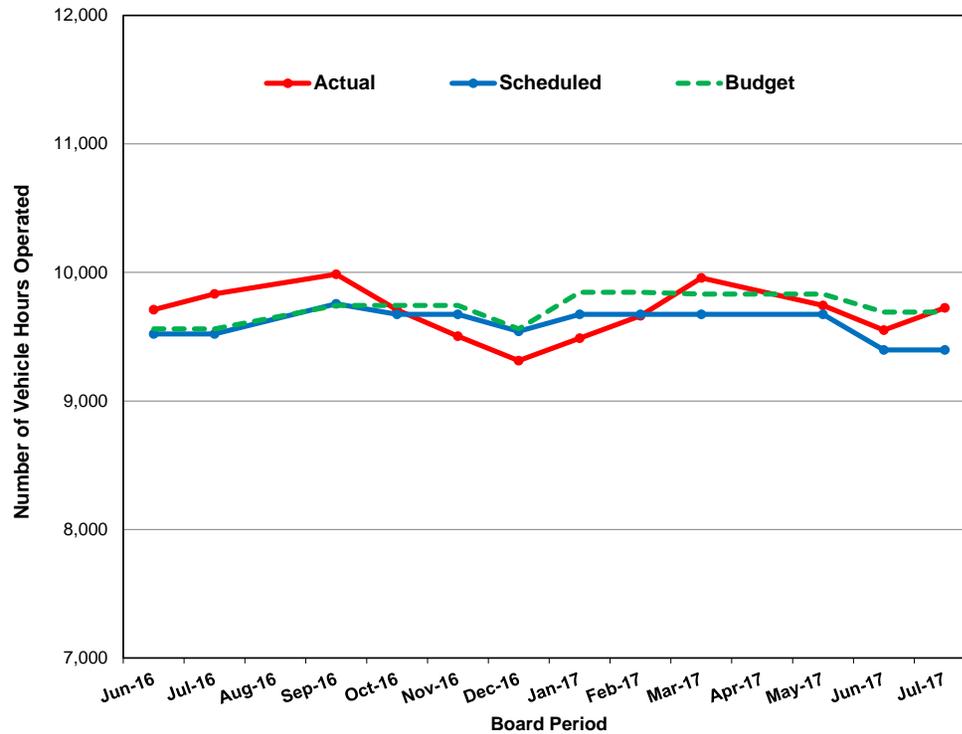
**Weekly Service Hours - Bus**



In the July 2017 Board Period, 145,013 bus weekly hours were budgeted for service, while 145,353 bus weekly hours were scheduled to operate, which represents a 0.2% variance.

Of the 145,353 bus weekly hours scheduled to operate, 142,839 weekly hours were actually delivered, which represents a variance of -1.7%.

## Weekly Service Hours – Subway



In the July 2017 Board Period, 9,691 subway weekly hours were budgeted for service, while 9,397 subway weekly hours were scheduled to operate, which represents a -3.0% variance.

Of the 9,397 subway weekly hours scheduled to operate, 9,725 weekly hours were actually delivered, which represents a variance of 3.5%.

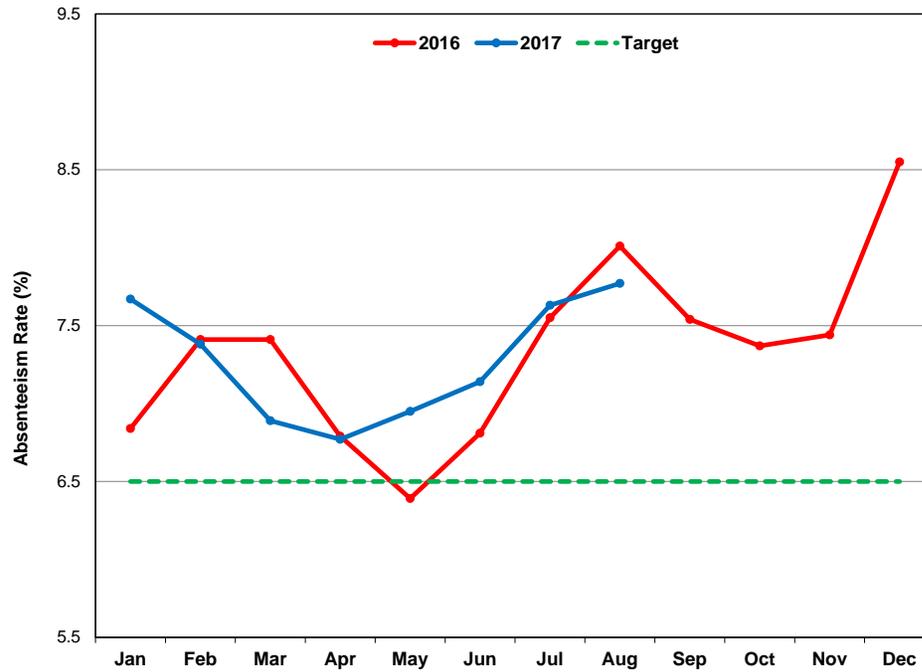


**3.3 People**

*As Toronto hosted the 2017 Invictus Games, the TTC lent its support by providing accessible shuttles, signage, and bus charter services for Team Canada athletes.*

## People

### Employee Absence



The absenteeism rate in August increased to 7.77% and continued to remain above target (unfavourable).

Staff continues to manage absence with a focus on reducing the number of complex absence cases and the duration of these absences.

## Fitness for Duty Update

### Random Testing – Program Summary by Test Type (May 8 to September 21, 2017)

Employee Category	Compliant Tests	Non-Compliant Tests (drug, alcohol, refusal)	Total Tests	% Non-Compliant
Unionized	807	21	828	2.5%
Non-Union	162	1	163	0.6%
<b>Totals</b>	<b>969</b>	<b>22</b>	<b>991</b>	<b>2.2%</b>

Note: currently 31 drug test results have yet to be reported as they are still undergoing laboratory analysis

### Breakdown of Non-Compliant Tests

Test Category	Total
Drug	15
Alcohol	5
Refusal	2
<b>Totals</b>	<b>22</b>

### Breakdown of Non-Compliant Drug and Alcohol Tests

Substance Type	Total	%
Oxycodone	1	4.8%
Opiates	1	4.8%
Marijuana	11	52.3%
Cocaine	2	9.5%
Amphetamines	1	4.8%
Alcohol	5	23.8%
<b>Totals</b>	<b>21</b>	<b>100%</b>

Note: 1 drug result was positive for two different drugs

### Breakdown of Other Policy Violations

Policy Category	Total
Alcohol Non-Compliant for 0.02 – 0.039	1
Safety Sensitive Flag	2
<b>Totals</b>	<b>3</b>

### 3.4 Assets



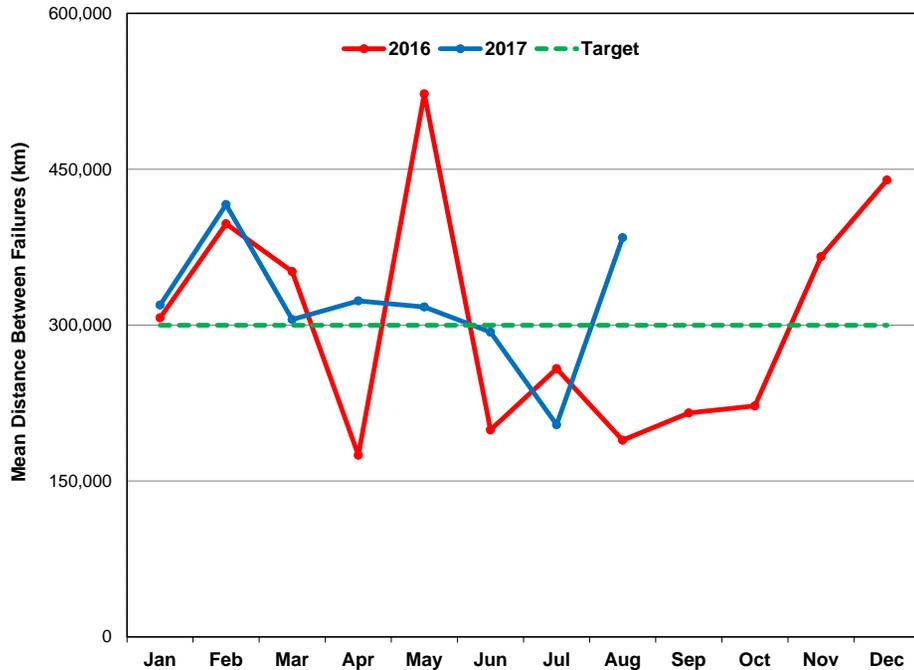
*The new Community Bus Pilot began in September, as part of the Wheel-Trans Family of Services initiative to introduce new options for TTC Customers.*

## Assets: Vehicle Reliability



### Subway

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

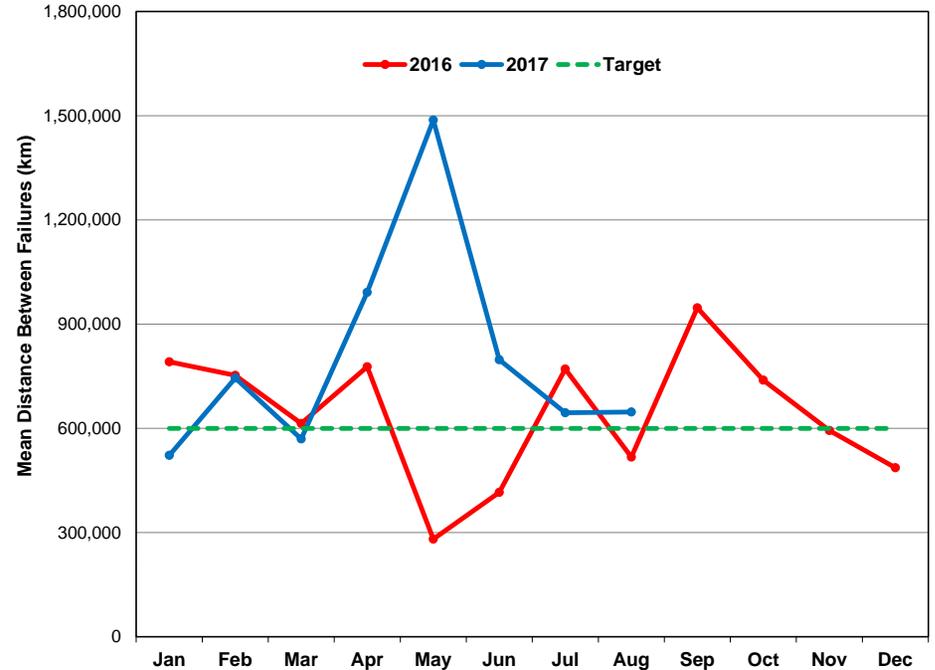


The MBDF increased in August to 384,111 kilometres and performance was above target in three months.

The T1 Accelerated Door Overhaul program was completed in 2015. The overhaul program of door pocket guides and master controller upgrades was completed in Q1 2017. Benefits of these overhauls are expected to be observed in the coming months.

Maintenance and engineering staff are collaborating to develop solutions to improve the reliability of the brake units.

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

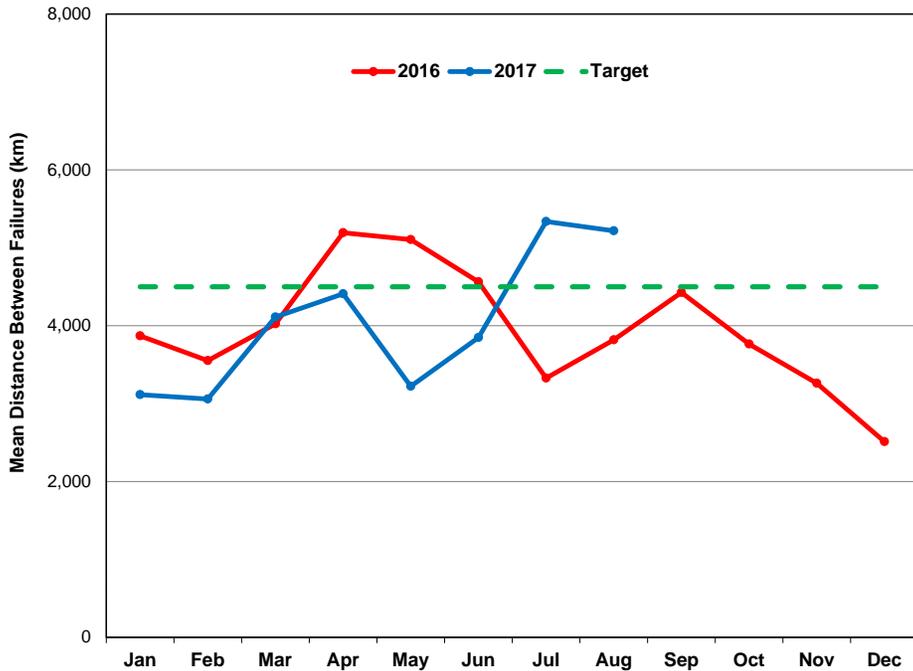


The MDBF increased in August to 647,071 kilometres and performance was above target.

To date, 76 train sets have been retrofitted with Revision E cab doors, which eliminate the broken key/door interlock issues and add a door lockout/interlock bypassing mechanism that allows the trains to remain in service. A fleet check identified an issue with the quality of Bombardier’s workmanship on Revision E cab doors and mitigations were agreed upon with Bombardier. The passenger door system and the brake system have received numerous modifications. Fleet retrofits of the new modifications and validation testing of the proposed upgrades are in progress and improvements are anticipated in the future.



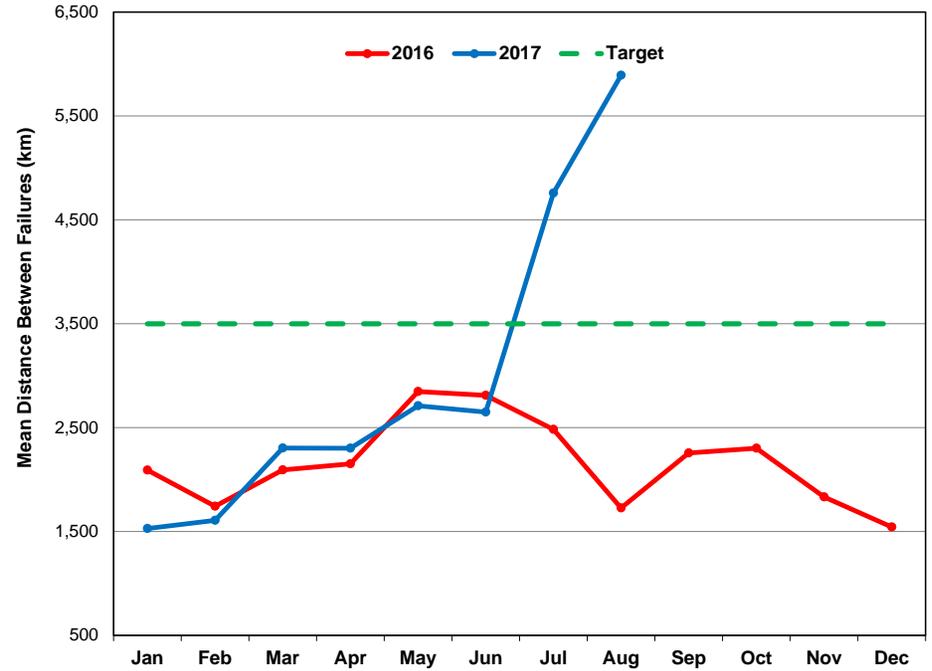
### CLRV Streetcar: Mean Distance Between Failures (MDBF)



The MDBF decreased in August to 5,216 kilometres. However, overall performance has been above target for two consecutive months this year.

On-going maintenance programs (including a life extension overhaul on selected vehicles) are implemented to keep the vehicles in a State of Good Repair (SOGR) and to minimize impact on the service.

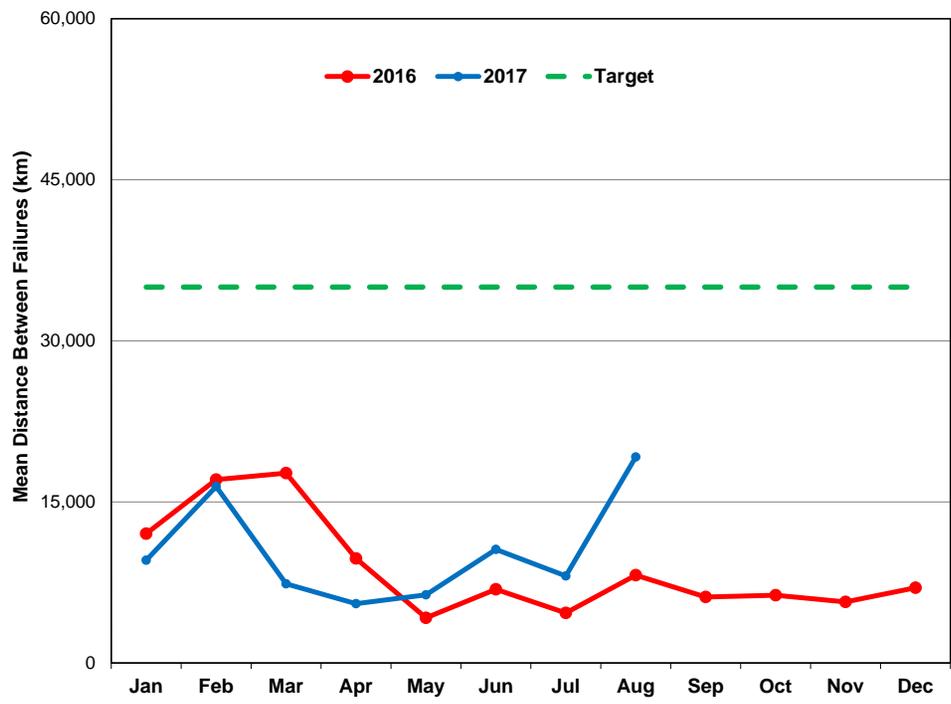
### ALRV Streetcar: Mean Distance Between Failures (MDBF)



The MDBF increased in August to 5,891 kilometres. Performance was above target for the first time in 20 months.

On-going maintenance programs (including a life extension overhaul on selected vehicles) are implemented to keep the vehicles in a State of Good Repair and to minimize impact on the service.

### New Streetcar: Mean Distance Between Failures (MDBF)



The MDBF increased in August to 19,189 kilometres.

Contractual KPI will be included upon the acceptance of the 60<sup>th</sup> new streetcar and attainment of specified fleet mileage. Upon acceptance of the 60<sup>th</sup> LFLRV, the reliability target is 35,000 km between chargeable defects due to delays equal to or longer than five minutes.

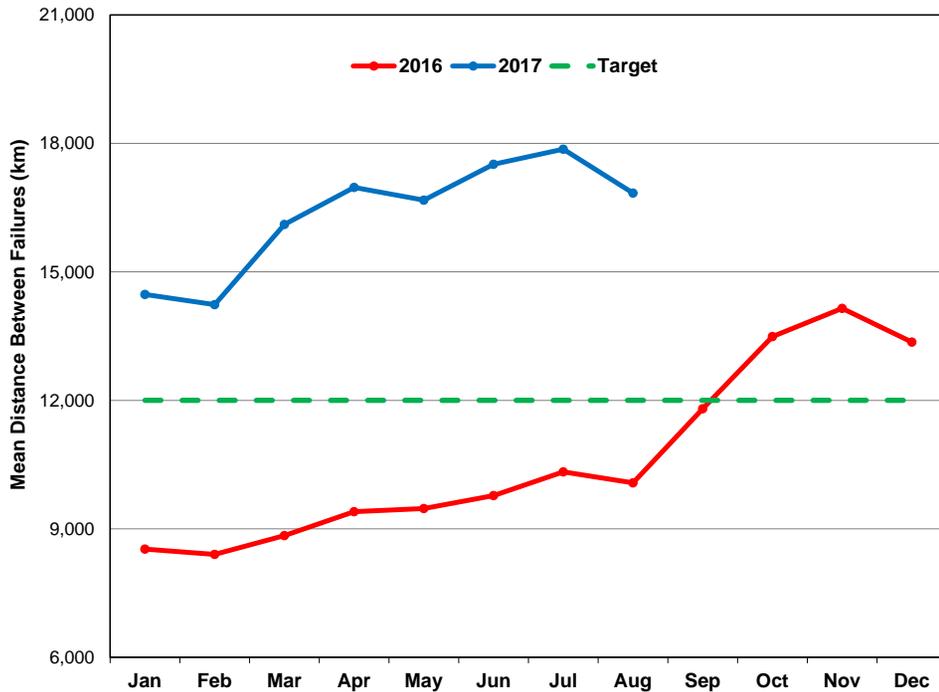
Bombardier's LFLRV mileage is calculated according to each calendar month, whereas the CLRV and ALRV mileage is calculated according to the TTC's financial period.

Of the 9 failures reported in August, 4 of them were door-related. A plan is in place to create a reference car ("golden train") to ensure manufacturing and set-up quality is consistently maintained to reduce downtime and a major door modification program is in progress.



Bus

### Bus: Mean Distance Between Failures (MDBF)



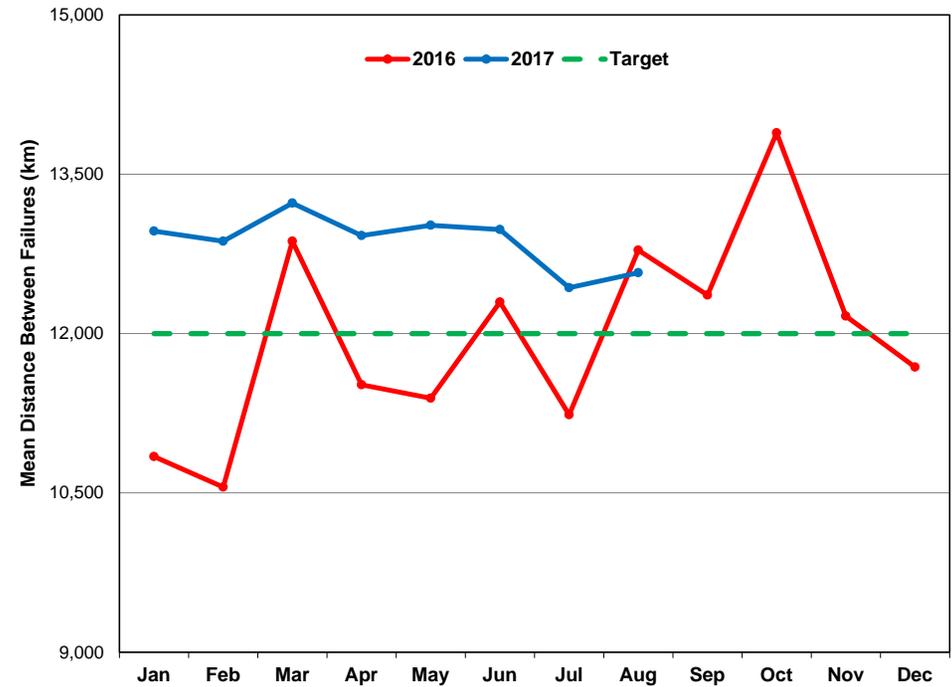
The MDBF decreased in August to 16,838 kilometres. Performance continued to achieve target, however, and it was 67% higher than the performance in August 2016.

Garage technical staff will continue to focus on quality repairs and analysis of repeaters as well as heating and cooling systems. Maintenance facilities staff have also completed the State of Good Repair program on 640 buses since starting in early July 2016 and performed post-repair circle checks to improve bus pull-out and minimize disruptions to service.



Wheel-Trans

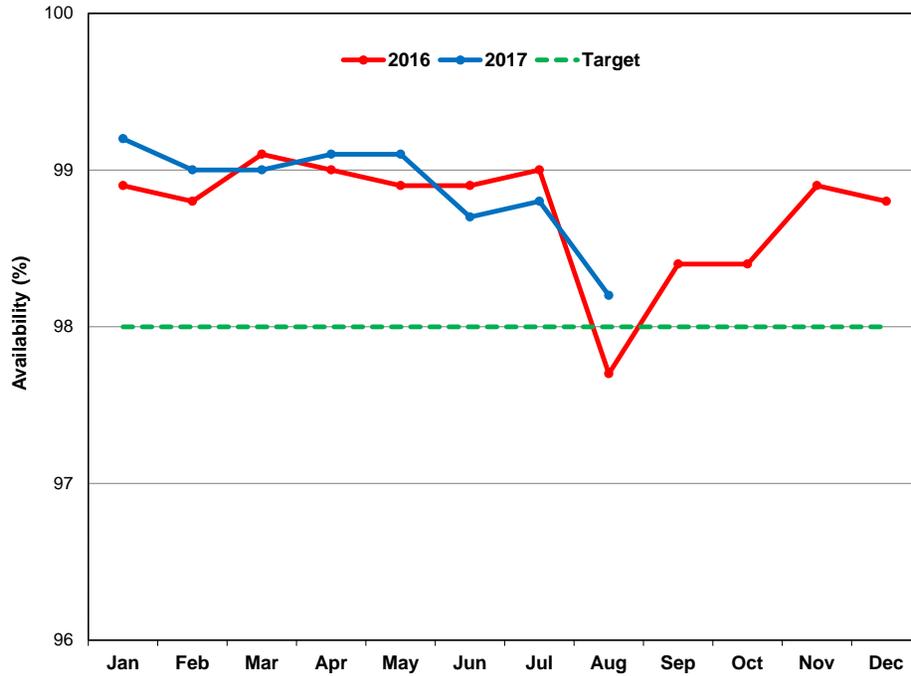
### Wheel-Trans: Mean Distance Between Failures (MDBF)



The MDBF increased in August to 12,573 kilometres. Overall performance continued to achieve target but it was 2% lower than the performance in August 2016. To date, there are a total of 22 rebuilt buses now in operation and reliability is expected to increase to 15,000 km by the end of this year.

## Assets: Equipment Availability

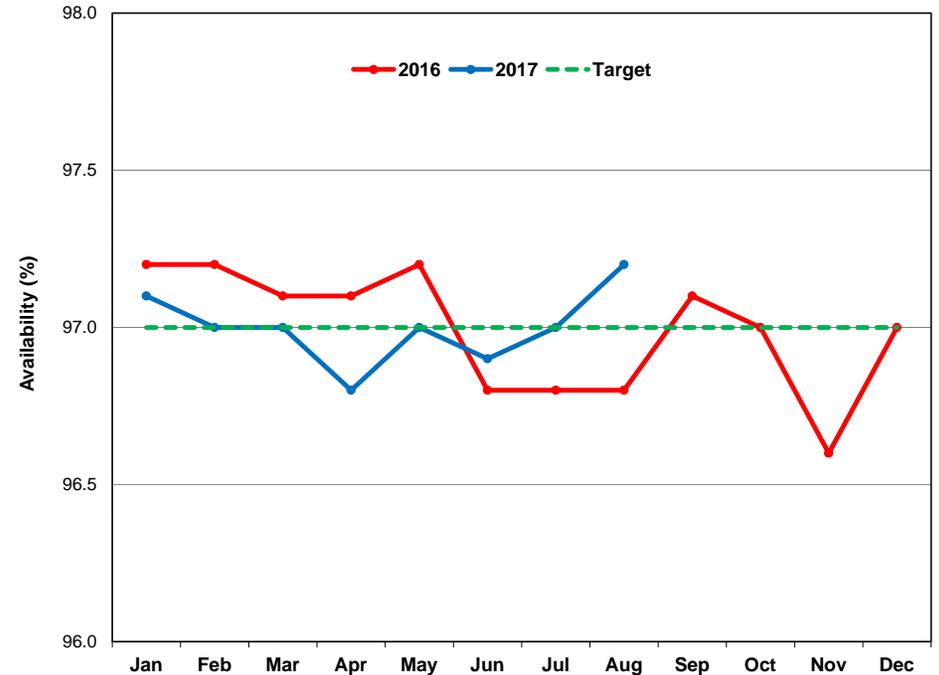
### Elevators



Performance in August decreased to 98.2% but continued to remain above target.

Maintenance activities were completed as planned and scheduled.

### Escalators



Performance in August increased to 97.2% and achieved target.

Maintenance activities were completed as planned and scheduled.

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### 3.5 Financials

## Financials

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

### **2017 Projected Year-End Subsidy Surplus**

It is currently projected that the TTC and Wheel-Trans Operating Budgets will have a combined year-end subsidy surplus of \$44.5 million as illustrated in the following table:

(millions)	Projection	Budget	Variance
TTC Subsidy Surplus	\$30.8	\$0	\$30.8
Wheel-Trans Subsidy Surplus	\$13.7	\$0	\$13.7
Total Subsidy Surplus/(Shortfall)	\$44.5	\$0	\$44.5

Further details are provided in the material below.

### **TTC Operating Budget**

#### **2017 Year-to-Date Results**

To the end of Period 8 (August 26), total revenues were \$0.5 million (0.1%) above budget primarily due to a higher average fare (3.5¢ or 1.6%) stemming from ongoing changes in the mix of fare media, mostly offset by 5.8 million (1.7%) fewer customer journeys than planned.

Over the same time period, expenses were under budget (\$59.9 million or 5.1%) largely due to workforce being under budgeted strength, lower accident claim cash payments and employee benefit expenses, timing differences on certain non-labour expenses, and savings on energy costs.

## **2017 Year-End Projections**

(millions)	Projection	Budget	Variance
2017 TTC Operating Budget			
Customer Journeys (Ridership)	538.3	543.8	(5.5)
Revenue	\$1,235.6	\$1,237.6	(\$2.0)
Expenses	\$1,751.6	\$1,798.4	(\$46.8)
Subsidy Required	\$516.0	\$560.8	(\$44.8)
Subsidy Available*	\$546.8	\$546.8	\$0
Draw from TTC Stabilization Reserve	\$0	\$14.0	(\$14.0)
Surplus/(Shortfall)	\$30.8	\$0	\$30.8

\*Excludes a \$14 million draw from the TTC Stabilization Reserve held by the City of Toronto.

Currently, a \$30.8 million (or 5.6%) year-end subsidy surplus is projected. The key budget variances that account for this projection are as follows:

### **Stabilization Reserve Draw: \$14.0 million decrease**

Based on the variances noted below and the projected subsidy surplus, it is anticipated that the planned \$14 million draw from the TTC Stabilization Reserve will not be required this year.

### **Passenger Revenues: \$1.3 million decrease**

Year-end ridership is expected to be approximately 1% below budget; however, passenger revenues are expected to be only 0.1% below budget. The more favourable revenue projection is mainly due to the current trend of customers switching from pass-based fare media to single-ride fare media, particularly PRESTO e-purse, which has resulted in an increase in the average fare.

### **Labour Expenses: \$14.3 million decrease**

Reasons for the labour under-expenditure include: delays in filling some positions especially skilled trades and IT contractor conversions, the need to have some operating personnel work on capital projects and the deferral or elimination of selected initiatives. Initiatives deferred or eliminated include the delayed hiring of certain Leslie Barns personnel due to delays with LRV deliveries and the Metrolinx decision to have PRESTO front line maintenance completed by their own resources instead of TTC employees.

Non-Labour Expenses: \$8.8 million decrease

Lower than expected vehicle maintenance expenses account for most of these savings that are the result of improved bus vehicle reliability and delays in receiving parts for certain subway car preventative maintenance programs.

PRESTO Fees: \$7.0 million decrease

PRESTO fees will be below budget primarily due to the projected take up rate for pass users being lower than initially anticipated in 2017.

Employee Benefits: \$6.0 million decrease

Lower labour expenses, combined with the year-to-date trend in healthcare expenses to date, indicate that employee benefit expenses will fall below budget by year-end.

Diesel: \$5.0 million decrease

A more favourable fuel consumption rate than anticipated, in part due to more favourable weather conditions, accounts for this positive impact.

Hydro and Utilities: \$3.0 million decrease

Expenses to date have been less than anticipated primarily due to lower than forecasted rates and consumption.

Depreciation: \$2.0 million decrease

Based on lower than anticipated capital asset acquisitions in 2016, it is projected that the corresponding depreciation expense for 2017 will also be lower than originally expected.

**TORONTO TRANSIT COMMISSION  
2017 OPERATING BUDGET - INCOME STATEMENT**

	Period 8: 4 Weeks July 30 to August 26, 2017				Eight Periods to August 26, 2017				Full Year 2017			
	(\$000s)											
	Actual	Budget	Over/(Under) Budget	Over/(Under) Budget %	Actual	Budget	Over/(Under) Budget	Over/(Under) Budget %	Probable	Budget	Probable Variance	Probable Variance %
<b>TOTAL REVENUES</b>	89,654	89,765	(111)	-0.1%	800,502	800,043	459	0.1%	1,235,622	1,237,622	(2,000)	-0.2%
<b>TOTAL EXPENSES</b>	134,881	141,702	(6,821)	-4.8%	1,112,130	1,172,058	(59,928)	-5.1%	1,751,671	1,798,482	(46,811)	-2.6%
<b>OPERATING SUBSIDY REQUIRED in 2017</b>					311,628	372,015	(60,387)	-16.2%	516,049	560,860	(44,811)	-8.0%
<b>CITY OPERATING SUBSIDY AVAILABLE</b>							-		546,846	546,846	-	0.0%
<b>DRAW FROM STABILIZATION RESERVE</b>							-		-	14,014	(14,014)	-100.0%
<b>SHORTFALL / (SURPLUS)</b>					311,628	372,015	(60,387)	-16.2%	(30,797)	(0)	(30,797)	

<b><u>REVENUES:</u></b>												
Passenger Revenues	83,991	84,069	(78)	-0.1%	753,437	753,755	(318)	0.0%	1,167,060	1,168,360	(1,300)	-0.1%
Outside City & Charters	1,158	1,193	(35)	-2.9%	11,192	10,424	768	7.4%	15,998	15,598	400	2.6%
Advertising	2,358	2,358	-	0.0%	18,861	18,862	(1)	0.0%	28,292	28,292	-	0.0%
Rent Revenue	927	929	(2)	-0.2%	7,282	7,434	(152)	-2.0%	11,148	11,148	-	0.0%
Commuter Parking	951	1,065	(114)	-10.7%	7,500	8,283	(783)	-9.5%	10,291	12,291	(2,000)	-16.3%
Other Income	269	151	118	78.1%	2,230	1,285	945	73.5%	2,833	1,933	900	46.6%
<b>TOTAL REVENUES</b>	89,654	89,765	(111)	-0.1%	800,502	800,043	459	0.1%	1,235,622	1,237,622	(2,000)	-0.2%
<b><u>EXPENSES (LABOUR &amp; NON-LABOUR)</u></b>												
CEO's Office	2,128	1,502	626	41.7%	12,782	11,971	811	6.8%	18,856	18,560	296	1.6%
Engineering, Construction & Expansion Group	260	407	(147)	-36.1%	2,132	2,783	(651)	-23.4%	4,352	4,352	-	0.0%
Corporate Services Group	4,360	4,974	(614)	-12.3%	35,649	37,884	(2,235)	-5.9%	57,043	58,962	(1,919)	-3.3%
Strategy and Customer Experience Group	1,350	1,609	(259)	-16.1%	11,904	13,418	(1,514)	-11.3%	21,055	20,808	247	1.2%
People Group	4,151	2,883	1,268	44.0%	21,827	23,295	(1,468)	-6.3%	35,610	36,157	(546)	-1.5%
Operations Group	23,037	24,931	(1,894)	-7.6%	189,765	204,196	(14,431)	-7.1%	306,319	318,046	(11,727)	-3.7%
Service Delivery Group	59,679	58,108	1,571	2.7%	478,092	490,130	(12,038)	-2.5%	756,096	765,558	(9,461)	-1.2%
Employee Benefits	22,204	26,967	(4,763)	-17.7%	209,852	219,087	(9,235)	-4.2%	296,100	302,100	(6,000)	-2.0%
Vehicle Fuel	5,812	6,705	(893)	-13.3%	49,677	54,657	(4,980)	-9.1%	77,889	82,889	(5,000)	-6.0%
Traction Power	4,375	4,954	(579)	-11.7%	35,158	38,810	(3,652)	-9.4%	56,884	58,884	(2,000)	-3.4%
Utilities (Hydro, Natural Gas, Water)	1,840	1,809	31	1.7%	17,727	18,874	(1,147)	-6.1%	27,833	28,833	(1,000)	-3.5%
Taxes and Licences	245	262	(17)	-6.5%	2,111	2,174	(63)	-2.9%	3,311	3,311	-	0.0%
Depreciation	2,239	2,239	-	0.0%	19,072	19,072	-	0.0%	26,999	28,999	(2,000)	-6.9%
Accident Claims & Insurance	1,590	3,096	(1,506)	-48.6%	14,212	22,113	(7,901)	-35.7%	37,914	37,914	-	0.0%
Non-Departmental Costs	1,611	1,256	355	28.3%	12,170	13,594	(1,424)	-10.5%	25,409	33,109	(7,700)	-23.3%
<b>TOTAL EXPENSES</b>	134,881	141,702	(6,821)	-4.8%	1,112,130	1,172,058	(59,928)	-5.1%	1,751,671	1,798,482	(46,811)	-2.6%
<b>OPERATING SUBSIDY REQUIRED in 2017</b>					311,628	372,015	(60,387)	-16.2%	516,049	560,860	(44,811)	-8.0%
<b>CITY OPERATING SUBSIDY AVAILABLE</b>							-		546,846	546,846	-	
<b>DRAW FROM STABILIZATION RESERVE</b>										14,014	(14,014)	
<b>SHORTFALL / (SURPLUS)</b>					311,628	372,015	(60,387)	-16.2%	(30,797)	(0)	(30,797)	

## Wheel-Trans Operating Budget

### 2017 Year-to-Date Results

To the end of Period 8 (August 26), total revenues were below target (\$396K or 7.4%). This reflects slightly lower revenues from 235K (8.0%) less customer journeys offset by a slightly higher average fare.

Over the same period, expenses were \$10.8 million (11.3%) below budget primarily due to fewer customer journeys than budget, lower average cost per passenger trip on the contracted taxi services and timing differences on certain non-labour expenses.

### 2017 Year-End Projections

(millions)	Projection	Budget	Variance
<hr/>			
2017 Wheel-Trans Operating Budget			
Customer Journeys (Ridership)	4.312	4.723	(0.4)
Revenue	\$7.7	\$8.5	(\$0.8)
Expenses	\$136.7	\$151.2	(\$14.5)
Subsidy Required	\$129.0	\$142.7	(\$13.7)
Subsidy Available	\$142.7	\$142.7	\$0
Surplus/(Shortfall)	\$13.7	\$0	\$13.7
<hr/>			

Currently, a \$13.7 million (or 9.6%) year-end subsidy surplus is projected. The key budget variances that account for this projection are as follows:

#### Contracted Taxi Services: \$11.1 million decrease

The decrease in costs can be attributed to a lower projected year-end ridership estimate and to a lower cost per passenger trip estimate to reflect actual year-to-date experience.

#### Customer Service: \$1.5 million decrease

Expenses to date have been less than anticipated due to lower volume and lower costs for Functional Assessments and Appeals.

Passenger Revenues: \$0.8 million decrease

The decrease in revenues is mainly due to the revised lower ridership estimate.

Vehicle Maintenance: \$0.5 million decrease

The decrease is mainly due to workforce vacancy gapping and average labour rates being lower than expected.

Employee Benefits: \$0.3 million decrease

The trend in healthcare expenses to date indicates that these expenses will fall below budget by year-end.

Diesel: \$0.2 million decrease

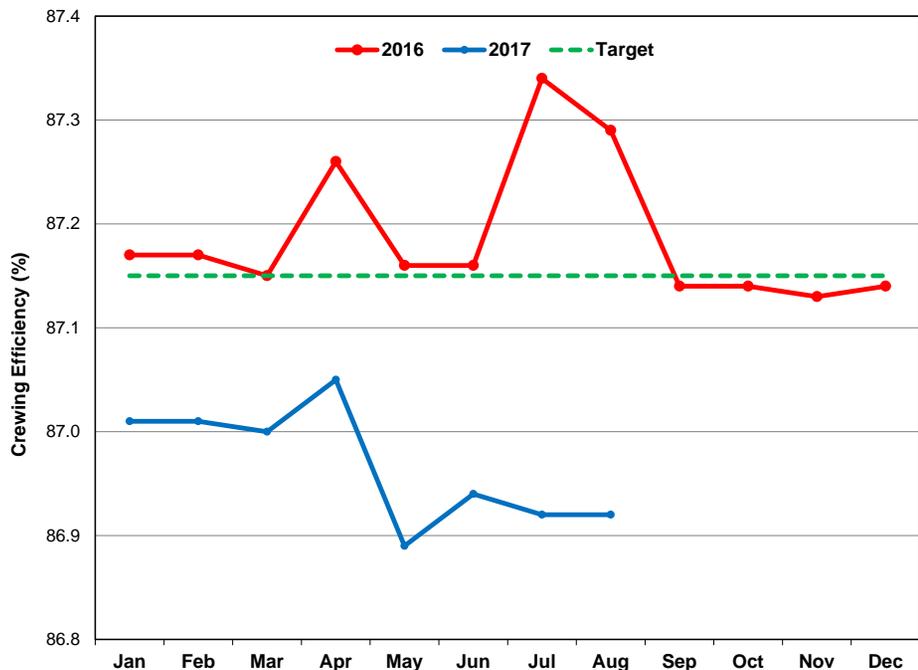
A more favourable fuel consumption rate than anticipated, in part due to more favourable weather conditions, accounts for this positive impact.

All other changes are expected to net to a \$0.9 million favourable variance.

**WHEEL-TRANS**  
**OPERATING BUDGET - INCOME STATEMENT**

PERIOD 8	Period 8: Four Weeks July 30 to Aug 26, 2017			Eight Periods to Aug 26, 2017			Full Year 2017		
(\$000s)	Actual	Budget	Over/(Under) Budget	Actual	Budget	Over/(Under) Budget	Projected Actual	Budget	Projected Variance
<b>REVENUES:</b>									
Passenger Fares	585	690	(104)	4,974	5,370	(396)	7,692	8,492	(800)
<b>EXPENSES:</b>									
CONTRACTED TAXI SERVICE	4,530	5,855	(1,325)	38,095	44,360	(6,265)	60,739	71,866	(11,127)
WHEEL-TRANS BUS SERVICE	3,672	3,589	83	30,512	31,130	(619)	48,173	48,918	(745)
OTHER WHEEL-TRANS EXPENSES	1,799	2,594	(795)	16,406	20,332	(3,927)	27,805	30,386	(2,581)
<b>TOTAL EXPENSES</b>	<b>10,001</b>	<b>12,038</b>	<b>(2,037)</b>	<b>85,012</b>	<b>95,823</b>	<b>(10,811)</b>	<b>136,716</b>	<b>151,169</b>	<b>(14,453)</b>
<b>OPERATING SUBSIDY REQUIRED IN 2017</b>							<b>129,025</b>	<b>142,678</b>	<b>(13,653)</b>
<b>OPERATING SUBSIDY AVAILABLE IN 2017</b>							<b>142,678</b>	<b>142,678</b>	<b>-</b>
<b>SHORTFALL/(SURPLUS)</b>							<b>(13,653)</b>	<b>-</b>	<b>(13,653)</b>
<b>PASSENGER TRIPS (000s)</b>	<b>315</b>	<b>381</b>	<b>(66)</b>	<b>2,717</b>	<b>2,952</b>	<b>(235)</b>	<b>4,312</b>	<b>4,723</b>	<b>(410)</b>
<b>UNACCOMMODATED RATE (%)</b>	<b>0.2</b>	<b>0.5</b>	<b>(0.3)</b>	<b>0.2</b>	<b>0.5</b>	<b>(0.3)</b>	<b>0.5</b>	<b>0.5</b>	<b>-</b>
<b>SUBSIDY PER TRIP (\$)</b>	<b>29.90</b>	<b>29.80</b>	<b>0.10</b>	<b>29.46</b>	<b>30.64</b>	<b>(1.18)</b>	<b>30.37</b>	<b>30.62</b>	<b>(0.25)</b>

### Operator Crewing Efficiency



Operator crewing efficiency remained the same in August at 86.92%; performance remained below target. Crewing efficiency has been below target due to the large numbers of buses replacing streetcars, resulting in longer driving distances to streetcar routes from bus divisions.

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

# TTC Capital Budget

## 2017 Year-to-Date Results

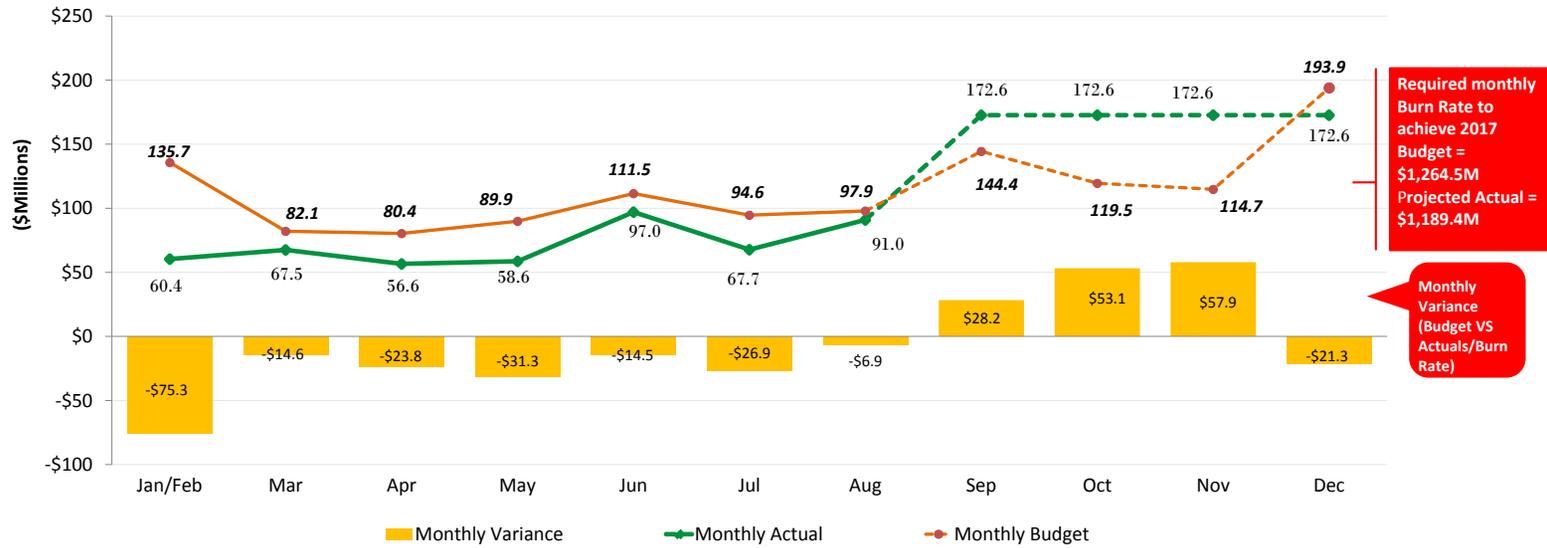
Capital expenditures to the end of Period 8 (August 26, 2017) reflect lower project activity and include continued progress on vehicle and construction contracts already in place. Significant variances in the current period stem from under-spending on delayed contract work and vehicle deliveries.

## 2017 Year-End Projections

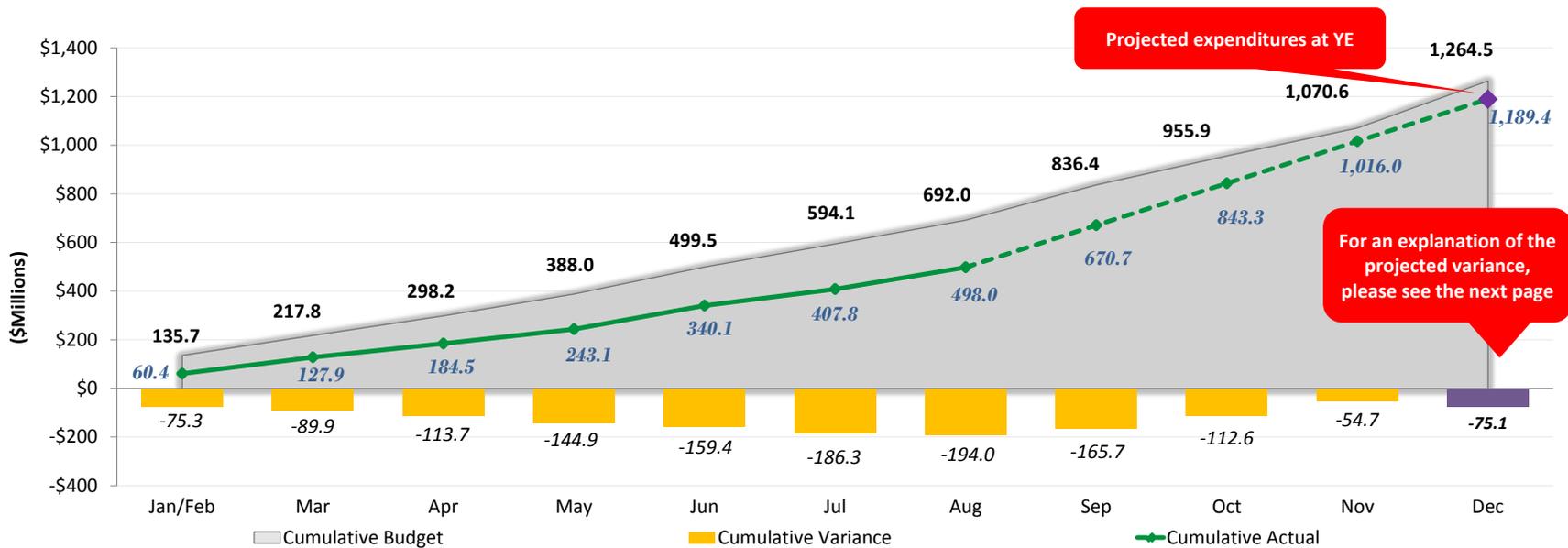
(millions)	Projection	Budget*	Variance
2017 TTC Capital Budget			
Base Program	\$1,189.4	\$1,264.5	(\$75.1)
Toronto-York Spadina Subway Extension (TYSSE)	\$479.6	\$545.1	(\$65.5)
Scarborough Subway Extension (SSE)	\$76.7	\$125.2	(\$48.5)

\*Budget excludes additional carry forward spending on Base Program (\$223.5M), TYSSE (\$63.5M), and SSE (\$26.9M) as approved by City Council on April 26, 2017 and in-year budget adjustment of \$0.7M for Bicycle Parking on Stations as approved by Council on June 14, 2017.

## 2017 Base Program: Month-to-Month Budget Tracking



## 2017 Base Program: Cumulative Budget Tracking



**Base Program Expenditures: \$75.1 million under**

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: \$4.5 million under**

Variance is mainly due to deferral of Davisville Area Rehabilitation Project (DARP) under the Track Rehabilitation program into future years, combined with scope changes under the Rail Vehicle Based Inspection System program which resulted in the deferral of the system testing and warranty into future years and reduction of work due to contract and labour force constraints under the Rail Grinding program.

**Surface Track: \$4.2 million over**

Variance is due to estimated value for Russell Yard South Track improvement and remaining portion to finalize CNE and completion costs from 2016 with the start of the design process for King/Queen/Roncesvalles project.

**Traction Power: \$5.8 million over**

Variance is due to advancement of funds for material purchases, the cash flows being adjusted to align with a revised construction schedule, and due to slippage of work from 2015 to 2017 due to Leslie Barns work request in 2015.

Communications: \$9.6 million under

The variance is due to: Station Public Address project deferred as potential integration with Station Transformation initiatives; CCTV project Video Management System (VMS) and some M&P location installations deferred to 2018 due to resource constraints and changes in work sequence related to VMS implementation; Subway RTU project and Fibre Optic Upgrade for Danforth ring deferred due to resource constraints; Track Level Occupancy Lights deferred due to revised scope and resource constraints, and Industrial Security Improvements of TTC Properties as the start of construction was delayed to incorporate scope changes.

Signal System: \$9.2 million under

The variance is primarily caused by a Signal Capital installation workforce deficit, design and installation resources allocated to Eglinton Ancillary Room Relocation and Wilson Yard Resignalling schedule slippage due to new interface configuration with Alstom CBTC.

Bridges and Tunnels: \$8.5 million over

Variance is due to Subway Infrastructure Project due to returning workforce that was supporting other departments; closure costs and minor slippage from 2016 and Bridges/Structures Maintenance Program – Timing adjustment of transfer for cost sharing for Union Platform work from prior years.

Fire Ventilation Upgrade: \$4.6 million over

Variance is due to timing adjustment of transfer for cost sharing for Union Platform work from prior years.

Leslie Barns: \$5.5 million under

Variance is due to delays in completing the work and addressing outstanding deficiencies.

Toronto Rocket T1/TR Rail Yard Accommodation: \$3.1 million over

Variance is due to increase in estimated expenditures for Wilson Site Services and System Contracts, Keele Yard Retrofit and Kipling Track Expansion.

Facility Renewal and other Building & Structure Projects: \$14.8 million under

Variance is primarily due to cancellation of Revenue Operations Facility and Old Eglinton Garage. Additional variances for other projects include: Bus Garage /Shops Facility Renewal Program – Work advanced to 2016 for several contracts as well as deferment of planned works to address stakeholder requirements and develop contracting strategy; Subway Facility Renewal Program - Start of construction was delayed as a result of extended tender package preparation due to internal/external approvals required; Duncan Shop Ventilation Upgrade – due to forecast adjustment as per contract award value; Wilson ITS/Back-up Centres – program delay reflects change in scope resulting from consolidation of Transit Control functions into one location; Union Station New Platform – project closeout in 2017 and Sheppard Subway – delay of claim resolution.

Purchase of Wheel Trans Buses: \$4.3 million under

Variance is due to the delay in purchasing 25 of the 40 estimated Wheel-Trans buses for 2017 as a result of the diesel engine variant being unavailable and due to production issues. The 25 planned purchases will now be added to the 2018 order, thus keeping the total capital project cost consistent with original estimates.

Bus Overhaul: \$11.6 million over

The variance is due to the deferral of 1274 A/B Hybrid system overhaul from 2016 into 2017; the expanded scope on the 1336 series buses as a result of unexpected corrosion of the Power Distribution Centre (PDC), and also due to an unexpected spike in usage of Hybrid Components.

Purchase of Streetcars: \$30.5 million under

Variance is primarily from slippage of vehicle delivery and some Contract Change Allowances not being exercised in 2017. The plan was 40 cars for 2017; however, based on current production issues, it is estimated that a total of 30 cars will be delivered in 2017.

Shop Equipment: \$9.2 million over

The variance is attributed to Bus Maintenance and Shops Department is due to equipment

delivery delayed from 2016 to 2017 to due procurement issues, purchases received in 2016 to be paid in 2017 due to delays in billings and new equipment was added while other equipment was cancelled.

**Revenue and Fare Handling Equipment: \$14.7 million over**

The variance is due to Turnstile Replacement Faregates project for additional gate order, delayed billing, foreign exchange adjustment and allowance for civil works arbitration.

**Information Technology Program: \$18.6 million under**

Variance is largely due to VISION Project (\$11.5M) delayed payments to Clever Devices as requested functionality has not been completed. Also underspend on Non-revenue vehicle GPS tracking system (scope transferring to VISION of \$1.8M) and delays on starting SMS Work Order System SOGR project (\$0.3M).

**Service Planning: \$41.4 million under**

The variance is mainly due to three projects: Platform Modification to Accommodate Artic buses, Bus Stop Improvements for Accessibility and Opportunities to Improve Transit – Transit Priority Measures. For each of these projects the majority of work has slipped from 2017 to 2018 and 2019 due to delays in hiring Strategy and Service Planning staff; receiving City approvals, and issuing tender packages for the current construction season.

**Toronto York Spadina Subway Extension (TYSSE): \$65.5 million under**

Variance is due to deferral of holdback releases, contingencies, claims resolutions, property and vehicle expenditures.

**Scarborough Subway Extension: \$48.5 million under**

SRT Life Extension (-\$21M): Variance is due to SRT Communications Retrofit - work deferred due to re-assessment of schedule; SRT Car Overhaul Program - due to delay of subway opening and new scope added to the project and a work cost estimate adjustment and SRT Life Extension with anticipated cost savings; work pertaining to Signals is re-aligned into future years.

Scarborough Subway Extension: (-\$27.5M): Variance is due to delay in the EA process and the rebaselining of the project scope.

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For further information on TTC performance, projects, and service, please see [www.ttc.ca](http://www.ttc.ca)

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