



STAFF REPORT FOR INFORMATION

Chief Executive Officer's Report – April 2017 Update

Date:	April 20, 2017
To:	TTC Board
From:	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 – April 2017 Update

Chief Executive Officer's Report

**Toronto Transit Commission
April 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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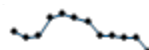



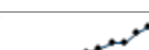

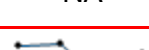

About the cover:




Keeping the TTC running is job No. 1 for all 14,000 TTC employees. As we gear up for another busy spring and summer, and as we maintain and renew the system, the TTC is committed to continued focus on employee and customer safety, priority on the subway, as well as the surface network, and most certainly behind the scenes. We are proud of our safety record and we are committed to working tirelessly to make it better yet.



1. TTC Performance Scorecard & Critical Projects Dashboard

TTC Performance Scorecard

Key Performance Indicator	Description	Latest Measure	Current	Target	Current Status	Annual Trend	Page	
Safety and Security								
Lost Time Injuries	Injuries per 100 Employees	Feb 2017	3.63	4.31	✓		17	
Customer Injury Incidents	Injury Incidents per 1M Boardings	Feb 2017	0.78	1.20	✓		17	
Offences against Customers	Offences per 1M Boardings	Feb 2017	0.51	0.89	✓		18	
Offences against Staff	Offences per 100 Employees	Feb 2017	0.33	0.24	✗		18	
Customer: Journeys								
	TTC Customer Trips	Feb 2017	41.0M	42.0M	✗		21	
	TTC Customer Trips	2017 y-t-d to Feb	80.6M	82.3M	✗	NA	21	
	PRESTO Customer Trips	Feb 2017	4.69M	1.63M	✓		22	
	Wheel-Trans Customer Trips	Feb 2017	312K	316K	✗		22	
	Wheel-Trans Customer Trips	2017 y-t-d to Feb	609K	627K	✗	NA	22	
Customer: Satisfaction								
	Customer Satisfaction Score	Q4 2016	77%	72%	✓		23	
Customer: Environment								
	Station Cleanliness	Audit Score	Q4 2016	74.5%	75%	✗		27

 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
Bus Cleanliness	Audit Score	Q4 2016	88.4%	90%	✘		28
Subway Cleanliness	Audit Score	Q4 2016	91.3%	75%	✔		28
Streetcar Cleanliness	Audit Score		Data will be available Q1 2017				

Customer: Service Performance



Subway

1	Yonge-University	Delay Incidents	Q4 2016	2,112	1,791	✘		29
		Delay Minutes	Q4 2016	4,516	3,653	✘		29
		Trains per Hour in AM Peak	Feb 2017	23.4	25.5	✘		30
2	Bloor-Danforth	Delay Incidents	Q4 2016	2,513	1,596	✘		31
		Delay Minutes	Q4 2016	4,138	3,340	✘		31
		Trains per Hour in AM Peak	Feb 2017	24.1	25.5	✘		32
3	Scarborough	Delay Incidents	Q4 2016	166	156	✘		33
		Delay Minutes	Q4 2016	1,216	927	✘		33
		Trains per Hour in AM Peak	Feb 2017	11.7	12.0	✘		34

✔ 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	Q4 2016	324	129	✗		35
	Delay Minutes	Q4 2016	1,126	311	✗		35
	Trains per Hour in AM Peak	Feb 2017	10.4	10.9	✗		36
Streetcar	On-Time Departure	Feb 2017	69.6%	90%	✗		37
	Short Turns	Feb 2017	1,246	1,380	✓		37
Bus	On-Time Departure	Feb 2017	78.7%	90%	✗		38
	Short Turns	Feb 2017	1,668	1,782	✓		38
Wheel-Trans	% Within 10 Minutes of Schedule	Feb 2017	91.2%	90%	✓		39

People





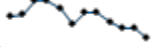

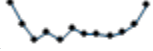





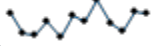
Employee Absence	Absenteeism Rate	Feb 2017	7.38%	6.50%	✗		41
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Assets: Vehicle Reliability

Subway	T1	Mean Distance Between Failures	Feb 2017	416,082 km	300,000 km	✓		43
	TR	Mean Distance Between Failures	Feb 2017	744,765 km	600,000 km	✓		43

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							
CLRV	Mean Distance Between Failures	Feb 2017	3,058 km	4,500 km			44
ALRV	Mean Distance Between Failures	Feb 2017	1,068 km	3,500 km			44
New Streetcar	Mean Distance Between Failures	Feb 2017	16,431 km	35,000 km			45
 Bus	Mean Distance Between Failures	Feb 2017	14,237 km	13,200 km			46
 Wheel-Trans	Mean Distance Between Failures	Feb 2017	12,869 km	12,000 km			46

Assets: Equipment Availability

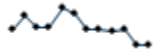
Elevators	Percent Available	Feb 2017	99%	98%			47
Escalators	Percent Available	Feb 2017	97%	97%			47




Financials

TTC Revenue	Actual vs. Budget	2017 y-t-d to Feb	\$189M	\$191M		Section 3.5
TTC Operating Expenditure	Actual vs. Budget	2017 y-t-d to Feb	\$259M	\$273M		Section 3.5
Wheel-Trans Revenue	Actual vs. Budget	2017 y-t-d to Feb	\$1.1M	\$1.2M		Section 3.5
W-T Operating Expenditure	Actual vs. Budget	2017 y-t-d to Feb	\$19M	\$21M		Section 3.5

 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
Capital Expenditure – Base	Actual vs. Budget	2017 y-t-d to Feb	\$60M	\$136M	✘	Section 3.5	
Capital Expenditure – TYSSE	Actual vs. Budget	2017 y-t-d to Feb	\$38M	\$87M	✘	Section 3.5	
Capital Expenditure – SSE	Actual vs. Budget	2017 y-t-d to Feb	\$2M	\$12M	✘	Section 3.5	
Operator Efficiency	Crewing Efficiency	Feb 2017	87.01%	87.15%	✘		58

 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 March 2017 | Next Update in May 2017 CEO Report

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.

Project	Strategic Objective	Cost (millions)					Schedule			Outlook to Completion			
		Budget	Actual		Projected		Start Date	End Date		Schedule	Cost	Scope	Risk
			LTD	%	Cost	%		Approved	Revised				
Bus Fleet & Facilities													
Vehicles: Purchase of Buses *	Assets	\$466	\$252	54%	\$460	99%	Ongoing	Q4 2019		G	G	G	G
Facilities: McNicoll Bus Garage	Growth	\$181	\$9	5%	\$181	100%	Q4 2012	Q4 2019	Q2 2020	G	G	G	G
Management Systems: VISION (CAD/AVL)	Customer	\$115	\$10	9%	\$115	100%	Q1 2014	Q4 2020	Q1 2020	G	G	G	G
Streetcar Fleet & Facilities													
Vehicles: Purchase of New Streetcars	Assets	\$1,187	\$553	47%	\$1,187	100%	Q2 2009	Q4 2019		Y	G	G	Y
Facilities: Leslie Barns	Growth	\$516	\$485	94%	\$523	101%	2008	Q4 2015	Q4 2017	G	G	G	G
Track: Surface Track *	Assets	\$580	\$253	44%	\$588	101%	Ongoing	Q4 2018	Q4 2019	G	G	G	G
Subway Fleet & Infrastructure													
Vehicles: Purchase of Subway Cars	Assets	\$1,167	\$1,119	96%	\$1,167	100%	Q2 2011	Q4 2016	Q1 2017	G	G	G	G
Stations: Easier Access III	Assets	\$655	\$262	40%	\$774	118%	2006	Q4 2025		Y	Y	G	Y
Facilities: TR / T1 Rail Yard Accomodation **	Assets	\$985	\$168	17%	\$986	100%	2010	Post 2025		G	G	G	G
Track & Tunnels: Subway Track *	Assets	\$505	\$147	29%	\$497	98%	Ongoing	Q2 2018	Q1 2017	Y	G	G	G
Signals: Automatic Train Control (ATC Line 1-YUS)	Assets	\$563	\$266	47%	\$563	100%	Q2 2009	Q4 2019		G	G	G	G
Expansion													
Toronto-York Spadina Subway Extension (TYSSE)	Growth	\$3,184	\$2,583	81%	\$3,184	100%	Q2 2008	Q4 2017		G	G	G	G
Scarborough Subway Extension	Growth	\$3,305	\$30	1%	\$3,305	100%	Q4 2013	Q4 2023	Q2 2026	R	Y	R	R
Management Systems													
PRESTO	Customer	\$47	\$29	62%	\$47	100%	Q4 2012	Q4 2017		Y	G	G	Y
SAP	Financial	\$63	\$24	37%	\$63	100%	Q1 2014	Q3 2019		G	Y	G	G

*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. Please note LTD Actual and Projected Cost is to December 31, 2016.



2. CEO Commentary

Regular Meet the Managers events held in TTC stations gives customers the opportunity to speak one on one with TTC senior management staff.

On Target

Target at risk at current trend

CEO Commentary and Current Issues

General Overview

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

With eight months to go until the end of 2017 and the conclusion of our first five year plan, the organization is fully stretched in a dash to finish off key projects, to start others and to continue to drive up performance.

The TTC continues to receive plaudits and recognition for its work, most recently a national award for our “We Move You” campaign in conjunction with the National Ballet of Canada. Two further awards acknowledge the ongoing, excellent work of our Customer Communications team to completely refresh the TTC brand.

As the Board will be aware, we have begun to develop the next five year plan, one that will involve the Board and that will seek input from across the TTC and other stakeholders. My intention is to build on the objective of the 2013-17 plan – to deliver a modernized TTC that is back to being regarded as number 1 in North America – and to push on to being recognized as a world class operation.

While it will be for others to judge whether we have achieved best-in-class status for North America, what cannot be disputed is the sheer magnitude of the change program that we will have delivered by the end of this year. People, processes and infrastructure will have been transformed in addition to complete or well advanced, delivery of five mega-projects.

While much remains to be done over the next 265 days, I am very confident that the TTC will deliver on the remaining elements of our inaugural five year plan and that our customers will continue to notice relentless improvements.

Safety & Security

We continue to work closely with law enforcement agencies to monitor the prevailing global security situation.



Safety and security indicators were all above target with the exception of offences against staff. This reflects ongoing incidences of assault against front-line staff, a completely unacceptable situation that we continue to vigorously address.

The Board will be aware that the TTC was successful in winning a court injunction that sought to prevent the introduction of random testing for drugs and alcohol. The entire thrust – and our argument in court – for random drug and alcohol testing is to make the TTC even safer than it is today. Later this month, random testing will begin for all those in safety sensitive positions, including designated management and executives.

Customer: System Performance

Subway delay and minute statistics reflect quarter 4 performance and are unchanged from the last Board report. We continue to tackle the main causes of delay including track fires and reports of smell of smoke. At the time of writing, this delay category shows a marked reduction. Customer-related delays remain of concern, especially use of the emergency alarm and trespass on track, both of which are receiving management attention.

Surface performance remained broadly static although streetcar on-time performance remains comfortable above where it was this time last year.

Financials

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.

Customer journeys (ridership) to the end of February were 1.7 million (2.1%) below budget and 0.7 million (0.9%) below the 2016 comparable actual. Interim results for March indicate similar trends. Ridership will also be impacted later this year by the Government of Canada's recent announcement that it is eliminating the Public Transit Tax Credit (PTTC), effective July, 2017. The PTTC has undoubtedly had a positive impact on TTC Metropass sales and ridership growth and it is anticipated that its elimination will erode at least some of these gains. This issue is discussed in more detail in Section 3.5 of this report.



Staff will continue to monitor ridership and will advise the board at its meeting in May of any forecast change to ridership and/or revenue.

Delivery of Major Projects

- **TYSSE**

Three stations (50%) have now achieved “substantial completion” status, with Vaughan Metropolitan Centre reaching that milestone at the very end of quarter 1.

A further major milestone was reached at the end of March when track along the entire extension was energized thereby enabling us to run the first Toronto Rocket up the line in early April.

In addition to driving the three remaining stations to completion, our focus now turns to the testing and commissioning phase, in parallel with progressing the commercial settlements across the various contracts.

In advance of line opening, the existing Downsview Station will be renamed Sheppard West to avoid confusion with the new Downsview Park Station, which is actually located within the park. The revised name for Sheppard West will be phased in from May 7th and staff will be on hand at the Board meeting to answer questions.

The project remains on schedule and within the revised budget envelope to open at year end, 2017.

- **PRESTO**

44 stations and 68 entrances are now fitted with new style PRESTO gates. In addition to completing the remaining secondary entrances, our focus is on converting the initial 26 PRESTO equipped stations to new style gates and migration of legacy products such as Metropass onto PRESTO.

The Deputy CEO and I continue to meet formally with our counterparts at Metrolinx to review system performance and to progress delivery of other equipment that is key to PRESTO completion.



- Automatic Train Control

A third trial of the new ATC software took place during a recent planned closure of Line 1.

Two trains were once again locked into the test area and, again, no show-stoppers were identified. As such, the project continues on schedule and on budget, both for phase 1 (Dupont to Wilson this Fall) and Phase 2 (TYSSE opening this December).

- New Streetcar Deployment

At the time of writing, 34 new vehicles are on property with the 34th going through final acceptance and commissioning in Toronto now. Delivery remains on track based on the latest delivery schedule from Bombardier (reproduced below).

Deliveries per Month Summary

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

We have revised the deployment plan so that once the 514 Cherry is complete, the next route to convert to low-floor operation will be 512 St Clair to reflect its high level of ridership, as well as following completion of infrastructure upgrades last year along the route

- Culture Change

Working with the Chief People Officer, my main focus over the past month has been to finalize the TTC senior management succession plan.

It is a source of pride to me that in just five years, we have substantially refreshed the wider leadership team (Chief/Head and Manager) to provide far greater bench strength



throughout the organization. Very high quality people have been recruited, talent has been promoted from within, and there is far greater diversity both on the TTC Exec and in the next two levels down.

- Accessibility Matters

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



Andy Byford
Chief Executive Officer, Toronto Transit Commission



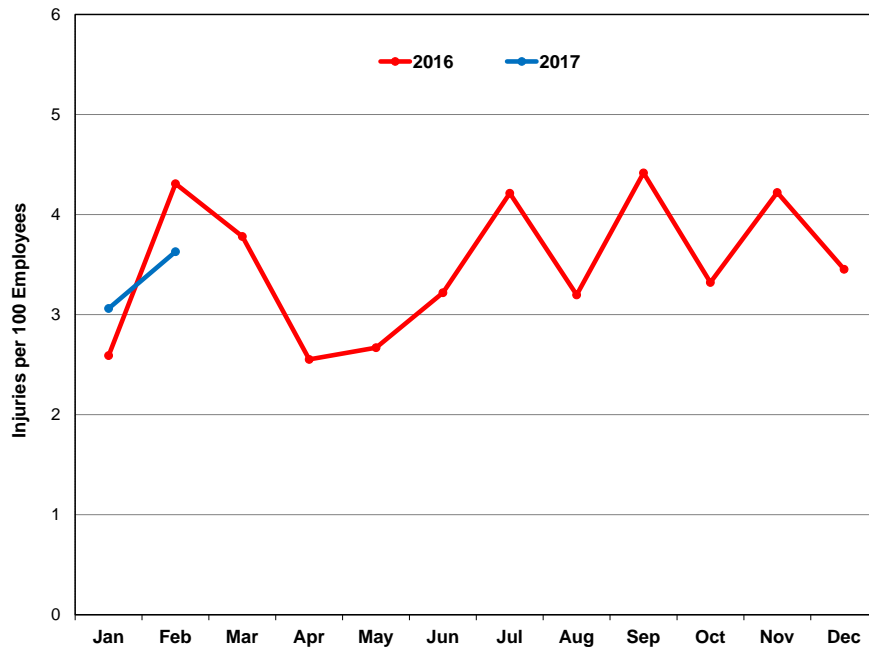
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3.1 Safety & Security

Safety and Security

Lost-Time Injuries

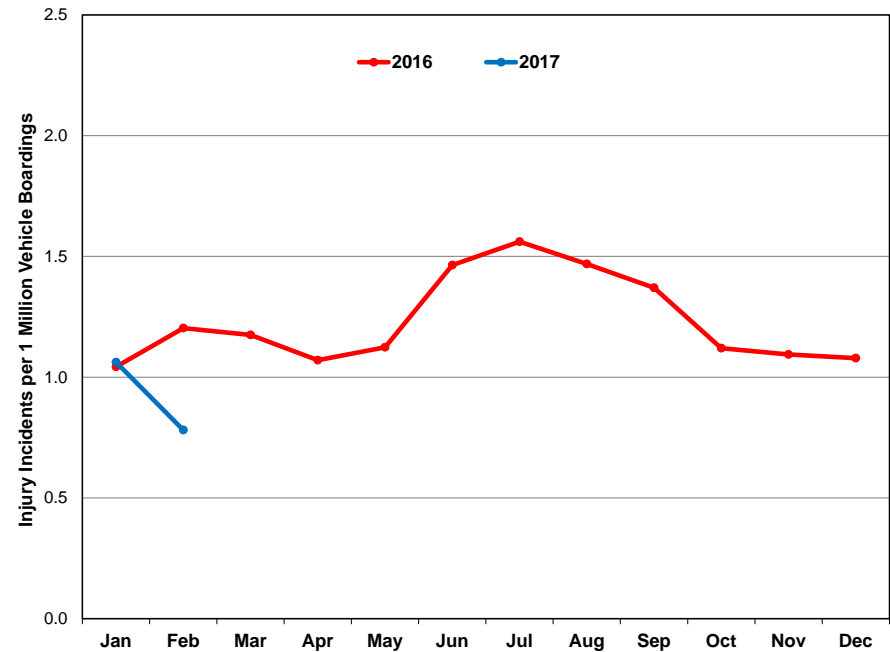


The lost-time injury rate (LTIR) increased in February. However, the rate of 3.63 injuries per 100 employees was 16% lower than the corresponding rate of 4.31 for February 2016.

The moving annual LTIR to the end of February 2017 was 3.48, which was 15% higher than the corresponding rate of 3.03 to the end of February 2016.

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

Customer Injury Incidents

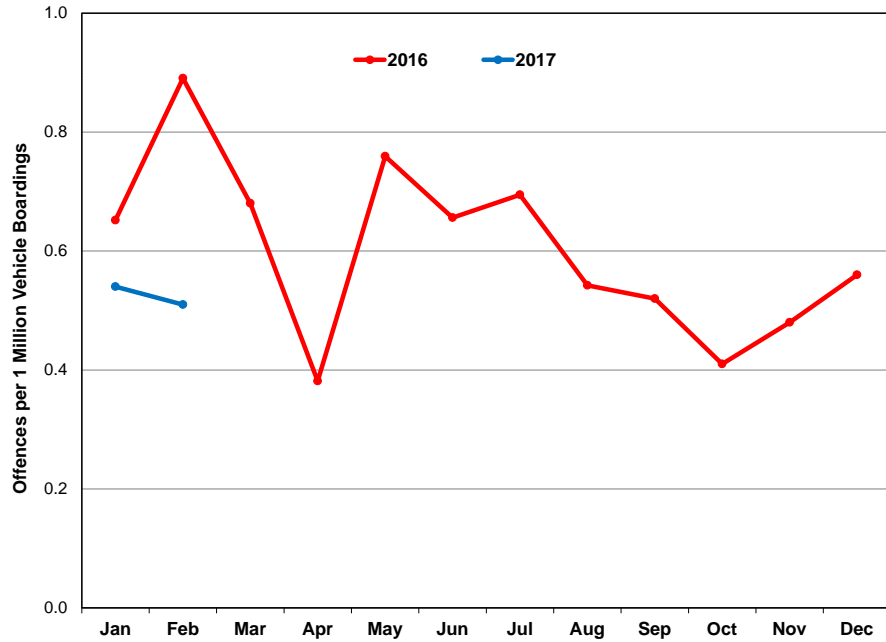


The customer injury incident rate decreased in February. The rate of 0.78 injury incidents per 1 million vehicle boardings was 35% lower than the corresponding rate of 1.20 for February 2016.

The moving annual customer injury incident rate to the end of February 2017 was 1.20, which was 10% lower than the corresponding moving annual rate of 1.34 to the end of February 2016.

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

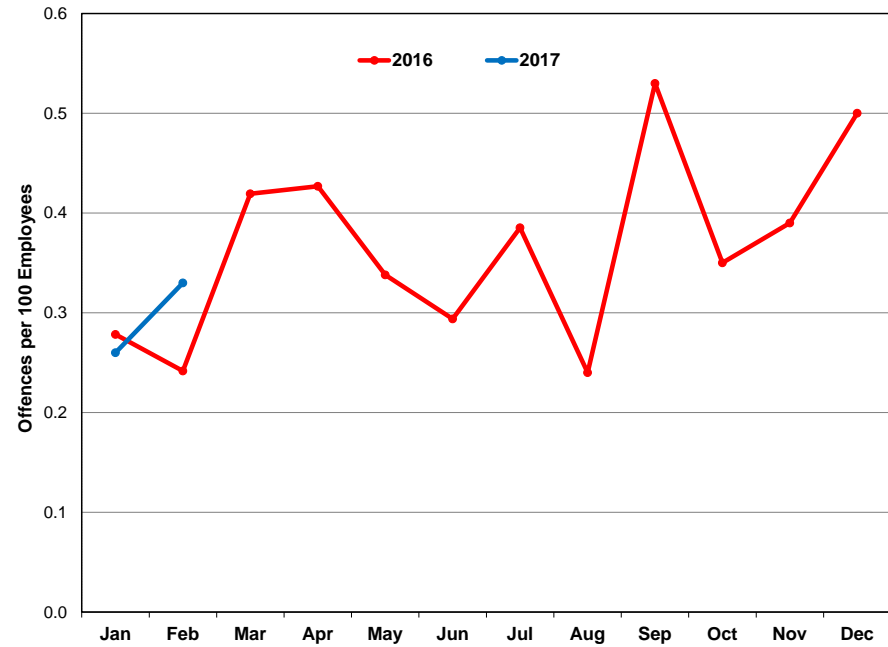
Offences Against Customers



Total offences against customers decreased in February to 0.51 offences per 1 million vehicle boardings, which was 43% lower than the corresponding rate of 0.89 for February 2016.

Targeted patrol deployments continue to address specific concerns.

Offences Against Staff



Total offences against staff increased in February to 0.33 offences per 100 employees, which was 38% higher than the corresponding rate of 0.24 for February 2016.

Transit Enforcement Officers will resume their deployment along surface routes at the end of February, beginning the second phase of the Transit Enforcement Unit's data-driven initiative to support operating personnel.

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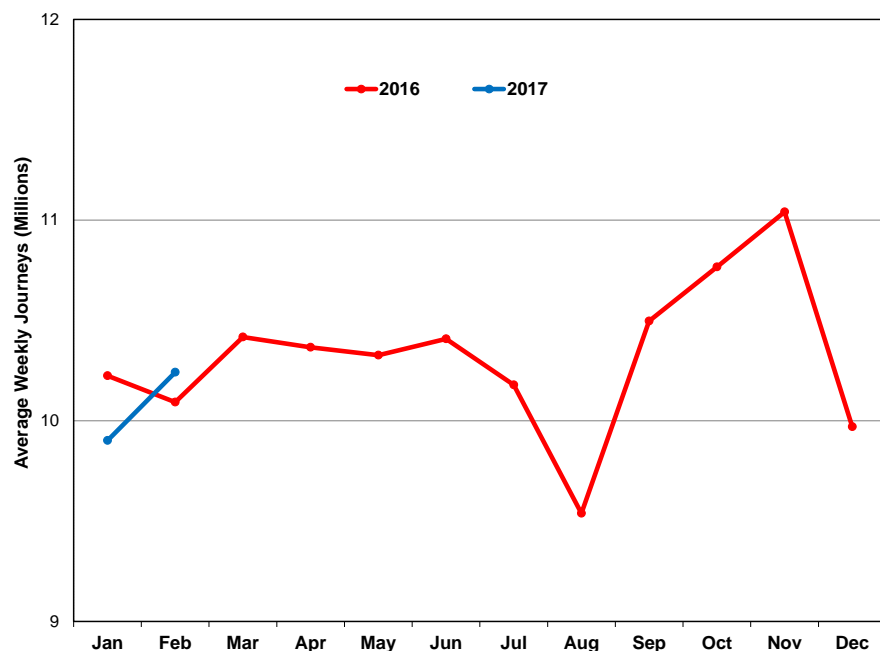


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3.2 Customer

Customer: Journeys

TTC: 2017 Actual vs. 2016 Actual

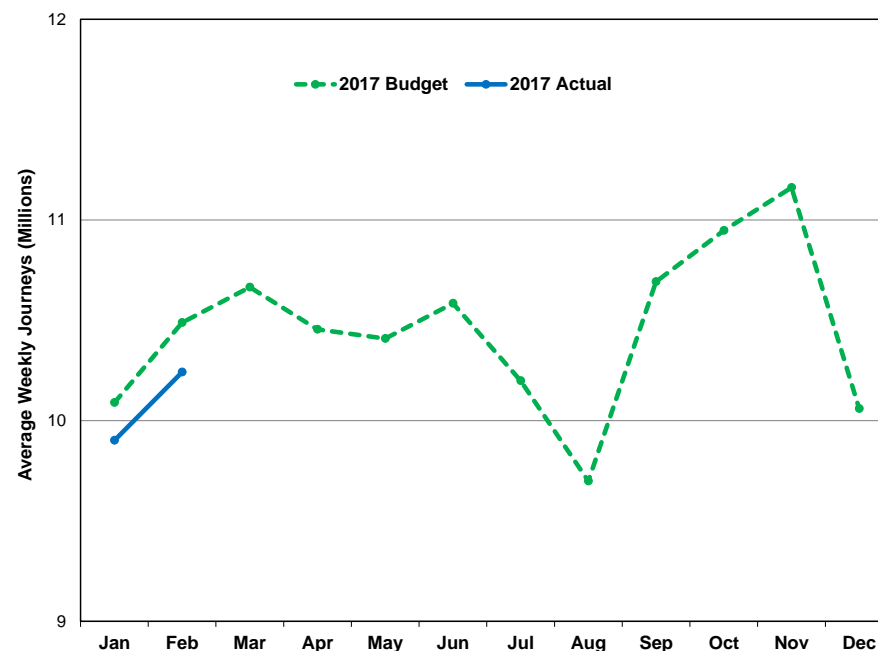


There were 41.0M customer journeys (ridership) taken during February, which was 0.6M (1.5%) more than the 40.4M journeys taken during February 2016.

The annual number of customer journeys taken to the end of February 2017 was 535.9M, which was 2.7M (0.5%) more than the 533.2M annual journeys taken to the end of February 2016.

Average weekly ridership in February 2017 was above the prior year comparable for the first time in four months.

TTC: 2017 Actual vs. 2017 Budget



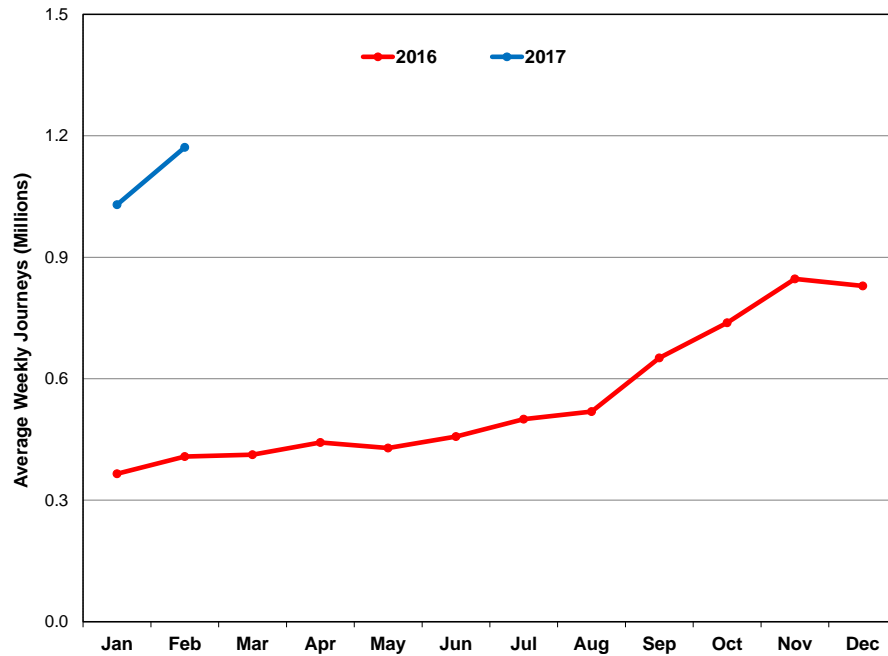
There were 41.0M customer journeys taken during February, which was 1.0M (2.4%) less than the budget of 42.0M journeys.

The number of customer journeys taken year-to-date to the end of February was 80.6M, which was 1.7M (2.1%) less than the budget of 82.3M journeys.

Average weekly ridership has been below budget for 23 of the past 24 months.

Customer: Journeys

PRESTO: 2017 Actual vs. 2016 Actual

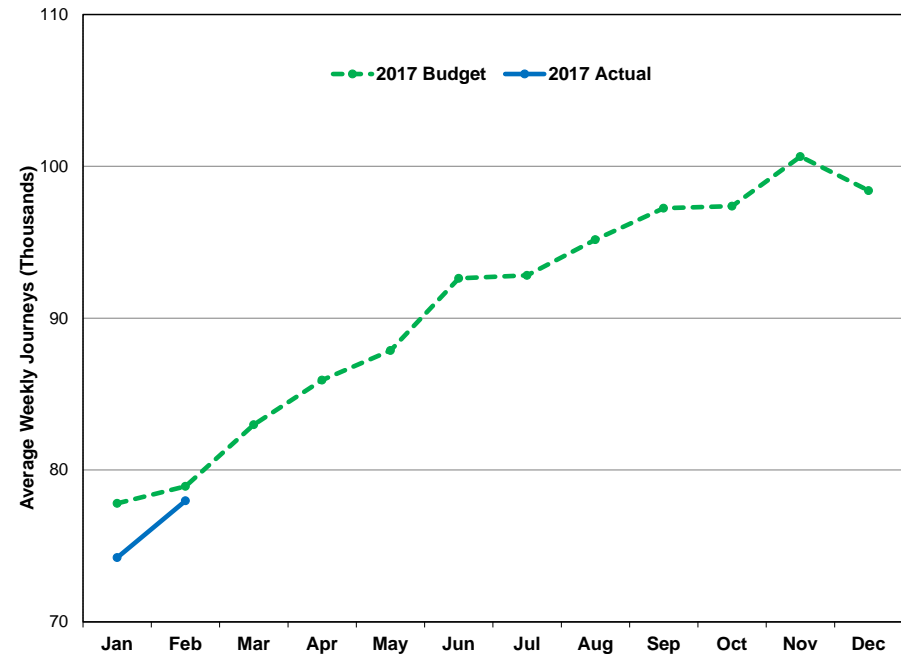


There were 4.69M customer journeys (ridership) taken using the PRESTO Farecard in February, which was 3.06M (188%) more than the 1.63M journeys taken during February 2016.

The annual number of customer journeys taken to the end of February 2017 was 34.46M, which was 20.22M (142%) more than the 14.24M annual journeys taken to the end of February 2016.

Note:
PRESTO ridership is included in TTC ridership totals.

Wheel-Trans: 2017 Actual vs. 2017 Budget



There were 312K customer journeys taken during February, which was 4K (1.3%) less than the budget of 316K journeys.

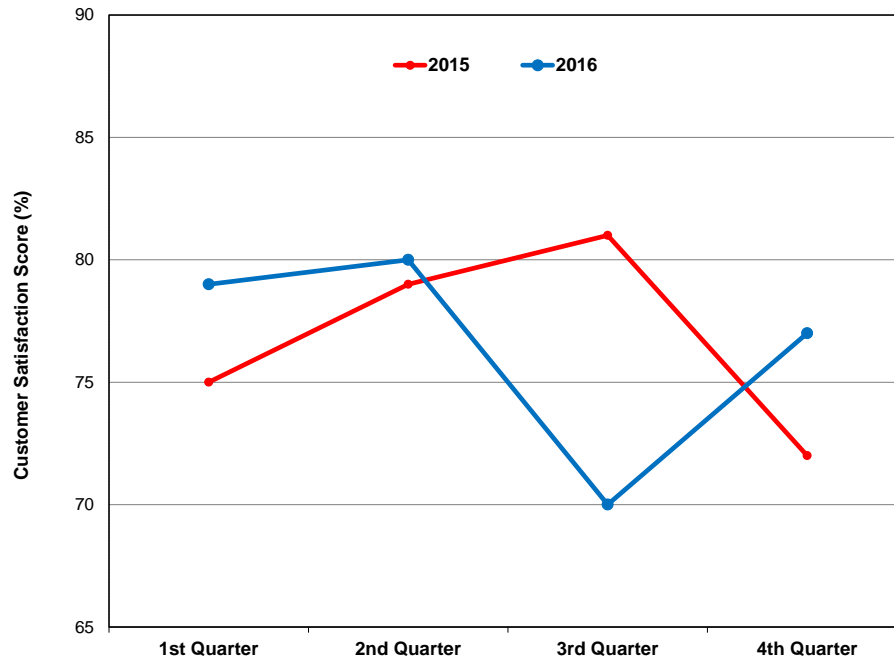
The number of customer journeys taken year-to-date to the end of February was 609K, which was 18K (2.9%) less than the budget of 627K journeys.

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

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

Customer: Satisfaction

Customer Satisfaction Score



At the start of 2016, perceptions of overall customer satisfaction with the TTC (bus, streetcar and subway) remained high, with eight in ten customers being satisfied (Q1 2016: 79%; Q2 2016: 80%). Despite the decline in scores in Q3 2016, when a less comfortable ride (hot subway cars) had a negative effect on perceptions of trip duration and wait time, which ultimately led to lower overall satisfaction scores (70%), customer perceptions improved significantly in Q4 2016, with 77% of customers being satisfied with their most recent trip on the TTC. Closing out 2016 with an overall average satisfaction score of 77% is in line with the average satisfaction score in 2015 (77%). The average for the last two years has been significantly higher than the previous years' annual average of 74%.

This return to high perceptions of overall customer satisfaction in Q4 2016 was witnessed across all modes of ridership: subway riders' overall satisfaction increased significantly from 69% in Q3 2016 to 78% in Q4 2016; bus riders' satisfaction scores increased significantly from 68% in Q3 2016 to 77% in Q4 2016; and, while not statistically significant, streetcar riders' satisfaction scores increased from 69% in Q3 2016 to 72% in Q4 2016.

Perceptions of overall customer satisfaction are driven by numerous service attributes that are measured across all three modes: bus, streetcar and subway. The top three key drivers across all three modes were the same: wait time, comfort of the ride and trip duration.

The areas of highest customer satisfaction in Q4 ($\geq 80\%$) include:

- Helpfulness of maps and signs at station (subway)
- Cleanliness of station (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)
- Quality of stop announcements (subway, bus, streetcar)
- Ease of hearing announcements (bus, streetcar)
- Helpfulness of announcements (bus, streetcar)
- Helpfulness and appearance of operator (bus, streetcar)

Pride in the TTC remained consistent wave-to-wave and year-over-year, with 71% of customers agreeing they are proud of the TTC and what it means to Toronto. Perceptions of value for money remained consistent wave-to-wave, with nine in ten customers indicating they received average or better value for money on their last trip (Q4 2016 & Q3 2016: 91%; Q4 2015: 92%).

Customer satisfaction with Wheel-Trans services continued to be very high in 2016 (88%; a significant increase from a high score of 85% in 2015 and 2014) and was consistent across all vehicle types (Wheel-Trans bus, accessible minivan and sedan taxi). Pride in the TTC and what it means to Toronto also remained very high among the majority of Wheel-Trans customers (89%).

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.

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.

For further details on the TTC customer charter, visit 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 2017 are at the following stations:

April 27 – Spadina; May 25 – Eglinton; June 22 - Bloor-Yonge;
July 13 - Scarborough Centre; August 10 - St. Clair West; September 21 – Kipling;
October 19 – Dufferin; November 16 – Woodbine; December 14 – Coxwell

Customer: Fares

PRESTO

The PRESTO rollout continues across the TTC.

- 44 stations and 68 entrances now have our new paddle-style fare gates. Fare gate installation is also completed at the Downsview Park (TYSSE) station. Fare gate installation will continue throughout 2017.
- Later this summer, additional Self-Serve Reload Machines will begin to be installed in various subway stations.
- A recent software upgrade that was deployed to the existing Self-Serve Reload Machines in the subway stations has improved the reliability of these devices.
- Additional upgrades are planned for the self-serve machines late in April, card readers on the buses and fare gates, which are expected to further improve the performance of these devices and continue to enhance the customers' experience with PRESTO.

Customer: Highlights

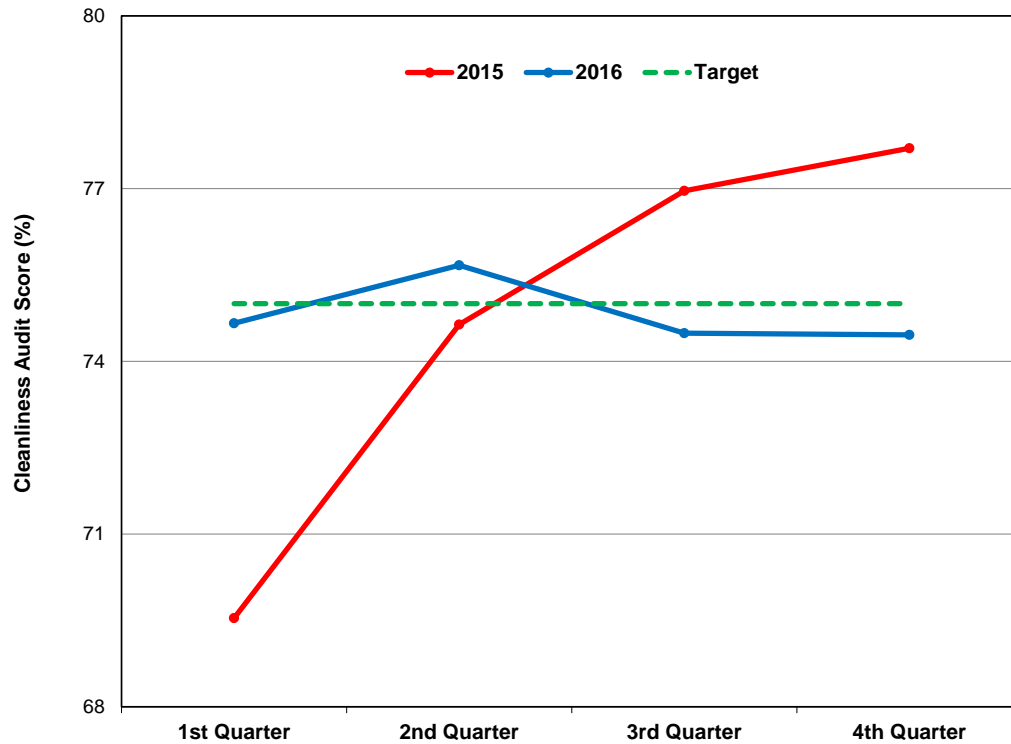
Customer Liaison Panel - Recruitment

On March 28, 2017, the recruitment process for six new Customer Liaison Panel members will begin, of which two youth members of ages 13 to 24 will be included. The recruitment will be live until April 14. In the past, this was advertised on the TTC website and social media. This year, the TTC broadened the outreach trying to target youth by also running campaigns

with the Toronto Public Library, non-profit youth groups, the Toronto District School Board, the Toronto Catholic District School Board, the City of Toronto and the YMCA.

Customer: Environment

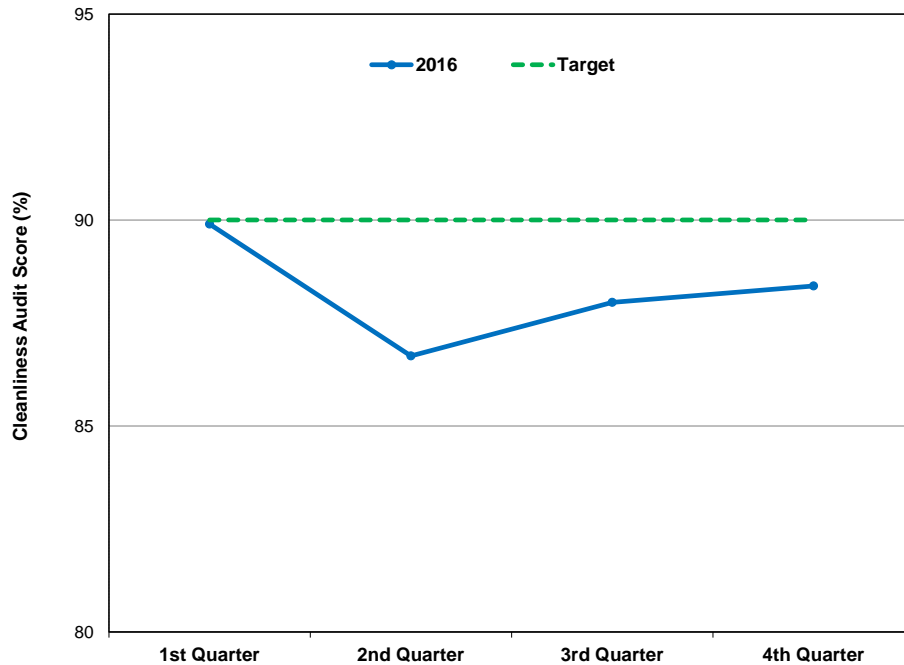
Station Cleanliness



Performance in Q4 2016 stayed at 74.5%, which was slightly below target and below the performance in Q4 2015. Stations improvements and fare lines under construction to facilitate installation of the new faregates negatively impacted the cleanliness score.

Customer: Environment

Vehicle Cleanliness – Bus

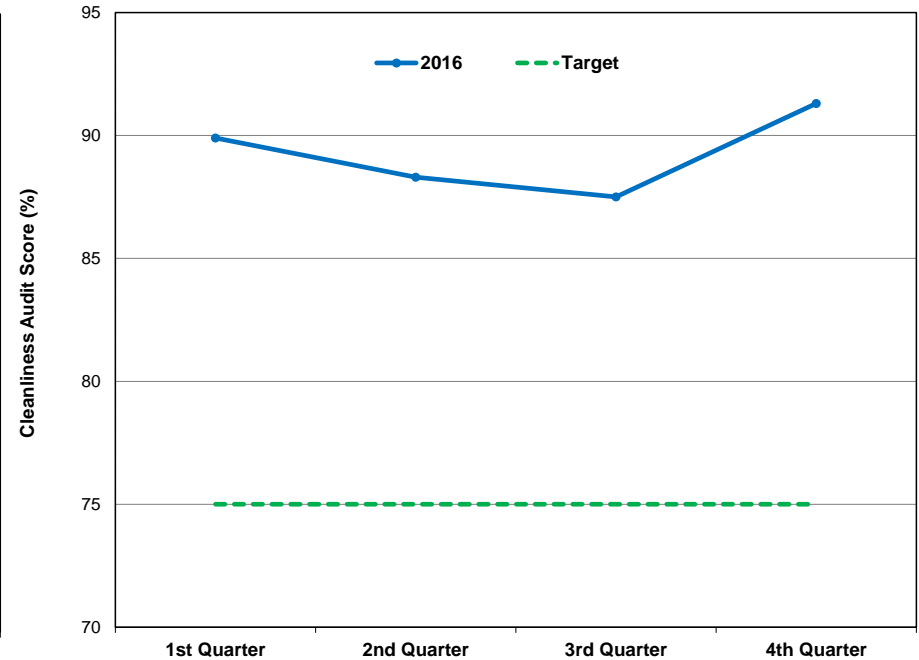


The bus cleanliness audit score increased in Q4 to 88.4% but remained below target. This score was an average of pre-service, in-service and post-service vehicle cleanliness scores. Pre-service bus cleanliness audit score was above 95%.

Areas for improvement in Q4 include the bus exterior body and wheel cleanliness. Inoperable wash racks and road salt usage due to weather conditions have prevented Q4 cleanliness scores from further surpassing Q3 results. As an interim measure, the cleaning contractors are hand-washing bus exteriors.

Note:
Prior year comparative data will be available effective Q1 2017.

Vehicle Cleanliness – Subway



The subway cleanliness audit score increased in Q4 to 91.3%. Performance achieved target for the fourth consecutive quarter and it was the highest result throughout 2016.

Both areas of improvement, walls and ceilings, were addressed in Q4. Other areas of improvement in the future include windows and floors. Currently, windows are addressed during the Major Clean cycle (every 1-2 months depending on fleet size) and floors are addressed every 14 days during the Floor Wash cycle.

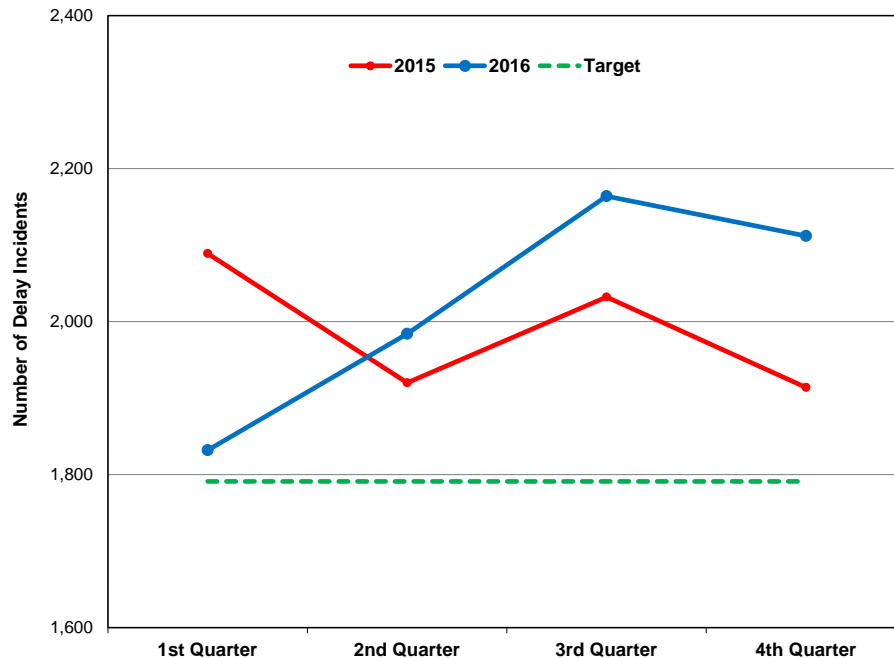
Note:
Prior year comparative data will be available effective Q1 2017.

Customer: Service Performance



Subway

Line 1: Delay Incidents



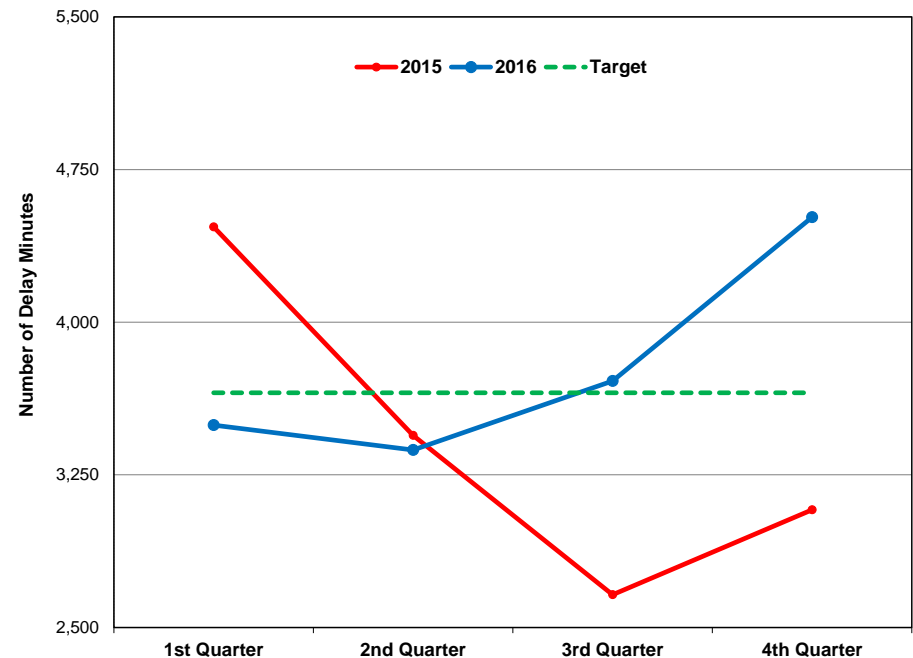
The number of delay incidents decreased in Q4 to 2,112; however, performance was still above target by 18%. It has stayed above target for the fourth consecutive quarter.

Speed control-related incidents accounted for 28% of all incidents; staff is continuing to work with the vendor to reduce these incidents and improvement is expected in early 2017, after software modifications to the system. With increases in track level trespassing and continued high levels of emergency alarms, passenger-related incidents accounted for 41% of all incidents.

Note:

The 2016 target is based on a 20% or more reduction in delay incidents from the 2014 quarterly average baseline.

Line 1: Delay Minutes



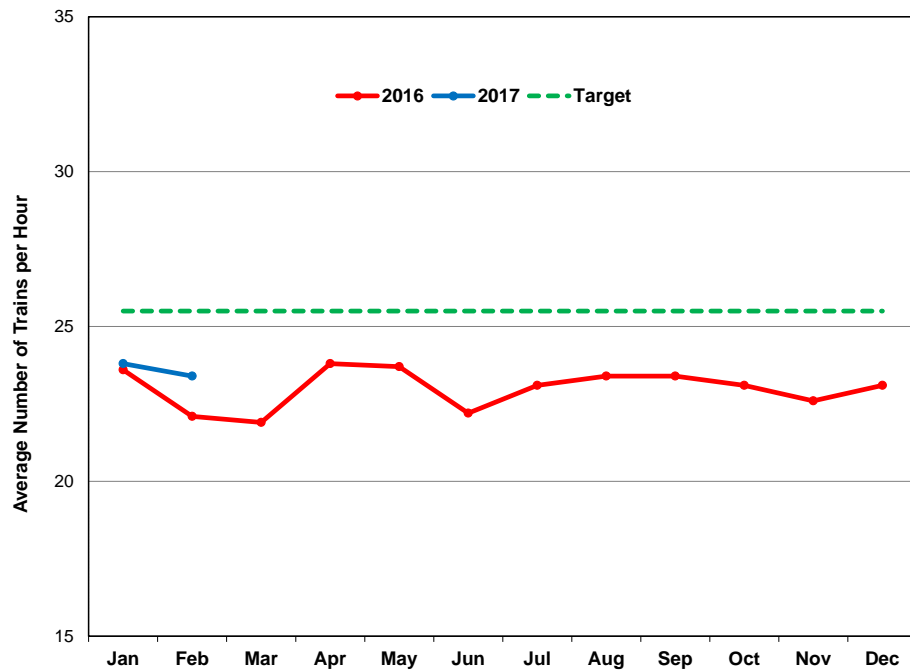
The number of delay minutes increased in Q4 to 4,516. Performance did not achieve target for the second consecutive quarter.

Speed control-related incidents accounted for 28% of all incidents but only 1% of the total delay minutes, since they were resolved quickly. Passenger related delay minutes, however, accounted for 51% of the total delay minutes in Q4, with significant increase in disorderly customers, track level trespassers and unsanitary cars.

Note:

The 2016 target is based on a 20% or more reduction in delay minutes from the 2014 quarterly average baseline.

Line 1: Trains per Hour in Morning Peak



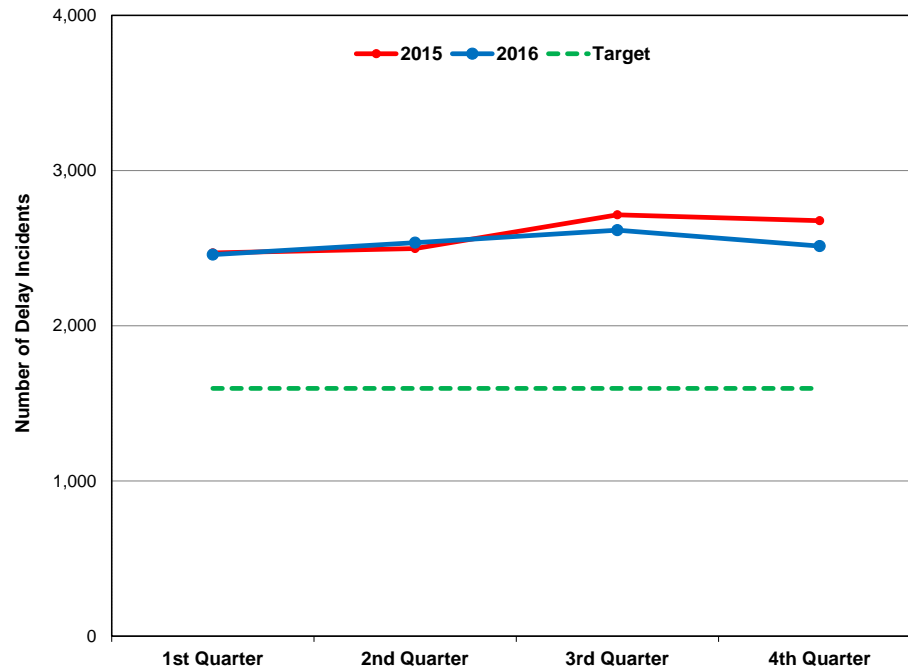
The daily average number of trains per hour (TPH) in the morning peak service period decreased in February to 23.4, or 92% of what was scheduled. Overall monthly performance continued to remain below target.

Despite combined efforts of station and subway staff to minimize dwell times during the morning peak service period, fixed block signaling system is a constraint to meeting this target.

Note:

Data are based on weekday service from Monday to Friday.

Line 2: Delay Incidents



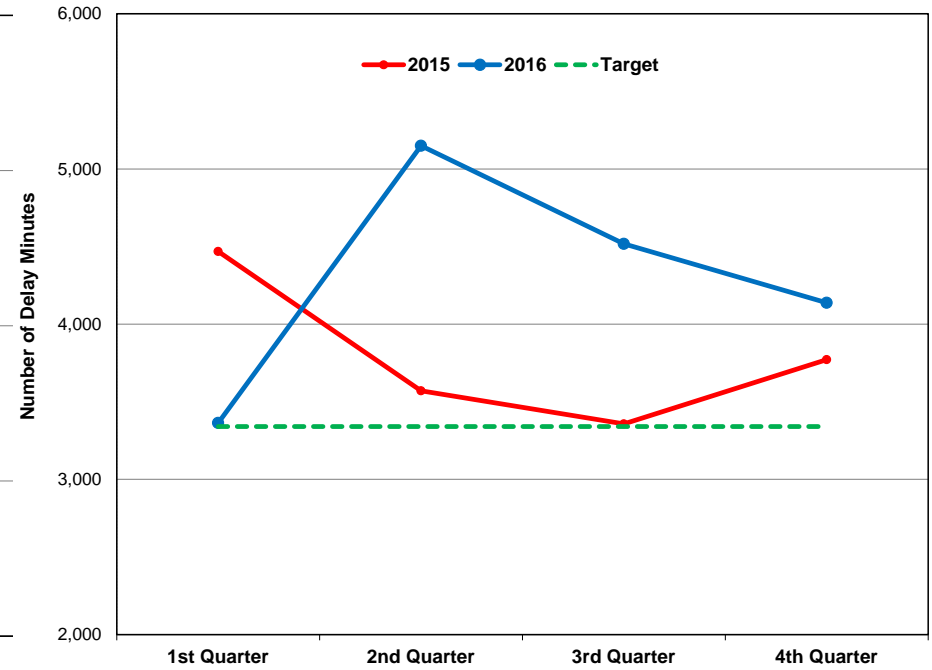
The number of delay incidents decreased in Q4 to 2,513 but performance continued to remain above target.

Speed control-related incidents accounted for 46% of all delay incidents; as in Line 1, staff is continuing to work with the vendor to reduce these incidents and improvement is expected in early 2017, after software modifications to the system. Reductions in the Fire/Smoke (Plan B) incidents were offset by an increase in passenger-related incidents.

Note:

The 2016 target is based on a 20% or more reduction in delay incidents from the 2014 quarterly average baseline.

Line 2: Delay Minutes



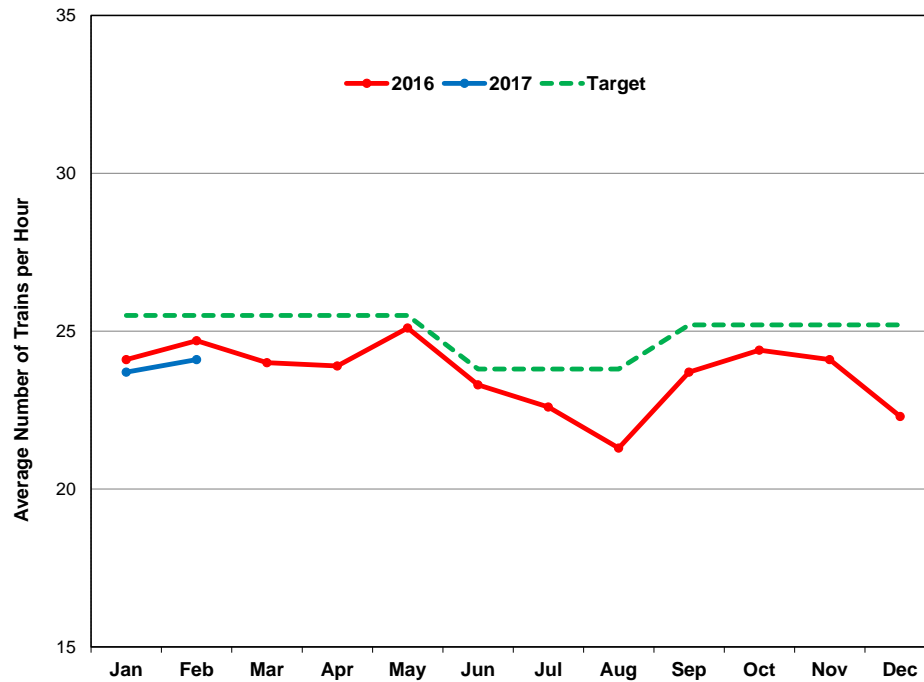
The number of delay minutes decreased in Q4 to 4,138 but performance continued to remain above target.

Although there was a significant increase in the number of delay minutes resulting from passenger-related incidents (17.3% year-over-year), delay minutes resulting from Fire/Smoke (Plan B) incidents decreased significantly, as the approach to this issue continued to show positive results.

Note:

The 2016 target is based on a 20% or more reduction in delay minutes from the 2014 quarterly average baseline.

Line 2: Trains per Hour in Morning Peak



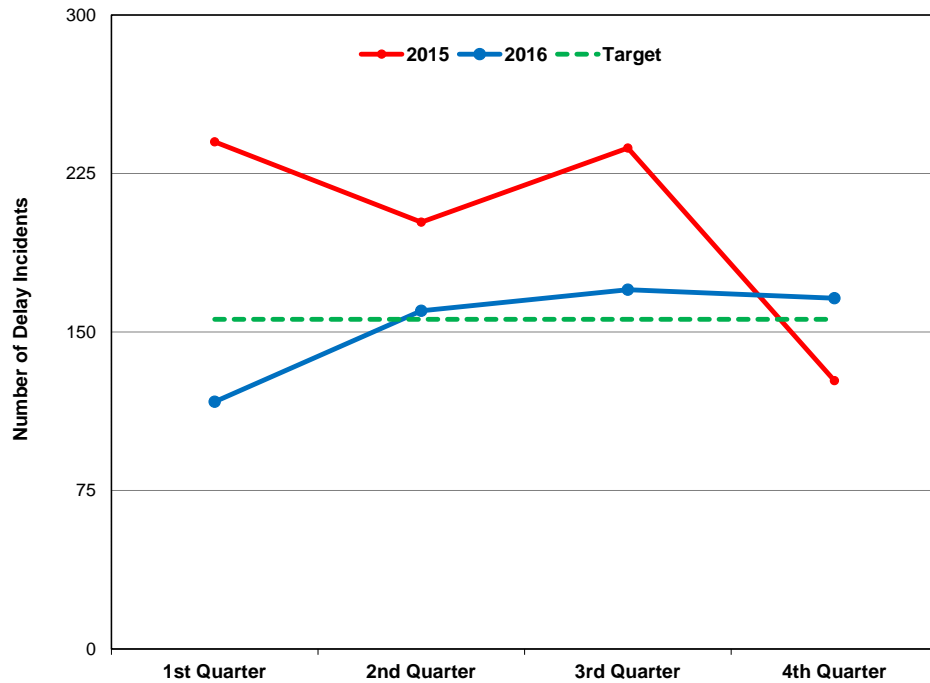
The daily average number of trains per hour (TPH) in the morning peak service period increased in February to 24.1, which was 95% of what was scheduled. Performance continued to remain below target, however.

Although this measurement has improved over the last three months, low TPH on three days in February contributed to the overall TPH, due to Fire/Smoke (Plan B) incidents, signal problems, door delays and Emergency Alarm activation.

Even though on-time and on-schedule performance targets are regularly met, the TPH has been above 25 for only one month in the past 24 months.

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

Line 3: Delay Incidents



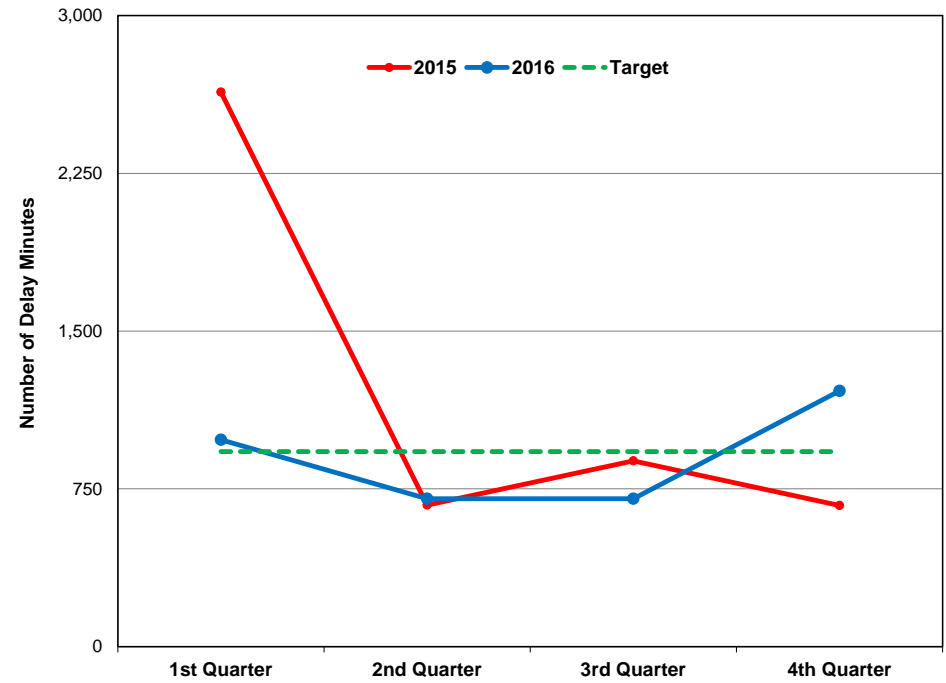
The number of delay incidents decreased in Q4 to 166; however, performance was above target for the third consecutive quarter.

Incidents related to rolling stock and VOBC time-out have consistently comprised the largest proportion of delay incidents and this remained unchanged in Q4. Passenger-related incidents, however, have reduced in Q4.

Note:

The 2016 target is based on a 20% or more reduction in delay incidents from the 2014 quarterly average baseline.

Line 3: Delay Minutes



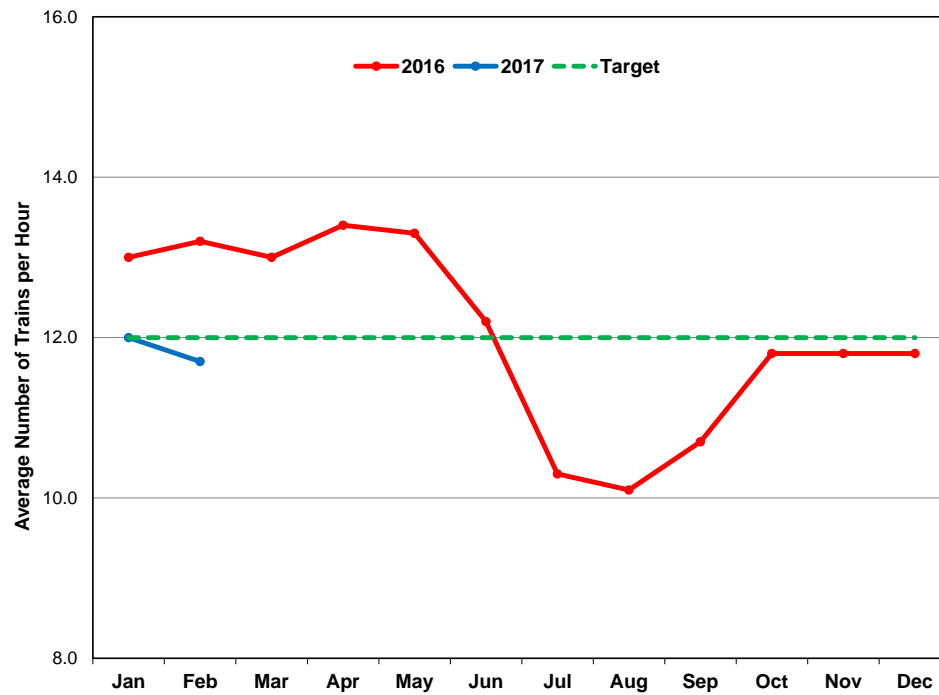
The number of delay minutes increased in Q4 to 1,216. Performance did not achieve target for the first time in three quarters.

The increase was largely due to rolling stock- and infrastructure-related incidents, as the corresponding delay minutes have more than doubled year-over-year. Of note is that if one incident involving a broken power rail, which accounted for 27% of the total delay minutes, was excluded, the target would have been achieved in Q4.

Note:

The 2016 target is based on a 20% or more reduction in delay minutes from the 2014 quarterly average baseline.

Line 3: Trains per Hour in Morning Peak

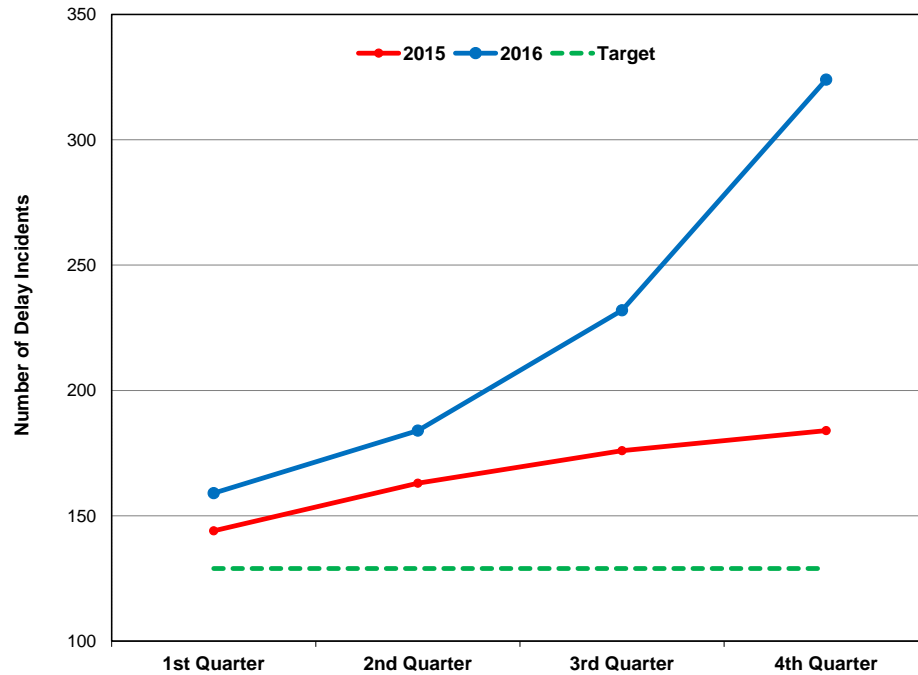


The daily average number of trains per hour (TPH) in the morning peak service period decreased in February to 11.7, or 97.5% of what was scheduled. Overall performance did not achieve target.

Note:

Data are based on weekday service from Monday to Friday.

Line 4: Delay Incidents



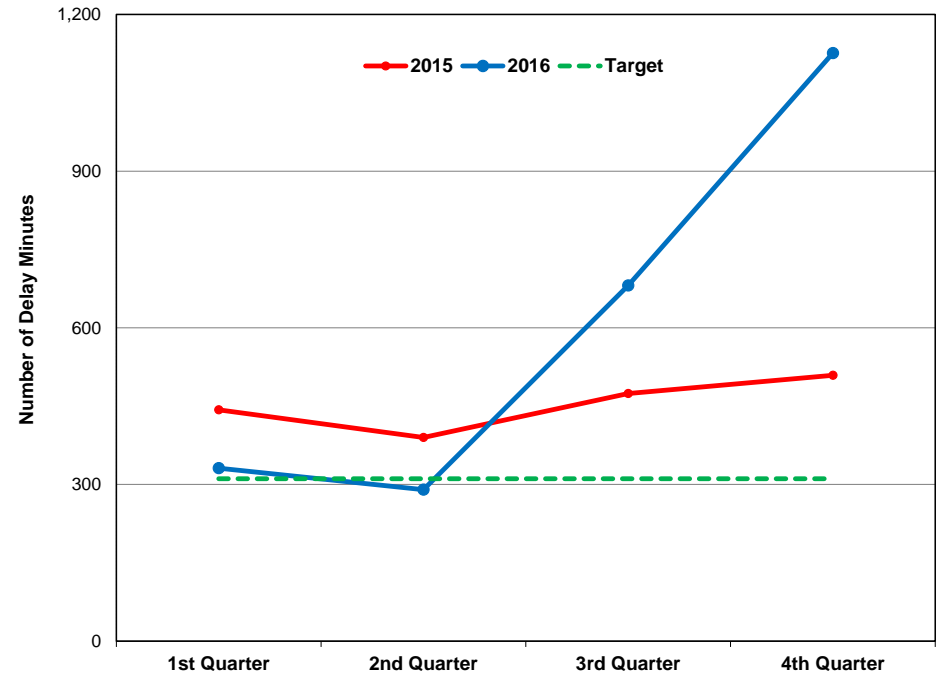
The number of delay incidents increased for the third consecutive quarter in Q4 to 324. Performance continued to remain above target.

The majority of the delay incidents were related to the introduction of One-Person Train Operation. It must be noted that this increase in delay incidents was not unexpected without compromising safety standards. The bulk of those delay incidents were in the first ten weeks of the program launch and delay incidents have already begun to return to normal levels. This measure is anticipated to decrease in 2017.

Note:

The 2016 target is based on a 20% or more reduction in delay incidents from the 2014 quarterly average baseline.

Line 4: Delay Minutes



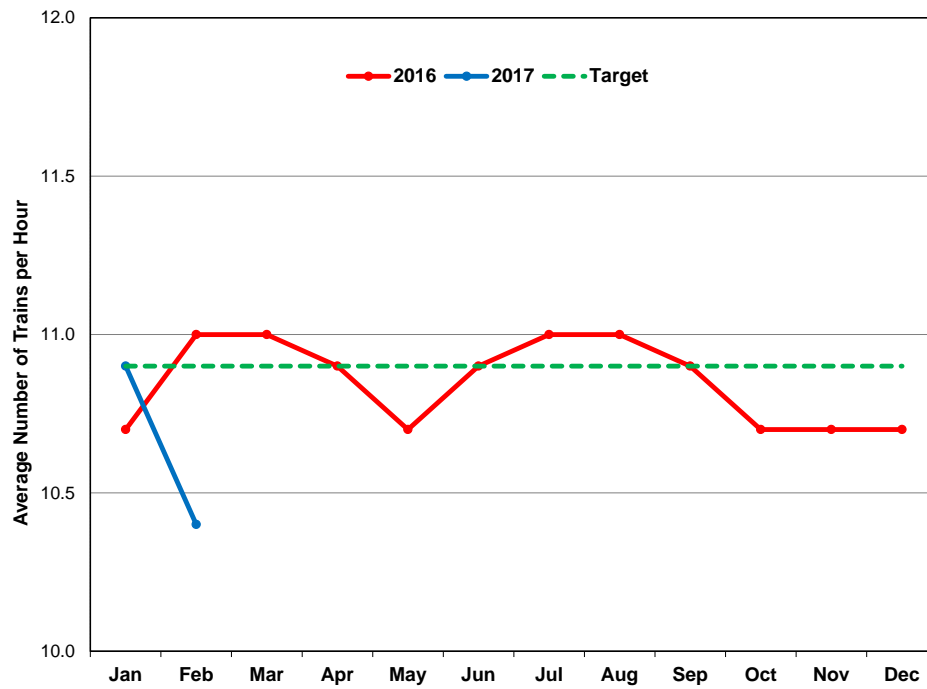
The number of delay minutes increased substantially above target in Q4 to 1,126, primarily due to One-Person Train Operation.

Delay minutes due to One-Person Train Operation were a short-term issue, with most of the delays occurring in the first ten weeks of One-Person Train Operation program; significant improvements have been already made since then. Longer term issues, such as delays from Fire/Smoke (Plan B) incidents, have continued to improve, especially in Q4.

Note:

The 2016 target is based on a 20% 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 decreased in February to 10.4, or 95% of what was scheduled. Overall performance did not achieve target.

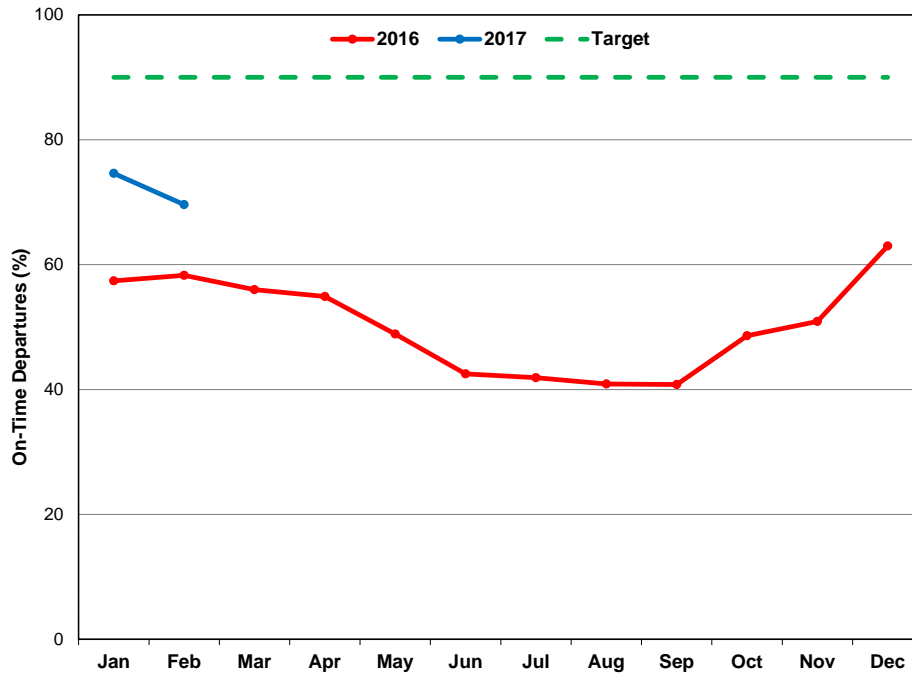
Performance did not meet the target, partly due to a delay from a disorderly customer and a delay from loss of signal communications.

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



Streetcar

On-Time Performance



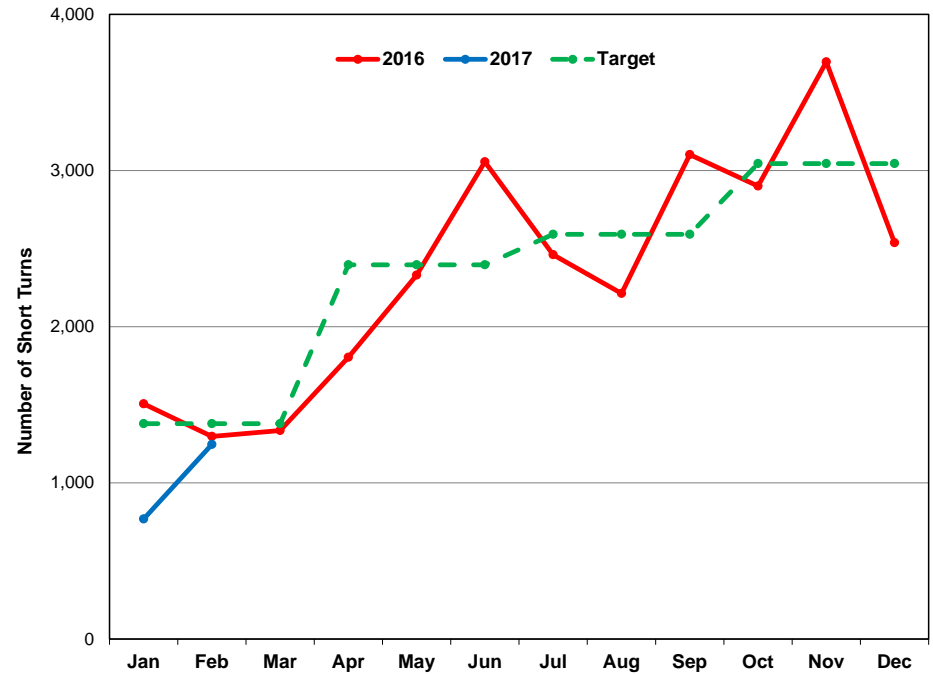
Performance in February decreased to 69.6% and continued to be below target.

Enhanced focus on route performance, completion of construction on the Queen Street route and converting the Bathurst route to bus service have contributed to the improvement in the performance.

Note:

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

Short Turns



The number of short turns increased in February to 1,246; however, performance continued to remain below target (favourable).

The increase in short turns in February was largely due to weather-related events, especially the snow storms in weeks 5 and 7.

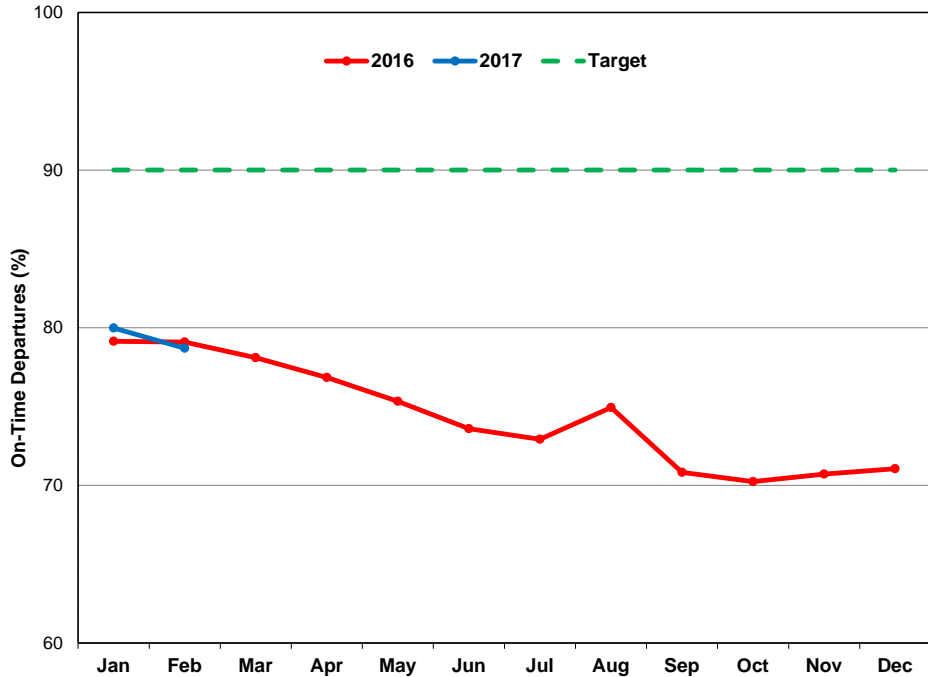
Note:

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



Bus

On-Time Performance

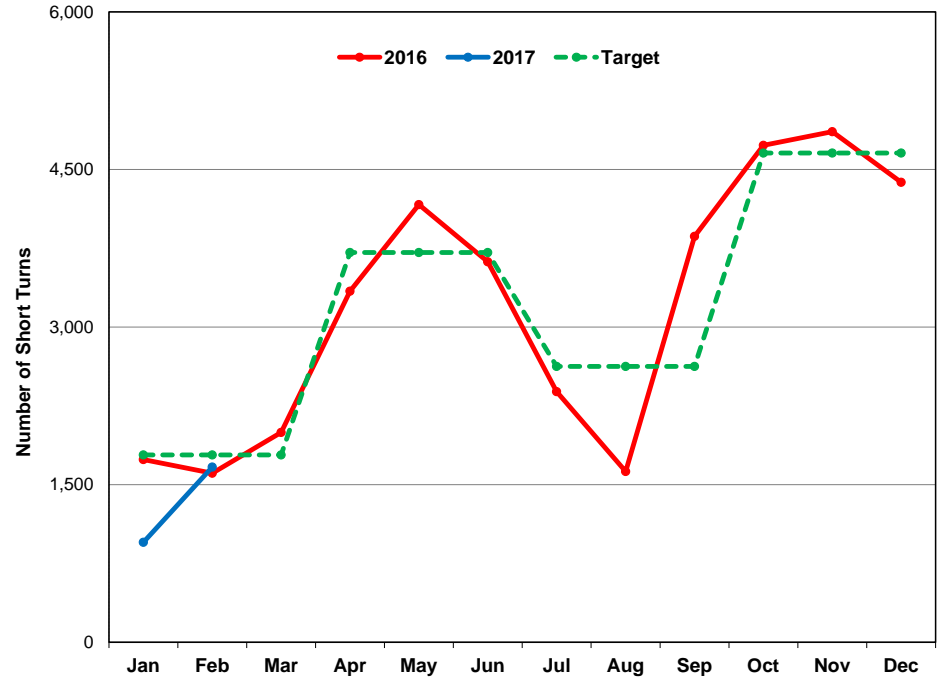


Performance in February decreased to 78.7% and continued to be below target.

On-time performance was marginally below last year's, due to increased Metrolinx construction along Eglinton Avenue and the impact of extreme weather conditions on February 10th and 12th.

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

Short Turns



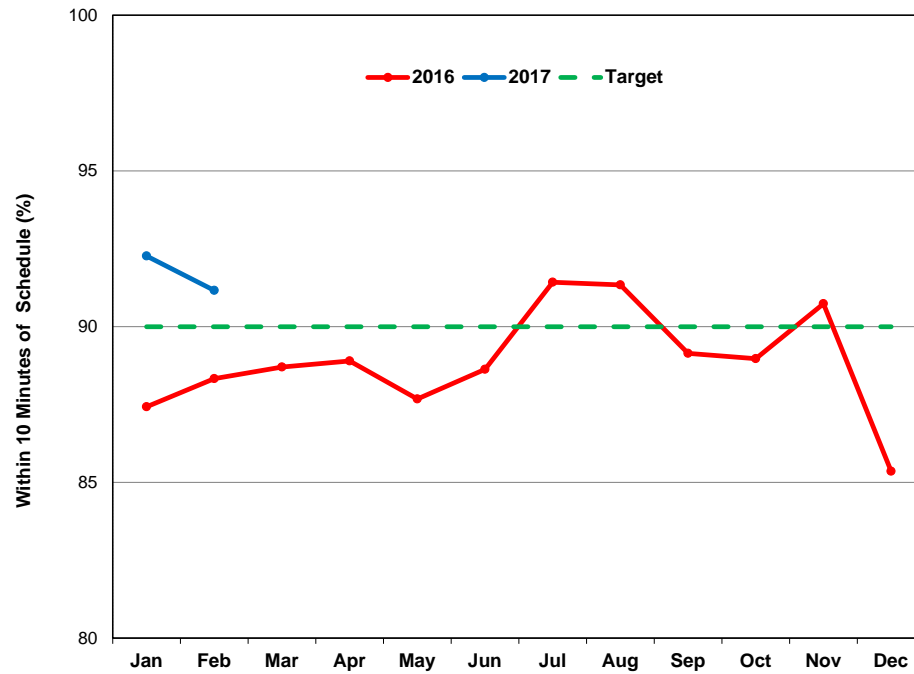
The number of short turns in February increased to 1,668. However, performance was still below target (favourable).

514 incidents, or 31%, of all short turns in February were related to the impact of extreme weather conditions on February 10th and 12th.

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



Punctuality



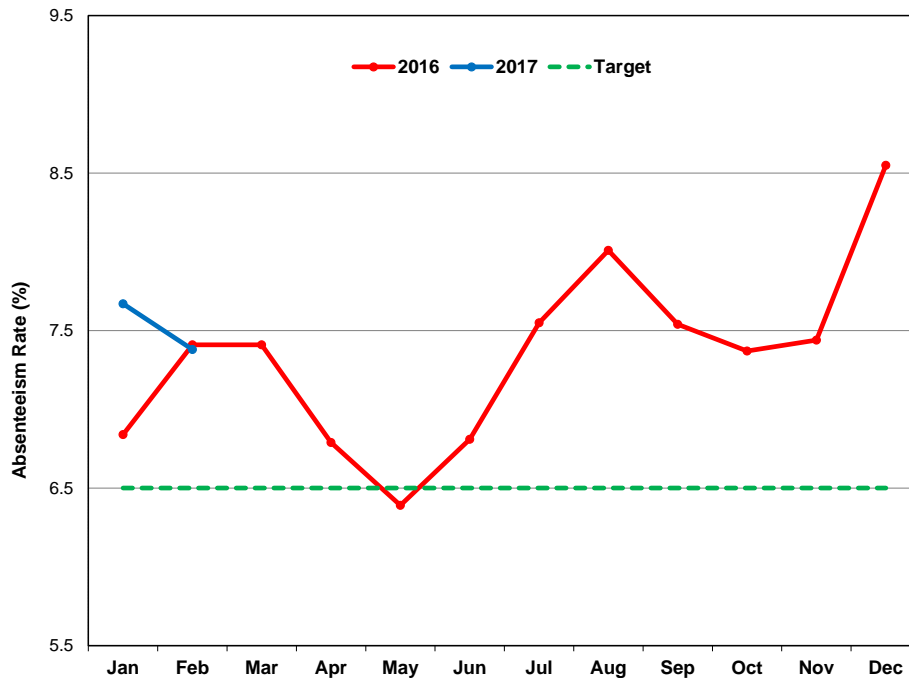
Performance in February decreased to 91.2%, but it was still above target. The improvement was due to enhanced scheduling and tracking procedures, as well as adjustments to the time/distance matrix, efficient deployment of extra resources and a minimal implementation of the Snow Contingency Plan due to milder weather conditions.

3.3 People



People

Employee Absence



The absenteeism rate for February was 7.38%, which is a decrease from the rate of 7.67% for January.

There is a renewed focus on absence management through various initiatives. The TTC is redeveloping its attendance management training for front-line managers, redeploying resources with a specific attendance focus, clarification of roles and responsibilities in attendance management, direction to front-line managers about their rights and obligations when managing employees' absence. The more complex attendance cases in each cost centre are reviewed, in order to review the approach on a case by case basis.

By reviewing the current attendance management practices, redeploying managerial resources, and analyzing the KPI data for areas of improvement, the TTC is continuing to also work on long-term solutions.

3.4 Assets

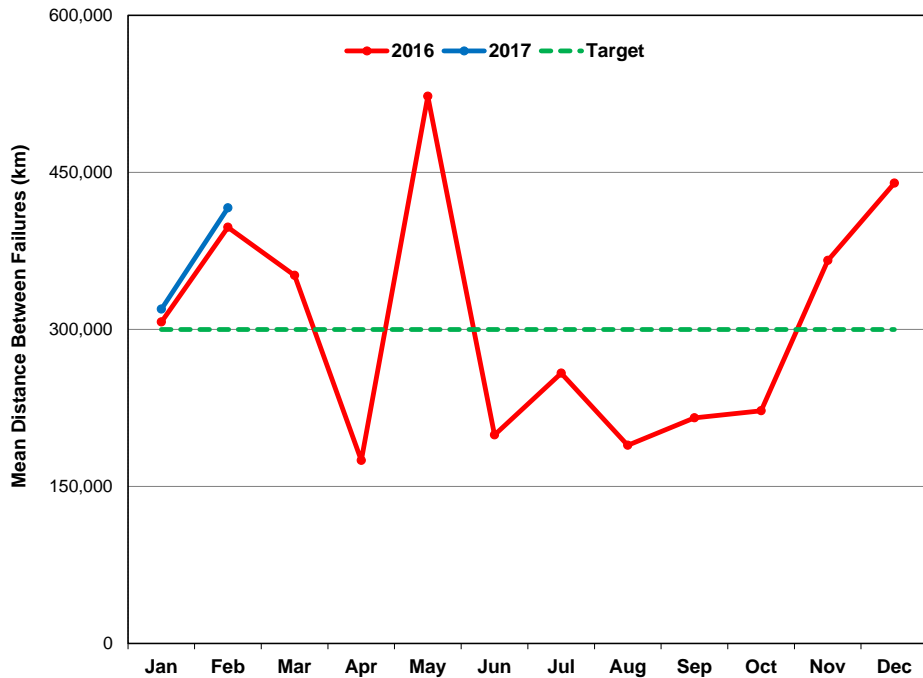


Assets: Vehicle Reliability



Subway

T1 Train: Mean Distance Between Failures (MDBF)

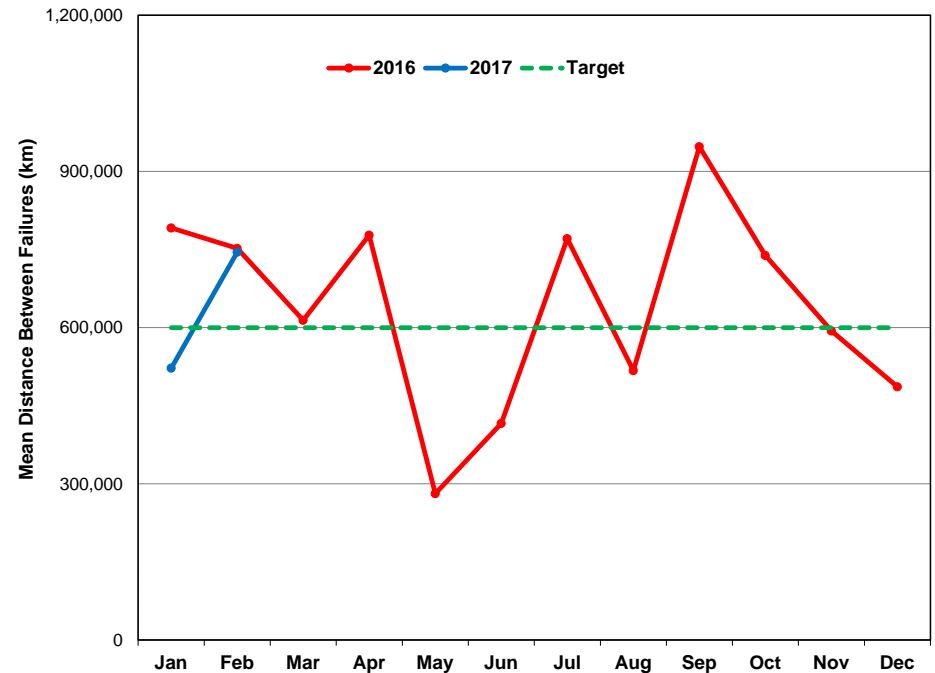


The MBDF increased in February to 416,082 kilometres and performance was above target for the fourth consecutive month.

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

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

TR Train: Mean Distance Between Failures (MDBF)



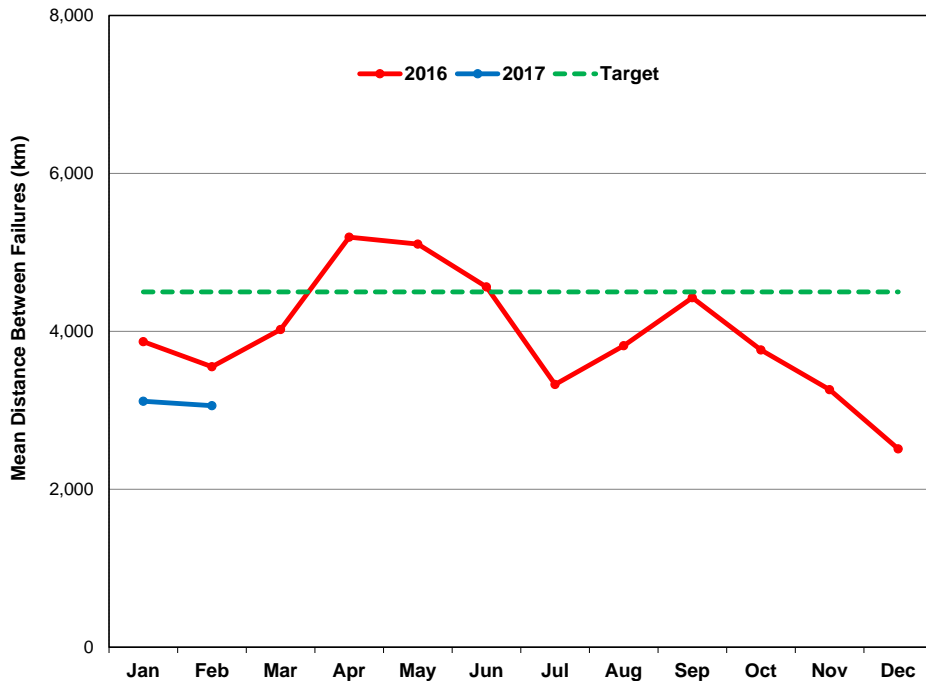
The MDBF increased in February to 744,765 kilometres and performance was above target for the first time in five months.

To date, 60 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 is pending in order to see if the recent increase in Revision E cab doors is related to the issues with the quality of Bombardier's workmanship. 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. Issues related to the propulsion inverter system with occasional brake holding events are under investigation by Bombardier.



Streetcar

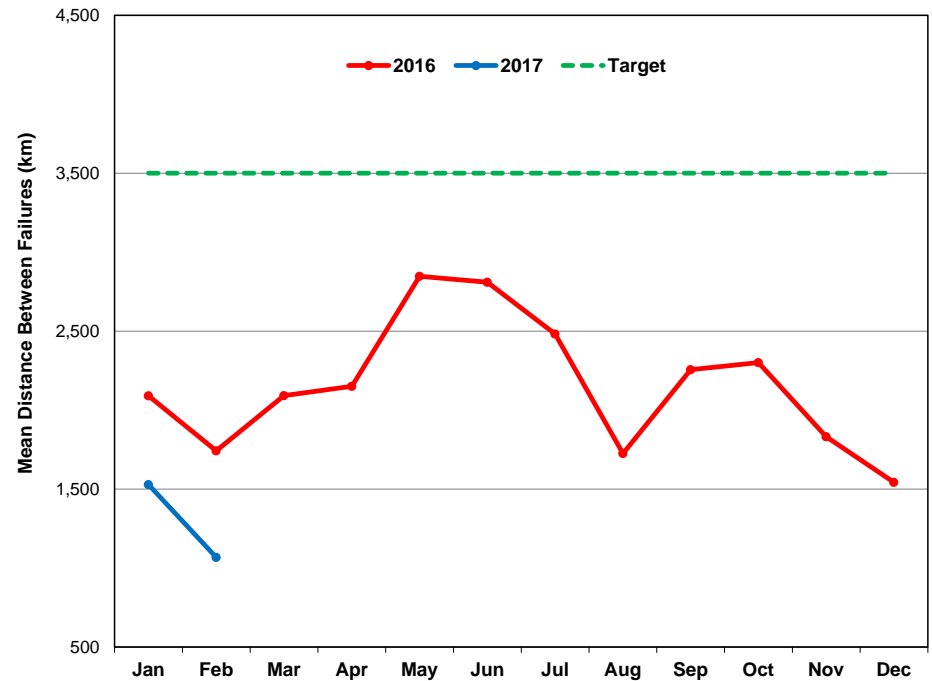
CLRV Streetcar: Mean Distance Between Failures (MDBF)



The MDBF decreased in February to 3,058 kilometres. Overall performance was below target for the eighth consecutive month, partly due to the continued aging and deterioration of the 37-year old fleet.

Shortage of overhaul components such as brake actuators, compressors and major electrical equipment contributed to the parts shortage and reliability problems. On the positive side, availability of vehicles has improved due to the winter readiness program that addressed the pneumatic and heating system problems.

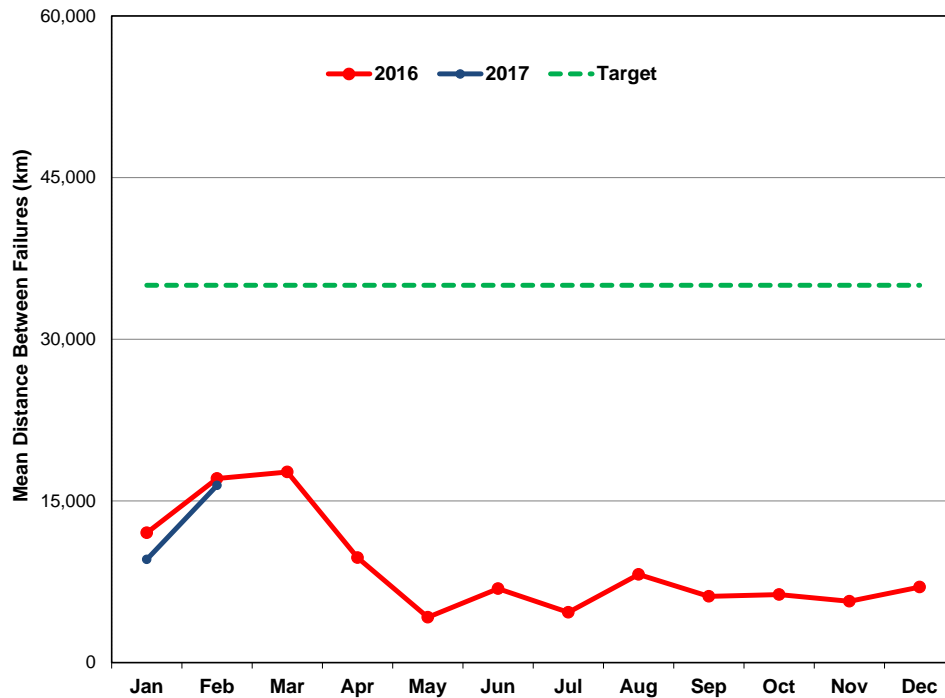
ALRV Streetcar: Mean Distance Between Failures (MDBF)



The MDBF decreased in February to 1,068 kilometres. Performance continued to remain below target.

The decreased performance was due to delays in long lead critical components for the overhaul program as well as gaps in maintenance and operating procedures and quality of manufactured components from some suppliers. A systems approach has been initiated to address gaps and reliability deficiencies.

New Streetcar: Mean Distance Between Failures (MDBF)



The MDBF increased in February to 16,431 kilometres.

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

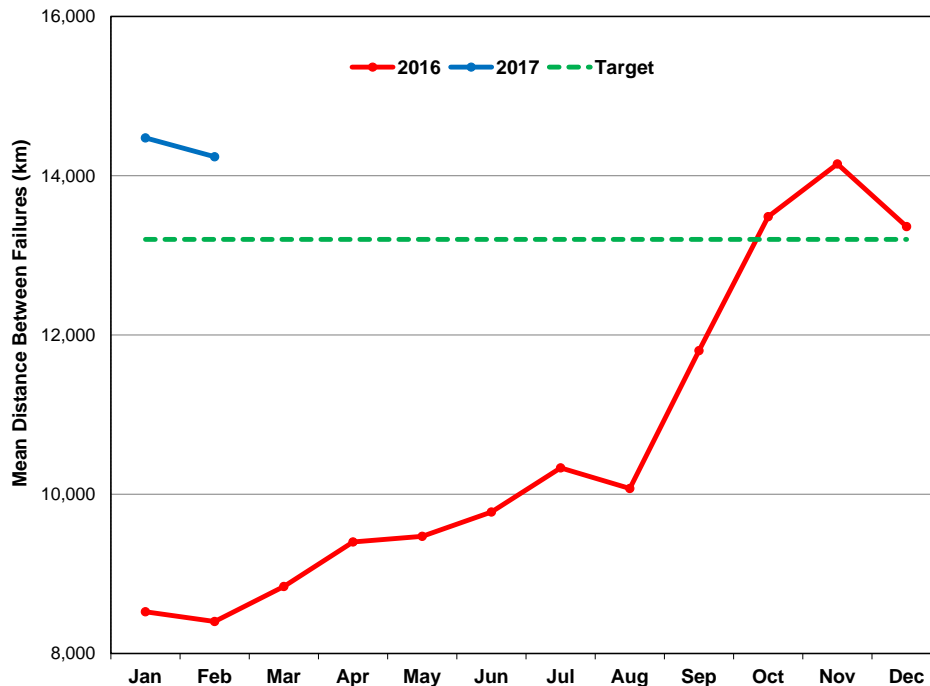
Bombardier's LFLRV mileage is calculated according to each calendar month, whereas the CLRV and ALRV mileage is calculated according to the TTC's financial period.

Of the eight failures reported in February, seven of them were door-related. A plan is in place to create a reference car ("golden car") to ensure manufacturing and set-up quality is consistently maintained to reduce downtime.



Bus

Bus: Mean Distance Between Failures (MDBF)



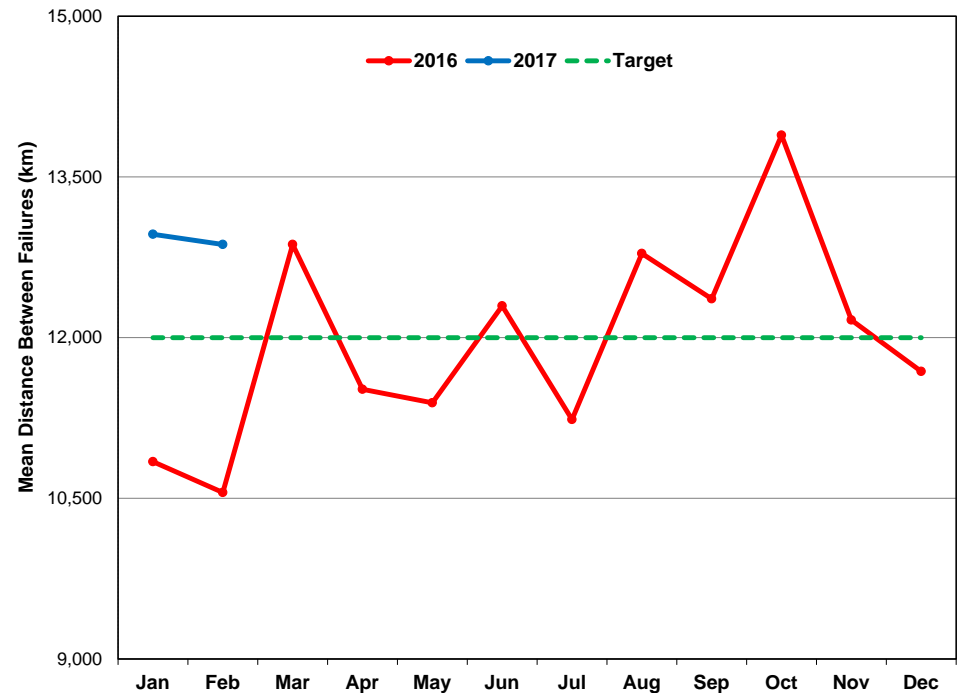
The MDBF decreased in February to 14,237 kilometres. However, performance still achieved target and it was 69% higher than the performance in February 2016.

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 383 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)

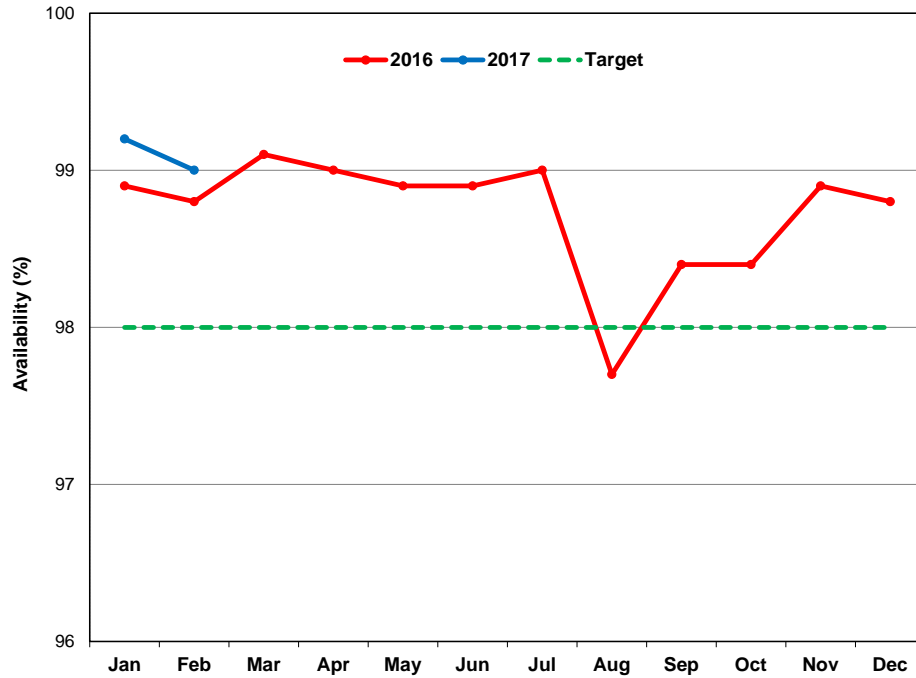


The MDBF decreased in February to 12,869 kilometres. However, overall performance achieved target and it was 22% higher than the performance in February 2016.

Reliability has steadily improved and an evaluation of poorly performing systems is underway to improve the overall reliability. The first system to be focused on is the air conditioning system on the buses. Efforts are underway to relocate two problematic lines that are prone to leak that can cause the rear air conditioner to fail.

Assets: Equipment Availability

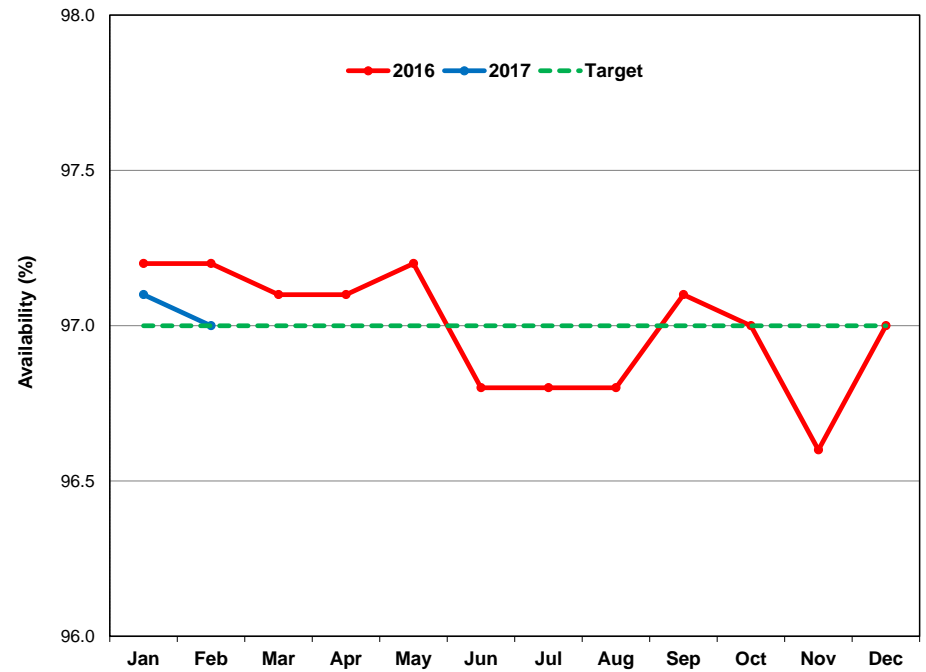
Elevators



Performance in February decreased to 99.0% but continued to remain above target.

Maintenance activities were completed as planned and scheduled.

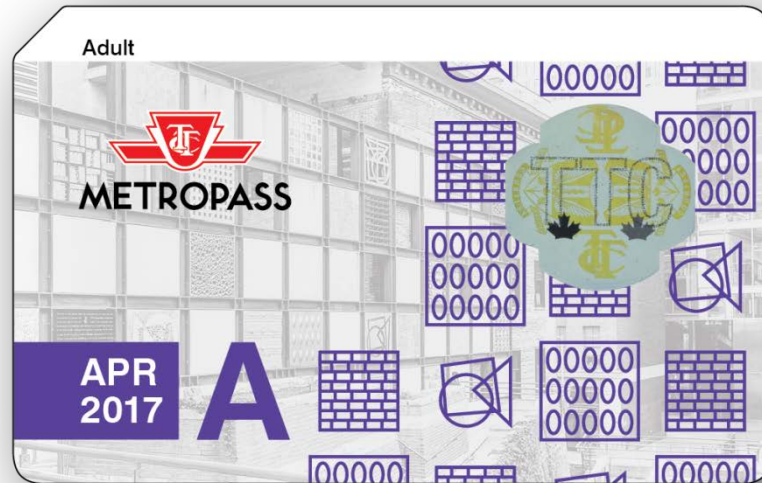
Escalators



Performance in February decreased to 97.0% but still 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 and the TTC Capital Program.

TTC Operating Budget

2017 Year-to-Date Results

To the end of Period 2 (February 25), total revenues were \$2.3 million (1.3%) below budget primarily due to 1.7 million (2.1%) fewer customer journeys than planned, partially offset by a higher average fare (2.08¢ or 1.0%) stemming from ongoing changes in the mix of fare media.

Over the same time period, expenses were under budget (\$13 million or 5%) largely due to budget timing differences on certain non-labour expenses, in addition to consumption savings on diesel and natural gas due to the mild winter weather.

2017 Year-End Projections

(millions)	Projection	Budget	Variance
2017 TTC Operating Budget			
Customer Journeys (Ridership)	538.3	543.8	(5.5)
Revenue	\$1,229.1	\$1,237.6	(\$8.5)
Expenses	\$1,789.9	\$1,798.4	(\$8.5)
Subsidy Required	\$560.8	\$560.8	-
Subsidy Available*	\$560.8	\$560.8	-
Surplus/(Shortfall)	\$0	\$0	\$0

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

Currently, the year-end subsidy is expected to be on budget due to the following offsetting revenue and expense variances.

Passenger Revenues: \$8.5 million decrease

Based on ridership trends prior to The Government of Canada's announcement that it is eliminating the Public Transit Tax Credit (PTTC), passenger revenue was expected to be \$3 million under budget based on 3 million projected fewer customer journeys than budget, partially offset by a slight increase in the average fare. The elimination of the PTTC will have an additional impact. The PTTC has undoubtedly had a positive impact on TTC Metropass sales and ridership growth and it is anticipated that the elimination of the PTTC will erode at least some of these gains. The estimated 2017 ridership/revenue loss at this time is approximately 2.5 million rides and \$5 million. These estimates will be further refined as better data to assess the impacts become available later in Spring 2017.

Diesel: \$2.0 million decrease

A marginally more favourable fuel consumption rate than anticipated, primarily due to the mild winter weather, accounts for this positive impact.

Depreciation: \$2.0 million decrease

Based on lower than anticipated capital asset acquisitions in 2015, it is projected that the corresponding depreciation expense for 2016 will also be lower than originally expected.

PRESTO fees: \$2.0 million decrease

As a result of updated projections, the estimated adoption rate for pass users will be lower than initially anticipated in 2017.

Other Expenses: \$2.5 million decrease

Natural gas consumption savings due to a mild winter, and some workforce gapping savings are projected to result in this favourable variance.

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

(\$000s)	Period 2: 4 Weeks January 28 to February 25, 2017				Two Periods to February 25, 2017				Full Year 2017			
	Over/(Under)		Over/(Under)		Over/(Under)		Over/(Under)		Probable		Probable	
	Actual	Budget	Budget	Budget %	Actual	Budget	Budget	Budget %	Probable	Budget	Variance	Variance %
TOTAL REVENUES	97,356	98,943	(1,587)	-1.6%	188,827	191,218	(2,391)	-1.3%	1,229,122	1,237,622	(8,500)	-0.7%
TOTAL EXPENSES	120,716	135,920	(15,204)	-11.2%	258,981	272,746	(13,765)	-5.0%	1,789,972	1,798,482	(8,510)	-0.5%
OPERATING SUBSIDY REQUIRED in 2017					70,154	81,528	(11,374)	-14.0%	560,850	560,860	(10)	0.0%
CITY OPERATING SUBSIDY AVAILABLE							-		546,846	546,846	-	0.0%
DRAW FROM STABILIZATION RESERVE							-		14,014	14,014	-	0.0%
SHORTFALL / (SURPLUS)					70,154	81,528	(11,374)	-14.0%	(10)	0	(10)	

<u>REVENUES:</u>												
Passenger Revenues	92,051	93,244	(1,193)	-1.3%	177,790	179,927	(2,137)	-1.2%	1,159,860	1,168,360	(8,500)	-0.7%
Outside City & Charters	1,295	1,233	62	5.0%	2,601	2,455	146	5.9%	15,598	15,598	-	0.0%
Advertising	2,331	2,358	(27)	-1.1%	4,662	4,715	(53)	-1.1%	28,292	28,292	-	0.0%
Rent Revenue	925	935	(10)	-1.1%	1,822	1,869	(47)	-2.5%	11,148	11,148	-	0.0%
Commuter Parking	913	1,020	(107)	-10.5%	1,824	1,926	(102)	-5.3%	12,291	12,291	-	0.0%
Other Income	(159)	153	(312)	-203.9%	128	326	(198)	-60.7%	1,933	1,933	-	0.0%
TOTAL REVENUES	97,356	98,943	(1,587)	-1.6%	188,827	191,218	(2,391)	-1.3%	1,229,122	1,237,622	(8,500)	-0.7%
<u>EXPENSES (LABOUR & NON-LABOUR)</u>												
CEO's Office	2,416	3,027	(611)	-20.2%	5,229	5,980	(751)	-12.6%	41,796	41,824	(27)	-0.1%
Engineering, Construction & Expansion Group	146	278	(132)	-47.5%	298	555	(257)	-46.3%	4,352	4,352	-	0.0%
Corporate Services Group	3,119	4,862	(1,743)	-35.8%	8,362	10,014	(1,652)	-16.5%	70,474	71,855	(1,381)	-1.9%
Strategy and Customer Experience Group	1,142	1,414	(272)	-19.2%	2,635	2,831	(196)	-6.9%	20,931	20,808	123	0.6%
Operations Group	19,782	23,404	(3,622)	-15.5%	44,395	46,599	(2,204)	-4.7%	318,046	318,046	-	0.0%
Service Delivery Group	53,808	57,678	(3,870)	-6.7%	110,325	115,344	(5,019)	-4.4%	765,134	765,558	(424)	-0.1%
Employee Benefits	24,577	25,451	(874)	-3.4%	50,395	50,536	(141)	-0.3%	302,100	302,100	-	0.0%
Vehicle Fuel	5,870	6,317	(447)	-7.1%	11,874	12,542	(668)	-5.3%	80,889	82,889	(2,000)	-2.4%
Traction Power	4,411	4,444	(33)	-0.7%	9,349	9,365	(16)	-0.2%	58,884	58,884	-	0.0%
Utilities (Hydro, Natural Gas, Water)	1,610	3,001	(1,391)	-46.4%	5,828	6,233	(405)	-6.5%	28,033	28,833	(800)	-2.8%
Taxes and Licences	230	261	(31)	-11.9%	485	522	(37)	-7.1%	3,311	3,311	-	0.0%
Depreciation	2,159	2,239	(80)	-3.6%	4,478	4,478	-	0.0%	26,999	28,999	(2,000)	-6.9%
Accident Claims & Insurance	1,172	1,532	(360)	-23.5%	2,173	2,952	(779)	-26.4%	37,914	37,914	-	0.0%
Non-Departmental Costs	274	2,012	(1,738)	-86.4%	3,155	4,795	(1,640)	-34.2%	31,109	33,109	(2,000)	-6.0%
TOTAL EXPENSES	120,716	135,920	(15,204)	-11.2%	258,981	272,746	(13,765)	-5.0%	1,789,972	1,798,482	(8,510)	-0.5%
OPERATING SUBSIDY REQUIRED in 2017					70,154	81,528	(11,374)	-14.0%	560,850	560,860	(10)	0.0%
CITY OPERATING SUBSIDY AVAILABLE							-	100.0%	546,846	546,846	-	
DRAW FROM STABILIZATION RESERVE					1,001	1,001			14,014	14,014		
SHORTFALL / (SURPLUS)					69,153	80,527	(11,374)	-14.1%	(10)	0	(10)	

Elimination of the Public Transit Tax Credit – Impact on TTC

The Government of Canada has announced that it is eliminating the Public Transit Tax Credit (PTTC), effective July, 2017. The Government's basis for this decision is that "available evidence suggests that this credit has been ineffective in encouraging the use of public transit and reducing greenhouse gas emissions".

The implementation of the PTTC in July, 2006, has undoubtedly had a positive impact on TTC Metropass sales and ridership growth and it is anticipated that the elimination of the PTTC will erode much of these gains. The precise impacts can't be determined at this time because PTTC claim data is not available specifically for individuals who used TTC fare media purchases as the basis for their claims. To address this information gap, the TTC will conduct a survey later in Spring 2017, aimed at measuring the awareness, perceptions, and impact of the elimination of the PTTC on TTC customers.

In the interim, an estimated range of the impact of the elimination of the PTTC on TTC ridership and passenger revenue can be quantified through the use of available PTTC external research, TTC Metropass sales and demographic data, and TTC ridership data.

Metropass Sales Impact

Available external research indicates that the PTTC likely hasn't attracted non-transit users to public transit; it is more likely to have induced individuals who are already using public transit to switch from purchasing single-ride fares (PRESTO e-purse, tokens, tickets, cash) to purchasing monthly passes. In the TTC's case, this would involve commuter-based customers (40 to 44 trips per month) switching to a Metropass. This switching behaviour is supported by the fact that the Adult Regular Metropass is priced to be the equivalent of 49 single-rides; however, when the 15% PTTC is applied, the relative price of the Metropass is lowered to be the equivalent of 42 single rides, which coincides with a typical commuter-based trip frequency.

External data for PTTC tax claims indicate that the vast majority of PTTC claims growth occurred in the 2.5 year period from July 2006 (start of PTTC) to December 2008. During the same time period, average monthly TTC Metropass sales were 250,000. This was a sharp increase from average monthly sales of 174,000 for the 2.5-year period prior to the implementation of the PTTC. The equivalent annual pass sales growth of approximately 900,000 is viewed as being mainly attributable to the PTTC – there were no significant enhancements to the TTC's Metropass programs during this time period that could help to explain this sales growth.

If it is assumed that 75% to 100% of the above-noted Metropass sales growth was attributable to the PTTC, the elimination of the PTTC could result in lost annual Metropass sales in the range of 675,000 to 900,000 passes.

Ridership and Revenue Impact

It is assumed that TTC customers who purchase Metropasses mainly because of the availability of the PTTC will likely revert to single-ride purchases when the PTTC is eliminated. It is estimated that this will result in a ridership loss of approximately seven rides per lost Metropass sale. The estimate of seven rides lost is the difference between the normal Metropass trip multiple of 49 rides and the multiple of 42 rides after the 15% PTTC is applied. Based on projected lost annual Metropass sales noted above of 675,000 to 900,000 passes, the projected lost ridership is in the range of 4.7 million to 6.3 million. The associated annual revenue loss is in the range of \$8.7 million to \$11.6 million.

An alternative method of determining the estimated ridership loss is to apply a fare elasticity calculation. In this scenario, the fare elasticity effect would be based on a Metropass purchaser perceiving the elimination of the PTTC to be the equivalent of a 15% increase in the price of a Metropass. Using this method, the calculated ridership loss is approximately 6 million, i.e., very similar to the ridership loss noted above.

Equity Impact

The TTC has one of the highest-priced monthly passes in North America. In Canada, a survey of 15 transit agencies selected from across the nation and the Greater Toronto and Hamilton Area (GTHA) indicates that the TTC's Adult Regular Metropass price of \$146.25 is 40% higher than the combined average price of \$104.15 for these agencies. Similarly, the Metropass price multiple of 49 is 29% higher than the combined average multiple of 38 for these agencies.

Given the high cost of the Metropass, the PTTC will have generated a higher relative tax-related benefit to TTC customers compared with customers of other transit agencies. As a result, there is a very real possibility that the elimination of the PTTC may have a disproportionately negative impact on TTC customers. This negative impact may be even more pronounced for customers at lower income levels for whom the PTTC may have been important in being able to afford purchasing a Metropass.

Summary

The Government of Canada has announced that it is eliminating the Public Transit Tax Credit effective July, 2017. The PTTC has undoubtedly had a positive impact on TTC Metropass sales and ridership growth and it is anticipated that the elimination of the PTTC will erode at least some of these gains. The estimated annual ridership/revenue loss at this time is approximately 5 to 6 million rides and \$9 million to \$12 million. These estimates will be further refined as better data to assess the impacts become available later in Spring 2017.

Wheel-Trans Operating Budget

2017 Year-to-Date Results

To the end of Period 2 (February 25), total revenues were \$40K (or 3.4%) below target. This reflects slightly lower revenues from 18K (2.9%) less customer journeys, combined by a lower average fare (\$0.01 or 0.5%).

Over the same period, expenses were \$2.0 million (9.7%) 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)	4.723	4.723	0
Revenue	\$8.5	\$8.5	\$0
Expenses	\$151.2	\$151.2	\$0
Subsidy Required	\$142.7	\$142.7	\$0
Subsidy Available	\$142.7	\$142.7	\$0
Surplus/(Shortfall)	\$0	\$0	\$0

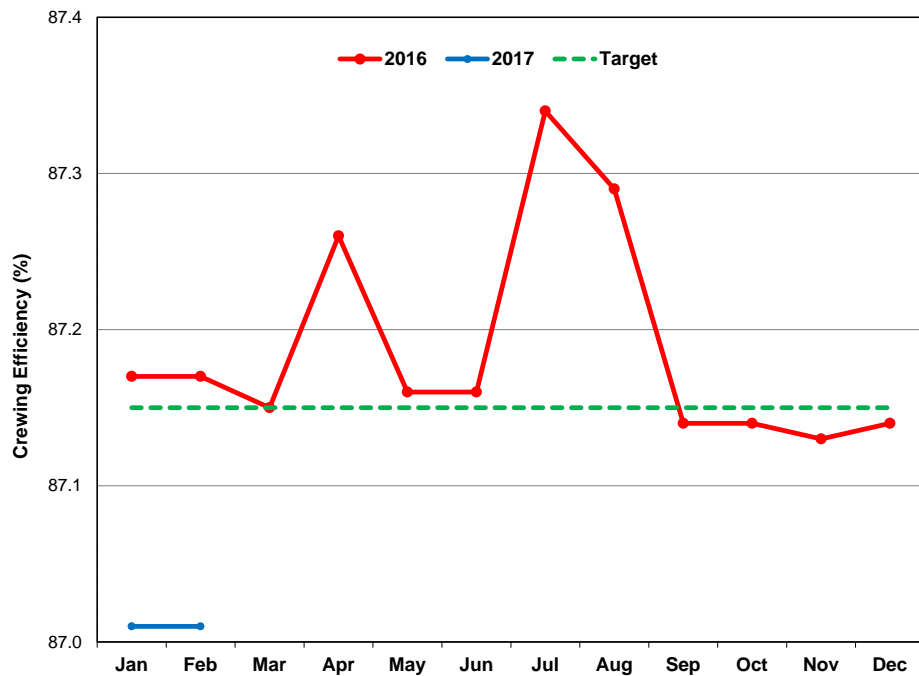
Given the AODA eligibility changes which took effect January 1, 2017, it is still quite early in the year to project year-end variances with any degree of certainty.

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

PERIOD 2	Period 2: Four Weeks January 29 to February 25, 2017			Two Periods to February 25, 2017			Full Year 2017		
(\$000s)	Actual	Budget	Over/(Under) Budget	Actual	Budget	Over/(Under) Budget	Projected Actual	Budget	Projected Variance
REVENUES:									
Passenger Fares	583	593	(10)	1,139	1,179	(40)	8,492	8,492	0
EXPENSES:									
CONTRACTED TAXI SERVICE	4,252	4,618	(366)	8,278	9,201	(923)	71,866	71,866	0
WHEEL-TRANS BUS SERVICE	3,459	3,764	(305)	6,853	7,402	(549)	49,005	49,005	0
OTHER WHEEL-TRANS EXPENSES	1,865	2,177	(312)	3,754	4,304	(551)	30,299	30,299	0
TOTAL EXPENSES	9,577	10,559	(983)	18,884	20,907	(2,022)	151,169	151,169	0
OPERATING SUBSIDY REQUIRED IN 2017							142,678	142,678	0
OPERATING SUBSIDY AVAILABLE IN 2017							142,678	142,678	0
SHORTFALL/(SURPLUS)							-	-	0

PASSENGER TRIPS (000s)	312	316	(4)	609	627	(18)	4,723	4,723	0
UNACCOMMODATED RATE (%)	0.1	0.5	(0.4)	0.1	0.5	(0.4)	0.5	0.5	0.0
SUBSIDY PER TRIP (\$)	28.83	31.57	(2.74)	29.14	31.47	(2.32)	30.62	30.62	(0.00)

Operator Crewing Efficiency



Operator crewing efficiency remained unchanged in February at 87.01%; performance remained below target. Crewing efficiency has been below target due to the large numbers of buses replacing streetcars. This is due both to vehicle size and longer distance 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

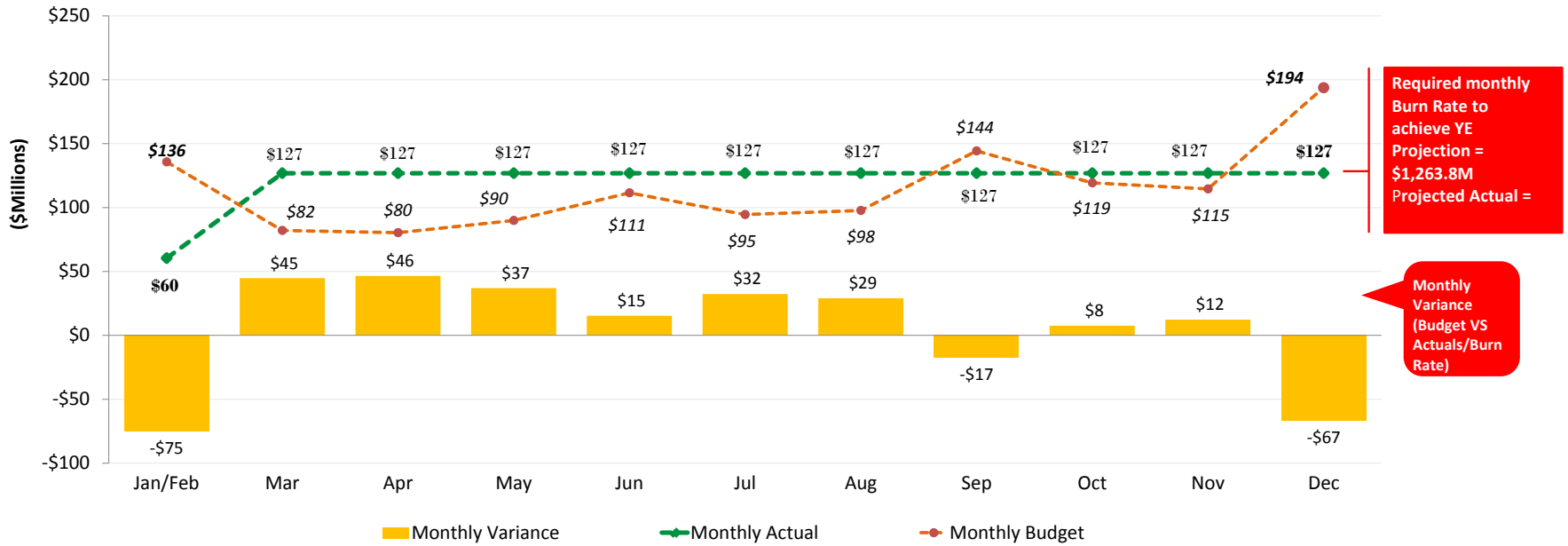
Capital expenditures to the end of Period 2 (February 25) typically reflect lower project activity as early efforts are focussed on setting up schedules and tendering work. Other current period activity includes settlement of 2016 accrued contract payments and continued progress on vehicle and construction contracts already in place.

2017 Year-End Projections

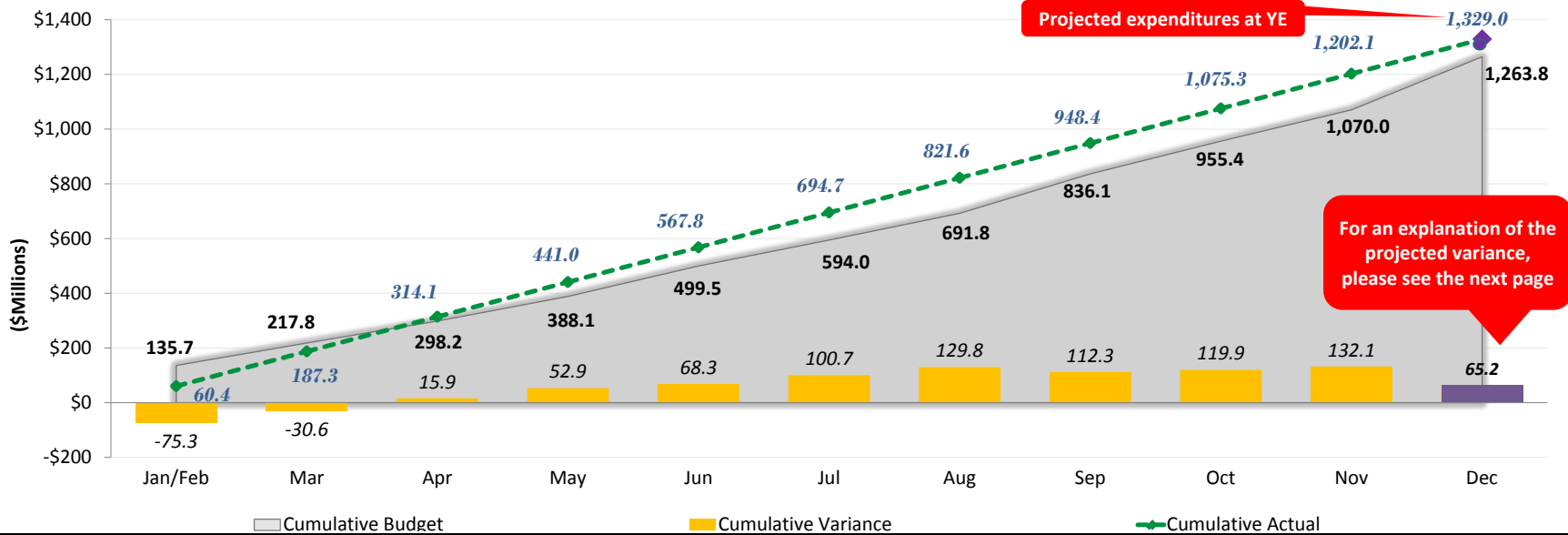
(millions)	Projection	Budget*	Variance
2017 TTC Capital Budget			
Base Program	\$1,329.0	\$1,263.8	\$65.2
Toronto-York Spadina Subway Extension (TYSSE)	\$551.6	\$545.1	\$6.5
Scarborough Subway Extension (SSE)	\$119.5	\$125.2	(\$5.7)

*Budget excludes additional carry forward spending on Base Program (\$223.5M), YYSSE (\$63.5M), and SSE (\$26.9M).

2017 Base Program: Month-to-Month Budget Tracking



2017 Base Program: Cumulative Budget Tracking



Base Program Expenditures: \$65.2 million over

The 2017 Council Approved Budget of \$1,263.8 million excludes an additional carry forward of \$223.5 million that was reported to Budget Committee on March 27, 2017. 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:

Surface Track: \$5.2 million over

Variance is due to slippage from 2016 to 2017 for Russell Yard South Track Improvement and CNE and the advancement of design work for Modifications to the Queensway.

Traction Power: \$6.0 million over

Variance is due to advancement of funds for material purchases, the cashflows 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.

Bridges and Tunnels: \$8.8 million over

The variance is mainly caused by the Bridges/Structures Maintenance Program – slippage of Union Platform transfer, new estimates for the Spadina LRT Bridge, the Osgoode Fan Shaft #2 and McBrien Building.

Facility Renewal Projects: \$9.1 million under

Variance is primarily due to the Revenue Operations Facility and Old Eglinton Garage projects being cancelled. Additionally, the start of construction has been delayed on the Subway Facility Renewal Program to address design comments and the Wilson Garage Ventilation Upgrades were rescheduled to reflect the revised procurement strategy.

Purchase of Subway Cars: \$23.1 million over

Variance is primarily due to the transfer of escalation and contingency allowance for project changes to 2017 along with the revised cashflow and delivery schedules for spares and special tools and advancement of one 4-car consist trainset.

Bus Overhaul: \$10.1 million over

The variance is due to the deferral of 1,274 A/B Hybrid system overhauls from 2016 into 2017 and the delayed start of 1,336 6 Year Overhauls resulting in an increased number of midlife buses being completed

Purchase Automotive Non-Revenue Vehicles: \$6.2 million over

Projected year end variance is mainly due to slippage and delivery delays from 2016 to 2017.

Shop Equipment: \$7.7 million over

The variance is due to Rail Cars and Shops - equipment slipped from 2016 and new equipment was added; Bus Maintenance and Shops Department - equipment delivery delayed from 2016 to 2017 to due procurement issues and; Rubber Tired Shop Equipment slippage.

Service Planning: \$6.5 million over

Variance is due to slippage of work from 2016 to 2017.

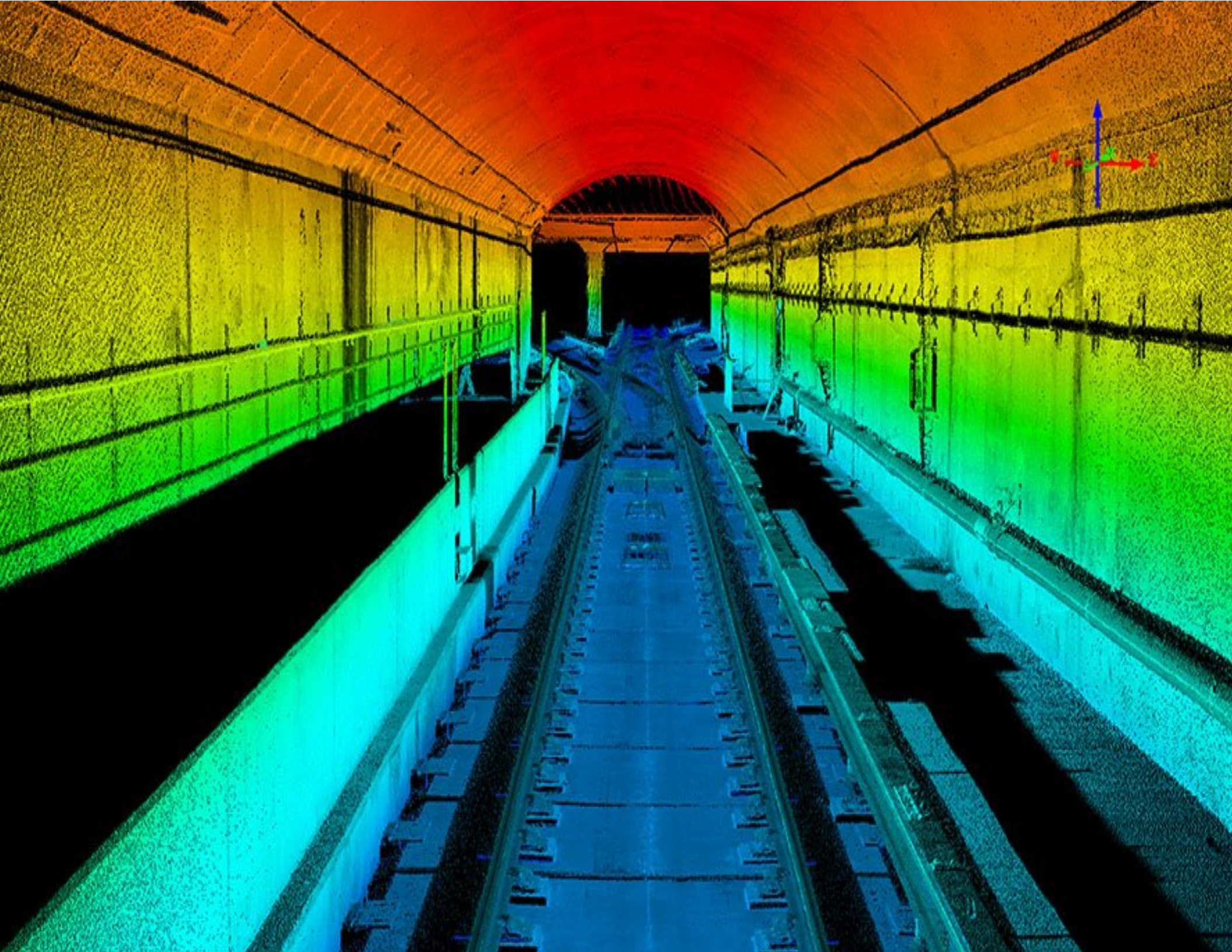
Toronto York Spadina Subway Extension (TYSSE) : \$6.5 million over

Variance is due to the advancement of facilities construction, holdback release and claims resolution.

Scarborough Subway Extension: \$5.7 million under

SRT Life Extension (-\$5.7M): Variance is due to subway infrastructure's Signals P/A slippage from 2017 to 2018 due to timing and supplier difficulties, as well as the SRT Car Overhaul Program due to work deferral, new scope added to the project and a work cost estimate adjustment.

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For further information on TTC performance, projects, and service, please see www.ttc.ca

Andy Byford
Chief Executive Officer
Toronto Transit Commission