



STAFF REPORT FOR INFORMATION

Chief Executive Officer's Report – December 2017 Update

Date:	December 11, 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

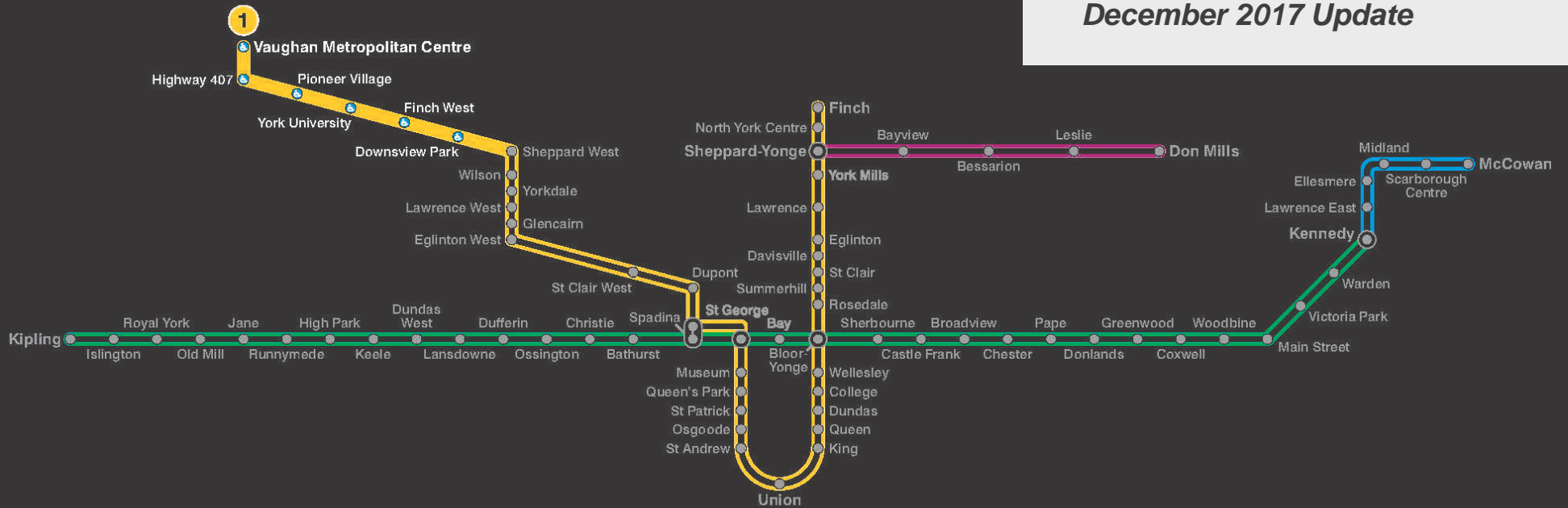
For each strategic objective, updates of current and emerging issues and performance are now provided, along with a refreshed performance dashboard that reports on the customer experience. This information is intended to keep the reader completely up-to-date on the various initiatives underway at the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

Contact

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

Attachments

Chief Executive Officer's Report – December 2017 Update



Line **1** subway extension

Opening day – December 17, 2017



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:

Into the final days and hours before the Line 1 extension opens, brings TTC subway service to York University and, for the first time, York Region.



**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	Oct 2017	3.83	3.14	✗		18
Customer Injury Incidents	Injury Incidents per 1M Boardings	Oct 2017	0.77	1.15	✓		18
Offences against Customers	Offences per 1M Boardings	Oct 2017	0.43	0.41	✗		19
Offences against Staff	Offences per 100 Employees	Oct 2017	2.9	4.4	✓		19
Customer: Journeys							
	TTC Customer Trips	Oct 2017	42.3M	43.8M	✗		22
	TTC Customer Trips	2017 y-t-d to Oct	440.5M	448.9M	✗	NA	22
	PRESTO Customer Trips	Oct 2017	6.94M	2.95M	✓		23
	Wheel-Trans Customer Trips	Oct 2017	330K	390K	✗		23
	Wheel-Trans Customer Trips	2017 y-t-d to Oct	3.45M	3.83M	✗	NA	23
Customer: Satisfaction							
	Customer Satisfaction Score	Q3 2017	80%	70%	✓		24
Customer: Environment							
Station Cleanliness	Audit Score	Q3 2017	74.5%	75%	✗		31




✓ 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	Q3 2017	88.6%	90%	✘		32
Bus Cleanliness	Audit Score	Q3 2017	89.7%	90%	✘		32
Subway Cleanliness	Audit Score	Q3 2017	92.7%	75%	✔		33

Customer: Service Performance

 Subway								
1	Yonge-University	Delay Incidents	Q3 2017	2,055	1,567	✘		34
		Delay Minutes	Q3 2017	3,052	3,197	✔		34
		Trains per Hour in AM Peak	Oct 2017	22.7	25.5	✘		35
2	Bloor-Danforth	Delay Incidents	Q3 2017	2,009	1,397	✘		36
		Delay Minutes	Q3 2017	4,127	2,923	✘		36
		Trains per Hour in AM Peak	Oct 2017	24.5	25.2	✘		37
3	Scarborough	Delay Incidents	Q3 2017	114	137	✔		38
		Delay Minutes	Q3 2017	637	811	✔		38
		Trains per Hour in AM Peak	Oct 2017	12.0	12.0	✔		39

 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	Q3 2017	117	113	✗		40
	Delay Minutes	Q3 2017	313	272	✗		40
	Trains per Hour in AM Peak	Oct 2017	11.0	10.9	✓		41
Streetcar	On-Time Departure	Oct 2017	46.8%	90%	✗		42
	Short Turns	Oct 2017	1,457	3,045	✓		42
Bus	On-Time Departure	Oct 2017	72.7%	90%	✗		43
	Short Turns	Oct 2017	2,841	4,656	✓		43
Wheel-Trans	% Within 10 Minutes of Schedule	Oct 2017	83.5%	90%	✗		44

Customer: Amount of Service



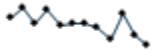




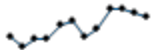






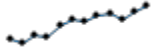


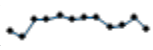

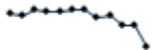

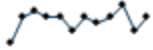
Streetcar	Weekly Service Hours	Sep 2017	18.0K	20.7K	✗		45
Bus	Weekly Service Hours	Sep 2017	146.1K	150.9K	✗		45
Subway	Weekly Service Hours	Sep 2017	10.0K	9.8K	✓		46


People

Employee Absence	Absenteeism Rate	Oct 2017	7.38%	6.50%	✗		48
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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
Assets: Vehicle Reliability							
 Subway							
T1	Mean Distance Between Failures	Oct 2017	160,595 km	300,000 km			51
TR	Mean Distance Between Failures	Oct 2017	853,191 km	600,000 km			51
 Streetcar							
CLRV	Mean Distance Between Failures	Oct 2017	4,738 km	6,000 km			52
ALRV	Mean Distance Between Failures	Oct 2017	2,897 km	6,000 km			52
New Streetcar	Mean Distance Between Failures	Oct 2017	8,092 km	35,000 km			53
 Bus	Mean Distance Between Failures	Oct 2017	19,045 km	12,000 km			54
 Wheel-Trans	Mean Distance Between Failures	Oct 2017	12,209 km	12,000 km			54
Assets: Equipment Availability							
Elevators	Percent Available	Oct 2017	96.8%	98%			55
Escalators	Percent Available	Oct 2017	97%	97%			55

 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
Financials							
TTC Revenue	Actual vs. Budget	2017 y-t-d to Oct	\$1,021M	\$1,022M	✘	Section 3.5	
TTC Operating Expenditure	Actual vs. Budget	2017 y-t-d to Oct	\$1,416M	\$1,494M	✔	Section 3.5	
Wheel-Trans Revenue	Actual vs. Budget	2017 y-t-d to Oct	\$6.3M	\$6.9M	✘	Section 3.5	
W-T Operating Expenditure	Actual vs. Budget	2017 y-t-d to Oct	\$109M	\$124M	✔	Section 3.5	
Capital Expenditure – Base	Actual vs. Budget	2017 y-t-d to Oct	\$690M	\$956M	✘	Section 3.5	
Capital Expenditure – TYSSE	Actual vs. Budget	2017 y-t-d to Oct	\$228M	\$495M	✘	Section 3.5	
Capital Expenditure – SSE	Actual vs. Budget	2017 y-t-d to Oct	\$42M	\$70M	✘	Section 3.5	
Operator Efficiency	Crewing Efficiency	Oct 2017	87.06%	87.15%	✘		65

✔ 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 November 2017 | Next Update in March 2018 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 over 50% 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				
Bus Fleet & Facilities													
Vehicles: Purchase of Buses *	Assets	\$1,271	\$332	26%	\$1,266	100%	Ongoing	Q4 2019	Q1 2018	G	G	G	G
Facilities: McNicoll Bus Garage	Growth	\$181	\$20	11%	\$181	100%	Q4 2012	Q2 2020	Q2 2020	G	G	G	G
Management Systems: VISION (CAD/AVL)	Customer	\$115	\$15	13%	\$115	100%	Q1 2014	Q4 2020	Q1 2020	Y	G	G	G
Streetcar Fleet & Facilities													
Vehicles: Purchase of New Streetcars	Assets	\$1,187	\$594	50%	\$1,187	100%	Q2 2009	Q4 2019	Q4 2019	R	G	G	R
Facilities: Leslie Barns	Growth	\$523	\$493	94%	\$523	100%	2008	Q4 2017	Q4 2017	G	G	G	G
Track: Surface Track *	Assets	\$598	\$253	42%	\$598	100%	Ongoing	Q4 2017	Q2 2018	Y	G	G	Y
Subway Fleet & Infrastructure													
Vehicles: Purchase of Subway Cars	Assets	\$1,167	\$1,129	97%	\$1,167	100%	Q2 2011	Q4 2016	Q2 2017	G	G	G	G
Stations: Easier Access III	Assets	\$774	\$285	37%	\$776	100%	2006	Q4 2025	Q4 2025	Y	G	G	Y
Facilities: TR / T1 Rail Yard Accommodation **	Assets	\$973	\$198	20%	\$966	99%	2010	Post 2026	Post 2026	G	G	G	G
Track & Tunnels: Subway Track *	Assets	\$557	\$168	30%	\$540	97%	Ongoing	Q2 2018	Q2 2018	G	G	G	G
Signals: Automatic Train Control (ATC Line 1-YUS)	Assets	\$563	\$363	64%	\$563	100%	Q2 2009	Q4 2019	Q4 2019	G	G	G	G
Expansion													
Toronto-York Spadina Subway Extension (TYSSE)	Growth	\$3,184	\$2,633	83%	\$3,184	100%	Q2 2008	Q4 2017	Q4 2017	G	G	G	G
Scarborough Subway Extension**	Growth	\$3,305	\$64	2%	\$3,305	100%	Q4 2013	Q4 2023	Q2 2026	R	Y	R	R
Management Systems													
PRESTO	Customer	\$44	\$45	102%	\$48	108%	Q4 2012	Q4 2017	Q4 2019	Y	Y	Y	Y
SAP	Financial	\$63	\$39	61%	\$63	100%	Q1 2014	Q3 2019	Q3 2019	R	Y	Y	Y

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.

2. CEO Commentary



The King Street Pilot started November 12. The TTC will measure ridership, travel times and reliability over the course of the 12-month pilot. Its objective is to put people and transit first.

CEO Commentary and Current Issues

General Overview

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

At the time of writing, there are just days to go until the opening of the Line 1 extension to York University and up into York Region.

The opening of the line will perfectly book-end our inaugural five year plan to modernize the TTC, a plan that has delivered tangible improved operational performance, concurrent delivery of five mega-projects, record customer satisfaction and the accolade of industry peers via the APTA Outstanding Transit of the Year award.

Back-of-house processes have been overhauled, work practices modernized and the workplace culture transformed. With the support of the Board, we have secured record investment that has enabled large-scale fleet renewal and progression toward a much more accessible TTC

The opening of our stunning new subway extension will mark my last act as CEO. It is a project that I care passionately about, having driven it to completion over the last three years.

It has been an absolute honour to lead the TTC and a privilege to serve Toronto. As I head to new challenges in New York, I would like to thank the Board and City Council for their support, my customers for their patronage, but above all, my 15,000 TTC colleagues to whom I dedicate all that we have achieved as a team, over the past five years.

Safety & Security

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

While assaults against staff remain too high, it is good to see a reduction year-over-year.

Customer: System Performance

Subway delay incident and minute statistics reflect quarter 3 performance.

Overall performance in terms of delay minutes and incidents, and in terms of fleet reliability, shows improvement year-over-year.



Early indications are that the new ATC signaling system is proving to be very reliable, following phase 1 trials between Dupont and Yorkdale.

Financials

Consistent with past experience in 2017, operating expenses to the end of October continued to trend under budget, due to workforce being under budgeted strength, reduced material expenses, lower accident claim payments and employee benefit expenses, and savings on energy costs. It is projected that there will be a TTC/Wheel-Trans combined year-end operating subsidy surplus of \$53.2 million.

Customer journeys (ridership) to the end of October were 1.9% below budget and 0.5% below the 2016 comparable actual. Interim results for November indicate similar trends. Year-end ridership is projected to be about 1.8% below budget (534M vs. 544M).

On November 28, the TTC Board passed the 2018 Operating and Wheel-Trans budgets and the 2018-2027 Capital budget. Staff worked incredibly hard, together with City staff, to bring a budget forward with no fare increase, no reduction in service, continuing children riding free, all the while maintaining service levels for a ridership that is expected to remain relatively flat.

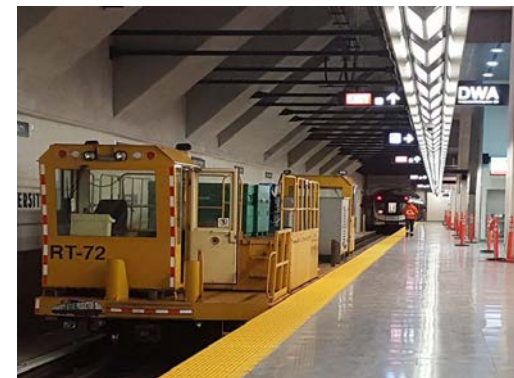
The board also approved the introduction of a two-hour time-based transfer and a capital budget that will see a renewal of our bus fleet.

Ridership Growth Strategy

At this meeting, staff have presented part one of a new ridership growth strategy, with part two being presented in January. Such strategies are immensely complex and staff believes it's important for the board – and public – to fully appreciate the context of all that is happening around transportation and public transit use in Toronto, and elsewhere, before presenting a suite of actions for consideration next month – actions that can be accomplished within the existing funding envelope, but actions that will also require additional investment in the TTC.

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

Work continues to prepare for the mini fleet pilot stage.

New Streetcars

Change in schedule status and overall status

Schedule	Cost	Scope	Overall
R	G	G	R

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.

Year\Month	1	2	3	4	5	6	7	8	9	10	11	12	Total
2017	0	2	1	1	2	3	1	2	1	5	7	10	35
2018	3	7	7	6	8	7	7	3	6	7	8	7	76
2019	5	7	6	8	7	6	8	3	7	5	1		63

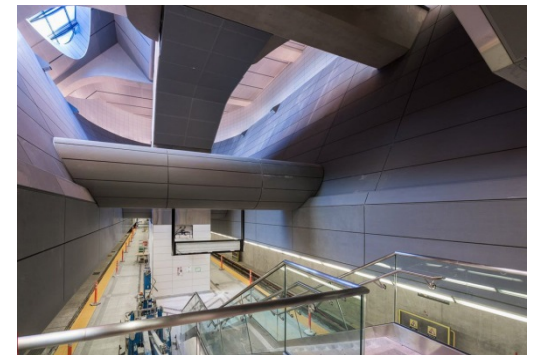
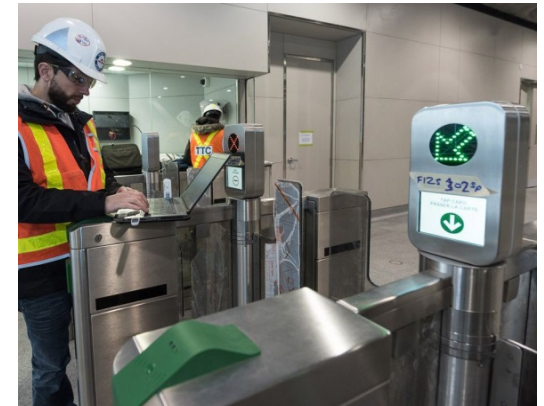
As of this writing, 51 new vehicles are now in service. I will update the Board on the most up-to-date information from Bombardier, as of the date of the meeting.

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.

Toronto-York Spadina Subway Extension

Change in schedule status and cost status – all project performance indicators are on track

Schedule	Cost	Scope	Overall
G	G	G	G

The extension will open for revenue service on December 17. An official opening and other celebrations will precede that date.

I have applied intense focus on outstanding claims and the Board will be briefed on current status at its meeting.

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 Stage Gate 3.



PRESTO

Change in overall status

Schedule	Cost	Scope	Overall
Y	Y	Y	Y

The revised status more accurately reflects the overall risk to the project.

PRESTO is making good progress on development, testing and delivery of the next round of machines and these will be fitted at all six Line 1 extension stations on opening day.

Work continues at a number of stations to convert the remaining turnstiles and high gates to paddle style, PRESTO-enabled equipment.

Automatic Train Control

No change in overall status

Schedule	Cost	Scope	Overall Risk
G	G	G	G

Final testing of the system to enable the opening of the Line 1 extension to York Region has been completed. Early performance has been most encouraging and the system has been enthusiastically embraced by train crews.

SAP

Change in schedule status and overall status

Schedule	Cost	Scope	Overall
R	Y	Y	Y

The TTC's implementation of the SAP program has experienced delays due to unanticipated complexities integrating legacy systems following a significant upgrade to the SAP platform and resource shortages. In addition, the third-party project manager failed to deliver on core SAP responsibilities. Consequently, the SAP program was reset in October 2017, with TTC staff assuming responsibility for all key program management tasks, eliminating non-critical external resources, and immediately reducing the monthly burn rate by 38%.



On November 27, 2017, TTC Pension successfully went Live on SAP. The remaining stages of Wave 1 (Payroll & Human Resource functions as well as foundational elements of Finance) have been re-assessed based on remaining deliverables, with a revised Go Live date of summer 2018. While completion of the remaining stages of Wave 1 are delayed, it is expected that Wave 1 will be delivered within the overall SAP budget.

TTC staff will report to the Board in Q2 2018 on a revised budget, delivery schedule and additional program benefits following completion of a scope re-evaluation for future SAP program waves.

Culture Change

When Line 1 opens, all six stations will showcase our new station management model, whereby customers are greeted and looked after by mobile, highly proactive Customer Service Agents.

A handwritten signature in black ink, appearing to read "Andy Byford". The signature is written in a cursive, flowing style.

Andy Byford
Chief Executive Officer, Toronto Transit Commission

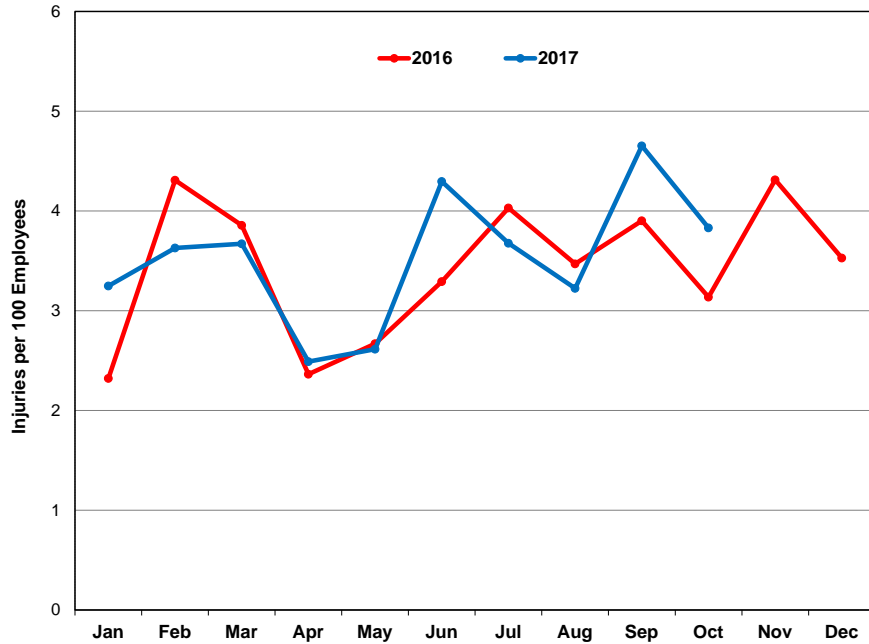
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3.1 Safety & Security



Safety and Security

Lost-Time Injuries

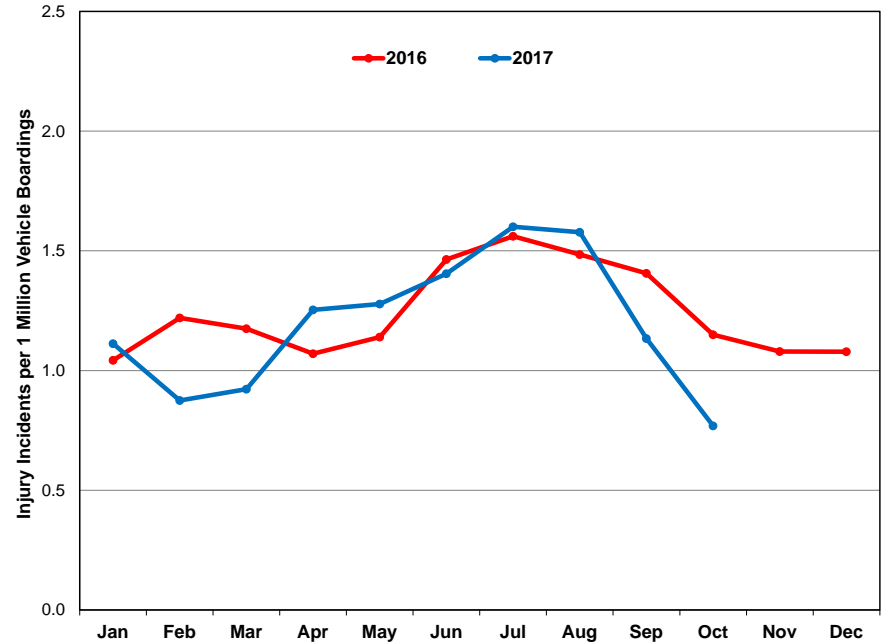


The lost-time injury rate (LTIR) decreased in October. The rate of 3.83 injuries per 100 employees was 22% higher than the corresponding rate of 3.14 for October 2016.

The moving annual LTIR to the end of October 2017 was 3.60, which was 9% higher than the corresponding rate of 3.31 to the end of October 2016.

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

Customer Injury Incidents

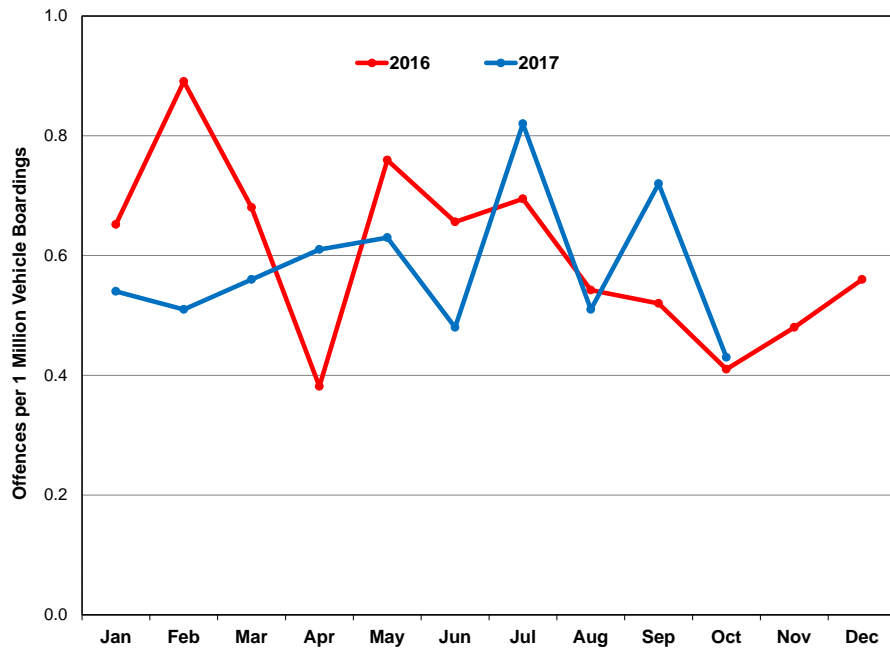


The customer injury incident rate decreased in October. The rate of 0.77 injury incidents per 1 million vehicle boardings was 33% lower than the corresponding rate of 1.15 for October 2016.

The moving annual customer injury incident rate to the end of October 2017 was 1.17, which was 8% lower than the corresponding moving annual rate of 1.27 to the end of October 2016.

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

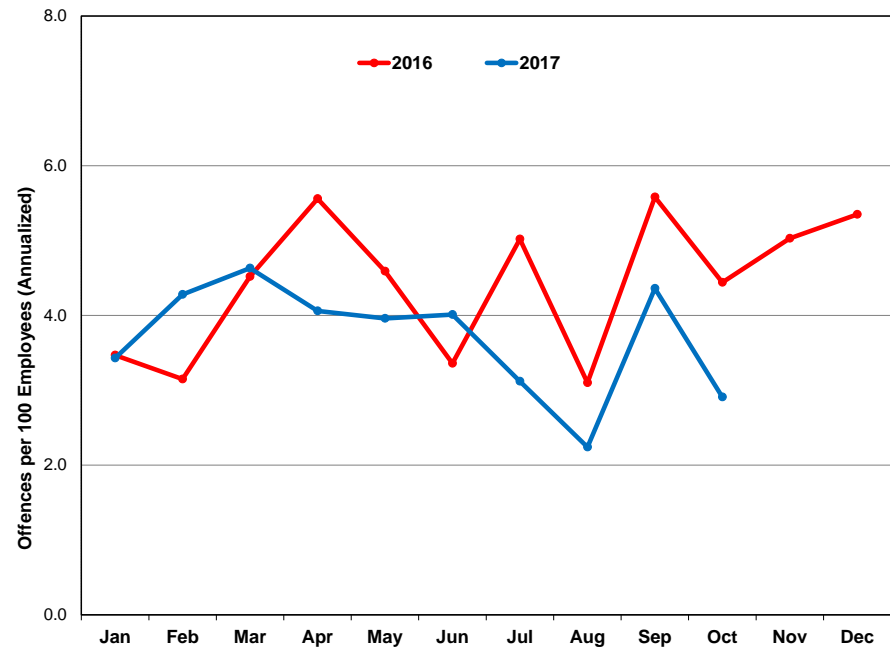
Offences Against Customers



Total offences against customers decreased in October to 0.43 offences per 1 million vehicle boardings, which was 5% higher than the corresponding rate of 0.41 for October 2016.

The moving annual rate of offences against customers to the end of October 2017 was 0.57, which was 5% lower than the corresponding moving annual rate of 0.60 to the end of October 2016.

Offences Against Staff



Total offences against staff decreased in October to 2.9 offences per 100 employees, which was 34% lower than the corresponding rate of 4.4 for October 2016.

The moving annual rate of offences against staff to the end of October 2017 was 4.0, which was 5% lower than the corresponding moving annual rate of 4.2 to the end of October 2016.

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

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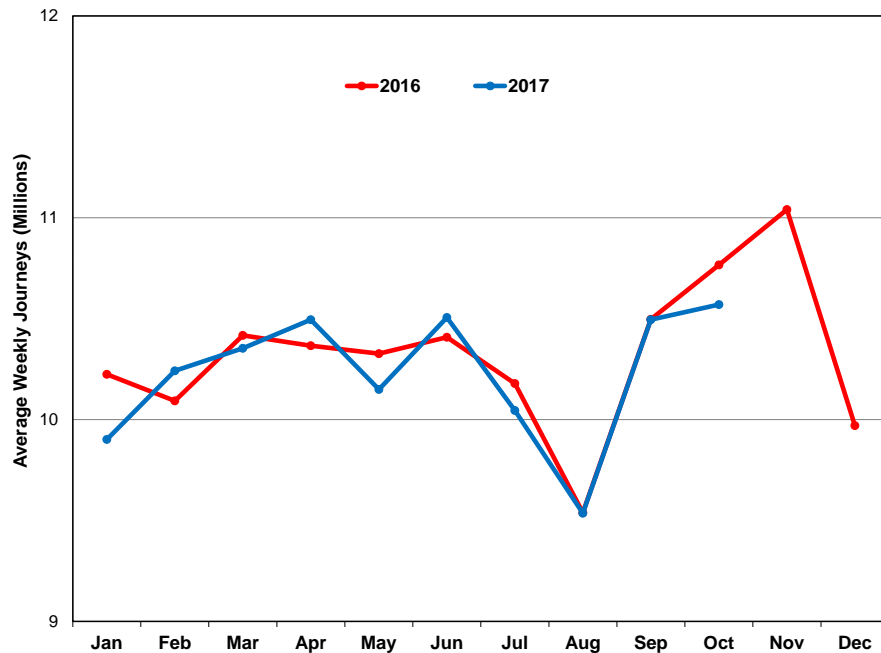


3.2 Customer

The TTC opened its doors in October to three of the six new stations on the Line 1 extension, including Hwy 407 Station seen here.

Customer: Journeys

TTC: 2017 Actual vs. 2016 Actual

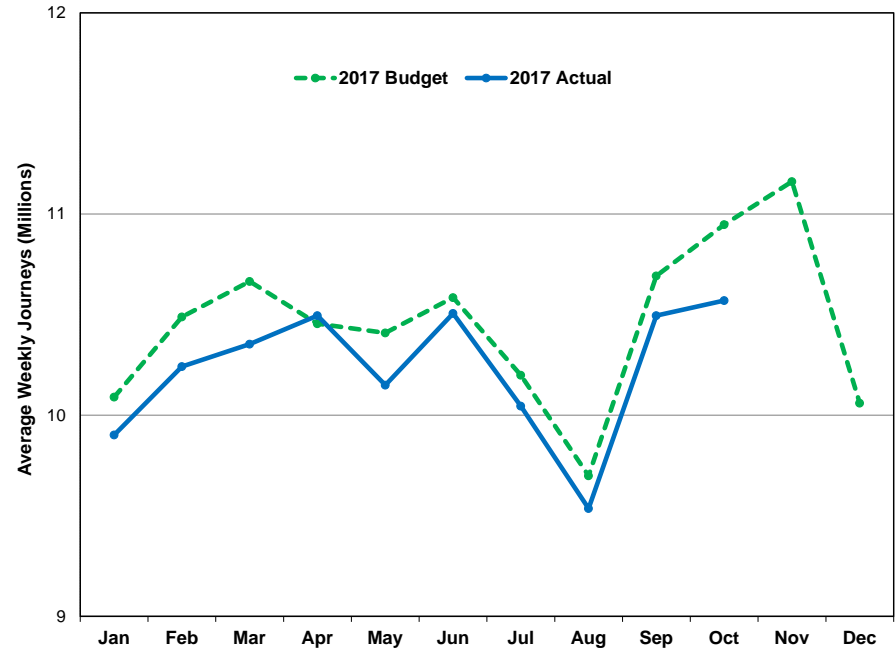


There were 42.3M customer journeys (ridership) taken during October, which was 0.8M (1.9%) less than the 43.1M journeys taken during October 2016.

The annual number of customer journeys taken to the end of October 2017 was 534.5M, which was 2.5M (0.5%) less than the 537.0M annual journeys taken to the end of October 2016.

Average weekly ridership in October 2017 was below the prior year comparable for the fifth time this year.

TTC: 2017 Actual vs. 2017 Budget



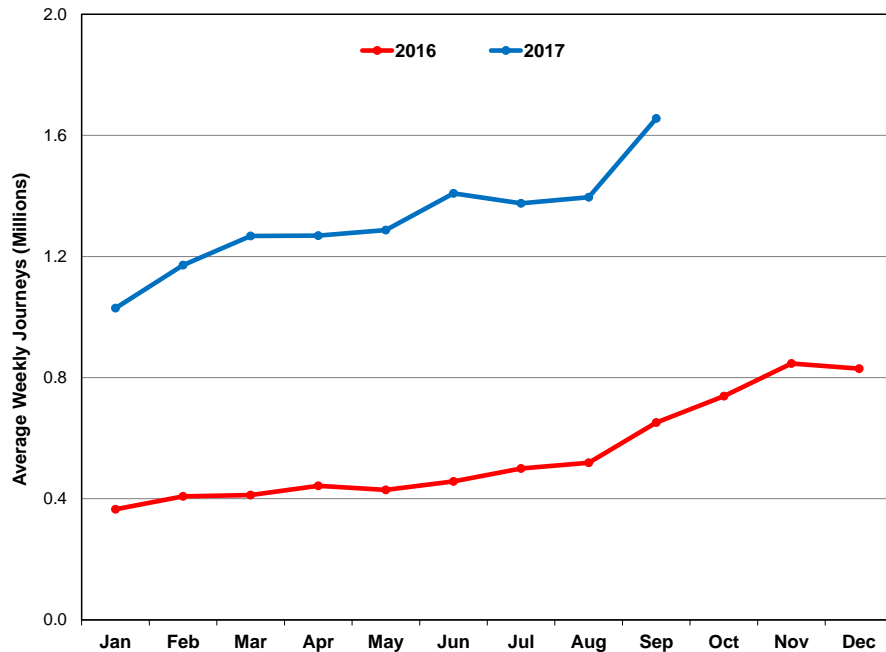
There were 42.3M customer journeys taken during October, which was 1.5M (3.4%) less than the budget of 43.8M journeys.

The number of customer journeys taken year-to-date to the end of October was 440.5M, which was 8.4M (1.9%) less than the budget of 448.9M journeys.

Average weekly ridership has been below budget for nine of ten months in 2017.

Customer: Journeys

PRESTO: 2017 Actual vs. 2016 Actual

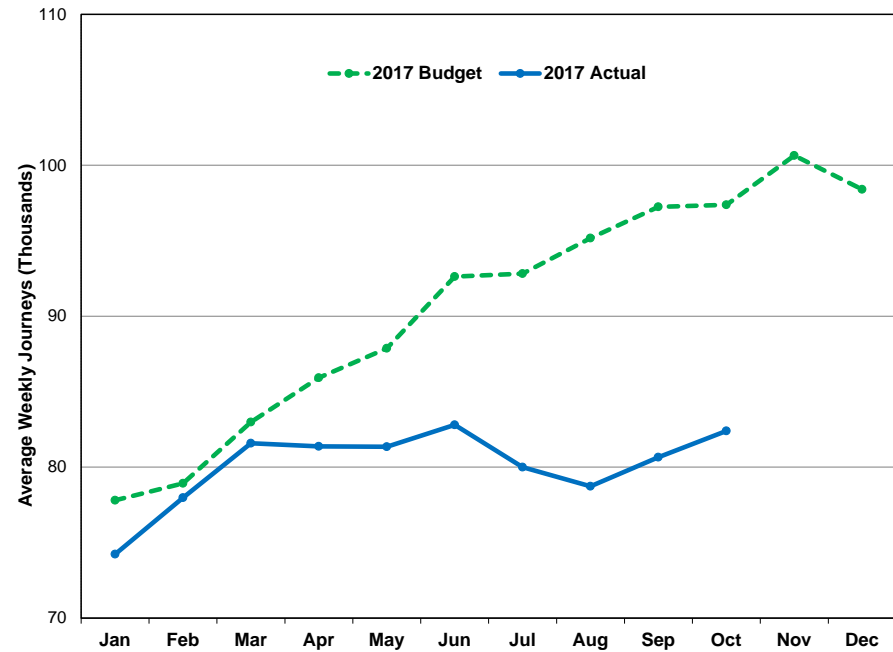


There were 6.94M customer journeys (ridership) taken using the PRESTO Farecard (e-purse; period pass) in October, which was 3.99M (135%) more than the 2.95M journeys taken during October 2016.

The annual number of customer journeys taken to the end of October 2017 was 66.2M, which was 42.3M (177%) more than the 23.9M annual journeys taken to the end of October 2016.

Note:
PRESTO ridership is included in TTC ridership totals.

Wheel-Trans: 2017 Actual vs. 2017 Budget



There were 330K customer journeys taken during October, which was 60K (15.4%) less than the budget of 390K journeys.

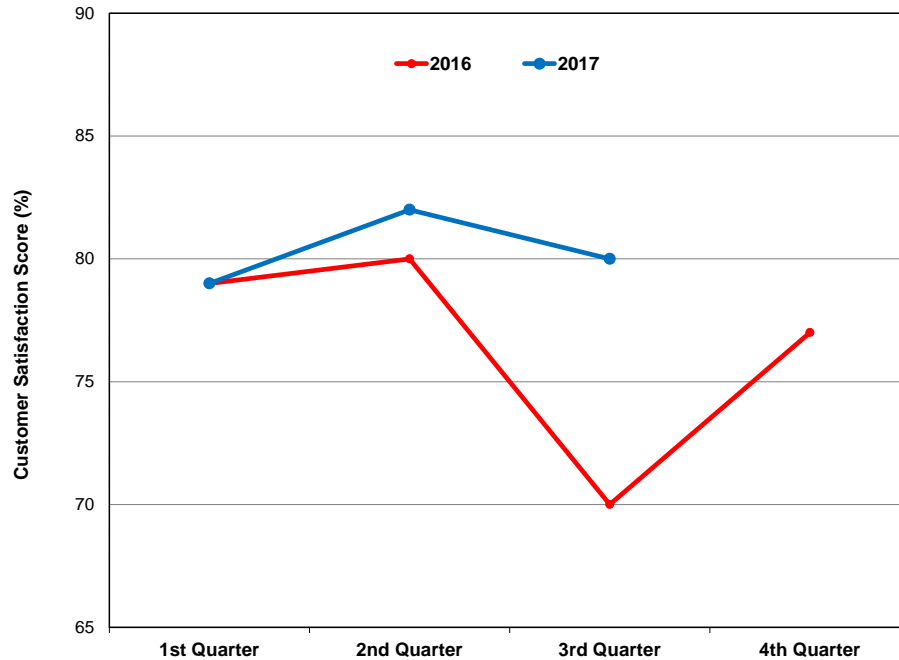
The number of customer journeys taken year-to-date to the end of October was 3.449M, which was 379K (9.9%) less than the budget of 3.828M journeys.

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

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

Customer: Satisfaction

Customer Satisfaction Score



Eight in ten customers have high perceptions of overall customer satisfaction in Q3 2017 (80%), maintaining the high trend observed in Q2 2017 (82%). This is significantly higher than perceptions of overall customer satisfaction last year this time, when seven in ten were satisfied (Q3 2016: 70%). Looking at Q3 month to month, there was a slight dip in July 2017 (76%) which was similar to the drop in the scores in July 2016 (72%). However, this year, perceptions of overall customer satisfaction picked up again in the last two months of Q3 2017 (August: 82%; September: 82%). Scores remained high over these last two months, evading the decrease in the ratings last year for perceptions of overall customer satisfaction due to dissatisfaction across factors such as comfort of ride.

Perceptions of overall customer satisfaction are driven by numerous service reliability attributes that are measured across the different modes of transportation offered by the TTC. The top four key drivers across all three modes are: trip duration, comfort of ride, wait time and level of crowding in vehicle. These four metrics have maintained for bus and streetcar wave-to-wave and

year-to-year, but perceptions of subway riders have improved year-over-year on satisfaction with the comfort of ride (Q3 2016: 69%; Q3 2017: 80%).

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

- Helpfulness of maps and signs at station (subway)
- Cleanliness of station (subway)
- Cleanliness and 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 (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 (bus, streetcar)

Pride in the TTC and what it means for Toronto remained consistent wave-to-wave and year-over-year, with 71% of customers agreeing to this statement (Q2 2017: 73%; Q3 2016: 71%). Perceptions of value for money remained consistent wave-to-wave with just over two-thirds indicating they received excellent/good value for money on their last trip (Q3 2017: 64%; Q2 2017: 63%; Q3 2016: 61%).

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 (subsequently adjusted to 35 new vehicles in 2017).

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.
- 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.

Q3 Results

Six of the nine commitments were met for the quarter. Commitments include:

- 1) Customers will be kept informed, by adopting consistent customer-friendly language for communicating service status information.
 - New standards for communicating service status were developed based on extensive customer research.
- 2) TTC will 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.
 - Bike Share docking stations were installed at four TTC stations (Castle Frank, Chester, Donlands and Victoria Park).
 - Two additional stations have now been approved for installation (Broadview and Main Street).
- 3) The new Wheel-Trans No-Show and Late Cancellation Policies that are more flexible will be introduced, allowing same-day cancellations.
 - New Late Cancellation and No-Show Policy for customers were introduced, where customers can cancel trips up to four hours before the scheduled pick-up time and customers are given points instead of penalties.
- 4) New technology to improve route management and real time information for buses and streetcars will be tested.
 - The Vehicle Information System Integrated Operations Network (VISION) Program conducted Factory Acceptance testing of the system in conjunction with the supplier Clever Devices.
- 5) A new second exit/entrance at Woodbine Station will be opened, providing an alternative option to customers from the local community.
 - The second exit/entrance was opened on September 30, 2017.
- 6) Two elevators will be in service at Woodbine Station as part of the Easier Access program, making this the 36th accessible station of the 69 stations.
 - Two elevators entered service at Woodbine Station, as of September 30, 2017.

Commitments that were not met include:

- 7) Construction on four priority bus lanes will be started, to reduce delays and improve travel time.
 - The Eastbound Steeles at Don Mills location and Lake Shore at Browns Line location have been approved by the Toronto City Council in October. Due to the winter shutdown, the contractor will start construction on these two locations in the spring of 2018.
 - The Lawrence (westbound) at Dufferin location is likely to be approved by the Toronto City Council in January and construction is expected to start in the summer of 2018.
 - The fourth planned location – Keele (northbound) at Finch location – is currently being reconstructed as part of the subway extension and construction is postponed for a 5-year period. Alternative queue jump lanes are currently being reviewed with City staff. Subject to City staff and City Council approval, it is expected that a fourth location would be constructed by the end of Q4 2018.
- 8) New high-capacity bike parking racks will be installed at 25 subway stations.
 - Delays due to securing funding.
- 9) Solar-powered passenger information displays will be piloted to provide real time information on vehicle arrivals at stops without utility power.
 - Delays due to procurement/tendering concerns.

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 the remainder of 2017 are at the following stations:

December 20 – Finch West



Customer: Fares

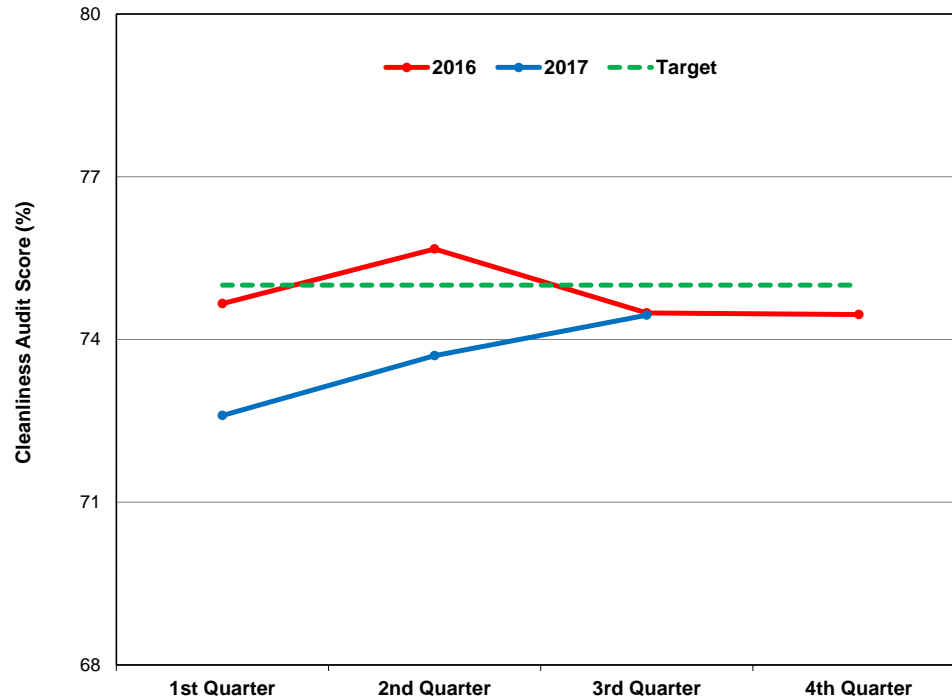
PRESTO

The PRESTO rollout continues across the TTC.

- 45 stations and 79 entrances now have the new paddle-style fare gates.
- Fare gate construction is underway at Kipling, Islington, Dundas West, Dundas, King, Spadina, Broadview, Scarborough Centre, Don Mills, Bathurst, York Mills, St. George, Queen, Museum, St. Andrew, College, St. Clair West and Osgoode 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 November, 5,192 adult and 80 senior TTC Monthly Passes on PRESTO were sold. Passes are available for sale online at prestocard.ca or at more than 90 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



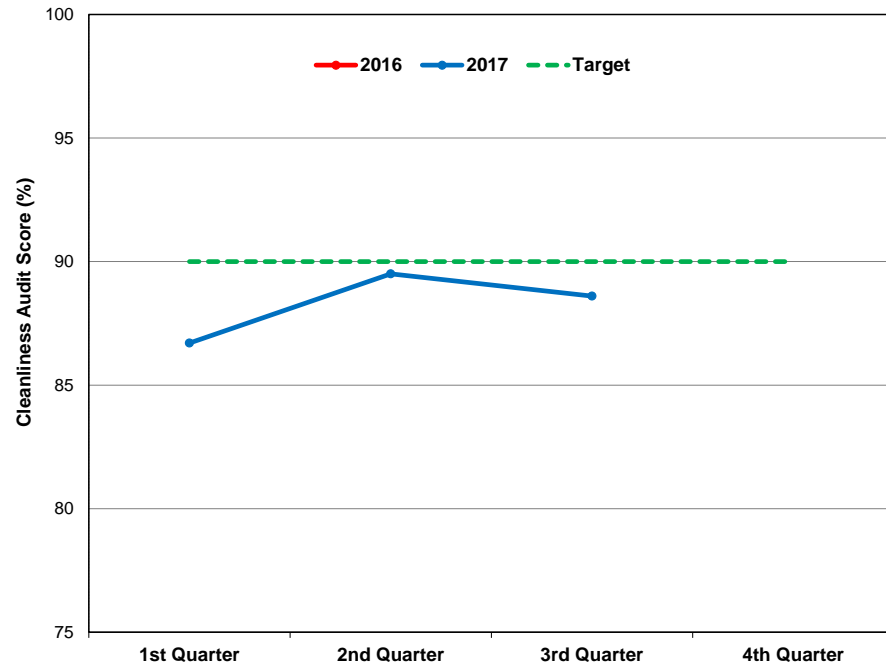
Performance in Q3 2017 increased to 74.5%, but it was below target and remained at the same level as Q3 2016.

Construction and renovations were still underway 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.



Customer: Environment

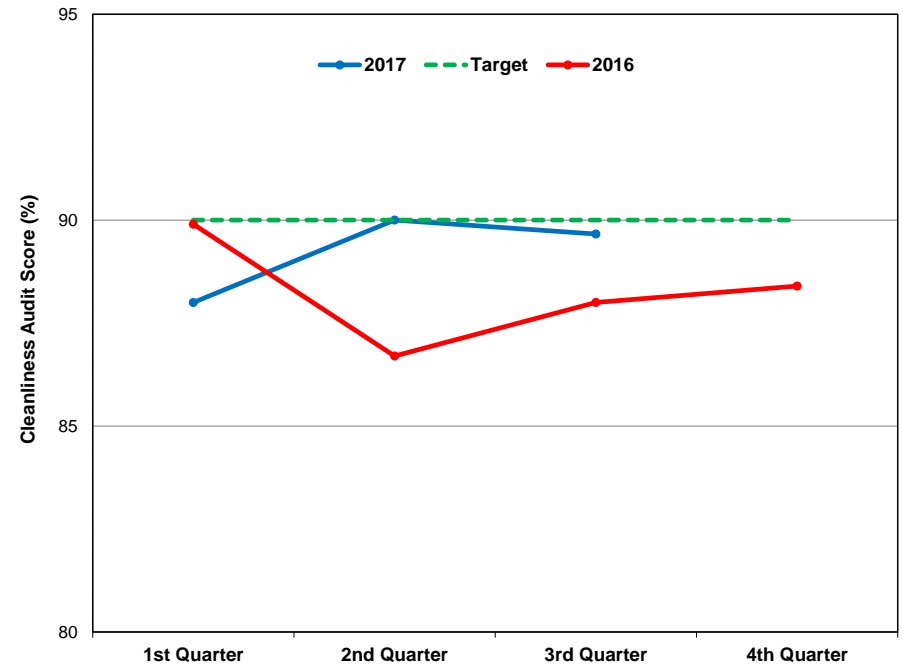
Vehicle Cleanliness – Streetcar



The streetcar cleanliness audit score decreased in Q3 2017 to 88.6% and 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.

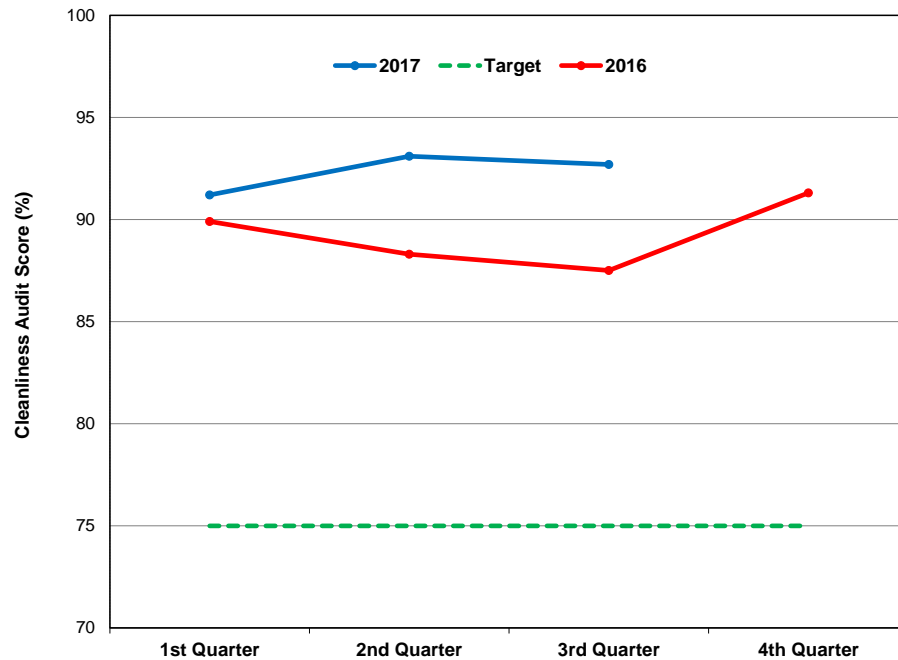
Vehicle Cleanliness – Bus



The bus cleanliness audit score decreased in Q3 2017 to 89.7%, meaning that performance just failed to meet target, albeit with a score well in excess of the score for the corresponding quarter in 2016.

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 are working to improve the performance of the new wash rack through further equipment adjustments.

Vehicle Cleanliness – Subway



The subway cleanliness audit score decreased slightly in Q3 2017 to 92.7%; however, performance achieved target for the seventh consecutive quarter and was well in excess of the score for the corresponding quarter in 2016.

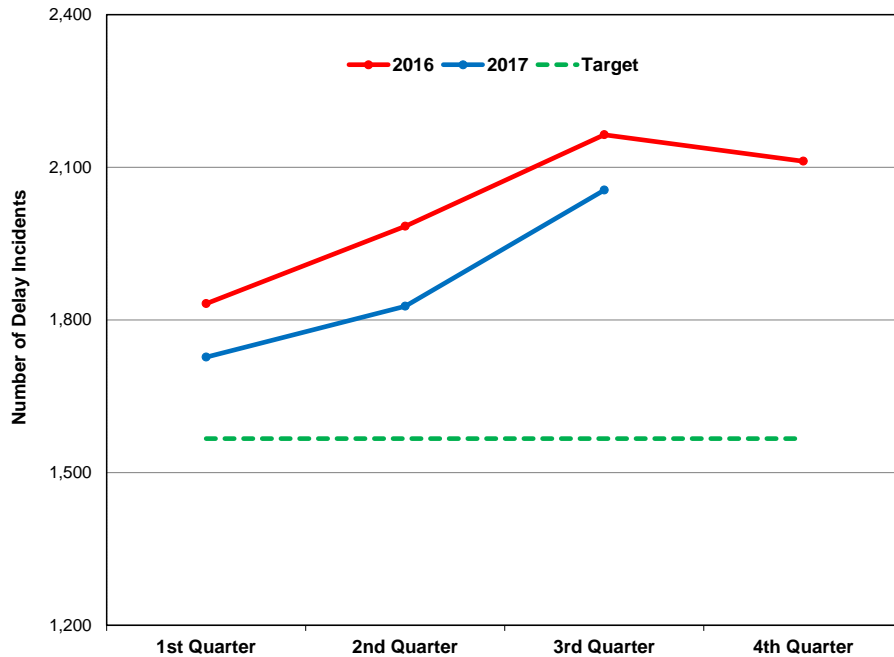
Two areas of improvement, walls and ceilings, were addressed since Q4 2016. In Q3 2017, audit of all but one line identified floors as an area for continued improvements. Currently, the floors are addressed every 14 days during the Floor Wash cycle. Exterior vehicle cleanliness on Lines 2 and 3 is an area where further improvements can be made.

Customer: Service Performance



Subway

Line 1: Delay Incidents

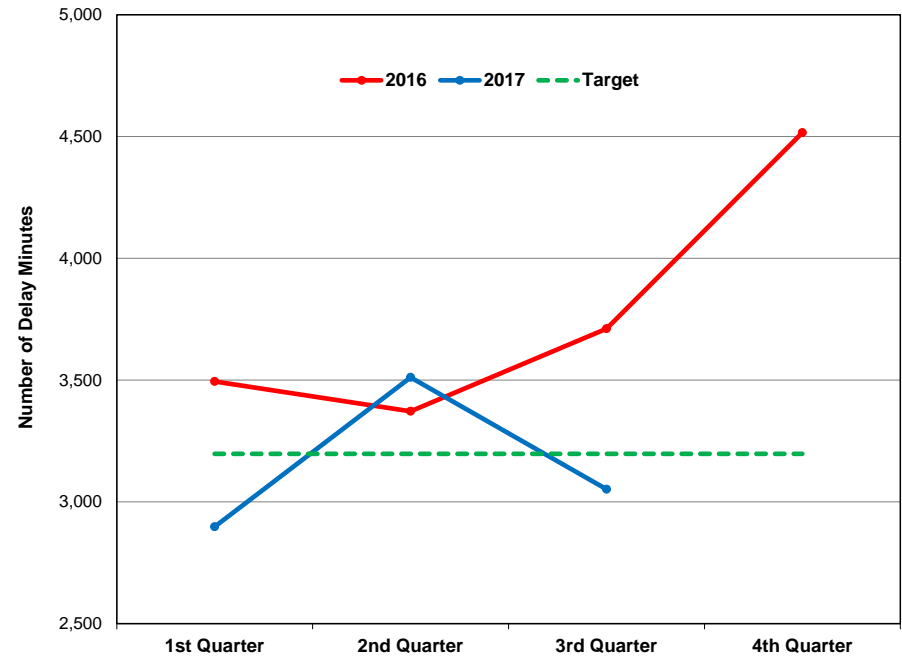


The number of delay incidents increased in Q3 2017 to 2,055 and performance continued to not achieve target.

Since 2014, rolling stock incidents have improved by 38.1%, due to fewer hot car issues, and subway infrastructure equipment incidents have improved by 50.7%. The number of speed control incidents has declined by 29.5 since 2014. Passenger-related incidents account for 43% of all incidents, of which passenger security incidents have increased by 21.6% since 2014.

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

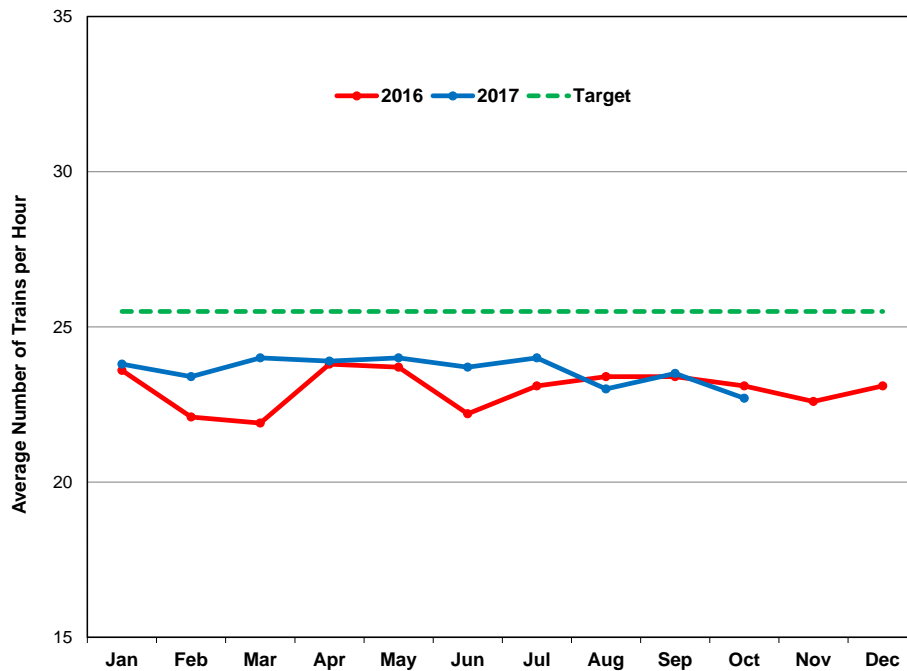


The number of delay minutes decreased in Q3 2017 to 3,052 and performance achieved target.

Equipment-related delay minutes decreased most significantly, while there was an increase in customer-related delay minutes (track-level injury and unauthorized personnel at track level).

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 October to 22.7, or 89% of what was scheduled.

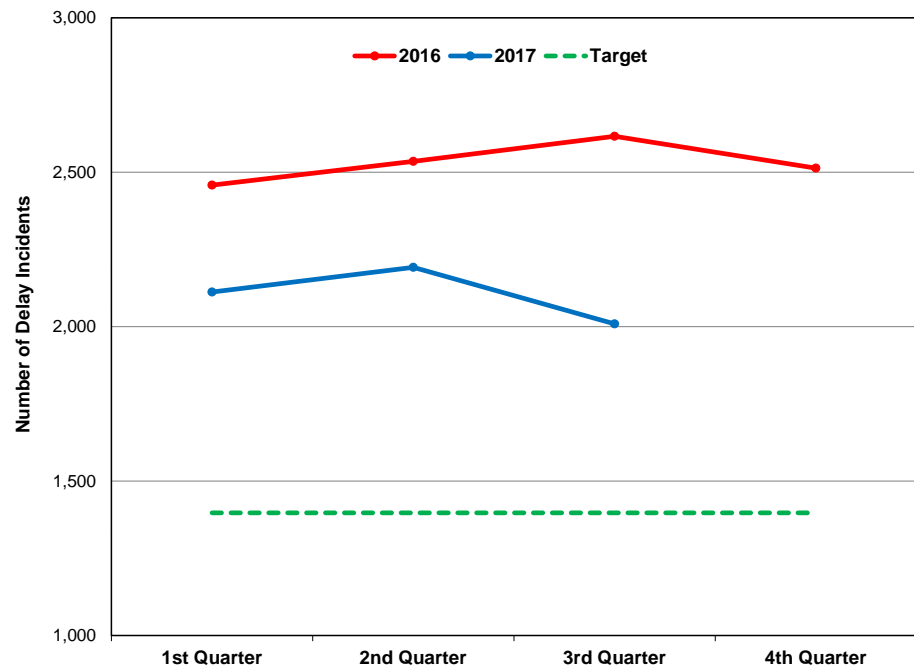
The main reason for the drop in the performance is related to conducting the first phase of ATC implementation in late October. ATC is expected to improve service and reliability with its continued deployment.

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

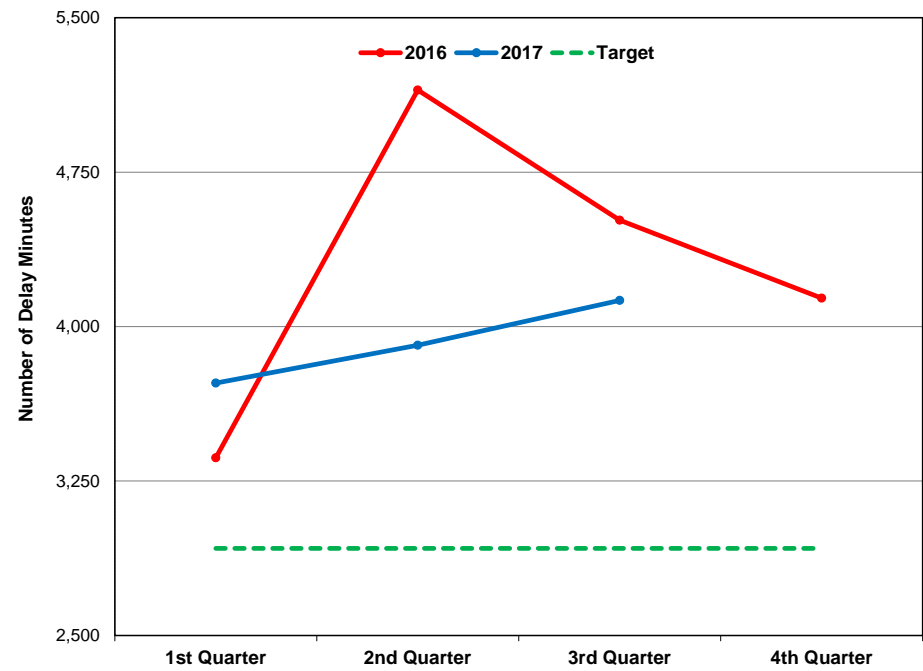


The number of delay incidents decreased in Q3 2017 to 2,009. Performance continued to not achieve target; however, results were much-improved compared to Q3 2016.

Speed control incidents continue to account for almost 40% of all delay incidents. Passenger-related incidents increased by 21.2% since 2014.

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

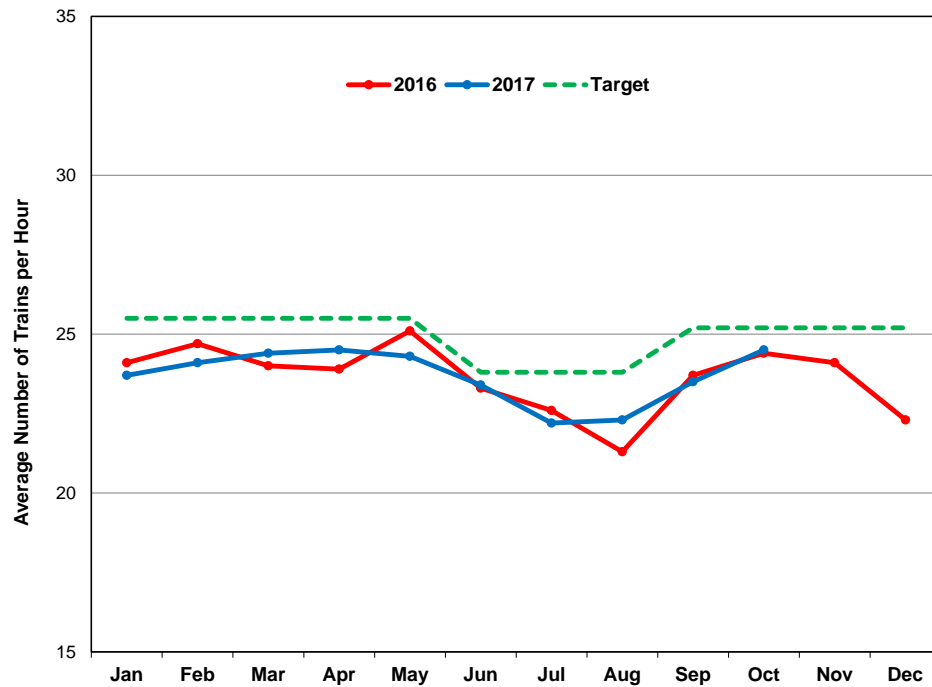


The number of delay minutes increased in Q3 2017 to 4,127. Performance continued to not achieve target; however, results were much-improved compared to Q3 2016.

Significant improvement in delay minutes related to subway infrastructure incidents and speed control incidents was offset by an increase in the passenger-related delay minutes.

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

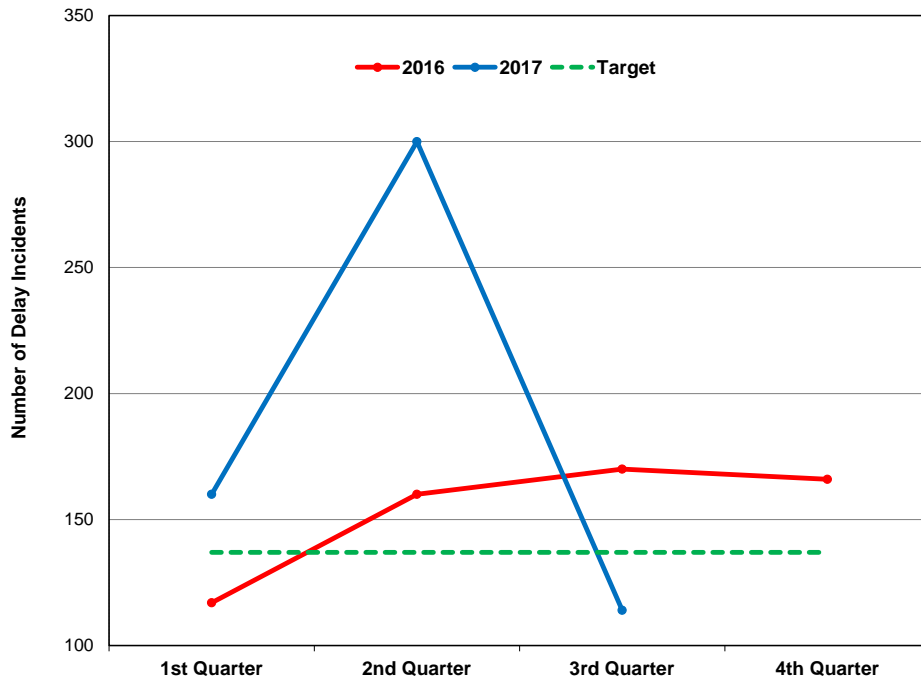


The daily average number of trains per hour (TPH) in the morning peak service period increased in October to 24.5, which was 97% of what was scheduled. Performance continued to remain below target, however.

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

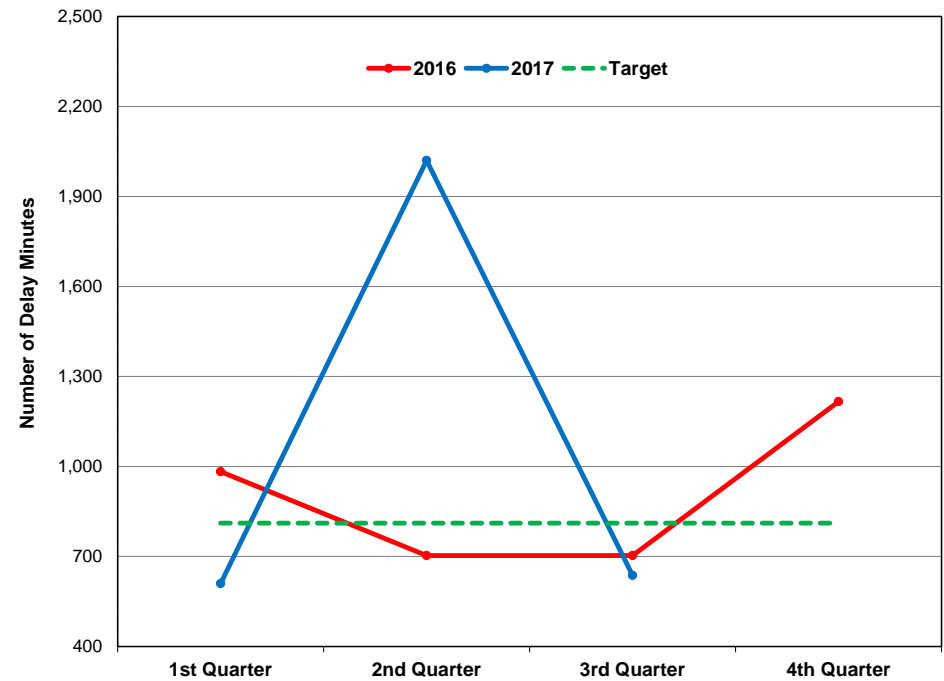


The number of delay incidents decreased in Q3 2017 to 114; performance achieved target for the first time in six quarters.

Vehicle On-Board Controller (VOBC) time-out issues were addressed and track infrastructure was repaired, which reduced the number of delay incidents.

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

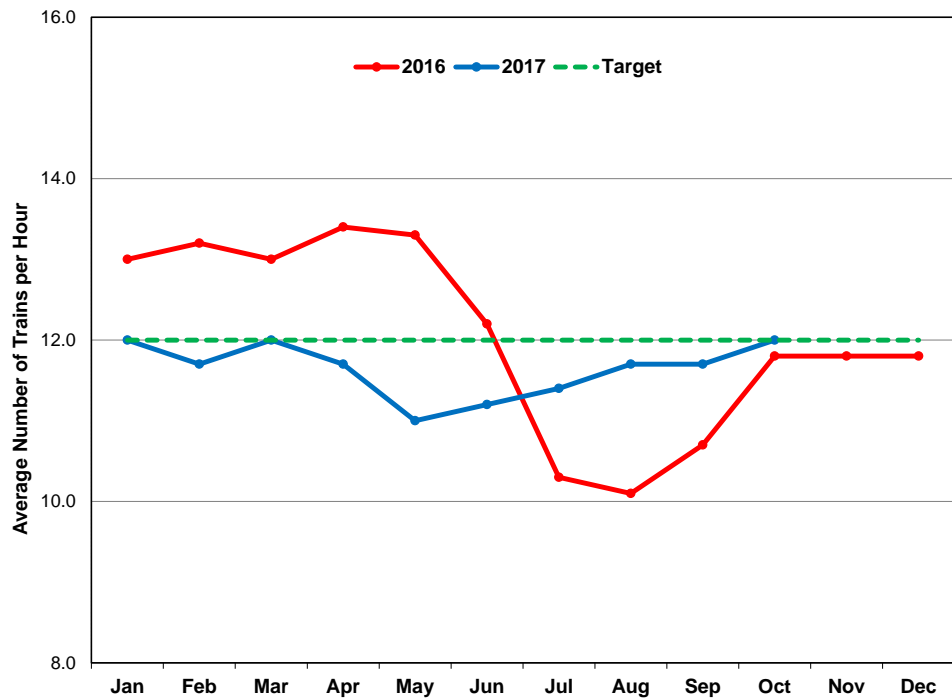


The number of delay minutes decreased in Q3 2017 to 637 and performance achieved target.

Vehicle On-Board Controller (VOBC) time-out issues were addressed and track infrastructure was repaired, which reduced the delay minutes.

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

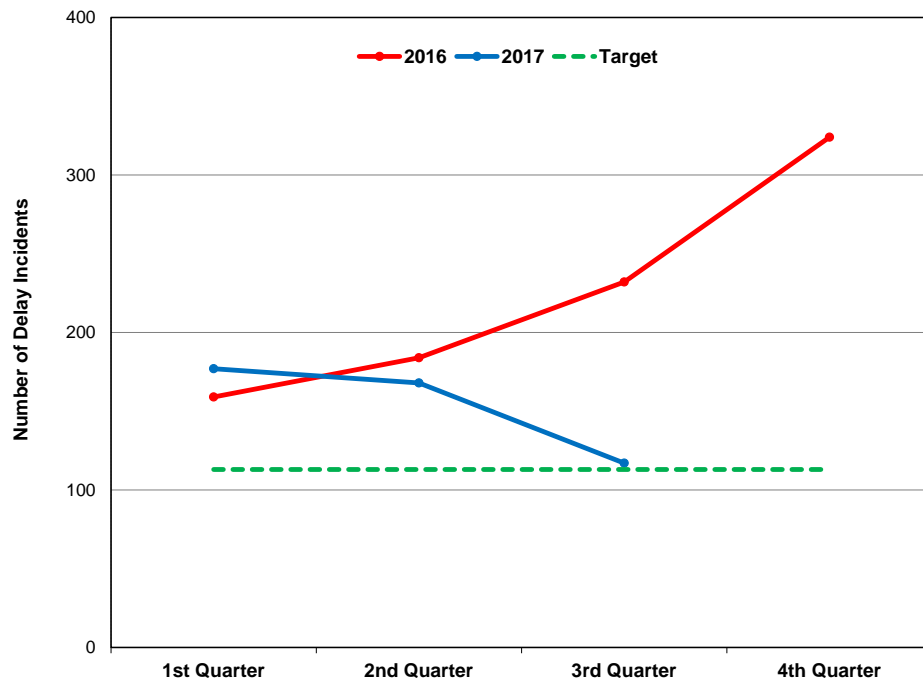
Line 3: Trains per Hour in Morning Peak



The daily average number of trains per hour (TPH) in the morning peak service period increased in October to 12.0, or 100% of what was scheduled. Overall performance achieved target in seven months.

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

Line 4: Delay Incidents



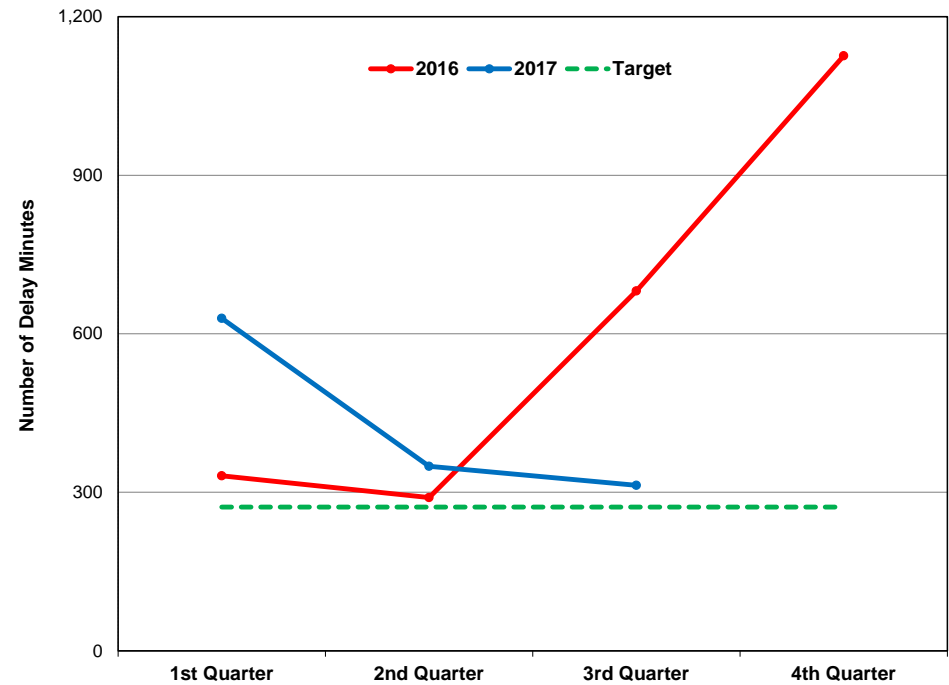
The number of delay incidents decreased in Q3 2017 to 117 and performance was only marginally above target.

There was improvement in speed control incidents, although it still accounts for 33% of all incidents.

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

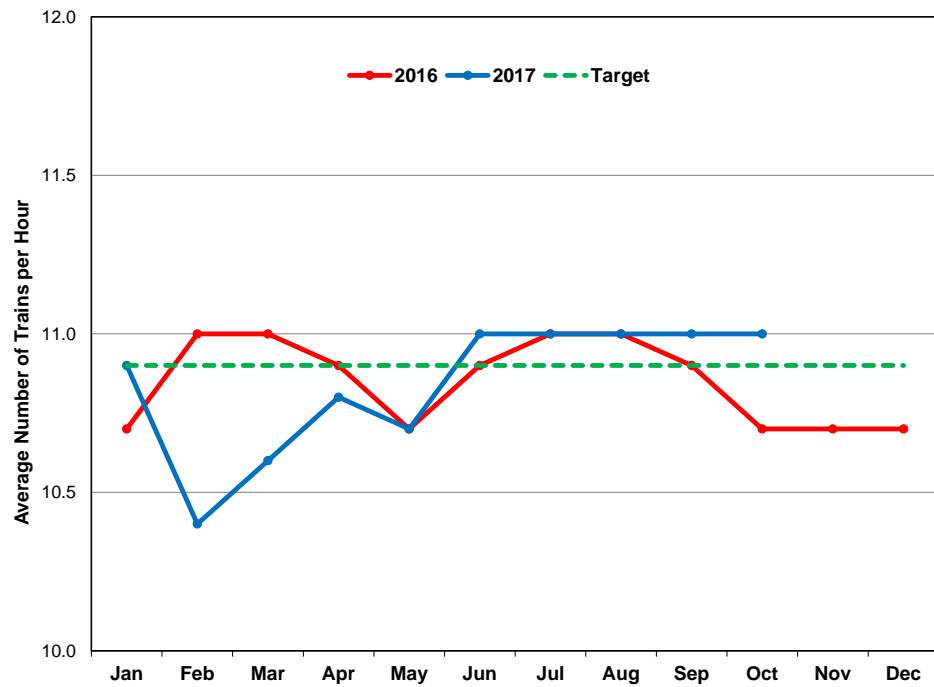


The number of delay minutes decreased in Q3 2017 to 313 due to improvement in equipment-related incidents and speed control incidents. Overall performance was just above target and was far in excess of performance for Q3 2016.

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

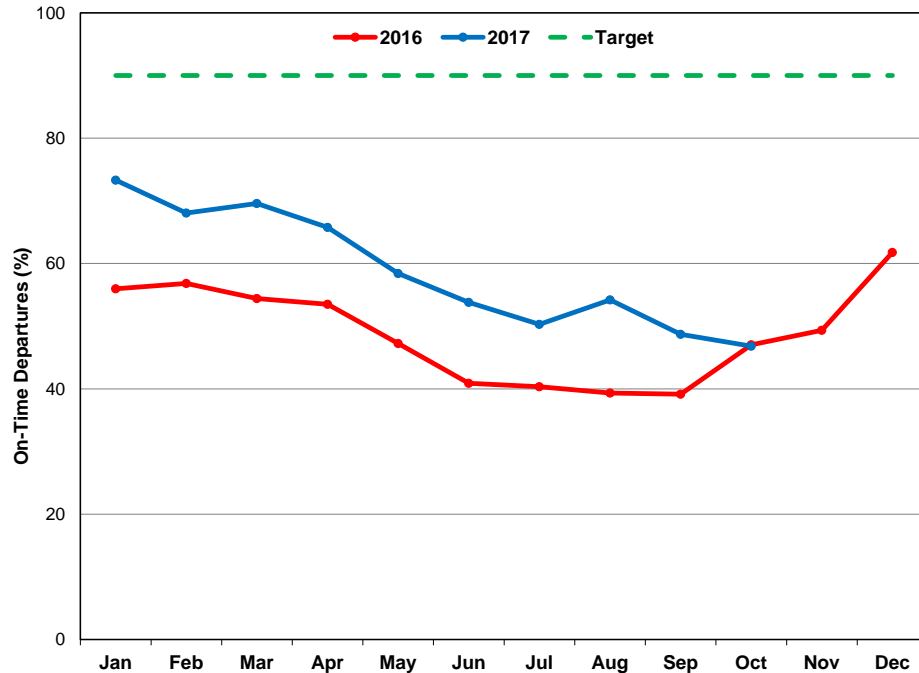


The daily average number of trains per hour (TPH) in the morning peak service period remained unchanged in October at 11.0, or 101% of what was scheduled. Overall performance achieved target for the sixth time this year.

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

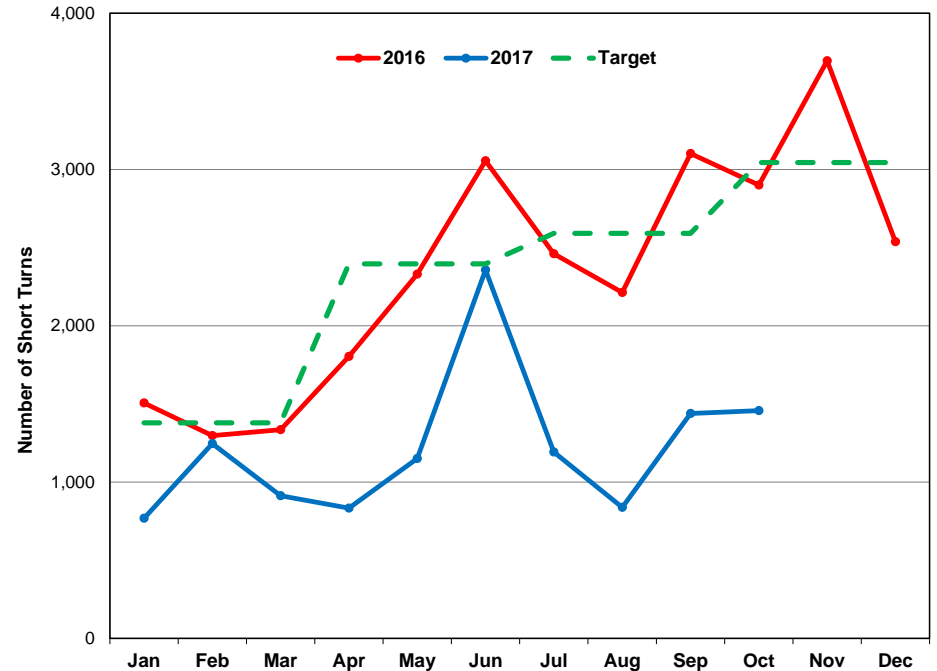


Performance in October decreased to 46.8%. Performance remained below target.

The decline in the on-time performance was due to the interlacing of the 509 Harbourfront and 510 Spadina routes and the introduction of LFLRV vehicles on the 512 St. Clair route. Efforts will continue to improve scheduling on these routes. A slight decrease in the performance is expected in the next three months, as schedule improvements are developed.

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 October to 1,457; however, performance continued to remain below target (favourable).

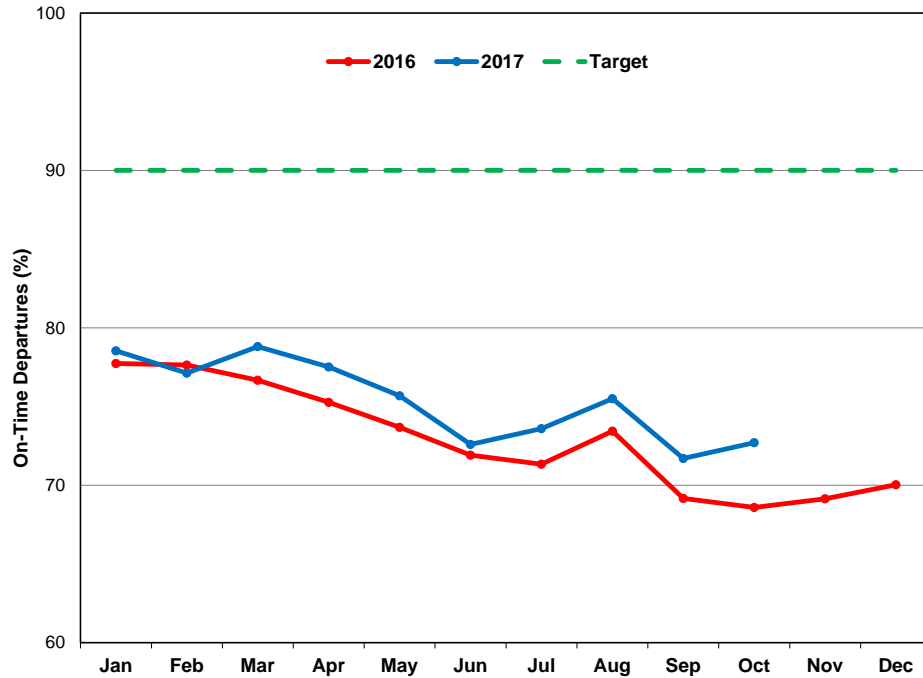
With the return to regular routing along these routes, schedule reliability returned to normal levels. Current route management strategies have enabled continued achievement of targets and improvement from last year.

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



Bus

On-Time Performance

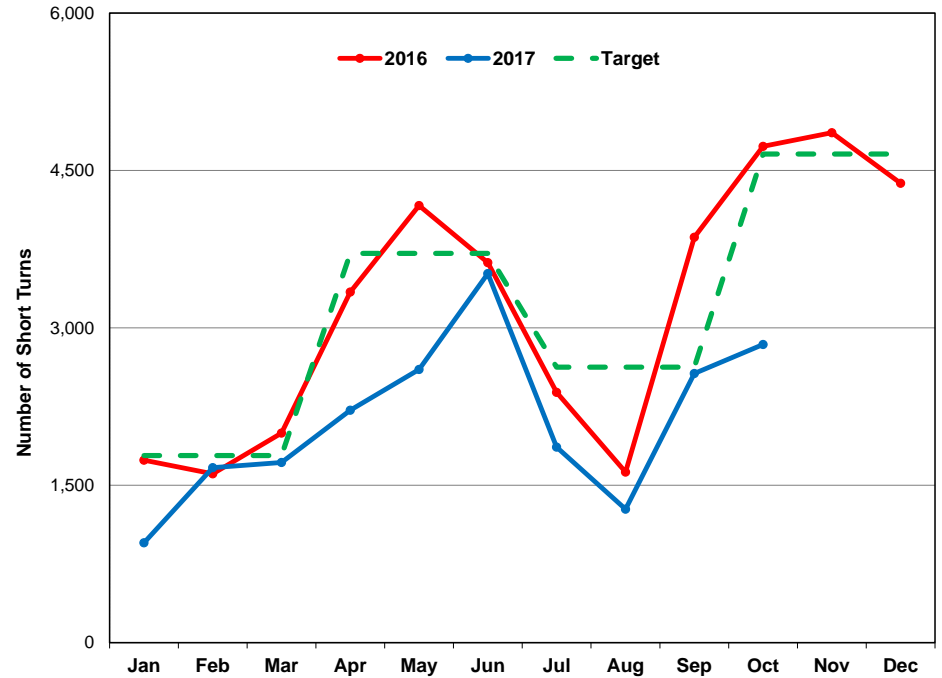


Performance in October increased to 72.7% but continued to not achieve target; albeit improved over 2016.

On-time performance has improved year-over-year, as a result of schedule changes and a more targeted approach in the reduction of early departures from high incident locations and operators.

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

Short Turns



The number of short turns in October increased to 2,841; however, performance continued to remain below target (favourable).

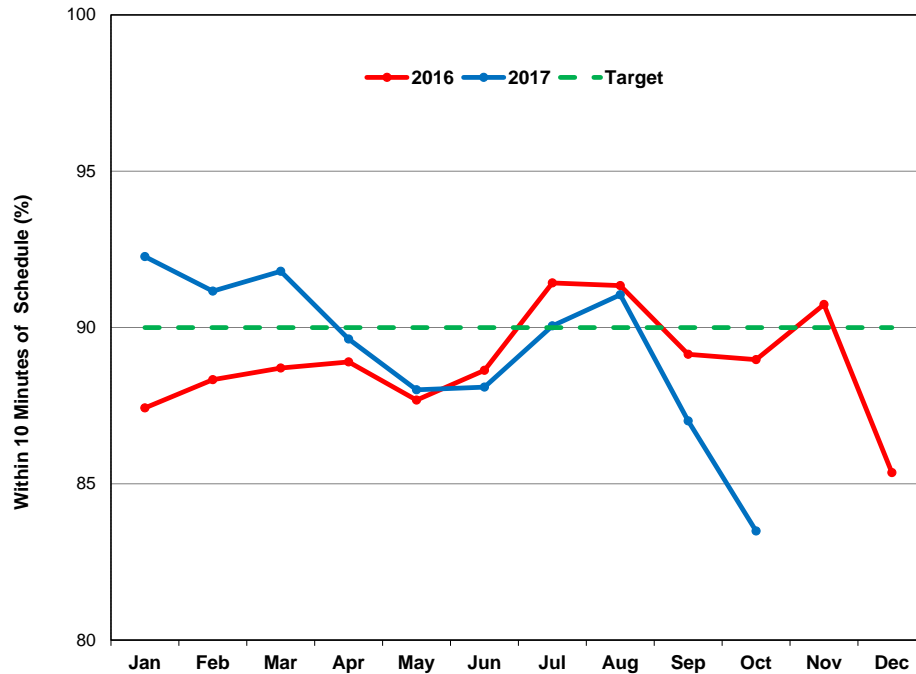
Short turns have continued to trend lower than last year, as a result of schedule improvements and increased utilization of RADs, which has reduced the need for service adjustments.

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



Wheel-Trans

Punctuality



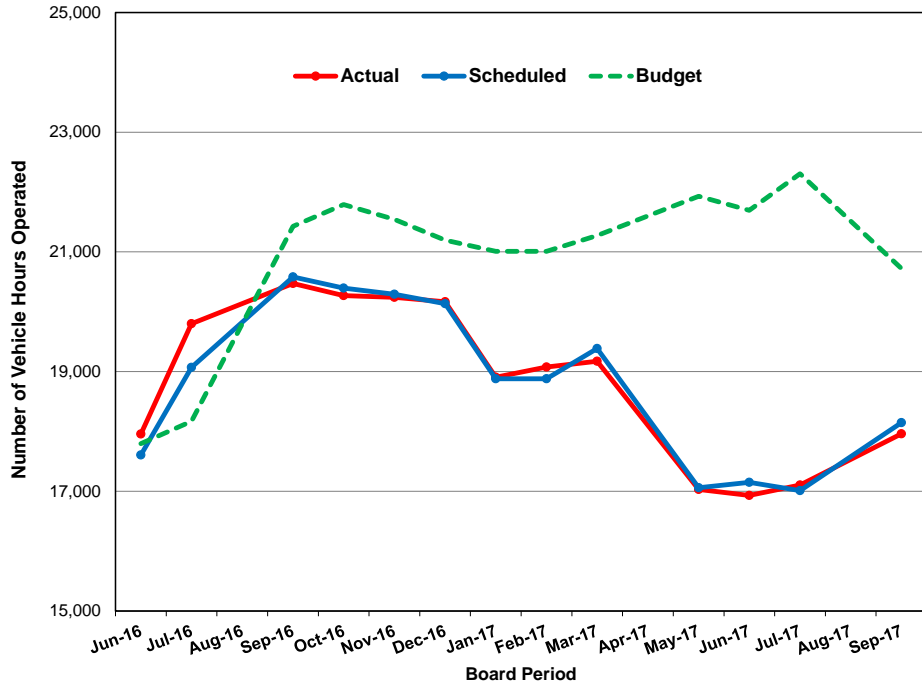
Performance in October decreased to 83.5%; performance was below target, due to a change in the scheduling processes and operating efficiencies.

Workforce is expanding for Dispatch, Operators and Service Support, in order to focus on improving the service delivery model and in turn, increase the on-time performance closer to target by the end of this year.

On-time performance has been affected due to the increasing number of trips on the Wheel-Trans bus fleet, but staff are working to make improvements by bringing changes to policies and processes.

Customer: Amount of Service

Weekly Service Hours - Streetcar

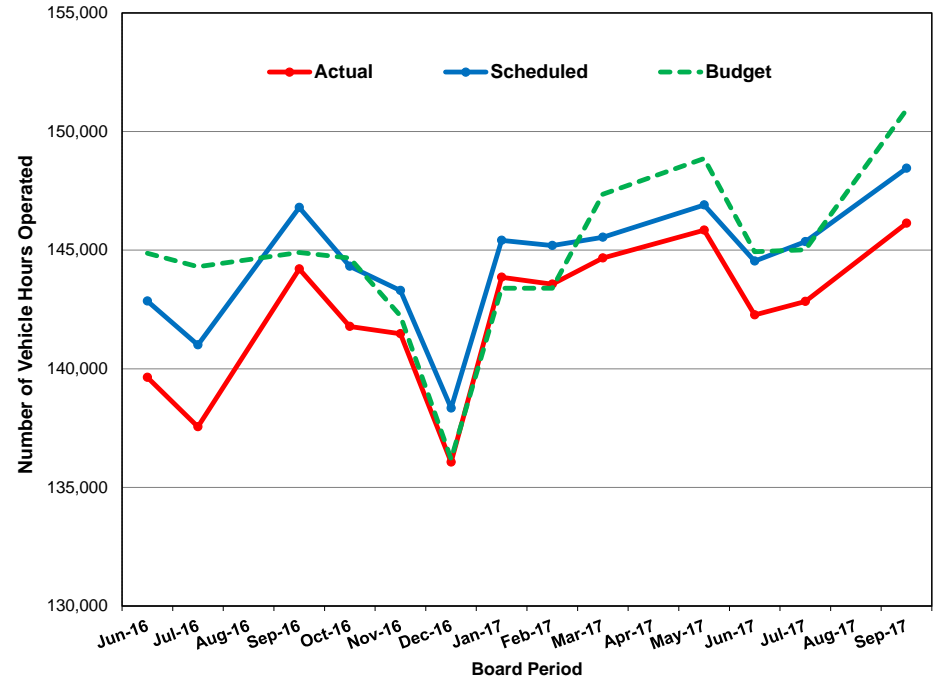


In the September 2017 Board Period, 20,724 streetcar weekly hours were budgeted for service, while 18,147 streetcar weekly hours were scheduled to operate, which represents a -12.4% variance.

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 18,147 streetcar weekly hours scheduled to operate, 17,962 streetcar weekly hours were actually delivered, which represents a variance of -1.0%.

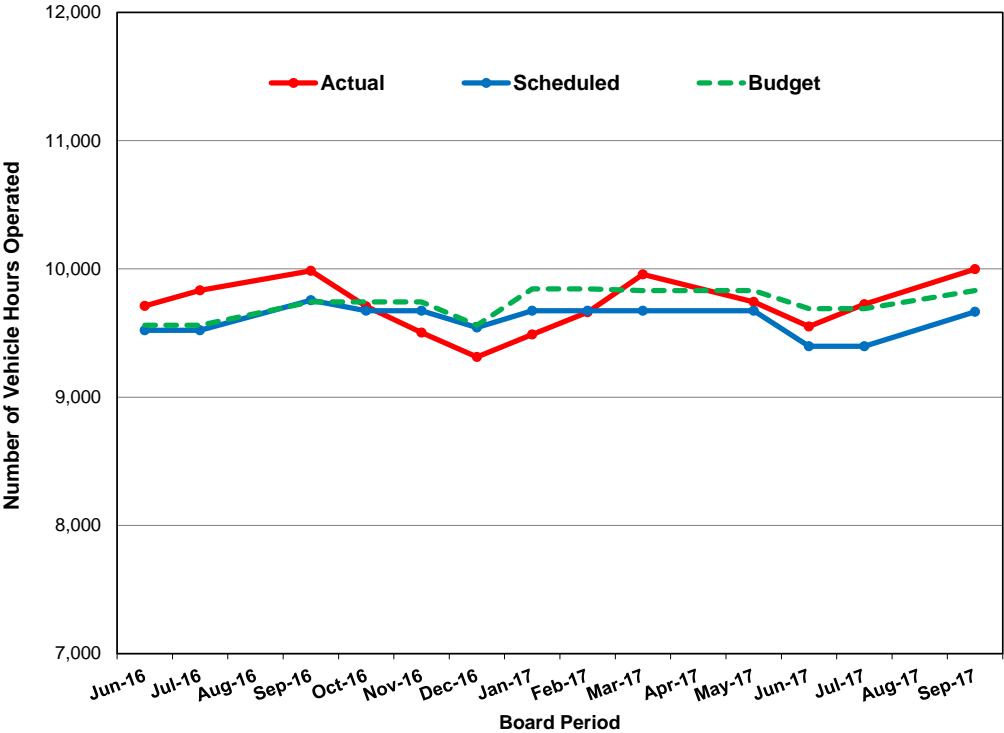
Weekly Service Hours - Bus



In the September 2017 Board Period, 150,921 bus weekly hours were budgeted for service, while 148,451 bus weekly hours were scheduled to operate, which represents a -1.6% variance.

Of the 148,451 bus weekly hours scheduled to operate, 146,136 weekly hours were actually delivered, which represents a variance of -1.6%.

Weekly Service Hours – Subway



In the September 2017 Board Period, 9,831 subway weekly hours were budgeted for service, while 9,666 subway weekly hours were scheduled to operate, which represents a -1.7% variance.

Of the 9,666 subway weekly hours scheduled to operate, 9,999 weekly hours were actually delivered, which represents a variance of +3.4%.

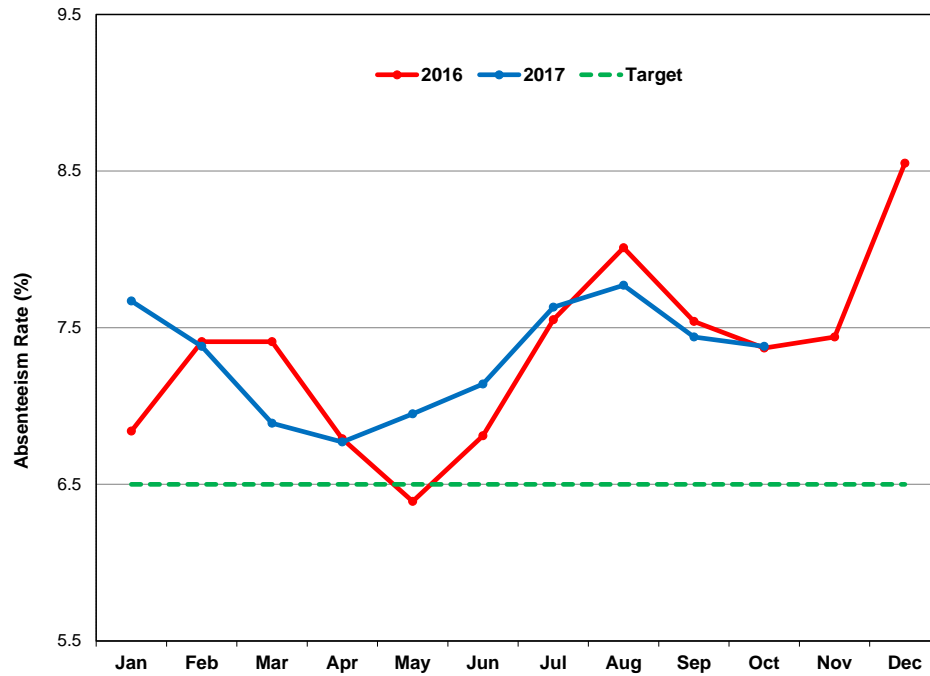
3.3 People



The TTC recognizes and rewards employees for outstanding efforts in customer service, safety, leadership, innovation and teamwork. Here, the team that successfully implemented one-person train operation celebrates their teamwork award.

People

Employee Absence



The absenteeism rate in October decreased from 7.44 to 7.38%.

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 November 15, 2017)

Employee Category	Compliant Tests	Non-Compliant Tests (drug, alcohol, refusal)	Total Tests	% Non-Compliant
Unionized	1,106	24	1,130	2.1%
Non-Union	220	1	221	0.5%
Totals	1,326	25	1,351	1.9%

Note: Currently 19 drug test results have yet to be reported as they are still undergoing laboratory analysis or have been cancelled.

Breakdown of Non-Compliant Tests

Test Category	Total
Drug	17
Alcohol	5
Refusal	3
Totals	25

Breakdown of Non-Compliant Drug and Alcohol Tests*

Substance Type	Total	%
Oxycodone	1	4.5%
Opiates	1	4.5%
Marijuana	12	54.5%
Cocaine	2	9.1%
Amphetamines	1	4.5%
Alcohol	5	22.7%
Totals	23	100%

Note: 1 drug test result was positive for two different drugs

*As of September 20, 2017; next update will be as of December 20, 2017

Breakdown of Other Policy Violations

Policy Category	Total
Alcohol Non-Compliant for 0.02 – 0.039	2
Safety Sensitive Flag	3
Totals	5



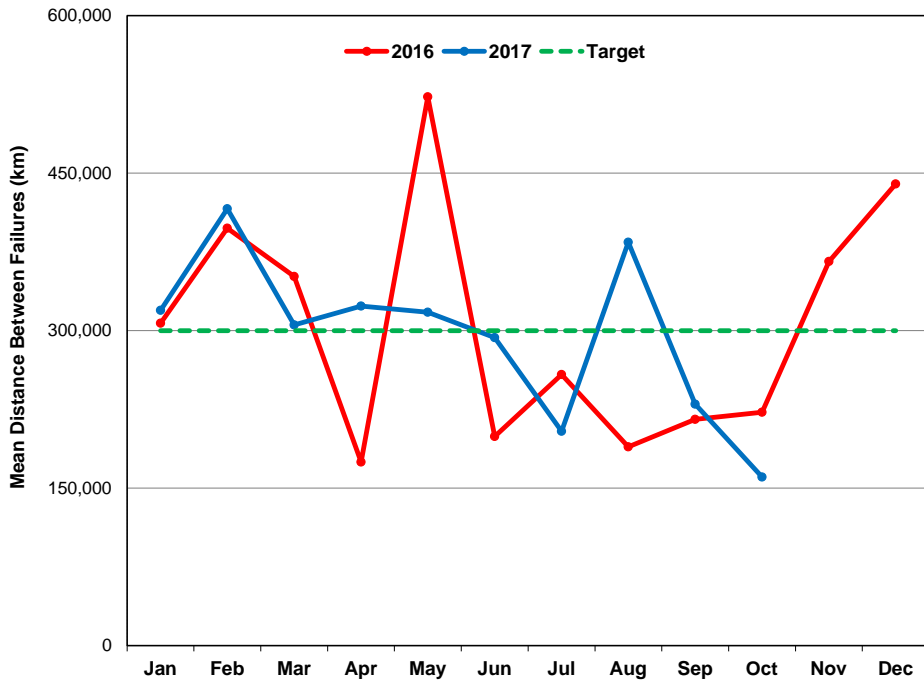
3.4 Assets

Assets: Vehicle Reliability



Subway

T1 Train: Mean Distance Between Failures (MDBF)

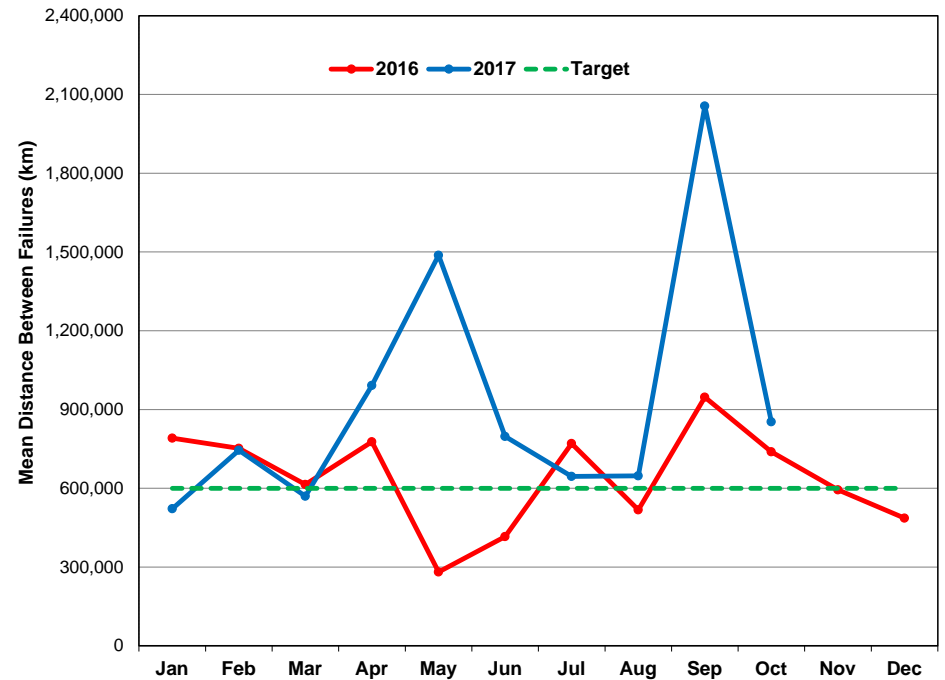


The MBDF decreased in October to 160,595 kilometres and performance was below target.

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. Long term design solutions include a Door Relay PLC Controller project, commencing in 2018, and a Door Interlock Rebuild program.

TR Train: Mean Distance Between Failures (MDBF)

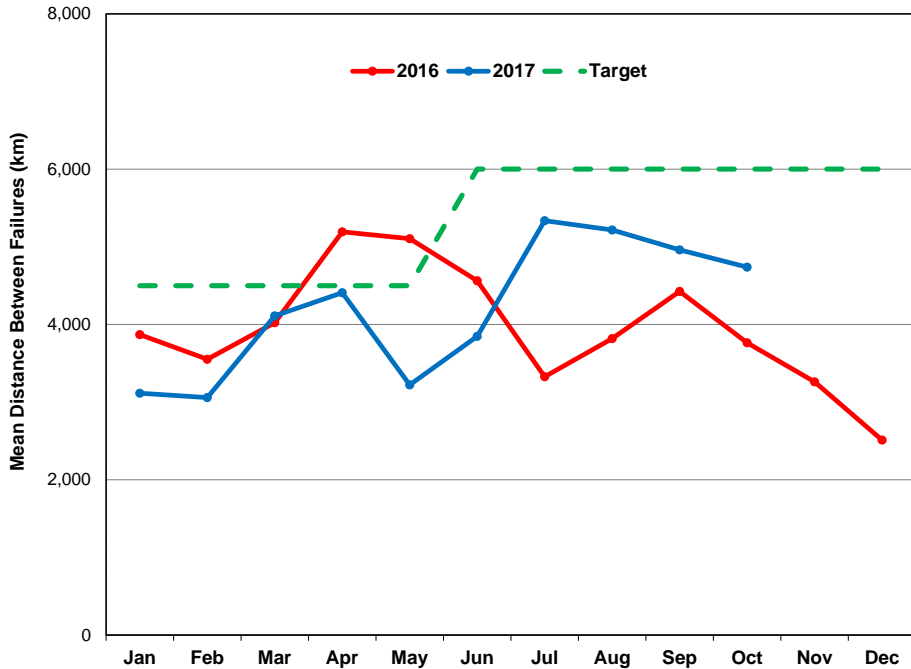


The MDBF decreased in October to 853,191 kilometres but performance was above target.

To date, 82 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)

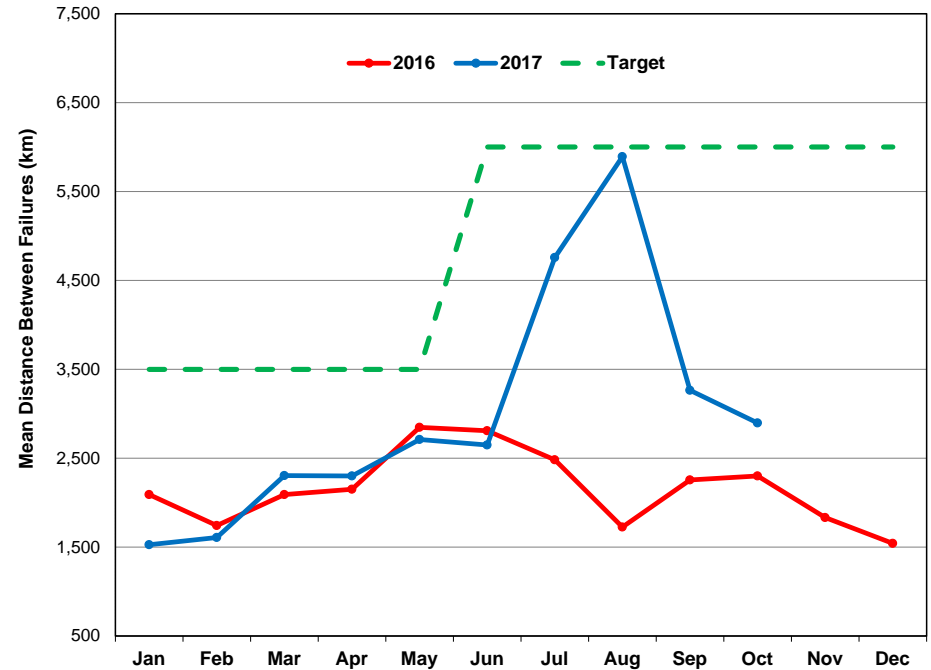


The MDBF decreased in October to 4,738 kilometres; with the revised target, overall performance continued to be below target, due to the age of the fleet.

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 service.

The target for vehicle reliability has been increased to measure the efforts of the SOGR programs.

ALRV Streetcar: Mean Distance Between Failures (MDBF)

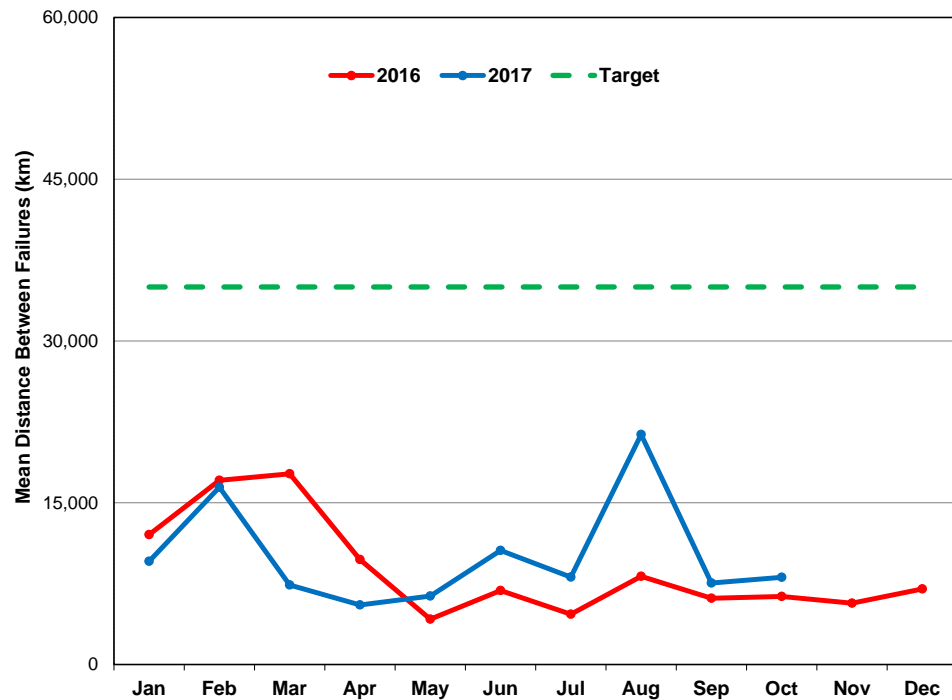


The MDBF decreased in October to 2,897 kilometres. Overall performance continued to be below target, due to the age of the fleet.

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 service.

The target for vehicle reliability has been increased to measure the efforts of the SOGR programs.

New Streetcar: Mean Distance Between Failures (MDBF)



The MDBF increased in October to 8,092 kilometres.

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

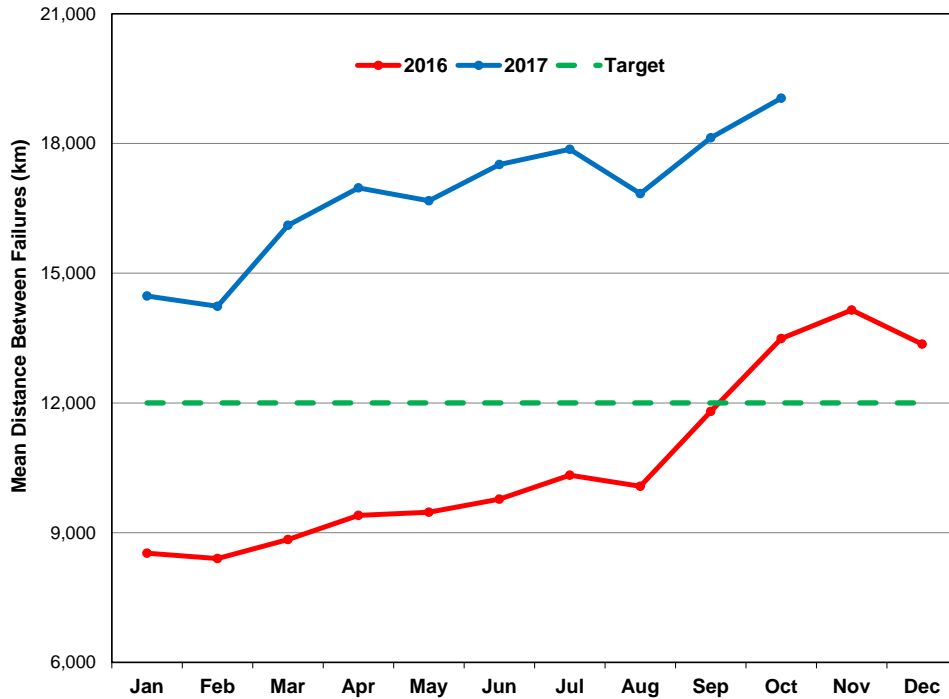
Bombardier's LFLRV mileage is calculated according to each calendar month, whereas the CLRV and ALRV mileage is calculated according to the TTC's financial period.

Of the 26 Category B failures reported in October, 12 were door-related and six were associated with the PIS. Of these 18 combined failures, at least six have since been addressed with software changes that should prevent them from recurrence. Improvement in the number of Category B failures is anticipated, starting in November.



Bus

Bus: Mean Distance Between Failures (MDBF)



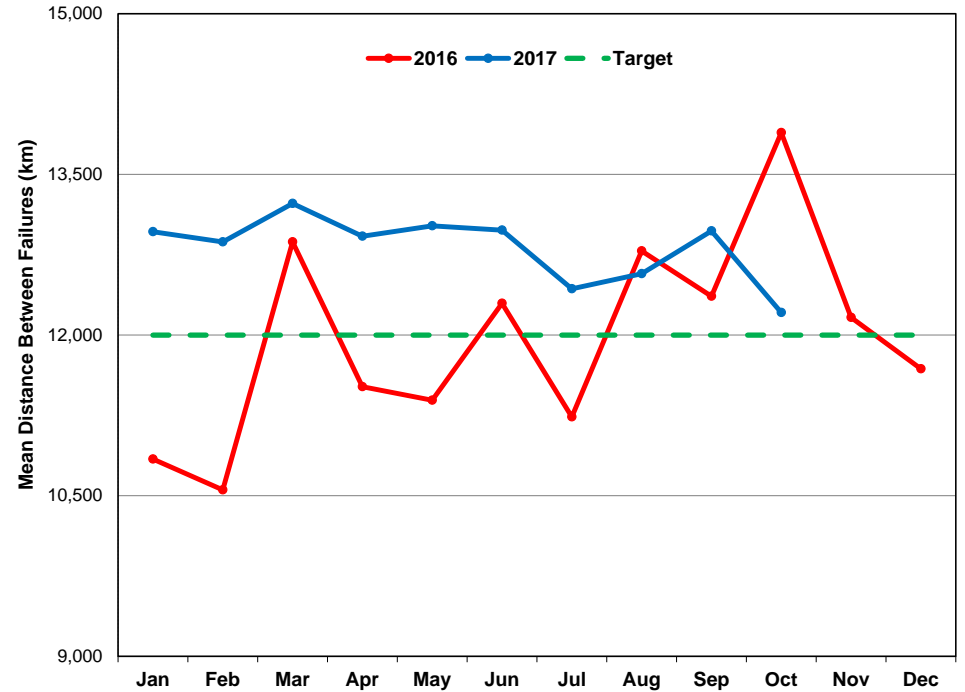
The MDBF increased in October to 19,045 kilometres. Performance continued to achieve target and it was 41% higher than the performance in October 2016.

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 continued to complete the State of Good Repair (SOGR) program on buses and have performed post-repair circle checks to improve bus pull-out and minimize disruptions to service.



Wheel-Trans

Wheel-Trans: Mean Distance Between Failures (MDBF)

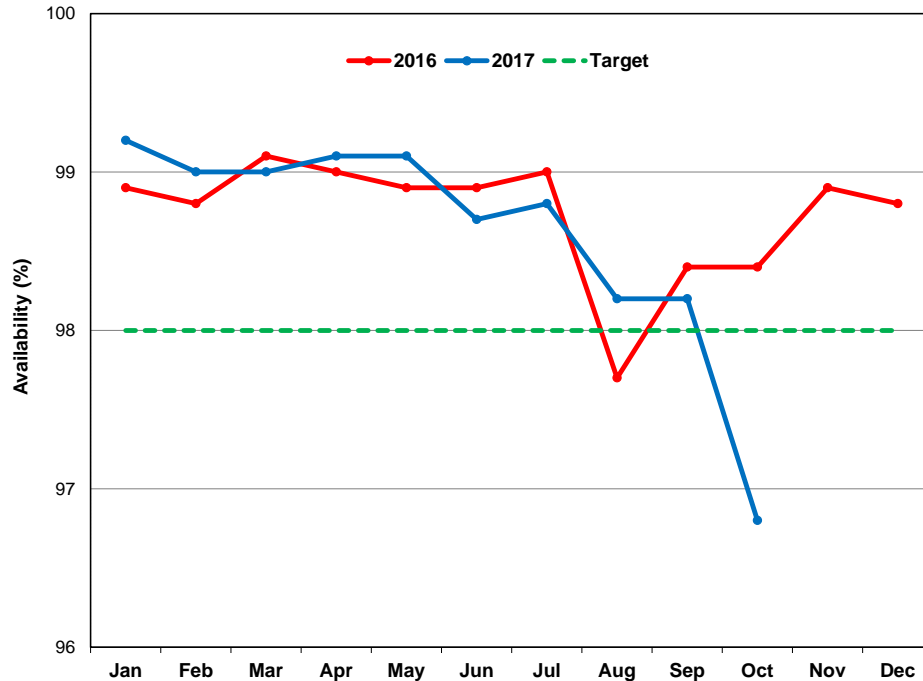


The MDBF decreased in October to 12,209 kilometres. Overall performance continued to achieve target, however, and it was 12% lower than the performance in October 2016.

A recent spike in engine failures has resulted in a decline in the MDBF. Staff are examining the root cause and repairing the failures.

Assets: Equipment Availability

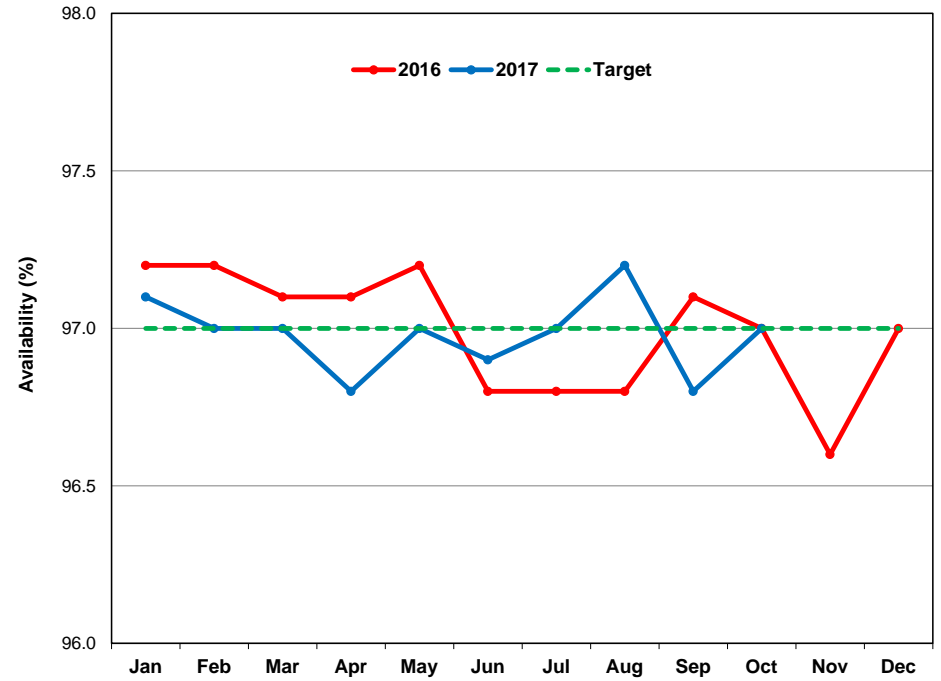
Elevators



Performance in October decreased to 96.8% and did not achieve target, due to elevator overheating from HVAC system failure and a board elevator component failure.

HVAC system failures are under review. The component failure has been discussed with the controller manufacturer for analysis and correction.

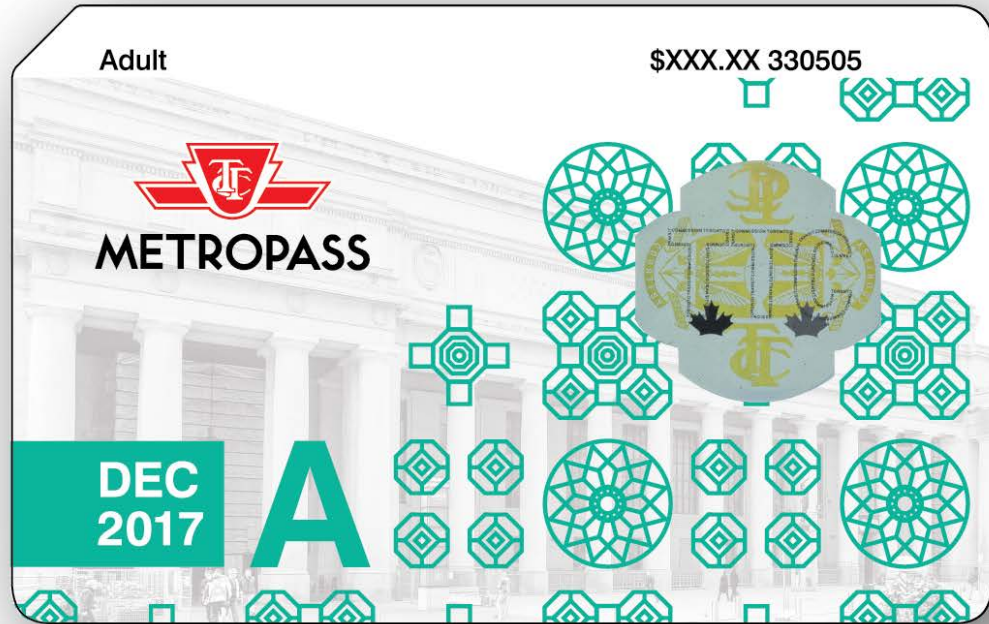
Escalators



Performance in October increased to 97% and achieved target.

Maintenance activities were completed as planned and scheduled.

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3.5 Financials

Financials

Consistent with past experience in 2017, operating expenses to the end of October continued to trend under budget, due to workforce being under budgeted strength, reduced material expenses, lower accident claim payments and employee benefit expenses, and savings on energy costs. It is projected that there will be a TTC/Wheel-Trans combined year-end operating subsidy surplus of \$53.2 million.

Customer journeys (ridership) to the end of October were 1.9% below budget and 0.5% below the 2016 comparable actual. Interim results for November indicate similar trends. Year-end ridership is projected to be about 1.8% below budget (534M vs. 543.8M).

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 \$53.2 million as illustrated in the following table:

(millions)	Projection	Budget	Variance
TTC Subsidy Surplus	\$38.1	\$0	\$38.1
Wheel-Trans Subsidy Surplus	\$15.1	\$0	\$15.1
Total Subsidy Surplus/(Shortfall)	\$53.2	\$0	\$53.2

Further details are provided in the material below.

TTC Operating Budget

2017 Year-to-Date Results

To the end of Period 10 (October 28), total revenues were \$1.0 million (0.1%) below budget primarily due to 8.3 million (1.9%) fewer customer journeys than planned, offset by a higher average fare (3.5¢ or 1.6%) stemming from ongoing changes in the mix of fare media.

Over the same time period, expenses were under budget (\$78.2 million or 5.2%) largely due to due to workforce being under budgeted strength, reduced material expenses, lower accident claim payments and employee benefit expenses, and savings on energy costs.

2017 Year-End Projections

(millions)	Projection	Budget	Variance
2017 TTC Operating Budget			
Customer Journeys (Ridership)	534.0	543.8	(9.8)
Revenue	\$1,233.6	\$1,237.6	(\$4.0)
Expenses	\$1,742.3	\$1,798.4	(\$56.1)
Subsidy Required	\$508.7	\$560.8	(\$52.1)
Subsidy Available*	\$546.8	\$546.8	\$0
Draw from TTC Stabilization Reserve	\$0	\$14.0	(\$14.0)
Surplus/(Shortfall)	\$38.1	\$0	\$38.1

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

Currently, a \$38.1 million (or 7.0%) 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 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: \$4.0 million decrease

Year-end ridership is expected to be approximately 1.8% below budget; however, passenger revenues are expected to be only 0.3% 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: \$15.0 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: \$11.6 million decrease

Most of the non-labour expense savings are due to lower than expected vehicle maintenance expenses, as a result of improved bus vehicle reliability and delays in receiving parts for certain subway car preventative maintenance programs. The additional time required to fill certain skilled trade positions has also contributed to the non-labour under-expenditures.

Employee Benefits: \$10.0 million decrease

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

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.

Diesel: \$6.5 million decrease

Diesel cost savings are a result of a lower than expected average price per litre and more favourable fuel consumption rates in part due to more favourable weather conditions.

Hydro and Utilities: \$4.0 million decrease

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

Depreciation: \$2.0 million decrease

It is projected that the depreciation expense for 2017 will also be lower than originally expected due to fewer capital asset acquisitions in 2016.

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

(\$000s)	Period 10: 4 Weeks October 1 to October 28, 2017				Ten Periods to October 28, 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	97,426	99,002	(1,576)	-1.6%	1,021,425	1,022,441	(1,016)	-0.1%	1,233,622	1,237,622	(4,000)	-0.3%
TOTAL EXPENSES	136,154	147,213	(11,059)	-7.5%	1,415,624	1,493,877	(78,253)	-5.2%	1,742,366	1,798,482	(56,116)	-3.1%
OPERATING SUBSIDY REQUIRED in 2017					394,199	471,436	(77,237)	-16.4%	508,744	560,860	(52,116)	-9.3%
CITY OPERATING SUBSIDY AVAILABLE							-		546,846	546,846	-	0.0%
DRAW FROM STABILIZATION RESERVE							-		-	14,014	(14,014)	-100.0%
SHORTFALL / (SURPLUS)					394,199	471,436	(77,237)	-16.4%	(38,102)	(0)	(38,102)	
<u>REVENUES:</u>												
Passenger Revenues	91,572	93,335	(1,763)	-1.9%	962,164	964,445	(2,281)	-0.2%	1,164,360	1,168,360	(4,000)	-0.3%
Outside City & Charters	1,251	1,208	43	3.6%	14,112	13,142	970	7.4%	16,098	15,598	500	3.2%
Advertising	2,358	2,358	-	0.0%	23,577	23,578	(1)	0.0%	28,292	28,292	-	0.0%
Rent Revenue	893	929	(36)	-3.9%	9,089	9,291	(202)	-2.2%	10,848	11,148	(300)	-2.7%
Commuter Parking	949	1,017	(68)	-6.7%	9,267	10,369	(1,102)	-10.6%	10,491	12,291	(1,800)	-14.6%
Other Income	403	155	248	160.0%	3,216	1,616	1,600	99.0%	3,533	1,933	1,600	82.8%
TOTAL REVENUES	97,426	99,002	(1,576)	-1.6%	1,021,425	1,022,441	(1,016)	-0.1%	1,233,622	1,237,622	(4,000)	-0.3%
<u>EXPENSES (LABOUR & NON-LABOUR)</u>												
CEO's Office	1,393	1,491	(98)	-6.6%	16,004	15,191	813	5.4%	18,690	18,560	130	0.7%
Engineering, Construction & Expansion Group	268	360	(92)	-25.6%	2,676	3,586	(910)	-25.4%	3,952	4,352	(400)	-9.2%
Corporate Services Group	4,409	4,753	(344)	-7.2%	44,899	48,291	(3,392)	-7.0%	57,727	58,962	(1,236)	-2.1%
Strategy and Customer Experience Group	1,671	1,769	(98)	-5.5%	15,230	17,198	(1,968)	-11.4%	20,695	20,808	(113)	-0.5%
People Group	2,750	2,843	(93)	-3.3%	28,070	29,826	(1,756)	-5.9%	35,364	36,157	(793)	-2.2%
Operations Group	24,890	25,290	(400)	-1.6%	241,791	260,583	(18,792)	-7.2%	303,218	318,046	(14,828)	-4.7%
Service Delivery Group	56,810	60,492	(3,682)	-6.1%	604,972	624,390	(19,418)	-3.1%	750,731	765,558	(14,826)	-1.9%
Employee Benefits	25,312	26,417	(1,105)	-4.2%	266,108	278,543	(12,435)	-4.5%	292,100	302,100	(10,000)	-3.3%
Vehicle Fuel	5,561	6,195	(634)	-10.2%	62,585	68,852	(6,267)	-9.1%	76,339	82,889	(6,550)	-7.9%
Traction Power	4,895	4,939	(44)	-0.9%	44,831	48,534	(3,703)	-7.6%	55,884	58,884	(3,000)	-5.1%
Utilities (Hydro, Natural Gas, Water)	2,317	2,312	5	0.2%	22,050	23,079	(1,029)	-4.5%	27,833	28,833	(1,000)	-3.5%
Taxes and Licences	243	262	(19)	-7.3%	2,636	2,739	(103)	-3.8%	3,311	3,311	-	0.0%
Depreciation	2,239	2,239	-	0.0%	24,130	24,130	-	0.0%	26,999	28,999	(2,000)	-6.9%
Accident Claims & Insurance	2,336	3,597	(1,261)	-35.1%	18,229	29,856	(11,627)	-38.9%	37,914	37,914	-	0.0%
Non-Departmental Costs	1,060	4,254	(3,194)	-75.1%	21,413	19,079	2,334	12.2%	31,609	33,109	(1,500)	-4.5%
TOTAL EXPENSES	136,154	147,213	(11,059)	-7.5%	1,415,624	1,493,877	(78,253)	-5.2%	1,742,366	1,798,482	(56,116)	-3.1%
OPERATING SUBSIDY REQUIRED in 2017					394,199	471,436	(77,237)	-16.4%	508,744	560,860	(52,116)	-9.3%
CITY OPERATING SUBSIDY AVAILABLE							-	100.0%	546,846	546,846	-	
DRAW FROM STABILIZATION RESERVE										14,014	(14,014)	
SHORTFALL / (SURPLUS)					394,199	471,436	(77,237)	-16.4%	(38,102)	(0)	(38,102)	

Wheel-Trans Operating Budget

2017 Year-to-Date Results

To the end of Period 10 (October 28), total revenues were below target (\$0.6M or 8.9%). This reflects lower revenues from 378K (9.9%) less customer journeys than budget, partially offset by a slightly higher average fare.

Over the same period, expenses were \$14.7 million (11.9%) below budget primarily due to fewer customer journeys than budget, lower average cost per passenger trip on the contracted taxi services and reduced requirements for functional assessments and appeals.

2017 Year-End Projections

(millions)	Projection	Budget	Variance
2017 Wheel-Trans Operating Budget			
Customer Journeys (Ridership)	4.240	4.723	(0.5)
Revenue	\$7.6	\$8.5	(\$0.9)
Expenses	\$135.2	\$151.2	(\$16.0)
Subsidy Required	\$127.6	\$142.7	(\$15.1)
Subsidy Available	\$142.7	\$142.7	\$0
Surplus/(Shortfall)	\$15.1	\$0	\$15.1

Currently, a \$15.1 million (or 10.6%) year-end subsidy surplus is projected. The key budget variances that account for this projection are as follows:

Contracted Taxi Services: \$12.2 million decrease

The decrease in costs is attributable to a lower projected year-end ridership estimate and a lower cost per passenger trip estimate consistent with the actual year-to-date experience.

Customer Service: \$2.0 million decrease

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

Labour expenses: \$1.1 million decrease

Labour expenses will be under budget due to delays in filling some positions especially skilled trades and lower average rates.

Passenger Revenues: \$0.9 million decrease

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

Employee Benefits: \$0.5 million decrease

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

Diesel: \$0.2 million decrease

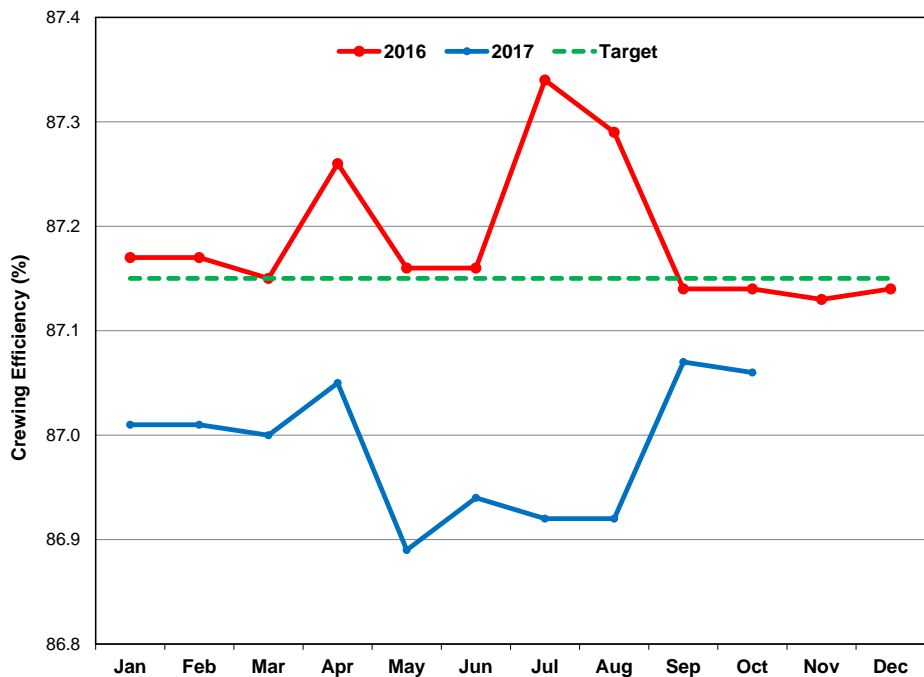
An improved fuel consumption accounts for this favourable variance.

WHEEL-TRANS

OPERATING BUDGET - INCOME STATEMENT

PERIOD 10 (\$000s)	Period 10: Four Weeks October 1 to October 28, 2017			Ten Periods to October 28, 2017			Full Year 2017		
	Actual	Budget	Over/(Under) Budget	Actual	Budget	Over/(Under) Budget	Projected Actual	Budget	Projected Variance
REVENUES:									
Passenger Fares	609	703	(94)	6,298	6,917	(619)	7,632	8,492	(860)
EXPENSES:									
CONTRACTED TAXI SERVICE	4,847	6,031	(1,183)	48,859	57,908	(9,049)	59,686	71,866	(12,179)
WHEEL-TRANS BUS SERVICE	4,238	4,174	64	39,281	39,897	(616)	48,653	48,918	(265)
OTHER WHEEL-TRANS EXPENSES	2,144	2,650	(506)	21,014	26,101	(5,087)	26,882	30,386	(3,504)
TOTAL EXPENSES	11,229	12,855	(1,626)	109,154	123,906	(14,752)	135,221	151,169	(15,949)
OPERATING SUBSIDY REQUIRED IN 2017							127,589	142,678	(15,089)
OPERATING SUBSIDY AVAILABLE IN 2017							142,678	142,678	-
SHORTFALL/(SURPLUS)							(15,089)	-	(15,089)
PASSENGER TRIPS (000s)	330	390	(60)	3,450	3,828	(378)	4,240	4,723	(483)
UNACCOMMODATED RATE (%)	0.3	0.5	(0.2)	0.2	0.5	(0.3)	0.5	0.5	-
SUBSIDY PER TRIP (\$)	32.22	31.20	1.02	29.81	30.56	(0.75)	30.54	30.62	(0.08)

Operator Crewing Efficiency



Operator crewing efficiency decreased in October to 87.06%; 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

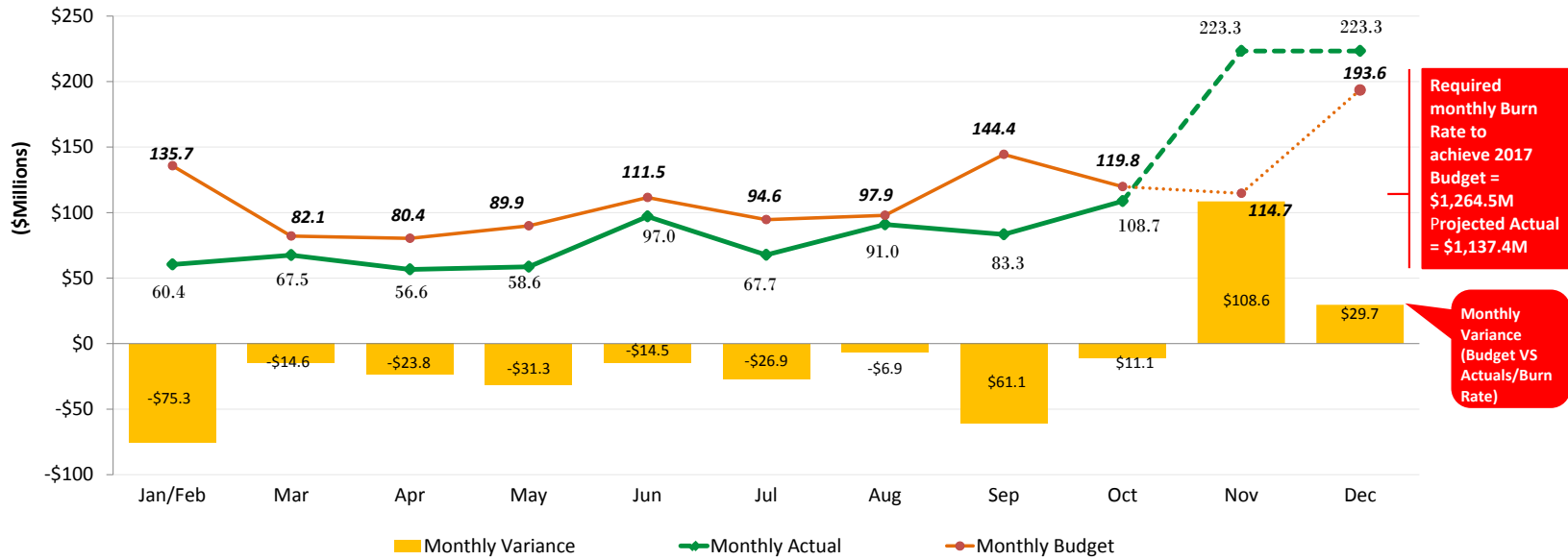
Capital expenditures to the end of Period 10 (October 28) reflect lower project activity and include continued progress on vehicle and construction contracts already in place. Significant variances in the current period stem from under-spending on delayed contract work and vehicle deliveries.

2017 Year-End Projections

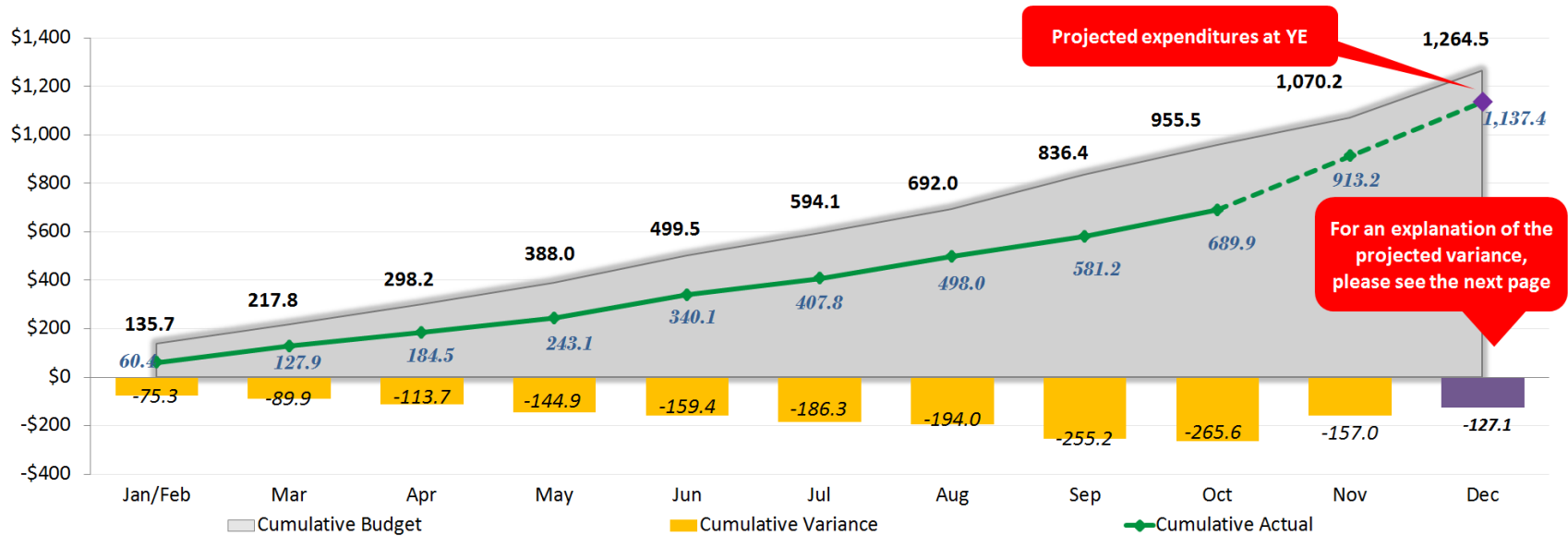
(millions)	Projection	Budget*	Variance
2017 TTC Capital Budget			
Base Program	\$1,137.4	\$1,264.5	(\$127.1)
Toronto-York Spadina Subway Extension (TYSSE)	\$314.8	\$545.1	(\$230.3)
Scarborough Subway Extension (SSE)	\$63.9	\$125.2	(\$61.3)

*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: \$127.1 million under

Significant projected year-end base program variances are outlined below:

Subway Track: \$8.1 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: \$4.0 million over

Funds brought forward for material purchase. Cash flow adjusted to align with revised construction schedule and Humber Loop closure in 2017.

Communications: \$12.7 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) deferred to 2018 due to resource constraints and changes in work sequence related to VMS implementation; Subway RTU project, Track Level Occupancy Lights and Fiber Optic Upgrade for North Yonge and Danforth rings deferred due to resource constraints; Industrial Security Improvements of TTC Properties as the start of construction was delayed to incorporate scope change at Allen Road Fencing related to underground utilities and road lane closure permit requirements; Richmond substation cable survey and installation of two locations delayed due resource constraints; TDM equipment and radios purchase deferred due to procurement delays.

Signal System: \$8.6 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: \$9.1 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: \$3.6 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 lack of progress in completion of work and correction of outstanding deficiencies.

Facility Renewal and other Building & Structure Projects: \$14.9 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 – Construction progress is slower than forecasted at Davisville Yard and Kipling Station; 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

As a diesel version cannot be provided in 2017, it was decided that only 20 buses would be purchased and the remaining 20 buses added to the 2018 order (60 buses). Due to production issues 15 buses will be delivered in 2017 and the remaining 65 delivered in 2018.

Purchase of Subway Cars: \$5.1 million under

Variance is primarily payment for some project milestones and escalation shifted with the revised cash flow and delivery schedules for spares and special tools projected for 2018.

Bus Overhaul: \$14.1 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.

Subway car Overhaul: \$6.2 million under

The variance is due to the unavailability of materials and workforce. Mini overhaul and 5 year interval program and contract payment slipped.

Purchase of Streetcars: \$53.6 million under

Variance is primarily from slippage of vehicle delivery and the Contract Change Allowance not being exercised in 2017. The plan was 40 cars for 2017, however, based on the current production circumstances, there are only 35 cars projected to be delivered in 2017.

Revenue and Fare Handling Equipment: \$22.2 million over

The variance is due to Turnstile Replacement Faregates project for additional gate order, adjustment for civil works cost assignment, foreign exchange adjustment and maintenance calendarization.

Information Technology Program: \$20.6 million under

Variance is largely due to VISION Project 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 \$1.9M); underspending in Networking Infrastructure Program is mainly due to Voice over IP (VOIP) contract negotiations (new contract commenced as of October 1, 2017); and overspending in SAP Project due to higher than projected project complexity; resource availability which resulted in higher expenses to the project and scheduling delays.

Service Planning: \$48.7 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): \$230.3 million under

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

Scarborough Subway Extension: \$61.3 million under

SRT Life Extension (-\$22.5): 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: (-\$38.8M): Variance is due to delay in the EA process and the rebaselining of the project scope.

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Andy Byford
Chief Executive Officer
Toronto Transit Commission