



STAFF REPORT INFORMATION ONLY

Chief Executive Officer's Report – January 2017 Update

Date:	January 18, 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.

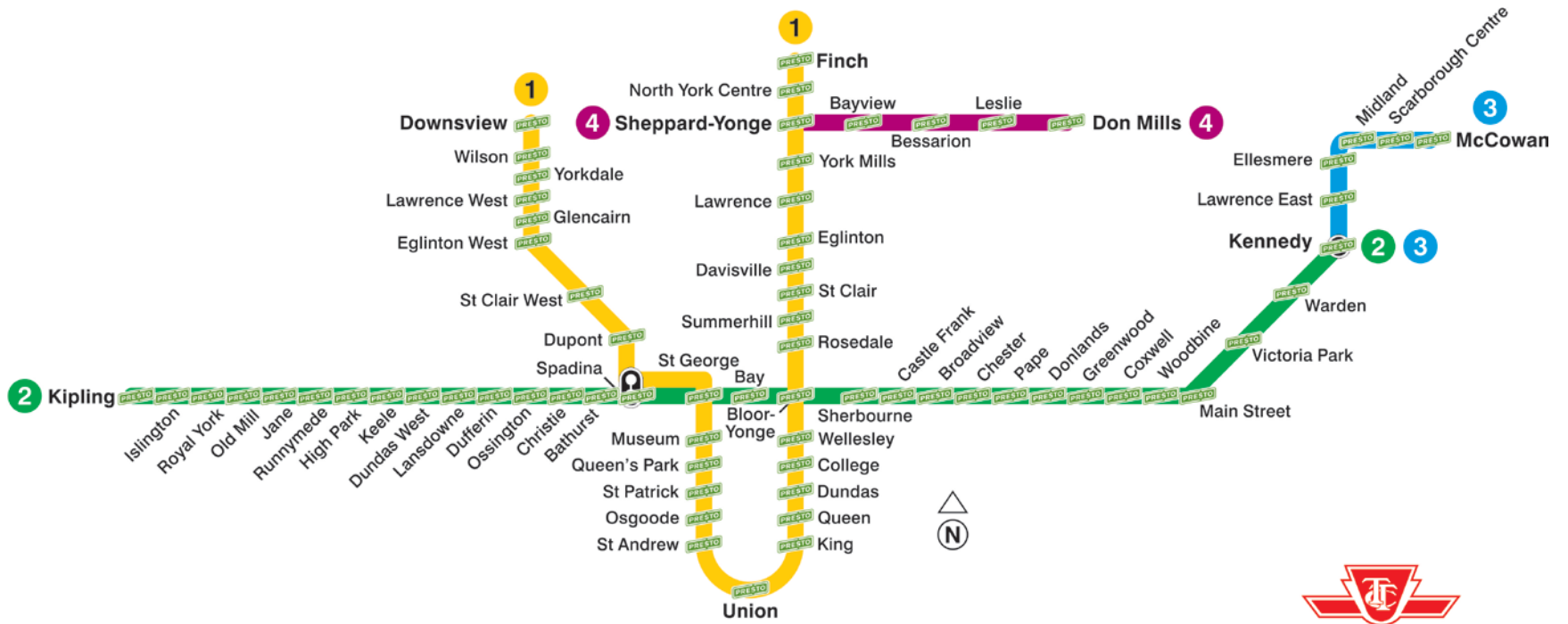
Contact

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Attachments

Chief Executive Officer's Report – January 2017 Update

Toronto Transit Commission
January 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:

As of the end of December, all TTC buses, including Wheel-Trans, accessible taxis and at least one entrance of every subway station have PRESTO. PRESTO has been available on all streetcars since the end of 2015. The rollout will continue throughout 2017.



1. TTC Performance Scorecard

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	Nov 2016	4.67	4.16	✘		16	
Customer Injury Incidents	Injury Incidents per 1M Boardings	Nov 2016	1.01	1.11	✔		16	
Offences against Customers	Offences per 1M Boardings	Nov 2016	0.48	0.44	✘		17	
Offences against Staff	Offences per 100 Employees	Nov 2016	0.39	0.33	✘		17	
Customer: Journeys								
	TTC Customer Trips	Nov 2016	44.1M	45.9M	✘		20	
	TTC Customer Trips	2016 y-t-d to Nov	489.0M	502.4M	✘	NA	20	
	PRESTO Customer Trips	Nov 2016	3.39M	1.31M	✔		21	
	Wheel-Trans Customer Trips	Nov 2016	322K	299K	✔		21	
	Wheel-Trans Customer Trips	2016 y-t-d to Nov	3.56M	3.38M	✔	NA	21	
Customer: Satisfaction								
	Customer Satisfaction Score	Q3 2016	70%	81%	✘		22	
Customer: Environment								
	Station Cleanliness	Audit Score	Q3 2016	74.5%	75%	✘		25




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	Q3 2016	88.0%	90%	✘		26
Subway Cleanliness	Audit Score	Q3 2016	87.5%	75%	✔		26
Streetcar Cleanliness	Audit Score		Data will be available Q1 2017				

Customer: Service Performance

 Subway								
1	Yonge-University	Delay Incidents	Q3 2016	2,164	1,791	✘		27
		Delay Minutes	Q3 2016	3,711	3,653	✘		27
		Trains per Hour in AM Peak	Nov 2016	22.6	25.5	✘		28
2	Bloor-Danforth	Delay Incidents	Q3 2016	2,616	1,596	✘		29
		Delay Minutes	Q3 2016	4,517	3,340	✘		29
		Trains per Hour in AM Peak	Nov 2016	24.1	25.2	✘		30
3	Scarborough	Delay Incidents	Q3 2016	170	156	✘		31
		Delay Minutes	Q3 2016	703	927	✔		31
		Trains per Hour in AM Peak	Nov 2016	11.8	12.0	✘		32

 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 2016	232	129	✗		33
	Delay Minutes	Q3 2016	681	311	✗		33
	Trains per Hour in AM Peak	Nov 2016	10.7	10.9	✗		34
Streetcar	On-Time Departure	Nov 2016	51.9%	90%	✗		35
	Short Turns	Nov 2016	3,695	50% less than 2015	✗		35
Bus	On-Time Departure	Nov 2016	73.0%	90%	✗		36
	Short Turns	Nov 2016	4,860	50% less than 2015	✗		36
Wheel-Trans	% Within 10 Minutes of Schedule	Nov 2016	90.7%	90%	✓		37

People



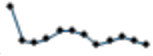

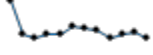




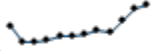



Employee Absence	Absenteeism Rate	Nov 2016	7.44%	6.50%	✗		39
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Assets: Vehicle Reliability

Subway	T1	Mean Distance Between Failures	Nov 2016	365,831 km	300,000 km	✓		41
	TR	Mean Distance Between Failures	Nov 2016	593,645 km	772,485 km	✗		41

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	Nov 2016	3,262 km	4,500 km			42
ALRV	Mean Distance Between Failures	Nov 2016	1,832 km	3,500 km			42
New Streetcar	Mean Distance Between Failures	Nov 2016	5,696 km	35,000 km			43
 Bus	Mean Distance Between Failures	Nov 2016	14,148 km	12,000 km			44
 Wheel-Trans	Mean Distance Between Failures	Nov 2016	12,164 km	12,000 km			44

Assets: Equipment Reliability

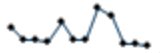
Elevators	Percent Available	Nov 2016	98.9%	98%			45
Escalators	Percent Available	Nov 2016	96.6%	97%			45

Financials

TTC Revenue	Actual vs. Budget	2016 y-t-d to Nov	\$1,090M	\$1,129M		Section 3.5
TTC Operating Expenditure	Actual vs. Budget	2016 y-t-d to Nov	\$1,543M	\$1,591M		Section 3.5
Wheel-Trans Revenue	Actual vs. Budget	2016 y-t-d to Nov	\$6.5M	\$6.4M		Section 3.5
W-T Operating Expenditure	Actual vs. Budget	2016 y-t-d to Nov	\$115.0M	\$113.8M		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	2016 y-t-d to Nov	\$696M	\$986M	✘	Section 3.5	
Capital Expenditure – TYSSE	Actual vs. Budget	2016 y-t-d to Nov	\$343M	\$690M	✘	Section 3.5	
Capital Expenditure – SSE	Actual vs. Budget	2016 y-t-d to Nov	\$21M	\$117M	✘	Section 3.5	
Operator Efficiency	Crewing Efficiency	Nov 2016	87.13%	87.15%	✘		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.



Shuttle bus



2. CEO Commentary

CEO Commentary and Current Issues

General Overview

This month's report includes data to the end of November 2016.

At the time of writing, we have now entered the final year of our inaugural five year plan.

I have set three clear priorities for the organization during 2017: delivery of the Toronto-York Spadina Subway Extension; roll-out of the first two phases of automatic train control on Line 1; and completion of migration to PRESTO. In parallel, we will continue our all-out focus on the basics of an effective transit system, namely safe, reliable service, delivered by friendly, well-informed staff.

At the end of 2016, we delivered on our commitment to have PRESTO fitted to all vehicles and in at least one station entrance. The commitment to have a minimum of 30 new streetcars on property was also met.

Safety & Security

We continue to work closely with law enforcement agencies to monitor the prevailing global security situation. We have launched an initiative to reduce instances of staff assault on surface routes. Using incident data to inform effective deployment of resources, TTC Special Constables are boarding bus routes on a trial basis to offer visible presence to reassure customers and staff.



Customer: System Performance

System performance in terms of both delay minutes and incidents was mixed, but I can report a 21% reduction in infrastructure related incidents on the subway when compared to the 2014 baseline that I set for my operational teams to use towards an overall 50% improvement in service reliability by 2019.

Such a challenging target requires ongoing absolute attention to detail along with progressive renewal of assets and processes, parallel workstreams that will continue into our next strategic plan as the impact of years of under-investment is corrected

Financials

Year-to-date to the end of November, ridership was 0.6% above the 2015 comparable period but 2.7% below budget. Interim ridership results for December are consistent with these year-to-date trends. As a result, the year-end ridership projection is approximately 538 million (15 million below budget) with a corresponding passenger revenue shortfall of about \$46 million.

The current year-end projection for the combined TTC and Wheel-Trans operating budgets indicates a small (\$6M) budget surplus. Capital expenditures will be below target due to delays in contract work and vehicle deliveries.

Delivery of Major Projects

- TYSSE

The project team maintains good momentum and remains on target for opening in December of this year. The project cost forecast also remains within the reset budget.

The next key milestone is to energize tracks by the end of March to enable the testing and commissioning and trial operations phases to commence.



Senior Management discussions and issue resolutions continue with our General Contractors to progress commercial matters.

- PRESTO

All TTC in-service vehicles and at least one entrance of every subway station now offers PRESTO.

The next key milestones are to complete the remaining station entrances, to retrofit the initial 26 stations with new faregates and to progressively migrate customers onto PRESTO. This will be achieved by the installation of self-service machines in stations and in sales outlets, by migrating existing TTC products such as Metropass onto PRESTO.

System reliability is being closely tracked with our partners at Metrolinx. The performance of “Add Value Machines” has improved following application of a software patch by Metrolinx’s contractor.

- Automatic Train Control

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, 30 new vehicles are on property and available for service. The task now is to work with Bombardier to ensure a minimum of 40 additional new vehicles during 2017, although I am pushing hard for that figure to be exceeded.

As previously reported, a consequence of the delayed delivery of our new streetcars is that this has put huge pressure on the existing streetcar and bus fleet. Overall, there will be more than 600 additional weekly hours of service on the streets of Toronto beginning this month, but 13 bus routes have seen wait times slightly increased while remaining within existing loading standards.



- Culture Change

Work continues on our major change programs to ensure that the desired culture is embedded and that employees feel supported through the process.

- Accessibility Matters

Work continues to progress well on our current Easier Access projects. I wish to thank Mazin Aribi for his fantastic leadership and achievements as ACAT Chair.



Andy Byford
Chief Executive Officer, Toronto Transit Commission



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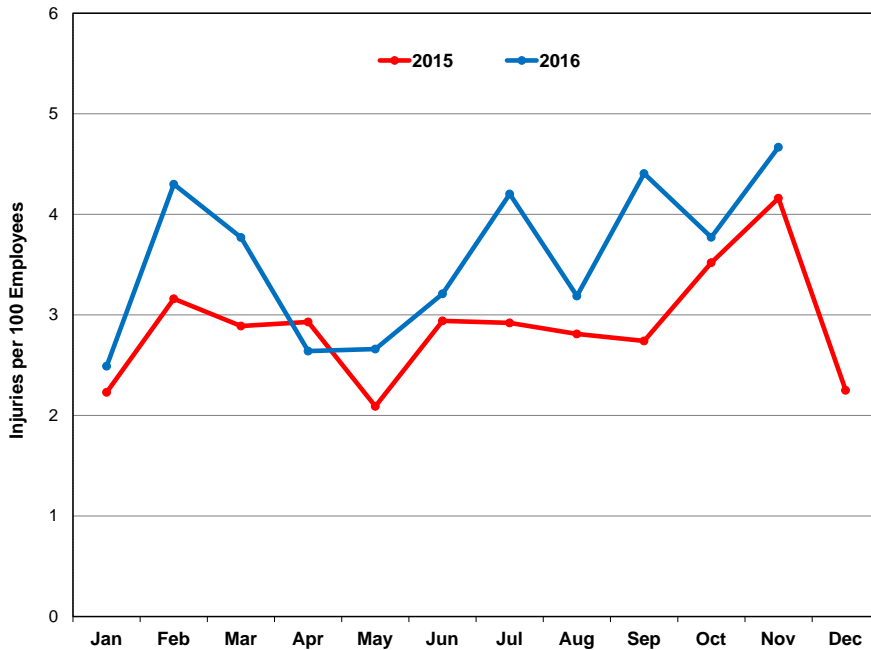


3.1 Safety & Security



Safety and Security

Lost-Time Injuries

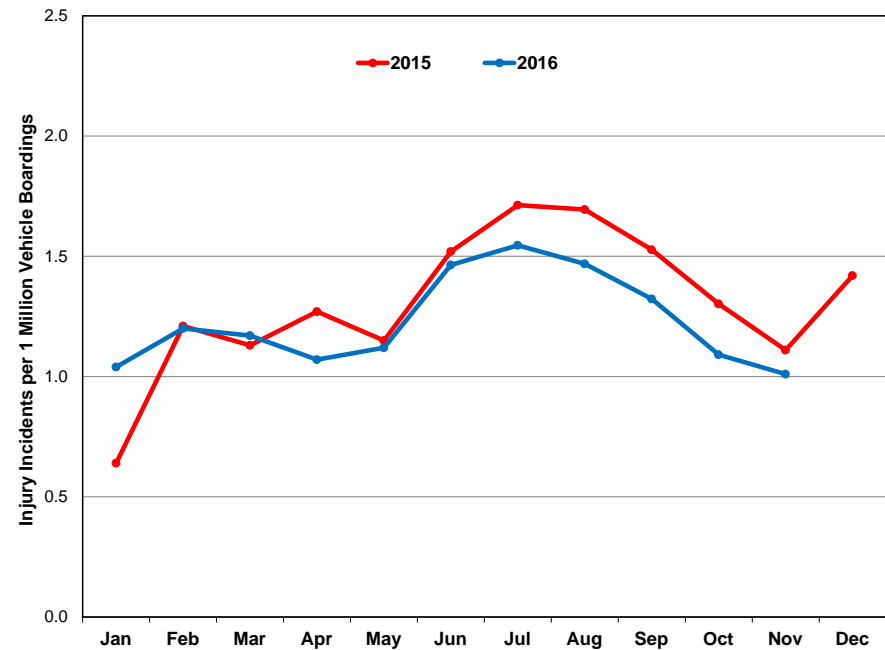


The lost-time injury rate (LTIR) increased in November. The rate of 4.67 injuries per 100 employees was 12% higher than the corresponding rate of 4.16 for November 2015.

The moving annual LTIR to the end of November 2016 was 3.46, which was 15% higher than the corresponding rate of 3.00 to the end of November 2015.

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

Customer Injury Incidents

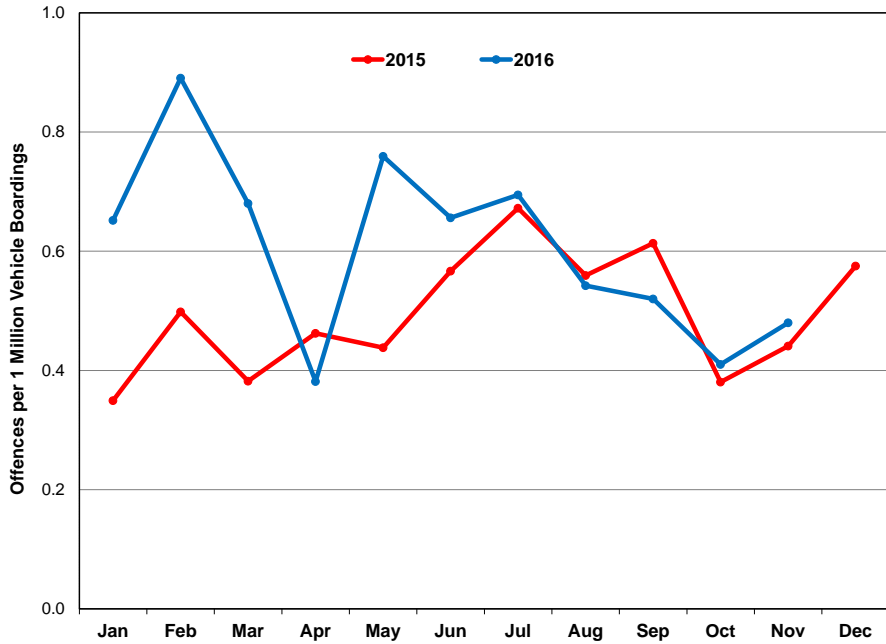


The customer injury incident rate decreased in November. The rate of 1.01 injury incidents per 1 million vehicle boardings was 9% lower than the corresponding rate of 1.11 for November 2015.

The moving annual customer injury incident rate to the end of November 2016 was 1.24, which was less than 3% lower than the corresponding moving annual rate of 1.28 to the end of November 2015.

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

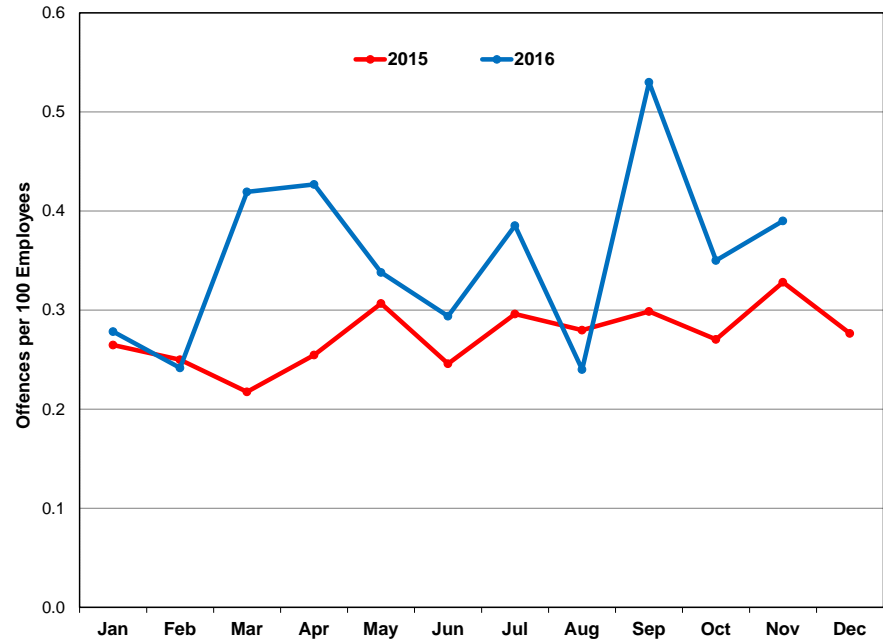
Offences Against Customers



Total offences against customers increased in November. The rate of 0.48 offences per 1 million vehicle boardings was 9% higher than the corresponding rate of 0.44 for November 2015.

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

Offences Against Staff



Total offences against staff increased in November. The rate of 0.39 offences per 100 employees was 18% higher than the corresponding rate of 0.33 for November 2015.

Transit Enforcement Officers will be deployed to surface routes which experience the highest number of crimes, in an effort to deter offenders and enhance the safety of customers and operating personnel.

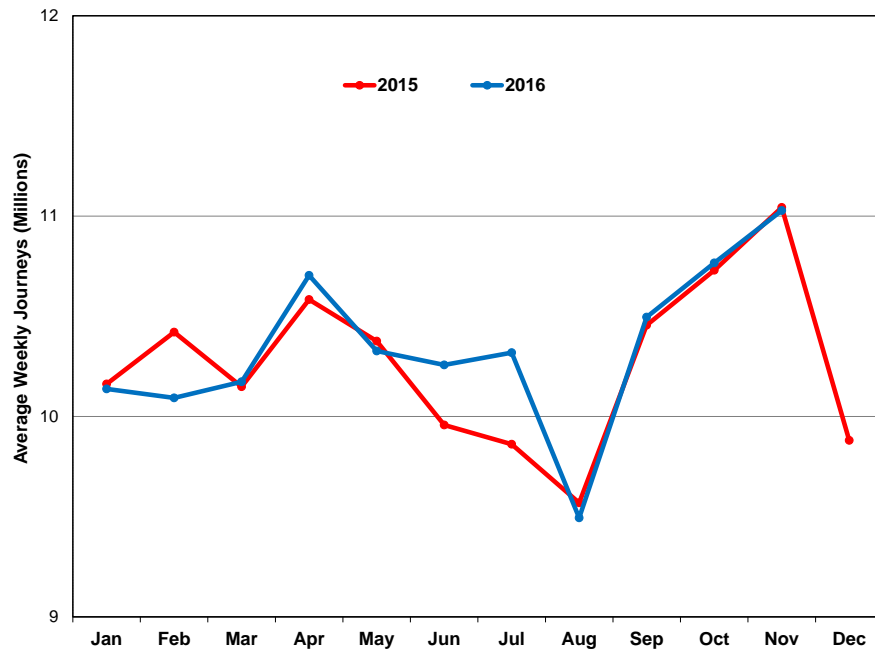
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3.2 Customer



Customer: Journeys

TTC: 2016 Actual vs. 2015 Actual

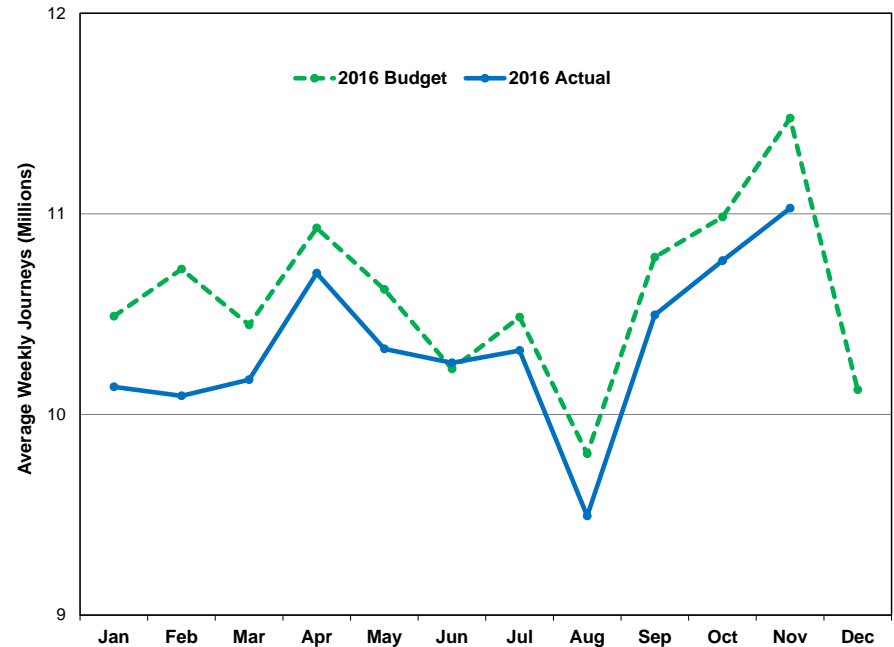


There were 44.1M customer journeys (ridership) taken during November, which was 0.1M (0.2%) less than the 44.2M journeys taken during November 2015.

The annual number of customer journeys taken to the end of November 2016 was 538.4M, which was 3.2M (0.6%) more than the 535.2M annual journeys taken to the end of November 2015.

Average weekly ridership in November 2016 was below the prior year comparable for the fifth time this year.

TTC: 2016 Actual vs. 2016 Budget



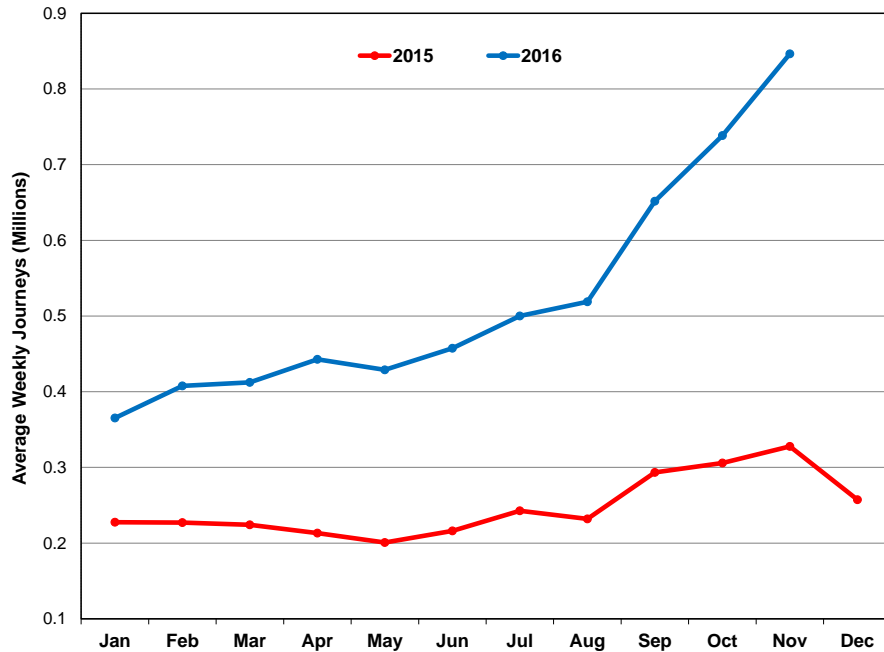
There were 44.1M customer journeys taken during November, which was 1.8M (3.9%) less than the budget of 45.9M journeys.

The number of customer journeys taken year-to-date to the end of November was 489.0M, which was 13.4M (2.7%) less than the budget of 502.4M journeys.

Average weekly ridership has been below budget for 20 of the past 21 months.

Customer: Journeys

PRESTO: 2016 Actual vs. 2015 Actual

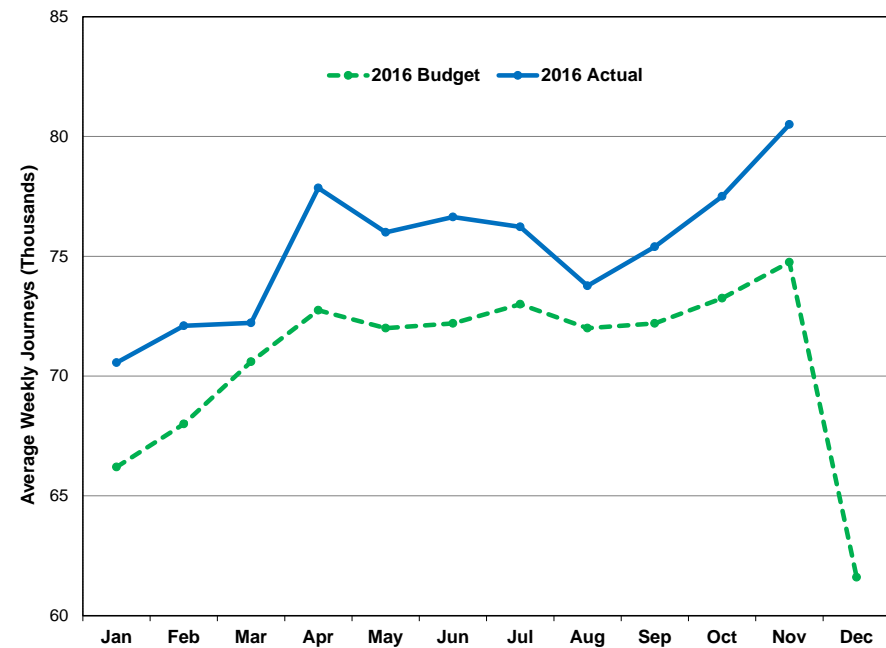


There were 3.39M customer journeys (ridership) taken using the PRESTO Farecard in November, which was 2.08M (159%) more than the 1.31M journeys taken during November 2015.

The annual number of customer journeys taken to the end of November 2016 was 25.99M, which was 13.55M (109%) more than the 12.44M annual journeys taken to the end of November 2015.

Note:
PRESTO ridership is included in TTC ridership totals.

Wheel-Trans: 2016 Actual vs. 2016 Budget



There were 322K customer journeys taken during November, which was 23K (7.7%) more than the budget of 299K journeys.

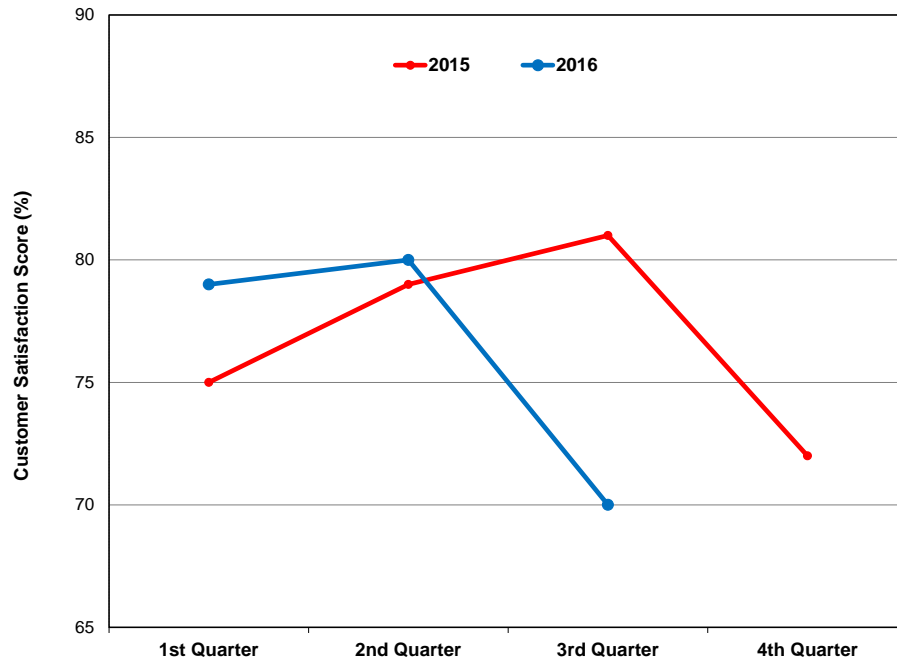
The number of customer journeys taken year-to-date to the end of November was 3.560M, which was 178K (5.3%) more than the budget of 3.382M journeys.

Average weekly ridership has been above budget for 27 consecutive months.

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

Customer: Satisfaction

Customer Satisfaction Score



Overall customer satisfaction dropped in Q3 2016 (70%), a significant decrease from results observed in the previous quarter (80%) and a significant decrease from the same time period last year (81%). However, the average score year-to-date for 2016 is 76% (consistent with 77% in 2015).

This quarter's high score is driven by a perceived decline in delivery of a reliable service, which was driven by lower customer perceptions of the following criteria: trip duration on the subway, wait times on the subway and buses, and level of crowding on the subway and buses.

The significant decrease in Q3 can be linked predominantly to the 'hot subway car' issue that affected around 20% of subway cars this summer on Line 2. Customer satisfaction on Line 2 fell significantly (from 78% in Q2 to 59% in Q3). By comparison, Line 1 results did not fall significantly (from 78% in Q2 to 75% in Q3). Subway riders, overall, reported a significantly less comfortable ride (from 82% in Q2 to 69% in Q3), which affected overall perceptions of trip duration and wait time, the top two key drivers of satisfaction.

The areas of highest customer satisfaction (80%+) include: length of trip (streetcar and bus), helpfulness and appearance of operator (streetcar and bus), helpfulness of maps and signs at station (subway), ease of getting to train platform (subway), ease of buying fare (subway, streetcar, and bus), personal safety during trip (subway, streetcar and bus), maps and information inside the vehicle (subway), cleanliness inside the vehicle (subway), quality of stop announcements (subway, streetcar, and bus), ease of hearing announcements (streetcar and bus), and helpfulness of announcements (bus).

Pride in the TTC and what it means for Toronto also declined. This quarter, 71% of customers agreed with this statement, compared to 73% of customers in the previous quarter. Perceptions of value for money remained consistent; 91% of customers perceived excellent, good or average value for money, compared with 92% in the last two quarters.

Commentary on Improvement in Customer Satisfaction

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

In Q1 2016, all commitments were met. The 510 Spadina streetcar route is serviced by new, fully accessible streetcars; payment through Apple Pay at collector booths at all subway stations is now available; streetcar short turns are on track to be reduced by a further 20%; subway service on Sundays now begins approximately one hour earlier, at 8 a.m.; additional trains were added to Line 1 to decrease delays during off-peak hours; a “Local Working Group” was established to begin public consultations for a new second exit at Donlands Station; and five new express bus services were introduced.

In Q2 2016, three of five commitments were met. New fare gates were installed at Main Street, Wellesley, Bay, Sherbourne, and St. Clair stations; new bike racks to improve and increase storage capacity have been installed at six stations and upon receiving positive feedback from customers, additional bike repair stops were installed at 20 subway stations.

Wi-Fi was delivered to 19 out of 22 stations; North York, Eglinton, Downsview, Wilson, and Lawrence West stations were completed at the end of August. Dedicated boards were unable to be installed in Q2 at key locations in 12 stations to inform customers about planned/unplanned closures, as there was a delay with obtaining a supplier. At the end of July, the following stations received dedicated information boards: Bay, College, Dundas, King, Museum, Osgoode, Queen, Queen's Park, Spadina, St. Andrew, St. George, St. Patrick, Union, Wellesley, and Yonge-Bloor.

In Q3 2016, seven of eight commitments were met. A high-capacity bike rack program is piloted at Bathurst station; trains on Line 4 were replaced with new Toronto Rocket trains; service was added on the 28 Bayview South and 101 Downsview Park bus routes to become part of our all-day, every-day routes; and train frequency was increased by 3 trains on Line 1 to improve travel time during the morning peak hours. Also, service was added to 25 busy bus routes during peak periods, to reduce crowding and improve travel time. The 514 Cherry streetcar from Cherry Street to West Donlands was introduced to serve a growing new neighbourhood and the east parking lot at Finch Station began to be repaved.

509 Harbourfront and the 511 Bathurst routes could not be serviced by new, fully accessible streetcars, due to the slow delivery of streetcars.

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. In 2016, sessions were held at the following stations: Ossington, Main Street, Downsview, Kennedy, St. Clair West, Finch, Eglinton, St. George and Union. The Union station session was a large success, where riders took the time to read the TTC's commitments and achievements. Customers thanked management for engaging with them at this Meet the Managers session and thought this was a great initiative.

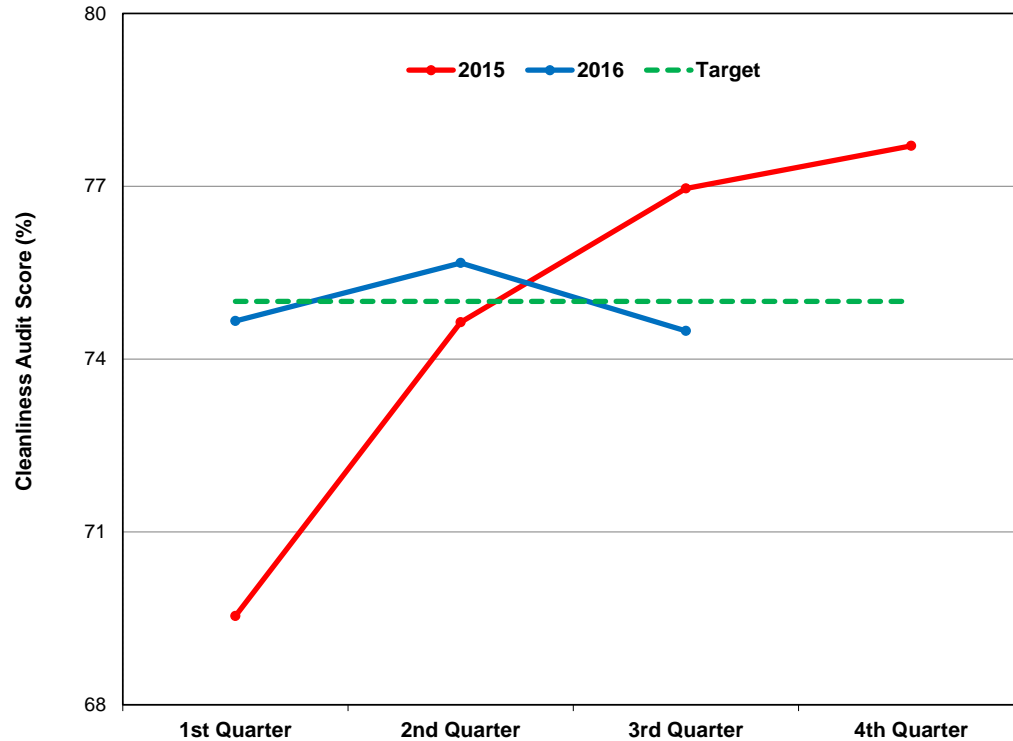
The PRESTO rollout reached an exciting milestone at the end of 2016. At least one entrance of every subway station and all buses, including Wheel-Trans and accessible taxis, have PRESTO readers. PRESTO has been on our streetcars since the end of 2015. The rollout will continue throughout 2017, as the new PRESTO-enabled fare gates will be installed at the remaining subway station entrances that are not equipped with them yet. TTC pass products, a daily loyalty/cap, concessions for children, youths (students), and post-secondary students will be introduced. More locations to buy a PRESTO card will be rolled out. New Fare Media Vending Devices will also begin to be installed late next year. These will be available at every subway station entrance and will provide people with the opportunity to buy a PRESTO card, load it with money or pass products. TYSSE will also open as the first PRESTO-ready group of stations. Throughout 2017, customers will still be able to buy and use tickets, tokens and passes.

On November 28, 2016 the TTC's expanded and improved online store, ttcshop.ca was launched. This new online store launched with more than 60 different products from mugs and water bottles, to t-shirts and even replica station signs and authentic subway blinds. In the first month of operation from November 28 to December 31, ttcshop.ca sold just over \$60,000 in merchandise. All products in the initial line have sold multiple items, but the best sellers are the Bloor-Yonge font initial mug, followed closely by the line number mugs.

More products will continue to be added to the store in 2017 with a full revenue report and growth strategy in Q4.

Customer: Environment

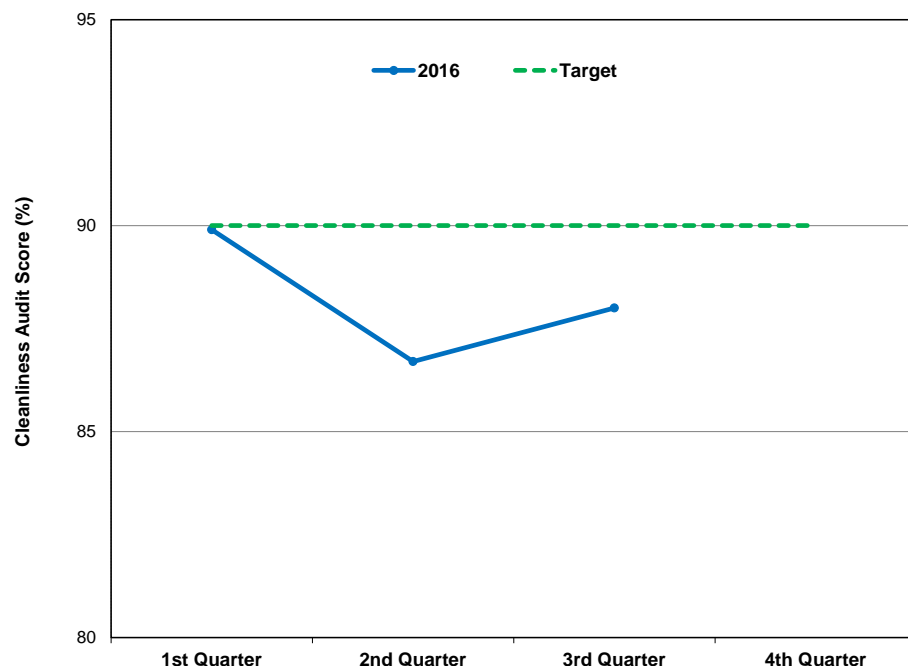
Station Cleanliness



Performance in Q3 2016 decreased to 74.5%, which was below target and below the performance in Q3 2015.

Customer: Environment

Vehicle Cleanliness – Bus

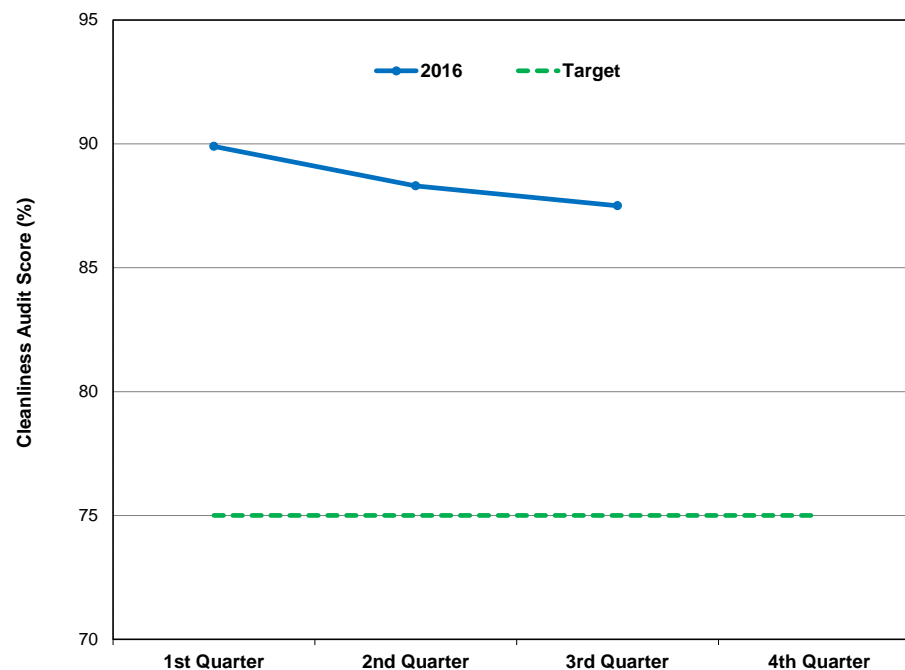


The bus cleanliness audit score in Q2 was 86.7% and increased in Q3 to 88.0%.

Although windows are cleaned every 45 days, staff members are working with the contractor to provide window spot cleaning when warranted. In addition, a meeting was held with the auditor to clarify the judgment criteria for window cleanliness and staff members have been instructed to report all dirty windows for spot cleaning. These efforts have resulted in improved cleanliness results in Q3.

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

Vehicle Cleanliness – Subway



The subway cleanliness audit score in Q2 was 88.3% and decreased in Q3 to 87.5%. Performance achieved target for three consecutive quarters.

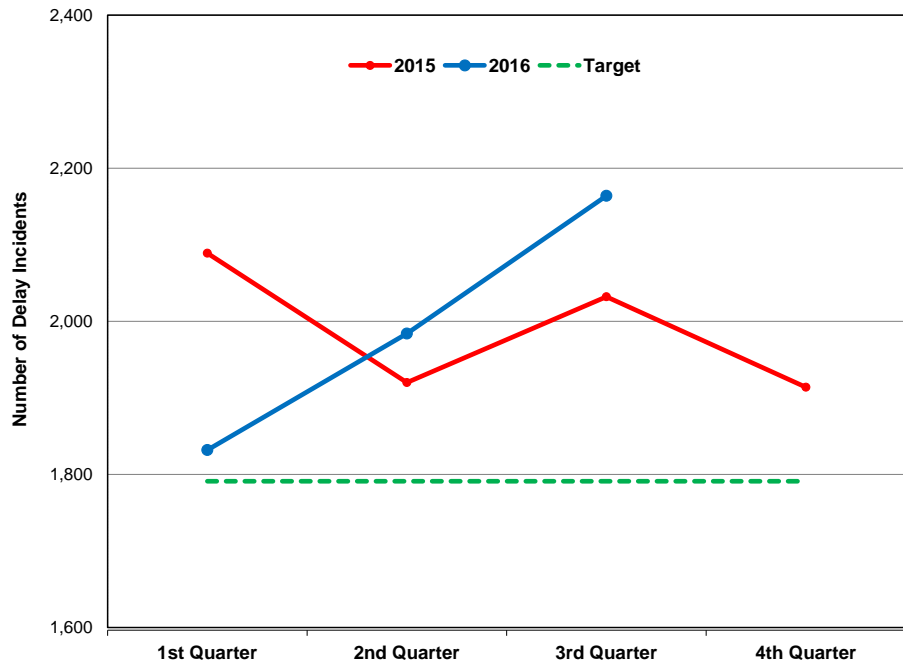
Note:
Prior year comparative data will be available effective Q1 2017.

Customer: Service Performance



Subway

Line 1: Delay Incidents



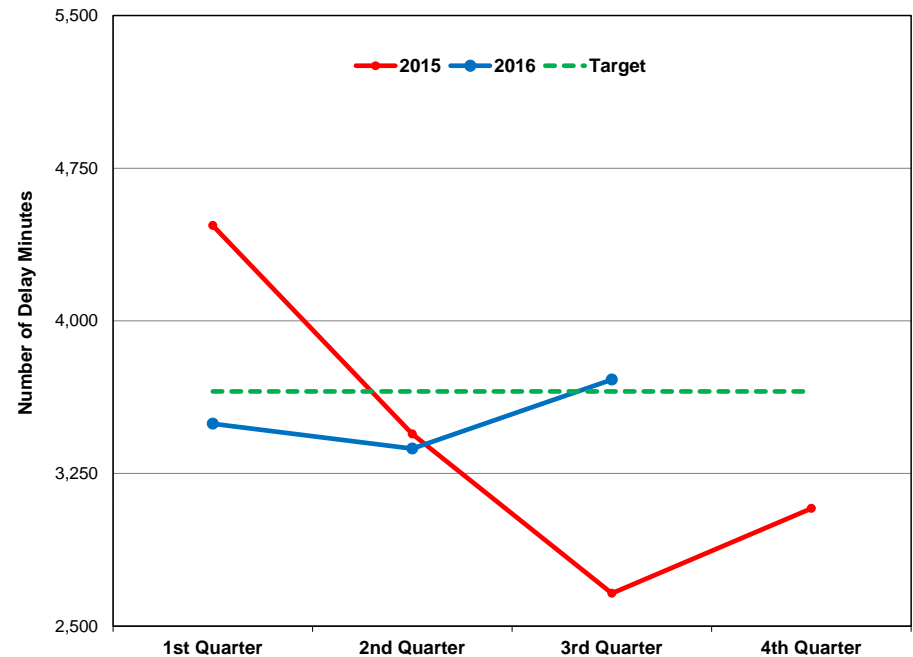
The number of delay incidents increased again in Q3 to 2,164; performance was above target by 21%. It has stayed above target for the third consecutive quarter.

The year-over-year results show that the number of delay incidents increased by almost 6.5% since Q3 2015. The largest increase was in passenger-related security incidents, although there were improvements in long-standing issues such as speed control (26% of all delay incidents on Line 1) and fire/smoke (Plan B) incidents. Speed control issues are expected to improve significantly in Q4 and are expected to reverse the current trend.

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



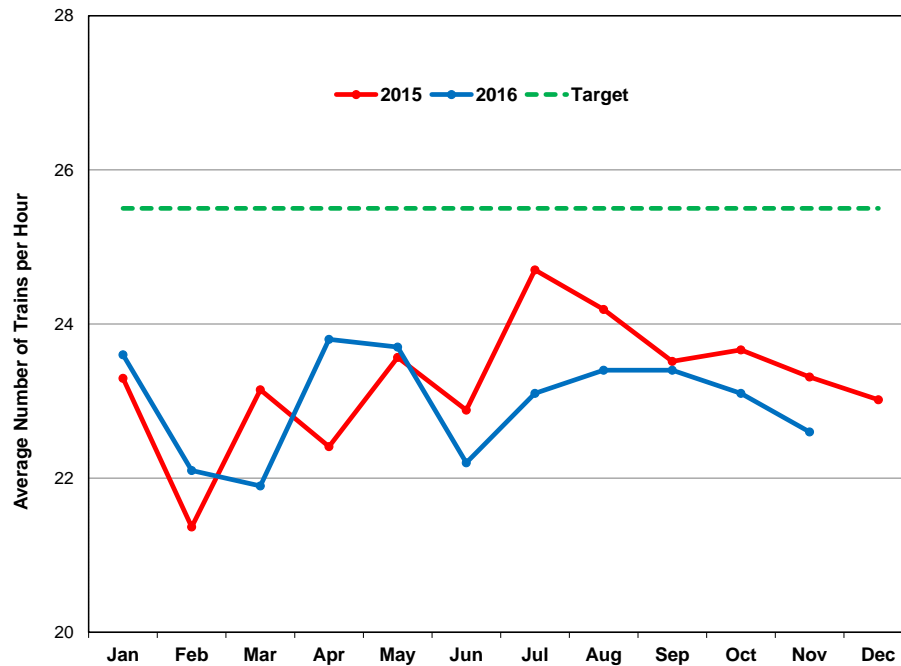
The number of delay minutes increased in Q3 to 3,711. Performance in Q3 did not achieve target.

While there were improvements in delay minutes related to speed control and fire/smoke (Plan B) incidents since 2015, there was a significant increase in the number of delay minutes attributed to customer-related incidents. The increase in station staffing and Transit Enforcement presence are expected to have a positive impact on the delay minutes.

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 November to 22.6, or 89% of what was scheduled. Overall monthly performance continued to remain below target.

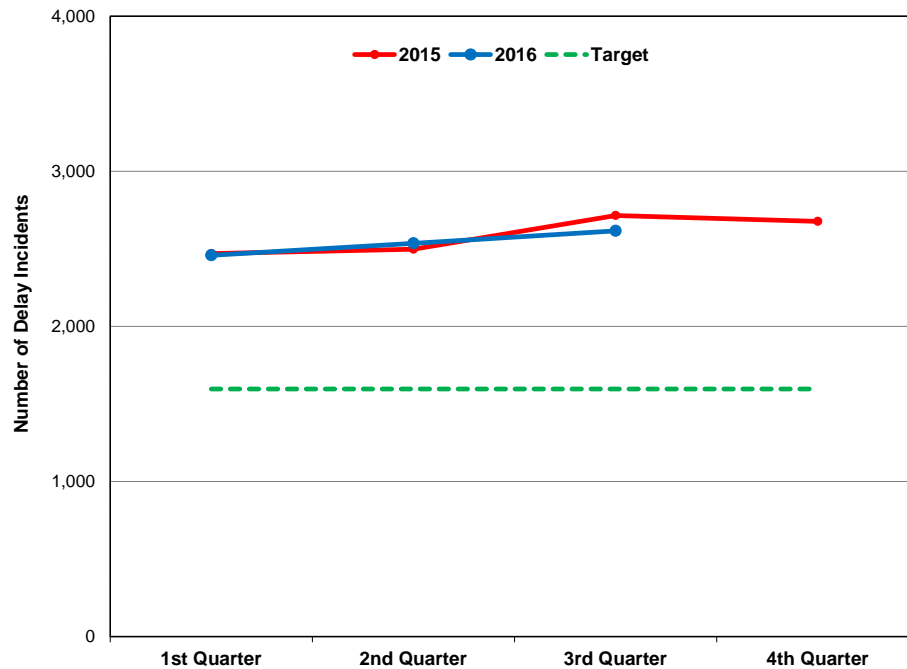
A number of incidents had a negative impact on the morning peak service period in November; a power loss at Wilson Yard impacted service buildup, another power loss impacted signals, which required trains from Line 2 to assist on Line 1, and a signal problem resulted in first trains being late.

As TTC moves towards improved asset management, infrastructure resilience will improve, which would minimize the impact that such incidents would have on peak service levels.

Note:

Data are based on weekday service from Monday to Friday.

Line 2: Delay Incidents



The number of delay incidents increased in Q3 to 2,616 and performance continued to remain above target.

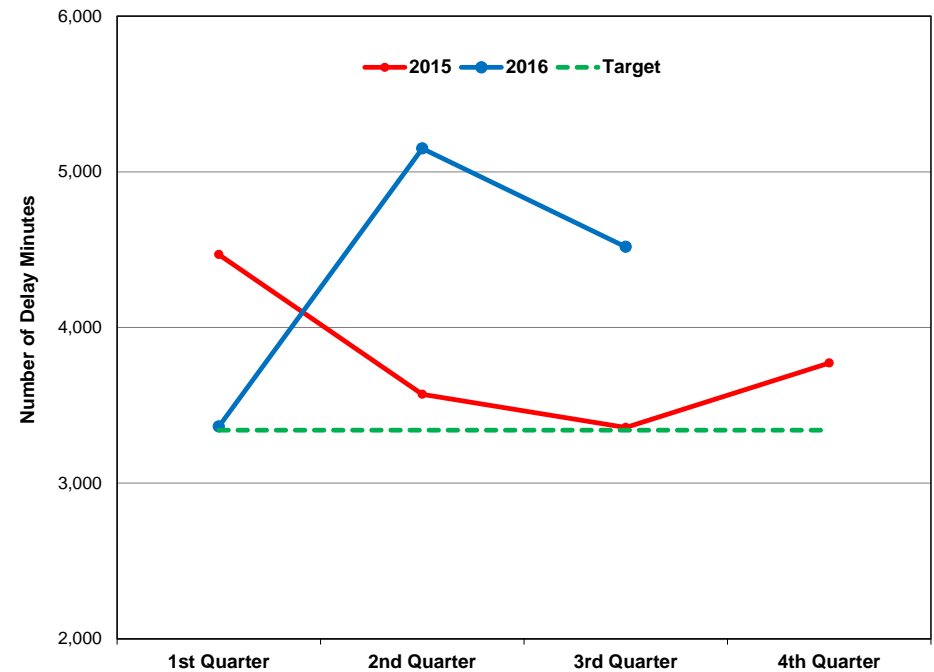
Speed control incidents were the largest contributor to delay incidents on Line 2. By the end of 2016, a software update is expected to reduce speed control delay incidents by up to 25% and through further software improvements, these incidents are expected to reduce by 50% by 2018.

Maintenance and engineering staff have worked to see a 3.6% decrease in the number of delay incidents since Q3 2015.

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



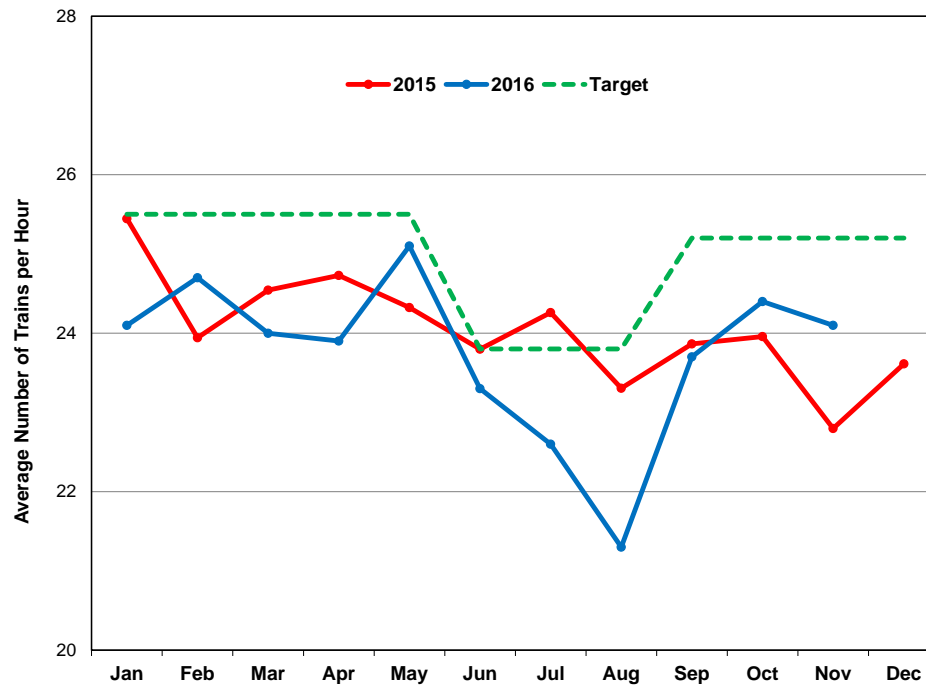
The number of delay minutes decreased in Q3 to 4,517, but performance was still above target by 35%.

Air conditioning failures on the T1 cars had a negative impact on the delay minutes. Fire/smoke (Plan B) incidents continued to be a major contributor to delay minutes. A number of programs are in place to address these incidents and improvements are expected to be seen in Q4 2016 and in 2017.

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



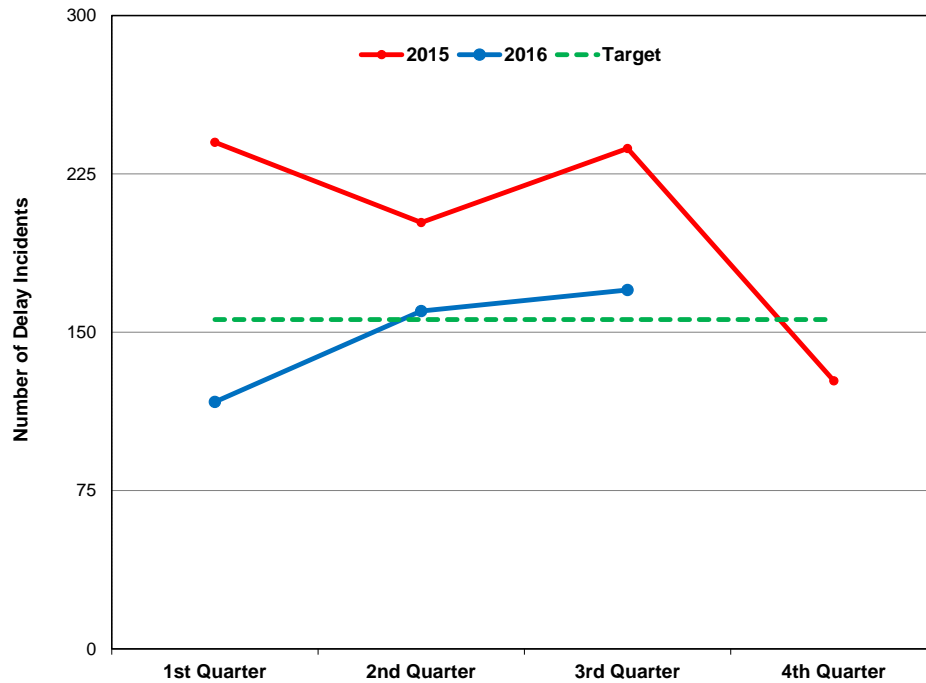
The daily average number of trains per hour (TPH) in the morning peak service decreased in November to 24.1, which was 96% of what was scheduled. Performance continued to remain below target.

Despite the setback, the number of TPH remained above the year-to-date target and it is relatively strong on Line 2. Moving forward, as long as there are no impacts to corridor throughput, this measure is expected to achieve 25 or greater on a consistent basis.

Note:

Data are based on weekday service from Monday to Friday.

Line 3: Delay Incidents

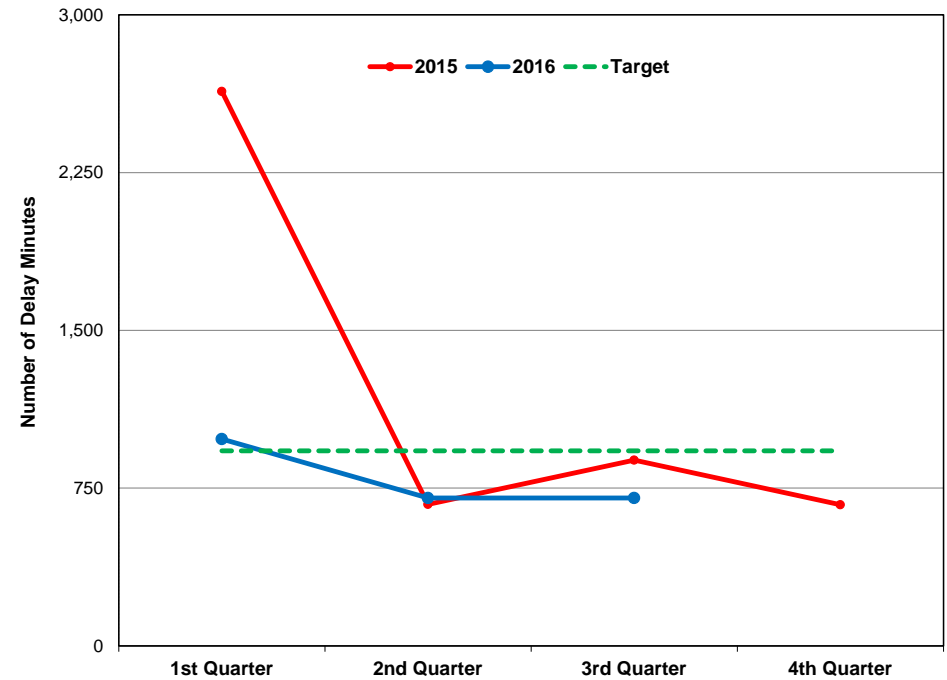


The number of delay incidents increased in Q3 to 170; performance was above target for the second consecutive month, but it was 28% lower than that in Q3 2015.

There was a significant increase in passenger-related incidents since Q3 2015. Overall, the total number of delay incidents on Line 3 is expected to remain relatively low.

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

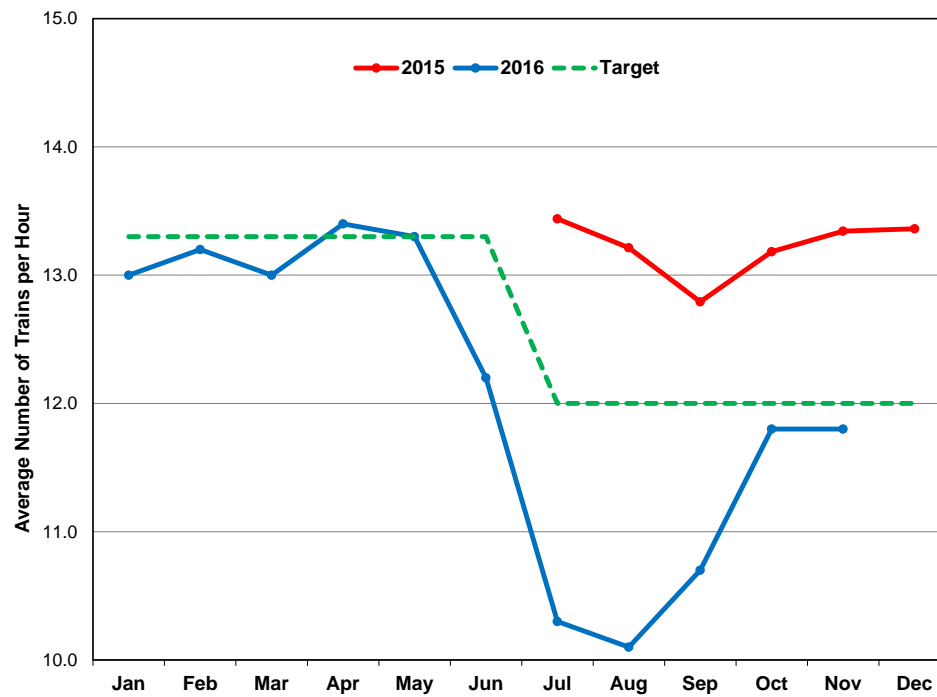
Line 3: Delay Minutes



The number of delay minutes remained the same in Q3 at 703, achieving target for the fifth time in the past six quarters. Performance in Q3 2016 was 20% lower than that in Q3 2015.

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



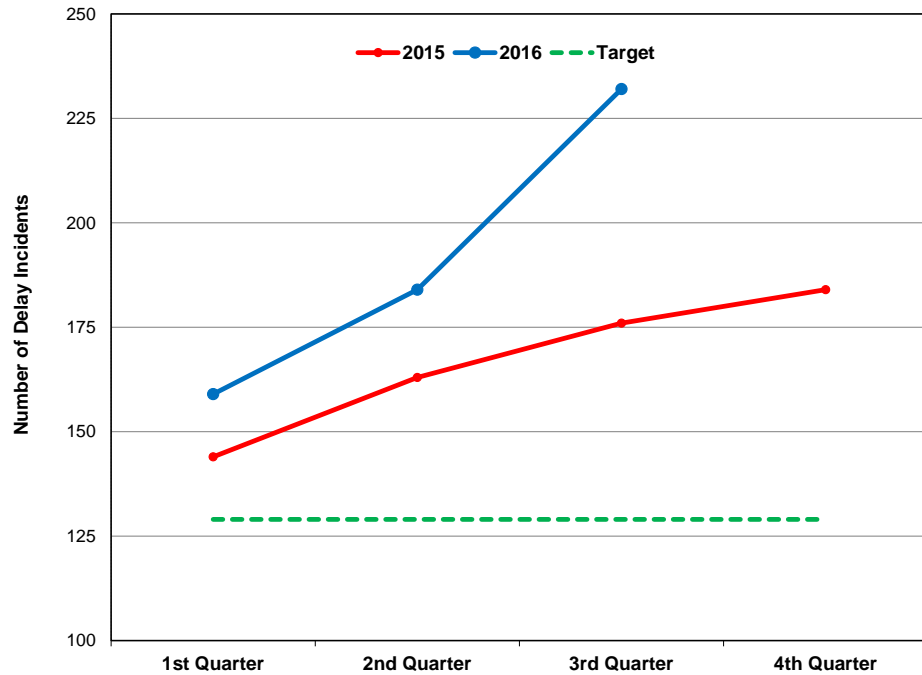
The daily average number of trains per hour (TPH) in the morning peak service period remained the same in November at 11.8, or 98% of what was scheduled; overall performance continued to be below target.

Service levels remained lower than usual (from 6 trains to 5) as a result of rolling stock rebuilding and expectations to achieve target should be tempered until peak service levels return to 6 trains.

Note:

Data are based on weekday service from Monday to Friday.

Line 4: Delay Incidents



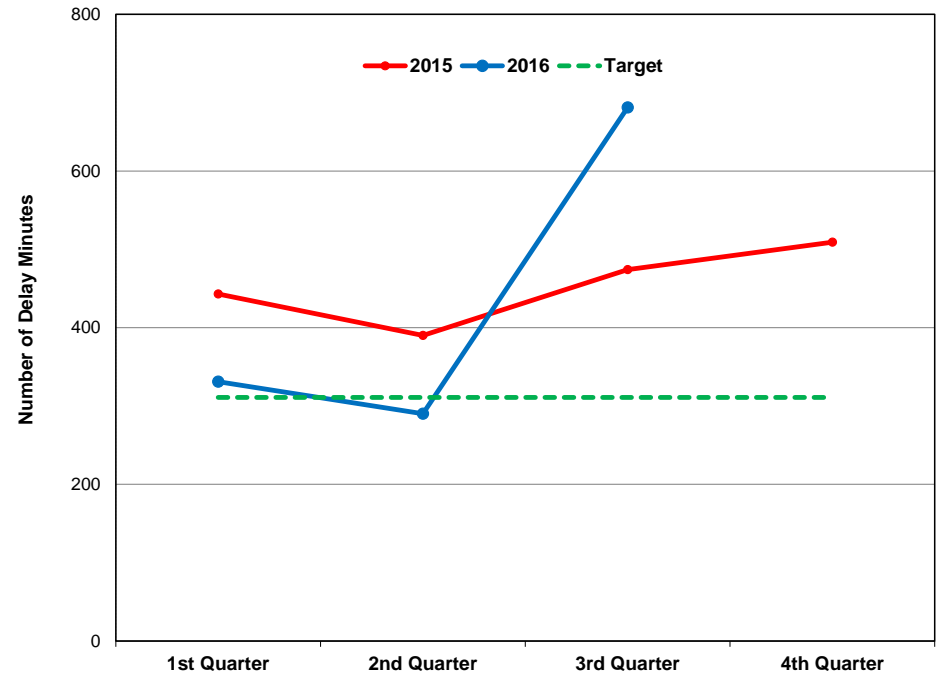
The number of delay incidents increased again in Q3 to 232. Performance continued to remain above target and it was 32% higher since Q3 2015.

Speed control incidents continued to be the greatest contributor to delay incidents, composing 40% of the delay incidents recorded in Q3. Maintenance and engineering staff are continuing to work on finding solutions to improve performance, which may take some time to be implemented. Software improvements in Q4 are expected to address many causes of the delay incidents.

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



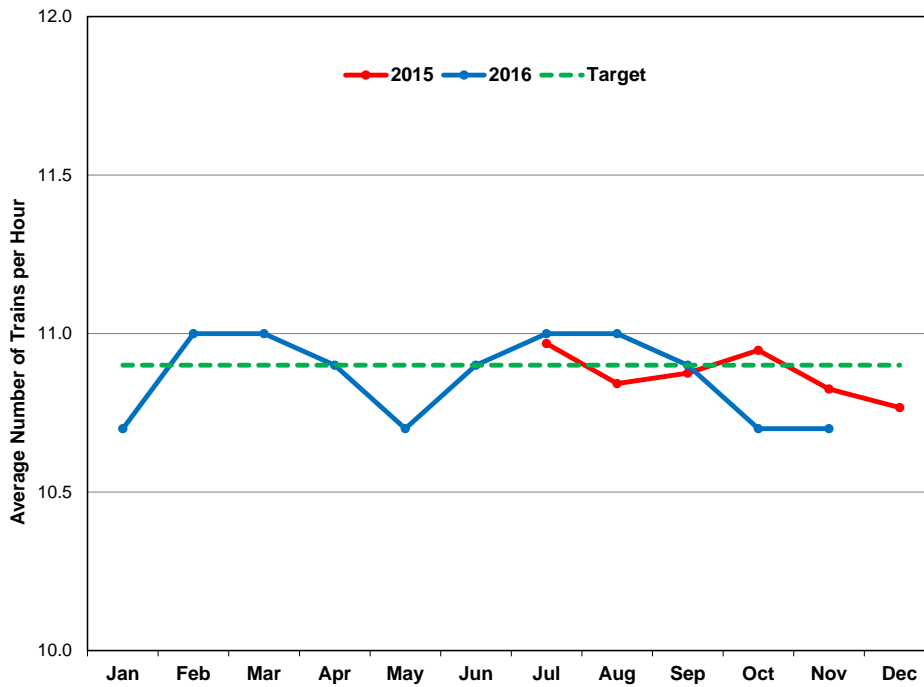
The number of delay minutes increased in Q3 to 681 and performance did not achieve target; it was 44% greater than that in Q3 2015.

While the delay minutes recorded were low overall, the move to One-Person Train Operation (OPTO) is anticipated to result in an initial increase in delays and performance on this measure will not readily return to target 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 remained the same in November at 10.7, or 98% of what was scheduled; overall performance did not achieve target.

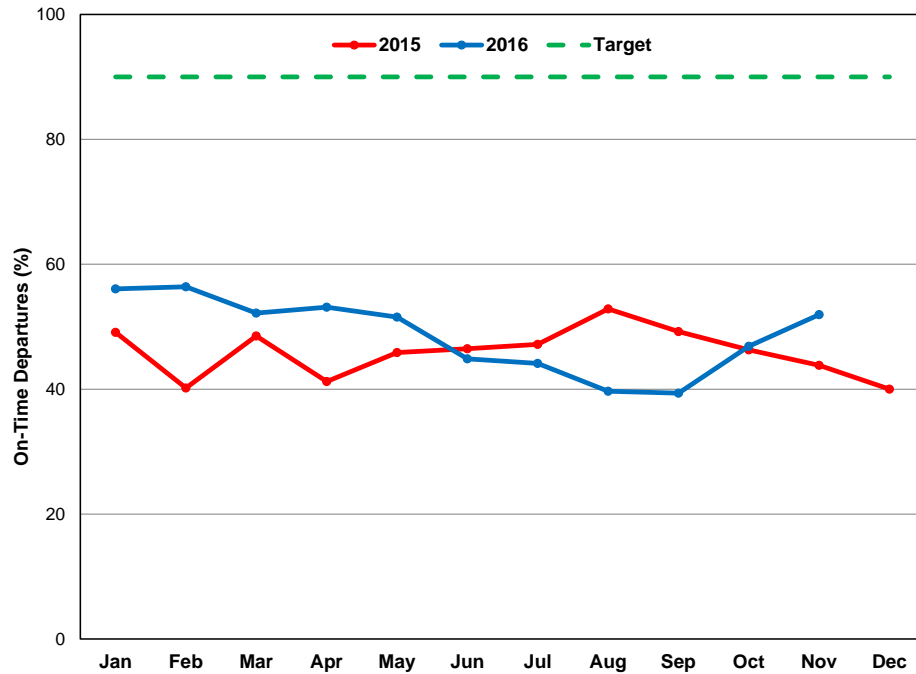
There has been an increase in delay incidents associated with the introduction of the one-person train operation, although they have declined since October. It is important to note that while performance of the line has slipped modestly, operational safety is never compromised.

Service performance is expected to return to normal levels in the coming periods.

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



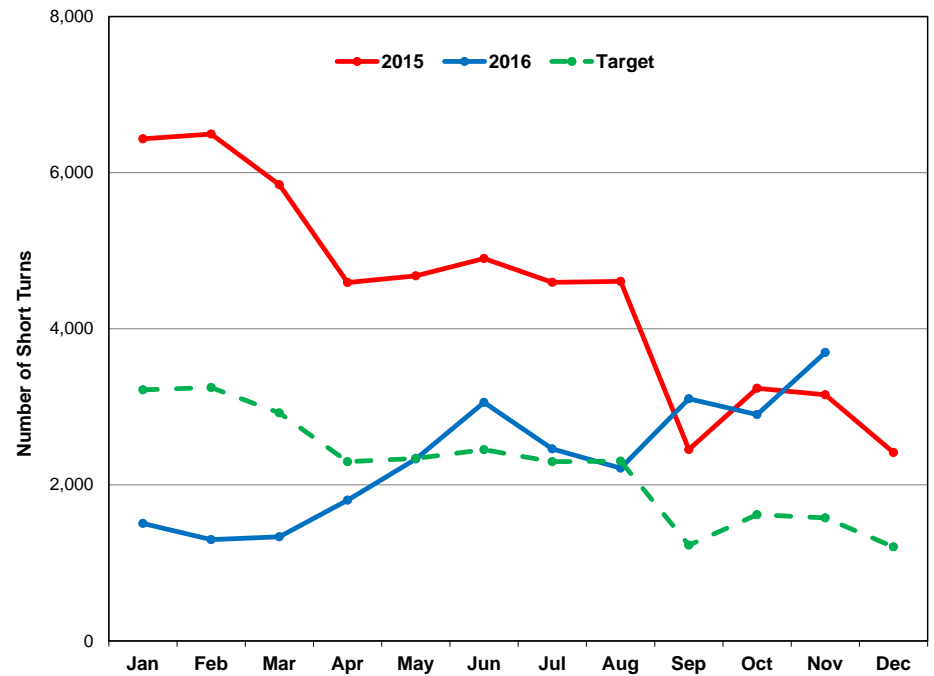
On-Time Performance



Performance in November increased for the second consecutive month to 51.9% but continued to be below target. Performance in November demonstrates a continuous upward trend in improvement.

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

Short Turns



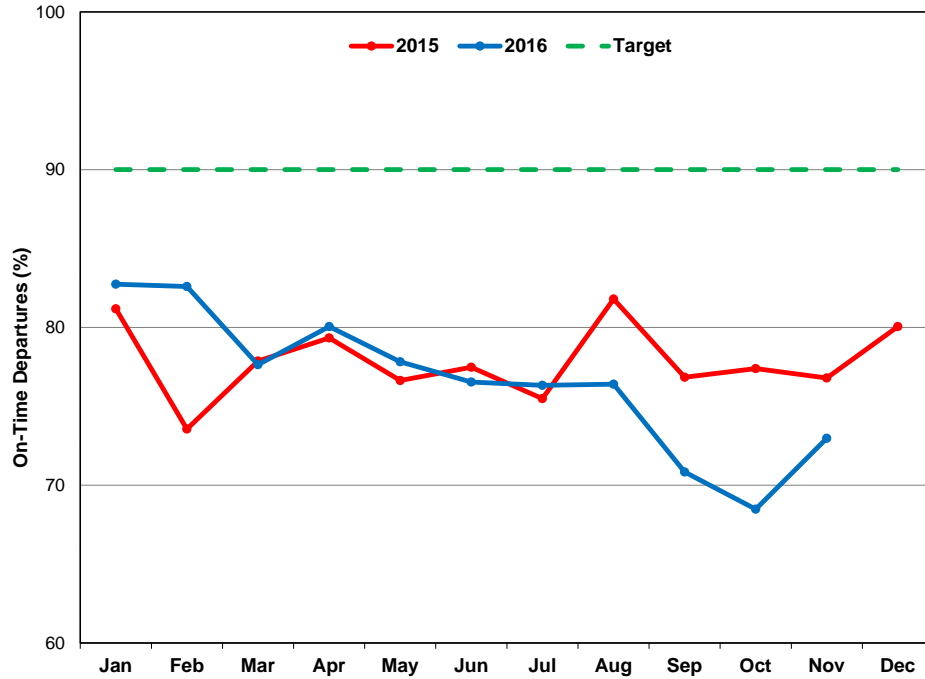
The number of short turns increased in November to 3,695. Performance exceeded the target and was higher than the performance in November 2015. Performance exceeded the target (unfavourable) for 5 of the past 12 months.

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



Bus

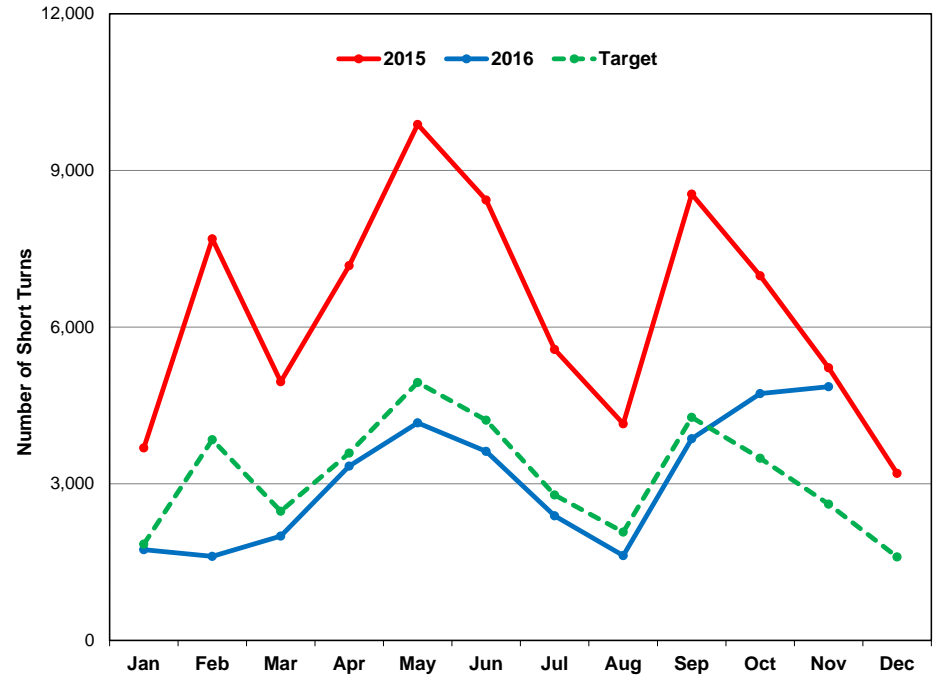
On-Time Performance



Performance in November increased to 73% but continued to be below target.

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

Short Turns

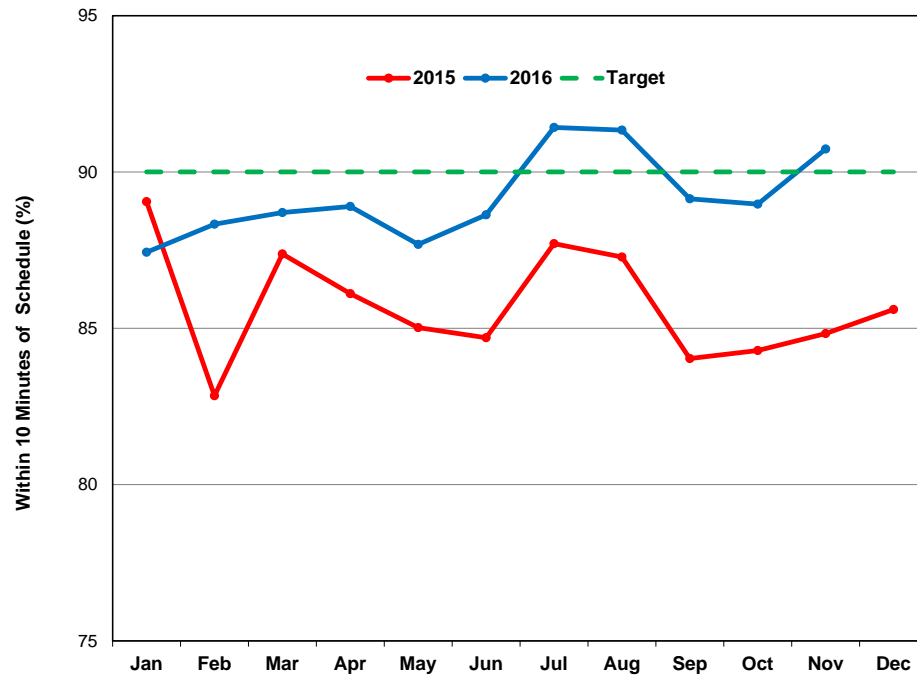


The number of short turns in November increased again to 4,860. Performance was above target (unfavourable) for the second time in 2016, but it continued to improve since 2015.

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



Punctuality



Performance in November increased to 90.7%; it was above target for the third time in 2016 and was above last year's performance in November.

Note:

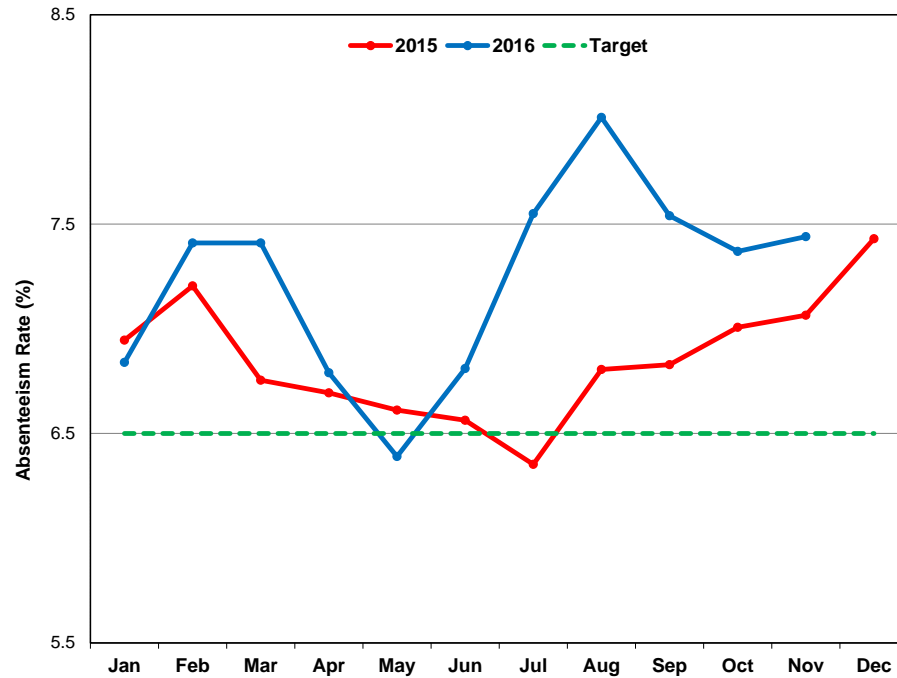
Data for November 2016 includes two days only due to systems issues in compiling daily performance



3.3 People

People

Employee Absence



The absenteeism rate in November increased to 7.44%. Overall performance has been above target (unfavourable) for 26 of the past 28 months.

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



ELLESMERE

LAWRENCE EAST

KENNEDY



3

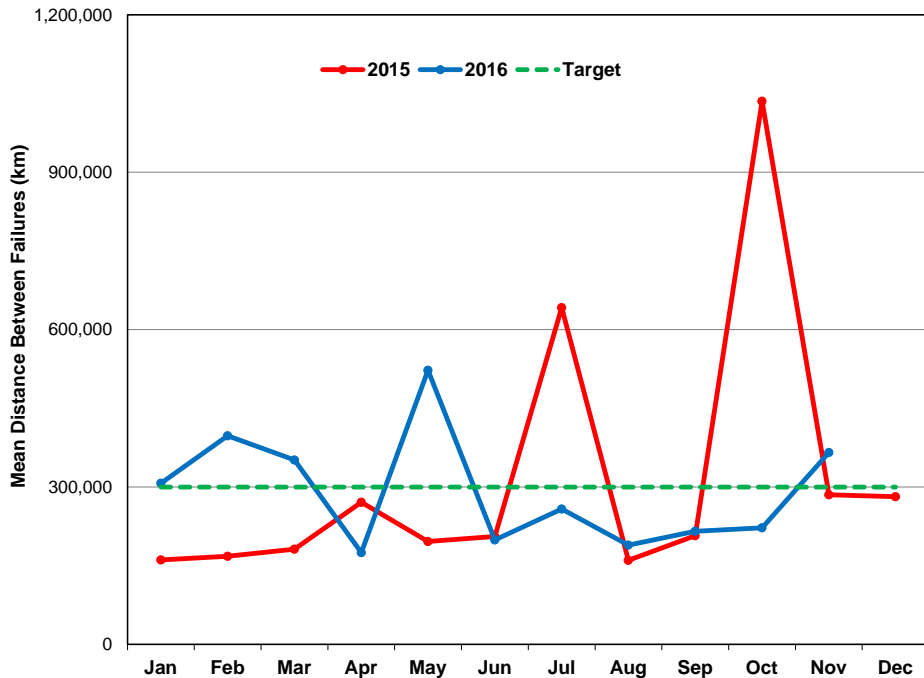
3.4 Assets

Asset: Vehicle Reliability



Subway

T1 Train: Mean Distance Between Failures (MDBF)

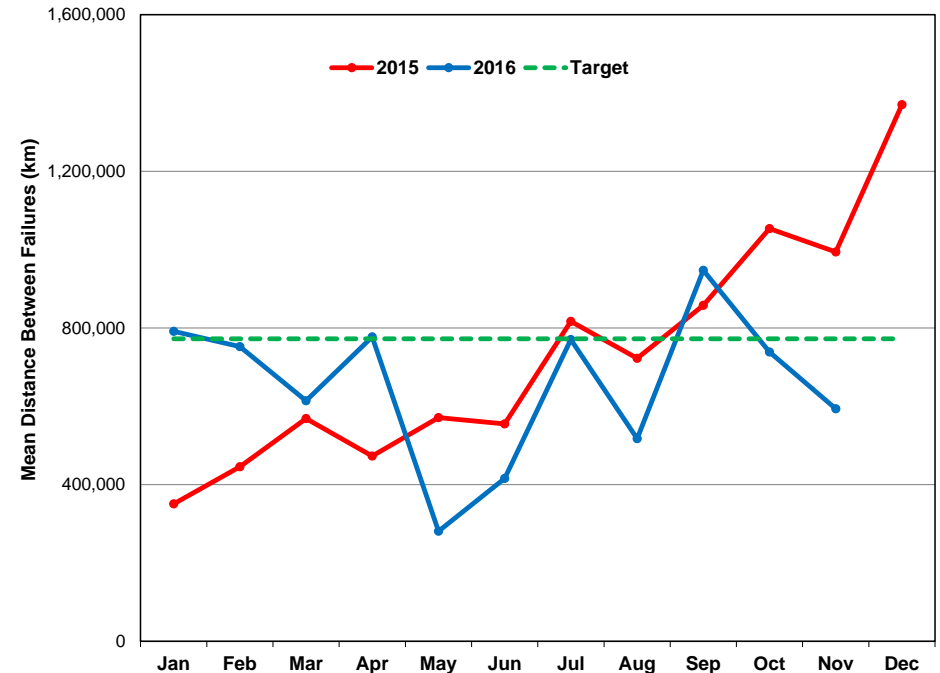


The MBDF increased in November to 365,831 kilometres and was above target for the first time in six months.

The T1 Accelerated Door Overhaul program was completed in 2015. Door pocket guides are being overhauled, with an estimated completion at the end of 2016. Master controller upgrades are estimated to be completed in Q4 2016. The T1 fleet is undergoing a refreshing of the HVAC system. Although this particular equipment issue does not directly cause delay incidents, it remains a substantial performance issue.

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

TR Train: Mean Distance Between Failures (MDBF)

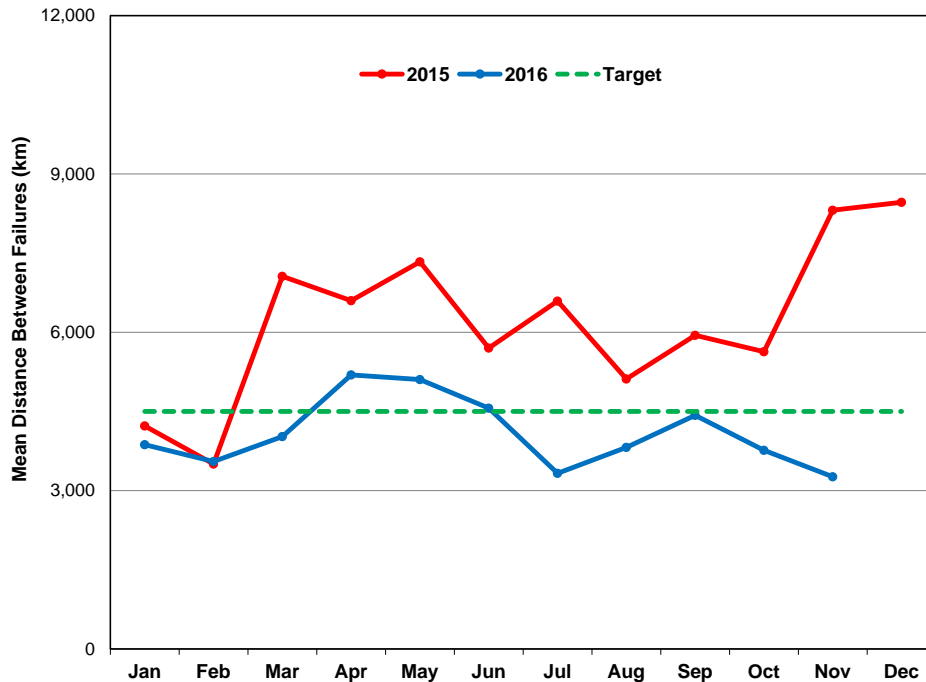


The MDBF decreased in November to 593,645 kilometres and was below target.

The cab door is undergoing Revision E cab door retrofit from Bombardier. The brake system continues to receive numerous improvements to associated software; fleet retrofits of the new modifications and validation testing of the proposed upgrades are in progress, with anticipated improvements in future months. There are also ongoing joint investigations with the car builder and maintenance staff focused on validating potential seasonal effects of higher ambient temperatures on the air (friction) braking system performance. The performance of the passenger door systems is closely monitored to ensure that the recovery times are returned to average levels (below the 5 minute threshold).



CLRV Streetcar: Mean Distance Between Failures (MDBF)

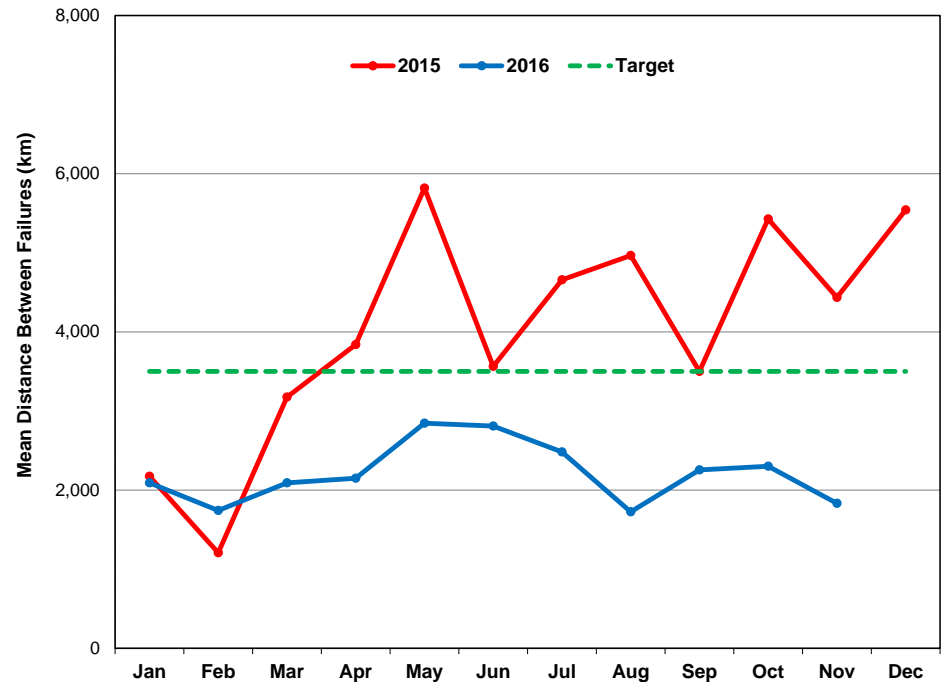


The MDBF decreased in November to 3,262 kilometres. Overall performance was below target for the fifth consecutive month, due to continued aging and deterioration of the 36-year old fleet.

Reliability was impacted by a shortage of overhauled components. On the positive side, availability of vehicles has improved due to the winter readiness program that addressed the pneumatic and heating system problems.

It is anticipated that performance will improve in conjunction with the TTC Board’s approval of a funding request to maintain the non-overhauled CLRVs in a state of good repair.

ALRV Streetcar: Mean Distance Between Failures (MDBF)

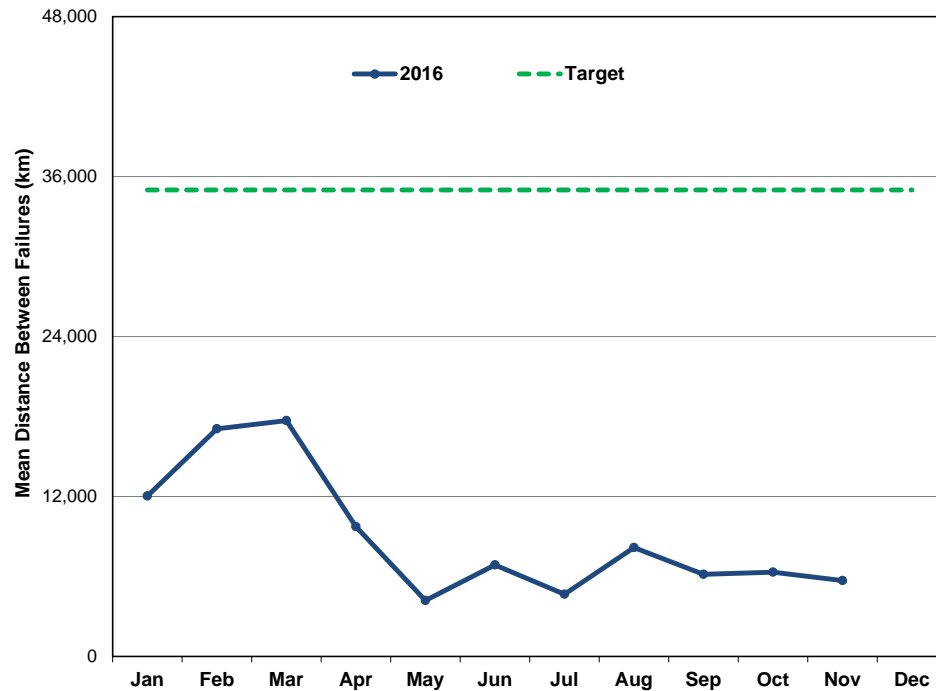


The MDBF decreased in November to 1,832 kilometres. Performance was below target for the eleventh consecutive month.

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.

It is anticipated that performance will improve in conjunction with the TTC Board’s approval of a funding request to maintain the non-overhauled ALRVs in a state of good repair.

New Streetcar: Mean Distance Between Failures (MDBF)



The MDBF decreased in November to 5,696 kilometres.

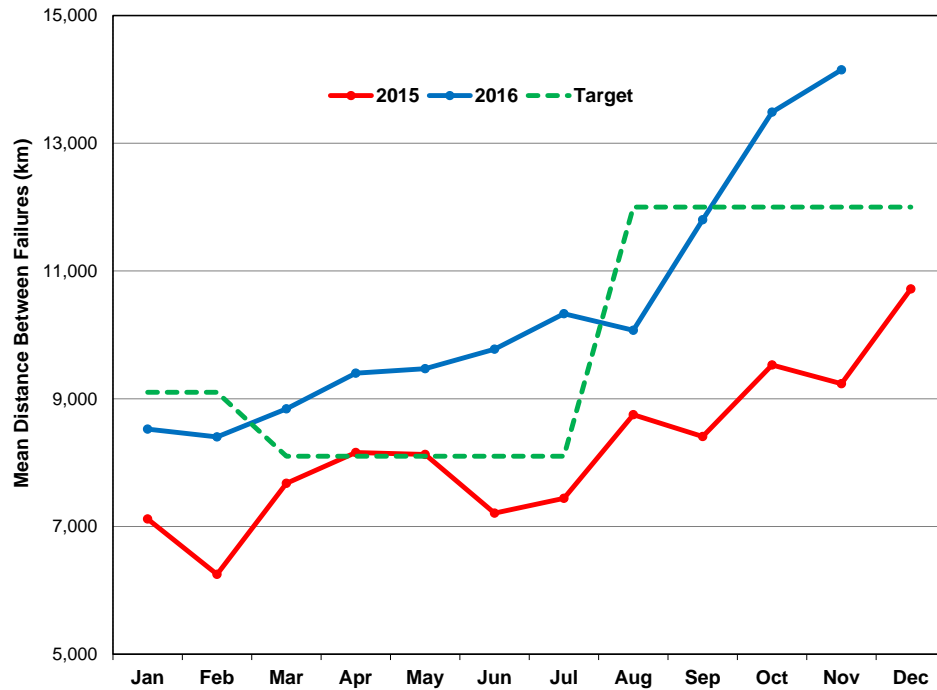
As the TTC awaits the delivery of more new low-floor streetcars from Bombardier, this key performance indicator will become increasingly relevant. With so few of the new streetcars in service today, the performance indicator does not yet truly reflect just how well the new streetcars are performing. Even a low number of defects can have a significant impact on the mean distance between failures.

The target of 35,000 mean kilometres between failures is expected to be attained on a regular basis as the sixtieth new streetcar is received.



Bus

Bus: Mean Distance Between Failures (MDBF)



The MDBF increased in November to 14,148 kilometres. Performance achieved target and it was 53% higher than the performance in November 2015.

Garage technical staff continues to focus on quality repairs and analysis of repeaters as well as heating and cooling systems. Maintenance facilities staff will continue to focus efforts on the quality of repairs.

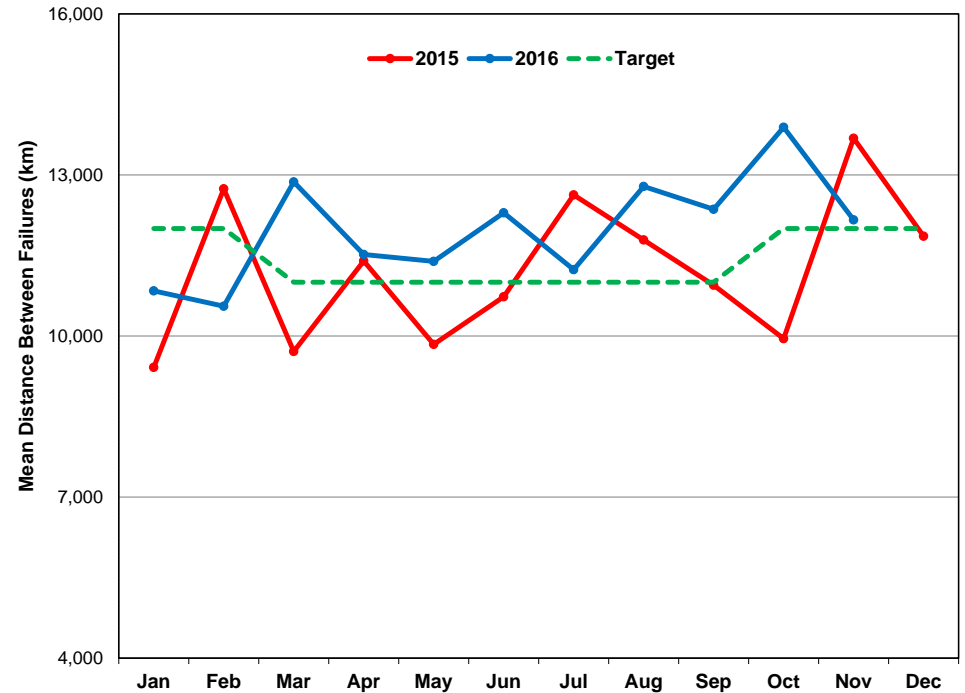
Note:

Target adjusted to reflect industry standard of 12,000 kilometres.



Wheel-Trans

Wheel-Trans: Mean Distance Between Failures (MDBF)



The MDBF decreased in November to 12,164 kilometres; however, overall performance achieved target for the ninth consecutive month.

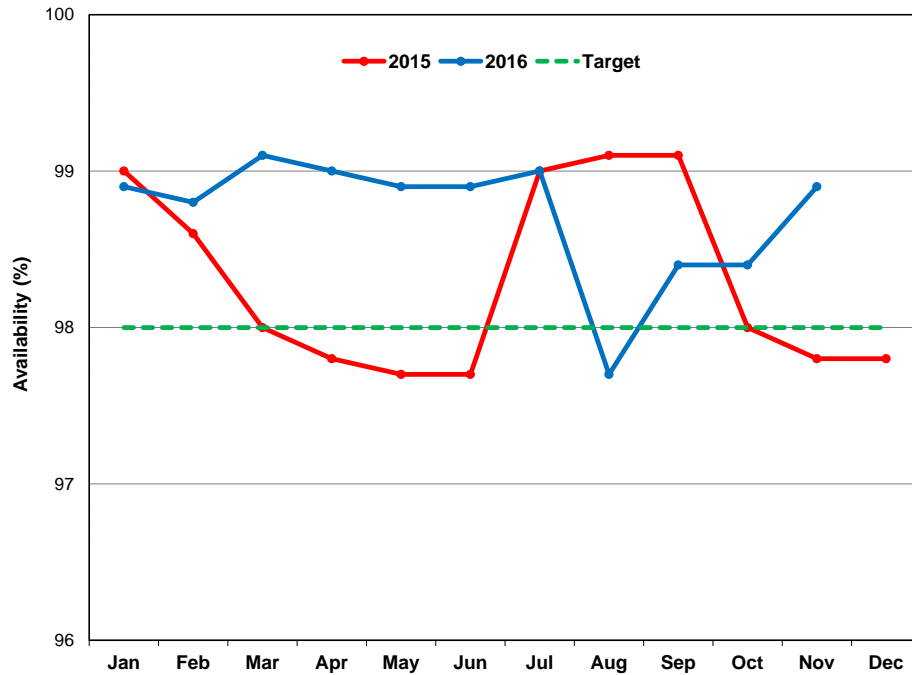
TTC staff is monitoring seven suspect vehicles and inputting mileage manually until the root-cause is identified. A meeting was held with Ford to discuss poor workmanship on rebuilt engines and TTC is awaiting a response. A Differential/Axle RCM program is ongoing to improve mileage between failures.

Note:

Target adjusted to reflect industry standard of 12,000 kilometres.

Assets: Equipment Availability

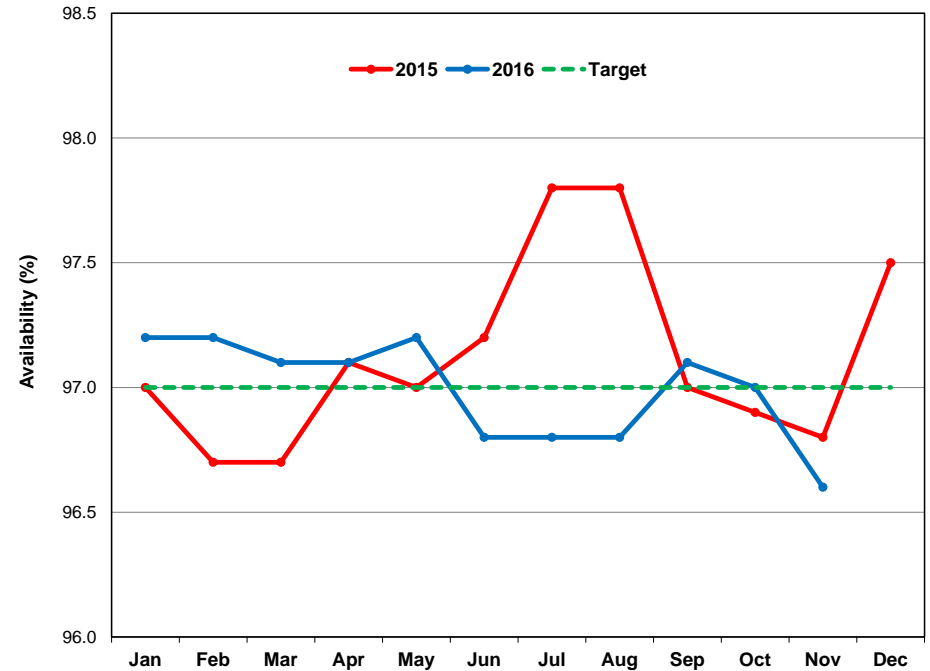
Elevators



Performance in November increased to 98.9% and continued to remain above target.

Maintenance activities were completed as planned and scheduled.

Escalators



Performance in November decreased to 96.6% and was below target, due to more frequent electrical failures than normal. The year-to-date performance of 97.0% is still on target.

Maintenance staff is working with an electrical consultant in order to reduce the electrical failures.

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3.5 Financials

Financials

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

TTC Operating Budget

2016 Year-to-Date Results

To the end of Period 11 (November 26), total revenues were \$39.6 million (3.5%) below budget primarily due to 13.3 million (2.7%) fewer customer journeys than planned and a lower average fare (2.85¢ or 1.3%) stemming from ongoing changes in the mix of fare media.

Over the same time period, expenses were under budget (\$48.1 million or 3%) largely due to workforce gapping savings and lower than anticipated expenditures for employee benefits, diesel, and other non-labour expenses partially offset by higher accident claim settlement costs to date.

2016 Year-End Projections

(millions)	Projection	Budget	Variance
2016 TTC Operating Budget			
Customer Journeys (Ridership)	538	553	(15)
Revenue	\$1,198.5	\$1,242.1	(\$43.6)
Expenses	\$1,685.4	\$1,736.7	(\$51.3)
Subsidy Required	\$486.9	\$494.6	(\$7.7)
Subsidy Available*	\$494.6	\$494.6	-
Surplus/(Shortfall)	\$7.7	-	\$7.7

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

Currently, a \$7.7 million (or 1.6%) year-end subsidy surplus is projected and a number of key budget variances account for this projection as follows.

Passenger Revenues: \$46.0 million decrease

Further to the March 23 TTC Board Report regarding the 2016 Ridership, unfavourable ridership results so far this year have resulted in lower than anticipated passenger revenues. Current forecasts indicate that ridership will be approximately 15 million rides below the target of 553 million with a corresponding passenger revenue shortfall of about \$46 million.

Other Revenues: \$2.4 million increase

Primarily due to higher than expected commuter parking revenues resulting from the deferral of commuter parking lot rehabilitation work and the later than originally planned closure of the Wilson West lot. Other favourable impacts include increased charter activity and higher interest income.

Labour: \$17 million decrease

Workforce gapping is the key factor behind the projected lower labour expenses by year-end.

Employee Benefits: \$16.5 million decrease

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

Diesel: \$6.8 million decrease

A more favourable fuel consumption rate than anticipated (partially due to the milder winter weather experienced earlier this year) accounts for this positive impact.

Depreciation: \$4.3 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.

Leasing Expenses: \$3.9 million decrease

Current requirements are lower than originally anticipated.

Other Non-Labour: \$3.8 million decrease

These requirements are anticipated to be marginally lower than originally planned.

Bus Warranty Recoveries: \$2.0 million expense decrease

Higher than budgeted bus warranty recoveries will result in a \$2.0 million reduction in net expenses.

Accident Claim Settlements: \$6 million increase

The trend in these expenses to date, including the settlement of a large claim earlier in the year, indicates that these expenses will exceed budget by year-end.

Other: \$3 million decrease

All other projected changes in other expenses add up to this favourable variance.

2016 Ridership

As noted above, year-end ridership for 2016 is expected to be approximately 538 million, which is 0.4% above the 2015 comparable actual but 2.7% below the 2016 budget. The softening ridership trends were first reported to the TTC Board in March 2016 and at various times throughout the remainder of the year. The negative results mirror the sluggish performance at various transit agencies in the Greater Toronto Area, Canada, and the U.S. The TTC's current ridership trends are seen as mainly attributable to slower-than-anticipated employment growth, declining Metropass sales, and delayed achievement of new ridership from service enhancements.

**TORONTO TRANSIT COMMISSION
2016 OPERATING BUDGET - INCOME STATEMENT**

(\$000s)	Period 11: 4 Weeks				Eleven Periods to				Full Year			
	October 30 to November 26, 2016				November 26, 2016				2016			
	Actual	Budget	Over/(Under) Budget	Over/(Under) Budget %	Actual	Budget	Over/(Under) Budget	Over/(Under) Budget %	Probable	Budget	Probable Variance	Probable Variance %
TOTAL REVENUES	97,143	101,117	(3,974)	-3.9%	1,089,749	1,129,331	(39,582)	-3.5%	1,198,558	1,242,128	(43,570)	-3.5%
TOTAL EXPENSES	138,344	146,117	(7,773)	-5.3%	1,543,290	1,591,358	(48,068)	-3.0%	1,685,441	1,736,756	(51,316)	-3.0%
OPERATING SUBSIDY REQUIRED in 2016					453,541	462,027	(8,486)	-1.8%	486,883	494,628	(7,746)	-1.6%
CITY OPERATING SUBSIDY AVAILABLE							-	100.0%	493,627	493,627	-	0.0%
DRAW FROM STABILIZATION RESERVE							-		1,001	1,001	-	0.0%
SHORTFALL / (SURPLUS)					453,541	462,027	(8,486)	-1.8%	(7,746)	-	(7,746)	

<u>REVENUES:</u>												
Passenger Revenues	91,478	95,704	(4,226)	-4.4%	1,025,757	1,068,086	(42,329)	-4.0%	1,129,300	1,175,300	(46,000)	-3.9%
Outside City & Charters	1,291	1,205	86	7.1%	16,138	14,865	1,273	8.6%	17,319	16,319	1,000	6.1%
Advertising	2,332	2,331	1	0.0%	25,644	25,643	1	0.0%	27,975	27,975	-	0.0%
Rent Revenue	906	924	(18)	-1.9%	9,875	10,171	(296)	-2.9%	10,745	11,095	(350)	-3.2%
Commuter Parking	877	825	52	6.3%	9,412	8,622	790	9.2%	10,074	9,274	800	8.6%
Other Income	259	128	131	102.3%	2,923	1,944	979	50.4%	3,145	2,165	980	45.3%
TOTAL REVENUES	97,143	101,117	(3,974)	-3.9%	1,089,749	1,129,331	(39,582)	-3.5%	1,198,558	1,242,128	(43,570)	-3.5%
<u>EXPENSES (LABOUR & NON-LABOUR)</u>												
CEO's Office	2,919	3,019	(100)	-3.3%	32,936	35,012	(2,076)	-5.9%	36,324	38,709	(2,386)	-6.2%
Engineering, Construction & Expansion Group	241	399	(158)	-39.6%	2,738	3,927	(1,189)	-30.3%	3,719	4,382	(663)	-15.1%
Corporate Services Group	5,188	5,912	(724)	-12.2%	57,367	62,366	(4,999)	-8.0%	65,239	69,639	(4,400)	-6.3%
Strategy and Customer Experience Group	1,678	1,709	(31)	-1.8%	16,749	18,898	(2,149)	-11.4%	20,090	20,868	(778)	-3.7%
Operations Group	22,229	23,085	(856)	-3.7%	260,243	263,621	(3,378)	-1.3%	289,681	293,807	(4,127)	-1.4%
Service Delivery Group	61,417	62,335	(918)	-1.5%	655,604	665,119	(9,515)	-1.4%	727,746	738,208	(10,462)	-1.4%
Employee Benefits	26,142	27,620	(1,478)	-5.4%	289,912	304,760	(14,848)	-4.9%	285,100	301,600	(16,500)	-5.5%
Vehicle Fuel	5,930	6,631	(701)	-10.6%	70,119	76,707	(6,588)	-8.6%	77,756	84,556	(6,800)	-8.0%
Traction Power	3,846	4,576	(730)	-16.0%	48,692	49,775	(1,083)	-2.2%	53,371	54,371	(1,000)	-1.8%
Utilities (Hydro, Natural Gas, Water)	2,015	2,345	(330)	-14.1%	23,165	23,168	(3)	0.0%	26,138	25,938	200	0.8%
Taxes and Licences	269	258	11	4.3%	2,940	2,974	(34)	-1.1%	3,261	3,261	-	0.0%
Depreciation	2,578	2,578	-	0.0%	30,424	30,424	-	0.0%	29,148	33,448	(4,300)	-12.9%
Accident Claims & Insurance	2,247	2,417	(170)	-7.0%	32,482	28,353	4,129	14.6%	37,384	31,384	6,000	19.1%
Non-Departmental Costs	1,645	3,233	(1,588)	-49.1%	19,919	26,254	(6,335)	-24.1%	30,485	36,585	(6,100)	-16.7%
TOTAL EXPENSES	138,344	146,117	(7,773)	-5.3%	1,543,290	1,591,358	(48,068)	-3.0%	1,685,441	1,736,756	(51,316)	-3.0%
OPERATING SUBSIDY REQUIRED in 2016					453,541	462,027	(8,486)	-1.8%	486,883	494,628	(7,746)	-1.6%
CITY OPERATING SUBSIDY AVAILABLE							-	100.0%	493,627	493,627	-	
DRAW FROM STABILIZATION RESERVE							-		1,001	1,001	-	
SHORTFALL / (SURPLUS)					453,541	462,027	(8,486)	-1.8%	(7,746)	-	(7,746)	

Wheel-Trans Operating Budget

2016 Year-to-Date Results

To the end of Period 11 (November 26), total revenues were slightly above target (\$114K or 1.8%). This reflects slightly higher revenues from 178,000 (5.3%) more customer journeys partially offset by a lower average fare (6.2¢ or 3.3%).

Over the same period, expenses were \$1.2 million (1.1%) over budget primarily due to the additional customer journeys.

2016 Year-End Projections

(millions)	Projection	Budget	Variance
2016 Wheel-Trans Operating Budget			
Customer Journeys (Ridership)	3.930	3.690	0.240
Revenue	\$7.2	\$7.0	\$0.2
Expenses	\$125.8	\$123.7	\$2.1
Subsidy Required	\$118.6	\$116.7	\$1.9
Subsidy Available	\$116.7	\$116.7	-
Surplus/(Shortfall)	(\$1.9)	-	(\$1.9)

Currently, a \$1.9 million (or 1.7%) year-end subsidy shortfall is projected and is largely attributable to the ever-increasing demand for service as explained below.

2016 ridership results to date are consistent with the trend identified in 2015 where ridership demand continues to outpace expectations. To date, demand for service is more than 5% higher than anticipated and 10% above the comparable 2015 results. Current staff estimates of 2016 projected ridership suggest that an additional 240,000 trips (6.5%) over the 3.69 million trips budgeted could be carried in 2016. The continuing increased demand is attributable to improvements in on-time performance, reduced call abandonment rates (now at 28%) and the fact that new customers (who are joining at the rate of about 800 – 900 per month) are utilizing the Wheel-Trans service at a higher rate than existing customers.

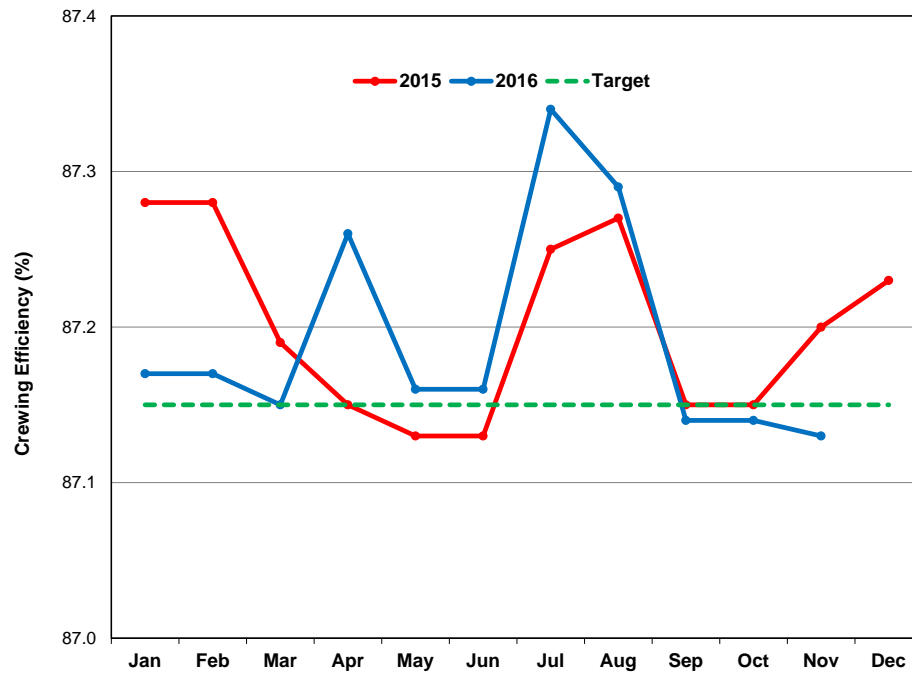
These additional trips will increase contracted taxi service expenses by \$6.8 million and are expected to be mitigated by projected under expenditures due to: lower than anticipated interviewing and appeals activity (\$1.2 million), lower employee benefits utilization (\$1 million), diesel fuel savings (\$1 million), lower bus and garage maintenance costs (\$0.6 million), workforce gapping (\$0.7 million), lower forecasted accident claims settlements (\$0.2 million) and other net changes (\$0.2M).

WHEEL-TRANS
OPERATING BUDGET - INCOME STATEMENT

PERIOD 11	Period 11: Four Weeks Oct 30 to Nov 26, 2016			Eleven Periods to Nov 26, 2016			Full Year 2016		
(\$000s)	Actual	Budget	Over/(Under) Budget	Actual	Budget	Over/(Under) Budget	Projected Actual	Budget	Projected Variance
REVENUES:									
Passenger Fares	589	568	22	6,489	6,374	114	7,138	6,953	185
EXPENSES:									
CONTRACTED TAXI SERVICE	4,484	3,923	561	49,437	43,949	5,488	54,605	47,808	6,797
WHEEL-TRANS BUS SERVICE	3,706	4,064	(358)	42,257	43,740	(1,483)	46,798	48,622	(1,824)
OTHER WHEEL-TRANS EXPENSES	2,032	2,526	(494)	23,289	26,054	(2,765)	24,381	27,236	(2,856)
TOTAL EXPENSES	10,223	10,513	(290)	114,983	113,743	1,240	125,783	123,666	2,117
OPERATING SUBSIDY REQUIRED IN 2016							118,645	116,713	1,932
OPERATING SUBSIDY AVAILABLE IN 2016							116,713	116,713	0
SHORTFALL/(SURPLUS)							1,932	-	1,932

PASSENGER TRIPS (000s)	322	299	23	3,559	3,381	178	3,930	3,690	240
UNACCOMMODATED RATE (%)	0.3	0.5	(0.2)	0.4	0.5	(0.1)	0.4	0.5	(0.1)
SUBSIDY PER TRIP (\$)	29.94	33.25	(3.31)	30.48	31.75	(1.27)	30.72	32.13	(1.40)

Operator Crewing Efficiency



Operator crewing efficiency decreased in November to 87.13%. 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

2016 Year-to-Date Results

Capital expenditures to the end of Period 11 (November 26, 2016) reflect lower project activity and includes continued progress on vehicle and construction contracts already in place. Significant variances are due to under-spending on delayed contract work and vehicle deliveries.

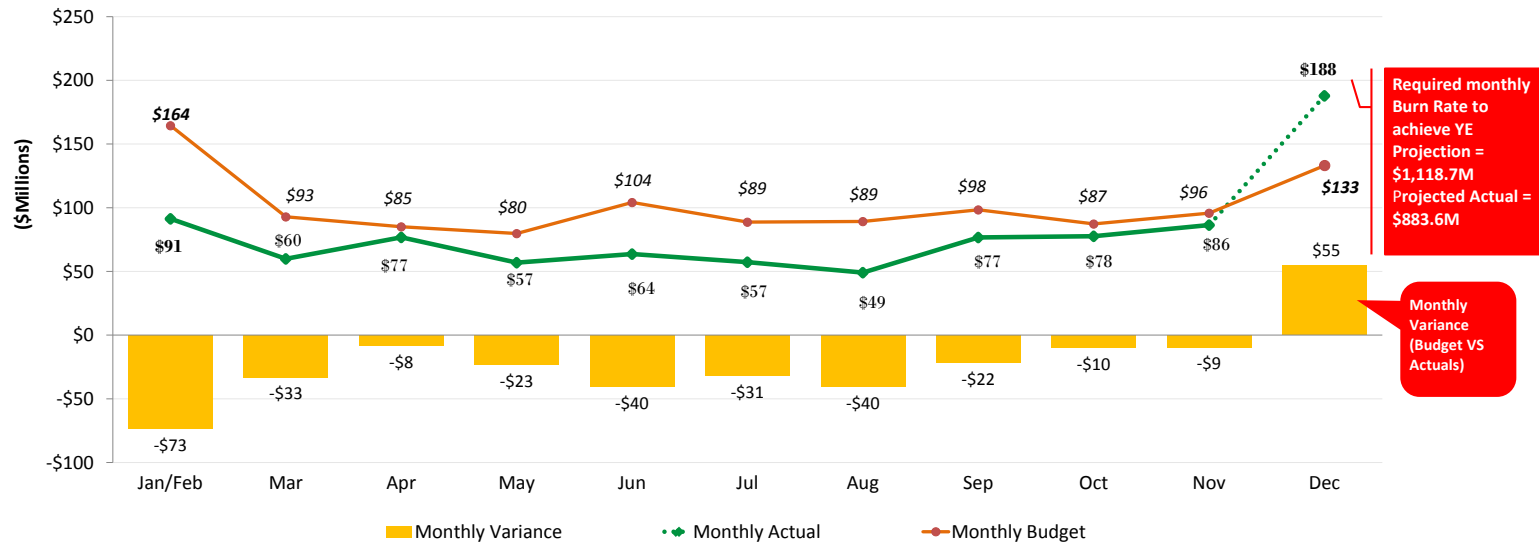
2016 Year-End Projections

(millions)	Projection	Budget *	Variance
2016 TTC Capital Budget			
Base Program	\$883.6	\$1,118.7**	(\$235.1)
Toronto-York Spadina Subway Extension (TYSSE)	\$371.0	\$719.6	(\$348.6)
Scarborough Subway Extension (SSE)	\$26.3	\$133.0	(\$106.7)

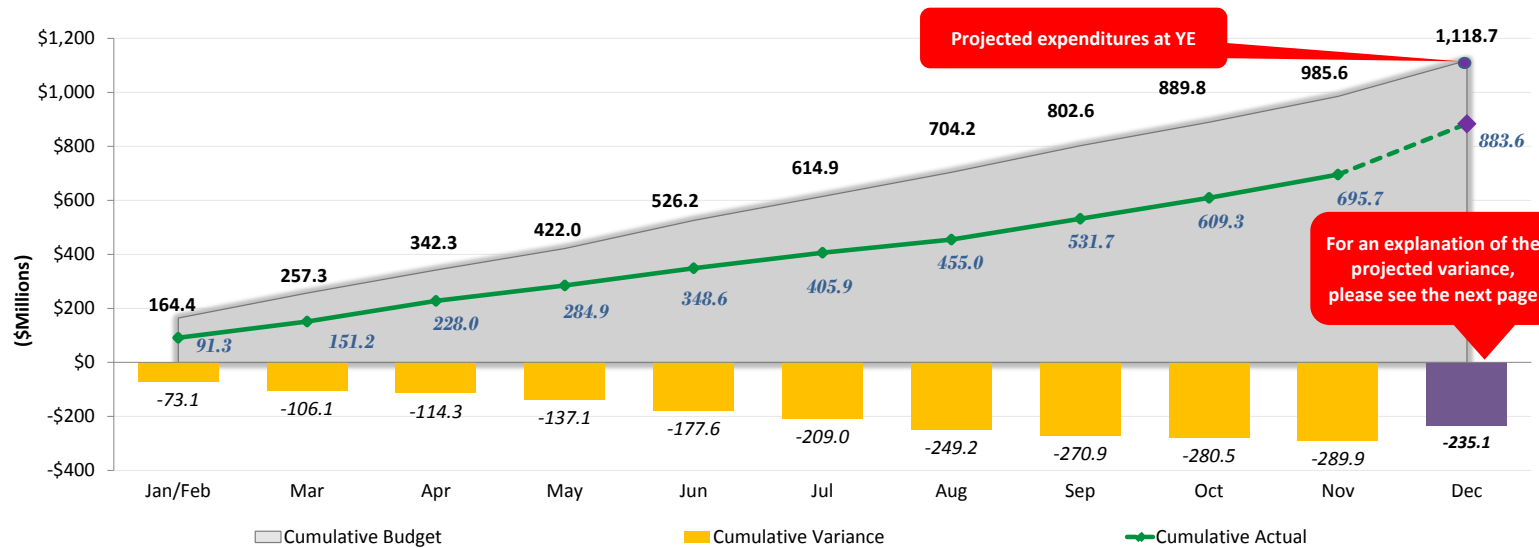
* Budget excludes additional carry forward spending on Base Program (\$101.7M), YYSSE (\$69.6M), and SSE (\$22.5M) as approved on May 3, 2016.

** 2016 Budget has been adjusted for 30 CLRVs Overhaul (+\$4.4M), Easier Access (+\$0.05M) and Leslie Barns (-\$0.685M) as approved by Council on June 7, July 12 and October 5, 2016 respectively for Base Program (see program explanations below for more information).

2016 Base Program: Month-to-Month Budget Tracking



2016 Base Program: Cumulative Budget Tracking



Base Program Expenditures: \$235.1 million under

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

Subway Track: \$3.4 million under

The variance is due to procurement deferrals from 2015 to 2016 for the Optical Inspection Equipment (Rail Base Inspection) and consulting services for the Davisville Area Rehabilitation. Also work slipped for Victoria Park Expansion and a portion of Subway/SRT Turnout work to 2016.

The deferral into 2016 was offset by a reduction in forecasts for ongoing capital programs based on re-evaluation of cost estimates.

Communications: \$10.0 million under

The variance is due to scope/schedule changes to Train Door Monitoring to align with future TR purchase, deferral of Radio Replacement due to VISION integration and contract dependency and procurement process, deferral of CCTV due to new requirements for intrusion detection systems and VMS procurement, deferral of Station PA and Intercom systems due to Station Transformation initiative, deferral of SCADA RTU to 2017 due to procurement and manufacturer delays, and deferral of Cable Replacement scope due to reassessment of scope for cable emergency.

Signal Systems: \$11.9 million under

The variance is mainly due to Cable Replacement & Yard Interchange Signal Upgrades: slippage due to engineering resources allocated to Eglinton Ancillary Room Relocation; Speed Control System: slippage as a result of ATC project changes, issue of Stop-Work order to Thales and ongoing refinement of SCS product to reduce nuisance emergency brake incidents; Workcar Advanced Warning: the scope of this project will be updated to address Track Level Safety initiative to develop modular work zone system; SRT Loop Cable Axle Counter Improvement: work on this project will cease at the end of 2016 to be consistent with the 10 years SRT life extension scope; Wilson Yard Resignalling: revised phasing due to new interface to mainline CBTC; Signaling of Davisville Yard: revised schedule due to updated ATC Project staging, moving off South Yonge to Spadina section.

Finishes: \$1.9 million over

The variance is primarily due to Roofing Rehabilitation - slippage of Hillcrest Subway Operation Building, advanced work for Finch Station roofing and funds advanced to cover additional funds required at Hillcrest Subway operations.

Equipment: \$4.9 million under

The variance is due to Subway Escalator Overhaul project - work deferred to future year due to workforce unavailability.

Streetcar Network Upgrades and Bus Rapid Transit (BRT): \$2.4 million over

The variance is mainly due to Streetcar Network Upgrades (+\$2.2M) – slippage from Queen Street Upgrades and advanced construction work on St Clair and Bus Rapid Transit (BRT) - Spadina Subway to York University/Steeles Avenue (+\$0.2M) - funds advanced from future years to complete artwork/landscaping and public realm improvements.

On Grade Paving Rehabilitation Program: \$4.0 million under

Variance is due to increase in estimated expenditures in 2015 – Work progressed faster than anticipated in 2015 at Malvern Garage & Eglinton Bus Roadway; re-tender of Finch Station Commuter Lots.

Bridges and Tunnels: \$12.3 million under

Variance is due to the following projects:

- Tunnel and Station Leak Remediation - reduced due to revised cost estimate;
- Structure Rehabilitation Program - reduced due to revised cost estimate; and,
- Maintenance of Joint/TTC Toronto Transportation Bridges – probable was reduced due to submitted revised schedule by the City.

Leslie Barns Project: \$29.6 million over

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

Note: The 2016 budget for Leslie Barns was reduced by \$0.685 million as a result of a budget transfer from Leslie Barns to Economic Development and Culture – EDC's Art Services (Public Art); approved by Council on October 5, 2016.

Toronto Rocket/T1 Rail Yard Accommodation: \$13.7 million over

Increase in estimated expenditures for Keele Yard Retrofit, Wilson Yard Expansion Contracts and Rail Amalgamation Study.

Facility Renewal Projects: \$8.5 million under

Variance is due to deferred construction work and difficulties in design work.

Purchase of Buses: \$11.9 million under

Variance is due to the following:

- accelerated delivery of buses in 2015; and,
- cost estimate change to the 2016 bus order.

Bus Overhaul: \$16.4 million under

Variance of (\$16.4M) is due to: Bus Overhaul Project: (-\$18.1M) caused by slippage of bus overhauls to 2017 resulting from delayed deliveries of various bus components; Wheel Trans Friendly Bus Rebuild Project: (+\$0.5M) due to cost estimate changes for labour and non-labour as well as material budgeted in 2015 for production buses deferred into 2016; Hybrid Components: (+\$1.2M) due to 2016 contingency funds accelerated to 2015 to offset increased quantities required in AC Traction Motors, Generators & Propulsion Control System. Overage a result of planned to actual quantity variance due to the fix on fail nature of program making it hard to predict; and AODA TTC Requirements: (+\$0.025M) as a result of a combination of change in scope and timing, as well as cost estimate changes and foreign exchange adjustment.

Purchase of Subway Cars: \$4.3 million over

Variance is due to slippage of vehicle deliveries from 2015 to 2016 & 2017 due to additional scope (4-car conversion and Train Door Monitoring prototyping on Sheppard Line) and the delay on de-icing system deliveries from Bombardier. There was also slippage of delivery of Spares/Special Tools and Test Equipment milestones to Jan 2017 due to a late award date.

Subway Car Overhaul: \$24.8 million under

Variance is mainly due to slippages and scope changes for the Train Door Monitoring (TDM) project in the Sheppard line from T1 train to TR train, T1 scope was cancelled and the increased scope on TR has deferred the completion date to 2019; the installation of Friction

Brake Electronic Control Unit (FBECU) component has also been deferred from 2016 to 2017 due to longer prototyping period under T1 15 year overhaul; the TR and T1 AODA were delayed due to the late Board approval and material supply issues from Bombardier; the TR 7 year overhaul is under due to the delay in equipment purchases and hiring of workforce in 2016; T1 CCTV project is also under because priority was given to the T1 AODA project considering the car availability for revenue service, new scope of T1 HVAC overhaul was added to T1 20 year overhaul program.

Purchase of Streetcars: \$124.8 million under

Staff are working with Bombardier to address the issues and delays surrounding the LRV order. Based on Bombardier's proposed schedule of April 25, 2016, the number of cars for 2016 were reduced from 50 to 16 compared to last year's approved budget. The cash flows and projections for 2016 have been adjusted to reflect what is currently known based on Bombardier's revised, unsubstantiated delivery schedule and other projected expenditures.

Streetcar Overhaul: \$1.2 million over

Variance is due to slippage of 3 ALRVs from 2015 (+\$0.8M); advancement of work from future years for the AODA project (+\$0.4M) to complete the vehicle installations (the exact number of vehicle installations is under review).

Note: 2016 new project - 30 CLRV Overhaul was approved by Council on June 7, 2016, based on recoverables from Bombardier due to delayed deliveries of the new LFLRVs (+\$4.4M).

Purchase of Rail Non-Revenue Vehicles: \$7.2 million under

Variance is mainly due to deferral of Vacuum Excavator project to future year as priority was given to workcar Automatic Train Protection (ATP) prototyping project.

Shop Equipment: \$2.8 million under

Variance is due to slippages to 2017 because of longer than expected tendering process and lead time for expensive equipment such as the T1 Test Equipment and the TR Truck Press; and the delay in the opening of the leased garage, the \$2.5M budgeted for purchasing equipment/tools has slipped in to 2018.

Other Maintenance Equipment: \$5.7 million under

Variance is due to equipment purchases being deferred due to procurement delays.

Computer Equipment and Software: \$8.8 million under

Variance is due to SMS SOGR Project not started due to the need to put a new project manager and project team in place; Customer Facing Information Screens (FIS) Project milestone payment delayed due to four contracts taking longer than anticipated to award; ITS Infrastructure Projects delayed or not yet started due to a lack of resources as a result of office space limitations and the availability of subject matter experts (SMEs).

SAP – ERP Implementation System: \$5.9 million under

Variance is due to a late start by IBM due to prolonged contract negotiations and award timeline. The other contributing factor is an anticipated later start of Wave 2.

Vision Program (CADD/AVL System): \$16.2 million under

Variance is due to a delay in vendor approval by the Board which has moved a \$13.5M milestone payment and \$1.3M of Control Centre scope into 2017 with \$1.4M in final design approval delayed until February 2017.

Other Service Planning: \$4.5 million under

The variance is mainly due to two projects: Platform Modification to Accommodate Artic Buses: TTC and City are still working on achieving a consensus on the scope and delivery of the project at various locations, required to meet TTC objectives and Transit Priorities and Opportunities to Improve Transit Service projects: Considerable amount of work will slip from 2016 to 2017 because of external approvals (City Transportation Services, Toronto Hydro, etc.) that are required for these projects to proceed.

Toronto York Spadina Subway Extension (TYSSE) : \$348.6 million under

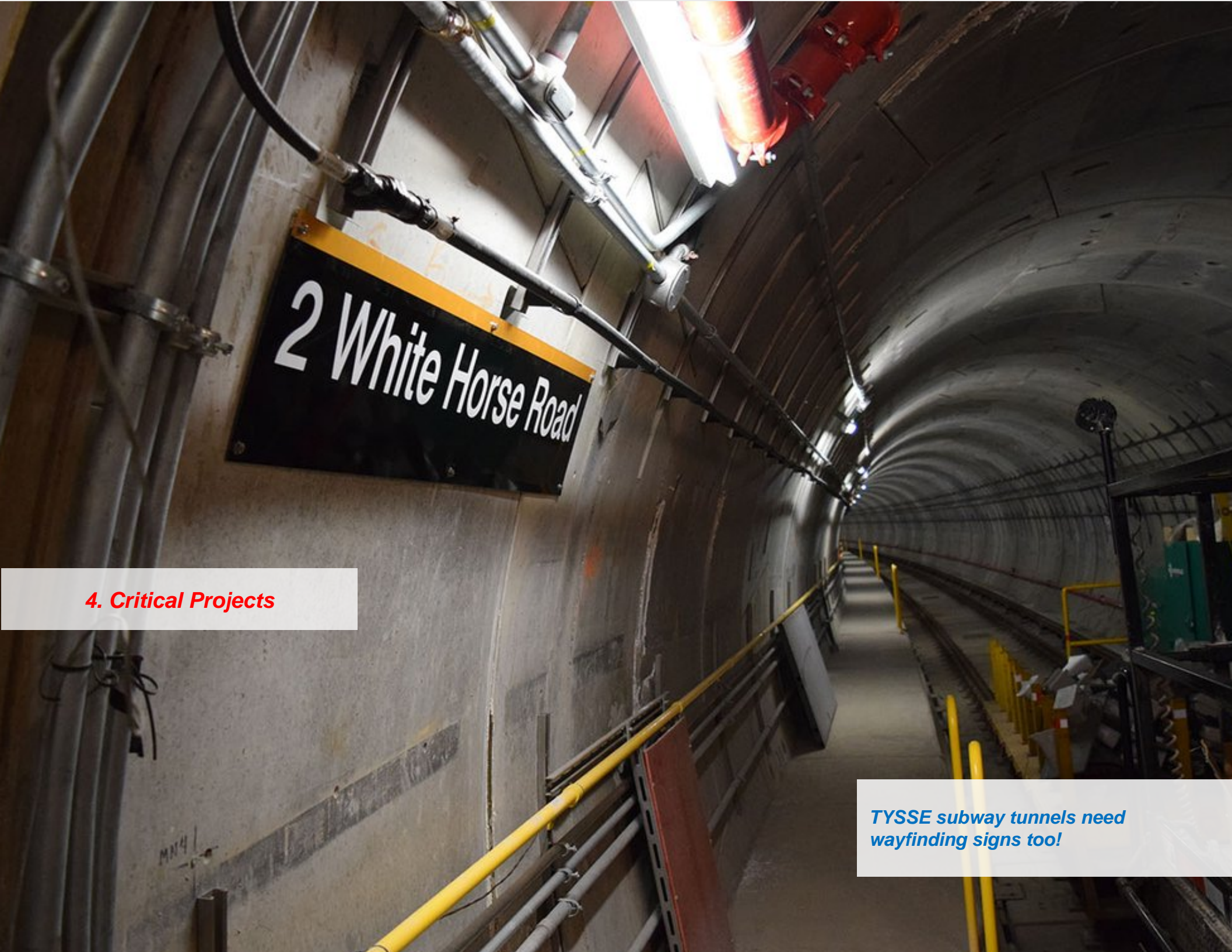
The variance is primarily due to deferral of facilities and systems construction work and timing of commercial settlements including holdback releases.

Scarborough Subway Extension: \$106.7 million under

Scarborough Subway Project (-\$91.9M): Variance is due to delays in the Environmental Assessment (EA) process and the rebaselining of the project scope.

SRT Life Extension (-\$14.8M): The variance is due to slippage from 2015 and three cancelled closures requested by the City which impacted Subway Infrastructure work. The preliminary result of SRT structural assessment showed that SRT would need extensive structural repairs; therefore, TTC is waiting for a recommendation from Bombardier/CAD Rail Industries while maintaining existing work and structural repairs to keep the SRT service in a state of good repair (note: there are only 28 SRT cars in revenue service).

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4. Critical Projects

TYSSE subway tunnels need wayfinding signs too!

Critical Projects

Current as of November 2016 | Next Update in March 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. Major changes necessitating an immediate update will be discussed in Section 2 – CEO Commentary.

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	\$223	48%	\$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	\$5	5%	\$115	100%	Q1 2014	Q4 2020	Q1 2020	G	G	G	G
Streetcar Fleet & Facilities													
Vehicles: Purchase of New Streetcars	Assets	\$1,187	\$533	45%	\$1,187	100%	Q2 2009	Q4 2019		G	G	G	Y
Facilities: Leslie Barns	Growth	\$516	\$478	93%	\$523	101%	2008	Q4 2015	Q4 2016	G	G	G	G
Track: Surface Track *	Assets	\$580	\$292	50%	\$587	101%	Ongoing	Q4 2018	Q4 2019	G	G	G	G
Subway Fleet & Infrastructure													
Vehicles: Purchase of Subway Cars	Assets	\$1,167	\$1,112	95%	\$1,167	100%	Q2 2011	Q4 2016	Q1 2017	G	G	G	G
Stations: Easier Access III	Assets	\$655	\$251	38%	\$774	118%	2006	Q4 2025		Y	Y	G	Y
Facilities: TR / T1 Rail Yard Accommodation **	Assets	\$985	\$146	15%	\$986	100%	2010	Post 2025		G	G	G	G
Track & Tunnels: Subway Track *	Assets	\$505	\$141	28%	\$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	\$2,505	79%	\$3,184	100%	Q2 2008	Q4 2017		G	Y	G	Y
Scarborough Subway Extension	Growth	\$3,305	\$24	1%	\$3,305	100%	Q4 2013	Q4 2023	Q4 2025	R	G	R	R
Management Systems													
PRESTO	Customer	\$47	\$25	54%	\$47	100%	Q4 2012	Q4 2017		R	G	G	Y
SAP	Financial Sustainability	\$63	\$16	25%	\$63	100%	Q1 2014	Q3 2019		Y	Y	G	Y

*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.

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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