



STAFF REPORT FOR INFORMATION

Chief Executive Officer's Report – June 2017 Update

Date:	June 15, 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 – June 2017 Update

Chief Executive Officer's Report

**Toronto Transit Commission
June 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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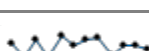





About the cover:

On May 27, the TTC participated in Doors Open Toronto, giving the public a sneak peek at the new Downsview Park and York University stations, part of the Toronto-York Spadina Subway Extension, set to open at the end of 2017.

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	Apr 2017	2.67	2.55	✘		18	
Customer Injury Incidents	Injury Incidents per 1M Boardings	Apr 2017	1.22	1.07	✘		18	
Offences against Customers	Offences per 1M Boardings	Apr 2017	0.61	0.38	✘		19	
Offences against Staff	Offences per 100 Employees	Apr 2017	4.0	5.6	✔		19	
Customer: Journeys								
	TTC Customer Trips	Apr 2017	42.0M	41.8M	✔		22	
	TTC Customer Trips	2017 y-t-d to Apr	174.3M	177.5M	✘	NA	22	
	PRESTO Customer Trips	Apr 2017	5.07M	1.77M	✔		23	
	Wheel-Trans Customer Trips	Apr 2017	326K	344K	✘		23	
	Wheel-Trans Customer Trips	2017 y-t-d to Apr	1.34M	1.39M	✘	NA	23	
Customer: Satisfaction								
	Customer Satisfaction Score	Q1 2017	79%	79%	✔		24	
Customer: Environment								
	Station Cleanliness	Audit Score	Q1 2017	72.6%	75%	✘		29




✔ On Target
 ○ Target at risk at current trend
 ✘ Off Target

Bolded target values indicate the KPI target is under development.
 Interim target is based on the comparable prior period.

Key Performance Indicator	Description	Latest Measure	Current	Target	Current Status	Annual Trend	Page
Bus Cleanliness	Audit Score	Q1 2017	88.0%	90%	✗		30
Subway Cleanliness	Audit Score	Q1 2017	91.2%	75%	✓		30

Customer: Service Performance

 Subway								
1	Yonge-University	Delay Incidents	Q1 2017	1,727	1,567	✗		31
		Delay Minutes	Q1 2017	2,898	3,197	✓		31
		Trains per Hour in AM Peak	Apr 2017	23.9	25.5	✗		32
2	Bloor-Danforth	Delay Incidents	Q1 2017	2,112	1,397	✗		33
		Delay Minutes	Q1 2017	3,726	2,923	✗		33
		Trains per Hour in AM Peak	Apr 2017	24.5	25.5	✗		34
3	Scarborough	Delay Incidents	Q1 2017	160	137	✗		35
		Delay Minutes	Q1 2017	610	811	✓		35
		Trains per Hour in AM Peak	Apr 2017	11.7	12.0	✗		36

 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	Q1 2017	177	113	✗		37
	Delay Minutes	Q1 2017	629	272	✗		37
	Trains per Hour in AM Peak	Apr 2017	10.8	10.9	✗		38
Streetcar	On-Time Departure	Apr 2017	65.8%	90%	✗		39
	Short Turns	Apr 2017	834	2,397	✓		39
Bus	On-Time Departure	Apr 2017	77.5%	90%	✗		40
	Short Turns	Apr 2017	2,216	3,709	✓		40
Wheel-Trans	% Within 10 Minutes of Schedule	Apr 2017	89.6%	90%	✗		41

People





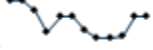




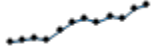


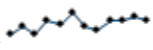
Employee Absence	Absenteeism Rate	Apr 2017	6.77%	6.50%	✗		43
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Assets: Vehicle Reliability

Subway	T1	Mean Distance Between Failures	Apr 2017	323,388 km	300,000 km	✓		45
	TR	Mean Distance Between Failures	Apr 2017	991,626 km	600,000 km	✓		45

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	Apr 2017	4,408 km	4,500 km			46
ALRV	Mean Distance Between Failures	Apr 2017	2,301 km	3,500 km			46
New Streetcar	Mean Distance Between Failures	Apr 2017	5,530 km	35,000 km			47
 Bus	Mean Distance Between Failures	Apr 2017	16,972 km	12,000 km			48
 Wheel-Trans	Mean Distance Between Failures	Apr 2017	12,922 km	12,000 km			48

Assets: Equipment Availability

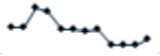
Elevators	Percent Available	Apr 2017	99.1%	98%			49
Escalators	Percent Available	Apr 2017	96.8%	97%			49

Financials

TTC Revenue	Actual vs. Budget	2017 y-t-d to Apr	\$405M	\$406M		Section 3.5
TTC Operating Expenditure	Actual vs. Budget	2017 y-t-d to Apr	\$555M	\$580M		Section 3.5
Wheel-Trans Revenue	Actual vs. Budget	2017 y-t-d to Apr	\$2.5M	\$2.6M		Section 3.5
W-T Operating Expenditure	Actual vs. Budget	2017 y-t-d to Apr	\$41M	\$46M		Section 3.5

 On Target  Target at risk at current trend  Off Target

Bolded target values indicate the KPI target is under development. Interim target is based on the comparable prior period.

Key Performance Indicator	Description	Latest Measure	Current	Target	Current Status	Annual Trend	Page
Capital Expenditure – Base	Actual vs. Budget	2017 y-t-d to Apr	\$185M	\$298M	✘	Section 3.5	
Capital Expenditure – TYSSE	Actual vs. Budget	2017 y-t-d to Apr	\$83M	\$217M	✘	Section 3.5	
Capital Expenditure – SSE	Actual vs. Budget	2017 y-t-d to Apr	\$14M	\$25M	✘	Section 3.5	
Operator Efficiency	Crewing Efficiency	Apr 2017	87.05%	87.15%	✘		59

✔ 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 May 2017 | Next Update in September 2017 CEO Report



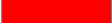
The dashboard below provides a snapshot in time (updated quarterly) of the health status for major projects that comprise the TTC project portfolio. The projects have been included in the dashboard due to their magnitude, complexity and/or strategic significance. Collectively, the dashboard comprises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

CEO Reports for March, May, August, and November will include an update to the dashboard as well as one-page project performance updates for each projects listed in the dashboard.

New: Exception reporting for yellow 'Y' and red 'R' status is provided in the CEO Commentary (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	\$1,027	\$248	24%	\$1,266	123%	Ongoing	Q4 2019	Q1 2018	G	G	G	G
Facilities: McNicoll Bus Garage	Growth	\$181	\$13	7%	\$181	100%	Q4 2012	Q2 2020	Q2 2020	G	G	G	G
Management Systems: VISION (CAD/AVL)	Customer	\$115	\$11	10%	\$115	100%	Q1 2014	Q4 2020	Q1 2020	Y	G	G	G
Streetcar Fleet & Facilities													
Vehicles: Purchase of New Streetcars	Assets	\$1,187	\$562	47%	\$1,187	100%	Q2 2009	Q4 2019		Y	G	G	Y
Facilities: Leslie Barns	Growth	\$523	\$487	93%	\$523	100%	2008	Q4 2017	Q4 2017	G	G	G	G
Track: Surface Track *	Assets	\$616	\$259	42%	\$616	100%	Ongoing	Q4 2018	Q2 2018	Y	G	G	Y
Subway Fleet & Infrastructure													
Vehicles: Purchase of Subway Cars	Assets	\$1,167	\$1,132	97%	\$1,167	100%	Q2 2011	Q4 2016	Q2 2017	G	G	G	G
Stations: Easier Access III	Assets	\$774	\$267	35%	\$774	100%	2006	Q4 2025		Y	G	G	Y
Facilities: TR / T1 Rail Yard Accommodation **	Assets	\$973	\$178	18%	\$973	100%	2010	Post 2026	Post 2026	G	G	G	G
Track & Tunnels: Subway Track *	Assets	\$506	\$152	30%	\$506	100%	Ongoing	Q2 2018	Q4 2017	G	G	G	G
Signals: Automatic Train Control (ATC Line 1-YUS)	Assets	\$563	\$335	59%	\$563	100%	Q2 2009	Q4 2019		G	G	G	G
Expansion													
Toronto-York Spadina Subway Extension (TYSSE)	Growth	\$3,184	\$2,479	78%	\$3,184	100%	Q2 2008	Q4 2017		Y	Y	G	G
Scarborough Subway Extension**	Growth	\$3,305	\$38	1%	\$3,305	100%	Q4 2013	Q4 2023	Q2 2026	R	Y	R	R
Management Systems													
PRESTO	Customer	\$44	\$22	50%	\$44	100%	Q4 2012	Q4 2017		Y	Y	Y	G
SAP	Financial	\$63	\$26	40%	\$63	100%	Q1 2014	Q3 2019		Y	Y	Y	G

Legend – Outlook to Completion

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

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

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



2. CEO Commentary

King Street Pilot Study puts people and transit first. TTC supports the City on the King Street Pilot Study to explore bold, transformative ideas for how to redesign King Street in order to achieve three broad city-building objectives: Move PEOPLE, Improve PLACE-MAKING, AND Support Economic PROSPERITY.

CEO Commentary and Current Issues

General Overview

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

It has been another very busy four weeks since the last Board meeting.

As part of the annual Doors Open Toronto event, the TTC proudly showed off two of its new stations on the soon-to-be-opened Line 1 extension to Vaughan. Approximately 5,000 visitors were welcomed to Downsview Park and York University stations, each of which generated extremely positive reaction.

We continue to make very good progress on each of our mega projects as well as literally hundreds of smaller initiatives to improve service and transform processes and culture.

This will be the last Board meeting for Deputy CEO/Chief Customer Officer, Chris Upfold. Chris leaves the TTC after 6 years in which he made a tremendous difference in terms of transforming the look and feel of our customer office, in developing strategy and in leading major initiatives such as the highly successful 2015 Pan Am Games and the increasingly reliable roll-out of PRESTO.

Chris leaves the TTC with my heartfelt thanks and that of the TTC for a job well done.

Safety & Security

There were no significant incidents. We continue to maintain very close focus on security and we are continuing our work to address staff and customer assaults. Specific focus is being applied to incidents that involve unauthorized access to the track (not suicide incidents), events that are dangerous and selfish on the part of the offenders, as service is delayed to potentially tens of thousands of customers.

Customer: System Performance

Subway delay incident and minute statistics are shown up to Quarter 1 and were reviewed by the Board at its May meeting.

Much effort has gone into preparing the Line 2 subway fleet for the summer, specifically the overhaul program to ensure that air conditioning equipment performs to a high standard. A media event was held at Greenwood Shop to demonstrate the scale and scope of the work



being done to avoid the problems encountered during the protracted hot spell in 2016.

Financials

Operating expenses to the end of April were under budget, largely due to workforce being under budgeted strength, budget timing on certain non-labour expenses, and savings on energy costs. It is projected that there will be a TTC/Wheel-Trans year-end operating subsidy surplus of \$3.8 million. Capital expenditures were below budget due to typically lower project activity early in the year.

Customer journeys (ridership) to the end of April were 1.8% below budget and 0.3% below the 2016 comparable actual. Interim results for May indicate similar trends. Year-end ridership is projected to be about 1% below budget (538M vs. 544M). Staff will advise the Board throughout the remainder of 2017 of any forecast changes to ridership and/or revenue.

Delivery of Major Projects

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

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

VISION

No change in overall status

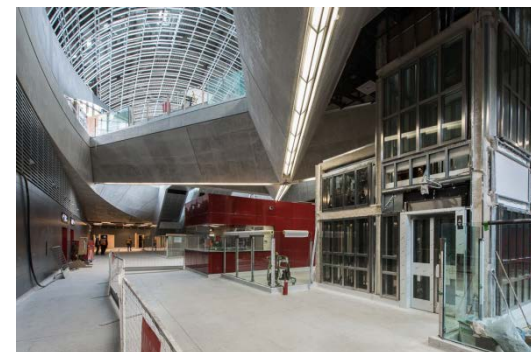
Schedule	Cost	Scope	Overall Risk
Y	G	G	G

Schedule is at risk primarily due to an internal resource availability constraint. This risk is being mitigated through improved resource planning. While the risk is significant, the schedule is expected to be recovered.

New Streetcars

No change in overall status

Schedule	Cost	Scope	Overall Risk
Y	G	G	Y



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

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

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

35 new vehicles are now in service and Bombardier continues to remain on track to deliver a cumulative 70 vehicles by year end.

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.

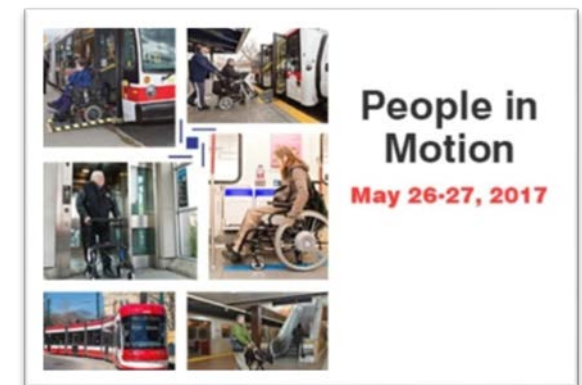
Schedule is at risk primarily due to the deferral of planned rehabilitation work at Roncesvalles and Russell streetcar yards. The root cause of this deferral was delayed commissioning of Leslie Barns and prolonged storage demands of the legacy fleet due to delay of the new streetcar project.

Easier Access Phase III (Accessibility)

No change in overall status

Schedule	Cost	Scope	Overall Risk
Y	G	G	Y

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



Schedule risk is primarily due to higher than expected complexity (i.e. construction staging, property requirements such as power upgrades, utilities, etc.). This risk is being mitigated by advancing the design phases, and thereby creating additional schedule contingency.

Toronto-York Spadina Subway Extension

No change in overall status

Schedule	Cost	Scope	Overall Risk
Y	Y	G	G

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

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

Work is progressing extremely well.

Downsview Station was renamed Sheppard West on May 7, as planned, a process that will take several months to complete.

Work continues to complete the three stations that are yet to achieve substantial performance and the testing and commissioning of assets and systems is well under way. Test trains have been worked through the full length of the new tunnels and the essential task of safety and other approvals paperwork is well under way.

Claims work is progressing and the project remains on schedule and within the revised budget envelope to open at year end, 2017.

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.



Original schedule and budget was approved in 2013 based on 0% design. With the alignment/bus terminal now confirmed by Toronto City Council, the project budget and schedule will be confirmed as design is developed to the 30% stage, factoring in delivery and risk. The performance scoreboard will continue to report relative to the project's original scope, budget and schedule as approved by Council in 2013, until the project is re-baselined at the 30% stage in late 2018.

PRESTO

No change in overall status

Schedule	Cost	Scope	Overall Risk
Y	Y	Y	G

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

Device availability continues to improve and PRESTO have commenced a trial whereby customers can buy PRESTO products at select Shoppers Drug Mart stores. As well, a limited number of Metropasses for adults and seniors were made available on PRESTO June 1. Staff will monitor the customer experience before making more passes available, including adding additional pass products.

Agreement has been reached with senior Metrolinx/PRESTO management to enable the 26 stations still operating with turnstiles to be converted to new style fare gates by the end of this year. Cost allocation for this work will be subject to arbitration, but I was very keen to ensure that every single gate across the subway was converted to new technology this calendar year.

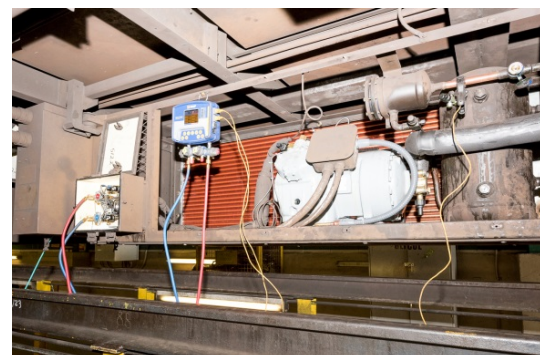
Automatic Train Control

No change in overall status

Schedule	Cost	Scope	Overall Risk
G	G	G	G

Substantial progress has been made. High speed testing involving multiple trains has been conducted with no major issues identified to date.

Equipment installation in phases 1 (Dupont to Wilson) and 2(TYSSE) is now complete and ATC testing in the TYSSE tunnels is about to begin.



SAP

Change in Status

Schedule	Cost	Scope	Overall Risk
Y	Y	Y	G

Schedule delay in the current phase is believed to be recoverable; however, it does put cost and scope at risk. Mitigation strategies are being developed and will be reported through my next report in July 2017.

Culture Change

Our main emphasis is to continue departmental analysis and sharing of employee feedback gained during the most recent Employee Engagement Survey.



Andy Byford
Chief Executive Officer, Toronto Transit Commission

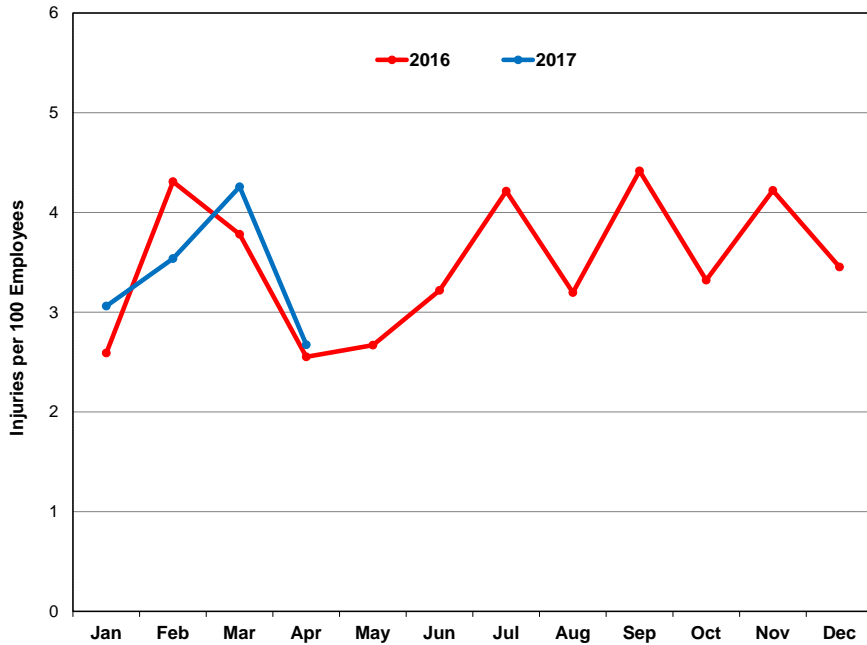
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3.1 Safety & Security



Safety and Security

Lost-Time Injuries

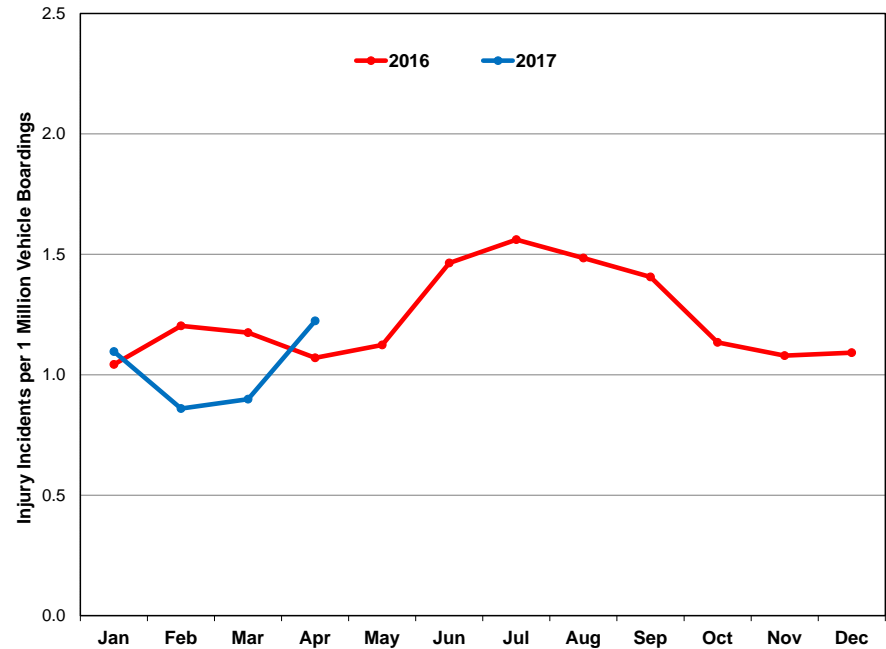


The lost-time injury rate (LTIR) decreased in April. The rate of 2.67 injuries per 100 employees was 5% higher than the corresponding rate of 2.55 for April 2016.

The moving annual LTIR to the end of April 2017 was 3.52, which was 15% higher than the corresponding rate of 3.07 to the end of April 2016.

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

Customer Injury Incidents

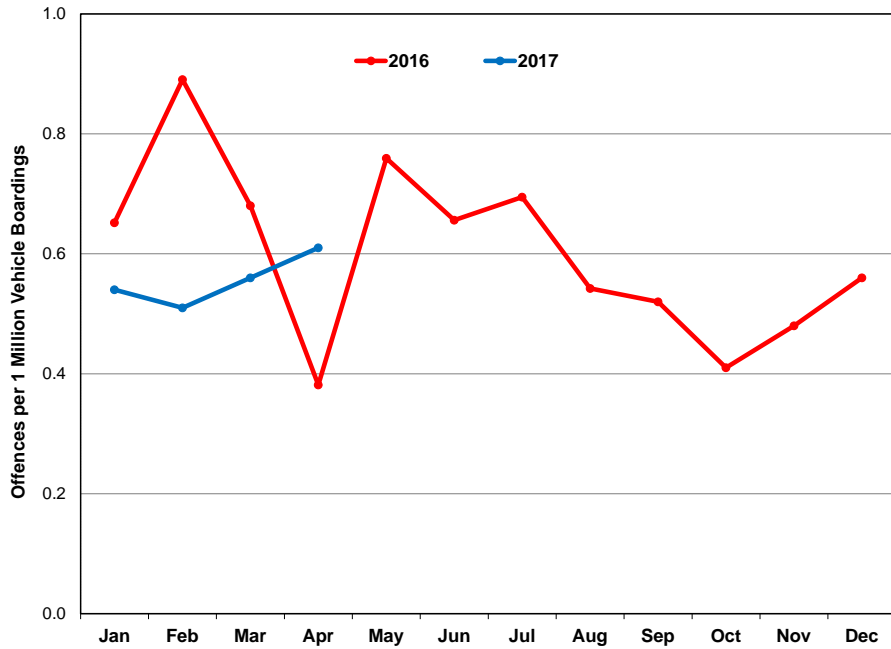


The customer injury incident rate increased in April. The rate of 1.22 injury incidents per 1 million vehicle boardings was 14% higher than the corresponding rate of 1.07 for April 2016.

The moving annual customer injury incident rate to the end of April 2017 was 1.20, which was 10% lower than the corresponding moving annual rate of 1.33 to the end of April 2016.

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

Offences Against Customers

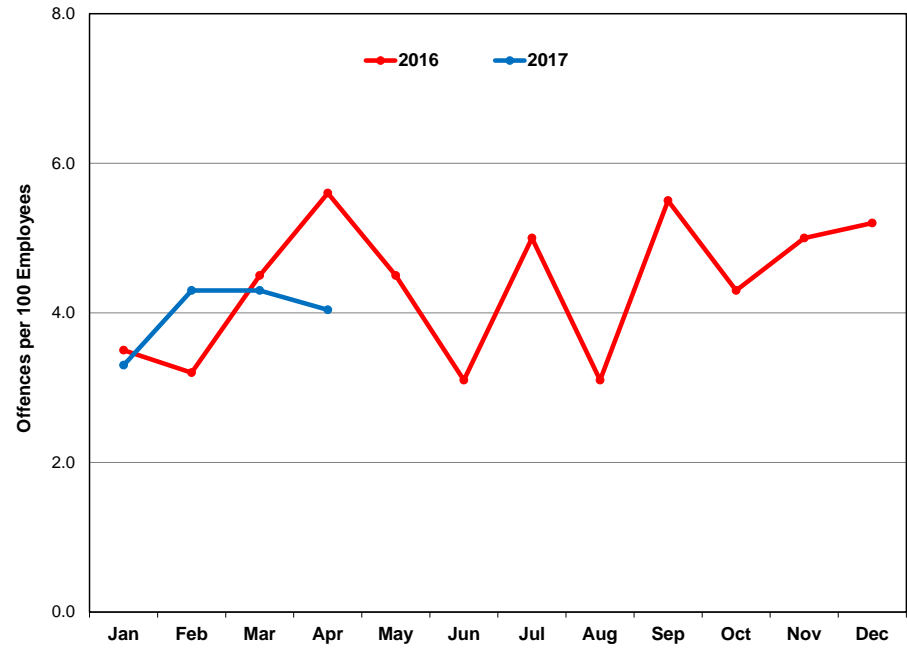


Total offences against customers increased in April to 0.61 offences per 1 million vehicle boardings, which was 61% higher than the corresponding rate of 0.38 for April 2016.

The moving annual rate of offences against customers to the end of April 2017 was 0.57, which showed no change from the corresponding moving annual rate of 0.57 to the end of April 2016.

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

Offences Against Staff



Total offences against staff decreased in April to 4.0 offences per 100 employees, which was 29% lower than the corresponding rate of 5.6 for April 2016.

The moving annual rate of offences against staff to the end of April 2017 was 4.3, which was 16% higher than the corresponding moving annual rate of 3.7 to the end of April 2016.

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




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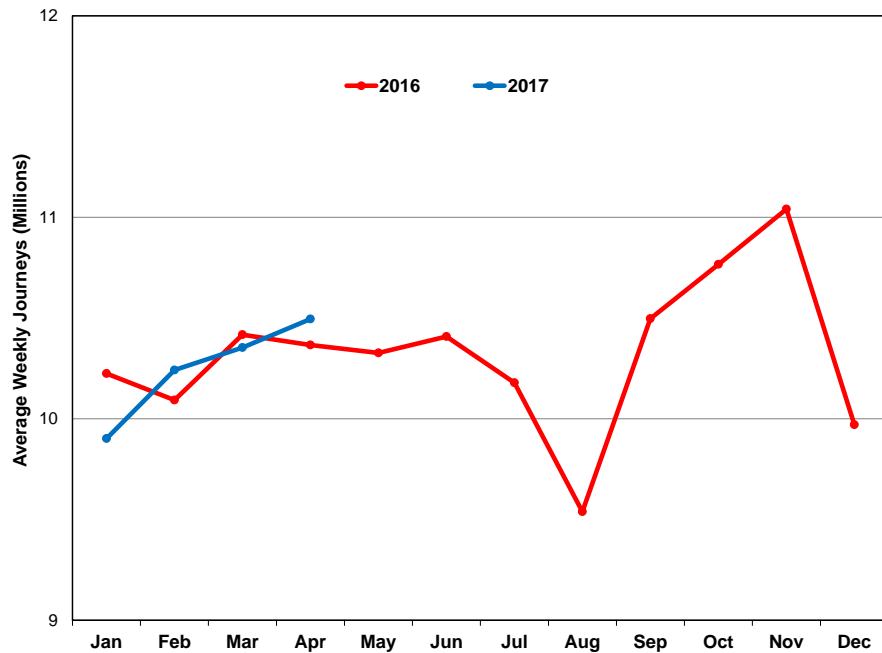
- 1 SELECT 
- 2 OPEN 
- 3 CLICK 

 @TCONNECT
TCONNECT.ca

3.2 Customer

Customer: Journeys

TTC: 2017 Actual vs. 2016 Actual

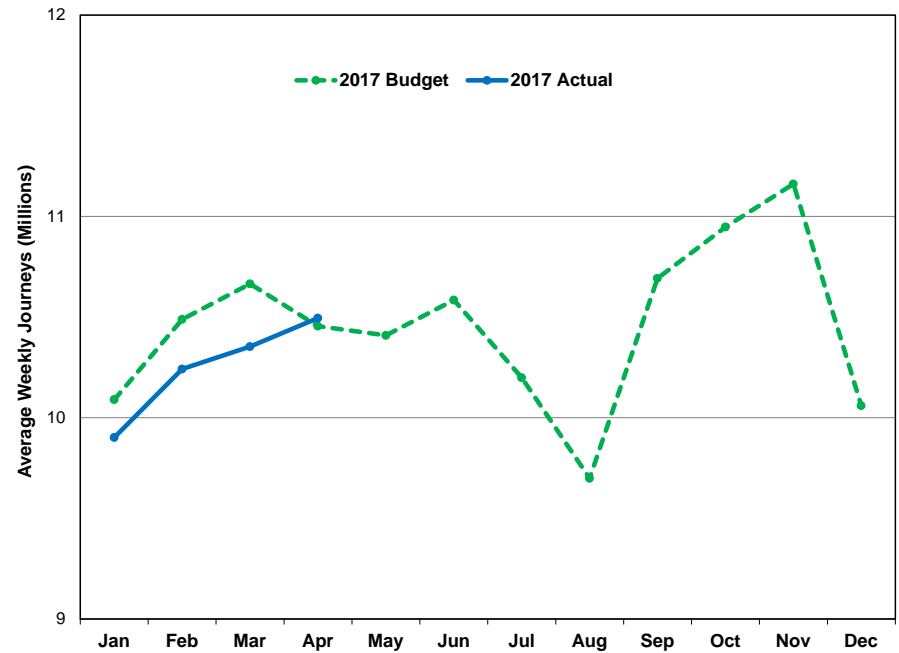


There were 42.0M customer journeys (ridership) taken during April, which was 0.5M (1.2%) more than the 41.5M journeys taken during April 2016.

The annual number of customer journeys taken to the end of April 2017 was 536.1M, which was 2.3M (0.4%) more than the 533.8M annual journeys taken to the end of April 2016.

Average weekly ridership in April 2017 was above the prior year comparable for the second time in the past three months.

TTC: 2017 Actual vs. 2017 Budget



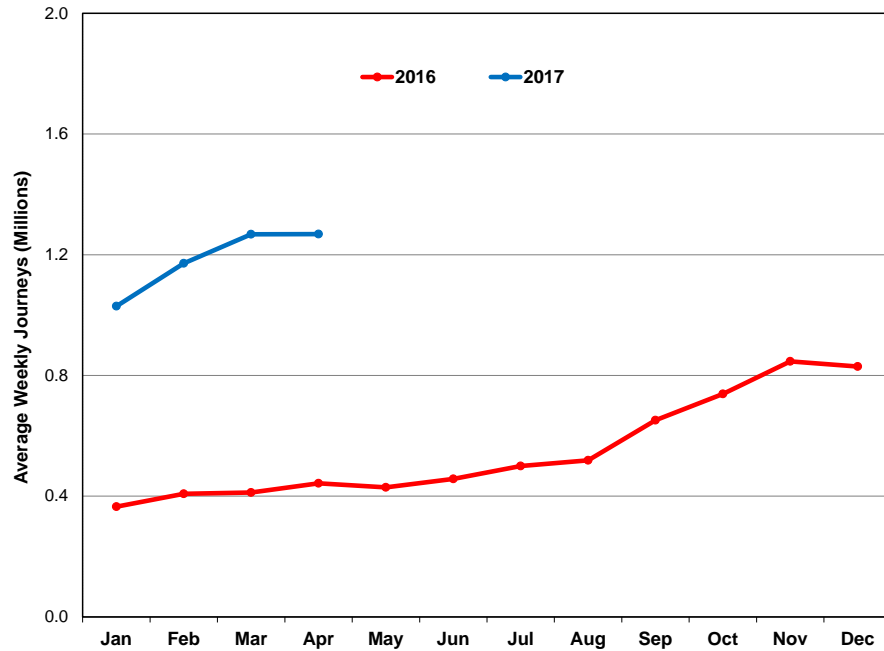
There were 42.0M customer journeys taken during April, which was 0.2M (0.5%) more than the budget of 41.8M journeys.

The number of customer journeys taken year-to-date to the end of April was 174.3M, which was 3.2M (1.8%) less than the budget of 177.5M journeys.

Average weekly ridership was above budget for the second time in the past 26 months.

Customer: Journeys

PRESTO: 2017 Actual vs. 2016 Actual

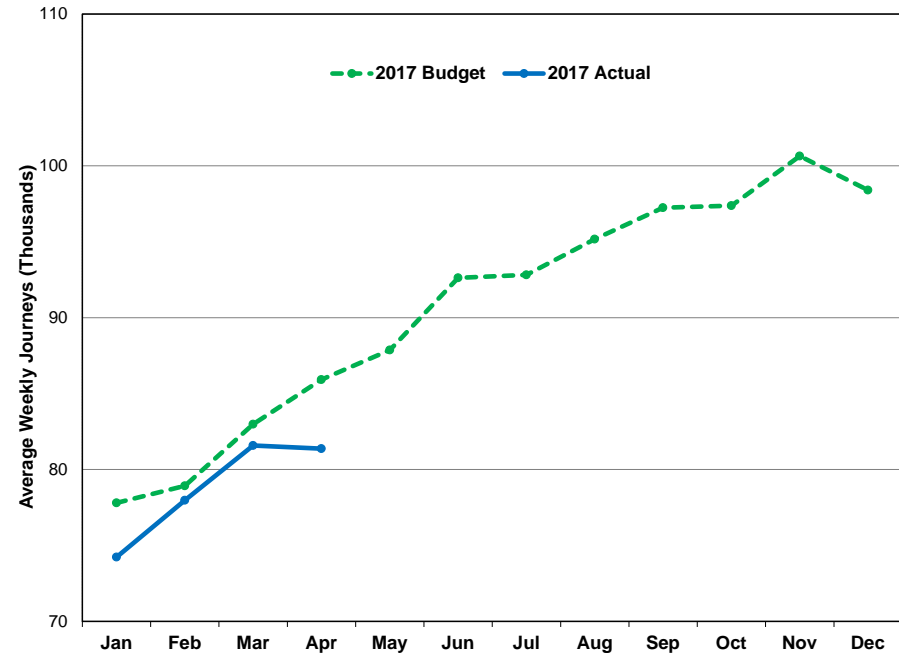


There were 5.07M customer journeys (ridership) taken using the PRESTO Farecard in April, which was 3.30M (186%) more than the 1.77M journeys taken during April 2016.

The annual number of customer journeys taken to the end of April 2017 was 42.04M, which was 25.94M (161%) more than the 16.10M annual journeys taken to the end of April 2016.

Note:
PRESTO ridership is included in TTC ridership totals.

Wheel-Trans: 2017 Actual vs. 2017 Budget



There were 326K customer journeys taken during April, which was 18K (5.2%) less than the budget of 344K journeys.

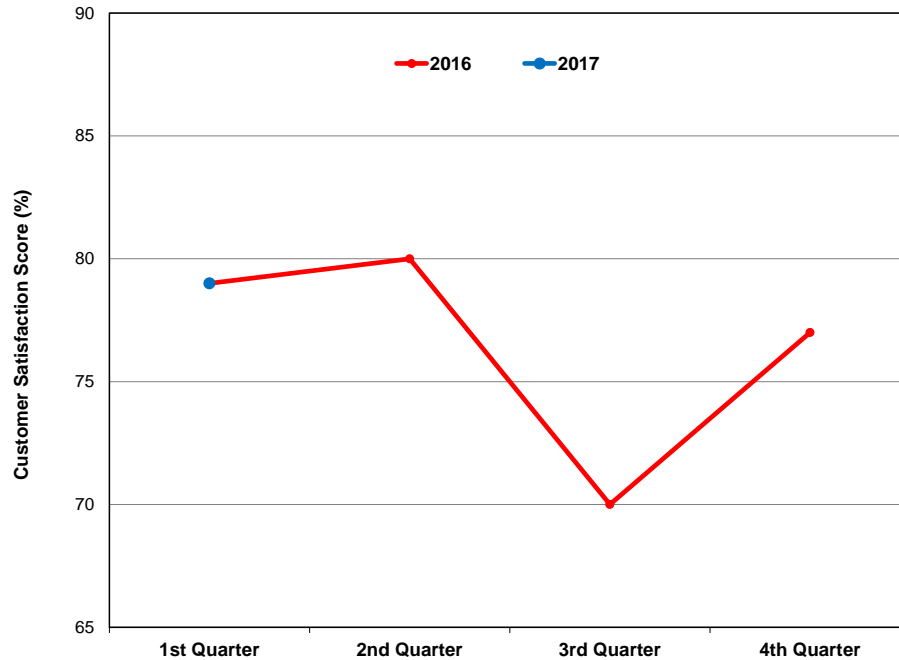
The number of customer journeys taken year-to-date to the end of April was 1.342M, which was 44K (3.2%) less than the budget of 1.386M journeys.

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

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

Customer: Satisfaction

Customer Satisfaction Score



The first quarter of 2017 was met with high perceptions of overall customer satisfaction with the TTC (79%), which is in line with the last wave (Q4 2016: 77%) and last year (Q1 2016: 79%). Both subway (77%) and bus (80%) customer satisfaction levels were consistent wave-to-wave, and year-over-year. Streetcar customer satisfaction has improved wave-to-wave (81%, compared to 71% in Q4 2016), returning to the higher scores observed in the first quarter of last year (82%).

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 remained consistent for all three modes; however, the perceptions of wait time for buses have significantly improved from Q4 2016 (57%) to Q1 2017 (66%), in line with the results observed a year ago (Q1 2016: 64%).

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

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

- Helpfulness of maps and signs at station (subway)
- Cleanliness of station (subway)
- Ease of getting to train platform (subway)
- Ease of using or paying for fare (subway, bus, streetcar)
- Personal safety during trip (subway, bus, streetcar)
- Maps and information inside the vehicle (subway)
- Wait time (subway), trip duration (bus, streetcar)
- Trip smoothness (streetcar)
- Quality of stop announcements (subway, bus, streetcar)
- Ease of hearing announcements (bus, streetcar)
- Frequency of delay announcements (streetcar)
- Helpfulness of announcements (bus, streetcar)
- Helpfulness and appearance of operator (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 with this statement (Q1 2016: 74%). Perceptions of value for money remained consistent wave-to-wave, with nine in ten customers (90%) indicating they received above average value for money on their last trip (Q4 2016: 91%; Q1 2016: 92%).

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

Customer: Charter

The Customer Charter is designed to track promises and improvements that benefit customers, while holding TTC's management to account if they're not met. The progress against these commitments is reported to the TTC Board quarterly and posted on ttc.ca.

2017 Customer Charter

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

- a) Promises around Wheel-Trans and introducing new No-Show and Late Cancellation policies.
- b) Launch an Anti-Harassment campaign and a Safety and Security app.
- c) Open the Line 1 Toronto-York Spadina Subway Extension with six new fully accessible modern stations including: two new TTC bus Terminals, three new TTC commuter parking lots with 2800 spaces, and direct transit connections with GO Rail, GO Bus, York Region Transit buses including Viva. The stations will feature modern architecture with sustainable design features including: LED lighting, bird-friendly glass, green and cool roofs and landscaping designed to manage water run-off. Other station amenities will include Wi-Fi, covered bicycle storage, new Presto fare gates and new self-service Presto machines in service. The bus network along the corridors will be redesigned to serve the new stations.
- d) Continue with the PRESTO rollout by having PRESTO-enabled fare gates at all entrances at 43 subway stations.
- e) Start phasing out legacy fare media as the PRESTO rollout nears completion. This milestone leads one step closer to the full adoption of PRESTO.
- f) Complete Wi-Fi for 100% of our stations.
- g) Open a new second exit/entrance at Woodbine station and open two new elevators as part of the Easier Access program, making the station accessible.
- h) Open three new elevators at St. Clair West station and two elevators at Coxwell station, making the stations accessible.
- i) 300+ new buses in service to replace aging buses.
- j) Work with Bike Share Toronto to incorporate docking stations at a minimum of five TTC stations. This will offer customers a great solution for the first and last mile of their journey.
- k) Work with the Bombardier to have a minimum of 40 additional new low-floor, accessible streetcars on property.

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

For further details on the TTC customer charter, visit ttc.ca.

Customer: Engagement

Meet the Managers

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

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

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

Customer: Fares

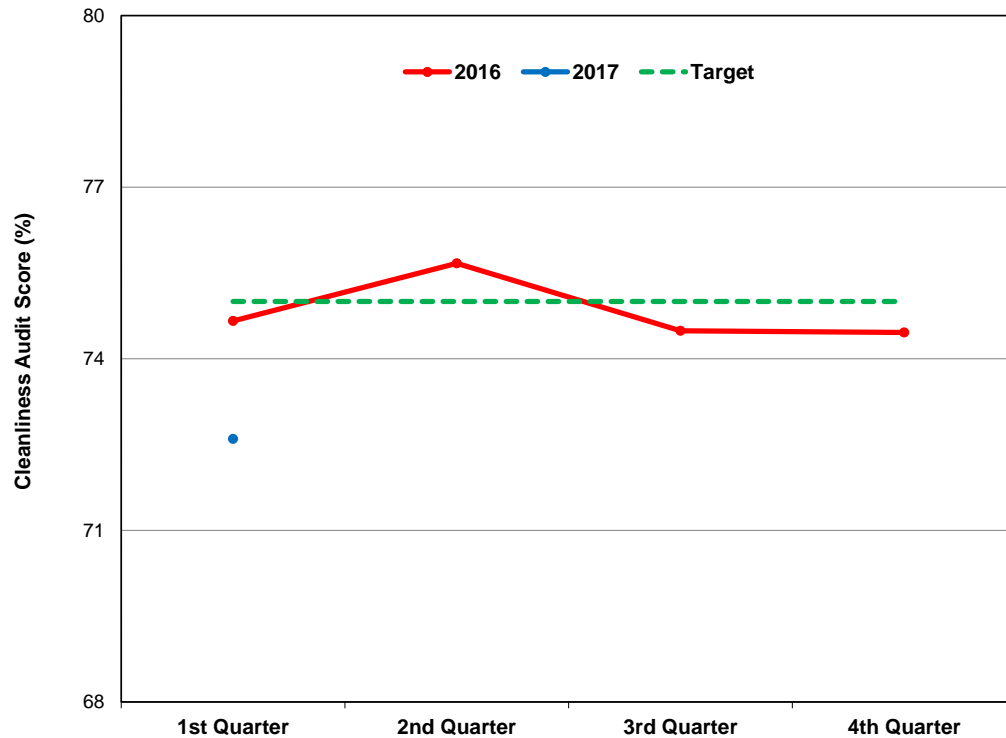
PRESTO

The PRESTO rollout continues across the TTC.

- 44 stations and 81 entrances now have the new paddle-style fare gates. Fare gate installation will continue throughout 2017.
- A limited quantity of adult and senior TTC Monthly Passes on PRESTO went on sale at prestocard.ca on May 25 for the June pass period. Currently these passes are only available for sale online. Eventually, customers will be able to load a TTC Monthly Pass on PRESTO at select Shoppers Drug Mart locations and from self-serve machines that will be available at every subway station entrance. The number of passes will be increased throughout 2017 and 2018 and additional pass products, such as student and post-secondary student TTC Monthly Passes on PRESTO, will be introduced as well.
- Later this fall, additional Self-Serve Reload Machines will begin to be installed in various subway stations.
- Recent software upgrades have been deployed to the existing Self-Serve Reload Machines in the subway stations and card readers installed in stations and on vehicles. This work has resulted in improved reliability of these devices.
- Additional upgrades are planned for the card readers, fare gates, self-serve and add value machines, which are expected to further improve the performance of these devices and continue to enhance customers' experience with PRESTO.

Customer: Environment

Station Cleanliness



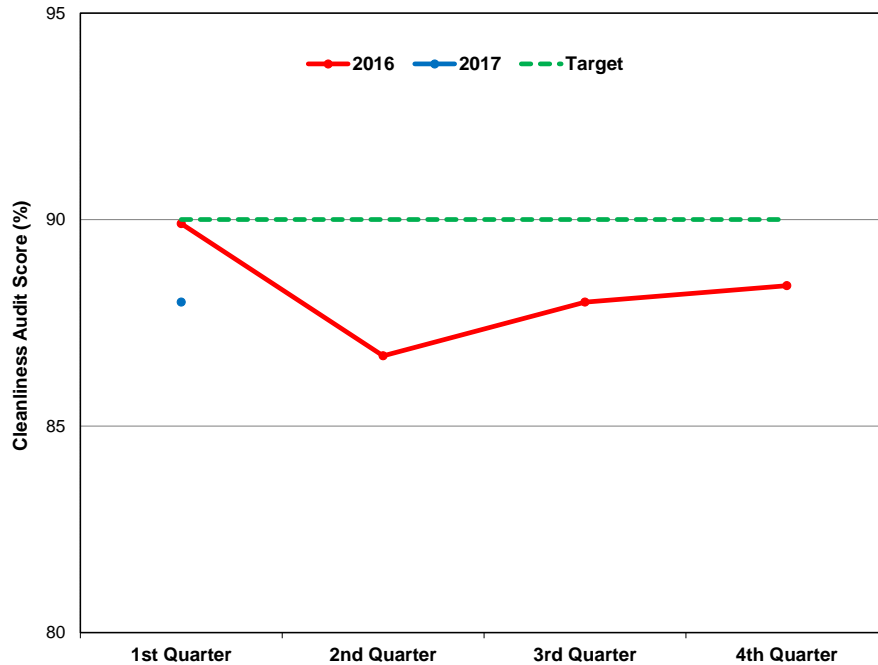
Performance in Q1 2017 reduced to 72.6%, which was below target and below the performance in Q1 2016.

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



Customer: Environment

Vehicle Cleanliness – Bus

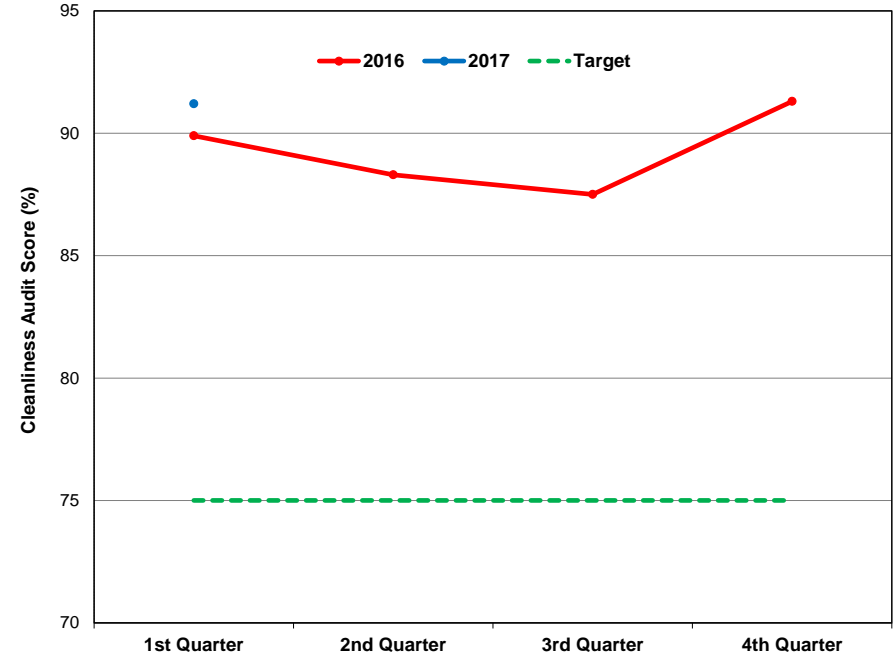


The bus cleanliness audit score decreased in Q1 2017 to 88.0% and remained below target.

New floor-cleaning intervals were piloted to optimize processes and improve efficiencies, which resulted in slightly lower floor cleanliness achievement across all divisions.

Exterior cleanliness scores were impacted by wash rack unavailability during construction at one of the garages and hand washing was implemented as a stop gap. 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 in Q1 2017 to 91.2%. Performance achieved target for the fifth consecutive quarter.

Both areas of improvement, walls and ceilings, were addressed since Q4 2016. Other areas of improvement in the future include floors and exterior body. Currently, the floors are addressed every 14 days during the Floor Wash cycle and the exteriors are washed every 10 days during the Exterior Wash Cycle. On Q1 2017, due to seasonal impacts, Exterior washes were limited.

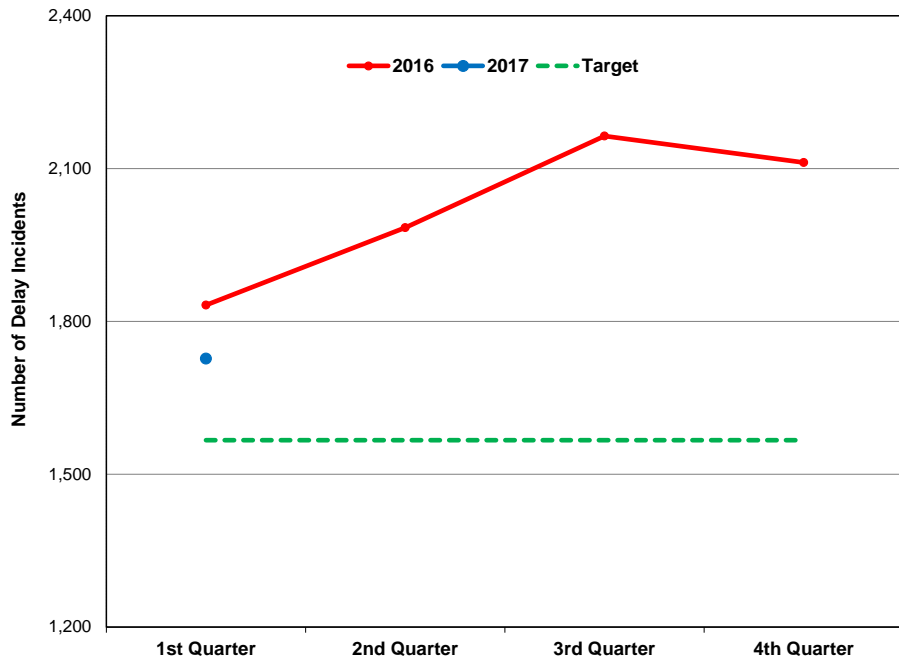
On Line 1, the exterior wash has been out of service due to track construction. Floors are historically less clean with the increased amounts of salt and sand brought in by the passengers in Q1. It is anticipated that the results for Exterior Wash and Floors will improve in Q2 2017.

Customer: Service Performance



Subway

Line 1: Delay Incidents



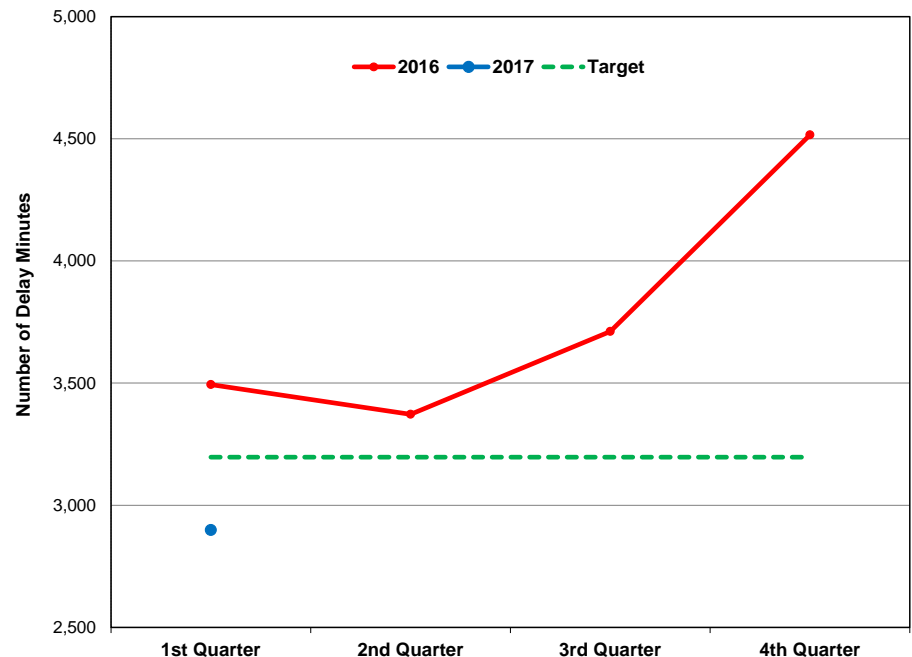
The number of delay incidents decreased in Q1 2017 to 1,727; however, performance was still above target by 10%. It has stayed above target for the fifth consecutive quarter.

Year-over-year improvements were primarily due to a 30% reduction of Subway Infrastructure Equipment incidents, a 10% improvement in Rolling Stock incidents and a 53% improvement in Fire/Smoke (Plan B) incidents, which were partly attributable to improved corridor cleanliness, less usage of trackside heating equipment, and changes made to the Fire/Smoke (Plan B) procedure.

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



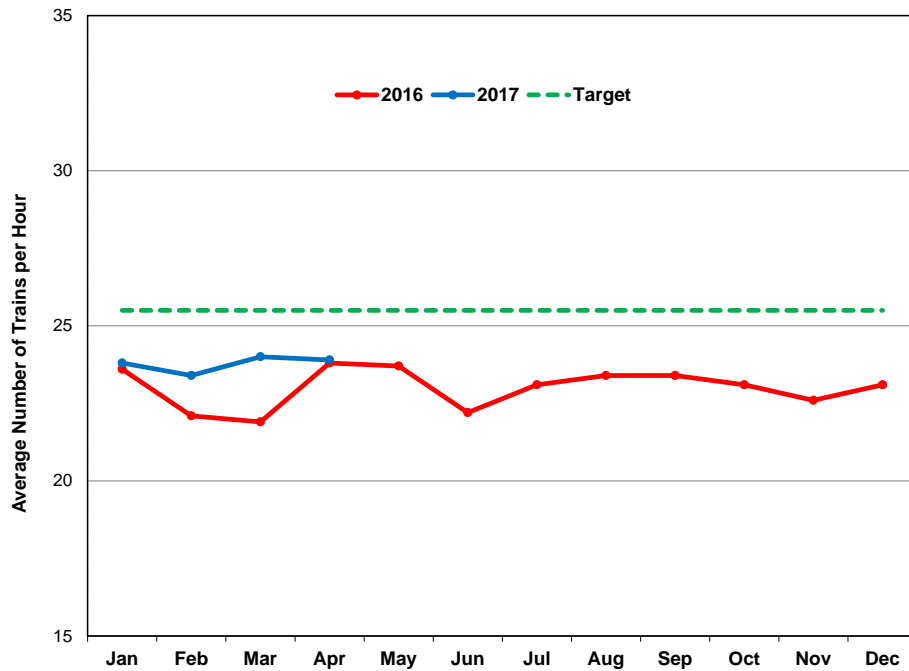
The number of delay minutes decreased in Q1 2017 to 2,898 and performance achieved target.

There was a significant improvement in delay minutes resulting from infrastructure deficiencies (40%), with an impressive 73% improvement in delays related to switch problems and a 66% improvement in delays related to train stop issues. As noted with delay incidents, delay minutes due to Fire/Smoke (Plan B) incidents were reduced by 41%, year-over-year, partly due to improved corridor cleanliness, less usage of trackside heating equipment, and changes made to the Plan B procedure.

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

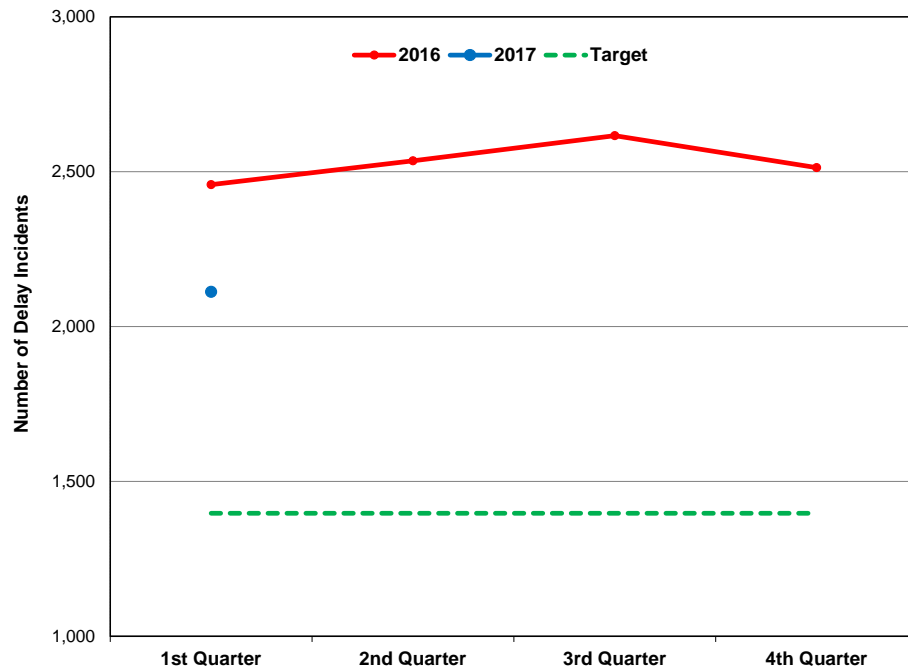


The daily average number of trains per hour (TPH) in the morning peak service period decreased in April to 23.9, or 94% of what was scheduled. Performance remained below target, although improvements were made year-over-year every period in 2017 so far.

As this measure focuses on the AM peak period, any delay incidents in that time frame anywhere on the line will have a negative impact on the ability to meet this capacity target.

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

Line 2: Delay Incidents



The number of delay incidents decreased in Q1 2017 to 2,112 but performance continued to remain above target.

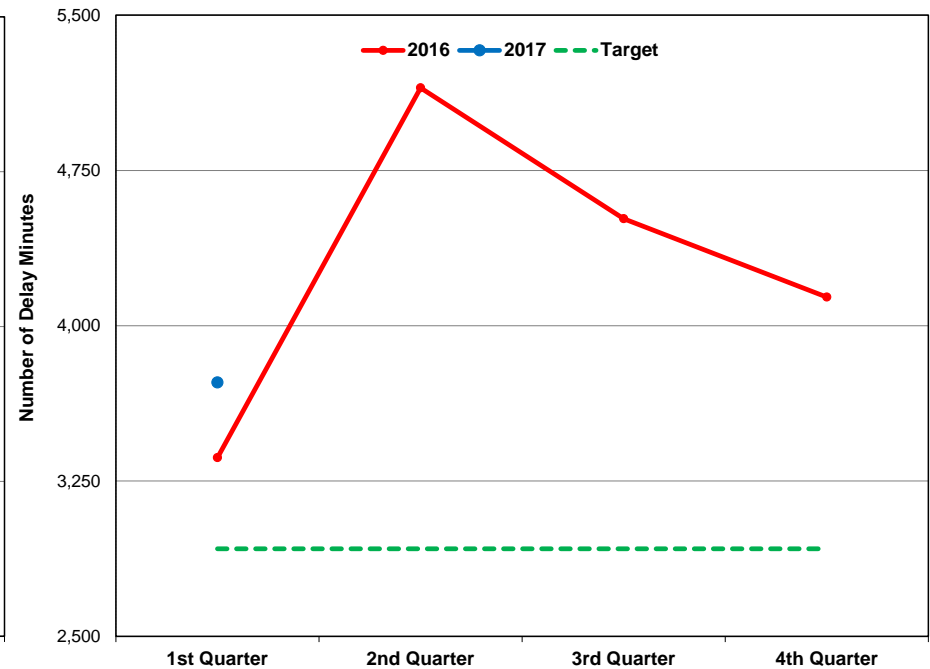
Most of the year-over-year improvement was made in delay incidents related to speed control. It must be noted, however, that speed control issues typically do not result in any significant delay minutes.

There has been an 11% increase in passenger-related incidents, year-over-year. The largest increases were observed on track level (70% increase), with ill customers (31% increase) and with disorderly customers (21% increase).

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 decreased in Q1 2017 to 3,726 but performance continued to remain above target.

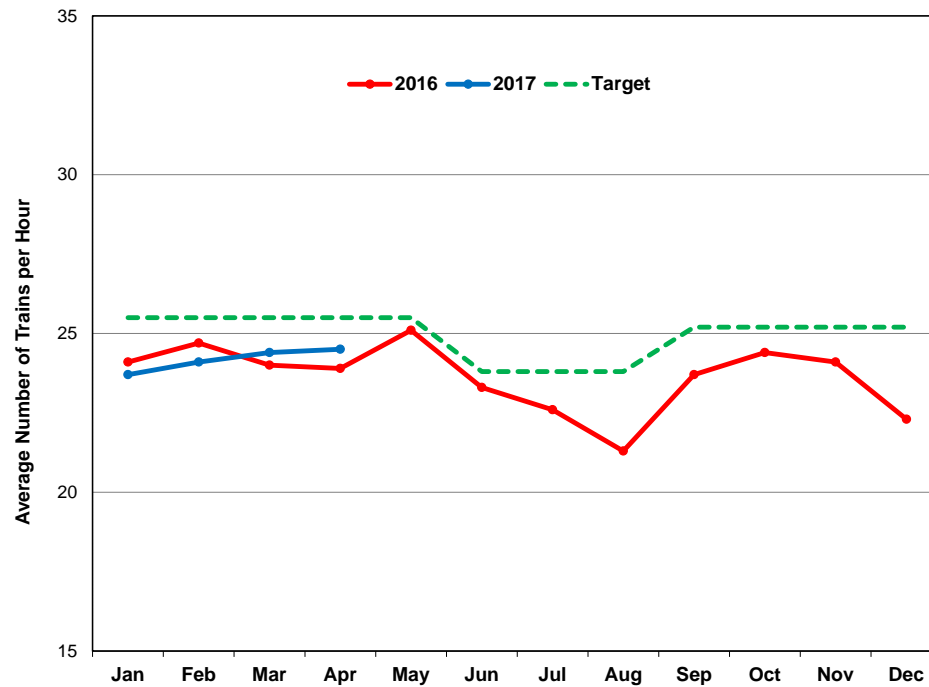
Although delay minutes decreased for most categories, there were increases in passenger-related delay minutes, specifically as a result of ill customers, customer assaults, Priority One incidents and disorderly customers.

There was a 6% improvement in the Fire/Smoke (Plan B) delay minutes, however, partly due to improved corridor cleanliness, less usage of trackside heating equipment and changes made to the procedure.

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

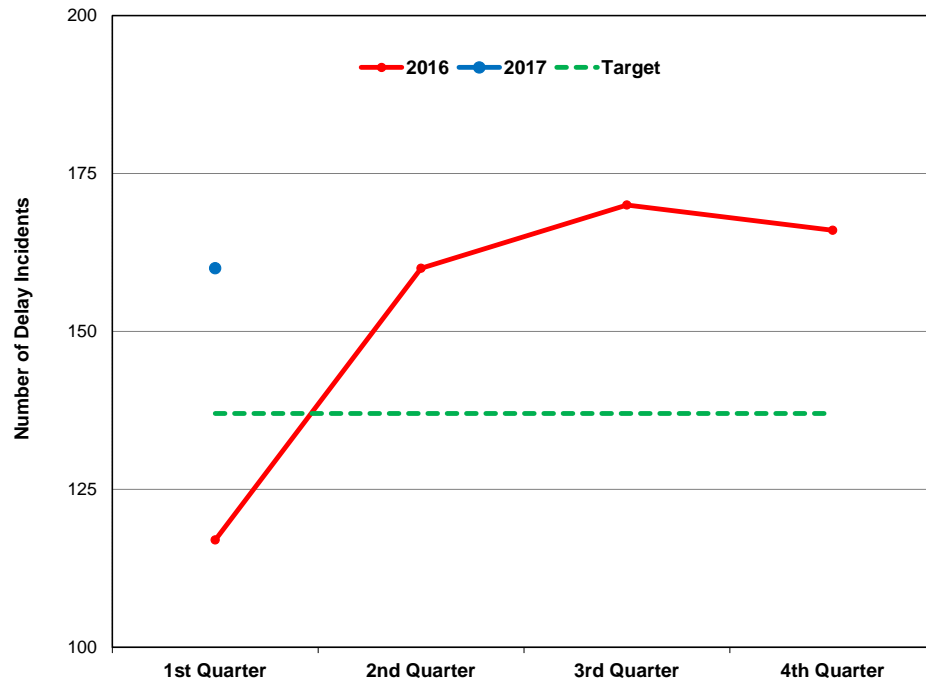


The daily average number of trains per hour (TPH) in the morning peak service period increased in April to 24.5, which was 96% of what was scheduled. Performance continued to remain below target, however, although there has been a steady increase in the performance this year so far.

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

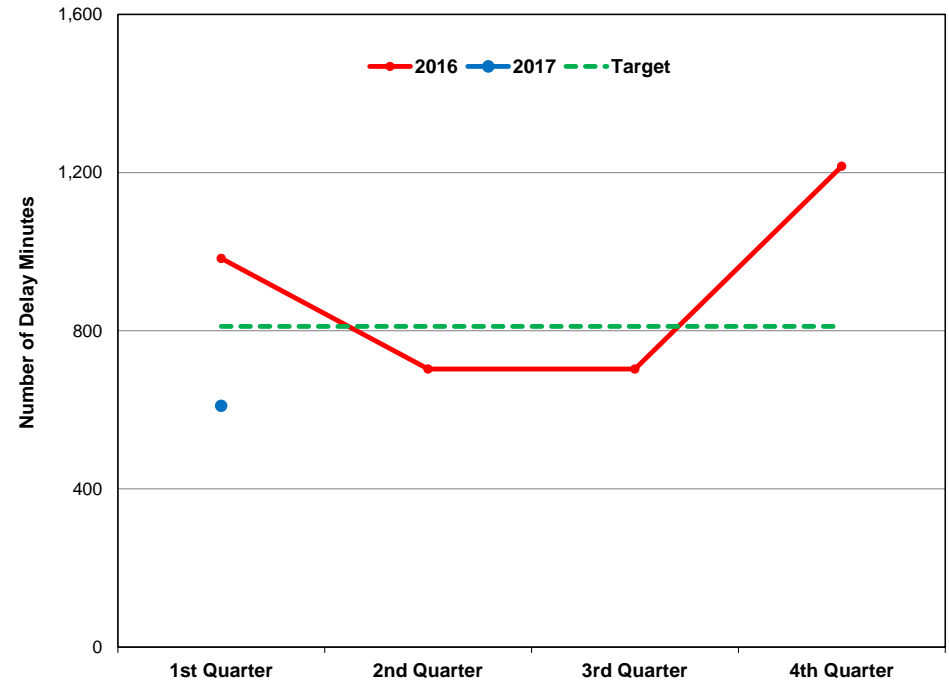


The number of delay incidents decreased in Q1 2017 to 160; performance was above target for the fourth consecutive quarter.

Line 3 experienced a year-over-year increase by 37% for Q1 delay incidents, most of which was attributable to the increase in Vehicle On-Board Controller (VOBC) time-outs, an issue unique to Line 3. Maintenance staff are investigating this issue and improvement is expected in Q2.

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

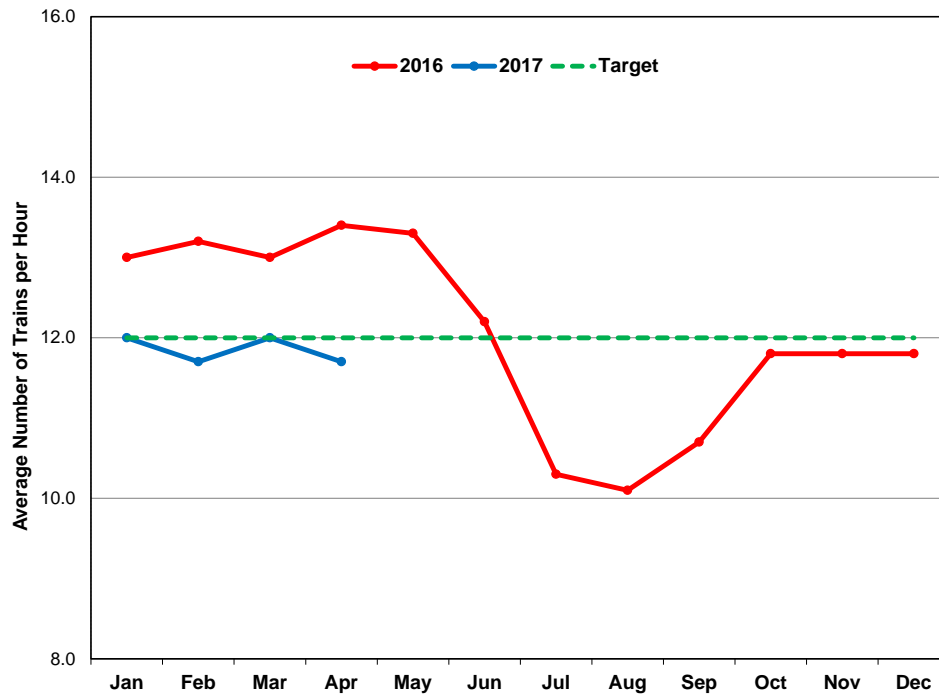


The number of delay minutes decreased in Q1 2017 to 610 and performance achieved target.

Line 3 experienced a year-over-year decrease by 38% for Q1 delay minutes, most of which was attributable to improvements in delay incidents related to equipment (rolling stock). Programs to improve reliability are beginning to show positive results.

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



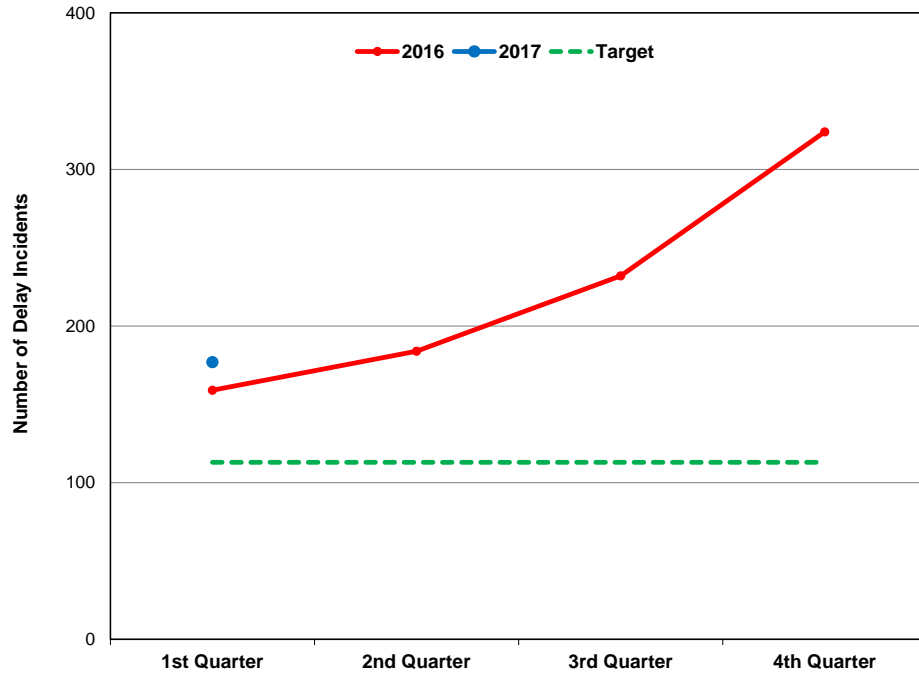
The daily average number of trains per hour (TPH) in the morning peak service period decreased in April to 11.7, or 97.5% of what was scheduled. Overall performance did not achieve target.

A number of ongoing issues with infrastructure and rolling stock continue to challenge service reliability on Line 3, but programs are in place to ensure the line operates as reliably as possible and is in a state of good repair.

Note:

Data are based on weekday service from Monday to Friday.

Line 4: Delay Incidents



The number of delay incidents decreased in Q1 2017 to 177. Performance continued to remain above target, however.

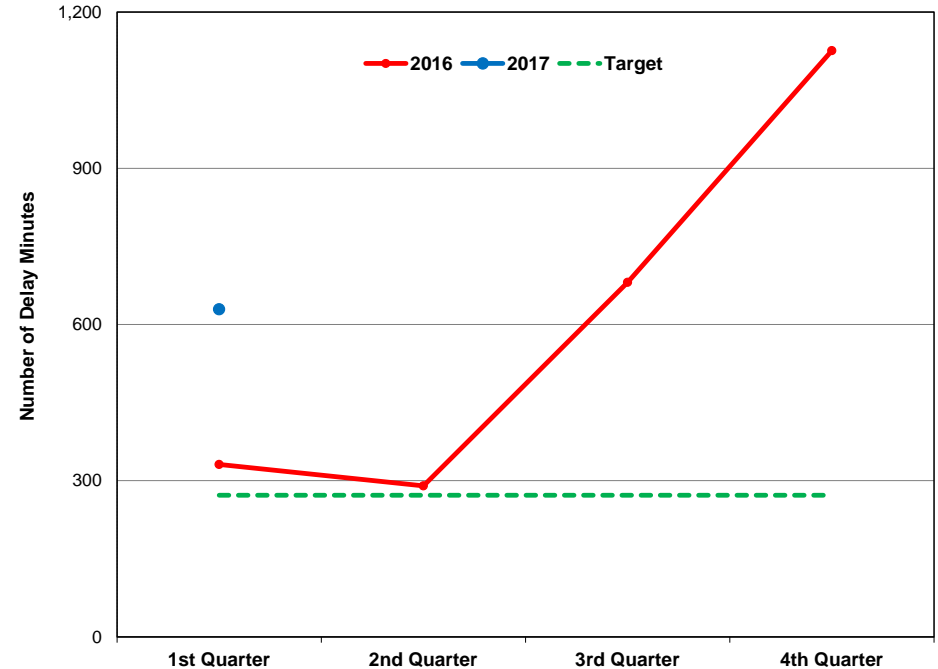
The year-over-year increase in Q1 delay incidents was mostly due to incidents related to rolling stock and plant maintenance.

In October 2016, the One-Person Train Operation (OPTO) was introduced on Line 4 and a number of steps have been taken to reduce or eliminate the number of OPTO-related issues; a software update was made to eliminate system memory issues and delineation markers were installed to provide a visual aid to the operators. Staff are also monitoring a slight increase in the number of signal violation 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



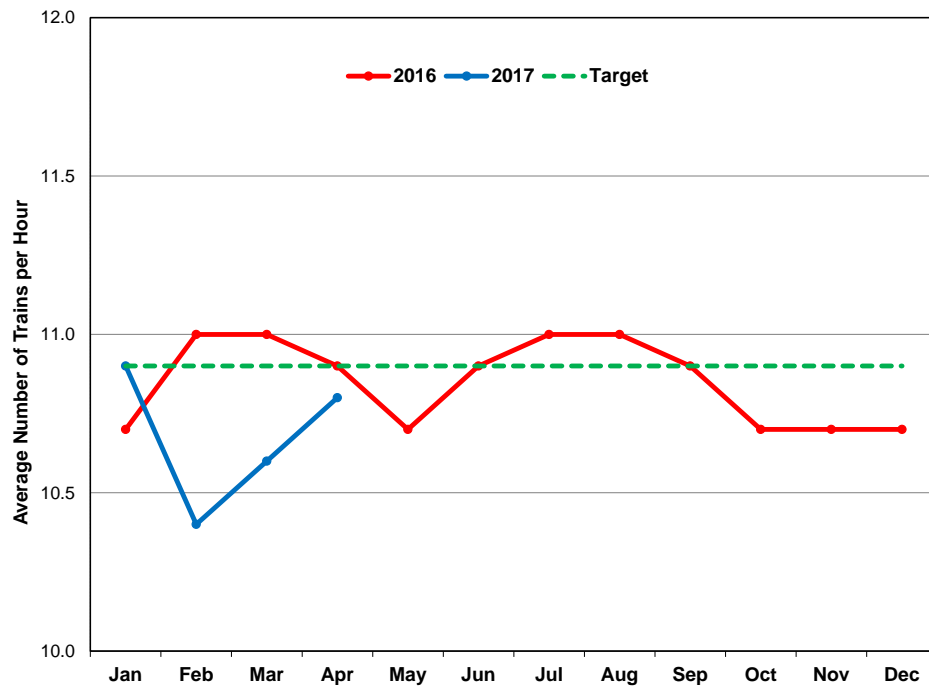
The number of delay minutes decreased substantially in Q1 2017 to 629 but performance remained above target.

The year-over-year increase in Q1 delay minutes was mostly due to delay incidents related to equipment (rolling stock and subway infrastructure). The increase in infrastructure delay minutes was primarily a result of three major incidents that accounted for 298 minutes of the 318 total delay minutes in Q1 2017.

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 increased in April to 10.8, or 99% of what was scheduled. Overall performance did not achieve target, however.

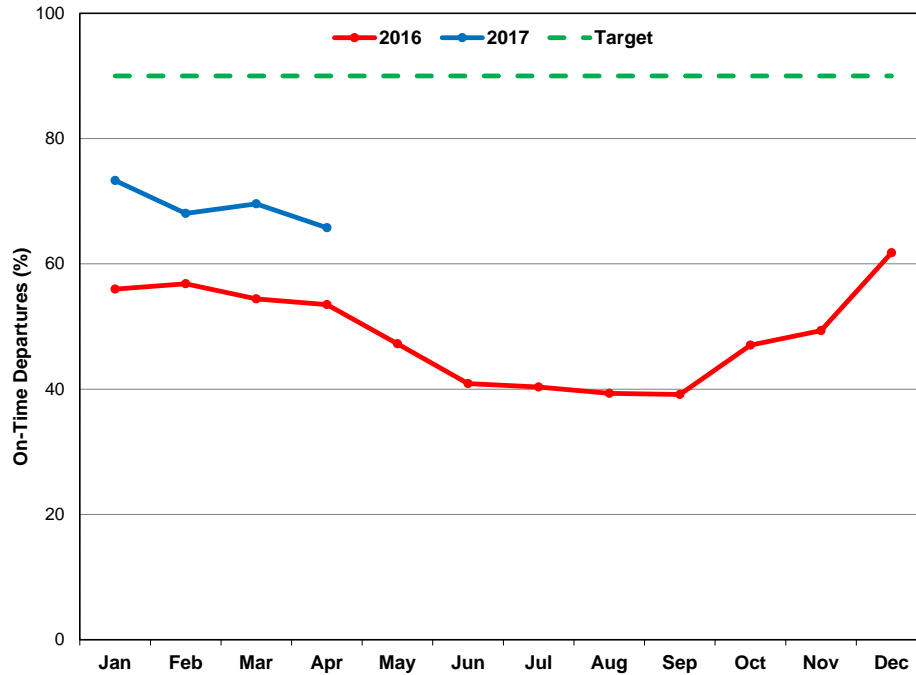
As this measure focuses exclusively on the AM peak period, any incidents that occur anywhere on the line during that period will adversely impact results.

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



Streetcar

On-Time Performance



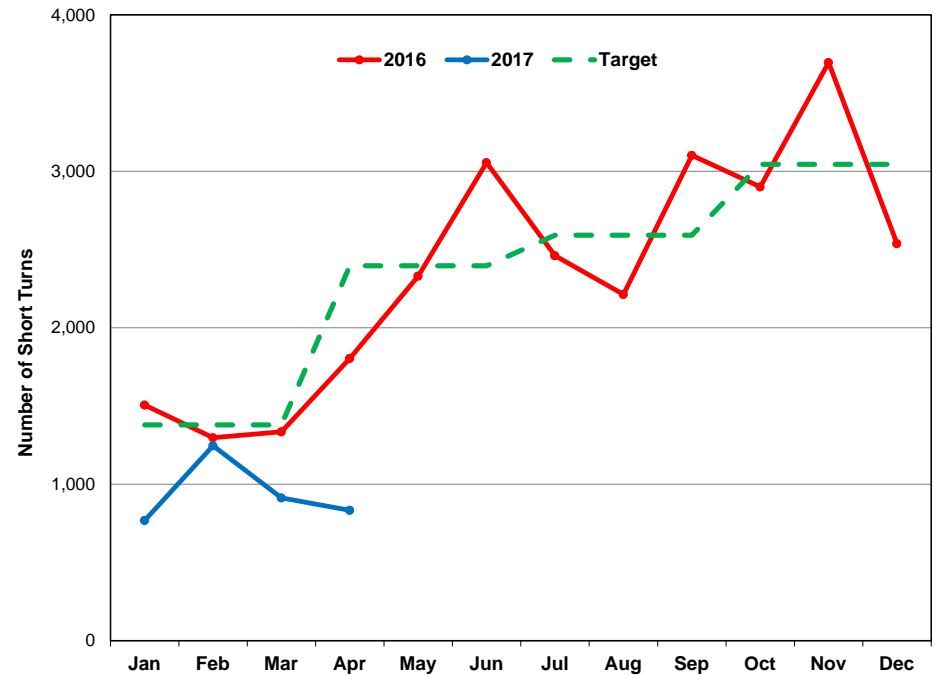
Performance in April decreased to 65.8% and continued to be below target.

April marked the beginning of the “construction season” with a number of major projects impacting streetcar transportation and schedule changes, requiring service to be adjusted to regulate headways, which negatively impacted on-time departures. Efforts to improve all ten routes are continuing but overall performance is expected to decrease with the summer construction in the downtown area.

Note:

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

Short Turns



The number of short turns decreased in April to 834; performance continued to remain below target (favourable).

Making headway adjustments for construction schedules through crew change-overs and dispatch adjustments continued to maintain the number of short turns below the target on all routes. Service improvement through improved route strategies has helped short turns to be reduced from last year’s corresponding number of short turns.

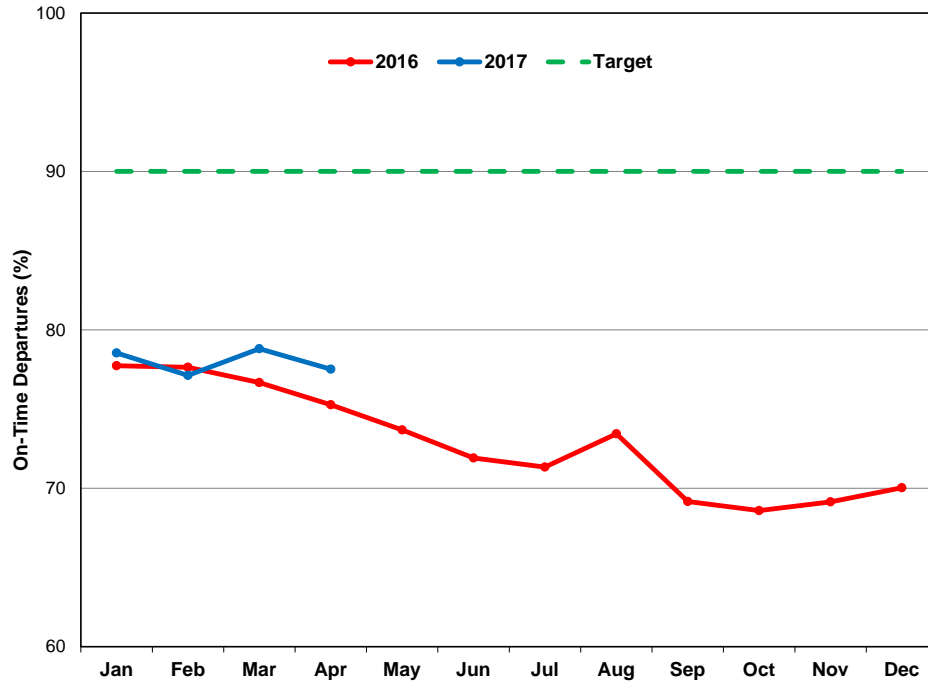
Note:

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



Bus

On-Time Performance



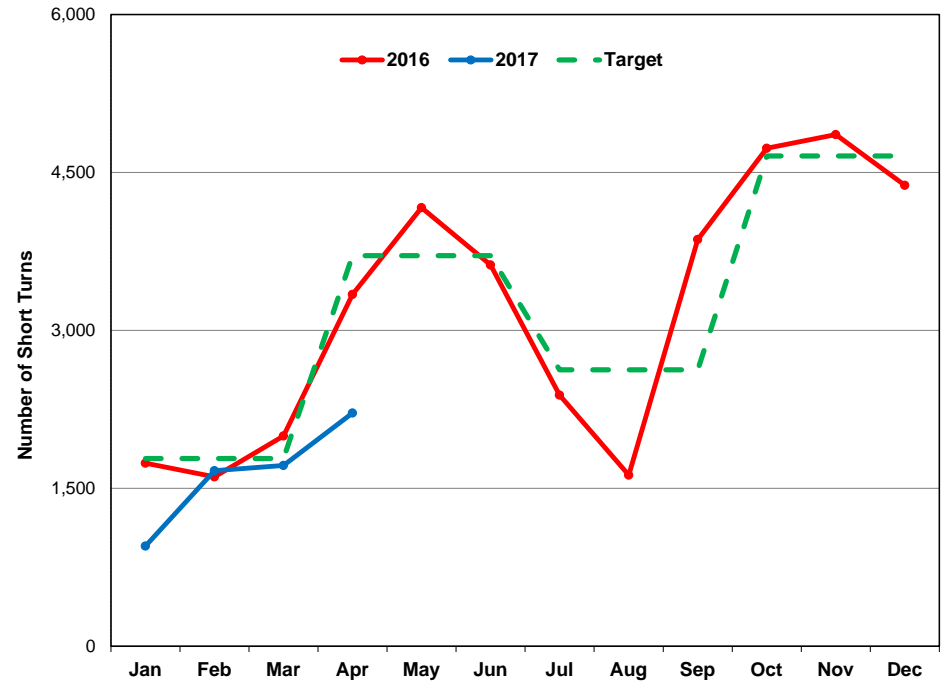
Performance in April decreased to 77.5% and continued to be below target.

As a result of schedule improvements, early departures have reduced and on-time performance improved year-over-year. The focus on route improvement strategies will continue with an expected improvement in the on-time performance.

Note:

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

Short Turns



The number of short turns in April increased to 2,216. However, performance was still below target (favourable).

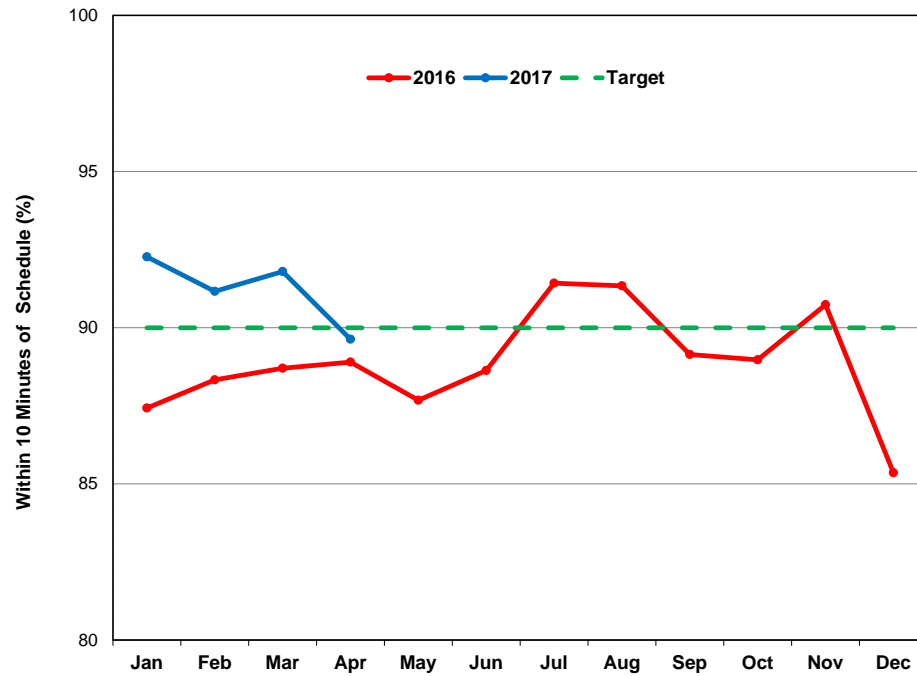
Eglinton East and Lawrence East routes continue to be heavily impacted by the Metrolinx construction along Eglinton Avenue East, contributing to 30% of all short turns. A strong commitment to improving route management strategies continues in the area of short turns and has shown year-over-year improvement.

Note:

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



Punctuality



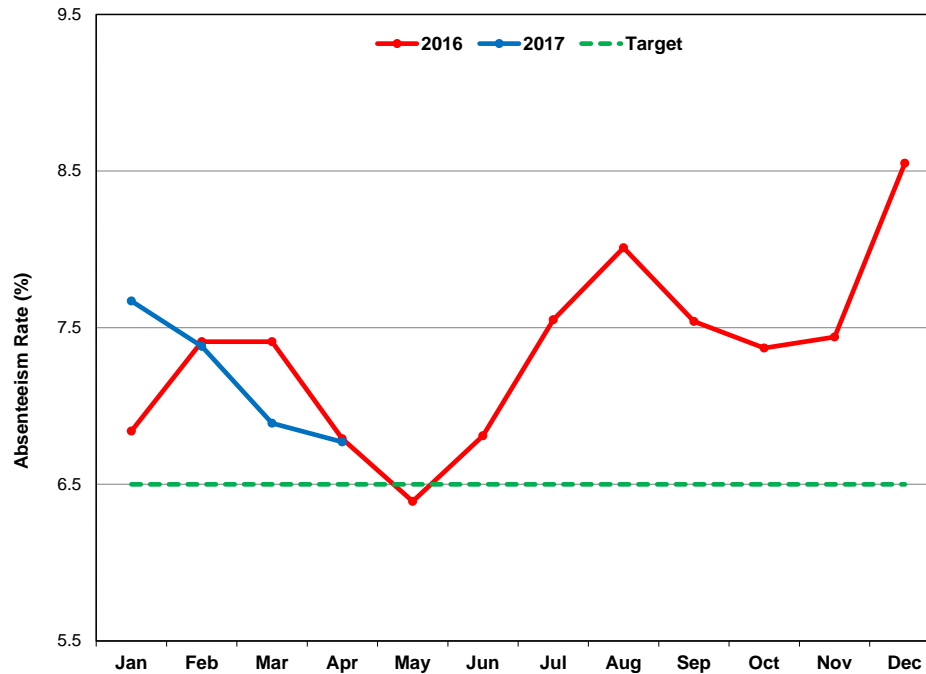
Performance in April decreased to 89.6% and it was below target. The year-over-year improvement was due to enhanced scheduling and tracking procedures, as well as adjustments to the time/distance matrix and efficient deployment of extra resources.



3.3 People

People

Employee Absence



The absenteeism rate for April was 6.77%, which is a decrease from the rate of 6.89% for March. In 2017, so far, the total absence rate has been decreasing.

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

The TTC is reviewing current attendance management practices, redeploying managerial resources and analyzing the KPI data for areas of improvement.



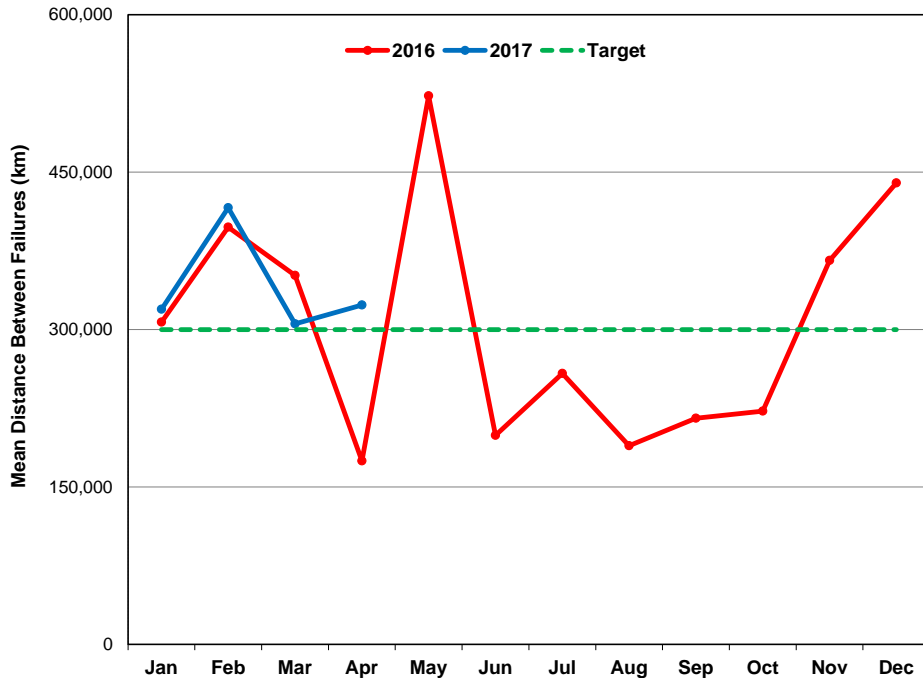
3.4 Assets

Assets: Vehicle Reliability



Subway

T1 Train: Mean Distance Between Failures (MDBF)

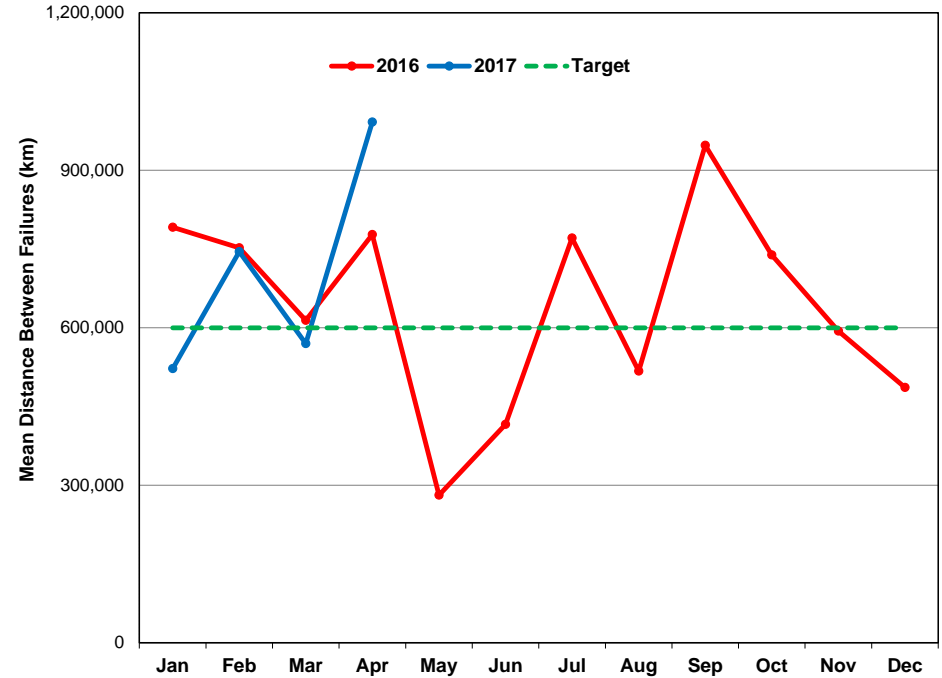


The MBDF increased in April to 323,388 kilometres and performance was above target for the sixth consecutive month.

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

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

TR Train: Mean Distance Between Failures (MDBF)



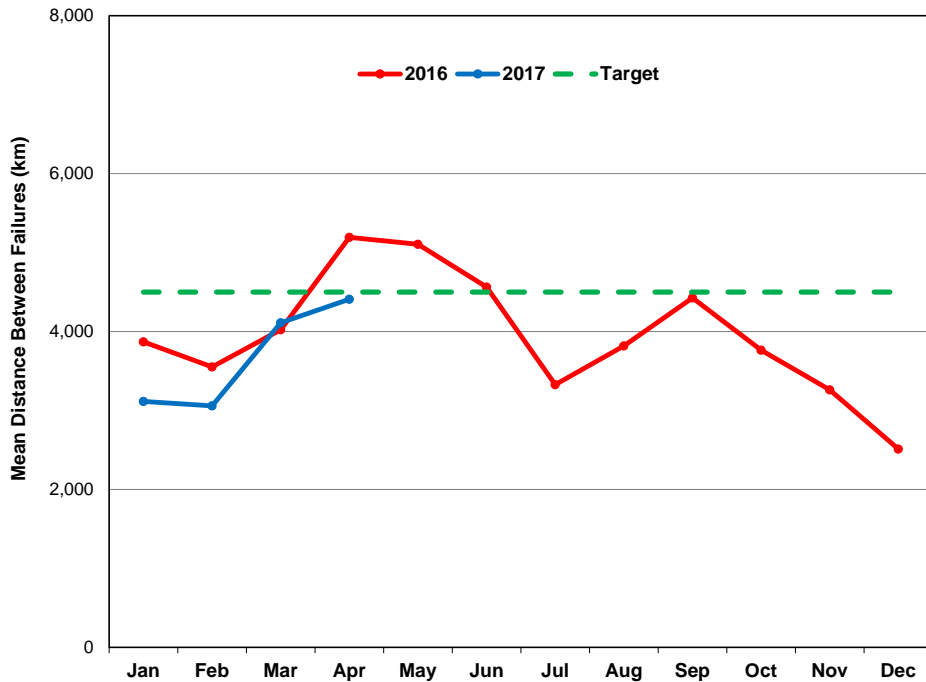
The MDBF increased in April to 991,626 kilometres and performance was above target.

To date, 69 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. 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.



Streetcar

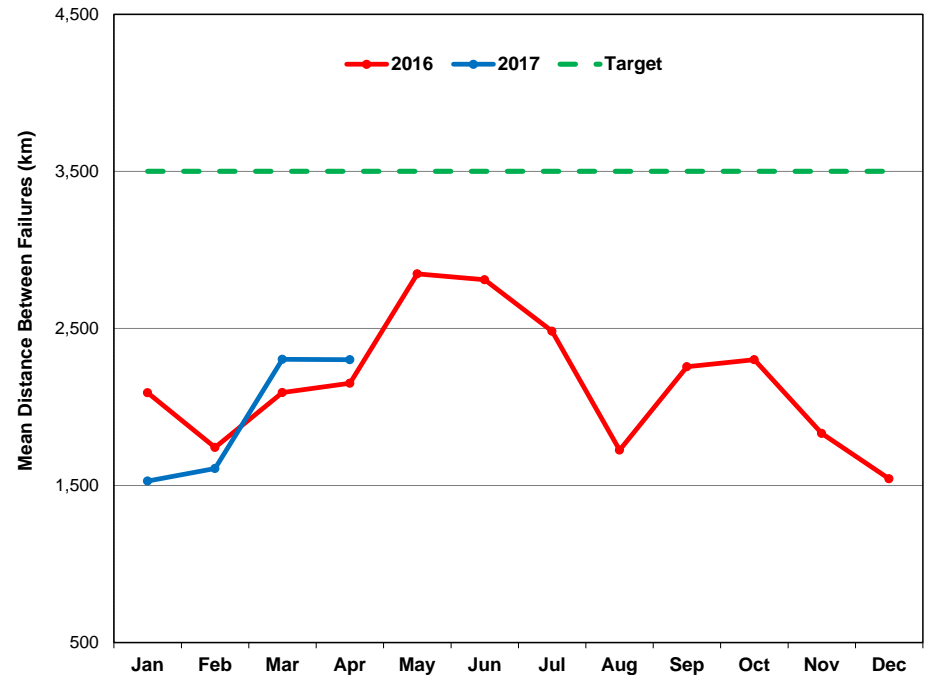
CLRV Streetcar: Mean Distance Between Failures (MDBF)



The MDBF increased in April to 4,408 kilometres. Overall performance was below target for the tenth consecutive month, partly due to the continued aging of the 37-year old fleet, which is past its expected life.

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

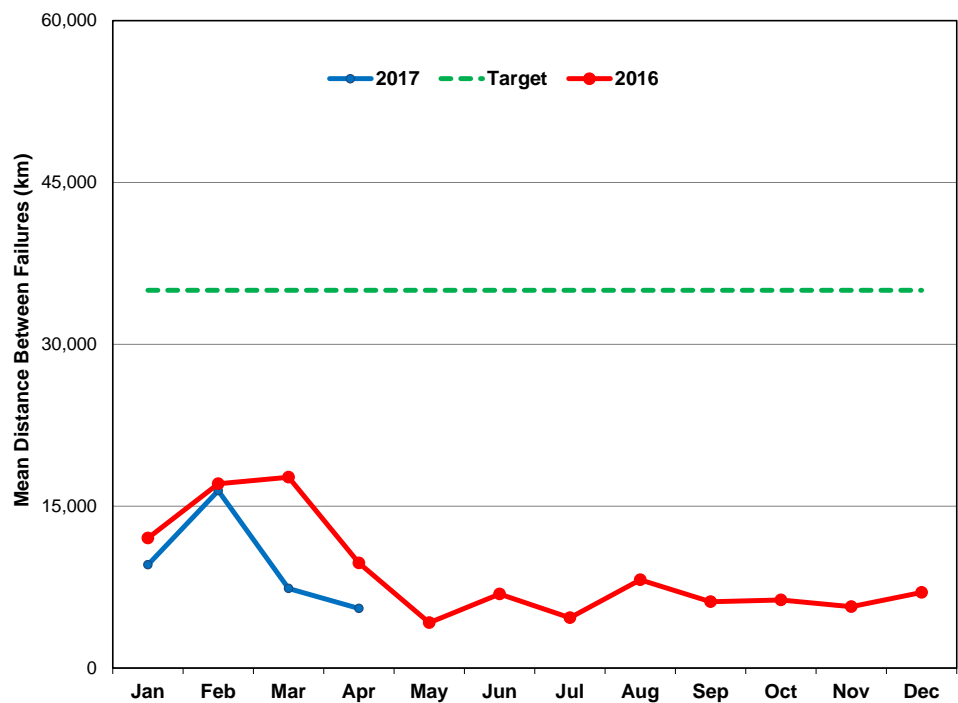
ALRV Streetcar: Mean Distance Between Failures (MDBF)



The MDBF decreased in April to 2,301 kilometres. Performance continued to remain below target, partly due to the continued aging of the fleet, which is past its expected life.

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

New Streetcar: Mean Distance Between Failures (MDBF)



The MDBF decreased in April to 5,530 kilometres.

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

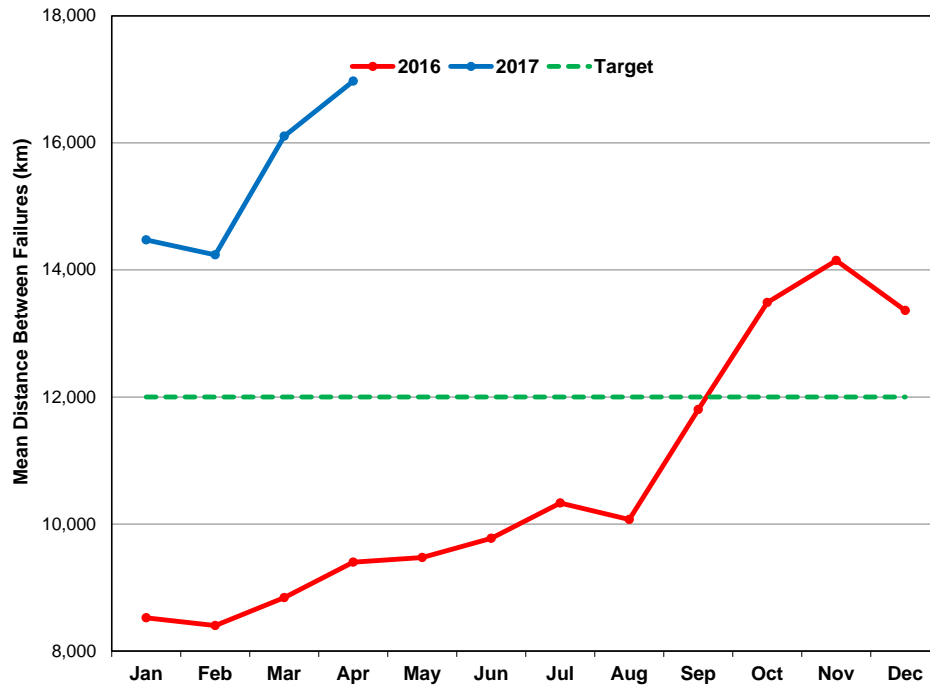
Bombardier's LFLRV mileage is calculated according to each calendar month, whereas the CLRV and ALRV mileage is calculated according to the TTC's financial period.

Of the 28 failures reported in April, 11 of them were door-related. A plan is in place to create a reference car ("golden car") to ensure manufacturing and set-up quality is consistently maintained to reduce downtime.



Bus

Bus: Mean Distance Between Failures (MDBF)



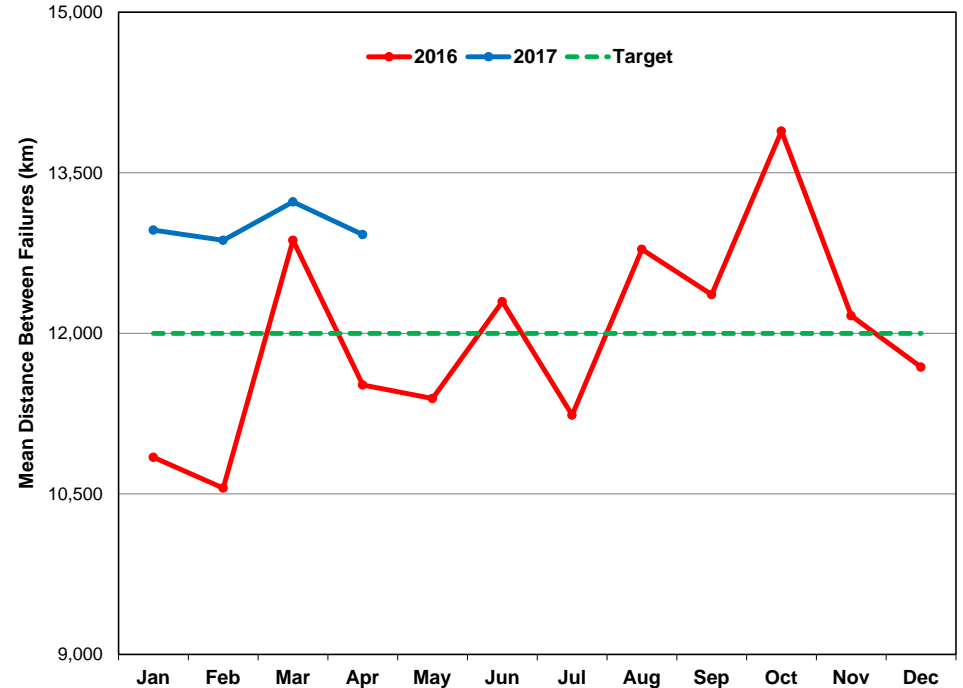
The MDBF increased in April to 16,972 kilometres. Performance achieved target and it was 81% higher than the performance in April 2016.

Garage technical staff will continue to focus on quality repairs and analysis of repeaters as well as heating and cooling systems. Maintenance facilities staff have also completed the State of Good Repair program on 476 buses since starting in early July 2016 and performed post-repair circle checks to improve bus pull-out and minimize disruptions to service.



Wheel-Trans

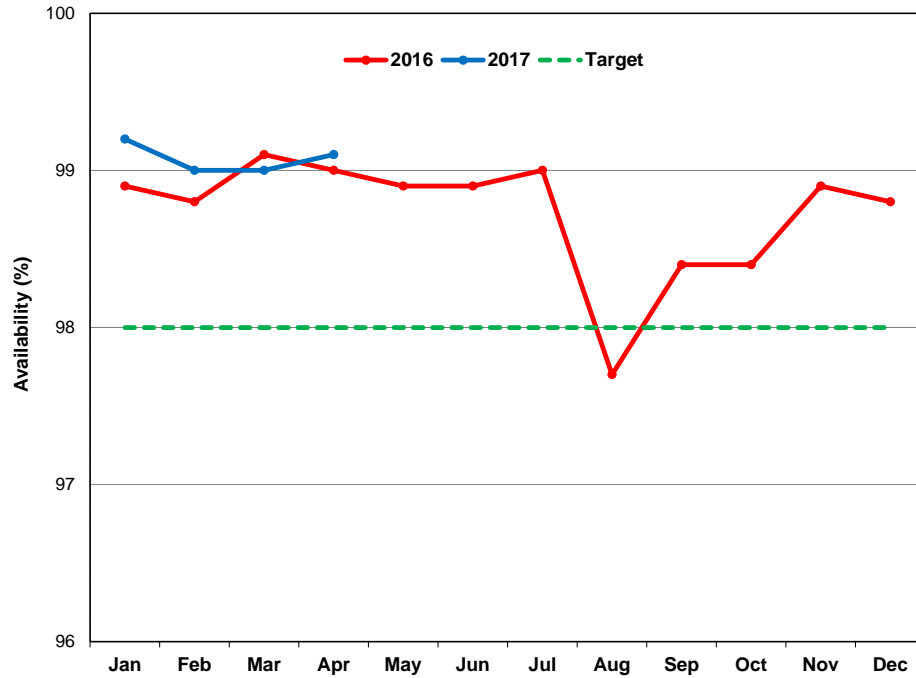
Wheel-Trans: Mean Distance Between Failures (MDBF)



The MDBF decreased in April to 12,922 kilometres. Overall performance achieved target, however, and it was 12% higher than the performance in April 2016, which is a result of infusing rebuilt buses into the Wheel-Trans fleet. To date, there are a total of 22 rebuilt buses now in operation and reliability is expected to increase to 15,000 km by the end of this year.

Assets: Equipment Availability

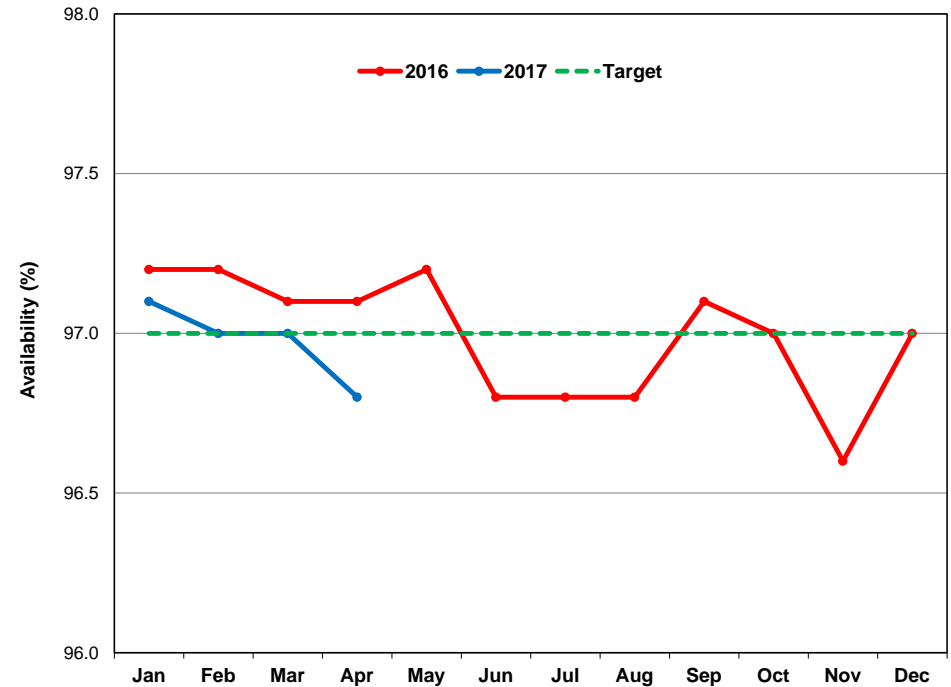
Elevators



Performance in April increased to 99.1% and continued to remain above target.

Maintenance activities were completed as planned and scheduled.

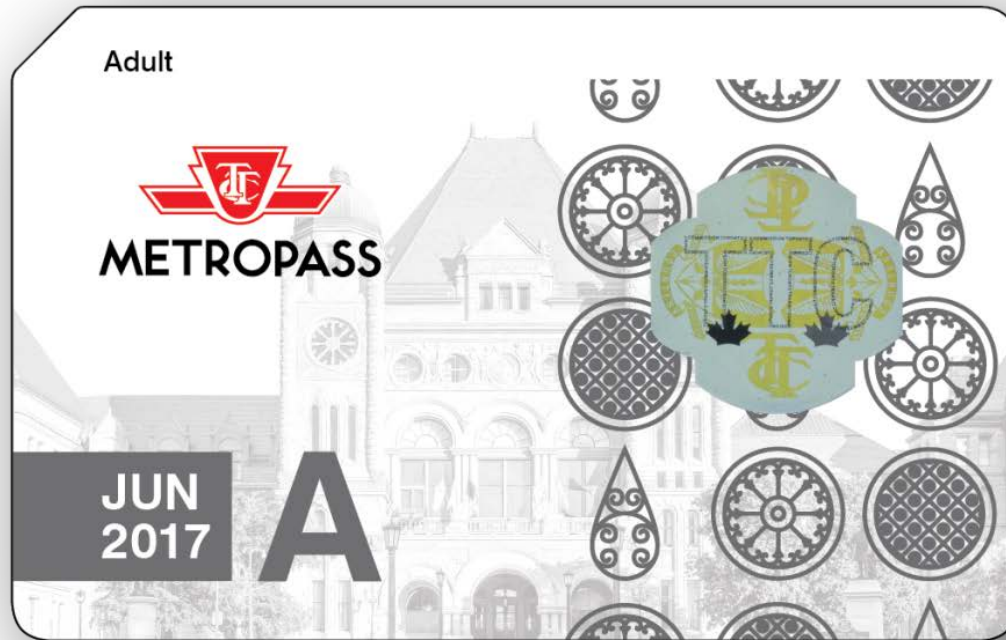
Escalators



Performance in April decreased to 96.8% and did not achieve target, due to machines requested to be locked out for various reasons (e.g. construction).

Maintenance activities were completed as planned and scheduled.

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3.5 Financials

Financials

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

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 \$3.8 million as illustrated in the following table:

(millions)	Projection	Budget	Variance
TTC Subsidy Shortfall	(\$2.7)	\$0	(\$2.7)
Wheel-Trans Subsidy Surplus	\$6.5	\$0	\$6.5
Total Subsidy Surplus/(Shortfall)	\$3.8	\$0	\$3.8

Further details are provided in the material below.

TTC Operating Budget

2017 Year-to-Date Results

To the end of Period 4 (April 29), total revenues were \$0.8million (0.2%) below budget primarily due to 3.1 million (1.8%) fewer customer journeys than planned, partially offset by a higher average fare (3.2¢ or 1.5%) stemming from ongoing changes in the mix of fare media.

Over the same time period, expenses were under budget (\$24.3 million or 4.2%) largely due to workforce being under budgeted strength, timing differences on certain non-labour expenses, and savings on energy costs.

2017 Year-End Projections

(millions)	Projection	Budget	Variance
2017 TTC Operating Budget			
Customer Journeys (Ridership)	538.3	543.8	(5.5)
Revenue	\$1,228.6	\$1,237.6	(\$9.0)
Expenses	\$1,778.1	\$1,798.4	(\$20.3)
Subsidy Required	\$549.5	\$560.8	(\$11.3)
Subsidy Available*	\$546.8	\$546.8	\$0
Draw from TTC Stabilization Reserve	\$0	\$14.0	(\$14.0)
Surplus/(Shortfall)	(\$2.7)	\$0	(\$2.7)

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

Currently, a \$2.7 million (or 0.5%) year-end subsidy shortfall is projected. The key budget variances that account for this projection are as follows:

Stabilization Reserve Draw: \$14.0 million decrease

Based on the variances noted below and the projected subsidy surplus in the Wheel-Trans Operating Budget, it is anticipated that the planned \$14 million draw from the TTC Stabilization Reserve may not be required this year.

Passenger Revenues: \$8.5 million decrease

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

Labour expenses: \$11.0 million decrease

Delays in filing some positions and the need to have some operating personnel work on capital projects accounts for this favourable variance.

Diesel: \$3.0 million decrease

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

Employee Benefits: \$2.0 million decrease

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

Depreciation: \$2.0 million decrease

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

PRESTO fees: \$2.0 million decrease

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

All other expense changes are expected to net to a \$0.2 million favourable variance.

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

(\$000s)	Period 4: 4 Weeks April 2 to April 29, 2017				Four Periods to April 29, 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	96,846	93,932	2,914	3.1%	404,800	405,648	(848)	-0.2%	1,228,622	1,237,622	(9,000)	-0.7%
TOTAL EXPENSES	133,020	140,290	(7,270)	-5.2%	555,194	579,488	(24,294)	-4.2%	1,778,172	1,798,482	(20,310)	-1.1%
OPERATING SUBSIDY REQUIRED in 2017					150,394	173,840	(23,446)	-13.5%	549,550	560,860	(11,310)	-2.0%
CITY OPERATING SUBSIDY AVAILABLE							-		546,846	546,846	-	0.0%
DRAW FROM STABILIZATION RESERVE							-		-	14,014	(14,014)	-100.0%
SHORTFALL / (SURPLUS)					150,394	173,840	(23,446)	-13.5%	2,704	0	2,704	

<u>REVENUES:</u>												
Passenger Revenues	90,892	88,200	2,692	3.1%	381,395	382,540	(1,145)	-0.3%	1,159,860	1,168,360	(8,500)	-0.7%
Outside City & Charters	1,346	1,234	112	9.1%	5,610	5,252	358	6.8%	15,598	15,598	-	0.0%
Advertising	2,358	2,358	-	0.0%	9,431	9,431	-	0.0%	28,292	28,292	-	0.0%
Rent Revenue	892	929	(37)	-4.0%	3,671	3,718	(47)	-1.3%	11,148	11,148	-	0.0%
Commuter Parking	849	1,057	(208)	-19.7%	3,630	4,059	(429)	-10.6%	11,291	12,291	(1,000)	-8.1%
Other Income	509	154	355	230.5%	1,063	648	415	64.0%	2,433	1,933	500	25.9%
TOTAL REVENUES	96,846	93,932	2,914	3.1%	404,800	405,648	(848)	-0.2%	1,228,622	1,237,622	(9,000)	-0.7%
<u>EXPENSES (LABOUR & NON-LABOUR)</u>												
CEO's Office	3,152	3,257	(105)	-3.2%	12,222	13,000	(778)	-6.0%	42,079	41,824	255	0.6%
Engineering, Construction & Expansion Group	439	321	118	36.8%	1,139	1,245	(106)	-8.5%	4,352	4,352	-	0.0%
Corporate Services Group	5,241	5,565	(324)	-5.8%	20,007	21,893	(1,886)	-8.6%	71,450	71,855	(405)	-0.6%
Strategy and Customer Experience Group	1,329	1,658	(329)	-19.8%	5,704	6,353	(649)	-10.2%	21,259	20,808	451	2.2%
Operations Group	22,984	24,369	(1,385)	-5.7%	95,336	99,818	(4,482)	-4.5%	313,145	318,046	(4,902)	-1.5%
Service Delivery Group	56,095	58,790	(2,695)	-4.6%	235,930	244,335	(8,405)	-3.4%	757,648	765,558	(7,910)	-1.0%
Employee Benefits	24,919	26,031	(1,112)	-4.3%	105,869	107,651	(1,782)	-1.7%	300,100	302,100	(2,000)	-0.7%
Vehicle Fuel	5,693	6,202	(509)	-8.2%	24,895	26,654	(1,759)	-6.6%	79,889	82,889	(3,000)	-3.6%
Traction Power	4,874	4,788	86	1.8%	19,184	19,122	62	0.3%	58,884	58,884	-	0.0%
Utilities (Hydro, Natural Gas, Water)	2,025	2,327	(302)	-13.0%	9,811	11,405	(1,594)	-14.0%	28,033	28,833	(800)	-2.8%
Taxes and Licences	245	261	(16)	-6.1%	1,010	1,086	(76)	-7.0%	3,311	3,311	-	0.0%
Depreciation	2,239	2,239	-	0.0%	9,536	9,536	-	0.0%	26,999	28,999	(2,000)	-6.9%
Accident Claims & Insurance	1,968	2,976	(1,008)	-33.9%	7,823	9,354	(1,531)	-16.4%	37,914	37,914	-	0.0%
Non-Departmental Costs	1,817	1,506	311	20.7%	6,728	8,036	(1,308)	-16.3%	33,109	33,109	-	0.0%
TOTAL EXPENSES	133,020	140,290	(7,270)	-5.2%	555,194	579,488	(24,294)	-4.2%	1,778,172	1,798,482	(20,310)	-1.1%
OPERATING SUBSIDY REQUIRED in 2017					150,394	173,840	(23,446)	-13.5%	549,550	560,860	(11,310)	-2.0%
CITY OPERATING SUBSIDY AVAILABLE							-	100.0%	546,846	546,846	-	
DRAW FROM STABILIZATION RESERVE					1,001	1,001				14,014	(14,014)	
SHORTFALL / (SURPLUS)					149,393	172,839	(23,446)	-13.6%	2,704	0	2,704	

Wheel-Trans Operating Budget

2017 Year-to-Date Results

To the end of Period 4 (April 29), total revenues were below target (\$101K or 4.0%). This reflects slightly lower revenues from 43K (3.1%) less customer journeys combined with a lower average fare (\$0.0164 or 0.89%).

Over the same period, expenses were \$4.23 million (9.3%) below budget primarily due to fewer customer journeys than budget, lower average cost per passenger trip on the contracted taxi services and timing differences on certain non-labour expenses.

2017 Year-End Projections

(millions)	Projection	Budget	Variance
<hr/>			
2017 Wheel-Trans Operating Budget			
Customer Journeys (Ridership)	4.516	4.723	(0.2)
Revenue	\$8.3	\$8.5	(\$0.2)
Expenses	\$144.5	\$151.2	(\$6.7)
Subsidy Required	\$136.2	\$142.7	(\$6.5)
Subsidy Available	\$142.7	\$142.7	\$0
Surplus/(Shortfall)	\$6.5	\$0	\$6.5
<hr/>			

Currently, a \$6.5 million (or 4.5%) year-end subsidy surplus is projected. The key budget variances that account for this projection are as follows:

Contracted Taxi Services: \$5.5 million decrease

The decrease in costs can be attributed to a lower projected year-end ridership estimate and to a lower cost per passenger trip estimate to reflect actual year-to-date experience. Staff will continue to closely monitor ridership trends and provide an update on the ridership projection and the associated financial impact as more information becomes available throughout the year.

Customer Service: \$0.5 million decrease

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

Passenger Revenues: \$0.2 million decrease

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

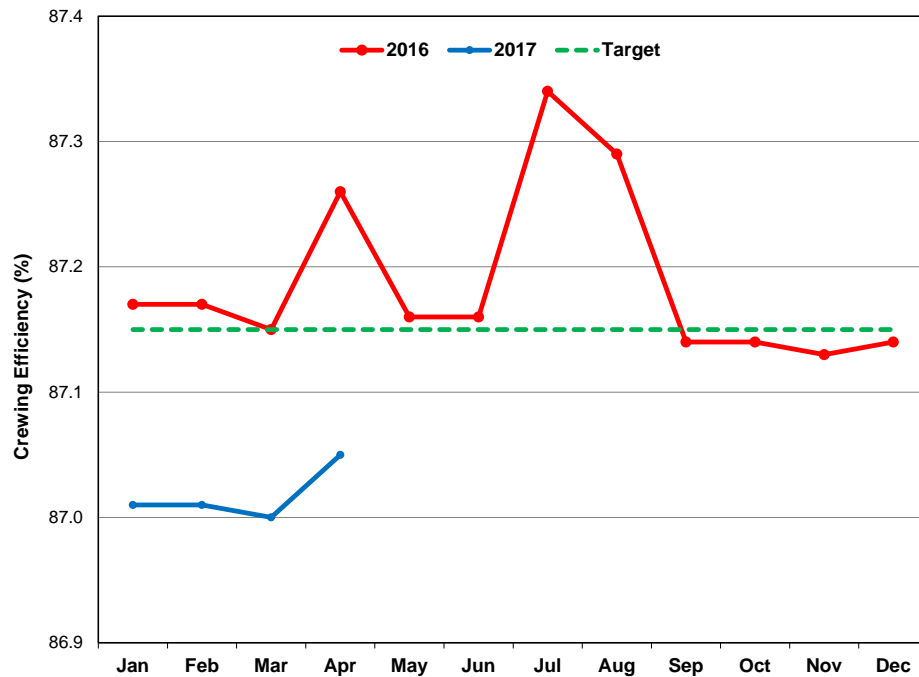
All other expense changes are expected to net to a \$0.7 million favourable variance.

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

PERIOD 4	Period 4: Four Weeks April 2 to April 29, 2017			Four Periods to April 29, 2017			Full Year 2017		
(\$000s)	Actual	Budget	Over/(Under) Budget	Actual	Budget	Over/(Under) Budget	Projected Actual	Budget	Projected Variance
REVENUES:									
Passenger Fares	607	634	(27)	2,449	2,550	(101)	8,292	8,492	(200)
EXPENSES:									
CONTRACTED TAXI SERVICE	4,574	5,158	(584)	18,438	20,467	(2,028)	66,342	71,866	(5,524)
WHEEL-TRANS BUS SERVICE	3,519	3,786	(267)	14,922	15,531	(609)	48,725	49,005	(280)
OTHER WHEEL-TRANS EXPENSES	1,955	2,472	(517)	8,071	9,667	(1,596)	29,418	30,299	(880)
TOTAL EXPENSES	10,047	11,416	(1,369)	41,432	45,665	(4,233)	144,486	151,169	(6,684)
OPERATING SUBSIDY REQUIRED IN 2017							136,194	142,678	(6,484)
OPERATING SUBSIDY AVAILABLE IN 2017							142,678	142,678	0
SHORTFALL/(SURPLUS)							(6,484)	-	(6,484)

PASSENGER TRIPS (000s)	326	344	(18)	1,342	1,386	(44)	4,516	4,723	-207
UNACCOMMODATED RATE (%)	0.5	0.5	0.0	0.3	0.5	(0.2)	0.5	0.5	0.0
SUBSIDY PER TRIP (\$)	29.00	31.37	(2.37)	29.04	31.12	(2.08)	30.59	30.62	(0.03)

Operator Crewing Efficiency



Operator crewing efficiency increased in April to 87.05%; performance remained below target, however. Crewing efficiency has been below target due to the large numbers of buses replacing streetcars. This is due both to vehicle size and longer distance to streetcar routes from bus divisions.

Note:

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

TTC Capital Budget

2017 Year-to-Date Results

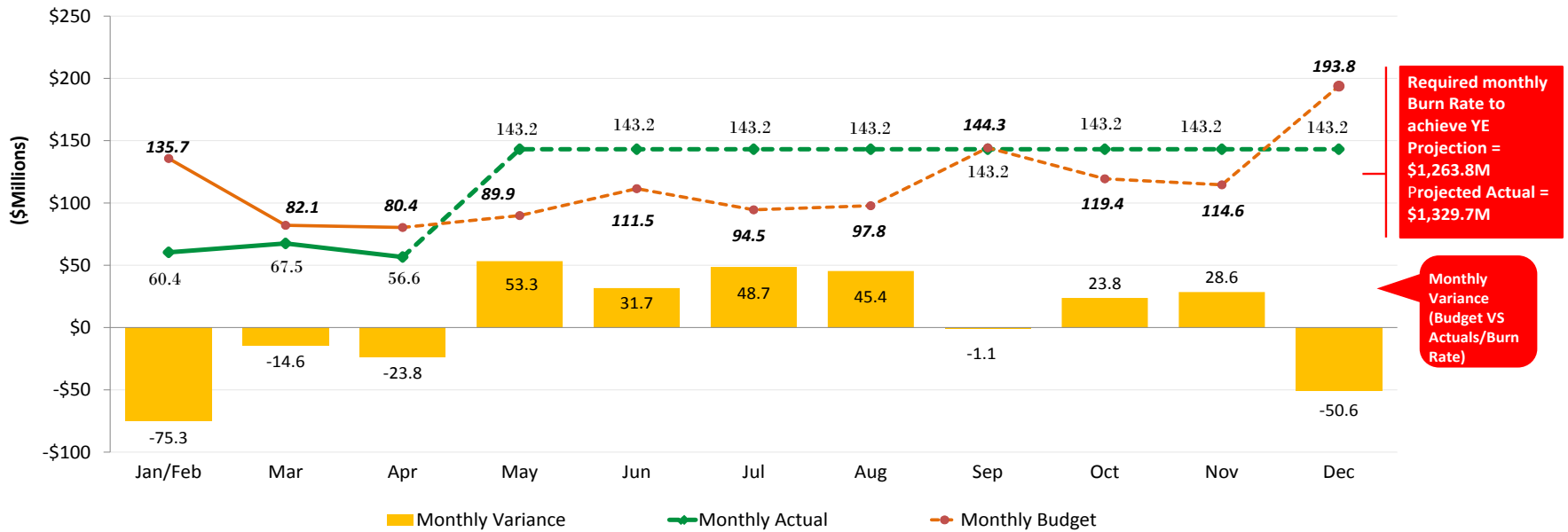
Capital expenditures to the end of Period 4 (April 29, 2017) typically reflect lower project activity as early efforts are focussed on setting up schedules and tendering work. Other current period activity includes settlement of 2016 accrued contract payments and continued progress on vehicle and construction contracts already in place.

2017 Year-End Projections

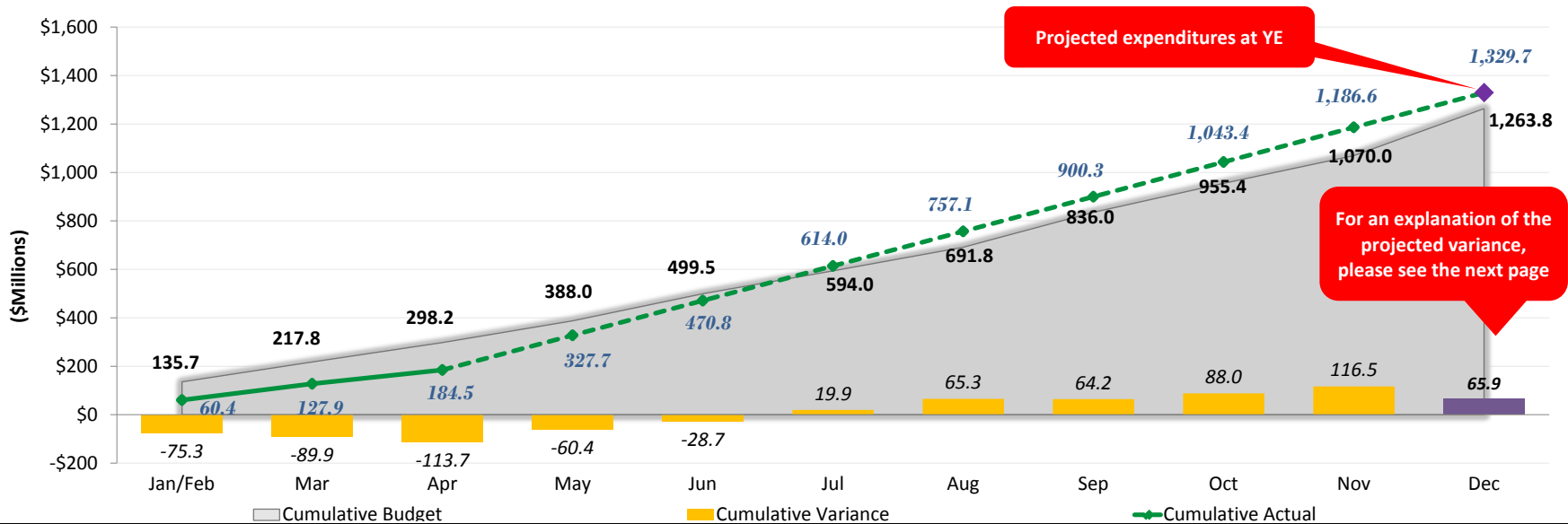
(millions)	Projection	Budget*	Variance
2017 TTC Capital Budget			
Base Program	\$1,329.7	\$1,263.8	\$65.9
Toronto-York Spadina Subway Extension (TYSSE)	\$568.4	\$545.1	\$23.3
Scarborough Subway Extension (SSE)	\$85.3	\$125.2	(\$39.9)

*Budget excludes additional carry forward spending on Base Program (\$223.5M), YYSSE (\$63.5M), and SSE (\$26.9M) as approved by City Council on April 26, 2017.

2017 Base Program: Month-to-Month Budget Tracking



2017 Base Program: Cumulative Budget Tracking



Base Program Expenditures: \$65.9 million over

There is typically significant variability in the early estimates of various programs which, if continued, will result in staff requesting budget re-allocations from programs with under-spending to those with higher needs. Significant projected year-end base program variances are outlined below:

Subway Track: \$3.8 million under

Variance is mainly due to deferral of Davisville Area Rehabilitation Project (DARP) under the Track Rehabilitation program into future year, combined with scope changes from T1 to TR car type and back to T1 car under the Rail Vehicle Based Inspection System program which resulted in deferral of the system testing and warranty into future years. This is offset by minor slippage from 2016 and advanced work under the Track Turnout program.

Surface Track: \$4.2 million over

Variance is due to slippage from 2016 to 2017 for Russell Yard South Track Improvement and CNE and the advancement of design work for modifications to the King/Queen/Roncesvalles intersection.

Traction Power: \$3.9 million over

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

Signal System: \$5.1 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 Resignaling schedule slippage due to new interface configuration with Alstom CBTC.

Bridges and Tunnels: \$8.6 million over

The variance is mainly due to the Bridges/Structures Maintenance Program – accounting adjustment for cost sharing for Union Platform work from prior years.

Fire Ventilation Upgrade: \$4.5 million over

Variance is due to accounting adjustment for cost sharing for Union Platform work from prior years and various schedule changes.

Facility Renewal and other Building & Structure Projects: \$17.6 million under

Variance is primarily due to cancellation of Revenue Operations Facility and Old Eglinton Garage. Additional variances for other projects: Subway Facility Renewal Program - due to design change and additional scope which resulted in schedule slippage; 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 slipped to 2018; Sheppard Subway – delay of claim resolution.

Purchase of Wheel Trans Buses: \$3.5 million under

Variance is due to the delay in purchasing 20 of the 40 estimated Wheel-Trans buses for 2017 as a result of the Diesel engine variant being unavailable. The 20 planned purchases will now be added to the 2018 order, thus keeping the total capital project total consistent with original estimates. The delivery of the 1st bus is expected in July 2017.

Purchase of Subway Cars: \$21.6 million over

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

Bus Overhaul: \$10.0 million over

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

Purchase of Streetcars: \$7.8 million under

The variance is primarily due to reduction of the Contract Change Allowance for 2017.

Purchase Automotive Non-Revenue Vehicles: \$5.5 million over

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

Shop Equipment: \$7.2 million over

The variance is due to Bus Maintenance and Shops Department - equipment delivery delayed from 2016 to 2017 to due procurement issues and new equipment was added while other equipment was cancelled.

Revenue and Fare Handling Equipment: \$19.8 million over

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

Service Planning: \$6.5 million over

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

Toronto York Spadina Subway Extension (TYSSE) : \$23.3 million over

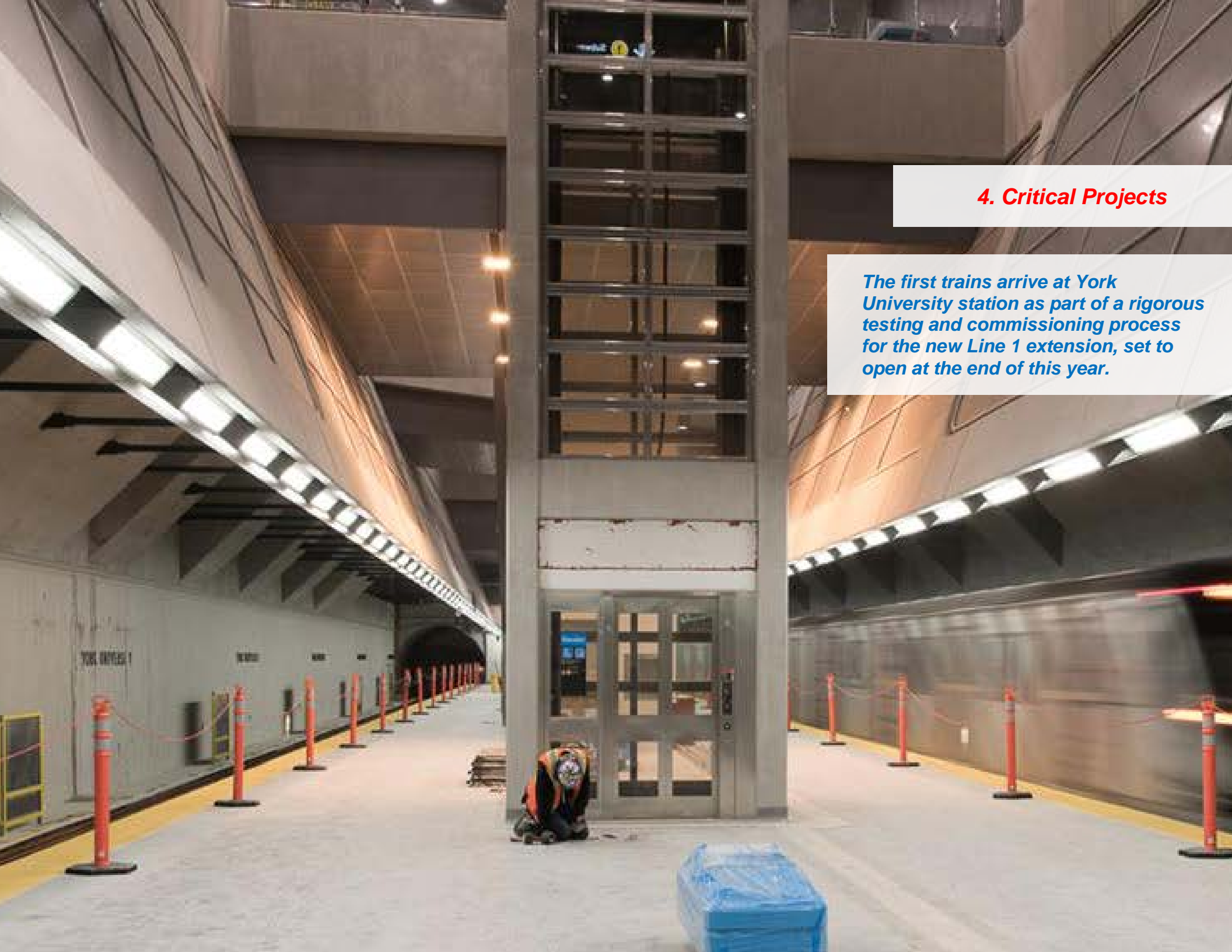
Variance is due to the advancement of facilities construction, holdback release and claims resolution.

Scarborough Subway Extension: \$39.9 million under

SRT Life Extension (-\$17.8M): 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.

Scarborough Subway Extension (-\$22.1): Variance is due to delay in the EA process and the rebaselining of the project scope.

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4. Critical Projects

The first trains arrive at York University station as part of a rigorous testing and commissioning process for the new Line 1 extension, set to open at the end of this year.

McNicoll Bus Garage

McNicoll Bus Garage is expected to reach 50% design by early Q3 2017. Concurrently, the project team and the Design-Build Contractor are continuing to work with City Staff toward a final Site Plan submission for approximately the same timeframe. Subject to requisite approvals being in place, early site preparation is anticipated to commence in Q3 of 2017, with major excavation and related construction following shortly thereafter.

The Design-Build Contractor provided as part of their Proposal a number of optional cost-saving Innovations. The Proposal also included pricing for several Future Works items, which were identified through Requirements Workshops with TTC end-users and maintainers prior to the Request For Proposal (RFP) release. These Future Works, which include items such as Board and City Council directives to provide Rooftop Photovoltaic Cells and Additional Green Roof Coverage, were outside the approved budget for the project.

The Innovations and Future Works items were reviewed by the project team and TTC stakeholders, and many were recommended for acceptance with the concurrence of TTC Executive. The cost to implement the recommended Future Works items are wholly offset by the cost savings associated with the Innovations, resulting in no change to the approved McNicoll project budget.



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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