



Financial Update for the Period Ended May 4, 2019 and Major Projects Update

Date: June 12, 2019
To: TTC Board
From: Chief Financial Officer

Summary

This Report sets out operating and capital financial results for TTC Conventional and Wheel-Trans services for the four-month period ended May 4, 2019. Year-end projections are also provided.

2019 Operating Results

Description (\$Millions)	Year-To-Date (4 Months)			Year-End Projection		
	Actual	Budget	Variance	Projection	Budget	Variance
TTC Conventional						
Gross Expenditures	635.5	646.6	(11.1)	1,890.7	1,906.2	(15.5)
Revenue	414.3	426.4	(12.1)	1,264.3	1,284.3	(20.0)
TTC Operating Subsidy	221.2	220.2	1.0	626.4	621.9	4.5
Wheel-Trans						
Gross Expenditures	48.4	50.2	(1.8)	148.3	149.0	(0.7)
Revenue	3.0	2.7	0.3	8.9	8.1	0.8
WT Operating Subsidy	45.4	47.5	(2.1)	139.4	140.9	(1.5)

2019 Capital Results

Description (\$ Millions)	2019 Budget	Year-to-Date Actuals		Year-End Projection	
		\$	%	\$	%
TTC Base Capital	1,654.8	314.2	19.0%	1,411.0	85.3%
TTC Transit Expansion	690.9	49.7	7.2%	441.1	63.8%

Financial Summary

2019 Operating Results

Based on current trends, a \$3 million combined (TTC Conventional and Wheel-Trans) operating deficit is anticipated. This is comprised of a \$4.5 million deficit for the TTC conventional service, partially offset by a \$1.5 million net under-expenditure on Wheel-Trans service. These projected results are inclusive of the \$24 million undetermined corporate reduction which was included in the 2019 operating budget.

2019 Capital Budget

Total TTC base capital expenditures by year end are projected at \$1.4 billion or 85.3% of the 2019 approved Capital Budget. In addition to base capital requirements, it is expected that the TTC will also incur \$441 million in expenditures by year end for transit expansion initiatives reflecting 64% of approved 2019 funding for TTC expansion projects.

Any unspent 2019 capital funding, which is currently projected to be \$494 million between both base capital (\$244 million) and expansion initiatives (\$250 million), will be carried forward into 2020 to complete capital work, in accordance with the City's carry forward policy.

Equity/Accessibility Matters

The TTC is strongly committed to making Toronto's transit system barrier-free and accessible to all. We believe all customers should enjoy the freedom, independence and flexibility to travel anywhere on the public transit system.

Expenditures required to meet the TTC's accessibility and equity requirements have been provided for in these budgets, including operating funding for elevator maintenance and continued implementation of Wheel-Trans Family of Services; and capital funding for the TTC's Easier Access Program, which is on track to make all subway stations accessible by 2025 with elevators, wide fare-gates and automatic sliding doors.

Decision History

At its meeting on January 24, 2019, the TTC Board approved the 2019-2028 TTC Capital Budget and Plan of \$6.453 billion in funding with \$1.490 billion in 2019 cash flow.

[http://www.ttc.ca/About the TTC/Commission reports and information/Commission meetings/2019/January 24/Reports/10 CIP 2019 2028 Capital Budget Decision.pdf](http://www.ttc.ca/About%20the%20TTC/Commission%20reports%20and%20information/Commission%20meetings/2019/January%2024/Reports/10_CIP_2019_2028_Capital_Budget_Decision.pdf)

At its meeting on January 24, 2019, the TTC Board approved the 2019 TTC and Wheel Trans operating budgets, with subsidy requirements of \$621.9 million for TTC Conventional service, \$140.9 million for Wheel-Trans service and a 2019 year-end workforce complement of 15,951 positions.

[http://www.ttc.ca/About the TTC/Commission reports and information/Commission meetings/2019/January 24/Reports/11 2019 TTC Wheel Trans Operating Budget Decision.pdf](http://www.ttc.ca/About%20the%20TTC/Commission%20reports%20and%20information/Commission%20meetings/2019/January%2024/Reports/11%202019%20TTC%20Wheel%20Trans%20Operating%20Budget%20Decision.pdf)

At its meeting on March 7, 2019, City Council approved the TTC's 2019 Operating Budget and 2019 – 2028 Capital Budget and Plan.

<http://app.toronto.ca/tmmis/viewPublishedReport.do?function=getCouncilMinutesReport&meetingId=15350>

Comments

Key Indicators – Operating Budget

The TTC's net operating results are primarily driven by six key indicators. These indicators impact year to date spending and revenues, as well as provide the basis to estimate year-end spending projections.

The key indicators include TTC and Wheel-Trans passenger counts and average fare, which impact the \$1.196 billion TTC fare revenue budget. Additional key drivers for TTC include the price of fuel and electric power that affect a combined fuel and utilities budget of \$170 million. The final and most significant driver on expenses relates to service hours, which impacts labour expenses (\$1.070 billion), non-labour expenses (\$224 million) such as parts and maintenance, as well as fuel and utility consumption.

The table below details the TTC's key operating indicators:

Item	Year-To-Date Actuals			Year-End Projection			Status
	Actual	Budget	Variance	Projection	Budget	Variance	
TTC Passengers	176.6M	180.2M	(3.6M)	522.3M	526.3M	(4.0M)	✘
TTC Average Fare	2.23	2.25	(0.02)	2.25	2.27	(0.02)	✘
TTC Service Hours	3.421M	3.419M	0.002M	9.472M	9.454M	0.018M	✔
Price of Fuel (\$/litre)	0.927	0.941	(0.014)	0.971	0.971	0.000	○
Price of Electric Power (\$/kWh)	0.136	0.144	(0.008)	0.144	0.144	0.000	○
WT Passengers	1.36M	1.45M	(0.09M)	4.21M	4.30M	(0.09M)	○

Financial Update – Operating

As detailed in the following tables for the four month period ended May 4, 2019, the TTC conventional and Wheel-Trans services reported a combined year-end projected

net overspend of \$3.0 million or 0.4%. Also provided are tables reflecting comparative information for 2018.

TTC Conventional

2019

Item (\$Millions)	Year-To-Date Actuals			Year-End Projection			Status
	Actual	Budget	Variance	Projection	Budget	Variance	
Expenses							
Departmental Labour	356.9	357.1	(0.2)	1,070.4	1,070.4	0.0	–
Departmental Non-Labour	65.1	68.7	(3.6)	219.2	224.2	(5.0)	✓
Employee Benefits	122.6	125.1	(2.5)	309.1	314.1	(5.0)	✓
Diesel	27.4	28.3	(0.9)	84.9	85.9	(1.0)	✓
Traction Power & Utilities	28.7	29.2	(0.5)	83.1	84.1	(1.0)	✓
Other Corporate Costs	34.8	38.2	(3.4)	124.0	127.5	(3.5)	✓
Total Expenses	635.5	646.6	(11.1)	1,890.7	1,906.2	(15.5)	✓
Revenues							
Passenger Revenue	393.0	404.7	(11.7)	1,175.8	1,195.8	(20.0)	✗
Other Ancillary Revenue	21.3	21.7	(0.4)	65.8	65.8	0.0	–
Reserve Draws	0.0	0.0	0.0	22.7	22.7	0.0	–
Total Revenue	414.3	426.4	(12.1)	1,264.3	1,284.3	(20.0)	✗
Net (Operating Subsidy)	221.2	220.2	1.0	626.4	621.9	4.5	✗

TTC conventional service is expected have a \$4.5 million or 0.7% year-end deficit, based on current experience and key indicators. This projected result is inclusive of the \$24 million undetermined corporate reduction, which was included in the 2019 operating budget. The key budget variances that account for this projection are as follows:

FAVOURABLE VARIANCES

Employee Benefits: \$5 million decrease

Employee benefits are expected to be below budget due to a one-time recovery and lower pension fund contributions. The level of recent new hires has contributed to the pension fund variance as new employees are not eligible for matching TTC Pension contributions for the first 6 months of their employment.

Materials and Supplies: \$5 million decrease

Lower than budgeted vehicle maintenance expenses are expected to occur primarily as a result of improved bus and subway car vehicle reliability and ongoing retirements of the legacy streetcar fleet.

Leasing Expenditures: \$3 million decrease

Reduced leasing expenses are expected as a result of a delay in the occupation date for the new consolidated warehouse.

Diesel and Utilities: \$2 million decrease

It is anticipated that diesel and utilities expenses will be below budget due to lower consumption rates of the newer bus fleet and lower price and consumption of natural gas.

UNFAVOURABLE VARIANCES**Passenger Revenues: \$20 million decrease**

It is expected that revenue rides will be 4 million below budget by year-end, contributing to \$20 million in under-achieved passenger revenue compared to the 2019 approved operating budget.

2019 revenue and revenue rides have been impacted by:

- Significant inclement weather events experienced in January and February; and
 - These weather events accounted for most of the revenue variance experienced to date.
- Weekend and holiday ridership that has been 6.6% below budget and 10.8% below the 2018 comparable as of May 4, 2019.

Staff will continue to review actual ridership and will report out on any changes to experienced trends through the CEO report and future Financial Update reports.

2019 vs 2018

Item (\$Millions)	Period 4 (Year-To-Date)			Year-End		
	2019 Actuals	2018 Actuals	Change	2019 Projection	2018 Actuals	Change
Expenses						
Departmental Labour	356.8	344.0	12.8	1,070.4	1,018.6	51.8
Departmental Non-Labour	65.1	66.3	(1.2)	219.2	214.2	5.0
Employee Benefits	122.9	114.8	8.1	309.1	282.0	27.1
Diesel	27.4	26.4	1.0	84.9	75.0	9.9
Traction Power & Utilities	28.7	28.6	0.1	83.1	77.3	5.8
Other Corporate Costs	35.5	28.7	6.8	124.0	142.3	(18.3)
Total Expenses	636.4	608.8	27.6	1,890.7	1,809.4	81.3
Revenues						
Passenger Revenue	393.0	403.9	(10.9)	1,175.8	1,162.1	13.7
Other Ancillary Revenue	21.3	20.5	0.8	65.8	64.1	1.7
Stabilization Reserve Draw	0	0.0	0.0	22.7	0.0	22.7
Total Revenue	414.3	424.4	(10.1)	1,264.3	1,226.2	38.1
Net (Operating Subsidy)	222.1	184.4	37.7	626.4	583.2	43.2

Explanation of Year-Over-Year Changes

Expenses are expected to increase by \$81.3 million (4.5%) on a year-over-year basis. Key sources of this increase include:

- Collective Bargaining Agreement: \$29 million
- Net effect of higher PRESTO Commissions and legacy fare media savings, as a result of increasing PRESTO adoption rates: \$18.5 million
- Full year effect of Capacity Improvements: \$10.5 million
- Increase in diesel price per litre: \$9.0 million

The balance is comprised of a variety of items including fare enforcement, service adjustments to maintain standards and general material and employee benefit inflation.

Corporate Costs are expected to decrease \$18 million year-over-year primarily due to one-time expenses related to reserve contributions and Eglinton bus augmentation being included in the prior year results.

Revenues are expected to increase by \$38.1 million (3.1%). This is attributable to the April 1 fare increase and utilization of one-time reserve draws.

Wheel-Trans

Item (\$Millions)	Year-To-Date Actuals			Year-End Projection			Status
	Actual	Budget	Variance	Projection	Budget	Variance	
Expenses							
Bus Service	17.1	18.9	(1.8)	54.0	56.9	(2.9)	✓
Contracted Taxi	21.2	19.7	1.5	62.7	59.0	3.7	✗
Employee Benefits	5.9	6.5	(0.6)	15.7	16.5	(0.8)	✓
Administration/Management	4.2	5.1	(0.9)	15.9	16.6	(0.7)	✓
Total Expenses	48.4	50.2	(1.8)	148.3	149.0	(0.7)	✓
Passenger Revenues	3.0	2.7	0.3	8.9	8.1	0.8	✓
Net (Operating Subsidy)	45.4	47.5	(2.1)	139.4	140.9	(1.5)	✓

The operating subsidy for Wheel-Trans is expected to be \$1.5 million or 1.1% below budget by year-end. The key budget variances that account for this projection are as follows:

Contracted Taxi Services: \$3.7 million increase

The increase in cost is attributable to a higher average distance travelled per passenger and higher modal share, based on year-to-date experience.

Labour & Employee Benefits: \$3.7 million decrease

While recruitment is ongoing to fill related vacancies, the timing of workforce hiring to date is the leading contributor to this variance.

Customer Service: \$0.5 million decrease

The decrease is primarily due to lower costs for eligibility appeals and lower Transformation project costs.

Passenger Revenues: \$0.8 million increase

The favourable revenue projection is due to an adjusted methodology for the allocation of PRESTO monthly pass revenue between Wheel-Trans and TTC Conventional.

All other changes net to a \$0.2 million favourable variance

2019 vs 2018

Item (\$Millions)	Period 4 (Year-To-Date)			Year-End		
	2019 Actuals	2018 Actuals	Change	2019 Projection	2018 Actuals	Change
Expenses						
Bus Service	17.1	17.7	(0.6)	54.0	51.7	2.3
Contracted Taxi	21.2	19.9	1.3	62.7	61.2	1.5
Employee Benefits	5.9	5.6	0.3	15.7	13.8	1.9
Administration/Management	4.2	4.0	0.2	15.9	13.4	2.5
Total Expenses	48.4	47.2	1.2	148.3	140.1	8.2
Passenger Revenues	3.0	2.5	0.5	8.9	7.4	1.5
Net (Operating Subsidy)	45.4	44.7	0.7	139.4	132.7	6.7

Explanation of Year-Over-Year Changes

Expenses are expected to increase by \$8.2 million (5.9%) on a year-over-year basis. Key sources of this increase include:

- Labour expenses due to additional workforce currently being hired, including operators and reservationists. (\$2.5 million)
- Impact of CBA increase (\$1.1 million)
- Inflation impact and longer trips on contracted taxis (\$1.5 million)
- Increase in fuel prices (\$0.6 million)

The balance is comprised of a variety of items including inflation impact on materials as well as increased spending on the Wheel-Trans transformation initiative.

Financial Update – Capital

The TTC had incurred \$314 million in capital spending as of May 4, 2019 reflecting a spend rate of 19% for the TTC base capital program and \$50 million or 7.2% for transit expansion projects.

By year-end, the TTC is projecting \$1.852 billion in overall capital spending, split between TTC base capital (\$1.411 billion or 85%) and transit expansion (\$441 million or 64%).

TTC Capital

Description (\$ Millions)	2019 Budget	Year-to-Date Actuals		Year-End Projection	
		\$	%	\$	%
TTC Base Capital					
Infrastructure Projects	782.0	144.4	18.5%	639.0	81.7%
Vehicle Related Projects	872.8	169.8	19.5%	772.1	88.5%
Total - Base Capital	1,654.8	314.2	19.0%	1,411.0	85.3%
TTC Transit Expansion					
Toronto York Spadina Subway Extension	303.8	10.3	3.4%	224.3	73.8%
Scarborough Subway Extension	164.2	31.6	19.2%	106.7	65.0%
Relief Line - Design	219.6	7.6	3.4%	109.8	50.0%
Waterfront Transit - Design	3.3	0.2	7.4%	0.3	9.0%
Total - Transit Expansion	690.9	49.7	7.2%	441.1	63.8%

Additional Capital Spending Summaries

Additional information on 2019 capital spending by project is included in **Appendix 1 - 2019 Capital Spending Summary by Project**.

Information on capital delivery performance for major projects within our base capital and transit expansion programs is also available within **Appendix 2 - Major Projects Update**.

Contact

Stephen Conforti, Head of Finance & Treasurer
416-393-3654
Stephen.Conforti@ttc.ca

Signature

Dan Wright
Chief Financial Officer

Attachments

Appendix 1 – 2019 Capital Spending Summary by Project
Appendix 2 - Major Projects Update.
Appendix 3 – Financial KPIs


Appendix 1 – 2019 Capital Spending Summary by Project

Toronto Transit Commission							
2019 Capital Budget Variance							
For Period Ended May 04, 2019							
EXPENDITURES BY PROGRAM	2019 Budget	Year-to-Date			Year End		
		Actuals	Variance	%	Projection	Variance	%
TRACK	51.1	14.5	36.6	28%	41.4	9.7	81%
1.1 Subway Track	16.2	7.4	8.7	46%	15.6	0.6	96%
1.2 Surface Track	34.9	7.1	27.9	20%	25.8	9.1	74%
ELECTRICAL SYSTEMS	121.7	36.2	85.5	30%	99.7	22.0	82%
2.1 Traction Power	14.4	6.0	8.4	42%	10.6	3.8	74%
2.2 Power Distribution/Electric Systems	5.3	1.9	3.4	35%	7.3	(2.0)	139%
2.3 Communications	21.9	3.6	18.3	16%	13.1	8.8	60%
2.4 Signal Systems	6.6	6.5	0.1	98%	9.9	(3.3)	150%
ATC Resignalling	73.5	18.3	55.2	25%	58.7	14.8	80%
BUILDINGS & STRUCTURES	415.0	72.1	342.9	17%	378.5	36.5	91%
3.1 Finishes	16.7	2.9	13.8	17%	18.5	(1.8)	111%
3.2 Equipment	29.8	4.3	25.5	14%	27.1	2.7	91%
3.3 Yards & Roads							
Streetcar Network Upgrades & BRT	1.4	(0.9)	2.3	-64%	1.3	0.0	97%
On-Grade Paving Rehabilitation Program	6.2	1.8	4.4	30%	6.2	(0.0)	100%
Bicycle parking at stations	0.9	0.0	0.9	0%	0.9	0.0	100%
Transit Shelters & Loops	0.4	0.0	0.4	1%	0.3	0.1	78%
3.4 Bridges & Tunnels	34.3	8.1	26.2	24%	34.3	0.0	100%
3.9 Buildings and Structures Projects							
Fire Ventilation Upgrade	22.5	2.9	19.5	13%	14.1	8.4	63%
Easier Access Phase III	54.3	10.7	43.6	20%	54.3	(0.0)	100%
Leslie Barns	6.1	0.2	5.9	3%	3.6	2.5	58%
Toronto Rocket/T1 Rail Yard Accommodation	34.8	4.2	30.6	12%	34.8	0.0	100%
McNicol New Bus Garage	37.7	18.9	18.9	50%	46.0	(8.3)	122%
Other Buildings and Structures	169.9	18.9	151.0	11%	137.1	32.8	81%
VEHICLES	872.8	169.8	703.0	19%	772.1	100.7	88%
REVENUE VEHICLES							
4.11 Purchase of Buses	373.9	72.4	301.5	19%	325.3	48.6	87%
4.11 Purchase of Buses - Wheel Trans Buses	8.2	0.0	8.2	0%	8.2	0.0	100%
4.12 Purchase of Subway Cars	12.2	0.4	11.8	3%	7.2	5.0	59%
4.13 Bus Overhaul	40.6	11.5	29.2	28%	40.6	(0.0)	100%
4.15 Streetcar Overhaul	9.1	0.5	8.5	6%	3.7	5.4	41%
4.16 Subway Car Overhaul	37.9	9.6	28.3	25%	37.9	(0.0)	100%
4.18 Purchase of Streetcars	358.4	73.0	285.4	20%	331.7	26.7	93%
NON-REVENUE VEHICLES							
4.21 Purchase Automotive Non-Revenue Vehicles	6.1	0.1	6.0	2%	4.0	2.1	65%
4.22 Rail Non-Revenue Vehicle Overhaul	4.3	0.6	3.6	15%	2.3	2.0	53%
4.23 Purchase Rail Non-Revenue Vehicles	22.1	1.7	20.4	8%	11.2	10.8	51%
TOTAL OTHER	194.2	21.6	172.6	11%	119.3	74.9	61%
TOOLING, MACHINERY & EQUIPMENT							
5.1 Shop Equipment	6.7	0.2	6.6	2%	4.0	2.7	60%
5.2 Revenue & Fare Handling Equipment	15.5	0.1	15.4	0%	9.3	6.2	60%
5.3 Other Maintenance Equipment	5.3	0.7	4.6	13%	3.2	2.1	60%
5.4 Fare System	19.5	1.0	18.5	5%	17.8	1.7	91%
ENVIRONMENTAL PROGRAMS							
6.1 Environmental Programs	18.1	1.8	16.3	10%	11.0	7.1	61%
COMPUTER EQUIPMENT & SOFTWARE							
7.1 Computer Equipment & Software	94.1	16.5	77.5	18%	70.4	23.7	75%
OTHER							
9.1 Furniture & Office Equipment	0.4	0.0	0.4	0%	0.1	0.3	30%
9.2 Service Planning	34.6	1.4	33.3	4%	3.5	31.2	10%
Total Base Programs	1,654.8	314.2	1,340.5	19%	1,411.0	243.7	85%
Toronto York Spadina Subway Extension	303.8	10.3	293.5	3%	224.3	79.5	74%
Scarborough Subway Extension	164.2	31.6	132.6	19%	106.7	57.5	65%
Relief Line South - Design	219.6	7.6	212.1	3%	109.8	109.8	50%
Waterfront Transit - Design	3.3	0.2	3.1	7%	0.3	3.0	9%
Total Transit Expansion Projects	690.9	49.7	641.2	7%	441.1	249.8	64%

Appendix 2 – Major Projects Update

The TTC's delivery of a multi-billion dollar capital program is guided by TTC's Project Management Framework. The broad range of capital projects are categorized into four project types, the greater the category the more complex the project (higher risks and uncertainties). The categorization takes into consideration amongst other things budget, staff experience in delivery, risks and uncertainty behind the project itself. It should be noted that transit expansion projects are classified as Category 4 projects.

The programs and projects referred to hereafter as projects, have been included in the dashboard due to their magnitude and/or strategic significance and staff will provide a quarterly update as part of this report to highlight performance of these projects against their approved budget, planned schedule and in scope activities.

Category 3 & 4 Projects Capital Spending Dashboard																
Project	Critical Path	Start Date	End Date		Cost (millions)				Performance Scorecard (Outlook to completion)							
			Approved	Revised	2019 Budget*	2019 Actuals	Approved Budget	Estimated Final Cost (EFC)	Cost	Trend	Schedule	Trend	Scope	Trend	Overall	Trend
Category 3 Projects																
Easier Access III	4	Q1 2007	Q4 2025		\$54.3	\$10.7	\$829.6	\$829.6	G	↑	Y	-	G	-	Y	-
McNicoll Bus Garage	3	Q1 2013	Q2 2020		\$37.7	\$18.8	\$181.0	\$181.0	G	-	G	-	G	-	G	-
Toronto Rocket/ T1 Rail Yard Accommodation (Subway Vehicles Facilities)	3	Q3 2010	Q4 2024	Q4 2024	\$34.8	\$7.8	\$495.4	\$495.4	G	-	G	-	G	-	G	-
Fire Ventilation Upgrade & Second Exits	Comerstone	Q1 1998	Q4 2028		\$22.5	\$2.9	\$494.6	\$599.0	Y	-	G	-	G	-	Y	↓
Automatic Train Control (ATC) "Line 1"	3	Q4 2015	Q4 2021	Q3 2022	\$73.3	\$18.3	\$660.9	\$660.9	Y	↑	Y	↑	G	↑	Y	↑
Wheel Trans 10 Year Transformation Program	4	Q1 2017	Q4 2021		\$10.6	\$1.8	\$49.8	\$49.8	G	-	Y	-	G	-	Y	-
Stations Transformation	4	Q1 2017	Q4 2024		\$12.2	\$2.4	\$50.8	\$50.8	G	-	Y	-	G	-	Y	-
Fare Collection / PRESTO	4	Q4 2012	Q4 2019	Q4 2020	\$19.0	\$1.2	\$81.8	\$128.8	G	-	Y	-	Y	-	Y	-
Purchase of Buses	3	Ongoing	Q4 2019	Q4 2028	\$373.4	\$72.4	\$1,064.5	\$2,861.5	Y	-	G	-	G	-	Y	-
Purchase of 204 New Streetcars	3	Q1 2014	Q4 2019		\$358.4	\$72.9	\$1,186.5	\$1,186.5	G	-	Y	↓	G	-	G	-
SAP ERP Project	1	Q1 2015	Q4 2018	Q4 2023	\$15.0	\$1.3	\$93.2	\$163.2	Y	-	G	-	G	-	G	↑
VISION (CAD/AVL)	3	Q1 2016	Q1 2020		\$37.3	\$8.4	\$117.2	\$117.2	G	-	G	-	G	-	G	-
Category 4 Projects																
Line 2 East Extension (formerly Scarborough Subway Extension)	3	Q4 2013	Q4 2023	2027	164.2	31.6	3,560.0	3,560.0	Y	-	R	-	R	-	R	-
Relief Line South (Planning, Design and Engineering)	3	Q2 2018	Q4 2019	Q1 2020	219.6	7.6	425.1	425.1	G	-	G	-	G	-	G	-
Yonge Subway Extension (Planning, Design and Engineering)	3	Q2 2018	Q2 2020		59.0	3.7	91.3	91.3	G	-	G	-	G	-	G	-
*Includes carry forward amount																
Overall Outlook to Completion (\$)																
					Cost (Millions)											
					2019 Budget	2019 Actuals	Approved Budget	Estimated Final Cost								
					Category 3 Projects	\$1,048	\$219	\$5,305	\$7,324							
					Category 4 Projects	\$443	\$43	\$4,076	\$4,076							
					Total Base Capital Program (Category 3 & 4)	\$1,491	\$262	\$9,382	\$11,400							
Critical Paths as indicated in 2018-2022 Corporate Plan																
																

Note:

- Financials are reported as of Period 4 including carry forward amounts from 2018 and reflect budget approvals as of March 7, 2019. All other Project Performance Indicators (overall status, schedule and scope) and explanations for the same are updated as of Q1 2019.

Category 3 Projects

Easier Access III

Project Start: 2007

Forecast Completion Year: 2025

2019 Budget (\$ millions)	2019 Actuals (\$ millions)	Approved Budget (\$ millions)	Spend to date (\$ millions)	Estimated Final Cost (\$ millions)
\$54.3	\$10.7	\$829.6	\$252.6	\$829.6

Project Description:

TTC's Easier Access Program will make all remaining subway stations accessible by providing elevators, wide fare gates, automatic sliding doors and signage improvements. Today, 45 stations are accessible to people with disabilities. This Program also addresses a Legislated requirement (all elevators to be in service at all subway stations). SRT station locations are not part of the program as the SRT line will be replaced by the Line 2 East Extension.

Accomplishments:

- Station accessibility construction is underway at Dupont, Royal York, Wellesley, Yorkdale, Chester, Runnymede, Wilson and Lansdowne stations.
- Bay, Keele and Sherbourne Stations were issued for tender. All remaining stations are in design phase.
- Funding approved for Islington and Warden redevelopments and work is proceeding to Stage Gate 1.

Key Issues/Risks & Mitigation Plan:

Design: Design complexities for installing elevators in existing stations present challenges. Project team is advancing design work.

Dupont Station – Progress of work at Dupont station is not satisfactory. Project team is monitoring progress and meetings with Contractor and Surety are taking place.

Project Delivery Chief: Susan Reed Tanaka, Chief Capital Officer

Note:

- This project is included under 3.9 Building and Structures as indicated in Appendix 1.
- Financials are reported as of Period 4 including Carry Forward amounts from 2018 and reflect budget approvals as of March 07, 2019. All other Project Performance Indicators (overall status, schedule and scope) and explanations for the same are updated as of Q1 2019.
- In addition to the EFC noted, there is an additional \$250 million in estimated project costs Post 2028 included through the Capital Investment Plan.

McNicoll Bus Garage
Project Start: 2013
Forecast Completion Year: 2020

2019 Budget (\$ millions)	2019 Actuals (\$ millions)	Approved Budget (\$ millions)	Spend to date (\$ millions)	Estimated Final Cost (\$ millions)
\$37.7	\$18.8	\$181	\$74.8	\$181

Project Description:

McNicoll Bus Garage is part of TTC’s commitment to improving transit service and meeting growing ridership demands. This new bus garage will be fully compliant with Toronto Green Standards and will be the first major Design-Build project for TTC in over a decade. The new facility is being constructed at Kennedy Road and McNicoll Avenue in Scarborough. Project scope is for construction only.

Accomplishments:

Construction update:

- Complete: External wall panels, electrical duct bank, transformer & switch gear placement, site services.
- Ongoing: glazing installation, grading, floor slabs, interior walls, mechanical & electrical rough-ins, roofing, interior painting.

Key Issues/Risks & Mitigation Plan:

- Ongoing sheet metal workers strike is impacting installation of ductwork and the transpired solar wall, but is not yet impacting project completion. A potential upcoming plumbers/pipefitters strike would impact installation of mechanical rough-ins and systems and has a higher potential to delay the project. The project team is monitoring the situation.

Project Delivery Chief: Susan Reed Tanaka, Chief Capital Officer

Note:

- This project is included under 3.9 Building and Structures as indicated in Appendix 1.
- Financials are reported as of Period 4 including Carry Forward amounts from 2018 and reflect budget approvals as of March 7, 2019. All other Project Performance Indicators (overall status, schedule and scope) and explanations for the same are updated as of Q1 2019.

Toronto Rocket/T1 Rail Yard Accommodation (Subway Vehicles Facilities)

Project Start: 2010

Forecast Completion Year: 2024

2019 Budget (\$ millions)	2019 Actuals (\$ millions)	Approved Budget (\$ millions)	Spend to date (\$ millions)	Estimated Final Cost (\$ millions)
\$34.8	\$7.8	\$495.4	\$255.6	\$495.4

Project Description:

Design and construction at various subway vehicle maintenance and repair facilities and yards to increase the subway train storage and maintenance capacity for Toronto Rocket (TR) subway trains, including Wilson and Davisville Yards for Line 1, and T1 trains at Greenwood, Keele Yard and Kipling tail tracks for Line 2. Key scope elements include:

- Expansion to the north and south at Wilson Carhouse as well as the installation of new storage tracks within the yard.
- Expansion to north and south at Davisville Carhouse along tracks 3 & 4.
- Conversion of existing CN rail delivery track at Greenwood Yard into a powered and signalled storage track.
- Track and Structural work at Keele Yard to provide additional storage capacity.
- Refurbishment of the box structure within Kipling Station for the installation of a 3rd track to be used for the storage of two subway trains.

Accomplishments:

- Wilson Yard: Contractor for 'Wilson Yard Fencing and Miscellaneous Site Services' mobilized on site. Duct banks, direct buried conduits and cable trough installation are underway.
- Contractor for Wilson Carhouse Expansion erected and fastened steel decking for new mezzanine.
- Greenwood Yard: Mechanical and electrical rough-in for Track & Structure building is nearly complete and the pendent system in the Carhouse is on phase 9 of 12.

Key Issues/Risks & Mitigation Plan:

No Key Issues/Risks at this time.

Project Delivery Chief: Susan Reed Tanaka, Chief Capital Officer

Note:

- This project is included under 3.9 Building and Structures as indicated in Appendix 1.
- Financials are reported as of Period 4 including Carry Forward amounts from 2018 and reflect budget approvals as of March 07, 2019. All other Project Performance Indicators (overall status, schedule and scope) and explanations for the same are updated as of Q1 2019.

Fire Ventilation Upgrade & Second Exits

Project Start: 1998

Forecast Completion Year: 2028

2019 Budget (\$ millions)	2019 Actuals (\$ millions)	Approved Budget (\$ millions)	Spend to date (\$ millions)	Estimated Final Cost (\$ millions)
\$22.5	\$2.9	\$494.6	\$275	\$599

Project Description:

Fire Ventilation Upgrade (FVU) is a fire and life safety initiative originating in 1998 to improve ventilation performance in the subway tunnels. The project was expanded in 2003 to include second exits to improve egress at 14 high priority stations.

Accomplishments:

- 'Second exit' construction is underway at Chester Station and expected to commence at College and Donlands stations in 2020.

Key Issues/Risks & Mitigation Plan:

- Design: Design complexities for installing second exits in existing stations present challenges. Project team is advancing design work and investigating opportunities to combine work with other projects.
- Line 1 Capacity Requirements identified further modelling and related works to address forecasted increased passenger demand. Line 1 incorporates this key element of work as part of its initial Business Case planned for Gate 1 in 2020.

Funding: TTC 2019-2028 Budget included unfunded amount of \$104 million. In addition to the EFC noted, there is an additional \$1.5 billion in estimated project costs Post 2028 included through the Capital Investment Plan.

Project Delivery Chief: Susan Reed Tanaka, Chief Capital Officer

Note:

- This project is included under 3.9 Building and Structures as indicated in Appendix 1.
- Financials are reported as of Period 4 including Carry Forward amounts from 2018 and reflect budget approvals as of March 7, 2019. All other Project Performance Indicators (overall status, schedule and scope) and explanations for the same are updated as of Q1 2019.

Automatic Train Control (ATC) “Line 1”
Project Start: 2015
Forecast Completion Year: In-service 2022

2019 Budget (\$ millions)	2019 Actuals (\$ millions)	Approved Budget (\$ millions)	Spend to date (\$ millions)	Estimated Final Cost (\$ millions)
\$73.3	\$18.3	\$660.9	\$455.9	\$660.9

Project Description:

TTC is re-signaling Line 1 (Yonge-University-Spadina) to improve reliability and capacity. ATC provides the benefit of real time central train control with precise train location data. With ATC installation, train speed and separation between trains will be controlled automatically. This allows for reduced travel times and more consistent service.

Re-signaling of Line 1 to introduce ATC includes the design, installation, testing and commissioning of an upgraded Centralized Signaling System. It also includes the design, installation, testing & commissioning of ATC trainborne equipment in the Toronto Rocket fleet.

Accomplishments:

- Alstom delivered the high speed ATC software for Phase 3A and train testing started in March 2019.
- Construction of Phase 3B from St. Patrick to Queen has commenced and this phase is on schedule to be in service by Q1 2020.
- Portion of TTC Line 1 between St. Patrick and Dupont stations was ATC enabled on May 12, 2019 making the entire section of Line 1 from Vaughan Metropolitan Centre to St. Patrick stations, or 50 % of the line, run on the more reliable signalling system.

Key Issues/Risks & Mitigation Plan:

To minimize customer disruption and to avoid multiple subway closures that would shut down all subway service from St. Clair to St. Clair West stations, Phase 3 was divided into three sub-phases 3A, 3B, and 3C.

An operational review concluded the implementation of Automatic Train Protection (ATP) on maintenance workcars and Line 4 TR trains is required for efficient travel speeds in ATC areas to work zones and maintenance facilities.

The project team has reviewed the impact of these changes and performed a schedule reassessment. The revised project in-service completion date is 2022. After the completion of a quantitative risk analysis of the schedule and budget, any subsequent changes will be incorporated into the 2020-2029 Capital Budget submission.

Funding: An additional \$98 million in funding was approved by Council on March 7, 2019 and is now included in the approved budget.

Forecast Completion Year: In-service 2022

ATC Phases	In Service Date
Phase 1(Yorkdale to Dupont)	Q4 2017
Phase 2 (VMC to Sheppard West)	Q4 2017
Phase 2B/2C (Wilson Yard Interface)	Q4 2018
Phase 3A (Dupont to St. Patrick)	Q2 2019
Phase 3B (St. Patrick to Queen)	Q1 2020
Phase 3C (Queen to Rosedale)	Q4 2020
Phase 4 (Rosedale to Eglinton)	Q4 2021
Phase 5 (Eglinton to Finch)	Q3 2022

“Automatic Train Control (ATC) Yonge-University-Spadina Project”

Project Delivery Chief: Susan Reed Tanaka, Chief Capital Officer

Note:

- This project is included under 2.4 Signal Systems as indicated in Appendix 1.
- Financials are reported as of Period 4 including Carry Forward amounts from 2018 and reflect budget approvals as of March 7, 2019. All other Project Performance Indicators (overall status, schedule and scope) and explanations for the same are updated as of Q1 2019.

Wheel-Trans 10 Year Transformation Program

Project Start: 2017

Forecast Completion Year: 2021

2019 Budget (\$ millions)	2019 Actuals (\$ millions)	Approved Budget (\$ millions)	Spend to date (\$ millions)	Estimated Final Cost (\$ millions)
\$10.6	\$1.8	\$49.8	\$12.1	\$49.8

Project Description:

TTC Wheel-Trans Transformation Program implements new policies, processes and systems to support a new service delivery model that integrates Wheel-Trans customers into the TTC's conventional network through a 'Family of Services' approach.

Accomplishments:

- Fully Diverted Trips: Ridership growth in 2018 was flat / slightly down from 2017 while customer base continues to grow by 1,000+ customers per month. To explain decline in trips, Environics surveyed Wheel-Trans customers and discovered 18-22% of customers are using new easier access TTC instead of booking a Wheel-Trans trip.

Key Issues/Risks & Mitigation Plan:

- Family of Services: There was a software issue with the Wheel-Trans telephone system that caused unanticipated issues for the Contact Centre.
- Contact centre review has commenced to address ongoing issue of customer wait times. Working in partnership with Greater Toronto Hamilton Area specialty transit providers to understand their experience and establish regional baselines.
- Anticipating issues with re-registration and conditional trip matching: benefits of eligibility change will be communicated to customers. WT team is working with ACAT and Diversity and Human Rights to address potential customer concerns.
- Moving people over will be challenging until the system allows.
- Access Hubs PTIF funding: need to determine if any impact due to delays and explore possibility of receiving partial payments.

Project Delivery Chief: Orest Kobylansky, Executive Director – Operations

Note:

- This project is included under 3.9 Building and Structures as indicated in Appendix 1.
- Financials are reported as of Period 4 including Carry Forward amounts from 2018 and reflect budget approvals as of March 07, 2019. All other Project Performance Indicators (overall status, schedule and scope) and explanations for the same are updated as of Q1 2019.

Stations Transformation
Project Start: 2017
Forecast Completion Year: 2024

2019 Budget (\$ millions)	2019 Actuals (\$ millions)	Approved Budget (\$ millions)	Spend to date (\$ millions)	Estimated Final Cost (\$ millions)
\$12.2	\$2.4	\$50.8	\$10.5	\$50.8

Project Description:

Stations Transformation involves the modernization of how we staff our stations, our communications infrastructure and our business processes. It arose as a result of the transition to PRESTO and the opportunity for reform that this provided. A major part of the program, the introduction of Customer Service Agents (CSA), builds on the transformation of the customer experience by adding a world-class skillset and increasing engagement with our customers. These Agents are mobile, enabling them to approach and offer assistance to customers who face barriers in accessing and using the TTC. Their mobility along with infrastructure improvements (including upgraded passenger assistance intercoms(PAI), announcements and CCTV cameras) will lead to the increased safety and security of our stations, employees and customers.

The below milestones include those funded by the Stations Transformation budget and those that are highly related but separately funded. They are listed here together to provide a holistic picture of the status of the program in conjunction with its interdependencies.

Accomplishments:

- 2018 PAI Retrofit work completed.
- 2018 7500+ Electronic Keys Programmed.
- 2019 CSA Interest Arbitration Award received.
- 2019 CSA staffing implemented at Lawrence West and Yorkdale, bringing the total to 10 stations with CSA staffing in place.

Next steps:

- Q4 2019 Phase 1 and 2 Passenger assistance intercom replacement and retrofit work complete.
- Q4 2019 PRESTO Implementation in stations complete, including single ticket availability at all stations.
- Q2 2020 Newly constructed Zone Hubs operational (Exception: East zone hub will be completed as a part of the line 2 extension).
- Q4 2021 360 cameras installed all stations increasing coverage to 70%.
- Q4 2024* Additional cameras installed all stations increasing coverage to 90%.
- TBD**- CSA staffing implementation at remaining stations.

Key Issues/Risks & Mitigation Plan:

The final implementation of CSA staffing to all stations is dependent on the successful resolution and implementation of key fare policies.

Specifically, the final policy for bulk sale distribution and cash on surface solution for customers transferring from surface routes to non-integrated stations are required. These solutions are currently in development.

Project Delivery Chief: Jim Ross, Chief Operating Officer

Note:

- This program is included under 3.9 Building and Structures as indicated in Appendix 1.
- Financials are reported as of Period 4 including Carry Forward amounts from 2018 and reflect budget approvals as of March 07, 2019. All other Project Performance Indicators (overall status, schedule and scope) and explanations for the same are updated as of Q1 2019.
- *This schedule is currently under review as we evaluate what efficiencies could be achieved by consolidating work with other CCTV projects, specifically as it relates to time savings.
- **There are 65 remaining stations to transition. The final roll out of CSA staff to all stations, is dependent on the successful implementation of PRESTO, the retirement of all legacy fare media sales, and any requirement for the Collector to sell or verify legacy fare media. Accordingly, the CSA implementation at remaining 65 stations will follow the stop accepting date for remaining legacy fare media.

FARE COLLECTION / PRESTO
Project Start: 2012
Forecast Completion Year: 2020

2019 Budget (\$ millions)	2019 Actuals (\$ millions)	Approved Budget (\$ millions)	Spend to date (\$ millions)	Estimated Final Cost (\$ millions)
\$19	\$1.2	\$81.8	\$52.6	\$128.8

Project Description:

The project encompasses all activities to transform TTC fare collection processes including TTC’s scope of work supporting Metrolinx activities for the implementation of the PRESTO farecard system, overall project management, assistance with equipment installation, upgrades to TTC facilities to accommodate PRESTO equipment, and oversight to ensure the PRESTO system fully meets TTC’s business requirements.

Accomplishments:

TTC has accomplished the following milestones towards the transition to PRESTO (since last update to May 2019):

- The PRESTO Ticket will provide fare payment options for customers who would like to purchase 1 ride, 2 rides or a day pass without a PRESTO card. Tickets were initially launched on April 5th at Yorkdale and Lawrence West stations. On May 5th the launch was extended to an additional eight Line 1 stations (TYSSE).
- Wheel Trans contracted sedan taxi’s will have a software application installed on their existing in-vehicle tablets to allow fare payment using PRESTO cards. Ongoing development and testing of the software solution continues.
- The deficiencies with the PRESTO technical solutions for enabling cross-boundary travel (Toronto to York Region and Toronto to Mississauga) and Downtown Express routes prevented these two payment features from being implemented in 2018. A technical solution is now available and is undergoing initial testing with plans to rollout out this summer.

Key Issues/Risks & Mitigation Plan:

- PRESTO device performance continues to improve but remains below the target of 99.9% availability. Additional software and hardware fixes to address system performance issues are planned and are being rolled out.

Device Availability (%)							
	Target	November 2018	December 2018	January 2019	February 2019	March 2019	April 2019
Card Readers	99.9	98.9	98.9	98.82	98.88	98.85	98.93
Fares and Transfers Machines	99.9	90	94.2	97.01	98.64	98.38	97.95
Fare Vending Machine	99.9	92.7	97.6	96.37	94.19	92.55	94.02
Self Serve Reload Machine	99.9	99.4	99.8	99.59	98.58	97.88	98.54

- The installation effort for the Wheel Trans contracted sedan solution will entail additional costs. There are on-going discussions with Metrolinx and TTC regarding the commercial responsibility for the installation costs.

- Additional technical system enhancements to address the issues noted in the recent Attorney General's audit concerning fare evasion and revenue control, are being assessed. These changes include: additional payment type information displayed by card readers, improved fare inspection devices, and visual differentiation for PRESTO cards, among other changes
- There are a number of significant contract deliverables that have not been fulfilled or provided by Metrolinx (i.e. open payments/account based technology, Limited Use Media (LUM) dispenser on surface vehicles, SLA's, device functionality and performance availability, etc.). These items will be the subject of the update and report to the Board in June, and are part of ongoing discussion with Metrolinx senior management.

Funding: The estimated final cost for the project is \$128.8 million, of which \$81.8 million was approved by Council on March 7, 2019 and is now included in the approved budget. An additional \$47 million is included as an unfunded amount for fare collection capital work outside of the PRESTO implementation activities. The forecast completion year for the project is expected to be 2020.

Project Delivery Chief: Kirsten Watson, Deputy Chief Executive Officer

Note:

- This project is included under 5.4 Fare System as indicated in Appendix 1.
- Financials are reported as of Period 4 including Carry Forward amounts from 2018 and reflect budget approvals as of March 07, 2019. All other Project Performance Indicators (overall status, schedule and scope) and explanations for the same are updated as of Q1 2019.
- Faregate program is not included in this up-date.
- Approved budget and completion year adjusted to reflect approval to end of 10-year envelope.

Purchase of Buses
Project Start: Ongoing
Forecast Completion Year: 2028

2019 Budget (\$ millions)	2019 Actuals (\$ millions)	Approved Budget (\$ millions)	Spend to date (\$ millions)	Estimated Final Cost (\$ millions)
\$373.4	\$72.4	\$1,064.5	\$560.8	\$2,861.5

Project Description:

This ongoing program covers the procurement of city buses according to the Green Bus Technology Plan approved by the Board in June 2018. The 2019 plan includes 260 new buses, including 200 latest generation hybrid-electric and 60 zero-emissions battery electric buses (eBus).

As reflected in the 2019-2028 City Council approved Capital Budget, steady state procurement of 160 buses per year is planned to commence from 2021 through 2028 (approx. \$1.8 billion unfunded). In addition, the post 2028 budget for the program as reflected in the Capital Investment Plan includes a further unfunded amount of \$1.35 billion.

Accomplishments:

Hybrid Buses:

- As of May 24, 2019, we received 111 of 200 hybrid buses scheduled of 2019;
- Hybrids are performing above the TTC reliability target of 20,000 MDBF (Mean Distance Between Failures); and
- Fuel consumption has been confirmed to be 25% lower than the latest Clean Diesel buses, the last of which was received in 2018, resulting in approximately 24% lower greenhouse gas emissions.

eBuses: On April 15th, 2019, New Flyer Industries delivered the TTC's first all-electric bus. Charging systems infrastructure is currently tracking ahead of schedule. The first eBus, vehicle #3700, is undergoing testing and commissioning for entry to revenue service on June 3, 2019.

- Vehicles:
 - BYD: production is underway with delivery scheduled for Q3 2019;
 - New Flyer Industries: As of May 30th, we have received 3 eBuses from New Flyer Industries and the remaining are tracking on schedule;
 - Proterra: production underway with delivery scheduled for Q3, 2019.
- Charging Systems:
 - Arrow Garage: Charging systems for 20 eBuses have been installed with 10 commissioned and are ready for use. The inaugural launch into revenue service for the first eBus is scheduled to depart from Arrow Garage on June 3, 2019.
 - Mt. Dennis Garage: Substantial completion of charging systems will be in place before buses are scheduled for delivery.
 - Eglinton Garage: Substantial completion of charging systems will be in place before buses are scheduled for delivery.

The Green Procurement Plan currently projects a mix of hybrid electric and fully electric bus procurements for the years 2021-2024 as we transition to a steady-state procurement of solely fossil fuel free/zero emissions buses in 2025 and a zero-emissions fleet by 2040.

Key Issues/Risks & Mitigation Plan:

- Unfunded Fleet Plan: Procurement of buses between 2021 and 2028 is on the unfunded list for the 2019-2028 Capital Budget in the amount of \$1.8 billion (\$3.15 billion, if including post 2028 unfunded amount for the program).
- Vehicle Delivery: Due to repeated delays in delivery schedule from BYD and delays to submission of non-bus deliverables required under contract, on May 3rd, 2019, TTC issued BYD a formal vendor performance review. Subsequent letters were sent to BYD on May 6th and May 27th advising that TTC would not be exercising options for additional buses under this contract and requesting follow-up on the requested action plan to improve performance on the base contract for 10 eBuses. TTC has engaged in discussions with both New Flyer and Proterra who have confirmed that they would be able to increase their option order by 5 buses each, allowing TTC to fulfill the Board directive to deliver 60 eBuses under the Public Transit Infrastructure Fund even if the negotiated procurements were not split equally between vendors.
- Charging Systems: Contracting, design, and implementation of required charging systems present the largest challenge on the program. Working with our business partners at Toronto Hydro and Panasonic Eco Solutions Canada Inc., contingency plans were developed for temporary charging solutions at each garage; however, with the progress and accomplishments noted above, the contingency plan is not likely to be required for 2 out of the 3 locations.
- Large Scale Adoption of eBuses: While there is currently no funding for bus procurements in future years, the design and installation of large scale charging systems must be progressed in order to have the infrastructure in place ahead of future eBus deliveries. TTC plans to engage the market for a Design-Build contract with options for Finance, Operations, and Maintenance of large scale charging systems. While funding for buses is not available, there is funding to progress this work. The large scale charging systems contract will be subject of a future report to the TTC Board for their consideration and approval.

Project Delivery Chief: Rich Wong, Chief Vehicle Officer

Note:

- This project is included under 4.11 Purchase of Buses as indicated in Appx 1.
- Completion year has been adjusted to reflect approval to end of 10-year plan.
- Financials are reported as of Period 4 including Carry Forward amounts from 2018 and reflect budget approvals as of March 7, 2019. All other Project Performance Indicators (overall status, schedule and scope) and explanations for the same are updated as of May 24, 2019.

Purchase of 204 New Streetcars

Project Start: 2014

Forecast Completion Year: 2019

2019 Budget (\$ millions)	2019 Actuals (\$ millions)	Approved Budget (\$ millions)	Spend to date (\$ millions)	Estimated Final Cost (\$ millions)
\$358.4	\$72.9	\$1,186.5	\$881.3	\$1,186.5

Project Description:

This project provides for the purchase of 204 new fully accessible new streetcars to replace the existing fleet of 196 Canadian Light Rail Vehicles (CLRVs), 52 Articulated Light Rail Vehicles (ALRVs) and additional vehicles for ridership growth and congestion relief efforts.

Accomplishments:

With the improvement of production quality at Bombardier's Thunder Bay facility and acceptance of the first 3 cars from their Kingston facility, there is an increase in confidence of Bombardier's ability to meet its original contract commitment of 204 state-of-the-art streetcars by the end of 2019. As of May 24th 2019, 155 streetcars have been shipped to TTC and 146 have been commissioned for service.

Key Issues/Risks & Mitigation Plan:

- Schedule & Quality: Bombardier is committed to meet its original contract commitment of 2019, and while it requires a high degree of vigilance from all parties, both quality and productivity continue to improve.
- Reliability:
 - In April 2019, the Mean Distance Between Failures was 12,320 km, short of the 35,000 km target.
 - On April 4th 2019 and May 2nd 2019, CEO's from Bombardier and their supplier Wabtec targeted systems that have the largest failure rate. There was agreement on action plans and commitments to ensure sufficient resources to successfully monitor and execute those plans. Action plans to improve reliability ultimately result cut-ins to production and vehicle modifications to vehicles already on TTC property. Current projections from Bombardier indicate that the reliability target will be met by end of 2019.
- Parts and material supply for production and to support operations pose a risk to the delivery schedule and in-service reliability. Supply chain risks and issues continue to be monitored and managed across all suppliers.

Project Delivery Chief: Rich Wong, Chief Vehicle Officer

Note:

- This project is included under 4.18 Purchase of Streetcars as indicated in Appendix 1.
- Financials are reported as of Period 4 including Carry Forward amounts from 2018 and reflect budget approvals as of March 7, 2019. All other Project Performance Indicators (overall status, schedule and scope) and explanations for the same are updated as of May 24, 2019.
- The Capital Investment Plan identifies the need for the procurement of additional streetcars for ridership growth, which is currently unfunded.

SAP Enterprise Resource Planning Project
Project Start: 2015
Forecast Completion Year: 2023

2019 Budget	2019 Actuals	Approved Budget	Spend to date	Estimated Final Cost
(\$ millions)	(\$ millions)	(\$ millions)	(\$ millions)	(\$ millions)
\$15	\$1.3	\$93.2	\$65.6	\$163.2

Project Description:

As of this report, Wave 1 lessons learned were completed and the SAP assessment phase has completed the initial draft analysis of the Phase 2 scope. The EFC represents the early estimate of total SAP program cost with the future phases.

Accomplishments:

- SAP business benefits from Wave 1 launch include improved financial reporting, streamlined online HR recruiting process and online pay statements and T4's for employees where 11,000+ employees have successfully accessed the system
- Wave 1 program audits completed. Audit recommendations will be applied to future implementations.
- Draft preliminary assessment plans completed for the People Group Phase II scope for Time Management, Performance & Goals/Compensation and Learning Management including resources, budget, dependencies and schedule estimates.
- Draft preliminary assessment plans completed for the Finance and Treasury Phase II scope for Accounts Payable and Accounts Receivable including resources, budget, dependencies and schedule estimates.
- SAP SuccessFactors– SAP JAM platform has been expanded to implement the TTC Employee Mobile Application for the Corporate Communications Department to deliver a key priority in the 5-year Corporate Plan. Planning phase has been initiated.

Key Issues/Risks & Mitigation Plan:

Initial Phase II draft plans highlight an overlap of key business resources between SAP projects across the implementation phases. Mitigation plans are being discussed to prioritize essential resources and projects.

Funding:

The total budget following changes reflected in the 2019 budget is \$163.2 million and an additional \$26.9 million has been identified beyond the 10-year plan. Of the \$163.2 million early estimate of total program cost, \$70 million remains unfunded, reflecting an approved budget of \$93.2 million. The forecast completion year of 2023 is dependent on the approval of the \$70 million unfunded need, in turn subject to additional costing work.

Project Delivery Chief: Dan Wright, Chief Financial Officer

Note:

- This project is included under 7.1 Computer Equipment & Software as indicated in Appendix 1.
- Approved budget and completion year adjusted to reflect approval to end of 10-year envelope.
- Financials are reported as of Period 4 including Carry Forward amounts from 2018 and reflect budget approvals as of March 07, 2019. All other Project Performance Indicators (overall status, schedule and scope) and explanations for the same are updated as of Q1 2019.

VISION (CAD/AVL)

Project Start: 2016

Forecast Completion Year: 2020

2019 Budget (\$ millions)	2019 Actuals (\$ millions)	Approved Budget (\$ millions)	Spend to date (\$ millions)	Estimated Final Cost (\$ millions)
\$37.3	\$8.4	\$117.2	\$49.6	\$117.2

Project Description:

As part of the TTC modernization initiatives, the Vehicle Information System and Integrated Operations Network (VISION) program was initiated to transform the way in which the TTC manages its surface fleet of buses and streetcars. The core component of the program is the implementation of a new Computer Aided Dispatch / Automatic Vehicle Location (CAD/AVL) System which is being installed on the TTC's bus and streetcar fleets. The system provides for: data and voice communications; automatic vehicle location; automated stop display; automated stop announcements; automated vehicle performance monitoring; integration with the onboard camera and automatic passenger counting systems; tools and automation of selected business rules. In addition, the program will implement an integrated Yard Management System at all streetcar car-houses and bus garages.

Accomplishments:

- The VISION solution is on 1964 of 2006 buses in service as of this report.
- The planned onsite installation of the VISION System on buses completed as planned by April 29th, 2019.

Key Issues/Risks & Mitigation Plan:

- Delays in installation on Streetcars: The delay in the completion of the design for the installation of the VISION systems on Low Floor Light Rail Vehicles (LFLRV) Streetcars will result in the installations on Streetcars extending beyond the planned timeline. Temporarily, radios are being purchased and installed on streetcars to mitigate this issue. Project team will continue to provide updates through the CEO's report and this report.
- Voice and data communication issues with the VISION systems have lead to Joint Health and Safety concerns being expressed by the union. Vendor to deploy fixes, backup radios implemented and additional radio bandwidth being added.
- Delays in obtaining data from the VISION system has lead to performance reporting delays. Clever Devices currently working on fixes to address.
- VISION equipment reliability issues. Currently deploying resolutions recommended by equipment manufacturers and the vendor.
- Stop Announcement Inaccuracy issues. Board Period update fix applied in May 2019 to address major issues.

Project Delivery Chief: Dan Wright, Chief Financial Officer

Note:

- This project is included under 7.1 Computer Equipment & Software as indicated in Appendix 1.
- Financials are reported as of Period 4 including Carry Forward amounts from 2018 and reflect budget approvals as of March 7, 2019. All other Project Performance Indicators (overall status, schedule and scope) and explanations for the same are updated as of Q1 2019.

Category 4 Projects

Line 2 East Extension
(formerly Scarborough Subway Extension)
Project Start: 2013
Forecast Completion Year: 2027* Revenue Service

2019 Budget (\$ millions)	2019 Actuals (\$ millions)	Approved Budget (\$ millions)	Spend to date (\$ millions)	Estimated Final Cost (\$ millions)
\$164.2	\$31.6	\$3,560	\$214.1	\$3,560

Project Description:

The Scarborough Subway Extension project is a 6.2 km extension of Line 2 from Kennedy Station to Scarborough Centre, via Eglinton Avenue, Danforth Road and McCowan Road. The extension will create a seamless journey for customers by eliminating the transfer at Kennedy Station. The Line 2 extension is required to replace the aging Line 3 Scarborough. Detailed project information can be found at ttc.ca. Scope includes SRT Life Extension and SRT Demolition.

Accomplishments:

- Station, Tunnel and Systems design being advanced.
- Utility redirection works continues.
- Market sounding complete with Expression of Interest respondents.

Key Issues/Risks & Mitigation Plan:

- The updated project budget and schedule confirmed in the Stage Gate 3 Report submitted to City Council in April 2019.
- Council have given direction to work with the province to evaluate their proposed 3 stop subway extension.

Forecast Completion Year: 2027* – Revenue Service

*Note: Forecast completion date for revenue service confirmed in Stage Gate 3 report to City Council in April 2019 factoring in delivery strategy and schedule risk analysis. This date only reflects completion of phase 1 Start of Revenue Service and phase 2 completion of Bus Terminal will complete in 2030.

Project Delivery Chief: Gary Downie, A/Chief Transit Expansion Officer

Note:

- This project is included under Transit Expansion Projects as indicated in Appendix 1.
- Financials are reported as of Period 4 including Carry Forward amounts from 2018 and reflect budget approvals as of March 07, 2019. All other Project Performance Indicators (overall status, schedule and scope) and explanations for the same are updated as of Q1 2019.

- The TTC's 2019-2028 Capital Budget and Plan included an estimated cost of \$3,560 million for the Line 2 East Extension as approved by Council on March 7, 2019. Council authorized funding of \$558 million, of which \$214.1 million has been spent to date. No work beyond what can be accommodated within the approved funding will be initiated, unless additional project approval funds are made available.

**Relief Line South
(Planning, Design and Engineering)
Project Start: 2018
Forecast Completion Year: 2019**

2019 Budget (\$ millions)	2019 Actuals (\$ millions)	Approved Budget (\$ millions)	Spend to date (\$ millions)	Estimated Final Cost (\$ millions)
\$219.6	\$7.6	\$425.1	\$22.9	\$425.1

Project Description:

The Relief Line South is a new eight stop, 7.5 km subway from Pape-Danforth on Line 2 to Downtown, interchanging with Line 1 at Queen and Osgoode Stations.

The current phase of work for the Relief Line South consists of the preliminary design and engineering (PDE) to between 15% and 30% complete, including developing a project budget and schedule. The City and TTC, in partnership with Metrolinx, have been directed to report back to City Council at the next decision gate for the project which includes a Class 3 cost estimate, a Level 3 schedule and an updated Business Case and Economic Analysis in Q1/Q2 2020.

Accomplishments:

Finalized Memorandum of Understanding (MOU) with City, Metrolinx and TTC in 2018 establishing governance structure, and scope to Stage Gate 3.

- Geotechnical drilling in progress to inform tunnel and station designs.
- Systems/Stations/Tunnels ISS design progressing to 30%.
- Stage Gate 3 submission including Class 3 estimate, level 3 schedule & risk analysis (for cost & schedule) deliverables by Q1/Q2 2020.

Key Issues/Risks & Mitigation Plan:

- Schedule improvement and early work opportunities have been identified and additional funding for this has been approved in 2019-2028 budget.
- Council have given direction to work with the province to evaluate their proposed Ontario line.

Project Delivery Chief: Gary Downie, A/Chief Transit Expansion Officer

Note:

- Financials are reported as of Period 4 including Carry Forward amounts from 2018 and reflect budget approvals as of March 07, 2019. All other Project Performance Indicators (overall status, schedule and scope) and explanations for the same are updated as of Q1 2019.
- This project is included under Transit Expansion Projects as indicated in Appendix 1.

**Yonge Subway Extension
(Planning, Design and Engineering)
Project Start: 2018
Forecast Completion Year: 2020**

2019 Budget (\$ millions)	2019 Actuals (\$ millions)	Approved Budget (\$ millions)	Spend to date (\$ millions)	Estimated Final Cost (\$ millions)
\$58.9	\$3.7	\$91.3**	\$10*	\$91.3

Note: * Includes YRRTC costs, ** As approved by Metrolinx

Project Description:

The Yonge Subway Extension is a 7.42 km extension of the Yonge Subway Line 1 from Finch Station to the Richmond Hill/Langstaff Gateway Urban Growth Centre at Highway 7. Current funding is to advance the planning, design and engineering phase of the work to between approximately 15% and 30% working towards developing a 'Class 3' Cost Estimate, a 'Level 3' Schedule, and an updated Business Case and Economic Analysis.

Accomplishments:

- Geotechnical drilling in progress to inform tunnel and station designs.
- Designers have advanced the Preliminary Design and Engineering (PDE) and submitted the interim Scope Review Submission (15%). Designs have been presented to stakeholders.
- Tunnel Options Analysis is nearing completion and the Procurement Options Analysis has commenced.
- Work is advancing towards an end of 2019 submission of the initial Stage Gate 3 deliverables including a Class 3 estimate, level 3 schedule, risk analysis, and updated business case and reporting to the various Boards by Q2 2020.

Key Issues/Risks & Mitigation Plan:

- There is currently no float in the project schedule. Design work is advancing concurrent with geotechnical investigations and tunnel options analysis to maintain the schedule.
- Additional funding is required for project continuity beyond the PDE phase.
- A Line 1 Capacity Enhancement Program has been initiated to study and implement required improvements for projected increases in demand. Additional train storage and maintenance facility will be required.
- The York Durham Sanitary Sewer at Steeles Avenue is in conflict with the tunnel alignment. Options are being evaluated with York Region Environmental Services.

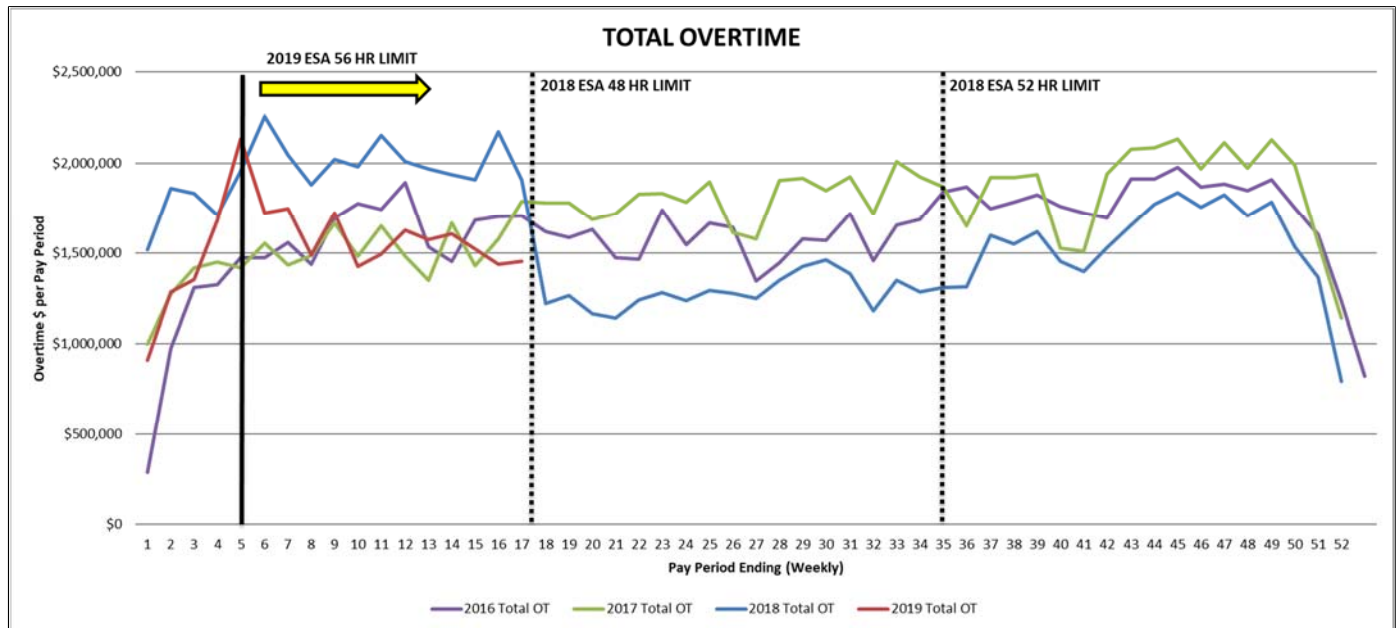
Project Delivery Chief: Gary Downie, A/Chief Transit Expansion Officer

Note:

- Financials are reported as of Period 4. All other Project Performance Indicators (overall status, schedule and scope) and explanations for the same are updated as of Q1 2019.
- This project is not included in the TTC's 10-Year Capital Plan as it is budgeted and funded by Metrolinx and YRRTC PTIF funds.

Appendix 3 – Key Performance Indicators

Overtime



Notes:

Includes all budgets: Operating, Wheel-Trans, Capital
Amounts are **not** adjusted for annual CBA increases

Analysis

Paid overtime has been trending 21% below 2018 levels and has been generally consistent with 2017 levels on a year-to-date basis. The significant reduction from 2018 is primarily the result of the elimination of paid emergency leave and improved resiliency in staffing levels, particularly amongst operators. The only exception to this trend was in late January and early February when a series of extreme cold and snow events necessitated higher overtime to appropriately respond to these events.

Effective Jan 28, 2019, the TTC and Local 113 agreed to increase the limit of weekly hours from 52 to 56 hours per week. This exemption will be in place through the summer to maintain operational flexibility during construction season and to accommodate major City events. To date, this increased limit has provided TTC with operational flexibility, where required, with no notable increase in overtime paid.

Action Plan

Overtime spending trends are actively monitored by department. Certain overtime to respond to emergencies and complete trackwork during weekend subway closures is unavoidable. Opportunities to shift other work to resources on regular time are being actively pursued.

Absence

The TTC is undertaking a comprehensive review of its current absenteeism metrics. This review is intended to ultimately result in reporting more meaningful data in line with modern best practices, and enabling the TTC to more specifically investigate and address areas of concern.