



Financial and Major Projects Update for the Year Ended December 31, 2023

Date: April 11, 2024
To: TTC Board
From: Chief Financial Officer

Summary

This report sets out the preliminary operating and capital financial results for TTC Conventional and Wheel-Trans services. It provides a status update of the TTC's major capital projects for the year ended December 31, 2023.

Preliminary year-end actual expenditures indicate that total spending for 2023 will result in the TTC's 2023 Operating Budget of \$2.398 billion gross and \$1.326 billion net to be underspent by \$38.0 million net. Of this amount, \$13.2 million is related to a lower-than-anticipated COVID-19 impact, and \$24.8 million is attributable to favourable variances primarily due to the deferred opening of Line 5 Eglinton and Line 6 Finch West. These under-expenditures are partially offset by the cost of Conventional service delivered 3% above budgeted levels, rising to 95% of pre-pandemic levels by year-end, significant cost escalation experienced on vehicle parts, and the implementation of additional Community Safety, Security, and Well-Being measures approved by the Board during the year.

Based on the preliminary year-end results, the TTC's base capital expenditures totalled \$1.213 billion, representing a year-end spending rate of 88.7% of the 2023 Approved Capital Budget. In addition, the TTC also incurred \$54.9 million or 67.3% of the 2023 Approved Capital Budget to continue the capital work program for transit-expansion-related initiatives. Combined, the TTC's preliminary year-end spending reached \$1.268 billion representing an 87.5% spending rate overall.

The preliminary financial results are subject to the year-end audit process, and the audited financial statements will be presented to the Audit and Risk Management Committee on June 5, 2024 and the TTC Board on June 20, 2023.

Recommendations

It is recommended the TTC Board:

1. Approve the 2023 Capital Budget in-year budget adjustments to offset projects that have had accelerated spending by \$24.8 million with projects that have experienced

delays and lower spending by \$24.8 million with no debt impact, as outlined in Appendix 3 of this report.

2. Authorize the recommended budget adjustments noted in Recommendation 1 above and the TTC's 2023-2033 Capital Budget and Plan to be included in the TTC's Capital Variance Report submission for the 12 months ended December 31, 2023, for City Council consideration and approval.
3. Authorize TTC staff to request the City allocate \$10 million of the 2023 underspending to the TTC Stabilization Reserve, pending the City's review of their final year-end results, to ensure the Reserve's continued positive financial position given the City's recommended use of the Reserve as bridge funding for the 2024 and 2025 Operating Budgets.

Financial Summary

2023 Preliminary Operating Results

The TTC's preliminary 2023 year-end financial results indicate a favourable \$38.0 million net operating budget variance. Of this amount, \$13.2 million relates to lower-than-anticipated COVID-19 expenses and \$24.8 million is attributable to net underspending due to the deferred opening of Lines 5 and 6.

The preliminary 2023 operating results are summarized in Table 1 below:

Table 1 – 2023 Preliminary Operating Results

Operating Results			
Description (\$Millions)	Year-End Results		
	Budget	Actual	Variance
Revenue			
TTC Conventional			
Passenger Revenue	931.4	935.8	4.4
Other Ancillary Revenue	82.0	86.8	4.8
Wheel-Trans	6.5	6.7	0.2
TTC Stabilization Reserve Draw	31.8	-	(31.8)
Long-Term Liability Reserve Draw	20.6	13.6	(7.0)
Total Revenue	1,072.3	1,042.9	(29.4)
Expenditures			
TTC Conventional	2,214.1	2,146.1	(68.0)
Wheel-Trans	142.4	144.8	2.4
Subtotal Base Expenditures	2,356.5	2,290.9	(65.6)
COVID Incremental Costs	23.8	22.0	(1.8)
Long-Term Liability Reserve Contribution	17.6	17.6	0.0
Total Expenditures	2,397.9	2,330.5	(67.4)
Net Expenditure (Funding Required)	1,325.6	1,287.6	(38.0)
Operating Funding			
COVID Impact Funding	366.4	353.2	(13.2)
Base Operating Funding	959.2	934.4	(24.8)
Total Operating Funding	1,325.6	1,287.6	(38.0)

Note: The TTC's approved 2023 Operating Budget of \$2.380 billion gross was amended on October 11, 2023 for a technical adjustment to the long-term liability reserve draw and contributions. The amended 2023 Operating Budget of \$2.398 billion comprised of \$1.073 billion in revenues; \$959.2 million in City funding for TTC base operating requirements, and \$366.4 million in anticipated COVID funding relief to address COVID financial impacts.

2023 Revenues

For 2023, TTC Conventional revenue ridership totalled 396.3 million rides, representing 101% of the 2023 revenue ridership budget. As a result, passenger revenue was \$4.4 million above budget for the year. After an unfavourable variance experience primarily due to inclement weather in Q1, ridership has trended above budgeted levels since May and reached 78% of pre-pandemic levels by the end of the year, averaging 74% of pre-pandemic levels in 2023. It should be noted that the reporting of financial results in this report compares actual spending against approved budgets and, therefore, does not account for any revenue loss arising from fare evasion.

Due to year-end under-expenditures outlined in Table 1 above, the planned TTC Stabilization Reserve withdrawal of \$31.8 million approved to fund one-time requirements to minimize the 2023 fare increase and to help mitigate inflationary pressures was not required and has been foregone. As well, there was no need to fund the Community Safety, Security and Well-Being program costs that were incurred during 2023 under CEO delegated authority. The foregone reserve withdrawal was the largest contributor to the overall \$29.4 million revenue shortfall. Ancillary revenue was \$4.8 million above budget resulting from higher bank interest revenue and a reimbursement from Metrolinx for sunk costs incurred by the TTC due to deferred Line 5 training and mobilization activities. In addition, accident claim cash payments were

lower than anticipated resulting in the planned long-term liability reserve draw to be \$7.0 million below budget.

2023 Expenditures

Operating expenses were \$67.4 million or 2.8% below the 2023 Approved Expenditure Budget, due to the deferred opening of Line 5 and Line 6 to 2024, workforce vacancies and lower diesel prices. These under-expenditures accommodated over-expenditures resulting from:

- Conventional service delivered above the budgeted level that went from 91% to 95% of pre-pandemic service hours by year-end to meet service demand at a cost of approximately \$21.3 million.
- Increases in bus and streetcar parts unit costs and requirements, totalling approximately \$16.0 million.
- An additional \$8.2 million to implement Safety, Security and Well-Being measures, approved in-year.
- Higher benefit costs of approximately \$8.4 million, primarily due to a higher-than-anticipated 8.5% increase in the dental fee guide and benefit utilization.
- Wheel-Trans service costs of \$2.3 million due to ridership levels averaging 3% above the 2.95 million rides budgeted.

2023 COVID Financial Impacts

The COVID financial impact accounts for lost passenger and ancillary revenues relative to pre-pandemic levels, as well as incremental COVID response expenses. The actual COVID financial impact, as summarized in Table 2 below, was \$353.2 million or \$13.2 million lower than planned given higher passenger revenue due to higher ridership recovery, a reduction in COVID-related absenteeism, and lower Personal Protective Equipment (PPE) requirements and costs.

Table 2 – 2023 COVID-19 Financial Impact

Total COVID-19 Financial Impact			
in \$ Millions	Year-End Results		
	Budget	Actual	Variance
COVID-19 Financial Impact			
Lost Passenger revenue, net of PRESTO Commissions	328.1	318.0	(10.0)
Lost Ancillary Revenues	14.5	13.1	(1.4)
Incremental COVID-19 Expenses	23.8	22.0	(1.8)
Total COVID-19 Financial Impact	366.4	353.2	(13.2)

2023 COVID-19 Relief Funding

From 2020 to 2022, the TTC received a total of \$1.8 billion in funding relief from other orders of government. This funding support recognized the importance of public transit as an essential service and was critical to supporting an effective COVID-19 response and the continuation of transit service throughout the pandemic and initial phases of recovery.

The TTC continued to be impacted by COVID effects primarily due to the continued loss of passenger revenue relative to pre-pandemic levels in 2023. Consequently, the TTC’s

2023 Operating Budget accounted for a COVID financial impact of \$366.4 million. During 2023, the City was advised that the Federal and Provincial relief funding program was concluded and, as a result, the City will need to fund the 2023 actual COVID shortfall of \$353.2 million.

The resultant shortfall was also part of the broader discussions between the City and the Province on the City’s long-term fiscal framework and sustainability. The November 27, 2023 announcement of a new funding agreement between the City and the Province provided the TTC with a three-year funding commitment totalling \$330 million beginning in 2024 to support new subway-integrated provincial transit projects, plus a one-time \$300-million Subway and Transit Safety, Recovery and Sustainable Operations Fund, with a commitment to review ridership recovery beyond 2026.

As a result of the Ontario-Toronto New Deal Agreement, the TTC’s 2024 Operating Budget includes \$175 million in provincial funding for eligible expenses, which will grow in 2025 to approximately \$220 million and continue to the end of 2026. Furthermore, City Council approved an increase in its funding to the TTC by \$272 million or 28% to permanently fund the COVID financial impact of reduced ridership revenue and ongoing COVID-related expenses during the 2024 Budget process. Given this increased funding, reporting of COVID financial impacts will end with the 2023 fiscal year.

2023 Community Safety Response Unbudgeted Expenditures

Based on the preliminary year-end results, unbudgeted expenditures approved through Board delegated authority to address Community Safety, Security and Well-Being measures approved in-year totalled \$8.2 million, as summarized in Table 3.

Table 3 – Unbudgeted Safety, Security and Well-Being Initiatives

2023 Community Safety, Security and Well-being Investments (\$M)	2023 Actuals
High-Visibility Presence and Incident Management	
50 Temporary Security Guards	3.2
Six Transit Control Dispatchers	0.7
Special Constables Overtime – High Visibility Patrols	0.3
Extended Station Cleaning	0.1
Additional Stations Staff (130 CSAs, 30 Supervisors, 1 Slip Clerk)	2.0
Subtotal: High-Visibility Presence and Incident Management	6.4
Social Supports for Persons Experiencing Homelessness and Individuals with Complex Needs	
20 Community Safety Ambassadors	1.3
Transport Buses	0.5
Subtotal: Social Support	1.8
Total 2024 Community Safety, Security and Well-being Investments	8.2

Overall, under-spending was leveraged to offset these unbudgeted costs as an alternative to a TTC Stabilization Reserve withdrawal authorized by the TTC Board on February 28, 2023 and by City Council on March 30, 2023. Permanent funding of \$31.7

million to support the continuation of these actions, commenced in 2023 under CEO delegated authority, was approved by City Council in TTC’s 2024 Operating Budget.

2023 Contribution of Surplus to TTC Stabilization Reserve

As noted in the Staff Recommended 2024 Operating Budget report to the Board on December 20, 2023 and as shown in Appendix 4, the TTC anticipates a negative balance in the TTC Stabilization Reserve fund beyond 2026. It was also noted that TTC staff would work with the City of Toronto to develop a funding strategy that could ensure the Reserve maintain a positive balance. As a result of the preliminary year-end net underspending to be realized 2023, TTC staff are seeking authority from the TTC Board to request the City allocate \$10 million of the TTC’s 2023 year-end surplus to the TTC Stabilization Reserve Fund. This contribution would allow the TTC to address the funding needs of the reserve commitments through 2026 and the City’s bridge funding strategy for the 2024 and projected 2025 Operating Budgets.

2023 Preliminary Capital Results

Based on the preliminary year-end results, expenditures incurred for the TTC’s base capital program totalled \$1.213 billion, representing a year-end spending rate of 88.7% of the 2023 Approved Capital Budget. In addition, the TTC incurred \$54.9 million or 67.3% of the 2023 Approved Capital Budget to continue the capital work program for transit-expansion-related initiatives. Combined the TTC’s preliminary year-end spending reached \$1.268 billion, representing an 87.5% spending rate, as noted in Table 4 below.

Table 4 – Preliminary Capital Results

Description (\$ Millions)	2023 Budget	Year-End Results		Carryforward	
		\$	%	\$	%
TTC Base Capital	1,368.0	1,213.5	88.7%	154.5	11.3%
TTC Transit Expansion Related Projects	81.5	54.9	67.3%	26.6	32.7%
Total	1,449.5	1,268.4	87.5%	181.1	12.5%

2023 Capital Budget Year-End Underspending

The Capital Budget and Plan is updated annually to reflect refined estimates based on capital planning progress made through stage gating, changes to planned timing or requirements and their resultant costs as well as significant collaboration with key stakeholders. Despite the significant planning process in advance of capital project delivery, not all impacts on capital spending can be predicted or controlled. The 2023 capital underspending of \$181.1 million is the result of various drivers, including, but not limited to: resourcing and supply chain constraints; adjustments to project schedules due to dependencies with third parties/other projects; and other unforeseen factors, such as site conditions.

The most significant 2023 underspending is attributable to the Purchase of Hybrid Buses where supply chain constraints have impacted the delivery schedule resulting in the deferral of planned deliveries from 2023 to 2024, while schedule changes in City projects have impacted the planned activities for Surface Track Replacement and the

Waterfront East Area 1 – Concept Design projects. In addition, the Toronto-York Spadina Subway Extension (TYSSE) project has been impacted by the deferral of close-out activities, while unexpected site conditions as well as vendor resource constraints have required adjustments to the Fire Ventilation and Second Exits project schedules to account for these unforeseen events.

When the underspending driven by factors outside of the TTC’s ability to control is excluded from the capital program, the projected spending rate increases to 93.8% for the TTC’s base capital program and 92.3% for transit-expansion-related projects, or 93.8% overall, as presented in Table 5 below.

Table 5 – 2023 Capital Results Excluding Key Drivers of Underspending

Description (\$ Millions)	2023 Budget	Year-End Results		Carryforward	
		\$	%	\$	%
TTC Base Capital	1,368.0	1,213.5	88.7%	154.5	11.3%
Excl. Key Drivers of Underspending	(74.8)				
TTC Adjusted Base Capital Program	1,293.2	1,213.5	93.8%	154.5	11.9%
TTC Transit Expansion Related Projects	81.5	54.9	67.3%	26.6	32.7%
Excl. Key Drivers of Underspending	(22.0)				
TTC Adjusted Expansion Related Program	59.5	54.9	92.3%	26.6	44.8%
Total	1,352.7	1,268.4	93.8%	181.1	13.4%

2023 Preliminary Capital Results: Adjustments to Carry-Forward Funding

Through the 2024 budget process, TTC staff estimated \$180.5 million in 2023 underspending would need to be carried forward to complete capital work in 2024 and included this amount in the 2024-2033 Capital Budget and Plan submission. After reviewing preliminary year-end results and carry-forward eligibility, the TTC requires a total of \$179.3 million to be carried forward into the 2024-2033 Capital Budget and Plan to complete 2023 capital projects. In accordance with the City’s Carry Forward Policy, an incremental carry-forward reduction of \$1.2 million will be applied to the existing carry-forward funding of \$180.5 million.

The \$1.2 million incremental carry-forward funding net reduction will be included with the Adjustments to the Capital Budget Carry Forward Funding and Future Year Commitments Report for City Council’s consideration and approval. Of this amount, a reduction of \$16.6 million in incremental carry-forward funding will be applied to the 2024 Capital Budget with \$15.4 million being added to the 2025 cash flow estimates.

The 2023 preliminary year-end results summarized in Table 5 above, and outlined in Appendix 2, reflect the recommended adjustments to the 2023 Capital Budget and future-year cash flows in the 10-Year Capital Plan to account for projects that have had accelerated spending and projects that have experienced some delays and therefore lower spending, with no debt impact.

These budget adjustments, summarized in Table 6 below, and detailed in Appendix 3, are before the Board for approval and will be submitted for City Council approval with the City’s Period 12 Capital Variance Report.

Table 6 – Recommended Adjustments to the 2023-2032 Capital Budget and Plan

Capital Plan and Adjustments (\$ Millions)	2023 Budget	2024	2025	2026	2027	2028	2029	2030	2031	2032	10-Year Total
Council Approved Capital Plan February 15, 2023	1,341.5	1,637.7	1,513.3	1,238.1	1,138.1	1,316.0	1,252.4	1,117.9	1,058.8	877.3	12,491.2
Previously Approved Amendments:											
Incremental Carryforward Adjustment	20.8	60.7									81.5
4M Variance Report Adjustments	88.9	93.3	141.5	25.7							349.3
6M Variance Report Adjustments	(2.0)	(0.2)	(34.9)	(24.3)	37.7	23.7					-
9M Variance Report Adjustments	0.3	(0.3)									-
Total Previously Approved Amendments	108.0	153.5	106.5	1.4	37.7	23.7					430.8
Recommended Amendments:											
12M Variance Report Adjustments - Acceleration	24.8										55.0
12M Variance Report Adjustments - Deferrals	(24.8)										(55.0)
Total Recommended Amendments	-	-	-	-	-	-	-	-	-	-	-
Revised Capital Plan	1,449.5	1,791.2	1,619.8	1,239.5	1,175.8	1,339.7	1,252.4	1,117.9	1,058.8	877.3	12,922.1

Economic Impacts of TTC Spending

As part of its annual budget process, the TTC allocates funds for capital spending, which are used to invest in infrastructure, equipment and other assets to improve the quality, safety and efficiency of its transit services. This spending generates economic activity that benefits Toronto, the GTA region and the rest of Canada. Updated findings from research conducted by the University of Toronto regarding the economic impact of TTC investments were presented at the December 20, 2023, TTC Board meeting and concluded that:

- Every dollar invested in the TTC yields approximately \$7.14 in economic and regional development benefits and quality of life benefits.
- Investment in TTC operations and capital works yields the following economic benefits:
 - Every \$1 invested creates the equivalent of \$2.55 in economic activity (Gross Output);
 - Every \$1 invested adds an additional \$1.02 dollar in Gross Domestic Product (GDP), generating a value-added impact resulting in an increase in profit, taxes and spending on labour; and
 - Every \$1 million invested creates 15 new jobs.

Given the capital spending of \$1.268 billion in 2023, it can be estimated this investment spending: generated \$3.233 billion in economic activity (Gross Output); contributed \$1.293 billion in GDP (value-added); and created or sustained 19,020 jobs.

While research from the University of Toronto regarding the economic impact of the TTC's operating spending continues, the Multi-Regional Input Output (MRIO) multiplier for Urban Transit Systems of 2.26 can be applied to the TTC's operational expenditures on goods and services. In 2023, total spending on goods and services was \$672.0 million, which is estimated to have generated \$1.518 billion in economic activity and created or sustained approximately 6,200 jobs.

Overall, 2023 Operating and Capital spending is estimated to have generated \$4.8 billion in economic activity and over 25,000 jobs across Canada, with 90% of benefits accruing within Ontario, as summarized in Table 7 below.

Table 7 – Economic Impact of Projected Year End Capital Spending by the TTC

	Spending (\$)	Gross Domestic Product (GDP)	Economic Activity (Gross Output)	Jobs
2023 Capital Year End	\$1.268 Billion	\$1.293 Billion	\$3.323 Billion	19,020
2023 Operating Year End	\$672 Million	-	\$1.518 Billion	6,200
2023 Total Year End	\$1.940 Billion	\$1.293 Billion	\$4.8 Billion	25,220

The final phase of the research project with the University of Toronto is underway with the final report expected to be presented at the June 2024 TTC Board meeting.

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.

In order to support the accessibility of transit, all passes, Fair Pass fares and Senior fares were exempted from the 2023 recommended TTC fare increase. In addition, the 2023 Operating Budget includes a one-time \$2.0-million contribution to the City’s Social Development, Finance and Administration Division to facilitate an expansion of the Fair Pass program, which provides more affordable single-ride and monthly passes to eligible customers. The third phase of the program opened in July 2023 to approximately 50,000 additional residents experiencing deep poverty who were not eligible in earlier phases, which prioritized individuals receiving social assistance through Ontario Works and Ontario Disability Support Program, and low-income individuals receiving City-administered childcare and rent-geared-to-income subsidies. Toronto residents aged 20-64 with a family income below 75% of the Low-Income Measure are now eligible to apply for the Fair Pass program. In future years, as funding permits, income eligibility will expand to the Low-Income Measure, plus a 15% income threshold.

The 2023-2032 Capital Budget and Plan includes \$104 million in 2023 and \$627.9 million over the 10 years for the TTC’s Easier Access program, which continues to make all subway stations accessible with elevators, wide fare gates, and automatic sliding doors.

It also provides funding for several improvements elsewhere across the transit system, including Warden and Islington stations, new low-floor streetcars, new accessible bus, and Wheel-Trans fleets, women’s washrooms to address the increasing diversity of the TTC’s workforce as well as making an additional 322 bus and streetcar stops accessible.

Decision History

At its meeting on January 9, 2023, the TTC Board approved the 2023-2032 TTC Capital Budget and Plan of \$12.491 billion in funding over the 10-year period, with \$1.341 billion approved in the 2023 Capital Budget.

[TTC 15-Year Capital Investment Plan, Real Estate Investment Plan Update and 2023 – 2032 Capital Budget and Plan](#)

At its meeting on January 9, 2023, the TTC Board approved the 2023 Operating Budget of \$2.237 billion gross and \$1.189 billion net for TTC Conventional Service; \$142.8 million gross and \$136.3 million net for Wheel-Trans Service. As a result, the TTC Board approved a 2023 Operating Budget of \$2.380 billion gross and \$1.325 billion net, with a 2023 total year-end workforce complement of 16,787 positions for the TTC.

[2023 TTC Conventional and Wheel-Trans Operating Budgets](#)

Subsequently, on February 15, 2023, City Council approved an amended 2023 TTC Operating Budget to support a one-year pilot to expanding the multidisciplinary teams on the TTC that provide mental health support to persons experiencing homelessness. The 2023 Operating Budget for TTC Conventional Service was increased by \$0.5 million gross and net, on a one-time basis to fund the estimated cost of the pilot.

[City of Toronto 2023 Capital and Operating Budgets](#)

At its meeting on February 28, 2023, the TTC Board considered the Community Safety Issues and Response report that outlined the TTC's action plan and multidisciplinary approach required to manage the increasing number of societal challenges that have shifted onto public transit. The TTC Board also adopted recommendations to increase the delegated expenditure authority to a cumulative \$15 million to the TTC's Chief Executive Officer to respond to the safety emergency and requested a detailed update on expenditures at the next TTC Board meeting.

[Community Safety Issues and Response](#)

At its meeting on May 10, 2023, City Council approved additional carry-forward funding of \$20.855 million to the 2023 Capital Budget and \$60.684 million added to the 2024 cash flow estimates based on unspent capital project funding in 2022 for the TTC.

[Adjustments to Capital Budget, Carry Forward Funding and Future Year Commitments](#)

At the meeting on May 10, 2023, City Council considered EX4.10 – Transit Priority Measures to Support Scarborough SRT Bus Replacement and directed the TTC to proceed with design work on the Scarborough Rapid Transit busway conversion and request the Province of Ontario to reimburse the TTC \$2.9 million for the projected cost of the design-related work. The TTC Board was advised at its June meeting that capital funds were reallocated to complete the design.

[Transit Priority Measures to Support Scarborough SRT Bus Replacement](#)

At its meeting on June 12, 2023, the TTC Board approved adjustments to the TTC's 2023-2032 Capital Budget and Plan for the TTC Green Bus Program that increased the 10-Year Capital Plan by \$349 million to a total of \$799 million for the TTC Green Bus Program. This increase was fully offset by \$349 million in incremental funding to be

received through Infrastructure Canada's Zero Emission Transit Fund for the procurement of 340 eBuses and 248 charge points. The Board was also advised of the budget adjustment to fully fund the remaining \$2.9 million for the design costs related to the Scarborough Rapid Transit busway.

[Financial and Major Projects Update for the Period Ended April 29, 2023](#)

At its meeting on September 26, 2023, the TTC Board approved adjustments to the TTC's 2023-2032 Capital Budget and Plan to offset projects that have had accelerated spending by \$2.1 million with projects that have experienced delays and lower spending by \$2.1 million with no debt impact.

[Financial and Major Projects Update for the Period Ended July 1, 2023](#)

At its meeting of September 26, 2023, the TTC Board approved an increase in complement of 178 positions to support the continuation of the 2023 approved and emergency community safety, security and well-being measures in place, and the introduction of new measures for the balance of 2023 to: increase staff presence in key subway stations, bus and streetcar terminals; utilize TTC buses to transport individuals to shelters; and provide community safety program support. This change was also approved by City Council at its meeting on December 13, 2023.

[TTC's Partnership Approach to Community Safety, Security and Well-Being on Public Transit](#)

At its meeting on October 11, 2023, City Council approved a technical correction to TTC's Long-Term Liability Reserve Draw and Reserve Contribution by \$17.6 million. As a result, the amended 2023 Operating Budget is \$2.398 billion gross and \$1.325 billion net.

[Operating Variance Report for the Six Months Ended June 30, 2023](#)

At its meeting on December 7, 2023, the TTC Board approved the 2023 Capital Budget in-year budget adjustments to offset projects that have had accelerated spending by \$61.5 million with projects that have experienced delays and lower spending by \$61.2 million with no debt impact.

[Financial and Major Projects Update for the Period Ended September 30, 2023](#)

Comments

2023 Operating Budget: Financial Update

Key Operating Budget Indicators

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

The key indicators are TTC and Wheel-Trans revenue ridership and average fare and market prices for diesel fuel and electric power, which affect a combined fuel and utilities budget of \$182.6 million. The final and most significant driver of expenses relates to service hours, which impact labour expenses (\$1.1823 billion) and non-labour expenses (\$318 million), such as parts and maintenance, as well as fuel and utility consumption.

Details of the TTC's key operating indicators are discussed in Table 8 below.

Table 8 – Summary of Key Operating Budget Indicators

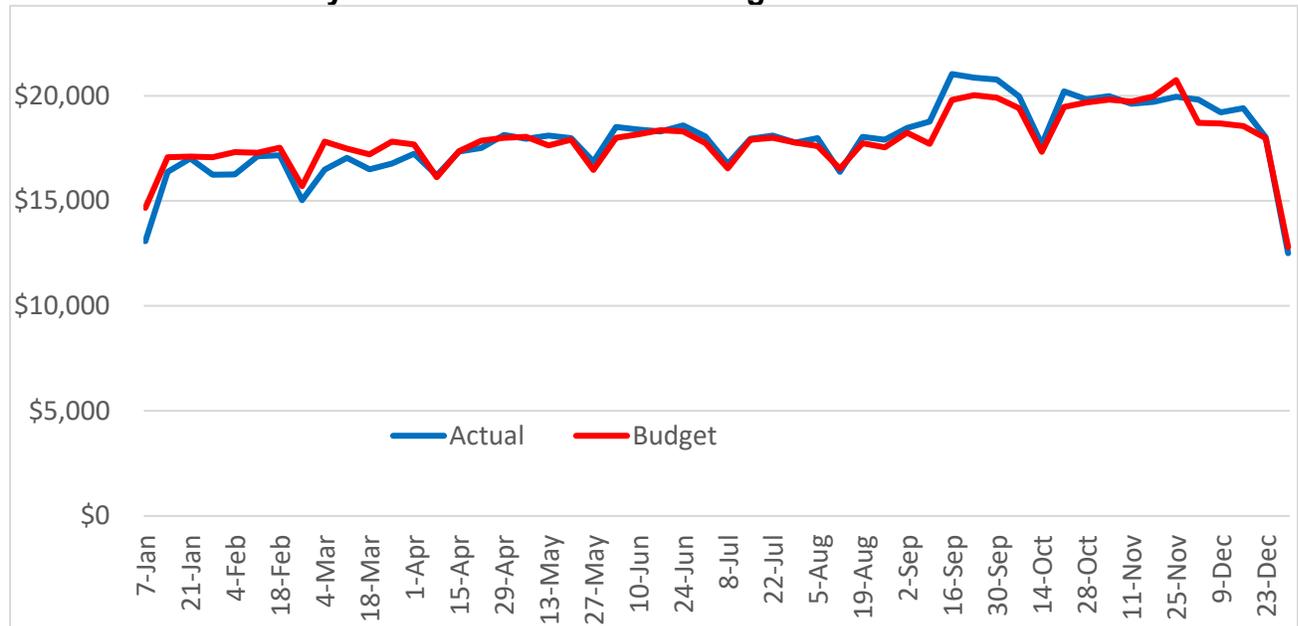
Item	Year-End Results			Status
	Budget	Actual	Variance	
TTC Ridership	392.99M	396.33M	3.340M	✓
TTC Average Fare	2.37	2.36	(0.01)	–
TTC Actual Operating Service Hours	8.679M	8.939M	0.261M	✓
Price of Fuel (\$/litre)	1.50	1.36	(0.14)	✓
Price of Electric Power (\$/kWh)	0.14	0.14	(0.00)	–
WT Passengers	2.95M	3.04M	0.09M	✓

TTC Conventional Ridership and Revenue

For 2023, TTC Conventional revenue ridership totalled 396.3 million rides, representing 101% of the annual 2023 revenue ridership budget. As a result of higher than anticipated ridership, TTC Conventional passenger revenue realized in 2023 was slightly higher than the approved budget of \$931.4 million, totalling \$935.8 million and resulting in a budget surplus of \$4.4 million, or \$4.2 million net of PRESTO commissions.

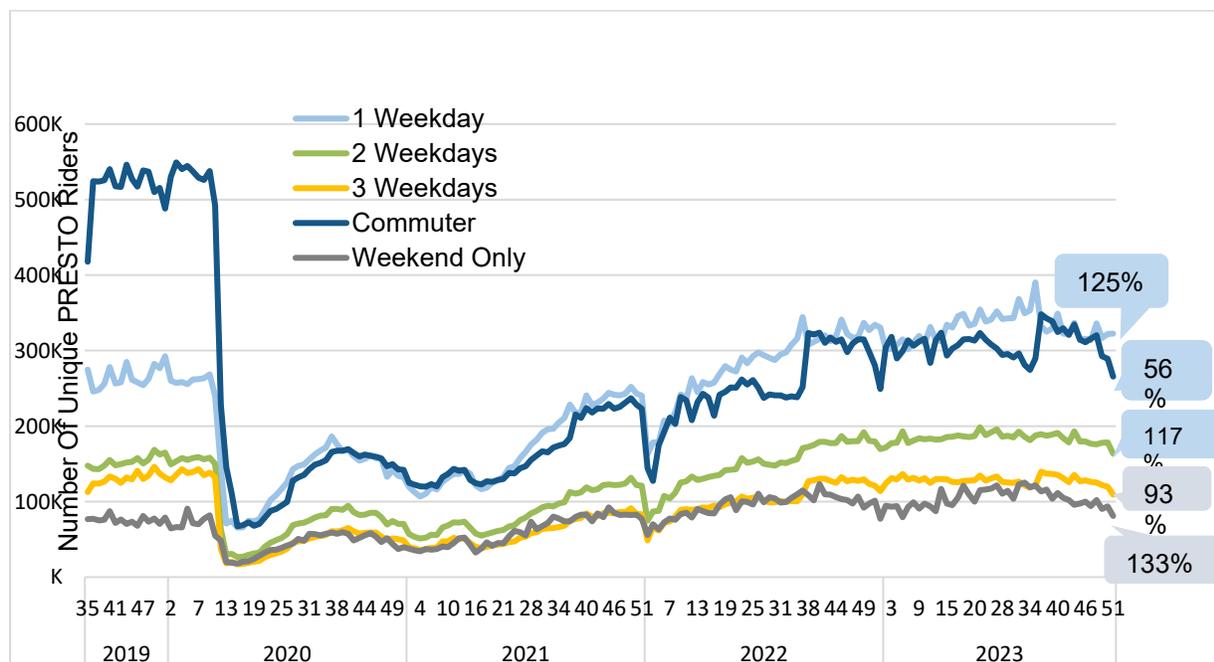
As shown in Chart 1 below, TTC Conventional passenger revenue saw steady growth in 2023. A few significant weather events occurred during the first three months of the year, which caused a direct reduction in ridership on those days, resulting in ridership in the first quarter being slightly below budget. With no significant weather events beyond the first quarter, ridership remained slightly above budget and the unfavourable revenue variance experienced during Q1 2023 was offset by the higher than planned revenue experienced in each subsequent quarter.

Chart 1 – 2023 Weekly TTC Conventional Passenger Revenue



TTC Conventional ridership stabilized by fall 2023 with hybrid work practices resulting in office workers averaging approximately 2.5 days per week in-office. Hybrid work practices have led to a travel pattern change from the former daily commuter to a now-less-frequent usage group. Even though the majority of riders have returned, with weekly unique PRESTO riders averaging 89% of pre-COVID levels in 2023, their average usage has decreased. For instance, as seen in Chart 2, the 2023 weekly count of “commuter rides” – those users who ride four or five weekdays each week, averaged 56% of the levels observed in March 2020.

Chart 2 – Unique PRESTO Riders by Frequency Category



Weekend ridership also recovered, but at a much higher level than weekday ridership, with weekend ridership averaging 85% of pre-COVID levels in 2023 and reaching a 2023 high of 94% in the summer. Weekday use was highest and consistent across mid-week (Tuesday to Thursday), as in-office occupancy is consistently highest on these weekdays, averaging 73% of pre-COVID levels in 2023 and reaching a 2023 high of 79% of pre-COVID levels in the fall.

Service Hours

Conventional service hours delivered in 2023 were, on average, 3% above the budgeted service levels of 91% of pre-pandemic service hours. To account for city-wide transit coverage, increasing traffic congestion, and to ensure sufficient capacity to support the upper range of increasing customer demand, TTC Conventional service hours were increased to 93% of pre-pandemic levels in spring 2023, and to 95% of pre-pandemic levels in Q4 2023. The increased service was achieved by leveraging surplus Operator availability for bus and subway services, stemming from the return of staff due to the elimination of the mandatory vaccine policy and lower than expected absence rates.

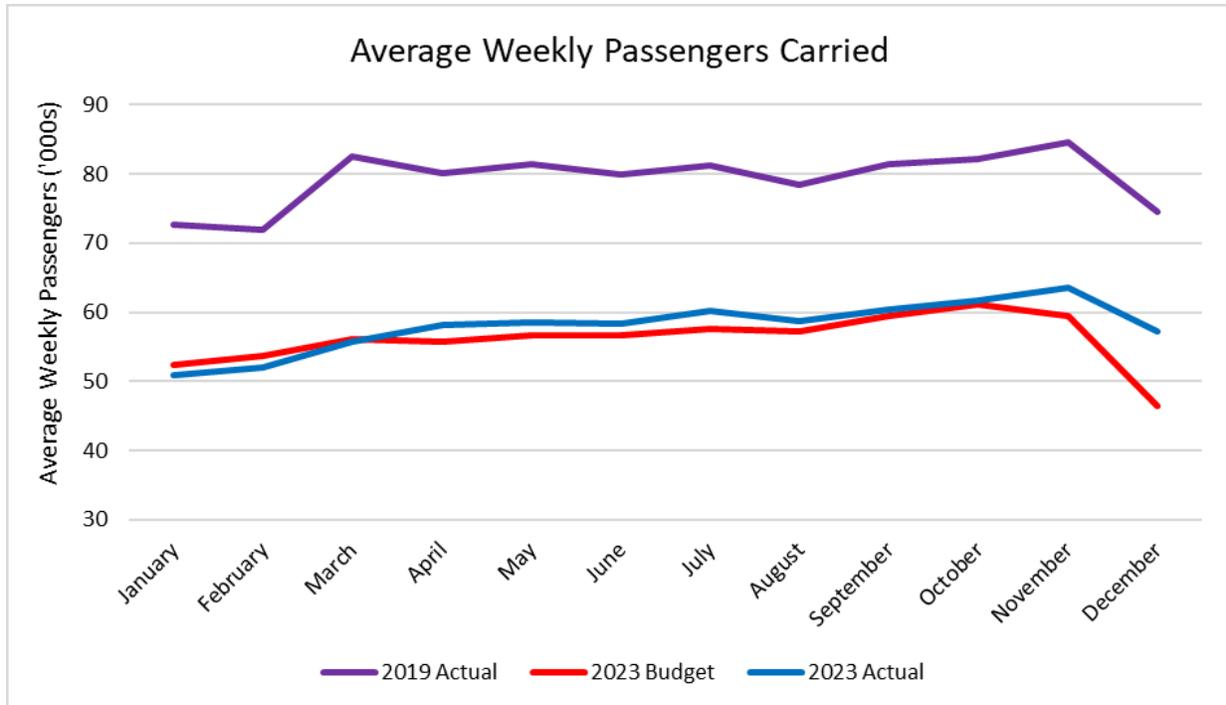
Diesel Fuel

Overall, diesel prices averaged \$1.36 per litre, below the budgeted price of \$1.50 per litre. Savings on the diesel price have been partially offset by an increase in actual service hours being delivered as compared with the budget, as noted in the service hours commentary above.

Wheel-Trans Ridership

As shown in Chart 3 below, Wheel-Trans ridership began the year slightly below budget before increasing in April, but remained consistent throughout the summer, and increased again in the fall, similar to the pre-COVID seasonal trend. Overall, ridership was at 74% of pre-pandemic levels compared to a budgeted level of 72%, primarily driven by higher-than-anticipated growth in new registrants. Lower ridership results in December 2023 were also consistent with pre-COVID and recent seasonality experience.

Chart 3 – 2023 Average Weekly Wheel-Trans Passenger Ridership



2023 Preliminary Year-End Operating Results

For the year ending December 31, 2023, the TTC incurred actual expenditures of \$2.331 billion gross and \$1.288 billion net against planned (calendarized) spending of \$2.398 billion gross and \$1.326 billion net, resulting in a net favourable operating variance of \$38.0 million.

Table 9 below summarizes the key year-end expenditure and revenue results against the 2023 Operating Budget

Table 9 – TTC and Wheel-Trans Preliminary Operating Results

Operating Results			
Description (\$Millions)	Year-End Results		
	Budget	Actual	Variance
Revenue			
TTC Conventional			
Passenger Revenue	931.4	935.8	4.4
Ancillary Revenue	82.0	86.8	4.8
Wheel-Trans Passenger Revenue	6.5	6.7	0.2
TTC Stabilization Reserve Draw	31.8	0.0	(31.8)
Long-Term Liability Reserve Draw	20.6	13.6	(7.0)
Total Revenue	1,072.3	1,042.9	(29.4)
Expenditures			
TTC Conventional			
Departmental Labour	1,188.1	1,165.6	(22.5)
Departmental Non-Labour	310.3	289.5	(20.7)
Employee Benefits	403.9	395.3	(8.6)
Diesel	102.9	99.5	(3.4)
Traction Power & Utilities	79.6	72.0	(7.6)
Corporate Costs	129.3	124.2	(5.1)
Wheel-Trans	142.4	144.8	2.4
Subtotal Base Expenditures	2,356.5	2,290.9	(65.6)
COVID Incremental Costs	23.8	22.0	(1.8)
Long-Term Liability Reserve Contribution	17.6	17.6	0.0
Total Expenditures	2,397.9	2,330.5	(67.4)
Net Expenditure (Funding Required)	1,325.6	1,287.6	(38.0)
Operating Funding			
COVID Impact Funding	366.4	353.2	(13.2)
Base Operating Funding	959.2	934.4	(24.8)
Total Operating Funding	1,325.6	1,287.6	(38.0)

The favourable year-end expenditure variance of \$67.4 million is primarily driven by underspending as a result of the deferred opening of Line 5 and Line 6 to 2024, workforce vacancies, lower energy costs and lower accident claims costs. This favourable variance offset the following cost drivers:

- The cost of Conventional service delivered 3% above budgeted levels rising to 95% of pre-pandemic levels in Q4 2023 to meet service demand;
- Significant cost escalation for vehicle parts;
- Implementation of Community Safety, Security and Well-Being measures approved by the Board in-year;
- Increased employee benefits costs due to higher dental costs and benefit utilization; and

- Increased service costs to accommodate higher-than-budgeted Wheel-Trans ridership demand.

Actual revenues realized for 2023 were higher than planned. Passenger revenue exceeded budgeted levels by \$4.4 million or 0.5% given increased ridership; ancillary revenues benefitted from higher than forecasted interest rates; and the TTC was reimbursed by Metrolinx for sunk costs incurred as part of Line 5 and Line 6 mobilization activities.

As a result of the favourable net variance at year-end, the budgeted TTC Stabilization Reserve withdrawal of \$31.8 million to fund one-time requirements; to minimize the 2023 fare increase and to help mitigate inflationary pressures is not required and has been foregone. In addition, there is no need to utilize the Reserve to fund the Community Safety, Security and Well-Being program costs that were incurred during 2023 under CEO delegated authority.

An analysis of Operating Results by Service is provided in Appendix 1.

2023 COVID-19 Financial Impact

Table 10 below summarizes the financial impacts of COVID-19 on the 2023 Operating Budget.

Table 10 – 2023 Operating Budget COVID-19 Impacts

Total COVID-19 Financial Impact			
in \$ Millions	Year-End Results		
	Budget	Actual	Variance
COVID-19 Financial Impact			
Lost Passenger revenue, net of PRESTO Commissions	328.1	318.0	(10.0)
Lost Ancillary Revenues	14.5	13.1	(1.4)
Incremental COVID-19 Expenses	23.8	22.0	(1.8)
Total COVID-19 Financial Impact	366.4	353.3	(13.2)

Passenger Revenue

The COVID-19 financial impact incorporated into the 2023 Operating Budget accounted for \$328.1 million of lost passenger revenue, net of PRESTO commissions as a result of lower ridership. Lost passenger revenue, net of PRESTO was \$10 million lower than budgeted as a result of the increased passenger revenue realized in 2023 due to slightly higher ridership than expected.

Ancillary Revenues

The COVID-19 financial impact incorporated into the 2023 Operating Budget includes \$14.5 million in lost ancillary revenue, due to lower commuter parking, advertising, and subway concession revenue. Actual lost ancillary revenues were \$1.4 million below budget as commuter parking revenue recovered at a higher rate than anticipated.

COVID-19 Expenses

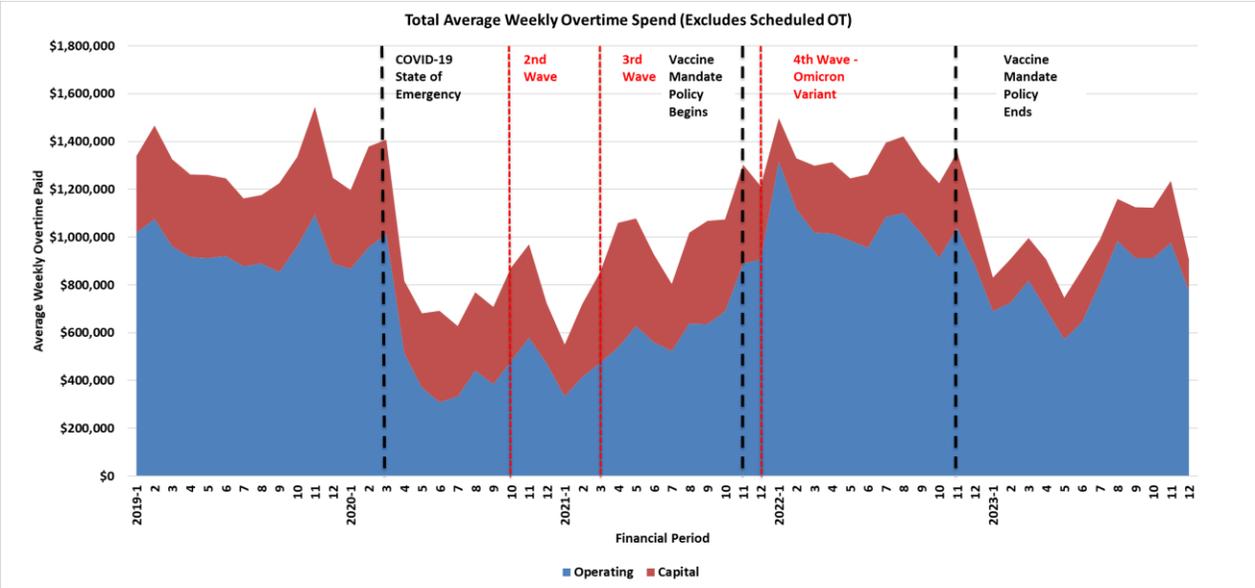
The COVID-19 financial impact incorporated into the 2023 Operating Budget also includes \$23.8 million in COVID-19 response expenses to protect customer and employee safety. Actual expenses were \$1.9 million below planned expenses due to a reduction in PPE requirements and COVID-related absenteeism, partially offset by higher WSIB claims.

Overtime Management

The management of overtime expenses continues to be a key area of focus for the TTC, one that contributes to meeting the TTC’s service objective of enhancing its financial sustainability. Overtime expenditures are required to meet both operating and capital needs. Operating requirements are driven by the need to address incident response and absence coverage, and capital requirements support efforts to maximize productivity, while minimizing disruption during capital project delivery.

Excluding overtime required for scheduled service, Chart 4 below shows that average weekly overtime spending (operating and capital combined) has decreased from an average of \$1.3 million per week in 2022 to \$1.0 million per week in 2023, representing a reduction of 25%, and trending well below pre-pandemic (2019) levels. A key contributor to this change is due to increased Operator availability. Higher overtime in 2022 was primarily driven by temporary measures to ensure service continuity. Overtime was required as a means to address increased absence coverage during the fourth wave of COVID-19 (Omicron variant) from December 2021 to March 2022 and the implementation of the mandatory vaccination policy in November 2021. This resulted in a reduction of available Operators and maintenance staff, and therefore the TTC needed to rely on overtime to mitigate service impacts. Filling this open work on overtime was a last resort and a temporary measure to ensure service continuity.

Chart 4 – Total Average Weekly Overtime Spending

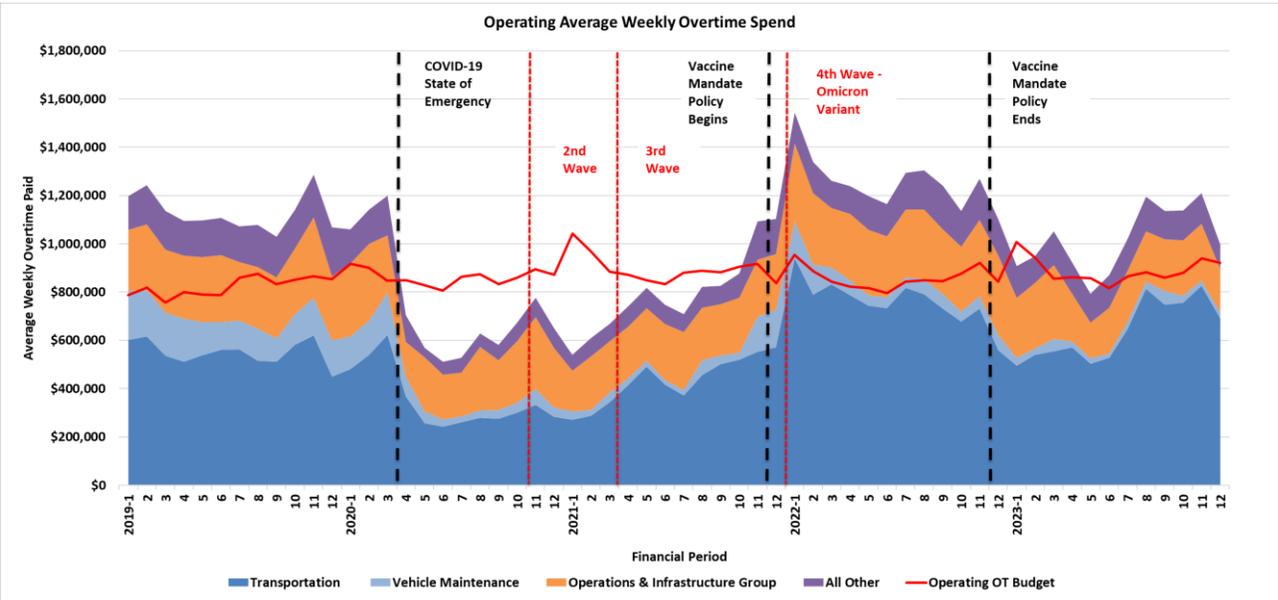


Operating Overtime

Consistent with key events and the overall trend noted above, operating overtime in 2023 decreased relative to the 2022 experience and is below pre-pandemic levels from 2019, as illustrated in Chart 5 below. Operating overtime declined approximately 19% in 2023 compared to 2022. In particular, overtime declined in the Transportation and Vehicles Group as hiring efforts were targeted at recruiting Operators in late 2022, while coincidentally many employees in this group were reinstated when the mandatory vaccine policy ended in late 2022.

In the first half of 2023, improved Operator availability allowed the TTC to fill absence coverage on regular time through the use of spare Operators. However, in the second half of 2023, additional Operator overtime was required mainly due to the emergency closure of Line 3 SRT in July-August, which required unplanned bus replacement service in advance of the planned closure date in November 2023. Continuous improvement actions are being undertaken to enhance the effective deployment of spare Operators to achieve further overtime reductions. The TTC is also focused on filling priority vacancies among maintenance employees in the Operations and Infrastructure Group to further reduce the reliance on overtime, wherever possible.

Chart 5 – Operating Average Weekly Overtime Spending



2023 Capital Budget: Financial Update

2023 Preliminary Capital Results

For the year-ending December 31, 2023, the TTC incurred \$1.213 billion in capital spending, reflecting a spending rate of 88.7% for the TTC's base capital program and \$54.9 million or 67.3% for transit-expansion-related projects, resulting in total capital spending of \$1.268 billion and an overall spending rate of 87.5% at year-end and an under-expenditure of \$181.1 million or 12.5%. The year-end results by capital program are detailed in Appendix 2.

Table 11 below summarizes the TTC's preliminary year-end results by key project type.

Table 11 – 2023 Capital Budget Results and Forecast

Description (\$ Millions)	2023 Budget	Year-End Results		Carryforward	
		\$	%	\$	%
TTC Base Capital					
Infrastructure Projects	872.3	779.3	89.3%	93.0	10.7%
Vehicle Related Projects	495.7	434.2	87.6%	61.5	12.4%
Total - Base Capital	1,368.0	1,213.5	88.7%	154.5	11.3%
TTC Transit Expansion-Related Projects					
Toronto York Spadina Subway Extension	56.1	35.0	62.4%	21.1	37.6%
SRT Conversion to Busway	21.4	16.8	78.8%	4.5	21.2%
Waterfront Transit - Design	4.1	3.1	74.8%	1.0	25.2%
Total - Transit Expansion Related Projects	81.5	54.9	67.3%	26.6	32.7%
Total	1,449.5	1,268.4	87.5%	181.1	12.5%

2023 Capital Budget Underspending

The Capital Budget is updated annually to reflect refined estimates based on capital planning progress made through stage gating; changes to planned timing or requirements and their resultant costs; and significant collaboration with key stakeholders. Despite the significant planning process in advance of capital project delivery, not all impacts on capital spending can be predicted or controlled. Capital underspending at year-end has been impacted by various drivers, including; but not limited to: resourcing and supply chain constraints; adjustments to project schedules due to dependencies with third parties/other projects; and other unforeseen factors, such as site conditions.

A significant portion of the 2023 underspending is attributable to a small number of projects in the 2023 Capital Budget. Supply chain constraints have impacted the delivery schedule for the Purchase of Hybrid Buses, which has deferred planned deliveries from 2023 to 2024, while planned activities for the Surface Track Replacement and Waterfront East Area 1 – Concept Design projects were impacted by schedule changes in City capital projects. In addition, unexpected site conditions as well as vendor resource constraints have required the Fire Ventilation and Second Exits

project schedules to be adjusted to account for these unforeseen events, while the TYSSE project has been impacted by the deferral of close-out activities.

When the underspending driven by factors outside of the TTC's ability to control are excluded from the base capital program, the spending rate increases to 93.8% for the TTC's base capital program and 92.3% for transit-expansion-related projects, or a 93.8% spending rate overall, as summarized in Table 12.

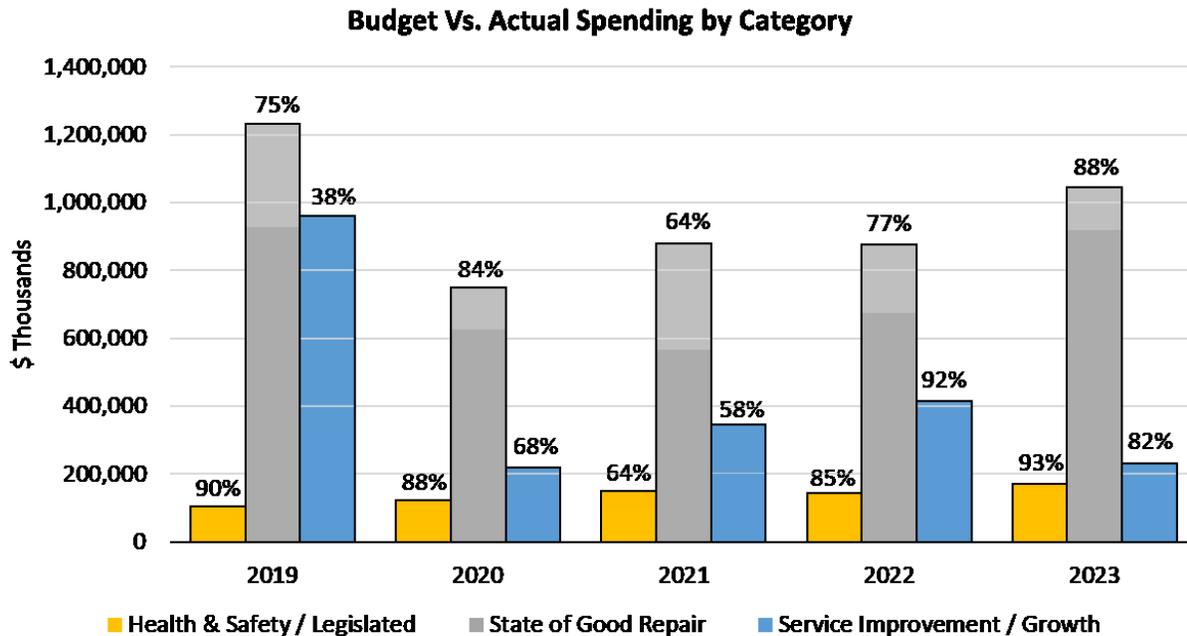
Table 12 – 2023 Capital Results Excluding Key Drivers of Underspending

Description (\$ Millions)	2023 Budget	Year-End Results		Carryforward	
		\$	%	\$	%
TTC Base Capital					
Infrastructure Projects	872.3	779.3	89.3%	93.0	10.7%
Vehicle Related Projects	495.7	434.2	87.6%	61.5	12.4%
Total - Base Capital	1,368.0	1,213.5	88.7%	154.5	11.3%
Excl. Key Drivers of Underspending	(74.8)				
TTC Adjusted Base Capital Program	1,293.2	1,213.5	93.8%	154.5	11.9%
TTC Transit Expansion-Related Projects					
Toronto York Spadina Subway Extension	56.1	35.0	62.4%	21.1	37.6%
SRT Conversion to Busway	21.4	16.8	78.8%	4.5	21.2%
Waterfront Transit - Design	4.1	3.1	74.8%	1.0	25.2%
Total - Transit Expansion Related Projects	81.5	54.9	67.3%	26.6	32.7%
Excl. Key Drivers of Underspending	(22.0)				
TTC Adjusted Expansion Related Program	59.5	54.9	92.3%	26.6	44.8%
Total	1,352.7	1,268.4	93.8%	181.1	13.4%

2019-2023 Base Capital Program Spending Rates

Chart 6 below provides the TTC's 2023 spending rate by project category for its base capital program and compares this to the TTC's experience over the previous four years.

Chart 6 – 2019-2023 Base Capital Program Spend Rate by Category

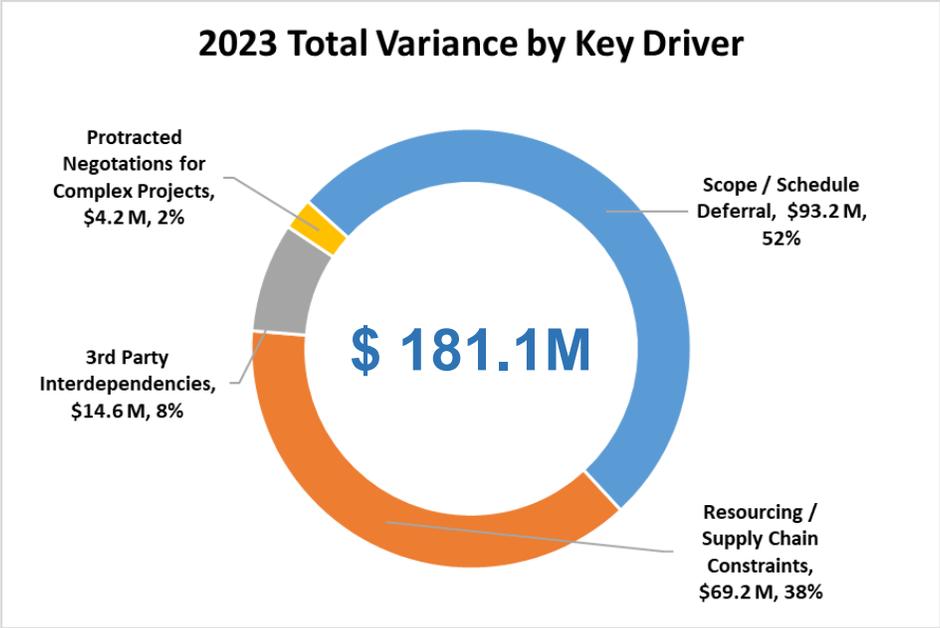


As illustrated in the above graph, spending has continued to trend upward in each of the project categories, in comparison to prior years. The most significant increase in spending has occurred in the State of Good Repair project category and is mainly attributed to Bus and Streetcar Overhaul projects. Spending dropped compared to prior years for the TTC's Service Improvement/Growth capital projects mainly due to the deferral of close-out costs for the TYSSE project and increased to 93% for Health and Safety/Legislated programs. The overall spending results reflect the TTC's annual recalibration of its Capital Budget and Plan to better align annual cash flow estimates with spending, project readiness, activities and timelines in order that the TTC is maximizing the capital funding it receives.

2023 Variance By Key Driver

The TTC's capital year-end underspending of \$181.1 million in 2023 was impacted by various factors, including, but not limited to: scope/schedule deferrals; resourcing and supply chain constraints; and adjustments to project schedules due to dependencies with third parties and other projects. The underspending, summarized by the key drivers, is outlined in Chart 7 below.

Chart 7 – 2023 Total Variance by Key Driver



Scope and schedule deferrals associated with construction delays resulted in underspending of \$93.2 million or 52% of the \$181.1 million in year-end underspending. Delays in the Subway Station Second Exit project and the delivery of Wheel-Trans buses were the key drivers of underspending in this category. Approximately 38% or \$69.2 million in underspending was driven by labour shortages in Computer Equipment and Software-related projects as well as supply chain uncertainties for various infrastructure and vehicle-related capital works across the TTC’s capital program, with the deferred delivery of hybrid buses being the primary driver of this underspending.

Another 8% or \$14.6 million in underspending was due to delays associated with the need to maintain alignment with third parties who were also experiencing delays in supporting or co-ordinating capital works. Work on Waterfront Transit and Surface Track Replacement projects were delayed as a result of changes to City capital project scheduling. A further 2% or \$4.2 million in underspending was caused by protracted negotiations for complex projects, primarily driven by Computer Equipment and Software-related projects.

Key Project Variances by Program

Year-end capital results in the Infrastructure Program were primarily driven by underspending in the Surface Track, Fire Ventilation and Second Exits, Service Planning, Revenue and Farehandling Equipment and IT-related projects. Underspending in the Vehicle Program was mainly driven by the Purchase of Buses and Streetcars (deferred deliveries), while delays related to the close-out of the TYSSE project contributed to underspending in the Transit-Expansion-Related programs.

Infrastructure Projects

Surface Track

\$49.4 million or 85% of the 2023 Approved Capital Budget of \$58.4 million for the Surface Track projects was spent in 2023. The underspending of \$9.0 million is due to the deferral of planned work by the City for the King-Queen-Queensway-Roncesvalles construction project, thereby impacting the completion of the TTC's planned capital works for this area. The \$9.0 million of underspending will be carried forward to the 2024-2033 Capital Budget and Plan to complete this work.

Fire Ventilation Upgrades and Second Exits

In 2023, the expenditure for the Fire Ventilation Upgrades and Second Exits program amounted to \$24.7 million, representing 65% of the 2023 Approved Capital budget of \$37.9 million. The variance in spending was primarily driven by unexpected challenges encountered during the construction process. Unforeseen site conditions and vendor resource constraints at the College and Donlands Second Exit sites were major contributors to the underspending. These issues led to delays in the construction schedule, impacting the overall progress of the projects.

Revenue and Fare Handling Equipment

A total of \$0.3 million or 3% of the 2023 Approved Capital Budget of \$9.1 million was spent in 2023. The underspending is mainly attributable to a planned holdback release payment being deferred to 2024 in the Turnstile Replacement project as well as a delay in the installation date of fare gates in LRT stations.

Service Planning

A total of \$9.5 million or 63% of the 2023 Approved Capital Budget of \$15.1 million was spent in 2023. The underspending is largely related to the Transit Priorities project, as technical issues with the compatibility of the VISION system have necessitated schedule changes. The Bus Lane Implementation project is also underspent due to a delay in the RapidTO plan approval on Jane Street where the request for additional consultation has caused the project delay. The unspent funds will be carried forward and the work will be completed in 2024.

Computer Equipment and Software

\$50.9 million or 70% of the 2023 Approved Capital Budget of \$73.0 million was spent in 2023. The primary driver of underspending is due to delays associated with supply chain constraints in obtaining the necessary camera equipment, thereby requiring changes to the design and hardware delivery schedule on the Corporate Camera Delivery project. In addition, several SOGR projects experienced schedule delays, shifting expected work plans and funding to 2024 due to resourcing challenges.

Vehicle Projects

Purchase of Buses

\$223.0 million or 81% of the 2023 Approved Capital Budget of \$276.2 million was spent in 2023. The underspending is a result of supply chain constraints faced by the vendors, which have caused delays in the delivery of hybrid bus purchases from both NOVA and New Flyer, with underspending carried forward into 2024 to complete the procurement.

Purchase of Streetcars

A total of \$59 million or 95% of the 2023 Approved Capital Budget of \$62.1 million was spent in 2023. While \$3.1 million was underspent in 2023, production continues to ramp up as four streetcars were delivered in 2023 and the remaining streetcars are “on track” for delivery of 36 in 2024 and 20 in 2025.

TTC Transit-Expansion-Related Projects

Toronto-York Spadina Subway Extension

\$35.0 million or 62% of the \$56.1 million included in the 2023 Approved Capital Budget for the TYSSE project was spent in 2023. The underspending, which will be carried forward to the 2024 Capital Budget, is primarily driven by changes to the expected timing for some of the project close-out activities and associated costs.

2023 Preliminary Capital Results: Adjustments to Carry-Forward Funding

Through the 2024 Budget process, an estimated \$180.5 million of anticipated unspent funding in 2023 was carried forward and included in the 2024-2033 Capital Budget and Plan submission. After reviewing preliminary year-end results and carry forward eligibility, the TTC requires a total of \$179.3 million to be carried forward into the 2024-2033 Capital Budget and Plan to complete 2023 capital projects. In accordance with the City’s Carry Forward Policy, a total incremental carry forward a reduction of \$1.2 million will be applied to the existing carry-forward funding of \$180.5 million.

The \$1.2 million incremental carry-forward funding net reduction will be included with the Adjustments to the Capital Budget Carry Forward Funding and Future Year Commitments Report for City Council’s consideration and approval. Of this amount, a reduction of \$16.6 million in incremental carry-forward funding will be applied to the 2024 Capital Budget, with \$15.4 million being added to the 2025 cash flow estimates.

Additional information summarizing 2023 capital spending results for the period is provided in Appendix 2 – 2023 Capital Spending Summary by Program. Appendix 3 itemizes the budget adjustments that will be included in the TTC’s Capital Variance Report submission for the 12 months ended December 31, 2023 for City Council consideration and approval.

Major Capital Projects Update

The TTC's approved 2023-2032 Capital Budget and Plan consists of capital investments to provide customers with safe, seamless and reliable transit that is inclusive as well as accessible while also building resiliency to meet future demand. The TTC's delivery of a multi-billion-dollar capital program is guided by the TTC's Project Management Framework. The TTC's framework consists of three classifications of projects: Category 1, 2 and 3. Category 3 projects and programs represent the TTC's major projects and are afforded more project management rigour and oversight. The categorization takes into consideration, among other things, the budget, scope, risks and complexity, as well as the strategic importance to the organization.

Category 3 projects and programs comprise approximately 62% of the TTC's Capital Plan. These projects and programs are grouped into specific, mode-based portfolios: Subway, Streetcar, Bus and Wheel-Trans, and Network Wide. This portfolio-based approach ensures integrated planning, co-ordination and oversight for projects and programs with many complex interdependencies.

Attachment 1 contains the Major Projects Update, portfolio dashboards and individual project profiles (for the period ending December 31, 2023), and includes an update on the capital delivery performance for each major project against the approved budget, planned schedule and in-scope activities within the TTC's Capital Plan.

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Attachments

Appendix 1 – Operating Results by Service for the Period Ended December 31, 2023
Appendix 2 – 2023 Capital Spending Summary by Program
Appendix 3 – 2023-2032 Capital Budget and Plan Adjustments for Council Approval
Appendix 4 – TTC Reserves: Continuity Schedule
Attachment 1 – Major Projects Update Report (December 31, 2023)

Appendix 1 – Operating Results by Service for the Period Ended December 31, 2023

TTC Conventional Service: 2023 Operating Results by Key Account Grouping and Comparison to 2022

For the full year, the TTC Conventional Service net under-expenditures totalled \$40.4 million (3.3%), comprising of base under-expenditures of \$27.3 million and a COVID-19 under-expenditure of \$13.1 million.

Key drivers of 2023 under-expenditures include:

- Deferred Line 5 and Line 6 revenue service commencement.
- Workforce vacancies.
- Lower average diesel fuel and natural gas prices.
- Lower accident claims expenses.
- Lower COVID incremental expenditures due to lower PPE usage and absence rates returning to pre-pandemic levels.
- Higher-than-anticipated passenger revenue and ancillary revenue resulting from increased ridership, higher interest rates and unbudgeted cost recoveries from Metrolinx.

The net under-expenditure was partially offset by:

- Cost of regular service hours operated 3% above budget levels to improve service reliability on routes experiencing an increase in congestion, operate additional Run-as-Directed buses, and to restore service on routes with the highest demand to reduce crowding and customer wait times.
- Increase in unit cost and requirements of bus and streetcar parts resulting from significant cost escalation and delayed vehicle deliveries.
- Implementation of new Community Safety, Security and Well-Being Initiatives approved by the Board in-year.
- Increased benefit expenses due to higher utilization and an 8.5% dental fee guide increase.
- Foregoing the \$31.8 million planned Stabilization Reserve draw.
- Lower-than-anticipated long-term liability Reserve draw requirements to support accident claims cash payments.

The 2023 financial results for the TTC Conventional Service are summarized in Table 13 below.

Table 13 – TTC Conventional Service: 2023 Operating Results by Key Account Grouping

TTC Conventional Service				
Item (\$Millions)	Year-End Results			Status
	Budget	Actuals	Variance	
Revenues				
Passenger Revenue	931.4	935.8	4.4	✓
Other Ancillary Revenue	82.0	86.8	4.8	✓
TTC Stabilization Reserve Draw	31.8	0.0	(31.8)	–
Long-Term Liability Reserve Draw	20.0	13.3	(6.7)	–
Total Revenue	1,065.2	1,035.9	(29.3)	✓
Expenses				
Departmental Labour	1,188.1	1,165.6	(22.5)	✓
Departmental Non-Labour	310.3	289.5	(20.8)	✓
Employee Benefits	403.9	395.3	(8.6)	✓
Diesel	102.9	99.5	(3.4)	✓
Traction Power & Utilities	79.6	72.0	(7.6)	✓
Other Corporate Costs	129.3	124.2	(5.1)	✓
Subtotal Base Expenses	2,214.1	2,146.1	(68.0)	✓
COVID-19 Costs	23.4	21.7	(1.7)	✓
Long-Term Liability Reserve Contribution	17.0	17.0	(0.0)	–
Total Expenses	2,254.5	2,184.8	(69.7)	✓
Net Expenditure (Funding Required)	1,189.3	1,148.9	(40.4)	✓
Operating Funding				
COVID Funding Impact	366.0	352.9	(13.1)	✓
Base City Funding	823.3	796.0	(27.3)	✓
Total Operating Funding	1,189.3	1,148.9	(40.4)	✓

TTC Conventional Service: 2023 versus 2022 Results Comparison

Passenger revenue was \$198.0 million (27%) higher in 2023 than in 2022, largely reflecting the continued impact of ridership recovery and an increase in average fares resulting from the fare increase in 2023. In 2023, ridership averaged 74% of pre-pandemic levels, up from 59% in 2022.

Other year-over-year revenue changes include \$34.5 million (66%) higher in ancillary revenue in 2023, due to the impact of increased ridership recovery, higher interest rates and additional cost recoveries from Metrolinx for the reimbursement of sunk costs incurred as part of Line 5 and Line 6 mobilization activities, and service disruption costs related to third-party construction projects.

Year-over-year expenditures were \$114.6 million (6%) higher in 2023 than in 2022, prior to COVID expenditures. Key drivers of this net increase include:

- Additional resources to advance System Safety, Cleanliness and Accessibility initiatives.
- Impact of Collective Agreement arbitrated settlement and staff economic increase.
- Inflationary impacts on materials and services.
- Increased utilization and inflationary impact on employee benefits.
- Significant accident claims resolved and settled in 2023.
- Higher PRESTO Commissions, commensurate with the increase in Passenger Revenue and adoption of PRESTO.
- The net under-expenditure is partially offset by lower diesel costs in 2023 due to lower market prices.

COVID expenditures were \$9.6 million (30.5%) lower in 2023, primarily due to lower COVID-related sick benefit payments, lower PPE usage, full year impact of the suspension of employee screening as of May 2022, and discontinuation of facility and vehicle COVID-19 disinfecting in July 2022 and November 2022, respectively.

The 2023 versus 2022 Results Comparison for the TTC Conventional Service is summarized in Table 14 below.

Table 14 – TTC Conventional Service 2023 versus 2022 Results Comparison

TTC Conventional Service			
Item (\$Millions)	Year-End Results		
	2023 Actuals	2022 Actuals	Change
Revenues			
Passenger Revenue	935.8	737.8	198.0
Other Ancillary Revenue	86.8	52.3	34.5
Long-Term Liability Reserve Draw	13.3	12.7	0.6
Total Revenue	1,035.9	802.8	233.1
Expenses			
Departmental Labour	1,165.6	1,126.3	39.3
Departmental Non-Labour	289.5	250.6	38.9
Employee Benefits	395.3	371.0	24.3
Diesel	99.5	109.9	(10.4)
Traction Power & Utilities	72.0	71.5	0.5
Other Corporate Costs	124.2	102.3	21.9
Subtotal Base Expenses	2,146.1	2,031.6	114.5
COVID-19 Costs	21.7	31.3	(9.6)
Long-Term Liability Reserve Contribution	17.0	17.0	0.0
Total Expenses	2,184.8	2,079.9	104.9
Net Expenditure (Funding Required)	1,148.9	1,277.1	(128.2)
Operating Funding			
COVID Funding Impact	352.9	543.5	(190.6)
Base City Funding	796.0	733.6	62.4
Total Operating Funding	1,148.9	1,277.1	(128.2)

Wheel-Trans Service: 2023 Operating Results by Key Account Grouping and Comparison to 2022

As of the end of 2023, Wheel-Trans expenses are \$2.3 million (1.6%) above budget mainly due to higher contracted taxi costs driven by higher ridership demand, partially offset by lower fuel and maintenance costs. Revenue is \$0.1 million (1.9%) below budget due to higher-than-anticipated ridership levels offset by lower-than-anticipated Reserve draw to support actual accident claim payments.

Overall, the over-expenditure on Wheel-Trans Service of \$2.4 million (1.8%) is accommodated through the net under-expenditure on TTC Conventional Service. Please see Table 15 below.

Table 15 – 2023 Wheel-Trans Service: 2023 Operating Results by Key Account Grouping

Wheel-Trans Service				
Item (\$Millions)	Year-End Results			Status
	Budget	Actuals	Variance	
Revenues				
Passenger Revenue	6.5	6.7	0.2	✓
Long-Term Liability Reserve Draw	0.6	0.2	(0.4)	-
Passenger Revenues	7.1	7.0	(0.1)	✓
Expenses				
Bus Service	53.5	52.5	(1.0)	✓
Vehicle Fuel	4.3	3.7	(0.6)	✓
Contracted Taxi	50.1	54.5	4.4	✗
Employee Benefits	18.8	17.7	(1.1)	✓
Administration/Management	15.7	16.4	0.7	✗
Subtotal Base Expenses	142.4	144.8	2.4	✗
COVID-19 Costs	0.4	0.3	(0.1)	✓
Long-Term Liability Reserve Contribution	0.6	0.6	0.0	-
Total Expenses	143.4	145.7	2.3	✗
Net Expenditure (Funding Required)	136.3	138.7	2.4	✗
Operating Funding				
COVID Impact Funding	0.4	0.3	(0.1)	✓
Base City Funding	135.9	138.4	2.5	✗
Total Operating Funding	136.3	138.7	2.4	✗

As noted in Table 16 below, Wheel-Trans expenses are \$23.2 million (18.9%) higher and revenues are \$1.5 million (27.5%) higher compared to 2022, primarily due to increased ridership demand as a result of an increase in registrants and the resultant requirements for contracted taxi services, bus service costs and call centre services.

Table 16 – Wheel-Trans Service: 2023 versus 2022 Results Comparison

Wheel-Trans Service			
Item (\$Millions)	Year-End Results		
	2023 Actuals	2022 Actuals	Change
Revenues			
Passenger Revenue	6.7	5.0	1.7
Long-Term Liability Reserve Draw	0.2	0.4	(0.2)
Passenger Revenues	7.0	5.4	1.5
Expenses			
Bus Service	52.5	48.3	4.2
Vehicle Fuel	3.7	3.6	0.1
Contracted Taxi	54.5	39.0	15.5
Employee Benefits	17.7	15.5	2.2
Administration/Management	16.4	15.0	1.5
Subtotal Base Expenses	144.8	121.4	23.4
COVID-19 Costs	0.3	0.5	(0.2)
Long-Term Liability Reserve Contribution	0.6	0.6	0.0
Total Expenses	145.7	122.5	23.2
Net Expenditure (Funding Required)	138.7	117.1	21.6
Operating Funding			
COVID Impact Funding	0.3	0.5	(0.2)
Base City Funding	138.4	116.6	21.7
Total Operating Funding	138.7	117.1	21.6

Appendix 2 – 2023 Capital Spending Summary by Program

Toronto Transit Commission 2023 Capital Budget Variance for the Period Ended December 31, 2023*

EXPENDITURES BY PROGRAM	2023 Year-end Results			
	Budget	Actuals	Variance	%
TRACK	89.276	80.247	9.029	90%
1.1 Subway Track	30.890	30.890	0.000	100%
1.2 Surface Track	58.386	49.357	9.029	85%
ELECTRICAL SYSTEMS	116.599	116.269	0.330	100%
2.1 Traction Power	31.369	31.369	0.000	100%
2.2 Power Distribution/Electric Systems	8.555	8.522	0.034	100%
2.3 Communications	15.578	15.281	0.296	98%
2.4 Signal Systems	18.406	18.406	0.000	100%
ATC Resignalling	42.691	42.691	0.000	100%
BUILDINGS & STRUCTURES	540.645	497.252	43.394	92%
3.1 Finishes	25.924	25.854	0.070	100%
3.2 Equipment	133.009	117.648	15.360	88%
3.3 Yards & Roads				
Streetcar Network Upgrades & BRT	1.196	0.996	0.201	83%
On-Grade Paving Rehabilitation Program	12.829	12.829	0.000	100%
Bicycle parking at stations	0.055	0.055	0.000	100%
Transit Shelters & Loops	0.216	0.001	0.215	0%
3.4 Bridges & Tunnels	42.909	42.603	0.306	99%
3.9 Buildings and Structures Projects				
Fire Ventilation Upgrades & Second Exits	37.908	24.742	13.166	65%
Easier Access Phase III	115.150	115.150	0.000	100%
Leslie Barns	1.353	1.353	0.000	100%
Toronto Rocket/T1 Rail Yard Accommodation	36.906	36.906	0.000	100%
McNicoll New Bus Garage	0.607	0.481	0.126	79%
Warehouse Consolidation	0.413	0.029	0.384	7%
Yonge-Bloor Capacity Enhancement	20.015	20.015	0.000	100%
Line 1 Capacity Enhancement	22.412	22.412	0.000	100%
Line 2 Capacity Enhancement	13.334	11.955	1.379	90%
Other Buildings and Structures	76.409	64.223	12.186	84%

EXPENDITURES BY PROGRAM	2023 Year-end Results			
	Budget	Actuals	Variance	%
VEHICLES	495.666	434.152	61.514	88%
REVENUE VEHICLES				
4.11 Purchase of Buses	276.173	223.035	53.139	81%
4.11 Purchase of Buses - Wheel Trans Buses	21.291	19.473	1.817	91%
4.12 Purchase of Subway Cars	2.309	1.406	0.903	61%
4.13 Bus Overhaul	70.710	68.882	1.828	97%
4.15 Streetcar Overhaul	18.298	17.905	0.392	98%
4.16 Subway Car Overhaul	32.392	32.392	0.000	100%
4.18 Purchase of Streetcars	62.119	58.976	3.144	95%
NON-REVENUE VEHICLES				
4.21 Purchase Automotive Non-Revenue Vehicles	10.306	10.306	0.000	100%
4.22 Rail Non-Revenue Vehicle Overhaul	1.418	1.277	0.141	90%
4.23 Purchase Rail Non-Revenue Vehicles	0.649	0.499	0.149	77%
TOTAL OTHER	125.773	85.545	40.228	68%
TOOLING, MACHINERY & EQUIPMENT				
5.1 Shop Equipment	8.551	8.335	0.216	97%
5.2 Revenue & Fare Handling Equipment	9.144	0.307	8.837	3%
5.3 Other Maintenance Equipment	2.911	0.988	1.923	34%
5.4 Fare System	5.934	5.934	0.000	100%
ENVIRONMENTAL PROGRAMS				
6.1 Environmental Programs	8.657	8.634	0.023	100%
6.1 Safety and Reliability	1.989	0.646	1.343	32%
COMPUTER EQUIPMENT & SOFTWARE				
7.1 Computer Equipment & Software	73.006	50.910	22.096	70%
OTHER				
9.1 Furniture & Office Equipment	0.468	0.311	0.157	67%
9.2 Service Planning	15.113	9.480	5.633	63%
Total Base Programs	1,367.960	1,213.465	154.494	89%
Toronto York Spadina Subway Extension	56.061	34.984	21.078	62%
SRT Conversion to Busway	21.370	16.847	4.524	79%
Waterfront Transit - Design	4.087	3.059	1.029	75%
Total Transit Expansion Projects	81.519	54.889	26.630	67%
Total Base & Transit Expansion Projects	1,449.479	1,268.354	181.124	88%

*Note: The 2023 Capital Budget and year-end results reflect the recommended budget adjustments, as outlined in Appendix 3, which in many cases, adjust the budget to match the actuals, evidenced by a 100% spending rate at year-end.

Appendix 3 – 2023-2032 Capital Budget and Plan Adjustments for Council Approval

CTT	Program	2023 Recommended Capital Budget Adjustments (\$000s)	Comments
CTT001	Subway Track	\$89	Minor acceleration of Subway/SRT Turnout Rehabilitation project
CTT002	Surface Track	(\$2,527)	Year-end underspending used as offset for project accelerations/cost escalations
CTT003	Traction Power	\$3,593	Increase in material and alternate service costs for Reconstruction of Streetcar Overhead
CTT006	Communications	\$263	Acceleration of building fire alarm upgrades and track level occupancy lights
CTT008	Signal Systems	\$198	Acceleration of Subway Signal System Alterations and Event Recorder Replacement
CTT010	Finishes	(\$499)	Year-end underspending used as offset for project accelerations/cost escalations
CTT012	Equipment	(\$620)	Year-end underspending used as offset for project accelerations/cost escalations
CTT018	On-Grade Paving Rehabilitation Program	\$1,492	Accelerated construction schedule on paving rehabilitation project
CTT020	Bridges & Tunnels	\$426	Cost escalation on structural rehabilitation and structural paving projects
CTT028	Easier Access Phase II & III	\$2,266	Acceleration of Warden Station and Islington Station redevelopment construction progress
CTT035	Sheppard Subway - Yonge to Don Mills	(\$234)	Year-end underspending used as offset for project accelerations/cost escalations
CTT046	Subway Car Purchases	(\$1)	Year-end underspending used as offset for project accelerations/cost escalations
CTT050	Streetcar Overhaul Program	(\$2,170)	Year-end underspending used as offset for project accelerations/cost escalations
CTT051	Subway Car Overhaul Program	\$6,392	Acceleration of T1/TR overhaul programs due to procurement lead time and labour arrangement
CTT052	Automotive Non-Revenue Vehicles	\$594	Acceleration of procurement schedule to due product lead time
CTT054	Rail Non-Revenue Vehicle Purchase	\$3	Minor escalation related to project close out cost
CTT055	Tools & Shop Equipment	(\$427)	Year-end underspending used as offset for project accelerations/cost escalations
CTT056	Fare Handling Equipment	(\$201)	Year-end underspending used as offset for project accelerations/cost escalations
CTT058	Environmental Programs	\$141	Accelerated schedule on Subway Asbestos Removal work
CTT061	Information Technology Systems-Infrastructure	(\$4,119)	Year-end underspending used as offset for project accelerations/cost escalations
CTT063	Other Service Planning	(\$689)	Year-end underspending used as offset for project accelerations/cost escalations
CTT064	Transit Shelters & Loops	(\$0)	Year-end underspending used as offset for project accelerations/cost escalations
CTT110	Other Buildings & Structures Projects	\$2,255	Acceleration of Russell Yard and Carhouse Modification project
CTT113	Other Maintenance Equipment	(\$169)	Year-end underspending used as offset for project accelerations/cost escalations
CTT141	Fare System	\$337	Cost escalation on equipment purchases
CTT142	YUS ATC Resignalling	(\$1,983)	Year-end underspending used as offset for project accelerations/cost escalations
CTT145	Leslie Barns Maintenance & Storage Facility	\$22	Minor cost escalation on construction progress
CTT146	TR Yard and Tail Track Accommodation	\$6,093	Accelerated signalling and safety bollards work at Wilson Yard
CTT147	Scarborough Subway Extension	(\$5,985)	Year-end underspending used as offset for project accelerations/cost escalations
CTT149	Bicycle Parking at Stations	(\$10)	Year-end underspending used as offset for project accelerations/cost escalations
CTT152	Safety Program	(\$141)	Year-end underspending used as offset for project accelerations/cost escalations
CTT153	Warehouse Consolidation	\$2	Minor escalation related to project close out cost
CTT154	Corporate Initiatives-CLA	(\$2,042)	Year-end underspending used as offset for project accelerations/cost escalations
CTT155	Yonge-Bloor Capacity Improvements	\$663	Accelerated Early Work and Utility Relocation work schedule
CTT156	Line 1 Capacity Enhancement	(\$3,014)	Year-end underspending used as offset for project accelerations/cost escalations
Total Adjustments		\$0	

Appendix 4 – TTC Reserves: Continuity Schedule

TTC Reserves: Continuity Schedule

(In \$000s)	Reserve Fund Number	2024	2025	2026
		\$	\$	\$
Long Term Liability Reserve				
Projected Opening Balance	XR1728	35,814.0	32,814.0	29,814.0
Budgeted Contribution		17,590.0	17,590.0	17,590.0
Projected Accident Claim Payments		(20,590.0)	(20,590.0)	(20,590.0)
Subtotal Net Budgeted Contributions & Draws		(3,000.0)	(3,000.0)	(3,000.0)
Projected Closing Balance		32,814.0	29,814.0	26,814.0
TTC Stabilization Reserve				
Projected Opening Balance	XR1056	99,908.0	39,457.2	12,354.0
CEO Authority - Emergency		(15,000.0)	(15,000.0)	(15,000.0)
Insurance Deductible		(2,500.0)	(2,500.0)	(2,500.0)
Subtotal Reserve Commitments		(17,500.0)	(17,500.0)	(17,500.0)
Adjusted Opening Balance		82,408.0	21,957.2	(5,146.0)
Budgeted Contribution - Proceeds on Disposal of Buses		2,706.0	396.8	
One-Time Draws				
LRT Construction Disruption Service		(2,550.6)		
2024 One-Time Negotiations, Consulting, CUTA		(4,115.3)		
2023 Time-Limited New & Enhanced		(1,859.6)		
LRT Start-Up One-Time Costs		(12,131.3)		
Reserve Draw Balancing Action		(25,000.0)	(10,000.0)	
Subtotal Net Budgeted Contributions & Draws		(42,950.8)	(9,603.2)	-
Projected Closing Balance		39,457.2	12,354.0	(5,146.0)

Note: TTC Stabilization Reserve balance will show negative in 2026.



Table of Contents

Overview 2

Subway Portfolio 3

Bus and Wheel-Trans Portfolio 24

Streetcar Portfolio..... 37

Network Wide Portfolio..... 43

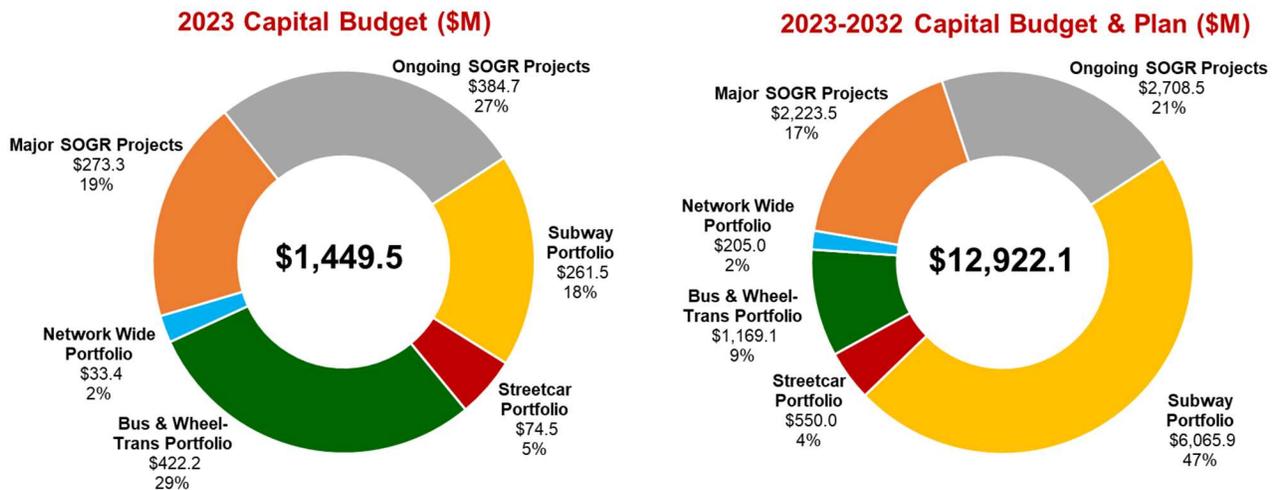
This report has been prepared by the Portfolio Management Office in consultation with the project teams. Financials reflect results as of December 31, 2023 with project updates as of February 29, 2024.

Overview

The TTC's delivery of a multi-billion-dollar capital program is guided by the TTC's Project Management Framework. The TTC's framework consists of three classifications of projects: Category 1, 2, and 3. Category 3 projects and programs represent the TTC's major projects. The categorization takes into consideration, among other things, the budget, experience in delivery, risks and complexity as well as strategic importance to the organization.

These major projects and programs, referred to hereafter as projects, have been included in the Category 3 Major Project Capital Spending Dashboard due to their magnitude and/or strategic significance. This Major Projects Update highlights the performance of these projects against their approved budget, planned schedule, and in-scope activities.

The TTC's approved 2023-2032 10-Year Capital Plan is \$12.922 billion, which consists of capital investments to provide customers with safe, seamless, and reliable transit that is accessible, while also building resiliency to meet future demand. Category 3 projects and programs comprise approximately 62% of the TTC's 10-Year Capital Budget and Plan. These projects and programs are grouped into specific mode-based portfolios: Subway, Streetcar, Bus and Wheel-Trans, and Network Wide. This portfolio-based approach provides coordination and oversight for projects and programs with many interdependencies.



Please see the Category 3 Major Projects Capital Spending Dashboard by Portfolio.

Subway Portfolio

Category 3 / Major Projects & Programs	Project Category	Project/Program		Financial Summary (\$ Millions)						Status (Outlook to Completion)						
		Start Year	Forecast Completion Year	2023 Year-End		10-Year Approved Budget (2023-2032)	Total Approved Budget	Spend-to-Date	Total Projected EFC	Schedule	Cost	Scope	Overall			
				Budget	Actual											
Subway Portfolio																
Line 1 - Capacity Enhancement Program (Line 1 CEP)	SI	2019	2041	\$22.4	\$22.4	\$1345.0	\$1385.3	\$62.7	\$5949.3	G	Y	G	Y			
Line 1 - Automatic Train Control (ATC) Resignalling	SOGR	2009	2023	\$32.8	\$32.8	\$69.9	\$710.2	\$673.0	\$710.2	G	G	G	G			
Purchase of New Subway Trains (T1 Replacement & Growth)	Growth/SOGR	2020	TBD	\$2.3	\$1.4	\$811.6	\$817.1	\$6.8	\$2492.7	R	R	G	R			
Line 2 - Capacity Enhancement Program (Line 2 CEP)	SI	2019	2041	\$13.3	\$12.0	\$847.6	\$867.2	\$31.6	\$2770.5	G	Y	G	Y			
Line 2 - Automatic Train Control (ATC) Resignalling	SOGR	2021	2036	\$9.9	\$9.9	\$619.7	\$624.9	\$15.0	\$812.6	Y	Y	G	Y			
Bloor-Yonge Capacity Improvements	SI	2015	2035	\$20.0	\$20.0	\$1380.0	\$1440.1	\$80.1	\$1514.0	G	G	G	G			
Easier Access Phase III	Legislative	2007	2027	\$115.2	\$115.2	\$627.9	\$1168.7	\$656.0	\$1168.7	Y	G	G	Y			
Fire Ventilation Upgrades & Second Exits	SOGR/H&S	1998	2032	\$37.9	\$24.7	\$347.8	\$726.9	\$403.9	\$836.2	G	Y	G	Y			
Stations Transformations	SI	2017	2024	\$7.6	\$7.6	\$16.4	\$50.8	\$42.0	\$50.8	Y	G	G	Y			
Total Subway Portfolio				\$261.5	\$246.0	\$6065.9	\$7791.1	\$1971.1	\$16304.9							
Performance Scorecard Status		Total Category 3 Portfolio (\$ Millions)							EFC: Estimated Final Cost H&S: Health & Safety SI: Service Improvement SOGR: State-of-Good-Repair							
G	On Track	2023 Year-End Budget	2023 Year-End Actuals	10-Year Approved Budget (2023-2032)	Total Approved Budget	Total EFC										
Y	Caution / Tracking Behind	\$791.5M	\$702.2M	\$7,990.0M	\$10,485.9M	\$22,928.4M										
R	At Risk / Missed Target															

Line 1 – Capacity Enhancement Program (Line 1 CEP)

Description

This program includes the accommodation of train storage and maintenance requirements and other infrastructure enhancements to expand capacity and improve circulation on Line 1 by achieving headways of up to 100 seconds by 2037. This will provide capacity to serve forecasted demand, address overcrowding, increase the frequency of trains, and reduce travel times, which will result in improved customer service.

The full benefits of Line 1 CEP is also dependent on the Line 1 Automatic Train Control implementation (completed in 2022), and the procurement of New Subway Trains for Line 1 to accommodate growth in ridership demand to 2041.

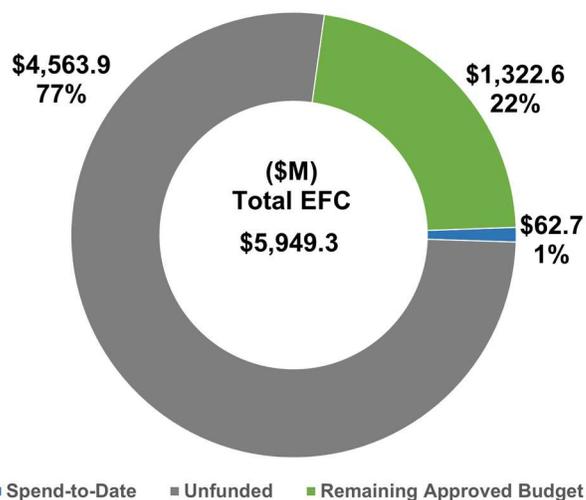
Scope Description

The scope, as defined in the Line 1 CEP Stage Gate 1 Preliminary Business Case, includes:

- **Station Capacities:** Stations Modifications are needed to improve station capacities and increase service at 11 stations, including three pilot stations: St Andrew, St George and Dundas.
- **Systems and Infrastructure:** Electrical Traction Power Upgrades; additional Fire Ventilation requirements to achieve target headways and Guideway Enhancement.
- **A new Line 1 Train Maintenance and Storage Facility (TMSF),** which includes:
 - Storage for 34 trains, including a test track, and access track to the site;
 - Carhouse with seven Bays for preventative and corrective maintenance to support daily service;
 - Operations and Infrastructure (O&I) facility to support maintenance activities (small shop building, outdoor and indoor storage tracks for work cars, material storage and staging area); and
 - Ancillary facilities (Traction Power Substation (TPSS), Hostler platform).

Financials

Project/Program Start	2019
Forecast Completion Year	2041
Estimated Final Cost (EFC) ¹	\$5,949.3M
Total Approved Budget	\$1,385.3M
10-Year Approved Budget (2023-2032)	\$1,345.0M
2023 Budget	\$22.4M
2023 YTD Budget	\$22.4M
2023 YTD Actuals	\$22.4M
Overall Performance Status	Y ¹



Progress Update

Station Capacity – Modifications and Upgrades:

- King Station – Concourse Expansion and Additional Exit: Preliminary Design (30%) was completed in November 2023.
- Considerations for space-proofing of future elevator shafts are being assessed through an additional Feasibility Study.

Traction Power:

- Positive and Negative Feeders and Duct Bank Replacement in multiple substations (Orde, Yonge Street, Granby and Davisville): Detailed Design (100%) commenced in January 2023 and is expected to be completed by Q3 2025.
- Negative Reinforcing Cables (NRC) – Vaughan Metropolitan Centre to Sheppard West: Detailed Design (100%) was completed in August 2023, and the approval is expected in Q2 2024.
- Negative Reinforcing Cables (NRC) – Sheppard West to Wilson: Detailed Design (100%) commenced in September 2023 and is expected to be completed in Q1 2025.

Fire Ventilation Requirements:

- St Clair West Station Fire Ventilation System: Stage Gate 3 approval was obtained in December 2023. Detailed Design (100%) is expected to be completed by Q4 2024.
- Markdale Emergency Service Building (ESB): Preliminary Design (30%) was completed in December 2023, and Stage Gate 3 approval is expected by Q3 2024.
- Lytton Emergency Service Building (ESB): Feasibility and Concept Design (10%) were completed in June 2023, and Stage Gate 2 approval is expected by Q2 2024.

Guideway Enhancement:

- New Siding Track (Bloor-Yonge to Rosedale): Preliminary Design Review (30%) was completed in October 2023.

Train Maintenance and Storage Facility (TMSF):

- The TTC is undertaking the necessary due diligence for potential site locations for a new Line 1 TMSF, which is in the planning phase.
- Completed the draft Procurement Strategy Report and Market Sounding Strategy.

Key Issues/Risks and Action Plan/Mitigation Activities

Key Risks and Mitigation:

- Potential changes to forecast demand may impact the Target Horizon Years and program objectives. The TTC closely monitors the demand model and adjusts the program scope and schedule, as required. The TTC is also monitoring the progress by Metrolinx on the Line 1 Yonge North Subway Extension (YNSE) to assess implications on timing for achieving Line 1 capacity and service requirements to accommodate growth in ridership demand to 2041.
- Delay in the site selection process for the new TMSF may impact project timelines and service requirements. The TTC will continue stakeholder consultations on site selection, which is critical to meet project timelines.

Key Issues and Action Plan:

- A new TMSF is essential to store and maintain the new subway trains required for Line 1. Both the TMSF and the New Subway Trains for Line 1 are not fully funded. Funding for the New Subway Trains and TMSF is part of ongoing intergovernmental funding advocacy. A separate report was provided to the November 22, 2023 Board Meeting. ([Report Link](#))

Next Steps

The following activities are scheduled for 2024:

Station Capacity – Modifications and Upgrades:

- King Station – Concourse Expansion and Additional Exit: Complete Feasibility Study review for the Space Proofing for Elevators at King Station by Q2 2024.

Traction Power:

- New Traction Power Substation at Highway 407 Station: Obtain Stage Gate 2 approval by Q2 2024.

Fire Ventilation Requirements:

- Lytton Emergency Service Building (ESB): Obtain Stage Gate 2 Approval by Q2 2024.
- Markdale Emergency Service Building (ESB): Obtain Stage Gate 3 Approval by Q3 2024.

Train Maintenance and Storage Facility (TMSF):

- Continue to advance due diligence and consultation with stakeholders on potential site locations.

Note: ¹\$2,450.1M is currently unfunded in the 10-Year Plan (2023-2032), and \$2,113.8M is unfunded post-2032 (status at caution).

Line 1 – Automatic Train Control (ATC) Resignalling

Description

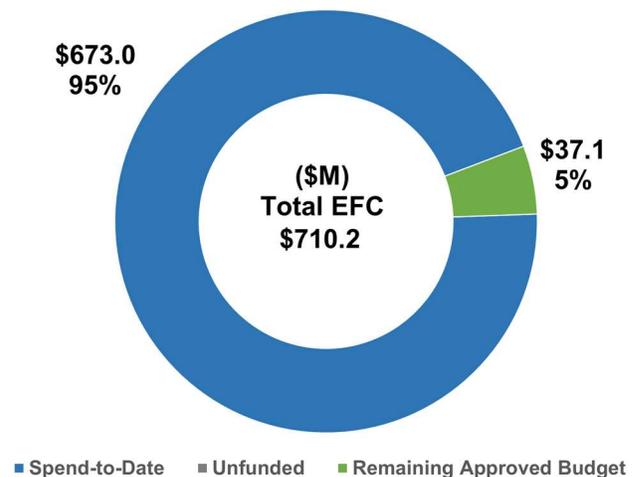
The program includes resignalling Line 1 (Vaughan Metropolitan Centre to Finch) to improve reliability, on-time service, faster travel times, and increase capacity to reduce crowding.

Scope Description

- Phase 1 (Yorkdale to Dupont) – In-service Q4 2017.
- Phase 2 (VMC to Sheppard West) – In-service Q4 2017.
- Phase 2B/2C (Wilson Yard Interface) – In-service Q4 2018.
- Phase 3AB (Dupont-St Patrick-Queen) – In-service Q2 2019/Q1 2020.
- Phase 3C (Queen to Rosedale) – In-service Q4 2020.
- Phase 4 (Rosedale to Eglinton) – In-service Q4 2021.
- Phase 5 (Eglinton to Finch) – In-service Q3 2022.
- Phase 6 (ATC enhancements) – Completed in Q2 2023.

Financials

Project/Program Start	2009
Forecast Completion Year	2023
Estimated Final Cost (EFC)	\$710.2M
Total Approved Budget	\$710.2M
10-Year Approved Budget (2023-2032)	\$69.9M
2023 Budget	\$32.8M
2023 YTD Budget	\$32.8M
2023 YTD Actuals	\$32.8M
Overall Performance Status	G



Progress Update

- Phase 1-5: Fully operational from Vaughan Metropolitan Centre to Finch stations.
- Phase 6: Works completed, including the opening of the Eglinton platform extension modifications in Q2 2023.
- Completed Reliability, Availability and Maintainability (RAM) works in Q4 2023.

Key Issues/Risks and Action Plan/Mitigation Activities

Key Risks and Mitigation:

- The full benefits of Line 1 ATC may not be realized if the new subway trains for Line 1 are not procured. A separate report was provided at the November 22, 2023 Board Meeting. ([Report Link](#))

Next Steps

- Complete final project closeout and warranty-related activities in 2024.

Purchase of New Subway Trains (T1 Replacement + Growth)

Description

This project provides for the purchase of 80 New Subway Trains (NST) to replace the Line 2 T1 subway fleet, which is at the end of its design life, address capacity constraints, increase operational efficiencies and accommodate ridership growth on Line 1.

Scope Description

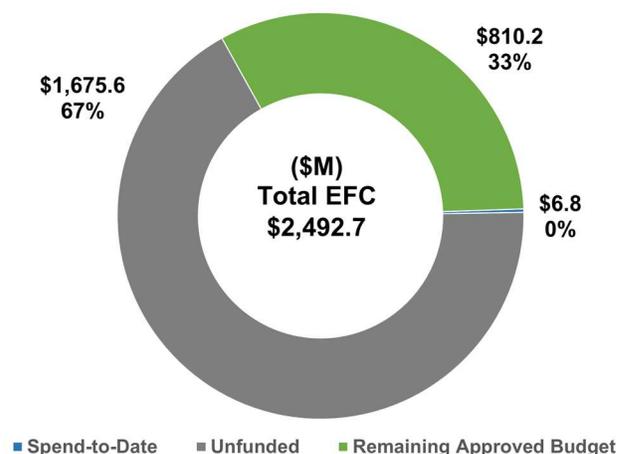
Procurement and delivery of 80 subway trains required to be delivered starting in 2029:

- 55 subway trains to replace the 30-year-old T1 fleet on Line 2.
- 25 subway trains to accommodate growth on Line 1.

Procurement options of 17 additional trains to meet future growth requirements (post-2032) and 15 Metrolinx expansion trains subject to funding, to be included in the procurement.

Financials

Project/Program Start	2020
Forecast Completion Year	TBD ¹
Estimated Final Cost (EFC) ²	\$2,492.7M
Total Approved Budget	\$817.1M
10-Year Approved Budget (2023-2032)	\$811.6M
2023 Budget	\$2.3M
2023 YTD Budget	\$2.3M
2023 YTD Actuals	\$1.4M
Overall Performance Status	R



Progress Update

In June 2023, the TTC was required to cancel the active RFP for the new train procurement due to lack of full funding commitment to advance. The TTC continues to seek matching funding from other orders of government in order to restart the procurement process. A separate report was provided at the November 22, 2023 Board Meeting. ([Report Link](#))

For background, in order to prepare for the anticipated replacement of the Line 2 T1 fleet, which will reach 30 years of service starting in 2026, the TTC initiated the following procurement-related activities, while continuing to seek matching funding from other orders of government:

- Issued Request for Information (RFI) in August 2020.
- Issued Request for Supplier Qualifications (RFSQ) in January 2022.
- Issued Request for Proposal (RFP) in October 2022.
- RFP cancellation notice in June 2023.

The TTC had communicated the requirement for matching funding, latest by Q1 2023, to the prospective vendors and other levels of government in order to proceed with the next steps of procurement.

As of this submission, there is currently no full funding commitment for the new subway train order. On November 27, 2023, the Province of Ontario announced a commitment of \$758 million towards the purchase of 55 replacement trains for Line 2, subject to matching funding from the Federal government. The TTC continues to have ongoing engagement in order to seek full funding to allow the procurement process to be restarted.

Please note the November 22, 2023 report – *New Subway Train Procurement and Implications for Line 2 Modernization and Future Growth*, outlined updated cost estimates for the train procurement, ranging from \$3.2 billion to \$3.7 billion for the 80 New Subway Trains order, depending on timing to restart the procurement. ([Report Link](#))

Key Issues/Risks and Action Plan/Mitigation Activities

Key Issues and Action Plan:

- Three new planning scenarios have been developed for the New Subway Train procurement based on timing for securing full funding to proceed. The TTC is actively seeking matching funding to restart a procurement preferably in Q1/Q2 2024. Planning for mitigation activities is also underway in the event of further delay in procurement due to insufficient funding in the immediate term. See the report provided at the November 22, 2023 Board meeting for further detail.
- Recent market conditions may result in an increase in cost, which has been reflected in the 2024 Budget. The TTC will continue to monitor producers' price indices, update escalation projections and identify potential offsets to the greatest extent possible.

Next Steps

- Continue intergovernmental funding discussions to secure necessary full funding for new trains procurement to proceed. Continue to plan for mitigation activities as reported to the Board.

Notes:

- ¹The forecast completion year is contingent upon the timing of the funding commitment for the procurement of the New Subway Trains.
- ²\$1,618.6M is currently unfunded in the 10-Year Plan (2023-2032), and \$57.0M is unfunded post-2032. The revised EFC is dependent on the level of design, schedule and market conditions, and has been outlined in the [Board report](#) based on the three scenarios.

Line 2 – Capacity Enhancement Program (Line 2 CEP)

Description

This program includes modifications to Greenwood Yard to accommodate the T1 replacement trains, maintenance requirements and other infrastructure enhancements to expand capacity and improve circulation on Line 2 by achieving headways of up to 120 seconds by 2041. This will also address overcrowding, increase the frequency of trains and reduce travel times, which will result in improved customer service.

The full benefits of the Line 2 CEP program will be realized with the completion of separate, but interdependent projects, including the procurement of the New Subway Trains (NSTs) to replace the T1 fleet, and Line 2 Automatic Train Control (ATC) signalling system.

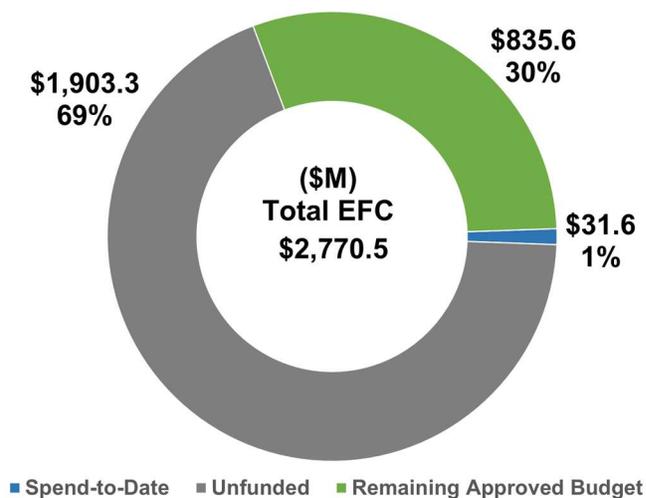
Scope Description

The scope as defined in the Line 2 CEP Stage Gate 1 Preliminary Business Case includes:

- Station Capacities: Stations Modifications to improve station capacities and increase service.
- Systems and Infrastructure: Electrical Traction Power Upgrades; Guideway Enhancement.
- Trains and Yards – Greenwood Yard: Facility Carhouse Modification; Overhaul Shop Modifications; and Signalling System Upgrades.

Financials

Project/Program Start	2019
Forecast Completion Year	2041
Estimated Final Cost (EFC) ¹	\$2770.5M
Total Approved Budget	\$867.2M
10-Year Approved Budget (2023-2032)	\$847.6M
2023 Budget	\$13.3M
2023 YTD Budget	\$13.3M
2023 YTD Actuals	\$12.0M
Overall Performance Status	Y ¹



Progress Update

Station Capacity – Modifications and Upgrade:

- Spadina Station Streetcar Platform Extension: Detailed Design Review (100%) was completed in September 2023, and tender preparation is in progress. The developer portion of work commenced in December 2023, and is expected to be completed by Q2 2024.

- Jane Station New Fareline and Staircase Modification: Scope Design (30%) is in progress and expected to be completed by Q3 2024.

Traction Power:

- Lansdowne Substation Upgrade: Preliminary Design (30%) commenced in Q2 2023 and is expected to be completed by Q3 2024.
- Positive and Negative Feeders in multiple substations (Broadview, Delaware and Indian Grove): Detailed Design (100%) commenced in May 2023 and is expected to be completed by Q1 2025.
- Duct Bank Installation in multiple stations (Warden, Victoria Park, Bedford and Asquith): Scope Design (30%) commenced in February 2023 and is expected to be completed by Q3 2024.

Guideway Enhancement:

- Extension Storage Track at Warden Station: Feasibility and Concept Design (10%) is under review and completion has been extended to Q3 2024 to allow for an additional options analysis.

Trains and Yards – Greenwood Yard:

- Facility Carhouse Modifications: Preliminary Design Review (30%) was completed in July 2023. Stage Gate 3 approval is expected by Q1 2024.
- Overhaul Shop Modifications: Concept Design Review (10%) was completed in Q4 2023. Stage Gate 2 approval is expected in Q2 2024.
- Yard Signalling Equipment Room: Concept Design Review (10%) was completed in December 2023. Scope Design (30%) is expected to be completed by Q2 2024.
- Yard Signalling: The Hazard Assessment and Train Stop studies were completed in November 2023.

Key Issues/Risks and Action Plan/Mitigation Activities

Key Risks and Mitigation:

- New Subway Train (NST) Program: Changes to T1 replacement train delivery strategy and schedule may have an impact to program goals and objectives (headways and service levels). The TTC is proactively coordinating with stakeholders and seeking to confirm full funding for the NST procurement.
- Potential changes to forecast customer demand may impact the service levels required for each Target Horizon Year and program objectives. The TTC closely monitors the demand model and adjusts the program scope and schedule, as required.

Next Steps

Station Capacity – Modifications and Upgrade:

- Spadina Station Streetcar Platform Extension: Complete developer portion of work by Q2 2024.
- Jane Station New Fareline and Staircase Modification: Complete Scope Design (30%) by Q3 2024.

Traction Power:

- Duct Bank Installation in multiple stations (Warden, Victoria Park, Bedford and Asquith): Complete Scope Design (30%) by Q3 2024.
- Lansdowne Substation Upgrade: Obtain Stage Gate 3 Approval by Q3 2024.
- Positive and Negative Feeders in multiple substations (Broadview, Delaware and Indian Grove): Complete Detail Design by Q3 2024.

Trains and Yards – Greenwood Yard:

- Facility Carhouse Modifications: Obtain Stage Gate 3 Approval by Q1 2024.
- Overhaul Shop Modifications: Obtain Stage Gate 2 Approval by Q2 2024.
- Yard Signalling Equipment Room: Complete Scope Design (30%) by Q2 2024.
- Yard Signalling: Finalize the yard signalling solution and commence development of specifications by Q2 2024.

Notes:

- Stage Gate: This program is comprised of multiple projects, which are at various stages in the project life cycle. The class estimates for each of the projects within the program are dependent on their current stage gate within the project life cycle.
- ¹\$194.5M is currently unfunded in the 10-Year Plan (2023-2032), and \$1,708.8M is unfunded post-2032 (status at caution).

Line 2 – Automatic Train Control (ATC) Resignalling

Description

This program includes the resignalling of Line 2 (Kipling to Kennedy) in order to improve reliability, on-time service, faster travel times, and increase capacity to reduce overcrowding. The implementation of ATC on Line 2 is a State of Good Repair (SOGR) project and is intended to modernize the existing fixed-block signalling system that was first implemented on Line 2 in 1966 and is currently more than 58 years old.

In order to operationalize ATC on Line 2, the existing T1 fleet on Line 2 needs to be replaced with New Subway Trains equipped with the required systems to operate with ATC.

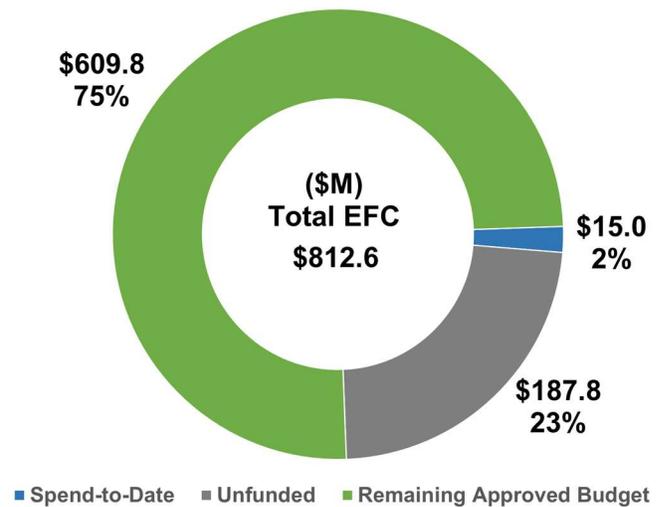
Scope Description

Improve safety, reliability, capacity and service levels on Line 2 with the following:

- Installation of ATC between Kipling to Kennedy.
- Modifications to the Centralized Signalling System (CSS).
- Automatic Train Protection (ATP) system for work cars.

Financials

Project/Program Start	2021
Forecast Completion Year	2036 ¹
Estimated Final Cost (EFC) ²	\$812.6M
Total Approved Budget	\$624.9M
10-Year Approved Budget (2023-2032)	\$619.7M
2023 Budget	\$9.9M
2023 YTD Budget	\$9.9M
2023 YTD Actuals	\$9.9M
Overall Performance Status	Y



Progress Update

- Stage Gate 1 (Approved for Planning) has been completed and the development of Technical Specifications and Request for Proposal (RFP) documents is in progress and on schedule for completion in Q2 2024 with release contingent on the full funding commitment for the 55 New Subway Trains (NSTs).
- The enabling works for the Cable Route Management System is in progress.

Key Issues/Risks and Action Plan/Mitigation Activities

Key Issues and Action Plan:

- The current T1 trains operate on a fixed-block signalling system, which is more than 58 years old. The implementation of ATC on Line 2 is contingent on the delivery of the New

Subway Trains (NSTs). The RFP cancellation for the procurement of NSTs has directly impacted the schedule and cost, which is reflected in the overall status (caution). The schedule for ATC on Line 2 can only be confirmed once full funding commitment has been made for the procurement of the NSTs. See November 22, 2023 report to the Board for details ([Report Link](#)). The TTC will continue advocating to secure the required funding from other levels of government to enable the implementation of ATC on Line 2.

- Due to the lack of full funding commitment for the NST procurement, the ATC Line 2 project EFC has increased by approximately \$68.5M and has resulted in a schedule delay of at least one year. The EFC for the project has been updated in the approved 2024 budget.

Next Steps

- Complete ATC supplier specifications, with RFP issuance subject to the NST funding commitment.
- Continue ATC Line 2 enabling works to prepare required ATC infrastructure.

Notes:

- Program Stage Gate: Stage Gate 1 (Planning).
- Cost Estimate Class: Class 5.
- ¹Forecast Completion Year has been revised to 2036 to align with the forecast for the Line 2 replacement trains.
- \$187.8M is unfunded post-2032.

Bloor-Yonge Capacity Improvements

Description

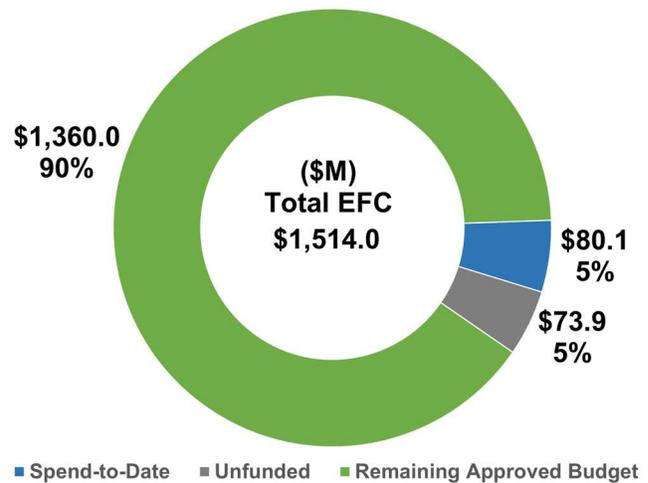
This project provides for a design retrofit and expansion of the Bloor-Yonge interchange station. This includes a new Line 2 platform, and the expansion of the Line 1 platforms to address overcrowding, improve accessibility and accommodate future ridership growth from expansion.

Scope Description

- A new Line 2 eastbound platform and expanded Line 1 platforms to enhance capacity for passengers.
- Line 2 original platform reconfiguration to enhance capacity for westbound passengers.
- Modified main entrance.
- A new accessible entrance on Bloor Street.
- New escalators, elevators and stairs.
- New public art and station finishes.
- One new electrical substation to power new and existing areas of the station and ventilation systems.
- Platform Edge Doors (PEDs) on Line 1 platforms and enabling PED infrastructure for Line 2 platforms.
- New fan plants to improve ventilation and utility upgrades.

Financials

Project/Program Start	2015
Forecast Completion Year	2035 ¹
Estimated Final Cost (EFC) ²	\$1,514.0M
Total Approved Budget	\$1,440.1M
10-Year Approved Budget (2023-2032)	\$1380.0M
2023 Budget	\$20.0M
2023 YTD Budget	\$20.0M
2023 YTD Actuals	\$20.0M
Overall Performance Status	G



Progress Update

- The early works demolition package for removal of the existing structures on 81 Bloor Street East, 40/42 Hayden Street and 830 Church Street was awarded in March 2023 and substantially completed in November 2023. These properties will be utilized for the construction of a new accessible entrance and electrical building on Bloor Street as well as a fan plant building on Church Street.
- Award of the early works construction package for the relocation of existing utilities was approved at the July 12, 2023 Board meeting with completion expected in Q4 2024. Utility

relocations, including sewer and hydro within the Bloor Street East right-of-way are necessary prior to the commencement of the main construction work.

- Hearing of Necessity (appeal) was held on July 6-7, 2023 following issuance of Stage 1 expropriation notices for 2 Bloor Street East by the City in October 2022. Following receipt of the decision from the Hearing Officer in early December 2023, City Council approved the Stage 2 expropriation of the property on February 6, 2024. The developer filed an application for judicial review on March 7, 2024 to prevent the City from proceeding with the expropriation of a portion of the lands (new chiller lands). The developer does not object to the other expropriations from proceeding (existing chiller lands). Negotiations are continuing regarding property acquisition and chiller plant replacement works concurrent with expropriation.
- A Request for Pre-Qualification (RFPQ) for a Progressive Design-Builder closed on October 19, 2023. The TTC has received submissions from proponents. The TTC has undertaken evaluations and shortlisting of pre-qualified proponents. The Request for Proposal (RFP) was issued to pre-qualified proponents in February 2024, and three teams have been invited to respond. The teams are:
 - Bloor-Yonge Crossline Partners (Team Lead – Aecon Infrastructure Management Inc.)
 - EllisDon-Barnard Joint Venture, a joint venture between EllisDon Civil Ltd. and Barnard Constructors of Canada LP (Team Lead – EllisDon Civil Ltd.), and
 - Kenaidan Murphy Joint Venture, a joint venture between Kenaidan Infrastructure Ltd and Murphy Infrastructure Inc (Team Lead – Kenaidan Infrastructure Ltd.)

Key Issues/Risks and Action Plan/Mitigation Activities

Key Issues and Action Plan:

- Negotiations and/or expropriations impacting the property requirements of the project. The TTC, City of Toronto and CreateTO will continue to minimize impacts to project timelines.
- The revised RFPQ and RFP schedule will lead to schedule impacts for award to Q4 2024 (previously was Q3 2024) for the Progressive Design-Build (PDB) contract (Development Phase) to develop the design to 60-80%. To minimize the schedule impacts, the development phase has been shortened.

Key Risks and Mitigation:

- The addition of PEDs to the project scope. The concept design is underway to determine the cost and schedule impacts, which will be incorporated into Development Phase work.

Next Steps

- The RFP is scheduled to close in early Q3 2024 and the PDB contract for the Development Phase Agreement is scheduled to be awarded in Q4 2024.
- Chiller Plant: City expropriation plan to be registered within 90 days of Council approval (on or before May 6, 2024). Continue negotiations regarding property acquisition and chiller plant replacement works concurrent with expropriation.

Notes:

- ¹The forecast completion year includes the completion of all secondary construction work that will take place after the opening of the Line 2 Eastbound Platform.
- ²\$73.9M is unfunded post-2032.
- Cost Estimate Class: Class 3.

Easier Access Phase III

Description

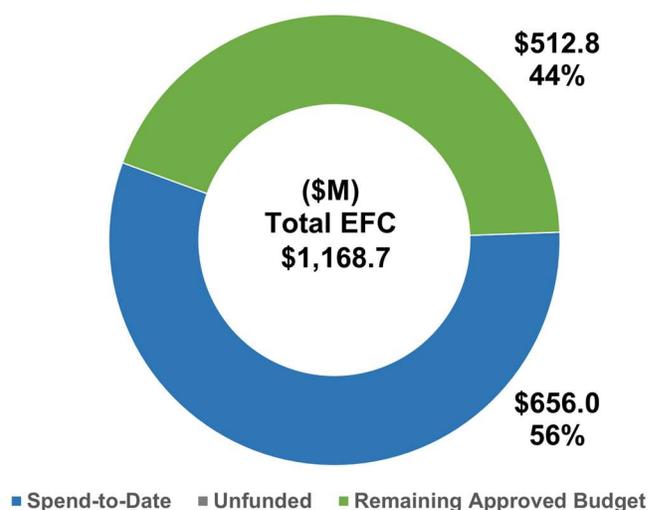
The Easier Access Phase III (EAIII) program provides upgrades to all TTC subway stations with accessible features, such as elevators, automatic sliding doors, updated signage and wayfinding. The program also includes the redevelopment of Islington and Warden stations. The program contributes to the TTC's efforts to meet accessibility requirements in accordance with the Accessibility for Ontarians with Disabilities Act, 2005 (AODA). AODA has identified a January 1, 2025 date for compliance.

Scope Description

The TTC's EAIII program is renovating subway stations across the city to design for universal accessibility and enhanced pedestrian access. The program includes making subway stations accessible by providing elevators, ramps, automatic sliding doors and signage improvements. This program also includes the redevelopment of Islington and Warden stations, which incorporates the construction of a new accessible bus terminal at each station once completed.

Financials

Project/Program Start	2007
Forecast Completion Year	2027 ¹
Estimated Final Cost (EFC)	\$1,168.7M
Total Approved Budget	\$1,168.7M
10-Year Approved Budget (2023-2032)	\$627.9M
2023 Budget	\$115.2M
2023 YTD Budget	\$115.2M
2023 YTD Actuals	\$115.2M
Overall Performance Status	Y ²



Progress Update

A full update on all program activities and schedule was included in a detailed report to the TTC Board at the September 26, 2023 Board meeting ([Report Link](#)).

- The report outlines completion dates for the remaining stations to reflect the status and outlook by station based on a comprehensive risk analysis performed. As a result, Elevators-in-Service (EIS) will not be achieved at all remaining stations by January 1, 2025.

To date, 54 out of 70 subway stations have been made accessible. The following summarizes the remaining 16 stations in the program:

- One station (Old Mill) is still pre-construction phase, and 15 stations are under construction.
- Yorkdale Station is accessible and construction continues in order to reach Substantial Performance (SP) while Lansdowne and Dupont stations have reached SP in 2023.
- Warden Station Redevelopment contract was awarded in August 2023.

The Table below provides the current status by station, as well as the anticipated EIS dates, which are key to meeting the TTC's AODA requirements.

Program Schedule (January 31, 2024)			
Station	Current Status	Construction % Complete	Elevators in Service
Donlands	Construction	95%	Q2 2024
Castle Frank	Construction	69%	Q3 2024
Glencairn	Construction	68%	Q3 2024
Summerhill	Construction	51%	Q1 2025
High Park	Construction	58%	Q2 2025
Rosedale	Construction	65%	Q2 2025
Greenwood	Construction	58%	Q2 2025
Lawrence	Construction	56%	Q3 2025
College	Construction	65%	Q3 2025
Warden EA ³	Construction	37%	Q3 2025
Christie	Construction	31%	Q3 2025
Museum	Construction	57%	Q4 2025
Islington ⁴ (EA/Re-dev)	Construction	6.5%	Q1 2026
Warden (Re-dev) ⁵	Construction	3%	Q2 2026
Spadina	Construction	32%	Q3 2026
King	Construction	24%	Q4 2026
Old Mill	Pre-tender	N/A	TBD

Key Issues/Risks and Action Plan/Mitigation Activities

²Key Issues and Action Plan:

- Construction at Old Mill Station is delayed since the property acquisitions required have not yet been secured through negotiated agreements. The TTC is working with the City on the required property acquisitions/easements. Hearing of Necessity proceedings were held in late September 2023, and the TTC recently received a ruling from the Tribunal with a favourable outcome. The City will provide a report to City Council in Q2 2024.
- The overall program schedule has been impacted due to COVID-19, labour strikes, third-party conflicts, labour shortages, unforeseen site conditions, permits/approvals and property acquisitions/easements. The TTC continues to work closely with contractors, third parties and all relevant stakeholders to mitigate construction issues, looking for opportunities to advance work by removing constraints and accelerate work activities, where feasible.

Key Risks and Mitigation Activities:

- Design and Construction complexities pose significant challenges. Impacts due to the retrofit of complex stations in operation, including stairs/escalators, adjacent properties and utility conflicts may result in longer design durations. The project team continues to resolve issues to achieve completion, including continued support from the operations group during construction, service relocations, support for track-level access and closures to facilitate the work.
- The program is experiencing cost pressures due to current market conditions, escalations, as well as labour shortages. The TTC is continuing to monitor costs and look for opportunities to reduce costs, where possible.

Next Steps

Elevators are forecasted to be in service at Donlands, Castle Frank and Glencairn stations in 2024 as noted in above Table.

The following pre-construction activities are underway for the Old Mill Station:

- Continue negotiations with affected property owners, including expropriation proceedings and secure outstanding property requirements, permits and approvals.
- Re-tender the contract in 2024 once the property has been secured.

The project team also continues to monitor and update the progress of the program. A report on the Easier Access program was provided to the TTC Board in September 2023 ([Report Link](#)) and a further update will be included at the TTC Board Meeting in April 2024.

Note:

¹In addition to station accessibility, this program will also deliver the redevelopment of Warden and Islington stations, which will not be complete until 2027.

³ Warden EA Contract will provide accessibility from drop-off PPUDO to concourse (first elevator) and concourse to subway (second elevator).

⁴ Islington (EA/Re-dev) work will provide accessibility from new street entrance (ramp) to concourse and from concourse to subway platform (elevator). Accessibility from new bus terminal to concourse will be provided with an elevator as part of the Re-development.

⁵ Warden Station will become accessible once construction of the temporary bus terminal is completed under the Re-development contract.

Fire Ventilation Upgrades and Second Exits

Description

This program provides for the improvement of ventilation in subway tunnels, the construction of second exits at 14 high-priority stations to provide a second means of egress, and the replacement of the existing subway ventilation equipment and associated services, which are nearing the end of its service life or due to failure.

Scope Description

- Upgrades to the Subway Ventilation System on Line 1 and 2.
- Replacement of Existing Subway Ventilation Equipment and associated services.
- Construction of Second Exits at 14 high-priority stations.

Financials

Project/Program Start	1998	<p>(\$M) Total EFC \$836.2</p> <p>■ Spend-to-Date ■ Unfunded ■ Remaining Approved Budget</p>
Forecast Completion Year	2032 ¹	
Estimated Final Cost (EFC) ²	\$836.2M	
Total Approved Budget	\$726.9M	
10-Year Approved Budget (2023-2032)	\$347.8M	
2023 Budget	\$37.9M	
2023 YTD Budget	\$37.9M	
2023 YTD Actuals	\$24.7M	
Overall Performance Status	Y ²	

Progress Update

Fire Ventilation Upgrades:

To date, the following works have been completed:

- Major upgrades at five stations – York Mills, Sheppard, Finch, Union and Lawrence.
- Subway Ventilation Equipment Replacement at Bloor (Fan #2), Sheppard West, Dundas West and Clanton Park Emergency Service Building (ESB) and Sherbourne stations.

The following work is currently underway as part of the program:

- The construction upgrades at Eglinton Station are being completed as part of Eglinton Crosstown LRT project. Testing and commissioning of the subway ventilation system is delayed due to unavailability of the Toronto Hydro permanent power and delay in fabrication of portal doors. Interim completion (50%) of testing and commissioning was completed in Q4 2023.
- Commenced design of two locations for State of Good Repair – Subway Ventilation Equipment Replacement at Russell Hill ESB and Dupont Station and Spadina Station

Lines 1 and 2. Scope review design is in progress for both contracts and is planned to be completed in Q4 2024.

Second Exits/Entrances:

The following outlines the status of the 14 Second Exits in the program:

- Seven of the stations have completed second exits/entrances in-service: Broadview, Castle Frank, Pape, Dufferin, Woodbine, Wellesley and Chester.
- The status of the seven remaining station second exits is outlined in the Table below. The construction has commenced for Dundas West and Metrolinx Bloor GO/UP Express Interchange connection (managed by Metrolinx).

Station Second Exits (February 29, 2024)

Station	Current Status	Construction % Complete	Second Exits/Entrances In-Service
Donlands	Construction	95%	Q2 2024
College	Construction	65%	Q3 2025
Museum	Construction	80% (excluding Easier Access component)	Q2 2024
Dundas West	Construction	5%	Q2 2026
Summerhill	Detailed Design	N/A	Q3 2027
Greenwood	Planning	N/A	TBD
Dundas	Planning	N/A	TBD

Key Issues/Risks and Action Plan/Mitigation Activities

Key Issues and Action Plan:

- The overall program status is indicated at caution, as the fire ventilation upgrades portion of the program is not fully funded. Additionally, higher costs due to current market conditions, supply chain issues, escalations and/or exchange rates are being monitored.

Key Risks and Mitigation Activities:

- In order to address unforeseen site conditions or labour issues at various stations, the TTC will work collaboratively with contractors and to develop and execute mitigation plans as required. The TTC continues to conduct early consultations and negotiations with property owners for the required properties, and advance design where possible to avoid potential delays and additional costs during construction.
- To mitigate concerns resulting from construction complexities that may impact the community, the TTC is consulting with local Councillors in the early design stage to support the permit approval process for partial or full station closures.

Next Steps

- Complete the scope review design of two locations for Subway Ventilation Equipment Replacement at Russell Hill ESB, Dupont Station and Spadina Station (Q4 2024).
- Second Exit/Entrance at Museum and Donlands stations are planned to open in 2024.
- New Fire Ventilation equipment at Eglinton Station is planned to be in-service by Q3 2024.

Notes:

- ¹2032 represents the completion of the funded scope.
- ²\$47.6M is unfunded in the 10-Year Plan (2023-2032), and \$61.7M is unfunded post-2032.

Stations Transformation

Description

To enhance the customer experience by introducing Customer Service Agents (CSAs); and infrastructure improvements, which will result in increased safety and security of TTC stations, employees and customers.

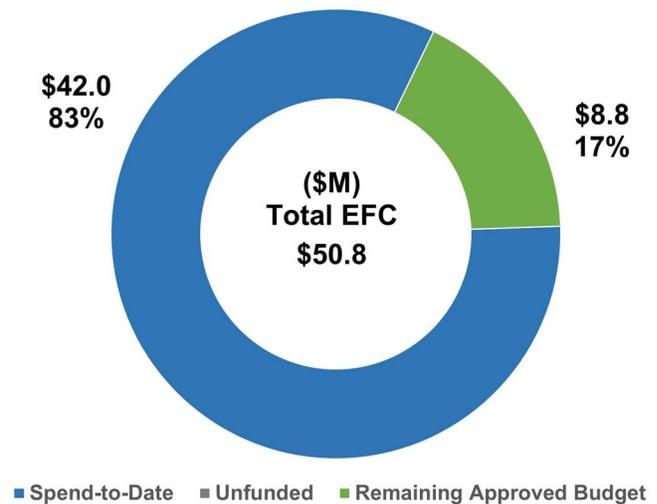
Scope Description

The Stations Transformation Program includes the following capital investments:

- Upgrading the Public Announcement system (PA).
- Upgrading the stations' Passenger Assistance Intercoms (PAIs) by making them user friendly, improving sound quality and live video feed for customers needing assistance.
- Installing/upgrading of existing CCTV cameras.
- Constructing six Zone Hubs (York University, Union, Kipling, Bloor-Yonge, St Clair West and Sheppard-Yonge) to serve as central command posts monitoring the stations and responding to customer requests in an efficient manner.
- In addition to these infrastructure improvements under this program, the TTC has introduced CSAs to proactively assist customers facing barriers in navigating the system.

Financials

Project/Program Start	2017
Forecast Completion Year	2024
Estimated Final Cost (EFC)	\$50.8M
Total Approved Budget	\$50.8M
10-Year Approved Budget (2023-2032)	\$16.4M
2023 Budget	\$7.6M
2023 YTD Budget	\$7.6M
2023 YTD Actuals	\$7.6M
Overall Performance Status	Y ²



Progress Update

Passenger Assistance Intercoms (PAI):

- Completed in Q4 2021. This upgraded system features a dual button that provides an option for customers to request information (from the Hub) or emergency response (the call connects to the Transit Control Centre). This helps triage calls to the appropriate areas for action. Furthermore, this system has a built-in camera, which enables staff to have visibility of the customer requesting assistance. All of these features provide enhanced customer safety and security.

Zone Hubs:

- The construction and commissioning of all six Zone Hubs was completed, with the final hubs located at St Clair West and Sheppard-Yonge stations commissioned in Q2 2023. These Hubs provide zone management, security monitoring and the ability to respond efficiently to customer service requests.

CCTV Cameras:

- 58 out of 70 stations have at least 90% camera coverage. The additional camera coverage provides added visibility for Stations staff to improve customer service and augment the safety and security of TTC customers and employees. The TTC plans to have the camera coverage increased to at least 90% at the 12 remaining stations in 2024. Note: at present, all stations have at least 75% camera coverage as of Q1 2022.
- CCTV fare gate monitors have been installed at all secondary entrances. This provides visual deterrence for fare evasion, visibility of service conditions to TTC customers prior to crossing the farelines, and the ability for Collectors/CSAs to monitor the stations.

Public Announcement (PA) System:

- A four-station pilot was initiated and has now been completed. All major deficiencies have been addressed, and staff is moving ahead with upgrading the remaining stations, 10 of which have been completed. The upgraded PA system provides improved sound quality and is a more robust and reliable system compared to the existing system.

Other Improvements:

- The stations' interface for the Real-Time Monitoring System (RTMS) for Escalator and Elevator status was completed in Q4 2022. A soft launch was completed at the Downtown, Central, and Yonge-North Zones, in Q4 2023, and was further expanded to the remaining zones by the end of 2023. The RTMS minimizes escalator downtime and allows Stations staff to respond to emergencies in an efficient manner to improve customer service.

Key Issues/Risks and Action Plan/Mitigation Activities

Key Risks and Mitigation:

- ²The PA system upgrade is tracking behind schedule and is projected to be completed by Q2 2025. The TTC is working on accelerating the installation work to meet the original completion date of Q4 2024.
- The full CSA transition is an interdependency of the TTC Fare Policy and/or Collective Bargaining Agreement (CBA). Staff is in negotiations with the Union to consolidate the Collector and CSA job responsibilities/positions into one CSA position. An update will be provided in the next Board report.

Next Steps

CCTV Cameras:

- Complete 90% Camera coverage at 12 remaining stations in 2024.

Bus and Wheel-Trans Portfolio

Category 3 / Major Projects & Programs	Project Category	Project/Program		Financial Summary (\$ Millions)						Status (Outlook to Completion)			
		Start Year	Forecast Completion Year	2023 Year-End		10-Year Approved Budget (2023-2032)	Total Approved Budget	Spend-to-Date	Total Projected EFC	Schedule	Cost	Scope	Overall
				Budget	Actual								
Bus & Wheel-Trans Portfolio													
Purchase of Buses (Hybrid & Electric)	SOGR	2018	2036	\$275.9	\$222.9	\$889.2	\$1118.9	\$452.6	\$4095.8	G	Y	G	Y
eBus Charging Systems	SOGR	2016	2040	\$107.5	\$92.9	\$176.3	\$233.7	\$150.3	\$793.1	Y	Y	G	Y
Purchase of Wheel-Trans Buses	SOGR	2016	2025	\$21.3	\$19.5	\$48.7	\$92.3	\$63.0	\$429.0	Y	Y	G	Y
Wheel-Trans 10-Year Transformation	Legislative	2017	2026	\$1.3	\$1.3	\$17.2	\$49.8	\$33.9	\$49.8	G	G	G	G
SRT Transit Priorities & ROW Conversion to Busway	SOGR	2015	2027	\$16.2	\$15.6	\$37.7	\$40.5	\$18.3	\$96.2	Y	Y	G	Y
Total Bus & Wheel-Trans Portfolio				\$422.2	\$352.1	\$1169.1	\$1535.1	\$718.1	\$5463.8				
Performance Scorecard Status		Total Category 3 Portfolio (\$ Millions)					EFC: Estimated Final Cost H&S: Health & Safety SI: Service Improvement SOGR: State-of-Good-Repair						
		2023 Year-End Budget	2023 Year-End Actuals	10-Year Approved Budget (2023-2032)	Total Approved Budget	Total EFC							
G	On Track												
Y	Caution / Tracking Behind	\$791.5M	\$702.2M	\$7,990.0M	\$10,485.9M	\$22,928.4M							
R	At Risk / Missed Target												

Purchase of Buses (Hybrid and Electric)

Description

Replacement of vehicles at end-of-life to maintain service reliability, increase system accessibility for customers, increase fleet capacity to match customer demand and reduce overcrowding. The TTC's Green Bus Program is a strategy to transition the conventional bus fleet to zero-emissions by the year 2040. To meet this target, the electrification of the TTC's bus fleets is necessary to transform the fleet to zero-emissions by replacing diesel and hybrid buses as they reach end-of-life.

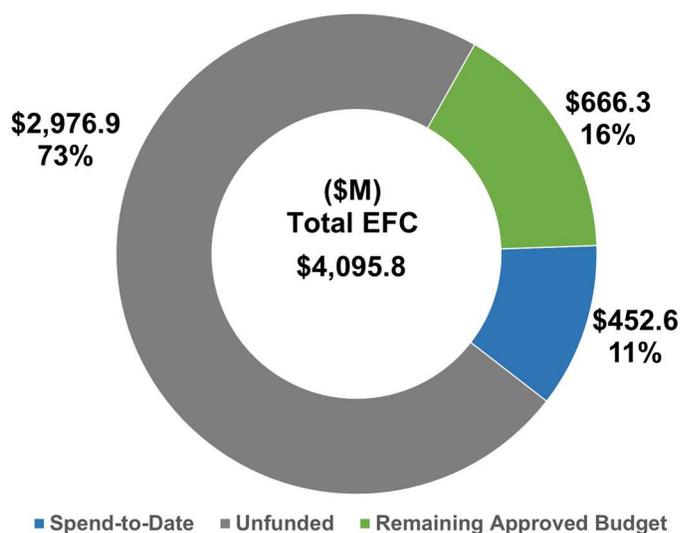
Scope Description

Current funding allows for the procurement of 336 hybrid-electric buses between 2023 and 2024, and 340 zero-emissions, battery-electric buses (or eBuses) between 2024 and 2025.

Post 2025, the Green Bus Program outlines a plan for approximately 1,840 zero-emissions buses to be delivered between 2026 and 2035. This plan is in alignment with the City of Toronto's TransformTO Action Plan and the C40 Fossil-Fuel-Free Streets Declaration. This scope is currently unfunded.

Financials

Project/Program Start	2018
Forecast Completion Year	2036
Estimated Final Cost (EFC) ¹	\$4,095.8M
Total Approved Budget	\$1,118.9M
10-Year Approved Budget (2023-2032)	\$889.2M
2023 Budget	\$275.9M
2023 YTD Budget	\$275.9M
2023 YTD Actuals	\$222.9M
Overall Performance Status	Y ²



Progress Update

336 Hybrid-Electric Buses:

- The First Article Inspections for the NOVA 12-metre (40-foot), New Flyer 12-metre (40-foot), and New Flyer 18-metre (60-foot) hybrid buses were completed in March 2023.
- As of February 29, 2024, 292 buses out of 336 have been delivered, of which 209 are in-service, and the remaining are undergoing commissioning.
- The last hybrid bus is scheduled to be delivered in Q2 2024 within budget.

340 Zero Emission Buses (eBuses):

- The TTC submitted an application for grant funding under the Federal government's Zero Emission Transit Fund (ZETF). The application was approved and the Federal announcement was made on April 24, 2023.

- Contracts were awarded for the supply and delivery of 340 eBuses to the following suppliers:
 - 136, 40-foot eBuses to Nova Bus Inc; and
 - 204, 40-foot eBuses to New Flyer Industries
- Pre-production meetings were completed and deliveries are expected to start in Q2 2024.

Key Issues/Risks and Action Plan/Mitigation Activities

Key Risks and Mitigation Activities:

336 Hybrid-Electric Buses:

- Both vendors have experienced supply chain challenges and the TTC, along with the vendors, continue to monitor market conditions on a regular basis. Note: The first bus was delivered in April 2023 and all remaining buses are projected to be delivered on schedule by Q2 2024.

340 Zero Emission Buses (eBuses):

- Global supply chain issues are affecting both vendors. The TTC will monitor the supply chain issues closely with the vendors and determine a recovery plan, as required.
- Cost Escalation: The current eBus contract has an escalation clause tied to a producer price index for heavy-duty bus manufacturing. Should the index increase, there will be a corresponding price increase for any buses delivered in 2025 and beyond. This also applies to any contract options for additional buses procured, subject to funding, for 2026 and beyond. The TTC will continue to evaluate and identify potential offsets to the greatest extent possible.

²Post-2025 – Zero Emission Buses (eBuses):

- The program is currently funded for 340 eBuses to the end of 2025. Funding commitment for buses beyond 2025 is required by Q2 2024 in order to transition the fleet to achieve the zero-emissions target by 2040 as part of TTC's Green Bus program, which was approved by the Board in November 2017. The lead-time for eBuses and required infrastructure is approximately 1.5 to 2.5 years, respectively (scope is currently unfunded, as reflected in the Overall Performance Status).

Next Steps

336 Hybrid-Electric Buses:

- Continue to receive delivery of vehicles from the vendors and ensure an effective commissioning process is in place for the new vehicles to enter revenue service.

340 Zero Emission Buses (eBuses):

- Complete First Article Inspections in Q2 2024.
- Commence vehicle deliveries in Q2 2024.

Note: ¹\$1,610.5M is currently unfunded in the 10-Year Plan (2023-2032), and \$1,366.4M is unfunded post-2032.

eBus Charging Systems

Description

The eBus Charging Systems program consists of the design, delivery, construction, installation, operation and maintenance of charging infrastructure at eight bus garages. This includes the installation of charge points for electric buses, an upgrade of power to each property, installation of substation, battery energy storage system, natural gas emergency backup generators, and solar panels to advance the TTC's transition towards a zero-emissions fleet. This supports the City of Toronto's TransformTO target of Net-Zero by 2040.

Scope Description

Design, delivery, construction, installation, operation and maintenance of charging infrastructure at bus garages to support the TTC's Green Fleet plan. This includes:

- Phase 1 – Commission 124 Charge Points at six garages by 2025 (see Table below).
- Phase 2a – Commission 124 Charge Points two garages by 2025 (see Table below).
- Phase 2b (Unfunded) – Up to 50% electrification at each garage: Wilson, Eglinton, Birchmount, Malvern, McNicoll, Queensway and Arrow Road by 2030.
- Phase 3 (Unfunded) – 100% electrification at each garage: Eglinton, Wilson, Birchmount, Malvern, McNicoll, Queensway, Arrow Road and Mount Dennis by 2037.

Note:

- Currently, only Phase 1 and Phase 2a are funded under the Federal Zero Emissions Transit Fund (ZETF), allowing for the installation of 248 charge points between 2023 and 2025.
- The procurement of additional eBuses and schedule for the commissioning of charging infrastructure are interdependent.

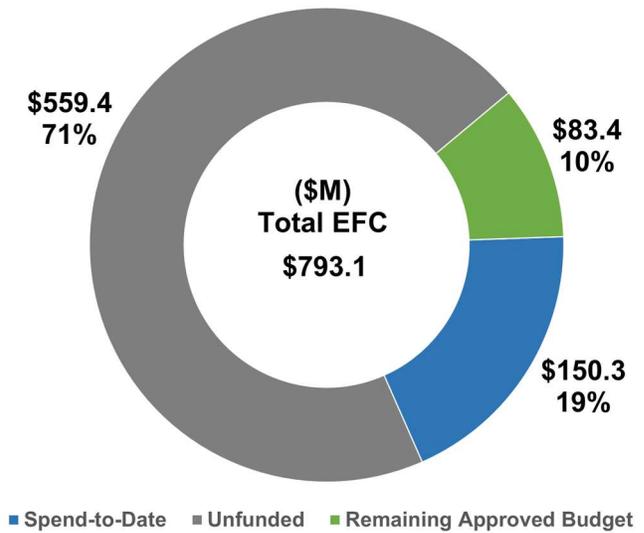
Phase 1 and 2a (funded)

Garage (Projects)	# of Charge Points	Current Status	Forecasted End Date ¹
Phase 1			
Arrow Road	10	Completed	February 2024
Eglinton	21	In progress	December 2024
Wilson	26	In progress	June 2025
Birchmount	10	In progress	March 2025
Malvern	30	In progress	June 2025
McNicoll	27	In progress	January 2025
Phase 2a			
Eglinton	56	In progress	October 2025
Mount Dennis	68	In progress	December 2025
Total	248		

¹The forecasted end date represents the substantial completion, with all deficiencies resolved. Installation and commissioning (available for commercial operations) will be completed prior to substantial completion.

Financials

Project/Program Start	2016
Forecast Completion Year	2040
Estimated Final Cost (EFC) ²	\$793.1M
Total Approved Budget	\$233.7M
10-Year Approved Budget (2023-2032)	\$176.3M
2023 Budget	\$107.5M
2023 YTD Budget	\$107.5M
2023 YTD Actuals	\$92.9M
Overall Performance Status	Y ³



Progress Update

- In August 2022, the TTC and PowerON Energy Solutions LP, a subsidiary of Ontario Power Generation, signed the Principal Agreement, and PowerON was issued the Notice to Proceed (NTP) upon execution.
- In February 2023, the TTC launched its first 10 eBus pantograph charging systems at Birchmount Garage and completed the transition to operations. This innovative eBus charging system is the first installation initiative since the Principal Agreement's signing to increase the TTC's charging capacity since the pilot launched in 2020.
- In April 2023, the TTC secured \$349 million in Federal funding towards the TTC's procurement of 340 Zero Emission Buses (eBuses) and delivery of 248 charge points to meet the TTC's eBus fleet needs by March 31, 2026. The existing 70 charge points are available to support bus deliveries until Q3 2024.

Since the execution of the Principal Agreement, PowerON and the TTC have been advancing the design and installation of the 248 charge points (Phase 1 and 2a):

- PowerON has been approved to initiate Planning and Detailed Engineering for all projects.
- As of December 2023, three of the eight projects within the program (Birchmount, Arrow Road and Eglinton Phase 1) were baselined. Planning and Detailed Engineering are currently in progress for the remaining five projects, scheduled to be baselined by November 2024.
- Completed detailed design for Phase 1 of Birchmount and Eglinton and preliminary design for McNicoll in February 2024.
- Installed and commissioned the first 10 of 248 new charge points at Arrow Road Garage in November 2023, which increased charge points to 80. These charge points are available to support bus deliveries until late Q3 2024.
- Completed construction mobilization for 21 additional charge points at Eglinton Garage in November 2023.
- Initiated installation of 10 pantographs at Birchmount in March 2024.

Key Issues/Risks and Action Plan/Mitigation Activities

Key Risks and Mitigation:

- There is a risk of insufficient availability of charge points in time for the eBus deliveries. The program team will continue to monitor and mitigate appropriately.
 - The program schedule is at risk of being delayed due to the long lead-time for critical equipment. To mitigate this risk, PowerON has initiated the early procurement of the long lead-time equipment. All electrification infrastructure equipment for Zero Emissions Transit Fund (ZETF) commitments have been ordered.
- ³Of the 68 charge points to be installed at Mount Dennis Garage, 40 will be installed outdoors. The installation of the outdoor charge points is dependent on the Mount Dennis Parking Lot Rehabilitation project, which will ensure duct banks are installed in appropriate locations in order to provide power for the required electrification infrastructure. Any potential delay to the scope of work that has to be co-ordinated may impact the project schedule. The impact to the program is being assessed, with a mitigation plan targeted for completion by the end of March 2024. Schedules are being monitored and options are being evaluated to mitigate this risk.
- Post-2025 (Phase 2b and Phase 3), an additional 1,455 charge points will be required to operate the additional eBuses that are planned to be delivered between 2026 to 2035 (currently unfunded in the TTC's Capital Investment Plan). The achievement of the zero-emissions target by 2040 is contingent on full funding for the electrification infrastructure and the procurement of eBuses and Wheel-Trans buses.

Note: The installation of eBus charging infrastructure will require approximately 3.5 years from funding approval and project initiation.

Next Steps

The following works are scheduled to be completed in 2024:

Phase 1:

- 60% Design for Wilson Garage.
- 100% Design for two garages (Birchmount and Eglinton).

Phase 2a:

- Concept Design for two garages (Eglinton and Mount Dennis).

Note: ²\$499.3M is currently unfunded in the 10-Year Plan (2023-2032), and \$60.1M is unfunded post-2032.

Purchase of Wheel-Trans Buses

Description

This project provides for the procurement of 138, 7m ProMaster buses and 75, 6m ProMaster buses to replace end-of-life vehicles and grow the fleet to meet ridership demand.

Scope Description

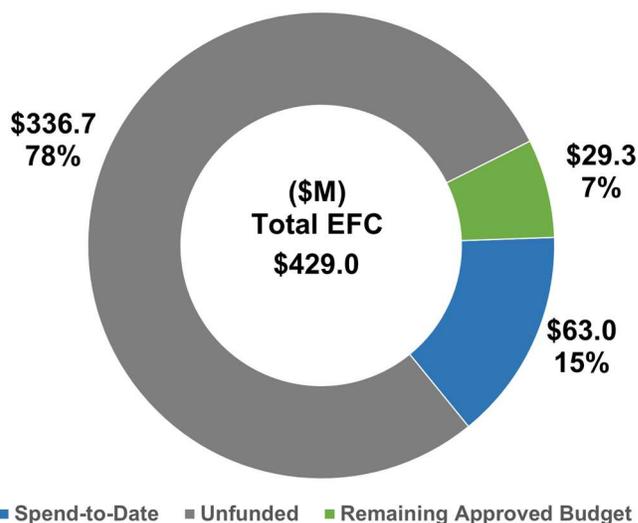
Improved accessibility, customer experience, vehicle reliability and safety by replacing existing Wheel-Trans buses at end-of-life with the procurement and deployment of:

- 138, 7m ProMaster buses between 2021 and 2023.
- 75, 6m ProMaster buses between 2023 and 2025.
- 10 Zero Emission Wheel-Trans buses for delivery in 2025 (pilot).

Note: Current funding allows for the procurement of up to 222 paratransit buses for delivery between 2023 and 2025. This includes up to 10 zero emissions Wheel-Trans pilot buses for delivery in 2025. Post-2025, the Wheel-Trans program outlines a plan for the procurement of approximately 521 buses, which includes 396 zero-emission buses to be delivered between 2026 to 2035. This scope is currently unfunded.

Financials

Project/Program Start	2016
Forecast Completion Year	2025
Estimated Final Cost (EFC) ¹	\$429.0M
Total Approved Budget	\$92.3M
10-Year Approved Budget (2023-2032)	\$48.7M
2023 Budget	\$21.3M
2023 YTD Budget	\$21.3M
2023 YTD Actuals	\$19.5M
Overall Performance Status	Y ²



Progress Update

138, 7m ProMaster Buses:

- The TTC has received 122 of 138 buses, of which 116 are in-service, including all 15 Community Buses, which connect customers to a variety of popular destinations along a unique neighbourhood route.

75, 6m ProMaster Buses:

- The 23 buses scheduled for delivery in 2023 were received as of December 31, 2023.
- In July 2023, a contract was awarded to Creative Carriage for the supply and delivery of 52, 6m ProMaster buses for delivery in 2024 and 2025, with the first bus expected in Q3 2024.

Zero Emission Wheel-Trans Buses (Pilot):

- The Request for Information (RFI) for the Zero Emissions Wheel-Trans buses was issued to the market on February 6, 2023 and closed on March 13, 2023. The project team has completed engagement with internal stakeholders as well as ACAT in June 2023.
- Currently, the Request for Proposal (RFP) documents are in development and scheduled to be issued to the market in Q2 2024.

Key Issues/Risks and Action Plan/Mitigation Activities

Key Risks and Mitigation Activities:

75, 6m ProMaster Buses:

- The vendor has indicated that there are limited chassis allocation for the Canadian market for 2024. This will potentially result in lower-than-expected bus deliveries in 2024. The TTC will continue to meet with the vendor on a regular basis in order to obtain chassis allocation updates. These updates will be communicated to the stakeholders and contingency plans are being developed.

Zero Emission Wheel-Trans Buses (Post-2025):

- ²The program is currently funded for Wheel-Trans bus procurements to the end of 2025. Funding commitment for Zero Emissions Wheel-Trans buses beyond 2025 will be required by Q4 2024 in order to transition the fleet to achieve the zero-emissions target by 2040 as part of the TTC's Green Bus Program, which was approved by the Board in November 2017. This plan is in alignment with the City of Toronto's TransformTO Action Plan and the C40 Fossil-Fuel-Free Streets Declaration. The lead-time for electric buses and required infrastructure is approximately two years. This scope is currently unfunded.

Next Steps

138, 7m ProMaster Buses:

- Continue to receive production buses and complete the commissioning process.
- Receive the remaining buses by the end of Q2 2024.

75, 6m ProMaster Buses:

- Continue pre-production meetings, complete first article inspection and commence receipt of 42 units scheduled for 2024.

Zero Emission Wheel-Trans Buses (Pilot):

- Finalize Request for Proposal (RFP) and issue to market in Q2 2024. Bus deliveries to commence in 2025.

Note: ¹\$141.1M is currently unfunded in the 10-Year Plan (2023-2032), and \$195.7M is unfunded post-2032.

Wheel-Trans 10-Year Transformation Program

Description

Implement new policies, processes and systems to support a new service delivery model that integrates Wheel-Trans customers into the TTC's accessible-conventional network through a Family of Services (FOS) approach. A FOS trip includes a combination of Wheel-Trans vehicles and accessible-conventional transit for all or part of a customer's journey. The goal is to connect Wheel-Trans conditional-eligible customers to wherever they need to go in the city.

Scope Description

Phases 1-4: Reservation, Scheduling and Dispatch (RSD):

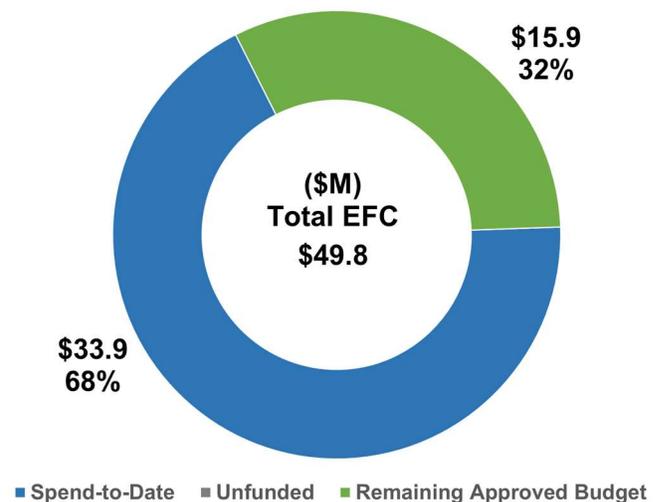
- Family of Services (FOS).
- Re-Registration.
- Conditional Trip Matching.
- Construction of 16 Access Hubs.
- Upgrading RSD to enhance FOS capabilities and introducing the Mobile App pilot.
- Implementation of the Customer Relationship Management technology.

Phases 5-8: RSD improvements based on third-party assessment:

- Implement additional system upgrades.
- Expand the Mobile Application pilot.
- Launch the Wheel-Trans Mobile Application.
- Continue the process of FOS expansion.
- Complete the Re-registration process.

Financials

Project/Program Start	2017
Forecast Completion Year	2026
Estimated Final Cost (EFC)	\$49.8M
Total Approved Budget	\$49.8M
10-Year Approved Budget (2023-2032)	\$17.2M
2023 Budget	\$1.3M
2023 YTD Budget	\$1.3M
2023 YTD Actuals	\$1.3M
Overall Performance Status	G



Progress Update

Phase 1-4 (Completed):

Family of Services (FOS):

- The FOS approach provides Wheel-Trans customers with options for a multi-modal trip that is faster, flexible and efficient, and was operationalized in 2018. The FOS expansion includes connections with 82 bus and streetcar routes with approximately 500 strategically

located transfer/connections conventional system stops for Wheel-Trans customer pick-up and drop-offs, along with the 5,000 non-vehicle transfers (walking stops), as well as all accessible subway stations. Twenty test cases and analyses involving parameter changes have been completed since April 2022 to optimize customer experience, maximize travel on the accessible-conventional system and reduce travel on Wheel-Trans. The most recent parameters change testing was completed in December 2023. FOS remains optional at this time. Additional routes for FOS will be operationalized in Q2 2024.

Re-Registration:

- Wheel-Trans introduced new eligibility criteria and an application process in January 2017, in accordance with Provincial legislative requirements (AODA). There were 19,000 customers that registered prior to this date required to re-register by submitting a new eligibility application. Currently, 14,000 legacy customers (an increase of 1,000 customers since last reporting) have already re-registered with another 5,000, pending re-registration.
- Wheel-Trans Self-Serve Portal allows customers to register/re-register online, eliminating the need for paper application. Customers can also appeal their eligibility decision online.

Conditional Trip Matching:

- Customers with conditional eligibility will be provided with a one-trip solution that matches their conditions and abilities. If none of the registered conditions are present, they will be offered an FOS trip (i.e. connection to accessible-conventional TTC services).

Access Hubs:

- All 16 Access Hub shelters are in service, providing customers with large, accessible, well-lit and heated locations to transfer to and from the accessible-conventional TTC system.

Mobile App:

- Mobile Application, full release for both IOS and Android, went live September 25, 2023. To date, there have been 5,200 application downloads, and about 19,000 trips booked using the Mobile Application. A rolling average indicates 4.7% of all trips are booked with the Mobile App, and 840 unique customers that have booked using the Mobile App.

Customer Relationship Management (CRM):

- Completed automation of the customer applications tracking and customer service contacts. This process involved integration with the CRM system, the TTC's document management provider and the Wheel-Trans RSD system.

Phase 5-8:

- A third-party consultant was selected to complete an assessment and provide recommendations to continue the modernization of the Reservations, Scheduling and Dispatch software. Based on those recommendations, the final phases (5-8) of the program are forecasted to be completed by the end of 2026, in alignment with the TTC's 10-year strategy timeline.
- The Wheel-Trans ITS Solution for Phases 5-8 was approved in May 2023. The third-party vendor to help Wheel-Trans in the tender preparation to replace the Integrated Voice Recognition (IVR) and the Automatic Vehicle Location (AVL) systems was onboarded in July 2023. Planning sessions for the Request for Information (RFI) were completed in September 2023 and the RFI is being finalized and is scheduled for release by Q1 2024.

Next Steps

- The program has been re-baselined with an updated budget to reflect the planned procurement for Phases 5-8.
- Initiate the RFI activities for the Wheel-Trans ITS Solution (IVR/AVL) in Q1 2024.

Scarborough Rapid Transit (SRT) – Transit Priorities and ROW Conversion to Busway

Description

The project is comprised of two phases. As a first phase, modifications are required to the bus terminals at Scarborough Centre and Kennedy stations to accommodate additional buses required for the SRT replacement bus service. In addition, a new temporary bus terminal will be constructed at Kennedy Station as well as implementing various transit priority measures along Kennedy, Midland, Ellesmere, and Eglinton to accommodate the additional bus traffic until the future opening of the Line 2 East Extension (Scarborough Subway Extension).

The second phase involves the conversion of the SRT Right-of-Way (ROW) between Kennedy and Ellesmere stations into a bus roadway.

Scope Description

In 2023, the following was implemented as part of Phase 1:

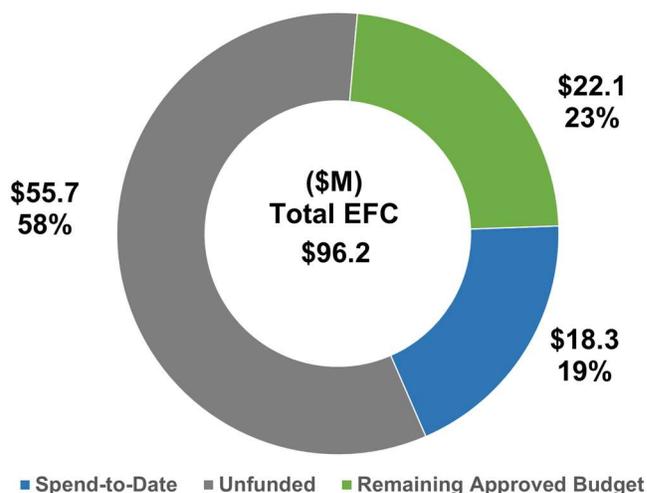
- Express bus service via the Kennedy and Midland between Scarborough Centre and Kennedy stations.
- Modifications to the bus platforms at Scarborough Centre and Kennedy stations.
- Construction of a temporary bus terminal in the south commuter parking lot at Kennedy Station.
- Transit priority measures to facilitate efficient operation of the bus replacement service.

Between 2023 and 2027, the following will be implemented as part of Phase 2:

- The SRT Right-of-Way (ROW) will be converted into a Busway between Kennedy and Ellesmere stations with bus stops at Tara Avenue, Lawrence Avenue East and at Ellesmere Road.

Financials

Project/Program Start	2015
Forecast Completion Year	2027 ¹
Estimated Final Cost (EFC)	\$96.2M ²
Total Approved Budget	\$40.5M ²
10-Year Approved Budget (2023-2032)	\$37.7M ²
2023 Budget	\$16.2M
2023 YTD Budget	\$16.2M
2023 YTD Actuals	\$15.6M
Overall Performance Status	Y



Progress Update

Since the Line 3 closure in July 2023, and the subsequent implementation of an emergency bus replacement service, Phase 1 work was accelerated to deliver the major components related to bus terminal improvements and transit priority measures ahead of the original planned date for the commencement of the bus replacement service on November 19, 2023.

Phase 1: Interim Bus Service Requirements

Scarborough Centre Station Bus Terminal:

- Completed the bus platform modifications on the north and south side of the bus terminal.
- Completed installation of automatic sliding doors, with signage upgrades expected to be completed by April 2024.

Kennedy Station Bus Terminal Modification and Temporary Bus Terminal:

- Completed the construction of the temporary bus terminal, which became operational in October 2023.
- Work is ongoing for the fabrication and installation of an Operator washroom facility and signage upgrades, which are scheduled to be completed by May 2024.

Transit Priority Measures:

- On November 19, 2023, the TTC launched the expanded and enhanced Line 3 Bus Replacement Plan. This included full transit priority measures, including express corridors between Scarborough Centre and Kennedy stations, to replace Line 3 SRT train service. It also included changing a number of bus routes to provide reliable and seamless, transfer-free service directly to the new terminal at Kennedy Station, using the new transit priority lanes.
- Completed the implementation of the Transit Priority Measures, in November 2023, to allow for the efficient operation of the bus replacement service. This included painting of red bus lanes, bus shelter pads, and intersection improvements for bus movement.
- The TTC continues to engage the public through various channels (website, signage, print communications, etc.) on the bus replacement service for Line 3, including on the planning and design of the Busway.

Phase 2: Conversion of the SRT ROW between Kennedy and Ellesmere Stations into a Busway:

- The design of the Busway under Phase 2 has been advanced to 60% design completion.
- A Board report on the status of the Busway, including the design, cost estimate, funding and related property matters was approved by the TTC Board on January 25, 2024 ([Report Link](#)).
- The completion of a Transit Project Assessment Process (TPAP) is in progress for the Busway project, and will be completed concurrently with other activities, which is not expected to impact the overall project schedule. The procurement process is in progress to retain a consultant by March 2024 to commence the TPAP for the Busway project. The TTC aims to obtain the Notice to Proceed from the Ministry of the Environment, Conservation and Parks (MOECP), which is forecasted by Q4 2024.
- City Council approved full funding for the project in February 2024 based on the 60% design for the Busway, which allows for the design of the Busway to progress, with 100% design targeted to be completed by the end of Q4 2024. Note: City Council has directed City staff to continue negotiations with the Province as part of the Subway Agreement in Principle (AIP) to fully recover the cost of the SRT Busway project.

Key Issues/Risks and Action Plan/Mitigation Activities

Key Risks and Mitigation Activities:

- In order to improve travel times and service reliability for customers, full funding for the conversion of the SRT ROW for buses is critical. The TTC will collaborate with City staff to identify any incremental funding that may be required once the 100% Design of the Busway has been completed.

Key Issues and Action Plan:

- The current project schedule is based on the 60% Design. The project is now forecasted to be completed in 2027. The TTC is proactively making efforts, where possible, to minimize the impact to the project schedule.
- Property-related matters continue to be the longest lead items to finalize before construction can commence. The TTC has commenced the property acquisitions through the formal City of Toronto Real Estate Management process. In an effort expedite the property acquisitions, the TTC is acquiring short-term temporary construction licenses and easements to allow construction to proceed. Additionally, the TTC has requested that the expropriation of the private properties commence in parallel with negotiations in order to expedite the property acquisition process.
- A decision on the Busway barrier is required to separate the GO Trainway from the planned Busway in order to mitigate safety risks. Discussions are in progress with Metrolinx to finalize the barrier type by Q2 2024.

Next Steps

- Complete and closeout Phase 1 of the project by June 2024.
- Advance the decommissioning and removal of wayside systems in 2024, ahead of the Busway conversion work.
- Complete 100% Design Submission of the SRT ROW Conversion into a Busway by the end of Q4 2024.

Notes:

¹The conversion of the SRT ROW between Kennedy and Ellesmere stations to a Busway is forecasted to be completed by 2027.

²\$55.7M is unfunded in the 10-Year Plan (2023-2032). On February 14, 2024, City Council approved funding of \$67.9M to commence construction of the Busway as part of the 2024-2033 Budget.

Streetcar Portfolio

Category 3 / Major Projects & Programs	Project Category	Project/Program		Financial Summary (\$ Millions)						Status (Outlook to Completion)			
		Start Year	Forecast Completion Year	2023 Year-End		10-Year Approved Budget (2023-2032)	Total Approved Budget	Spend-to-Date	Total Projected EFC	Schedule	Cost	Scope	Overall
				Budget	Actual								
Streetcar Portfolio													
Purchase of 60 Streetcars	Growth	2019	2026	\$54.0	\$53.2	\$330.9	\$468.0	\$190.3	\$468.0	G	G	G	G
Hillcrest Facility	SI	2018	2029	\$4.5	\$4.5	\$97.3	\$100.7	\$8.0	\$100.7	Y	Y	G	Y
Russell Carhouse	SOG	2018	2029	\$15.9	\$15.9	\$121.8	\$127.3	\$21.4	\$127.3	Y	Y	G	Y
Total Streetcar Portfolio				\$74.5	\$73.7	\$550.0	\$696.0	\$219.7	\$696.0				
Performance Scorecard Status		Total Category 3 Portfolio (\$ Millions)						EFC: Estimated Final Cost H&S: Health & Safety SI: Service Improvement SOGR: State-of-Good-Repair					
		2023 Year-End Budget	2023 Year-End Actuals	10-Year Approved Budget (2023-2032)	Total Approved Budget	Total EFC							
G	On Track												
Y	Caution / Tracking Behind	\$791.5M	\$702.2M	\$7,990.0M	\$10,485.9M	\$22,928.4M							
R	At Risk / Missed Target												

Purchase of 60 Streetcars

Description

This project provides for procurement of 60 new, accessible streetcars to address latent service demand, projected increases in travel time due to traffic congestion, and growth.

Scope Description

The procurement and delivery of 60 accessible streetcars by 2026.

Financials

Project/Program Start	2019	<p>(\$M) Total EFC \$468.0</p> <p>\$277.7 59%</p> <p>\$190.3 41%</p> <p>■ Spend-to-Date ■ Unfunded ■ Remaining Approved Budget</p>
Forecast Completion Year	2026	
Estimated Final Cost (EFC)	\$468.0M	
Total Approved Budget	\$468.0M	
10-Year Approved Budget (2023-2032)	\$330.9M	
2023 Budget	\$54.0M	
2023 YTD Budget	\$54.0M	
2023 YTD Actuals	\$53.2M	
Overall Performance Status	G	

Progress Update

- The Transfer Payment Agreement (TPA) with the Ministry of Transportation (MTO) was executed in March 2023. The Contribution Agreement (CA) with Infrastructure Canada (INFC) is in progress, with completion targeted by Q2 2024. The TTC is receiving \$360 million in funding towards the TTC Streetcar Program (60 Streetcars and Hillcrest Facility) from the Provincial and Federal governments.
- Production work for major sub-assemblies continues at all three of Alstom's locations: Thunder Bay, Ontario, La Pocatière, Quebec and Sahagun, Mexico.
- The first streetcar was delivered on schedule in August 2023, and routine tests have been completed and passed successfully. As of February 2024, seven streetcars have been accepted by the TTC. The program continues to track on schedule and on budget.

Key Issues/Risks and Action Plan/Mitigation Activities

- Key Risks and Mitigation: There is a risk that certain parts may be delayed due to ongoing supply chain issues. The TTC attends regular meetings with Alstom to monitor parts status and assess potential impacts to the project schedule.

Next Steps

- Continue to receive production vehicles and complete the commissioning process.
- Complete Contribution Agreement with Infrastructure Canada by Q2 2024.

Hillcrest Facility

Description

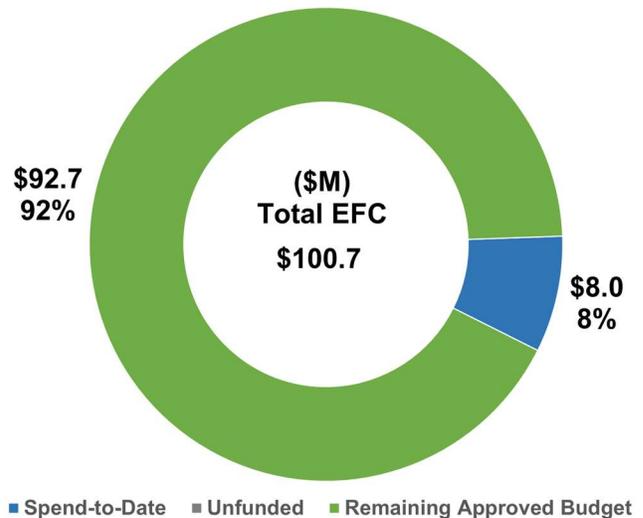
The Hillcrest Facility began operating in 1924. As part of the larger Streetcar Program, this project involves the modification of this facility in order to accommodate the storage, pre-service, testing and maintenance of 25 new accessible streetcars. In addition, the Hillcrest Facility Study will provide a long-term strategy for the use of the Hillcrest Complex in alignment with the Real Estate Investment Plan (REIP).

Scope Description

- Phase 1 (Storage for 25 streetcars and temporary pre-servicing).
- Phase 2 (Permanent pre-servicing, including Sand Silo).
- Study: Provide a long-term strategy for the use of the Hillcrest Complex in alignment with the Real Estate Investment Plan (REIP).

Financials

Project/Program Start	2018
Forecast Completion Year	2029 ¹
Estimated Final Cost (EFC)	\$100.7M ²
Total Approved Budget	\$100.7M ²
10-Year Approved Budget (2023-2032)	\$97.3M ²
2023 Budget	\$4.5M
2023 YTD Budget	\$4.5M
2023 YTD Actuals	\$4.5M
Overall Performance Status	Y ³



Progress Update

Hillcrest Maintenance and Storage Facility (MSF):

- Achieved Stage Gate 3 (Approval for Detailed Design) and commenced Detailed Design in December 2022.
- The Detailed Design was distributed to stakeholders for review in Q3 2023 and is underway.
- As a result of the development of the baseline project scope, additional requirements were included: a) Transfer Table Fill-in, b) 33-Track connection to run-around, c) replacement of tracks inside Harvey Shop, d) reinforcement of concrete slab on Track 34 to support the use of portable hoists, and e) Electric Switch at Hillcrest Complex entrance.
- ¹The schedule has been revised, using risk allocation, to reflect the additional scope with scheduled completion of Phase 1 by Q4 2028 and Phase 2 by Q3 2029.

- ²The additional funding (\$47.0M) required to complete the additional scope was approved in the 2024 Budget.

Hillcrest Long-Term Study:

- An Assessment of Operational Requirements at Hillcrest was conducted in Q3 2022 along with a Needs Analysis (short-, medium-, long-term), which were then ranked based on value and necessity.
- Stakeholders from all relevant departments have been engaged and continue to be consulted.
- A decision was made to evaluate as part of the study the potential storage of an additional 25, 50 and maximum streetcars at Hillcrest.
- Various scenarios for future additional storage were developed along with high-level cost estimates.

Key Issues/Risks and Action Plan/Mitigation Activities

Key Issues and Action Plan:

- ³The original project schedule was based on the 30% Design, however to ensure that the new Hillcrest MSF could accommodate operational requirements, the scope of the project was updated accordingly and reflected in the 100% Design. These operational requirements and a new risk analysis has resulted in an impact to the overall project schedule. The revised schedule for Phase 1 of Hillcrest will result in a temporary streetcar storage deficit until the forecasted completion date of 2028 (Phase 1). The TTC is evaluating opportunities to increase overnight service that support the City’s Night Time Economy Strategy and provide additional service to various customer segments (such as shift workers), while also exploring opportunities to lessen the temporary streetcar storage deficit.
- ²The EFC for the project increased by \$47.0M. The new EFC of \$147.7M was approved in the 2024 Budget and will be reported against in the next quarterly financial report.

Key Risks and Mitigation Activities:

- Recent market trends may impact the overall EFC. The TTC will continue to evaluate and identify potential offsets to the greatest extent possible.

In order to address potential schedule impacts, the TTC has proactively taken the following steps:

- Developed a community engagement plan to address any concerns from the community and avoid potential delays.
- Continuing to co-ordinate with the City for related permits and approvals.
- Staging plans to minimize disruption will be further refined in consultation with stakeholders during the course of the project.
- Monitoring and co-ordinating key interdependencies, including the delivery of 60 new streetcars, access for Spur Line, and the Harvey Shop State of Good Repair (SOGR) work.

Next Steps

Hillcrest MSF:

- Issue Request for Bids (RFB) by Q2 2024 and award contract by the end of Q3/Q4 2024.

Hillcrest Long-Term Study:

- Confirm recommended scenario option and issue Final Report.

Russell Carhouse

Description

Operating for more than a century, the Russell Carhouse supports the TTC's streetcar operations. The Russell Carhouse program is comprised of State of Good Repair and modernization investments to enable the facility to support the new low-floor streetcars.

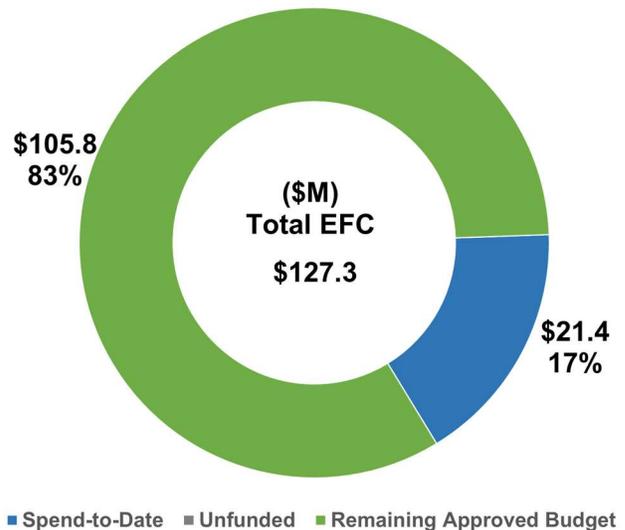
Scope Description

The Russell Carhouse program consists of the following upgrades to accommodate the new low-floor streetcars:

- Russell Carhouse Track and Yard Overhaul: Replace tracks with concrete embedded rail; replace underground utility services and provide a stormwater management system to meet City requirements; replace the overhead system to accommodate streetcar pantograph operations.
- Russell Carhouse Interior Modifications and Extension: West extension of carhouse to allow for additional vehicle maintenance bays; reconfiguration of maintenance tracks and pits in the carhouse for streetcar operational maintenance; maintenance access for rooftop equipment, and additional ancillary facility requirements (i.e. hoist, pit access, lift tables).

Financials

Project/Program Start	2018
Forecast Completion Year	2029 ¹
Estimated Final Cost (EFC)	\$127.3M ²
Total Approved Budget	\$127.3M ²
10-Year Approved Budget (2023-2032)	\$121.8M ²
2023 Budget	\$15.9M
2023 YTD Budget	\$15.9M
2023 YTD Actuals	\$15.9M
Overall Performance Status	Y ³



Progress Update

- Russell Carhouse Track and Yard Overhaul: Construction on Tracks 1-7 has been delayed due to the following:
 - Unforeseen site conditions.
 - Change for enabling works for future carhouse extension.
 - Lack of subcontractor resources.
- Russell Carhouse Interior Modifications: Completed 100% Construction Design Review and the bid document preparation is in progress.
- Russell Carhouse Extension: Completed 100% Construction Design Review in Q1 2024.

- ¹The original schedule completion of Q1 2028 has been revised to include risk allocation and to reflect the additional scope requirements, with a scheduled completion of Q1 2029.
- ²The additional funding (\$40.7M) required to complete the additional scope was approved in the 2024-2033 Budget.

Key Issues/Risks and Action Plan/Mitigation Activities

Key Issues and Action Plan:

- ³Project risks have materialized that have resulted in a delay to the subsequent track replacements, including Substantial Performance for the Russell Carhouse Track and Yard Overhaul. The project team is evaluating mitigation strategies on all phases, including adding resources, re-prioritizing/combining tasks, and revising staging plans.
- ²The EFC for the project increased by \$40.7M. The new EFC of \$168.0M was approved in the 2024 Budget and will be reported against in the next quarterly financial report.

Key Risks and Mitigation Activities:

- Recent market trends may impact the overall EFC. The TTC will continue to evaluate and identify potential offsets to the greatest extent possible.
- In order to address storage impacts, the TTC will proactively take the following steps:
 - Review of Russell Track and Yard Overhaul construction staging plan.
 - Review of efficiencies regarding infrastructure installation timelines at Russell Carhouse.

Next Steps

- Russell Carhouse Track and Yard Overhaul:
 - Continue with construction of Tracks 1-15.
 - Continue with partial construction of Tracks 16, 17 and 18.
- Russell Carhouse Extension and Interior Modifications:
 - Complete Bid documents by Q3 2024.

Network Wide Portfolio

Category 3 / Major Projects & Programs	Project Category	Project/Program		Financial Summary (\$ Millions)						Status (Outlook to Completion)			
		Start Year	Forecast Completion Year	2023 Year-End		10-Year Approved Budget (2023-2032)	Total Approved Budget	Spend-to-Date	Total Projected EFC	Schedule	Cost	Scope	Overall
				Budget	Actual								
Network Wide Portfolio													
PRESTO	Growth	2012	2024	\$5.9	\$5.9	\$13.2	\$79.2	\$71.9	\$79.2	R	G	Y	R
VISION - CAD/AVL	SOGR	2016	2025	\$7.4	\$4.5	\$18.5	\$111.7	\$97.6	\$111.7	R	G	G	R
SAP ERP Implementation	SOGR	2014	2027	\$20.1	\$20.1	\$173.3	\$272.8	\$119.6	\$272.8	G	G	G	G
Total Network Wide Portfolio				\$33.4	\$30.4	\$205.0	\$463.7	\$289.1	\$463.7				
Performance Scorecard Status		Total Category 3 Portfolio (\$ Millions)					EFC: Estimated Final Cost H&S: Health & Safety SI: Service Improvement SOGR: State-of-Good-Repair						
		2023 Year-End Budget	2023 Year-End Actuals	10-Year Approved Budget (2023-2032)	Total Approved Budget	Total EFC							
G	On Track												
Y	Caution / Tracking Behind	\$791.5M	\$702.2M	\$7,990.0M	\$10,485.9M	\$22,928.4M							
R	At Risk / Missed Target												

PRESTO

Description

Transforming the TTC fare collection processes, including the TTC’s scope of work supporting Metrolinx activities for the implementation of the PRESTO fare card 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 the TTC’s business requirements.

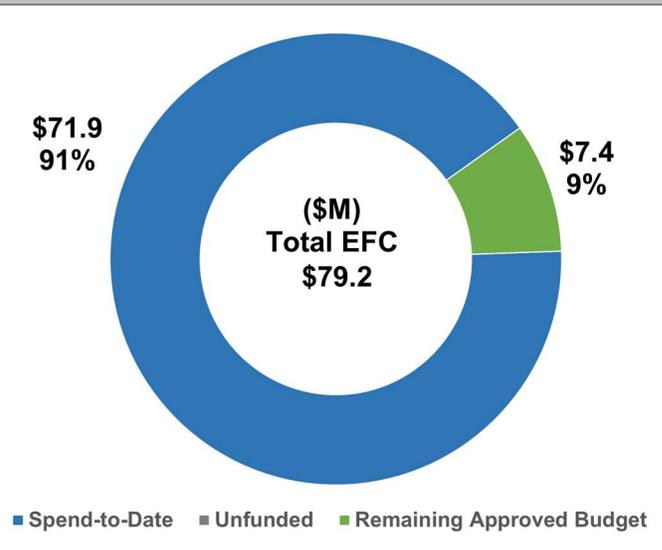
Scope Description

This program provides TTC oversight for the implementation of the PRESTO fare payment method by Metrolinx, as outlined in the Master E-Fare Agreement signed with Metrolinx in 2012 to meet the TTC’s business requirements. The scope of work to be completed by Metrolinx includes:

- Modifications and enhancements to the PRESTO system to allow for an e-fare account-based payment system with an open architecture using industry standards to accommodate open loop financial cards, mobile applications and future technological innovations (“PRESTO Next Generation”).
- Ensure PRESTO implements and operates a wide range of “managed services” as agreed to in the Master Service Agreement in 2012 (i.e. back office operations, customer services, revenue collection and maintenance of all system field equipment).
- Service-Level Agreement for KPI and performance measurement and tracking.

Financials

Project/Program Start	2012
Forecast Completion Year	2024
Estimated Final Cost (EFC)	\$79.2M
Total Approved Budget	\$79.2M
10-Year Approved Budget (2023-2032)	\$13.2M
2023 Budget	\$5.9M
2023 YTD Budget	\$5.9M
2023 YTD Actuals	\$5.9M
Overall Performance Status	R



Progress Update

The program milestones achieved since 2012 include:

- The PRESTO Ticket provides fare payment options for customers who would like to purchase one ride, two rides or a day pass without a PRESTO card. The TTC has transitioned approximately 200 institutions from legacy fares to PRESTO tickets via the implementation of a new bulk Limited Use Medias (LUMs) sales program. As a result, this has enabled the TTC to discontinue the sale of legacy fares. To date, 1.4 million PRESTO

tickets have been sold since June 2022, and the monthly TTC Metropass was moved onto the PRESTO card.

- PRESTO vending machines are available at all subway stations as well as the Mobile Fare Payment Application on all streetcars, buses, and Wheel-Trans vehicles, including contracted accessible vans.
- The City of Toronto's Fair Pass Program launched in 2018, and provides a discount for eligible adult residents when using the balance on their PRESTO card or a monthly pass.
- Two-Hour Transfer was launched in August 2018, which makes short-distance travel more affordable for all customers. In addition, PRESTO payment options have integrated fares and allowed customers to travel seamlessly into Mississauga and York Region.
- Human Machine Interface (HMI) has been fully implemented on all fare gates, buses, streetcars and Wheel-Trans vehicles as well as contracted taxis, which provides customers with information on card balances, and time remaining in the two-hour transfer window. This also provides the TTC with additional tools to track and enforce fare compliance. In 2021, the TTC implemented an enhancement on the HMI to prevent the use of child cards for fare evasion.
- New fare gates have been installed at all subway stations.
- The Open Payment option allows customers the flexibility and convenience of using Credit/Debit as fare payment. To allow for the launch of Open Payment, all devices (fare gate readers) have been refreshed on buses, streetcars and Wheel-Trans vehicles along with the installation of new smart card readers at all stations. The deployment and activation of Phase I of Open Payment to enable adult fare concession was launched in Q3 2023 as scheduled. The implementation of Phase II of Open Payment to enable senior and youth fare concession is currently under development in co-ordination with Metrolinx.
- Phase 1 of the PRESTO mobile wallet was launched in November 2023. The reader upgrades to enable Phase 2 of the PRESTO mobile wallet are on track to be completed by the end of Q2 2024, and the software integration with the PRESTO system is targeted to be launched in July 2024.

Key Issues/Risks and Action Plan/Mitigation Activities

Key Risks and Mitigation:

- The Metrolinx PRESTO procurement program could potentially delay the closing of outstanding settlement agreement gaps within the 2024 target timeline per the Minutes of Settlement. Metrolinx has developed detailed timelines for evidence and resolution plans for activities through Q1 2024.
- TTC requirements related to cash payment (i.e. Machine Readable Transfers) are at risk of not being delivered as PRESTO is heavily focused on Digital Transformation initiatives that discourage the use of cash on transit. Metrolinx is currently working on an analysis, which is targeted to be completed by Q2 2024, with a resolution expected by 2025. The TTC is working with Metrolinx to ensure the proposed delivery and closeout plans remain on schedule. (Refer to the [February 28, 2023 Board report](#))

Next Steps

- Complete reader upgrades and launch Phase 2 of the PRESTO mobile wallet in July 2024.

VISION – CAD/AVL

Description

Implementation of a new Computer-Aided Dispatch/Automatic Vehicle Location (CAD/AVL) System (or VISION) on the TTC's bus and streetcar fleets to provide improved: a) tracking and communications with the TTC's fleet of more than 2,200 buses and streetcars; b) information for scheduling and planning; c) real-time information to provide Operators and customers during their trip; d) more efficient Transit Signal Priority to keep TTC vehicles moving; and e) management of the assignment and dispatching of vehicles to service through the implementation of the new yard management system.

Scope Description

The project scope has been organized into three phases:

Phase 1 (Completed):

- Implement onboard CAD/AVL solution on the TTC's bus fleet (i.e. data and voice communications, automatic vehicle location and stop display, stop announcements and vehicle performance monitoring).
- Integrate central CAD/AVL solution with existing onboard camera on buses.

Phase 2 (Completed):

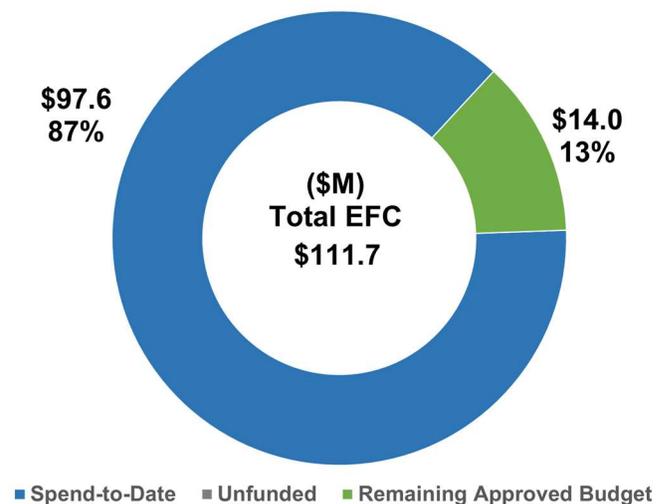
- Install CAD/AVL on the 204 streetcars.
- Integrate central CAD/AVL solution with automatic passenger counting systems on buses and streetcars in scope.

Phase 3:

- Implement the Operator Performance module.
- Implement Yard Management System at all streetcar carhouses and bus garages.
- Implement Bustime and upgrades to SMS text messaging.

Financials

Project/Program Start	2016
Forecast Completion Year	2025 ¹
Estimated Final Cost (EFC)	\$111.7M
Total Approved Budget	\$111.7M
10-Year Approved Budget (2023-2032)	\$18.5M
2023 Budget	\$7.4M
2023 YTD Budget	\$7.4M
2023 YTD Actuals	\$4.5M
Overall Performance Status	R



Progress Update

Phases 1 and 2 of the program were completed and achieved the following:

- Deployment of the Central CAD/AVL System in Transit Control as well as the completion of Transit Control renovations.
- Deployment of the onboard system to the fleet of buses and streetcars.

The benefits from implementing Phases 1 and 2 have resulted in improved On-Time Performance, improved customer information, reduced road calls and improved vehicle to Transit Control communications.

Phase 3:

- Includes the deployment of the Smart Yard Management System at the 11 vehicle garages and streetcar carhouses. The Smart Yard system will track the locations of the vehicles in the bus garages and carhouses and automatically assign the scheduled service to the vehicles. The expected benefits of the system include improved pull-out performance and efficiencies for tracking and dispatching vehicles from the yards.
- The implementation of the Smart Yard system at all streetcar carhouses and bus garages is currently in progress. To date, 85% of the construction and 10% of vendor commissioning has been completed. Progress has been made by the vendor to address issues previously identified in the Smart Yard system to operationalize the system at Leslie Barns, which is scheduled to be completed in April 2024. Full implementation at all carhouses and garages is scheduled to be completed by Q2 2025.
- Recent improvements to CAD/AVL system include the deployment of the new early departure from the end events functionality onboard the vehicles and in Transit Control.
- Operator Performance Module: Completed latest Speed Layer Testing, vendor provided final Speed Layer for implementation and it is currently being evaluated by Operations.
- Upgraded SMS Text Messaging using real-time data from Bustime has been deployed, and the Bustime website was launched, as scheduled, in November 2023. The website will provide customers with predictions for Run As Directed (RAD) vehicles (additional vehicles that are used to address gapping so that customers are no longer waiting for long periods of time for the next vehicle). General Transit Feed Specification/Real Time (GTFS/RT) launched with app provider Transitapp, which provides customers with information in real time of the next vehicle arrivals.

Key Issues/Risks and Action Plan/Mitigation Activities

¹Key Issues and Action Plan:

- The Yard Management project has experienced delays in its rollout phase due to quality assurance issues. The testing has revealed that there are problems with vehicle location accuracy, which has had a significant impact on the ability to operationalize the solution. The vendor continues to make progress and the operationalization of the system at Leslie Barns is scheduled to be completed in April 2024. The revised completion of full implementation at all carhouses and garages is Q4 2025.
- The TTC has been collaborating closely with the vendor to identify the root causes of the issues and to explore potential mitigation plans. To ensure appropriate attention is given, the TTC has escalated the matter to the vendor's management team, and the TTC is closely monitoring progress.

Next Steps

- Commissioning of the Smart Yard Management System at Leslie Barns Carhouse is scheduled to be completed by the end of April 2024. Operationalization of the Yard Management System at Arrow Garage is in progress, and scheduled to be implemented by August 2024.
- Transit Signal Priority (TSP) with the VISION system to be integrated, pending agreement with the City of Toronto's provider.

SAP ERP Implementation

Description

Implementing an industry-standard enterprise software solution that modernizes the TTC's core systems that aligns with the City of Toronto's SAP Roadmap by integrating business processes through the replacement of legacy systems and modernizing business processes.

Scope Description

The SAP implementation will establish a system of record to provide improved information for decision-making for various areas of the business with a focus on:

Phase 1:

- Recruiting, Onboarding, Organization Management and Employee Central Service Centre
- Payroll and Benefits Administration.
- Budget Planning, Capital Accounting, Cost Centre Accounting and General Ledger.

Phase 2:

- Corporate Communications Employee Mobile App.
- Learning Management System.
- Time and Attendance and Workforce Scheduling for all Employees.
- Capital and Operating Job Costing.
- Accounts Payable I.

Phase 3:

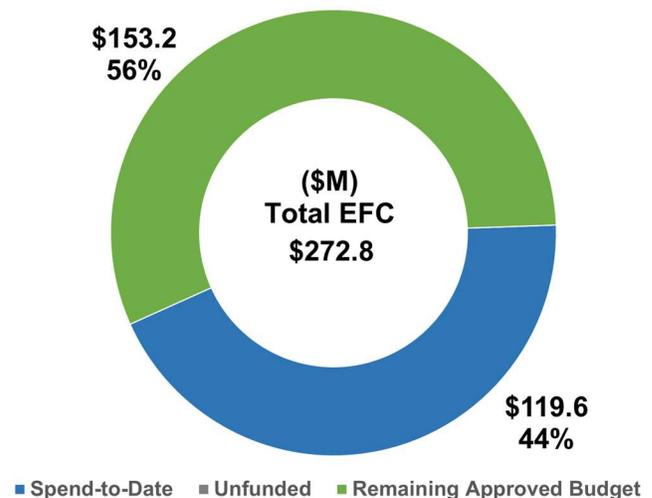
- Procurement, Materials/Warehouse Management, Accounts Payable II.
- Accounts Receivable.
- Asset Accounting.
- Resume Screening Tool powered by AI.
- Employee Engagement.

Phase 4:

- Employee Performance/Compensation Management and Succession Planning.
- Grievance Management.

Financials

Project/Program Start	2014
Forecast Completion Year	2027 ¹
Estimated Final Cost (EFC)	\$272.8M
Total Approved Budget	\$272.8M
Total Approved Budget (2023-2032)	\$173.3M
2023 Budget	\$20.1M
2023 YTD Budget	\$20.1M
2023 YTD Actuals	\$20.1M
Overall Performance Status	



Progress Update

Phase 1:

- Completed 2018 Launch of SAP Finance General Ledger, Cost Centre Accounting, Project Internal Orders, SAP SuccessFactors: Recruiting, Onboarding, Employee Service Centre and Systems, MyTTC Employee and Manager Self Services and Payroll.

Phase 2:

- The TTC's first Employee Communication App was launched in 2020. This application was rolled out to all TTC employees (approximately 17,000), and provides access to corporate information on their mobile devices, including Operator run/crew guides, safety, and health and wellness information.
- The MyTTC | Learning Centre online Learning Management System in SuccessFactors was launched in 2021. This platform provides employees with online access to learning, including modern instructor-led learning using WebEx. Additionally, this allows for certifications to be tracked for regulatory and compliance purposes.
- The SAP Job Costing Release 1 Solution for Operations was completed in Q1 2024.
- The Time, Attendance and Workforce Scheduling System project is in progress and is targeted for completion by 2025. The project is being delivered in three releases (Release 1: Staff; Release 2: Union-Non Operators; and Release 3: Union-Operators).
 - Release 1: Completed Solution Workshops to finalize design. Release 1 is in progress, targeting a scheduled go-live in Q2 2024.
 - Release 2: Scheduled to be kicked off in Q2 2024.
 - Release 3: The Transit Operator Workforce Management Solution RFP evaluation was completed and the contract was awarded in August 17, 2023.

Phase 3:

- The assessment phase for the Asset Accounting Module was completed in Q3 2022.
- The Procurement/Management/Materials Management/Finance is currently in progress, with the assessment phase completed in Q1 2022. The development of the Request for Proposal (RFP) has been completed and was released to the market in November 2023, and award is planned for July 2024.
- The Resume Screening Tool Artificial Intelligence (AI) for Talent Management and Talent Acquisition Intelligence module was successfully launched in Q3 2022. The Diversity, Equity and Inclusion module was completed in Q4 2022. The vendor announced a change in ownership in Q1 2023, resulting in a loss of support for the product. The TTC continues to evaluate other options.

Key Issues/Risks and Action Plan/Mitigation Activities

Key Risks and Mitigation:

- To combat the difficulties associated with using the current vendor of record to hire contractor resources due to the current competitive market, the TTC is leveraging other vendor of record alternatives to mitigate the impact to the Costing Release 1 Project implementation.

- Data quality from legacy systems' records may impact implementation timelines due to the effort required for data cleansing. Records in legacy systems may not be current, which requires additional cleansing efforts prior to loading into the new SAP system. The project team continues to work with departments to have their data cleansed prior to loading into the new SAP system. Data strategies have been included in all SAP projects.

Next Steps

Phase 2:

- The SAP Job Costing Release 1 Solution for Operations Go-Live is scheduled by the end of Q1 2024.
- Time, Attendance and Workforce Scheduling Release 1 – Achieve Stage Gate 6 (Approval for Deliverables) in Q2 2024.
- Time, Attendance and Workshop Scheduling Release 2 will be launched in Q2 2024.
- SAP Vendor for Procurement and Category Management (PCM) will be onboarded in Q3 2024.

Notes:

- ¹The contingency for the program was reallocated to 2027 for budgetary purposes only. The overall program schedule is on target.
- The EFC represents the total SAP program cost with the future phases.