



## Financial Update for the Period Ended October 2, 2021 and Major Projects Update

Date: November 29, 2021

To: TTC Board

From: Interim Chief Financial Officer

### Summary

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This report sets out operating and capital financial results for TTC Conventional and Wheel-Trans services for the nine-month period ended October 2, 2021. Projections to year-end 2021 are also provided.

### Financial Summary

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#### ***COVID-19 Impact and Relief Funding***

The financial impact of COVID-19 has, to date, been primarily offset by financial support received from our Federal and Provincial partners through the Safe Restart Agreement (SRA). In the last quarterly variance report submitted to the Board on September 15, 2021, a 2021 funding shortfall of \$103.3 million was identified. Based on recent discussions with the Province, it is anticipated that the 2021 funding shortfall could be claimed through Phase 3 SRA Top-Up funding which will be sourced unused SRA funding from earlier phases of the program.

#### ***2021 Operating Results***

To the end of Period 9, the TTC has experienced a cumulative revenue shortfall of \$45.0 million which has been fully offset by under-expenditures. Based on the combined projected results to year-end for TTC Conventional and Wheel-Trans services, it is anticipated that the year-end net variance will be \$0. This year-end projection incorporates an expected revenue and recoveries shortfall of \$63.3 million inclusive of the forgone reserve draw, to be fully offset by under-expenditures driven by reduced service costs and expenditure restraint in light of lower than planned revenues during the year. In addition, net under expenditures will enable the TTC to contribute a projected \$36.1 million to the TTC Stabilization Reserve, in accordance with the direction approved by City Council at its October 1, 2021 meeting that any net 2021 favourable year-end variance be contributed to the TTC Stabilization Reserve.

Description (\$Millions)	Year-To-Date (9 Months)			Year-End Projection		
	Budget	Actual	Variance	Budget	Projection	Variance
<b>Revenue &amp; Recoveries</b>						
TTC Conventional						
Passenger Revenue	342.0	300.8	(41.2)	492.0	449.3	(42.7)
Ancillary Revenue	40.7	37.4	(3.3)	54.7	50.5	(4.2)
Wheel-Trans Passenger Revenue	2.9	2.4	(0.5)	4.3	3.7	(0.6)
Forgone Reserve Draw	-	-	-	15.8	-	(15.8)
<b>Total Revenue &amp; Recoveries</b>	<b>385.6</b>	<b>340.6</b>	<b>(45.0)</b>	<b>566.8</b>	<b>503.5</b>	<b>(63.3)</b>
<b>Expenditures</b>						
TTC Conventional	1,506.8	1,422.3	(84.5)	2,034.4	1,952.6	(81.8)
Wheel-Trans	85.4	71.6	(13.8)	118.6	101.0	(17.6)
Reserve Contribution	-	-	-	-	36.1	36.1
<b>Total Expenditures</b>	<b>1,592.2</b>	<b>1,493.9</b>	<b>(98.3)</b>	<b>2,153.0</b>	<b>2,089.7</b>	<b>(63.3)</b>
<b>Combined Net City Funding</b>	<b>1,206.6</b>	<b>1,153.3</b>	<b>(53.3)</b>	<b>1,586.2</b>	<b>1,586.2</b>	<b>0.0</b>

## 2021 Capital Results

Description (\$ Millions)	2021 Budget	Year-to-Date Actuals		Year-End Projection	
		\$	%	\$	%
TTC Base Capital	1,280.7	550.9	43.0%	1,037.1	81.0%
TTC Transit Expansion	95.3	21.6	22.6%	78.0	81.9%
<b>Total</b>	<b>1,376.0</b>	<b>572.5</b>	<b>41.6%</b>	<b>1,115.2</b>	<b>81.0%</b>

At the end of Period 9, total base capital expenditures were \$550.9 million, representing a spending rate of 43.0% of the 2021 Approved Capital Budget. Transit Expansion expenditures were \$21.6 million with 22.6% of the 2021 Approved Capital Budget being spent. Combined, a total of \$572.5 million was spent as of October 2, 2021, representing a 41.6% spending rate.

By year-end, TTC base capital expenditures are projected to be \$1.037 billion or 81.0% of the 2021 Approved Capital Budget. In addition, it is expected that the TTC will also incur \$78.0 million in expenditures by year end for transit expansion initiatives reflecting 81.9% of the 2021 approved funding being spent for these projects. In sum, TTC is projecting to spend 81.0% of its 2021 Approved Capital Budget by year-end.

Capital underspending is primarily due to supply chain constraints, adjustments to project schedules due to dependencies with third-parties, as well as protracted negotiations for complex contracts and property acquisitions that were expected to be completed in 2021 but will not be finalized by year-end. When these property acquisition budgeted expenditures and associated results are excluded from the base capital program, the spending rate increases to 84.3% for the TTC's base capital program and 84.1% overall, as summarized in the following chart.

Description (\$ Millions)	2021 Budget	Year-to-Date Actuals		Year-End Projection	
		\$	%	\$	%
TTC Base Capital	1,280.7	550.9	43.0%	1,037.1	81.0%
Excl. Deferred Property Acquisitions	(50.5)	0.0	0.0%	0.0	0.0%
<b>TTC Adjusted Base Capital</b>	<b>1,230.2</b>	<b>550.9</b>	<b>44.8%</b>	<b>1,037.1</b>	<b>84.3%</b>
TTC Transit Expansion	95.3	21.6	22.6%	78.0	81.9%
<b>Total (Excl. Deferred Property Acquisitions)</b>	<b>1,325.5</b>	<b>572.5</b>	<b>43.2%</b>	<b>1,115.2</b>	<b>84.1%</b>

These reported results take into account the most recent amendments approved by the TTC Board on May 25, 2021, and City Council on May 26, 2021 to increase the 2021 Capital Budget and future year cash flows in the 10-year Capital Plan by \$425.785 million. This amendment incorporates the increased spending authority and funding by the City, the Province and the Federal government for the purchase of an additional 47 streetcars and changes to the Hillcrest facility to accommodate the additional fleet.

Any unspent 2021 capital funding, which is currently projected to be \$260.8 million, will be carried forward into 2022 to complete capital work, in accordance with the City's Carry Forward policy.

## Equity/Accessibility Matters

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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 addition to ongoing efforts to address access, diversity and inclusion, the 2021 TTC Operating Budget funds new investments totalling \$2.8 million to:

- Increase Wheel-Trans reservation call centre capacity to reduce call wait times and abandoned calls, thereby improving accessibility.
- Support implementation of the Embrace Diversity Action Plan to provide resources to improve community and recruiting outreach initiatives and ensure the continued implementation of anti-racism initiatives.

The 2021-2030 Capital Budget and Plan includes \$82.1 million in 2021 and \$701.9 million over the 10 years for the TTC's Easier Access Program, which is underway to make all subway stations accessible by 2025 with elevators, wide fare gates and automatic sliding doors. With reduced ridership demands due to COVID-19, the TTC is accelerating Easier Access construction activities.

## Decision History

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At its meeting on December 21, 2020, the TTC Board approved the 2021-2030 TTC Capital Budget and Plan of \$11.689 billion in funding over the 10-year period, with \$1.315 billion approved in the 2021 Capital Budget.

[https://ttc-cdn.azureedge.net/-/media/Project/TTC/DevProto/Documents/Home/Public-Meetings/Board/2020/December\\_21/Reports/2\\_TTC\\_15\\_Year\\_CIP\\_and\\_2021\\_2030\\_Capital\\_Budget\\_and\\_Plan.pdf?rev=249f510efcea4aec8ad994154e26a2cc&hash=1D5A1448B5F684BF79D2C4FFAC802CBE](https://ttc-cdn.azureedge.net/-/media/Project/TTC/DevProto/Documents/Home/Public-Meetings/Board/2020/December_21/Reports/2_TTC_15_Year_CIP_and_2021_2030_Capital_Budget_and_Plan.pdf?rev=249f510efcea4aec8ad994154e26a2cc&hash=1D5A1448B5F684BF79D2C4FFAC802CBE)

At its meeting on December 21, 2020, the TTC Board approved the 2021 Operating Budgets of \$2.034 billion gross and \$1.472 billion net for TTC Conventional Service and \$118.6 million gross and \$114.3 million net for Wheel-Trans Service and a 2021 total year-end workforce complement of 16,313 positions.

[https://ttc-cdn.azureedge.net/-/media/Project/TTC/DevProto/Documents/Home/Public-Meetings/Board/2020/December\\_21/Reports/1\\_2021\\_TTC\\_and\\_WheelTrans\\_Operating\\_Budgets.pdf?rev=5072388342514a84921dbf771d892a7a&hash=3C1459F6B46B7AF5A8273B738A58D470](https://ttc-cdn.azureedge.net/-/media/Project/TTC/DevProto/Documents/Home/Public-Meetings/Board/2020/December_21/Reports/1_2021_TTC_and_WheelTrans_Operating_Budgets.pdf?rev=5072388342514a84921dbf771d892a7a&hash=3C1459F6B46B7AF5A8273B738A58D470)

At its meeting on February 10, 2021, the TTC Board approved the amended 2021 workforce complement with the addition of 34 temporary positions dedicated to core resourcing for the Metrolinx subway expansion program. These roles and associated costs will be fully funded by Metrolinx and as such require no new municipal funding.

[https://ttc-cdn.azureedge.net/-/media/Project/TTC/DevProto/Documents/Home/Public-Meetings/Board/2021/February\\_10/Reports/8\\_Transit\\_Network\\_Expansion.pdf?rev=8a3a174a1e33419381323c5193ad4259&hash=C0F4B1F4DDC7EE6A4A2991C2F27D450E](https://ttc-cdn.azureedge.net/-/media/Project/TTC/DevProto/Documents/Home/Public-Meetings/Board/2021/February_10/Reports/8_Transit_Network_Expansion.pdf?rev=8a3a174a1e33419381323c5193ad4259&hash=C0F4B1F4DDC7EE6A4A2991C2F27D450E)

At its meeting on May 25, 2021, The TTC Board approved an amendment to the TTC Streetcar Program by increasing the 2021-2030 Approved Capital Budget and Plan by \$425.785 million for the procurement of an additional 47 streetcars at an incremental cost of \$328.248 million, and the modifications to the Hillcrest Facility to accommodate the additional fleet at an additional cost of \$97.537 million.

[https://ttc-cdn.azureedge.net/-/media/Project/TTC/DevProto/Documents/Home/Public-Meetings/Board/2021/May\\_25/1\\_TTC\\_Streetcar\\_Program\\_Procurement\\_of\\_60\\_Streetcars\\_updated.pdf?rev=65f173be398c4cce9bd7af230c1faf8f&hash=CCC2688C060CB931AF4C513382166B7D](https://ttc-cdn.azureedge.net/-/media/Project/TTC/DevProto/Documents/Home/Public-Meetings/Board/2021/May_25/1_TTC_Streetcar_Program_Procurement_of_60_Streetcars_updated.pdf?rev=65f173be398c4cce9bd7af230c1faf8f&hash=CCC2688C060CB931AF4C513382166B7D)

## Comments

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### Key Indicators – Operating Budget

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

The key indicators include TTC and Wheel-Trans ridership and average fare, which impact the \$492 million TTC fare revenue budget. Additional key drivers for the TTC include the price of fuel and electric power that affect a combined fuel and utilities budget of \$156.4 million. The final, and most significant driver on expenses relates to service hours, which impacts labour expenses (\$1.116 billion), non-labour expenses (\$303 million), such as parts and maintenance, in addition to fuel and utility consumption.

The following table details the TTC's key operating indicators, which are discussed below:

Item	Year-To-Date Actuals			Year-End Projection			Status
	Budget	Actual	Variance	Budget	Projection	Variance	
TTC Ridership	149.4M	132.5M	(16.9M)	214.4M	196.8M	(17.6M)	✘
TTC Average Fare	2.29	2.27	(0.02)	2.29	2.28	(0.01)	✘
TTC Regular Scheduled Service Hours	7.054M	6.826M	(0.228)	9.416M	9.038M	(0.378)	✘
Price of Fuel (\$/litre)	0.863	0.955	0.092	0.866	0.990	0.124	✘
Price of Electric Power (\$/kWh)	0.149	0.143	(0.006)	0.150	0.146	(0.004)	✔
WT Passengers	1.3M	1.1M	(0.2M)	1.9M	1.6M	(0.3M)	✘

## Revenue Ridership

Based on the anticipated impact of COVID-19, revenue ridership was budgeted to grow from an average of 35% of normal, or pre-COVID levels, for the first half of the 2021 rising to 47% by September 2021.

For the first half of the year, revenue ridership was below budgeted levels, with the largest unfavourable variances occurring during the two provincially issued Stay-at-Home orders when ridership dropped to as low as 26% of pre-COVID levels. A gradual recovery has continued through the year and since the Province entered Stage 3 of reopening on July 16, 2021, actual revenue ridership as a percentage of normal, pre-COVID levels was close to, or exceeded budget, with the average monthly revenue ridership experienced for August 2021 at 43% versus the 41% budgeted and the average monthly revenue ridership for September 2021 at 44% versus the 47% budgeted.

Revenue ridership continues to track relatively close to budgeted levels in October 2021, at approximately 48% of pre-COVID levels. As restrictions continue to be eased and more people resume their use of transit to get to and from work, shop, and enjoy leisure activities, revenue ridership is expected to continue to grow steadily and reach budgeted levels of 49% by year-end. Pending any unforeseen impacts from a return to further restrictions, revenue ridership is expected to be approximately 17.6 million rides (8.2%) below the 2021 revenue ridership budget for the year as a whole. Passenger revenue trends are discussed further in the Financial Update section below.

## Service Hours

Actual service hours are lower than budgeted due to the continual alignment of service capacity with customer demand. To the end of Period 9, only bus services are attracting more than 50% of pre-pandemic demand (bus 55%, streetcar 44% and subway 39%). TTC will continue to monitor and adjust service capacity to align with demand.

## Financial Update – Operating

The unfavourable revenue variance experienced to date has been offset by year-to-date under-expenditures. The underspending is primarily due to reduced service costs based on lower than budgeted demand as well as expenditure management given the lower

than planned ridership revenue realized to date. By year-end, it is projected that the combined financial results of TTC Conventional and Wheel-Trans services will end in a \$0 net variance. This year-end projection incorporates an expected revenue and recoveries shortfall of \$63.3 million inclusive of the forgone reserve draw, to be fully offset by under-expenditures driven by reduced service costs and expenditure restraint in light of lower than planned revenues during the year. In addition net under expenditures will enable the TTC to contribute a projected \$36.1 million to the TTC Stabilization Reserve, in accordance with the direction approved by City Council at its October 1, 2021 meeting, that any net 2021 favourable year-end variance be contributed to the TTC Stabilization Reserve.

## **COVID-19 Financial Impact**

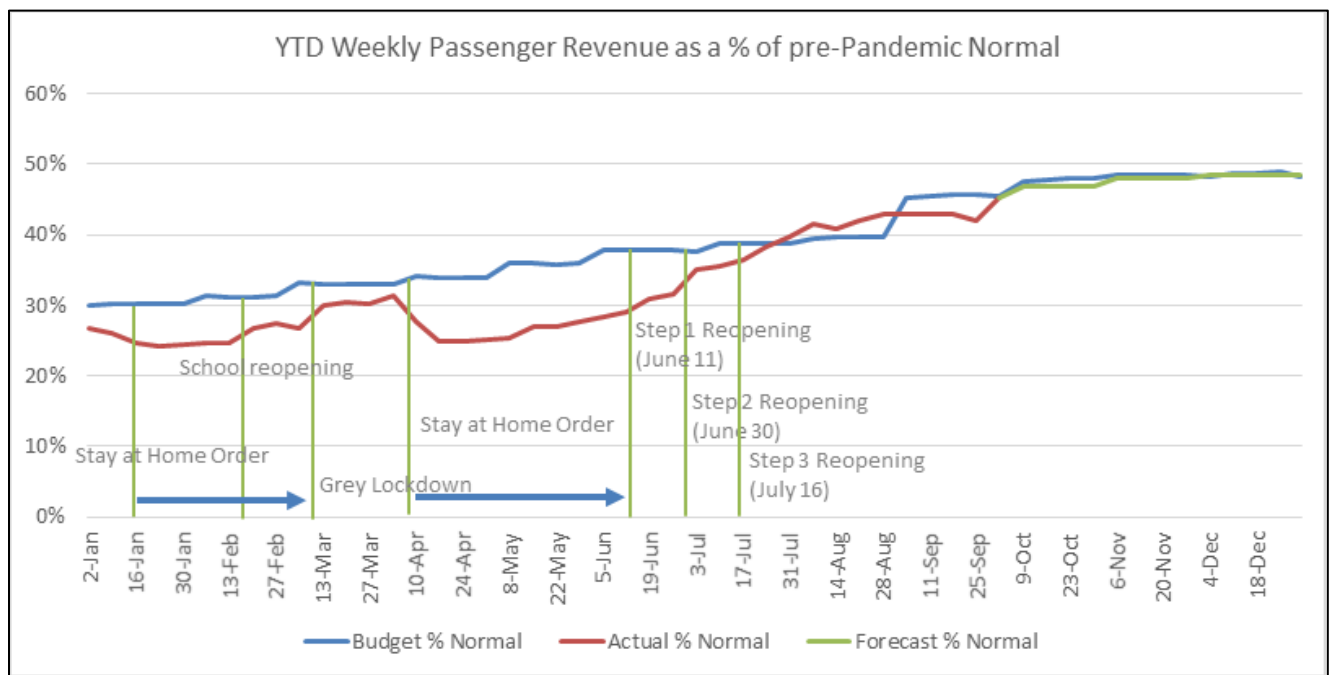
### ***TTC Conventional Passenger Revenue***

The 2021 Operating Budget anticipated a \$796.4 million financial impact due to COVID-19, most of which related to an anticipated \$725 million passenger revenue loss net of PRESTO commissions.

Passenger revenue was below budget throughout the first six months of the year, with the most significant shortfalls occurring during the stay at home orders that caused TTC passenger revenues to fall as low as 25% of pre-COVID experience. Outside of these stay-at-home orders, TTC passenger revenue approached budgeted levels reaching within 2% of budgeted levels in early April.

A gradual recovery of passenger revenue occurred during the period leading up to and throughout the third quarter, with actual passenger revenue essentially consistent with budgeted levels for the quarter. After the Province entered Step 2 of Reopening on June 30 and Step 3 on July 16, 2021, passenger revenue reached a monthly average of 37% of pre-COVID levels in July and 42% in August. A return to in-person learning in schools in September helped move passenger revenues to 45% of pre-COVID normal by the end of September, compared to the 46% budgeted revenue for this timeframe.

A weekly breakdown of revenue relative to pre-COVID experience is shown in the following chart:



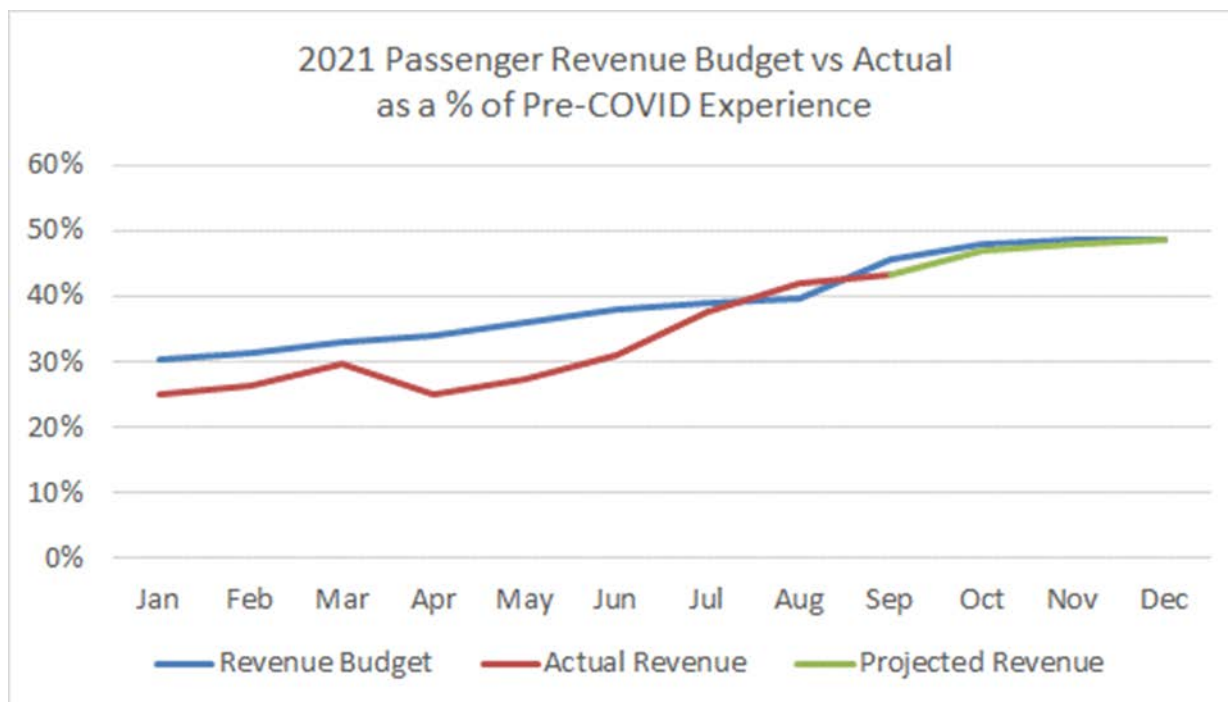
### TTC Conventional Passenger Revenue Forecast

Taking into account the most recent revenue ridership experience noted above, the full year passenger revenue shortfall is forecasted to be approximately \$42.7million (or \$40.7 million net of PRESTO commissions) by the end of 2021. This is an improvement from the \$58.9M shortfall projected in the Q2 variance report, as the Q3 actual passenger revenues achieved were higher than amounts incorporated in the P6 year-end projection (actual Q3 2021 passenger revenue at 41% of pre-COVID normal versus 38% incorporated in previous projection). As a result, the Q4 2021 passenger revenue projection has now been revised slightly upwards.

The key assumptions incorporated into this projection include:

- Continued gradual reopening and lifting of public health and workplace safety measures under the Province of Ontario’s plan to safely reopen Ontario and manage COVID-19 for the long term;
- Continued gradual ridership return in fourth quarter, similar to budgeted levels, including the continued partial return of non-essential trips (leisure, shopping, events, and hybrid work related trips).

Based on the above experience, and as shown in the following chart, the passenger revenue shortfall is expected to be concentrated in the first half of the year with substantial recovery and alignment with budgeted passenger revenue levels expected by the end of the fourth quarter.



### **Total Financial Impact**

The following table summarizes the 2021 financial impacts of COVID-19 as anticipated in the 2021 Operating Budget and based on the current year-end projection. The impact of the unfavourable passenger revenue variance to budget is expected to be fully offset by projected under-expenditures as outline in the following table.

<b>Total Financial Impact</b>			
<b>in Millions</b>	<b>2021 Budget</b>	<b>Year-End Projection</b>	<b>Variance Over/(Under)</b>
Passenger revenue, net of PRESTO Commissions	\$725.0	\$766.3	\$41.3
Ancillary Revenues	\$15.9	\$17.0	\$1.1
COVID-19 Expenses	\$55.5	\$47.9	(\$7.6)
<b>COVID-19 Financial Impact</b>	<b>\$796.4</b>	<b>\$831.2</b>	<b>\$34.8</b>
Under-Expenditures applied to COVID-19 Budget Variance	-	(\$34.8)	(\$34.8)
<b>Total Financial Impact</b>	<b>\$796.4</b>	<b>\$796.4</b>	<b>\$0.0</b>

### **COVID-19 Expenses**

The COVID-19 financial impact incorporated into the 2021 Operating Budget includes \$55.5 million in COVID-19 response expenses to protect customer and employee safety. As outlined in the following table, a \$7.6 million favourable variance to budget is anticipated by year-end, primarily due to refined vehicle disinfection requirements and cost estimates partially offset by higher costs associated with COVID-19 related absences. These projections do not reflect any financial implications that may arise from the implementation of the TTC's Mandatory Vaccination Policy.



COVID-19 Expenses						
Item (\$Millions)	Year-To-Date			Year-End Projection		
	Budget	Actual	Variance	Budget	Projection	Variance
<b>Safety and Other Required Measures</b>						
Vehicle Disinfection	18.6	9.8	(8.8)	25.8	13.4	(12.4)
Personal Protective Equipment	4.4	3.3	(1.1)	5.9	4.5	(1.4)
Vehicle Ventilation Filters	1.0	0.8	(0.2)	1.4	1.2	(0.2)
Facility Disinfection, Decals and Other	4.3	2.4	(1.9)	5.8	3.9	(1.9)
Hand Sanitizer for Customers	1.7	0.6	(1.1)	2.3	0.9	(1.4)
Welcome Back Campaign	-	1.5	1.5	-	1.8	1.8
Employee Screening Costs	5.5	5.3	(0.2)	5.5	7.1	1.6
<b>Managing Resourcing</b>						
Incremental Labour Costs	2.4	2.9	0.5	2.7	3.5	0.8
Sick Benefit Costs	4.5	9.8	5.3	6.1	11.6	5.5
<b>Total COVID-19 Expense</b>	<b>42.4</b>	<b>36.4</b>	<b>(6.0)</b>	<b>55.5</b>	<b>47.9</b>	<b>(7.6)</b>

## Year-To-Date Results and Projections to Year-End by Service

The following tables present TTC Conventional and Wheel-Trans Services year-to-date financial results and year-end projections, respectively.

### TTC Conventional Service

#### *2021 Operating Results by Key Account Grouping*

As of October 2, 2021, TTC Conventional Service expenses are \$84.5 million below budget and are expected to be \$81.9 million under-budget at year-end. Approximately half of this underspending is attributable to TTC Conventional service operating below budget, resulting in wage and energy under-expenditures. The remainder of the under-expenditures primarily relate to:

- One-time savings associated with deferred hiring and spending where possible, reflective of management's response to reduced passenger revenues;
- Efficiencies realized in 2021, which will be incorporated into the 2022 Operating Budget submission;
- Overtime management; and,
- Lower than anticipated COVID-19 incremental expenses.

The year-end under-expenditure projection reflects an expectation that expenditures will increase in Q4 as hiring and training activities have resumed and in key priority areas are being accelerated to support a full return to pre-pandemic service levels in 2022.

On a year-to-date basis, under-expenditures have exceeded the cumulative revenue shortfall realized to P9. This trend is expected to continue to year end, however the anticipated \$36.1M reserve draw contribution is projected to result in a net \$17 million

unfavourable net budget variance for the TTC Conventional Service. The TTC Conventional net unfavourable budget variance will be offset by the \$17 million favourable budget variance projected by year-end for the Wheel-Trans service.

TTC Conventional Service							
Item (\$Millions)	Year-To-Date Actuals			Year-End Projection			Status
	Budget	Actual	Variance	Budget	Projection	Variance	
<b>Expenses</b>							
Departmental Labour & Benefits	1,100.0	1,055.6	(44.4)	1,469.5	1,428.4	(41.1)	✓
Departmental Non-Labour	185.8	157.5	(28.3)	257.9	233.4	(24.5)	✓
Diesel	53.6	50.5	(3.1)	71.0	69.2	(1.8)	✓
Traction Power & Utilities	62.7	56.9	(5.8)	85.4	76.4	(9.0)	✓
PRESTO Commissions	14.9	12.7	(2.2)	21.3	19.3	(2.0)	✓
Other Corporate Costs	48.5	53.8	5.3	75.6	79.8	4.2	✗
COVID-19 Costs	41.3	35.3	(6.0)	53.7	46.1	(7.6)	✓
<b>Subtotal</b>	<b>1,506.8</b>	<b>1,422.3</b>	<b>(84.5)</b>	<b>2,034.4</b>	<b>1,952.6</b>	<b>(81.8)</b>	✓
Reserve Contribution	-	-	-	-	36.1	36.1	✓
<b>Total Expenses</b>	<b>1,506.8</b>	<b>1,422.3</b>	<b>(84.5)</b>	<b>2,034.4</b>	<b>1,988.7</b>	<b>(45.7)</b>	✓
<b>Revenues</b>							
Passenger Revenue	342.0	300.8	(41.2)	492.0	449.3	(42.7)	✗
Other Ancillary Revenue	40.7	37.4	(3.3)	54.7	50.5	(4.2)	✗
Reserve Draw	-	-	0.0	15.8	-	(15.8)	○
<b>Total Revenue</b>	<b>382.7</b>	<b>338.2</b>	<b>(44.5)</b>	<b>562.5</b>	<b>499.8</b>	<b>(62.7)</b>	✗
<b>Net (Operating Funding)</b>	<b>1,124.1</b>	<b>1,084.1</b>	<b>(40.0)</b>	<b>1,471.9</b>	<b>1,488.9</b>	<b>17.0</b>	✗

### 2021 vs 2020 Results Comparison

Year-end spending is projected to be \$122.2 million (6.5%) higher in 2021 than 2020. Key drivers of this net increase include:

- Higher cost containment savings in 2020:
  - Matching service capacity to demand
  - Expenditure constraint
  - Deferred implementation of new service priorities
  - Workforce realignment strategy
- Increased diesel costs due to higher pricing and continued progress towards the restoration of pre-pandemic service levels
- Annualization of COVID-19 costs to ensure public safety
- A higher reserve contribution

Passenger revenue is expected to be \$62.8 million (12.2%) lower in 2021 than 2020, largely reflecting that January and February 2020 had normal levels of passenger revenue and the comparable 2021 amounts were 70% below normal, pre-COVID levels. This unfavourable variance in 2021 is partially offset by passenger revenue projected to be above 2020 revenue ridership levels for the balance of the current year over the same period in 2020.

TTC Conventional Service						
Item (\$Millions)	Period 9 (Year-To-Date)			Year-End		
	2021 Actuals	2020 Actuals	Change	2021 Projection	2020 Actuals	Change
<b>Expenses</b>						
Departmental Labour & Benefits	1,055.6	1,050.7	4.9	1,428.4	1,371.2	57.2
Departmental Non-Labour	157.5	151.9	5.6	233.4	216.8	16.6
Diesel	50.5	46.3	4.2	69.2	60.7	8.5
Traction Power & Utilities	56.9	58.6	(1.7)	76.4	81.1	(4.7)
PRESTO Commissions	12.7	17.8	(5.1)	19.3	21.7	(2.4)
Other Corporate Costs	53.8	45.4	8.4	79.8	69.7	10.1
Reserve Contribution	-	-	0.0	36.1	18.0	18.1
COVID-19 Costs	35.3	20.2	15.1	46.1	27.3	18.8
<b>Total Expenses</b>	<b>1,422.3</b>	<b>1,390.9</b>	<b>31.4</b>	<b>1,988.7</b>	<b>1,866.5</b>	<b>122.2</b>
<b>Revenues and Reserve Draws</b>						
Passenger Revenue	300.8	414.2	(113.4)	449.3	512.1	(62.8)
Other Ancillary Revenue	37.4	44.2	(6.8)	50.5	75.9	(25.4)
Parliament St. Sale	-	-	0.0	-	18.0	(18.0)
<b>Total Revenue</b>	<b>338.2</b>	<b>458.4</b>	<b>(120.2)</b>	<b>499.8</b>	<b>606.0</b>	<b>(106.2)</b>
<b>Net (Operating Funding)</b>	<b>1,084.1</b>	<b>932.5</b>	<b>151.6</b>	<b>1,488.9</b>	<b>1,260.5</b>	<b>228.4</b>

## Wheel-Trans Service

### *2021 Operating Results by Key Account Grouping*

On a year-to-date basis, Wheel-Trans expenses are \$13.8 million below budget with under-expenditures in all categories, partially offset by a revenue shortfall of \$0.5 million, as noted in the following table. With the rise in COVID-19 cases, the subsequent stay-at-home orders in early 2021 and continued government restrictions throughout the spring, Wheel-Trans has experienced lower-than-budgeted ridership and therefore, reduced contracted taxi and bus service costs.

Given that the majority of the population is now vaccinated, ridership is expected to approach budgeted levels in the last quarter of the year. However, it is anticipated that expenses will continue to be lower than budgeted to year-end, resulting in a projected favourable net variance of \$17 million.

Wheel-Trans Service							
Item (\$Millions)	Year-To-Date Actuals			Year-End Projection			Status
	Budget	Actual	Variance	Budget	Projection	Variance	
<b>Expenses</b>							
Bus Service	38.0	33.8	(4.2)	52.2	46.5	(5.7)	✓
Contracted Taxi	21.4	16.0	(5.4)	31.1	24.2	(6.9)	✓
Employee Benefits	12.4	11.1	(1.3)	16.2	15.0	(1.2)	✓
Administration/Management	12.5	9.6	(2.9)	17.3	13.5	(3.8)	✓
COVID-19 Costs	1.1	1.1	0.0	1.8	1.8	0.0	✓
<b>Total Expenses</b>	<b>85.4</b>	<b>71.6</b>	<b>(13.8)</b>	<b>118.6</b>	<b>101.0</b>	<b>(17.6)</b>	✓
<b>Passenger Revenues</b>	<b>2.9</b>	<b>2.4</b>	<b>(0.5)</b>	<b>4.3</b>	<b>3.7</b>	<b>(0.6)</b>	✗
<b>Net (Operating Funding)</b>	<b>82.5</b>	<b>69.2</b>	<b>(13.3)</b>	<b>114.3</b>	<b>97.3</b>	<b>(17.0)</b>	✓

### 2021 vs 2020 Results Comparison

As noted in the table below, expenses and revenues are lower on a year-to-date basis in 2021 versus 2020, primarily due to a reduction in ridership demand and the resultant reduced requirement for contracted taxi services.

For the balance of the current year, ridership demand is expected to trend above 2020 levels resulting in year-end expenditure and revenue projections, which will approach experience, as shown in the following table.

Wheel-Trans Service						
Item (\$Millions)	Period 9 (Year-To-Date)			Year-End		
	2021 Actuals	2020 Actuals	Change	2021 Projection	2020 Actuals	Change
<b>Expenses</b>						
Bus Service	33.8	35.9	(2.1)	46.5	49.3	(2.8)
Contracted Taxi	16.0	22.1	(6.1)	24.2	27.4	(3.2)
Employee Benefits	11.1	13.3	(2.2)	15.0	15.4	(0.4)
Administration/Management	9.6	10.1	(0.5)	13.5	13.3	0.2
COVID-19 Incremental Costs	1.1	0.0	1.1	1.8	0.0	1.8
<b>Total Expenses</b>	<b>71.6</b>	<b>81.4</b>	<b>(9.8)</b>	<b>101.0</b>	<b>105.4</b>	<b>(4.4)</b>
<b>Passenger Revenues</b>	<b>2.4</b>	<b>3.2</b>	<b>(0.8)</b>	<b>3.7</b>	<b>3.9</b>	<b>(0.2)</b>
<b>Net (Operating Funding)</b>	<b>69.2</b>	<b>78.2</b>	<b>(9.0)</b>	<b>97.3</b>	<b>101.5</b>	<b>(4.2)</b>

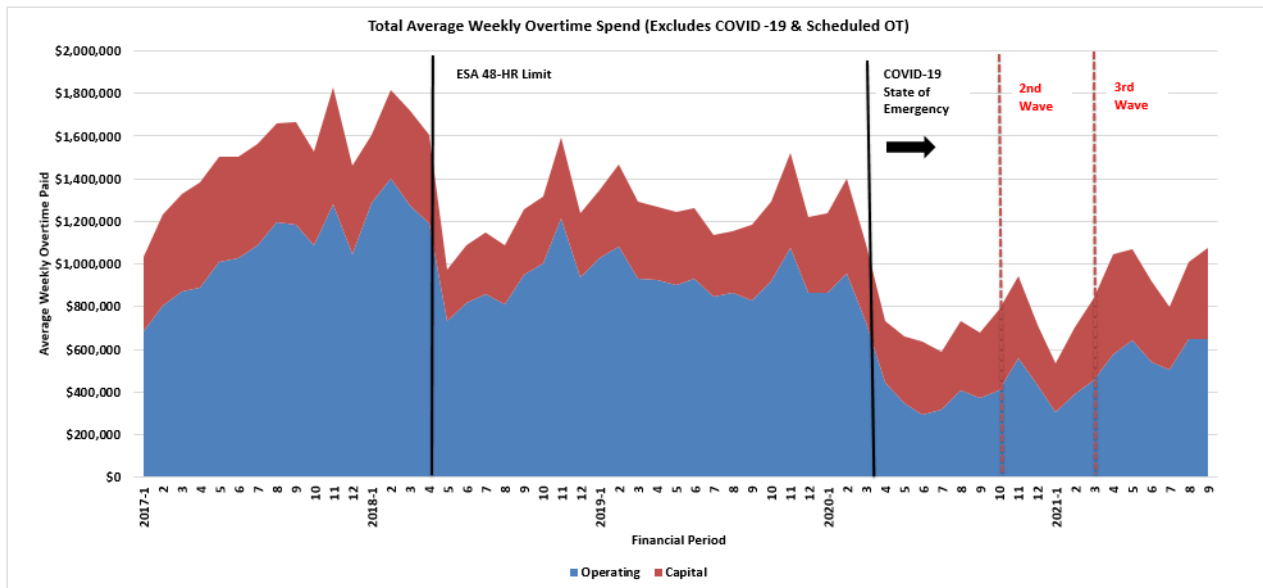
### Overtime Management

The management of overtime expenses continues to be a key area of focus for the TTC, one that contributes to meeting 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.

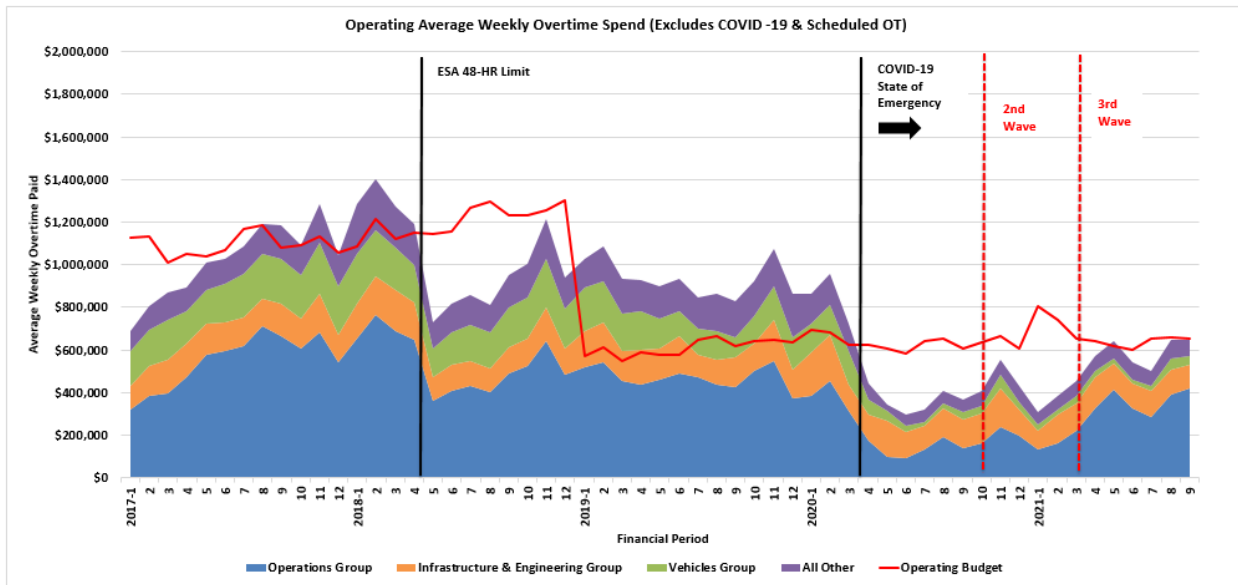
Excluding overtime required for the TTC’s COVID-19 response and scheduled service overtime, the following graph shows that average weekly overtime spending (total combined) has been reduced by approximately 30%, from an average of \$1.3 million per week in 2019, to an average of \$0.9 million in 2021.

TTC staff have managed to reduce overtime by 30% after accounting for a recent increase in overtime due to increased closures and diversions activity, higher absenteeism combined with a focus on service delivery as ridership approached budgeted levels in Q3, and capital overtime incurred specifically to advance unplanned subway state of good repair work.



### Operating Overtime

The management of overtime has been a key priority over the past several years. There has been a general decline since 2017, and cost containment efforts as part of the TTC’s COVID-19 response have resulted in a 45% decline in overtime for operating requirements in the first three quarters of 2021, compared to the first three quarters of 2019. Overtime has consistently declined across all operating groups and departments as shown in the following graph:



Overtime spending trends are actively being monitored by department. Increased efforts are being made to fill vacancies and implement schedule adjustments to further reduce overtime requirements. Reductions will be made to 2022 budget requirements to reflect the results from continued staff efforts in realizing efficiencies from overtime management.

## Financial Update – Capital

### *Adjustments to the 2021-2030 Capital Budget & Plan*

At its meeting on May 25, 2021, the TTC Board approved the following expenditure adjustments to the TTC's 2021-2030 Capital Budget and Plan for the TTC Streetcar Program by:

- A. Increasing the 2021-2030 Approved Capital Budget and Plan by \$425.785 million to a total of \$568.0 million for the TTC Streetcar Program to reflect the procurement of an additional 47 streetcars at an incremental cost of \$328.248 million, and the modifications to the Hillcrest Facility to accommodate the additional fleet at an additional cost of \$97.537 million; and,
- B. Amending the 2021 Capital Budget and 2022-2027 cash flow funding estimates to align with the estimated project delivery schedule to the following:

	2021	2022	2023	2024	2025	2026	2027	Total
60 Streetcars	103,042	14,925	64,495	194,289	87,006	4,243		468,000
Hillcrest Facility	200	2,800	8,000	14,000	40,000	30,000	5,000	100,000
<b>Total</b>	<b>103,242</b>	<b>17,725</b>	<b>72,495</b>	<b>208,289</b>	<b>127,006</b>	<b>34,243</b>	<b>5,000</b>	<b>568,000</b>

The above amendments were subsequently approved by Toronto City Council at its meeting on May 26, 2021.

With the amendments approved by the TTC Board and Toronto City Council, the TTC's revised 10-year Capital Budget and Plan is provided in the table below.

Description (\$ Millions)	2021 Budget	2022	2023	2024	2025	2026	2027	2028	2029	2030	10-Year Total
Total Approved Budget & Plan	1,414.87	1,660.47	1,544.21	1,299.14	1,254.77	1,178.73	988.70	959.48	952.56	754.21	12,007.14
Budget & Plan Amendments	(38.83)	17.59	72.50	208.29	127.01	34.24	5.00	-	-	-	425.78
<b>Revised Total Approved Budget &amp; Plan</b>	<b>1,376.04</b>	<b>1,678.06</b>	<b>1,616.70</b>	<b>1,507.43</b>	<b>1,381.77</b>	<b>1,212.97</b>	<b>993.70</b>	<b>959.48</b>	<b>952.56</b>	<b>754.21</b>	<b>12,432.93</b>

The reporting of capital results takes into account these amendments to the 2021-2030 Capital Budget and Plan.

### **2021 Capital Results**

As of October 2, 2021, the TTC has incurred \$550.9 million in capital spending, reflecting a spending rate of 43.0% for the TTC base capital program and \$21.6 million or 22.6% for transit expansion projects, resulting in an overall spending rate of 41.6% at the end of Period 9.

By year-end, the TTC is projecting to spend \$1.115 billion overall, representing an 81.0% spending rate, split between the TTC's base capital program (\$1.037 billion or 81.0%) and transit expansion projects (\$78.0 million or 81.9%).

The following table summarizes year-to-date and projected year-end results by key project type:

Description (\$ Millions)	2021 Budget	Year-to-Date Actuals		Year-End Projection	
		\$	%	\$	%
<b>TTC Base Capital</b>					
Infrastructure Projects	896.2	360.5	40.2%	683.8	76.3%
Vehicle Related Projects	384.5	190.4	49.5%	353.3	91.9%
<b>Total - Base Capital</b>	<b>1,280.7</b>	<b>550.9</b>	<b>43.0%</b>	<b>1,037.1</b>	<b>81.0%</b>
<b>TTC Transit Expansion</b>					
Toronto York Spadina Subway Extension	59.9	8.5	14.1%	59.9	100.0%
Scarborough Subway Extension	26.1	5.8	22.1%	8.9	34.2%
Waterfront Transit - Design	9.3	7.3	79.2%	9.2	98.9%
<b>Total - Transit Expansion</b>	<b>95.3</b>	<b>21.6</b>	<b>22.6%</b>	<b>78.0</b>	<b>81.9%</b>
<b>Total</b>	<b>1,376.0</b>	<b>572.5</b>	<b>41.6%</b>	<b>1,115.2</b>	<b>81.0%</b>

Capital underspending is primarily due to projects experiencing supply chain constraints; changes to project schedules that have interdependencies with third parties; adjustments to project delivery to ensure further due diligence as well as protracted negotiations for complex contracts and property acquisitions that were expected to be completed in 2021 but will not be finalized by year-end. When the property acquisition budgeted expenses and associated results are excluded from the base program, the spending rate increases to 84.3% for the TTC's base capital program and 84.1% overall, as summarized in the following chart.

Description (\$ Millions)	2021 Budget	Year-to-Date Actuals		Year-End Projection	
		\$	%	\$	%
<b>TTC Base Capital</b>					
Infrastructure Projects	896.2	360.5	40.2%	683.8	76.3%
Vehicle Related Projects	384.5	190.4	49.5%	353.3	91.9%
<b>Total - Base Capital</b>	<b>1,280.7</b>	<b>550.9</b>	<b>43.0%</b>	<b>1,037.1</b>	<b>81.0%</b>
Excl. Deferred Property Acquisitions	(50.5)	0.0	0.0%	0.0	0.0%
<b>TTC Adjusted Base Capital</b>	<b>1,230.2</b>	<b>550.9</b>	<b>44.8%</b>	<b>1,037.1</b>	<b>84.3%</b>
<b>TTC Transit Expansion</b>					
Toronto York Spadina Subway Extension	59.9	8.5	14.1%	59.9	100.0%
Scarborough Subway Extension	26.1	5.8	22.1%	8.9	34.2%
Waterfront Transit - Design	9.3	7.3	79.2%	9.2	98.9%
<b>Total - Transit Expansion</b>	<b>95.3</b>	<b>21.6</b>	<b>22.6%</b>	<b>78.0</b>	<b>81.9%</b>
<b>Total (Excl. Deferred Property Acquisitions)</b>	<b>1,325.5</b>	<b>572.5</b>	<b>43.2%</b>	<b>1,115.2</b>	<b>84.1%</b>

The results summarized above and outlined in Appendix 1 reflect adjustments made to the 2021-2030 Capital Budget and Plan in order to offset projects that have had



accelerated spending with projects that have experienced some delays and therefore lower spending. These budget adjustments, detailed in Appendix 2, will be submitted for City Council approval with the City's 2021 Year-End Capital Variance Report.

### ***Key Highlights***

The TTC's 2021 year-to-date and projected year-end capital results are primarily driven by underspending in the Purchase of Wheel Trans Buses project in the Vehicles Program; the Buildings & Structures and Computer Equipment & Software capital programs that form part of TTC's Infrastructure projects; and the Scarborough Subway Extension (SSE) project's SRT Life Extension capital work in the Transit Expansion program.

### **Vehicle Related Projects**

#### ***Purchase of Buses:***

While only \$3.4 million or 4% of the 2021 Approved Capital Budget of \$87.2 million has been spent as of Period 9, the TTC released a Request for Proposal for the procurement of 337 hybrid electric buses on June 28, 2021. As part of the payment terms within this RFP, 20% of the contract value (approximately \$70 million) will be issued once the Notice to Proceed is provided. This is expected in Q4 2021, and as such, year-end spending is projected to reach 94% at \$82.2 million.

#### ***Purchase of Wheel Trans Buses:***

\$2.0 million or 8% of the \$25.3 million allocated for the Purchase of Wheel Trans Buses in the 2021 Approved Capital Budget has been spent as of Period 9 and is projected to remain the same to year-end. The underspending is mainly driven by the deferral of 82 7-metre units to 2022 due the vendor's supply chain constraints and resolution of technical challenges prior to production.

### **Infrastructure Projects**

#### ***Leslie Barns:***

\$1.2 million or 25% of the \$4.8 million allocated in the 2021 Approved Capital Budget has been spent as of Period 9. Projected year-end spending is anticipated to be \$1.9 million or 41% of the 2021 Approved Capital Budget. The underspending is a result of the Streetcar Facility Upgrade project being cancelled, which has freed up funding that will be reallocated for use in the 2022-2031 Capital Budget and Plan.

#### ***Bloor-Yonge Capacity Improvements:***

\$5.6 million or 12% of the \$45.1 million allocated in the 2021 Approved Capital Budget has been spent as of Period 9. Projected year-end spending is anticipated to be \$10.3 million or 23% of the 2021 Approved Capital Budget. The underspending is mainly due to ongoing negotiations for property purchases which are now expected to be finalized in 2022.

**Other Buildings and Structures:**

\$49.7 million or 37% of the \$132.9 million allocated for the Other Buildings and Structures program in the 2021 Approved Capital Budget has been spent as of Period 9. Projected year-end spending is anticipated to be \$89.3 million or 67% of the 2021 Approved Capital Budget. Underspending is mainly reflective of property acquisition expenditures being deferred to 2022, as these transactions are no longer expected to be completed by year-end, resulting in lower overall program spending in 2021.

**Computer Equipment and Software:**

\$23.1 million or 23% of the \$99.3 million included in the 2021 Approved Capital Budget for this capital program has been spent as of Period 9. Projected year-end spending is anticipated to be \$63.2 million or 64% of the 2021 Approved Capital Budget. The projected underspending is primarily driven by the VISION project, where software and hardware issues for the Smart Yard solution has delayed the completion of testing and commissioning. As a result, the project has been re-forecasted for the final roll-out of Yard Management in 2022.

**TTC Transit Expansion**

**Scarborough Subway Extension (SSE) – SRT Life Extension**

\$5.8 million or 22% of the \$26.1 million included in the 2021 Approved Capital Budget for the SSE project has been spent as of Period 9. Projected year-end spending is anticipated to be \$8.9 million or 34% of the 2021 Approved Capital Budget. The projected year-end underspending is due a change in the work originally planned for 2021. In February 2021, the Board decided to keep the SRT in service until Q3 2023 rather than to the initially planned 2026 service end date, thereby adjusting the work plan and spending activity for 2021.

Additional information summarizing 2021 capital spending results for the period by capital program is provided in Appendix 1 – 2021 Capital Spending Summary by Program. Appendix 2 itemizes the budget adjustments that will be included in TTC’s submission to the City for inclusion in the 2021 Year-End Variance Report to City Council for its approval.

**Major Capital Projects Update**

The TTC’s delivery of a multi-billion-dollar capital program is guided by the TTC’s Project Management Framework. The broad range of capital projects are categorized into three project types; the greater the category the more complex the project (higher risks and uncertainties). The categorization takes into consideration: budget, staff experience in delivery, risks and uncertainty behind the project itself, amongst other things.

The programs and projects referred to hereafter as projects, have been included in the dashboard due to their value, scope and/or strategic significance. This quarterly update

highlights the performance of these projects against their approved budget, planned schedule and in-scope activities.

Please see Appendix 3 for the TTC's Category 3 Projects Capital Spending Dashboard, which highlights capital performance for the TTC's major capital projects. See Appendix 4 for the Category 3 Major Projects Update (as of Year-end) which provides an update on the capital delivery performance for each major project within the TTC's base capital and transit expansion programs.

## **Contact**

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Alex Cassar, Director – Budgets, Costing and Financial Reporting  
416-393-3647  
alex.cassar@ttc.ca

Mark Del Vecchio, Director – Capital Accounting (Acting)  
416-393-2633  
mark.delvecchio@ttc.ca

## **Signature**

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Josie La Vita  
Interim Chief Financial Officer

## **Attachments**

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Appendix 1 – 2021 Capital Spending Summary by Program  
Appendix 2 – 2021 Budget Adjustments for Council Approval  
Appendix 3 – Category 3 Projects Capital Spending Dashboard  
Appendix 4 – Category 3 Major Projects Update

## Appendix 1 – 2021 Capital Spending Summary by Program

EXPENDITURES BY PROGRAM	2021 Budget	Year-to-Date			Year End		
		Actuals	Variance	%	Projection	Variance	%
<b>TRACK</b>	<b>95.527</b>	<b>36.404</b>	<b>59.123</b>	<b>38%</b>	<b>81.335</b>	<b>14.191</b>	<b>85%</b>
1.1 Subway Track	43.704	21.770	21.934	50%	38.705	4.999	89%
1.2 Surface Track	51.823	14.634	37.188	28%	42.630	9.192	82%
<b>ELECTRICAL SYSTEMS</b>	<b>129.356</b>	<b>72.684</b>	<b>56.673</b>	<b>56%</b>	<b>121.598</b>	<b>7.758</b>	<b>94%</b>
2.1 Traction Power	24.517	15.831	8.687	65%	26.167	(1.649)	107%
2.2 Power Distribution/Electric Systems	8.141	5.203	2.938	64%	7.887	0.254	97%
2.3 Communications	18.713	9.747	8.966	52%	19.023	(0.310)	102%
2.4 Signal Systems	16.324	10.271	6.052	63%	16.872	(0.548)	103%
ATC Resignalling	61.662	31.632	30.029	51%	51.650	10.012	84%
<b>BUILDINGS &amp; STRUCTURES</b>	<b>485.349</b>	<b>209.821</b>	<b>275.528</b>	<b>43%</b>	<b>364.251</b>	<b>121.098</b>	<b>75%</b>
3.1 Finishes	39.248	24.797	14.451	63%	24.722	14.526	63%
3.2 Equipment	52.460	12.809	39.651	24%	37.617	14.843	72%
3.3 Yards & Roads							
Streetcar Network Upgrades & BRT	4.829	0.445	4.384	9%	4.745	0.084	98%
On-Grade Paving Rehabilitation Program	13.730	6.105	7.625	44%	13.850	(0.120)	101%
Bicycle parking at stations	0.652	0.176	0.476	27%	0.552	0.100	85%
Transit Shelters & Loops	0.591	0.000	0.590	0%	0.000	0.590	0%
3.4 Bridges & Tunnels	36.564	20.730	15.834	57%	33.129	3.436	91%
3.9 Buildings and Structures Projects							
Fire Ventilation Upgrades & Second Exits	32.776	16.171	16.605	49%	32.912	(0.136)	100%
Easier Access Phase III	82.104	46.377	35.726	56%	78.891	3.213	96%
Leslie Barns	4.776	1.183	3.593	25%	1.946	2.831	41%
Toronto Rocket/T1 Rail Yard Accommodation	34.983	24.055	10.928	69%	31.943	3.040	91%
McNicoll New Bus Garage	2.347	1.337	1.010	57%	2.468	(0.121)	105%
Warehouse Consolidation	2.240	0.402	1.838	18%	1.882	0.358	84%
Bloor-Yonge Capacity Improvements	45.148	5.563	39.585	12%	10.265	34.883	23%
Other Buildings and Structures	132.901	49.671	83.230	37%	89.330	43.571	67%
<b>VEHICLES</b>	<b>384.530</b>	<b>190.371</b>	<b>194.159</b>	<b>50%</b>	<b>353.311</b>	<b>31.219</b>	<b>92%</b>
<b>REVENUE VEHICLES</b>							
4.11 Purchase of Buses	87.163	3.436	83.727	4%	82.169	4.994	94%
4.11 Purchase of Buses - Wheel Trans Buses	25.316	1.964	23.351	8%	2.107	23.209	8%
4.12 Purchase of Subway Cars	8.876	3.708	5.168	42%	6.646	2.230	75%
4.13 Bus Overhaul	62.228	46.689	15.539	75%	62.227	0.001	100%
4.15 Streetcar Overhaul	4.640	2.868	1.772	62%	4.640	(0.000)	100%
4.16 Subway Car Overhaul	32.720	20.174	12.546	62%	27.222	5.498	83%
4.18 Purchase of Streetcars	151.719	107.650	44.069	71%	158.447	(6.728)	104%
<b>NON-REVENUE VEHICLES</b>							
4.21 Purchase Automotive Non-Revenue Vehicles	6.369	0.970	5.398	15%	4.473	1.896	70%
4.22 Rail Non-Revenue Vehicle Overhaul	3.418	1.458	1.961	43%	3.418	0.000	100%
4.23 Purchase Rail Non-Revenue Vehicles	2.082	1.454	0.627	70%	1.961	0.121	94%
<b>TOTAL OTHER</b>	<b>185.965</b>	<b>41.612</b>	<b>144.353</b>	<b>22%</b>	<b>116.642</b>	<b>69.323</b>	<b>63%</b>
<b>TOOLING, MACHINERY &amp; EQUIPMENT</b>							
5.1 Shop Equipment	12.121	1.489	10.632	12%	9.844	2.277	81%
5.2 Revenue & Fare Handling Equipment	12.860	2.295	10.565	18%	6.059	6.801	47%
5.3 Other Maintenance Equipment	2.917	0.726	2.191	25%	1.965	0.952	67%
5.4 Fare System	4.585	1.245	3.340	27%	3.448	1.137	75%
<b>ENVIRONMENTAL PROGRAMS</b>							
6.1 Environmental Programs	17.939	5.672	12.267	32%	10.613	7.326	59%
6.1 Safety and Reliability	1.004	(0.065)	1.069	-6%	0.197	0.807	20%
<b>COMPUTER EQUIPMENT &amp; SOFTWARE</b>							
7.1 Computer Equipment & Software	99.308	23.108	76.200	23%	63.183	36.126	64%
<b>OTHER</b>							
9.1 Furniture & Office Equipment	0.299	0.041	0.258	14%	0.087	0.212	29%
9.2 Service Planning	34.931	7.101	27.830	20%	21.248	13.683	61%
<b>Total Base Programs</b>	<b>1,280.727</b>	<b>550.892</b>	<b>729.835</b>	<b>43%</b>	<b>1,037.138</b>	<b>243.589</b>	<b>81%</b>
<b>Toronto York Spadina Subway Extension</b>	<b>59.900</b>	<b>8.462</b>	<b>51.439</b>	<b>14%</b>	<b>59.900</b>	<b>0.001</b>	<b>100%</b>
<b>Scarborough Subway Extension</b>	<b>26.136</b>	<b>5.766</b>	<b>20.369</b>	<b>22%</b>	<b>8.943</b>	<b>17.193</b>	<b>34%</b>
<b>Waterfront Transit - Design</b>	<b>9.277</b>	<b>7.345</b>	<b>1.932</b>	<b>79%</b>	<b>9.175</b>	<b>0.102</b>	<b>99%</b>
<b>Total Transit Expansion Projects</b>	<b>95.313</b>	<b>21.573</b>	<b>73.740</b>	<b>23%</b>	<b>78.017</b>	<b>17.295</b>	<b>82%</b>

**Appendix 2 – 2021 Budget Adjustments for Council Approval**

<b>CTT</b>	<b>Program</b>	<b>Amount (\$ 000's)</b>
CTT003	Traction Power	(473)
CTT051	Subway Car Overhaul	(3,580)
CTT061	Computer Equipment & Software	(3,000)
CTT110	Other Buildings & Structures	(462)
CTT154	Corporate Initiatives	7,515
<b>Total Adjustments</b>		<b>-</b>

## Appendix 3 – Category 3 Projects Capital Spending Dashboard

Category 3 Projects Capital Spending Dashboard																	
Projects/Programs	Critical Path	Cost (millions)										Schedule		Scope		Overall	
		2021 YTD		2021	2021	Approved	Actual		Projected		CS	OS	CS	OS	CS	OS	
		Budget	Actual	Approved	Forecast	Budget	LTD	CS	EFC	OS							
<b>Category 3</b>																	
ATC Resignalling - Line 1	3	\$45.8	\$30.8	\$57.8	\$50.0	\$737.0	\$595.0	G	\$737.0	G	Y	G	G	G	G	G	
Easier Access Phase III	4	\$67.6	\$46.4	\$82.1	\$79.0	\$1089.6	\$434.1	G	\$1089.6	G	G	Y	G	G	G	Y	
Fire Ventilation Upgrades	Safety	\$19.3	\$16.2	\$32.8	\$32.9	\$512.8	\$319.2	G	\$2243.9	G	G	G	G	G	G	G	
Purchase of Buses	3	\$3.2	\$3.2	\$86.1	\$81.1	\$899.3	\$209.1	G	\$3572.9	Y	G	G	G	G	G	Y	
Charging Systems	3	\$5.5	\$0.9	\$17.7	\$7.9	\$117.9	\$40.0	R	\$696.2	Y	Y	G	G	G	R	Y	
Wheels Trans 10-Yr Transformation Program	4	\$2.6	\$1.5	\$4.1	\$3.2	\$49.8	\$29.6	G	\$49.8	G	G	Y	G	Y	G	Y	
PRESTO	3	\$2.7	\$1.2	\$4.0	\$2.8	\$79.8	\$61.3	Y	\$79.8	Y	Y	Y	Y	Y	Y	Y	
Stations Transformation	4	\$6.0	\$4.5	\$8.8	\$6.3	\$50.8	\$28.9	G	\$50.8	G	G	Y	G	Y	G	Y	
VISION Program (CAD/AVL)	3	\$5.9	\$4.3	\$31.2	\$12.9	\$114.7	\$84.7	Y	\$114.7	G	Y	Y	G	G	Y	Y	
SAP ERP Implementation	5	\$9.4	\$6.4	\$16.5	\$11.4	\$272.8	\$84.1	G	\$272.8	G	G	G	G	G	G	G	
<b>Total</b>		<b>\$167.8</b>	<b>\$115.3</b>	<b>\$341.1</b>	<b>\$287.5</b>	<b>\$3,924.5</b>	<b>\$1,885.9</b>		<b>\$8,907.5</b>								

<b>1</b> Transform for financial sustainability	
<b>2</b> Enable our employees to succeed	
<b>3</b> Move more customers more reliably	
<b>4</b> Make taking public transit seamless	
<b>5</b> Innovate for the long-term	

**Cornerstone Safety & Security**

	Cost (\$Millions)			
	2021 YTD Budget	2021 YTD Actual	Approved Budget	Estimated Final Cost
<b>Total Base Capital Program (Cat 3)</b>	<b>\$167.8M</b>	<b>\$115.3M</b>	<b>\$3,924.5M</b>	<b>\$8,907.5M</b>

**Performance Scorecard Status**

- G On Track to Meet Project Objectives
- Y At Risk of Not Meeting Project Objectives
- R Will Not Meet Project Objectives

EFC: Estimated Final Cost      LTD: Life to Date      CS: Current State      CT: Current Trend      OS: Outlook to Completion

**Note:**

- Financials are reported as of Period 9 including Carry Forward amounts from 2020 and reflect budget approvals as of February 18, 2021 (Council Approval). All other Project Performance Indicators (overall status, schedule and scope) reflect year-to-date results as of October 2, 2021.



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## Appendix 4 – Category 3 Major Projects Update

### Overview

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

The programs and projects referred to hereafter as projects, have been included in the dashboard due to their magnitude and/or strategic significance. This quarterly update highlights the performance of these projects against their approved budget, planned schedule and in scope activities.

Please see Appendix 3 for Category Major Projects Capital Spending Dashboard.

Symbols:

Scorecard:      Good      Caution      At Risk

## Line 1 ATC Re-Signalling

### Description

Re-signalling Line 1 (Yonge-University-Spadina) to enable reliability and provide customers with increased on-time service and reduced travel time.

### Financials

Program Start	Forecast Completion Year	Total Approved Budget	Spend to Date	Estimated Final Cost
2009	2023	\$737.0M	\$595.0M	\$737.0M
Overall Performance		2021 YTD Budget	2021 YTD Actuals	2021 Approved Budget
Current Status	Outlook to Completion			
<b>G</b>	<b>G*</b>	\$45.8M	\$30.8M	\$57.8M

### Project Deliverables

- Phase 1 (Yorkdale to Dupont) – Completed – In service Q4 2017.
- Phase 2 (VMC to Sheppard West) - Completed – In service Q4 2017.
- Phase 2B/2C (Wilson Yard Interface) - Completed – In service Q4 2018.
- Phase 3A (Dupont to St. Patrick) - Completed – In service Q2 2019.
- Phase 3B (St. Patrick to Queen) - Completed – In service Q1 2020.
- Phase 3C (Queen to Rosedale) - Completed – In service Q4 2020.
- Phase 4 (Rosedale to Eglinton) – Completed – In service Q4 2021.
- Phase 5 (Eglinton to Finch) - In progress, targeted for In service Q3 2022.
- Phase 6 (ATC enhancements) – In development. – Scope and Schedule under review.

### Progress Update (Q3)

- ATC is in operation from Vaughan Metropolitan Center to Eglinton station.
- Phase 4 (Rosedale to Eglinton) - Commissioning completed.
- Phase 5 (Eglinton to Finch) – Construction completed; Testing at 35%.

### Key Issues/Risks and Mitigation Activities

- Eglinton Crosstown LRT interface with ATC Project (Platform Change): The LRT project may impact the ATC implementation timeline. Mitigation: An initial impact assessment was completed. ATC team cannot complete further analysis on schedule impacts until Eglinton Crosstown project timeline is provided. Issue has been raised with Metrolinx and Crosslinx Transit Solutions, and awaiting updated schedule.
- Workcar Program and ATC implementation timeline: Schedule may be delayed due workcar priorities with Subway Infrastructure (SI) and Rail Cars & Shops (RCS). Mitigation: Completed coordination with SI and RCS for required workcars for Phase 5 implementation. Continue discussions with stakeholders for post revenue support to facilitate future workcars into the ATC system.



- COVID-19 Impact:
  - Non-compliance with Mandatory Vaccination Policy impacting TTC and Contractor resource availability which may impact testing and commissioning, and/or closures. Mitigation: Monitor impact on resource availability due to non-compliance with Mandatory Vaccination Policy. Continue evaluating backup plans during each closure implementation plan and other project critical activities.
  - \*Closure cancellation due to vaccination policy; testing closure has been cancelled due to resource availability. Mitigation: Potential Phase 5 schedule impacts are currently under review.
- Closure cancellations due to City events potentially impacting project completion. Mitigation: Required closures have been identified for 2021 and 2022. Mitigation: Continue prioritization and planning process. Potential phase 5 schedule impacts are currently under review due to potential closure cancellations or deferrals.

### **Next Steps**

- Phase 5 Low Speed Testing (Nov 2021).

### **Note:**

- This project is included under 2.4 Signal Systems as indicated in Appendix 1.

## Easier Access Phase III

### Description

Make all remaining subway stations accessible and compliant with required legislation by 2025.

### Financials

Program Start	Forecast Completion Year	Total Approved Budget	Spend to Date	Estimated Final Cost
2007	2026*	\$1089.6M	\$434.1M	\$1,089.6M
Overall Performance		2021 YTD Budget	2021 YTD Actuals	2021 Approved Budget
Current Status	Outlook to Completion			
<b>G</b>	<b>Y</b>	\$67.6M	\$46.4M	\$82.1M

### Project Deliverables

- Make subway stations accessible by providing elevators, ramps, wide fare gates, automatic sliding doors and signage improvements. Currently, 53 stations meet AODA requirements.

### Progress Update (Q3)

\* All stations will have an accessibility path by 2025 to meet the targeted AODA milestone date.

\*\*Islington EA work will provide accessibility from new street entrance (ramp) to concourse and from concourse to subway platform (elevator) by Q4 2024. Accessibility from new bus terminal to concourse will be provided with an elevator as part of the Re-development by Q4 2025.

\*\*\*Warden EA Contract will provide accessibility from drop-off PPUDO to concourse (first elevator) and concourse to subway (second elevator). This station will become accessible once construction of the temporary bus terminal is completed (end of 2024) under the Re-development contract.

Station	Current Status	Elevators in Service	Substantial Completion
Keele	Construction	In Service	Achieved
Yorkdale	Construction	Q4 2021	Q2 2022
Sherbourne	Construction	Q4 2021	Q1 2022

<b>Station</b>	<b>Current Status</b>	<b>Elevators in Service</b>	<b>Substantial Completion</b>
Donlands	Construction	Q4 2022	Q3 2023
Lansdowne	Construction	Q4 2022	Q4 2022
College	Construction	Q4 2023	Q4 2023
Summerhill	Construction	Q4 2023	Q1 2024
Castle Frank	Construction	Q4 2023	Q1 2024
Rosedale	Construction	Q2 2024	Q2 2024
Greenwood	Construction	Q4 2023	Q1 2024
Glencairn	Construction	Q2 2024	Q2 2024
Christie	Tender	Q4 2023	Q2 2024
Lawrence	Design (100%)	Q4 2024	Q4 2024
Spadina	Design (100%)	Q4 2024	Q4 2024
High Park	Design (100%)	Q4 2024	Q4 2024
Museum	Design (100%)	Q4 2024	Q4 2024
King	Design (100%)	Q4 2024	Q1 2025
Old Mill	Detailed Design	Q4 2024	Q2 2025
Islington EA**	Detailed Design	Q4 2024	Q3 2026
Islington (Re-dev)	Detailed Design	Q4 2025	Q3 2026
Warden EA***	Design (100%)	Q4 2023	Q4 2023
Warden (Re-dev)	Detailed Design	Q4 2024**	Q3 2026

## Key Issues/Risks and Mitigation Activities

- Design Complexities: Impacts due to retrofit of complex stations including stairs/escalators, adjacent properties, utility conflicts result in longer design durations to resolve issues. Impacted stations: King, Lawrence, Old Mill, High Park and Spadina. Mitigation: Continue resolving issues to completion including, support from Operations groups for site investigations, service relocations and support for track level access and closures to facilitate the work.
- Islington Station accessibility: Magnitude and complexity of the bus terminal re-development and interface with existing station may delay full station accessibility. Site Plan Approval (SPA) by the City is required by mid 2022. Approvals by Hydro One, Toronto Water, and CreateTO and completion of design related work including internal acceptance is required by 2022. Comments on SPA are outstanding by City Transportation. Mitigation: Continuing to investigate opportunities for advancing new accessibility entrance and platform elevator through construction staging. Agreement required between the City to mitigate municipal requirements in order to achieve SPA approval on time.
- Warden Station accessibility: Magnitude and complexity of the bus terminal re-developments and interfacing with existing station may delay full station accessibility. Site Plan Approval (SPA) by the City is required by mid 2022 including completion of design related work and acceptance in parallel. Mitigation: a) Continue advancing Passenger Pick-Up and Drop-Off and platform elevators, b) Construction completion of temporary bus terminal for Warden at the end of 2024.
- 3rd Party Delays - Permits and Approvals, Utility relocations: Delayed by 3rd party issues due to limited resources, competing priorities, multiple reviews, complex processes, Delay in project schedule at Greenwood, King, Christie, Museum and Spadina. Christie station significantly impacted by municipal approval delay. Mitigation: Continue coordination with the City. Obtain additional resources at the City to prioritize work. Obtain municipal agreement to proceed with construction of elevators at stations in parallel with ongoing discussion on provincial environmental protection mandate. Seek moratorium on municipal policy change for TTC stations sites. Continue close and early coordination with utility companies.
- Property Identification and Expropriation: Expropriation with hearing of necessity delay property acquisitions. Limited City resources and competing priorities requiring the City's involvement on all property-related matters mandate specific procedures, including multiple council approvals. Potential impact on Elevators in Service date for Old Mill, Museum and High Park. Mitigation: Ongoing discussions with City Real Estate Services, along with early property identification. Opportunity to continue the negotiation and reach settlement agreement while processing the expropriation when possible.

## Next Steps

- Tender closing and award for Christie Station in Q4 2021.
- Yorkdale and Sherbourne Station elevators in service (Q4, 2021).
- Contract tender posting for High Park, Museum and Lawrence (Q4 2021).

## Fire Ventilation Upgrade

### Description

Improvement of ventilation in subway tunnels, construction of second exits at 14 high priority stations to provide second means of egress, and replace the existing subway ventilation equipment which are nearing the end of its service life or due to failure.

### Financials

Program Start	Forecast Completion Year	Total Approved Budget	Spend to Date	Estimated Final Cost
1998	2030	\$512.8M	\$319.2M	\$2,243.9M**
Overall Performance		2021 YTD Budget	2021 YTD Actuals	2021 Approved Budget
Current Status	Outlook to Completion			
<b>G*</b>	<b>G</b>	\$19.3M	\$16.2M	\$32.8M

### Project Deliverables

- Subway Ventilation System Upgrades.
- Second Exits at 14 priority stations.
- Subway Ventilation Equipment Replacement.

### Progress Update (Q3)

Progress is ongoing for the following:

- Design Stage: Museum Second Exit/Entrance combined with Easier Access, Summerhill Second Exit/Entrance and Dundas West Second Exit/Entrance.
- Design/Construction Stage: Eglinton Fire Ventilation Upgrade (Design-Built by Metrolinx).
- Construction Stage: Donlands and College Stations Second Exit/Entrance combined with Easier Access, Dundas West and Sheppard West station/Clanton Park – Subway Ventilation Equipment Replacement.

### Key Issues/Risks and Mitigation Activities

- High complexity of Second Exit may cause activities to take longer than expected and result in additional costs. Mitigation: Advance design and utility relocation work where possible. Continue to investigate potential partial or full station closures as fallback plan to reduce schedule impact. Request for additional funding may be identified as projects proceed through the stage gate process.
- Property unavailable and/or acquisition and may take longer than expected (Second Exit): Mitigation: Commence early consultations and negotiations with property owners for property acquisitions as required. Continue to work closely with the City and identify development opportunities early.

- Permits and approvals for Second Exit projects may take longer than anticipated impacting the contracts award timelines and burn rate/cash flow. Mitigation: A dedicated team within the City has been assigned to process TTC approvals for Third Party Utility Review moving forward. TTC has received delegated approval from City Council for all long-term Right of Way permits until 2025 (except for Greenwood Station).
- Cashflow/budget burn rate impact: Timing of finalizing the Memorandum of Understanding (MOU) for projects managed by Metrolinx impacts expenditures (Dundas W.). Action Plan: Finalize MOU with Metrolinx and obtain approvals for payment authorization. Discussion is ongoing.

### **Next Steps**

- Contract tender posting for Museum Second Exit/Entrance combined with Easier Access (Q4 2021).

### **Note:**

- \*\*EFC includes \$1.5B in unfunded post 2030.
- \*P6 In-year adjustment

## Purchase of Buses

### 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. Advance the TTC's transition towards zero-emissions fleet by 2040 and the City of Toronto's TransformTO target of Net-Zero by 2050, or sooner.

### Financials

Program Start	Forecast Completion Year	Total Approved Budget	Spend to Date	Estimated Final Cost
Ongoing	2035	\$899.3M	\$209.1M	\$3,572.9M
Overall Performance		2021 YTD Budget	2021 YTD Actuals	2021 Approved Budget
Current Status	Outlook to Completion			
<b>G</b>	<b>Y</b>	\$3.2M	\$3.2M	\$86.1M

### Project Deliverables

- Current funding allows for procurement of approximately 300 hybrid-electric buses and approximately 300 zero-emissions battery electric buses (eBuses) required between 2022 and Q1 2025.

### Progress Update (Q3)

- Hybrid-Electric Buses – Request for Proposal issued Q2 2021 and closed in Q3 2021. Evaluation is in progress. Contract award and delivery schedule expected in Q4, 2021.
- eBuses – Request for Proposal targeted for Q1 2022. Work continues with other transit agencies through the Ontario Public Transit Association (OPTA) to facilitate a collaborative procurement of eBuses with TTC as the lead.

## Key Issues/Risks and Mitigation Activities

- eBus Reliability and Fleet Availability: eBus fleet continues to perform better than the diesel fleet as measured by both reliability and availability; however, further improvement is expected. Action Plan: Continue to work with vendors to identify root causes and implement retrofits to drive increased performance.
- Schedule Interdependencies: eBus delivery and operation is contingent on the charging systems infrastructure schedule. Delays to the bus procurement program would impact the bus rebuild program. Action Plan: The procurement team is working with all stakeholders to ensure alignment of schedules.
- Shortfall in Program Funding: The current program of ongoing bus procurements is funded up to 2025 and the electrification infrastructure program is 1/3<sup>rd</sup> funded through the City of Toronto's City Building Fund. The City and TTC are continuing to work with the other levels of government to close the funding gap to ensure state-of-good-repair and greening of our bus fleet.

## Next Steps

### Hybrid Buses:

- Contract award (Q4 2021), Design reviews (Q1 2022), Deliveries (commencing 2022)

### eBus:

- Response from transit agencies willing to participate in the joint procurement
- Issuance of procurement RFP (Q1 2022)
- Completion of Technical Specifications and Commercial Terms & Conditions with OPTA members (December 2021)

## Note:

- This project is included under 4.11 Purchase of Buses as indicated in Appendix 1.



## e-Bus Charging Systems

### Description

Construction of the e-Bus electrification infrastructure, advance the TTC's transition towards zero-emissions fleet by 2040 and the City of Toronto's TransformTO target of Net-Zero by 2050, or sooner.

### Financials

Program Start	Forecast Completion Year	Total Approved Budget	Spend to Date	Estimated Final Cost
2016	2035	\$117.9M	\$40.0M	\$696.2M
Overall Performance		2021 YTD Budget	2021 YTD Actuals	2021 Approved Budget
Current Status	Outlook to Completion			
<b>R</b>	<b>Y</b>	\$5.5M	\$0.9M	\$17.7M

### Project Deliverables

- Phase 1 - Charging infrastructure to support 60 eBuses at three Garages (Arrow, Mt. Dennis and Eglinton): completed on June 30, 2021.
- Phase 2 - installation of up to 50 charging stations at each garage.
- Principal Agreement between TTC and OPG: draft completion expected by Q1 2022.
- Full Fleet electrification feasibility study: completion expected by Q3 2022.
- Phase 3 – 50% of charging stations installed at each garage.
- Phase 4 – 100% of charging stations installed at each garage by 2040.

### Progress Update (Q3)

- Feasibility studies for the full electrification at all 8 bus garages is in progress.
- Completed the installation and commissioning of emergency back-up Compressed Natural Gas (CNG) 6MW power plant at Arrow Road Garage.

### Key Issues/Risks and Mitigation Activities

- Impact of new technology adoption on operations and maintenance: Action Plan: All stakeholders will continue to be engaged to minimize disruption to operations. In addition, a full fleet electrification study has commenced to provide an overall strategy and detailed recommendations for TTC's transition from vehicles powered by fossil fuel to a zero-emission fleet by 2040.
- Shortfall in program funding: The ongoing program of bus procurements for 2021-2030 and the electrification infrastructure program is 1/3<sup>rd</sup> funded through the City of Toronto's City Building Fund. Action Plan: The City and TTC will continue to work with the other levels of

government to close the funding gap to ensure state-of-good-repair and greening of our bus fleet.

### **Next Steps**

- Approval request for commercial terms on the TTC-OPG Principal Agreement to be presented to the TTC Board in February 2022.

**Note:** This project is included under 3.2 Equipment as indicated in Appendix 1.

## Wheel Trans 10-Year Transformation Program

### Description

Implement new policies, processes and systems to support a new service delivery model that integrates Wheel-Trans (WT) customers into the TTC's conventional network through a 'Family of Services' (FOS) approach.

### Financials

Program Start	Forecast Completion Year	Total Approved Budget	Spend to Date	Estimated Final Cost
2017	2026	\$49.8M	\$29.6M	\$49.8M
Overall Performance		2021 YTD Budget	2021 YTD Actuals	2021 Approved Budget
Current Status	Outlook to Completion			
<span style="color: green;">G</span>	<span style="color: orange;">Y</span>	\$2.6M	\$1.5M	\$4.1M

### Project Deliverables

- Phase 1-4 (Reservation, Scheduling & Dispatch (RSD)):
  - Family of Services (FOS) operationalized in 2018.
  - Upgrade of the Integrated Voice Response (IVR) system completed in 2018.
  - Full complement of 128 6-metre ProMaster mini-buses in service by Dec 2019.
  - Customer Relationship Management facilitating mass emailing capability implemented in 2019.
  - Upgraded RSD to enhance FOS capabilities and introduced Mobile App pilot in 2020.
  - Construction of 16 Access Hubs completed in 2020.
  - Conditional trip matching in progress.
  - RSD Phase 4 Go-Live scheduled for Q4 2021.
- Phase 5-8 - Reservation, Scheduling & Dispatch Improvements: Initiated assessment.

### Progress Update (Q3)

- Family of Services Project: Stop Markers Installed and operationalized - Wave 5 completed with Wave 6 in progress.
- Phase 4: Testing and training is underway, including Customer Relationship Management.
- Developing messaging regarding re-introduction of ride sharing.
- Scheduling & Dispatch (S&D) Project: Phase 4 development underway.
- Customer Relationship Management: Phase 3, on target for implementation in October 2021.
- Reporting and Analytics: Phase 3 implemented in July 2021 and Phase 4 is on target for December 2021.
- Communications: Winter Access Newsletter in progress with HELP pages being updated.
- Wheel Trans Solution Assessment: Completed RFP vendor scoring.
- Completed repairs to the Access Hub (Neilson and Ellesmere).

## Key Issues/Risks and Mitigation Activities

- Program Timelines for S&D Project, have been extended to 2024 in order to apply a Stage Gate approach and complete the necessary due diligence. RFP was posted September 1 to find vendor to conduct the 3rd party Solution Assessment.
- Potential risk that there will be negative customer response to mandatory re-registration and conditional trip matching (requiring capable customers to utilize the fully accessible TTC network). Action Plan: Communicate benefits of re-registering to customers. Current efforts are having a positive impact with over 7,000 customers re-registered.  
COVID-19: Delayed the launch of Conditional Trip Matching and re-registration. Action Plan: To be evaluated in Q4 2021 via Toronto Public Health guidance and Customer Surveys.

## Next Steps

- Phase 5-8 S&D: Vendor selection for Solution assessment (Q4 2021).
- Scheduling & Dispatch Project Phase 4 (Including CRM, IVR, Chat tool and “Where is my Ride” in Self-Booking Website):
  - Phase 4 Go Live – Oct 202.
- Reporting & Analytics Project Phase 3:
  - Phase 4 Go Live (Screens 5-10) - Dec 2021.

### Note:

- This project is included under 3.9 Building and Structures as indicated in Appendix 1.

## Fare Collection / PRESTO

### Description

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

### Financials

Program Start	Forecast Completion Year	Total Approved Budget	Spend to Date	Estimated Final Cost
2012	2021	\$79.8M	\$61.3M	\$79.8M
Overall Performance		2021 YTD Budget	2021 YTD Actuals	2021 Approved Budget
Current Status	Outlook to Completion			
Y	Y	\$2.7M	\$1.2M	\$4.0M

### Project Deliverables

- Measure fare compliance system-wide.
- Human Machine Interface (HMI): a) Provide customers with additional fare payment information including displaying card balances, b) Time remaining in the 2-hour transfer window, and c) Eliminate the feature that identifies Fair Pass Program recipients.
- Settlement Negotiation – deliver all the outstanding requirements from the Metrolinx e-Master Agreement.

### Progress Update (Q3)

- TTC / Metrolinx Settlement Negotiation:
  - Completed Legal Definitive Agreement has been drafted for legal review. The 17 delivery plans have been included in the Minutes of Settlement.
- HMI:
  - Project Plan change due to resource issues at Metrolinx. Change Request presented by Metrolinx to implement this project in 2 separate phases. Buses and Streetcars implementation in September 2021 with Mobile Fare Transaction Processor (MFTP) and Mobile Fare Processor App (MFPA) implementation in Q4 (target November) 2021.
  - Phase 1 – fully implemented on all fare validators – 4,469 buses and 1,156 streetcars on September 26, 2021.
  - Phase 2 –Request for Change has been signed with confirmed scope and schedule for MFTP and MFPA. Development has commenced.

## Key Issues/Risks and Mitigation Activities

- HMI - Phase 2 of the project could potentially increase the cost of the project. Mitigation: Monitoring schedule closely to avoid further delay and ensure additional cost can be contained by project contingency.
- Settlement Negotiations – PRESTO and TTC's capacity to deliver all the requirement in 17 delivery plans in addition to Line 5&6 expansion projects. Mitigation: Establish proper integrated project plan with dependencies and priorities agreed upon.

## Next Steps

- Obtain formal sign off from the CEO on the Minutes of Settlement and terminate the arbitration process.
- Collaborate with Metrolinx to develop integrated plan and RACI for resource planning.
- Identify staff augmentation alternatives to ensure resources are available for project execution.

### Note:

- This project is included under 5.4 Fare System as indicated in Appendix 1.
- Faregate program is not included in this up-date.
- Approved budget and completion year adjusted to reflect approval to end of 10-year envelope.

## Stations Transformation

### Description

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

### Financials

Program Start	Forecast Completion Year	Total Approved Budget	Spend to Date	Estimated Final Cost
2017	2024	\$50.8M	\$28.9M	\$50.8M
Overall Performance		2021 YTD Budget	2021 YTD Actuals	2021 Approved Budget
Current Status	Outlook to Completion			
<span style="color: green;">G</span>	<span style="color: orange;">Y</span>	\$6.0M	\$4.5M	\$8.8M

### Project Deliverables

- Introduction of CSA's to proactively assist customers facing barriers in navigating the system.
- Upgrading the Public Announcement system (PA).
- Upgrading the stations Passenger Assistance Intercoms (PAI) 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 to serve as central command posts monitoring the stations and responding to emergencies in an efficient manner.

### Progress Update (Q3)

- Elevator Passenger Assistance Intercom (PAI) upgrade completed at 3 stations (total of 18 stations upgraded).
- Contract awarded for the upgrade of the public address announcement system.
- 360 degree cameras upgrade completed at 22 stations (total of 57 stations completed).
- CCTV bulkhead monitors installed and commissioned at Kipling hub.

### Key Issues/Risks and Mitigation Activities

- Full implementation of the CSA model will be achieved with implementation of the fare collection policy currently in development.

## Next Steps

- CCTV bulkhead monitors to be installed in York U hubs in Q4 – 2021.
- Completion of Sheppard and St Clair West Hubs projected to be completed in Q4 – 2021.
- All PAI upgrades projected to be completed in Q4 – 2021.
- 75% CCTV coverage in all TTC subway stations projected to be completed in Q4 – 2021.

**Note:** This program is included under 3.9 Building and Structures as indicated in Appendix 1.



## VISION

### Description

Implementation of a new Computer Aided Dispatch/Automatic Vehicle Location (CAD/AVL) System on the TTC's bus and streetcar fleets to: a) enable tracking and managing communications with TTC's fleet of over 2,000 buses and streetcars b) provide better information for scheduling and planning; c) provide better real-time information to provide operators and customers during their trip; d) provide more efficient Transit Signal Priority to keep TTC vehicles moving; and e) provide more efficient yard management and crew sign-ups.

### Financials

Program Start	Forecast Completion Year	Total Approved Budget	Spend to Date	Estimated Final Cost
2016	2022	\$114.7M	\$84.7M	\$114.7M
Overall Performance		2021 YTD Budget	2021 YTD Actuals	2021 Approved Budget
Current Status	Outlook to Completion			
Y	Y	\$5.9M	\$4.3M	\$31.2M

### Project Deliverables

- Data and voice communications, automatic vehicle location and stop display, stop announcements, vehicle performance monitoring: Completed.
- Integrating with the onboard camera and automatic passenger counting systems: Completed.
- Operator Performance: In Progress, 95% complete, target completion Q3 2021.
- Integrating the Yard Management System at all streetcar, car-houses and bus garages: In Progress, Construction 70% complete, Clever Devices Commissioning 10% complete, with Target completion in 2022.

### Progress Update (Q3)

- Operator Performance: Completed deployment to Fleet of Streetcars and Buses. Working with Clever Devices to address issue with measurement of speed limits onboard vehicles, 95% complete.
- Yard Management: Deployment of Smart Yard Infrastructure in progress at Mt. Dennis, Malvern and Queensway. Completed construction at Arrow Road Garage. Commissioning at Leslie Barns and Arrow Garages is in progress. Clever Devices issues with central software has resulted in the commissioning of certain bus garages and streetcar carhouses to be delayed until 2022.

### Key Issues/Risks and Mitigation Activities

- Software and hardware issues were identified during the testing of the Smart Yard solution provided by Clever Devices, which has delayed the completion of testing and as a result, the project has been re-forecasted to reflect the final roll-out of Yard Management to 2022. Action Plan: Issues escalated to Senior Executives at Clever Devices. Currently working with Clever Devices to develop a strategy to compress the schedule and advance the completion date.
- The delayed delivery of Smart Yard Software has delayed the commissioning of Leslie Barns, Mount Dennis, Arrow and Eglinton garages, Clever Devices continues to work on issues at Leslie Barns with planned resolution by Q1 2022. Once the issues at Leslie Barns and Arrow Garages have been resolved, the solutions will be propagated to the commissioning of Eglinton, Mount Dennis and the remaining garages and streetcar carhouses.

### Next Steps

- Commissioning of Yard Management at Leslie Barns and Arrow Rd Garages (Q1 2022).

**Note:** This project is included under 7.1 Computer Equipment & Software as indicated in Appendix 1.

## SAP Enterprise Resource Planning Program

### Description

Implementing an industry-standard enterprise software solution that modernizes 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.

### Financials

Program Start	Forecast Completion Year	Total Approved Budget	Spend to Date	Estimated Final Cost
2015	2025	\$272.8M	\$84.1M	\$272.8M
Overall Performance		2021 YTD Budget	2021 YTD Actuals	2021 Approved Budget
Current Status	Outlook to Completion			
<b>G</b>	<b>G</b>	\$9.4M	\$6.4M	\$16.5M

### Project Deliverables and Status

#### Phase 2

- Finance Accounts Payable (Release1) – Launch Completed, Project Closeout in Progress.
- SAP Costing Solution for Operations – Solution Design Phase In Progress, targeted completion by Sept 2022
- Time, Attendance and Workforce Scheduling System – In Progress, targeted completion by 2025.
- New Learning Management System (LMS) – Launch Completed, targeted completion by Q3 2021.
- Employee Engagement Platform – In Progress, assessment phase to start in Q3 2021
- Employee Mobile App – Launch Completed, Project Closeout in Progress.

#### Phase 3

- Procurement and Category Management/Materials Management – In Progress, assessment phase targeted completion by Q3 2021.
- Asset Accounting – In Progress, assessment phase targeted completion by Q3 2021.

### Progress Update (Q3)

- SAP Procurement and Category/Materials Management: Assessment Report completed and distributed.
- Asset Accounting: Assessment initiated, current state documentation in progress for financial process with legacy system, 80% completed.
- SAP Account Payable Project Closeout completed.
- SAP Time and Attendance: Kickoff Completed for Release 1-3 Implementation. Operator Assessment - 60% completed.
- SAP Costing Solution Release 1: Percentage of Solution Design completed - 95%.

### Key Issues/Risks and Mitigation Activities

- N/A

### Next Steps

- Time & Attendance: Completed Operator Assessment for Release 3. Initiate Business Process Design Phase.
- Procurement and Category/Materials Management: Completed Assessment Phase by Q4 2021.
- SAP Costing Solution Release 1: Complete Solution Design Phase.

### Note:

- The EFC represents the total SAP program cost with the future phases.
- This project is included under 7.1 Computer Equipment & Software as indicated in Appendix 1.
- Approved budget and completion year adjusted to reflect approval to end of 10-year envelope.