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## 2015 OPERATING BUDGET BRIEFING NOTE

### Specific Actions to Meet \$5 Million TTC Budget Reduction Target

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#### Issue / Background:

- At its meeting of February 13, 2015, the City of Toronto Budget Committee requested the Chief Executive Officer of the Toronto Transit Commission to provide a briefing note on:
  - The specific actions to meet the budget reduction target identified for the Toronto Transit Commission by \$5.0 million gross and net.
- The Toronto Transit Commission (TTC) will report back to the TTC Board on February 25, 2015 for approval of reductions identified by the Budget Committee at its meeting of February 13, 2015. For the purpose of reporting to the final wrap-up meeting of the Budget Committee on February 20, 2015, further information identifying the specific actions to meet these budget reduction targets is provided below, subject to the TTC Board's approval of the reductions.

#### Key Points:

- The 2015 Staff Recommended Operating Budget presented at the Budget Committee meeting of January 20, 2015 reflected a net budget of \$478.931 million (an increase by \$38.850 million from the 2014 Approved Operating Budget) for its Conventional services, and a net budget of \$108.799 million (an increase of \$1.976 million from the 2014 Approved Operating Budget) for Wheel-Trans' services.
- At its meeting of February 2, 2015, the Toronto Transit Commission's Board approved the 2015 Recommended Operating Budgets for Conventional and Wheel-Trans' services that are consistent with the 2015 Staff Recommended Operating Budgets for the TTC.
- As part of its share of the city-wide budget adjustments, the TTC is prepared to reduce the 2015 Recommended Operating Budget by \$5.0 million gross and net as well as reduce the recommended workforce by 40 positions. The specific budget reduction measures are as follows:
  - Reduce WSIB expenditures by \$1.6 million to reflect lower than anticipated payouts experienced in 2014;
  - Gapping to increase by 0.4% (from 2.6% to 3.0%) to reflect anticipated staffing levels, resulting in savings of \$1.0 million;

- Reallocate \$1.4 million of expenditures appropriately to the Capital Budget for the replacement and improvement of streetcar road infrastructure; and
- Reduce 40 positions from the recommended new and enhanced service priorities, resulting in \$1.0 million in savings, including:
  - 20 Proof-of-Payment (POP) inspectors on streetcar routes; and
  - 20 Operator positions associated with the leased bus facility that will accommodate 50 new buses to facilitate the introduction of new peak period express service and reduce peak period wait times and crowding.
- TTC staff will report back to the TTC Board at its meeting of February 25, 2015 for approval of the reductions identified at the Budget Committee on February 13, 2015. The specific actions to meet the reduction target identified within this note are subject to the TTC Board's approval.

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