



2013

City of Toronto
Toronto Transit Commission
2013 Recommended Operating Budget &
2013 – 2022 Capital Budget and Plan

Dec. 3, 4, 5, 6, 2012

Agenda

- Operating Overview
- 2012 Service Performance
- 2013 Staff Recommended Operating Budget
- Capital Overview
- 2012 Capital Performance
- 2013 – 2022 Staff Recommended Capital Budget & Plan

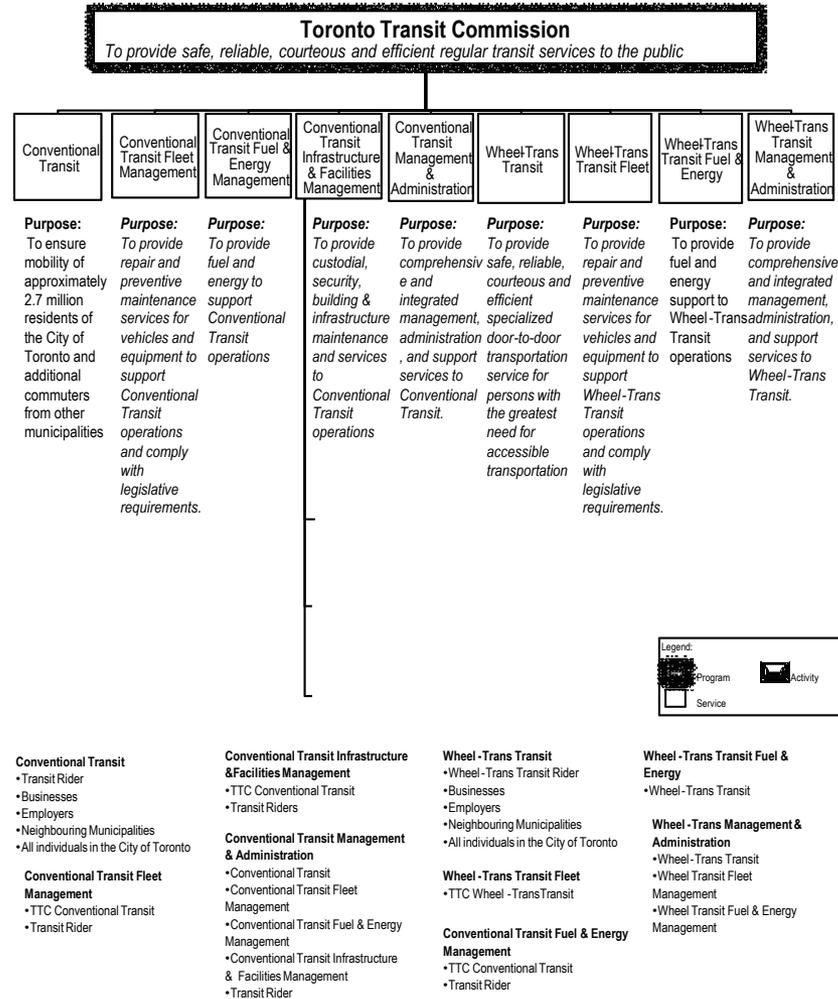
Operating Overview

TTC Operating Budget Overview

Key Service Objectives

- Accommodate ridership growth consistent with Commission-approved service standards

2013 Program Map



2013 Service Levels

- Record high ridership of 528 million for sixth consecutive year

2013 Organization Chart

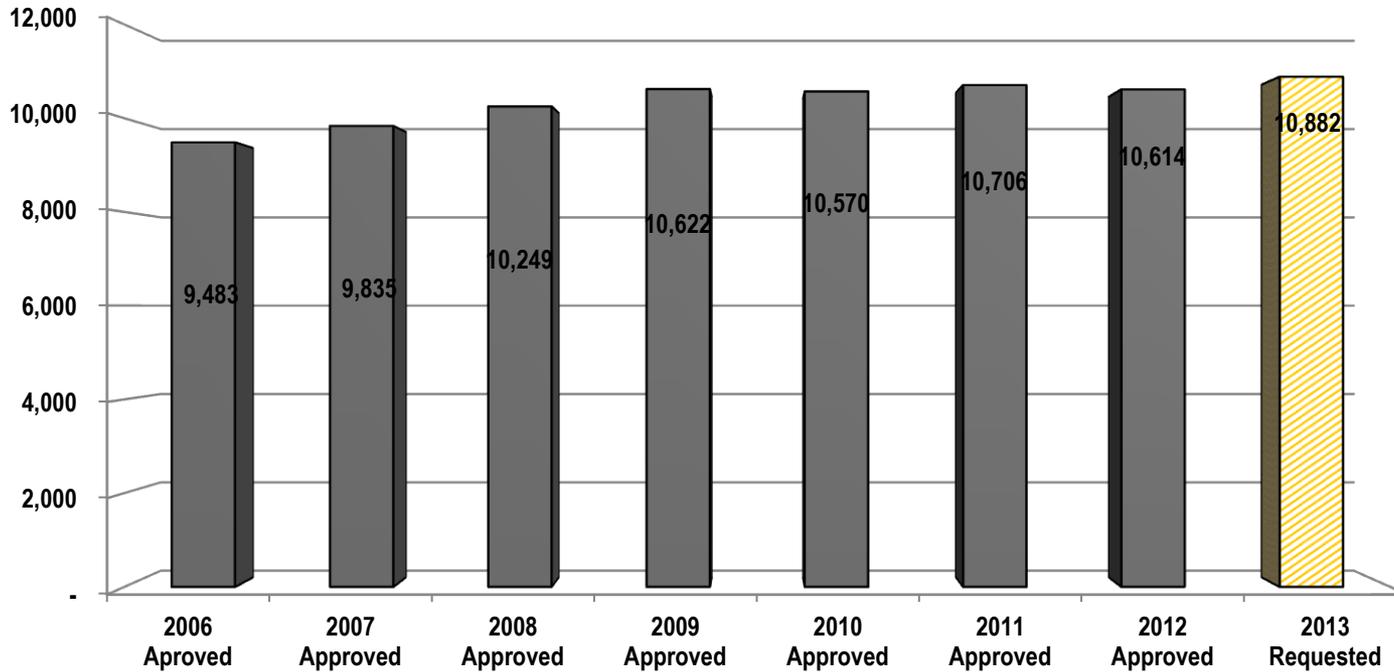


* includes 9 for Wheel-Trans

**includes 522 for Wheel-Trans

Total: 13,101

Staffing Trend (Excludes Capital Positions)



Workforce Analysis – 1992 to 2013

- Population: +21%
Ridership: +31%
 - indicates favourable shift in modal split

- Ridership: +31%
Workforce: +15%
 - indicates significant labour productivity improvement

Net Operating Budget and Staff Changes - 5 Year Overview

(\$000's)	Approved Budget					Rec'd
	2008	2009	2010	2011	2012	2013
Approved Budget	303,122	394,055	429,805	429,111	410,951	410,951
Net Change		90,933.0	35,750.0	-694.0	-18,160.0	0.0
% Change from Prior Year		30.0%	9.1%	-0.2%	-4.2%	0.0%
Approved Complement	10,249.0	10,622.0	10,570.0	10,706.0	10,614.0	10,882.0
Net Change		373.0	-52.0	136.0	-92.0	268.0
% Change in Staff Complement		3.6%	-0.5%	1.3%	-0.9%	2.5%

Key Changes:

- 2009: RGS service improvements introduced in 2008 and 2009, 2008 CBA impact, and diesel
- 2010: CBA and service
- 2012: Staff reductions and reversal of some RGS service improvements re: loading standards

2012 Service Performance

2012 Key Accomplishments

- **Major Achievements**

- ✓ Carried over 28.5 billion riders to date
- ✓ Projecting all-time record ridership of 514 million
- ✓ Implemented new corporate structure
- ✓ CEO Reports – track KPIs publicly
- ✓ Many Customer Service Enhancements completed:
 - ✓ Subway public washroom cleaning
 - ✓ End-of-line subway car cleaning
 - ✓ Extended Customer Service hours of operation
 - ✓ Roll out of debit and credit card acceptance
 - ✓ Online trip planner and mobile website
 - ✓ Real time information about next vehicle arrival
 - ✓ Immediate email notification re: service disruptions

2012 Key Accomplishments (cont'd)

- **Major Achievements**

- ✓ Many Customer Service Enhancements completed:
 - ✓ Direct customer input through: town hall meetings, meet-the-manager events, permanent customer service panel
- ✓ Continued expansion of Toronto Rocket fleet
- ✓ Arrival of new accessible streetcars
- ✓ PRESTO smartcard project moving forward

Service Performance

TRANSIT SYSTEM*	OPERATING SUBSIDY (\$M)	REVENUE/COST RATIO	REVENUE TRIPS (M)	SUBSIDY/ RIDER
TTC	434	70%	500	\$0.87
Major U.S.				
Boston	497	38%	202	\$2.46
Chicago	763	44%	287	\$2.66
Los Angeles	865	27%	208	\$4.16
New York	3,053	57%	2,439	\$1.25
Philadelphia	643	34%	228	\$2.82
Major Canadian				
Calgary	131	53%	94	\$1.39
Edmonton	128	44%	76	\$1.68
Montreal	489	56%	383	\$1.28
Ottawa	187	52%	99	\$1.89
Vancouver	617	52%	211	\$2.92
Local Canadian				
Brampton	39	43%	14	\$2.79
Durham Region	30	38%	9	\$3.33
Hamilton	35	51%	21	\$1.67
Mississauga	72	47%	31	\$2.32
York Region	98	39%	19	\$5.16

* TTC data = 2011; all other properties = 2010

While the TTC received a subsidy of \$0.87 per rider in 2011, transit systems comparable to TTC in terms of size and complexity received much larger subsidies per rider including Montreal (\$1.28), Chicago (\$2.66), Philadelphia (\$2.82), and Los Angeles (\$4.16).

Service Performance

TTC Subsidy per rider	
2011	\$0.87
2012	\$0.82
2013	\$0.78

Service Performance

	Change from 1992 to 2013
Population	+ 21%
Ridership	+ 31%
Service Level (hours)	+ 26%
Service Level (kilometres)	+ 24%
Operating Budget Workforce	+ 15%

Carrying an additional 31% riders, while increasing service levels about 25% and employees by only 15%, represents a substantial improvement in labour productivity. All of this has been achieved despite the loss of bus carrying capacity in the order of 10% due to the conversion of the fleet to a low-floor design and ever-increasing road congestion which has necessitated the addition of resources (vehicles, Operators, service hours, etc.).

2012 Budget Variance - as at September 30, 2012

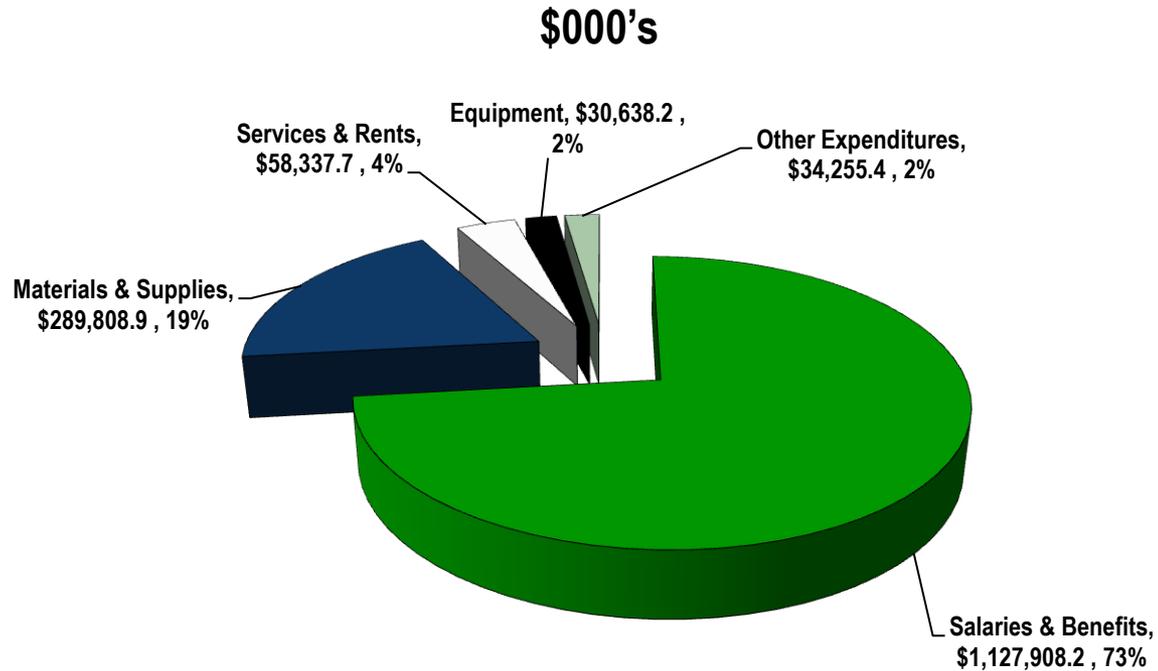
(In \$000's)	2010 Actuals	2011 Actuals	2012 Approved Budget	2012 Sept. 30 YTD Actuals	2012 Projected Actuals	2012 Approved Budget vs Projected Actuals	
	\$	\$	\$	\$	\$	\$	%
Gross Expenditure	1,357,261.0	1,435,462.0	1,481,230.1	1,067,812.0	1,468,573.0	(12,657.1)	-0.9%
Revenues	987,500.0	1,026,192.0	1,070,279.1	805,550.0	1,084,787.0	14,507.9	1.4%
Net	369,761.0	409,270.0	410,951.0	262,262.0	383,786.0	(27,165.0)	-6.6%
Approved Positions	10,710	10,599	10,614	11,012	10,614	-	0.0%

Key Points (explanation of variances and impact on 2013):

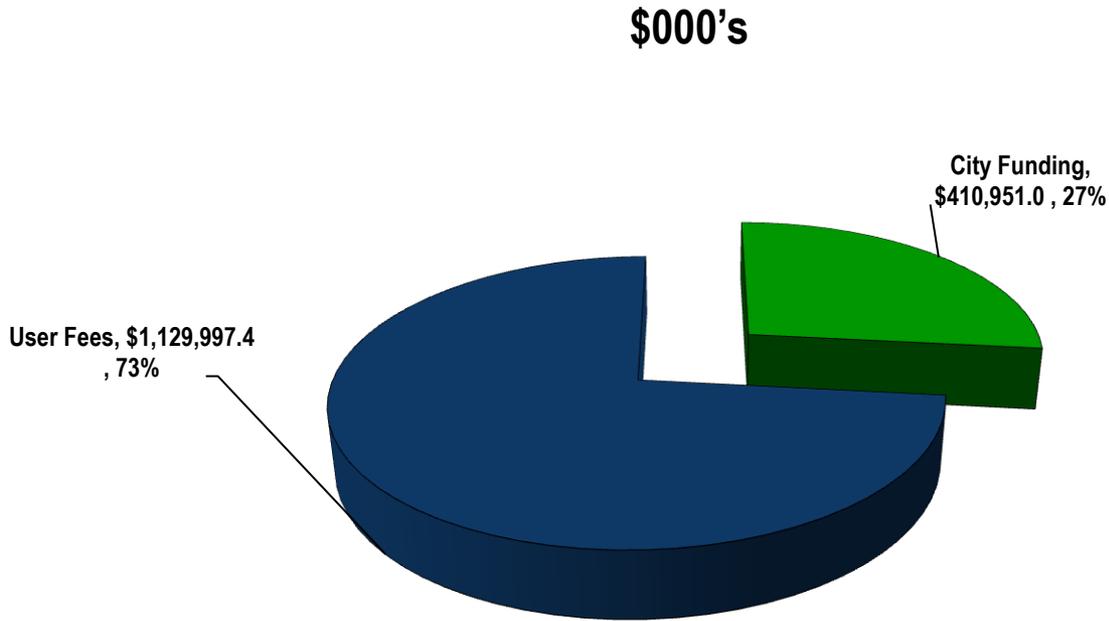
- 2012 Gross Expenses projected to be underspent by \$12.7M largely due to:
 - \$5M - lower diesel fuel market prices
 - \$4M - lower Accident Claims settlements due to no-fault legislation changes for public transit
 - \$4M – lower healthcare costs
- 2012 Revenues projected to be over budget by \$14.5M largely due to 11M more rides than budgeted
- The impact of each of these projected 2012 variances has been reflected in the 2013 budget.

2013 Staff Recommended Operating Budget

Where the Proposed \$1.541B Gross Expenditure Goes



Where The \$1.541B Money Comes From



Staff Rec'd 2013 Net Operating Budget - by Category and Funding Source

Category of Expense	2010 Actual	2011 Actual	2012 Budget	2012 Projected Actual	2013 Recommended Budget	2013 Change from 2012 Approved Budget		2014 Outlook	2015 Outlook
	\$	\$	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	1,036,953.0	1,073,487.0	1,082,665.2	1,081,027.1	1,127,908.2	45,243.0	4.2%	1,155,248.8	1,178,988.9
Materials and Supplies	228,450.0	256,027.0	282,066.3	273,917.3	289,808.9	7,742.6	2.7%	338,937.4	381,169.2
Equipment	10,752.0	19,293.0	27,137.1	27,507.0	30,638.2	3,501.1	12.9%	32,637.3	32,851.0
Services & Rents	42,800.0	45,014.0	49,739.9	50,499.5	58,337.7	8,597.8	17.3%	59,256.6	60,223.2
Contributions to Capital						0.0	n/a		
Contributions to Reserve/Res Funds						0.0	n/a		
Other Expenditures	35,321.0	38,264.0	36,142.6	32,142.6	30,766.4	(5,376.2)	(14.9%)	35,410.5	40,277.7
Interdivisional Charges	2,985.0	3,377.0	3,479.0	3,479.0	3,489.0	10.0	0.3%	3,467.7	3,448.4
TOTAL GROSS EXPENDITURES	1,357,261.0	1,435,462.0	1,481,230.1	1,468,572.5	1,540,948.4	59,718.3	4.0%	1,624,958.3	1,696,958.4
Interdivisional Recoveries						0.0	n/a		
Provincial Subsidies						0.0	n/a		
Federal Subsidies						0.0	n/a		
Other Subsidies						0.0	n/a		
User Fees & Donations	987,500.0	1,026,192.0	1,070,279.1	1,084,786.5	1,129,997.4	59,718.3	5.6%	1,183,727.4	1,233,627.4
Transfers from Capital Fund						0.0	n/a		
Contribution from Reserve Funds						0.0	n/a		
Contribution from Reserve						0.0	n/a		
Sundry Revenues						0.0	n/a		
TOTAL REVENUE	987,500.0	1,026,192.0	1,070,279.1	1,084,786.5	1,129,997.4	59,718.3	5.6%	1,183,727.4	1,233,627.4
TOTAL NET EXPENDITURES	369,761.0	409,270.0	410,951.0	383,786.0	410,951.0	0.0	0.0%	441,230.9	463,331.0
APPROVED POSITIONS	10,710.0	10,599.0	10,614.0	10,614.0	10,882.0	268.0		NA	NA

2013 Operating Budget Pressures

(\$000's)	Gross Expenditures	Net Expenditures	# Positions
2012 Approved Budget			
Adjusted Base Increases:			
Annualizations (service and corporate restructuring)	10,274.4		
Economic Factors (CBA, energy, inflation)	32,963.3		8
Other Base Changes:			
Service	10,279.6		155
Facilities & Vehicle Maintenance	5,935.0		33
Workplace Accommodation	798.5		28
Crewing Adjustments	500.0		20
Health & Safety	165.6		5
Accident Claims	(6,000.0)		
Operator average labour rates	(2,000.0)		
Bus servicing line contracting out savings	(1,000.0)		
Other net changes	1,365.7		7
Revenue Changes:			
Volume Changes	(41,718.3)		
Rate Changes	(18,000.0)		
2013 Recommended Base Budget	(6,436.2)	0.0	256
New/Enhanced	6,436.2		12
2013 Recommended Budget	0.0	0.0	268

2013 Service Changes – To Achieve Target

Description	2013 Recommended Service Changes				Net Incremental Impact			
	Position Changes	Gross Expense	Net Expense	% Change over 2012 Budget	2014		2015	
					Net Expenditure	Position Change	Net Expenditure	Position Change
Base Changes:								
Base Expenditure Changes								
Natural Gas Price Savings		(2,048.4)	(2,048.4)	(0.5%)				
Employee Benefits Savings		(7,945.8)	(7,945.8)	(1.9%)				
Labour Rates Savings		(2,000.0)	(2,000.0)	(0.5%)				
Base Expenditure Changes		(11,994.2)	(11,994.2)	(2.9%)				
Sub-Total Base Budget Changes		(11,994.2)	(11,994.2)	(2.9%)				
Service Efficiencies								
Diesel Price Savings (Hedging)		(20,481.4)	(20,481.4)	(5.0%)				
Traction Power Volume Savings		(1,929.1)	(1,929.1)	(0.5%)				
Bus Servicing Contracting Out		(1,000.0)	(1,000.0)	(0.2%)				
Reduction in Accident Claim Settlements		(6,000.0)	(6,000.0)	(1.5%)				
Increased Workforce Gapping		(1,877.6)	(1,877.6)	(0.5%)				
Sub-Total Service Efficiencies		(31,288.1)	(31,288.1)	(7.6%)				
Revenue Adjustments:								
5 Cent Fare Increase			(18,000.0)	(4.4%)				
Sub-Total Revenue Adjustments			(18,000.0)	(4.4%)				
Total Service Changes		(43,282.3)	(61,282.3)	(14.9%)				

User Fee Changes - Highlights

Fee Description	2012 Fee	Recommended 2013 Fee	% Increase	Incremental Revenue (\$000's)
5-cent fare increase on Adult single fare and pro-rata increase on all other fares (excluding cash)			1.7%	18,000.0
Total Incremental Revenue				18,000.0

Note: CPI Toronto forecast of 2.1% for 2013.

2014 and 2015 Outlook

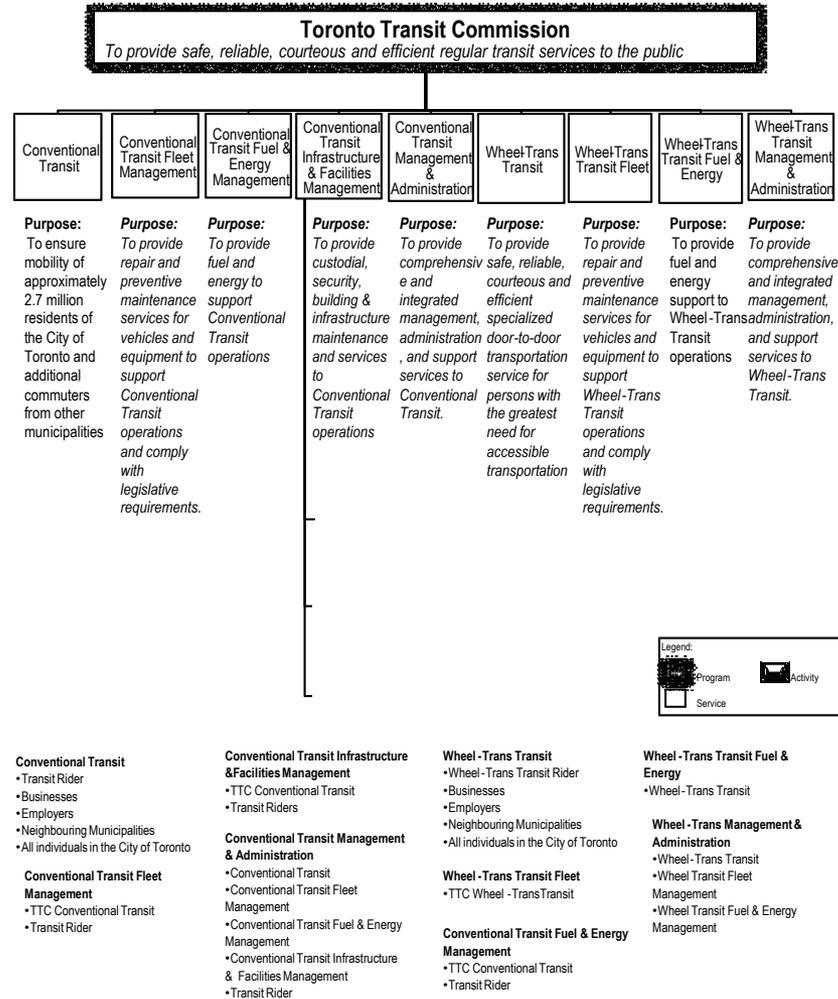
Description	2014 - Incremental Increase					2015 - Incremental Increase					Total Net % Change from 2013
	Gross Expense	Revenue	Net Expense	% Net Change from 2013	# Positions	Gross Expense	Revenue	Net Expense	% Net Change from 2014	# Positions	
Known Impacts											
Full year effect of 2013 CBA increase in 2014	6,000.0		6,000.0	1.5%				0.0			1.5%
Sub-Total Known Impacts	6,000.0	0.0	6,000.0	1.5%	0.0	0.0	0.0	0.0		0.0	1.5%
Anticipated Impacts											
Ridership Increase		18,730.0	(18,730.0)	(4.6%)			14,900.0	(14,900.0)	(3.4%)		(8.2%)
10 Cent Fare Increase		35,000.0	(35,000.0)	(8.5%)			35,000.0	(35,000.0)	(7.9%)		(17.0%)
Additional Service to meet ridership increase demand	13,010.0		13,010.0	3.2%		9,000.0		9,000.0	2.0%		5.4%
Energy - Diesel, hydro, utilities	16,000.0		16,000.0	3.9%		18,000.0		18,000.0	4.1%		8.3%
Vehicle Parts (Articulated Buses, LRV, Toronto Rocket)	10,000.0		10,000.0	2.4%		5,000.0		5,000.0	1.1%		3.7%
Hybrid bus battery replacements	8,000.0		8,000.0	1.9%		4,000.0		4,000.0	0.9%		2.9%
New LRV Carhouse	2,000.0		2,000.0	0.5%		8,000.0		8,000.0	1.8%		2.4%
Other Employee Costs (benefits)	18,000.0		18,000.0	4.4%		19,000.0		19,000.0	4.3%		9.0%
Inflation & Accident Claim Expenses	8,000.0		8,000.0	1.9%		8,000.0		8,000.0	1.8%		3.9%
Depreciation	2,000.0		2,000.0	0.5%		1,000.0		1,000.0	0.2%		0.7%
Debit / Credit Card Expansion	1,000.0		1,000.0	0.2%				0.0	0.0%		0.2%
Sub-Total - Anticipated Additional Impacts	78,010.0	53,730.0	24,280.0	5.9%	0.0	72,000.0	49,900.0	22,100.0	5.0%	0.0	11.3%
Total Incremental Impacts	84,010.0	53,730.0	30,280.0	7.4%	0.0	72,000.0	49,900.0	22,100.0	5.0%	0.0	12.7%

Wheel-Trans Operating Budget Overview

Key Service Objectives

- 24/7 service – provide a minimum same hours and days of service as the conventional system
- 98% accommodated rate

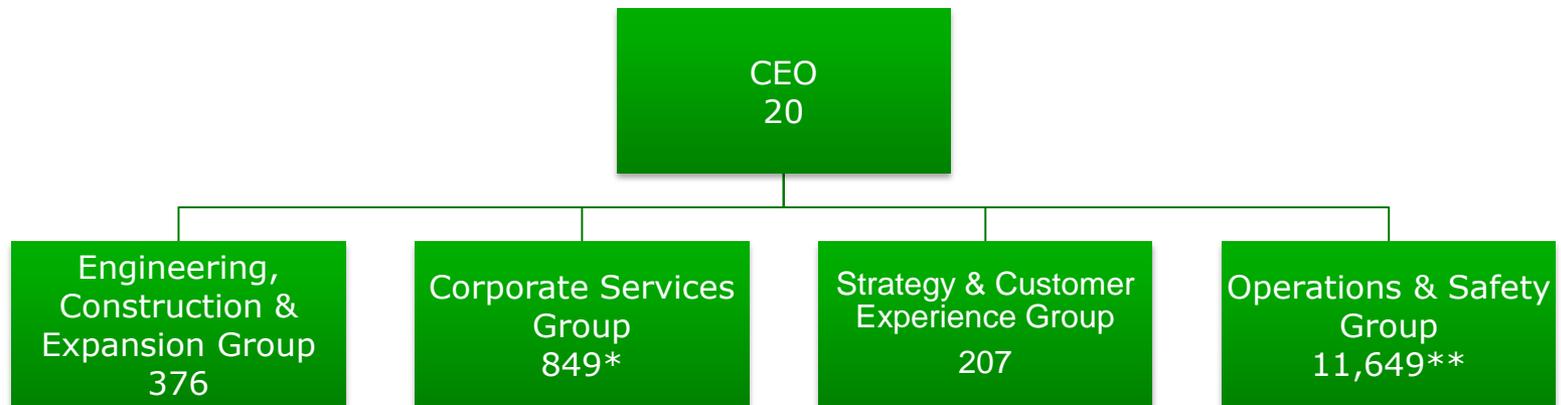
2013 Program Map



2013 Service Levels

- Ridership of 2.9 million

2013 Organization Chart

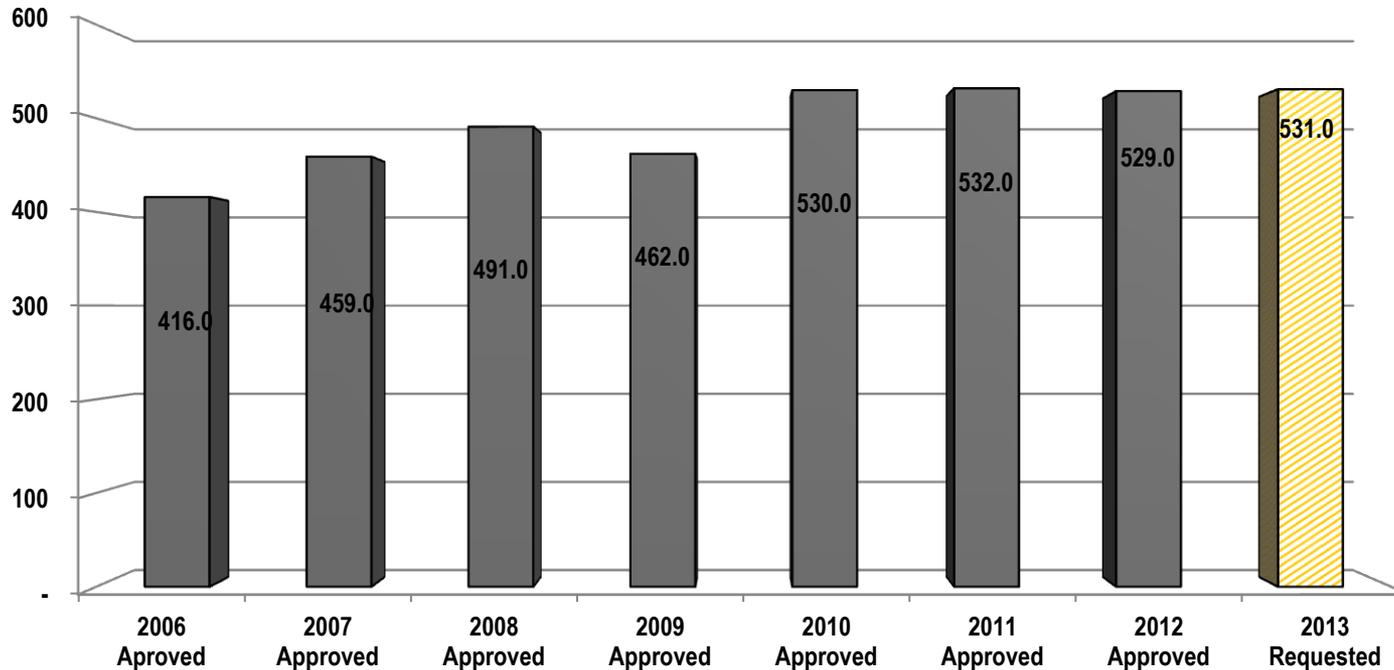


* includes 9 for Wheel-Trans

**includes 522 for Wheel-Trans

Total: 13,101

Staffing Trend (Excludes Capital Positions)



Net Operating Budget and Staff Changes - 5 Year Overview

(\$000's)	Approved Budget					Rec'd Base
	2008	2009	2010	2011	2012	2013
Approved Budget	71,113	76,341	82,676	91,012	96,823	96,823
Net Change		5,228	6,335	8,336	5,811	0
% Change from Prior Year		7.4%	8.3%	10.1%	6.4%	0.0%
Approved Complement	491	462	530	532	529	531
Net Change		(29)	68	2	(3)	2
% Change in Staff Complement		(5.9%)	14.7%	0.4%	(0.6%)	0.4%

2012 Service Performance

2012 Key Accomplishments

- **Major Achievements**

- ✓ Projecting all-time record ridership of 2.993 million
- ✓ Increased contracted taxi service ratio
- ✓ Developed plans to assist in the accommodation of ambulatory dialysis customers
- ✓ Continued to implement technological innovations
- ✓ Implemented new corporate structure
- ✓ CEO Reports – track KPIs publicly
- ✓ Many Customer Service Enhancements completed:
 - ✓ Subway public washroom cleaning
 - ✓ End-of-line subway car cleaning
 - ✓ Extended Customer Service hours of operation
 - ✓ Roll out of debit and credit card acceptance

2012 Key Accomplishments (cont'd)

- **Major Achievements**

- ✓ Many Customer Service Enhancements completed:
 - ✓ Online trip planner and mobile website
 - ✓ Real time information about next vehicle arrival
 - ✓ Immediate email notification re: service disruptions
 - ✓ Direct customer input through: town hall meetings, meet-the-manager events, permanent customer service panel
- ✓ Continued expansion of Toronto Rocket fleet
- ✓ Arrival of new accessible streetcars
- ✓ PRESTO smartcard project moving forward

Service Performance

	Change from 2006 to 2013
Ridership	+ 42%
Service Level (hours)	+ 44%
Operating Budget Workforce	+ 28%

Carrying an additional 42% riders, while increasing service levels about 44% and employees by only 28%, represents a substantial improvement in labour productivity.

2012 Budget Variance - as at September 30, 2012

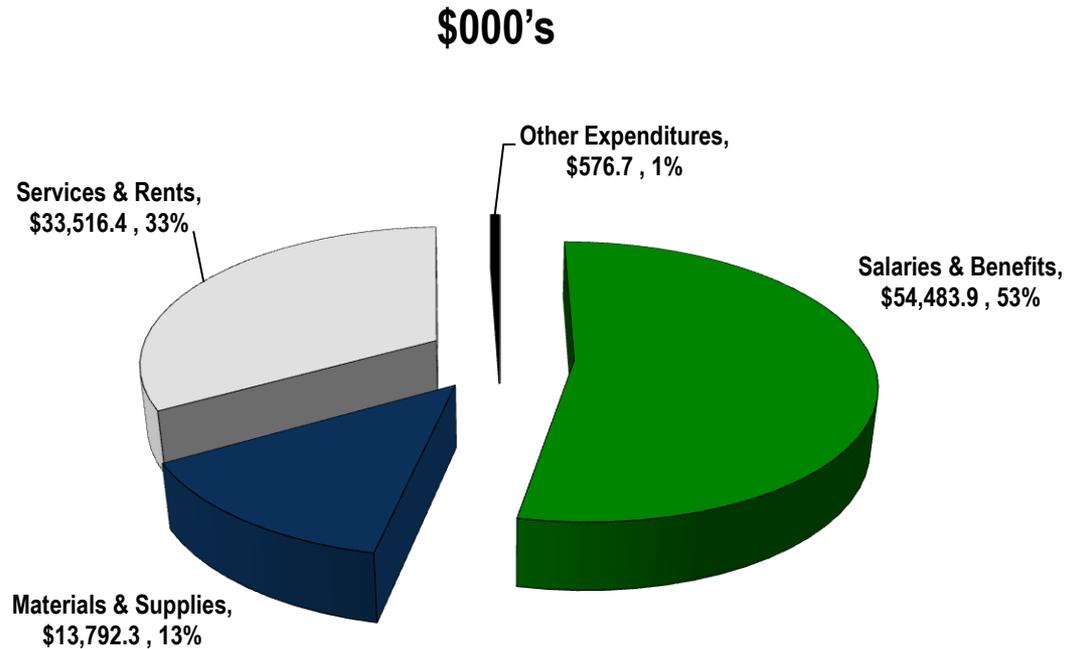
(In \$000's)	2010 Actuals	2011 Actuals	2012 Approved Budget	2012 Sept. 30 YTD Actuals	2012 Projected Actuals	2012 Approved Budget vs Projected Actuals	
	\$	\$	\$	\$	\$	\$	%
Gross Expenditure	88,667	93,950	102,148	72,813	101,332	(816)	-0.8%
Revenues	5,099	5,113	5,325	4,136	5,637	312	5.9%
Net	83,568	88,838	96,823	68,677	95,695	(1,128)	-1.2%
Approved Positions	530.0	532.0	529.0	522.0	529.0	-	0.0%

Key Points (explanation of variances and impact on 2013):

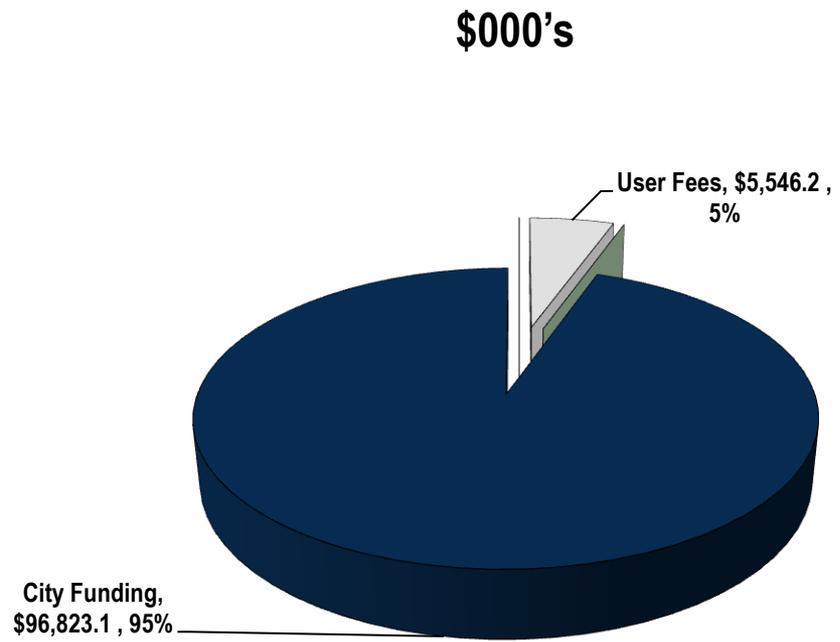
- 2012 Gross Expenses projected to be underspent by \$0.8M largely due to lower demand for trips and shorter average trip length and lower diesel prices.
- 2012 Revenues projected to be over budget by \$0.3M largely due to a higher than anticipated average fare.
- The impact of each of these projected 2012 variances has been reflected in the 2013 budget.

2013 Staff Recommended Operating Budget

Where the Proposed \$102.4M Gross Expenditure Goes



Where The \$102.4M Money Comes From



Staff Rec'd 2013 Net Operating Budget - by Category and Funding Source

Category of Expense	2010 Actual	2011 Actual	2012 Budget	2012 Projected Actual	2013 Recommended Budget	2013 Change from 2012 Approved Budget		2014 Outlook	2015 Outlook
	\$	\$	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	45,232.5	50,835.5	52,889.5	52,257.0	54,483.9	1,594.4	3.0%	56,076.2	57,045.3
Materials and Supplies	9,199.4	11,148.1	10,811.0	12,571.6	13,792.3	2,981.3	27.6%	14,904.0	16,119.8
Equipment						0.0	n/a		
Services & Rents	33,708.3	31,424.1	37,865.2	35,926.3	33,516.4	(4,348.8)	(11.5%)	43,305.0	47,293.7
Contributions to Capital						0.0	n/a		
Contributions to Reserve/Res Funds						0.0	n/a		
Other Expenditures	526.5	542.5	582.0	576.9	576.7	(5.3)	(0.9%)	622.4	670.3
Interdivisional Charges						0.0	n/a		
TOTAL GROSS EXPENDITURES	88,666.7	93,950.2	102,147.7	101,331.8	102,369.3	221.6	0.2%	114,907.6	121,129.1
Interdivisional Recoveries						0.0	n/a		
Provincial Subsidies						0.0	n/a		
Federal Subsidies						0.0	n/a		
Other Subsidies						0.0	n/a		
User Fees & Donations	5,099.2	5,112.5	5,324.6	5,636.7	5,546.2	221.6	4.2%	5,949.3	6,411.3
Transfers from Capital Fund						0.0	n/a		
Contribution from Reserve Funds						0.0	n/a		
Contribution from Reserve						0.0	n/a		
Sundry Revenues						0.0	n/a		
TOTAL REVENUE	5,099.2	5,112.5	5,324.6	5,636.7	5,546.2	221.6	4.2%	5,949.3	6,411.3
TOTAL NET EXPENDITURES	83,567.5	88,837.7	96,823.1	95,695.1	96,823.1	0.0	0.0%	108,958.3	114,717.8
APPROVED POSITIONS	530.0	532.0	529.0	529.0	531.0	2.0		NA	NA

2013 Operating Budget Pressures

(\$000's)	Gross Expenditures	Net Expenditures	# Positions
2012 Approved Budget			
Adjusted Base Increases:			
Elimination of Ambulatory Dialysis Trips	(4,951.6)		
Bus Maintenance Requirements	2,246.7		
CBA (Collective Bargaining Agreement)	997.9		1.0
WTIS Maintenance/AVL Monitoring	741.6		1.0
Inflationary Increases	404.9		
Fuel Costs	371.8		
Other Employee Costs	360.0		
Other Net Changes	50.3		
Other Base Changes:			
Labour Related Costs			
Non-labour Related Costs			
Revenue Changes:			
Volume Changes	452.6		
Rate Changes	(674.2)		
2013 Recommended Base Budget	0.0	0.0	2.0

2013 Service Changes – To Achieve Target

Description	2013 Recommended Service Changes				Net Incremental Impact			
	Position Changes	Gross Expense	Net Expense	% Change over 2012 Budget	2014		2015	
					Net Expenditure	Position Change	Net Expenditure	Position Change
Base Changes:								
Base Expenditure Changes								
Employee Benefits Savings		(540.0)	(540.0)	(0.6%)				
Base Expenditure Changes		(540.0)	(540.0)	(0.6%)				
Sub-Total Base Budget Changes		(540.0)	(540.0)	(0.6%)				
Service Efficiencies								
Diesel Price Savings (Hedging)		(1,513.4)	(1,513.4)	(1.6%)				
Increased Workforce Gapping		(58.6)	(58.6)	(0.1%)				
Sub-Total Service Efficiencies		(1,572.0)	(1,572.0)	(1.6%)				
Revenue Adjustments:								
5 Cent Fare Increase			(107.9)	(0.1%)				
Sub-Total Revenue Adjustments			(107.9)	(0.1%)				
Service Changes								
Elimination of Ambulatory Dialysis Trips		(4,951.6)	(4,499.0)	(4.6%)				
Sub-Total Service Changes		(4,951.6)	(4,499.0)	(4.6%)				
Total Service Changes		(7,063.6)	(6,718.9)	(6.9%)				

User Fee Changes - Highlights

Fee Description	2012 Fee	Recommended 2013 Fee	% Increase	Incremental Revenue (\$000's)
5-cent fare increase on Adult single fare and pro-rata increase on all other fares (excluding cash)			1.7%	107.9
Total Incremental Revenue				107.9

Note: CPI Toronto forecast of 2.1% for 2013.

2014 and 2015 Outlook

Description	2014 - Incremental Increase					2015 - Incremental Increase					Total Net % Change from 2013
	Gross Expense	Revenue	Net Expense	% Net Change from 2013	# Positions	Gross Expense	Revenue	Net Expense	% Net Change from 2014	# Positions	
Known Impacts											
Full year effect of 2013 CBA increase in 2014	193.4		193.4	0.2%				0.0			0.2%
Sub-Total Known Impacts	193.4	0.0	193.4	0.2%	0.0	0.0	0.0	0.0		0.0	0.2%
Anticipated Impacts											
Service Increase (AODA)	10,019.2	683.6	9,335.6	9.6%		3,948.2	291.1	3,657.1	3.4%		13.4%
Other Employee Costs	875.9		875.9	0.9%		921.3		921.3	0.8%		1.9%
Energy - Diesel, hydro, utilities	521.5		521.5	0.5%		573.2		573.2	0.5%		1.1%
Vehicle Parts ('ABP', Friendly, ELF)	500.0		500.0	0.5%		500.0		500.0	0.5%		1.0%
Inflation & Accident Claim Expenses	428.3		428.3	0.4%		278.8		278.8	0.3%		0.7%
10 Cent Fare Increase		200.0	(200.0)	(0.2%)			200.0	(200.0)	(0.2%)		(0.4%)
Revenue Loss (Mandatory Escorts & AODA)		(480.5)	480.5	0.5%			(29.1)	29.1	0.0%		0.5%
Sub-Total - Anticipated Additional Impacts	12,344.9	403.1	11,941.8	12.3%	0.0	6,221.5	462.0	5,759.5	5.3%	0.0	18.3%
Total Incremental Impacts	12,538.3	403.1	12,135.2	12.5%	0.0	6,221.5	462.0	5,759.5	5.3%	0.0	18.5%

Capital Budget and Plan Capital Overview

Capital Overview

- Asset Value – Insurable replacement value approaching \$14 billion
(including streetcar network)

Base Program (\$6.5 Billion)

Infrastructure

- Yonge Subway – almost 60 years old
- Bloor-Danforth subway – almost 50 years old
- SRT - approaching end of useful life

Key Elements

- Facilities
- Automatic Train Control
- Fare Related
- Accessibility

Capital Overview

Vehicles

- Bus fleet in good shape age wise – bus rebuild program
- Subway fleet – T1s and Toronto Rockets
- Streetcars – LRV Legacy order
- SRT Cars – approaching end of useful life

Expansion

- TYSSE: Fully funded (\$2.634B) \$1.4 Billion
- LRT lines - Eglinton Crosstown
- Finch West
- Sheppard East
- SRT Metrolinx
\$8.4 billion

Key Objectives

- Continue to maintain and improve upon the SOGR of the existing transit system (significant commitment to replace vehicles and infrastructure);
- Implement improvements such as system accessibility and automatic fare collection;
- Continue to deliver service and ensure system reliability;
- Address increased ridership (6th year in row at all time record high)

2012 Capital Performance

Summary of Major Projects To Be Completed in 2012

- Capital infrastructure replacement and rehabilitation work progressed
- Continued milestone payments for LRVs with receipt of two prototypes expected in 2012
- Delivery of 24 additional Toronto Rocket trains expected by the end of 2012
- Delivery of remaining 91 Wheel Trans vehicles
- Procurement of 153 Artic buses for delivery in 2013 & 2014
- Continued milestone payments for YUS ATC Resignalling project
- Work and award of some construction contracts progressed for the Toronto Rocket/T1 Rail Yard Accommodation project
- LRV MSF – award of main facility contract
- Wilson Facility Modifications for new TR trains nearing completion
- GTA Farecard (PRESTO) - TTC continuing to work with Province and GTA Transit Agencies
- Toronto-York-Spadina Subway Extension construction well underway

Capital Spending

- Budget to Actual Comparison

2012 Approved	Actuals as of Sept. 30, 2012		Projected Actuals at Year End		Projected Unspent Balance	
\$	\$	% Spent	\$	% Spent	\$	% Unspent
1,079,777	437,844	40.5	891,312	82.5	188,465	17.5

Key Points Variance explanation for projected under spending:

- Ashbridges Bay Maintenance & Storage Facility – (\$86.2) million; currently projected to be significantly delayed in 2012 due to delay in award of facility contract and slippage of Leslie St. connection track;
- ATC Resignalling Project - (\$38.7) million; schedule slippage of work on various contracts
- Toronto Rocket/T1 Rail Yard Accomodation - (\$14.0) million; currently projected slippage based on schedule refinement and reassessment of 2012 cashflow
- Finishes - (\$13.1) million; deferral of roofing work at Malvern and Greenwood Carhouse as well as modifications at Dufferin Station
- Bridges & Tunnels - (\$12.9) million; delayed work and reduced scope in structure rehabilitation programs
- Surface Track Program - (\$12.4) million; deferral of trackwork (Queens Quay) and special track work (King & Spadina, Russell Yard) into future years

Capital Spending

- Budget to Actual Comparison

- Infrastructure/other expenditures (cont):
 - Easier Access Project - (\$10.0) million; delay of St. Clair West station work due to property issue;
 - Other Buildings & Structures - (\$15.6) million; delayed design and construction of LRV modifications work at the Roncesvalles Maintenance Facility, delayed requirements work at Dundas West and Victoria Park Stations, Inglis and Revenue Operations facilities and delayed Fire Main Replacement at Wilson Yard
 - Legacy LRVs - \$20.0 million; revised project milestones and deferral impacts on contingency allowance escalation and PST cashflow timing;
 - Purchase of Subway Cars - \$20.4 million; reflects slippage of 2012 contract milestones for preliminary acceptance of train sets including timing differences for PST, escalation and contingency requirements;

2013 – 2022 Staff Recommended Capital Budget & Plan

Summary of Major Projects in the 10-Year Capital Budget and Plan

Key Projects to be completed in 2013

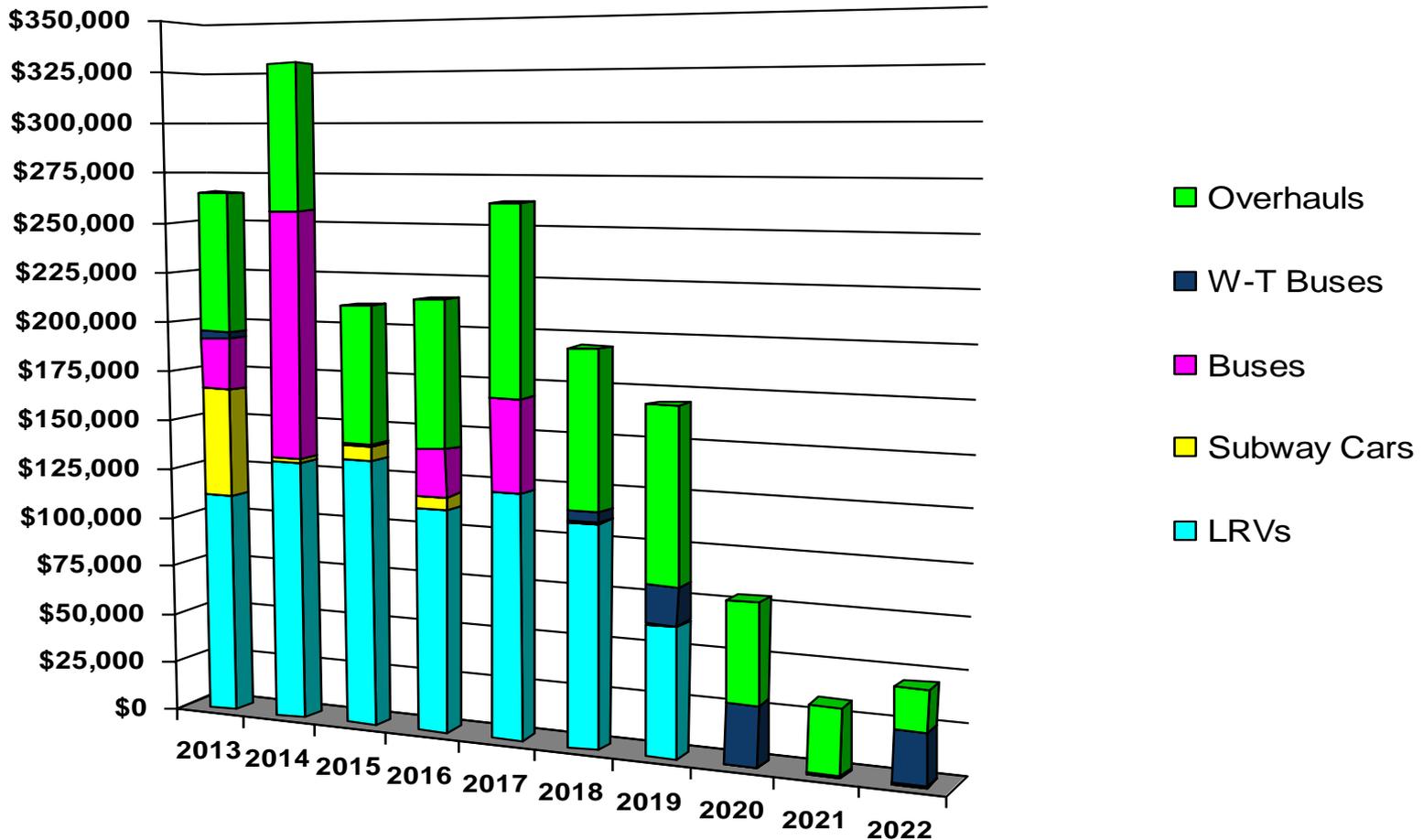
• Delivery of 153 Artic Diesel Buses (27 in 2013) + WT Vehicles (contract completion)	29	}	265
• Purchase of 234 + 126 Subway Cars (delivery of last 12 cars and 126 car order)	55		
• Purchase of 204 LRV Cars (milestone payments – first production & delivery of 6 in 2013)	111		
• Vehicle Overhaul Programs (Bus, WT, Subway, Streetcar)	70	}	326
• 3.1-3.3 Finishes, Equip, Yards & Roads	50		
• 3.4 Bridges & Tunnels	39		
• 3.9 LRV & CH (147), EA II&III (18), Facility Renewal (10)	175	}	288
• 3.9 Fire Ventilation (28), TR Accom (34)	62		
• 1.x Track Programs	62		
• 2.x Signals Electrical Communications, OH & Poles (14), YUS ATO (63)	124	}	288
• 4.2x NRV (11), 5.x Equipment (13), 5.4 Farecard (16), 6.1 Environ (9), 7.x IT (26)	74		
• Other projects	<u>28</u>		
• TTC REQUEST LEVEL	<u>\$879</u>		

Summary of Major Projects in the 10-Year Capital Budget and Plan

Key Projects for 2013 to 2022

• Delivery of 252 Diesel Buses (27 Artics in 2013; 126 Artics in 2014; 34 in 2016; 65 in 2017)		
• + WT Vehicles (contract completion & future purchase 140 buses)	303	
• Purchase of 234 + 126 Subway Cars (delivery of last 12 cars and 126 car order)	71	1,803
• Purchase of 204 LRV Cars (delivered by 2019)	785	
• Vehicle Overhaul Programs (Bus, WT, Subway, Streetcar)	644	
• 3.1-3.3 Finishes, Equip, Yards & Roads	593	
• 3.4 Bridges & Tunnels Structure Rehabilitation (198)	452	2,426
• 3.9 LRV & CH (362), EA III (390), Facility Renewal (51)	803	
• 3.9 Fire Ventilation (145), TR Accom (353), McNicoll New Bus Garage (80)	578	
• 1.x Track Programs	571	
• 2.x Signals Electrical Communications, Traction Power (177), YUS/BD ATO (561)	997	2,228
• 4.2x NRV (60), 5.x Equipment (65), 5.4 Farecard (59), 6.1 Environ (45), 7.x IT (253)	482	
• Other projects	<u>178</u>	
• Total – Base Program		<u>\$6,457</u>

2013 – 2022 Fleet Procurement

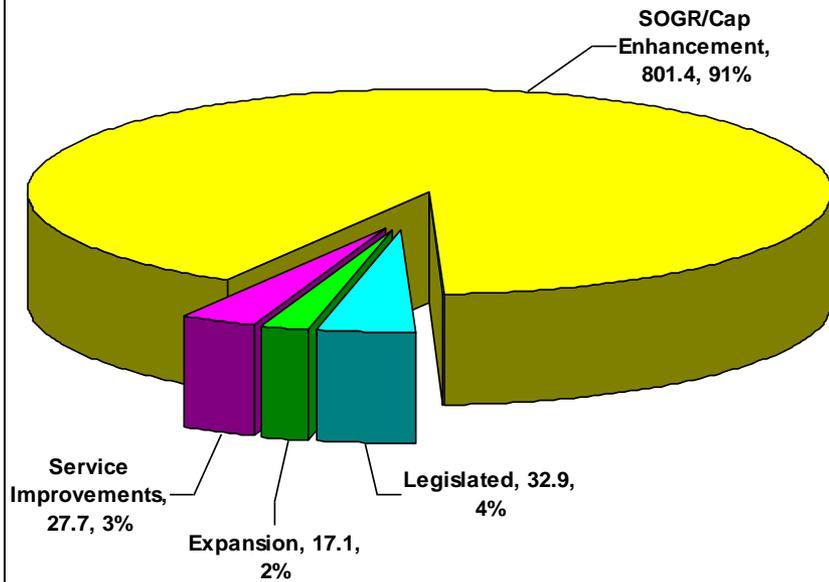


Key Points:

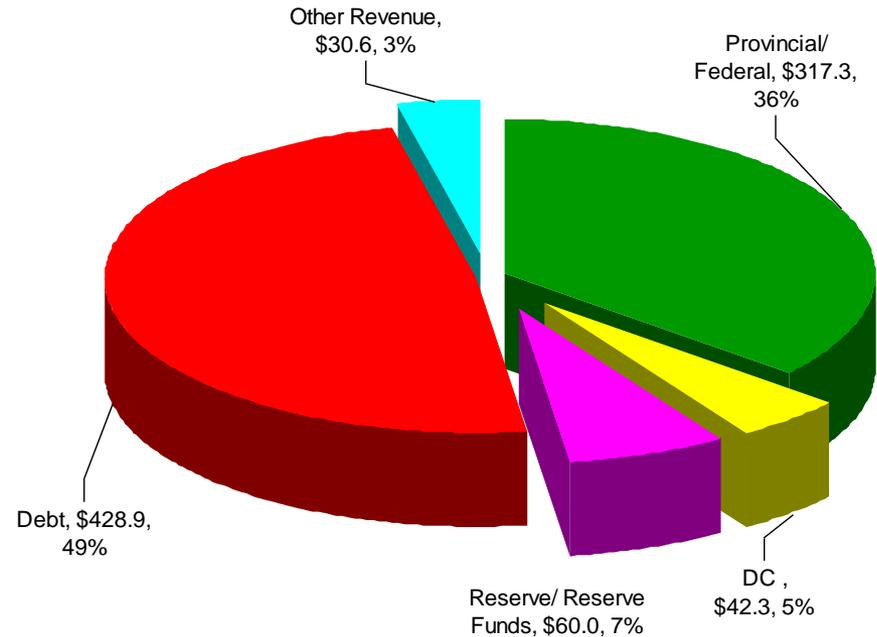
- Represents vehicle procurement contracts plus vehicle overhaul programs

2013 Capital Spending by Project Category and Funding Source

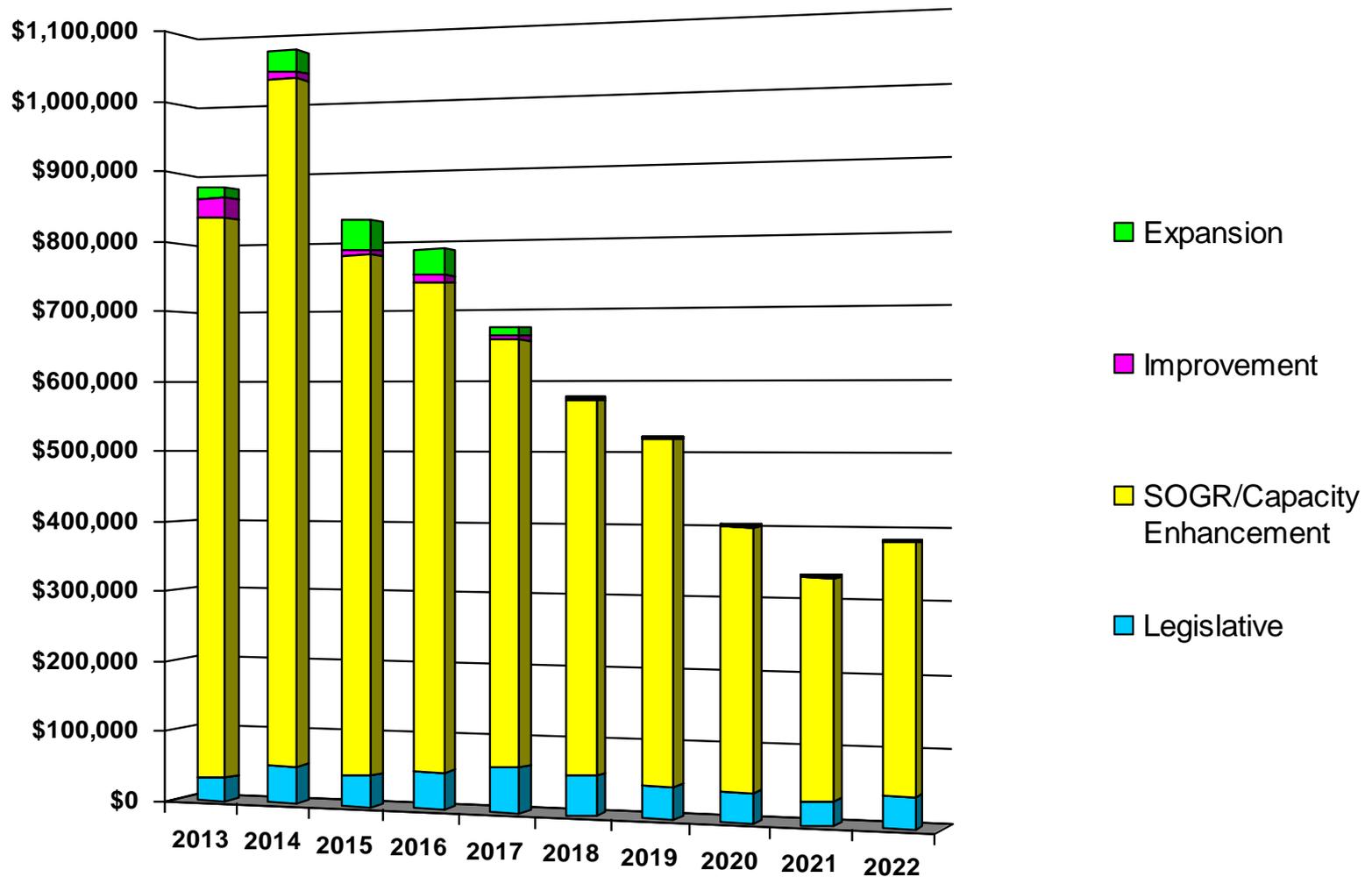
2013 Capital Budget by Project Category
(\$ 000s)



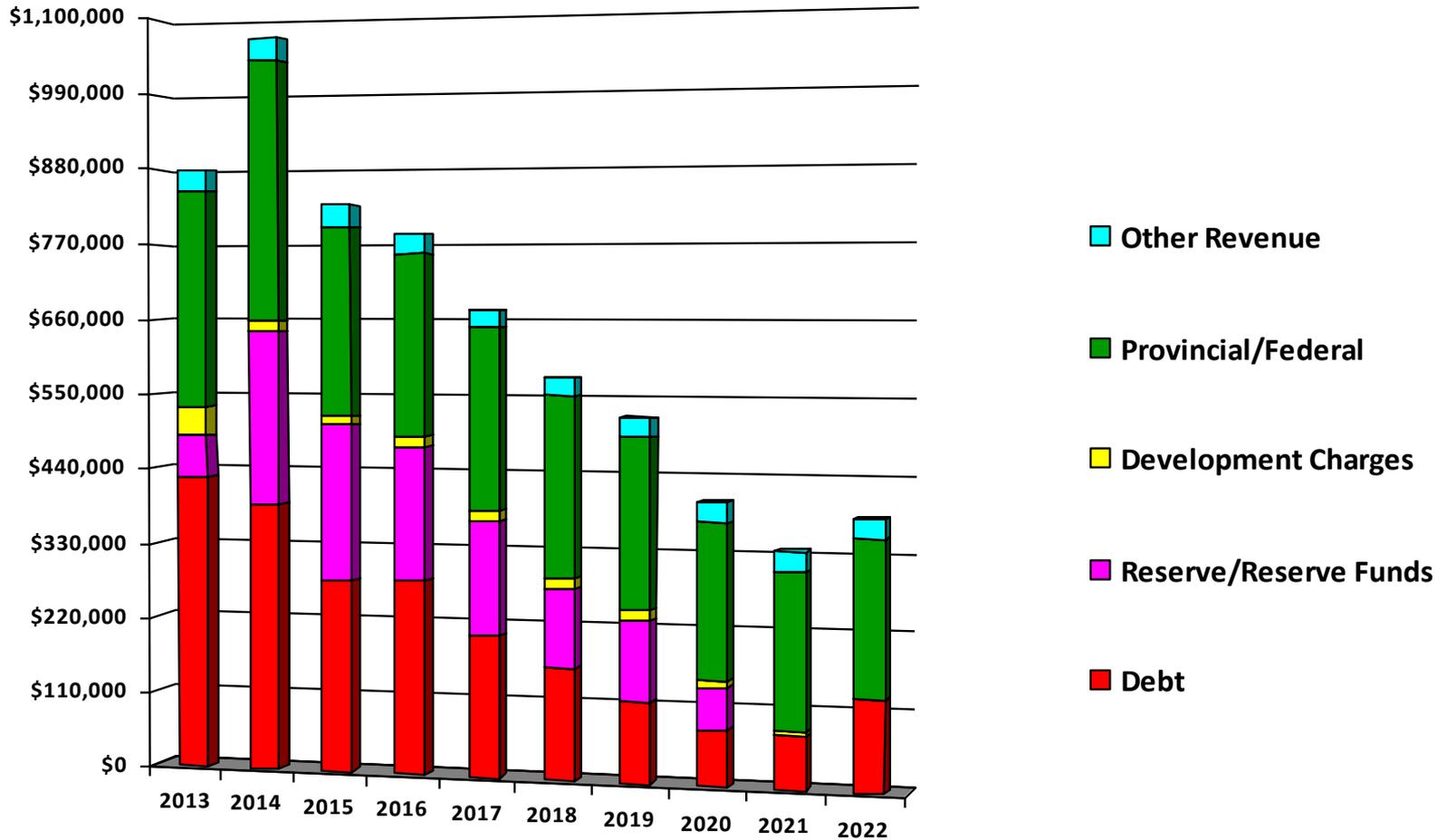
2013 Capital Budget Funding Source
(\$ 000s)



2013 – 2022 Capital Plan by Category



2013 – 2022 Capital Plan by Funding Source



Incremental Operating Impact of Capital

(\$000s)	2013 Rec Budget	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2020 Plan	2021 Plan	2022 Plan	2013-2022 Total
Recommended 10-Year Capital Plan - Total	2,784.0	(5,592.2)	(3,924.9)	(434.9)	(382.0)	(429.0)	(231.0)	(156.0)	(253.0)	(478.0)	(9,097.0)

Key Points:

- Operating efficiencies in 2014 and 2015 mainly reflect operator savings due to procurement of Artic buses (-\$5.6 M in 2014 and a further -\$3.7 M from 2015)
- Significant operating costs reflected on systems projects (+\$2.8 M from 2013)
- Refer to TTC Capital Budget documentation for details by project

Key Issues for 2013 and Beyond

- Expansion is necessary in view of ridership demand, but existing transit system needs must be addressed first
 - Substantial ridership growth for existing system over past 15 years (140 M plus)
- Project specific Federal/Provincial funds coming to an end – need to renew
- Need long term, permanent, predictable and stable funding dedicated to public transit

