



January 30, 2019

Ulli Watkiss
City Clerk
Toronto City Hall
100 Queen Street West
Toronto, ON M5H 2N2

Dear Ulli Watkiss:

Recommendation:

The Toronto Transit Commission Board recommends that City Council:

1. Approve the recommended 2019 TTC Conventional Operating Budget as detailed in this report, with gross expenditures of \$1.911 billion, revenues of \$1.289 billion and net subsidy requirement of \$621.9 million, reflecting an additional \$25.3 million operating subsidy over the 2018 budgeted level;
2. Approve the recommended 2019 Wheel-Trans Budget as detailed in this report, with gross expenditures of \$149.0 million, revenues of \$8.1 million and net subsidy requirement of \$140.9 million, reflecting a reduction of \$3.3 million from the 2018 budgeted level;
3. Approve a variable increase to the Transportation Services managed Lane Occupancy fee to recover incremental costs of required additional service hours to maintain service standards resulting from lane occupancy permits;
4. Approve a 2019 year-end workforce complement of 15,951 positions as described in Appendix G.

Background:

At its meeting on Thursday, January 24, 2019 the TTC Board considered the attached report titled "2019 TTC and Wheel-Trans Operating Budgets".

The Board adopted the recommendations in the staff report, as follows:



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It is recommended that the TTC Board:

1. Approve the recommended 2019 TTC Conventional Operating Budget as detailed in this report, with gross expenditures of \$1.911 billion, revenues of \$1.289 billion and net subsidy requirement of \$621.9 million, reflecting an additional \$25.3 million operating subsidy over the 2018 budgeted level;
2. Approve the recommended 2019 Wheel-Trans Budget as detailed in this report, with gross expenditures of \$149.0 million, revenues of \$8.1 million and net subsidy requirement of \$140.9 million, reflecting a reduction of \$3.3 million from the 2018 budgeted level;
3. Approve a 10 cent fare increase as described in this report and Appendix C effective April 1, 2019 generating \$25.8 million in passenger revenues, net of PRESTO fees;
4. Request that City Council approve a variable increase to the Transportation Services managed Lane Occupancy fee, to recover incremental costs of required additional service hours to maintain service standards resulting from lane occupancy permits;
5. Approve a 2019 year-end workforce complement of 15,951 positions as described in Appendix G; and
6. Forward this report to the City Budget Committee and the City Manager as the official 2019 Operating Budget submission for the Toronto Transit Commission

Decision Advice and Other Information:

The TTC Board also adopted the following member motions:

- i) The Board direct TTC staff to work with Metrolinx to improve the reliability of PRESTO fare collection and minimize future lost revenue due to malfunctioning equipment.
- ii) The Board direct TTC staff to develop a comprehensive strategy to improve and streamline fare collection and report back to the TTC Board with a status update in the second quarter of 2019.
- iii) The Board direct TTC staff to explore and report back on fare collection strategies and alternate revenue and funding sources to avoid future fare increases, with consideration to the experiences and practices in other transit jurisdictions.



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- iv) The Board direct TTC staff to undertake a comprehensive review of fare pricing models, including a review of best practices in other major cities, and report back to the TTC Board in the fourth quarter of 2019 with recommendations to improve the TTC's fare pricing strategy.
- v) That TTC staff report back to the Commission through the planned Five Year Service and Fare Plan report in Q4 2019 on the cost implications of allowing veterans and senior citizens to ride for free during off-peak hours.
- vi) That TTC staff, in consultation with the General Manager, Transportation Services, report back in Q2 2019 on the impact of Uber and Lyft on the TTC's revenues and operations.

The recommendations of the Toronto Transit Commission Board as set out above are submitted for City Council approval through the Budget Committee.

Sincerely,

Original signed by

Kevin Lee
Head of Commission Services

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Attachment