



TORONTO
TRANSIT
COMMISSION

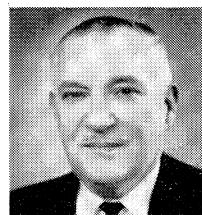
ANNUAL
REPORT
1969

TORONTO
TRANSIT
COMMISSION

ANNUAL
REPORT
TO
THE
MUNICIPALITY
OF
METROPOLITAN
TORONTO

1969

RALPH C. DAY



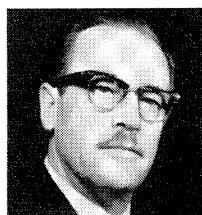
J. T. FISHER



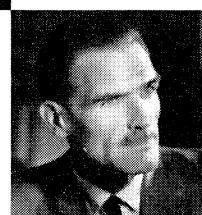
G. GORDON HURLBURT



D. CRAWFORD SMYTH



FRANKLIN I. YOUNG



TORONTO TRANSIT COMMISSION

COMMISSIONERS

RALPH C. DAY, Chairman

J. T. FISHER, Vice-Chairman

G. GORDON HURLBURT, Commissioner

D. CRAWFORD SMYTH, Commissioner

FRANKLIN I. YOUNG, Commissioner

OFFICIALS

JAMES H. KEARNS, General Manager of Operations

W. H. PATERSON, General Manager—Subway Construction

H. E. PETTETT, General Secretary

R. G. WAITE, Assistant General Manager of Operations

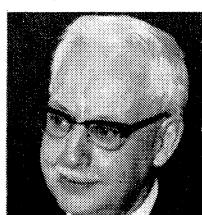
L. O. MORLEY, Treasurer

D. A. ELLIOTT, Q.C., General Counsel

W. H. PATERSON



H. E. PETTETT





Albert M. Campbell, Esq., Chairman
And Members of the Council of
The Municipality of Metropolitan Toronto
City Hall,
TORONTO 100.

Ladies and Gentlemen:

Submitted herewith is the Annual Report of the Toronto Transit Commission for the year 1969.

Faced with steadily increasing costs, a deficit of \$1,185,735 in the year 1968, and its statutory obligation to operate the transit system on a self-sustaining basis, the Commission had no alternative but to raise fares effective February 8, 1969.

Although the new basic adult ticket rate of 25c is still one of the lowest transit fares among comparable cities on this continent, there can be no doubt that an increase in transit fares results in fewer riders. When it was necessary to raise fares in 1964 and 1967, the rate of passenger growth was slowed but the upward trend was sufficiently strong to absorb the passenger loss due to increased fares with the result that in both years there was an increase in the total number of riders carried by the system.

This was not so in 1969 and for the first time since 1961 there was a drop in transit riding. A total of 322,193,404 fares were collected, a decrease of 1,288,251 or 0.4%, compared with 1968. Other major factors which contributed to the riding decrease were the strikes in the construction industry which continued for several months during 1969 and the slowdown in the rate of growth of employment in the community. Perhaps indicative of changing life styles of Metro citizens, the effect of inflation restraints and budget tightening, or a combination of both, is the fact that the normal summer drop-off in weekend transit usage continued throughout the winter months.

Despite the decrease in riding, the Commission continued to expand and improve service across Metro. Miles of regular fare service operated increased by 2,456,150 in 1969 to a new high of 71,271,997 miles. Over one million miles of this increased service was provided in the suburban areas.

Financially, the year 1969 was a satisfactory one. Net earnings for the year were \$4,036,726 compared with the loss of \$1,185,735 incurred in 1968. Operating expenses increased by \$6,905,687 over 1968 to an all-time high of \$71,608,940. Gross revenues were \$79,002,886, an increase of \$12,247,454 which is directly attributable to the increase in fares.

When your transit system reports a successful financial year, it is almost inevitable that pressures are exerted and requests made from a variety of sources that, if acceded to, would result in greatly increased operating costs or reduced revenues during the next year. These pressures may include requests for costly service extensions that are premature and cannot be supported by the rest of the system; requests for reduced fares for special groups and requests for extended hours or unlimited use of lower fare student tickets.

It is therefore important that the profit-loss cycle that follows a transit fare increase be clearly understood. Profits immediately following a fare increase are expected but they cannot be expected to continue indefinitely. As service extensions are made and as wages and other costs increase, the profit is reduced to the point where losses are again incurred, again putting pressure on the fare structure. The importance of maintaining reasonable and stable fares cannot be over-stated. If the Commission capitulated to pressures for premature extensions and other costly demands simply because it had one profitable year, it would hasten the day of the next fare increase and bring an end to the policy of reasonable fare stability which has been so important to the success of public transit in Metropolitan Toronto.

The pages which follow show the detailed financial and operating results for the year.

FINANCIAL

Operations for 1969 resulted in net earnings of \$4,036,726. This compares with a loss of \$1,185,735 in 1968. The improvement may be attributed to the fare increase on February 8, 1969 when the basic Zone 1 and Zone 2 fares were increased from 20c to 25c and smaller increases were made in children's and other fares.

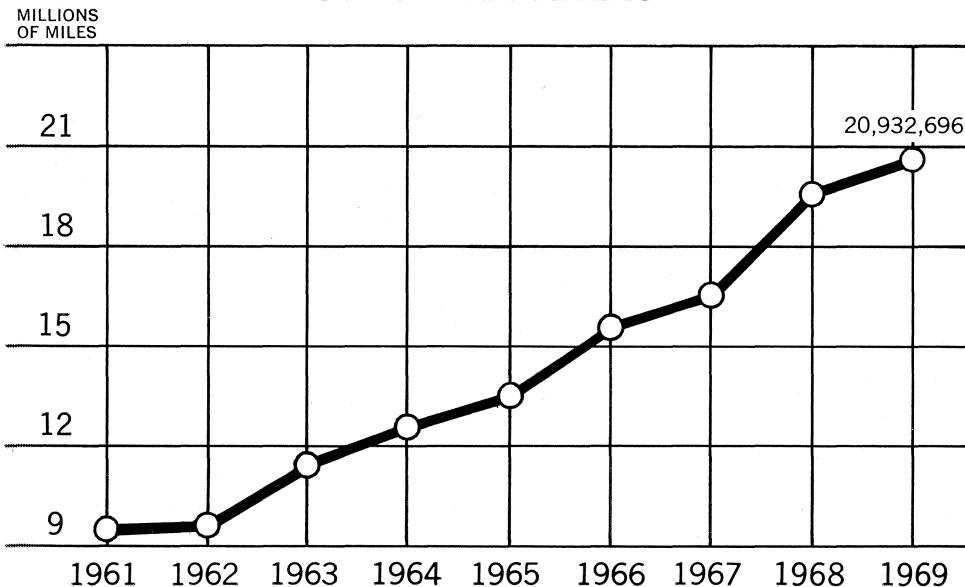
Revenue passengers carried numbered 322,193,404 in 1969 compared with 323,481,655 in 1968, a reduction of 1,288,251 or .40%. Passengers had increased steadily for the preceding seven years from 267,582,653 in 1961 to 323,481,655 in 1968, a total increase of 20.89%.

Wage and salary rates were increased by 5% on July 1, 1969, resulting from the collective bargaining agreement.

The following is a summary of the results for 1969 in comparison with 1968:

	1969	1968	Increase
Gross revenue	\$79,002,886	\$66,755,432	\$12,247,454
Operating expenses including depreciation	71,608,940	64,703,253	6,905,687
	\$ 7,393,946	\$ 2,052,179	\$ 5,341,767
Debenture interest and discount expense	3,357,220	3,237,914	119,306
Net Earnings (Loss).....	<u>\$ 4,036,726</u>	<u>\$ (1,185,735)</u>	<u>\$ 5,222,461</u>

MILES OF SERVICE OPERATED IN SUBURBAN AREAS



Total revenue miles operated in 1969 increased as shown in the following table:

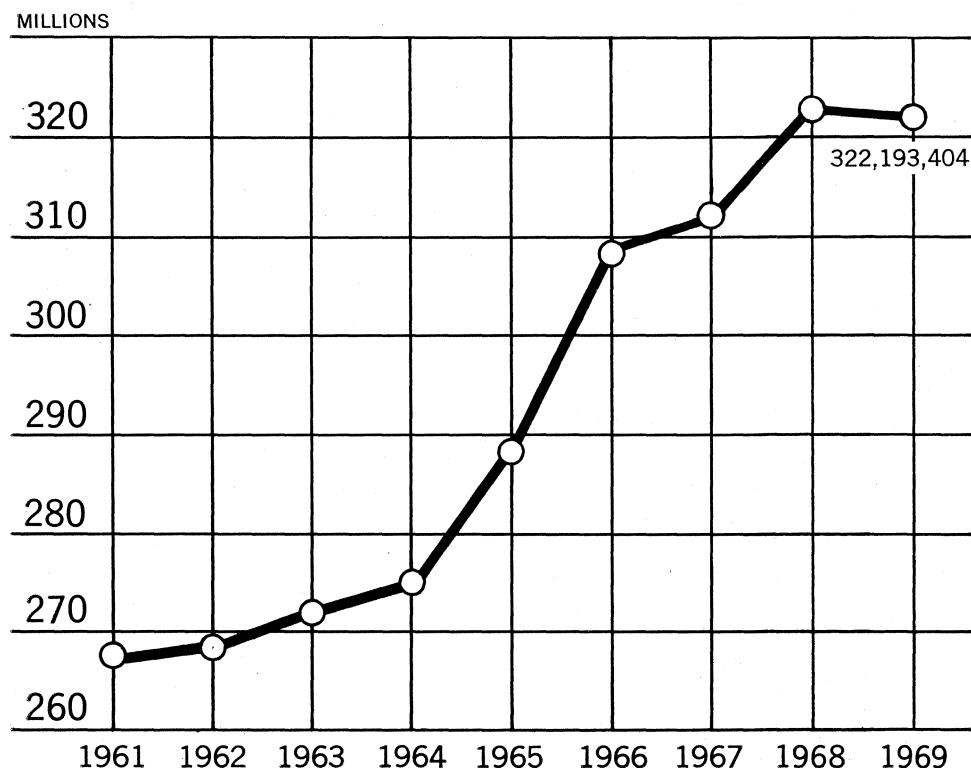
Miles operated:

	1969	1968	Increase (Decrease)
Motor bus	32,573,558	31,466,571	1,106,987
Subway	22,693,554	20,536,788	2,156,766
Streetcar	11,842,752	12,741,032	(898,280)
Trolley bus	4,162,133	4,071,456	90,677
Zone-fare system	71,271,997	68,815,847	2,456,150
Charter and special services	966,317	928,572	37,745
Total	<u>72,238,314</u>	<u>69,744,419</u>	<u>2,493,895</u>

The increase in subway car miles and the decrease in streetcar miles resulted mainly from operation of the East-West extensions of the Bloor-Danforth Subway for a full year in 1969 compared with eight months in 1968.

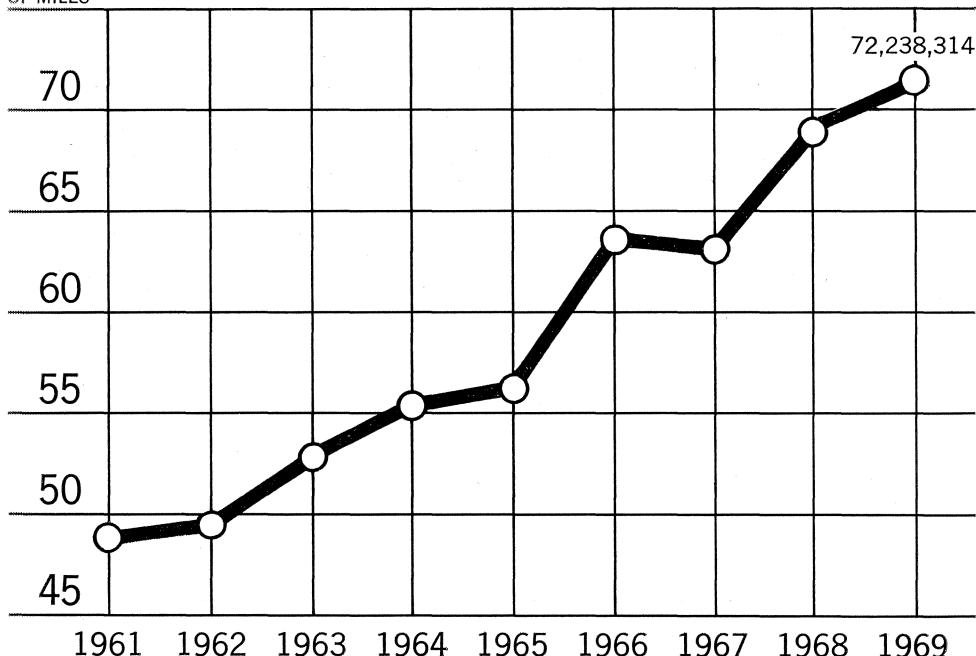
TTC REVENUE PASSENGERS CARRIED

(NUMBER OF FARES COLLECTED)



MILES OF SERVICE OPERATED

MILLIONS
OF MILES



STATEMENT OF EARNINGS

REVENUE

Gross revenue was made up as follows:

	1969	1968	Increase (Decrease)
Passenger services	\$76,790,184	\$64,440,622	\$12,349,562
Other	2,212,702	2,314,810	(102,108)
	<u>\$79,002,886</u>	<u>\$66,755,432</u>	<u>\$12,247,454</u>

Revenue from passenger services in 1969 was 19.16% higher than in 1968 as a result of the fare increase on February 8, 1969 and accounted for 97.20% of total revenue.

The fare structure put into effect on that date was as follows:

TICKETS AND TOKENS

Adult —

1-zone fare, zone 1 or zone 2	4 tickets or tokens for \$1.00
Ticket books	20 tickets for \$5.00
2-zone fare, zones 1 and 2	5 combination tickets for \$2.00
Zones 3 and 4, 2 tickets @	5 for \$.50

Children —

1-zone fare	6 tickets for \$.50
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Scholar —

1 or 2-zone ride between 6:30 a.m. and 4:30 p.m. (Effective March 1, 1969)	14 tickets for \$2.00
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CASH FARE

Adult —

Zones 1 or 2	30c
Zones 3 or 4	15c

Children —

Zones 1 or 2	10c
Zones 3 or 4	5c

Revenue from sources other than passenger services is summarized in the Statement of Earnings and accounted for 2.80% of total revenue.

No dividend was received in 1969 from the Commission's wholly-owned subsidiary, Gray Coach Lines, Limited as that Company had a small loss in 1968. In recent years the Company's practice has been to pay a dividend equal to 50% of the net earnings of the preceding year.

EXPENSES

All categories of expense were higher in 1969 than in 1968 as shown in the following table:

	1969	1968	Increase	%
Wages, salaries and other employee costs	\$50,577,986	\$45,467,045	\$ 5,110,941	11.24
Electric traction power purchased	2,986,662	2,654,753	331,909	12.50
Automotive fuel, including provincial taxes of \$1,460,419 (1968—\$1,385,147)	2,419,115	2,243,714	175,401	7.82
Vehicle and other licences...	222,010	195,399	26,611	13.62
Municipal taxes	1,210,744	1,164,735	46,009	3.95
Public liability and property damage costs	1,452,098	948,364	503,734	53.12
Depreciation	6,679,232	6,287,871	391,361	6.22
Other expenses, including cost of repair and maintenance materials	6,061,093	5,741,372	319,721	5.57
	<u>\$71,608,940</u>	<u>\$64,703,253</u>	<u>\$ 6,905,687</u>	<u>10.67</u>
Debenture interest and discount expense	3,357,220	3,237,914	119,306	3.68
	<u>\$74,966,160</u>	<u>\$67,941,167</u>	<u>\$ 7,024,993</u>	<u>10.34</u>

The largest increase, \$5,110,941, occurred in wages, salaries and other employee costs which accounted for 67.47% of total expenses in 1969 compared with 66.92% in 1968. Power costs were also substantially higher mainly due to an increase by the Toronto Hydro Electric System in its demand rate. Its charges are now based on its current year costs instead of its previous year costs. The Provision for Public Liability and Workmen's Compensation was increased by \$500,000 in 1969 in recognition of the rising cost of settling claims for injuries and damages. While such claims fluctuate from year to year, the 5-year average cost of settling claims has increased by 81.73% between 1964 and 1969.

BALANCE SHEET

Total assets of the Commission at December 31, 1969 are shown in the balance sheet at \$119,137,456, after deducting accumulated depre-

ciation and capital contributions towards subway construction costs received from the Municipality of Metropolitan Toronto.

CURRENT ASSETS AND LIABILITIES

Working capital increased substantially in 1969, the excess of current assets over current liabilities at December 31 being \$3,178,819. This was an improvement of \$4,701,638 over the position at December 31, 1968 and was mainly the result of the increased cash flow generated by the fare change on February 8, 1969. Details are provided in the Statement of Source and Application of Funds which is included in the financial statements forming part of this report.

CAPITAL ASSETS

The Commission's investment in capital assets at December 31, 1969, after deducting accumulated depreciation was \$102,684,640.

Additions to and retirements of capital assets in 1969 are summarized below.

Additions, at Cost:

Rapid transit additions (Subways in Operation)	\$ 1,163,410
Right-of-way construction costs	
Less Capital contributions received from	
Metropolitan Toronto	1,163,410

Equipment Costs:

Unified Control Centre	\$ 920,508
Land for Greenwood Yard	151,137
Signals	105,109
Other expenditures	69,398
	\$ 1,246,152

Other additions:

70 General Motors diesel buses and 10 Western Flyer buses	\$ 3,048,708
Track and overhead reconstruction	286,484
Shop and other equipment	243,335
Automotive service vehicles	52,750
Garage and carhouse buildings	17,354
Rapid transit studies	16,737
Signal systems	13,866
Other — net	1,728
	\$ 3,680,962

Additions to capital assets other than Subways under Construction after deducting capital contribution received from Metropolitan Toronto

\$ 4,927,114

Retirements, shown at original cost, were:

19 motor buses	\$ 435,969
Track and related power distribution system	178,977
Construction and other equipment	25,817
Automotive service vehicles	22,135
Furniture and office equipment	13,491
Trolley bus No.9144	10,314
Land	7,115
	\$ 693,818
	<u>\$ 4,233,296</u>

Net increase in capital assets in 1969

In addition to the above changes in capital assets the following expenditures were made in 1969 on subway extensions and related projects under construction:

North Yonge Extension to Sheppard Avenue:	
Tunnel and structures	\$10,202,048
Engineering and administration	2,522,087
	<hr/>
Other	\$12,724,135
	86,569
	<hr/>
	\$12,810,704

Total additions to capital assets in 1969 were, therefore, \$18,901,228 of which \$14,382,063 was contributed by the Municipality of Metropolitan Toronto and \$4,519,165 by the Commission.

CAPITAL DEBT

All capital borrowings required by the Commission are effected through the issue of Municipality of Metropolitan Toronto debentures. The Commission is required to provide the Municipality with funds to meet all principal and interest payments on such debentures.

There were no new issues for Commission purposes in 1969. During the year a total of \$1,876,625 was paid to the Municipality to provide funds for principal repayments and sinking fund levies.

The net capital debt of the Commission at December 31, 1969 after deducting sinking fund balances of \$2,987,087 was \$63,877,513 in respect of the following debenture issues:

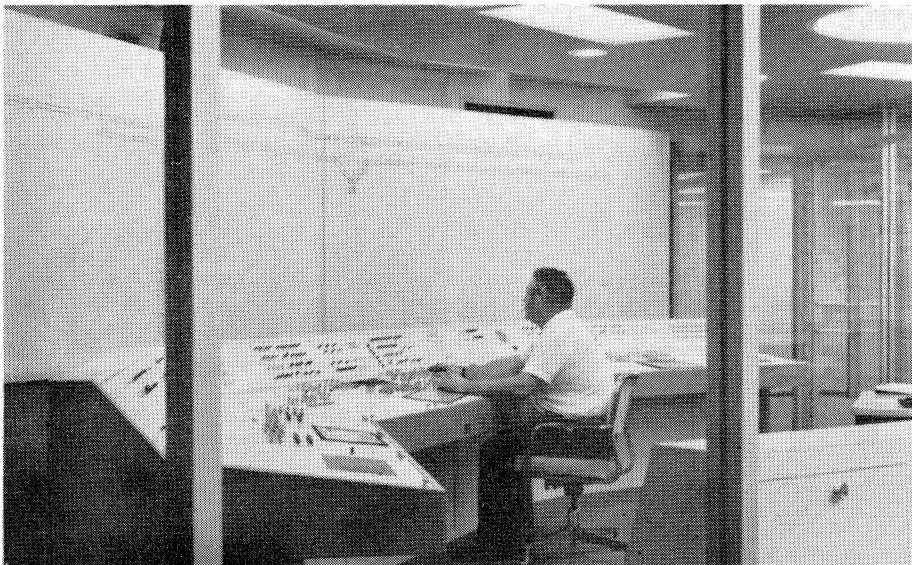
Type of Debenture	Year of Issue	Interest Rate	Year of Final Payment	Net Debt
Serial	1950	2 3/4%	1980	\$ 1,860,320
Serial	1951	3 1/4% - 3 3/8%	1981	3,329,550
Serial	1953	3 3/8% - 4%	1983	5,549,250
Serial	1954	3 1/2%	1984	2,179,951
Sinking Fund	1955	3 3/4%	1980	1,084,547
Sinking Fund	1956	4 1/8%	1986	1,736,138
Serial	1962	5 3/8%	1992	3,687,691
Sinking Fund	1963	5%	1993	1,814,121
Serial	1963	5 1/2%	1993	9,049,000
Serial	1965	5 1/4%	1995	18,753,000
Sinking Fund	1966	6%	1996	8,113,680
Sinking Fund	1967	6%	1997	3,496,361
Sinking Fund	1967	7%	1997	2,950,066
				<hr/>
				\$63,603,675
Foreign exchange premiums received less discounts on transfer of proceeds of outstanding debentures issued in United States funds				\$ 273,838
NET DEBT				<hr/> \$63,877,513

The outstanding debt at December 31, 1969 included \$11,124,460 on which principal and interest payments are made in United States funds. The cost of servicing this portion of the debt is influenced by the rate of exchange on United States dollars at the time of payment.

FINANCIAL STATEMENTS AND AUDIT

Messrs. Price Waterhouse & Co., the independent public accountants retained by the Commission, have reviewed the accounting procedures and made such tests of the accounting records and other supporting evidence for 1969 as they considered necessary. Their report is appended to the financial statements which are a part of this report.

The Metropolitan Auditor has submitted his report covering the year 1968 and is currently engaged on his review of the 1969 accounts.



A view of the Subway Signal Control Room at Transit Control, the nerve centre of TTC operations in the 240 square mile Metropolitan Area. One of the most modern, centralized facilities of its kind in North America, Transit Control has three separate but inter-related functions, each vital to the operation of the 570 mile subway and surface system — Communications, Signal Control and Power Control.

OPERATIONS

BUS ROUTE EXTENSIONS

Extension and improvement of service was continued at a good pace during the year. In total, suburban service was increased by 1,110,810 miles over 1968 to a new high of 20,932,696 miles operated in 1969. The following were the major changes:

BAYVIEW	—weekday routing extended to Steeles Avenue to connect with new Steeles service
BELLAMY	—rerouted and extended to provide service on McCowan Road
BIRCHMOUNT	—extended north of Sheppard Avenue to just south of Finch Avenue
CLIFFSIDE	—route changed to provide no-transfer service to Warden Subway Station on alternate trips
FINCH	—rerouted and extended along Finch Avenue to Seneca College
ISLINGTON	—extended south of The Queensway to Evans Avenue
KIPLING	—a new branch service started to serve the Belfield Road-Highway No. 27 industrial area
LAWRENCE	—extended to serve Sunnybrook Hospital
LESLIE	—extended north of Sheppard Avenue to Hillcrest Village
MARTIN GROVE	—extended north to Albion Road
STEELES	—a new bus route started to provide service along Steeles Avenue from Jane Street to Laureleaf Road east of Bayview
YORK MILLS	—extended easterly from Scarborough College to Port Union Road

MANPOWER AND LABOUR RELATIONS

The total number of regular employees on strength at December 31, 1969 was 6,547, an increase of 49 compared with the previous year.

The total amount paid in wages and salaries and other employee costs during 1969 was \$50,578,000, an increase of \$5,111,000 over 1968.

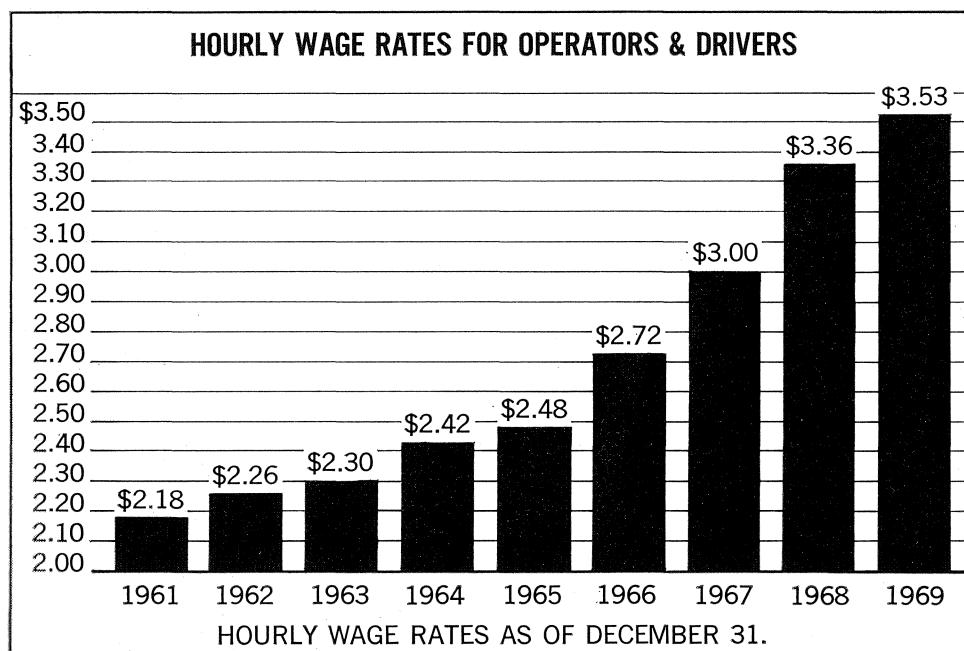
Employee turnover in the Commission declined by approximately 7% during the year, and the number of job applicants dropped from 16,936 in 1968 to 14,388 last year.

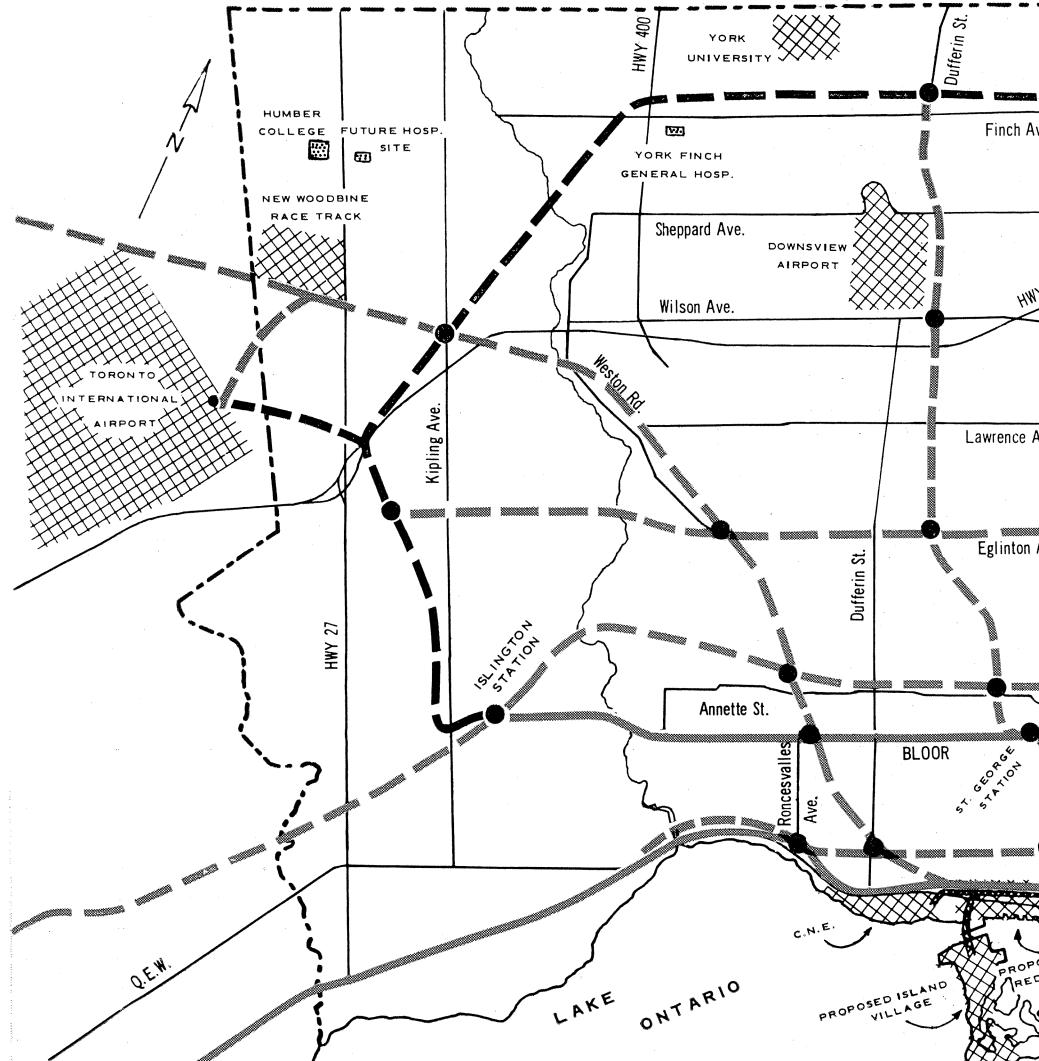
The Commission's agreements with Local 2, Canadian Union of Public Employees, and Lodge 235, International Association of Machinists

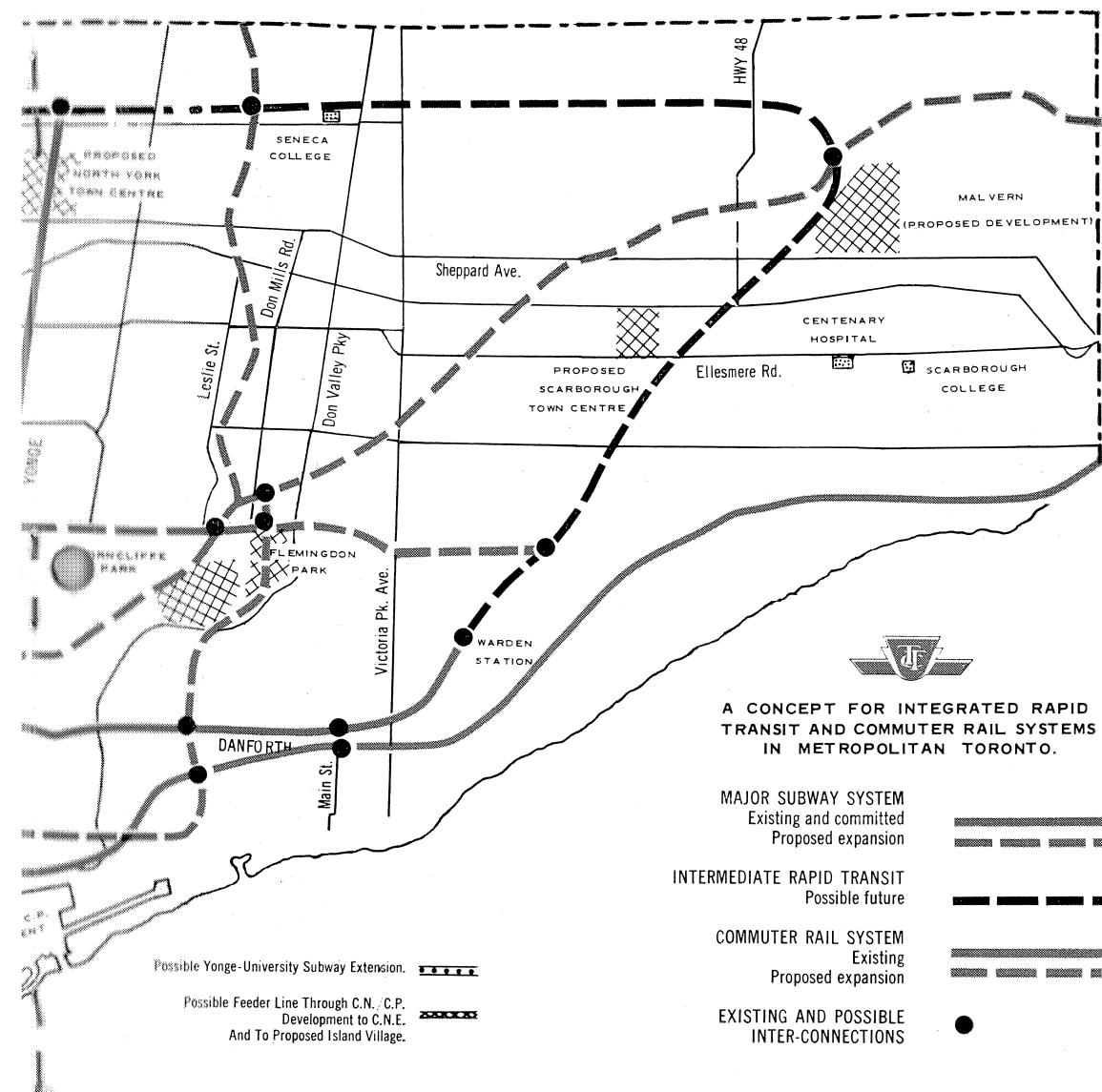
and Aerospace Workers, expire on March 31, 1970 and with Division 113, Amalgamated Transit Union, which represents the majority of Commission employees, on June 30, 1970.

The introduction of the Ontario Health Services plan in October 1969 made it necessary to make extensive changes to the employee welfare administration procedures. Previously, by contract with Physicians' Services Incorporated, the Commission's employees were covered by two plans, one providing medical and surgical benefits, and the other extended health benefits. The Government OHSIP Plan replaced only the portion of the P.S.I. Plan which provided medical and surgical coverage and the changeover was complicated by the fact that administrators of P.S.I. decided to discontinue operations. It therefore became necessary to engage another company to provide the extended health benefits covered by the P.S.I. Plan. By contract with its Unions, the Commission paid 2/3 of the cost of the P.S.I. Plans. The OHSIP Plan provided medical-surgical coverage at a lesser premium than that charged by P.S.I. largely because it pays 90% rather than 100% of the doctors' charges. The Commission, in accordance with its agreements with the Unions, offered to continue sharing the cost of the reduced premiums on the basis of 2/3 by the Commission and 1/3 by the employees. The employees disagreed with this interpretation, the subject was referred to arbitration and a decision was pending at the year end.

The Employment Standards Act of Ontario also gave cause for an extensive review of procedures and lengthy discussions with the Unions concerning hours of work, statutory holidays, and the scheduling of runs, all of which, when finally stabilized, will amount to sizeable increases in labour costs.







CONCEPTUAL PLAN — RAPID TRANSIT AND COMMUTER RAIL SYSTEM

A major planning project, a concept for integrated rapid transit and commuter rail systems in Metropolitan Toronto, was completed in February 1969.

The plan, a schematic map of which is attached to this report, was prepared in connection with the Commission's submission on the Metropolitan Toronto and Region Transportation Study. This long-term conceptual plan is based upon the experience of meeting successfully the past and present public transportation needs of the community and upon probable future development of the area.

The Commission was requested by the Province of Ontario to submit its comments on the MTARTS study, but it is hoped that the conceptual plan will also be useful to Metropolitan Toronto and other agencies responsible for regional planning.

SUBWAY ORIGIN — DESTINATION SURVEY

A subway system origin-destination survey was undertaken by TTC staff on October 30th, 1969 to determine up-to-date subway travel patterns including the stations of origin and destination of all subway riders and passenger transfer movements through Bloor-Yonge and St. George Stations. Passengers were given pre-coded survey cards and the response and co-operation was excellent. A total of 466,986 cards were issued and 407,131 usable cards were returned. This represents a 75% sample of all subway passengers that day, and when it is considered that most large surveys of this nature are based on only one to ten per cent sampling, the result was particularly useful and gratifying. At the year end, computer analysis of the survey results was still underway.

UNIFIED TRANSIT CONTROL CENTRE

By the end of the year installation of all equipment for the unified Transit Control Centre located in the Hillcrest Administration building was virtually completed and operating control from the new Centre was established.

Transit Control is the nerve centre of all TTC operations in the 240 square mile Metropolitan Area and is one of the most modern and best centralized facilities of its kind in North America. The centre has three separate but inter-related functions, each one vital to the operation of the 570-mile subway and surface route system, — Communications, Subway Signal Control and Power Control.

Communication facilities include a two-way radio network between Transit Control and a fleet of 54 emergency and supervisory vehicles; a public address system to all subway stations; two-way communications with all subway trains; and an extensive network of private and public telephone lines with direct lines to the Police, Fire Department and the Emergency Measures Organization.

Signal Control provides the means for continuous supervision and operation of the entire main line track and signal system.

Power Control permits 24-hour monitoring and control of both subway and surface electrical substations and other electrically controlled equipment in the subway such as ventilating fans, pumps, sprinklers and burglar alarms.

In essence, centralized Transit Control at the TTC makes it possible to meet unusual or emergency conditions quickly and efficiently on a system-wide co-ordinated basis.

VEHICLES AND MAINTENANCE

Eighty new buses were received and placed into service during 1969 and 19 were retired. Ninety-seven P.C.C. street cars which were in storage and surplus to the Commission's requirements were sold as scrap after removal of such usable components as wheels, axle assemblies, and track brakes.

At the year end, the composition of the passenger and service vehicle fleet was as follows:

Passenger Vehicles	Active	Storage	Total
Streetcars	437	9	446
Subway cars	334	—	334
Motor buses	962	41	1,003
Trolley buses	152	—	152
		—	1,935
Service Vehicles			
Rail - surface	20	—	20
Rail - subway	11	—	11
Automotive	140	—	140
		—	171
TOTAL			<u>2,106</u>



One of 80 new buses placed into service during 1969 at a total cost of over \$3,000,000.

Several changes were made at operating garages during the year to improve efficiency and to reduce operating costs. For example, a "cyclone" (bus size vacuum) cleaner was installed at Davenport garage to eliminate hand sweeping of bus interiors. This equipment results in better cleaning and a saving in manpower. The installation at Davenport completed a long-range program and all operating garages are now equipped with these interior cleaners.

Another improvement was the installation of high pressure interior bus washing units at Danforth and Lansdowne garages. These new units have made it possible to wash more buses every day with the same manpower.

Thirty of the new buses purchased during 1969 were equipped with water-filled front bumpers. The decision to test these special bumpers in service was taken following studies and tests undertaken in 1968 with one unit. In a controlled collision test, no damage resulted when a bus equipped with a water bumper rear-ended a parked vehicle at 15 m.p.h. and the effect on passengers on both vehicles was minimal. In extending the test to thirty buses, the Commission will gain more information on the effectiveness of the new safety bumpers in reducing personal injuries and vehicular damage resulting from collisions, as well as information about maintenance problems and costs.

For the fifth consecutive year, the Commission's Equipment Department has been awarded the Fleet Owner Magazine Maintenance Efficiency Award. This is indicative of the continuing effort put forth to maintain clean, comfortable vehicles in excellent operating condition.

SAFETY

Early in 1969, responsibility for all safety and fire prevention activities in the Commission was combined under a new department, Safety and Fire Prevention. This move was made in order to insure even greater attention and emphasis being given to safety and fire prevention surveillance procedures and to achieve the fullest possible participation by all employees in the field of safety and accident prevention. Previously, safety work was the responsibility of the Personnel Department and fire prevention was a function of the Plant Department.

In the field of safety, 1969 was a banner year for the Commission and its employees whose accomplishments were recognized by awards from the American Transit Association and the National Safety Council.

The traffic accident rate was 11% lower than in 1968 as TTC men operated in excess of 16,000 miles through city traffic for each accident or incident. This is an all-time safety record unequalled in North America for cities of comparable size. For the third successive year, TTC men won the American Transit Association's highest award for traffic and passenger safety in cities of over one million population.

More drivers qualified for Individual Safe Driving Awards than ever before:

	1969	1968	1967
10 year and over	239	201	173
5 year	353	291	274
1 year	1202	1261	1221
	<hr/> 1,794	<hr/> 1,753	<hr/> 1,668

The Commission became the first major transit property to make the National Safety Council Defensive Driving Course available to all of its employees, free of charge, in their off duty hours. The course consists of eight hours of classroom instruction and its objective is to upgrade the skills of the average automobile driver.

From an industrial accident prevention standpoint 1969 was the second best year in Commission history and there was a significant reduction in the man days lost from injuries. Of the five gold awards for 1,000,000 man hours worked injury free awarded to transit systems on this continent last year by the American Transit Association, the Commission received two. Eight silver awards for 500,000 hours injury free were also won by TTC men.

In the Commission's system-wide Zero Injury Contest, 28 of the 40 work groups received awards during 1969. Birchmount Garage, which holds the record for the longest injury free record—the last lost-time injury occurred in April, 1961—is expected to pass the one million man hour mark by mid 1970.

PUBLIC INFORMATION

An extensive public information program continued to be an important part of the Commission's operations. The telephone information staff answered 1,144,622 requests for route, schedule and fare information, an increase of 68,000 over the previous year. Approximately 95,000 system route maps and 636,000 individual bus route timetables were distributed on vehicles, at subway stations and by mail. The regular program of posting permanent and temporary signs at terminals and stops to announce route extensions, diversions and schedule changes was continued. More than 6,600 such signs were used in 1969. A total of 25,203 lines of advertising space was used in Metro Toronto daily, suburban weekly and foreign language newspapers for public information messages.

Public relations activities in connection with the extension of the Yonge subway were stepped up as the pace of construction quickened. By the end of the year, visits had been made to about two-thirds of the homes and businesses on Yonge Street between Eglinton and Sheppard Avenues to keep them informed in advance of the start of construction work, diversions and other temporary disturbances. Close liaison was maintained with contractors working on the extension to insure that enquiries and complaints were attended to promptly.

SUBWAY CONSTRUCTION

YONGE SUBWAY NORTHERLY EXTENSION

PROJECT SUMMARY

In 1967, formal approval was given by Metropolitan Toronto Council and the Ontario Municipal Board to the construction of an extension to the Yonge Subway from the present northerly terminus at Eglinton Station to Sheppard Avenue, a distance of 4.02 miles. Preliminary planning and survey work commenced in March 1967 and by the end of 1968 four major contracts had been awarded.

ADDITIONAL EXTENSION APPROVED

During 1969, Metropolitan Council and the Ontario Municipal Board approved a further extension of 1.52 miles from Sheppard Avenue to Finch Avenue. The complete Yonge Subway Northerly Extension will therefore be 5.54 miles in length.

The line will be mostly in tunnel beneath Yonge Street to approximately Hogg's Hollow, then slightly to the east for the Don River crossing and back to the Yonge Street alignment to Finch Avenue. The four stations will be located at Lawrence Avenue, York Mills Road, Sheppard Avenue and Finch Avenue. At Eglinton Avenue, the Don River crossing and the stations, cut-and-cover construction will be used.

PROGRESS 1969

As now approved, the project involves:

- 4 twin tunnelling contracts between stations
- 4 structural cut-and-cover contracts at station locations, one of which includes the Don River crossing
- 1 structural cut-and-cover contract including station finish at Eglinton
- 4 station finish contracts
- 1 electrical substation contract
- 2 supply contracts for cast iron and concrete tunnel liners
- 14 ancillary equipment supply and installation contracts

At December 31, 1969, eleven of the above contracts had been awarded and another was out for tender. Also at the year end, subsurface investigation of soil and ground conditions was continuing. To date, eight observation wells and 258 test boreholes have been drilled.

Progress on the construction contracts under way was seriously hampered by labour disputes in the construction industry between April and October 1969. Total lost time amounted to 233 calendar days.

ADDITIONAL ESCALATORS BLOOR-DANFORTH SUBWAY

On June 11, 1968, the Commission approved the installation of ten additional escalators in eight Bloor-Danforth subway stations. A contract for nine of these escalators—two at Lansdowne, two at Dufferin, and one at each of Spadina, Broadview, Pape, Donlands and Woodbine

stations—was awarded in August 1968 and the work was completed by September 1969.

Work on the structural modifications at Bay station for the tenth new escalator commenced in October 1969 and was approximately 75% completed by the year end.

CONCLUSION

It is appropriate in this report to pay tribute to two Commissioners, Ford G. Brand and Douglas F. Hamilton, who retired from the Commission on March 31, 1970. Both Mr. Brand and Mr. Hamilton gave unstintingly of their time, skill and experience on behalf of the transit system and its riders, and they can be justifiably proud of their contribution to the community.

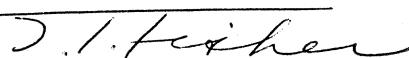
The Commission gratefully acknowledges the continued co-operation of Metropolitan Council and its officials, and of the elected representatives and officials of all area municipalities.

The Commission also wishes to record its appreciation to its employees for their efficient and conscientious work during the year.

Yours truly,



Chairman



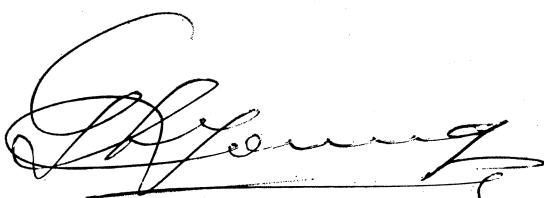
Vice-Chairman



Commissioner



Commissioner



Commissioner

July 23, 1970

TORONTO TRA
BALANCE SHEET

A S S E T S		
Current and working assets:	1969	1968
Cash	\$ 1,552,378	\$ 2,428,851
Temporary investments (in 1968 an interest bearing balance with The Municipality of Metropolitan Toronto) at cost which approximates market.....	6,422,196	1,594,684
Accounts receivable	933,744	694,503
Gray Coach Lines, Limited — current account	892,171	1,000,811
Working funds advanced to employees and agents	375,212	333,724
Materials and supplies, at cost	2,196,347	2,045,159
Prepaid expenses	484,845	529,495
	12,856,893	8,627,227
Investments:		
Mortgages on property sold and other long-term receivables	1,517,399	416,533
Capital stock of Gray Coach Lines, Limited, at cost (Note 1)	1,000,000	1,000,000
	2,517,399	1,416,533
Capital Assets:		
Land, buildings, subways, power distribution system, trackwork, rolling stock, buses and other equipment, at cost	387,968,376	382,571,670
Less—Capital contributions toward construction costs of subways in operation received from The Municipality of Metropolitan Toronto	196,841,898	195,678,488
	191,126,478	186,893,182
Less—Accumulated depreciation	90,598,412	84,575,321
	100,528,066	102,317,861
Subway extensions and related projects under construction (Note 2)	17,514,738	5,847,668
Less—Capital contribution received from The Municipality of Metropolitan Toronto	15,358,164	2,139,511
	2,156,574	3,708,157
Total capital assets	102,684,640	106,026,018
Unamortized debenture discount	1,078,524	1,134,618
	\$119,137,456	\$117,204,396

COMMISSION

EMBER 31, 1969

L I A B I L I T I E S

Current liabilities:

	1969	1968
Accounts payable and accrued liabilities	\$ 9,132,243	\$ 9,596,568
Debenture interest accrued	545,831	553,478
	<hr/> 9,678,074	<hr/> 10,150,046

Provisions:

For tickets and tokens held by the public	650,000	800,000
For public liability and workmen's compensation	2,000,000	1,500,000
	<hr/> 2,650,000	<hr/> 2,300,000

Capital Debt:

The Municipality of Metropolitan
Toronto —

For debentures maturing in annual instalments from 1970 to 1995 (including \$8,525,460 debentures payable in United States funds)	44,408,762	45,806,001
For sinking fund debentures maturing between 1980 and 1997 (including \$2,599,000 debentures payable in United States funds) less sinking fund balance of \$2,987,087 (Note 3)	19,194,913	19,754,547
Total, including \$1,929,619 serial debentures maturing and sinking fund payments due in 1970	<hr/> 63,603,675	<hr/> 65,560,548
Foreign exchange premiums received less discounts on transfer of proceeds of outstanding debentures issued in United States funds	273,838	298,659
	<hr/> 63,877,513	<hr/> 65,859,207

EQUITY

Equity acquired from Toronto Transportation Commission on January 1, 1954:

Earnings retained and invested in improvement and expansion of the system by Toronto Transportation Commission	24,803,733	24,803,733
--	------------	------------

Earnings retained and invested in the system

by Toronto Transit Commission	18,128,136	14,091,410
	<hr/> 42,931,869	<hr/> 38,895,143
	<hr/> \$119,137,456	<hr/> \$117,204,396

TORONTO TRANSIT COMMISSION

STATEMENT OF EARNINGS RETAINED AND INVESTED IN THE SYSTEM FOR THE YEAR ENDED DECEMBER 31, 1969

	1969	1968
Balance at January 1	\$ 14,091,410	\$ 14,884,925
Net earnings (loss) for the year	4,036,726	(1,185,735)
Gain on sale of real estate (Note 4)	—	414,910
	18,128,136	14,114,100
Deduct—Net foreign exchange cost on re-payment of capital debt in United States funds (Note 4)	—	22,690
Balance at December 31	\$ 18,128,136	\$ 14,091,410

STATEMENT OF EARNINGS FOR THE YEAR ENDED DECEMBER 31, 1969

Revenue:	1969	1968
Passenger services	\$ 76,790,184	\$ 64,440,622
Rental of land, air rights, buildings, sub-way concessions and equipment	1,029,405	977,751
Rental of advertising space	668,232	680,702
Interest earned	296,605	119,190
Dividend from Gray Coach Lines, Limited	—	314,000
Miscellaneous	218,460	223,167
	79,002,886	66,755,432
Expenses:		
Wages, salaries and other employee costs	50,577,986	45,467,045
Electric traction power purchased	2,986,662	2,654,753
Automotive fuel, including provincial taxes of \$1,460,419 (1968-\$1,385,147)	2,419,115	2,243,714
Vehicle and other licences	222,010	195,399
Municipal taxes	1,210,744	1,164,735
Public liability and property damage	1,452,098	948,364
Depreciation	6,679,232	6,287,871
Other expenses including cost of repair and maintenance materials	6,061,093	5,741,372
	71,608,940	64,703,253
Earnings before debenture interest	7,393,946	2,052,179
Debenture interest and related expenses	3,357,220	3,237,914
Net earnings (loss) for the year....	\$ 4,036,726	\$ (1,185,735)

TORONTO TRANSIT COMMISSION

STATEMENT OF SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED DECEMBER 31, 1969

	1969	1968
Source of funds:		
Passenger revenue	\$ 76,790,184	\$ 64,440,622
Other income	2,212,702	2,314,810
	<hr/>	<hr/>
	79,002,886	66,755,432
Proceeds of capital asset disposals	89,704	903,659
	<hr/>	<hr/>
	79,092,590	67,659,091
Application of funds:		
Operating expenses and debenture interest	74,966,160	67,941,167
(Deduct) add items not requiring current funds—		
Depreciation	(6,679,232)	(6,287,871)
Provision for public liability and workmen's compensation	(500,000)	—
Other	208,234	(114,158)
	<hr/>	<hr/>
	67,995,162	61,539,138
Expenditures on construction of subways	15,220,266	10,686,460
Less—Capital contributions received from The Municipality of Metropolitan Toronto	14,382,063	8,258,419
	<hr/>	<hr/>
	838,203	2,428,041
Additions to other capital assets	3,680,962	1,541,986
Debenture debt repayments	1,876,625	1,872,065
	<hr/>	<hr/>
	74,390,952	67,381,230
Increase in working capital position	\$ 4,701,638	\$ 277,861

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 1969

Note 1: Gray Coach Lines, Limited

Gray Coach Lines, Limited a wholly-owned subsidiary of Toronto Transit Commission, operates interurban coach services and its financial statements are published separately. Its operations in 1969 resulted in a profit of \$643,776 (1968—loss of \$38,906) and its net worth as shown by its balance sheet at December 31, 1969 was \$7,790,070.

The earnings of Gray Coach Lines are recorded in the accounts of the Commission only to the extent of dividends received. Gray Coach Lines did not pay a dividend in 1969 because of the loss experienced in 1968. In 1968 it paid a dividend of \$314,000 being approximately 50% of its 1967 net earnings.

The Statement of Earnings reflects charges of \$2,229,042 (\$2,198,833 in 1968) made to Gray Coach Lines, Limited by the Commission for rental of property and equipment, use of joint facilities and administrative services.

Note 2: Subway Construction

At December 31, 1969 the Commission was proceeding with construction of a 4.02 mile northerly extension to the Yonge Street subway from Eglinton Avenue to Sheppard Avenue. This extension is being built on a cost-sharing agreement whereby The Municipality of Metropolitan Toronto assumes responsibility for all right-of-way land and subway construction costs and the Toronto Transit Commission is responsible for equipment costs, which include track, power distribution and signal systems, yards, shops and rolling stock. The extension was authorized by Ontario Municipal Board Orders dated July 13 and October 6, 1967 at a total estimated cost of \$79,553,000, of which right-of-way land and subway construction costs of \$62,108,000 are to be borne by the Municipality.

A further 1.52 mile northerly extension of the Yonge Street subway from Sheppard Avenue to Finch Avenue was approved by an Ontario Municipal Board Order dated December 1, 1969 at a total estimated cost of \$31,376,000, all of which is to be borne by The Municipality of Metropolitan Toronto.

The Municipality of Metropolitan Toronto receives a subsidy from the Province of Ontario towards its share of subway construction costs.

Land for the right-of-way of the Yonge Street subway extensions is purchased by the Municipality and is not recorded on the Commission's books.

Expenditures on and funds appropriated for subway extensions and related projects under construction at December 31, 1969 are summarized as:

Construction costs—

Yonge Street extension to Sheppard Avenue	\$20,433,697
Other	86,569
	<hr/>
	20,520,266
Cash in subway bank account	124,504
Miscellaneous costs	106,733
	<hr/>
	\$20,751,503
Less: Accounts payable and accruals	1,891,457
Contract holdbacks	1,345,308
	<hr/>
	3,236,765
	<hr/>
	\$17,514,738

Note 3: Sinking Fund

The sinking fund balance of \$2,987,087 at December 31, 1969 consists of the annual levies paid by the Commission into The Municipality of Metropolitan Toronto sinking fund together with interest credited at the rate of 3% per annum, which is the rate required to provide sufficient

funds to retire the debentures at maturity. The actual earnings of the sinking fund investments of the Municipality have exceeded 3% per annum, and the Commission's equity in the excess earnings at December 31, 1969 was \$350,443 which is not reflected in the financial statements. The Municipality of Metropolitan Toronto Act provides that at such time as the sinking fund committee of the Municipality applies a sinking fund surplus to any of the purposes set forth in the Act, the Commission will share in such distribution of the surplus in the proportion that its contributions to the sinking fund bear to the total contributions made to the sinking fund account by all participating bodies.

Note 4: Accounting Change

In 1969 gain on sale of real estate of \$10,058 and a net foreign exchange cost on repayment of capital debt in United States funds amounting to \$24,564 have been included in the Statement of Earnings. In 1968 and prior years items of this nature were shown in the Statement of Earnings Retained. The change was made to comply with the recommendations of the Canadian Institute of Chartered Accountants.

Note 5: Contingency

The Commission is involved in litigation resulting from the expropriation for its account of land in the area of Greenwood Yard. The Ontario Court of Appeal has recently made an award in this matter of \$1,300,000 plus interest. The Commission has recorded in its books an amount of \$635,000 plus interest being the original arbitration award. Both parties are appealing to the Supreme Court of Canada.

AUDITOR'S REPORT

PRICE WATERHOUSE & CO.

P.O. Box 51
TORONTO-DOMINION CENTRE
TORONTO 111

May 20, 1970.

To the Chairman and Members
of the Toronto Transit Commission:

We have examined the balance sheet of Toronto Transit Commission as at December 31, 1969 and the statements of earnings, earnings retained and invested in the system and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the Commission as at December 31, 1969 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Price Waterhouse & Co.

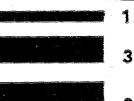
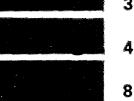
Chartered Accountants.

WHERE THE DOLLARS CAME FROM

OTHER INCOME	\$ 2,212,702		2.80%
PASSENGER SERVICES	\$76,790,184		97.20%
TOTAL REVENUE	\$79,002,886		100.00%

1969

WHERE THE DOLLARS WENT

MUNICIPAL TAXES	\$ 1,210,744		1.62%
BUS FUEL \$958,696, FUEL TAX \$1,460,419, LICENCES \$222,010. \$ 2,641,125			3.52%
ELECTRIC TRACTION POWER PURCHASED	\$ 2,986,662		3.98%
DEBENTURE INTEREST.....	\$ 3,357,220		4.48%
DEPRECIATION.....	\$ 6,679,232		8.91%
OTHER EXPENSES	\$ 7,513,191		10.02%
WAGES, SALARIES AND OTHER EMPLOYEE COSTS.....	\$50,577,986		67.47%
TOTAL EXPENSES.....	\$74,966,160		100.00%
NET EARNINGS.....	\$ 4,036,726		
	\$79,002,886		

TORONTO TRANSIT COMMISSION

Five Year Summary

	1969	1968	1967	1966	1965
FINANCIAL SUMMARY:					
Gross revenue	\$ 79,002,886	\$ 66,755,432	\$ 62,506,278	\$ 53,610,814	\$ 50,086,720
Wages, salaries & other em- ployee costs	50,577,986	45,467,045	38,566,249	35,130,954	30,751,004
Automotive fuel tax	1,460,419	1,385,147	1,173,304	1,085,845	860,538
Municipal taxes ..	1,210,744	1,164,735	1,970,671	1,677,893	1,294,595
Total expenses	74,966,160	67,941,167	60,093,797	54,585,970	45,990,957
Net earnings (loss)	4,036,726	(1,185,735)	2,412,481	(975,156)	4,095,763
OPERATING STATISTICS:					
Revenue passen- gers, (number of fares col- lected) — zone fare system	322,193,404	323,481,655	314,413,486	307,148,930	288,038,489
Revenue passen- gers, average week-day—zone fare system	1,067,000	1,061,000	1,034,000	996,000	941,000
Miles operated in- cluding charter and special services:					
Motor bus	33,539,469	32,394,222	29,135,421	27,492,437	23,020,306
Subway	22,693,554	20,536,788	16,417,656	17,806,316	9,347,948
Streetcar	11,843,060	12,741,953	13,794,616	14,614,215	19,917,487
Trolley bus	4,162,231	4,071,456	3,940,400	3,971,315	3,880,031
Total	<u>72,238,314</u>	<u>69,744,419</u>	<u>63,288,093</u>	<u>63,884,283</u>	<u>56,165,772</u>
Electric traction power consump- tion —					
Kilowatt hours ..	236,541,000	227,322,000	209,637,000	211,646,000	185,471,000
Diesel oil consumption —gallons	5,993,606	5,747,131	5,165,104	4,771,111	3,937,240
Gasoline consumption —gallons	198,769	242,616	328,676	419,090	454,681
Average number of regular em- ployees includ- ing Gray Coach Lines	6,598	6,551	6,435	6,171	6,030
Passenger vehicles owned:					
Buses	1,003	942	939	868	812
Streetcars	446	543	675	691	738
Subway cars ..	334	334	334	334	334
Trolley buses ..	152	153	153	153	153
Total	<u>1,935</u>	<u>1,972</u>	<u>2,101</u>	<u>2,046</u>	<u>2,037</u>
Metropolitan area population	1,935,000	1,906,000	1,888,000	1,846,000	1,802,000

