

2023 Budget Notes

Toronto Transit Commission

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Description

The TTC provides reliable, transit service that draws its high standards of customer care from its rich traditions of safety, service and courtesy. The TTC delivers the following 2 services 24 hours per day, 7 days per week:

- **TTC Conventional Service**, providing 8.7 million service hours and 223 million service kilometers annually.
- **Wheel-Trans Service**, that provides door-to-door accessible transit service for passengers with any disability that prevents them from using conventional transit services, including physical, sensory, and/or cognitive disabilities.

The TTC connects the diverse communities of Toronto to economic and social opportunities through an integrated network of subway, bus, streetcar and Wheel-Trans Services, comprised of more than 150 bus routes, 10 streetcar routes, 3 subway lines and 1 rapid transit line, with a fleet of 2,051 buses, 204 streetcars, 150 trains and 264 Wheel-Trans buses. In addition, the TTC is completing preparatory activities to operate the new Eglinton Crosstown and Finch West Light Rail Lines and will be operating a bus replacement service in lieu of SRT trains on Line 3, by the end of 2023.

Why We Do It

The Toronto Transit Commission provides safe, reliable, seamless and accessible transit services to those who live, work in, and visit Toronto.

The TTC plays a central role in achieving the City's social, economic and environmental service objectives and outcomes by providing and improving mobility that connects people to employment, leisure, social and economic opportunities and contributing to the City's overall resilience.

The Toronto Transit Commission aims to deliver these outcomes equitably, efficiently and with excellent customer service to help improve the lives of Torontonians and work to earn their trust and confidence.

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What Service We Provide

Conventional Transit Service:

Who We Serve: Riders, Businesses, Employers, Event Attendees, Neighbouring Municipalities

What We Deliver: The TTC connects the diverse communities of Toronto to economic and social opportunities through an integrated network of subway, bus and streetcar services.

How Much Resources (gross 2023 operating budget): \$2,237,044,000

Wheel-Trans Service:

Who We Serve: Riders, Businesses, Employers, Event Attendees, Neighbouring Municipalities

What We Deliver: Wheel-Trans connects the diverse communities of Toronto to economic and social opportunities through an integrated network of Wheel-Trans Services.

How Much Resources (gross 2023 operating budget): \$142,819,200

Budget at a Glance

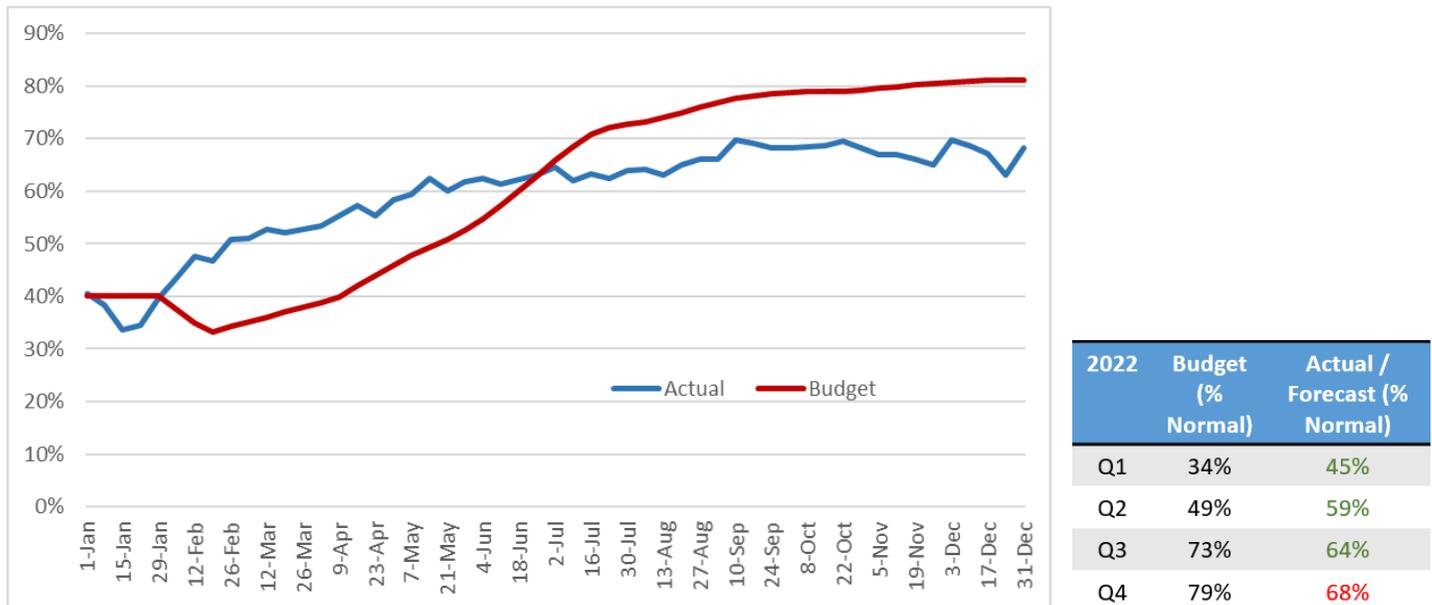
2023 OPERATING BUDGET			
<u>\$Billion</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Revenues	\$1.055	\$1.049	\$1.061
Gross Expenditures	\$2.380	\$2.468	\$2.510
Net Expenditures	\$1.325	\$1.420	\$1.448
Approved Positions	16,787	16,827	16,849

2023 - 2032 10-YEAR CAPITAL PLAN			
<u>\$Million</u>	<u>2023</u>	<u>2024-2032</u>	<u>Total</u>
Gross Expenditures	\$1,341	\$11,150	\$12,491
Debt Recoverable	\$681	\$5,014	\$5,695
Debt	\$60	\$1,083	\$1,143

How Well We Are Doing – Behind the Numbers

Passenger Revenue

2022 Weekly Passenger Revenue as a Percentage of Pre-Pandemic Levels



- Passenger Revenue exceeded budget in first half of year due to impact of Omicron variant being less severe than originally anticipated.
- Second half of the year, passenger revenue trended below budget due to lower than anticipated office commuter travel.
 - Budget anticipated average of 3 days/week for office workers; actual experience just under 2 days/week.

How Well We Are Doing

Service	Measure	2020 Actual	2021 Actual	2022 Target	2022 Projection	Status	2023 Target	2024 Target
Outcome Measures								
TTC Conventional	Revenue Ridership	225.0M	197.8M	369.4M	320.3M	●	393.0M	398.3M
TTC Conventional	Regular Service Hours	9.0M	8.9M	9.4M	8.9M	●	8.6M	8.6M
TTC Conventional	Customer Satisfaction	79%	80%	80%	78%	●	80%	80%
Service Level Measures								
TTC Conventional	Deliver 100% Schedule	95%	95%	100%	96%	●	100%	100%
TTC Conventional – Subway	Achieve 90% On-time	94%	95%	90%	93%	●	90%	90%
TTC Conventional – Streetcar	Achieve 90% On-time	78%	69%	90%	65%	●	90%	90%
TTC Conventional – Bus	Achieve 90% On-time	85%	81%	90%	78%	●	90%	90%
Wheel-Trans	Accommodate 99.5%	99.9%	99.9%	99.0%	99.9%	●	99.0%	99.0%

TTC's ridership continues to be lower than pre-pandemic levels and as such service has been aligned to ridership demand while protecting periods of service, minimum service levels and network coverage on all routes. Currently service hours operated are at approximately 96% of pre-COVID hours.

While subway on-time performance was broadly consistent with 2021 actual and target, bus and streetcar on-time performance was negatively impacted by major construction projects on major routes.

COVID-19 IMPACT AND RECOVERY

2023 Impact and Recovery

Operating Budget Impact

- The COVID-19 financial impact is estimated to be \$366.4 million in 2023 and comprises the following:
 - Lost passenger revenues, relative to pre-pandemic normal of \$328.1 million, based on a projected 2023 ridership to average 73% of normal pre-pandemic levels. Ridership is expected to remain below pre-pandemic levels due to shifting patterns in commuter behaviour from a hybrid work model.
 - Lost ancillary revenues of \$14.5 million, including lower than normal budgeted commuter parking, advertising and subway concession revenue and;
 - Incremental expenses of \$23.8 million, including the provision of personal protective equipment and absence benefit costs.
- Inclusive of \$415.2 million received and committed for 2022, the TTC will receive a total of \$1.8 billion in COVID relief funding since April 2020 through the Safe Restart Agreement. This support recognizes the importance of public transit as an essential service and the critical role it plays in Toronto's environmental, social and economic well-being, particularly in post-COVID recovery.
- Continued relief funding from other orders of government will be required to address the ongoing COVID-19 financial impacts. Discussions between the City, TTC and the other orders of government continue in order to secure funding relief to offset the remaining 2022 unfunded COVID impact of \$125.3 million, the 2023 projected impact of \$366.4 million as well as to seek more stable and predictable funding long term.

Service Level Changes

- Aligning Conventional Transit Service Hours to Ridership Demand
 - By year-end 2023, ridership is estimated to reach 75% of pre-COVID levels and service is proposed to be adjusted to 91% of pre-COVID hours starting in spring 2023. This will be a change from currently scheduled service, which is approximately 96% of pre-COVID hours.
 - The realigned service focuses on continuing to uphold the TTC's core service principles: protect transit access across the city, deliver a reliable service, and match capacity with demand accounting for varying degrees of ridership recovery on a route basis and for new and emerging travel patterns.
 - Current periods of service and network coverage on all routes will be protected to ensure transit remains accessible;
 - The realigned service proposes to:
 1. Resume pre-COVID vehicle crowding standards in peak periods, which were temporarily suspended during the pandemic to provide more physical distancing. (50 customers per bus, 130 customers per streetcar, 1000/1100 customers per train on average during the busiest hour)
 2. Increase the pre-COVID vehicle crowding standard at off-peak periods with capacity for each route and time period planned based on the busiest hour for 45 customers per bus, 90 customers per streetcar, and 600-650 customers per train on average.
- Given the nature of Wheel-Trans service, service is directly linked to the anticipated ridership demand. Wheel-Trans ridership demand is expected to average 71% of normal pre-pandemic ridership levels and reach 75% by the end of 2023, reflecting a total ridership of 2.95 million.

EXPERIENCES, CHALLENGES AND PRIORITIES

Our Experience and Success

Based on the Priority Actions established for 2022, the TTC accomplished the following:

- Matched Service Capacity to Demand
- Operationalized Automatic Train Control (ATC) on the entirety of Line 1; allowing for an increase in service capacity and achievement of up to 32 southbound trains at Bloor-Yonge between 8 and 9 am weekdays.
- Implemented One-person Train Operation (OPTO) on the entirety of Line 1.
- Implemented LRV Apprenticeship Program in collaboration with Centennial College
- Increased vehicle maintenance capacity and achieved or exceeded vehicle reliability targets
- Partnered with City's Streets to Homes to have a dedicated presence of outreach workers on the transit system to help those who could use assistance.
- Advanced business transformation priorities by implementing second sourcing of non-revenue fleet and facility maintenance at 1810 Markham Road
- Continued implementation of Auditor General Recommendations on after-market part warranties and Wheel-Trans reservations
- Engaged customers, stakeholders and the general public to understand post-pandemic travel patterns to ensure alignment of service hours
- Ran multi-media communications campaign focused on ridership recovery
- Approved property acquisition for new TTC Garage and additional operational uses consistent with the guiding principles in the TTC's Real Estate Investment Plan
- Updated the Capital Investment Plan and Real Estate Investment Plan and distributed these Plans to elected and key officials in all three orders of government to advance unfunded capital priorities.
- Acknowledged by Forbes as one of Canada's Best Employers for Diversity in 2022.
- Progressed on the Embracing Diversity: 10 Point Action Plan and launched the first Diversity and Culture Annual Report which highlighted 50 key accomplishments, including launching the Racial Equity Office and the Fare Inspector and Special Constable Complaint Office.
- Continued gender recruitment outreach events with 45 events being held, leading to the achievement of the gender recruitment target of 40% of new operator hires being women.
- Maintained TTC Fares at 2020 levels.
- Piloted accessibility enhancements of new tactile and braille wayfinding features at York Mills Station.
- Completed construction at three additional stations, bringing the total number of accessible subway stations to 56.
- Partnered with life skills companion guide app MagnusCards to establish TTC MagnusCards to help riders with cognitive disabilities navigate the transit system.
- Signed an agreement with PowerON Energy Solutions LP, for the delivery, maintenance and operation of electrification infrastructure needed to transition the TTC's fleet and facilities to zero-emissions.
- Expanded the Wi-Fi pilot to 2 additional bus routes, bringing the total number of bus routes with Wi-Fi to 4 since 2021.
- Commenced the upgrade of all PRESTO devices to enable the future fare collection modernization modernizing the fare collection system
- Completed the 5-year Fare Policy and the 10-year Fare Collection Outlook
- Advanced Line 5 and Line 6 mobilization activities.

Key Challenges and Risks

- COVID-19 and subsequent structural hybrid work models continue to depress ridership demand below pre-pandemic levels.
 - Incremental operating and maintenance costs associated with opening Line 5 & 6, places significant financial pressure on core.
 - Cost escalation in key corporate costs especially, fuel and materials and service contracts.
 - Structural long-term operating funding shortfalls due to impact of hybrid work and high fixed operating costs associated with Transit Expansion, could impact TTC's ability to be the mobility mode of choice.
 - Predictability of available funding is impacting ability to fund critical and SOGR needs, especially vehicles, in the year required.
 - Partial funding for subway trains and the Line 1 Train Maintenance and Storage facility (TMSF) to replace nearly 30-year T1 trains operating on line 2, which are approaching the end of design life, provide additional capacity to accommodate forecasted ridership growth on Line 1, and to meet storage, maintenance and fleet requirements.
 - Extensive construction planned in Toronto is dependent on coordination of scheduled activities between the TTC, the City and the Province
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Priority Actions

Safe, Seamless & Reliable Transit Service

- On-Time Performance Action Plan
- Match Service Capacity to Demand
- Increasing the availability of spare operators to backfill unplanned absences:
- Increasing front-line operational staff presence and adding 25 more Special Constables in the system.
- Providing temporary resources to facilitate safety training for operations staff
- Advancing on the TTC's Cybersecurity Program, including the implementation of the managed security services to defend the transit network from cyber threats.
- Bloor-Yonge, Lines 1 and 2 Capacity Enhancements
- New Subway Train Procurement
- Increasing steady state funding for SOGR projects
- Asset management implementation
- 100 additional transit priority signals

Transform to Solidify Fiscal Foundation

- Business Transformation and modernization efforts
- Savings from One Person Train Operation
- Expansion of Wheel-Trans Zone bus service
- Ongoing implementation of Auditor General recommendations
- Phase 2 of Service Plan Reset
- Capital Investment Plan Update
- Real Estate Investment Plan
- SAP; Maximo Implementation

Lead as an Inclusive & Accessible Service Provider

- Fare Increase limited to adult and youth single fares only
 - Expansion of Fair Pass Program
 - Targeted Service Improvements in key Neighbourhood Improvement Areas on weekend afternoons and overnight
 - Enhancing integration with City's Streets to Homes outreach by adding 10 Streets to Homes outreach workers who will be deployed across the transit system to help support the underhoused
 - Accommodating the increase in projected Wheel-Trans ridership;
 - Continuing the implementation of the Embracing Diversity: 10 Point Action Plan;
 - Continuing diversity and gender recruitment outreach initiatives and establishing a mentoring program for female operators;
 - Continuing to build community outreach such as Black History Month, Indigenous History Month and Lunar New Year through Awareness Campaigns.
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- Easier Access
- Continue Wheel-Trans Transformation Program
- Purchase of Wheel-Trans Bus fleet
- Additional accessible bus and streetcar stops

Innovate for Future Demand

- Growing the network by commencing revenue service on Lines 5 and 6;
 - Evaluating and Assessing the bus Wi-Fi network pilot;
 - Expanding Fare Collection options for our customers including Open Payments
 - Progressing with the Risk Mitigation plan for the modernization of the fare collection system;
 - Continuing the procurement of E-Buses and related charging infrastructure; and
 - Developing an Innovation and Sustainability Strategy and Roadmap for the next five years.
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TABLED BUDGET

The City Manager and Chief Financial Officer and Treasurer have tabled:

1. The 2023 Operating Budget for Toronto Transit Commission of \$2.380 billion gross, \$1.055 billion revenue and \$1.325 billion net for the following services:

Service:

	Gross Expenditures (\$000s)	Revenue (\$000s)	Net Expenditures (\$000s)
TTC Conventional	2,237,044.0	1,048,271.9	1,188,772.1
Wheel-Trans	142,819.2	6,496.6	136,322.6
Total Program Budget	2,379,863.1	1,054,768.5	1,325,094.6

- The above includes 2023 budgeted staff complement for Toronto Transit Commission of 16,787 positions comprised of 2,910 capital positions and 13,877 operating positions.
3. City Council request the Provincial and Federal governments to:
 - a. Provide relief to offset the financial impacts of COVID-19 through recovery, which are estimated to be \$366.4 million in 2023, with forecasted impacts expected into 2024 and 2025; and,
 - b. Work with the TTC and the City of Toronto to develop a sustainable funding model for public transit.
 4. The 2023 Capital Budget for the Toronto Transit Commission with cash flows of \$1.341 billion and future year commitments of \$8.878 billion, totaling \$10.219 billion as detailed by project in [Appendix 6a](#).
 5. The 2024-2032 Capital Plan for the Toronto Transit Commission totalling \$2.272 billion in project estimates as detailed by project in [Appendix 6b](#).
 6. That all sub-projects with third party financing be approved conditionally, subject to the receipt of such financing in 2024 and if such funding is not forthcoming, their priority and funding be reassessed by City Council relative to other City-financed priorities and needs.

2023 OPERATING BUDGET

2023 OPERATING BUDGET OVERVIEW

Table 1: 2023 Operating Budget by Service

(In \$000s)	2021 Actual	2022 Budget	2022 Projection*	2023 Base Budget	2023 Expansion & Conversion	2023 Budget	Change v. 2022 Projection		Change v. 2022 Budget	
	\$	\$	\$	\$	\$	\$	\$	%	\$	%
By Service										
Revenues										
TTC Conventional	515,868.0	811,226.5	802,224.6	1,037,141.2	11,130.7	1,048,271.9	246,047.3	30.7%	237,045.3	29.2%
Wheel-Trans	3,500.0	5,995.0	5,010.5	6,496.6		6,496.6	1,486.1	29.7%	501.6	8.4%
Total Revenues	519,368.0	817,221.5	807,235.1	1,043,637.8	11,130.7	1,054,768.5	247,533.4	30.7%	237,546.9	29.1%
Expenditures										
TTC Conventional	2,004,576.9	2,148,568.5	2,051,422.7	2,183,360.0	53,684.0	2,237,044.0	185,621.3	9.0%	88,475.5	4.1%
Wheel-Trans	118,600.0	135,447.6	123,185.6	142,819.2		142,819.2	19,633.6	15.9%	7,371.6	5.4%
Total Gross Expenditures	2,123,176.9	2,284,016.1	2,174,608.3	2,326,179.1	53,684.0	2,379,863.1	205,254.9	9.4%	95,847.1	4.2%
Net Expenditures (including COVID-19)	1,603,808.9	1,466,794.5	1,367,373.2	1,282,541.3	42,553.3	1,325,094.6	(42,278.5)	(3.1%)	(141,699.9)	(9.7%)
Required COVID-19 Support	838,055.2	561,088.5	540,513.8	366,363.6		366,363.6	(174,150.2)	(32.2%)	(194,725.0)	(34.7%)
Net Budget (excluding COVID-19 supports)	765,753.7	905,706.0	826,859.4	916,177.8	42,553.3	958,731.1	131,871.7	15.9%	53,025.1	5.9%
Approved Operating Positions**	12,838	13,841	N/A	13,641	236	13,877	N/A	N/A	36	0.3%

* 2022 Projection based on 9 Month Variance

**YoY comparison based on approved positions

As discussed on page 5, the TTC continues to experience significant revenue losses and added costs as a direct result of the COVID-19 pandemic.

Excluding the effect of COVID-19, total requested City funding before the financial impact of COVID-19 is \$958.7 million, which reflects a \$53.0 million or a 5.9% increase over the 2022 approved net funding level. Of the \$53.0 million in added City funding, \$42.6 million or 4.7% is directed to fund Transit Expansion and Conversion costs for the start of revenue service on Line 5 and 6 and the incremental costs of the Line 3 Bus Replacement Plan, thereby leaving \$10.4 million or 1.2% to fund the TTC's incremental base service cost pressures and new investment costs.

After the financial effect of the service hour realignment, \$76.6 million was required to balance the budget. This was funded through a series of measures including:

- Base Budget City Funding Increase: \$10.4 million
- Efficiency Measures: \$22.5 million
- Fare Increase, Adult and Youth single Fares only and exempting seniors and fare pass users: \$16.1 million
- Other Revenue Changes including interest and outside city service revenue: \$11.9 million
- Stabilization Reserve Draw to limit the size and scope of the fare increase: \$15.7 million

KEY COST DRIVERS – FUNDING PRIORITIES

Total 2023 Budget expenditures of \$2.380 billion gross reflects an increase of \$205.3 million in spending above 2022 projected year-end actuals, predominantly arising from:

- Rapid market price increases for diesel fuel
- Impact of Collective Bargaining Agreements
- Transit Expansion and Conversion; including preparatory activities for the start of revenue service on Line 5 and the bus replacement plan for Line 3.
- Cost escalation for parts, service contracts and corporate insurance requirements.
- Legislatively determined increases to Canada Pension Plan & Employment Insurance Premiums.
- Accommodating the forecast increase in Wheel-Trans ridership demand.
- Operating impacts of capital, including cybersecurity and continued roll-out of bus Wi-Fi pilot.
- Service reliability initiatives including an increase in spare operators available to backfill for unplanned absences.
- New investments in system safety, cleanliness and accessibility

EQUITY IMPACTS OF BUDGET CHANGES

The TTC is strongly committed to making Toronto's transit system barrier-free and accessible to all so that all customers can enjoy the freedom, independence and flexibility to travel anywhere on the public transit system. While ridership trends and financial constraints necessitate adjustment to service, all routes and time periods of operation will be maintained.

Expenditures required to meet the TTC's accessibility and equity requirements are provided for in this budget, including \$142.8 million gross and \$136.3 million net City funding to support the Wheel-Trans service and accommodate the anticipated 2.9 million rides in 2023.

In order to support the accessibility of transit, all passes, fair pass clients and seniors' fares are exempt from the TTC fare increase. In addition, through the City's Social Development, Finance and Administration Division eligible customers including Ontario Works, Ontario Disability Support Program, Child Care Fee Subsidy and Rent Geared to Income clients whose income is below a threshold set 15% above the Low Income Measure are eligible for the Fair Pass Program. This program entitles eligible customers to a discount of approximately one-third on single adult fares for a single rides or 21% off adult monthly passes. In 2023, this program will be expanded to all low-income residents with a family income below 75% of the Low Income Measure, with approximately 50,000 more individuals expected to be eligible. The 2023 Operating Budget includes a \$2.0 million contribution to the City's Social Development Finance and Administration Division, to facilitate this expansion.

Through this budget, conventional service hours are realigned to match service capacity with demand. Service will be maintained on all routes and in all time periods of operation. Reliability of service will be improved by ensuring schedules are reflective of actual operating conditions. Moreover, targeted investments in service on routes with a high proportion of boardings at stops serving Neighbourhood Improvement Areas will be made including, additional weekend afternoon service on major shopping corridors, as well as the establishment of a base grid of 15-minute overnight service on the Finch Avenue, Jane Street and Wilson Avenue corridors.

2023 OPERATING BUDGET KEY DRIVERS

The 2023 Operating Budget for Toronto Transit Commission is \$2.380 billion gross or 9.4% higher than the 2022 Projected Actuals. Table 2 below summarizes the key cost drivers for the 2023 Budget.

Table 2: 2023 Operating Budget by Revenue / Expenditure Category

Category (In \$000s)	2020 Actual	2021 Actual	2022 Budget	2022 Projection*	2023 Budget	2023 Change from 2022 Projection	
	\$	\$	\$	\$	\$	\$	%
User Fees & Donations	591,876.0	519,368.0	793,126.8	803,812.7	1,010,940.4	207,127.7	25.8%
Transfers From Capital			3,422.4	3,422.4	8,243.0	4,820.6	140.9%
Contribution From Reserves/Reserve Funds			20,672.3		35,585.1	35,585.1	
Total Revenues	591,876.0	519,368.0	817,221.5	807,235.1	1,054,768.5	247,533.4	30.7%
Salaries and Benefits	1,433,873.9	1,495,513.2	1,627,529.8	1,557,779.0	1,677,463.8	119,684.8	7.7%
Materials & Supplies	303,432.2	417,275.6	351,042.2	332,213.7	341,970.9	9,757.2	2.9%
Equipment	24,038.2	23,275.2	24,239.7	22,936.7	24,144.5	1,207.8	5.3%
Service and Rent	166,426.9	167,892.2	243,460.1	229,921.4	296,261.3	66,339.8	28.9%
Contribution To Capital			1,764.2				
Contribution To Reserves/Reserve Funds	17,978.0	7,549.4	20,590.0	17,473.1	20,590.0	3,116.9	17.8%
Other Expenditures	26,144.6	11,671.3	15,390.0	14,283.9	17,432.6	3,148.7	22.0%
Inter-Divisional Charges					2,000.0	2,000.0	
Total Gross Expenditures	1,971,893.8	2,123,176.9	2,284,016.1	2,174,607.9	2,379,863.1	205,255.3	9.4%
Net Expenditures	1,380,017.9	1,603,808.9	1,466,794.5	1,367,372.8	1,325,094.6	(42,278.1)	(3.1%)

*Projection based on 9 Month Variance

Key Base Drivers:

Salaries & Benefits:

Relative to the 2022 year-end projection, salaries & benefits costs will increase by \$119.7 million or \$49.9 million over the 2022 Approved Operating Budget. Most of the 2022 under-expenditure is due to the deferred opening of Line 5, position vacancies at higher than normal levels and TTC Conventional and Wheel-Trans service operating below 2022 budgeted levels.

The year-over-year budget increase is primarily to address the impact of Transit Expansion and Conversion, including preparatory activities to operate Line 5 and Line 6 as well as the Line 3 Bus Replacement Plan. In addition, this increase includes impact of CBA and Cost of Living Adjustments and the impact of the legislated increase in CPP & EI premium rates and other benefit costs.

Materials and Supplies:

Relative to the 2022 year-end projection, materials & supplies costs will increase by \$9.8 million primarily attributable to annualized effect of higher diesel prices and increases in material costs given the current inflationary environment. This is offset by line-by-line reductions, the realignment of service hours leading to a reduction in materials requirements and reduced COVID-19 material requirements.

Services and Rents:

Relative to the 2022 year-end projection, service and rent costs are projected to increase by \$66.3 million. Key drivers include maintenance contract costs for Line 5, Line 6, higher PRESTO commission fees consistent with the budgeted increase in passenger revenue in 2023 and an increase in Wheel-Trans contracted service costs commensurate with the anticipated increase in Wheel-Trans ridership demand.

User Fees & Other Revenue Changes:

The increase in revenue of \$207.1 million is primarily based on higher anticipated ridership levels, primarily resulting from the reversal of the Omicron variant impact experienced in Q1 of 2022. For 2023, TTC Conventional ridership revenue is budgeted at \$931.5 million, with revenue ridership of 393.0 million, equivalent to 73% of pre-COVID normal levels. Consistent with fall 2022 experience, ridership is expected to experience some gradual recovery throughout 2023 but the pace of further recovery will be constrained by the continuation of hybrid work models in most office environments. Ridership is projected to rise from 71% of pre-COVID normal at the start of the year to 75% by year-end 2023. A 10 cent fare increase, effective April 3, 2023 on adult and youth single fares only while holding seniors, pass users and fair pass riders at 2020 rates is expected to generate \$16.1 million in 2023.

Offsets and Efficiencies:

The 2023 Operating Budget includes \$22.5 million in gross expenditure reductions and efficiency savings and a reduction of 29 positions arising from the implementation of efficiency measures.

One Person Train Operation

- On November 20, 2022 One-Person Train Operation (OPTO) was fully implemented on the entirety of Line 1 Yonge-University and was made possible by the completion of Automatic Train Control installation. OPTO was already in use from Vaughan Metropolitan Centre to St George stations on a daily basis since November 2021 and has been in use on Line 4 since 2016. OPTO allows the train Operator to safely drive the train and operate the doors while monitoring screens from inside the front cab. As part of this initiative, TTC has reinvested some operator savings into increased staffing presence in stations. Combined with savings realized in the 2021 and 2022 budgets, \$10 million will be saved on an annual basis, including \$7.3 million realized for the first time in 2023.

Wheel-Trans Zone Bus

- The 2023 Operating Budget includes savings of \$1.2 million associated with the increased use of zone buses on the Wheel-Trans service. Through the use of zone bus concept, Wheel-Trans buses are designated to operate within high demand areas increasing the number trips they can deliver while also reducing the time between customers.

Revenue Operations – Legacy Fares

- Through the introduction of Bulk PRESTO tickets, in 2022 the TTC began the process of eliminating the distribution of legacy tickets. While legacy tickets remain valid for fare payment, ending legacy ticket sales, combined with other process changes has yielded a reduction of 6 positions and budget savings of \$0.7 million.

Line-by-Line Reductions

- Material and Service spending trends both pre-pandemic and throughout the pandemic were reviewed through a line-by-line review. As a result of the analysis undertaken, \$10.3 million in expenditure reductions primarily due to lower material volume and contract costs being lower than original estimates, have been identified and reflected in the 2023 Operating Budget.

Implementation of AG Recommendations

- The continued implementation of Auditor General Recommendations relating to the Wheel-Trans reservations call centre contract, and improved use of after market part warranties is expected to save \$0.6 million and a reduction of 7 positions in 2023.

Balancing Actions

The 2023 Operating Budget includes \$15.7 million in order to partially mitigate inflationary impacts and to limit the fare increase for 2023 by freezing the cost of all passes and all fair pass riders and seniors' fares at 2020 rates and ensuring that the increase on all other fares remains below the rate of inflation. This action is necessary to minimize the impact on TTC riders given current economic conditions.

New and Enhanced Service Priorities:

The 2023 budget includes \$7.1 million for new and enhanced service priority actions to advance System Safety, Cleanliness and Accessibility initiatives.

System Safety and Cleanliness

- Through the pandemic, TTC has experienced an increase in underhoused individuals seeking refuge on the system and has partnered with the City's Streets to Homes program to assist these individuals. To augment this ongoing effort, the 2023 Operating Budget includes \$1.0 million to fund 10 dedicated Streets to Homes outreach workers and 2 Team leads.
- To enhance customer safety, a focus is being placed on increasing uniformed staff presence and visibility in stations. To augment available resources, 25 Special Constable and 2 supervisor positions will be added to provide customer assistance where required, and enhance safety and security for all customers.
- In addition, mid-day cleaning will be implemented on key downtown streetcar routes.

System Accessibility

- In recognition of affordability challenges, a (one-time) \$2.0 million contribution will be made to the City's Social Development Finance and Administration (SFDA) Division to facilitate the expansion of SFDA's Fair Pass program to individuals with a family income below 75% of the Low Income Measure.
- A targeted incremental investment will be made to increase service on prioritized routes with a high proportion of boardings at stops serving Neighbourhood Improvement Areas, with improvements focused on additional weekend afternoon service on major shopping corridors such as Dufferin, Finch East, Lawrence East, Wilson and the Queensway and the implementation of a 15-minute service on key overnight corridors, such as Finch, Jane and Wilson. These changes will provide more frequent, 15-minute overnight bus service to over 1,200 customers every day.

Transit Expansion and Conversion:

The 2023 Operating Budget includes \$84.1 million gross and \$72.2 million net for anticipated costs associated with Transit Expansion and Conversion, representing an increase of \$42.6 million from the \$29.6 million included in the 2022 approved budget. This includes costs for Line 5 and 6 as well as the incremental costs for an express bus replacement service after the planned SRT closure in Q4 2023.

Costs for Line 5 and 6 include funding for mobilization and training activities, as well as costs for TTC personnel to operate the line and the cost of traction power, utilities and the third party maintenance contract once revenue service commences. In addition, one-time project variations requested by TTC, which are required to ensure operational and safety practices are aligned with other modes are also included.

Note:

1. For additional information on 2023 key cost drivers please refer to [Appendix 2](#) for a summary of Affordability Measures, [Appendix 3](#) for a more detailed listing and descriptions of the 2023 Service Changes and [Appendix 4](#) for the 2023 New and Enhanced Service Priorities, respectively.

2024 & 2025 OUTLOOKS**Table 3: 2024 and 2025 Outlooks**

(\$000s)	2023 Budget	2024 Incremental Outlook	2025 Incremental Outlook
Revenues			
Base Revenue Changes	1,400,031.5	(14,733.3)	(1,100.1)
Transit Expansion & Conversion	11,900.0	(2,122.3)	
COVID-19 Impact	(357,163.0)	12,793.7	13,653.7
Total Revenues	1,054,768.5	(4,061.9)	12,553.5
Gross Expenditures			
Base Expenditure Changes	2,286,550.1	50,967.9	42,851.4
Transit Expansion & Conversion	84,100.0	43,165.4	
COVID-19 Expenditure Impacts	9,213.0	(3,564.0)	(1,361.3)
Total Gross Expenditures	2,379,863.1	90,569.3	41,490.1
Net Expenditures	1,325,094.6	94,631.3	28,936.5
Approved Positions	13,877	13,884	13,910

Note: Revenue changes include reversals of 2023 reserve draws.

Key drivers

The 2024 Outlook with total gross expenditures projected to be \$2,470.4 million reflects an anticipated \$90.6 million or 3.8% increase in gross expenditures above the 2023 Operating Budget; The 2025 Outlook expects a further increase of \$41.5 million or 1.7% above 2024 gross expenditures.

Excluding a modest reduction in anticipated COVID impacts, which is incorporated in the table above, 2024 will require \$111.0 million in additional net funding, with a further \$44.0 million required in 2025. Of these amounts, \$45.3 million in 2024 related to the full year impact Transit Expansion and Conversion (Operating Line 5 and Line 6 and the Line 3 Bus Replacement Plan).

The balance for both 2024 and 2025, relate to base pressures including continued energy and material price escalation; impact of increasing Wheel-Trans service to meet projected ridership demand; and operating impacts of completed capital projects, in particular the upcoming delivery of the 60 car LRV order and the reversal of the planned 2023 Stabilization Reserve draw.

It should be noted that these forecasted estimates exclude any provision that restores conventional service above 2023 levels should there be a need to match service to an increase in higher demand. In addition, future year estimates do not include provisions for wage increases or benefit improvements past March 31, 2024, due to the March 31, 2024, expiry of the Collective Agreement with ATU 113 (TTC's largest union).

2023 – 2032 CAPITAL BUDGET AND PLAN

2023 – 2032 CAPITAL BUDGET & PLAN OVERVIEW

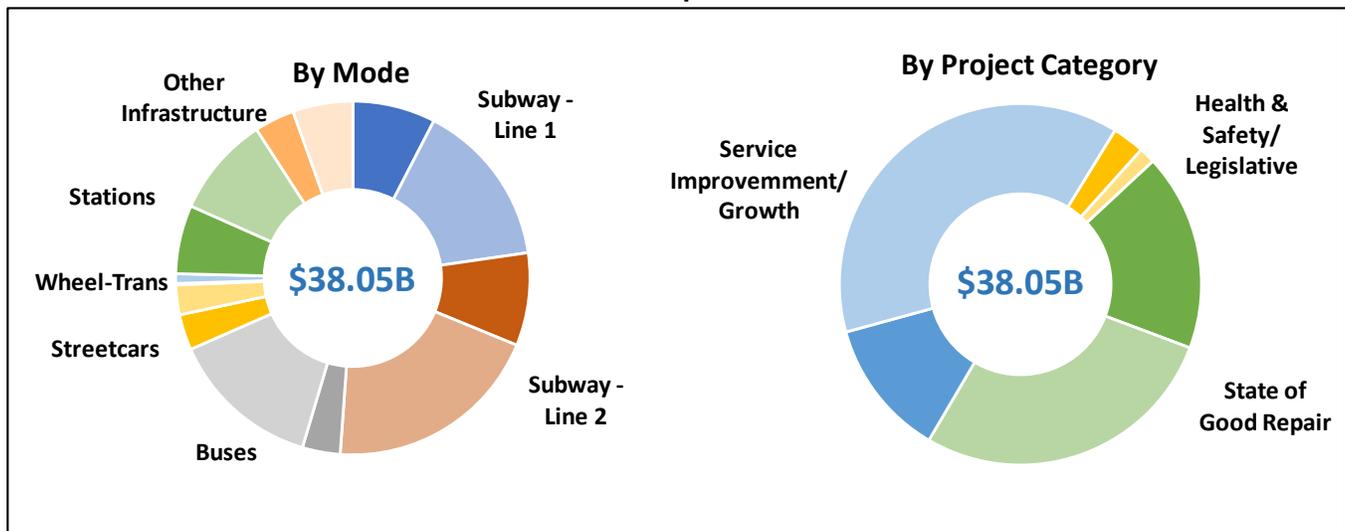
2023-2037 Capital Investment Plan (CIP)

In January 2019, the TTC introduced a supplemental report entitled *Making Headway: Capital Investments to Keep Transit Moving*. This report outlined the results of a comprehensive review of TTC’s state of good repair needs and capital requirements necessary to provide transit service that is safe, efficient, reliable, affordable and equitable over a longer-term time horizon.

As a rolling plan, the CIP is updated annually to reflect refined estimates based on capital planning progress made through stage gating; changes to planned timing or requirements and resultant costs as well as the addition of emergent capital needs due to new priorities or revised SOGR needs based on updated condition assessments.

The 2023-2037 Capital Investment Plan reflects progress made and takes a strategic approach to capital investment planning by bringing together project dependencies within larger capital programs. Chart 4 presents the TTC’s 2023-2037 Capital Investment Plan by Mode and by Project Category with the dark and light shading representing the funded and unfunded portions, respectively.

Chart 1: 2023-2037 Capital Investment Plan



Mode	Funded		Unfunded	
	\$	%	\$	%
Subway - Line 1	2,880.0	23.1%	5,760.2	22.5%
Subway - Line 2	3,230.6	25.9%	7,587.0	29.7%
Buses	1,314.1	10.5%	5,249.3	20.5%
Streetcars	1,239.4	9.9%	1,037.1	4.1%
Wheel-Trans	47.6	0.4%	336.7	1.3%
Stations	2,387.8	19.1%	3,498.2	13.7%
Other Infrastructure	1,391.7	11.1%	2,086.2	8.2%
Total	12,491.2	100%	25,554.7	100%

Project Category	Funded		Unfunded	
	\$	%	\$	%
Health & Safety/Legislated	1,090.6	8.7%	543.1	2.1%
State of Good Repair	6,720.5	53.8%	10,546.8	41.3%
Service Improvement/Growth	4,680.1	37.5%	14,464.8	56.6%
Total	12,491.2	100%	25,554.7	100%

2023-2037 Real Estate Investment Plan (REIP)

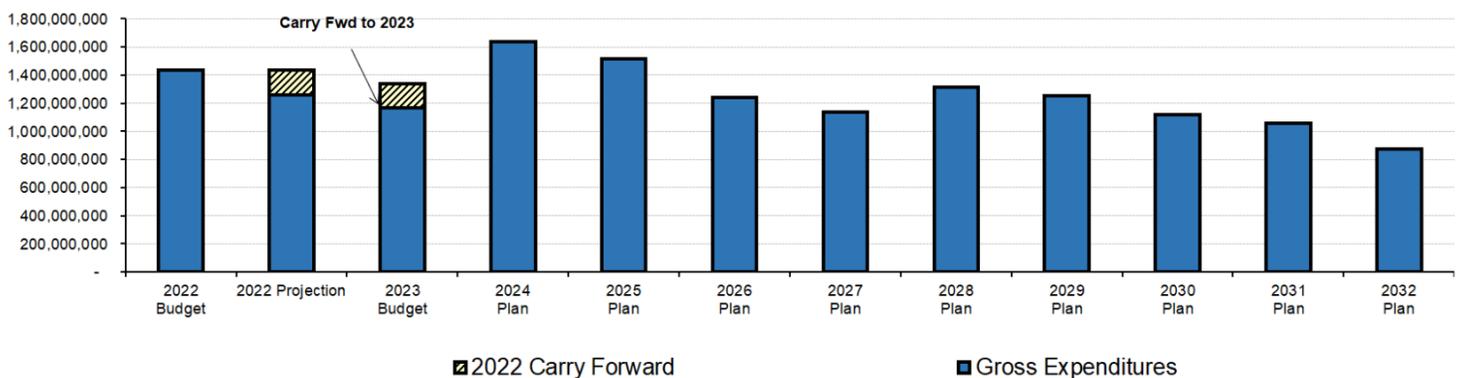
In recognition that the TTC’s real estate portfolio is large and complex, and that real estate needs are a critical interdependency for the implementation of TTC’s capital works, the TTC’s first ever 15-year REIP was established in 2022. The TTC Board endorsed the REIP’s guiding principles, implementation plan and timelines over the REIP’s 15-year planning horizon.

As a companion document to the CIP, the REIP lays out property-focused strategies and objectives for the planning and management of TTC’s real estate assets to ensure that TTC’s real estate asset portfolio is optimized. The TTC has already begun to realize benefits since the REIP’s inception in 2022. By providing a clear roadmap of TTC real estate needs and timing that can be shared with City partners, scarce industrial land in the City was acquired for the TTC’s future 10th bus garage facility.

Beyond its alignment with the 2023- 2037 CIP, the REIP’s 2023 update has added critical projects in support of the Lines 1 and 2 Capacity Enhancement Programs. It also reflects the progress made in achieving real estate objectives for TTC’s Easier Access program and finding long-term solutions for TTC’s warehousing needs.

Together, the CIP and REIP guide the TTC’s stewardship of its assets by enabling the staff to focus time, effort and available funding on priority capital investments that will most effectively meet the outcome of providing a safe, reliable and seamless transit network to move its riders today and into the future. To that end, the 2023-2032 Capital Budget and Plan of \$12.491 billion, with the 2023 Capital Budget of \$1.341 billion in its first year, begins to advance the critical priorities identified in the 2022-2036 CIP.

Chart 2: 10-Year Capital Plan Overview



In \$000's	2022		2023 Capital Budget and 2024 - 2032 Capital Plan										Total 10 Year Plan
	Budget	Projected Actual	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
	Gross Expenditures by Category:												
Health & Safety & Legislated	143,067	134,115	180,793	270,380	223,050	202,348	59,573	37,727	24,094	28,754	33,308	30,570	1,090,598
SOGR	879,307	730,243	920,227	908,301	809,744	580,450	535,493	600,552	638,175	636,031	579,761	511,702	6,720,436
Service Improvement & Growth	411,616	394,849	240,473	459,053	480,501	455,305	543,026	677,712	590,147	453,098	445,780	335,055	4,680,149
Total by Project Category	1,433,990	1,259,207	1,341,493	1,637,735	1,513,295	1,238,103	1,138,092	1,315,991	1,252,417	1,117,883	1,058,849	877,327	12,491,184
Financing:													
Debt			59,526	16,004	17,504	7,092	4,144	5,072	3,789	336,673	347,851	345,000	1,142,654
City Building Fund			680,997	816,639	788,860	569,230	458,389	846,731	764,896	341,703	288,612	139,120	5,695,177
Reserves/Reserve Funds			56,061	9,902									65,964
Development Charges			182,131	303,770	261,776	266,338	265,952	19,447	22,048	24,745	25,023	6,262	1,377,491
Provincial			123,078	183,291	157,014	134,906	144,315	164,125	175,218	152,919	145,276	139,603	1,519,745
Federal			196,311	260,178	257,062	237,314	250,270	270,125	272,993	248,071	239,529	234,082	2,465,935
Other Revenue			43,389	47,952	31,079	23,222	15,022	10,491	13,472	13,772	12,558	13,260	224,217
Total Financing			1,341,493	1,637,735	1,513,295	1,238,103	1,138,092	1,315,991	1,252,417	1,117,883	1,058,849	877,327	12,491,184

Changes to Existing Projects (\$681.4 Million)	New Projects (\$44.6 Million)	Capital Needs Constraints (\$11.7 Billion)
<p>The 2023-2032 Capital Budget and Plan reflects the following changes to existing projects over the nine common years (2023-2031):</p> <ul style="list-style-type: none"> • \$478.9M increase for vehicle overhaul projects (SOGR top up) • \$259.8M increase for purchases of vehicles mostly to top up funding to provide the City/TTC's one third share for the subway car procurement, in the event the TTC is successful in securing funding from the other orders of government • \$168.3M increase in Line 2 Capacity Enhancement project to fully fund the Greenwood carhouse modifications and yard resignalling • \$211.7M decrease in Yonge Bloor Capacity Improvement project to rebaseline the project reflecting a progressive design build model resulting in cashflow requirements shifting out to the post years 	<p>TTC has \$44.6 million in new projects included in the 2023-2032 Capital Budget and Plan:</p> <ul style="list-style-type: none"> • \$20M to implement digital advertising in the subway network • \$8.4M for electric Wheel-Trans Bus purchases • \$8.4M for procurement of workcar tunnel washers 	<p>TTC has key programs with unmet needs over the 10-year planning horizon:</p> <ul style="list-style-type: none"> • New Subway Trains: \$1.7B • Line 1 Capacity Enhancement (Train Maintenance and Storage Facility): \$2.4B • Purchase of Electric Buses: \$1.9B • Equipment: \$1.0B (including eBus Charging systems - \$575M) • Other Buildings & Structures: \$2.5B (including the Line 2 New Subway Maintenance & Storage Facility - \$1.3B)

Note:

For additional information, please refer to [Appendix 6](#) for a more detailed listing of the 2023 and 2024-2032 Capital Budget & Plan by project; [Appendix 7](#) for Reporting on Major Capital Projects – Status Update; [Appendix 8](#) for Capacity to Spend Review; and [Appendix 9](#) for Capital Needs Constraints, respectively

2023 – 2032 CAPITAL BUDGET AND PLAN

\$12,491 Million 10-Year Gross Capital Program

			
Track Work	Electrical Systems	Signal Systems	Buildings & Structures
\$839.02 M 7%	\$570.75 M 5%	\$771.74 M 6%	\$2,883.99 M 23%
<ul style="list-style-type: none"> ▪ Subway Track ▪ Surface Track ▪ Subway Rail Grinding 	<ul style="list-style-type: none"> ▪ Traction Power ▪ Power Distribution / Electric Systems ▪ Communications 	<ul style="list-style-type: none"> ▪ Signal Systems ▪ Line 1 and 2 Automatic Train Control Re-signaling 	<ul style="list-style-type: none"> ▪ Fire Ventilation Upgrade and Second Exits ▪ Easier Access Phase III ▪ Bridges & Tunnels
			
Capacity Improvements	Vehicles	Information Technology	Equipment & Other
\$3,619.91M 29%	\$2,934.39 M 23%	\$402.49 M 3%	\$468.89 M 4%
<ul style="list-style-type: none"> ▪ Bloor-Yonge Capacity Improvements ▪ Line 1 and Line 2 Capacity Enhancements 	<ul style="list-style-type: none"> ▪ Vehicle Overhauls ▪ Purchase of replacement and additional fleet 	<ul style="list-style-type: none"> ▪ SAP ERP Implementation ▪ VISION – Computer Aided Dispatch / Auto. Vehicle Location System ▪ MAXIMO – Asset management system 	<ul style="list-style-type: none"> ▪ Shop & Maintenance Equipment ▪ Revenue & Fare Handling Equipment ▪ Fare System

How the Capital Program is Funded (\$ millions)

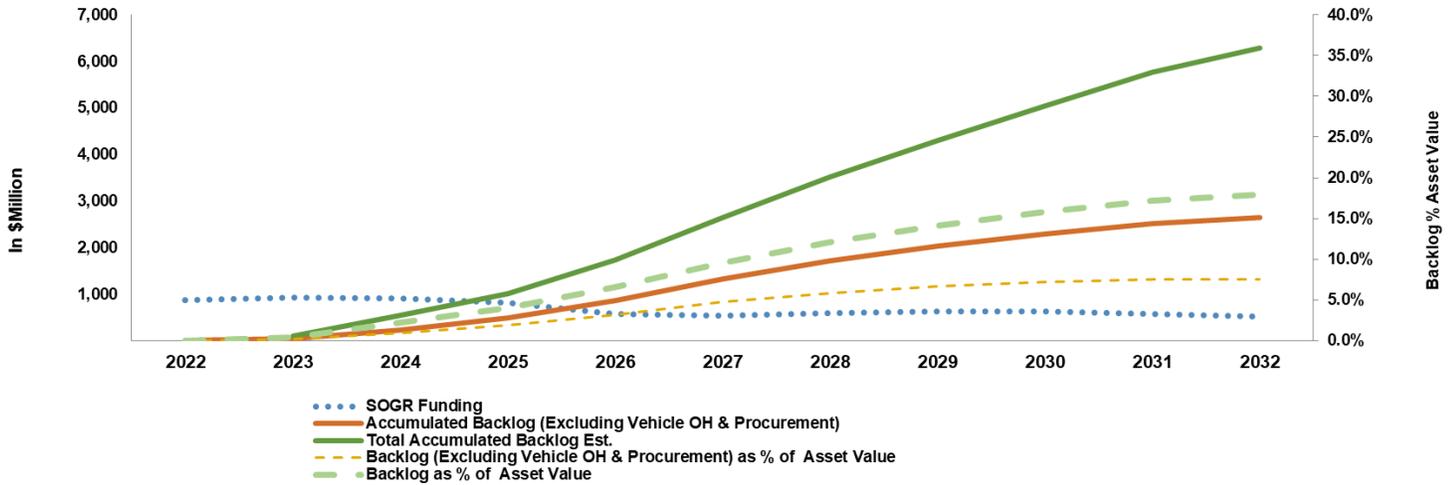
City of Toronto Funding		Provincial Funding		Federal Funding		Other Revenue	
\$8,281.4		\$1,519.7		\$2,465.9		\$224.2	
66%		12%		20%		2%	
City Building Fund	\$5,695.2	PTIF	\$447.3	PTIF	\$498.1	Other Revenue	\$224.2
Debt	\$1,142.7	Provincial Gas Tax	\$935.4	Federal Gas Tax	\$1,817.0		
Development Charges*	\$1,377.5	Provincial Subsidy - Streetcar Program	\$133.9	Federal Subsidy - Streetcar Program	\$150.8		
Reserve Draws	\$66.0	204 LRV Funding	\$3.1				

*Bill 23 impacts City's ability to recover the costs associated with growth-related infrastructure projects and to support complete higher density communities across Toronto.

STATE OF GOOD REPAIR (SOGR) FUNDING & BACKLOG

The chart below depicts the SOGR funding and accumulated backlog estimates for key asset classes in Transportation Services: major and local roads, bridge rehabilitation and laneways.

Chart 3: Total SOGR Funding & Backlog



\$ Million	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
SOGR Funding	879.3	920.2	908.3	809.7	580.5	535.5	600.6	638.2	636.0	579.8	511.7
Accumulated Backlog (Excluding Vehicle OH & Procurement)		40.2	237.9	482.1	857.3	1,329.7	1,713.3	2,032.6	2,299.3	2,514.2	2,645.1
Backlog (Excluding Vehicle OH & Procurement) as % of Asset Value	0.0%	0.2%	1.0%	1.9%	3.2%	4.8%	5.9%	6.7%	7.2%	7.5%	7.5%
Vehicle Overhaul Backlog		52.3	300.1	533.7	885.5	1,315.9	1,812.6	2,276.5	2,752.8	3,260.8	3,640.0
Total Accumulated Backlog Est.		92.5	538.0	1,015.8	1,742.8	2,645.6	3,525.9	4,309.0	5,052.1	5,774.9	6,285.0
Backlog as % of Asset Value	0.0%	0.4%	2.2%	4.0%	6.5%	9.5%	12.1%	14.1%	15.8%	17.2%	17.9%
Total Asset Value	22,152.9	23,194.1	24,284.2	25,425.6	26,620.6	27,871.8	29,181.7	30,553.3	31,989.3	33,492.8	35,066.9

- The SOGR Backlog presented above is based on TTC’s 2023 Capital Investment Plan which has been updated to account for project priorities; timing and dependencies.
- A linear annual growth rate of 4.7% has been applied to the total asset base value in 2023 and the subsequent years, as per guidance from the City of Toronto Financial Planning Division.
- The SOGR Backlog analysis reflects both finite and ongoing SOGR capital projects included in the 2023-2032 capital planning timeframe of TTC’s 15-year Capital Investment Plan that are currently not funded in the recommended 2023-2032 Capital Budget and Plan.
- Despite a combined investment of \$7.766 billion for critical Health, Safety, Legislated and State of Good Repair projects in the next 10 years, the TTC has a significant backlog of unfunded SOGR needs of \$6.285 billion in the 10-year period and a total of \$10.547 billion over the CIP’s 15-year period.
 - Starting from 2023, the SOGR backlog will grow from \$92.5M (or 0.4% of total asset value) to \$6.285 billion (or 17.9% of total asset value) by 2032 if no additional funding for SOGR is provided.
 - If one excludes the backlog associated with unfunded fleet overhaul and procurement investments, the SOGR Backlog would be \$2,645.1 million or 7.5% of asset value by the end of 2032, noting that unfunded vehicle needs make up 57% of the backlog.
- The TTC will continue to refine these estimates based on planned condition audits of its asset inventory and this SOGR backlog analysis, including asset values, as the TTC matures its asset management practices.

OPERATING IMPACT OF COMPLETED CAPITAL PROJECTS

The completion of previously approved capital projects will result in an overall operating savings of \$3.18 million in 2023. These savings are primarily due to the implementation of the One Person Train Operation (OPTO) project and the purchase of hybrid/electric buses, as the consumption of diesel fuel is reduced. The \$7.3 million in OPTO savings in 2023 represents the third and final year of realized savings, bringing the cumulative savings to \$10 million and a reduction of 100 positions.

The overall operating savings to be realized over the 10-year period are mainly the result of a projected reduction in fuel consumption resulting from the replacement of clean diesel buses with hybrid and electric buses at approximately \$81.1 million. These savings are offset by operating and maintenance costs resulting from the completion of cybersecurity technology implementation, the Purchase of Streetcars, Signal Systems and various other capital projects, and it is anticipated that this will result in a net 10-year operating budget savings of \$29.2 million. Furthermore, there is an incremental requirement for 92 positions to maintain the new 60 streetcars as well as sustain information technology systems.

Table 5: Net Operating Impact Summary

Projects	2023 Budget		2024 Plan		2025 Plan		2026 Plan		2027 Plan		2023-2027		2023-2032	
	\$000s	Pos.	\$000s	Pos.	\$000s	Pos.	\$000s	Pos.	\$000s	Pos.	\$000s	Pos.	\$000s	Pos.
Previously Approved														
Information Technology System-Infrastructure	5,270.0		5,323.9	1.0	4,517.1	21.0	1,418.8		899.6		17,429.4	22.0	14,217.5	22.0
Purchases of Buses	(1,983.9)		(5,016.1)		(7,500.0)		(8,590.4)		(8,590.4)		(31,680.8)		(81,085.3)	
Purchase of Street car			5,640.5	7.0	404.2	44.0	2,078.0		47.6		8,170.3	51.0	8,004.7	70.0
Signal System	500.0		84.0		17.0		19.0				620.0		299.0	
OPTO	(7,255.6)													
Other Various OBIs	290.0	2.0	960.6		2,017.0		3,400.0		3,500.0		10,167.6	2.0	29,370.0	
Sub-Total: Previously Approved	(3,179.5)	2.0	6,992.9	8.0	(544.7)	65.0	(1,674.6)		(4,143.2)		4,706.5	75.0	(29,194.1)	92.0
New Projects - 2023														
Sub-Total: New Projects - 2023														
New Projects - Future Years														
Sub-Total: New Projects - Future Years														
Total (Net)	(3,179.5)	2.0	6,992.9	8.0	(544.7)	65.0	(1,674.6)		(4,143.2)		4,706.5	75.0	(29,194.1)	92.0

The TTC is committed to realizing and capturing all benefits arising from capital investments. The 2023 operating impact of \$3.18 million in savings from completed capital projects has been included in the recommended 2023 Operating Budget.

APPENDICES

Appendix 1

COVID-19 Impact and Recovery

COVID-19 Impacts	In \$ Thousands				
	2022		2023		
	Budget	Projection*	Revenues	Gross	Net
Revenue Loss					
Passenger Revenue Loss (Net of PRESTO)	487,161.0	481,200.0	342,663.0	(14,587.2)	328,075.8
Ancillary Revenue	22,550.0	22,145.1	14,502.3		14,502.3
Sub-Total	509,711.0	503,345.1	357,165.3	(14,587.2)	342,578.1
Expenditure Increase					
Safety and Other Required Measures					
Vehicle Disinfection	11,641.3	2,941.3			
Personal Protective Equipment	5,965.1	4,413.1		3,133.1	3,133.1
Vehicle Ventillation Filters	1,665.0	2,000.0		1,665.0	1,665.0
Facility Disinfection, Decals and Other	4,409.0	2,611.0		763.4	763.4
Hand Sanitizer for Customers	1,632.0	1,132.0		1,132.0	1,132.0
Employee Screening Costs	8,000.0	2,200.0			
Managing Resourcing					
Incremental Labour Costs	1,678.4	1,418.4		705.0	705.0
Operator Hiring (Cadre)		750.0			
Increased WSIB Claims	10,231.0	10,231.0		10,231.0	10,231.0
Sick Benefit Costs	6,156.0	9,471.9		6,156.0	6,156.0
Sub-Total	51,377.8	37,168.7		23,785.5	23,785.5
Support from Other Levels of Gov't**					
SRA Phase 3		(67,292.3)			
SRA Phase 4		(347,945.5)			
Sub-Total		(415,237.8)			
Total COVID-19 Impact	561,088.8	125,275.9	357,165.3	9,198.3	366,363.6

* 2022 Projection based on 9 Month Variance

Appendix 2

2023 Affordability Measures

(\$000s)						
Recommendation	Savings Type	Equity Impact	2023			
			Revenue	Gross	Net	Positions
Base Budget Reductions						
Line-By-Line Review	Line By Line	None		(10,263.7)	(10,263.7)	
Efficiency Measures						
One Person Train Operation (Line 1)	Efficiencies	Low - Positive		(7,255.6)	(7,255.6)	-
Overtime Reductions	Efficiencies	None		(664.5)	(664.5)	-
Revenue Operations - Legacy Fare Elimination	Efficiencies	Undetermined		(677.5)	(677.5)	(6.0)
WT Zone Bus	Efficiencies	Low - Positive		(1,158.6)	(1,158.6)	(16.0)
Snow Removal	Efficiencies	None		(800.0)	(800.0)	-
Other Efficiencies	Efficiencies			(1,110.4)	(1,110.4)	-
Implementation of AG Recommendations:						
Wheel-Trans Call Centre	AG Recs			(490.1)	(490.1)	(7.0)
Aftermarket Parts Warranty	AG Recs			(74.6)	(74.6)	-
Stabilization Reserve Draw	Revenue Increase (Other)	None	15,689.0		(15,689.0)	
Total Affordability Measures			15,689.0	(22,495.0)	(38,184.0)	(29.0)

Appendix 3

Summary of 2023 Service Changes



2023 Tabled Operating Budget - Service Changes Summary by Activity (\$000's)

Form ID		Agencies - Cluster	Adjustments				2024 Plan Net Change	2025 Plan Net Change	
Category	Equity Impact	Program - Toronto Transit Commission - Conventional	Gross Expenditure	Revenue	Net	Approved Positions			
2023 Tabled Base Budget Before Service Changes:			2,225,743.7	1,008,605.2	1,217,138.5	16,362.10	39,070.2	25,103.4	
28541		Fare Increase							
52	Negative	Description:							
A 10 cent fare increase, effective April 3, 2023 on single fares only while exempting seniors' and pass fares is expected to generate \$16.1 million in 2023. All day, monthly and 12-month passes as well as all senior fares, will remain frozen at 2020 rates. Funds generated from the fare increase are being directed to fund the new investments in System Safety, Cleanliness and Accessibility described above, and in part to address the sharp escalation in diesel fuel costs									
Service Level Impact:									
Equity Statement:									
The ten cent increase on adult and youth fares only will has low negative equity impact. Low income people will be negatively impacted as the fare increase may make transit less affordable. To limit the impact fares for seniors, pass users and fair pass riders are remaining at 2020 rates as well as contributing funds to expand the eligibility of the Fair Pass program to include Toronto residents at 75% of the Low Income Measure or below.									
Service/Activity: Toronto Transit Commission - Conventional Service / NA									
Total Tabled Budget Changes:			715.0	16,794.0	(16,079.0)	0.00	(5,156.0)	0.0	
Tabled Service Changes:			715.0	16,794.0	(16,079.0)	0.00	(5,156.0)	0.0	
28551		TTC Stabilization Reserve Draw							
52	No Impact	Description:							
A \$15.7 million stabilization reserve draw to limit the amount of the TTC fare increase and partially mitigate the substantial inflationary pressures.									
Service Level Impact:									
Equity Statement:									
This has no impact on service levels provided to the public and therefore no equity impact.									
Service/Activity: Toronto Transit Commission - Conventional Service / NA									
Total Tabled Budget Changes:			0.0	15,689.0	(15,689.0)	0.00	15,689.0	0.0	
Tabled Service Changes:			0.0	15,689.0	(15,689.0)	0.00	15,689.0	0.0	
28498		TTC Service Alignment with Demand							
59	Negative	Description:							
The TTC have identified reduction in funding as a result of adjusting service levels to match capacity and demand.									
Service Level Impact:									
Equity Statement:									
TTC Service Alignment with Demand will result in service being approximately 91% of Pre-COVID hours, a change from the currently scheduled service of approximately 96%, this will have a low-negative impact. This will impact all equity groups as a slightly longer wait for transit vehicle may be experienced by some riders. However to this will be mitigated by ensuring current periods of service and network coverage are protected to ensure transit remains accessible. In addition the TTC is also implementing a targeted incremental investment to increase service on prioritized routes with a high proportion of boardings at stops serving Neighbourhood Improvement Areas.									
Service: Toronto Transit Commission - Conventional Service									
Total Tabled Budget Changes:			(50,365.1)	(3,921.9)	(46,443.2)	(456.60)	(6,471.7)	0.0	
Tabled Service Changes:			(50,365.1)	(3,921.9)	(46,443.2)	(456.60)	(6,471.7)	0.0	
Summary:									
Tabled Service Changes:			(49,650.1)	28,561.1	(78,211.2)	(456.60)	4,061.3	0.0	
Tabled Base Budget:			2,176,093.5	1,037,166.2	1,138,927.3	15,905.50	43,131.5	25,103.4	

Appendix 4

Summary of 2023 New / Enhanced Service Priorities Included in Budget



2023 Tabled Operating Budget - New and Enhanced Service Priorities Summary by Activity (\$000's)

Form ID		Agencies - Cluster Program - Toronto Transit Commission - Conventional	Adjustments				2024 Plan Net Change	2025 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions		

28508		Line 6 - Finch West LRT					
74	Positive	Description: This reflects the cost impact to mobilize and train staff as well as costs for TTC personnel to operate the line, and once revenue service commences, the cost of traction power, utilities and maintenance costs through a third party contract. Anticipated costs of one-time project variations identified by the TTC to ensure operational and safety practices are aligned with current modes, are also included.					
		Service Level Impact:					
		Equity Statement: Line 6 Finch West LRT will connect to other local transit services and directly serve 8 Neighbourhood Improvement Areas and provide bus connections to many other NIAs, supporting the goals of the Toronto Poverty Reduction Strategy and Toronto Strong Neighbourhoods Strategy to improve transit service to the inner suburbs, NIAs and equity seeking communities. The Finch West LRT budget proposal's overall impact is highly positive. It improves public transit access to numerous NIAs and connects customers to opportunities across the city with transit that is faster, more reliable, and more comfortable compared to current trips on buses.					
		Service/Activity: Toronto Transit Commission - Conventional Service / NA					
Total Tabled Budget Changes:			12,055.7	1,583.0	10,472.7	108.00	17,572.7 (43.0)
Tabled New/Enhanced Service Priorities:			12,055.7	1,583.0	10,472.7	108.00	17,572.7 (43.0)

28509		Line 5: Eglinton Crosstown LRT					
74	Positive	Description: This reflects the cost impact to mobilize and train staff, including the start of Line 5 operator training in the first quarter of 2023, as well as costs for TTC personnel to operate the line, and once revenue service commences, the cost of traction power, utilities and maintenance costs through a third party contract. Anticipated costs of one-time project variations identified by the TTC to ensure operational and safety practices are aligned with current modes, are also included.					
		Service Level Impact:					
		Equity Statement: Line 5 Eglinton Crosstown LRT will directly serve 9 Neighbourhood Improvement Areas and provide bus connections to many other NIAs, supporting the goals of the Toronto Poverty Reduction Strategy and Toronto Strong Neighbourhoods Strategy to improve transit service to the inner suburbs, NIAs and equity seeking communities. The Eglinton Crosstown budget proposal's overall impact is highly positive. It improves public transit access to numerous NIAs and connects customers to opportunities across the city with transit that is faster, more reliable, and more comfortable compared to current trips on buses.					
		Service/Activity: Toronto Transit Commission - Conventional Service / NA					
Total Tabled Budget Changes:			40,161.6	9,522.7	30,639.0	39.00	17,707.6 (233.9)
Tabled New/Enhanced Service Priorities:			40,161.6	9,522.7	30,639.0	39.00	17,707.6 (233.9)

28546		Safety & Cleanliness					
74	Positive	Description: \$4.4 million in new investment funding to address System Safety and Cleanliness initiatives. This will fund an additional 10 Streets to Homes outreach workers, bringing the total to 20 outreach workers in the transit system; 25 more Special Constables in stations to enhance overall safety and provide assistance to customers as required and to add mid-day vehicle cleaning on key streetcar routes.					
		Service Level Impact:					
		Equity Statement: The initiative proposed is to improve system safety and will impact all equity groups positively and therefore has a positive-high impact.					
		Service/Activity: Toronto Transit Commission - Conventional Service / NA					
Total Tabled Budget Changes:			4,448.0	0.0	4,448.0	27.00	1,009.0 0.0
Tabled New/Enhanced Service Priorities:			4,448.0	0.0	4,448.0	27.00	1,009.0 0.0

Appendix 4 (continued)

Form ID		Agencies - Cluster Program - Toronto Transit Commission - Conventional	Adjustments				2024 Plan Net Change	2025 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions		
28547		Targeted Service Enhancements						
74	Positive	Description: \$0.7 million in System Accessibility investments which will fund a targeted incremental investment of 240 weekly service hours will be made, prioritized on routes with a high proportion of boardings at stops serving Neighbourhood Improvement Areas. Service Level Impact: Equity Statement: The initiative proposed is to improve system safety and will impact all equity groups positively and therefore has a positive-high impact. Service/Activity: Toronto Transit Commission - Conventional Service / NA						
Total Tabled Budget Changes:			818.4	0.0	818.4	8.00	433.3	0.0
Tabled New/Enhanced Service Priorities:			818.4	0.0	818.4	8.00	433.3	0.0
28548		TTC Contribution to non-program for fair pass subsidization						
74	Positive	Description: A \$2.0 million contribution to the City's Social Development Finance and Administration Division to facilitate the expansion of the Fair Pass program to individuals with a family income below 75% of the Low Income Measure. Approximately 50,000 more low-income people will be eligible for the discount. Service Level Impact: Equity Statement: The expansion of the Fair Pass program has a high-positive equity impact to persons with low income equity group as the program will be expanded to individuals with a family income below 75% of the Low Income Measure. Service/Activity: Toronto Transit Commission - Conventional Service / NA						
Total Tabled Budget Changes:			2,000.0	0.0	2,000.0	0.00	0.0	0.0
Tabled New/Enhanced Service Priorities:			2,000.0	0.0	2,000.0	0.00	0.0	0.0
28494		Line 3 Bus Replacement Plan						
74	No Impact	Description: Net impact in operating costs due to the lower capacity of buses as compared to SRT trains, resulting in higher incremental costs on a net basis of \$1.5 million expected in 2023 and a further \$10 million anticipated in 2024. Service Level Impact: Equity Statement: The Line 3 Bus replacement proposal's overall impact is medium positive. It will provide a safe, reliable and accessible transit service in Neighbourhood Improvement Areas in the interim until the Scarborough Subway Extension (SSE) is opened by the Province of Ontario in 2030. Service/Activity: Toronto Transit Commission - Conventional Service / NA						
Total Tabled Budget Changes:			1,466.7	0.0	1,466.7	89.00	10,043.9	0.0
Tabled New/Enhanced Service Priorities:			1,466.7	0.0	1,466.7	89.00	10,043.9	0.0
Summary:								
Tabled New/Enhanced Service Priorities:			60,950.4	11,105.7	49,844.8	271.00	46,766.5	(276.9)

Appendix 5

Summary of 2023 New / Enhanced Service Priorities Not Included in Budget N/A

Appendix 6

2023 Capital Budget; 2024 - 2032 Capital Plan Including Carry Forward Funding

Projects (In \$000s)	2023 Budget	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2023 - 2032 Total	Health & Safety & Legislated	SOGR	Growth & Improved Service
ATC Resignalling	50,433	41,242	42,266	57,393	84,640	82,572	83,182	85,691	76,655	79,573	683,647		683,647	
Automotive Non-Revenue Vehicles	9,482	16,802	17,967	18,128	2,680	2,678	2,701	2,705	2,706	1,940	77,789		62,470	15,319
Bridges and Tunnels - Various	41,416	54,448	55,024	46,512	47,766	46,596	47,428	47,592	46,703	49,047	482,532		482,532	
Bus Overhaul Program	59,670	38,634	28,845	3,441	1,182	44,904	90,982	96,675	72,769	76,910	514,012		514,012	
Communications - Various	13,825	17,341	18,278	16,835	12,556	14,310	13,066	13,072	12,569	11,580	143,432	4,391	138,333	708
Corporate Initiatives - CLA	8,000	7,250	8,250	8,250	9,000	10,000	10,250	10,250	10,500	11,000	92,750		92,750	
Easier Access Phase II & III	119,906	179,126	136,910	128,134	17,933						582,009	582,009		
Environmental Programs	13,778	19,032	11,617	14,192	12,842	10,626	8,583	9,307	7,900	6,200	114,077	114,077		
Equipment - Various	72,194	64,277	46,789	48,742	27,566	19,857	18,853	18,346	48,017	44,729	409,370	39,593	367,395	2,382
Fare Handling Equipment	6,386	1,750	1,750	1,250	1,250	1,250	1,250	1,250	1,250	1,250	18,636		18,636	
Fare System	6,508	3,830	914								11,252			11,252
Finishes - Various	25,303	40,120	8,972	1,778	800	39,956	17,508	15,783	15,533	13,075	178,828	12,969	162,413	3,446
Fire Ventilation Upgrade	33,830	31,573	28,465	19,097	18,451	37,820	48,883	46,272	39,683	36,210	340,284	144,884	195,400	
Furniture & Office Equipment	474	75	75	175	75	75	75	337	395	76	1,832		1,832	
Information Technology System-Infrastructure	67,359	87,656	64,254	39,979	72,147	10,305	15,937	15,219	13,206	16,429	402,491	4,580	386,463	11,448
Leslie Barns Streetcar Maint. & Storage Facility	650	4,571	2,896								8,117		8,117	
Line 1 Capacity Enhancement	25,426	69,795	152,614	192,152	256,902	273,867	148,920	68,125	95,438	106,326	1,389,565			1,389,565
Line 2 Capacity Enhancement	14,794	13,730	48,416	69,990	56,220	131,850	133,572	151,139	148,588	80,715	849,014			849,014
Line 4	500	3,205									3,705			3,705
McNicoll Bus Garage Facility	550	2,016	1,762								4,328			4,328
On-Grade Paving Rehabilitation	11,837	14,913	15,955	9,233	5,400	25,328	12,000	12,000		14,700	121,366		121,366	
Other Bldgs & Structures Projects	61,145	122,753	146,329	107,631	54,854	36,903	3,542	466	466	6,566	540,655	127,489	314,191	98,975
Other Maintenance Equipment	3,364	1,346	2,448	1,450	1,078	1,083	1,131	1,146	1,148	1,161	15,355		15,355	
Other Service Planning	16,435	25,028	30,055	13,760	6,552	3,463	3,066	2,900	2,800	4,300	108,359	16,470	16,243	75,646
Power Dist./Electric Systems - Various	8,007	11,516	11,309	19,071	23,517	23,402	22,273	17,354	7,821	8,050	152,320	3,043	146,427	2,850
Purchase of 360 Wheel-Trans Vehicles	25,819	12,356	2,464	6,942							47,581		47,581	
Purchase of Rail Non-Revenue Vehicle	1,516	4,909	6,893	8,881	11,786	9,014	5,901	9,533	185		58,618		45,364	13,254
Purchase of Streetcars	58,434	193,428	82,644	5,759							340,265		7,297	332,968
Purchase of Subway Cars	2,578	90,733	28,300	35,398	94,142	118,504	131,967	145,379	148,428	16,467	811,896		560,823	251,073
Purchases of Buses	246,066	138,937	196,497	47,932	611	611	611	611	611	611	633,098		627,440	5,658
Rail Non-Revenue Vehicle Overhaul	1,814	2,582	5,042	5,364	6,023	4,796	3,285	3,050	1,690	1,607	35,253		35,253	
Safety Program	1,479	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	10,479	10,479		
Signal Systems - Various	21,514	14,631	10,822	10,967	8,609	6,701	4,958	3,605	3,088	3,200	88,095		88,095	
Streetcar Overhaul Program	17,079	19,879	13,338	4,217		15,021	17,536				87,070	16,177	68,636	2,257
Subway Car Overhaul Program	32,551	40,023	41,024	19,445	7,287	22,983	53,223	41,642	36,437	34,185	328,800	11,673	317,127	
Subway Track	34,088	33,089	34,064	34,624	34,112	33,346	33,481	34,719	33,000	33,549	338,072		337,072	1,000
Surface Track	51,795	57,101	61,671	61,999	67,355	42,779	23,238	45,000	45,000	44,999	500,937		389,163	111,774
Tools and Shop Equipment	8,644	8,757	6,825	2,825	1,875	1,701	1,583	2,043	1,822	1,858	37,933		37,933	
Toronto Rocket Yard & Storage Track Accommodation	30,251	47,475	17,067	12,928	2,792						110,513		110,513	
Traction Power - Various	26,471	29,432	23,291	23,388	23,594	28,115	28,822	29,875	30,561	31,452	275,001		268,315	6,686
Transit Shelters & Loops	500	545	560	571	583	681	693	705	718	730	6,286		6,286	
Warehouse Consolidation	443										443		443	
Yards and Roads - Various	333	749	1,725								2,807	2,764		43
Yonge Bloor Capacity Improvements	20,655	33,928	97,905	125,353	151,596	213,893	262,916	185,094	152,165	137,832	1,381,337			1,381,337
Scarborough Subway Extension	27,355	18,150									45,505		45,505	
Spadina Subway Extension VCC	56,061	15,000									71,061			71,061
Transit Projects	4,770	3,000		13,315	13,314						34,399			34,399
Total Expenditures (including carry forward from 2022)	1,341,488	1,637,733	1,513,292	1,238,101	1,138,090	1,315,990	1,252,416	1,117,885	1,058,852	877,327	12,491,174	1,090,598	6,720,428	4,680,148

Appendix 6a

2023 Cash Flow and Future Year Commitments Including Carry Forward Funding

Projects (In \$000s)	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Total 2023 Cash Flow & FY Commits	Previously Approved	Change in Scope	New w/ Future Year
ATC Resignalling	50,433	41,242	42,266	57,393	84,640	82,572	83,182	85,691	76,655	79,573	683,647	811,237	(127,590)	
Automotive Non-Revenue Vehicles	9,482	8,329	14,917	17,934	2,680	2,678					56,020	18,385	37,635	
Bridges and Tunnels - Various	41,416	54,448	55,024								150,888	136,593	14,295	
Bus Overhaul Program	59,670	38,634	28,845								127,149	120,883	6,266	
Communications - Various	13,825	17,341	436	405	399	1,860	1,855	1,864	1,857	1,848	41,690	26,422	15,268	
Corporate Initiatives - CLA	8,000	7,250	8,250	8,250	9,000	10,000	10,250	10,250	10,500	11,000	92,750	82,890	9,860	
Easier Access Phase II & III	119,906	179,126	136,910	128,134	17,933						582,009	549,043	32,966	
Environmental Programs	13,778	19,032	11,617	14,192							58,619	37,571	21,048	
Equipment - Various	72,194	64,277	46,789	48,742	6,596	5,332	4,890	4,000			252,820	201,512	51,308	
Fare Handling Equipment	6,386	1,750	1,750	1,250	1,250	1,250	1,250	1,250	1,250		17,386	16,386	1,000	
Fare System	6,508	3,830	914								11,252	11,252		
Finishes - Various	25,303	40,120	8,422	1,778	800	37,820	15,324	13,550	13,300	10,842	167,259	79,373	87,886	
Fire Ventilation Upgrade	33,830	26,518	19,383	10,897	4,200	3,500	6,645	11,406	21,351	20,259	157,989	172,151	(14,162)	
Furniture & Office Equipment	474	75	75								624	575	49	
Information Technology System-Infrastructure	67,359	87,656	64,254	39,979	72,147						331,395	255,178	76,217	
Leslie Barns Streetcar Maint. & Storage Facility	650	4,571	2,896								8,117	8,117		
Line 1 Capacity Enhancement	25,426	69,795	152,614	192,152	256,902	273,867	148,920	68,125	95,438	106,326	1,389,565	1,322,300	67,265	
Line 2 Capacity Enhancement	14,794	13,730	48,416	69,990	56,220	131,850	133,572	151,139	148,588	80,715	849,014	607,091	241,923	
Line 4	500	3,205									3,705	3,705		
McNicol Bus Garage Facility	550	2,016	1,762								4,328	4,328		
On-Grade Paving Rehabilitation	11,837	14,913	15,955								42,705	31,660	11,045	
Other Bldgs & Structures Projects	61,145	122,753	146,329	107,631	54,854	36,903	3,542	466	466	6,566	540,655	689,262	(148,607)	
Other Maintenance Equipment	3,364	1,346	2,448								7,158	4,425	2,733	
Other Service Planning	16,435	25,028	30,055	13,760	6,552	3,463	3,066	2,900	2,800	4,300	108,359	92,260	16,099	
Power Dist./Electric Systems - Various	8,007	11,516	10,832	18,607	23,023	22,905	21,550				116,440	96,178	20,262	
Purchase of 360 Wheel-Trans Vehicles	25,819	12,356	2,464	6,942							47,581	28,576	19,005	
Purchase of Rail Non-Revenue Vehicle	1,516	4,909	6,893	8,881	11,786	9,014	5,901	9,533	185		58,618	50,583	8,035	
Purchase of Streetcars	58,434	193,428	82,644	5,759							340,265	374,572	(34,307)	
Purchase of Subway Cars	2,578	90,733	28,300	35,398	94,142	118,504	131,967	145,379	148,428	16,467	811,896	618,895	193,001	
Purchases of Buses	246,066	138,937	196,497	47,932							629,432	553,845	75,587	
Rail Non-Revenue Vehicle Overhaul	1,814	2,582	5,042	5,364	6,023						20,825	17,362	3,463	
Safety Program	1,479	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	10,479	9,479	1,000	
Signal Systems - Various	21,514	14,631	10,822	10,967							57,934	47,760	10,174	
Streetcar Overhaul Program	17,079	19,879	13,338	4,217		15,021	17,536				87,070	26,280	60,790	
Subway Car Overhaul Program	32,551	40,023	41,024	19,445	7,287	22,983	53,223	41,642	36,437	34,185	328,800	173,379	155,421	
Subway Track	34,088	33,089									67,177	34,288	32,889	
Surface Track	51,795	57,101	61,671	23,503	25,356	17,000					236,426	184,417	52,009	
Tools and Shop Equipment	8,644	8,757									17,401	8,475	8,926	
Toronto Rocket Yard & Storage Track Accommodation	30,251	47,475	17,067	12,928	2,792						110,513	110,513		
Traction Power - Various	26,471	29,432									55,903	34,736	21,167	
Transit Shelters & Loops	500	545	560	571							2,176	1,680	496	
Warehouse Consolidation	443										443	443		
Yards and Roads - Various	333	749	1,725								2,807	1,999	808	
Yonge Bloor Capacity Improvements	20,655	33,928	97,905	125,353	151,596	213,893	262,916	185,094	152,165	137,832	1,381,337	1,455,228	(73,891)	
Scarborough Subway Extension	27,355	18,150									45,505	31,298	14,207	
Spadina Subway Extension VCC	56,061	15,000									71,061	71,061		
Transit Projects	4,770	3,000		13,315	13,314						34,399	34,399		
Total Expenditures (including carry forward from 2022)	1,341,488	1,624,205	1,418,111	1,052,669	910,492	1,011,415	906,589	733,289	710,420	510,913	10,219,591	9,248,045	971,546	

Appendix 6b

2024 - 2032 Capital Plan

Projects (In \$000s)	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2024 - 2032 Total	Health & Safety & Legislated	SOGR	Growth & Improved Service
Automotive Non-Revenue Vehicles	8,473	3,050	194			2,701	2,705	2,706	1,940	21,769		10,052	11,717
Bridges and Tunnels - Various			46,512	47,766	46,596	47,428	47,592	46,703	49,047	331,644		331,644	
Bus Overhaul Program			3,441	1,182	44,904	90,982	96,675	72,769	76,910	386,863		386,863	
Communications - Various		17,842	16,430	12,157	12,450	11,211	11,208	10,712	9,732	101,742		101,742	
Environmental Programs				12,842	10,626	8,583	9,307	7,900	6,200	55,458	55,458		
Equipment - Various				20,970	14,525	13,963	14,346	48,017	44,729	156,550		156,550	
Fare Handling Equipment									1,250	1,250		1,250	
Finishes - Various		550			2,136	2,184	2,233	2,233	2,233	11,569	11,569		
Fire Ventilation Upgrade	5,055	9,082	8,200	14,251	34,320	42,238	34,866	18,332	15,951	182,295		182,295	
Furniture & Office Equipment			175	75	75	75	337	395	76	1,208		1,208	
Information Technology System-Infrastructure					10,305	15,937	15,219	13,206	16,429	71,096		71,096	
On-Grade Paving Rehabilitation			9,233	5,400	25,328	12,000	12,000		14,700	78,661		78,661	
Other Maintenance Equipment			1,450	1,078	1,083	1,131	1,146	1,148	1,161	8,197		8,197	
Power Dist./Electric Systems - Various		477	464	494	497	723	17,354	7,821	8,050	35,880	2,675	30,852	2,353
Purchases of Buses				611	611	611	611	611	611	3,666			3,666
Rail Non-Revenue Vehicle Overhaul					4,796	3,285	3,050	1,690	1,607	14,428		14,428	
Signal Systems - Various				8,609	6,701	4,958	3,605	3,088	3,200	30,161		30,161	
Subway Track		34,064	34,624	34,112	33,346	33,481	34,719	33,000	33,549	270,895		270,895	
Surface Track			38,496	41,999	25,779	23,238	45,000	45,000	44,999	264,511		264,511	
Tools and Shop Equipment		6,825	2,825	1,875	1,701	1,583	2,043	1,822	1,858	20,532		20,532	
Traction Power - Various		23,291	23,388	23,594	28,115	28,822	29,875	30,561	31,452	219,098		219,098	
Transit Shelters & Loops				583	681	693	705	718	730	4,110		4,110	
Total Expenditures	13,528	95,181	185,432	227,598	304,575	345,827	384,596	348,432	366,414	2,271,583	69,702	2,184,145	17,736

Appendix 7

Reporting on Major Capital Projects: Status Update

Division/Project name	2022 Cash Flow (Active Projects)			Total Project Cost (Active Projects)		Status	Start Date	End Date		On Budget	On Time		
	Appr.	YTD Spend	YE Projec Spend	Appr. Budget	Life to Date			Planned	Revised				
Toronto Transit Commission													
CTT024	Fire Ventilation Upgrades & Second Exits		48,236	22,702	48,236	558,761	360,062	On Track	Jan-11	Ongoing	TBD	⚠	⚠
	Comments:	<ul style="list-style-type: none"> • Subway Ventilation System Upgrade: <ul style="list-style-type: none"> - Completed Stations: York Mills, Sheppard, Finch, Union, Lawrence - Construction: Eglinton as part of Metrolinx-ECLRT project - Planning/ Design: St. Clair West station, Markdale and Lytton ESBs as part of Line 1 Capacity project, Bloor-Yonge as part of Bloor-Yonge station – Capacity Improvement project. They are funded under Major Projects. • Subway Ventilation Equipment Replacement <ul style="list-style-type: none"> - Completed Stations: Bloor station F#2, Sheppard W. station F#2, Sherbourne - Construction: Sheppard West & Clanton Park ESB, Dundas West (Substantial Performance was achieved for Sheppard West & Clanton Park ESB in Q3 2022) • Subway Station Second Exit <ul style="list-style-type: none"> - Completed Stations: Broadview, Castle Frank, Pape, Dufferin, Woodbine, Wellesley, Chester - Planning/Concept Phase: Greenwood, Dundas - Detailed Design Phase: Dundas West, Summerhill - Construction Phase: College, Donlands, Museum 											
	Explanation for Delay:	<ul style="list-style-type: none"> • Delay in upgrading Subway Ventilation System (Protection of potential properties is required to provide for future projects. Developer applications are being reviewed to mitigate conflicts. Review of interchange stations (TTC, Metrolinx) for opportunities to upgrade the Subway Ventilation System as part of other system expansions.) • Delays to execution and completion of new second exits (Commence early consultations and negotiations with property owners for property acquisitions as required (Greenwood Station). Continue to work closely with the City and identify development opportunities early (Dundas Station). Ensure the project schedules incorporate expected timelines for property identification and acquisition.) 											
CTT028	Easier Access - Phase III (including Warden Station and Islington Station)		82,652	44,548	81,188	1,090,518	496,978	On Track	Jan-06	31/12/2027	TBD	⚠	Ⓢ
	Comments:	<ul style="list-style-type: none"> 14 Stations continuing in Construction <ul style="list-style-type: none"> • Lansdowne, Donlands, College, Summerhill, Rosedale, Castle Frank, Glencairn, Greenwood, Lawrence, High Park, Museum, Christie, Spadina, Warden (EA) • Yorkdale & Dupont stations were made accessible and construction work remains to achieve Substantial performance milestones • King station recently awarded (August 2022) • Old Mill station - Construction start impacted due to property delay (2662 Bloor St W) • 2 Stations in Final Design - Islington Redevelopment – Sign off and Pre-tender & Warden Redevelopment – Detailed Design review 											
	Explanation for Delay:	<ul style="list-style-type: none"> • Higher costs due to current market conditions, supply chain issues and escalations • Sub-contractor coordination, Labour shortages / disruptions, Supply chain issues 											
CTT111	Purchase of Buses		180,639	77,824	126,741	892,085	289,487	Minor Delay	Jan-11	31/12/2025	TBD	⚠	⚠
	Comments:	<ul style="list-style-type: none"> Hybrid Buses <ul style="list-style-type: none"> • 100% of Pre-production bus design review meetings are completed. • Kick off meeting with QA Contractor completed. • Supply chain challenges identified by both vendors. eBuses <ul style="list-style-type: none"> • Technical Evaluations completed. • Consensus Meeting completed. 											
	Explanation for Delay:	<ul style="list-style-type: none"> • Supply chain issues for hybrid buses - Nova and New Flyer operations are affected by parts shortages. (will be monitoring the supply chain closely with the vendors. Determine recovery plan, alternative sources etc., as required) 											

Appendix 7 (continued)

Division/Project name	2022 Cash Flow (Active Projects)			Total Project Cost (Active Projects)		Status	Start Date	End Date		On Budget	On Time		
	Appr.	YTD Spend	YE Projec Spend	Appr. Budget	Life to Date			Planned	Revised				
Toronto Transit Commission													
CTT122	Streetcar - Purchase (Growth)		20,547	7,515	20,547	468,000	121,838	On Track	2019	31/12/2026	TBD	Ⓞ	Ⓞ
	Comments:		<ul style="list-style-type: none"> • Overall program is currently on schedule and within scope. • Work continues to ramp-up at Alstom's production facilities. • As of Q4 2022, first car splice was achieved. 										
	Explanation for Delay:		N/A										
CTT155	Yonge-Bloor Capacity Improvements		32,023	5,668	32,023	1,514,000	31,478	On Track	2015	30/09/2033	TBD	Ⓞ	Ⓢ
	Comments:		<ul style="list-style-type: none"> • Retained Financial Advisor and Fairness Monitor. • Funding announcement by The governments of Canada, Ontario and the City of Toronto up to \$1.5B • Completed RFPQ for Progressive Design-Builder for release in November 2022, and drafted initial RFP for Progressive Design-Builder. 										
	Explanation for Delay:		• RFPQ/RFP process to take an additional 6 months, delaying the start of the BYCI primary construction; however, the opening of the Line 2 EB platform will still meet completion date of Yonge North Subway Extension.										
CTT156	Line 1 Capacity Enhancement		18,319	9,680	18,319	1,349,317	30,705	On Track	2018	31/12/2041	TBD	Ⓢ	Ⓞ
	Comments:		<ul style="list-style-type: none"> • Progressing Projects to Stage Gate 2 (completion of Feasibility study) • St. Andrew Station Modifications (Phase I) in tender period • Ongoing discussions related to site options for the new Train Storage Maintenance Facility 										
	Explanation for Delay:		N/A										
CTT157	Line 2 Capacity Enhancement		10,191	7,056	10,191	618,170	13,391	On Track	2020	31/12/2041	TBD	Ⓞ	Ⓞ
	Comments:		• Spadina Station Streetcar Platform Extension, East Wall and Concession Stand Removal (A3-13) –30% Design Completed (pending sign-off)										
	Explanation for Delay:		N/A										

Note: Reflects project status as of period 9, 2022.

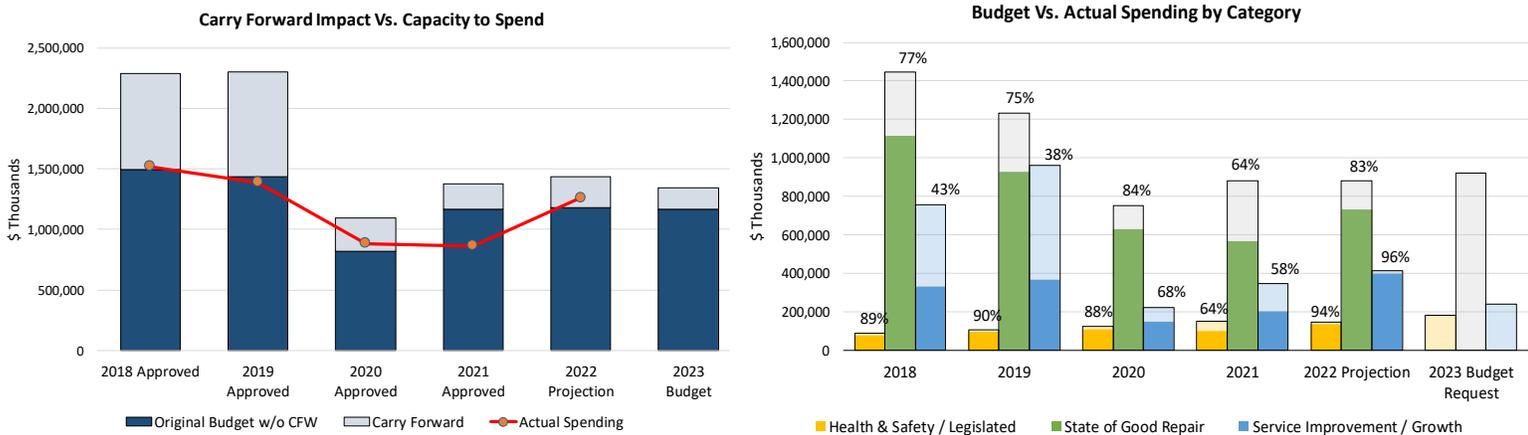
Appendix 8

Capacity to Spend Review

The 10-Year Capital Plan has been developed with consideration of historical demonstrated ability to spend within any given year of the ten year capital plan. A review was undertaken to ensure budgets align with TTC’s ability to spend and the markets capacity to deliver.

A key component in determining an appropriate level of annual cash flows includes historical capacity to spend reviews by project categories (Chart 3 below) as well as the level of projected 2022 underspending that will be carried forward into 2023 to complete capital work.

Chart 3 – Capacity to Spend



Capacity to Spend Review Impact on the 10-Year Plan

The 10-year Capital Plan establishes a steady state investment plan to ensure critical assets are maintained in a state of good repair to preserve system safety and reliability and improve capacity to meet service objectives. To achieve an optimal outcome within available funding sources, it was important to:

- Recalibrate the 10-year Capital Plan’s project estimates based on previous spending results and project readiness and adjust annual cash flow estimates to tightly align cash flow spending to project schedules;
- Review requirements for major capital projects based on the progress made through the stage gating process;
- Revisit assumptions on needs, scope, and timing to confirm existing capital priorities and requirements, some of which have been moved beyond the 10-year timeframe and one project cancelled to reallocate funds;
- Ensure funding commitments are fully funded, including cost escalations for in-flight projects;
- Identified any emergent capital priorities that must be funded to address critical health, safety or state of good repair requirements; and
- Maximize development charge funding for eligible transit projects and reallocate incremental freed-up debt funding to make progress on unfunded capital investment priorities.
- As a result of the work undertaken for the 2023 Budget process, the 2023-2032 Capital Budget and Plan:
 - Begins to address critical priorities identified in the 2022-2036 CIP by:

- Establishing and/or improving steady state funding for essential SOGR capital work by adding \$750 million of funding in the last five years of the Capital Plan;
 - Topping up funding to provide the City/TTC's one third share for the subway car procurement, in the event the TTC is successful in securing funding from the other orders of government;
 - Ensuring continued funding to deliver 60 new Streetcars and the Hillcrest Facility, with funding support from other orders of government, in addition to providing full funding for the Russell Carhouse renewal to support the new streetcars;
 - Continuing funding for the purchase of 336 Hybrid Buses; and providing matching funding to procure zero emission buses and associated charging infrastructure, with quantities subject to confirmation of potential matching intergovernmental funding; and
 - Fully funding Greenwood Carhouse Modifications and Yard Resignalling (Line 2 Capacity Enhancements) projects, which are requisite investments prior to the delivery of subway car vehicles.
- Defers \$174.78 million in capital spending originally cash flowed in 2022 to 2023 based on a historical review of spending;
 - Provides funding to meet commitments made for the infrastructure required to replace Line 3 with bus service in late 2023 and to implement digital advertising in the subway network;
 - Advances work on major capacity improvement projects (Bloor-Yonge, Lines 1 and 2);
 - Completes the close out phase of Automatic Train Control (ATC) signalling on Line 1 and fully funds ATC on Line 2 over the 10-year period;
 - Maintains and/or improves steady state funding for essential safety and SOGR capital work to ensure safety and reliability of our system;
 - Continues business modernization such as SAP; Maximo; Vision, Wheel-Trans and Stations Transformation;
 - Fully funds cost escalations for in-flight projects including Easier Access, and Line 1 and 2 Capacity Enhancement projects.

Appendix 9

Summary of Capital Needs Constraints

Capital Needs Constraints
(In \$ Thousands)

Project Description	Total Project Cost	Non-Debt Funding	Debt Required	Cash Flow (In \$ Thousands)										
				2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
NOT INCLUDED														
Surface Track	52,781		52,781				8,076	3,721	19,221	21,762				1
Equipment - Various	1,002,207	81,539	920,668	36,430	42,496	51,818	90,294	167,768	150,016	132,369	145,253	95,160	90,603	
Tools and Shop Equipment	29,893	2,639	27,254				2,662	3,809	4,688	4,735	4,305	4,519	5,175	
Bus Overhaul Program	164,201		164,201		32,797	40,913	67,937	13,314	250	300	325	350	8,015	
Finishes - Various	191,408		191,408		15,923	47,210	59,951	56,555	11,341	428				
Purchase of 360 Wheel-Trans Vehicles	141,077	19,802	121,275		1,611	2,819	1,449	3,451	48,272	56,939	10,411	9,591	6,534	
Transit Shelters & Loops	35,284		35,284		587	6,840	14,469	12,577	811					
Streetcar Overhaul Program	188,969		188,969		4,850	8,086	53,972	15,061	19,500	500	500	22,667	63,833	
Subway Car Overhaul Program	113,276		113,276				37,596	42,293	33,387					
Fare System	49,000	15,126	33,874		2,000	27,000	20,000							
Other Bldgs & Structures Projects	2,500,889	203,755	2,297,134		103,714	105,276	193,625	251,391	253,155	202,453	241,652	617,529	532,094	
Power Dist./Electric Systems - Various	34,565		34,565		626	2,719	4,586	4,587	4,588	4,590	4,590	3,956	4,323	
Signal Systems - Various	168,574		168,574		2,178	10,026	13,068	10,367	24,463	30,704	31,074	31,372	15,322	
Environmental Programs	1,020		1,020		102	918								
Purchases of Buses	1,885,591	187,918	1,697,673	52,345	74,796	142,883	142,632	223,388	228,817	221,007	260,620	266,976	272,127	
Queensway Bus Garage Renovations	11,016	3,316	7,700		663	2,652	7,701							
Fire Ventilation Upgrade	47,623		47,623		100	1,150	1,257	2,499	2,338	6,336	8,228	11,562	14,153	
Communications - Various	8,709		8,709		4,119	3,317	717	556						
Purchase of Subway Cars	1,618,638		1,618,638		181,465	56,600	70,796	188,284	237,009	263,933	290,759	296,857	32,935	
Other Service Planning	493,835	93,117	400,718		43,933	67,132	56,310	75,973	70,732	48,637	60,750	57,028	13,340	
Automotive Non-Revenue Vehicles	49,743		49,743		8,772	407	2,486	5,498	5,509	5,480	6,405	6,337	8,849	
Yards and Roads - Various	21,540	7,338	14,202		8,636	9,923	2,981							
Line 1 Capacity Enhancement	2,405,120	286,226	2,118,894				273,422	467,653	205,200	392,929	496,076	260,789	309,051	
Line 2 Capacity Enhancement	194,490		194,490						30,353	45,682	62,884	17,974	37,597	
Traction Power - Various	20,020		20,020		5,865	4,753	4,663	4,096	156	157	161	169		
Bridges and Tunnels - Various	28,186		28,186		302	2,247	7,802	11,307	1,224	1,326	1,326	1,326	1,326	
Information Technology System-Infrastructure	142,877		142,877	721	20,934	28,197	28,119	30,067	13,636	10,290	3,168	1,676	6,069	
Toronto Rocket Yard & Storage Track Accommodation	43,786		43,786		7,612	17,935	15,024	3,215						
Easier Access Phase II & III	44,999		44,999	604	5,391	11,242	25,387	2,375						
On-Grade Paving Rehabilitation	12,796		12,796						77	315	404	12,000		
Scarborough Subway Extension	58,600		58,600	3,000	10,000	23,000	12,000	10,600						
Total Needs Constraints (Not Included)	11,760,713	900,776	10,859,937	93,100	579,472	675,063	1,218,982	1,610,405	1,364,743	1,450,872	1,628,891	1,717,838	1,421,347	

Appendix 10

Inflows and Outflows to/from Reserves and Reserve Funds 2023 Operating Budget

Program Specific Reserve / Reserve Funds

TTC Stabilization Reserve (In \$000s)	XQ1056	Withdrawals (-) / Contributions (+)		
		2023	2024	2025
		\$	\$	\$
Beginning Balance		99,908.0	68,125.6	66,721.0
<i>Withdrawals (-)</i>				
<i>LRT Construction Disruption Service</i>		(3,516.5)		
<i>One Time Recruiting, Training and Consulting</i>		(3,654.6)	(1,404.6)	
<i>LRT Start-Up One-Time Costs</i>		(8,922.3)		
<i>Reserve Draw to avoid a fare increase</i>		(15,689.0)		
Total Reserve / Reserve Fund Draws / Contributions		68,125.6	66,721.0	66,721.0
Balance at Year-End		68,125.6	66,721.0	66,721.0

Corporate Reserve / Reserve Funds

Long Term Liability Reserve (In \$000s)	XR1728	Withdrawals (-) / Contributions (+)		
		2023	2024	2025
		\$	\$	\$
Beginning Balance		35,814.0	32,814.0	29,814.0
<i>Withdrawals (-)</i>				
<i>Projected Accident Claim Payments</i>		(20,590.0)	(20,590.0)	(20,590.0)
<i>Contributions (+)</i>				
<i>Budgeted Contribution</i>		17,590.0	17,590.0	17,590.0
Total Reserve / Reserve Fund Draws / Contributions		32,814.0	29,814.0	26,814.0
Balance at Year-End		32,814.0	29,814.0	26,814.0

Development Application Review Reserve Fund (In \$000s)	XR1307	Withdrawals (-) / Contributions (+)		
		2023	2024	2025
		\$	\$	\$
Beginning Balance		47,300.0	26,585.5	19,731.6
<i>Withdrawals (-)</i>		(802.7)	(802.7)	(802.7)
Total Reserve / Reserve Fund Draws / Contributions		46,497.3	25,782.8	18,928.9
Other Program / Agency Net Withdrawals & Contributions		(20,625.2)	(6,498.4)	(6,515.6)
Interest Income		713.4	447.2	313.4
Balance at Year-End		26,585.5	19,731.6	12,726.7

Appendix 10 (continued)

Inflows and Outflows to/from Reserves and Reserve Funds

2023 – 2032 Capital Budget and Plan

Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Project / Sub Project Name and Number	Contributions / (Withdrawals)											
		2023 Budget	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	Total	
XR3027 Toronto-York Spadina Subway Extension	Beginning Balance	78,724	23,652	14,115	14,390	14,671	14,957	15,249	15,546	15,849	16,158		
	Withdrawals (-)												
	Total Withdrawals	(56,061)	(9,902)										(65,963)
	Total Withdrawals	(56,061)	(9,902)	-	-	-	-	-	-	-	-	-	(65,963)
	Contributions (+)												
	Interest Income	989	365	275	281	286	292	297	303	309	315		3,712
Total Contributions	989	365	275	281	286	292	297	303	309	315		3,712	
Balance at Year-End		23,652	14,115	14,390	14,671	14,957	15,249	15,546	15,849	16,158	16,473	(62,251)	

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Project / Sub Project Name and Number	Contributions / (Withdrawals)											
		2023 Budget	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	Total	
XR2109 Development Charges Transit Reserve Fund	Beginning Balance	521,576	579,986	525,726	523,936	524,338	526,238	777,607	1,013,586	1,219,684	1,430,252		
	Withdrawals (-)												
	Surface Track	(2,803)	(88)	(548)	(495)	(892)	-	-	-	-	-	-	(4,826)
	Communications - Various	(171)	(390)	(449)	(488)	(499)	-	-	-	-	-	-	(1,997)
	Equipment - Various	(4,227)	(6,277)	(6,250)	(2,877)	(1,040)	-	-	-	-	-	-	(20,671)
	Yards and Roads - Various	(59)	(153)	(353)	-	-	-	-	-	-	-	-	(565)
	Fire Ventilation Upgrade	(13,600)	(16,715)	(13,091)	(7,877)	(3,591)	-	-	-	-	-	-	(54,874)
	Easier Access Phase II & III	(32,527)	(42,087)	(24,209)	(16,037)	(2,666)	-	-	-	-	-	-	(117,526)
	Other Bldgs & Structures Projects	(7,842)	(21,413)	(17,759)	(7,557)	(3,350)	-	-	-	-	-	-	(57,921)
	Purchases of Buses	(12,585)	-	-	-	-	-	-	-	-	-	-	(12,585)
	Purchase of Subway Cars	(799)	(28,128)	(8,773)	(10,973)	(29,184)	(16,393)	(18,952)	(21,600)	(21,921)	(3,153)	-	(159,876)
	Automotive Non-Revenue Vehicles	(715)	(2,279)	(3,217)	(3,396)	-	-	-	-	-	-	-	(9,607)
	Tools and Shop Equipment	-	(1,030)	(896)	(486)	(322)	(322)	(327)	(367)	(322)	(332)	-	(4,404)
	Fare Handling Equipment	(1,527)	(525)	(525)	(382)	(382)	(382)	(382)	(382)	(382)	(382)	-	(5,238)
	Other Maintenance Equipment	(1,260)	(731)	(1,051)	(779)	(586)	(590)	(627)	(637)	(638)	(647)	-	(7,546)
	Other Service Planning	(9,518)	(12,412)	(11,864)	(6,638)	(4,814)	(1,760)	(1,760)	(1,760)	(1,760)	(1,759)	-	(54,045)
	Transit Shelters & Loops	(345)	(379)	(362)	(365)	(369)	-	-	-	-	-	-	(1,820)
	Purchase of Streetcars	(10,333)	(39,085)	(14,734)	(3,129)	-	-	-	-	-	-	-	(67,281)
	ATC Resignalling	(39,395)	(37,118)	(39,875)	(56,370)	(74,690)	-	-	-	-	-	-	(247,448)
	Fare System	(2,128)	(1,252)	(299)	-	-	-	-	-	-	-	-	(3,679)
	Leslie Barns Streetcar Maint. & Storage Facility	(235)	(1,651)	(1,046)	-	-	-	-	-	-	-	-	(2,932)
	Toronto Rocket Yard & Storage Track												
	Accommodation	(13,048)	(20,477)	(7,362)	(5,576)	(1,204)	-	-	-	-	-	-	(47,667)
	McNicoll Bus Garage Facility	(227)	(833)	(728)	-	-	-	-	-	-	-	-	(1,788)
	Yonge Bloor Capacity Improvements	(7,023)	(16,169)	(22,921)	(28,859)	(32,626)	-	-	-	-	-	-	(107,598)
	Line 1 Capacity Enhancement	(9,147)	(41,383)	(50,390)	(61,338)	(64,367)	-	-	-	-	-	-	(226,625)
	Line 2 Capacity Enhancement	(12,620)	(13,195)	(35,073)	(48,392)	(41,048)	-	-	-	-	-	-	(150,328)
	Transit Projects Debt Servicing Costs	-	-	-	(4,322)	(4,322)	-	-	-	-	-	-	(8,644)
					(743)	(4,006)	(7,775)	(11,545)	(15,314)	(19,084)	(22,865)	-	(81,332)
	Total Withdrawals	(182,134)	(303,770)	(261,775)	(267,079)	(269,958)	(27,222)	(33,593)	(40,060)	(44,107)	(29,125)	(29,125)	(1,458,823)
	Contributions (+)												
	Development Charges	229,997	238,923	249,940	257,449	261,804	266,091	252,366	224,684	229,178	222,664		2,433,096
	Interest Income	10,637	10,677	10,135	10,122	10,144	12,590	17,296	21,564	25,587	29,809		158,561
Total Contributions	240,634	249,600	260,075	267,571	271,948	278,681	269,662	246,248	254,765	252,473		2,591,657	
Other Program/Agency Net Withdrawals and Contributions	(90)	(90)	(90)	(90)	(90)	(90)	(90)	(90)	(90)	(90)	(90)	(900)	
Balance at Year-End		579,986	525,726	523,936	524,338	526,238	777,607	1,013,586	1,219,684	1,430,252	1,653,510	1,131,934	

Appendix 11

Glossary

Approved Position: Permanent or temporary positions that support the delivery of City services and service levels as approved by Council.

Actuals: An actual financial amount paid (or received) for the delivery of City services (these exclude any commitments to be paid in the future).

Capacity to Spend: Ability to spend money along with the capacity to deliver projects as demonstrated by historic spending patterns and approved contractual obligations.

Capital Budget: A Capital Budget is the City's plan to acquire / build assets or extend the useful life of existing assets; an example of a capital expenditure is the construction of a new community centre.

Capital Needs Constraints: The capital needs that cannot be accommodated within the capital plan that the Division or Agency have the capacity to deliver.

Complement: Positions that support the delivery of City services and service levels as approved by Council.

Efficiencies: Reductions in the cost of delivering a service without a reduction in service level.

New / Enhanced Service Priorities: New and enhanced service changes resulting in an increase in service levels from what was previously approved by Council.

Operating Budget: An Operating Budget is the City's annual plan to provide services to the residents of Toronto; the budget includes all revenues and expenses needed to provided services; an example of an operating cost would be the cost to run the TTC subways.

Operating Impact of Completed Capital Projects: The additional expense (or savings) and positions needed to operate or maintain a new asset; an example would be the additional expense and staff needed to operate a recently completed community centre.

Rate Supported Budget: Budget fully funded by user fees such as Solid Waste, Toronto Water and Toronto Parking Authority

State of Good Repair (SOGR): The cost of maintaining assets to ensure they are able to support the delivery of City services and meet service outcomes

Tax Supported Budget: Budget funded by property taxes.

User Fees: Program generated fee and rental revenue for the use of its services (such as the TTC fare, ice rental fees and various City permits).