

2024 Budget Notes

Transit Expansion

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Description

The Transit Expansion (TE) Division provides day-to-day leadership and oversight of the City of Toronto's participation in the long-term, multi-billion-dollar transit network expansion program. Specifically, the role of TE is to:

1. Partner with key stakeholders such as the Province of Ontario, Metrolinx, Infrastructure Ontario, and TTC to deliver new transit infrastructure to keep Toronto moving;
2. Provide dedicated leadership for the City's transit expansion strategy; protect and advance the City's interests and ensure municipal requirements are met; and
3. Provide oversight of the City's transit expansion program, including centralizing coordination and seeking opportunities throughout the project lifecycle to accelerate transit expansion projects by streamlining and optimizing municipal processes where possible.

Why We Do It

The City of Toronto, the Province of Ontario and other stakeholders partner in a coordinated, organized and integrated manner to deliver on-time and on-budget transit expansion in Toronto.

Advancing transit expansion helps improve access to employment, education and recreation opportunities as well as community, health and government services.

The City of Toronto 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

Program Management and Planning

Who We Serve: City Council and the City’s Senior Leadership Team

What We Deliver: Coordinated City involvement in the planning of transit expansion with our external partners. Our deliverables include legal agreements, secretariat and governance support, Council reporting, environmental assessment reviews, streamlined processes for design reviews, advancing the design of City priority transit expansion projects, and establishing program controls and reporting mechanisms.

How Much Resources (gross 2024 operating budget): \$7.6 Million

Capital Implementation Coordination

Who We Serve: City Council and the City’s Senior Leadership Team

What We Deliver: Coordinated City involvement in implementing transit expansion projects and resolving issues with our external partners. Our deliverables include streamlined processes for design reviews and inspections, commissioning, testing, acceptance and mitigation of deficiencies in City infrastructure.

How Much Resources (gross 2024 operating budget): \$3.8 Million

Budget at a Glance

2024 OPERATING BUDGET			
<u>\$Million</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Revenues	\$9.0	\$9.1	\$9.1
Gross Expenditures	\$11.4	\$11.5	\$11.5
Net Expenditures	\$2.4	\$2.4	\$2.4
Approved Positions	70	70	70

2024 - 2033 10-YEAR CAPITAL PLAN			
<u>\$Million</u>	<u>2024</u>	<u>2025-2033</u>	<u>Total</u>
Gross Expenditures	\$200.5	\$637.3	\$837.8
Debt	\$5.5	-	\$5.5
Note: Includes 2023 carry forward funding			

How Well We Are Doing – Behind the Numbers

- In August 2023, the City, TTC and Metrolinx executed the Eglinton Crosstown Train Operating and Funding Agreement (TOFA). The TOFA establishes terms to govern the operations, maintenance and funding responsibilities for the Eglinton Crosstown LRT once the line is in service.
- In July 2023, the City and Province of Ontario executed the Amending Agreement to secure provincial funding of up to **\$226 million** toward the costs of the SmartTrack Program in accordance with direction from City Council.
- In March 2023, the City, TTC and Metrolinx executed a Letter Agreement for the Queen Detour Works to secure a funding contribution of **\$52 million** for the design and construction of the streetcar detour tracks and related works.
- Transit Expansion has led monthly working group meetings with Metrolinx and actively collaborated to resolve issues and mitigate risks related to the transit resourcing agreements, project scopes, invoicing, and other project related enquiries.
- Transit Expansion has acted as the central hub for managing the City's transit expansion projects, which involves optimizing coordination processes and effectively resolving corporate-wide invoice issues with Metrolinx.

How Well We Are Doing

Service	Measure	2021 Actual	2022 Actual	2023 Target	2023 Projection	Status	2024 Target	2025 Target
Outcome Measures								
Program Management and Planning	End-to-end length of time for issues to be considered and resolved at a Steering Committee	3 months	2.2 months	3 months	3 months	●	3 months	3 months
Service Level Measures								
Program Management and Planning	% of City reviews of Environmental Assessment/Transit Project Assessment Process documents completed within service standards	95%	95%	95%	95%	●	95%	95%
Capital Implementation Coordination	% of City reviews of procurement documents completed within service standards	95%	95%	95%	95%	●	95%	95%
Capital Implementation Coordination	% of City reviews of capital implementation submissions completed within service standards	95%	95%	95%	95%	●	95%	95%

2023 Projection to 2023 Target Comparison

● 80% and above (MET TARGET) ● 70 - 79% (LOW RISK) ● 69% and Under (REQUIRES ATTENTION)

EXPERIENCES, CHALLENGES AND PRIORITIES

Our Experience and Success

- **Eglinton East Light Rail Transit (EELRT):** Updated Initial Business Case, including Class 4 Cost Estimate and 10% functional design for the distinct service targeted to be completed in late 2023, including agreements to protect EELRT terminals at Scarborough Subway Extension (SSE) interfaces. Transit Project Assessment Process (TPAP), including Phase 2 public consultation for the distinct service targeted to be completed Q2 2024. Phase 1 Public Consultation was completed in June 2023.
- **SmartTrack Stations:** Led and facilitated the City's active participation in the design development and construction of the SmartTrack Program, including early works. Led working group discussions between City and Metrolinx to expedite the resolution of design and property acquisition issues. Worked collaboratively with Metrolinx on the value engineering exercise to reduce the cost of the SmartTrack program. Successfully secured provincial funding of up to \$226 million in June 2023. Facilitated the progression of 90% of the design of Finch-Kennedy, St Clair Old Weston and King Liberty stations and 60% of East Harbour station. The design-build contract of Bloor Lansdowne station was awarded in July 2023, and 30% of the design is underway.
- **Waterfront East LRT (WELRT):** Concluded the 30% Design for the WELRT in Q2 2023, including value engineering exercise and updated cost estimate. Preliminary Design Business Case and Environmental Project Report (EPR) are underway. Completed the Constructability Assessment in June 2023, performed by a third-party consultant and actively coordinated risks with other planned and in-progress major infrastructure projects in the vicinity of the WELRT alignment.
- **Finch West Light Rail Transit (FWLRT):** Resolved design and construction issues, ensuring the efficiency and timeliness of all project stages through established committees, processes, and regular stakeholder collaboration. Completed the design review process by ensuring all design comments were closed out. Initiated and established the commissioning and acceptance process of City assets, including inspections and review of handover packages. Facilitated and developed land conveyance protocols to ensure seamless transfer. Finalized agreements with Third parties for utility crossings, maintenance agreements, and easements. Oversaw the occupancy process for two stations, Maintenance and Storage Facility and Traction Power Substations structures. Monitored the permitting process for timely review and issuance of permits.
- **Eglinton Crosstown (ECLRT):** Resolved design and construction issues, ensuring efficient and timely processes across all project stages through established committees, processes, and ongoing stakeholder collaboration. Ensured the design review process was completed by addressing and closing all design comments. Oversaw the occupancy process through which "pre-revenue occupancy" for all 25 stops/stations has been achieved. Initiated the commissioning and acceptance of City assets, involving meticulous inspections and thorough review of handover packages. Facilitated the development of land conveyance protocols to guarantee a seamless transfer process. Initiated the City's "Operational Readiness" process across all relevant divisions, ensuring that City resources and processes are available to support the operation of the ECLRT.
- **Subway Program (i.e., Ontario Line, Scarborough Subway Extension, Eglinton Crosstown West Extension and Yonge North Subway Extension):** Led, coordinated, and reviewed design and construction submissions from Metrolinx and its delivery agents to support comprehensive, on-time responses. Ensured that cross-divisional interests were identified and built consensus towards a unified City perspective. Active reinforcement of the City's key interests has led to important public realm improvements within Ontario Line's Joint Corridor and thorough consideration of key station sites such as Scarborough City Centre. Major impacts, such as the long-term closure of the Queen Street intersection at Yonge St, are being mitigated by securing investments in new streetcar infrastructure, which will support the City's transit network through subway construction and into the future—facilitate the development of awareness and new processes for actively coordinating overlapping infrastructure projects per recently enacted Provincial legislation.

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- GO Expansion: Created a Working Group between City and Metrolinx staff as part of the governance process to expedite the resolution of issues/concerns and collaboratively support the execution, implementation, and delivery of the GO Expansion Program within the City of Toronto. Established a construction coordination working group to work through specific construction staging challenges in the downtown core and Union Station to ensure safe and efficient delivery while minimizing impacts to the travelling public. Ensured timely and thorough review of design and permit submissions for the Steeles Avenue Grade Separation project, which led to the completion of major construction in August 2023. Advanced the expedited delivery of the Davenport Diamond Greenway project while safeguarding City assets and the public interest in securing significant public-realm improvements.

Key Challenges and Risks

- Recruitment and retention of high calibre transit professionals with unique skillsets in TE to support key business areas across the City, continues to be a challenge to maintain a fully staffed complement to enable and sustain program delivery.
- Cost pressures resulting from market economic challenges, such as increased costs of raw materials and labour, affecting City-initiated projects make it difficult to adhere to the original project budget and estimates. Various cost-saving strategies are explored to mitigate the impact of these market-driven challenges on the budget.
- Program implementation is a key risk and challenge that can be mitigated through effective construction coordination, especially given the significant construction projects underway across Toronto.
- Monitoring project performance requires a higher level of project management efforts, and it is difficult to identify problems ahead of time and resolve them while keeping the projects on schedule and within budget without appropriate resources.
- The demand for technology needs has been steady due to external partners and contractors' increased use of various technology tools. Procurement of new technology solutions is essential to collaborate with other stakeholders and enhance productivity effectively. However, this increased need presents challenges as it impacts the budget and requires considerable time to navigate through the product approval process.

Priority Actions

- Lead the completion of Transit Project Assessment Process for EELRT, including coordination with all relevant internal and external stakeholders.
 - Administer effective communication and coordination between City divisions and Metrolinx to complete the design and construction of SmartTrack stations within the project schedule.
 - Oversee the completion of Transit Project Assessment Process for WELRT and lead the coordination with projects in the vicinity of the WELRT to minimize conflicts.
 - Lead the coordination of City feedback on the Province's four priority subway projects (i.e., Ontario Line, Scarborough Subway Extension, Yonge North Subway Extension, and Eglinton Crosstown West Extension), the GO Expansion Program, and the Province's Light Rail Transit projects (i.e., Eglinton Crosstown and Finch West) to advance these projects to construction completion under accelerated timelines.
 - Lead engagement with external stakeholders (i.e. with Ontario Ministry of Transportation, Metrolinx, Infrastructure Ontario and other agencies) on transit expansion program while resolving issues as they arise through the Ontario-Toronto Transit Governance Framework.
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- Oversee the negotiation and execution of several transit agreements under the Ontario-Toronto Transit Partnership, including the Subway Program Agreement in Principle, while securing all required City Council authorities.
 - Oversee the expedited reviews of Metrolinx's design and procurement materials, including permits, licences and approvals.
 - Develop a strategy to address the ongoing challenges with attracting and retaining top talent caused by an increase in competition in the labour market.
 - Acquire necessary technology to improve external coordination and enhance our service delivery.
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CITY STAFF PREPARED BUDGET

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

1. The 2024 Operating Budget for Transit Expansion of \$11.467 million gross, \$9.041 million revenue and \$2.426 million net for the following services:

Service:

	Gross Expenditures (\$Millions)	Revenue (\$Millions)	Net Expenditures (\$Millions)
Program Management and Planning	7.661	5.615	2.046
Capital Implementation Coordination	3.806	3.426	0.380
Total Program Budget	11.467	9.041	2.426

- The 2024 staff complement for Transit Expansion of 70.0 positions comprised 14.7 capital positions and 55.3 operating positions.
2. The 2024 Capital Budget for Transit Expansion with cash flows and future year commitments totaling \$837.886 million as detailed by project in [Appendix 5a](#).
 3. 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.

2024 OPERATING BUDGET

2024 OPERATING BUDGET OVERVIEW

Table 1: 2024 Operating Budget by Service

(In \$000s)	2022 Actual	2023 Budget	2023 Projection*	2023 Budget excl COVID	2024 Base Budget	2024 New / Enhanced	2024 Budget	Change v. 2023 Budget excl COVID	
By Service	\$	\$	\$	\$	\$	\$	\$	\$	%
Revenues									
Program Management and Planning		465.5		465.5	5,615.1		5,615.1	5,149.6	1106.2%
Capital Implementation Coordination	5,584.3	7,740.7	7,308.8	7,740.7	3,425.5		3,425.5	(4,315.2)	(55.7%)
Total Revenues	5,584.3	8,206.3	7,308.8	8,206.3	9,040.7		9,040.7	834.4	10.2%
Expenditures									
Corporate Leadership	0.9								N/A
COVID-19 Virus	2.3								N/A
Program Management and Planning	2,172.0	2,610.2	2,694.5	2,610.2	7,661.1		7,661.1	5,050.9	193.5%
Capital Implementation Coordination	4,597.3	8,022.2	6,503.2	8,022.2	3,805.7		3,805.7	(4,216.5)	(52.6%)
Total Gross Expenditures	6,772.5	10,632.3	9,197.7	10,632.3	11,466.8		11,466.8	834.4	7.8%
Net Expenditures	1,188.2	2,426.1	1,888.9	2,426.1	2,426.1		2,426.1	0.0	0.0%
Approved Positions**	65.0	65.0	N/A	65.0	70.0		70.0	5.0	7.7%

* 2023 Projection based on 9 Month Variance

**YoY comparison based on approved positions

KEY DRIVERS

Total 2024 Budget expenditures of \$11.467 million gross reflecting an increase of \$0.834 million in spending above 2023 budget, predominantly arising from:

- Inflationary increase to salary and benefit for existing positions in addition to five (5) positions funded by capital funding to sustain and expand the Capital Delivery Program.
- These pressures are partially offset by base expenditure savings and other recoveries.

EQUITY IMPACTS OF BUDGET CHANGES

No significant equity impacts: The changes in Transit Expansion 2024 Operating Budget do not have any significant equity impacts.

2024 OPERATING BUDGET KEY COST DRIVERS

The 2024 Net Operating Budget for Transit Expansion of \$2.426 million which has no net change compared to the 2023 Net Budget. Table 2 below summarizes the key cost drivers for the 2024 Budget.

Table 2: 2024 Key Cost Drivers

(In \$000s)	2024				2025 Annualized impact (Net)
	Revenues	Gross	Net	Positions**	
2023 Budget	8,206.3	10,632.3	2,426.1	65.0	N/A
2023 Projection*	7,308.8	9,197.7	1,888.9	N/A	N/A
2023 Budget (excl. COVID)	8,206.3	10,632.3	2,426.1	65.0	N/A
Key Cost Drivers:					
<i>Salary & Benefits</i>					
Inflationary increase to salaries & benefits	450.8	834.4	383.6	5.0	3.4
<i>Revenue Changes</i>					
Other Recovery Increases	383.6		(383.6)		(3.4)
Sub-Total - Key Cost Drivers	834.4	834.4	0.0	5.0	0.0
Affordability Measures:					
Sub-Total - Affordability Measures					
Total 2024 Budget	9,040.7	11,466.8	2,426.1	70.0	0.0
Change from 2023 Budget (excl. COVID) (\$)	834.4	834.4	0.0	5.0	N/A
Change from 2023 Budget (excl. COVID) (%)	10.2%	7.8%	0.0%	7.7%	N/A

*Based on 9 Month Variance

**YoY comparison based on approved positions

Key Base Drivers:

Salaries & Benefits:

- Salaries and benefits include an inflationary increase and five (5) base positions funded by capital to support the *SmartTrack Stations* project. Also, as mitigation efforts, these increases were partially offset by repurposing positions to better align City’s transit priorities within Transit Expansion.

Revenue Changes:

- Revenue changes include full cost recovery for positions funded by Metrolinx and capital program.

2025 & 2026 OUTLOOKS

Table 5: 2025 and 2026 Outlooks

(In \$000s)	2024 Budget	2025 Incremental Outlook	2026 Incremental Outlook
Revenues			
Recovery Changes		6.7	45.3
Total Revenues	9,040.7	6.7	45.3
Gross Expenditures			
Salary & Benefit Inflationary Impacts		6.7	45.3
Total Gross Expenditures	11,466.8	6.7	45.3
Net Expenditures	2,426.1		
Approved Positions	70.0	0.0	0.0

Key Outlook Drivers

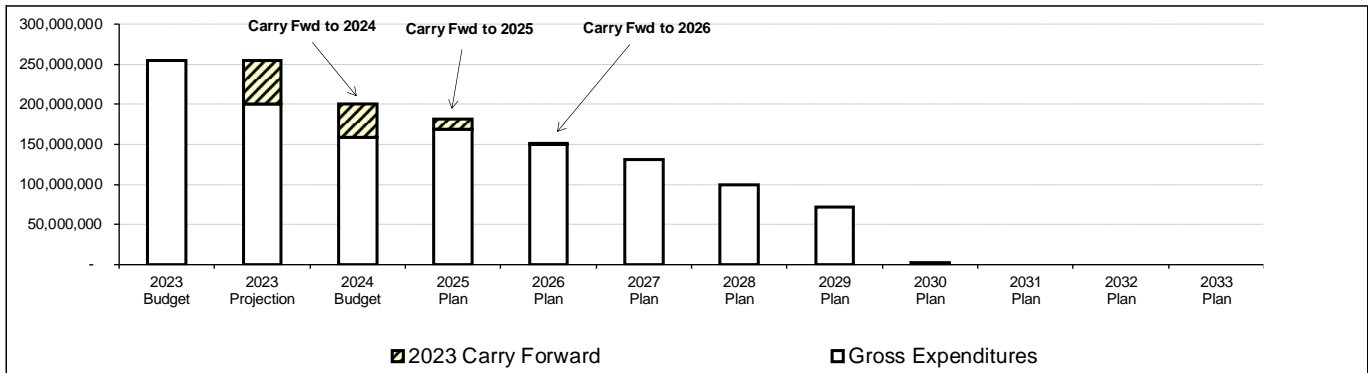
The 2025 Outlook, with total gross expenditures of \$11.473 million, reflects an anticipated \$0.007 million or 0.06% increase in gross expenditures above the 2024 Operating Budget. The 2026 Outlooks expects a further increase of \$0.045 million or 0.40% above 2025 gross expenditures.

The changes arise from inflationary increases to salaries and benefits offset by recoveries.

2024 – 2033 CAPITAL BUDGET AND PLAN

2024 2033 CAPITAL BUDGET & PLAN OVERVIEW

Chart 1: 10-Year Capital Plan Overview



In \$000's	2023		2024 Capital Budget and 2025 - 2033 Capital Plan										Total 10 Year Plan
	Budget	Projected Actual	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
	Gross Expenditures by Project Category:												
Health & Safety & Legislated SOGR													
Service Improvement & Growth	255,406	200,534	200,544	181,851	150,601	130,538	100,043	72,066	2,243				837,886
Total by Project Category	255,406	200,534	200,544	181,851	150,601	130,538	100,043	72,066	2,243				837,886
Financing:													
Debt			5,491										5,491
Debt Recoverable			130,896	130,125	133,953	125,916	96,015	69,087					685,992
Reserves/Reserve Funds			6,895	9,771	4,870	4,622	4,028	2,979	2,243				35,408
Development Charges			57,262	41,955	11,778								110,995
Total Financing			200,544	181,851	150,601	130,538	100,043	72,066	2,243				837,886

Changes to Existing Projects
(\$118.5 Million)

The 2024-2033 Capital Budget and Plan reflects the following changes to existing projects over the nine common years (2024-2032):

- \$63.6M for *Waterfront East Light Rail Transit Design*
- \$54.9M of carry forward for several projects to reflect updated project schedules including:
 - \$51.1M *Flood Protection – Broadview / Eastern*
 - \$1.3M *Eglinton E LRT*
 - \$2.5M *Constructability Review*

New Projects
(\$23.3 Million)

There is one new project in the 2024-2033 Capital Budget and Plan.

- \$23.3M for staff resources supporting various transit projects

Capital Needs Constraints
(\$7.0 Billion)

Transit Expansion division has three (3) unmet projects over the 10-year planning horizon:

- \$4.5B for constructing *Eglinton East LRT*
- \$2.6B for constructing *Waterfront East LRT*
- \$17.4M for *Eglinton Pedestrian Concourse*

Note:

For additional information, please refer to [Appendix 5](#) for a more detailed listing of the 2024 and 2025-2033 Capital Budget & Plan by project; [Appendix 7](#) for Capacity to Spend Review; and [Appendix 8](#) for Capital Needs Constraints, respectively.

How the Capital Program is Funded

City of Toronto		Provincial Funding	Federal Funding
\$837.9 M 100%		\$0 M 0%	\$0 M 0%
Debt	\$ 5.5 M		
Reserve / Reserve Fund	\$ 35.4 M		
Development Charges / Section 42*	\$ 111 M		
Debt Recoverable	\$ 686.0 M		

*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. Adjustments to Development Charges revenue forecast resulting in negative reserve balances are reflected in [Appendix 10](#).

Smart Track Project Funding

The table below summarizes the total project cost of SmartTrack, including the Provincial and Federal funding commitments for the project. In prior City budgets, the full project cost was captured in the 10 Year Capital Plan, however, given the contribution structure to Metrolinx who is delivering the project, the 2024-2033 Capital Budget and Plan has been amended to only reflect the City's share of the project. The SmartTrack project is funded by all 3 orders of government with City funding of \$878 million, Federal funding of \$585 million, and Provincial funding of \$226 million, for a total project cost of \$1.689 billion.

Funding Sources	\$ Millions
Federal Contribution	585.0
Provincial Contribution	226.0
Sub-Total Other Orders of Government	811.0
City Contribution	
City Building Fund - Recoverable Debt	296.0
SmartTrack Tax Increment Financing - Recoverable Debt	292.0
Development Charges	290.0
Sub-Total City Contribution	878.0
Total SmartTrack Stations Project Cost	1,689.0

APPENDICES

Appendix 1

2024 Operating Budget by Category

Category (In \$000s)	2021 Actual	2022 Actual	2023 Budget	2023 Projection*	2024 Budget	2024 Change from 2023 Budget		2024 Change from 2023 Projection	
	\$	\$	\$	\$	\$	\$	%	\$	%
Transfers From Capital			510.9		2,984.3	2,473.4	484.1%	2,984.3	0.0%
Sundry and Other Revenues	2,980.8	5,584.3	7,695.4	7,308.8	6,056.4	(1,639.0)	(21.3%)	(1,252.4)	(17.1%)
Total Revenues	2,980.8	5,584.3	8,206.3	7,308.8	9,040.7	834.4	10.2%	1,731.9	23.7%
Salaries and Benefits	5,298.2	6,603.4	9,539.4	8,266.4	10,373.8	834.4	8.7%	2,107.5	25.5%
Materials & Supplies	0.6	5.2	52.0	46.6	52.0	(0.0)	(0.0%)	5.5	11.7%
Equipment	21.6	55.2	252.1	214.3	252.1	0.0	0.0%	37.8	17.6%
Service and Rent	210.7	108.8	788.8	670.5	788.8	(0.0)	(0.0%)	118.3	17.6%
Other Expenditures (39.2)									
Total Gross Expenditures	5,492.0	6,772.5	10,632.3	9,197.7	11,466.8	834.4	7.8%	2,269.1	24.7%
Net Expenditures	2,511.2	1,188.2	2,426.1	1,888.9	2,426.1	0.0	0.0%	537.2	28.4%

*Projection based on 9 Month Variance

Appendix 2

Summary of 2024 Service Changes

N/A

Appendix 3

Summary of 2024 New / Enhanced Service Priorities Included in Budget

N/A

Appendix 4

Summary of 2024 New / Enhanced Service Priorities Not Included in Budget

N/A

Appendix 5

2024 Capital Budget; 2025 - 2033 Capital Plan Including Carry Forward Funding

(In \$000s)	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
EGLINTON EAST LRT	1,266									1,266			1,266
SMART TRACK STATIONS <input checked="" type="checkbox"/>	134,261	131,887	133,953	125,916	96,015	69,087				691,119			691,119
CONSTRUCTABILITY REVIEW	2,508									2,508			2,508
WATERFRONT EAST LRT - DESIGN	21,045	31,726	10,782							63,553			63,553
FLOOD PROTECTION FOR BOARDVIEW/EASTERN <input checked="" type="checkbox"/>	40,000	15,000	1,098							56,098			56,098
DIVISIONAL SUPPORTS FOR TRANSIT PROJECTS	1,464	3,238	4,768	4,622	4,028	2,979	2,243			23,342			23,342
Total Expenditures	200,544	181,851	150,601	130,538	100,043	72,066	2,243			837,886			837,886

- Project supports Climate Resiliency and / or Greenhouse Gas (GHG) Reduction

- Project includes workforce development requirements as outlined in the City's Social Procurement Program

*Information above includes full project / sub-project 2024-2033 Capital Budget and Plan cash flows. Does not break out the climate component costs separately.

Appendix 5a

2024 Cash Flow and Future Year Commitments Including Carry Forward Funding

(In \$000s)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Total 2024 Cash Flow & FY Commits	Previously Approved	Change in Scope	New w/ Future Year
EGLINTON EAST LRT	1,266										1,266	1,266		
SMART TRACK STATIONS	134,261	131,887	133,953	125,916	96,015	69,087					691,119	691,119		
CONSTRUCTABILITY REVIEW	2,508										2,508	2,508		
WATERFRONT EAST LRT - DESIGN	21,045	31,726	10,782								63,553	63,553		
FLOOD PROTECTION FOR BOARDVIEW/EASTERN	40,000	15,000	1,098								56,098	56,098		
DIVISIONAL SUPPORTS FOR TRANSIT PROJECTS	1,464	3,238	4,768	4,622	4,028	2,979	2,243				23,342			23,342
Total Expenditure (including carry forward from 2023)	200,544	181,851	150,601	130,538	100,043	72,066	2,243				837,886	814,544		23,342

Appendix 5b

2025 - 2033 Capital Plan

N/A

Appendix 6

Reporting on Major Capital Projects: Status Update

N/A

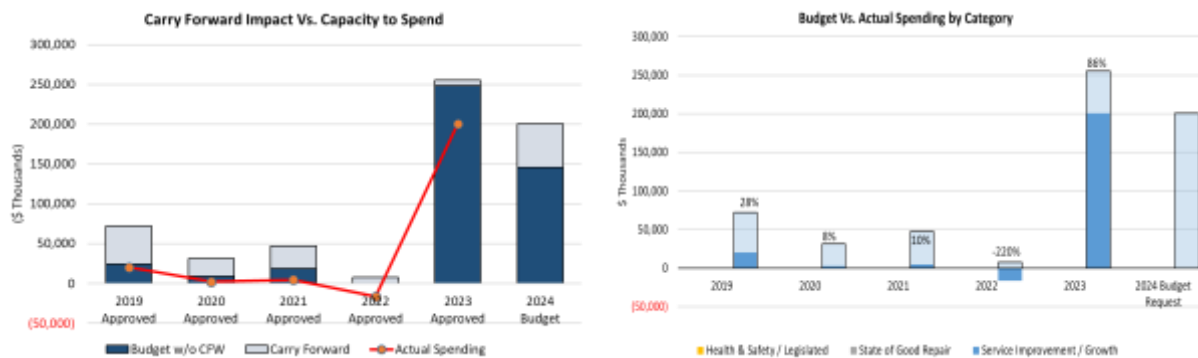
Appendix 7

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 Transit Expansion 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 2023 underspending that will be carried forward into 2024 to complete capital work.

Chart 3 – Capacity to Spend



Capacity to Spend Review Impact on the 10-Year Plan

- Transit Expansion’s actual spending over the previous five years, from 2019 to 2023, has averaged \$42.3 million per year or 51%.
- Transit Expansion reviewed its capital spending trends and capacity to deliver projects. The projected spending for 2023 is \$200.5 million or 78.5% of the 2023 Council Approved Capital Budget. Challenges in spending for projects are mainly due to agreements with stakeholders taking longer than expected to be completed. The unspent cash flow funding of \$54.9 million has been carried forward into future years to continue and complete the required capital work; \$41.8 million in 2024, \$13.0 million in 2025, and \$0.1 million in 2026.

*Transit Expansion’s 2022 year-end actual negative balance reflects one-time booking of accrual reversal.

Appendix 8

Summary of Capital Needs Constraints

Project Description	Total Project	Non-Debt	Debt Required	Cash Flow (In \$ Millions)										
				2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
NOT INCLUDED														
ECLRT PEDESTRIAN CONCOURSE	17		17	17										
EGLINTON EAST LRT*	4,453	2,406	2,047	20	94	154	342	470	640	726	854	726	427	
WATERFRONT EAST LRT**	2,552	1,597	955	23	106	135	243	538	435	328	440	213	91	
Total Needs Constraints (Not Included)	7,022	4,003	3,019	61	200	289	585	1,008	1,075	1,054	1,294	938	518	

In addition to the 10-Year Capital Plan of \$837.866 million, staff have also identified \$7.022 billion in Capital Needs Constraints for Transit Expansion as reflected in the table above. These projects are substantial in scope and require significant funding. Key projects include:

- **Eglinton East LRT* – The Eglinton East Light Rail Transit (EELRT) is a proposed 18-kilometre LRT in Scarborough, which would provide transit to historically underserved communities in the city and bring higher-order transit service within walking distance of an estimated additional 71,000 people. Since the 2022 City Council update, City staff have updated the EELRT Initial Business Case (IBC), completed the 10% design, updated the cost estimate and worked with Metrolinx to accommodate and protect for the connection of the EELRT project in the design and delivery of the SSE project. At its meeting in December 2023, City Council adopted [EX10.17](#) to advance the project and proceed with a distinct-service concept with an at-grade connection at Kennedy Station, which could deliver additional benefits including cost savings, shorter construction duration, reduced property impacts, and design flexibility.
- ***Waterfront East LRT* - The Waterfront East Light Rail Transit (WELRT), consisting of the Union Station to Queens Quay Link and the East Bayfront Light Rail Transit, is a City of Toronto priority transit project. When fully built, the WELRT is proposed to extend over 3.8 kilometres, providing over 50,000 daily trips, and supporting an estimated 100,000 residents and 50,000 jobs along the route as the area grows. Since the 2022 Council update, the City, TTC and WT have completed the preliminary design business case, the TPAP pre-planning work, 30% design and associated costing and constructability assessment, as directed by Council. The WELRT project aligns with City priorities and objectives outlined in the City's Rapid Transit Evaluation Framework, HousingTO, TransformTO and Net Zero Strategy, offering clean, efficient, and convenient transportation options to residents, including access to affordable housing. The project also aligns closely with the strategic objectives of all levels of government, including housing targets and enabling sustainable transportation options. The most recent report on the WELRT adopted by Council on November 8, 2023 was [EX9.14 - Advancing Waterfront East Light Rail Transit](#).

Appendix 9

Capital Program Provincial/Federal Funding Streams by Project

N/A

Appendix 10

Inflows and Outflows to/from Reserves and Reserve Funds 2024 – 2033 Capital Budget and Plan

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Project / Sub Project Name and Number	Contributions / (Withdrawals)										Total
		2024 Budget	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	
XQ0011 Capital Financing Reserve Fund	Beginning Balance	473,216	333,944	334,863	291,203	238,907	204,926	165,589	134,463	108,613	87,443	
	Withdrawals (-)											
	Transit Expansion ~ Withdrawals - Capital	(7)										(7)
	Other Program ~ Withdrawals - Capital	(123,268)	(39,081)	(84,661)	(52,296)	(33,981)	(39,337)	(31,126)	(25,850)	(21,170)	(451)	(451,221)
	Other Program ~ Withdrawals - Operating ‡	(15,997)										(15,997)
	Total Withdrawals	(139,272)	(39,081)	(84,661)	(52,296)	(33,981)	(39,337)	(31,126)	(25,850)	(21,170)	(451)	(467,224)
	Contributions (+)											
	Other Program ~ Contributions - Operating		40,000	41,000								81,000
Total Contributions	-	40,000	41,000	-	-	-	-	-	-	-	81,000	
Balance at Year-End		333,944	334,863	291,203	238,907	204,926	165,589	134,463	108,613	87,443	86,992	(386,224)

Reserve / Reserve Fund Name (In \$000s)	Project / Sub Project Name and Number	Contributions / (Withdrawals)										Total
		2024 Budget	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	
XR1725 Scarborough Transit Reserve Fund	Beginning Balance	283,370	325,083	368,373	411,987	415,077	418,190	421,327	424,487	427,670	430,878	
	Withdrawals (-)											
	Transit Expansion ~ Withdrawals - Capital	(1,259)										(1,259)
	Total Withdrawals	(1,259)	-	-	-	-	-	-	-	-	-	(1,259)
	Contributions (+)											
	Other Program ~ Contributions - Operating	40,699	40,699	40,699								122,097
	Total Contributions	40,699	40,699	40,699	-	-	-	-	-	-	-	122,097
	Interest Income	2,273	2,591	2,915	3,090	3,113	3,136	3,160	3,184	3,208	3,232	29,901
Balance at Year-End		325,083	368,373	411,987	415,077	418,190	421,327	424,487	427,670	430,878	434,109	

Reserve / Reserve Fund Name (In \$000s)	Project / Sub Project Name and Number	Contributions / (Withdrawals)										Total
		2024 Budget	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	
XR1730 City Building Reserve Fund	Beginning Balance	711,426	936,411	1,153,127	1,412,564	1,699,365	1,975,631	2,288,756	2,848,834	3,231,851	3,707,056	
	Withdrawals (-)											
	Transit Expansion ~ Withdrawals - Capital	(5,629)	(9,771)	(4,870)	(4,622)	(4,028)	(2,979)	(2,243)				(34,142)
	Other Program ~ Withdrawals - Capital	(30,200)	(62,100)	(54,600)	(53,000)	(93,000)	(88,200)	127,500	(82,600)	(27,000)	231,500	(131,700)
	Debt Servicing Costs	(60,036)	(101,472)	(143,297)	(193,105)	(242,654)	(293,312)	(348,481)	(406,687)	(461,952)	(508,889)	(2,759,885)
	Total Withdrawals	(95,865)	(173,343)	(202,767)	(250,727)	(339,682)	(384,491)	(223,224)	(489,287)	(488,952)	(277,389)	(2,925,727)
	Contributions (+)											
	Rate Model Contributions	314,694	382,252	452,618	525,902	602,218	681,685	764,107	849,588	938,233	1,030,154	6,541,451
	Total Contributions	314,694	382,252	452,618	525,902	602,218	681,685	764,107	849,588	938,233	1,030,154	6,541,451
	Interest Income	6,156	7,806	9,585	11,626	13,730	15,932	19,194	22,717	25,924	30,626	163,297
	Balance at Year-End		936,411	1,153,127	1,412,564	1,699,365	1,975,631	2,288,756	2,848,834	3,231,851	3,707,056	4,490,446

Reserve / Reserve Fund Name (In \$000s)	Project / Sub Project Name and Number	Contributions / (Withdrawals)										Total
		2024 Budget	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	
XR2109 Development Charges Reserve Fund - Transit	Beginning Balance	826,573	866,019	839,883	819,984	833,718	888,282	1,098,741	1,299,297	1,512,726	1,726,305	
	Withdrawals (-)											
	Other Program ~ Withdrawals - Operating ‡	(92)	(93)	(93)								(278)
	Transit Expansion ~ Withdrawals - Capital	(2,457)	(4,635)	(3,094)								(10,186)
	Other Program ~ Withdrawals - Capital	(203,253)	(277,720)	(280,254)	(253,507)	(215,933)	(46,015)	(28,484)	(20,365)	(14,007)	(9,214)	(1,348,752)
	Debt Servicing Costs	-	-	(106)	(740)	(2,025)	(3,313)	(4,601)	(5,889)	(7,177)	(8,465)	(32,318)
	Total Withdrawals	(205,802)	(282,448)	(283,547)	(254,247)	(217,958)	(49,328)	(33,085)	(26,254)	(21,184)	(17,679)	(1,391,533)
	Contributions (+)											
	Development Charges / Section 42 Contributions	238,924	249,939	257,447	261,802	266,089	252,364	224,682	229,178	222,662	227,101	2,430,188
	Total Contributions	238,924	249,939	257,447	261,802	266,089	252,364	224,682	229,178	222,662	227,101	2,430,188
	Interest Income	6,324	6,373	6,201	6,178	6,433	7,423	8,959	10,506	12,101	13,733	84,231
Balance at Year-End		866,019	839,883	819,984	833,718	888,282	1,098,741	1,299,297	1,512,726	1,726,305	1,949,459	

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Project / Sub Project Name and Number	Contributions / (Withdrawals)										
		2024 Budget	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	Total
XR2110 Development Charges Reserve Fund - Roads & Related	Beginning Balance	583,013	606,904	532,912	513,397	450,082	475,510	519,080	592,294	710,543	829,501	
	<i>Withdrawals (-)</i>											
	<i>Other Program ~ Withdrawals - Operating</i> ‡	(92)	(93)	(93)								(278)
	<i>Transit Expansion ~ Withdrawals - Capital</i>	(14,805)	(22,320)	(7,586)								(44,711)
	<i>Other Program ~ Withdrawals - Capital</i>	(92,352)	(188,365)	(151,918)	(205,188)	(118,692)	(93,284)	(48,867)	(7,052)	(3,273)	(3,278)	(912,269)
	<i>Debt Servicing Costs</i>	(5,801)	(6,215)	(6,789)	(7,158)	(7,156)	(7,153)	(7,150)	(7,146)	(6,914)	(6,911)	(68,393)
	Total Withdrawals	(113,049)	(216,993)	(166,386)	(212,346)	(125,848)	(100,437)	(56,017)	(14,198)	(10,187)	(10,189)	(1,025,651)
	<i>Contributions (+)</i>											
	<i>Income</i>											
	<i>Development Charges / Section 42 Contributions</i>	132,495	138,742	142,962	145,432	147,818	140,291	125,079	127,580	123,392	125,850	1,349,641
	Total Contributions	132,495	138,742	142,962	145,432	147,818	140,291	125,079	127,580	123,392	125,850	1,349,641
	Interest Income	4,446	4,258	3,909	3,600	3,458	3,716	4,152	4,867	5,754	6,655	44,814
Balance at Year-End	606,904	532,912	513,397	450,082	475,510	519,080	592,294	710,543	829,501	951,817		

Reserve / Reserve Fund Name (In \$000s)	Project / Sub Project Name and Number	Contributions / (Withdrawals)										
		2024 Budget	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	Total
XR2113 Development Charges Reserve Fund - Storm Water Management	Beginning Balance	100,214	66,464	68,121	81,249	94,420	108,683	122,480	133,408	144,750	155,919	
	<i>Withdrawals (-)</i>											
	<i>Other Program ~ Withdrawals - Operating</i> ‡	(195)	(195)	(195)								(585)
	<i>Transit Expansion ~ Withdrawals - Capital</i>	(40,000)	(15,000)	(1,098)								(56,098)
	<i>Other Program ~ Withdrawals - Capital</i>	(14,182)	(2,748)	(3,037)	(2,812)	(2,295)	(1,349)	(1,344)	(1,508)	(1,479)	(1,287)	(32,041)
	<i>Debt Servicing Costs</i>	(9,340)	(10,450)	(11,986)	(12,978)	(12,973)	(12,968)	(12,963)	(12,955)	(12,538)	(12,532)	(121,682)
	Total Withdrawals	(63,717)	(28,393)	(16,316)	(15,790)	(15,268)	(14,317)	(14,307)	(14,463)	(14,017)	(13,819)	(210,406)
	<i>Contributions (+)</i>											
	<i>Rate Model Contributions</i>	29,344	29,547	28,886	28,305	28,771	27,250	24,279	24,765	24,063	24,063	269,275
	Total Contributions	29,344	29,547	28,886	28,305	28,771	27,250	24,279	24,765	24,063	24,063	269,275
	Interest Income	623	503	558	656	759	864	956	1,039	1,123	1,208	8,289
	Balance at Year-End	66,464	68,121	81,249	94,420	108,683	122,480	133,408	144,750	155,919	167,371	

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).