



Recommended 2025 Operating Budget; 2025-2034 Capital Budget and Plan and 15-Year Capital Investment Plan and Real Estate Investment Plan Update

Date: January 10, 2025
To: TTC Board
From: Chief Financial Officer

Summary

This report presents the recommended 2025 Operating Budget and 2025-2034 Capital Budget and Plan for the TTC. It seeks the Board's approval of a 2025 Operating Budget to fund the delivery of TTC Conventional and Wheel-Trans Services as well as the 2025 Capital Budget and 2026-2034 planned estimates to fund the acquisition, rehabilitation and renewal of TTC's assets required to deliver transit service in the City of Toronto. This report also seeks the Board's endorsement of the TTC's updated 2025-2039 Capital Investment Plan and companion 2025-2039 Real Estate Investment Plan.

Several key factors have been accounted for in developing the recommended 2025 Operating Budget and 10-Year Capital Plan: service and ridership experience, financial results, accessibility and equity considerations, key risks and challenges as well as affordability and funding availability. The recommended allocation of incremental investments has been made with the express purpose of advancing Board priorities and the TTC 2024-2028 Corporate Plan's five strategic directions.

2025 Operating Budget Highlights

The recommended 2025 Operating Budget totals \$2.819 billion in gross expenditures and \$1.432 billion in revenues, requiring \$1.387 billion in net City funding or an \$85.1 million (6.5%) increase above the 2024 City funding level.

Overall, funding in the 2025 Operating Budget prevents the erosion of current service levels due to a higher cost structure; addresses immediate challenges such as congestion and asset management capacity to support service reliability and fiscal constraints; and, invests in more, frequent service, laying the groundwork for an improved customer experience as Toronto's transit needs continue to evolve.

The 2025 Operating Budget:

- **Freezes fares** for a second year in a row, maintaining affordability for TTC riders;
- **Adds a 5.8% increase in service hours**, for a total of 9.6 million hours, to adjust for congestion; accommodate growth; improve reliability on all modes and operate Lines 5 and 6 and **deliver 439.4 million revenue rides in 2025** by:
 - Ensuring service meets operational needs such as providing interim bus service along subway stations until they are accessible and accounting for congestion and ridership growth, representing a 1.7% increase in service hours that will be phased in through the spring and fall of 2025.
 - Improving midday, evening, and weekend service on all modes, representing a 2.2% increase in service hours that will be phased in the spring and fall of 2025.
 - Opening Line 5 Eglinton and Line 6 Finch West as well as implementing changes to the bus network to connect customers to these lines, representing a 1.9% increase in service hours when both lines are operational; subject to confirmation by Metrolinx.
- **Increases Wheel Trans service, to deliver an estimated 4 million rides in 2025**, accounting for a 12% increase in new registrants due to changing demographics.
- **Funds a total of \$15.2 million gross in new and enhanced priority actions** to advance 2024-2028 Corporate Plan priorities, with \$6.5 million to increase Conventional service hours mentioned above and \$8.7 million targeted to investments designed to enhance the TTC's workforce readiness, service and operational effectiveness and environmental and financial stewardship, including but not limited to:
 - Increasing TTC's capacity to recruit, train and develop its workforce;
 - Establishing pilot programs to reduce bunching and gapping on 10 of the most problematic routes with enhanced on-street presence starting in the spring and to address station cleanliness in six key subway stations;
 - Bolstering maintenance and asset management capacity for critical assets such as TTC workcars, to support service reliability;
 - Beginning the delivery of its resiliency program; and,
 - Expanding fare revenue protection through a Fare Compliance Program
- **Captures \$37.2 million in cost savings** from expenditure reviews and efficiency measures which do not impact customers, while continuing \$15 million from reserve funding in keeping with the City's multi-year balancing strategy.

Forecasted pressures of \$120.0 million in 2026 and \$239.4 million in 2027 represent the minimum funding requirements and the financial challenge the TTC will be facing over the next two years. While all effort will be made to help address cost pressures, efficiency savings and the fare box will not address these issues alone. A new, sustainable operating funding model will be essential to prevent the erosion of transit service before March 31, 2027 when the Ontario-Toronto New Deal Agreement is set to expire.

2025-2034 Capital Budget and Plan Highlights

The recommended 2025-2034 Capital Budget and Plan of \$16.395 billion is \$5.115 billion higher (including the new tenth year) than the 2024-2033 Capital Budget and Plan, representing ***the largest funding increase since the approval of the City Building Fund (CBF) in 2019 that added \$4.7 billion in the 2020 Budget process.*** The significant funding increase for 2025 is a direct result of intergovernmental funding partnerships, the subsequent Council-approved extension of CBF funding and the receipt of increased City debt funding given TTC's capital spending performance.

In keeping with the Board's direction to prioritize state of good repair for any new funding made available by any order of government, \$4.860 billion of the increased funding is dedicated to crucial unfunded state of good repair, health and legislated capital works in the 10-Year Capital Budget and Plan. This incremental funding, coupled with the TTC's ongoing efforts to optimize its base capital funding, has resulted in ***significant progress being made in addressing the following unfunded State of Good Repair (SOGR) priorities*** identified in the TTC Board-endorsed report *Prioritizing TTC Asset State of Good Repair to Keep the System Moving Reliably – 2025 Capital Budget Outlook (July 17, 2024)*:

- 55 replacement subway trains on Line 2 with the recently announced \$1.5 billion matching federal and provincial funding (\$2.3 billion total project cost);
- \$1.2 billion in required matching City funding to prepare for funding applications for approximately 700 eBuses and 950 charging systems over the next five years, with a total project cost of approximately \$2.4 billion;
- Bus, Streetcar and Subway fleet overhaul programs directly resulting from the \$500 million funding provided through the City's reallocation of the Gardiner/DVP funding;
- Critical subway systems infrastructure (Signals, Electrical, Communication) and escalator/elevator overhaul/replacement programs, with \$368 million in additional funding provided;
- A new Major Control Centre to support long-term TTC Transit Control, ITS Data Centre requirements and integration with provincial expansion program, by adding \$467 million to fully fund the current estimated design/construction costs; as well as;
- Climate adaptation and resiliency, efficiency measures and projects that will reduce GHG emissions, key initiatives of the TTC's Innovation and Sustainability Strategy, with over \$67 million in new funding.
- Targeted station/transit priority investments of \$15 million over 2025 and 2026 to improve the condition; aesthetics; to pilot a public address system upgrade and station lighting LED retrofit at six key stations and install red paint treatment on existing city roads, intersections and TTC stations to improve transit priority and safety and support fare compliance at station entrances.

These investments play a vital role in furthering the transit system's safety and reliability as well as reducing greenhouse gas emissions. These additional investments also

reduce the TTC's SOGR funding backlog by almost 50% from \$8.243 billion by 2033 to a projected \$4.344 billion for the current 10-year period ending in 2034.

While substantial progress has been made in addressing the TTC's unfunded SOGR capital priorities sustained funding is still critical to address the remaining SOGR backlog such as bus replacements beyond the first five years and the renewal of aging facilities, stations and infrastructure, as well as for capacity improvement priorities to accommodate projected growth.

The Capital Investment Plan (CIP), which lays out the TTC's capital needs over a 15-year period, is \$53.379 billion or \$5.523 billion higher than the \$47.855 billion identified in the 2024 CIP. Updated for 2025, the CIP incorporates additional funding requirements for an accelerated rate of subway infrastructure and surface track replacement and incremental NetZero and TransformTO costs. Despite this overall increase to the CIP, **the most significant change is that the funded portion of the 2025-2039 CIP, namely the 10-Year Capital Plan, has increased from 26% to 31%** given the over \$5 billion in new capital funding being provided in 2025.

However, the unfunded portion of the CIP continues to be substantial over the next 15 years, reflecting the constraints imposed by current funding availability and affordability. These unfunded capital investments amount to \$17.950 billion over the 2025–2034 period, with an additional \$19.034 billion identified for the subsequent five years of the Capital Investment Plan's (CIP) 15-year planning horizon.

TTC's priority for investment continues to be targeted to funding state-of good repair projects, which are key to sustaining a reliable transit system and setting the foundation for attracting new riders and retaining customer loyalty. Failure to maintain TTC assets in a state-of-good-repair will impact the quality and level of TTC services customers receive today and into the future.

Forecasted operating pressures and the scale of unfunded capital priorities emphasize the continued need for a tri-partite approach to developing a sustainable public transit funding model that is predictable and supports the long-term viability of the TTC. Sustained investment in the TTC is also critical to preserving Toronto's vitality. Increased funding for transit provides more frequent, accessible and reliable service, reduces congestion, decreases greenhouse gas emissions, and delivers a wide range of economic, environmental, and social benefits valued at over \$7 for every \$1 invested. The TTC will continue to work with the City of Toronto and government partners to this end.

Recommendations

It is recommended that the TTC Board:

1. Approve a 2025 Operating Budget totalling \$2.819 billion in gross expenditures, \$1.432 billion in revenues and a net funding requirement of \$1.387 billion for the TTC comprising the following services, as summarized in Appendix A of this report:

- a. 2025 TTC Conventional Operating Service Budget of \$2.636 billion in gross expenditures, \$1.423 billion in revenues and a net funding requirement of \$1.214 billion; and,
 - b. 2025 Wheel-Trans Operating Budget of \$182.6 million in gross expenditures, \$9.4 million in revenues and a net funding requirement of \$173.2 million.
2. Approve \$1.6 million gross and \$0 net to establish a General Body Repairperson Apprenticeship program, conditional on securing funding under the provincial Skills Development Fund (SDF) Training Stream;
3. Endorse the TTC 2025-2039 Capital Investment Plan of \$53.379 billion, as outlined in Attachment 1 of this report;
4. Endorse the TTC 2025-2039 Real Estate Investment Plan Update, including the implementation timeline, as outlined in Attachment 2 of this report;
5. Approve a 2025 Capital Budget of \$1.688 billion and future year planned estimates of \$14.707 billion for a total TTC 2025-2034 Capital Budget and Plan of \$16.395 billion, comprising the following, as outlined in Appendix D of this report:
 - a. A 2025 Capital Budget of \$1.618 billion and future year planned estimates of \$14.615 billion, for a total TTC 2025-2034 Base Capital Budget and Plan of \$16.233 billion, and,
 - b. A TTC 2025 Capital Budget of \$70.54 million and future year planned estimates of \$92.35 million, for a total TTC 2025-2034 Capital Budget and Plan of \$162.89 million for Transit-Expansion-Related Projects.
6. Approve a 2025 year-end workforce complement of 18,201 positions, comprised of 14,916 operating positions and 3,285 capital positions, reflecting an increase of 476 operating positions and 199 capital positions, as summarized in Appendix B of this report;
7. Reaffirm requests to the Federal and Provincial Governments for a tri-partite discussion on the development of a sustainable, long-term funding model for public transit capital and operations needs;
8. Delegate authority to the Chief Executive Officer to execute any transfer payment and/or contribution agreements required with the Province of Ontario and/or the Government of Canada to receive intergovernmental funding for priority projects and programs, subject to terms and conditions satisfactory to the TTC's General Counsel; and,
9. Forward this report to the City Budget Committee and the City Manager as the official 2025 Operating Budget and 2025-2034 Capital Budget and Plan submission for the Toronto Transit Commission.

Financial Summary

This report seeks approval of the recommended 2025 Operating Budget and the 2025-2034 Capital Budget and Plan, as summarized in Table 1 below:

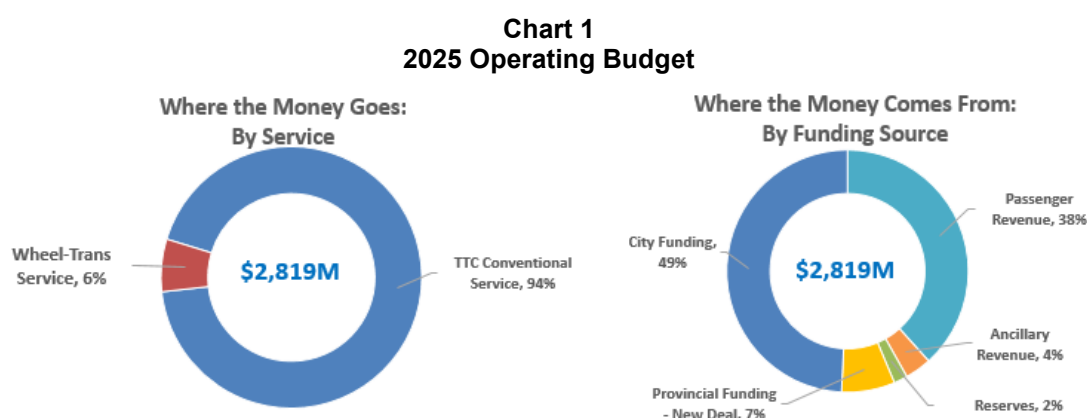
Table 1
Recommended 2025 Operating Budget and 2025-2034 Capital Budget and Plan

(\$Millions)	2025 Operating Budget			(\$Millions)	2025-2034 10-Year Capital Plan		
	Gross	Revenue	Net		2025	2026-2034	Total
TTC Conventional	2,636.1	1,422.6	1,213.5	Base Program	1,617.7	14,614.9	16,232.6
Wheel-Trans	182.6	9.4	173.2	Transit Expansion Related Projects	70.5	92.4	162.9
Total Operating Budget	2,818.7	1,432.0	1,386.7	Total Capital Budget & Plan	1,688.2	14,707.3	16,395.5

2025 Recommended Operating Budget Overview

The recommended 2025 Operating Budget is \$2.819 billion gross and \$1.387 billion net to deliver and support transit services in the City of Toronto. Chart 1 below provides an overview of the 2025 Operating Budget by service and its funding sources.

\$2.636 billion or 94% is allocated to fund TTC Conventional Service while \$182.6 million gross or 6% is dedicated to fund Wheel-Trans Service costs. Overall, 44% of the 2025 Operating Budget's funding will be generated from TTC own revenues, with 42% from passenger fare and ancillary revenues and 2% from TTC Stabilization Reserve funding. 7% will be funded from provincial funding, representing the second year of this funding secured through the Ontario-Toronto New Deal while the remaining 49% will be funded from the City's property tax base.



In total, the 2025 Operating Budget is \$85.1 million net or 6.5% higher than the 2024 Operating Budget, resulting in an equivalent request in City funding. Table 2 below summarizes the key drivers contributing to this 2025 increase:

Table 2
2025 Conventional and Wheel-Trans Operating Funding Change

Description (\$Millions)	Gross	Revenue	Net
2024 Approved Funding	2,640.8	1,339.2	1,301.6
Base Pressures Before Service	133.4	(27.9)	161.3
Service Demand	32.7	(7.8)	40.6
Subtotal: Base Pressures, Before Affordability Measures, Expansion and Revenue Changes	166.1	(35.8)	201.9
Affordability Measures	(37.2)	15.0	(52.2)
Subtotal: Base Pressures, Before Expansion & Revenue Changes	128.9	(20.8)	149.7
Revenue Changes	7.9	78.1	(70.2)
Transit Expansion - Line 5 and 6	25.9	25.9	-
Subtotal: Base Pressures Before New & Enhanced	162.7	83.2	79.5
New & Enhanced Priority Actions	15.2	9.5	5.6
Net Change in Operating City Funding Request from 2024	177.9	92.8	85.1
Total 2025 Operating City Funding Request	2,818.7	1,432.0	1,386.7
Change from 2024	6.7%	6.9%	6.5%

2025 Operating Budget Changes

The recommended 2025 Operating Budget incorporates base budget cost pressures of \$201.9 million, many of which are fixed and driven by cost of living/inflationary increases or are necessary to meet service and safety critical needs. The key drivers of TTC's base cost pressures are required to:

Maintain Current Service Levels

The 2025 Operating Budget allocates additional funding to address base cost pressures necessary to sustain current service levels and activities. In 2025, the TTC requires \$83.2 million to fund the cost-of-living increases as a result of recently ratified collective bargaining agreements, as well as \$25 million to offset the reversal of the one-time stabilization reserve draw taken as a balancing strategy in response to the City's fiscal challenges and \$8.7 million in new operating costs for completed capital projects.

In addition, \$25.9 million is required to cover contractual escalation cost increases as well as rising WSIB costs, \$9.0 million to fund legislative and calendar impacts driven by CPP enhancements and federal carbon tax increases, and \$8 million primarily for increased asset management preventative maintenance, licence costs and higher WSIB and pre-placement caseload.

Accommodate Service Demand

In order to ensure current service reliability is maintained, additional funding of a combined \$40.6 million net is required in 2025 to cover the annualized cost of increased service hours approved in 2024 and to fund additional service hours to adjust for congestion and accommodate growth for Conventional Service as well as to meet

growing Wheel Trans Service ridership demand driven by changing demographics and a resultant increase in new registrants.

Affordability Measures

To help mitigate the \$201.9 million base cost pressures above, \$52.2 million in recommended affordability measures are incorporated in the 2025 Operating Budget that reduces the base budget pressures to \$149.7 million. These measures include:

- The implementation of efficiency measures and the results of a line-by-line expenditure review totalling \$15.9 million, in addition to a change in WSIB funding treatment of \$21.3 million, bringing the cumulative savings to \$232 million since 2019;
- A one-time withdrawal of \$15 million from the TTC Stabilization Reserve that continues the City's multi-year fiscal balancing strategy, albeit at a lower rate than 2024.

The remaining net base pressure is further offset by higher passenger revenue based on the 2024 favourable experience, which is expected to continue at a modest pace in 2025. Net revenue changes of \$70.2 million have been applied to the 2025 Operating Base Budget, that further reduces the total base budget pressure to \$79.5 million.

\$25.9 million in incremental operation and maintenance expenses for Line 5 (Eglinton Crosstown) and Line 6 (Finch West) will be offset by provincial funding secured through the Ontario-Toronto New Deal agreement and therefore has no net financial impact on TTC's Operating Budget for 2025. For budget planning purposes, Line 5 and Line 6 costs reflect July and August 2025 revenue service dates, respectively. The actual opening dates are pending confirmation from Metrolinx.

New and Enhanced Priority Actions

The 2025 Operating Budget dedicates \$15.2 million gross and \$5.6 million net in funding for New & Enhanced Priority Actions to advance the objectives and outcomes laid out in the TTC's 2024-2028 Corporate Plan.

The recommended New and Enhanced Priority Actions represent targeted investments intended to increase TTC's capacity with recruitment, training, and development efforts; bolster the maintenance of critical assets; increase service frequency; improve service response and the customer experience; protect fare revenue, address key risks, and begin TTC's resiliency program. The implementation of a Fare Compliance program, which is expected to capture \$12 million in additional fare revenue will be used to fund this program along with many of the other new priority action investments recommended for 2025.

2025 Operating Complement

Approval of the 2025 Operating Budget will require an additional 476 positions primarily required to deliver increased Conventional and Wheel-Trans service hours and provide capacity to advance the recommended priority actions in 2025, detailed in Appendix B.

2026 and 2027 Outlook

Table 3
2026 and 2027 Outlook

Description (\$Millions)	2026	2027
Base Pressures		
Base Pressures	121.6	61.1
Annualization of 2025 Service Changes & Wheel-Trans Ridership Demand	31.2	3.2
Efficiencies	(2.7)	(2.3)
Subtotal Base Pressures before Expansion and Revenue Changes	150.1	61.9
Transit Expansion	54.1	(15.5)
Total Base Pressure before Revenue Changes	204.2	46.5
Revenue Changes		
Advertising Revenue	(1.1)	(0.6)
Passenger Revenue (Assumes 2.5% YoY Growth)	(29.0)	(27.0)
Change in Provincial Funding - Safety/General		100.0
Change in New Deal Provincial Funding - Line 5 & 6*	(54.1)	120.6
Total 2026 & 2027 Pressure	120.0	239.4

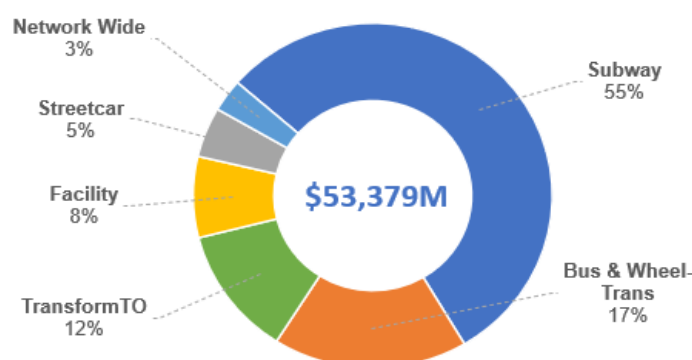
Looking forward, incremental base pressures of \$120.0 million net are forecasted for 2026 and are mainly being driven by salary and benefit increases approved through collective bargaining; the reversal of the use of one-time \$15 million reserve funding in 2025 as part of the City's multi-year balancing strategy and annualized service costs, most notably for Lines 5 and 6, which will continue to be offset by provincial funding.

In 2027, an incremental \$239.4 million is forecasted. Given that salary and benefit cost increases are not forecasted beyond the expiry of collective bargaining agreements on March 31, 2027, most of this cost pressure will be driven by the loss of provincial funding. The Ontario-Toronto New Deal Agreement is also set to expire on March 31, 2027, creating a funding pressure of \$221 million in 2027 in the absence of a renewed funding agreement. Increased costs for service improvements, while identified in the 5-Year Service Plan for each of these years have not been reflected as they or any other Corporate Plan priority will be subject to annual review by the Board.

2025-2039 Capital Investment Plan Update

As a rolling plan, the TTC's Capital Investment Plan (CIP) has been updated for the 2025-2039 timeframe and totals \$53.379 billion in capital needs over the 15-year period. The chart below summarizes the TTC's capital needs according to the Capital Investment Plan's six investment portfolio categories:

Chart 2
2025-2039 Capital Investment Plan by Portfolio



The 2025-2039 CIP is approximately \$5.523 billion higher than the \$47.855 billion presented in the 2024-2038 CIP. With a recommended 2025-2034 Capital Budget and Plan of \$16.395 billion, it results in an unfunded balance of \$36.983 billion over the CIP's 15-year planning horizon, or 69% of the \$53.379 billion total CIP, as summarized in Table 4.

Table 4
2024 vs 2025 Capital Investment Plan

2024 vs. 2025 Capital Investment Plan Comparison												
Description (\$ Millions)	2024-2038				2025-2039				Change			
	Years 1-10	Years 11-15	15-Year Total	%	Years 1-10	Years 11-15	15-Year Total	%	Years 1-10	Years 11-15	15-Year Total	%
Total Funded	12,398		12,398	26%	16,395		16,395	31%	3,998		3,998	5%
Total Unfunded	17,916	17,542	35,458	74%	17,950	19,034	36,983	69%	34	1,492	1,526	-5%
Total CIP	30,313	17,542	47,855	100%	34,345	19,034	53,379	100%	4,032	1,492	5,523	0%

Compared to the previous CIP, the funded portion of the 2025-2039 CIP has increased by 5% from 26% to 31%, despite the \$5.523 billion in new CIP unfunded requirements added for the 2025 CIP update. This progress has been made possible due to incremental intergovernmental and City funding, as well as the TTC's ongoing efforts to maximize its existing funding. Key additions to the CIP unfunded requirements include added funding to increase the rate of SOGR for subway infrastructure and surface track replacement, as well as incremental NetZero and TransformTO requirements.

For a full breakdown of the 2025-2039 Capital Investment Plan, refer to Attachment 1 of this report.

Real Estate Investment Plan Update

As a companion document to the CIP, the REIP sets out the strategic direction for the planning and management of the TTC's real estate assets and the 15-year priorities in support of TTC's capital programs and operational needs. The 2025 update to the REIP includes new electrification initiatives for TTC's Wheel-Trans and non-revenue vehicle fleet, and the addition of new property requirements to support TTC's Line 2 Capacity Enhancement Program. The update also introduces the Western Yard and Kipling Lands Study which will assess and recommend the usage and optimization of TTC's Western Yard property.

Attachment 2 provides an overview of TTC's updated Real Estate Investment Plan

2025-2034 Capital Budget and Plan Overview

The recommended 2025-2034 Capital Budget and Plan totals \$16.395 billion. ***In total, over \$5.1 billion of incremental funding has been added*** during the 2025 Budget process, providing an additional \$4.860 billion to fund state of good repair, health & safety, and legislated capital priorities. This increased funding represents the largest incremental investment in TTC capital works since the addition of CBF funding in 2020. New, incremental funding in 2025 has enabled the TTC to make considerable progress in addressing its key SOGR priorities, particularly in the first five years of the 10-year planning period, as detailed in the July 2024 report *Prioritizing TTC Asset State of Good Repair to Keep the System Moving Reliably – 2025 Capital Budget Outlook*.

\$16.233 billion of the recommended 10-Year Capital Plan of t is allocated to the TTC's base capital program and \$162.89 million to transit-expansion-related projects, as summarized in Table 5 below.

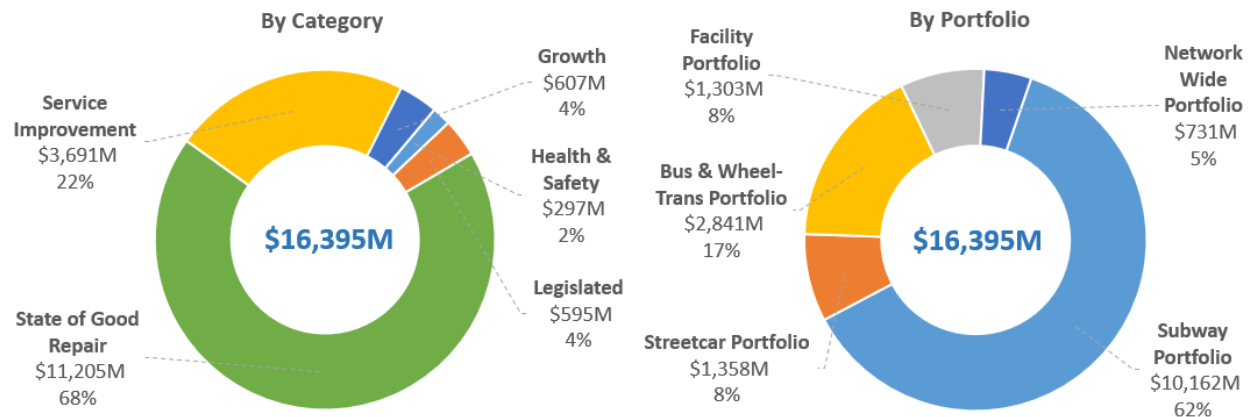
Table 5
2025-2034 Capital Budget and Plan Summary

(\$ Millions)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	10-Year Total
Base Program	1,617.74	1,523.58	1,703.78	1,784.75	1,766.94	2,016.00	1,704.78	1,698.13	1,214.51	1,202.37	16,232.58
Expansion Related	70.54	46.11	20.87	12.00	9.07	4.30					162.89
Total	1,688.28	1,569.69	1,724.65	1,796.75	1,776.01	2,020.30	1,704.78	1,698.13	1,214.51	1,202.37	16,395.47

For a full breakdown of the 2025-2034 Capital Budget & Plan, refer to Appendix D.

The TTC maintains two views of its capital projects – one categorized according to project type and a second based on strategically grouping all of its capital project needs, combining conventional SOGR, Service Improvement, and Growth projects within six distinct portfolios. The portfolio perspective is in line with key methods of delivering transportation services, as well as the essential infrastructure and network assets needed to uphold the transportation system. Chart 3 outlines the funding breakdown by both the project category and portfolio views.

Chart 3
2025-2034 Capital Budget and Capital Plan



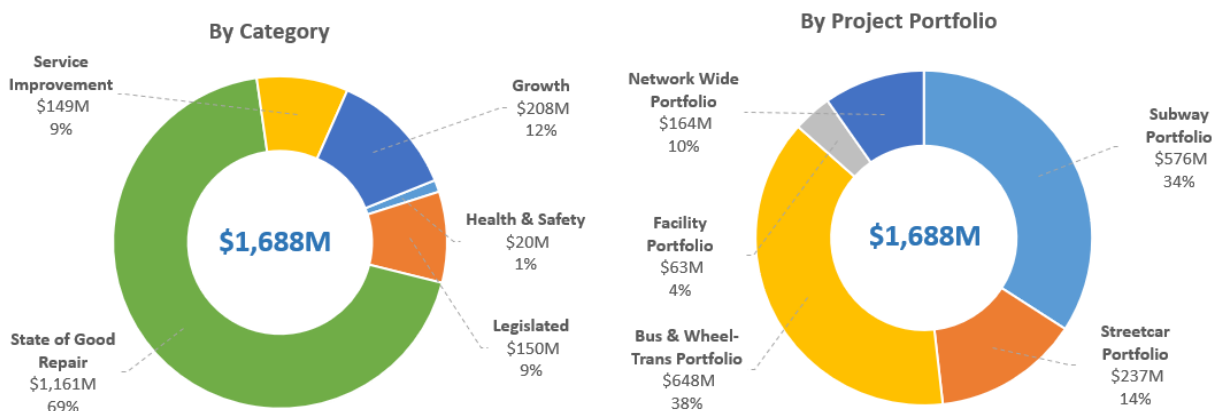
Available funding has been optimized to meet the TTC's continued commitment to ensuring its \$26 billion asset inventory is maintained in a state of good repair, while balancing the need for infrastructure renewal and future service capacity.

Over two-thirds of the 10-year Capital Plan's funding is allocated to State of Good Repair projects, reflecting the priority funding for both the replacement of subway trains and the TTC's matching funds for the replacement of buses in the first five years as well as full funding for fleet overhaul programs for all modes while 24% is dedicated to Service Improvement and Growth projects. From a portfolio perspective, 62% is dedicated to the Subway portfolio, with the next largest allocation of 17% for the Bus and Wheel-Trans portfolio in direct correlation with the new priority investments.

2025 Capital Budget

The proposed Capital Budget for 2025 is \$1.688 billion, representing the first year of the TTC's 10-Year Capital Plan. Chart 4 provides an overview of how the recommended 2025 Capital Budget is allocated by project category and portfolio.

Chart 4
2025 Capital Budget Overview



Nearly \$170 million or 10% of the 2025 Capital Budget is committed to Health, Safety and Legislated project funding while SOGR capital projects represent \$1.161 billion or 69% of the proposed funding. The remaining 21% or \$357 million of the recommended 2025 Capital Budget is allocated to Service Improvement and Growth capital projects.

From a portfolio perspective, \$1.462 billion or 86% of the 2025 Capital Budget's funding is allocated for Subway, Streetcar, Bus and Wheel-Trans portfolio projects, reflecting the high level of spending on existing vehicle procurements and infrastructure rehabilitation. A combined \$227 million or 14% is allocated to the Facility and Network Wide portfolios with planned spending focused on priorities like the Roofing Rehabilitation program, Energy Efficiency Retrofits and On-Grade Paving Rehabilitation Program.

Capital Funding Sources

Capital projects are financed through various sources, including funds secured from all three orders of government. The TTC's capital funding sources over the 10-year period are summarized in Table 6 below and further in Appendix F:

Table 6
2025-2034 Capital Plan by Funding Source

Funding Sources (\$ Millions)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	10-Year Total	%
City of Toronto	1,048.46	1,111.93	1,267.37	1,306.13	1,156.19	1,231.67	996.24	944.25	675.40	893.06	10,630.70	64.9%
Provincial	129.59	144.45	146.46	169.80	246.55	328.85	289.34	314.32	208.49	96.66	2,074.52	12.7%
Federal	443.60	264.46	265.88	291.82	357.61	442.34	404.21	426.47	318.43	201.35	3,416.16	20.9%
Other Revenue	66.62	48.86	44.93	29.01	15.66	17.44	14.98	13.10	12.19	11.29	274.08	1.7%
Total Funding	1,688.28	1,569.69	1,724.65	1,796.75	1,776.01	2,020.30	1,704.78	1,698.13	1,214.51	1,202.36	16,395.47	100%

The provincial funding of the TTC's Capital Budget & Plan has increased to \$2.074 billion from \$1.434 billion last year (a nearly 45% increase), while the federal share has increased to \$3.416 billion from \$2.631 billion (a nearly 30% increase), mostly attributable to the addition of matching funds for the replacement trains on Line 2. However, there is still a heavy reliance on City funding, with nearly two-thirds of the TTC's 10-Year Capital Plan funded by the City.

2025 Capital Complement

To deliver ongoing and new projects in 2025, the TTC's recommended capital complement will increase by 199 positions, to be funded from the 2025 Capital Budget. Further details are included in the Comments section as well as in Appendix B.

Operating Impacts of Completed Capital Projects

Costs and benefits (savings) to be realized from the completion of capital projects have been identified over the 10-year period, including, but not limited to, costs related to Streetcar Infrastructure & Purchase programs and Information Technology Systems as well as projected savings related to the procurement of electric buses. The completion

of these capital projects will result in an estimated net savings of \$5.8 million to be realized over the 10-year planning period and an operating impact of \$8.7 million in 2025, which has been incorporated in the recommended 2025 Operating Budget.

Table 7
Operating Impacts of Capital

\$Millions	2025 Budget	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2025- 2029	2030- 2034	2025- 2034
Cost Savings	(3.0)	(11.0)	(0.4)	(1.2)	(0.2)	(15.7)	(50.0)	(65.7)
Expense	11.7	7.1	16.1	1.0	4.5	40.5	19.5	60.0
Total (Net)	8.7	(3.9)	15.8	(0.2)	4.4	24.8	(30.5)	(5.8)

Economic Impact of Investing in the TTC

Using the economic model established in partnership with the University of Toronto's Mobility Network, approval of the 2025-2034 Capital Budget and Plan is estimated to contribute \$16.5 billion in gross domestic product, \$41.7 billion in economic activity and over 245,000 jobs.

In 2025 alone, approval of the recommended 2025 Operating and Capital Budgets are estimated to generate \$6.1 billion in economic activity and over 32,000 jobs across Canada.

Equity/Accessibility Matters

The TTC is dedicated to ensuring barrier-free transit access, allocating funds to the Wheel-Trans service for anticipated growth in ridership while initiatives like the Easier Access Program aim to improve accessibility across all transit services.

For a second year in a row, TTC fares will be frozen at 2023 rates and eligible customers can benefit from the City of Toronto's Fair Pass Program, which offers about one-third off single fares and 21% off monthly passes to maintain affordability for users,

The recommended 2025 Operating Budget allocates \$182.6 million gross (\$173.2 million net) for Wheel-Trans service, to deliver an estimated 4 million rides in 2025, accounting for a 12% increase in new registrants.

There are no recommended reductions that impact customers. In fact, the 2025 Operating Budget maintains service coverage citywide, understanding the importance of even the lowest ridership routes. Service levels are higher than pre-pandemic, with enhancements focused on customer need and meeting user needs.

In support of the Accessibility for Ontarians with Disabilities Act's (AODA) goal of an accessible Ontario by 2025, TTC has dedicated funding of \$1.877 billion for several major projects, with approximately \$1.135 billion spent to date and planned spending of \$742 million (in total) included in the 2025-2034 TTC Capital Budget and Plan.

These projects include, but are not limited to, Easier Access, elevator/escalator overhauls, accessibility improvements at bus and streetcar stops, Wheel-Trans Transformation Program, and Wheel-Trans bus procurements. These projects, highlighted in the December 2024 report [2024-2028 TTC 5-Year Accessibility Plan and Wheel-Trans Transformation Program Update](#), will improve the accessibility of TTC facilities and vehicles for all customers.

The recommended 2025-2034 Capital Budget and Plan provides funding of \$401 million to complete the TTC's Easier Access Program, to make the remaining 15 of 70 subway stations accessible with elevators, wide fare gates and automatic sliding doors. Beginning in January, interim accessible bus service will provide connections to subway stations that are not yet accessible.

The 2025-2034 Capital Budget and Plan also provides funding of \$341 million for, but not limited to, modernization across the transit system, including procuring and accommodating the maintenance and storage of 60 new low-floor streetcars, additional new accessible TTC and Wheel-Trans buses as well as making another 324 bus and streetcar stops accessible.

Decision History

At its meeting on December 20, 2023, the TTC Board approved the 2024-2033 TTC Capital Budget and Plan of \$12.398 billion over the 10-year period, with \$1.369 billion approved in the 2024 Capital Budget and a 2024 Operating Budget of \$2.568 billion gross and \$1.231 billion net, with a 2024 total year-end workforce complement of 17,508 positions for the TTC. The 2024 Operating Budget is comprised of \$2.404 billion gross and \$1.076 billion net for TTC Conventional Service; and \$163.6 million gross and \$155.7 million net for Wheel-Trans Service.

[2024 TTC Conventional and Wheel-Trans Operating Budgets](#)

Subsequently, on February 14, 2024, City Council approved an amendment to the TTC Board's approved 2024 TTC Capital Budget, reallocating \$67.9 million for the Line 3 Scarborough Rapid Transit (SRT) Busway from permanent savings of \$12.2 million from the SRT Life Extension/Transition project and \$55.7 million from property acquisition funding reflected within the Line 1 Capacity Enhancement project.

[City of Toronto 2024 Capital and Operating Budget](#)

At its meeting on May 16, 2024, the TTC Board approved a new five-year TTC Corporate Plan, 'Moving Toronto, Connecting Communities, TTC Corporate Plan 2024-2028 & Beyond'. The Corporate Plan guides and creates strategic alignment amongst organizational initiatives, reflecting Board priorities and corporate requirement. In addition, the TTC Board approved the TTC's 5-Year Service and Customer Experience Action Plan, which identifies service and customer experience-related improvements to public transit service in the City of Toronto between 2024 and 2028.

[TTC Corporate Plan 2024-2028 & Beyond: Moving Toronto, Connecting Communities 5-Year Service and Customer Experience Action Plan](#)

At its meeting on May 22, 2024, in accordance with the City's Carry Forward Policy, City Council approved an incremental carry-forward reduction of \$1.2 million applied to the TTC's existing carry-forward funding of \$180.5 million as submitted through the 2024 budget process.

[Adjustments to Capital Budget, Carry Forward Funding and Future Year Commitments](#)

At its meeting on July 17, 2024, the TTC Board reviewed the report entitled "Prioritizing TTC Asset State of Good Repair to Keep the System Moving Reliably – 2025 Capital Budget Outlook" and endorsed the state-of good-repair unfunded capital requirements as the first priority for investment utilizing new funding made available to the TTC by any order of government.

[Prioritizing TTC Asset State of Good Repair to Keep the System Moving Reliably – 2025 Capital Budget Outlook](#)

Background

Key Factors Shape TTC's Recommended 2025 Operating Budget and 10-Year Capital Plan

There are numerous factors that have guided and/or informed the development of the recommended 2025 Operating Budget and 10-Year Capital Plan:

Board Direction and Corporate Plan Priorities

The TTC has established a Planning and Performance Framework that links Council and Board directions and Corporate Plan strategic directions to the TTC's multi-year budgeting process. The Corporate Plan's 5 strategic directions have guided the TTC's 2025 Budget process, with priority being placed on the allocation of resources and new investments that align with and advance Board direction and the Corporate Plan's strategic directions and outcomes.

The priority for incremental funding being recommended in the 2025 Operating Budget focuses on maintaining current services levels in the face of inflationary cost pressures: improving the customer experience by addressing service reliability with changes to service and enhanced asset maintenance and providing new funding for key priority actions. The 10-Year Capital Plan prioritizes new funding for critical state of good repair outlined in the July 17, 2024, report *Prioritizing TTC Asset State of Good Repair to Keep the System Moving Reliably – 2025 Capital Budget Outlook*.

The following diagram highlights the key priority actions that the recommended 2025 Operating Budget and 10-Year Capital Plan will advance:

Build a Future Ready Workforce	Attract New Riders, Retain Customer Loyalty	Place Transit at the Centre of Toronto's Future Mobility	Transform and Modernize for a Changing Environment	Address the Structural Fiscal Imbalance
Operating				
<ul style="list-style-type: none"> Enhance recruitment, compensation, and retention efforts to support growing workforce needs Develop skilled maintenance teams through apprenticeship and training programs Implement the Anti-Racism Strategy Increase workplace safety at rail facilities 	<ul style="list-style-type: none"> Freeze fares for 2025 Accommodate a 21% Wheel-Trans ridership increase Increase Conventional service by 1.2% to address demand growth and congestion Increase service a further 2.2% to improve service reliability across all modes Sustain Safety, Security & Well-Being Program Prepare for 2026 FIFA World Cup 	<ul style="list-style-type: none"> Expand maintenance capabilities to improve safety and reliability for key assets Prepare for Line 5 Eglinton LRT and Line 6 Finch West Startup Measure Customer Satisfaction and Demand on Line 5 & 6 	<ul style="list-style-type: none"> Strengthen cyber security capacity Drive climate resilience with dedicated expertise in sustainable infrastructure 	<ul style="list-style-type: none"> Advance ongoing business and finance transformation initiatives Manage overtime, absenteeism & WSIB case load Expand fare compliance efforts across the system (including a 1% or \$12 million fare recovery target) Maximize intergovernmental funding opportunities and partnerships
Capital				
<ul style="list-style-type: none"> Reduce costs and environmental impact of office space through ModernTO initiatives Modernize tools and technologies available to employees 	<ul style="list-style-type: none"> Safety and customer experience enhancements through Stations Transformation Program Preserve Line 2 Subway Reliability Mature TTC Enterprise Asset Management capabilities Advance RapidTO priority corridors 	<ul style="list-style-type: none"> Build network capacity to support long-term growth (Lines 1 & 2, and BYCI capacity enhancement programs) Minimize environmental impacts through the Green Fleet Program (eBus and Charging Systems) Integrate the Toronto Green Standard into new asset planning and design 	<ul style="list-style-type: none"> Invest in the Innovation and Sustainability Strategy (ISS) Modernize business functions through the rollout of enterprise SAP system Advance the new service planning and scheduling systems 	<ul style="list-style-type: none"> Drive continuous improvement in capital delivery by maximizing capital work achieved during system closures Update long range demand model to 2051 planning horizon and refine the long-term Capital Investment Plan

Key Risks

The TTC has established an Enterprise Risk Framework and Plan to address ten enterprise-wide risks, as noted below. With the alignment of these risks to the TTC's Corporate Plan, many of them have been considered in the 2025 Budget process. The 2025 Operating Budget and 10-Year Capital Plan provide funding specifically targeted to help mitigate the top five risks as well as worker and customer safety.

Further, by implementing the Planning and Performance Framework for the 2025 Budget process, the 2025 Operating Budget and 10-Year Capital Plan have been aligned with Board direction and the TTC 2024-2028 Corporate Plan strategic directions, focusing the recommended allocation of resources to achieving established priorities and outcomes. This action advances governance and decision-making and is key to ensuring that strategy is clearly being executed.

Key Enterprise Risks	
1. Capital Funding Requirements	6. Disruption
2. Cybersecurity	7. Governance and Decision-Making
3. Recruitment and Retention	8. Strategy Development and Execution
4. Financial Sustainability	9. Third Party Vendor
5. Public Safety and Transit Security	10. Worker and Customer Safety

Service and Ridership Experience

Customer Boardings, On-Time Performance and Revenue Ridership data have been used to establish 2025 service, ridership revenue budgets and some recommended new and enhanced priority actions. Service reliability and on-time performance challenges due to traffic congestion and construction affecting surface transit will be addressed with additional funding to maintain current headways; a new “bunching and gapping” pilot on key bus and streetcar routes; more, frequent service i to increase reliability and increasing response to disruptions and emergencies. The 2025 Ridership Revenue budget reflects changing travel patterns, with a shift from frequent commuting to less regular usage as well as the use of new payment methods.

Accessibility and Equity

The TTC remains committed to enhancing service equity, focusing on improving accessibility and service coverage citywide, understanding the importance of even the lowest ridership routes for all customers while freezing fares to ensure affordability and continued accessibility for TTC customers. Interim bus service will also be provided along routes where subway stations that are not yet accessible. Continued capital investments in accessible vehicles, stations and transit infrastructure are all measures that will improve accessibility in the transit network.

Financial Results

The projected 2024 operating spending rate of 96% and capital spending rate of 97% illustrate TTC's effective resource utilization and alignment of cash flow funding with deliverables, establishing a strong foundation for the 2025 budgets.

As part of the TTC’s financial management and oversight practices, monitoring of the Operating Budget and 10-Year Capital Plan’s spending is ongoing and reported monthly internally and quarterly to the Board and the City. Financial results inform both the development and final operating budget and capital plan, with operating underspending being captured through line-by-line expenditure reviews and/or cost savings and capital spending informing annual cash flow estimates.

The recommended 2025 Operating Budget includes \$26.6 million in expense reductions and actual capital delivery and spending rates have informed the recalibration of cash flows to align with updated project deliverables to maximize the use of capital funding. The TTC’s high capital spending has been a key factor in receiving an incremental \$1.2

billion in City funding, to be leveraged as the City's matching share for the procurement of bus replacements over a five-year period should the TTC be successful in securing matching federal funding.

Affordability and Funding Availability

The City's affordability limits driven by its financial constraints are key factors that shape both the Operating Budget and 10-Year Capital Plan. As responsible financial stewards, the 2025 Operating Budget includes \$52.2 million in efficiency savings and balancing actions to help mitigate cost pressures, enabling the TTC to maintain current services and freeze fares for a second year, ensuring residents have access to reliable transit options. Recapturing \$12 million in fare revenue through its fare compliance efforts will partially fund key priority actions. The availability of new or incremental funding sources such as the extended City Building Fund; the reallocation of Gardner/DVP funding and the incoming Canada Public Transit Fund (CPTF) has provided the TTC with the ability to fund crucial, previously unfunded state of good repair priority projects.

These key factors, combined with the insights from service and financial performance results have collectively informed the budget development process, aimed at establishing funding plans that provide continued support for a reliable and accessible transit system that can navigate the complexities of a growing city to meet customer needs while addressing fiscal challenges.

Service and Financial Performance Measures

The TTC tracks performance through a range of indicators that measure the efficiency and effectiveness of service delivery, operational and financial management practices. Their results and insights can be used to shape future outcomes. Metrics fall into one of three categories strategic, management, or operational: strategic metrics focus on long-term goals, management metrics evaluate program efficiency and resource effectiveness, and operational metrics track processes and activities that drive service delivery. By establishing metrics in all three categories, not only can performance be monitored at all levels, but they provide insights along the performance continuum that ranges from outputs, efficiency and effectiveness metrics and service levels to measurable targets and outcomes to long term benefit realization.

While the TTC continues to mature its performance measure inventory, key service and financial performance measures are presented and discussed below. The results and trends from these metrics have provided insights that have been used to inform the 2025 Budget process while others provide an indication of the efficiency and effectiveness of TTC's service, operational and financial planning, and management practices.

Service and ridership metrics are key to identifying challenges and informing the 2025 Budget. By analyzing these indicators, the TTC can prioritize areas for improvement and effectively guide the allocation of resources. For example, in 2024, the TTC is projected to deliver 100% of its budgeted 9.2 million service hours, representing 97% of 2019 hours. However, while subway on-time performance exceeded the 90% target, surface routes underperformed. These results, influenced by traffic congestion, construction, and changing travel patterns, contributed to a customer satisfaction score of 72%, below the 80% target. Customer satisfaction as an outcome, is impacted by a

customer's experience with transit service reliability, accessibility, sense of system safety and cleanliness as well as other factors.

To improve service reliability and address changes in customer demand, the 2025 Operating Budget includes 9.6 million service hours. These additional hours will help alleviate congestion, support service growth, improve service frequency across all modes and prepare for the planned launch of Line 5 (July) and Line 6 (August)¹. To further improve service reliability and the customer experience, new investments will be made to fund pilots focused on addressing bus "bunching and gapping" and station cleanliness as well as to increase response times for incident management.

Ridership results reflect recovery trends and ridership behaviours. In 2024, Conventional revenue rides are projected to reach 421.5 million (99.8% of forecast), while Wheel-Trans ridership is expected to reach 3.6 million, exceeding the 2024 budget by 7%. For 2025, revenue rides are forecasted to grow to 439.4 million based on known and emerging ridership trends, with Wheel-Trans rides increasing to 4.0 million, a 21% rise over the 2024 budget. The trends in the ridership data established the 2025 revenue budget as well as the proposed 21% increase in Wheel Trans service for 2025.

Financial management performance measures are crucial for evaluating the efficiency of the TTC's overall operations and the effectiveness of TTCs financial planning and management practices. These metrics assess expenditure management, revenue forecasting, and capital investment planning, providing insights into fiscal accountability.

Expense management, for example, remains a priority for the TTC. In 2024, the inflation-adjusted cost per service hour is projected to be \$265, up from \$243 in 2019. This increase is attributed to external factors such as collective bargaining agreements and rising materials costs. While the projected result for 2024 is lower than the 2024 target of \$275/hour, the target also accounted for the cost of commencing service for Lines 5 and 6 which did not occur. In comparison to the 2024 target of \$275/hour, budget projections for 2025 and 2026 indicate relatively stable cost growth, driven primarily by inflation and increased service hours, including the opening of Lines 5 and 6. Looking forward, the budgeted cost per hour will increase to \$276 /hour in 2025 and \$277 / hour based on the 2026 Outlook.

As part of its expense management program, the TTC has also been proactive in realizing **sustainable** savings. Since 2019, it has identified \$232 million in efficiency savings. In 2024, this represented 1.2% of the TTC's net Operating Budget. In 2025, savings and efficiencies identified by the TTC represent 3.1% of the TTC's net operating budget. These savings demonstrate ongoing efforts to deliver value while maintaining service levels.

Despite financial pressures, the revenue rides to complement ratio has remained relatively stable over time, with the 2024 ratio projected at 31,658 revenue rides per complement position, compared to 40,605 in 2019. The ratio decreased to 78% of the 2019 figure, this is inline with the observed decrease in ridership of about 20%. The consistency highlights the TTC's effective management of staffing levels and

¹ Line 5 & 6 opening dates are for planning purposes only; pending Metrolinx confirmation

complement costs, ensuring alignment with operational and financial realities despite shifts in ridership and demand since 2019.

Increased subsidies, funded by contributions from the City of Toronto and the Province of Ontario, have played a critical role in maintaining fare affordability and service delivery, particularly during COVID and the subsequent gradual revenue recovery. These subsidies have resulted in an increase in the subsidy per ride from \$1.18 in 2019 to \$2.62 in 2024.

Capital planning metrics further demonstrate the effectiveness of TTC's financial management practices. Reducing the state-of-good-repair (SOGR) backlog has been a key priority in the TTC's Capital Investment Plan. The 2024-2033 Budget and Plan initially projected the backlog to grow to \$8.2 billion by 2033. However, through successful intergovernmental collaboration and strategic prioritization during the preparation of the 2025-2034 Capital Budget and Plan, the forecasted backlog has been reduced by nearly 50%, to \$4.3 billion by 2034, representing 10.7% of the TTC's total asset value.

Budget and forecast accuracy are key effectiveness indicators of the TTC's Budget process. The TTC demonstrates a strong track record of financial accuracy and responsible fiscal management. In 2024, the year-end capital spending rate is projected to be 97%, and the operating net spending rate is projected at 96.8%, both are in line with best practice thresholds (90% and 97%, respectively). Additionally, the ridership revenue forecast accuracy is 97.5%. These metrics reflecting precise budgeting and the provision of reliable information and insights for senior leadership, the TTC Board, and City Council.

The impact of TTC's services extend beyond financial and operational performance. A University of Toronto study highlights the broader economic and social impact of the TTC, estimating that every \$1 invested in the system generates approximately \$7.14 in economic and quality-of-life benefits for Toronto and its residents. This underscores the TTC's vital role in supporting the city's economy and enhancing the quality of life for its citizens.

Table 8
Service and Financial Performance Measures

Measure	2019 Actual	2022 Actual	2023 Actual	2024 Target	2024 Projection	Status	2025 Target	2026 Target
Service Measures								
Conventional Service Hours	9.5 M	9.0M	8.9M	9.2M	9.2M	●	9.6 M	9.9 M
Wheel-Trans Service Hours	1.2 M	0.9 M	1.1 M	1.4 M	1.4 M	●	1.5 M	1.5 M
Customer Satisfaction	80%	77%	71%	80%	72%	●	84%	84%
Subway - Achieve 90% On-time	94%	93%	93%	90%	92%	●	90%	90%
Streetcar - Achieve 90% On-time	64%	65%	65%	90%	73%	●	90%	90%
Bus - Achieve 90% On-time	76%	79%	83%	90%	84%	●	90%	90%
Revenue and Affordability								
Conventional Revenue Rides	525.5M	318.7M	396.3M	422.4M	421.5M	●	439.4M	450.4 M
Wheel-Trans Ridership	4.1 M	2.3 M	3.0 M	3.3 M	3.6 M	●	4.0 M	4.1 M
Revenue / Cost Ratio	63%	36%	45%	44%	46%	●	44%	42%

Measure	2019 Actual	2022 Actual	2023 Actual	2024 Target	2024 Projection	Status	2025 Target	2026 Target
Revenue / Cost Ratio*	66%	38%	47%	47%	49%	●	46%	44%
City Subsidy per Revenue Ride	\$1.18	\$4.01	\$2.90	\$2.71	\$2.62	●	\$2.76	\$2.95
Financial Management and Efficiency								
Total Operating Cost / Service Hour (Adj for CPI, index=2025)	\$243 / Hr	\$255 / Hr	\$258 / Hr	\$275 / Hr	\$265 / Hr	●	\$276 / Hr	\$277 / Hr
Operating Cost per Revenue Ride	\$3.62	\$6.53	\$5.51	\$5.85	\$5.65	●	\$6.00	\$6.27
Revenue Rides: Complement Ratio	40,605	24,639	30,522	31,726	31,658	●	31,700	31,419
Operating Savings / Efficiencies (\$232 M since 2019)	\$48.9 M	\$25.6 M	\$22.5 M	\$12.9 M	\$12.9 M	●	\$37.2 M	\$2.7 M
Savings / Efficiencies as % of Net Expenditures	7.9%	2.0%	2.0%	1.1%	1.2%	●	3.1%	0.2%
SOGR Backlog	\$0.8 B	\$6.7 B	\$6.3 B	\$8.2 B	\$8.2 B	●	\$4.3 B	\$3.9 B
SOGR Backlog as a % of Total Asset Value	4.8%	33.0%	17.9%	20.7%	20.7%	●	10.7%	9.7%
Budget and Forecast Accuracy								
Capital Capacity to Spend	60%	82%	88%	90%	97%	●	90%	90%
Operating Net Spend Rate	99.9%	95.5%	96.6%	97.0%	96.8%	●	97.0%	97.0%
Conventional Ridership Revenue Budget Accuracy	99.0%	99.6%	99.5%	97.0%	97.3%	●	97.0%	97.0%

*Based on figure reported to the Canadian Urban Transit Association (CUTA); Includes conventional service fare and ancillary revenues compared against conventional gross expenditures

Comments

Recommended 2025 Operating Budget Addresses Key Priorities

The 2025 Operating Budget of \$2.819 billion gross and \$1.387 billion net, accounts for service costs, service delivery and the above noted objectives, which results in a net City funding increase of \$85.1 million or 6.5% over 2024, as summarized in Table 9 on the following page:

Table 9
TTC Conventional and Wheel-Trans Operating Funding

Description (\$Millions)	Gross	Revenue	Net	Positions
2024 Approved Funding	2,640.8	1,339.2	1,301.6	14,440
Base Pressures:				
Prior Year Impacts				
2025 Collective Bargaining & Cost of Living Impact	83.2		83.2	58
Reversal of 2024 Stabilization Reserve Draw		(25.0)	25.0	
Other Net Prior Year Impacts	(0.4)	(0.9)	0.5	
Subtotal: Prior Year Impacts	82.8	(25.9)	108.7	58
Economic Factors				
Benefit Inflation & Utilization	6.5		6.5	
WSIB and LTD Costs	21.3		21.3	
Parts, Materials and Services	5.4		5.4	
Energy Pricing	(7.3)		(7.3)	
Subtotal: Economic Factors	25.9	-	25.9	
Legislative & Calendar Impacts				
CPP & EI	6.1		6.1	
Carbon Pricing	3.4		3.4	
Provincial Fuel Rebate (ending June 30, 2025)	1.9		1.9	
Calendar Impact	(4.8)	(2.3)	(2.5)	
Meeting Privacy Legislative Timelines	0.1		0.1	1
Subtotal: Legislative & Calendar Impacts	6.7	(2.3)	9.0	1
Subtotal: Inflationary & Legislative Pressures	115.4	(28.2)	143.6	59
Capital Asset Management				
Operating Impacts of Capital	10.1	1.4	8.7	43
Asset Management and Maintenance Activities	8.0		8.0	
Subtotal: Capital Asset Management	18.2	1.4	16.8	43
Other Net Base Changes	(0.2)	(1.2)	1.0	8
Subtotal: Base Pressures Before Service	133.4	(27.9)	161.3	110
Service Demand				
Annualization of Service to 97%	8.7		8.7	
2025 Service Change - Accommodate Growth	5.9		5.9	31
2025 Service Change - Respond to Congestion	9.2		9.2	57
Overnight Streetcar Service	2.6		2.6	3
Service to Mitigate Construction Impact (TTC, City & MX projects)	(7.9)	(9.3)	1.3	1
Wheel-Trans Service Demand	14.2	1.4	12.8	
Subtotal: Service Demand	32.7	(7.8)	40.6	92
Subtotal: Base Pressures, before Affordability Measures, Expansion and Revenue Changes	166.1	(35.8)	201.9	202
Affordability Measures				
Efficiencies & Line-by-Line Reviews	(37.2)		(37.2)	(15)
Reserve Draw - Balancing Action		15.0	(15.0)	
Subtotal: Affordability Measures	(37.2)	15.0	(52.2)	(15)
Subtotal: Base Pressures, before Expansion and Revenue Changes	128.9	(20.8)	149.7	187
Revenue Changes	7.9	78.1	(70.2)	
Transit Expansion	25.9	(0.3)	26.2	11
Ontario-Toronto New Deal Funding		26.2	(26.2)	
Subtotal: Base Pressures Before New & Enhanced	162.7	83.2	79.5	198
New & Enhanced Priority Actions	15.2	9.5	5.6	278
Net Change in Operating City Funding Request from 2024	177.9	92.8	85.1	476
Total 2025 Operating City Funding Request	2,818.7	1,432.0	1,386.7	14,916
Change from 2024	6.7%	6.9%	6.5%	3.3%

The recommended 2025 Operating Budget reflects TTC's commitment to delivering safe, reliable, and inclusive transit services while adapting to a rapidly changing environment. This budget focuses on preventing the erosion of current service levels due to a higher cost structure; addressing immediate challenges such as congestion, service demand, asset management capacity to support service reliability and fiscal constraints while laying the groundwork for an improved customer experience with an emphasis being placed on more, frequent service as Toronto's transit needs continue to evolve. In addition, the 2025 Operating Budget includes key priority investments, guided by the 2024-2028 Corporate Plan, which are designed to enhance the TTC's service and operational effectiveness, workforce readiness, and environmental and financial stewardship.

Cost to Maintain Current Service Levels

Prior Year Impacts

The most significant pressure for 2025 stems from impacts of prior year decisions, creating a budget pressure of net \$108.7 million. This includes \$83.2 million for cost of living adjustments including salary and benefit increases arising from recently ratified collective bargaining agreements in 2024 and 58 new positions to bring streetcar cleaning in-house. Additionally, the 2025 Operating Budget reflects a \$25 million reversal of a one-time reserve draw that was included in the 2024 Operating Budget. These prior year impacts reflect commitments made in 2024 and funding required to maintain funding stability.

Inflationary Pressures

Inflationary and cost escalation pressures continue to be a factor in 2025, with \$25.9 million required to address escalating WSIB costs, an increase in health and dental benefits inflation and utilization and an increase in pricing for various contracts including electrical, plumbing, escalator and elevator maintenance supplies. These inflationary costs have been largely offset by anticipated lower diesel pricing in 2025 and the change in WSIB funding treatment.

Legislative and Calendar Impacts

Legislative and calendar changes in 2025 create a pressure of \$9.0 million net. This consists of a \$6.1 million increase to fund impacts of recent enhancements to the Canada Pension Plan (CPP) and Employment Insurance (EI), \$3.4 million to address the impact of the Carbon tax increase effective April 1, 2025, and \$1.9 million to reflect the Ontario fuel rebate ending on June 30, 2025. These pressures are partially offset by a \$2.5 million reduction due to the impact of one less calendar day in 2025 compared to the previous year.

Capital Asset Management

A key theme in the 2025 Operating Budget is enhancing asset management activities with a focus on preventative maintenance to support service reliability. The 2025 Operating Budget includes \$16.8 million to fund ongoing maintenance requirements of capital investments, maintenance for aging fleet and infrastructure and asset management needs. This includes:

\$8.7 million to sustain new assets from completed capital projects, requiring:

- \$3.2 million and 10 positions for the final year of the three-year phase-in of maintenance of the final 16 of 60 new streetcar deliveries, including the full-year impact of 30 positions added last year to sustain maintenance of the 44 streetcars delivered in 2024.
- \$2.5 million to support the sustainment of completed information technology projects, including various ongoing licence and maintenance costs for SAP, MAXIMO, Vision, Cybersecurity, Body-Worn Cameras, and digitization initiatives.
- \$3.0 million net for all other completed capital projects including funding for the renewal of the Automatic Train Control (ATC) Line 1 maintenance contract, escalator and elevator maintenance programs as a result of new Easier Access elevator installations, and other asset management requirements, offset by additional savings from the expected delivery of 340 new eBuses, set to replace older and less fuel-efficient diesel buses.

\$8.0 million in increased asset management and maintenance costs, requiring:

- \$5.1 million to fund increased depreciation costs from investments in shop equipment, IT software and equipment, and non-revenue vehicles, which have shorter asset lifespans.
- \$3 million in additional funding to support maintenance needs with a focus on preventative maintenance programs for escalator step and chain replacements and easy access door repairs, as well as for increased bus and rail vehicle maintenance.

Other Net Base Changes

Funding of \$1.0 million net and eight positions are allocated as follows:

- \$3.1 million gross, \$0 net to dedicate 6 TTC staff and provide third party expertise on a time-limited basis to support the TTC's implementation of the next generation of PRESTO, with the majority of costs expected to be recovered by Metrolinx and the remainder to be funded by the TTC Stabilization Reserve.
- \$0.1 million and one transportation planner funded by the City of Toronto to increase capacity to meet legislatively prescribed development review timelines, as a result of increased time spent on the City's SmartTrack project,
- \$0.1 million for one senior disability management specialist to manage more complex cases and support TTC's WSIB management strategy, and
- \$0.8 million for other base requirements including increases in IT software licenses and Toronto Police Services paid duty for overhead maintenance.

Customer Demand and Reliability Drive Service Hours for 2025

In order to ensure service reliability in the midst of changing travel patterns and anticipated growth in ridership demand for both Conventional and Wheel-Trans services, additional service funding totalling \$40.6 million net is required for 2025.

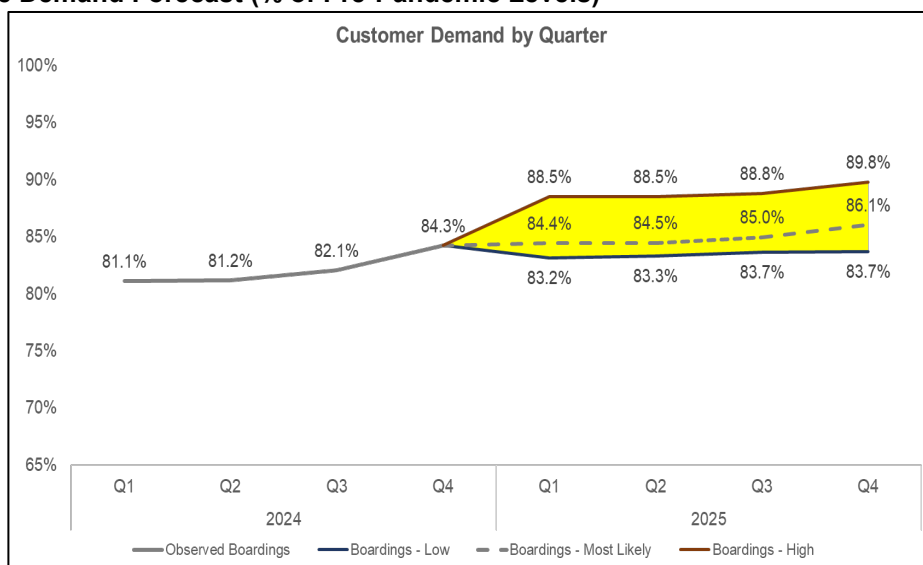
TTC Conventional Service Demand

In 2024, investment was made in restoring service levels to meet the city's evolving transit needs. Service hours were increased from 95% of 2019 service hours to 97% in September, based on matching customer demand to mode use and to address the rising reliability challenge due to construction-related disruptions and increasing traffic

congestion. By the end of 2024, the TTC will have delivered 9.2 million service hours, reflecting the commitment to maintaining reliable service amidst growing urban pressures and changing travel patterns.

Chart 5
Service Demand Forecast (% of Pre-Pandemic Levels)

Customer demand (boardings) continues to increase steadily, with customer demand projected to reach 84.3% of pre-pandemic levels by the end of 2024 and to 86.1% by the end of 2025, as depicted in Chart 5 to the right. This forecast serves as the foundation for the TTC's Annual Service Plan.



In 2025, base service hours will increase by 1.7% to meet forecasted demand, address ongoing congestion and construction impacts, and accommodate approximately 3% in projected ridership growth. The increase in service hours is intended to:

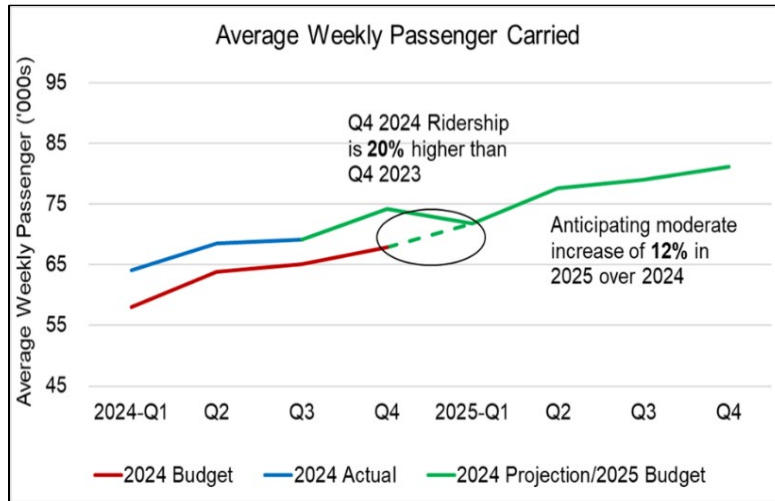
- **Improve capacity to address new demand:** Align service levels to keep pace with projected ridership growth to maintain current service reliability;
- **Adjust for traffic congestion and construction impacts:** Enhance route reliability and minimize delays caused by city-wide infrastructure projects; and,
- **Respond to changing travel patterns:** Respond to shifts in customer behavior, including hybrid work trends and evolving peak travel periods.
- **Add interim accessible bus service** to provide connections to subway stations that are not yet accessible.

These adjustments ensure the TTC is positioned to align service hours with customer demand and provide more reliable service in 2025.

Wheel-Trans Service Demand

Wheel-Trans ridership experienced significant recovery in 2024, with ridership projected to exceed budgeted levels by 7% by year-end, representing an 18% increase over 2023. This growth is being driven by new registrant demand for accessible transit services.

Chart 6
Wheel-Trans Actual and 2025 Forecast Ridership



For 2025, Wheel-Trans ridership is forecasted to grow at a somewhat more moderate pace, but still increasing by 12% over the 2024 year-end projection. This trajectory indicates that Wheel-Trans demand is growing at a faster rate than on the Conventional service, which can be attributed to a growing aging population, marking a notable shift in ridership trends as outlined in Chart 6 to the left.

The 2025 Operating Budget for Wheel-Trans service provides funding and complement to accommodate the anticipated 4.02 million rides in 2025, an increase of 21% from the 3.33 million rides budgeted in the 2024 Operating Budget and an increase of 12% from the 3.58 million riders projected by year-end 2024.

Affordability Measures Reduce Base Operating Cost Pressures

As part of TTC's commitment to financial stewardship, TTC staff have identified \$52.2 million in affordability measures and balancing actions that help mitigate base operating pressures. This is comprised of \$37.2 million in expenditure reductions based on actual experience and cost savings from the implementation of efficiency measures detailed in Table 10 on the following page. The expenditure and efficiency costs savings in 2025 bring the cumulative value of savings realized to \$232 million since 2019.

Table 10
Affordability Measures

Description (\$ Millions)	Gross	Revenue	Net	Positions
Expenditure Review				
Line-by-Line Reviews	(5.3)		(5.3)	
WSIB Funding Treatment	(21.3)		(21.3)	
Subtotal: Expenditure Review	(26.6)	0.0	(26.6)	
Efficiency Measures				
ITS review - Negotiated Price Savings	(1.8)		(1.8)	
Car Parking Strategy	(1.5)		(1.5)	
CBA Efficiencies	(1.6)		(1.6)	
Diesel Hedging	(1.2)		(1.2)	
Absence Management	(1.0)		(1.0)	
Improved Processes & Reliability in Fleet Maintenance	(0.8)		(0.8)	(7)
LRV Apprentice Program	(0.7)		(0.7)	(8)
Overtime reductions	(0.6)		(0.6)	
Wheel-Trans Family of Services Savings	(0.6)		(0.6)	
Other Efficiencies	(0.6)		(0.6)	
Subtotal: Efficiency Measures	(10.4)	0.0	(10.4)	(15)
Implementation of AG Recommendations				
Aftermarket Parts Warranty	(0.2)		(0.2)	
Subtotal: Implementation of AG Recommendations	(0.2)	0.0	(0.2)	-
Total Efficiencies and Savings	(37.2)	0.0	(37.2)	(15)
Balancing Actions				
TTC Stabilization Reserve Draw		(15.0)	(15.0)	
Total Affordability Measures	(37.2)	(15.0)	(52.2)	(15)

Expenditure Review

Line-by-Line Review

As regular practice, actual spending results are monitored throughout the fiscal year and are used to also determine where there are opportunities to reduce costs. Material and service spending trends were assessed as part of the expenditure line-by-line review. As a result of the analysis undertaken, \$5.3 million in expenditure reductions have been identified and reflected in the 2025 Operating Budget. These reductions were primarily driven by lower outside legal service costs, lower IT spending, as well as lower material volume and contract spending in various areas across the organization experienced in 2024 and captured for 2025.

Workplace Safety Insurance (WSIB) and Long-Term Disability (LTD) Funding Treatment

The TTC provides post-employment benefits through long-term disability (LTD) and WSIB plans, covering all related payments such as income replacement, healthcare costs, and administrative fees. To date, the TTC expenses and funding are based on an accrual methodology in accordance with Public Sector Accounting Standards (PSAS), which factors in both current payments to administer benefits and changes in the actuarial liability for future payments. Funding for WSIB and LTD currently follows this accrual methodology.

However, the expense and funding treatment for post-retirement medical and dental benefits was changed in prior years to limit annual funding for current payments only. As part of TTC's review of all expenditures, the discrepancy in expense and funding treatment of these post-retirement benefits was identified. To ensure consistency and to align with the treatment of post-retirement medical and dental benefits, adopting the same funding treatment for WSIB and LTD will be adopted. This change results in a one-time funding adjustment (reduction) of \$21.3 million.

External auditors for the City and TTC, the City's Controller and Chief Financial Officer have concurred and confirmed their acceptance of the funding treatment and the need for future funding on a cash basis. Going forward, the City will recognize increased cash funding requirements through the annual budget process.

Efficiency Measures

Efficiency measures are actions undertaken by staff to achieve operational efficiencies and cost savings without impacting service levels for customers. For 2025, the TTC has identified \$10.4 million in efficiency savings through the following initiatives:

- **ITS Review – Negotiated Price Savings (\$1.8M):** Staff have secured improved pricing on various IT contracts through management negotiations with vendors.
- **Car Parking Strategy – Commuter Lot Size Reduction (\$1.5M):** TTC currently leases several commuter parking lots from HONI, in which the TTC pays an annual licence fee to operate the lots, where the annual fee is calculated based on gross rentable area (square footage). As part of the Car Parking Strategy review, TTC staff will be proposing a reduction in lot size for certain underutilized lots that are up for contract renewal which is expected to yield approximately \$1.5 million in annual savings.
- **Collective Bargaining Agreement Efficiencies (\$1.6M):** As part of recent collective bargaining, agreement was reached to implement measures that will result in efficiency savings such as eliminating dry cleaning vouchers for maintenance staff, transitioning elevating device servicing in-house, and adjustments to worker schedules and benefits, including changes to dental recall frequency from 6 to 9 months.
- **Diesel Hedging (\$1.2M):** Staff have secured pricing for 21% of diesel volume at \$1.29/L through hedging strategies executed throughout 2024. This provides the TTC with more budget certainty while also helping mitigate against significant price fluctuations in 2025.
- **Absence Management (\$1.0M):** TTC staff continue to actively manage absenteeism across various departments, most notably in Transportation. Absence management actions in 2024 will thereby lower associated backfill and sick-benefit related costs due to lower absence rates.
- **Improved Processes and Reliability in Fleet Maintenance (\$0.8M):** TTC maintenance staff have noticed improvements in traction motor reliability and have identified job task improvements for non-revenue vehicles and the Orion fleet which have reduced the amount of time required to complete certain maintenance activities.
- **LRV Apprentice Program (\$0.7M):** Due to difficulties in hiring Light Rail Vehicle (LRV) technicians, an apprenticeship program was established to help meet the needs of the Streetcar maintenance program and to help grow trained LRV technicians for the future. In 2025, TTC staff have reviewed the apprenticeship

program and future staffing requirements, as the program continues to mature and skill sets increase through the conversion of these positions to journeypersons, resulting in a reduction of eight positions.

- **Overtime Reduction (\$0.6M):** The management of overtime continues to be a key area of focus for the TTC. Staff have identified and implemented scheduling and staffing adjustments to minimize overtime expenses across various departments.
- **Wheel-Trans Family of Services (\$0.6M):** As part of the Family of Services program, the four travel trainers have trained approximately 550 customers to use the conventional system, which has diverted approximately 15,500 trips off of Wheel-Trans, resulting in savings of approximately \$0.6 million.
- **Other Efficiencies: (\$0.6M):** Additional savings will be realized given reduced requirements for revenue operations and fare media as PRESTO adoption expands (\$0.3M), the rationalized use of VOIP devices for all staff given hybrid work practices and the availability of alternate communication channels (\$0.2M), and the increased capture of vendor discounts through improved accounts payable processes targeted to realize invoice payment discounts above 90% (\$0.1M).

Implementation of Auditor General Recommendations

The continued implementation of the Auditor General's recommendation regarding the use of aftermarket part warranties will save an additional \$0.2 million in 2025. To date, savings from the implementation of this audit recommendation amount to \$2.5 million.

Balancing Actions

To balance the 2025 Operating Budget, a \$15 million withdrawal from the TTC Stabilization Reserve fund has been included. The use of reserve funding represents the second year in the City's multi-year balancing strategy to support its overall financial position and funding challenges. While a \$10 million withdrawal from the reserve was initially projected for 2025, an additional \$5 million was necessary to help avoid impacts on service or a fare increase given the City's affordability limits. It is noted that the reliance on the Stabilization Reserve creates an added funding pressure for 2026. This amount will need to be replaced as part of a broader funding plan designed to address ongoing and projected financial pressures.

Fares Frozen at 2023 Rates: Increased Revenue of \$70.2 million Account for Ridership Patterns and Modest Growth Only

For 2025, TTC fares are recommended to continue to be frozen at 2023 rates. This recommendation stems from a commitment to safeguard the accessibility of transit services and minimize the financial impact on TTC riders given current economic conditions. Revenue is planned to increase by \$70.2 million, with the majority of the increase driven by \$59.1 million in additional passenger revenue (net of PRESTO fees) to account for the favourable revenue ridership experience in 2024 and anticipated growth in 2025, as described below:

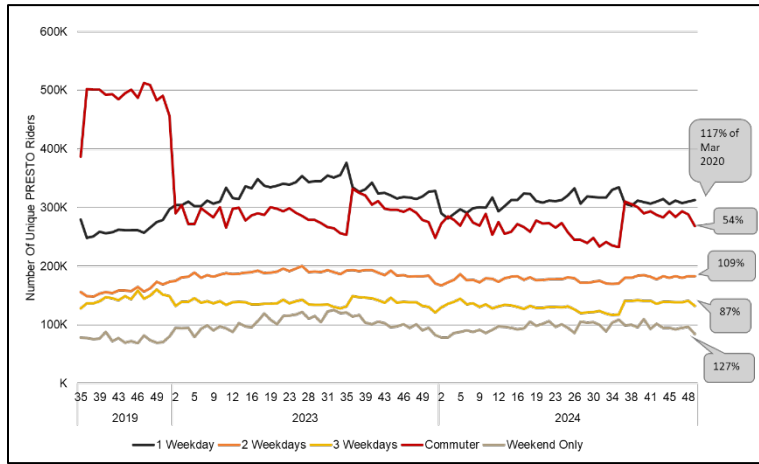
2025 Conventional Ridership and Passenger Revenue Budget

The TTC is anticipating to service approximately 439.4 million revenue rides in 2025, inclusive of 4.7 million revenue rides to be recaptured through the proposed Fare Compliance Program. While budgeted revenue rides and passenger revenue gradually return to 2019 levels, they do take into account ridership travel patterns and behaviours regarding travel purpose and use by day of week and season and method of payment. The 2025 Passenger Revenue budget has been established based on the following assumptions:

- The hybrid model of work, allowing a partial work-from-home for employees, has now stabilized and these employees are expected to average approximately 3 days per week in-office, as understood by 2024 employer surveys and the Strategic Regional Research Alliance occupancy index;
- Discretionary travel, including attendance at special events will be similar to 2024 levels;
- Emerging change in fall ridership levels (seasonality).
- Ridership recovery from the COVID-19 pandemic has now plateaued with further ridership growth driven by a ~3% forecasted GDP growth and ~2% forecasted employment growth for the city of Toronto, leading to an overall 4% increase in annual ridership for 2025, inclusive of a 1% increase from the revenue rides to be recaptured through the proposed Fare Compliance Program; and
- 2025 average fare is projected to be similar to fall 2024 average fare, which accounts for the increased average fare experienced in 2024 due to an increase in single fare payments from riders using the Open Payment method of payment.

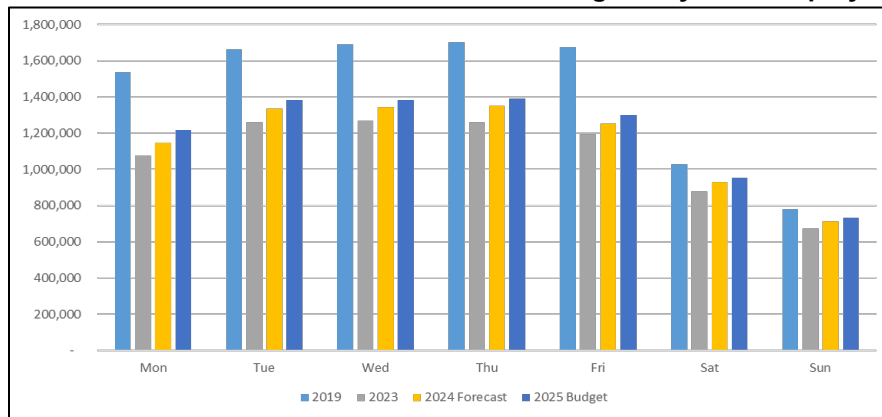
Chart 7
Weekly Unique PRESTO Card Riders by Frequency Category
 (Including Virtual PRESTO Card Riders, Excluding Open Payment Riders)

As seen in Chart 7, the number of frequent weekday PRESTO card riders (“commuter”: ride 4-5 weekdays per week) averaged 54% of 2019 levels as of early-December 2024, indicative of a travel pattern change from former commuters to a now less frequency usage group due to work-from-home policies.



Weekend ridership has recovered at a much higher level than weekday ridership, with weekday ridership highest and consistent across Tuesday to Thursday consistent within-office occupancy trends, as seen in Chart 8 below. This travel pattern continues to emphasize the decrease in ridership from the office worker, currently averaging approximately 3 in-office days a week whereas weekend trips, predominately discretionary in nature, have returned at higher levels given that special events and corresponding attendance has returned to levels similar to 2019 experience.

Chart 8
2019 and 2023 to 2025 Average Daily Ridership by Day of Week



Ridership by day of week in 2025 is expected to remain similar to 2024 trends. The weekend ridership recovery rate is expected to continue to remain above the weekday ridership recovery rate throughout 2025 given return-to-office activity

has stabilized and fall 2024 in-office days of approximately 3 days per week is expected to stay constant throughout 2025.

Prior to 2020, ridership peaked annually in November; however current ridership patterns are indicating that November ridership is now slightly lower after a peak in September, indicating a new seasonality change not previously experienced in the fall. as shown in Chart 9 below. This change in travel patterns and seasonality highlights a potential risk that the 2025 TTC Conventional passenger revenue budget may be overstated by approximately \$10 million (<1% of full year TTC Conventional passenger revenue) should this trend continue. Ridership trends and levels will continue to be monitored throughout 2025.

Chart 9
2024 – 2025 TTC Conventional Average Weekly Ridership



TTC Conventional passenger revenue is expected to grow modestly throughout 2025 from the anticipated annual ridership increase, resulting in 2025 TTC Conventional budgeted passenger revenue of \$1,058.4 million (\$1,010.9 million net of PRESTO fees), plus an additional \$12 million in revenue to be captured as a result of actions to be taken through the recommended Fare Compliance Program. \$4.5 million of this additional revenue will be used to partially offset anticipated revenue loss from a changing trend in seasonality emerging in November while the balance is being allocated to fund the recommended Fare Compliance Program and reduce the funding request for other recommended New and Enhanced Priority Actions.

Other Revenue Changes

Given that passenger revenue growth is projected to exceed 80% of 2019 levels, advertising revenue will increase by \$6.6 million. This adjustment reflects an increase in the Minimum Annual Guarantee (MAG) payable by Pattison to TTC with ridership levels exceeding the threshold of 80.01+% of 2019 ridership, established as part of the TTC’s agreement with Pattison.

Transit Expansion: Budgets for Lines 5 and 6 Service Based on July, August Openings, respectively

The 2025 Operating Budget includes a total of \$101.5 million for costs to operate and maintain Lines 5 and 6, reflecting a \$26.2 million increase over the 2024 Operating Budget. This is comprised of an additional \$19.6 million for Line 5 (Eglinton Crosstown) and \$5.9 million for Line 6 (Finch West). The 2025 Operating Budget anticipates a July 2025 revenue start date for Line 5 and August 2025 revenue start date for Line 6. These dates are being used for budgeting purposes only, until a confirmed date is communicated by Metrolinx.

Lastly, these new lines will provide an increase of approximately 1.9% in total service hours delivered to TTC customers. Table 11 below outlines budgeted expenditures for Lines 5 and 6.

**Table 11
Transit Expansion**

(\$ Millions)	Total Annual Requirement			Change 2025 vs 2024	Change 2026 vs 2025
	2024 Budget	2025 Budget	2026 Forecast		
Line 5					
Mobilization & Operating Costs	60.7	80.7	116.2	20.0	35.6
Bus Service Savings			(3.3)		(3.3)
Incremental Revenues	(2.1)	(2.4)	(4.7)	(0.2)	(2.3)
Reserve Draw to Fund One-Time Costs	(10.3)	(10.4)	-	(0.2)	10.4
Subtotal Line 5	48.3	67.9	108.2	19.6	40.4
Line 6					
Mobilization & Operating Costs	20.3	25.5	43.7	5.2	18.2
Bus Service Savings			(2.5)		(2.5)
Incremental Revenues	(0.5)	(0.5)	(1.2)	(0.0)	(0.7)
Reserve Draw to Fund One-Time Costs	(1.9)	(1.2)	-	0.7	1.2
Subtotal Line 6	17.9	23.7	40.0	5.9	16.2
Bus Service Costs	9.2	9.9	7.4	0.7	(2.5)
Total Line 5 & 6	75.3	101.5	155.6	26.2	54.1
Ontario-Toronto New Deal Funding	(75.3)	(101.5)	(155.6)	(26.2)	(54.1)
Net City Funding Impact: Transit Expansion	-	-	-	-	-

These expenses are fully offset by provincial funding secured under the Ontario-Toronto New Deal agreement finalized at the end of 2023, ensuring financial support for the successful implementation of these transit expansion projects until March 31, 2027.

New & Enhanced Priority Action Investments Advance Key Board and Corporate Plan Priorities:

The TTC's 2024-2028 Corporate Plan, approved by the Board on May 16, 2024, is guided by 5 strategic directions, underpinned by key principles that aim to set the TTC on a path to be successful in moving Toronto, connecting communities, and achieving the benefits of public transit investment.

The 2025 Operating Budget includes \$15.2 million gross, and \$5.6 million in net funding for new priority action investments to begin making progress on achieving the Corporate Plan's strategic objectives and outcomes. These investments aim to drive progress on key priorities, ensuring the TTC can deliver on its commitments on its people strategy, to improve service reliability, customer experience, and overall organizational performance in 2025. These are detailed in Table 12 below:

Table 12
New and Enhanced Priority Actions

Description (\$Millions)	Gross	Revenue	Net	Positions
Building a Future Ready Workforce				
Adapting to a Changing Workforce through Training & Development	2.3	1.6	0.7	31
Strengthening Recruitment & Retention	0.3		0.3	4
Enhancing Yard Safety	0.6		0.6	8
Subtotal: Building a Future Ready Workforce	3.2	1.6	1.6	43
Attracting New Riders, Retain Customer Loyalty				
Establishing New Preventative Maintenance programs for Key Assets	1.0		1.0	12
Reduce Bunching and Gapping on Surface Routes			-	
Service Improvements to Increase Reliability	6.5		6.5	135
Future Station Management Model	0.4		0.4	3
Station Cleanliness Enhancement	0.6		0.6	9
Increasing Safety Presence in the System			-	
Improving Response Times by Transit Control Resources	0.3		0.3	4
FIFA World Cup 2026	0.2	0.2	-	1
Subtotal: Attracting New Riders, Retain Customer Loyalty	9.0	0.2	8.8	164
Placing Transit at the Centre of Toronto's Future Mobility				
Lines 5/6 Automatic Passenger Counting (APC) Data and Customer Satisfaction Survey	0.2	0.2	-	
Subtotal: Placing Transit at the Centre of Toronto's Future Mobility	0.2	0.2	-	-
Transforming and Modernize for a Changing Environment				
Advancing Climate Action & Resiliency	0.1		0.1	1
Increasing Cyber Security Capacity	0.1		0.1	1
Subtotal: Transforming and Modernizing for a Changing Environment	0.2	-	0.2	2
Addressing the Structural Fiscal Imbalance				
Implementing a Fare Compliance Program	2.6	7.5	(4.9)	69
Subtotal: Addressing the Structural Fiscal Imbalance	2.6	7.5	(4.9)	69
Total New & Enhanced Priority Actions	15.2	9.5	5.6	278

Building a Future Ready Workforce

Ensuring TTC employees are equipped with the necessary training, and creating a workplace that is inclusive and safe are vital to the TTC's success. In order to help build and retain a future-ready workforce, the 2025 Operating Budget includes funding for the following priority actions:

- \$2.3 million gross, \$0.7 million net and 21 positions to establish a General Body Repairperson Apprenticeship Program, with provincial funding being sought for this program, increase maintenance training curriculums, and establish an Engineer-in-Training Program that will use existing vacancies to hire and develop Engineering graduates, which are roles that have been challenging to fill.
- An additional \$0.3 million and four positions to increase capacity for the recruitment and retention of TTC talent.
- \$0.6 million to further enhance yard safety and preventative measures at Greenwood and Davisville yards in response to occupational health and safety risks.

These investments are critical for the TTC to attract, retain and strengthen its talent pool to support ongoing operational needs, while maintaining a safe and inclusive workplace for all.

Attracting New Riders, Retain Customer Loyalty

Growing TTC's ridership and improving customer experience requires focused effort and investment to build a culture where taking public transit is ingrained in how people choose to connect across Toronto. In order to attract new riders and help retain customer loyalty, the TTC is investing:

- \$1.0 million and 12 positions ***to enhance workcar and electrical preventative maintenance***, in response to increased workcar usage for capital work to meet maintenance standards required to improve service reliability.
- Introduce a ***pilot using 7 existing resources to improve service reliability by focusing on reducing vehicle bunching and gapping on the surface network***. TTC will aim to address 10 of the most problematic routes with enhanced on-street presence to improve ability to respond to changing or challenging conditions.
- \$6.5 million in service improvements to increase reliability, comprised of:
 - ***\$3.3 million to reduce wait times on the streetcar and subway network***. This investment will advance the implementation of 6-minute or better service from 7am to 7pm, 7 days a week on Dundas, St Clair and Bathurst streetcar routes and also provide funding to return to pre-pandemic wait times during off-peak periods on subways, with most periods of Line 1 and Line 2 service operating every 5 minutes or better and restores 6-minute or better service on Line 4. As a result, this will increase service hours by approximately 3,080 weekly hours or a further 1.7% starting in November 2025.
 - ***\$3.2 million to be invested into improving midday, evening and weekend bus service on major routes throughout the city***. This enhancement begins the return of the off-peak crowding standards that were changed in 2023. Changing the crowding standard should mean shorter waits for buses, and more room on board midday, evenings, and weekends. Starting in April, service will be increased on nine priority bus and streetcar routes during midday, evening and weekend periods where they are overcrowded. Efforts will also be made to direct Transit Control focus to the routes with enhanced service to help with a successful implementation so improvements will be felt by riders. Starting in April 2025, this investment will increase service hours by approximately 825 weekly hours or a further 0.5%, for a 5.8% total increase in service overall.
- ***Investments in stations and its staffing model are critical to supporting safety, security and cleanliness within the TTC system***. The 2025 Operating Budget provides a total of \$0.95 million in one-time funding to undertake a station management and cleanliness pilot program at six key locations (Scarborough Town Centre, Kennedy, Dundas, Finch, Spadina, Lansdowne). The pilot's results will be used to inform future funding options for a more comprehensive station management and cleanliness program. The 2025 Operating Budget includes:
 - \$0.35 million to fund 3 additional group station managers to enhance safety, security and operational performance by increasing station presence, enhancing asset ownership and accountability and expediting emergency response times namely through dedicated peak post assignment, especially during high-traffic periods, and

- Nine positions at a cost of \$0.6 million to improve station cleanliness by higher frequency cleaning and disinfecting touch times and quicker response times to address safety critical and unsanitary issues.
- As part of the Community Safety, Security and Well-Being Program, the TTC continues to provide resources that connect individuals with social supports outside of the transit network. Ongoing social services interventions help establish relationships with vulnerable persons and provide them with access to supports. **10 street outreach workers will be added on the downtown streetcar routes (e.g. Spadina, Queen, Kingston Road, Carlton), with an initial focus on the overnight routes.** Funding for these resources will be included in the City's 2025 Operating Budget for Toronto Shelter and Support Services.
- An additional \$0.3 million and four positions are recommended to **improve Transit Control response times to incidents and traffic congestion**, ensuring the system moves reliably for TTC riders; and,
- **To prepare for the FIFA World Cup 2026**, \$0.2 million gross, \$0 net and one temporary position are required to plan and coordinate the movement of visitors and workers to ensure travel by TTC remains reliable and timely throughout the event.

Placing Transit at the Centre of Toronto's Future Mobility

The TTC strives to deliver sustainable modes of transportation through seamless connections. A core feature of the TTC's multi-modal network is the seamless integration between surface transit, paratransit and subway services. With the opening of Line 5 and Line 6 anticipated in 2025, the TTC aims to seamlessly integrate these new services within the existing base network and provide customers with fast, frequent service.

To support this delivery, funding of \$0.2 million gross and \$0 net is recommended to **help TTC staff determine customer demand and satisfaction on Lines 5 and 6**. Of this amount, \$0.15 million is required to deploy an annual customer satisfaction survey with the first to be undertaken six months after initial operation, while the remainder is to support data analysis and reporting of automatic passenger counting, as per the Train Operating and Funding Agreements between the TTC, the City, and Metrolinx for the operation of Lines 5 and 6. The request of \$0.2 million is to be fully funded by the Ontario-Toronto New Deal Agreement funding until March 31, 2027.

Transforming and Modernizing for a Changing Environment

Building organization resiliency to manage risks, and embracing new technologies to streamline the employee and customer experience is foundational to enable the TTC to provide high-quality services. In order to increase TTC's capacity to advance this outcome, TTC is recommending funding for the following key priority actions:

- \$0.1 million for one position to **implement energy and water efficiency retrofits**, specifically focusing on conservation initiatives, assessing utility usage and implementing associated reduction initiatives, which is estimated to reduce energy cost by 10% once fully implemented.
- \$0.1 million for one position to serve as the dedicated technical resource **to support Cybersecurity** within the Operational Technology (OT) environment. This role will collaborate closely with the Corporate Cybersecurity Office to

advance TTC's Cybersecurity Strategy, act as the subject matter expert (SME) for all OT cybersecurity initiatives, ensure alignment with TTC's Cybersecurity Policy, and support the implementation of recommendations from the Auditor General.

Addressing the Structural Fiscal Imbalance

A renewed focus on fare payment compliance is essential to safeguarding the TTC's main operating revenue. The 2025 Operating Budget proposes a multi-pronged Fare Compliance Strategy to combat rising revenue losses from unpaid fares.

To support the ***implementation of a Fare Compliance Strategy***, \$2.6 million is recommended to fund 69 new positions. This is comprised of 56 fare inspection staff deployed in the bus network with the support of 10 Special Constables and 3 program staff to monitor and manage the program, integrate the Fare Compliance program's actions and track, analyze and report on the program's results. The investment in fare compliance is expected to generate \$12 million in recovered fare revenue in 2025, with \$7.5 million being allocated to offset this program's cost and contribute to funding new priority action investments while alleviating a \$4.5 million base revenue pressure from an emerging seasonality trend.

2025 Operating Complement

Consistent with the initiatives noted throughout this report, the approved operating complement will increase by 476 positions to 14,916 positions, as summarized in Table 13 below:

Table 13
2025 Operating Complement Change

	2024	2025	Change
Coventional Operating:			
Base Budget*	13,314	13,500	186
Transit Expansion (ECLRT, FWLRT)	427	438	11
New & Enhanced Priority Actions		278	278
Subtotal: Conventional Operating	13,741	14,216	475
Wheel-Trans Operating:			
Base Budget	616	617	1
Subtotal: Wheel-Trans Operating	616	617	1
Metrolinx Transit Expansion (Full Cost Recovery)*	83	83	-
Total Operating Complement	14,440	14,916	476

*Note: 2024 includes Council approved in-year adjustments.

Approval of the 2025 Operating Budget will add 58 positions to bring streetcar cleaning in-house, agreed to as part of the ratified ATU 113 Collective Agreement; 43 positions required to sustain completed capital projects; 92 positions for TTC Conventional service to accommodate growth in demand and to adjust for congestion; 11 positions to support the latest operating plans for Line 5 and 6; and 278 positions to support new & enhanced priority actions which are predominately driven by the added investment in service and the implementation of the Fare Compliance Program. The increased complement is partially offset by a reduction of 15 positions to be realized from 2025 recommended efficiencies measures.

The recommended changes to the approved operating complement are detailed in Appendix B.

2026 and 2027 Outlook – Incremental Cost Pressures Highlight Ongoing Need for Sustainable Operating Funding Model

The Outlooks for 2026 and 2027 identify cost pressures of \$120.0 million and \$239.4 million, respectively. These pressures reflect the financial impacts of prior commitments, service adjustments, and external funding changes. For 2026, the projected pressures include \$70 million in negotiated salary increases and \$28 million to annualize service investments made in 2025, while passenger revenue is expected to grow by 2.5%, aligning with population growth assumptions.

In 2027, pressures increase significantly due to the anticipated \$220.6 million funding gap that will result from the expiration of the New Deal agreement with the Province of Ontario, in the absence of any operating funding agreement replacement. Other key pressures amount to \$32.3 million for inflation & legislative impacts while \$12.6 million in salary increases are limited to the first quarter of 2027 as current collective agreements are set to expire March 31, 2027 and any Cost of Living Adjustments are unknown at this time. Finally, this projection also excludes any service improvements outlined in the 5-Year Service Plan or other Corporate Plan priority implementation costs, which will be assessed annually by the Board.

Table 14 on the following page itemizes the projected cost pressures for 2026 and 2027. These projections highlight the minimum funding requirements and financial challenges the TTC will be facing over the next two years. While careful planning will be undertaken to help address cost pressures, a new, sustainable operating funding model will be essential to prevent the erosion of transit service by 2027 when the Ontario-Toronto New Deal Agreement expires.

Table 14
TTC Outlook 2026 and 2027: Incremental Funding Requirements

Description (\$Millions)	2026	2027
Base Pressures		
CBA & COLA*	70.0	12.6
Reversal of One-Time TTC Stabilization Reserve Draw	15.0	
Price Escalations, Inflationary and Legislative Impacts	30.4	32.3
Operating Impact of Capital	(3.9)	15.8
Other Base Pressures	10.0	0.4
Total Base Pressures	121.6	61.1
Annualization of 2025 Service Changes & Wheel-Trans Ridership Demand		
Annualization of Base TTC Conventional Service Changes	6.0	
Annualization of New Service Improvements	22.1	
Wheel-Trans 3% Service Demand Growth	3.1	3.2
Total Annualization of 2025 Service Changes & Wheel-Trans Ridership Demand	31.2	3.2
Efficiencies	(2.7)	(2.3)
Subtotal Base Pressures before Expansion	150.1	61.9
Transit Expansion		
Line 5 - Eglinton Crosstown LRT*	41.2	(5.0)
Line 6 - Finch West LRT*	18.7	1.2
Incremental Bus Savings	(5.8)	(11.6)
Total Transit Expansion	54.1	(15.5)
Total Budget Pressure, before Revenue Changes	204.2	46.5
Revenue Changes		
Advertising Revenue	(1.1)	(0.6)
Passenger Revenue (Assumes 2.5% YoY Growth)	(29.0)	(27.0)
Change in Provincial Funding - Safety/General		100.0
Change in New Deal Provincial Funding - Line 5 & 6*	(54.1)	120.6
Total 2026 & 2027 Pressure	120.0	239.4

*Future year estimates do not include provisions for wage increases or benefit improvements beyond the expiry of current collective agreements, as well as any service improvements identified in the 5-Year Service Plan.

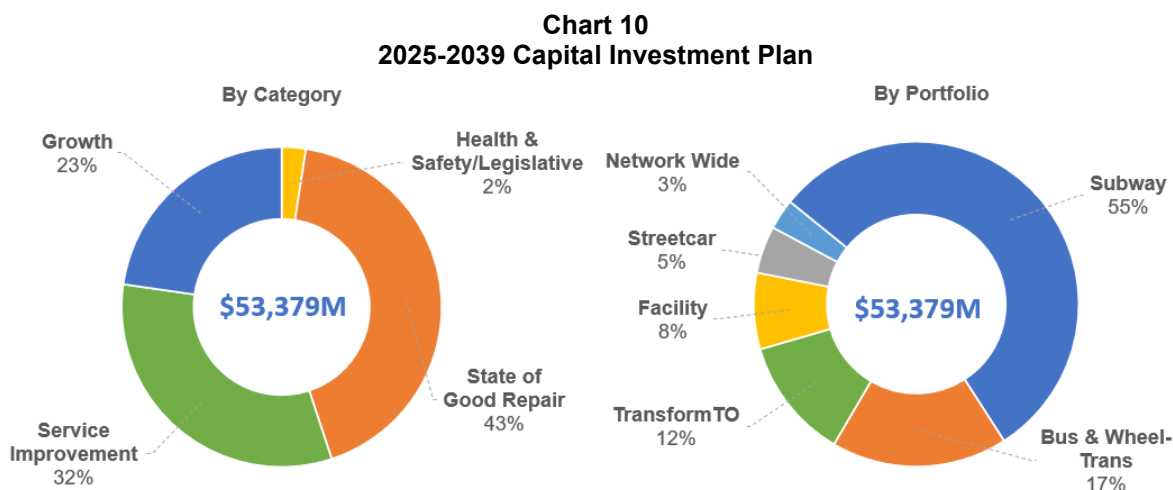
15-Year Capital Investment Plan Updated for 2025

The TTC's Capital Investment Plan (CIP) lays out the state of good repair needs required for asset lifecycle replacement and capital requirements to increase transit capacity and support future ridership growth to ensure transit service in the City of Toronto continues to be safe, efficient, reliable, affordable, and equitable over a longer-term time horizon. The Capital Investment Plan provides:

- Awareness, education, and better understanding of required capital needs;
- A clear view of required capital investments over the next 15 years;
- Increased focus on (base) state of good repair and projects to improve ridership capacity and support growth;
- A distinction between what capital requirements are funded (in the 10-Year Capital Plan) and the balance of the CIP's capital needs that remain unfunded;
- The value of investing and the risks of failing to invest; and,
- A multi-year planning tool that forms the basis for the annual capital budgeting process.

As recommended by the TTC Board, and as directed by City Council, the CIP is updated annually as part of the budget process to reflect refined estimates, changes to the Plan as well as provide an update on the progress being made on funding key capital priorities and addressing the TTC's SOGR backlog.

The TTC's *2024-2039 Capital Investment Plan (CIP)* identified a total of \$47.9 billion in capital investment needs over the 15-year period, in which \$35.5 billion was unfunded. With updates made for 2025, the *2025-2039 Capital Investment Plan*, has identified capital investment needs that now total \$53.379 billion over the next 15 years, of which \$36.983 billion is unfunded. The chart and tables below outline these needs on both a project category and portfolio basis.



Category (\$millions)	Funded		Unfunded		Total CIP
	\$	%	\$	%	
Health & Safety/ Legislative	891.6	69%	405.6	31%	1,297.2
State of Good Repair	11,205.1	49%	11,483.3	51%	22,688.4
Service Improvement/ Growth	4,298.8	15%	25,094.4	85%	29,393.2
Total	16,395.5	31%	36,983.3	69%	53,378.8

Mode (\$millions)	Funded		Unfunded		Total CIP
	\$	%	\$	%	
Subway	10,162.2	35%	19,239.6	65%	29,401.8
Buses & WT	2,841.0	30%	6,518.9	70%	9,359.9
Streetcar	1,358.3	54%	1,147.7	46%	2,506.0
Facility	1,302.8	32%	2,753.6	68%	4,056.4
Network Wide	731.2	45%	883.9	55%	1,615.1
Transform TO	-	0%	6,439.6	100%	6,439.6
Total	16,395.5	31%	36,983.3	69%	53,378.8

New additions and refinements to existing estimates, totaling \$5.5 billion, mostly in the Subway, Facility and Streetcar portfolios, have driven the increase to the CIP for 2025:

- An accelerated rate of SOGR for critical infrastructure such as subway pumps, escalators, elevators, and other aging assets (Subway/SOGR) - \$0.9 billion
- An accelerated rate of surface track replacement (Streetcar/SOGR) - \$0.5 billion
- Addition of Net Zero requirements for facilities (Facility/SI) - \$1.5 billion
- Vehicles and infrastructure required for TransformTO service enhancements for streetcars and refined estimate for bus service (TransformTO/Growth) - \$1.1 billion
- Procurement of additional subway cars to support future growth and service maturity (Subway/Growth) - \$0.7 billion

While the total value of capital needs has increased with the CIP's 2025 update, **the most significant change is that over \$5 billion in previously unfunded priority capital projects are now funded in the 2025-2034 10-Year Capital Plan.** Almost, \$4.8 billion of this incremental funding is being allocated to TTC's priority SOGR needs.

As noted below, the funded portion of the 2025-2039 CIP has increased by 5% as the overall funding percentage has increased from 26% to 31%, despite the approximately \$5.523 billion in new CIP unfunded requirements added for the 2025 CIP update. This progress has been made possible due to incremental intergovernmental and City funding, as well as the TTC's ongoing efforts to maximize its existing funding.

Table 15
2024 vs 2025 Capital Investment Plan

2024 vs. 2025 Capital Investment Plan Comparison												
Description (\$ Millions)	2024-2038				2025-2039				Change			
	Years 1-10	Years 11-15	15-Year Total	%	Years 1-10	Years 11-15	15-Year Total	%	Years 1-10	Years 11-15	15-Year Total	%
Total Funded	12,398		12,398	26%	16,395		16,395	31%	3,998		3,998	5%
Total Unfunded	17,916	17,542	35,458	74%	17,950	19,034	36,983	69%	34	1,492	1,526	-5%
Total CIP	30,313	17,542	47,855	100%	34,345	19,034	53,379	100%	4,032	1,492	5,523	0%

Table 16 below shows the change in the unfunded portion of the CIP, across the 10 and 15-year totals. The new investments in SOGR, Health and Safety and Legislated projects have reduced the unfunded state of good repair unmet needs by over \$2 billion net, over the 10-year window and especially in the first 5 years. However, additional requirements for decarbonization of facilities (Service Improvement) and the additional requirements for streetcar infrastructure to meet long term NetZero goals (Transform TO) have contributed to an addition of \$1.525 billion of new unfunded needs in the 15-year window.

Table 16
2024 vs. 2025 Capital Investment Plan Comparison: Unfunded CIP

(\$ millions)	10 Year Unfunded			15 Year Unfunded		
	2024-2038 CIP	2025-2039 CIP	Change	2024-2038 CIP	2025-2039 CIP	Change
SOGR, H&S, LEGIS	8,629	6,614	(2,015)	13,537	11,889	(1,648)
Service Improvement	3,526	4,703	1,177	7,617	9,471	1,854
Growth	2,398	2,318	(80)	4,864	5,084	220
Platform Doors	252	368	116	4,100	4,100	0
Transform TO	3,111	3,947	836	5,340	6,439	1,099
Grand Total	17,916	17,950	34	35,458	36,983	1,525

TTC's priority for investment continues to be state-of good repair, which is key to sustaining a safe and reliable transit system and sets the foundation for attracting new riders and retaining customer loyalty. Failure to maintain TTC assets in a state-of-good-repair will impact the quality and level of TTC services will receive.

Attachment 1 provides an overview of TTC updated update Capital Investment Plan

2025-2039 Real Estate Investment Plan (REIP) Update

Recognizing the extensive and complex nature of the TTC's real estate portfolio, as well as the critical role real estate requirements play in advancing the TTC's capital projects, the TTC introduced its inaugural 15-year Real Estate Investment Plan (REIP) in 2022. The TTC Board endorsed the REIP's core principles, implementation strategies and timelines for the 15-year planning horizon.

As a companion document to the CIP, the REIP sets out the strategic direction for the planning and management of the TTC's real estate assets and the 15-year priorities in support of TTC's capital programs and operational needs. The REIP provides property-focused strategies and objectives to ensure that the TTC's real estate asset portfolio is fully optimized to maximize facility and operational efficiencies; incorporates resiliency into projects and processes to advance sustainability and provides a roadmap for TTC and City partners to ensure TTC service needs are integrated into City building initiatives. It further classifies each program by funding status, consistent with the CIP, and includes a property implementation timeline that maps out property timing identified over the 15-year planning horizon of the REIP.

In 2024, TTC acquired a critical property to advance the Bloor-Yonge Capacity Improvements (BYCI) project. The 2025 update to the REIP includes new electrification initiatives for TTC's Wheel-Trans and non-revenue vehicle fleet, and the addition of new property requirements to support TTC's Line 2 Capacity Enhancement Program. The

update also introduces the Western Yard and Kipling Lands Study which will assess and recommend the usage and optimization of TTC's Western Yard property.

Attachment 2 provides an overview of TTC's updated Real Estate Investment Plan

2025-2034 Recommended Capital Budget and Plan Rises to over \$16 Billion

The TTC oversees an asset inventory value of over \$26.2 billion, encompassing infrastructure, facilities, and fleets required for transit operations. These assets range in age from under a year to over 100 years, with notable examples including parts of the subway network approaching 70 years, underscoring the challenges posed by aging infrastructure, facilities, and systems.

To ensure service reliability, it is essential to replace aging fleets, maintain existing vehicles, rehabilitate facilities to extend their useful life and meet modern standards, and renew systems for future needs. Simultaneously, the TTC must prepare to expand service capacity to accommodate projected growth and align with planned network expansions.

As part of the 2025 Capital Budget process, several actions were undertaken to maximize outcomes within available funding:

- **Reviewing major capital project requirements** in alignment with progress achieved through the stage-gating process.
- **Adjusting project cash flow estimates within the 10-Year Capital Plan** to reflect historical spending patterns and project readiness, ensuring annual cash flow projections are closely aligned with project schedules.
- **Addressing emerging state-of-good-repair (SOGR) priorities** by identifying and allocating resources to critical health, safety, and repair needs.

One of the key outcomes arising out of this year's budget process is the progress made in funding critical, unfunded SOGR priorities, driven by the following:

- Approximately \$1.4 billion was made available through the recalibration of the capital plan and new tenth-year estimates.
- The reallocation of \$500 million originally intended for Gardiner and Don Valley Parkway rehabilitation was approved by City Council for the TTC.
- The extension of the City Building Fund provided an additional \$1.1 billion.
- Confirmation of federal funding for Line 2 replacement trains, coupled with the previously committed provincial funding has added \$1.5 billion; and
- TTC's demonstrated capacity to spend has resulted in incremental City funding of \$1.2 billion being directed to the TTC to fund a 5-year bus procurement scenario that puts in place the TTC/City's matching share for intergovernmental funding, should it become available.

Significant Progress Made on Funding Immediate State-Of-Good-Repair Priorities

On July 17, 2024, the TTC Board considered the report title *Prioritizing TTC Asset State of Good Repair to Keep the System Moving Reliably – 2025 Capital Budget Outlook* and endorsed the state-of good-repair unfunded capital requirements outlined in the report

as the first priority for investment utilizing new funding made available to the TTC by any order of government. Specifically, the required investment into crucial state-of-good-repair programs was identified as a key objective to sustain a reliable transit system. Without sustainable SOGR funding for critical assets, the TTC would be compelled to reduce service levels for bus, streetcar, and subway transit, as well as scale back its workforce and operations.

Given the \$5.1 billion in incremental funding made available for 2025, significant progress has been made in addressing the critical priorities outlined in the 2025 Outlook report, as summarized in Table 17 below:

Table 17
Progress on Immediate Funding Priorities

Immediate Priority	Scope / Funding Requirements	2024 CIP Immediate Funding Required	Funding Added in 2025
Line 2 Subway Replacement Trains	Purchase of 55 new subway trains to replace the aging T1 trains on Line 2 and meet ATC requirements	\$1.52 billion	✓
Procurement of Buses / Charging Infrastructure	Purchase of zero emissions conventional service buses to replace buses at end of asset life and charging system required for operation	\$1.63 billion	✓
Bus Midlife Overhaul	Mid-life rebuild of existing bus fleet, and Scheduled Maintenance Plan	\$193.3 million	✓
Streetcar 8-Year SOGR Program and 16-Year Midlife Rebuild	Comprehensive overhaul program to ensure the state of good repair of the streetcar fleet	\$149.2 million	✓
Line 1 and Line 4 (TR) Subway Train SOGR	Overhaul of the TR subway fleet to maintain state-of good-repair	\$96.2 million	✓
Subway Systems SOGR Program	Traction power, power distribution / electric systems, communications, and signal systems	\$124.5 million	✓
Subway Facilities SOGR Program	Overhaul and replacement of pumps, elevators and escalators, subway facility and station finish renewal projects	\$92.6 million	✓

Line 2 Replacement Trains

As previously reported, the replacement of Line 2 subway trains that have reached their design life represents a critical vulnerability within the TTC's transportation network and is a top priority for investment.

With the federal government's announcement on November 29, 2024, that the TTC will receive nearly \$1.2 billion over the next decade through the Baseline stream of the new Canada Public Transit Fund, \$758 million of this federal funding will be utilized as the

federal share towards the replacement train procurement which will also secure the province's previously committed \$758 million share on condition of federal matching funds. Given that City funding was already in place and the matching funding from the provincial and federal governments now confirmed, the 10-Year Capital Plan has been updated to reflect fully funding and the TTC has initiated the Request for Proposal (RFP) process, which will be an open, competitive procurement for the new trains.

eBus Procurement & Charging Systems

The TTC has an ongoing need to replace its current bus fleet based on its design life and electrify the fleet with each replacement. Without secured funding, bus service levels and overall service quality will be significantly affected and the use of buses for rail closures, diversions, and to support city construction activities and events will be severely limited. Furthermore, this funding shortfall would also directly impact the TTC's capacity to achieve the City's TransformTO objectives and target.

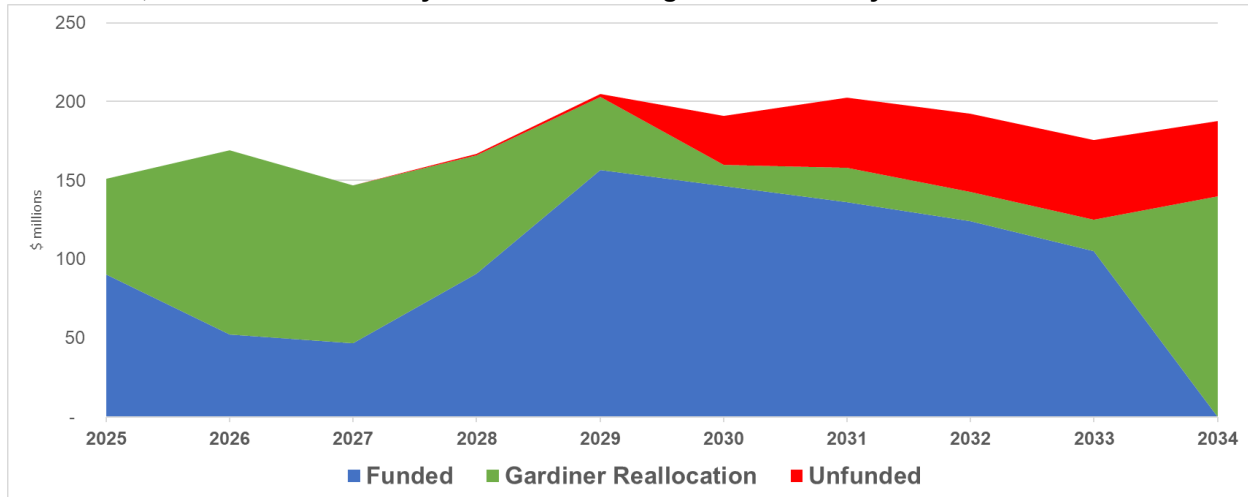
The second major SOGR funding increase included in the 2025-2034 Capital Budget and Plan is \$1.2 billion towards the procurement of approximately 700 electric buses and the associated charging infrastructure (approximately 950) required over the next five years, subject to future government partner funding. The \$1.2 billion investment provides the City/TTC's share of funding to be in a position to procure the necessary bus fleet and infrastructure, subject to receipt of an additional \$1.2 billion in matching funds.

Vehicle Overhauls

Freed up capital funding resulting from the Gardiner/DVP upload to the Province has provided the TTC with \$500 million to address funding gaps that have existed in each of the vehicle overhaul programs. The \$500 million approved by City Council enables the TTC to fully fund most of the Bus and Subway overhaul programs within the 10-year Capital Plan period and the first 5 years of the Streetcar mid-life overhaul program to begin planning, prototyping, and engineering work for overhauls due to commence in 2030.

Chart 11 below shows the cumulative impact that the incremental investment of \$557 million (inclusive of the \$500 million from the Gardiner/DVP reallocation) has in providing steady state funding for the overhaul programs. Full funding of these fleet overhaul programs will ensure that the fleet is maintained in a state of good repair which is critical for the safety and reliability of transit service.

Chart 11
Bus, Streetcar and Subway Car Overhaul Programs Funded by Gardiner Reallocation



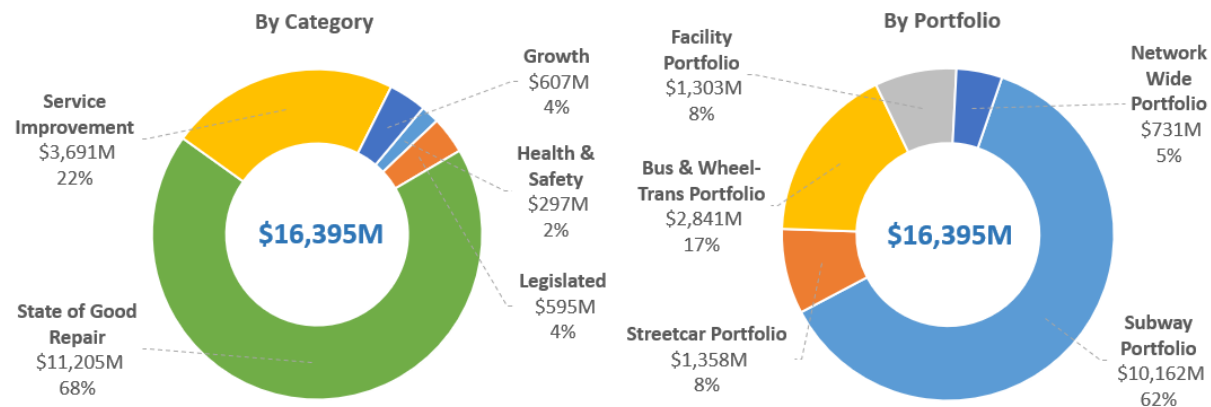
The 2025-2034 Capital Budget and Plan also includes incremental funding for these additional priorities:

- **Major Control Centre - \$467 million**
Investment (based on a Class 4 estimate) to design and construct a new Major Control Center proposed to become the primary control centre and accommodate the long-term TTC Transit Control and ITS Data Centre requirements to 2045.
- **Key initiatives of the Innovation and Sustainability Strategy - \$67 million**
Climate adaptation and resiliency measures, energy efficiency retrofits and projects that will reduce GHG emissions.
- **Cost escalation and design maturity estimate increases - \$151 million**
Added funding to ensure full funding of in-flight projects.
- **Targeted station/transit priority investments - \$15 million**
Incremental funding over 2025/2026 targeted to improve the condition; aesthetics; pilot public address system upgrade and station lighting LED retrofit at 6 key stations in concert with a station management pilot recommended in the 2025 Operating Budget. Additionally, red paint treatment will be installed on existing city roads, intersections and TTC stations to improve transit priority and safety and support fare compliance at station entrances.

The recommended 2025-2034 Capital Budget and Plan, totaling \$16.395 billion, balances maintaining assets in a state of good repair with optimizing operational capacity through modernization and building capacity for the future. Investments being made in this Capital Plan include capacity enhancement programs, vehicle procurements and overhauls, infrastructure improvements, and upgrades to track and signaling systems, ensuring the TTC's long-term ability to deliver reliable service.

Chart 12 below presents an overview of the recommended 2025-2034 Capital Budget and Plan, providing both a project category and portfolio view of the planned capital program.

Chart 12
2025-2034 Capital Budget and Capital Plan



From a project categorization perspective, approximately \$892 million or 6% of the 10-year Capital Plan is committed to Health and Safety and Legislated project funding. State of Good Repair capital projects make up 68% or \$11.205 billion, which includes, but is not limited to Vehicle Overhauls, Subway and Surface Track Replacement, Traction Power, Communications and Signal Systems projects. The remaining 26% or \$4.298 billion continues to fund Service Improvement and Growth capital projects such as the Bloor-Yonge; Line 1 and Line 2 Capacity Enhancement projects.

On a portfolio basis, \$10.162 billion or 62% of the total 10-Year Capital Budget and Plan's program funding is invested in the **Subway Portfolio** to provide multi-year funding for the Bloor-Yonge Capacity Improvements and Lines 1 and 2 Capacity Enhancement major projects. It also provides funding for the completion of the Easier Access, Islington and Warden Redevelopment projects, as well as ongoing funding for the Fire Ventilation Upgrades and Second Exits capital programs. In addition, the 10-Year Capital Plan includes funding for the Line 2 subway car procurement and fully funds Automatic Train Control (ATC) signaling on Line 2 over the 10-year period.

The **Bus & Wheel-Trans Portfolio** accounts for \$2.841 billion or 17% of the total 10-Year Capital Budget and Plan's program funding. This includes eBus procurements as well as the associated charging infrastructure to support fleet electrification. In addition to these programs, the portfolio includes the Wheel-Trans 10 Year Transformation Program.

Approximately \$1.358 billion or 8% of the 10-Year Capital Plan is dedicated to funding the **Streetcar Portfolio**, enabling the TTC to complete the purchase of 60 new accessible streetcars and the necessary modifications to the Hillcrest and Russell Yard and Car-house facilities to ensure they can maintain and store the additional streetcar fleet.

This base of subway, bus, and streetcar assets is further supported by a comprehensive portfolio of facilities and system-wide infrastructure, which collectively serve as the backbone of the network;

- The **Facility Portfolio** accounts for \$1.303 billion or about 8% of the 2025-2034 Capital Budget & Plan, while the Network Wide Portfolio is \$731 million or 5% of 2025-2034 Capital Budget & Plan. The facilities program includes upgrades to

garages, yards, carhouses and other various buildings that play a crucial role in supporting one or multiple aspects of the TTC's integrated network.

- The **Network Wide Portfolio** is not mode specific but includes assets that directly support the entire network, from information technology systems to renewable energy programs and energy storage systems. It also includes non-revenue vehicles used by the TTC workforce in performing core operational and maintenance work.

The vast majority of the TTC 2025-2034 Capital Budget and Plan is dedicated to the TTC's Base Capital programs, which account for \$16.233 billion of the total 2025-2034 Capital Budget and Plan. In addition, there are three transit-expansion-related projects that require funding until their completion. Funding of \$162.89 million is being recommended to complete the preliminary design for Waterfront East (Area 1), the SRT Bus Replacement Infrastructure (which includes the Line 3 Busway), and close-out costs for the Toronto-York Spadina Subway Extension (TYSSE) project. Funding estimates for transit expansion-related projects are summarized in Table 18.

Table 18
2025-2034 TTC Expansion-Related Capital Plan

(\$ Millions)	2025	2026	2027	2028	2029	2030-2034	10-Year Total
TYSSE	54.91						54.91
SRT Bus Replacement Infrastructure	15.51	46.00	16.14				77.65
Waterfront Transit Design	0.11	0.11	4.74	12.00	9.07	4.30	30.33
Total	70.53	46.11	20.88	12.00	9.07	4.30	162.89

2025 Capital Budget Advances Inflight Capital Projects

The recommended 10-Year Capital Plan of \$16.395 billion includes \$1.688 billion in project expenditures required for 2025. The following highlights the planned work in each of these categories for 2025:

- **Subway Portfolio** – \$576.43 million comprises of \$152.28 million for Health and Safety/Legislated program; \$286.61 million for SOGR; \$137.54 million for Service Improvement (SI)/Growth projects to:
 - ✓ Advance work on major capacity improvement projects
 - ✓ Continue Easier Access capital works at multiple subway stations
 - ✓ Continue the replacement of fire ventilation and second exit construction
- **Bus & Wheel-Trans Portfolio** – \$647.79 million, of which \$10.49 million is committed to Health and Safety/Legislated projects; \$609.71 million is allocated to SOGR programs; and \$27.59 million to SI/Growth programs to:
 - ✓ Fund the remaining bus fleet delivery.
 - ✓ Fund the bus rebuild program
 - ✓ Continue the installation of bus charging systems.
- **Streetcar Portfolio** – \$237.36 million, of which \$0.20 million is committed to Health and Safety/Legislated projects; \$95.65 million is allocated to SOGR programs; and

\$141.51 million to SI/Growth programs to:

- ✓ Continue the delivery of remaining streetcar vehicles
- ✓ Fund LRV Overhauls
- ✓ Continue streetcar surface track replacement

- **Network Wide Portfolio** – \$163.87 million, of which \$4.08 million is committed to Health and Safety/Legislated projects; \$120.34 million is allocated to SOGR programs; and \$39.45 million to SI/Growth programs to:

- ✓ Continue the implementation of business modernization projects
- ✓ Provide operational support vehicle replacements

- **Facility Portfolio** – \$62.82 million, of which \$2.20 million is committed to Health and Safety/Legislated projects; \$49.99 million is allocated to SOGR programs; and \$10.63 million to SI/Growth programs to:

- ✓ Fund crucial facility SOGR projects like the roofing rehabilitation program
- ✓ Fund energy efficiency retrofits and other decarbonization initiatives

In addition to the six key portfolios, the TTC also strategically organizes its capital program into major project portfolios. This allows TTC staff to effectively manage critical interdependencies to ensure the successful delivery of these major projects and the realization of the investments' deliverables and benefits. As a result, this enables the TTC to advance the fleet, operations/facilities, systems/network, and real estate within key portfolios in a coordinated manner. These projects are organized into portfolios encompassing Subway, Bus & Streetcar, Network-Wide, and Major Ongoing SOGR initiatives, as outlined in Appendix E.

Capital Complement Changes Required for Capital Delivery

Capital delivery positions are essential for the delivery of critical infrastructure projects that enhance service reliability, capacity, and sustainability. To ensure the TTC has the necessary workforce capacity to effectively execute its capital program, an increase of 199 capital positions to the TTC's capital complement is recommended, beginning in 2025. These positions will be funded through the 2025 Capital Budget and through the 10-year capital program based on the capital projects' duration for time-specific capital projects and on an ongoing basis for SOGR programs.

The recommended complement increases will support the overhaul of buses, subways, and streetcars, ensuring fleet reliability while accommodating ridership growth through capacity enhancement initiatives. Additionally, they are required to implement energy efficiency retrofits and electric bus charging infrastructure. Engineering and construction projects, including Bloor-Yonge, Line 1 and Line 2 Capacity Enhancement projects, will also require additional staffing to provide the necessary resourcing for these multi-year, complex capital programs. Capital increases are also required to deliver critical system-wide initiatives like the development and maturity of TTC's Enterprise Asset Management as well as the modernization of communication systems.

The recommended 2025 capital complement changes are summarized in Appendix B.

Operating Impacts of Completed Capital Projects

Upon the completion of a capital project, there is a business imperative to maintain, sustain, and operate the newly acquired assets. All associated operating costs are identified and incorporated into the Operating Budget.

Additionally, completed capital projects may yield cost savings through modernization or transformation initiatives, such as changes in service delivery methods, reduced fuel consumption from the transition to hybrid or electric vehicles replacing clean-diesel buses, and potential revenue generation opportunities.

Many capital projects are also designed to deliver measurable benefits. To ensure the full return on investment (ROI), the TTC requires the identification of sustainment costs and projected benefits for all major capital investments and project plans are required to incorporate the identification, management, and realization of all anticipated benefits. The TTC remains committed to maximizing the value and outcomes of all capital investments. Table 19 below details the Operating Budget Impacts of completed capital projects based on the 2025-2034 Capital Budget and Plan.

Table 19
Operating Impacts of Capital

Projects	2025 Budget		2026 Plan		2027 Plan		2028 Plan		2029 Plan		2025-2029		2025-2034	
	\$M	Pos	\$M	Pos	\$M	Pos	\$M	Pos	\$M	Pos	\$M	Pos	\$M	Pos
Information Technology Systems	2.5	2.0	3.4		2.5		(0.1)		0.5		8.8	2.0	23.1	2.0
Purchases of Buses	(3.0)	16.0	(8.0)		12.0		(1.0)		3.0		3.0	16.0	(47.0)	16.0
E-Bus Charging System	1.2						(0.2)		(0.2)		0.9		0.9	
Purchase of Streetcar	3.2	10.0	3.2	12.0	1.1	3.0					7.4	25.0	7.4	25.0
YUS ATC Resignalling	1.5										1.5		1.5	
Streetcar Infrastructure	0.8	10.0	0.1	2.0	0.5	6.0	0.6	5.0	0.6	5.0	2.7	28.0	5.6	28.0
Easier Access	0.6										0.6		0.6	
Pattison Advertising			(3.0)		(1.0)						(4.0)		(4.0)	
Other Various OBIs	1.9	5.0	0.5		0.6		0.4		0.4		3.8	5.0	6.1	7.0
Total Operating Impacts of Capital	8.7	43.0	(3.9)	14.0	15.8	9.0	(0.2)	5.0	4.4	5.0	24.8	76.0	(5.8)	78.0

The completion of capital projects is expected to result in a cumulative net operating impact of \$8.7 million in 2025, which has been incorporated into the recommended 2025 Operating Budget.

The projected, overall operating impact over the 10-year period reflects savings of approximately \$47 million due to reduced fuel consumption from replacing clean-diesel buses with hybrid and electric buses as well as additional operating and maintenance expenses related to the implementation of cybersecurity technologies, the acquisition of streetcars, and other capital initiatives. As a result, the net operating budget savings over the 10-year period are estimated at \$5.8 million. Additionally, there is an incremental requirement for 78 positions to support these initiatives.

Capital Funding Sources Increased from all Three Orders of Government

An intergovernmental funding strategy in public transit is essential for the development of a well-functioning, inclusive, and sustainable city, region, and Canada as a whole. Partnering with all orders of government is vital to securing long-term funding commitments, thereby ensuring the network's ongoing success.

As a result of these collaborative efforts with the provincial and federal governments, the TTC/City has successfully secured an additional \$758 million from each order of government (\$738 million within the current 10-year planning period), which is attributed to the Ontario-Toronto New Deal Agreement and the Canada Public Transit Fund (CPTF) programs for the replacement of subway trains on Line 2.

Consequently, provincial and federal funding in the 2025-2034 Capital Budget and Plan is 45% and 30% respectively, higher than the previous 10-year Capital Plan. City capital funding has increased by 31% due to incremental debt and CBF funding being allocated to the TTC.

Table 20
How the Capital Program is Funded

City of Toronto Funding		Provincial Funding		Federal Funding	
\$10,904.78 66%		\$2,074.52 13%		\$3,416.17 21%	
City Building Fund	7,382.47	City/Ontario New Deal	738.32	Canada Public Transit Fund	738.32
Debt	1,803.66	ICIP	436.50	ICIP	486.18
Development Charges	1,444.57	PGT	866.22	CCBF	1,898.37
TTC Internal	274.08	Streetcar Program	33.48	Streetcar Program	73.97
				ZETF	219.33

The 2025-2034 Capital Budget and Plan includes funding from the following sources:

- Continuation of Provincial Gas Tax Fund and the Canada Community-Building Fund (CCBF) funding based on current funding levels;
- Federal Investing in Canada Infrastructure Program (ICIP) funding and matching funding from the Province and the City (through recoverable debt) for the Bloor-Yonge Capacity Improvements Project;
- Tripartite funding for the Streetcar Program (60 new streetcars and Hillcrest), as well as the recently announced funding for Line 2 replacement trains;
- Zero Emission Transit Funding (ZETF) for the procurement of 340 electric buses and associated charging infrastructure
- City funding sources, reflecting:
 - City debt, inclusive of the \$500 million reallocation of funding originally intended for Gardiner and Don Valley Parkway rehabilitation as well as the \$1.2 billion matching funding for a 5-year bus procurement scenario; and;
 - Development charges funding;
- Other revenue, including TTC internal depreciation.

While the TTC is receiving a significant funding boost beginning in 2025, it does not fully fund TTC's 10-year capital needs. Existing committed/secured Provincial and Federal funding are project-specific in nature. Any additional funding for TTC projects will be dependent upon meeting funding program priority outcomes and requirements.

Given the above, it is essential that the TTC continue to work with its funding partners to maximize funding opportunities to continue to address unmet SOGR needs and critical capital investment priorities.

See Attachment 3 for a summary of intergovernmental funding in the 2025-2034 Capital Budget and Plan.

The State-of-Good-Repair Backlog is Reduced by Almost 50%

Effectively managing the accumulated SOGR backlog is a critical strategic objective for the TTC to ensure that existing assets can support transit service delivery and achieve service outcomes. When capital funding for planned SOGR works falls short of the annual SOGR requirement, the unfunded portion is added to the accumulated SOGR backlog. Conversely, if capital funding exceeds the planned SOGR needs, the surplus is applied to reduce the backlog.

The City has established two key performance metrics to assess asset conditions across its portfolio. Accurate asset data offers several advantages:

- Total Accumulate Backlog across the 10-year period
- Backlog as a % of Asset Value (Replacement Value)

As a result of funding approved in 2024, the accumulated state-of-good-repair (SOGR) backlog was projected to reach \$8.243 billion by the end of the 2033 period, representing nearly 21% of the total asset value.

Given the infusion of \$4.860 billion in new SOGR funding, TTC's SOGR Backlog is now projected to reach \$4.343 billion by 2034, representing a 47% reduction from the \$8.243 billion projected in 2024 for 2033.

Similarly, the SOGR backlog as a percentage of asset value has been nearly halved, declining from 20.7% to 10.7% by the end of the planning horizon. By prioritizing and funding essential state-of-good-repair projects, the TTC has been able to focus on preserving the reliability and long-term condition of its most critical assets.

Chart 13 and Table 21 below depict the SOGR funding and accumulated backlog estimates for key infrastructure and vehicle asset classes:

Chart 13
State of Good Repair Backlog

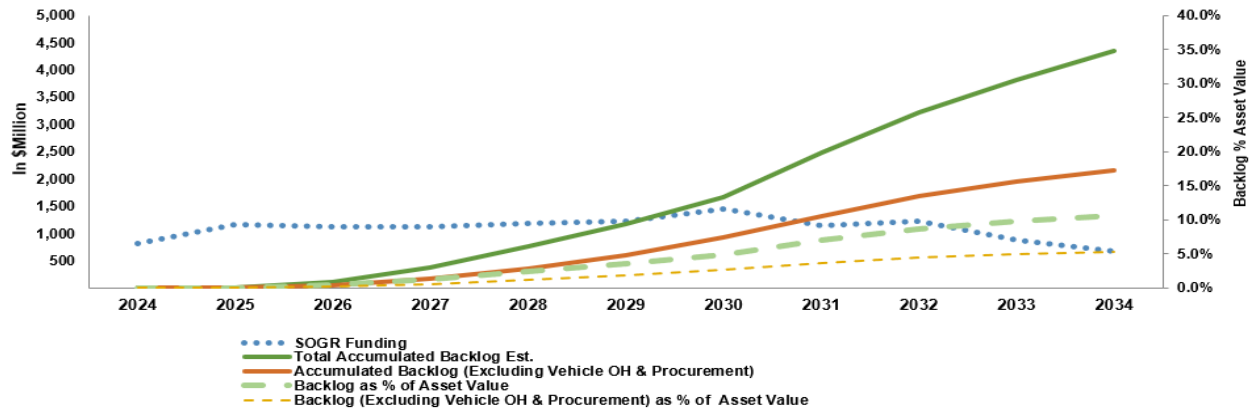


Table 21
State of Good Repair Backlog

\$ Million	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
SOGR Funding	808.7	1,162.3	1,133.6	1,119.9	1,189.2	1,227.1	1,447.4	1,153.0	1,234.5	871.1	667.1
Accumulated Backlog (Excluding Vehicle OH & Procurement)	1.9	5.0	48.8	170.1	353.0	597.8	934.7	1,316.8	1,687.0	1,944.5	2,158.2
Backlog (Excluding Vehicle OH & Procurement) as % of Asset Value	0.0%	0.0%	0.2%	0.6%	1.1%	1.8%	2.7%	3.7%	4.5%	5.0%	5.3%
Total Accumulated Backlog Est.	1.9	5.0	113.3	377.2	767.8	1,169.0	1,667.2	2,492.7	3,223.2	3,810.3	4,343.6
Backlog as % of Asset Value	0.0%	0.0%	0.4%	1.3%	2.5%	3.6%	4.9%	7.0%	8.7%	9.8%	10.7%
Total Asset Value	26,200.4	27,379.5	28,611.5	29,899.1	31,244.5	32,650.5	34,119.8	35,655.2	37,259.7	38,936.4	40,688.5

While considerable progress has been made, newly identified state-of-good-repair (SOGR) requirements have also been introduced in the 2025-2039 Capital Investment Plan. Notable additions include requirements to accelerate the rate of surface track replacement, with increased scope to cover additional intersections and kilometers on an annual basis, as well as to accelerate various elevator, escalator, and subway pump replacements as a result of their asset condition. Additionally, there has been a rise in the requirements for operational support vehicle (workcar) replacements given the increased capital activity planned over the next 10 years. As a result, \$2.158 billion is attributed to the backlog of SOGR infrastructure projects and \$2.185 billion is associated with unfunded vehicle procurements and overhaul requirements.

Unfunded SOGR Projects Continue to be First Priority

The incremental \$5.1 billion in funding included in the 2025-2034 Capital Budget and Plan has led to significant progress being made in addressing the outstanding state of good repair backlog. However, existing unfunded capital needs combined with refinements to existing scope/cost estimates, new or revised projects based on updated asset condition and/or design life and ongoing program additions continue to contribute to the unfunded portion of the Capital Investment Plan.

As a result, the unfunded portion of the CIP continues to be substantial over the next 15 years, reflecting the constraints imposed by current funding availability and affordability. These unfunded capital investments amount to \$17.950 billion over the 2025–2034

period, with an additional \$19.034 billion identified for the subsequent five years of the Capital Investment Plan's (CIP) 15-year planning horizon.

TTC's priority for investment continues to be targeted to funding state-of good repair projects, which are key to sustaining a reliable transit system and setting the foundation for attracting new riders and retaining customer loyalty. Failure to maintain TTC assets in a state-of-good-repair will impact the quality and level of TTC services enjoyed by customers today and into the future.

Chart 14
Unfunded Capital Needs

	10 Year Unfunded Needs (\$17.9 Billion)	15 Year Unfunded Needs (\$37 Billion)	
Aspirational Projects 10-Year: \$4.3B Annual: \$0.4B	Platform Edge Doors \$368 M 10-Year \$36 M Annually	Platform Edge Doors \$4.1 B 15-Year \$273 M Annually	15-Year: \$10.5B Annual: \$0.7B
	TransformTO \$3.9 B 10-Year \$394 M Annually	TransformTO \$6.4 B 15-Year \$429 M Annually	
Base Program 10-Year: \$13.6B Annual: \$1.36B	Growth \$2.3 B 10-Year \$232 M Annually	Growth \$5.1 B 15-Year \$340 M Annually	15-Year: \$26.5B Annual: \$1.8B
	Service Improvement \$4.7 B 10-Year \$470 M Annually	Service Improvement \$9.5 B 15-Year \$631 M Annually	
	H&S, LEGIS, SOGR \$6.6 B 10-Year \$661 M Annually	H&S, LEGIS, SOGR \$11.9 B 15-Year \$793 M Annually	

Addressing TTC's Structural/Fiscal Imbalance Requires Intergovernmental Collaboration to Establish Sustained Funding

The TTC continues to face significant challenges stemming from aging infrastructure, evolving demographics and service demands and travel patterns, projected population growth, and constrained financial capacity to address these issues. To navigate these challenges, TTC efforts will focus on:

- Transforming strategic and financial decision-making processes with a focus on performance and achieving outcomes;
- Modernizing and innovating Toronto's transit system; and
- Promoting the benefits of investing in transit

However, ensuring the efficiency and effectiveness of the transit system and maximizing revenues from the farebox and limited non-fare revenue streams will not address the operating pressures the TTC faces. Establishing a sustainable financial framework is a key priority for the TTC, in addition to focussing on efficiency, and maximizing revenue while ensuring customer affordability, strengthening intergovernmental relationships must form part of a multi-pronged approach to addressing the structural fiscal imbalance.

Notable progress has been achieved during the 2025 Budget process with, the incremental investment of over \$5.1 billion providing funding for key, previously unfunded priorities. This increased funding has reduced the SOGR backlog by nearly

50%. These now funded priorities are vital to helping maintain a safe, reliable, accessible, and integrated transit system capable of meeting current ridership demands while preparing for future growth driven by population increases and transit expansion initiatives.

The TTC and City have been successful in securing funding for priority projects, and the TTC appreciates the federal and provincial partnerships to date. The new Canada Public Transit Fund (CPTF) is a much needed first step toward longer-term sustainable capital funding. Programs such as the CPTF Baseline Stream, Canada Community Building Fund and Provincial Gas Tax Program provide predictability and enable improved long term capital planning.

Despite the progress being made, the TTC's Capital Investment Plan, as a rolling plan, will continue to be updated as new unfunded capital requirements are identified based on condition assessment of existing assets, new assets are added, or new initiatives are required such as those for climate resiliency and adaptation. Without sustained and increased investment, the unfunded portion of the CIP will increase in value and the SOGR backlog will continue to grow, posing a risk to system safety and reliability due to the potential failure of critical assets.

Given the scale of the TTC's unfunded CIP, the TTC continues to advocate for a tri-partite approach to developing a sustainable public transit funding model that is predictable and supports long-term planning for capital investment. The TTC will also continue to work with the City of Toronto and government partners to identify opportunities to reduce the reliance on the farebox as the primary source of funding transit operations.

Funding the TTC on a sustainable basis is not merely a “cost” but a strategic investment. Investing in the TTC will deliver significant economic, environmental, and social benefits, contributing to the vitality and well-being of Toronto, the Greater Toronto Area, the Province of Ontario, and Canada as a whole.

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Attachments

Appendix A: TTC Conventional Operating Budget by Functional Area

Appendix B: 2025 Total Complement

Appendix C: TTC Long-Term Liability and Stabilization Reserve Funds

Appendix D: 2025 – 2034 Capital Budget and Plan Summary

Appendix E: 2025 – 2034 Capital Budget and Plan by Major Project Portfolio

Appendix F: 2025 – 2034 Capital Funding Summary

Appendix G: Public Sector Accounting Standards Compliance

Attachment 1 2025 – 2039 Capital Investment Plan (CIP) Summary

Attachment 2 2025 Real Estate Investment Plan (REIP) Summary

Attachment 3 Intergovernmental Funding in the 2025 Operating Budget and 10-Year Capital Plan

Appendix A: TTC Conventional & Wheel-Trans Operating Budget by Functional Area

TORONTO TRANSIT COMMISSION 2025 OPERATING BUDGET									
	TTC Conventional			Wheel-Trans			Total Combined		
	2024 BUDGET	2025 BUDGET	2024 vs. 2025 BUDGET CHANGE	2024 BUDGET	2025 BUDGET	2024 vs. 2025 BUDGET CHANGE	2024 BUDGET	2025 BUDGET	2024 vs. 2025 BUDGET CHANGE
(\$000s)									
REVENUES									
Passenger Revenues	997,706	1,058,433	60,727	7,328	8,844	1,516	1,005,034	1,067,277	62,243
Fare Compliance Target		12,000	12,000				0	12,000	12,000
Outside City Services & Charters	9,025	11,098	2,073				9,025	11,098	2,073
Advertising	26,030	33,034	7,004				26,030	33,034	7,004
Rent Revenue	11,935	16,169	4,234				11,935	16,169	4,234
Commuter Parking	7,498	8,265	767				7,498	8,265	767
Other Income	38,135	31,203	(6,932)				38,135	31,203	(6,932)
Reserve Draws	65,657	50,832	(14,824)	590	590	0	66,247	51,422	(14,824)
Provincial Funding - New Deal	175,300	201,509	26,209				175,300	201,509	26,209
TOTAL REVENUES	1,331,285	1,422,542	91,257	7,918	9,434	1,516	1,339,203	1,431,976	92,773
EXPENSES									
Departmental Expenses									
CEO's Office	30,898	31,105	208				30,898	31,105	208
DCEO Group	3,277	3,564	287				3,277	3,564	287
Corporate Affairs	2,529	2,707	178				2,529	2,707	178
Corporate Services	107,406	113,471	6,065	1,214	1,266	52	108,620	114,737	6,117
Diversity & Culture	14,151	15,374	1,223				14,151	15,374	1,223
Innovation & Sustainability	5,307	6,717	1,409				5,307	6,717	1,409
People Group	51,815	57,168	5,353	107	111	4	51,922	57,279	5,357
Strategy & Customer Experience	89,432	96,828	7,396				89,432	96,828	7,396
Engineering, Construction & Expansion	8,314	8,679	365				8,314	8,679	365
Operations & Infrastructure	325,958	353,529	27,570	1,044	1,071	27	327,002	354,599	27,597
Transportation & Vehicles	1,024,559	1,098,345	73,786	131,533	148,457	16,924	1,156,092	1,246,802	90,710
Corporate Expenses									
Employee Benefits	471,229	493,933	22,704	21,000	21,010	10	492,229	514,943	22,714
Vehicle Fuel	101,196	92,048	(9,148)	4,445	3,976	(469)	105,641	96,024	(9,617)
Traction Power	47,849	54,804	6,955				47,849	54,804	6,955
Utilities	32,956	35,510	2,554	755	755	0	33,711	36,265	2,554
Depreciation	23,850	28,944	5,094				23,850	28,944	5,094
Taxes, Licences and Insurance	18,787	19,226	439				18,787	19,226	439
Accident Claim Payments	20,000	18,810	(1,190)	590	590	0	20,590	19,400	(1,190)
Contribution to Reserve: Accident Claims	17,000	17,000	0	590	590	0	17,590	17,590	0
Contribution to Reserve: Proceeds on Sale of Buses	2,706	1,497	(1,209)				2,706	1,497	(1,209)
Contribution to Reserve: Proceeds from 780 Kipling	0	3,953	3,953				0	3,953	3,953
Non-Departmental Expenses	31,003	35,303	4,301	4,645	4,382	(263)	35,647	39,685	4,038
PRESTO Commissions	44,382	47,606	3,224	326	393	67	44,708	47,999	3,291
TOTAL EXPENSES	2,474,604	2,636,123	161,519	166,248	182,600	16,352	2,640,852	2,818,723	177,871
Operating Funding	1,143,319	1,213,580	70,261	158,330	173,166	14,836	1,301,649	1,386,746	85,098
Notes:									
1. All figures by group are subject to refinement.									
2. At May 17-19, 2005 City Council meeting, Council approved the establishment of a long-term receivable from the City for budgeted non-cash expenses related to post-retirement benefits. In addition, as part of City Council's approval of the 2010 TTC and Wheel-Trans operating budgets a long-term receivable for non-cash accident claim expenses was also established. Consistent with these approvals and practice since then, the budget for these non-cash expenses are not included in the current year net funding requirement from the City and the actual non-cash costs incurred will be added to the respective long-term receivable balances.									

Appendix B: 2025 Total Complement

2025 Operating Complement

The approved operating complement will increase by 476 positions, as summarized in the following table, and detailed below:

Summary of Changes in Operating Budget Complement				
	Conventional	Wheel-Trans	Metrolinx	Total
2024 Approved Complement	13,741	616	83	14,440
Base Requirements:				
Prior Year Impacts	58			58
Legislative & Calendar Impact	1			1
Operating Impacts of Capital	43			43
All Other Base Changes	8			8
Subtotal: Base Requirements	110	-	-	110
Service Demand				
2025 Service Change - Accommodate Growth	31			31
2025 Service Change - Respond to Congestion	57			57
Overnight Streetcar Service	3			3
TTC Construction	1			1
Subtotal: Service Demand	92	-	-	92
Efficiencies				
LRV Apprentice Program	(8)			(8)
Improved Processes & Reliability in Fleet Maintenance	(7)			(7)
Other Efficiencies	(1)	1		-
Subtotal: Efficiencies	(16)	1	-	(15)
Base Subtotal, before Expansion	186	1	-	187
Transit Expansion & Conversion				
Line 5	8			8
Line 6	3			3
Subtotal: Transit Expansion	11	-	-	11
New & Enhanced Priority Actions				
Build a Future Ready Workforce	43			43
Attract New Riders, Retain Customer Loyalty	164			164
Transform and Modernize for a Changing Environment	2			2
Address the Structural Fiscal Imbalance	69			69
Subtotal: New & Enhanced Priority Actions	278	-	-	278
Subtotal 2025 Operating Budget Workforce Request	475	1	-	476
Total 2025 Operating Budget Complement	14,216	617	83	14,916

2025 Capital Complement

To ensure the TTC has the capacity to successfully deliver its capital program, a total of 199 capital positions, to be funded from the 2025 Capital Budget, will be added to the TTC's capital complement in 2025, as detailed below:

2024 TTC Capital Complement	3,086
Bus & Streetcar Shuttle Requirments to facilitate closures to complete capital work	59
Bus Operators	38
Streetcar Operators	21
Direct Project Work	140
Bus, Subway, Streetcar Overhaul Programs	39
Capacity Enhancement Programs	18
Energy Efficiency Retrofits	8
Engineering and Construction Projects	13
Enterprise Asset Management	4
Hillcrest Maintenance and Storage Facility	3
Non-Revenue Vehicles Overhaul	7
Workcar Operator/Training Staff	10
Signals/Electrical/Communication - Pattison Digital	22
Plant Maintenance	9
All Other Changes	7
2025 Total Capital Complement Change	199
2025 TTC Capital Complement	3,285

Appendix C: TTC Long-Term Liability and Stabilization Reserve Funds

TTC Long-Term Liability Reserve Fund

The Long-Term Liability Reserve is projected to have a 2024 closing balance of \$32.8 million. While long-term accident claim requirements are generally constant, annual variations in cash payments exist based on timing uncertainty associated with actual accident claim payments.

To manage annual variation in accident, claim expenses while ensuring a constant annual budgeted reserve contribution and consistent with prior years, this budget incorporates authorization to contribute up to \$17.6 million (\$17.0 million for TTC and \$0.59 million for Wheel-Trans) to the Long-Term Liability Reserve Fund (XR1728) in 2025.

The TTC is authorized to draw from this reserve as required to support actual accident claim payments at the time of settlement. For 2025, \$19.4 million (\$18.8 million for TTC and \$0.59 million for Wheel-Trans) are projected as outlined in the table below.

TTC Long Term Liability Reserve Fund: Continuity Schedule			
(In \$000s)	2025	2026	2027
	\$	\$	\$
Long Term Liability Reserve - XR1728			
Projected Opening Balance	32,814.0	31,004.0	29,194.0
Budgeted Contribution	17,590.0	17,590.0	17,590.0
Projected Accident Claim Payments	(19,400.0)	(19,400.0)	(19,400.0)
Subtotal Net Budgeted Contributions & Draws	(1,810.0)	(1,810.0)	(1,810.0)
Projected Closing Balance	31,004.0	29,194.0	27,384.0

TTC Stabilization Reserve Fund

This reserve was created to stabilize the funding of the TTC's operating expenditures over time. Based on the latest 2024 Financial Update to the Board, an anticipated 2024 Reserve draw of \$25 million is projected, which will leave a closing balance of \$77.6 million at the end of 2024, that reflects a \$17.5 million provision reserved for emergency matters and insurance deductible.

The 2025 Operating Budget includes \$32 million in planned TTC Stabilization reserve withdrawals and \$5.5 million in contributions. Of the planned reserve withdrawal, \$11.6 million is to address one-time variation costs associated with the opening of Lines 5 and 6, \$4.6 million to address one-time base budget requirements in 2025, and \$0.8 million to support PRESTO negotiation. The planned use of the reserve funding will be partially offset by a budgeted contribution of \$5.5 million and is comprised of projected proceeds from the disposal of surplus buses of \$1.5 million and excess rent revenue from 780 Kipling of \$4.0 million, which will be utilized in future years to mitigate budget fluctuations. Finally, the 2025 Operating Budget also includes a \$15.0 million draw which consists of a planned contribution of \$10.0 million planned in 2024 for 2025 as part of the City's multi-year balancing strategy plus an additional \$5.0 million required as a balancing action to help mitigate City's financial pressures.

The projected reserve balances are summarized below:

TTC Stabilization Reserve Fund: Continuity Schedule			
(In \$000s)	2025	2026	2027
	\$	\$	\$
TTC Stabilization Reserve - XR1056			
Projected Opening Balance	77,605.0	33,533.1	13,596.2
CEO Authority - Emergency	(15,000.0)	(15,000.0)	(15,000.0)
Insurance Deductible	(2,500.0)	(2,500.0)	(2,500.0)
Subtotal Reserve Commitments	(17,500.0)	(17,500.0)	(17,500.0)
Adjusted Opening Balance	60,105.0	16,033.1	(3,903.8)
Budgeted Contributions			
Proceeds on Disposal of Buses	1,497.1		
Rent Revenue from 780 Kipling	3,953.3	(790.5)	(851.4)
One-Time Draws			
2025 One-Time Costs	(1,947.4)	(586.0)	-
2024 One-Time Consulting, CUTA	(770.5)		
2023 Time-Limited New & Enhanced	(1,896.4)	(257.5)	
LRT Start-up Variation Costs	(11,605.1)		
PRESTO Negotiations Support	(802.9)	(802.9)	(802.9)
Reserve Draw Balancing Action	(15,000.0)		
Subtotal Net Budgeted Contributions & Draws	(26,571.9)	(2,436.9)	(1,654.3)
Projected Closing Balance	33,533.1	13,596.2	(5,558.1)

Note: Assuming the Reserve Commitments are utilized each year, TTC Stabilization Reserve balance will show negative in 2027. TTC is working with the City of Toronto to develop a strategy that will address the funding needs of the reserve commitments.

Appendix D: 2025-2034 Capital Budget and Plan Summary

Programs (\$ millions)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2025-2034
Infrastructure Related Programs:											
Tracks:											
1.1 Subway Track	36.124	36.525	36.255	35.532	35.711	36.993	34.990	35.415	35.614	36.548	359.707
1.2 Surface Track	36.507	65.158	76.205	81.781	84.297	70.361	65.508	49.483	46.313	51.916	627.529
Signals, Electrical, Communications:											
2.1 Traction Power	32.284	29.223	34.309	32.059	32.538	33.860	28.312	25.808	36.139	33.379	317.911
2.2 Power Distribution	9.132	10.843	13.392	15.413	19.615	27.567	29.338	18.004	12.915	8.888	165.107
2.3 Communications	14.781	17.623	20.772	20.191	18.989	18.274	18.059	17.750	18.114	13.208	177.761
2.4 Signal Systems	37.675	32.214	22.427	12.441	9.472	12.706	18.908	19.440	17.415	14.206	196.904
2.4 YUS/BD Resignalling	22.796	32.644	76.360	51.179	69.292	61.198	74.298	82.604	81.847	84.047	636.265
Buildings and Structures:											
3.1 Finishes	29.144	26.203	24.292	20.928	10.086	8.377	8.399	20.330	15.079	24.257	187.095
3.2 Equipment	91.294	216.625	228.308	170.774	117.871	37.691	34.051	36.411	36.671	48.546	1,018.242
3.3 Yards & Roads	9.194	9.890	10.266	14.503	21.917	20.715	16.001	16.843	1.070	16.631	137.030
3.4 Bridges & Tunnels	42.781	51.607	61.365	68.975	59.587	55.155	45.265	37.819	39.853	50.401	512.808
3.9 Fire Ventilation Upgrade	19.457	29.493	31.048	46.731	45.026	61.980	37.840	42.281	43.070	18.763	375.689
3.9 Easier Access Phase III	131.220	122.186	97.101	34.647	14.051	1.306					400.511
3.9 Sheppard Subway											
3.9 Leslie Barns	0.390	0.860	2.378	2.844							6.472
3.9 Toronto Rocket (Subway Car)	5.900	20.900	21.400	28.600	19.000	2.731					98.531
Yard & Storage Track											
Accommodation											
3.9 McNicoll Bus Garage	0.232	1.600	1.674	0.665							4.171
3.9 Line 1 Capacity Enhancement	24.082	38.945	143.104	230.528	173.533	124.180	68.037	60.752	49.399	87.496	1,000.056
3.9 Line 2 Capacity Enhancement	11.215	30.616	82.187	106.659	112.641	163.183	153.766	148.290	107.373	51.549	967.479
3.9 Corporate Initiatives	12.136	11.391	10.902	8.000	8.000	8.000	8.500	8.500	8.500	9.000	92.929
3.9 Yonge-Bloor Capacity	24.646	38.148	90.847	104.431	141.513	195.591	248.739	189.345	140.921	131.871	1,306.052
Improvement											
3.9 Other Buildings & Structures	96.317	132.904	143.444	95.287	86.395	196.000	228.187	148.859	139.485	67.323	1,334.201

Programs (\$ millions)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2025-2034
Tooling, Machinery and Equipment											
5.1 Shop Equipment	13.399	12.600	8.786	6.495	1.695	1.691	1.455	1.500	1.971	2.186	51.780
5.2 Revenue & Fare Handling Equipment	0.415	0.415	0.415	0.415	0.415	1.615	1.615	1.615	1.615	1.615	10.150
5.3 Other Maintenance Equipment	3.429	1.445	1.055	1.018	1.132	1.146	1.143	1.156	0.957	0.945	13.426
5.4 Fare System	1.712	2.500	2.260								6.472
Environmental Issues											
6.1 Environmental Program	11.416	14.157	14.049	19.002	14.161	9.316	7.978	7.758	6.000	7.775	111.614
6.1 Safety Program	1.300	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	10.300
Computer Equipment & Software											
7.1 IT Systems/Infrastructure	90.500	93.359	52.453	54.587	18.322	21.521	17.471	15.346	16.722	14.710	394.990
Other:											
9.1 Furniture & Office Equipment	0.500	0.120	0.100	0.207	0.030	0.055	0.040	0.030	0.030	0.030	1.142
9.2 Service Planning	30.506	34.210	23.392	14.449	10.102	5.378	3.280	3.300	3.475	3.351	131.443
Subtotal - Infrastructure Related Programs	840.483	1,115.404	1,331.545	1,279.341	1,126.391	1,177.592	1,152.180	989.639	861.546	779.644	10,653.764
Vehicle Related Programs:											
4.11 Purchase of Buses	454.582	89.692	143.833	208.937	156.663	132.718	1.995	2.032	0.264	0.684	1,191.399
4.11 Purchase of Wheel Trans Buses	11.247	6.209	0.807	0.233							18.497
4.12 Purchase of Subway Cars	1.994	108.506	62.155	107.428	263.625	528.832	373.027	553.641	220.914	280.212	2,500.335
4.13 Bus Overhaul	68.239	73.446	49.249	66.236	81.327	81.201	80.374	83.761	81.748	87.816	753.397
4.15 Streetcar Overhaul	35.423	45.572	40.224	32.000	44.322	0.004					197.545
4.16 Subway Car Overhaul	47.501	50.306	57.154	67.676	77.153	78.765	77.741	59.047	43.533	51.891	610.768
4.18 Purchase of Streetcars	129.432	14.763									144.194
4.21 Purchase Non-Revenue Vehicles	24.306	10.971	8.537	10.278	2.701	2.706	2.707	1.940			64.145
4.22 Rail Non-Revenue Vehicle Overhauls	4.123	4.470	4.677	4.639	4.322	3.068	2.635	2.724	2.828	2.111	35.598
4.23 Purchase Rail Non-Revenue Vehicle	0.414	4.242	5.595	7.985	10.431	11.114	14.118	5.351	3.679		62.929
Subtotal - Vehicle Related Programs	777.260	408.178	372.231	505.413	640.544	838.408	552.596	708.496	352.966	422.714	5,578.807

Programs (\$ millions)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2025-2034
TOTAL - BASE PROGRAM	1,617.743	1,523.581	1,703.776	1,784.754	1,766.935	2,016.000	1,704.776	1,698.135	1,214.512	1,202.358	16,232.571
<u>Transit Expansion Programs:</u>											
SRT Bus Replacement Infrastructure	15.515	46.000	16.130								77.645
Waterfront Transit	0.110	0.110	4.740	12.000	9.077	4.300					30.335
Toronto-York Spadina Subway Extension (TYSSE)	54.914										54.914
TOTAL - TRANSIT EXPANSION PROGRAM	70.539	46.110	20.870	12.000	9.077	4.300					162.895
TOTAL - BASE & EXPANSION	1,688.282	1,569.692	1,724.646	1,796.754	1,776.012	2,020.300	1,704.776	1,698.135	1,214.512	1,202.358	16,395.466

Appendix E: 2025-2034 Capital Budget and Plan Summary by Major Project Portfolio

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2025 - 2034 Total
Major Projects - Streetcar, Bus and WT Portfolio											
TTC Streetcar Program											
Streetcar - Purchase (up to 60 cars)	129,432	14,763	-	-	-	-	-	-	-	-	144,194
Hillcrest Streetcar Facility	8,600	16,400	21,300	30,600	30,500	23,194	17,198	-	-	-	147,790
Russell Yard & Carhouse Modifications	11,410	14,300	18,767	26,180	23,630	20,190	23,781	-	-	-	138,257
SRT Line 3 Bus Replacement Infrastructure											
SRT Bus Replacement Infrastructure	15,515	33,000	16,130	-	-	-	-	-	-	-	64,645
Green Bus Program											
eBus Procurement	453,040	87,577	143,291	208,637	156,356	132,423	1,715	1,766	-	-	1,184,805
eBus Charging System - Purchase	38,777	151,422	141,620	100,390	70,604	-	-	-	-	-	502,813
Hybrid Bus Procurement	1,194	1,747	-	-	-	-	-	-	-	-	2,941
Wheel Trans											
Wheel-Trans Buses - Gasoline	8,904	905	613	-	-	-	-	-	-	-	10,422
Wheel Trans Buses - Electric	2,343	5,304	194	233	-	-	-	-	-	-	8,074
Wheel-Trans 10 Yr Transformation Prgm	2,427	6,168	5,724	-	-	-	-	-	-	-	14,319
Major Projects - Streetcar, Bus & WT Portfolio	671,641	331,587	347,640	366,040	281,090	175,806	42,693	1,766	-	-	2,218,262
Major Projects - Subway Portfolio											
Bloor-Yonge Capacity Improvements											
Bloor-Yonge Capacity Enhancements	24,646	38,148	90,847	104,431	141,513	195,591	248,739	189,345	140,921	131,871	1,306,052
Line 1											
Line 1 Capacity Enhancement	24,082	38,945	143,104	230,528	173,533	124,180	68,037	60,752	49,399	87,496	1,000,056
Subway Car Purchase - Growth	435	666	-	-	-	-	-	25,054	9,847	247,828	283,830
Line 1 ATC Resignalling	4,776	3,776	19,622	-	-	-	-	-	-	-	28,174
Line 2											
Subway Car Purchase - Line 2 Replacement	1,559	107,840	62,155	107,428	263,625	528,832	373,027	528,587	211,067	32,384	2,216,505
Line 2 Capacity Enhancement	11,215	30,616	82,187	106,659	112,641	163,183	153,766	148,290	107,373	51,549	967,480
Line 2 ATC Resignalling	18,020	28,868	56,738	51,179	69,292	61,198	74,298	82,604	81,847	84,047	608,091
Subway: Buildings & Structures											
Easier Access Phase III	62,851	45,386	20,313	11,520	4,571	1,306	-	-	-	-	145,948
Warden Station Redevelopment	37,315	39,119	46,339	9,371	4,750	-	-	-	-	-	136,895
Islington Station Redevelopment	31,054	37,681	30,449	13,755	4,730	-	-	-	-	-	117,669
Fire Ventilation Upgrade Program	7,147	11,947	14,932	26,865	33,453	49,870	21,225	24,841	21,851	18,413	230,544
Subway Station Second Exits	12,310	17,546	16,116	19,866	11,573	12,110	16,615	17,440	21,219	350	145,144
Stations Transformations	5,235	-	-	-	-	-	-	-	-	-	5,235
Major Projects - Subway Portfolio	240,645	400,539	582,803	681,603	819,681	1,136,271	955,706	1,076,913	643,523	653,939	7,191,622

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2025 - 2034 Total
Major Projects - Network Wide Portfolio											
Design & Construction Major Control Center	3,022	12,492	10,271	-	-	77,436	108,141	103,920	118,715	48,401	482,398
SAP - ERP Implementation	39,500	42,060	19,029	32,588	-	-	-	-	-	-	133,176
TTC Presto Project	1,712	2,500	2,260	-	-	-	-	-	-	-	6,472
VISION - CAD/AVL System	2,398	3,773	-	-	-	-	-	-	-	-	6,171
Major Projects - Network Wide Portfolio	46,632	60,825	31,560	32,588	-	77,436	108,141	103,920	118,715	48,401	628,217
Major SOGR Projects											
Bus Rebuild	65,451	72,296	48,469	65,787	81,078	81,034	80,374	83,761	81,748	85,092	745,090
Tangent Surf Track Replacement Program	20,423	41,866	44,059	45,429	53,372	47,168	48,311	49,483	46,313	51,916	448,340
TR Subway SOGR Program	24,129	27,531	31,773	35,033	43,680	44,802	45,476	42,511	43,533	51,891	390,359
Subway/SRT Track Rehabilitation Prgm	29,713	30,725	30,255	29,532	29,711	30,993	28,990	28,866	29,114	30,285	298,185
T1 Vehicle SOGR Program	22,522	20,724	25,380	32,643	33,473	33,963	32,265	16,537	-	-	217,508
Structure Rehabilitation Program	19,554	19,995	20,755	20,974	21,551	21,493	21,000	20,000	21,085	20,895	207,302
New LRVs Overhaul	30,830	29,827	27,656	28,509	29,201	-	-	-	-	-	146,023
On-Grade Paving Rehabilitation Program	8,443	8,018	9,683	13,908	21,310	20,097	15,370	16,200	414	15,962	129,403
Roofing Rehabilitation Program	12,117	11,055	13,452	17,142	7,652	5,882	5,844	17,503	12,164	21,416	124,226
Toronto Rocket/T1 Rail Yd Accommodation	5,900	20,900	21,400	28,600	19,000	2,731	-	-	-	-	98,528
Elevator Overhaul Program	2,154	5,607	12,716	13,475	11,141	7,572	6,711	2,032	3,139	13,943	78,488
Escalator Replacement Program	6,500	5,512	10,233	2,117	572	-	-	7,930	8,231	8,500	49,597
Station Finish Renewal	13,240	10,318	4,531	724	-	-	-	-	-	-	28,813
Streetcar - Midlife Overhaul	771	598	866	2,077	15,085	-	-	-	-	-	19,396
Major SOGR Projects	261,747	304,973	301,227	335,951	366,825	295,734	284,341	284,822	245,740	299,899	2,981,259
Total Major Projects (including Major SOGR)	1,220,665	1,097,923	1,263,230	1,416,181	1,467,596	1,685,248	1,390,881	1,467,421	1,007,978	1,002,239	13,019,361
% of Total Budget	72%	70%	73%	79%	83%	83%	82%	86%	83%	83%	79%
Total 10 Year Budget	1,688,282	1,569,692	1,724,646	1,796,754	1,776,012	2,020,300	1,704,776	1,698,135	1,214,512	1,202,358	16,395,466

Appendix F: 2025 to 2034 Capital Funding Summary

FUNDING SOURCE	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2025-2034
2025-2034 Budget Submission	1,688,282	1,569,692	1,724,646	1,796,754	1,776,012	2,020,300	1,704,776	1,698,135	1,214,512	1,202,358	16,395,466
Provincial Gas Tax Subsidies	86,622	86,622	86,622	86,622	86,622	86,622	86,622	86,622	86,622	86,622	866,222
Provincial Subsidies - PTIF 2	9,489	14,687	34,976	40,206	54,483	75,303	87,084	63,833	56,441	-	436,501
Provincial Subsidies - Streetcar Program	33,482	-	-	-	-	-	-	-	-	-	33,482
Ontario/City New Deal	-	43,136	24,862	42,971	105,450	166,926	115,638	163,862	65,431	10,039	738,315
Total Provincial Subsidies	129,593	144,445	146,461	169,800	246,555	328,850	289,344	314,318	208,494	96,661	2,074,521
Federal Gas Tax Subsidy	183,951	183,951	191,309	191,309	191,309	191,309	191,309	191,309	191,309	191,309	1,898,372
Federal Subsidy - ZETF	210,325	9,009	-	-	-	-	-	-	-	-	219,334
Federal Subsidy - Streetcar Program	38,727	11,957	10,650	12,632	-	-	-	-	-	-	73,966
Federal Subsidy - PTIF 2	10,598	16,404	39,064	44,905	60,851	84,104	97,262	71,294	61,693	-	486,176
Permanent Transit Fund	-	43,136	24,862	42,971	105,450	166,926	115,638	163,862	65,431	10,039	738,315
Total Federal Subsidies	443,601	264,457	265,885	291,818	357,609	442,339	404,210	426,465	318,433	201,348	3,416,164
TTC Internal - Depreciation	66,211	48,745	35,525	29,006	15,659	17,441	14,982	13,104	12,186	11,293	264,151
Development Charges	255,008	172,499	212,870	202,151	160,313	82,391	75,075	96,379	70,002	117,878	1,444,566
MX Recovery	-	-	9,407	-	-	-	-	-	-	-	9,407
Other - IESO	300	-	-	-	-	-	-	-	-	-	300
Other - Pattison	113	113	-	-	-	-	-	-	-	-	226
Total Other Funding	321,632	221,357	257,801	231,157	175,972	99,833	90,056	109,483	82,188	129,171	1,718,649
Debt	98,093	282,387	244,214	180,682	120,367	75,303	159,240	169,048	220,823	253,502	1,803,658
Debt Recoverable	695,364	657,046	810,286	923,298	875,508	1,073,975	761,926	678,821	384,574	521,676	7,382,473
Total City Funding	793,456	939,432	1,054,500	1,103,980	995,875	1,149,278	921,166	847,869	605,397	775,178	9,186,132
TOTAL FUNDING	1,688,282	1,569,692	1,724,646	1,796,754	1,776,012	2,020,300	1,704,776	1,698,135	1,214,512	1,202,358	16,395,466

Appendix G: Public Sector Accounting Standards Compliance

TTC's current operating and capital budgeting processes is in accordance with the Canadian public sector accounting standards ("PSAS") recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada (CPA Canada), with some exceptions, as noted below.

Exceptions – Operating Budget:

The operating budget for TTC Conventional and Wheel-Trans Services consists of revenues and expenses in accordance with PSAS except for the following:

- **Post-Retirement Medical and Dental:** City Council approved TTC's budget strategy to fund current health and dental claims for providing post-retirement benefits to pensioners on a cash basis.
 - Any expenses related to the change in liability as required by PSAS are deferred and funded in the future when the benefit is realized.
- **City Special Costs:** Under PSAS, the TTC is unable to recognize these costs in its financial statements as the contracts are held by the City of Toronto.
 - These costs are reflected in TTC's operating budget as it relates to facilitating TTC operations.
- **Reserve Draws and Contributions:** Reserve draws and contributions are reflected in TTC's operating budget and are not recognized as revenue nor are they expenses as per PSAS given the reserves are held with the City of Toronto.
- **Accident Claims:** In the operating budget, the TTC Board and City Council approves a contribution up to the budgeted amount to the long-term liability reserve fund and draw from this reserve as required. Any expenses related to the change in liability due to actuarial fluctuations as required by PSAS are deferred and funded through long-term subsidy.

For the 2025 budget process, the TTC is seeking the TTC Board and City Council approval to fund budgeted cash flow increases in current payments for WSIB and Long-term Disability with an offsetting impact to the PSAS accounting expense, similar to the current post-retirement medical and dental budget strategy.

Exceptions – Capital Budget

The capital budget consists of additions or expenditures incurred for the period which are directly related to the acquisition, construction, betterment, or development of TTC's capital to comply with PS 3150 - Tangible Capital Assets with the exceptions of:

- Holdbacks and Legal Liabilities: The capital budget reflects the expected change in construction related expenses such as holdbacks or legal liabilities. However, these are recognized on the balance sheet as a future payable and subsidy receivable that will be collected in the year that the vendor is paid.
- Acquisition of Land: Property acquired by the City of Toronto to facilitate TTC operations are included as part of the capital budget. The TTC is unable to recognize these assets under PSAS as the legal title are held by City of Toronto.
- Asset Retirement Obligations: Anticipated costs to satisfy the legal obligations upon asset retirement are not included as part of the capital budget when the assets are acquired. Obligations related to asset retirement are budgeted and funded as the work is planned and completed, respectively.
- Other expenses: Specific expenditures such as environmental expenses are funded through the capital budget and is recognized as an expense in the TTC financial statement when incurred. Any changes to the future environmental costs recognized will result into a corresponding change in the capital subsidy receivable.

The additions or expenditures incurred for the period are amortized using a straight-line method (first and last year of asset life at half year) based on the estimated useful lives of major asset categories from their effective service date in accordance with the Public Sector Accounting Standard.

The budget amount in the TTC's consolidated statement of operations and accumulated surplus includes amounts related to long-term subsidy receivable to ensure comparison to actuals are reflected on the same basis, in accordance with *PS 1202, financial statement presentation*.

Making Headway

**Update to the TTC Capital
Investment Plan 2025-2039**



Attachment 1: 2025 – 2039 Capital Investment Plan (CIP) Summary

The total base capital requirements for the TTC over the next 15 years (2025 to 2039) is in the order of \$53.379 billion of which approximately \$36.983 billion is currently unfunded. The summary below outlines the funded and unfunded breakdown for each of the five CIP portfolios.

Modernizing the Subway & Expanding Capacity Portfolio

Program / Project	Description	Funded	Unfunded	Total CIP
Modernizing the Subway & Expanding Capacity				
Purchase of Subway Cars	Purchase of new subway trains to replace the aging T1 trains, meet ATC requirements and align the fleet with ridership growth forecasts	2,500.3	1,434.1	3,934.5
Line 2 Automatic Train Control	The implementation of an ATC system on Line 2 which will increase capacity by reducing headway, providing more reliable service	608.1	279.2	887.2
Line 2 Capacity Enhancements	Increasing Line 2 capacity through infrastructure upgrades to various station capacity and traction power systems, as well as the modification of Greenwood Yard	967.5	1,620.0	2,587.4
Line 1 Capacity Enhancements (Includes TMSF)	Increasing Line 1 capacity through purchase of a new train maintenance and storage facility and various enhancements and additions to achieve target capacities at specific horizon years	1,000.1	5,628.4	6,628.5
Line 2 Maintenance & Storage Facility	Construction of maintenance and storage facility and connection to the main line to meet growth	17.2	3,164.8	3,182.0
Platform Edge Doors	Improve subway service reliability and efficiency, while maintaining physical separation between passengers on the platform	-	4,100.0	4,100.0
Bloor-Yonge Capacity Improvements	Construction of additional platforms, escalators and elevators to improve vertical circulation and address overcrowding at the Bloor-Yonge station	1,306.1	87.8	1,393.8
Line 4 Re-signalling	Increasing capacity by reducing headway	-	136.4	136.4
Line 1 Re-signalling	Increasing capacity by reducing headway	28.2	-	28.2
Upholding the State of Good Repair				

Program / Project	Description	Funded	Unfunded	Total CIP
Subway Car Overhaul	Overhaul of the T1 and TR subway fleet to maintain state-of-good-repair	610.8	139.9	750.7
Traction Power	Replacement of electrical systems that power the subway, including substation electrical rebuild and LV feeder cables	120.8	172.4	293.2
Power Distribution / Electric Systems	Replacement of electrical systems that power the subway, including cables, station breakers and backup power systems	148.5	146.2	294.7
Communications	Various radio, antenna, video equipment and alarm upgrades and replacement projects	122.9	167.8	290.7
Signal Systems	Signal cable alterations and replacement, switch machine replacement and refurbishment	121.0	96.8	217.7
Equipment	Overhaul and replacement of pumps, elevators and escalators within the TTC subway system	226.0	348.5	574.5
Bridges & Tunnels	Structural rehabilitation programs to ensure the subway tunnels and bridges maintain in state of good repair	496.3	286.7	783.0
Subway Track	Subway track and turnout rehabilitation, rail grinding, rail vehicle-based inspection system	338.0	197.9	535.9
Easier Access Phase III	Increasing accessibility of TTC stations through the addition of elevators, ramps, automatic doors and associated modifications to stations' structural and electrical components	525.1	-	525.1
Fire Ventilation & Second Exits	The replacement and upgrades of subway fire ventilation fans and the creation of new stairs and exists for emergency situations.	366.2	77.9	444.1
Other Buildings & Structures	Various infrastructure replacement and upgrades supporting the TTC subway systems	73.7	83.5	157.2
Finishes	Station finishes renewal projects such as tactile wayfinding upgrades and platform edge tile replacements	64.0	53.3	117.4
Shop Equipment	Engineering and shop equipment purchases to support subway SOGR work	14.7	102.1	116.8

Program / Project	Description	Funded	Unfunded	Total CIP
Environmental Programs	Asbestos removal program	56.9	31.4	88.3
Rail Non-Revenue Vehicle Purchase	Various subway workcars required for the TTC maintenance and construction work within the subway system	57.9	12.5	70.4
Toronto-York Spadina Subway Extension	Close-out costs for the TYSSE project	54.9	-	54.9
Rail Non-Revenue Vehicle Overhaul	SOGR maintenance of subway workcars	35.6	12.9	48.5
Fare Handling Equipment	The replacement of turnstiles at TTC stations	9.0	-	9.0
Other Maintenance Equipment	Subway infrastructure maintenance equipment purchases	2.9	-	2.9
Other Subway Projects	Various Subway SOGR Projects	19.2	-	19.2
Grand Total - Modernizing the Subway & Expanding Capacity		10,162.2	19,239.6	29,401.8

Transforming & Electrifying Bus Service Portfolio

Program/ Project	Description	Funded	Unfunded	Total CIP
Transforming & Electrifying Bus Service				
Purchase of Hybrid / Electric Buses	Purchase of low/zero emissions conventional service buses	1,187.7	3,427.7	4,615.5
Purchase of Wheel-Trans Buses	Purchase of accessible buses for WT service	18.5	417.6	436.1
Install Charging Infrastructure	Bus charging system required for the operation of low/zero emission buses	503.2	1,041.7	1,544.9
Implement Transit Priority Measure	Construction of special dedicated bus lanes and bus transit priority initiatives	91.1	264.7	355.8
10th Bus Garage	Construct a new garage that will allow for several years of growth	22.4	463.0	485.3
Upholding the State of Good Repair				
Bus Overhaul	Includes the mid-life rebuild and Scheduled Maintenance Plan (SMP) work	753.4	423.4	1,176.8
SRT Transition	Bus replacement infrastructure for Line 3 service replacement	64.6	-	64.6
Equipment	Bus Hoists and bus cleaning infrastructure	73.1	268.7	341.8
Service Planning	Bus stop accessibility improvements	12.3	71.6	84.0
Environmental Programs	Storage tank replacements for bus garages	54.8	15.7	70.4
Other Buildings & Structures	Eglington Bus terminal, WT 10-Year Transformation Program, and various bus infrastructure construction projects	52.0	124.9	176.9
Shop Equipment	Various bus maintenance equipment purchases	7.8	-	7.8
Grand Total - Transforming & Electrifying Bus Service		2,841.0	6,518.9	9,359.9

Supporting a Larger Streetcar Fleet Portfolio

Supporting a Larger Streetcar Fleet				
Upgrade Overhead Power				
Renew Russell Carhouse				
Upholding the State of Good Repair				
Streetcar Overhaul	Comprehensive overhaul program to ensure the state-of-good-repair of the streetcar fleet	197.5	214.7	412.3

Facility Maintenance Portfolio

Program / Project	Description	Funded	Unfunded	Total CIP
Facility Maintenance				
Major Control Centre	Construction of new transit control to support TTC growth across various modes	482.4	-	482.4
Facility Renewal Programs	Various facility renewal and construction projects	513.6	727.3	1,240.9
Sustainability	Energy Efficiency Retrofits and De-carbonization of Facilities	24.4	1,580.3	1,604.7
Roofing Rehabilitation	Replacement of roofs at TTC facilities	124.2	325.1	449.4
Communications	Building fire alarm upgrades and garage intercom systems	25.9	15.6	41.5
On-grade Paving	Ongoing assessment and rehabilitation of on-grade pavement surfaces including stations, yards, substations, bus loops and commuter parking facilities	129.4	99.9	229.3
Power Distribution / Electric Systems	Replacement for lighting at various buildings, garages, workshops and other facilities	2.9	5.3	8.3
Grand Total - Facility Maintenance		1,302.8	2,753.6	4,056.4

Network Wide Assets Portfolio

Program/ Project	Description	Funded	Unfunded	Total CIP
Network Wide Assets				
Equipment	Energy storage and renewable energy generation systems, and fall prevention systems	99.6	279.0	378.6
IT Systems / Software	IT systems including the SAP ERP and Corporate Camera Strategy and Delivery projects	395.0	199.2	594.2
Purchase Automotive Non-Revenue Vehicles	Procurement of service trucks, vans, utility trucks, road rail overhead service trucks and various other vehicles required for various TTC departments to fulfil their duties.	64.1	180.6	244.7
Other Buildings & Structures	Climate change mitigation and adaptation program	47.9	173.1	221.0
Corporate Initiatives	Enterprise asset management and safety/reliability projects in accordance with provincial safety orders	103.2	-	103.2
Fare System	TTC Presto	6.5	49.0	55.5
Other Maintenance Equipment	Service delivery and plant maintenance equipment purchases	6.8	3.0	9.8
Shop Equipment	Materials management and warehouse handling equipment purchases	5.3	-	5.3
Fare Handling Equipment	Revenue and fare handling equipment purchases	1.1	-	1.1
Furniture & Office Equipment	Various office equipment including graphic services/printers	1.1	-	1.1
Warehouse Consolidation	Non-revenue material handling equipment for the Sheppard Warehouse	0.5	-	0.5
Grand Total - Network Wide Assets		731.2	883.9	1,615.1

TransformTO Portfolio

Program/ Project	Description	Funded	Unfunded	Total CIP
TransformTO				
Vehicles	Additional buses required to meet the TransformTO targets	-	2,506.7	2,506.7
Infrastructure	Additions of an 11th and 12th bus garage, charging infrastructure as well as expanding capacity at existing garages and end of line facilities to accommodate a higher bus throughput.	-	3,932.9	3,932.9
Grand Total - TransformTO		-	6,439.6	6,439.6

Total Capital Investment & Plan	16,395.5	36,983.3	53,378.8
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On Solid Ground

**Update to the TTC Real Estate
Investment Plan 2025-2039**



Attachment 2: 2025 Real Estate Investment Plan (REIP) Summary

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. The following guiding principles were established:

- Optimize existing property before acquiring new property
- Acquire property rather than expropriate
- Own property rather than lease
- Separate timing of acquisition from construction timing
- Include "back of house" support and training needs when planning for growth
- Integrate resiliency into projects and processes to mitigate environmental impacts over the long-term
- Maximize value creation opportunities for TTC surplus properties

The REIP classifies the TTC's real estate portfolio into the following three pillars or property types that work together to deliver a safe, reliable, and seamless transit system:

- **Facilities** that house the operations which support the fleet;
- **System Network** properties required to deliver transit service; and
- **Office Space** that houses the staff that support the TTC Facilities and System Network.

For each property pillar, the REIP lays out strategies, and service objectives, with actions organized into one of the following four actionable classifications that are grounded in the REIP's guiding principles:

- **Optimize** existing real estate assets first
- **Acquire** land where TTC cannot optimize
- **Explore** opportunities for best use
- **Support** city-building objectives where possible

The REIP outlines a comprehensive set of principles, strategies, and an implementation plan with over 70 projects and initiatives to achieve TTC's strategic real estate goals and objectives.

Facilities – Mode Support					
Implementation Action	IO/CIP #	Funded (Y/N)	Project Type	Property Timing	Project Finish
Bus Garages, Wheel-Trans, Heavy Repair and Storage					
Optimize Existing					
Assess expansion potential of bus garages to accommodate new technologies and changing fleet requirements		N	Proactive	Future Planning Initiative	TBD
Minimize use of trailers and storage containers		N	Proactive	Ongoing	TBD
eBus Charging Systems Installation	7166/7290	N	Capital	Ongoing	2036
Integrate Non-Revenue Parking Charging Systems	7266	N	Capital	Ongoing	TBD
Integrate Wheel-Trans Parking Charging Systems	7265	N	Capital	Ongoing	TBD
Accommodate space for Wheel-Trans fleet at 780 Kipling		Y	Functional	2026	2026
Explore Opportunities					
Incorporate TTC's bus electrification network at appropriate locations across City		N	Proactive	Ongoing	Ongoing
Expand utilization to accommodate additional uses		N	Proactive	Ongoing	Ongoing
Streetcar					
Optimize Existing					
Minimize use of trailers and storage containers		N	Proactive	Ongoing	TBD
Acquire Land					
Re-evaluate property needs for Streetcar Way at 480 Unwin Ave		N	Functional	2026	2027
Subway/LRT					
Optimize Existing					
Line 1 Capacity Enhancement Program					
a. Upgrades and expansion to Wilson Yard	7108	N	Proactive	Future Planning Initiative	TBD
b. Davisville Yard upgrades and modifications	7108	N	Capital	Future Planning Initiative	TBD
Line 2 Capacity Enhancement Program – Greenwood Yard, Carhouse, and Shop upgrades and modifications	7148	Y	Capital	Planning Stages	2038
Minimize use of trailers and storage containers		N	Proactive	Ongoing	TBD
Determine future TTC use(s) at McCowan Yard site		N	Capital	2025	2025
Acquire Land					
Western Yard - Yard Access Connection	6910/7110	N	Capital	2025	2034
Line 1 Capacity Enhancement Program - Train Maintenance and Storage Facility Capacity	7108	N	Capital	2026	2031

Facilities – Cross System Support					
Implementation Action	IO/CIP #	Funded (Y/N)	Project Type	Property Timing	Project Finish
Cross Mode Support					
Optimize Existing					
Renewable Energy Storage System Installation	7274	Y	Capital	2025	2025
Hillcrest Complex Master Plan	7169	Y	Capital	2025	2025
Western Yard and Kipling Lands Study	7310	Y	Capital	Planning Stages	2026
Accommodate interim uses at Western Yard until subway yard required and 780 Kipling until 10 th garage is required		N	Proactive	Ongoing	2038
Integrate Employee Parking Charging Systems	7270	N	Capital	Ongoing	Ongoing
Explore Opportunities					
Implement energy audits, decarbonisation studies, renewable energy studies, and climate resiliency studies to scope TTC's Green Facility Program		N	Proactive	Ongoing	Ongoing
Training Space					
Optimize Existing					
Determine optimal indoor and outdoor training space for increased efficiencies and improved workforce training		N	Proactive	Ongoing	Ongoing
Explore Opportunities					
Maximize utilization through shared usage with City partners		N	Proactive	Ongoing	Ongoing
Business Support					
Optimize Existing					
Continually monitor highest and best use of space and identify suitable relocation opportunities		N/A	Proactive	Ongoing	Ongoing
Warehouse and storage rationalization and utilization		N	Proactive	Ongoing	Ongoing
Acquire Land					
Replace existing leased space at Carl Hall, and loss of space at Danforth Garage	7257	N	Capital	2027	2032
Replace space due to demolition for 10 th garage at 780 Kipling	7257	N	Capital	2032	2038

Facilities – Cross System Support

Implementation Action	IO/CIP #	Funded (Y/N)	Project Type	Property Timing	Project Finish
Explore Opportunities					
Assess property requirements for a new Major Control Centre to meet the needs of the expanded fleet, including the new data centre	6115	Y	Capital	2025	2032
Assess options to accommodate a temporary transit control centre		N	Proactive	2025	2025

System					
Implementation	IO/CIP #	Funded (Y/N)	Project Type	Property Timing	Project Finish
Buses and Wheel-Trans					
Acquire Land					
Additional loops, as required		N	Proactive	Ongoing	Ongoing
Intermodal connections for future LRT and subway lines (i.e. Eglinton Crosstown, Ontario Line, Waterfront East LRT, Yonge Subway Extension, Scarborough Subway Extension)		N	Proactive	Ongoing	Ongoing
Explore Opportunities					
Reconfigured Eglinton bus terminal	7139	Y	Capital	2028	2031
Implement bus electrification program through third party developments and on City-owned property		N	Proactive	Ongoing	Ongoing
Streetcar					
Acquire Land					
Additional loops, as required		N	Proactive	Ongoing	Ongoing
Exhibition – Dufferin Gate Loop Expansion	7035	Y	Capital	2026	2030
Line 2 Capacity Enhancement Program – Lansdowne Streetcar Substation Upgrades	7148	Y	Capital	2026	2030
Broadview Station Loop Expansion		N	Functional	Future Planning Initiative	TBD
Park Lawn GO Station Loop	7118	N	Capital	Planning Stages	TBD
Explore Opportunities					
Polson Loop		N	Functional	Future Planning Initiative	TBD
Broadview Ave. Streetcar Extension Loop		N	Functional	2025	2030
Pape - Carlaw Loop (Ontario Line)		N	Functional	2027	2030
Queen – Broadview Loop		N	Functional	2027	2030
Lakeshore/Broadview Loop		N	Functional	Future Planning Initiative	TBD
Support City Building					
Long Branch Loop Redevelopment		N	Functional	2026	TBD

System					
Implementation	IO/CIP #	Funded (Y/N)	Project Type	Property Timing	Project Finish
Subway/LRT					
Optimize Existing					
Ensure third party compliance with development and maintenance agreements		N/A	Proactive	Ongoing	Ongoing
Acquire Land					
Line 1 Capacity Enhancement Program					
a. Markdale Emergency Service Building	7108	Y	Capital	2026	2031
b. St. Clair West Fire Ventilation Upgrade	7108	Y	Capital	2025	2029
c. Highway 407 Substation	7108	Y	Capital	2026	2033
d. Lytton Emergency Service Building	7108	Y	Capital	2027	2033
e. Davisville North Track	7108	N	Capital	2036	2041
f. VMC Pocket Track	7108	N	Capital	2037	2041
Line 2 Capacity Enhancement Program					
a. Spadina Station Streetcar Platform Extension	7148	Y	Capital	2025	2027
b. Spadina Station Concourse Expansion	7148	N	Capital	2026	2041
c. Warden Station Pocket Track	7148	N	Capital	2028	2031
d. New Danforth Substation	7148	N	Capital	2032	2038
Fire Ventilation Program	5776\7242	Y	Capital	2026	2033
Acquisition through third party developments:					
a. Line 2 westerly subway extension		N/A	Proactive	Future Planning Initiative	2041
b. Protecting existing system		N/A	Proactive	Ongoing	Ongoing
Waterfront East LRT	7186	N	Capital	Planning Stages	TBD
a. Fire Ventilation				Planning Stages	TBD
b. Fan Plant				Planning Stages	TBD
c. Substation Facility				Planning Stages	TBD
d. Acquisition of property with Waterfront Toronto for at-grade section				Planning Stages	TBD
SRT Busway Conversion	7243	N	Capital	2025	2027

System					
Implementation	IO/CIP #	Funded (Y/N)	Project Type	Property Timing	Project Finish
Explore Opportunities					
Surplus portions of the former SRT not required for TTC use		N	Proactive	2025	2025
Implement TTCs Digital Connectivity Strategy and the City's Connect TO initiative		N	Proactive	Future Planning Initiative	TBD
Stations, Depots, Terminals, Stops, and Access Hubs					
Optimize Existing					
Integrate Customer Parking Charging Systems	7271	N	Capital	Future Planning Initiative	2028
Acquire Property					
Easier Access Phase III Program – Old Mill Station	5666	Y	Capital	2025	2028
Second Exit Program	5776/7242	Y	Capital	2026	2033
Bloor-Yonge Capacity Improvement Project	6285	Y	Capital	2025	2033
Line 1 Capacity Enhancement Program					
a. King Station – Concourse Expansion	7108	Y	Capital	2026	2029
b. St. George Station – New Stacked Expansion	7108	N	Capital	2033	2040
c. St. Andrew Station Second Exit	7108	N	Capital	2034	2037
Expand Eglinton Station through Oxford redevelopment	7139	Partial	Capital	2028	2031
Runnymede Station Permanent Easements		N	Proactive	Planning Stages	TBD
Spadina North Entrance Temporary Easements	6963	Y	Capital	2025	2025
Waterfront East LRT - New connections with Union Station, Queens Quay Station and third party developments	7186	N	Capital	Planning Stages	TBD
Explore Opportunities					
Monitor station functionality and expand to meet increased capacity		N	Proactive	Ongoing	Ongoing
Support City-Building					
Work with Create TO to:					
a. Coordinate commuter parking (i.e. Warden, Islington, and Victoria Park Stations)		N/A	Proactive	Ongoing	TBD
b. Relocate the PPUDO at Victoria Park Station		N/A	Proactive	2025	2025

System					
Implementation	IO/CIP #	Funded (Y/N)	Project Type	Property Timing	Project Finish
c. Assess parking at Finch Station due to Yonge North Extension		N/A	Proactive	Future Planning Initiative	TBD
d. Identify granting air rights and redevelopment opportunities		N/A	Proactive	Ongoing	Ongoing
Work with Metrolinx on the integration of the provincial LRT and transit expansion programs at interchange stations		N/A	Proactive	Ongoing	Ongoing
New bus depots through Warden Station and Islington Station redevelopments	7240/7241	Y	Capital	2025	2027

Office Space					
Implementation	IO/CIP #	Funded (Y/N)	Project Type	Property Timing	Project Finish
Corporate Office Space					
Explore Opportunities					
Explore modernization of office space, where feasible		N/A	Proactive	Ongoing	Ongoing
Support City-Building					
Implement Modern TO consolidation of TTC offices		N	Functional	2025	2028
Transfer McBrien building to City		N	Functional	TBD	TBD
Operational Office Space					
Optimize Existing					
Minimize use of trailers		N	Proactive	Ongoing	Ongoing
Review to ensure that uses support the facility in an efficient manner		N	Proactive	Ongoing	Ongoing
Explore Opportunities					
Find permanent location for Structures group presently at Davisville		Y	Functional	2025	2026
Re-incorporate Divisional offices within the redeveloped Danforth Garage		Funded by City	Functional	Planning Stages	TBD
Explore modernization of office space, where feasible		N/A	Proactive	Ongoing	Ongoing
Other Space					
Explore Opportunities					
Modernize and integrate construction offices within existing office space, where feasible		N/A	Proactive	Ongoing	Ongoing
Long-term solution for Transit Enforcement and Revenue Protection		N	Capital	2025	2032
Determine uses that cannot be accommodated through ModernTO consolidation and find long-term solution		N	Proactive	Planning Stages	2032
Accommodate customer facing uses (i.e. Lost Articles Division, Customer Service Office) in central location of the city		N	Proactive	Ongoing	TBD

Other Real Estate Opportunities				
Implementation	IO/CIP #	Funded (Y/N)	Project Type	Property Timing
Other Real Estate				
Explore Opportunities				
Ensure a robust antennae network to support TTC's communications infrastructure		N	Ongoing	Ongoing
Support City-Building				
Monitor compliance of third party obligations		N/A	Proactive	Ongoing
Execute required agreements for future third party developments		N/A	Proactive	Ongoing
Value creation underway at southwest corner of Yonge St. and Eglinton Ave. W		N/A	Functional	Future Planning Initiative
Explore value creation opportunities with City and CreateTO on:		N/A	Proactive	Future Planning Initiative
a. 7 Jackes Ave. and 16 Summerhill Ave.		N/A	Proactive	Future Planning Initiative
b. 44 Jackes Ave. and 33 Rosehill Ave.		N/A	Proactive	Future Planning Initiative
c. 15 Price St.		N/A	Proactive	Future Planning Initiative
d. 15 Dundonald St.		N/A	Proactive	Future Planning Initiative
e. 1155 Yonge St.		N/A	Proactive	Future Planning Initiative
f. 33 Bloor St. E		N/A	Proactive	Future Planning Initiative
g. 2 Bloor St. W		N/A	Proactive	Future Planning Initiative
h. Existing open cut areas		N/A	Proactive	Future Planning Initiative

Attachment 3 - Intergovernmental Funding in the 2025 Operating Budget and 10-Year Capital Plan

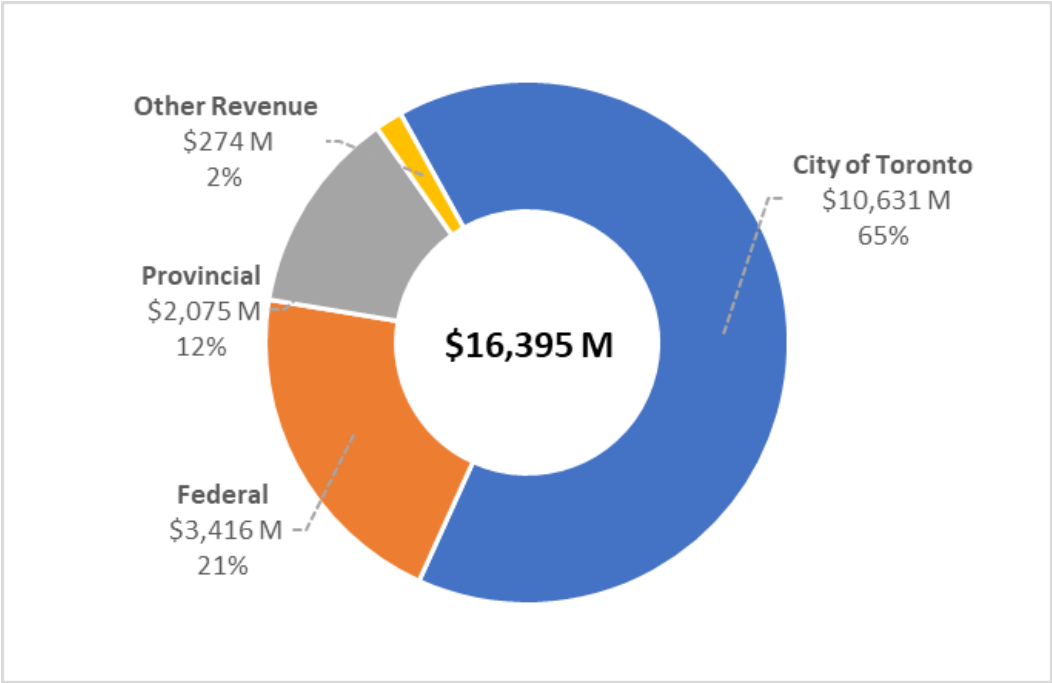
Summary

This attachment summarizes the federal and provincial funding programs that contribute to the TTC’s 10-Year Capital Budget and Plan, and 2025 Operating Budget. A key strategic direction of the TTC’s [Corporate Plan 2024-2028](#), is to address the structural fiscal imbalance, in part through building intergovernmental partnerships to advance public transit [Action 5.4.2]. The TTC with the City, continues to build relationships with other orders of government to advance shared goals, and to leverage available City funding to maximize funding opportunities for priority TTC projects and programs.

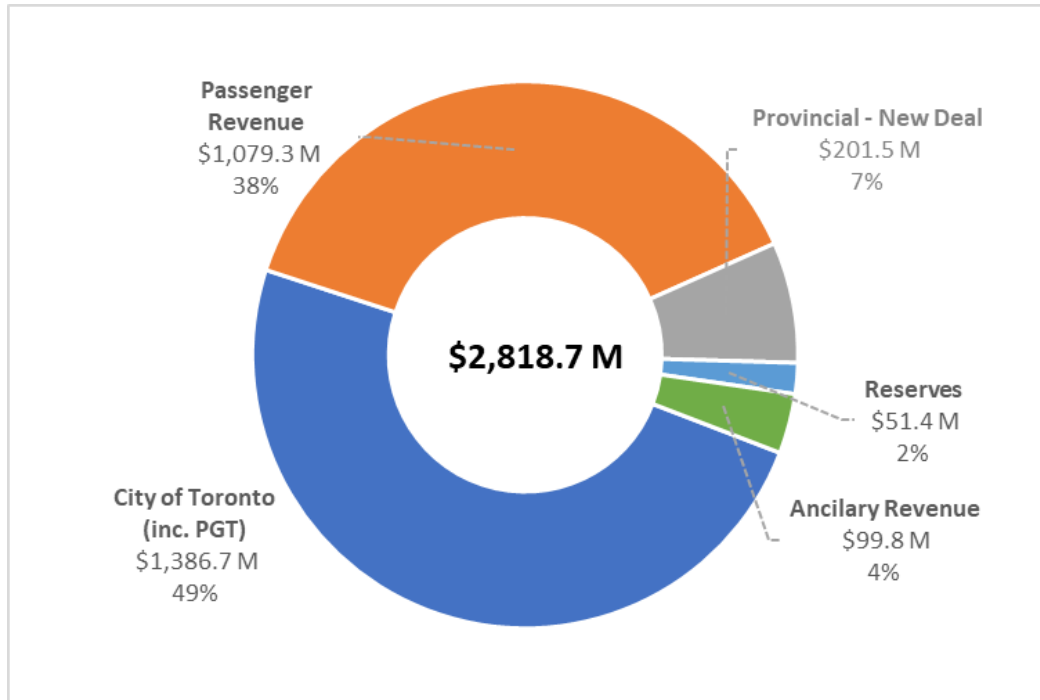
The TTC’s recommended \$16.4 billion, 10-Year Capital Budget and Plan (2025-2034) includes \$3.416 billion in federal funding and \$2.075 billion in provincial funding. The report summarizes the various one-time and ongoing capital funding programs that the TTC and City has secured for funding its priority capital needs.

The TTC’s recommended \$2.8 billion 2025 Operating Budget includes \$201.5 million in one-time provincial operating funding to support community safety, ridership recovery and the transition to operating Line 5 and Line 6. This funding was secured through the [Ontario-Toronto New Deal Agreement](#) between Mayor Chow and Premier Ford.

2025-2034 Capital Plan by Funding Source



2025 Operating Budget by Funding Source



Critical capital and service investments were made possible through government partnership funding. The fiscal framework of the TTC however, continues to require all orders of government to work together to find longer term sustainable solutions for public transit. The TTC, in partnership with the City, continues to seek funding towards its priority needs, and proactively shares the TTC's Capital Investment Plan, and risks associated with underinvestment.

The information in this attachment is supplemental to the recommended 2025-2034 TTC Capital Budget and Plan, and recommended 2025 Operating Budget.

Issue Background

Establishing a sustainable financial framework is a key priority for the TTC. In addition to focussing on efficiency, and maximizing revenue while ensuring customer affordability, strengthening intergovernmental relationships forms part of a multi-pronged approach to addressing the structural fiscal imbalance.

Capital Funding Needs

The 2025-2039 Capital Investment Plan identifies required investments of \$53.379 billion, of which, \$36.983 billion is unfunded. In the report [*Prioritizing TTC Asset State of Good Repair to Keep the System Moving Reliably – 2025 Capital Budget*](#), the TTC identified funding priorities of SOGR, health and safety and legislated requirements. Significant progress has been made towards funding the SOGR backlog in the 2025-2034 Capital Budget and Plan.

Even with over \$4.8 billion in incremental investments towards critical SOGR, including the recent investment in Line 2 replacement trains, there remains an SOGR backlog over the next 5-10 years. This includes fleet replacement programs such as bus and Wheel-Trans. While SOGR remains the priority, the TTC must also address unfunded needs for service improvement and growth, such as additional growth trains and a new Train Maintenance and Storage Facility for Line 1. The TTC continues to rely on intergovernmental funding support to address both SOGR and growth and service improvement needs currently unfunded in the Capital Investment Plan.

Operating Funding Model:

In 2024, TTC's revenue sources covered 49% of operating costs, compared to 66% in 2019. The TTC obtains revenues primarily through customer fares (43% in 2024 and 62% in 2019). Inclusive of ancillary revenues (advertising, parking and subway concessions), two-thirds of the conventional transit system's operating expenses were previously funded by TTC revenue streams. A City property tax funded subsidy and a portion of the annual Provincial Gas Tax Fund allocation comprised the balance.

The reliance on the farebox as the primary revenue stream to fund operations is a risk. Even with the growth in ridership in last year, shifts toward hybrid work models and continuing changes in travel patterns reduce the dependability of farebox revenues as the primary operating revenue source. The TTC has managed to sustain services with support from intergovernmental partners in recent years.

The Ontario-Toronto New Deal Agreement provided critical operating funding support over a three-year period ending in April 2027. A long-range solution is required, with the current outlook indicating an incremental base pressure of \$120.0 million in 2026 and approximately \$239.4 million in 2027. This is before additional investments in service and required modernization initiatives. Building on the success of the City-led New Deal, work must continue toward a sustainable long-term approach to funding transit operations. The TTC will continue to take measures to find efficiency savings, however opportunities to constrain costs without impacting service are limited.

Comments

1. Intergovernmental Capital Funding Programs

Since the introduction of the TTC's Capital Investment Plan in 2019, the TTC has been the recipient of intergovernmental funding and/or funding commitments totalling more than \$3.2 billion for critical capital projects. This includes:

- Up to \$1.0 billion in combined matching funding from the federal and provincial governments for the Bloor-Yonge Capacity Improvements project;
- \$360 million for the TTC's Streetcar Program;
- \$349 million in matching federal funding for the procurement of 340 eBuses and charging infrastructure to support needs to 2025; and
- \$1.5 billion for Line 2 subway trains through federal and provincial matching contributions of \$758 million each.

This is in addition to matching and incremental City funding sources over the same period, most notably, the City of Toronto's tax levy increase through the City Building Fund (CBF). The TTC is also the recipient of dedicated ongoing funding programs which have been models for predictable funding for public transit. This includes the Provincial Gas Tax Fund Program and the Canada Community Building Fund (formerly the Federal Gas Tax Fund). Table 1 provides a summary of intergovernmental funding in the TTC's 2025-2034 Capital Budget and Plan.

Table 1
Summary of Intergovernmental Capital Funding in TTC Capital Plan (\$millions)

Capital Funding Program(s)	Project/Program	Years	Total Federal Funding Contribution	Total Provincial Funding Contribution	Intergovernmental Funding in 2025 – 2034 TTC Capital Plan
Annual Ongoing Funding Programs					
1. Canada Community Building Fund	Various TTC Capital	2025-2034	\$183.9 annually (indexed to inflation)	n/a	\$1,898.4
2. Provincial Gas Tax Fund	Various TTC Capital	2025-2034	n/a	\$86.6 annually allocated to capital by City (*projected)	\$866.2
Grant Funding Programs Project Application Based					
3. Investing in Canada Infrastructure Program (ICIP-PTIF)	Bloor Yonge Capacity Improvement Project	2022-2035	\$500 (37.3%)	\$449.2 (33.5%)	\$922.7
4. Zero Emission Transit Fund; Provincial Funding - Streetcars	TTC Streetcar Program: 60 Streetcars; Hillcrest Facility Expansion	2021-2028	\$180 (33%)	\$180 (33%)	\$107.5
4. Zero Emission Transit Fund	Green Bus Program: 340 eBuses, 248 Charge Points	2022-2026	\$349 (50%)	n/a	\$219.3
5. Ontario -Toronto New Deal, 6. Canada Public Transit Fund- Baseline	Line 2 Subway Trains: 55 Line 2 Subway Trains	2026-2035	\$758 (33%)	\$758 (33%)	\$1,476.6
Total			\$1,787	\$1,473.8	\$5,490.7

**The above chart does not show funding programs pre-2020. Prior programs include but are not limited to the Public Transit Infrastructure Fund (PTIF Phase 1), and the 204 Ontario-Toronto 204 Streetcar Funding Program, etc.*

1. Canada Community Building Fund

Established in 2005, the Canada Community Building Fund (CCBF) (formally the Federal Gas Tax Fund) provides Canadian municipalities with approximately \$2.4 billion per year for investments in infrastructure on a per-capita basis. The CCBF provides municipalities with the flexibility to make investments across 19 infrastructure categories, including public transit. Since the inception of CCBF, Toronto City Council has directed funds towards investments in the TTC.

On April 1, 2024, the City entered into a new 10-year Administrative Agreement with the Government of Canada, Province of Ontario and Association of Municipalities of Ontario. In 2025, the City will receive approximately **\$183.9 million** in funding, which will be directed to the TTC. Over the ten-year period the 2025 – 2034 recommended TTC Capital Budget and Plan includes **\$1.898 billion** in CCBF funding to continue to focus on state of good repair projects and programs.

2. Provincial Gas Tax Program

Introduced in 2004, the Provincial Gas Tax (PGT) currently transfers two cents per litre of provincial gas tax revenues to municipalities for their public transit systems. In 2013 legislation was passed that permanently dedicates a portion of annual provincial gas tax revenues to municipalities. Municipal allocations are determined using a formula based on transit ridership (70% weighting) and population (30% weighting). Revenues must be used to support expenditures above municipal baseline spending.

For the 2023-2024 program year the City will receive approximately \$178.2 million from the Province of Ontario. This is a reduction from the previous years which saw the City eligible to receive an allocation of \$185.5 million in 2022-2023 and \$185.1 million in 2021-2022. The TTC uses approximately half of its annual allocation for operating expenditures and the remaining for capital state of good repair.

The Provincial Gas Tax program is a model of predictable and flexible long-term funding, however, the real dollar value of the PGT Fund will continue to decline without adjustment for inflation. The [Ontario Public Transit Association](#) and transit systems have made a request for upholding the purchasing power of the PGT to the Province.

3. Investing in Canada Infrastructure Program (ICIP) – Public Transit Infrastructure Stream (PTIF)

In July 2022, all three orders of government committed funding for the Bloor Yonge Capacity Improvement (BYCI) project with a total estimated cost of \$1.5 billion. This includes a \$500 million federal contribution and \$449.2 million provincial contribution.

The BYCI project enables the retrofit and expansion of the Bloor-Yonge interchange station, including a new Line 2 platform, and the expansion of the Line 1 platforms to address crowding, improve accessibility and accommodate future ridership growth from expansion. The project is expected to be completed in 2033, and the project will align with interdependent projects such as opening of the Ontario Line. The TTC, with the

City is in the process of finalizing the transfer payment agreement with the Province, who administers the program on behalf of the federal government.

4. Zero Emission Transit Fund (ZETF)

Through the Zero Emission Transit Fund, the Government of Canada is funding public transit electrification. The TTC has been successful in securing funding for two projects.

- Zero Emission Buses and Charging Infrastructure: The TTC is receiving \$349 million in federal funding for the procurement of 340 eBuses and 248 charge points to support requirements up to end of 2025. This would bring total electric bus fleet to 400 eBuses.
- The TTC Streetcar Program: The Streetcar Program is being funded by all three orders of government, including \$180 million in provincial contribution for 60 Streetcars. The federal government is providing \$180 million for the procurement of 47 of 60 streetcars and supporting infrastructure upgrades required at the Hillcrest Facility for the storage and maintenance of up to 25 of the new streetcars.

5. Line 2 Subway Trains: Ontario – Toronto New Deal Funding and the Canada Public Transit Fund Baseline Stream

On November 27, 2023, the Government of Ontario and City of Toronto announced the Ontario-Toronto New Deal. As part of this agreement, the province committed \$758 million for the procurement of 55 new subway trains for Line 2. Funding was conditional on federal matching funds for the Line 2 trains.

On November 29, 2024, the [Government of Canada announced](#) Toronto's allocation under the Canada Public Transit Fund Baseline Funding Stream of \$116,363,918 annually. The TTC will use a portion of its allocation toward the \$758 million in required federal matching funding for the 55 replacement trains. The [Province of Ontario reconfirmed](#) its commitment to matching \$758 million for new subway trains and together with approved municipal funding in the TTC's 10-year Capital Budget and Plan, the TTC has funding for the estimated cost of \$2.27 billion, subject to final costs via competitive procurement.

On December 2, 2024, the TTC issued Notices of Proposed Procurement for [New Subway Trains](#) and [Automatic Train Control \(ATC\)](#) for the competitive procurement of 55 new subway trains for Line 2, 15 trains for the Provincial expansion projects, as well as the new Automatic Train Control (ATC) for Line 2. On December 9, 2024, the TTC formally issued the [Request for Proposals for the New Subway Trains](#), which also includes options to procure future growth trains required for Line 1 and Line 2 to be exercised at a future date subject to additional funding being secured.

Please see section three on future intergovernmental funding requirements that support the TTC's priority needs.

2. Intergovernmental Operating Funding Support for Public Transit

The operational funding model is reliant on farebox revenues and the limited non-fare revenue streams available to the TTC. Since the mid-1990s, intergovernmental funding for public transit operations has been limited to specific one-time funding agreements to support ongoing service delivery in times of substantial shortfalls in the TTC's farebox revenues. Table 2 provides a summary of key operating funding supports provided in the last four years to sustain TTC service levels and operations.

Between 2020 and 2022, the TTC received a combined \$1.8 billion in one-time operating funding from federal and provincial governments through the Safe Restart Agreement to sustain services and manage the financial impacts of reduced ridership due to COVID-19. In 2023, the TTC estimated a \$366 million financial impact due to COVID-19. The City of Toronto addressed the 2023 pressure through one-time measures and funding from reserves, in addition to a fare increase.

The 2023 Ontario-Toronto New Deal Agreement provided a commitment of \$630 million dollars commencing in Q1 2024 through to Q1 2027. This includes \$330 million of funding in support of operations for the Eglinton Crosstown LRT (Line 5) and Finch West LRT (Line 6) and \$300 million to support improving overall transit safety and well-being for both customers and employees. This level of operational support continues to be essential in maintaining service levels while ridership continues to grow. In addition, the City/TTC continues to allocate a share of the Provincial Gas Tax Fund to the annual Operating Budget to support transit operations. Approximately \$91.6 million is allocated in the recommended 2025 operating budget.

Table 2
Summary of Intergovernmental Funding in TTC Operating Budget (\$millions)

Operating Funding Program(s)	Initiative	Years	Total Federal Funding	Total Provincial Funding	Total Intergovernmental Funding 2025 Budget
Safe Restart Agreement	COVID-19 - Operating Support: Support toward safe re-opening of economies– operating support during Covid-19	2020-2022	\$900	\$900	\$0
New Deal Agreement	Community Safety and Well-Being: Subways and transit safety - one time funding	Apr 2024-Apr 2027	-	\$300	\$100
	LRT Operating Funding (Line 5 and Line 6): Eglinton Crosstown LRT and Finch West LRT	Apr 2024-Apr 2027	-	\$330	\$101.5
Provincial Gas Tax	Approximately 50% of the annual PGT allocation	Annual Allocation	-	\$91.6	\$91.6
			\$900	\$1,621.6	\$293.1

The City of Toronto, per the Ontario-Toronto New Deal Agreement, will work with the Province to undertake a targeted review of the sustainability of the City’s finances by 2026. The TTC will support any City-led negotiations as part of this next step, in addition to working with transit industry partners. The December 2024 [Board direction](#) that the TTC request the Province to provide funding for increased Wheel-Trans service will be conveyed in ongoing discussions.

3. TTC Priorities for Future Intergovernmental Capital Funding Opportunities

The TTC’s Capital Investment Plan (CIP) - updated annually - has provided all orders of government a comprehensive view of the TTC’s capital needs over a 15-year period. In July 2024, the Board endorsed state-of-good-repair unfunded capital requirements as the priority for investing new funding made available to the TTC by any order of government. Immediate needs were outlined in *Prioritizing TTC Asset State of Good Repair to Keep the System Moving Reliably – 2025 Capital Budget Outlook*.

In addition to the state-of-good-repair unfunded capital needs, 25 growth trains are required to accommodate population growth and increased demand on Line 1 and a new Train Maintenance and Storage Facility is required to store and maintain the additional trains for Line 1. The TTC will seek to leverage opportunities for funding through each stream of the Canada Public Transit Fund, and/or new funding programs to address immediate TTC priorities. Table 3 summarizes key unfunded TTC priority projects and programs for future intergovernmental funding opportunities.

Table 3
Summary of Key Projects in the Capital Investment (\$millions)

Project/ Program	Years	Estimated Cost (Millions)	Impact of Not Investing
eBuses and Charging Points Approximately 700 Buses, 950 Charging Points (SOGR)	2025 – 2033	\$2,400	For eBus, if unfunded, the TTC will be faced with following options: <ul style="list-style-type: none"> • Extending the life of the bus fleet past its useful life through a life extension program (investment required); • Transition to a fix on fail maintenance practice and focus only on safety critical components and systems (i.e. declining reliability and availability); or, • Reduction of service; • Limit to bus replacement services to support rail closures (also for maintenance work), city construction and events. • Reduction of vehicle commissioning and decommissioning workforce requirements. For Charging, the TTC will be faced with following options: <ul style="list-style-type: none"> • reduction of bus service, and/or • delayed implementation of green bus program and failure to achieve the TransformTO net zero target by 2040.
Wheel-Trans Replacement 182 Electrification Charging Infrastructure 130 approx. (SOGR)	2025 – 2031	\$137.9	For Wheel-Trans Buses, like other fleets, the inability to replace buses within its proper asset life will result in a degradation/reduction of service, as well as: <ul style="list-style-type: none"> • Negative impact to customers who rely on service for medical appointments and treatments, etc. • Barrier to achieving transit accessibility; • By 2028, 40% of TTC's current fleet of 250 Wheel Trans buses will not have replacement vehicles; by 2029 increase to a shortfall of 86% of the fleet. • Reduction/ elimination of vehicle commissioning and decommissioning staff; and operators due to service impacts.
Line 1 Growth Trains – 25 Trains to meet target service headways in 2035 (GROWTH)	2026 – 2035	\$1,011	The TTC has identified 25 new subway trains for Line 1 and a new Line 1 Train Maintenance and Storage Facility (TMSF) as priorities which require federal and provincial funding to meet the future growth in demand and the ensure the benefits of the regional expansion projects currently underway. The 25 trains are required to accommodate demand until 2032.
Line 1 TMSF – to support expanded fleet of 122 Trains on Line 1 (2041 Service Headway) (GROWTH)	2026 – 2035	\$3,672	Beyond 2032, to accommodate demand, 13 service maturity trains are required for Line 1 to increase capacity longer-term. Based on current projections, it is anticipated that by 2041 daily subway boardings on Line 1 may increase up to 55% over 2019 levels due to Line 1 expansion through the Province's YNSE project and expected population growth. A new TMSF is needed for Line 1 to accommodate a larger subway fleet.

Note: Cost estimates and schedules subject to refinement as project lifecycle progresses, and market pricing available through procurement.

Conclusion

In summary, the TTC and City have been successful in securing funding for priority projects, and the TTC appreciates the federal and provincial partnerships to date. The new Canada Public Transit Fund (CPTF) is a much needed first step toward longer-term sustainable capital funding. Programs such as the CPTF Baseline Stream, Canada Community Building Fund and Provincial Gas Tax Program provide predictability and enable improved long term capital planning.

Given the scale of the TTC's unfunded CIP, the TTC continues to advocate for a tri-partite approach to developing a sustainable public transit funding model that is predictable and supports long-term planning for capital investment. The TTC will also continue to work with the City of Toronto and government partners to identify opportunities to reduce the reliance on the farebox as the primary source of funding transit operations.

Appendix A– An Overview of the Canada Public Transit Fund (CPTF)

1. Baseline Funding	2. Metro Region Agreements	3. Targeted Funding
\$500 Million Annually – Allocated Nationally (\$5 Billion over 10 Years)	\$2 Billion Annually – Allocated Nationally (\$20 Billion over 10 Years)	\$500 Million Annually Allocated Nationally (\$5 Billion over 10 Years)
Program Design: <ul style="list-style-type: none"> Stable, predictable funding toward routine growth and rehabilitation, such as system expansion, extension of assets lifecycle, state-of-good-repair, and/or transit performance improvements. Up to 10 Year Agreements with eligible transit systems Maximum Federal contribution of 40% of eligible costs for capital projects. 	<ul style="list-style-type: none"> Stable, predictable funding geared to regions with highest demand and complex transit systems. Funding to support diverse projects, including planning and feasibility studies, major transit expansion based on priorities outlined in an Integrated Regional Plan. Projects may also include transformational investments that build new subways, dedicated bus lines, and to maintain and sustain health of an existing system. Impact-focused investments that integrates housing and land use. Up to 10-Year Agreements with local government/transit agency partnerships within or adjacent to a Census Metropolitan Area, and with the Provincial government. 	<ul style="list-style-type: none"> Targeted intake process for applications based on Federal priorities. Could include rural and remote transit, active transportation, transit solutions in indigenous communities, zero emissions solutions. Single project agreements targeted at communities of all sizes.
Process: <ul style="list-style-type: none"> Stage 1: Submit an Expression of Interest (EOI) Stage 2: Federal department to notify allocation Submission of Capital Plan Application Federal approval of Capital Plan Application and development of Contribution Agreement. Funds to flow in 2026/27. 	<ul style="list-style-type: none"> Stage 1: Metro-Regions submit an EOI (partner agencies and Province express interest). Stage 2: Integrated Regional Plan submission. Stage 3: Metro Region Agreement Stage 4: Project Funding Applications. Stage 5: Contribution Agreements. Funding to flow in 2026/27. 	<ul style="list-style-type: none"> Details pending.
Status: <ul style="list-style-type: none"> ✓ Opened July 17, 2024. ✓ EOI Application submitted July 17, 2024. ✓ Notice of eligibility received August 13, 2024. ✓ Baseline Funding Allocation received November 20, 2024. ✓ December 18, 2024 - Capital Plan Application Submitted. 	<p>Opened July 17, 2024, for EOI from partner agencies, and Province in a CMA</p> <ul style="list-style-type: none"> EOI process is being coordinated by Ontario Ministry of Transportation. Further details pending. 	<ul style="list-style-type: none"> Details pending. Anticipated that opening of intakes to start in 2025 for different types of projects including zero emissions transit.