

Capital Variance Report for the Four Months Ended April 30, 2025

Date: July 2, 2025

To: Executive Committee

From: Chief Financial Officer and Treasurer

Wards: All

SUMMARY

The purpose of this report is to provide City Council with the City of Toronto capital spending for the four-month period ended April 30, 2025, as well as the projected 2025 year-end expenditures. Furthermore, this report seeks Council's approval for in-year budget adjustments to previous approved Capital Budget and Plan as outlined in Appendix 3 of this report.

Table 1 below summarizes the City's 2025 actual capital expenditures compared with the 2025 Approved Capital Budget for the four-month period ended April 30, 2025, and the projected expenditures by year-end, December 31, 2025.

Table 1: Capital Variance Summary

Table 1 Corporate Capital Variance Summary for the Period Ended April 30, 2025					
	2025 Budget*	2025 4 Month Year-to-Date Expenditures		2025 Projected Year-End Expenditures	
	\$M	\$M	%	\$M	%
City Operations	2,699.1	452.4	16.8%	2,295.0	85.0%
Agencies	2,104.3	461.0	21.9%	1,950.5	92.7%
Tax Supported:	4,803.4	913.4	19.0%	4,245.5	88.4%
Rate Supported:	1,354.9	142.3	10.5%	1,097.9	81.0%
TOTAL	6,158.3	1,055.7	17.1%	5,343.4	86.8%

**Note: Includes 2024 carry forward funding*

The City's actual capital spending for the first four months of 2025 totals \$1.056 billion, or 17.1% of the 2025 Approved Capital Budget. This marks a notable improvement in spending rate compared to the historical average for the same four-month period, which has typically remained below 15% and applied against generally smaller capital budgets in the past years. Capital spending will continue to be reviewed with updates provided in future variance reports that will benefit from actual experience over capital intensive

months. As more actual delivery materializes over the course of the year, the Programs and Agencies will provide updated spending projections.

RECOMMENDATIONS

The Chief Financial Officer and Treasurer recommends that:

1. City Council approve in-year budget adjustments to Previously Approved Capital Budget and Plan, as detailed in Appendix 3.

FINANCIAL IMPACT

The capital expenditures in the first four months of 2025 totalled \$1.056 billion and year-end expenditures are anticipated to be at \$5.343 billion or 86.8% of the total 2025 Adjusted Capital budget.

Appendix 1 summarizes the Year-To-Date spending in the first four months of 2025 and the projected year-end spending rate by City Programs and Agencies.

Appendix 3 includes recommended in-year capital budget adjustments to the 10-Year Capital Budget and Plan. The adjustments reflect a net acceleration of \$52.204 million as well as a net funding increase of \$10.864 million, primarily driven by the advancement of various community, recreation and transportation projects.

The adjustments include a net increase of \$78.508 million in debt funding, primarily resulting from Toronto Parking Authority's reallocation of funding from other sources consistent with funding commitments reflected in the Net Income Sharing Agreement, with no overall increase to total project costs. This adjustment is to align with City Council's decisions when adopting the 2024–2026 City of Toronto–Toronto Parking Authority Net Income Share Agreement ([EX15.9](#)).

The budget adjustments also include funding changes for Toronto Zoo that result in a net increase of \$1.499 million to prior year cash flows for previously approved Capital Budgets, to align with the actual funding requirements.

DECISION HISTORY

The 2025 Tax and Rate Supported Capital Budget of \$6.149 billion including carry forward, received municipal adoption following the Council meeting of February 11, 2025.

<https://secure.toronto.ca/council/agenda-item.do?item=2025.MPB15.1>

The original budget was subsequently amended by City Council through the incremental carry forward and the in-year capital budget adjustments. As a result, the total adjusted budget for 2025 is \$6.158 billion.

This report is provided pursuant to financial management best practices and budgetary control. As part of the City of Toronto's financial accountability framework, quarterly and year-end capital variance reports are submitted to Committees and City Council, to provide financial monitoring information on capital results to date and projections to year-end, and on an exception basis, to identify issues that require direction and/or decisions from City Council. In addition, City Council's approval is requested for budget adjustments that amend the Approved Capital Budget and Plan in accordance with the Financial Control By-Law and the City's financial management policies.

COMMENTS

Table 2 outlines capital actuals for Tax and Rate Supported Programs for the four months ended April 30, 2025, for major service areas.

Table 2: Capital Variance Summary

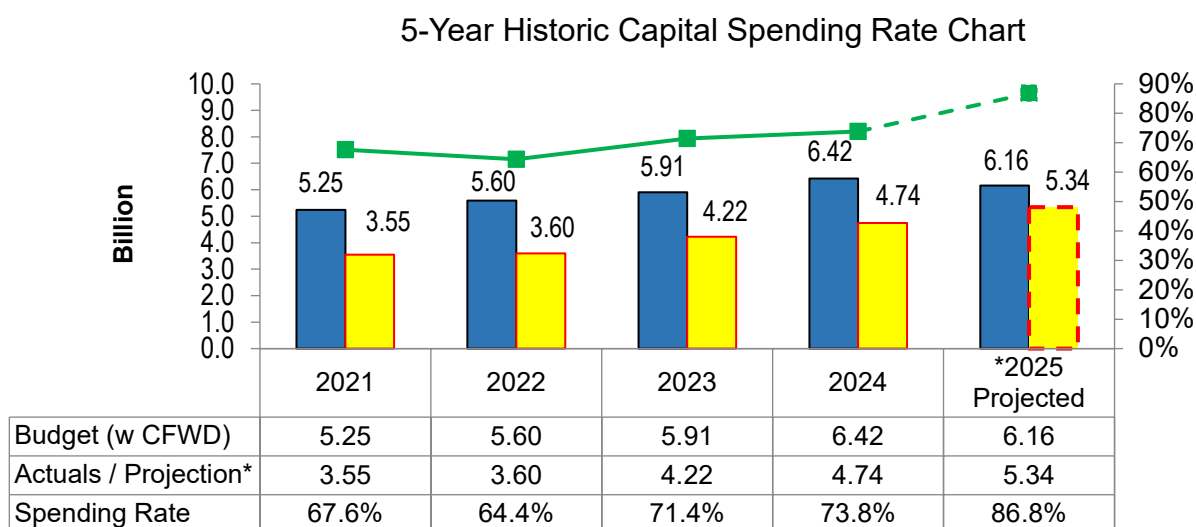
Table 2					
	2025 Budget	2025 4 Month Year-To-Date Actuals		2025 Projected Year-End Actuals	
	\$M	\$M	%	\$M	%
Tax Supported Programs:					
Community and Social Services	637.6	72.8	11.4%	518.4	81.3%
Infrastructure Services	823.4	101.0	12.3%	676.5	82.2%
Development and Growth Services	753.9	173.3	23.0%	630.5	83.6%
Corporate Services	428.4	94.5	22.1%	416.1	97.1%
Finance and Treasury Services	49.3	9.8	19.8%	48.2	97.8%
Other City Programs	6.5	1.1	16.4%	5.4	84.0%
Sub Total City Operations	2,699.1	452.4	16.8%	2,295.0	85.0%
Toronto Transit Commission (TTC)	1,656.3	361.4	21.8%	1,536.1	92.7%
Transit Expansion (a TTC program)	75.8	2.4	3.1%	73.6	97.1%
Other Agencies	372.2	97.3	26.1%	340.8	91.6%
Sub Total - Tax Supported	4,803.4	913.4	19.0%	4,245.5	88.4%
Rate Supported Programs:					
Solid Waste Management	75.0	8.5	11.3%	69.1	92.1%
Toronto Parking Authority	55.6	2.2	4.0%	53.4	96.0%
Toronto Water	1,224.2	131.6	10.8%	975.4	79.7%
Sub Total Rate Supported	1,354.9	142.3	10.5%	1,097.9	81.0%
Total	6,158.3	1,055.7	17.1%	5,343.4	86.8%

The following City Programs and Agencies have significant capital programs, and are the main contributors to the overall projected actuals for the year:

- Toronto Transit Commission is projected to spend \$1.610 billion or 92.9% of its 2025 Approved Capital Budget. Key investments include projections to spend \$294.5 million on the purchase of buses, \$142.6 million on the purchase of streetcars and \$134.9 million towards the Easier Access-Phase III project.
- Toronto Water is projecting to spend \$975.4 million or 79.7% of its 2025 Approved Capital Budget. Key investments include projections to spend \$135.1 million on Basement Flooding Relief Program and \$92.5 million towards the Distribution Watermain Replacement project.
- Transportation Services is projecting to spend \$580.0 million or 89.2% of its 2025 Approved Capital Budget. Key investments include projections to spend \$161.3 million on the F. G. Gardiner project and \$79.0 million towards Local Road Rehabilitation.
- Additionally, Housing Secretariat has a large capital program with significant impact on the overall spending rate. The program is projecting to spend \$528.8 million or 85.9% of its Approved Capital Budget. Key investments include Toronto Community Housing Corporation Building Repair Capital with projected spending of \$215.9 million and Housing Now with projected spending of \$72.8 million.

Figure 1 below compares the actual year-end spending rate in each of the years 2021 to 2024, and the projected 2025 year-end spending rate as detailed in this report. Spending rate is the total capital expenditure as a percentage of the full year budget including in-year adjustments and carry forward funding from prior years' unspent budget.

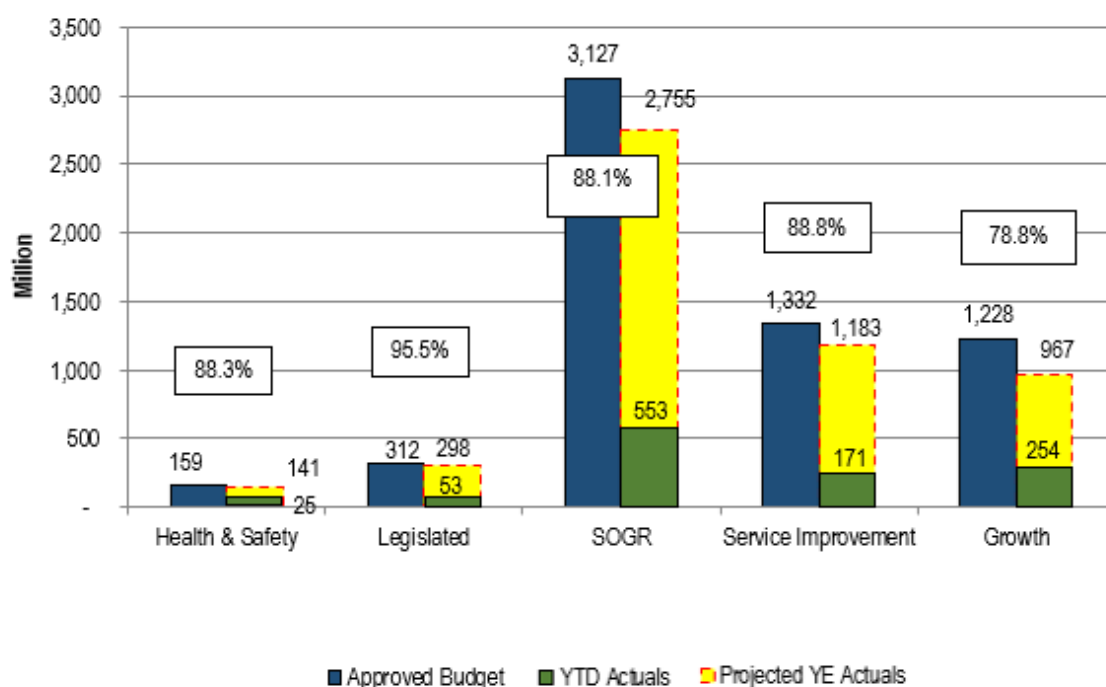
Figure 1: 2021 - 2024 Actuals and 2025 Projected Capital Spending Rate (\$ Billions)



As indicated in the above chart, the City's annual spending rate is steadily trending upward from 67.6% in 2021. The projected 2025 spending rate of 86.8% is based on information and analysis as of April 30, 2025. The total actual expenditure for 2025 will be reported at the year-end variance report.

The City's capital program encompasses five categories of capital projects: Health and Safety, Legislated, State of Good Repair (SOGR), Service Improvement, and Growth Related. Figure 2 compares the 2025 Total (Tax and Rate) Approved Capital Budget, year-to-date actual spending, and projected year-end actuals for each project category.

Figure 2: 2025 Approved Budget versus. Year-to-Date Actuals and Projected Spending by Project Category (\$ Millions)



The project categories, other than growth-related, are forecasting a high spending rate of more than 85% at this time. A more refined forecast will be available in the six month and nine month variance reports.

Further details on the progress of all approved capital projects for each City Program and Agency can be found in Appendix 4 of this report.

FIFA World Cup 2026 (FWC26) Consolidated Capital Budget

Table 3 below summarizes the capital actuals for the four months ended April 30, 2025 as well as year-end projections for key programs and agencies delivering capital projects in support of FWC26, based on the approved 2025 Capital Budget and recent Council direction.

Table 3: FIFA World Cup 2026 Consolidated Capital Spending

Program/Agency	2025 Approved Budget	2025 4 Month Actual Expenditures		2025 Projected Year-End Expenditures	
	\$000	\$000	%	\$000	%
Exhibition Place	69,988	23,548	33.6%	69,988	100.0%
Parks and Recreation	13,976	1,480	10.6%	13,976	100.0%
Transportation Services	150	\$0	0%	150	100.0%
Total	84,114	25,028	29.8%	84,114	100.0%

- Exhibition Place is projecting to fully spend the 2025 Capital Budget for upgrades to BMO Field, which include accessibility upgrades to washrooms, suite upgrades, dressing room upgrades, new permanent video boards, refurbished audio-visual systems, sports lighting replacement, turf upgrades, and temporary seating improvements to bring the stadium to FIFA operational standards. Stadium upgrades are on track to be completed before the games begin in 2026.
- Parks and Recreation is projecting to fully spend the 2025 Capital Budget for enhancements to City sports fields and facilities at Centennial Park for training purposes.
- Transportation Services is projecting to fully spend the 2025 Capital Budget for the installation of FIFA related CCTV cameras.
- The figures above are part of the \$380 million overall gross budget for the FWC26 and take into account the new \$340 million temporary spending restriction adopted by City Council on May 22, 2025 ([EX23.17](#)).

Recommended In-Year Budget Adjustments

City Council approval is required for the in-year budget adjustments. The key adjustments are outlined below for City Council's reference. As well, detailed information for all adjustments is provided in Appendix 3.

City Planning

- \$1.500 million net increase to cashflows funded through reserves to deliver on Council direction for the assessment of the Scarborough Rapid Transit Adaptive Reuse project.

TO Live

- \$2.275 million net increase to cashflows funded through donations to refurbish the George Weston Recital Hall at the Meridian Arts Centre.

Toronto and Region Conservation Authority

- \$5.600 million net increase to cashflows funded through federal grants for The Meadoway Multi-use Trail.

Toronto Parking Authority

- Reallocation of funding sources from Toronto Parking Authority retained earnings to debt funding for the Bike Share Equipment Purchase project (\$31.2 million) and EV Charging Program – Off-street project (\$45.5 million) with no overall increase to total project costs. These reallocations are in response to the 2024-2026 City of Toronto - Toronto Parking Authority Net Income Share Agreement which was adopted by City Council on June 26 and 27, 2024 ([EX15.9](#)).

CONTACT

Althea Hutchinson, Executive Director, Financial Planning
Tel: 416-338-7840, Email: Althea.Hutchinson@toronto.ca

Andy Cui, Manager, Financial Planning
Tel: 416-397-4207, Email: Andy.Cui@toronto.ca

SIGNATURE

Stephen Conforti
Chief Financial Officer and Treasurer

ATTACHMENTS

Appendix 1 2025 Capital Variance Summary for the Four Months Ended April 30, 2025
Appendix 2 2025 Major Capital Projects for the Four months Ended April 30, 2025
Appendix 3 In-Year Adjustments for the Four months Ended April 30, 2025
Appendix 4 2025 Four Month Capital Variance Dashboard by Program and Agency