



REPORT FOR ACTION

2026 Tax and Rate Supported Interim Operating and Capital Spending Authorities

Date: November 25, 2025

To: Executive Committee

From: Chief Financial Officer and Treasurer

Wards: All

SUMMARY

The purpose of this report is to establish 2026 interim spending authorities for City Divisions and Agencies before the final adoption of the 2026 Tax and Rate Supported Operating and Capital Budget and Plan. The interim spending authority will allow Divisions and Agencies to continue to deliver current services, meet existing contractual commitments, and continue work on previously approved capital projects until such time as the 2026 budgets are adopted. The 2026 Tax and Rate Supported Operating and Capital Budgets are expected to be adopted in February of 2026.

It should be noted that no funding for new or enhanced services or new capital projects, which are subject to budget adoption, is included in the recommended 2026 Interim Spending Authorities contained in this report.

The 2026 Tax and Rate Supported Interim Operating Spending Authorities total \$5.353 billion. The 2026 Tax and Rate Supported Interim Capital Spending Authorities total \$2.797 billion, including previously approved debenture financing of \$0.772 billion.

RECOMMENDATIONS

The Chief Financial Officer and Treasurer recommends that:

1. City Council approve the 2026 Tax and Rate Supported Interim Operating Spending Authorities totalling \$5.353 billion as detailed by City Division and Agency in Appendix 1 attached.

FINANCIAL IMPACT

Approving the recommendation in this report will ensure adequate spending authority is in place for all Divisions and Agencies until the 2026 operating and capital budgets are adopted.

Operating:

As shown in Table 1 below, the 2026 Tax and Rate Supported Interim Operating Spending Authorities total \$5.353 billion, representing approximately 33% of the 2025 Gross Budget for the City Operations and 33% of the 2025 Net Budget for City Agencies. The Interim Spending Authorities will enable the continuance of operations until the 2026 Budget adoption. Agencies are partially funded by the City and are able to cover a portion of expenditures through other revenue sources. The funding requirements for each City Division and Agency are outlined in Appendix 1 of this report.

Table 1: 2026 Tax and Rate Supported Interim Operating Spending Authorities

Service Areas (\$M)	2026 Interim Spending Authorities
Community and Social Services	2,026
Infrastructure Services	221
Development and Growth Services	344
Corporate Services	208
Finance and Treasury Services	40
City Manager	46
Other City Programs	52
Accountability Offices	5
Total - City Operations	2,942
Agencies	1,125
Corporate Accounts	615
Total - Tax Supported	4,682
Rate Supported	670
TOTAL CITY	5,353

Capital:

The 2026 Interim Capital Spending Authorities recognize spending authority to continue work on previously approved capital projects. Cash flow funding for 2026 commitments and funding carried forward from 2025 to 2026 are required to complete the capital work totalling \$2.797 billion, equivalent to 45% of the 2025 Capital Budget and includes \$0.772 billion in debt funding.

Required cash flow funding for each City Division and Agency is summarized in Table 2 below and detailed in Appendix 1.

Table 2: 2026 Tax and Rate Supported Interim Capital Spending Authorities

Service Areas (\$M)	2026 Interim Spending Authorities Gross	2026 Interim Spending Authorities Debt
Community and Social Services	207	63
Infrastructure Services	401	155
Development and Growth Services	321	88
Finance and Treasury Services	16	15
Corporate Services	237	121
Other City Programs	2	1
Total City Operation	1,184	443
Agencies	804	325
Total - Tax Supported	1,988	768
Rate Supported	809	4
TOTAL CITY	2,797	772

DECISION HISTORY

The City of Toronto Act, 2006 requires that the City annually adopt a budget including estimates of all sums required during the year for the purpose of continuing its business. The City's Financial Control By-Law specifies that the Council must adopt an interim operating budget prior to the 1st day of January of the year in which the operating budget will be adopted.

COMMENTS

2026 Tax and Rate Supported Interim Operating Spending Authorities

The Interim Spending Authorities grant funding to maintain ongoing, existing operations and do not include funds for any new or enhanced services. The interim spending authorities are based on a portion of the 2025 Operating Budget, including year-to-date in-year adjustments at the time of this report.

The Interim Spending Authorities are approximately thirty-three (33) percent of the 2025 annual gross expenditure budget for City Operations and Corporate Expenditures overall and represent approximately thirty-three (33) percent of the annual net budget for Agencies, adjusted for seasonality, to provide the necessary cash flow to these entities.

Many Agencies are only partially funded by the City, as they are able to cover a portion of their expenditures through other revenue sources.

2026 Tax and Rate Supported Interim Capital Spending Authorities

The 2026 Interim Capital Spending Authorities reflect the cash flow required to continue work on previously approved capital projects until the 2026-2035 Capital Budget and Plan are adopted.

The Interim Capital Spending Authorities permit the following:

- To continue work on previously approved capital projects,
- To fulfill previously established contractual commitments, and
- To provide carry-forward funding from 2025 to 2026 for projects that are underway.

Appendix 1 details capital budget spending authority for previously approved 2026 committed cash flow and preliminary 2025 carry-forward funding estimates for each City Division and Agency.

The 2026 Interim Capital Budget Spending Authorities for City Divisions and Agencies represent 45% of the 2025 Approved Capital Budget and gross expenditure for Tax and Rate Supported Divisions and Agencies.

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SIGNATURE

Stephen Conforti
Chief Financial Officer and Treasurer

ATTACHMENTS

Appendix 1 - 2026 Tax and Rate Supported Interim Operating and Capital Spending Authorities

Appendix 1: 2026 Tax and Rate Supported Interim Operating and Capital Spending Authorities

CITY OF TORONTO
2026 INTERIM SPENDING AUTHORITIES
 (\$000's)

Divisons / Agencies	Operating			Capital	
	2025 Council Approved Gross Budget	2025 Council Approved Net Budget	2026 Interim Budget Cash Out-Flow	2026 Interim Spending Authorities Gross	2026 Interim Spending Authorities Debt
Community and Social Services					
Children's Services	1,677,477	99,781	553,567	3,802	753
Court Services	40,196	7,723	13,265		
Economic Development & Culture	109,858	92,845	36,253	19,133	13,136
Fire Services	574,924	548,762	189,725	5,972	3,997
Parks & Recreation	488,873	356,745	161,328	96,122	15,073
Seniors Services and Long-Term Care	427,421	96,089	141,049	17,894	0
Social Development, Finance & Administration	145,840	127,002	48,127		
Toronto Employment & Social Services	1,373,516	96,279	453,260	600	600
Toronto Paramedic Services	388,077	140,258	128,065	17,774	12,206
Toronto Shelter and Support Services	912,190	220,032	301,023	45,896	17,506
Sub-Total Community and Social Services	6,138,372	1,785,516	2,025,663	207,193	63,271
Infrastructure Services					
Engineering & Construction Services	10,810	674	3,567		
Municipal Licensing & Standards	91,090	30,576	30,060		
Policy, Planning, Finance & Administration	19,316	6,454	6,374		
Toronto Emergency Management	8,249	5,372	2,722		
Transit Expansion	9,122	2,739	3,010	87,914	215
Transportation Services	530,937	329,258	175,209	313,547	154,463
Sub-Total Infrastructure Services	669,525	375,073	220,943	401,461	154,678
Development and Growth Services					
City Planning	46,110	10,969	15,216	3,021	1,572
Development Review	54,592	1,110	18,015		
Housing Secretariat	850,117	581,719	280,539	153,902	30,881
Toronto Building	91,670	-15,766	30,251		
Toronto Housing Corporation				85,426	28,810
Waterfront Revitalization Initiative				78,998	26,284
Sub-Total Development and Growth Services	1,042,488	578,031	344,021	321,347	87,548
Finance and Treasury Services					
Financial Operations & Control	79,685	35,642	26,296	10,769	10,169
Office of the Chief Financial Officer	42,373	35,185	13,983	5,107	5,107
Sub-Total Finance and Treasury Services	122,058	70,827	40,279	15,876	15,276
Corporate Services					
Corporate Real Estate Management	212,758	127,076	70,210	101,453	52,250
Customer Experience	23,697	16,164	7,820	1,403	996
Environment, Climate & Forestry	111,385	60,453	36,757	13,147	6,709
Fleet Services	77,112	35,477	25,447	87,179	36,870
Technology Services	170,613	142,996	56,302	32,131	23,104
Toronto Cyber Security	34,351	33,750	11,336	1,193	1,193
Sub-Total Corporate Services	629,916	415,916	207,872	236,506	121,122
City Manager					
City Manager Services	138,267	76,447	45,628		
Sub-Total City Manager	138,267	76,447	45,628		

Appendix 1: 2026 Tax and Rate Supported Interim Operating and Capital Spending Authorities (Cont'd)

CITY OF TORONTO
2026 INTERIM SPENDING AUTHORITIES
 (\$000's)

Divisons / Agencies	Operating			Capital	
	2025 Council Approved Gross Budget	2025 Council Approved Net Budget	2026 Interim Budget Cash Out-Flow	2026 Interim Spending Authorities Gross	2026 Interim Spending Authorities Debt
Other City Programs					
City Clerk's Office	57,377	39,900	18,934	1,784	921
City Council	29,689	29,294	9,798		
Legal Services	68,785	45,609	22,699		
Mayor's Office	3,129	3,129	1,033		
Sub-Total Other City Programs	158,980	117,933	52,464	1,784	921
Other Accountability Offices					
Auditor General's Office	8,828	8,828	2,913		
Integrity Commissioner's Office	845	745	279		
Office of the Lobbyist Registrar	1,437	1,437	474	229	229
Office of the Ombudsman	4,072	4,072	1,344		
Sub-Total Other Accountability Offices	15,182	15,082	5,010	229	229
TOTAL - CITY OPERATION	8,914,789	3,434,824	2,941,880	1,184,396	443,046
Agencies					
CreateTO	15,393				
Exhibition Place	67,863	450	149	55,000	1,000
Heritage Toronto	1,605	683	225		
Sankofa Square	3,464	1,497	494	60	0
TO Live	45,273	6,148	2,029		
Toronto & Region Conservation Authority	11,935	6,049	1,996		
Toronto Atmospheric Fund	12,224		0		
Toronto Police Service	1,541,693	1,337,874	469,917	77,892	58,069
Toronto Police Service Board	3,609	2,543	839		
Toronto Public Health	297,919	93,964	98,313	5,094	3,712
Toronto Public Library	273,301	254,544	84,000	29,593	14,808
Toronto Transit Commission - Conventional	2,662,482	1,213,581	400,482	610,336	229,493
Toronto Transit Commission - Wheel Trans	182,707	173,166	57,145		
Toronto Zoo	72,624	12,940	9,700	25,108	18,108
ABC's Intercompany Loan					
Sub-Total - Agencies	5,192,091	3,103,439	1,125,288	803,083	325,191
Corporate Accounts					
Capital & Corporate Financing	1,269,820	878,767	419,041		
Non-Program Expenditures	580,060	379,494	191,420		
Association of Community Centres	13,280	12,909	4,260		
Arena Boards of Management	11,523	1,459	481		
Sub-Total Corporate Accounts	1,874,684	1,272,629	615,202		
TOTAL - TAX SUPPORTED PROGRAMS	15,981,564	7,810,892	4,682,371	1,987,479	768,237
Rate Supported Programs					
Solid Waste Management Services	435,039		143,563	40,938	0
Toronto Parking Authority	186,094		0	20,093	3,700
Toronto Water	1,595,747		526,597	748,435	0
TOTAL - RATE SUPPORTED PROGRAMS	2,216,881		670,159	809,466	3,700
TOTAL - TAX & RATE SUPPORTED	18,198,445	7,810,892	5,352,530	2,796,945	771,938