



## 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

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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

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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

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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
<b>Total - City Operations</b>	<b>2,942</b>
Agencies	1,125
Corporate Accounts	615
<b>Total - Tax Supported</b>	<b>4,682</b>
Rate Supported	670
<b>TOTAL CITY</b>	<b>5,353</b>

### 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
<b>Total City Operation</b>	<b>1,184</b>	<b>443</b>
Agencies	804	325
<b>Total - Tax Supported</b>	<b>1,988</b>	<b>768</b>
Rate Supported	809	4
<b>TOTAL CITY</b>	<b>2,797</b>	<b>772</b>

## DECISION HISTORY

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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

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### 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.

## **CONTACT**

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Althea Hutchinson, Executive Director, Financial Planning Division  
416-338-7840, [althea.hutchinson@toronto.ca](mailto:althea.hutchinson@toronto.ca)

Andy Cui, Manager, Financial Planning Division  
416-397-4207, [Andy.Cui@toronto.ca](mailto:Andy.Cui@toronto.ca)

## **SIGNATURE**

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Stephen Conforti  
Chief Financial Officer and Treasurer

## **ATTACHMENTS**

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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)

Divisions / 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
<b>Community and Social Services</b>					
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
<b>Sub-Total Community and Social Services</b>	<b>6,138,372</b>	<b>1,785,516</b>	<b>2,025,663</b>	<b>207,193</b>	<b>63,271</b>
<b>Infrastructure Services</b>					
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
<b>Sub-Total Infrastructure Services</b>	<b>669,525</b>	<b>375,073</b>	<b>220,943</b>	<b>401,461</b>	<b>154,678</b>
<b>Development and Growth Services</b>					
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
<b>Sub-Total Development and Growth Services</b>	<b>1,042,488</b>	<b>578,031</b>	<b>344,021</b>	<b>321,347</b>	<b>87,548</b>
<b>Finance and Treasury Services</b>					
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
<b>Sub-Total Finance and Treasury Services</b>	<b>122,058</b>	<b>70,827</b>	<b>40,279</b>	<b>15,876</b>	<b>15,276</b>
<b>Corporate Services</b>					
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
<b>Sub-Total Corporate Services</b>	<b>629,916</b>	<b>415,916</b>	<b>207,872</b>	<b>236,506</b>	<b>121,122</b>
<b>City Manager</b>					
City Manager Services	138,267	76,447	45,628		
<b>Sub-Total City Manager</b>	<b>138,267</b>	<b>76,447</b>	<b>45,628</b>		

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

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

Divisions / 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
<b>Other City Programs</b>					
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		
<b>Sub-Total Other City Programs</b>	<b>158,980</b>	<b>117,933</b>	<b>52,464</b>	<b>1,784</b>	<b>921</b>
<b>Other Accountability Offices</b>					
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		
<b>Sub-Total Other Accountability Offices</b>	<b>15,182</b>	<b>15,082</b>	<b>5,010</b>	<b>229</b>	<b>229</b>
<b>TOTAL - CITY OPERATION</b>	<b>8,914,789</b>	<b>3,434,824</b>	<b>2,941,880</b>	<b>1,184,396</b>	<b>443,046</b>
<b>Agencies</b>					
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					
<b>Sub-Total - Agencies</b>	<b>5,192,091</b>	<b>3,103,439</b>	<b>1,125,288</b>	<b>803,083</b>	<b>325,191</b>
<b>Corporate Accounts</b>					
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		
<b>Sub-Total Corporate Accounts</b>	<b>1,874,684</b>	<b>1,272,629</b>	<b>615,202</b>		
<b>TOTAL - TAX SUPPORTED PROGRAMS</b>	<b>15,981,564</b>	<b>7,810,892</b>	<b>4,682,371</b>	<b>1,987,479</b>	<b>768,237</b>
<b>Rate Supported Programs</b>					
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
<b>TOTAL - RATE SUPPORTED PROGRAMS</b>	<b>2,216,881</b>		<b>670,159</b>	<b>809,466</b>	<b>3,700</b>
<b>TOTAL - TAX &amp; RATE SUPPORTED</b>	<b>18,198,445</b>	<b>7,810,892</b>	<b>5,352,530</b>	<b>2,796,945</b>	<b>771,938</b>