



## **Financial and Major Projects Update for the Period Ended September 27, 2025**

**Date:** December 10, 2025

**To:** TTC Board

**From:** Interim Chief Financial Officer

### **Recommendations**

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It is recommended that the TTC Board:

1. Approve the 2025 Capital Budget in-year budget adjustments to offset projects that have had accelerated spending by \$204.0 million with projects that have experienced delays and lower spending by \$204.0 million, with no debt impact, as outlined in Appendix 4 of this report.
2. Approve expenditure and funding adjustments to the TTC's 2025-2034 Capital Budget and Plan for the Procurement of Electric Buses and Charging Systems projects by increasing the 2025 Budget by \$16.7 million and the 2026-2034 Capital Plan estimates by \$119.7 million for a total of \$136.4 million to reflect the incremental matching Federal Funding through the Canada Public Transit Fund for the procurement of 50 electric buses and 155 charging systems.
3. Authorize the recommended budget adjustments noted in Recommendations 1 and 2 above, and in the TTC's 2025-2034 Capital Budget and Plan, be included in the TTC's Capital Variance Report submission for the nine months ended September 30, 2025, for City Council consideration and approval.
4. Approve the 2025 Operating Budget in-year budget adjustments of \$12.2 million gross revenue and \$12.2 million gross expense (\$0 net) in accordance with the implementation of PS 3400 – Revenue Standard, to reflect costs that are recoverable through the billing of a third party, to be budgeted and recognized at the gross revenue and gross expense level.

### **Summary**

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This report sets out the operating and capital financial results for TTC Conventional and Wheel-Trans services and provides a status update of the TTC's major capital projects for the period ended September 27, 2025. Financial projections to year-end 2025 are also provided. This is the third of four quarterly financial updates provided annually to the TTC Board for the fiscal year and subsequently submitted to the City of Toronto for consolidation with their financial variance reporting to City Council.

For the period ended September 27, 2025, the TTC reported a net year-to-date favourable operating variance of \$5.8 million (0.5%), consisting of an unfavourable revenue variance of \$57.5 million (6.3%), which was fully offset by \$63.3 million (3.1%) in under-expenditures. The unfavourable revenue variance was driven by lower TTC Conventional passenger revenues due to lower-than-anticipated ridership growth, lower Provincial Funding due to the delayed timing of expenditures for Line 5 and Line 6 that are eligible for reimbursement under the New Deal Funding Agreement (“New Deal”), and lower ancillary revenue due to the timing of recoveries from third parties. The favourable expenditure variance was driven by delayed timing of planned expenditures to support the opening of Line 5 and Line 6, diesel cost savings due to the elimination of the Federal Carbon Tax effective April 1, 2025, delays in implementation of planned Information Technology (IT) software rollouts, delayed procurement for materials and services, and lower labour costs due to workforce vacancies.

For the full year, the TTC’s 2025 Operating Budget of \$2.857 billion gross and \$1.387 billion net, is projected to be \$15.5 million net unfavourable to budget (1.1%), driven by an unfavourable revenue variance of \$130.4 million (8.9%), partially offset by an under-expenditure of \$114.9 million (4.0%).

The unfavourable full-year revenue variance of \$130.4 million reflects the continued trend of lower-than-budgeted passenger revenue for the remainder of the year, a reduction in Provincial Funding due to delayed timing of expenditures to support the opening of Line 5 and Line 6, which are eligible for reimbursement under the New Deal, and delayed third-party recoveries. The favourable full-year expenditure variance of \$114.9 million reflects delayed expenditures to support the opening of Line 5 and Line 6, diesel costs savings due to the elimination of the Federal Carbon Tax effective April 1, 2025 and the permanent reduction in the Provincial Fuel Tax effective July 1, 2025, labour cost savings due to workforce vacancies, and delays in implementation of IT software rollouts and lower materials and services costs, partially offset by higher Wheel-Trans operating costs due to higher-than-budgeted passenger ridership.

To address the projected \$15.5 million net unfavourable variance, TTC senior management introduced a non-union hiring pause at the end of September and will review discretionary spending to identify additional opportunities for cost savings by year-end.

For the period ended September 27, 2025, the TTC’s capital expenditures totalled \$930.8 million, representing a spending rate of 93% when compared to the year-to-date planned (calendarized) budget of \$1,002.4 million. Of the total capital expenditures incurred to date, \$923.7 million, or 96% of the base capital program’s planned budget of \$965.4 million, was spent, and \$7.1 million, or 19% of the \$37.0 million planned budget for transit-expansion-related projects, was spent.

When comparing year-to-date spending to the total approved 2025 Capital Budget, 54% was spent to the end of Period 9 for the TTC base capital program and 29% for transit-expansion-related projects, resulting in an overall spending rate of 54% for the nine-month period.

By year-end, the TTC's capital spending is projected to be in the order of \$1.535 billion, representing an overall 88% spending rate, with the TTC's base capital program projected to expend \$1.514 billion or 88% and transit-expansion-related capital expenditures projected to reach \$21.0 million or 86%. The year-to-date results and year-end projections reflect the recommended adjustments to the 2025 Capital Budget and future year cash flows in the 10-Year Capital Plan, as outlined in Appendix 4 of this report. This accounts for projects that have had accelerated spending and projects that have experienced some delays and, therefore, lower spending. These adjustments result from the ongoing monitoring of capital delivery and spending by TTC staff to ensure capital funding is maximized during the year.

## Background and Analysis

### 2025 Operating Budget: Financial Update

Table 1 – TTC and Wheel-Trans Year-to-Date Operating Results and Year-End Forecast

| Description<br>(\$Millions)               | Year-To-Date Actuals |                |               | Year-End Forecast |                |                |
|---|----------------------|----------------|---------------|-------------------|----------------|----------------|
|   | Budget               | Actual         | Variance      | Budget            | Forecast       | Variance       |
| <b>Revenue</b>                            |                      |                |               |                   |                |                |
| TTC Conventional                          |                      |                |               |                   |                |                |
| Passenger Revenue                         | 785.1                | 755.0          | (30.1)        | 1,070.4           | 1,024.8        | (45.6)         |
| Ancillary Revenue                         | 89.4                 | 78.9           | (10.5)        | 136.7             | 127.2          | (9.5)          |
| Wheel-Trans Revenue                       | 6.5                  | 6.5            | (0.0)         | 9.0               | 9.0            | 0.1            |
| <b>Subtotal Revenues</b>                  | <b>881.0</b>         | <b>840.4</b>   | <b>(40.6)</b> | <b>1,216.0</b>    | <b>1,161.0</b> | <b>(55.1)</b>  |
| Provincial Funding                        | 32.5                 | 15.5           | (17.0)        | 203.1             | 135.9          | (67.3)         |
| TTC Stabilization Reserve Draw            | 0.0                  | 0.0            | 0.0           | 32.0              | 23.9           | (8.1)          |
| Long-Term Liability Reserve Draw          | 0.0                  | 0.0            | 0.0           | 19.4              | 19.4           | 0.0            |
| <b>Total Revenue</b>                      | <b>913.4</b>         | <b>855.9</b>   | <b>(57.5)</b> | <b>1,470.6</b>    | <b>1,340.2</b> | <b>(130.4)</b> |
| <b>Expenditures</b>                       |                      |                |               |                   |                |                |
| TTC Conventional                          |                      |                |               |                   |                |                |
| Departmental Labour                       | 1,036.8              | 1,031.9        | (4.9)         | 1,414.6           | 1,398.6        | (16.0)         |
| Departmental Non-Labour                   | 267.8                | 232.8          | (35.0)        | 388.8             | 340.9          | (47.9)         |
| Employee Benefits                         | 369.8                | 371.2          | 1.4           | 500.2             | 488.1          | (12.2)         |
| Diesel                                    | 69.0                 | 63.3           | (5.7)         | 92.4              | 83.0           | (9.4)          |
| Traction Power & Utilities                | 62.1                 | 63.7           | 1.6           | 89.4              | 88.5           | (0.9)          |
| Other Corporate Costs                     | 111.2                | 88.3           | (22.9)        | 166.7             | 133.7          | (33.0)         |
| Wheel-Trans                               | 132.4                | 134.6          | 2.2           | 182.1             | 186.5          | 4.4            |
| <b>Subtotal Expenditures</b>              | <b>2,049.1</b>       | <b>1,985.8</b> | <b>(63.3)</b> | <b>2,834.3</b>    | <b>2,719.4</b> | <b>(114.9)</b> |
| TTC Stabilization Reserve Contribution    | 0.0                  | 0.0            | 0.0           | 5.5               | 5.5            | 0.0            |
| Long-Term Liability Reserve Contribution  | 0.0                  | 0.0            | 0.0           | 17.6              | 17.6           | 0.0            |
| <b>Total Expenditures</b>                 | <b>2,049.1</b>       | <b>1,985.8</b> | <b>(63.3)</b> | <b>2,857.4</b>    | <b>2,742.4</b> | <b>(114.9)</b> |
| <b>Net Expenditure (Funding Required)</b> | <b>1,135.6</b>       | <b>1,129.9</b> | <b>(5.8)</b>  | <b>1,386.7</b>    | <b>1,402.2</b> | <b>15.5</b>    |

An analysis of Operating Results by Service is provided in Appendix 1, and Overtime Management results are provided in Appendix 2 of this report.

### 2025 Year-to-Date Operating Results and Year-End Forecast

For the period ending September 27, 2025, the TTC incurred expenditures of \$1.986 billion gross and \$1.130 billion net against a year-to-date budget of \$2.049 billion gross

and \$1.136 billion net, resulting in a net favourable operating variance of \$5.8 million (0.5%). Projected results to year-end reflect a net unfavourable variance of \$15.5 million (1.1%).

### ***Year-to-Date Operating Results***

Through Period 9, the TTC's net favourable variance of \$5.8 million reflects an unfavourable revenue variance of \$57.5 million (6.3%) and an under-expenditure variance of \$63.3 million (3.1%).

The \$57.5-million unfavourable revenue variance was primarily due to:

- \$30.1 million of lower-than-planned TTC conventional passenger revenue driven by lower-than-budgeted ridership levels. The lower-than-anticipated ridership growth reflects an unexpectedly softer economic environment experienced in 2025.
- \$17.0 million of lower Provincial Funding resulting from the delayed timing of expenditures for Line 5 and Line 6 that are eligible for reimbursement under the New Deal Agreement.
- \$10.5 million of lower ancillary revenue associated with the timing of cost recoveries for service disruption and third parties.

The \$63.3-million favourable expenditure variance was primarily due to:

- \$35.0 million of departmental non-labour favourability including \$21.7 million for delayed timing of expenditures to support the planned opening of Line 5 and Line 6; \$7.5 million as a result of the delayed timing of planned expenditures for materials and services; \$4.3 million due to lower-than-anticipated Information Technology (IT) costs resulting from delays in the implementation of software rollouts; and \$1.5 million of lower-than-anticipated vehicle maintenance parts, garage, and equipment expenses, which are expected to normalize on a full-year basis.
- \$22.9 million of favourable corporate costs, including \$20.5 million from lower-than-planned operating project overhead charges, and \$1.4 million from lower PRESTO commission fees, consistent with the decrease in passenger revenue.
- \$5.7 million of diesel cost savings following the removal of the Federal Carbon Tax, effective April 1, 2025.
- \$4.9 million in lower labour costs due to workforce vacancies, including those related to the delayed opening of Line 5 and Line 6.

Partially offset by:

- \$2.2 million of higher Wheel-Trans expenditures due to increased Wheel-Trans ridership compared to budget.
- \$1.6 million of higher traction power and utility costs, driven by higher service hours compared to budget.
- \$1.4 million of increased employee benefit expenses for healthcare and SBA costs, expected to normalize by year-end.

## ***Year-End Operating Forecast***

Year-end projections anticipate a net unfavourable variance of \$15.5 million, driven by a \$130.4 million (8.9%) unfavourable variance in revenue, partially offset by an under-expenditure of \$114.9 million (4.0%).

The \$130.4-million unfavourable revenue variance is primarily due to:

- \$67.3 million of lower-than-budgeted Provincial Funding due to the delayed timing of expenditures for Line 5 and Line 6, eligible for reimbursement under the New Deal.
- \$45.6 million of lower-than-budgeted passenger revenue due to lower-than-anticipated ridership growth, driven by a softer economic environment.
- \$9.5 million of lower ancillary revenue associated with the timing of cost recoveries for service disruption from third parties.
- \$8.1 million of lower-than-budgeted usage of the TTC Stabilization Reserve due to delayed one-time variation costs for Line 5 and Line 6, which were to be funded from the reserve.

The \$114.2-million favourable expenditure variance is primarily due to:

- \$47.9 million of departmental non-labour favourability, including \$38.9 million for the delayed timing of expenditures to support the planned opening of Line 5 and Line 6, and \$9.0 million in favourable material and services spending.
- \$33.0 million of favourable corporate costs, including \$30.9 million of lower-than-anticipated operating project overhead charges, and \$2.1 million of reduced PRESTO commission fees, consistent with the decrease in passenger revenue.
- \$16.0 million in reduced labour costs due to vacant positions, including savings associated with the non-union hiring pause implemented in Q4.
- \$12.2 million in reduced employee benefits expenses due to lower-than-expected WSIB claims.
- \$9.4 million of diesel cost savings resulting from the removal of the Federal Carbon Tax (effective April 1, 2025) and the permanent reduction in the Provincial Fuel Tax (effective July 1, 2025).

Partially offset by:

- \$4.4 million of higher Wheel-Trans expenditures due to higher forecasted Wheel-Trans ridership than budgeted.

TTC senior management has implemented targeted cost containment measures to help mitigate the projected \$15.5 million net unfavourable variance to budget. These measures include a non-union hiring pause introduced at the end of September, an organization-wide vacancy review, and a focus on limiting discretionary expenditures.

## **Key Operating Budget Indicators**

The TTC's operating results are primarily driven by six key indicators. These indicators impacted year-to-date spending and revenues as well as provided the basis for estimated year-end spending projections.

The key indicators include TTC Conventional and Wheel-Trans ridership, average fare per ride, and market prices for diesel fuel and electric power, which affect a combined fuel and utilities budget of \$181.9 million. The final and most significant driver of expenses is related to service hours delivered, which impacts labour expenses (\$1.407 billion) and non-labour expenses (\$383.1 million), such as parts and maintenance, as well as fuel and hydro consumption.

Details of the TTC's key operating indicators are addressed in Table 2 below:

**Table 2 – Summary of Key 2025 Operating Budget Indicators**

| Item                               | Year-To-Date Actuals |        |          | Year-End Forecast |          |          | Status |
|------------------------------------|----------------------|--------|----------|-------------------|----------|----------|--------|
|                                    | Budget               | Actual | Variance | Budget            | Forecast | Variance |        |
| TTC Conventional Ridership         | 322.9M               | 306.5M | (16.4M)  | 439.4M            | 416M     | (23.4M)  | ✗      |
| TTC Average Fare (\$)              | 2.43                 | 2.46   | 0.03     | 2.44              | 2.46     | 0.03     | ✓      |
| TTC Actual Operating Service Hours | 7.13M                | 7.28M  | 0.15M    | 9.53M             | 9.75M    | 0.22M    | ✓      |
| Price of Fuel (\$/litre)           | 1.32                 | 1.17   | (0.15)   | 1.34              | 1.16     | (0.18)   | ✓      |
| Price of Electric Power (\$/kWh)   | 0.15                 | 0.16   | 0.01     | 0.15              | 0.16     | 0.01     | ✗      |
| Wheel-Trans Ridership              | 2.91M                | 2.99M  | 0.08M    | 4.02M             | 4.12M    | 0.1M     | ✓      |

### ***TTC Conventional Revenue Ridership***

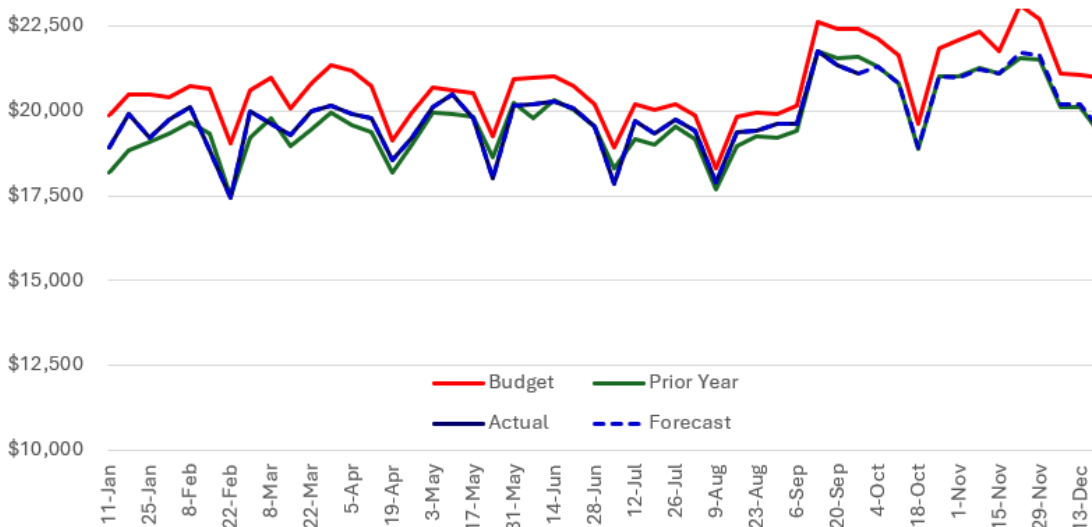
TTC Conventional ridership has trended close to prior-year levels and followed expected seasonal fluctuations thus far in 2025 but has trended below budget. Year-to-date ridership as of Period 9 totalled 306.5 million, representing 99.2% of 2024 levels and 94.9% of 2025 budgeted levels.

The TTC is closely monitoring for any ridership impact from recently announced changes to several employers' work-from-home policies, with an anticipated increase in in-office work beginning fall 2025. However, as of Period 9, there has been no notable change in rider behaviour linked to return-to-office policy shifts, and TTC Conventional ridership for Period 9 remained below prior year and budgeted levels at 98.5% and 94.9%, respectively.

As illustrated below in Chart 1 below, TTC Conventional passenger revenue has trended slightly above prior year and in line with expected seasonal fluctuations, with year-to-date passenger revenue as of Period 9, 2025 at 101.1% of 2024 levels. However, TTC Conventional passenger revenue has trended below budgeted levels thus far in 2025. Year-to-date passenger revenue totalled \$755.0 million or 96.2% of budgeted levels, resulting in an unfavourable variance of \$30.1 million (\$28.7 million net of PRESTO commission). This unfavourable passenger revenue variance was driven by lower-than-anticipated ridership growth, likely due to an unexpected softer economic environment experienced thus far in 2025; a decrease in post-secondary student ridership due to a decrease in international students; as well as inclement weather experienced during Q1 2025. The unfavourable budget variance is partially offset by a slightly higher-than-anticipated average fare per rider due to an increase in single ride fares (year-to-date average fare budget at \$2.43 versus actual at \$2.46).

TTC Conventional passenger revenue is expected to continue to trend below budget, resulting in a projected full-year unfavourable budget variance of \$45.6 million (\$43.6 million net of PRESTO commission), assuming ridership trending for Periods 1 to 9 continues for the balance of the year. The TTC will continue to closely monitor for any ridership impact from the announced changes to several employers' work-from-home policies in the fall and winter.

**Chart 1 – 2025 Weekly TTC Conventional Passenger Revenue (\$000s)**



## Service Hours

Conventional service hours delivered to the end of Period 9 exceeded budgeted levels by 2.0%, reflecting a continued increase in service levels as additional Operator availability was leveraged. This trend is expected to continue through year-end, supporting enhanced service delivery across the network.

## Diesel Fuel

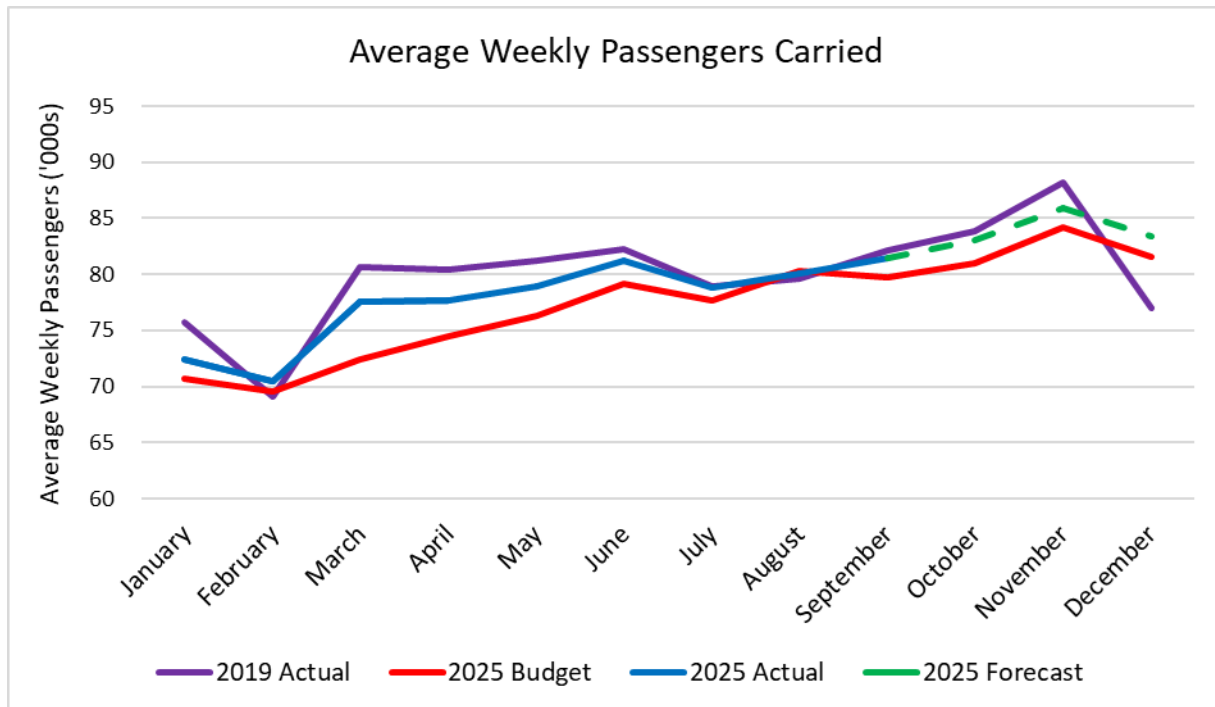
Diesel prices began the year above budgeted levels at an average of \$1.35 per litre in Q1, before falling below budget to an average of \$1.08 per litre during Q2 and Q3. The decrease was primarily driven by the removal of the Federal Carbon Tax and the permanent reduction in the Provincial Fuel Tax. In April, the Federal government eliminated Carbon Pricing for consumers, effective April 1, 2025, reducing the diesel fuel charge by 25.4 cents per litre. In May, the Ontario government announced the permanent removal of the Provincial Fuel Tax, which was temporarily set at 5.3 cents per litre for diesel fuel and was scheduled to end on June 30, 2025. Overall, the price of diesel averaged \$1.17 per litre year-to-date, which is lower than the budgeted price of \$1.32 per litre.

Based on the latest available market pricing, diesel pricing is anticipated to continue trending below budget to an average of \$1.12 per litre for the remainder of the year, primarily as a result of the legislative changes mentioned above.

## Wheel-Trans Ridership

As shown in Chart 2 below, Wheel-Trans ridership has seen steady growth thus far in 2025. To the end of Period 9, ridership was at 98% of pre-pandemic levels compared to a budgeted level of 96%, primarily driven by higher-than-anticipated new registrants and trip frequency per registrant.

**Chart 2 – 2025 Average Weekly Wheel-Trans Passenger Ridership**



Overall, total ridership is projected to be 2.6% above budget for the year due to higher-than-anticipated growth in both new registrants and trip frequency per registrant. Additional Wheel-Trans bus and contracted taxi services are expected to accommodate the increased forecast in ridership demand.



## 2025 Capital Budget: Financial Update

### 2025 Capital Results and Projection to Year-End

The Capital Budget and Plan is updated annually to reflect refined estimates based on capital planning progress made through stage gating, changes to planned timing or requirements, and their resultant costs, as well as significant collaboration with key stakeholders. These inputs are also used to cash flow (calendarize) the 2025 Capital Budget for planned expenditures in each month of the year.

Year-to-date (YTD), the TTC has spent \$930.8 million, which is 93% of the planned (calendarized) YTD budget of \$1,002.4 million. Within the TTC Base Capital program, Streetcar Portfolio Projects have exceeded their YTD budgets, while Subway Portfolio Projects, Bus Portfolio Projects, Facility Projects, and Network Wide Projects are indicating slower-than-expected progress as detailed in Table 3 below.

Looking ahead, 2025 total capital spending is projected to reach \$1.535 billion, which is 88% of the total approved 2025 Budget of \$1.749 billion, indicating a projected underspend of \$214.2 million. Streetcar Portfolio Projects and Subway Portfolio Projects are forecasted to spend close to their approved budget of \$276.0 million and \$559.0 million respectively, at 99% (\$273.2 million) and 98% (\$548.6 million), respectively, while Bus Portfolio Projects are projected to underspend by \$148 million (78% spending rate). Transit Expansion-Related Projects are also expected to underspend by \$3.3 million, with a 14% shortfall detailed in Table 3 below:

**Table 3 – 2025 Capital Budget Results and Forecast by Project Mode**

| Description<br>(\$ Millions)                      | Year-To-Date   |              |              | 2025           |                |                |              |
|---|----------------|--------------|--------------|----------------|----------------|----------------|--------------|
|   | Budget         | Actual       | %            | Budget         | YE Proj.       | Variance       | %            |
| <b>TTC Base Capital</b>                           |                |              |              |                |                |                |              |
| Subway Projects                                   | 353.2          | 347.7        | 98.5%        | 559.0          | 548.6          | (10.4)         | 98.1%        |
| Bus Projects                                      | 293.7          | 275.8        | 93.9%        | 665.1          | 517.3          | (147.8)        | 77.8%        |
| Streetcar Projects                                | 182.7          | 205.0        | 112.2%       | 276.0          | 273.2          | (2.8)          | 99.0%        |
| Facility Projects                                 | 39.3           | 35.4         | 90.2%        | 60.8           | 54.0           | (6.8)          | 88.8%        |
| Network Wide Projects                             | 96.5           | 59.7         | 61.9%        | 163.5          | 120.4          | (43.1)         | 73.6%        |
| <b>Total - Base Capital</b>                       | <b>965.4</b>   | <b>923.7</b> | <b>95.7%</b> | <b>1,724.4</b> | <b>1,513.5</b> | <b>(210.9)</b> | <b>87.8%</b> |
| <b>TTC Transit Expansion-Related Projects</b>     |                |              |              |                |                |                |              |
| Toronto York Spadina Subway Extension             | 32.0           | 1.6          | 5.0%         | 7.3            | 6.2            | (1.1)          | 85.4%        |
| SRT Conversion to Busway                          | 5.0            | 5.3          | 106.8%       | 16.7           | 14.5           | (2.2)          | 86.9%        |
| Waterfront Transit - Design                       | 0.0            | 0.2          | 402.3%       | 0.3            | 0.3            | (0.0)          | 88.8%        |
| <b>Total - Transit Expansion Related Projects</b> | <b>37.0</b>    | <b>7.1</b>   | <b>19.1%</b> | <b>24.3</b>    | <b>21.0</b>    | <b>(3.3)</b>   | <b>86.4%</b> |
| <b>Total</b>                                      | <b>1,002.4</b> | <b>930.8</b> | <b>92.9%</b> | <b>1,748.7</b> | <b>1,534.5</b> | <b>(214.2)</b> | <b>87.7%</b> |

### Key Project Variances

The TTC's capital spending, both to date and as projected to year-end, has been impacted by various drivers. Underspending in the TTC's capital program is mainly the result of supply chain issues, resource constraints, schedule deferrals, scope changes, and third-party interdependencies, while overspending to date is the result of cost escalation, advancing procurements and accelerated work plan schedules.

The TTC's 2025 year-to-date and projected year-end variances for Infrastructure programs are mainly attributable to the following capital projects: Subway and Surface

Track Replacement, Electrical Systems Programs, Equipment, Bloor-Yonge Capacity Improvements, Computer Equipment and Software, and Other Buildings and Structures projects. In the Vehicle Category, the primary driver is the Purchase of eBuses Project, and for Transit-Expansion-Related Programs the primary driver relates to delayed spending on close-out activities for the Toronto-York-Spadina Subway Extension (TYSSE).

These projects reflect a range of spending patterns that are influencing both year-to-date and projected year-end results. Table 4 below summarizes the year-to-date and projected year-end results by key project type:

**Table 4 – 2025 Capital Budget Results and Forecast by Key Project Type**

| Description<br>(\$ Millions)                      | Year-To-Date   |              |              | 2025           |                |                |              |
|---|----------------|--------------|--------------|----------------|----------------|----------------|--------------|
|   | Budget         | Actual       | %            | Budget         | YE Proj.       | Variance       | %            |
| <b>TTC Base Capital</b>                           |                |              |              |                |                |                |              |
| Infrastructure Projects                           | 524.2          | 486.8        | 92.9%        | 921.9          | 844.7          | (77.2)         | 91.6%        |
| Vehicle Related Projects                          | 441.2          | 436.9        | 99.0%        | 802.5          | 668.8          | (133.7)        | 83.3%        |
| <b>Total - Base Capital</b>                       | <b>965.4</b>   | <b>923.7</b> | <b>95.7%</b> | <b>1,724.4</b> | <b>1,513.5</b> | <b>(210.9)</b> | <b>87.8%</b> |
| <b>TTC Transit Expansion-Related Projects</b>     |                |              |              |                |                |                |              |
| Toronto-York-Spadina Subway Extension             | 32.0           | 1.6          | 5.0%         | 7.3            | 6.2            | (1.1)          | 85.4%        |
| SRT Conversion to Busway                          | 5.0            | 5.3          | 106.8%       | 16.7           | 14.5           | (2.2)          | 86.9%        |
| Waterfront Transit - Design                       | 0.0            | 0.2          | 402.3%       | 0.3            | 0.3            | (0.0)          | 88.8%        |
| <b>Total - Transit Expansion Related Projects</b> | <b>37.0</b>    | <b>7.1</b>   | <b>19.1%</b> | <b>24.3</b>    | <b>21.0</b>    | <b>(3.3)</b>   | <b>86.4%</b> |
| <b>Total</b>                                      | <b>1,002.4</b> | <b>930.8</b> | <b>92.9%</b> | <b>1,748.7</b> | <b>1,534.5</b> | <b>(214.2)</b> | <b>87.7%</b> |

## Infrastructure Projects

### *Surface Track and Subway Track*

Year-to-date, both the Subway and Surface Track programs have significantly exceeded their planned spending, reflecting accelerated progress in track-related infrastructure work. The Subway Track program has spent \$33.5 million against a YTD budget of \$18.8 million, while Surface Track has recorded \$35.3 million in spending compared to a planned budget of \$23.7 million.

This momentum is expected to continue through to year-end, with Subway Track projected to spend \$44.4 million, exceeding the 2025 approved capital project of \$23.5 million by \$20.9 million. Similarly, Surface Track is forecasted to spend \$55.7 million, surpassing its annual budget of \$34.8 million by \$20.9 million. As a result of the projected over-expenditure, an in-year budget adjustment (acceleration) is before the Board for approval to increase the capital project budget by \$41.8 million.

These variances are primarily due to an expanded scope of work aimed at accelerating track rehabilitation efforts, helping to address the backlog in state-of-good-repair (SOGR) needs, and improving overall system reliability.

### *Electrical System Programs*

Through Period 9, the year-to-date spending for Electrical System programs is \$55.2 million, which is 83% of the year-to-date budget of \$66.2 million. By year-end, underspending of \$21 million is anticipated from the approved project budget of \$114.8

million. This underspend will be reallocated to offset accelerated spending in other areas of the TTC's 2025 Capital Budget. Accordingly, an in-year adjustment has been made to reduce the Approved 2025 Budget from \$114.8 million to \$94.9 million, aligning it with the year-end projection.

The variance in the projected spending is primarily due to the Kennedy Interlocking Upgrade Project, which has been deferred to 2026 due to an interdependency with Metrolinx. The project is currently on hold pending a decision from Metrolinx on the scope of the Signal Systems and Equipment portion of the Scarborough Subway Extension.

### ***Equipment***

Year-to-date, the Equipment Program is tracking below planned spending, with \$28.7 million spent compared to a YTD budget of \$41.0 million, or 70%. At year-end, total project spending is anticipated to be \$90.6 million, resulting in a spend rate of 84%.

The main driver of underspending in the Equipment Program is the eBus Charging Systems Project. Commissioning at the first two Phase 1 garages (Eglinton and Birchmount), following the original pilot program, took longer than anticipated. This is attributed to the challenges associated with the roll-out of the initial phase of a new program. Lessons learned have been incorporated into future deliverables, including risk-based project schedule contingencies. Further, an existing feeder cable was found to be damaged during the construction (Phase 1) at Wilson Garage, preventing the energization of chargers for commissioning. This unforeseen issue has resulted in the commercial operations being deferred to March 2026 from September 2025. Mitigation measures are being developed, including the continuation of limited commissioning activities of the chargers in parallel with a replacement cable being installed. As a result, the completion of 150 of the total 248 charge points has been deferred to 2026.

### ***Bloor-Yonge Capacity Improvements***

Through Period 9, the year-to-date spending for the Bloor-Yonge Capacity Improvements Project is \$49 million, significantly exceeding the year-to-date budget of \$40.1 million, by \$8.8 million. This overspend is primarily due to the accelerated work on the chiller plant relocation, and the refined work plan following the Development Phase Agreement (DPA) of the Progressive Design Build (PDB) being awarded.

Year-end spending is projected at \$75.7 million, which is \$15.3 million over the 2025 Approved Capital Budget. As a result of the projected over-expenditure, an in-year budget adjustment (acceleration) is before the Board for approval to increase the capital project budget by \$15.3 million to align the capital budget with projected spending.

### ***Computer Equipment and Software***

As of the end of Period 9, \$40.6 million, or 65% of the planned cash flow funding of \$62.5 million, was spent on Computer Equipment and Software program capital works. The projected year-end spending is anticipated to reach \$74.8 million, which would bring the year-end spending rate to 76% of the 2025 approved capital project budget of \$98 million. The results to date and projection to year-end, which is estimating an

underspending of \$23.2 million, are being driven by various factors, including delays in onboarding vendors along with the deferral of work plans and delays in the Request for Proposal (RFP) for SAP Program's Procurement, Materials Management, and Finance Module.

## **Other Buildings and Structures**

The main driver of underspending in the Other Buildings and Structures Program is the Pattison Digital Project, which has incurred \$2.1 million YTD, significantly lower than the calendarized cash flow funding of \$9.5 million and reflects a spending rate of 22%. By year-end, the project is expected to underspend by \$12.6 million against the approved budget of \$15.9 million. A portion of this surplus will be redirected to support accelerated spending in other areas of the TTC's 2025 Capital Budget. As a result, an in-year adjustment has reduced the approved budget to \$12.6 million, with projected spending of \$3.3 million, resulting in an underspend of \$9.3 million, or 26%.

The variance is largely the result of slower-than-expected progress and deferred activities stemming from resource constraints. This project requires completion of several prerequisite tasks – including asbestos materials testing, environmental assessment, electrical work, safety assessments, mounting, and signage installation – before signage can be finalized at each station.

## **Vehicle Projects**

### ***Purchase of eBuses***

As of the end of Period 9, the eBus Purchase Project has recorded year-to-date expenditures of \$192.5 million, compared to the planned cash flow funding of \$201.8 million, reflecting a spending rate of 95%. Total project spending is anticipated to be \$346.3 million by year-end, resulting in a spend rate of 74%.

The variance is primarily driven by industry-wide supply chain disruptions and vendor-related bus reliability and availability performance issues, which have delayed the delivery of up to 66 buses to Q1 2026. These delays have deferred associated costs and impacted the 2025 capital forecast.

## **TTC Transit-Expansion-Related Projects**

### ***Toronto-York-Spadina Subway Extension (TYSSE)***

As of the end of Period 9, the YYSSE project has incurred \$1.6 million in expenditures, reflecting a \$30.4 million underspend against the original 2025 Approved Capital Budget of \$32.0 million. This variance is primarily attributed to the deferral of property claims and delays in project close-out activities.

By year-end, total spending is projected to reach \$6.2 million. As a result, an in-year adjustment (deferral) is before the Board for approval to defer/reduce the approved budget from \$57.9 million to \$7.3 million, which will be reallocated to support accelerated spending in other areas of the TTC's 2025 Capital Budget.

## **Major Capital Projects Update**

For more information on the Major Capital Projects, please see Attachment 2 – Major Projects Update Report (For the Period Ended September 27, 2025).

### **Diversity, Equity, and Inclusion Matters**

The TTC is strongly committed to making Toronto's transit system barrier-free and accessible to all. The TTC believes all customers should enjoy the freedom, independence, and flexibility to travel anywhere on the public transit system.

For a second consecutive year, TTC fares were frozen at 2023 rates as a means to ensure transit is accessible to all riders. In addition, through the City's Social Development, Finance and Administration Division, eligible customers, including Ontario Works, Ontario Disability Support Program, Child Care Fee Subsidy, Rent Geared to Income clients whose income is under a threshold set below 75% of the Low-Income Measure, continue to be eligible for the Fair Pass Program. This program entitles eligible customers to a discount of approximately one-third on single adult fares for single rides or 21% off adult monthly passes.

The approved 2025 Operating Budget allocates \$182.7 million gross (\$173.2 million net) for Wheel-Trans service, to deliver an estimated 4.0 million rides in 2025, accounting for a 12% increase in new registrants.

There are no recommended reductions that impact customers. 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 needs and meeting user needs.

The 2025-2034 Capital Budget and Plan provides full funding of \$1,202.6 million to complete the TTC's Easier Access Program, including an approved budget of \$144.2 million for 2025 to enable the continuation of capital works to make the remaining 11 of 70 subway stations accessible with elevators, wide fare gates, and automatic sliding doors.

The 2025 Capital Budget also provides funding for 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 accessibility improvements to approximately 210 bus stops and three streetcar stops in 2025.

### **Corporate Plan Alignment**

The TTC utilizes the Strategic Directions outlined in the 2024-2028 TTC Corporate Plan to inform resource allocation requirements in both the Operating and Capital budget submissions and to establish investment priorities through the annual budget process.

The 2025 Budget has been developed in accordance with this framework, ensuring that resource allocations and any new investments are aligned with and advance the Board's direction as well as the Corporate Plan's five strategic directions and intended outcomes. The latest status update provided on the 2024-2028 TTC Corporate Plan

occurred on July 17, 2025, in the report titled, [TTC Corporate Plan 2024-2028: Mid-Year 2025 Progress Update](#).

The allocations and adjustments presented within this report are in alignment with Action 5.1 *Improve Value for Money, Focus on Efficiency*, pursuing efficient expenditure management, and an effective capacity to spend rate.

The 2025 Operating Budget funds a total of \$15.2 million gross in new and enhanced priority actions to advance 2024-2028 TTC Corporate Plan priorities, with \$6.5 million to increase Conventional service hours mentioned above and \$9.7 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 the 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 started 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 work cars, to support service reliability;
- Beginning the delivery of its resiliency program; and
- Expanding fare revenue protection through a Fare Compliance Program.

## **Financial Impact**

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### **2025 Operating Results**

Based on Period 9 year-to-date results, the TTC incurred expenses of \$1.986 billion gross and \$1.130 billion net, compared to the planned budget of \$2.049 billion gross and \$1.136 billion net, resulting in a net favourable operating variance of \$5.8 million (0.5%). The net unfavourable operating variance reflects an unfavourable revenue variance of \$57.5 million (6.3%), partially offset by \$63.3 million in under-expenditures (3.1%).

Operating results for the period ended September 27, 2025, and projected year-end results are summarized in Table 5 below:

**Table 5 – 2025 Operating Year-to-Date Results and Forecast Summary**

| Description<br>(\$Millions)               | Year-To-Date Actuals |                |               | Year-End Forecast |                |                |
|---|----------------------|----------------|---------------|-------------------|----------------|----------------|
|   | Budget               | Actual         | Variance      | Budget            | Forecast       | Variance       |
| <b>Revenue</b>                            |                      |                |               |                   |                |                |
| TTC Conventional                          |                      |                |               |                   |                |                |
| Passenger Revenue                         | 785.1                | 755.0          | (30.1)        | 1,070.4           | 1,024.8        | (45.6)         |
| Ancillary Revenue                         | 89.4                 | 78.9           | (10.5)        | 136.7             | 127.2          | (9.5)          |
| Wheel-Trans Revenue                       | 6.5                  | 6.5            | (0.0)         | 9.0               | 9.0            | 0.1            |
| <b>Subtotal Revenues</b>                  | <b>881.0</b>         | <b>840.4</b>   | <b>(40.6)</b> | <b>1,216.0</b>    | <b>1,161.0</b> | <b>(55.1)</b>  |
| Provincial Funding                        | 32.5                 | 15.5           | (17.0)        | 203.1             | 135.9          | (67.3)         |
| TTC Stabilization Reserve Draw            | 0.0                  | 0.0            | 0.0           | 32.0              | 23.9           | (8.1)          |
| Long-Term Liability Reserve Draw          | 0.0                  | 0.0            | 0.0           | 19.4              | 19.4           | 0.0            |
| <b>Total Revenue</b>                      | <b>913.4</b>         | <b>855.9</b>   | <b>(57.5)</b> | <b>1,470.6</b>    | <b>1,340.2</b> | <b>(130.4)</b> |
| <b>Expenditures</b>                       |                      |                |               |                   |                |                |
| TTC Conventional                          | 1,916.6              | 1,851.2        | (65.5)        | 2,652.2           | 2,532.9        | (119.4)        |
| Wheel-Trans                               | 132.4                | 134.6          | 2.2           | 182.1             | 186.5          | 4.4            |
| <b>Subtotal Expenditures</b>              | <b>2,049.1</b>       | <b>1,985.8</b> | <b>(63.3)</b> | <b>2,834.3</b>    | <b>2,719.4</b> | <b>(114.9)</b> |
| TTC Stabilization Reserve Contribution    | 0.0                  | 0.0            | 0.0           | 5.5               | 5.5            | 0.0            |
| Long-Term Liability Reserve Contribution  | 0.0                  | 0.0            | 0.0           | 17.6              | 17.6           | 0.0            |
| <b>Total Expenditures</b>                 | <b>2,049.1</b>       | <b>1,985.8</b> | <b>(63.3)</b> | <b>2,857.4</b>    | <b>2,742.4</b> | <b>(114.9)</b> |
| <b>Net Expenditure (Funding Required)</b> | <b>1,135.6</b>       | <b>1,129.9</b> | <b>(5.8)</b>  | <b>1,386.7</b>    | <b>1,402.2</b> | <b>15.5</b>    |

Note: Figures reflect 2025 Operating Budget in-year budget adjustments of \$12.2 million gross and \$0.0 net in accordance with the implementation of PS 3400 – Revenue Standard in 2025, to reflect costs that are recoverable through the billing of a third party, to be budgeted and recognized at the gross revenue and gross expense level. This amount is currently pending City approval and is included under Recommendations.

## 2025 Revenues

At the end of Period 9, total revenue was \$57.5 million (6.3%) below budget, driven by lower passenger revenue due to lower-than-anticipated ridership growth; lower Provincial Funding due to delayed timing of expenditures for Line 5 and Line 6 eligible for reimbursement under the New Deal; and lower ancillary revenue associated with timing of cost recoveries for service disruption and third parties.

By year-end, revenue is forecasted to be \$130.4 (8.9%) million below budget, driven by lower passenger revenue due to continued trend of lower-than-expected ridership growth; lower Provincial Funding resulting from delayed timing of expenditures for Line 5 and Line 6 eligible for reimbursement under the New Deal; lower ancillary revenue related to timing of third-party cost recoveries; and lower-than-expected TTC Stabilization Reserve draws due to delayed one-time variation costs for Line 5 and Line 6 to be funded from the Reserve.

During the 2025 Budget process, TTC staff advised on the risks associated with the level of 2025 passenger revenues, due to changing travel patterns.

## 2025 Expenditures

Operating expenses to the end of Period 9 were \$63.3 million (3.1%) below planned spending, primarily driven by delayed timing of expenditures to support the planned opening of Line 5 and Line 6; lower-than-anticipated garage and equipment costs and



delayed availability of vehicle maintenance parts, all expected to normalize by year-end; delayed timing of planned expenditures for implementation of Information Technology (IT) software rollouts; delayed procurement of materials and services; and diesel cost savings following the removal of the Federal Carbon Tax (effective April 1, 2025). This underspend is partially offset by higher Wheel-Trans expenditures due to increased Wheel-Trans ridership compared to budget.

Year-end projections indicate a favourable gross expenditure variance of \$114.9 million (4.0%), primarily driven by delayed timing of expenditures to support the planned opening of Line 5 and Line 6; delayed timing of planned expenditures for implementation of Information Technology (IT) software projects, materials and services; lower employee benefits costs due to less WSIB claims than expected; and diesel cost savings following the removal of the Federal Carbon Tax (effective April 1, 2025) and the permanent reduction in the Provincial Fuel Tax (effective July 1, 2025). These savings are partially offset by increased Wheel-Trans service costs due to higher-than-budgeted ridership.

TTC senior management has implemented targeted cost containment measures to help mitigate the projected \$15.5 million net unfavourable variance to budget. These measures include a non-union hiring pause introduced at the end of September, an organization-wide vacancy review and a focus on limiting discretionary expenditures.

## **2025 Capital Results**

For the period ended September 27, 2025, \$923.7 million, or 96% of TTC's base capital program's year-to-date planned (calendarized) budget of \$965.4 million, was spent. A further \$7.1 million, or 19% of the year-to-date planned budget for transit-expansion-related projects of \$37.0 million, was also spent. In total, the TTC's capital expenditures up to the end of Period 9 total \$930.8 million and represent a spending rate of 93% when compared to the calendarized budget of \$1,002.4 million. When compared to the total approved 2025 Capital Budget of \$1.749 billion, the overall spending rate is 54%.

By year-end, the TTC's total capital spending is projected to be in the order of \$1.535 billion, representing an overall 88% spending rate, reflective of \$1.514 billion or 88% projected spending in the TTC's base capital program and \$21.0 million or 86% spending for transit-expansion-related capital works, as summarized in Table 6 below:



**Table 6 – 2025 Capital Year-to-Date Results and Forecast Summary**

| Description<br>(\$ Millions)           | Year-To-Date   |              |              | 2025           |                |                |              |
|--|----------------|--------------|--------------|----------------|----------------|----------------|--------------|
|  | Budget         | Actual       | %            | Budget         | YE Proj.       | Variance       | %            |
| TTC Base Capital                       | 965.4          | 923.7        | 95.7%        | 1,724.4        | 1,513.5        | (210.9)        | 87.8%        |
| TTC Transit Expansion Related Projects | 37.0           | 7.1          | 19.1%        | 24.3           | 21.0           | (3.3)          | 86.4%        |
| <b>Total</b>                           | <b>1,002.4</b> | <b>930.8</b> | <b>92.9%</b> | <b>1,748.7</b> | <b>1,534.5</b> | <b>(214.2)</b> | <b>87.7%</b> |

Year-to-date results and projected underspending at year-end in the capital program are impacted by various drivers, including but not limited to resourcing and supply chain constraints and third-party interdependences. The TTC's capital program results to date and projections to year-end also indicate overspending in some projects due to cost escalation, as well as accelerated work plan schedules and procurement activities. As a result, in-year budget adjustments are before the Board for approval to offset projects that have had accelerated spending by \$204.0 million with projects that have experienced delays and lower spending by \$204.0 million, with no debt impact, as outlined in Appendix 4 of this report.

### **Adjustments to the 2025-2034 Capital Budget and Plan**

Since the approval of the TTC's 10-Year Capital Plan, the TTC Board and City Council have approved in-year budget adjustments to account for final 2024 capital spending. As a result, the TTC's carry-forward funding of \$66.6 million approved through the 2024 Budget process has been increased by \$4.2 million.

The TTC Board also approved a funding reallocation within the Easier Access Phase III Program, transferring \$8.5 million to the Old Mill Station project from permanent savings on the SRT Life Extension Project. This adjustment addresses increased project costs to ensure continued progress on accessibility upgrades. Furthermore, the TTC Board approved an acceleration of cash flows for the Bloor-Yonge Capacity Improvements Project, of \$38.3 million in 2025 and \$73.1 million in 2026, respectively, to be borrowed from future years to align with the project delivery schedule.

This report recommends the addition of \$136.4 million Federal Funding through the Canada Public Transit Fund (CPTF) baseline stream, allocated to the procurement of 50 electric buses and 155 charging systems. Launched in 2024, the CPTF was established to provide \$3 billion annually toward public transit across the country through three streams: Baseline Funding, Metro-Region Agreements, and Targeted Funding. On November 29, 2024, the Government of Canada announced Toronto's allocation under the CPTF Baseline Funding Stream of \$116,363,918 annually, for a total contribution of approximately \$1.16 billion.

The TTC is using a portion of its CPTF allocation toward the required federal matching funding for the 55 Line 2 replacement trains, as well as Wheel-Trans buses. The TTC recently submitted and received approval for baseline stream funding allocations for the procurement of 50 electric buses and 155 charging systems, with total project cost estimates of \$101.9 million and \$239.0 million, respectively. With matching City/TTC funding already included in the Approved 2025-2034 Capital Budget and Plan, this report recommends the addition of the required CPTF funding for the projects to proceed.

Further in-year adjustments are being recommended in this report, as detailed in Appendix 4, to offset projects that have had accelerated spending with projects that have experienced delays and lower spending with no debt impact. These adjustments allow the TTC to maximize its capital project delivery by “borrowing” funds from those projects impacted by delays during the year and reallocating them to projects moving ahead of schedule. The “borrowed funds” are then reinstated to the delayed project in the following year.

With the approval of the budget adjustments noted above and detailed in Appendix 4, the TTC’s 10-Year Capital Budget and Plan’s annual cash flow estimates will be adjusted, as summarized in Table 7 below:

**Table 7 – Adjusted 10-Year Capital Budget and Plan**

| Capital Plan and Adjustments<br>(\$ Millions)         | 2025<br>Budget | 2026           | 2027           | 2028           | 2029           | 2030           | 2031           | 2032           | 2033           | 2034           | 10-Year<br>Total |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
| Council Approved Capital Plan<br>February 11, 2025    | 1,688.3        | 1,569.7        | 1,724.6        | 1,796.8        | 1,776.0        | 2,020.3        | 1,704.8        | 1,698.1        | 1,214.5        | 1,202.4        | 16,395.5         |
| <b>Previously Approved Amendments:</b>                |                |                |                |                |                |                |                |                |                |                |                  |
| Incremental Carryforward Adjustment                   | 3.8            | 0.4            | -              | -              | -              | -              | -              | -              | -              | -              | 4.2              |
| Easier Access Phase III                               | 0.3            | (7.5)          | 3.0            | 4.3            | -              | -              | -              | -              | -              | -              | -                |
| Bloor-Yonge Capacity Improvement                      | 38.3           | 73.1           | -              | -              | -              | (30.0)         | (40.0)         | (21.4)         | (20.0)         | -              | (0.0)            |
| 4M Variance Report Adjustments -<br>Acceleration      | 89.4           | 8.4            | 1.9            | 0.3            | -              | -              | -              | -              | -              | -              | 100.0            |
| 4M Variance Report Adjustments -<br>Deferrals         | (88.0)         | (10.2)         | (1.5)          | (0.3)          | -              | -              | -              | -              | -              | -              | (100.0)          |
| Procurement of Gasoline Wheel-Trans<br>Buses          | -              | 2.3            | 1.2            | 7.8            | 1.6            | 1.1            | -              | -              | -              | -              | 14.0             |
| 6M Variance Report Adjustments -<br>Acceleration      | 6.1            | (1.3)          | 3.7            | 14.0           | 5.5            | 1.6            | -              | -              | -              | 6.5            | 36.1             |
| 6M Variance Report Adjustments -<br>Deferrals         | (6.1)          | 1.3            | (3.7)          | (14.0)         | (5.5)          | (1.6)          | -              | -              | -              | (6.5)          | (36.1)           |
| <b>Total Previously Approved<br/>Amendments</b>       | <b>43.8</b>    | <b>66.5</b>    | <b>4.6</b>     | <b>12.0</b>    | <b>1.6</b>     | <b>(28.9)</b>  | <b>(40.0)</b>  | <b>(21.4)</b>  | <b>(20.0)</b>  | <b>-</b>       | <b>18.2</b>      |
| <b>Recommended Amendments:</b>                        |                |                |                |                |                |                |                |                |                |                |                  |
| 9M Variance Report Adjustments -<br>Acceleration      | 141.6          | (45.1)         | 106.5          | 1.0            | -              | -              | -              | -              | -              | -              | 204.0            |
| 9M Variance Report Adjustments -<br>Deferrals         | (141.6)        | 45.1           | (106.5)        | (1.0)          | -              | -              | -              | -              | -              | -              | (204.0)          |
| Procurement of electric buses and<br>charging systems | 16.7           | 22.8           | 89.3           | 7.6            | -              | -              | -              | -              | -              | -              | 136.4            |
| <b>Total Recommended Amendments</b>                   | <b>16.7</b>    | <b>22.8</b>    | <b>89.3</b>    | <b>7.6</b>     | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>136.4</b>     |
| <b>Revised Capital Plan</b>                           | <b>1,748.7</b> | <b>1,659.0</b> | <b>1,818.5</b> | <b>1,816.4</b> | <b>1,777.6</b> | <b>1,991.4</b> | <b>1,664.8</b> | <b>1,676.8</b> | <b>1,194.5</b> | <b>1,202.4</b> | <b>16,550.0</b>  |

The year-end projections based on the above amendments to the 2025 Capital Budget are accounted for in the Financial Update report presented here, and subject to the Board’s approval, will be included in the TTC’s submission for the City’s Period 9 2025 Capital Variance report to the Budget Committee and for City Council’s approval at its meeting on December 16, 2025.

## Economic Impacts of TTC Spending

Using the economic model established in partnership with the University of Toronto, 2025 operating and capital spending is estimated to generate \$5.003 billion in economic activity and almost 30,000 jobs across Canada. A total of 90% of benefits will accrue within Ontario. Both year-to-date and projected year-end benefits are summarized in Table 8 below:

**Table 8 – Economic Impact of 2025 Projected Year-End Spending by the TTC**

| (\$Millions)                     | P9 Year-To-Date Results |           |         | Year-End Forecast |           |         |
|----------------------------------|-------------------------|-----------|---------|-------------------|-----------|---------|
|                                  | Capital                 | Operating | Total   | Capital           | Operating | Total   |
| Spending                         | 930.8                   | 536.7     | 1,467.5 | 1,534.5           | 761.4     | 2,296.0 |
| Gross Domestic Product (GDP)     | 940.1                   | 305.9     | 1,246.0 | 1,549.9           | 434.0     | 1,983.9 |
| Economic Activity (Gross Output) | 2,373.5                 | 611.8     | 2,985.3 | 3,913.0           | 868.0     | 4,781.0 |
|                                  |                         |           |         |                   |           |         |
| Jobs                             | 13,962                  | 4,830     | 18,792  | 23,018            | 6,853     | 29,871  |

## Contact

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## Attachments

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- Attachment 1 Decision History
- Attachment 2 Major Projects Update Report (September 27, 2025)
  
- Appendix 1 Operating Results by Service for the Period Ended September 27, 2025
- Appendix 2 Overtime Management
- Appendix 3 2025 Capital Spending Summary by Program
- Appendix 4 2025-2034 Capital Budget and Plan Adjustments for Council Approval

## Attachment 1 – Decision History

At its meeting on January 10, 2025, the TTC Board approved the 2025-2034 TTC Capital Budget and Plan of \$14.615 billion over the 10-year period, with \$1.618 billion approved in the 2025 Capital Budget and a 2025 Operating Budget of \$2.819 billion gross and \$1.387 billion net, with a 2024 total year-end workforce complement of 18,201 positions for the TTC. The 2025 Operating Budget is comprised of \$2.636 billion gross and \$1.423 billion net for TTC Conventional Service; \$182.6 million gross and \$173.2 million net for Wheel-Trans Service.

[Recommended 2025 Operating Budget: 2025-2034 Capital Budget and Plan, 15-Year Capital Investment Plan and Real Estate Investment Plan Update](#)

At its meeting on January 27, 2025, the TTC Board approved a reallocation of \$8.5 million of permanent savings from the SRT Life Extension project and an increase to the total project cost for the Easier Access III Program to fund the Contract award for Old Mill Station. In addition, the TTC Board authorized the recommended budget adjustments to the TTC's 2025-2034 Capital Budget and Plan to be included in the TTC's Capital Variance Report submission to the City of Toronto for the four months ended April 30, 2025, for City Council consideration and approval.

[Making Old Mill Station Accessible](#)

At its meeting on February 24, 2025, the TTC Board approved the following cash flow adjustments to the TTC's 2025-2034 Capital Budget and Plan for the Bloor-Yonge Capacity Improvements Project by accelerating cash flow funding in 2025 by \$38.3 million and in 2026 by \$73.1 million, offset by reducing cash flow funding in years 2030 to 2033 inclusively by \$111.4 million total, with no debt impact, to align with the estimated project delivery schedule.

[Bloor-Yonge Capacity Improvements Project – Progressive Design-Build Development Phase](#)

At its meeting on May 21, 2025, in accordance with the City's Carry Forward Policy, City Council approved an incremental carry-forward addition of \$3.8 million applied to the TTC's existing carry-forward funding of \$66.6 million as submitted through the 2025 budget process.

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

At its meeting on June 23, 2025, the TTC Board approved the 2025 Capital Budget in-year budget adjustments to offset projects that have had accelerated spending by \$100.0 million with projects that have experienced delays and lower spending by \$100.0 million, with no debt impact.

[Financial and Major Projects Update for the Period Ended April 26, 2025](#)

As its meeting on July 17, 2025, the TTC Board approved expenditure adjustments to the TTC's 2025-2034 Capital Budget and Plan for the Purchase of Wheel-Trans Buses Program by amending the 2025 Capital Budget by \$0 and the 2026-2031 cash flow funding estimates by \$34.931 million to reflect the procurement of 105 Wheel-Trans buses and to align with the estimated project delivery schedule.

[Budget Adjustment for the Purchase of Gasoline Wheel-Trans Vehicles, and Introduction of Smaller Electric Vehicles](#)

At its meeting on September 10, 2025, the TTC Board approved the 2025 Capital Budget in-year budget adjustments to offset projects that have had accelerated spending by \$36.1 million with projects that have experienced delays and lower spending by \$36.1 million, with no debt impact, and the 2025 Operating Budget in-year budget adjustments of \$26.5 million gross revenue and \$26.5 gross expense (\$0 net) in accordance with the implementation of PS 3400 – Revenue Standard, to reflect costs that are recoverable through the billing of a third party, to be budgeted and recognized at the gross revenue and gross expense level.

[Financial and Major Projects Update for the Period Ended June 28, 2025](#)

## Appendix 1 – Operating Results by Service for the Period Ended September 27, 2025

### TTC Conventional Service: 2025 Operating Results by Key Account Grouping and Comparison to 2024

**Table 9 – TTC Conventional Service: 2025 Operating Results by Key Account Grouping**

| Item<br>(\$Millions)                      | Year-To-Date Actuals |                |               | Year-End Forecast |                |                | Status |
|---|----------------------|----------------|---------------|-------------------|----------------|----------------|--------|
|   | Budget               | Actual         | Variance      | Budget            | Forecast       | Variance       |        |
| <b>Revenues</b>                           |                      |                |               |                   |                |                |        |
| Passenger Revenue                         | 785.1                | 755.0          | (30.1)        | 1,070.4           | 1,024.8        | (45.6)         | ✗      |
| Ancillary Revenue                         | 89.4                 | 78.9           | (10.5)        | 136.7             | 127.2          | (9.5)          | ✗      |
| <b>Subtotal Revenues</b>                  | <b>874.5</b>         | <b>834.0</b>   | <b>(40.5)</b> | <b>1,207.1</b>    | <b>1,152.0</b> | <b>(55.1)</b>  | ✗      |
| Provincial Funding Deal                   | 32.5                 | 15.5           | (17.0)        | 203.1             | 135.9          | (67.3)         | ✗      |
| TTC Stabilization Reserve Draw            | 0.0                  | 0.0            | 0.0           | 32.0              | 23.9           | (8.1)          | ✗      |
| Long-Term Liability Reserve Draw          | 0.0                  | 0.0            | 0.0           | 18.8              | 18.8           | 0.0            | –      |
| <b>Total Revenues</b>                     | <b>906.9</b>         | <b>849.4</b>   | <b>(57.5)</b> | <b>1,461.1</b>    | <b>1,330.6</b> | <b>(130.5)</b> | ✗      |
| <b>Expenses</b>                           |                      |                |               |                   |                |                |        |
| Departmental Labour                       | 1,036.8              | 1,031.9        | (4.9)         | 1,414.6           | 1,398.6        | (16.0)         | ✓      |
| Departmental Non-Labour                   | 267.8                | 232.8          | (35.0)        | 388.8             | 340.9          | (47.9)         | ✓      |
| Employee Benefits                         | 369.8                | 371.2          | 1.4           | 500.2             | 488.1          | (12.2)         | ✓      |
| Diesel                                    | 69.0                 | 63.3           | (5.7)         | 92.4              | 83.0           | (9.4)          | ✓      |
| Traction Power & Utilities                | 62.1                 | 63.7           | 1.6           | 89.4              | 88.5           | (0.9)          | ✓      |
| Other Corporate Costs                     | 111.2                | 88.3           | (22.9)        | 166.7             | 133.7          | (33.0)         | ✓      |
| <b>Subtotal Expenditures</b>              | <b>1,916.6</b>       | <b>1,851.2</b> | <b>(65.5)</b> | <b>2,652.2</b>    | <b>2,532.9</b> | <b>(119.4)</b> | ✓      |
| TTC Stabilization Reserve Contribution    | 0.0                  | 0.0            | 0.0           | 5.5               | 5.5            | 0.0            | –      |
| Long-Term Liability Reserve Contribution  | 0.0                  | 0.0            | 0.0           | 17.0              | 17.0           | 0.0            | –      |
| <b>Total Expenditures</b>                 | <b>1,916.6</b>       | <b>1,851.2</b> | <b>(65.5)</b> | <b>2,674.7</b>    | <b>2,555.3</b> | <b>(119.4)</b> | ✓      |
| <b>Net Expenditure (Funding Required)</b> | <b>1,009.7</b>       | <b>1,001.8</b> | <b>(8.0)</b>  | <b>1,213.6</b>    | <b>1,224.7</b> | <b>11.1</b>    | ✗      |

The year-to-date unfavourable revenue variance of \$57.5 (6.3%) million is primarily attributable to:

- \$30.1 million of lower-than-planned passenger revenue resulting from lower-than-budgeted ridership levels.
- \$17.0 million of lower Provincial Funding attributable to the delayed timing of expenditures for Line 5 and Line 6 that are eligible for reimbursement under the New Deal Agreement.
- \$10.5 million of lower ancillary revenue associated with the timing of cost recoveries for service disruption and third parties.

The year-to-date favourable expenditure variance of \$65.5 million (3.4%) is attributable to the following factors:

- \$35.0 million of departmental non-labour savings, including \$21.7 million from delayed timing of expenditures to support the planned opening of Line 5 and Line 6, \$7.5 million from the delayed timing of planned expenditures for materials and services, \$4.3 million from lower Information Technology (IT) costs resulting from delays in the implementation of software roll-outs, and \$1.5 million from lower-than-anticipated vehicle maintenance parts, garage and equipment expenses, which are expected to normalize on a full-year basis.

- \$22.9 million of corporate cost savings, including \$20.5 million from lower operating overhead, and \$1.4 million from reduced PRESTO commission fees, consistent with the decrease in passenger revenue.
- \$5.7 million of diesel cost savings following the removal of the Federal Carbon Tax (effective April 1, 2025).
- \$4.9 million of lower labour costs due to workforce vacancies, including those related to the delayed opening of Line 5 and Line 6.

Year-end projections indicate a net unfavourable variance of \$11.1 million (0.9%), driven by a \$130.5-million unfavourable revenue variance, partially offset by an under-expenditure of \$119.4 million.

The \$130.5 million (8.9%) unfavourable revenue variance is primarily due to:

- \$67.3 million of lower Provincial Funding due to the delayed timing of expenditures for Line 5 and Line 6 eligible for reimbursement under the New Deal.
- \$45.6 million of lower-than-budgeted passenger revenue due to the continued trend of lower-than-anticipated ridership growth, reflecting a softer economic environment.
- \$9.5 million of lower ancillary revenue associated with the timing of cost recoveries for service disruption and third parties.
- \$8.1 million of lower-than-budgeted usage of the TTC Stabilization Reserve Draws due to delayed one-time variation costs for Line 5 and Line 6, which were to be funded from the reserve.

The \$119.4 million (4.5%) favourable expenditure variance is primarily due to:

- \$47.9 million of departmental non-labour underspend driven by \$38.9 million of delayed timing of expenditures to support the planned opening of Line 5 and Line 6.
- \$33.0 million of favourable corporate costs, including \$30.9 million of lower-than-budgeted operating project overhead charges, and \$2.1 million of lower PRESTO commission fees, consistent with the decrease in passenger revenue.
- \$16.0 million in lower labour costs resulting from vacant positions, including \$4.7 million in savings associated with the non-union hiring freeze implemented in Q4.
- \$9.4 million of lower diesel costs due to the removal of the Federal Carbon Tax (effective April 1, 2025) and the permanent reduction in the Provincial Fuel Tax (effective July 1, 2025).

TTC senior management has implemented targeted cost containment measures to help mitigate the projected \$11.1-million net unfavourable variance to budget. These measures include a non-union hiring pause introduced at the end of September, an organization-wide vacancy review, and a focus on limiting discretionary expenditures.



### ***TTC Conventional Service: 2025 versus 2024 Results Comparison***

To the end of Period 9 2025, TTC Conventional net expenditures were \$114.1 million (11.4%) above 2024 year-to-date results, and 2025 forecasted year-end spending is projected to be \$137.9 million (11.3%) above 2024 actual net expenditures at year-end.

**Table 10 – TTC Conventional Service 2025 versus 2024 Results Comparison**

| Item<br>(\$Millions)                      | Year-To-Date Actuals |                 |              | Year-End Forecast |                 |              |
|---|----------------------|-----------------|--------------|-------------------|-----------------|--------------|
|   | 2025<br>Actuals      | 2024<br>Actuals | Change       | 2025<br>Forecast  | 2024<br>Actuals | Change       |
| <b>Revenues</b>                           |                      |                 |              |                   |                 |              |
| Passenger Revenue                         | 755.0                | 753.1           | 1.9          | 1,024.8           | 1,019.3         | 5.5          |
| Ancillary Revenue                         | 78.9                 | 57.2            | 21.7         | 127.2             | 118.8           | 8.4          |
| <b>Subtotal Revenues</b>                  | <b>834.0</b>         | <b>810.3</b>    | <b>23.6</b>  | <b>1,152.0</b>    | <b>1,138.1</b>  | <b>13.8</b>  |
| Provincial Funding Deal                   | 15.5                 | 0.0             | 15.5         | 135.9             | 108.0           | 27.9         |
| TTC Stabilization Reserve Draw            | 0.0                  | 0.0             | 0.0          | 23.9              | 0.0             | 23.9         |
| Long-Term Liability Reserve Draw          | 0.0                  | 0.0             | 0.0          | 18.8              | 17.6            | 1.2          |
| <b>Total Revenues</b>                     | <b>849.4</b>         | <b>810.3</b>    | <b>39.1</b>  | <b>1,330.6</b>    | <b>1,263.8</b>  | <b>66.8</b>  |
| <b>Expenditures</b>                       |                      |                 |              |                   |                 |              |
| Departmental Labour                       | 1,031.9              | 931.7           | 100.2        | 1,398.6           | 1,273.3         | 125.2        |
| Departmental Non-Labour                   | 232.8                | 219.4           | 13.4         | 340.9             | 311.3           | 29.7         |
| Employee Benefits                         | 371.2                | 335.9           | 35.2         | 488.1             | 451.3           | 36.8         |
| Diesel                                    | 63.3                 | 71.1            | (7.7)        | 83.0              | 95.6            | (12.5)       |
| Traction Power & Utilities                | 63.7                 | 56.8            | 6.9          | 88.5              | 74.1            | 14.5         |
| Other Corporate Costs                     | 88.3                 | 83.0            | 5.2          | 133.7             | 128.1           | 5.7          |
| <b>Subtotal Expenditures</b>              | <b>1,851.2</b>       | <b>1,698.0</b>  | <b>153.2</b> | <b>2,532.9</b>    | <b>2,333.6</b>  | <b>199.2</b> |
| TTC Stabilization Reserve Contribution    | 0.0                  | 0.0             | 0.0          | 5.5               | 0.0             | 5.5          |
| Long-Term Liability Reserve Contribution  | 0.0                  | 0.0             | 0.0          | 17.0              | 17.0            | 0.0          |
| <b>Total Expenditures</b>                 | <b>1,851.2</b>       | <b>1,698.0</b>  | <b>153.2</b> | <b>2,555.3</b>    | <b>2,350.6</b>  | <b>204.7</b> |
| <b>Net Expenditure (Funding Required)</b> | <b>1,001.8</b>       | <b>887.6</b>    | <b>114.1</b> | <b>1,224.7</b>    | <b>1,086.8</b>  | <b>137.9</b> |

2025 year-to-date expenses were \$114.1 million (11.4%) higher than 2024 year-to-date spending. This is primarily due to the higher cost of operating service at a rate of 2.0% above 2024 year-to-date levels to meet service demand, escalating employee benefit-related expenses, and workforce complement added.

Year-over-year expenditures are anticipated to be \$204.7 million (8.0%) higher at the end of 2025 in comparison to 2024. Key drivers of this projected increase include:

- Full year impact of ratified Collective Bargaining Agreements for Unions (Lodge 5089, Local 2, Local 113, Local 470, and Lodge 235) of approximately \$83.2 million.
- Increased expenditures of \$45.2 million to support the planned opening of Line 5 and Line 6 including mobilization costs in preparation for revenue service, as well as operating and post-opening maintenance costs.
- Approximately \$28.9 million from inflationary and legislative impacts related to employee benefit costs, materials, and service contracts.
- Increased salary and benefit costs of approximately \$27.8 million associated with fewer vacancies in 2025 compared to 2024, due to recruitment efforts throughout 2025 until the hiring pause implemented in Q4.



- Approximately \$27.8 million due to operating an additional 3.3% in service hours compared to the end of 2024.
- Higher traction power and utilities expenses of \$11.3 million, consistent with increased service hours delivered this year compared to 2024.
- An additional \$1.1 million to be paid in PRESTO commission fees, aligned with the increase in passenger revenue and growing adoption of Virtual PRESTO Card usage.

The total projected increase in 2025 expenditures is anticipated to be partially offset by \$12.5 million of diesel savings, due to the removal of the Federal Carbon Tax (effective April 1, 2025), and the permanent reduction in the Provincial Fuel Tax (effective July 1, 2025).

### **Revenues**

On a year-to-date basis, revenue was \$39.1 million (4.6%) higher, reflecting the impact of a higher average fare per rider in 2025 and a 1.1% increase in ridership compared to the same period in 2024.

At year-end, revenue is projected to be \$66.8 million (5.0%) higher than in 2024, as a result of the following key drivers:

- Approximately \$27.9 million in revenue to be received from the Provincial New Deal Funding Agreement, related to the opening of Line 5 and Line 6.
- TTC Stabilization Reserve draws is forecasted to be \$23.9 million higher as a result of foregoing 2024's Stabilization Reserve draws.
- Ancillary revenue is projected to be \$8.4 million higher mainly due to recoveries from service disruption and third parties and operating additional services in York Region.
- Passenger revenue is projected to be \$5.5 million higher, associated with an increase in the average fare per rider and ridership compared to 2024.

### ***Wheel-Trans Service: 2025 Operating Results by Key Account Grouping and Comparison to 2024***

Overall, the projected net over-expenditure on Wheel-Trans Service of \$4.4 million (2.5%) is summarized in Table 11 below:

**Table 11 – 2025 Wheel-Trans Service: 2025 Operating Results by Key Account Grouping**

| Item<br>(\$Millions)                      | Year-To-Date Actuals |                |              | Year-End Forecast |              |            | Status |
|---|----------------------|----------------|--------------|-------------------|--------------|------------|--------|
|   | Budget               | Actual         | Variance     | Budget            | Forecast     | Variance   |        |
| <b>Revenues</b>                           |                      |                |              |                   |              |            |        |
| Passenger Revenue                         | 6.4                  | 6.5            | 0.1          | 8.8               | 8.9          | 0.1        | ✓      |
| Other Income                              | 0.1                  | 0.0            | (0.1)        | 0.1               | 0.1          | 0.0        | –      |
| <b>Subtotal Revenues</b>                  | <b>6.5</b>           | <b>6.5</b>     | <b>(0.0)</b> | <b>9.0</b>        | <b>9.0</b>   | <b>0.1</b> | ✓      |
| Long-Term Liability Reserve Draw          | 0.0                  | 0.0            | 0.0          | 0.6               | 0.6          | 0.0        | –      |
| <b>Total Revenues</b>                     | <b>6.5</b>           | <b>6.5</b>     | <b>(0.0)</b> | <b>9.5</b>        | <b>9.6</b>   | <b>0.1</b> | ✓      |
| <b>Expenditures</b>                       |                      |                |              |                   |              |            |        |
| Bus Service                               | 42.4                 | 43.9           | 1.5          | 57.7              | 60.9         | 3.1        | ✗      |
| Vehicle Fuel                              | 2.9                  | 2.4            | (0.5)        | 4.0               | 3.2          | (0.8)      | ✓      |
| Contracted Taxi                           | 57.2                 | 59.2           | 1.9          | 79.8              | 82.6         | 2.8        | ✗      |
| Employee Benefits                         | 16.7                 | 15.1           | (1.6)        | 22.5              | 20.1         | (2.4)      | ✓      |
| Administration/Management                 | 13.2                 | 14.0           | 0.8          | 18.1              | 19.8         | 1.7        | ✗      |
| <b>Subtotal Expenditures</b>              | <b>132.4</b>         | <b>134.6</b>   | <b>2.2</b>   | <b>182.1</b>      | <b>186.5</b> | <b>4.4</b> | ✗      |
| Long-Term Liability Reserve Contribution  | 0.0                  | 0.0            | 0.0          | 0.6               | 0.6          | 0.0        | –      |
| <b>Total Expenditures</b>                 | <b>132.4</b>         | <b>134.587</b> | <b>2.2</b>   | <b>182.7</b>      | <b>187.1</b> | <b>4.4</b> | ✗      |
|   |                      |                |              |                   |              |            |        |
| <b>Net Expenditure (Funding Required)</b> | <b>125.9</b>         | <b>128.1</b>   | <b>2.2</b>   | <b>173.2</b>      | <b>177.5</b> | <b>4.4</b> | ✗      |

On a year-to-date basis, Wheel-Trans expenses were \$2.2 million (1.6%) above budget mainly due to higher contracted taxi costs and bus service costs driven by higher ridership demand, partially offset by lower fuel pricing and employee benefit costs. Revenue was \$0.0 million (0.4%) below budget due to unfavourable other income driven by timing of third-party recoveries. This was offset by higher passenger revenue, driven by increased ridership levels resulting from an unanticipated rise in new registrants and trip frequency per registrant.

Year-end expenditures are anticipated to be \$4.4 million or 2.4% above the 2025 Approved Budget. This is primarily driven by the continuation of higher-than-anticipated ridership levels, thereby requiring additional bus and contracted taxi services to accommodate the projected ridership demand to year-end.

Year-end revenues are anticipated to be above budget by \$0.1 million (0.7%), driven by higher-than-anticipated ridership levels resulting from stronger growth in both new registrants and trip frequency per registrant, partially offset by lower-than-expected average fare per ride. With ridership at 2.7% above budget in the first nine months of the year, this trend is expected to continue for the rest of the year.

### **Wheel-Trans Service: 2025 versus 2024 Results Comparison**

As noted in Table 12 below, Wheel-Trans expenses were \$14.4 million (12.0%) higher and revenue was \$0.7 million (11.7%) higher on a year-to-date basis compared to 2024, primarily due to increased ridership demand driven by growth in new registrants and trip frequency per registrant, resulting in greater requirements for Contracted Taxi services and Bus service costs.

Year-end passenger revenue is projected to be \$1.0 million (11.1%) higher in 2025 than in 2024, largely reflecting the impact of ridership trending above anticipated levels over

the course of 2025. For the full year, ridership is expected to be 15.2% higher compared to 2024.

Year-over-year expenditures are estimated to be \$21.6 million (13.1%) higher in 2025 than in 2024. Key drivers of this net increase include:

- Gradual return in ridership demand resulting in increased requirements for contracted taxi services, bus service, including Operator and maintenance costs.
- Inflationary impacts on materials and contracted taxi services.
- Employee benefits inflationary cost and utilization increases.

**Table 12 – Wheel-Trans Service: 2025 versus 2024 Results Comparison**

| Item<br>(\$Millions)                      | Year-To-Date Actuals |                 |             | Year-End Forecast |                 |             |
|---|----------------------|-----------------|-------------|-------------------|-----------------|-------------|
|   | 2025<br>Actuals      | 2024<br>Actuals | Change      | 2025<br>Forecast  | 2024<br>Actuals | Change      |
| <b>Revenues</b>                           |                      |                 |             |                   |                 |             |
| Passenger Revenue                         | 6.5                  | 5.8             | 0.7         | 8.9               | 8.0             | 0.9         |
| Other Income                              | 0.0                  | 0.0             | 0.0         | 0.1               | 0.0             | 0.1         |
| <b>Subtotal Revenues</b>                  | <b>6.5</b>           | <b>5.8</b>      | <b>0.7</b>  | <b>9.0</b>        | <b>8.0</b>      | <b>1.0</b>  |
| Long-Term Liability Reserve Draw          | 0.0                  | 0.0             | 0.0         | 0.6               | 0.6             | (0.0)       |
| <b>Total Revenues</b>                     | <b>6.5</b>           | <b>5.8</b>      | <b>0.7</b>  | <b>9.6</b>        | <b>8.6</b>      | <b>1.0</b>  |
| <b>Expenses</b>                           |                      |                 |             |                   |                 |             |
| Bus Service                               | 43.9                 | 41.9            | 2.0         | 60.9              | 57.2            | 3.7         |
| Vehicle Fuel                              | 2.4                  | 2.8             | (0.4)       | 3.2               | 3.7             | (0.4)       |
| Contracted Taxi                           | 59.2                 | 48.2            | 10.9        | 82.6              | 67.4            | 15.2        |
| Employee Benefits                         | 15.1                 | 14.5            | 0.6         | 20.1              | 19.5            | 0.5         |
| Administration/Management                 | 14.0                 | 12.8            | 1.2         | 19.8              | 17.2            | 2.7         |
| <b>Subtotal Expenditures</b>              | <b>134.6</b>         | <b>120.2</b>    | <b>14.4</b> | <b>186.5</b>      | <b>164.9</b>    | <b>21.6</b> |
| Long-Term Liability Reserve Contribution  | 0.0                  | 0.0             | 0.0         | 0.6               | 0.6             | 0.0         |
| <b>Total Expenditures</b>                 | <b>134.587</b>       | <b>120.2</b>    | <b>14.4</b> | <b>187.1</b>      | <b>165.5</b>    | <b>21.6</b> |
|   |                      |                 |             |                   |                 |             |
| <b>Net Expenditure (Funding Required)</b> | <b>128.1</b>         | <b>114.4</b>    | <b>13.7</b> | <b>177.5</b>      | <b>156.8</b>    | <b>20.7</b> |

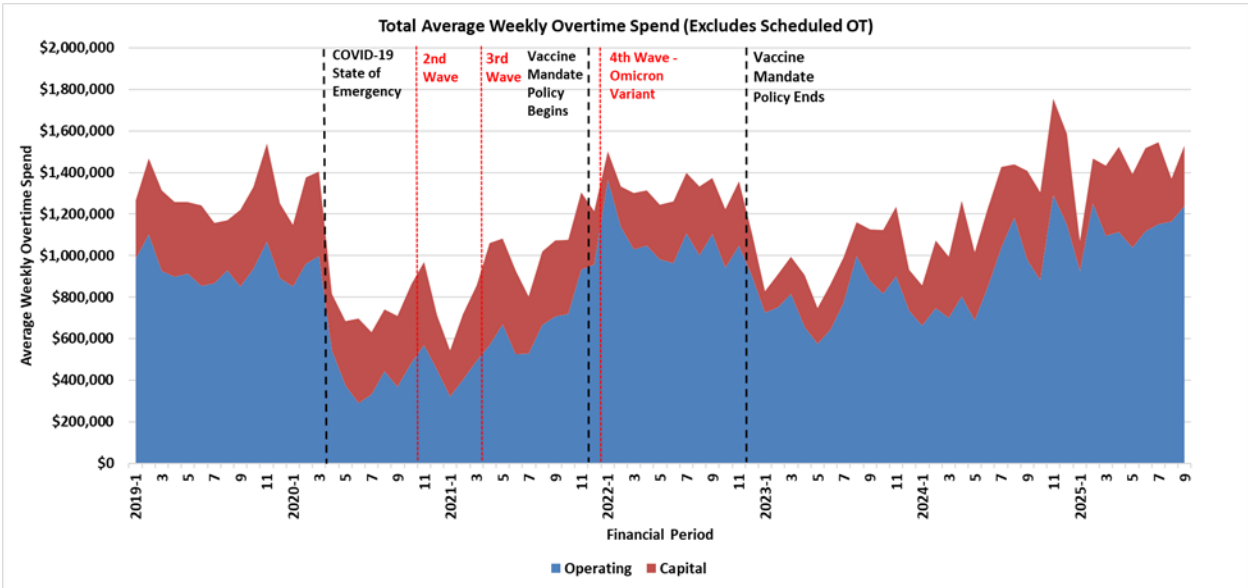
# Appendix 2 – Overtime Management

## Overtime Management

The management of overtime expenses continues to be a key area of focus for the TTC, and one that contributes to meeting the TTC’s objective of improving its financial sustainability. Overtime expenditures are incurred to meet both operating and capital needs. Operating requirements are driven by the need to address incident response and absence coverage, and capital overtime support efforts to maximize productivity, while minimizing disruption during capital project delivery.

Excluding overtime required for scheduled service, Chart 3 below shows that average weekly overtime spending (operating and capital combined) to the end of Period 9 has increased to an average of \$1.4 million per week in 2025 from \$1.2 million per week in 2024 for the same time period, representing an increase of approximately 21%. The increase in overtime was mainly due to inclement weather in February 2025 (snow) and extreme heat in June 2025, resulting in additional requirements from Signals, Stations, and Maintenance staff to ensure service continuity, combined with lower workforce availability within the Operations and Infrastructure Group.

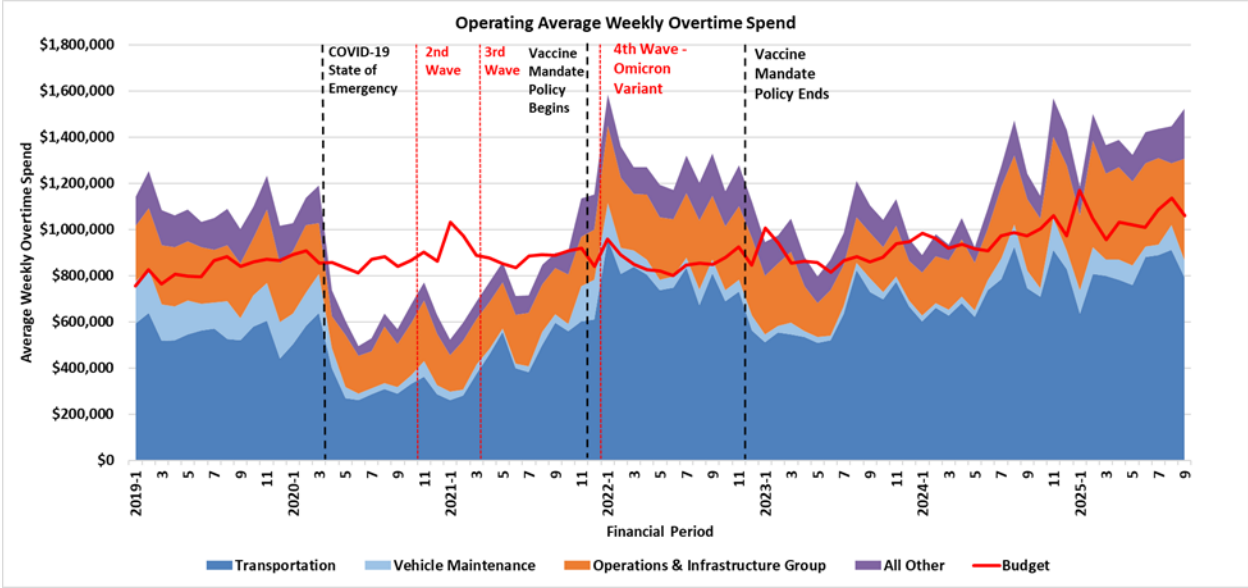
Chart 3 – Total Average Weekly Overtime Spending



## Operating Overtime

Consistent with the overall trend noted above, operating overtime in the first nine months of 2025 increased approximately 28% compared to 2024, as illustrated in Chart 4 below. This was driven mainly by an increase in the need for overtime within the Operations and Infrastructure Group and the Vehicle Maintenance Departments, as noted in the overtime management commentary above. Despite this increase in overtime, overall labour spending is anticipated to be mitigated throughout the remainder of the year as overtime is mainly being used for filling open work and vacant positions where absolutely required. Emphasis continues to be placed on absence management and recruitment activities to increase workforce availability, which in turn will reduce the reliance on overtime to meet and maintain service levels.

Chart 4 – Operating Average Weekly Overtime Spending



## Appendix 3 – 2025 Capital Spending Summary by Program

### 2025 Capital Budget Variance Reporting for the Period Ended September 27, 2025

| EXPENDITURES BY PROGRAM                            | Year-to-Date     |                |                 |             | 2025 Year-end Results |                  |                  |             |
|--|------------------|----------------|-----------------|-------------|-----------------------|------------------|------------------|-------------|
|  | Budget           | Actuals        | Variance        | %           | Budget                | Year-end Proj.   | Variance         | %           |
| <b>TRACK</b>                                       | <b>42.482</b>    | <b>68.815</b>  | <b>26.334</b>   | <b>162%</b> | <b>100.323</b>        | <b>100.155</b>   | <b>(0.167)</b>   | <b>100%</b> |
| 1.1 Subway Track                                   | 18.759           | 33.487         | 14.728          | 179%        | 44.411                | 44.411           | 0.000            | 100%        |
| 1.2 Surface Track                                  | 23.723           | 35.329         | 11.606          | 149%        | 55.912                | 55.744           | (0.167)          | 100%        |
| <b>ELECTRICAL SYSTEMS</b>                          | <b>66.191</b>    | <b>55.174</b>  | <b>(11.016)</b> | <b>83%</b>  | <b>94.878</b>         | <b>93.834</b>    | <b>(1.044)</b>   | <b>99%</b>  |
| 2.1 Traction Power                                 | 15.629           | 15.779         | 0.149           | 101%        | 29.315                | 29.315           | 0.000            | 100%        |
| 2.2 Power Distribution/Electric Systems            | 5.572            | 4.642          | (0.930)         | 83%         | 9.626                 | 9.258            | (0.368)          | 96%         |
| 2.3 Communications                                 | 9.959            | 10.407         | 0.448           | 104%        | 16.113                | 16.113           | 0.000            | 100%        |
| 2.4 Signal Systems                                 | 19.500           | 11.772         | (7.728)         | 60%         | 21.468                | 21.468           | 0.000            | 100%        |
| ATC Resignalling                                   | 15.532           | 12.575         | (2.956)         | 81%         | 18.357                | 17.681           | (0.676)          | 96%         |
| <b>BUILDINGS &amp; STRUCTURES</b>                  | <b>329.779</b>   | <b>300.098</b> | <b>(29.681)</b> | <b>91%</b>  | <b>562.981</b>        | <b>523.802</b>   | <b>(39.179)</b>  | <b>93%</b>  |
| 3.1 Finishes                                       | 25.152           | 20.947         | (4.205)         | 83%         | 32.707                | 32.707           | 0.000            | 100%        |
| 3.2 Equipment                                      | 40.980           | 28.680         | (12.300)        | 70%         | 108.269               | 90.624           | (17.644)         | 84%         |
| 3.3 Yards & Roads                                  |                  |                |                 |             |                       |                  |                  |             |
| Streetcar Network Upgrades & BRT                   | 0.366            | 0.102          | (0.264)         | 28%         | 0.445                 | 0.445            | 0.000            | 100%        |
| On-Grade Paving Rehabilitation Program             | 5.204            | 5.449          | 0.245           | 105%        | 8.521                 | 8.521            | 0.000            | 100%        |
| Bicycle parking at stations                        | 0.000            | 0.000          | 0.000           |             | 0.000                 | 0.000            | 0.000            |             |
| Transit Shelters & Loops                           | 0.000            | 0.001          | 0.001           |             | 0.240                 | 0.240            | 0.000            | 100%        |
| 3.4 Bridges & Tunnels                              | 32.052           | 32.929         | 0.877           | 103%        | 46.363                | 46.363           | 0.000            | 100%        |
| 3.9 Buildings and Structures Projects              |                  |                |                 |             |                       |                  |                  |             |
| Fire Ventilation Upgrades & Second Exits           | 6.674            | 5.509          | (1.165)         | 83%         | 17.488                | 16.613           | (0.876)          | 95%         |
| Easier Access Phase III                            | 92.216           | 88.639         | (3.577)         | 96%         | 144.214               | 144.214          | 0.000            | 100%        |
| Leslie Barns                                       | 0.135            | 0.004          | (0.131)         | 3%          | 0.108                 | 0.108            | 0.000            | 100%        |
| Toronto Rocket/T1 Rail Yard Accommodation          | 6.052            | 6.676          | 0.624           | 110%        | 7.622                 | 7.622            | 0.000            | 100%        |
| McNicoll New Bus Garage                            | 0.332            | 0.397          | 0.065           | 120%        | 0.467                 | 0.467            | 0.000            | 100%        |
| Warehouse Consolidation                            | 0.079            | 0.079          | 0.000           | 100%        | 0.397                 | 0.397            | 0.000            | 100%        |
| Yonge-Bloor Capacity Enhancement                   | 40.125           | 49.008         | 8.882           | 122%        | 75.673                | 75.673           | 0.000            | 100%        |
| Line 1 Capacity Enhancement                        | 16.541           | 14.448         | (2.094)         | 87%         | 19.787                | 19.787           | 0.000            | 100%        |
| Line 2 Capacity Enhancement                        | 7.329            | 8.802          | 1.473           | 120%        | 12.240                | 12.240           | 0.000            | 100%        |
| Other Buildings and Structures                     | 56.541           | 38.427         | (18.114)        | 68%         | 88.441                | 67.782           | (20.659)         | 77%         |
| <b>VEHICLES</b>                                    | <b>441.214</b>   | <b>436.929</b> | <b>(4.285)</b>  | <b>99%</b>  | <b>802.562</b>        | <b>668.819</b>   | <b>(133.743)</b> | <b>83%</b>  |
| REVENUE VEHICLES                                   |                  |                |                 |             |                       |                  |                  |             |
| 4.11 Purchase of Buses                             | 201.817          | 192.471        | (9.346)         | 95%         | 469.010               | 346.320          | (122.690)        | 74%         |
| 4.11 Purchase of Buses - Wheel Trans Buses         | 6.613            | 6.160          | (0.452)         | 93%         | 11.802                | 10.880           | (0.922)          | 92%         |
| 4.12 Purchase of Subway Cars                       | 1.393            | 1.343          | (0.050)         | 96%         | 1.994                 | 1.994            | (0.000)          | 100%        |
| 4.13 Bus Overhaul                                  | 47.277           | 48.282         | 1.005           | 102%        | 68.068                | 67.485           | (0.584)          | 99%         |
| 4.15 Streetcar Overhaul                            | 25.225           | 28.334         | 3.109           | 112%        | 35.962                | 35.082           | (0.880)          | 98%         |
| 4.16 Subway Car Overhaul                           | 32.142           | 31.504         | (0.638)         | 98%         | 46.259                | 42.410           | (3.849)          | 92%         |
| 4.18 Purchase of Streetcars                        | 116.851          | 119.264        | 2.413           | 102%        | 142.623               | 142.623          | 0.000            | 100%        |
| NON-REVENUE VEHICLES                               |                  |                |                 |             |                       |                  |                  |             |
| 4.21 Purchase Automotive Non-Revenue Vehicles      | 8.520            | 8.456          | (0.063)         | 99%         | 22.801                | 20.197           | (2.604)          | 89%         |
| 4.22 Rail Non-Revenue Vehicle Overhaul             | 1.224            | 1.042          | (0.182)         | 85%         | 3.754                 | 1.721            | (2.033)          | 46%         |
| 4.23 Purchase Rail Non-Revenue Vehicles            | 0.153            | 0.072          | (0.081)         | 47%         | 0.288                 | 0.106            | (0.182)          | 37%         |
| <b>TOTAL OTHER</b>                                 | <b>85.762</b>    | <b>62.714</b>  | <b>(23.049)</b> | <b>73%</b>  | <b>163.702</b>        | <b>126.900</b>   | <b>(36.802)</b>  | <b>78%</b>  |
| TOOLING, MACHINERY & EQUIPMENT                     |                  |                |                 |             |                       |                  |                  |             |
| 5.1 Shop Equipment                                 | 4.935            | 5.227          | 0.291           | 106%        | 14.995                | 12.441           | (2.555)          | 83%         |
| 5.2 Revenue & Fare Handling Equipment              | 2.083            | 0.243          | (1.840)         | 12%         | 4.108                 | 3.800            | (0.308)          | 93%         |
| 5.3 Other Maintenance Equipment                    | 2.343            | 1.371          | (0.971)         | 59%         | 4.353                 | 3.172            | (1.181)          | 73%         |
| 5.4 Fare System                                    | 0.764            | 0.683          | (0.081)         | 89%         | 2.254                 | 2.254            | 0.000            | 100%        |
| ENVIRONMENTAL PROGRAMS                             |                  |                |                 |             |                       |                  |                  |             |
| 6.1 Environmental Programs                         | 5.995            | 7.101          | 1.106           | 118%        | 11.253                | 11.056           | (0.197)          | 98%         |
| 6.1 Safety and Reliability                         | 0.670            | 0.501          | (0.168)         | 75%         | 1.365                 | 0.600            | (0.765)          | 44%         |
| COMPUTER EQUIPMENT & SOFTWARE                      |                  |                |                 |             |                       |                  |                  |             |
| 7.1 Computer Equipment & Software                  | 62.510           | 40.610         | (21.900)        | 65%         | 97.949                | 74.782           | (23.168)         | 76%         |
| OTHER  |                  |                |                 |             |                       |                  |                  |             |
| 9.1 Furniture & Office Equipment                   | 0.201            | 0.044          | (0.156)         | 22%         | 0.651                 | 0.651            | 0.000            | 100%        |
| 9.2 Service Planning                               | 6.261            | 6.933          | 0.671           | 111%        | 26.774                | 18.145           | (8.629)          | 68%         |
| <b>Total Base Programs</b>                         | <b>965.428</b>   | <b>923.730</b> | <b>(41.697)</b> | <b>96%</b>  | <b>1,724.446</b>      | <b>1,513.510</b> | <b>(210.936)</b> | <b>88%</b>  |
| Toronto York Spadina Subway Extension              | 31.981           | 1.596          | (30.385)        | 5%          | 7.296                 | 6.230            | (1.067)          | 85%         |
| SRT Conversion to Busway                           | 4.950            | 5.287          | 0.337           | 107%        | 16.720                | 14.523           | (2.197)          | 87%         |
| Waterfront Transit - Design                        | 0.045            | 0.180          | 0.135           | 402%        | 0.283                 | 0.251            | (0.032)          | 89%         |
| <b>Total Transit Expansion Projects</b>            | <b>36.976</b>    | <b>7.062</b>   | <b>(29.913)</b> | <b>19%</b>  | <b>24.299</b>         | <b>21.004</b>    | <b>(3.296)</b>   | <b>86%</b>  |
| <b>Total Base &amp; Transit Expansion Projects</b> | <b>1,002.404</b> | <b>930.793</b> | <b>(71.611)</b> | <b>93%</b>  | <b>1,748.745</b>      | <b>1,534.514</b> | <b>(214.231)</b> | <b>88%</b>  |

## Appendix 4 – 2025-2034 Capital Budget and Plan Adjustments for Council Approval

| CTT                      | Program                                       | 2025<br>Recommended<br>Capital Budget<br>Adjustments<br>(\$000s) | 2026-2034<br>Recommended<br>Capital Plan<br>Adjustments<br>(\$000s) | Comments  |
|--------------------------|---|--|---|---|
| CTT001                   | Subway Track                                  | \$20,959   | (\$20,959)  | Reallocation of funds to cover projected overspending.  |
| CTT002                   | Surface Track                                 | \$21,131   | (\$21,131)  | Reallocation of funds to cover projected overspending.  |
| CTT003                   | Traction Power                                | \$33   | (\$1,033)   | Reallocation of funds to accommodate design work of Neville Loop Substation.  |
| CTT005                   | Power Distribution/Electric Systems           | (\$260)  | \$260   | Deferral of funds to cover overspending in other projects.  |
| CTT006                   | Communications                                | \$2,314  | (\$2,176)   | Reallocation of funds to cover projected overspending.  |
| CTT008                   | Signal Systems                                | (\$19,714)   | \$34,989  | Reallocation of funds to address scope transfer from ATC to Line 1 Capacity Enhancements.   |
| CTT010                   | Finishes                                      | \$383  | (\$383)   | Reallocation of funds to cover projected overspending.  |
| CTT012                   | Equipment                                     | \$11,237   | \$83,970  | Reallocation of funds to accommodate Yorkdale Station art work scope; Addition of CPTF funding.   |
| CTT015                   | Yards & Roads                                 | \$69   | (\$69)  | Reallocation of funds to cover projected overspending.  |
| CTT018                   | On-Grade Paving Rehabilitation Program        | \$2,597  | (\$2,597)   | Reallocation of funds to cover projected overspending.  |
| CTT020                   | Bridges & Tunnels                             | \$5,447  | (\$5,447)   | Reallocation of funds to cover projected overspending.  |
| CTT028                   | Easier Access Phase II & III                  | \$20,945   | (\$20,071)  | Reallocation of funds to accommodate construction work at Christie Station and King Station.  |
| CTT035                   | Sheppard Subway - Yonge to Don Mills          | (\$1,358)  | \$484   | Deferral of funds to cover overspending in other projects.  |
| CTT051                   | Subway Car Overhaul Program                   | (\$208)  | \$208   | Deferral of funds to cover overspending in other projects.  |
| CTT053                   | Rail Non-Revenue Vehicle Overhaul             | (\$3)  | \$3   | Deferral of funds to cover overspending in other projects.  |
| CTT054                   | Rail Non-Revenue Vehicle Purchase             | (\$227)  | \$227   | Deferral of funds to cover overspending in other projects.  |
| CTT056                   | Fare Handling Equipment                       | (\$3,725)  | \$3,725   | Deferral of funds to cover overspending in other projects.  |
| CTT058                   | Environmental Programs                        | \$2,335  | (\$2,335)   | Reallocation of funds to cover projected overspending.  |
| CTT061                   | Information Technology Systems-Infrastructure | \$400  | \$0   | Reallocation of funds to accommodate resource needs of Renewable Energy Programs.   |
| CTT062                   | Furniture & Office Equipment                  | \$25   | (\$25)  | Reallocation of funds to cover projected overspending.  |
| CTT063                   | Other Service Planning                        | (\$2,498)  | \$2,498   | Deferral of funds to cover overspending in other projects.  |
| CTT110                   | Other Buildings & Structures Projects         | (\$8,184)  | \$9,514   | Reallocation of funds to accommodate design work of Neville Loop Substation, study of Leslie Barns loading dock and construction of Harvey Shop loading dock. |
| CTT111                   | Purchase of Buses                             | \$3,417  | \$37,350  | Reallocation of funds to cover projected overspending; Addition of CPTF funding.  |
| CTT112                   | Bus Overhaul                                  | (\$241)  | \$241   | Deferral of funds to cover overspending in other projects.  |
| CTT122                   | Purchase of Streetcars                        | (\$52)   | \$52  | Deferral of funds to cover overspending in other projects.  |
| CTT134                   | TYSSE   | (\$50,582)   | \$50,582  | Deferral of funds to cover overspending in other projects.  |
| CTT142                   | YUS ATC Resignalling                          | (\$2,279)  | (\$12,997)  | Reallocation of funds to address scope transfer from ATC to Line 1 Capacity Enhancements.   |
| CTT145                   | Leslie Barns Maintenance & Storage Facility   | (\$248)  | \$248   | Deferral of funds to cover overspending in other projects.  |
| CTT146                   | TR Yard and Tail Track Accommodation          | \$484  | (\$714)   | Reallocation of funds to accommodate construction of Harvey Shop loading dock.  |
| CTT147                   | Scarborough Subway Extension                  | (\$1,082)  | \$1,082   | Deferral of funds to cover overspending in other projects.  |
| CTT151                   | Waterfront Transit                            | \$191  | (\$191)   | Reallocation of funds to cover projected overspending.  |
| CTT154                   | Corporate Initiatives-CLA                     | (\$20)   | (\$218)   | Deferral of funds to cover overspending in other projects.  |
| CTT155                   | Bloor-Yonge Capacity Improvements             | \$15,323   | (\$15,323)  | Reallocation of funds to cover projected overspending.  |
| CTT156                   | Line 1 Capacity Enhancement                   | (\$2,037)  | \$2,037   | Deferral of funds to cover overspending in other projects.  |
| CTT157                   | Line 2 Capacity Enhancement                   | \$2,087  | (\$2,087)   | Reallocation of funds to cover projected overspending.  |
| <b>Total Adjustments</b> |   | <b>\$16,660</b>  | <b>\$119,714</b>  |   |