



Presentation: Key Trends on TTC Expenditures, Revenue and Opportunities for Sustainable Growth

Date: July 10, 2025
To: Strategic Planning Committee
From: Deputy Chief Executive Officer

Summary

A presentation will be provided to the July 10, 2025 meeting outlining key trends for expenditures, revenues and opportunities for sustainable growth.

Recommendations

It is recommended that the Strategic Planning Committee:

1. Receive this report for information.

Financial Summary

This report has no direct financial impacts.

Equity/Accessibility Matters

This report has no direct equity and accessibility impacts.

Decision History

January 10, 2025: Recommended 2025 Operating Budget: 2025-2034 Capital Budget and Plan, 15-Year Capital Investment Plan and Real Estate Investment Plan Update

The TTC Board approved a 2025 operating budget totalling \$2.819 billion in gross expenditures, \$1.432 billion in revenues and a net funding requirement of \$1.387 billion and a 2025 Capital Budget of \$1.688 billion and future year planned estimates of \$14.707 billion for a total TTC 2025-2034 Capital Budget and Plan of \$16.395 billion.

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

Decision: [Recommended 2025 Operating Budget: 2025-2034 Capital](#)

Issue Background

The TTC's ongoing structural fiscal imbalance has left the TTC with financial gaps that need to be addressed; this includes \$37 billion in unfunded capital needs over the next 15 years, a forecasted \$120 million operating budget starting pressure in 2026 and a forecasted \$239 million operating budget starting pressure in 2027.

The TTC's operating revenue-cost (RC) ratio has decreased from a high of 80% in 1997 to 46% in 2025, increasing the operating budget gap and requiring an increasing subsidy from the City. Closing the revenue-cost gap will require several balancing strategies, one of which is a ridership growth strategy.

The presentation will identify key factors for consideration in response to the following City Council request in February 2025 when the TTC Budget was considered and approved:

City Council request the Toronto Transit Commission Board direct the Chief Executive Officer to develop a multi-year operating budget that decreases the Toronto Transit Commission's reliance on property tax increases by:

1. *advocating to other orders of government for long-term sustainable funding;*
2. *reviewing the **Fare Policy, Fare Collection Outlook, and Ridership Growth Strategy**; and*
3. *implementing the recommendations of the Auditor General on **fare evasion***

Comments

A presentation providing further detail on the key trends of TTC expenditures, revenue and opportunities for sustainable growth will accompany this report.

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Signature

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