



## **Presentation: 2026 TTC Budget Update and Outlook**

**Date:** September 4, 2025  
**To:** Strategic Planning Committee  
**From:** Executive Director, Finance

### **Summary**

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A presentation will be provided to the September 4, 2025 Strategic Planning Committee meeting outlining key trends for expenditures, revenues in and opportunities for sustainable growth. This includes a recap of performance to date in 2025 and a forecast into 2026.

### **Background and Analysis**

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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, and an updated forecasted \$232 million operating budget pressure in 2026, up from the initially forecasted outlook figure of \$120 million.

The presentation provides a detailed update on the 2025 budget performance and outlined priorities and pressures shaping the 2026 budget. In 2025, the TTC froze fares for the second consecutive year, expanded service hours, and invested in Wheel-Trans and corporate plan priorities. Capital investments included major funding for fleet replacements, eBuses, and facility improvements, which significantly reduced the state-of-good-repair backlog. However, mid-year operating results showed a projected year-end overspend of \$36.3 million net, largely due to lower-than-budgeted ridership and fare revenue.

Key achievements in 2025 included enhanced service reliability through increased off-peak service, a new station management model, improved station cleanliness, and a fare compliance program that reduced unpaid entries. Capital initiatives under the "Back on Track Plan" delivered visible improvements, such as lighting upgrades at Lansdowne Station and red paint treatments at intersections to improve transit priority. Despite these gains, financial challenges persisted, with capital spending projected at only 86.8% of budget by year-end and total unfunded needs totaling nearly \$18 billion over the next 10 years.

Looking ahead to 2026, the TTC faces significant operating and capital pressures. Rising labor costs, inflation, and sluggish fare revenue growth are expected to drive a \$232 million base budget pressure, well above earlier forecasts. Service reallocation strategies, efficiency targets, and ridership growth initiatives will be critical in balancing

financial constraints while maintaining reliability and affordability. On the capital side, immediate funding for state-of-good-repair needs, particularly for buses, subway systems, facilities, and track remains essential to sustaining long-term service quality.

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

This report has no direct equity and accessibility impacts.

### **Innovation and Sustainability Considerations**

This report has no direct Innovation and Sustainability impacts.

### **Corporate Plan Alignment**

The TTC's budget and 2026 outlook is in support of the Strategic Direction 5: *Address the Structural Fiscal Imbalance* in the TTC's Corporate Plan. The budget provides the means to support TTC priorities including service delivery and customer experience initiatives, capital, including state-of-good-repair funding and employee supports.

### **Financial Impact**

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This report has no direct financial impacts.

The Executive Director, Finance has reviewed this report and agrees with the financial impact information.

### **Contact**

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### **Attachments**

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Attachment 1 – Decision History

## Attachment 1 – Decision History

### *July 10, 2025: Presentation: Key Trends on TTC Expenditures, Revenue and Opportunities for Sustainable Growth*

The TTC's Strategic Planning Committee received a presentation outlining key trends for expenditures, revenues and opportunities for sustainable growth.

Decision: <https://secure.toronto.ca/council/agenda-item.do?item=2025.TTS1.2>

### *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.

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