

2026

Budget Update and Outlook

TTC Strategic Planning Committee
September 4, 2025



2025 | Budget Overview



2025 Budget Highlights



Operating:

- Froze fares for the second year in a row, maintaining affordability for TTC riders
- Increased service hours by 5.8% to address congestion, accommodate growth and improve reliability on all modes
- Increased Wheel-Trans service to address an increase in new registrants
- Funded \$15.2 million in new and enhanced priority actions to advance 2024-2028 Corporate Plan priorities

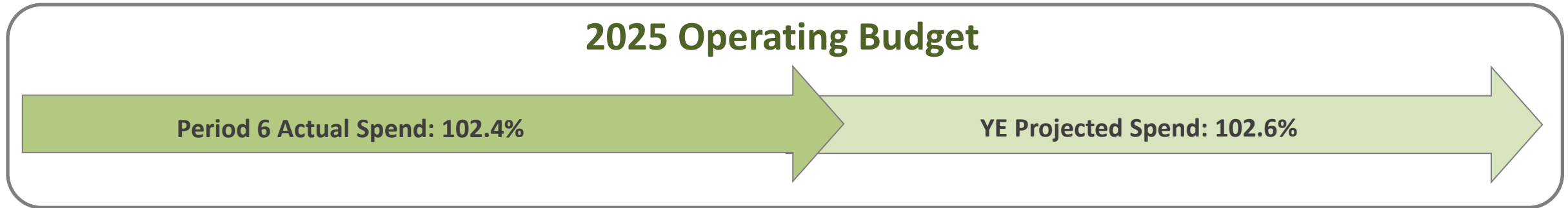


Capital:

- Added \$5.1 billion in incremental funding, of which \$4.8 billion or 95% has been allocated to immediate SOGR funding priorities
- Additional investments reduced the TTC SOGR backlog by almost 50%
- Funding provided for 55 replacement trains on Line 2, and city share for approximately 700 eBuses and 950 electric charging systems
- Bus, Streetcar and Subway fleet overhaul programs received \$500 million to cover immediate fleet repair needs through the City's reallocation of the Gardiner/DVP funding



2025 Financial Results To Date - Operating



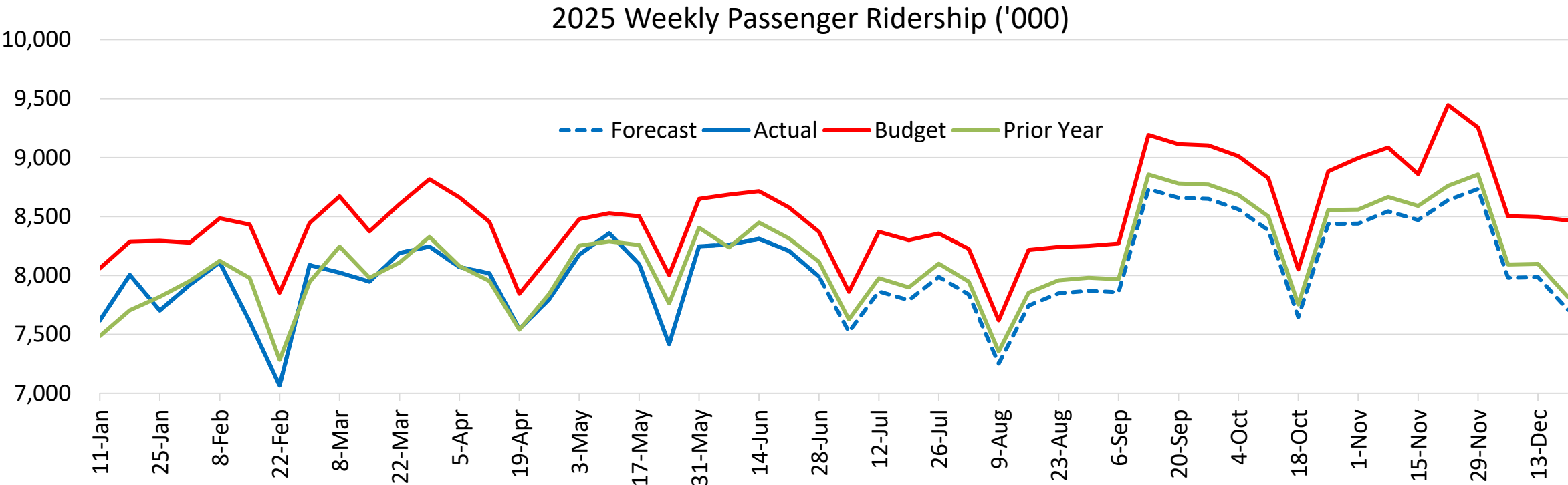
Operating Variance:

- As of end of June, operating results indicated a net year-to-date **unfavourable variance** of **\$17.7 million or 102.4%**, which reflects unfavourable revenue of \$43.7 million and favourable expenditures of \$25.9 million.
- For the full year projections, the TTC's 2025 Operating Budget of \$2.845 billion gross and \$1.387 billion net, is projected to be overspent by **\$36.5 million net or 102.6%**.

2025 Ridership Performance

2025 year end projected rides 23M or 5.2% below budget; 2025 year end passenger revenue \$48M or 4.5% below budget

In Millions	Year to Date (as of Period 6)				Year End			
	2024	2025 Budget	2025 Actual	Variance	2024	2025 Budget	2025 Projection	Variance
Rides (Passenger Trips)	219	230	218	(12) -5.2%	419	439	416	(23) -5.2%
Passenger Revenue	\$529	\$559	\$535	(\$24) -4.3%	\$1,015	\$1,070	\$1,022	(\$48) -4.5%



Key Achievements as of June 30, 2025



Service Improvements to Increase Reliability

- **\$6.5 M investment**
- Increased midday, evening and weekend service
- Targeted to reduce wait times, ease crowding and improve reliability

Tangible Outcome:
More room on buses
and shorter waits



Future Station Management Model

- **\$0.4 M investment**
- New zone-based teams deployed at 13 busy stations (Apr launch)
- Improved safety, coverage, and incident response

Tangible outcome:
Stronger presence
during peak periods



Station Cleanliness Enhancements

- **\$0.6 M investment**
- Additional janitor hours deployed at 6 priority stations (Mar–Jun)
- Station cleaning audit shows 4% improvement (Mar–May)

Tangible Outcome:
Noticeable lift in
customer satisfaction

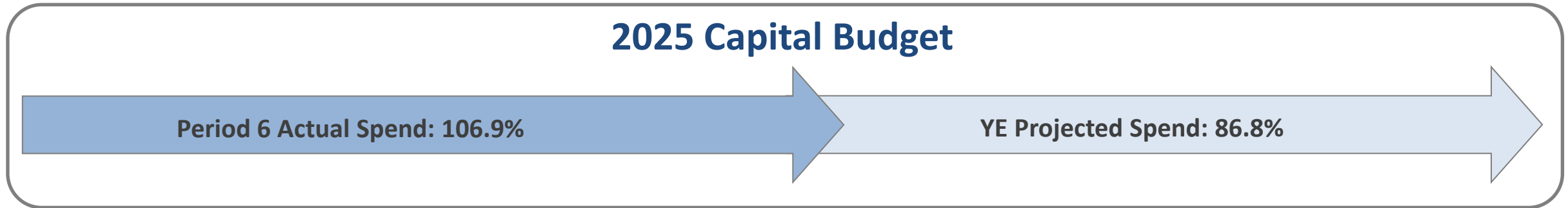


Implementation of a Fare Compliance Program

- **\$2.6M investment**
- Crash gates closed May 13, 2025 - free entries reduced from 10% to 3.8%
- Fare gate performance improved to 3.2% non-payment
- Fare inspectors deployed to key bus routes (Finch & Keele) showing 1-3% decreases in non-payment

Tangible Outcome:
Improved fare compliance

2025 Financial Results To Date - Capital



Capital Variance:

- As of end of June, the TTC's capital expenditures totaled \$604.3 million, representing a **spending rate of 106.9%** when compared to the year-to-date plan of \$565.1 million.
- By year-end, the TTC's total capital spending is projected to be in the order of \$1.503 billion, representing an overall **86.8% spending rate.**

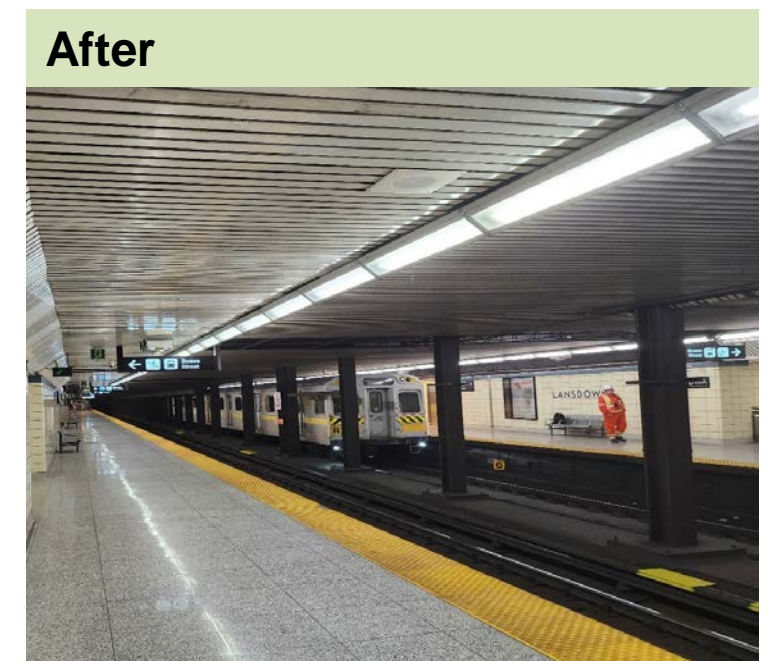
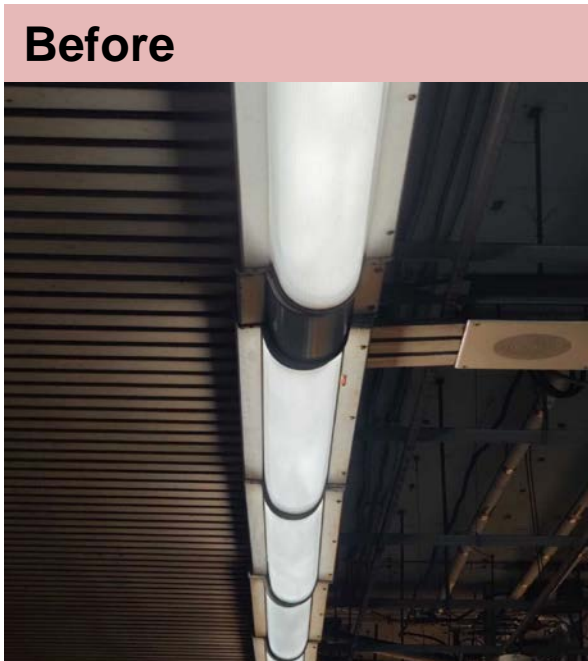
Status of 2025 New Capital Initiatives - Back on Track Plan



Improve Priority Station Aesthetics & Station LED Retrofits

2025 Investment:
\$4.8 Million

- Improved aesthetics and lighting at five priority Stations, creating a more enjoyable transit experience for riders.
- Rehabilitation work at Dundas, Spadina, Kennedy and Finch Stations progressing well, with improvements to floors, walls and painted surfaces.
- The rehabilitation and replacement of customer benches on Line 1 from Finch to VMC has started and will continue through the remainder of 2025.
- Installation of new fixtures and lighting has been completed at Lansdowne Station.



Example: Lansdowne Station Light Retrofits

Status of 2025 New Capital Initiatives - Back on Track Plan



Red Paint Treatment on Existing Roads and TTC Stations to Improve Transit Priority

2025 Investment:
\$1.5 Million

- Improves transit priority through red paint application at key intersections, roads and bus stations.
- 2025 Work Plan includes 54 locations for bus priority lanes, queue jump lanes, and streetcar intersections.
- As of August 2025, a total of 34 locations have been completed (or are near completion), including important locations like Queen Quay East, Finch West Station, St Clair and Midland, and Pioneer Village Station.

Example at Steeles Ave West



Key Challenges for 2026



Fare revenue not keeping pace with operating needs



Rising labour and inflationary costs driving budget pressures



Higher costs to maintain service levels and reliability



Limited funding to advance SOGR, ridership growth and corporate priorities



Meeting the Mayor's budget targets while protecting service and affordability requires a clear funding strategy

2026 | Operating Budget: Key Pressures



2026 Operating Budget Directions and Considerations



2026 Operating Budget Targets and directions:

1. Net subsidy increase limited to \$91 million
2. \$17 Million Efficiency Target
3. New enhanced limited to multi year strategies and investments that are demonstrating results

Other Considerations:

1. Advancing priority actions in the 2025-2028 Corporate Plan
2. Continuing the implementation of the 5-Year Service and Customer Experience Action Plan
3. Incorporating recommendations from forthcoming Ridership Growth Strategy
4. Implementation of measures to improve service reliability

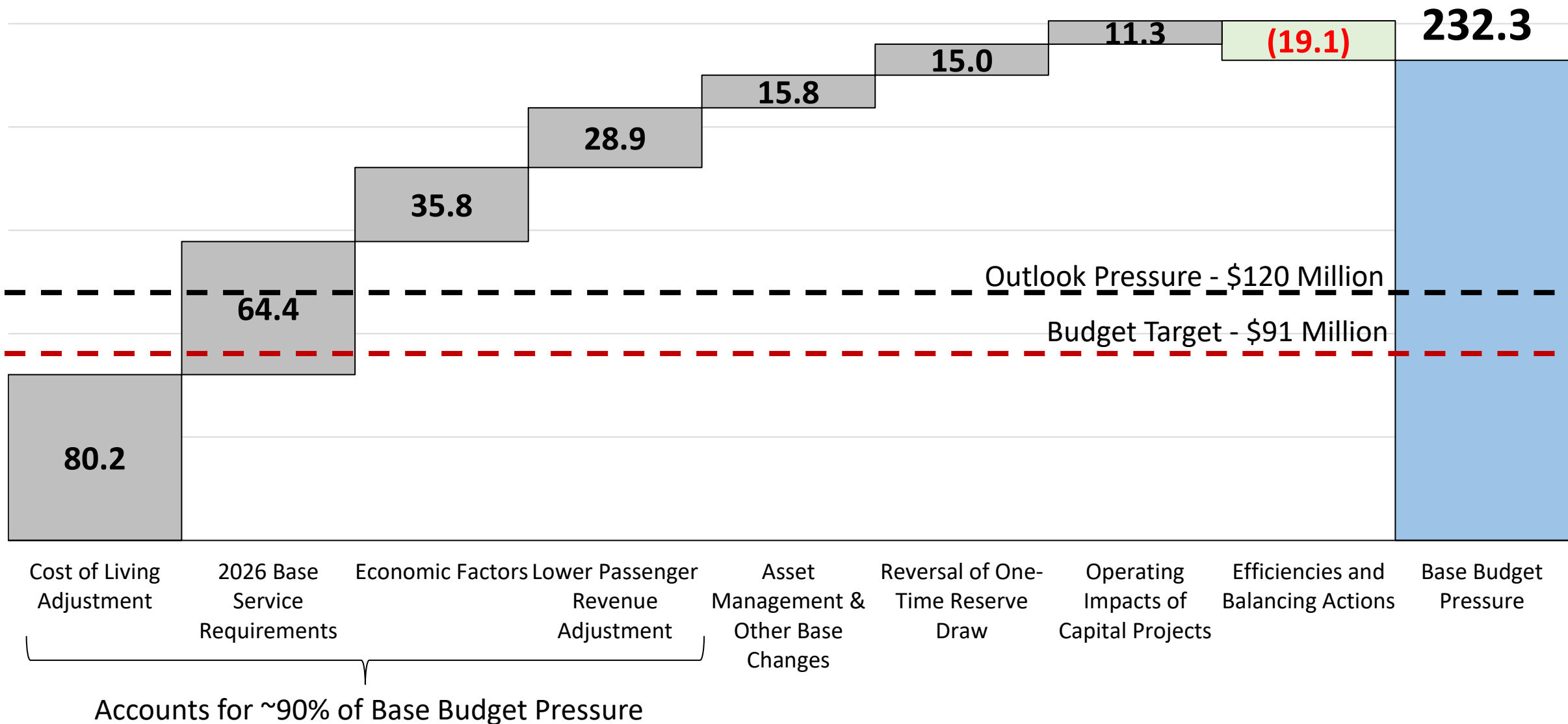
2026 Base Pressure is \$232 M (Outlook figure was \$120 M)



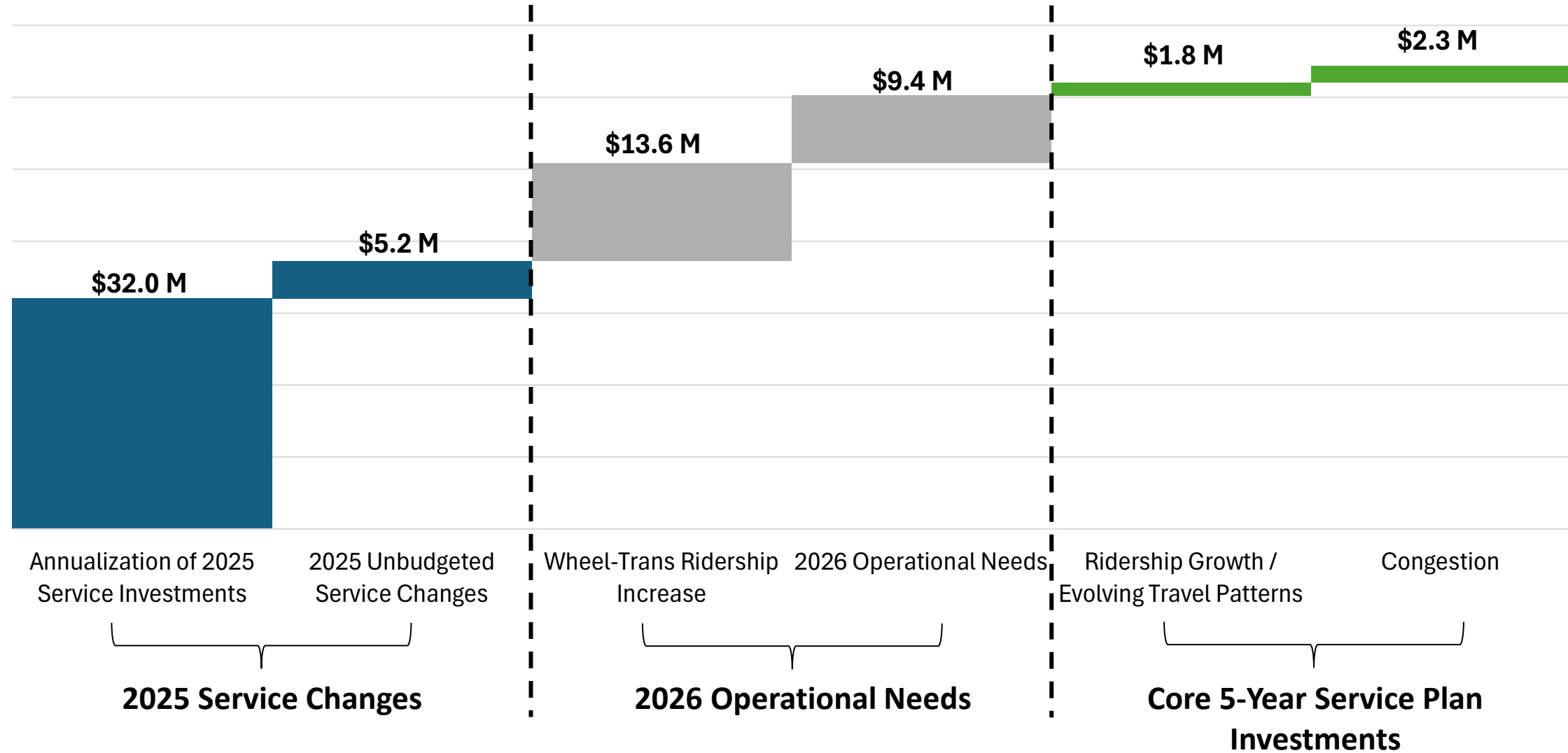
	\$ Millions
Base Budget	
2026 Outlook (2025 Budget Process)	120.0
Adjustments:	
Passenger and other revenue adjustments	63.2
Conventional base service increase (not included in outlook)	25.2
Wheel-Trans ridership adjustment to reflect 2025 actual experience	10.5
Revised economic factor estimates	8.8
Other changes	4.6
Sub-total	112.3
Revised 2026 Budget Pressure	232.3

Note: Base pressure does not include New / Enhanced Service requests

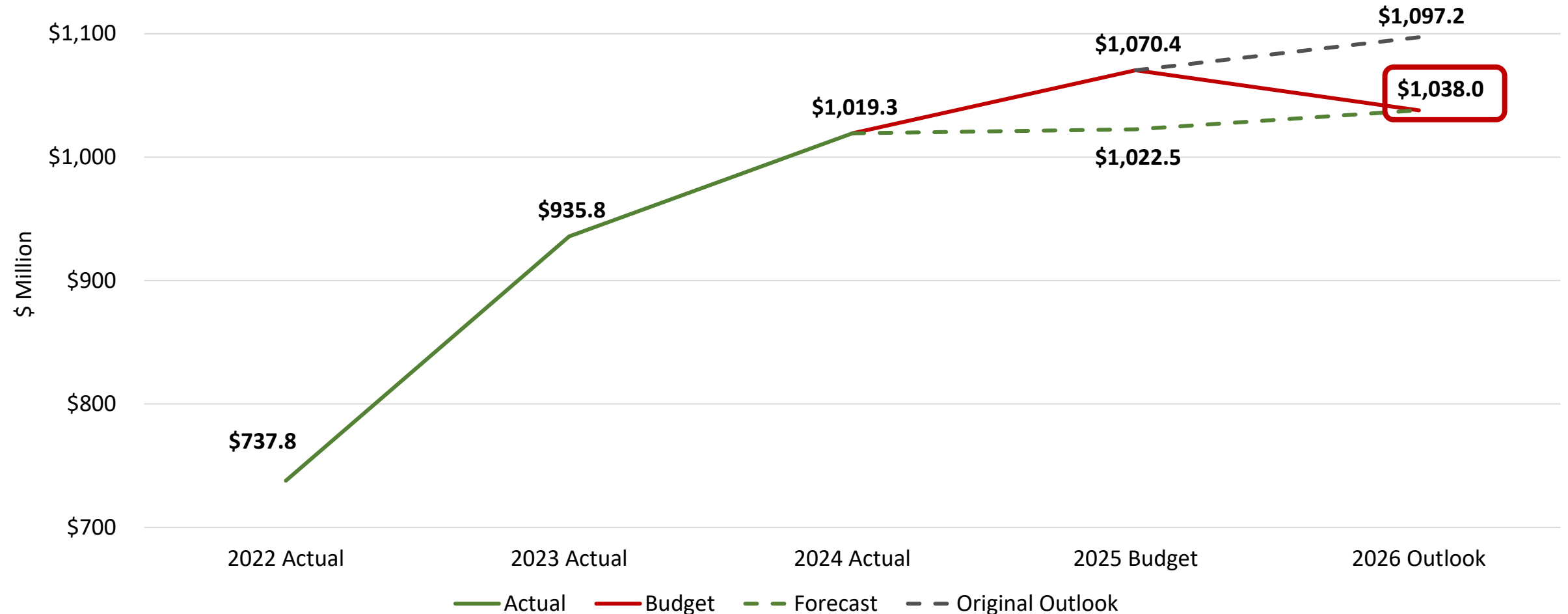
2026 Operating Budget Base: Key Pressures



\$64.4 M Investment to Support Service Continuity & Growth



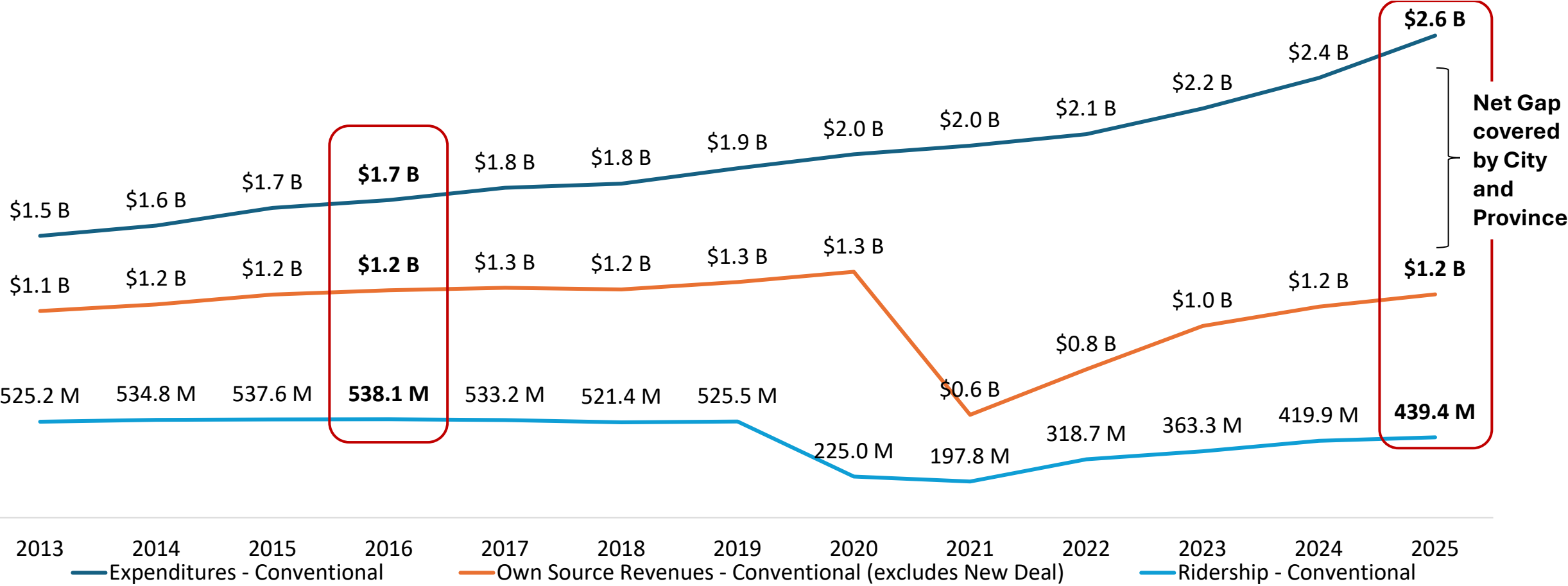
TTC Conventional Passenger Revenue (\$M) - Annual Trending



Note that 2026 passenger revenue budget is currently based on a 1.5% annual growth factor over 2025 forecast – it's very high-level and preliminary as does not yet factor in the multitude of factors that will be analyzed and included in the 2026 revenue budget submission.

2026 Outlook for passenger revenue assumed a 2.5% based on estimated population and economic growth at the time.

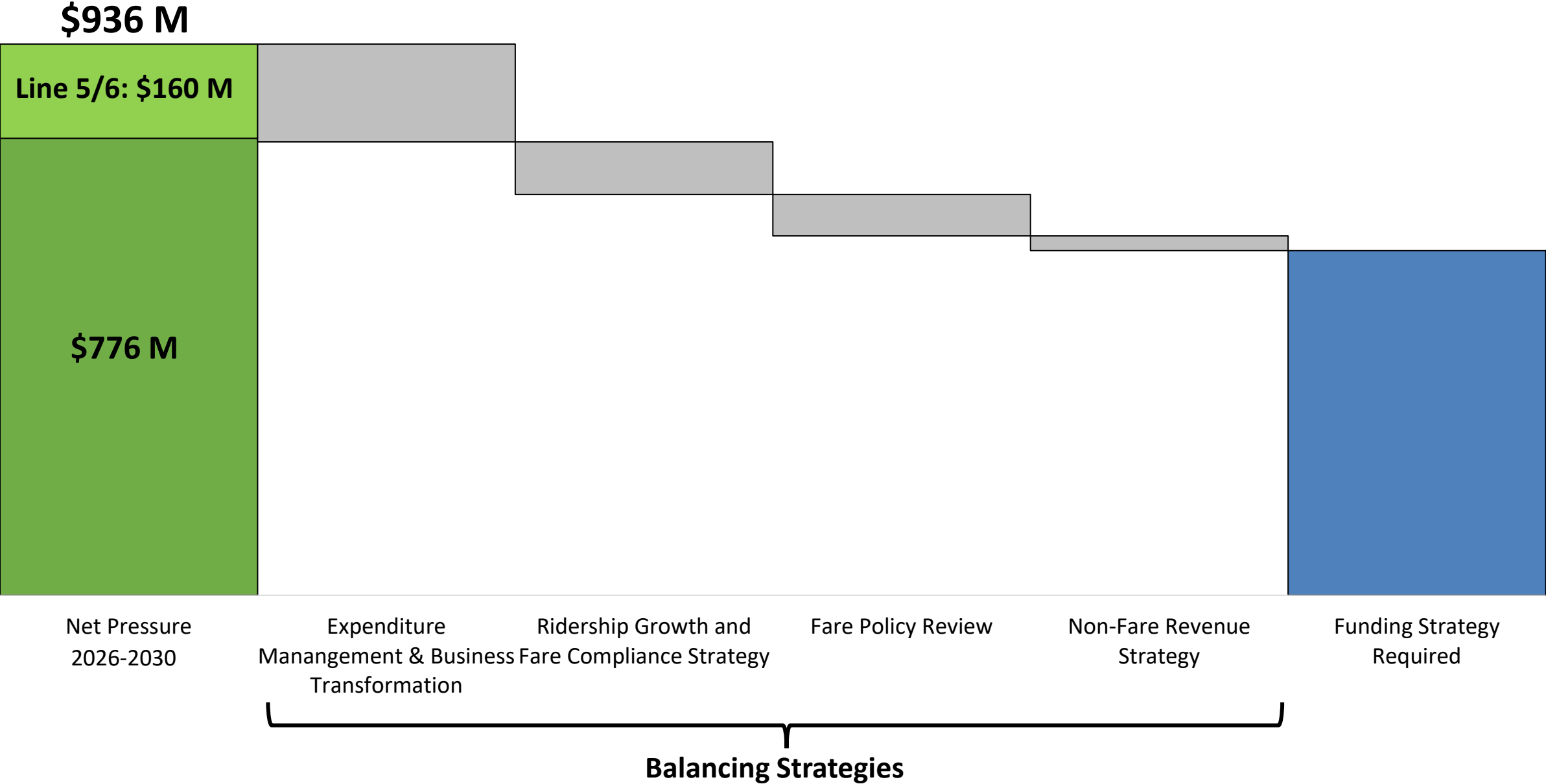
Historical Spending, Revenue and Ridership



Average Fare	\$2.09		\$2.44
Cost Per Ride	\$3.15		\$6.00
Cost Per Service Hour	\$178/hr		\$276/hr



Balancing Budget Long Terms Requires a Funding Strategy

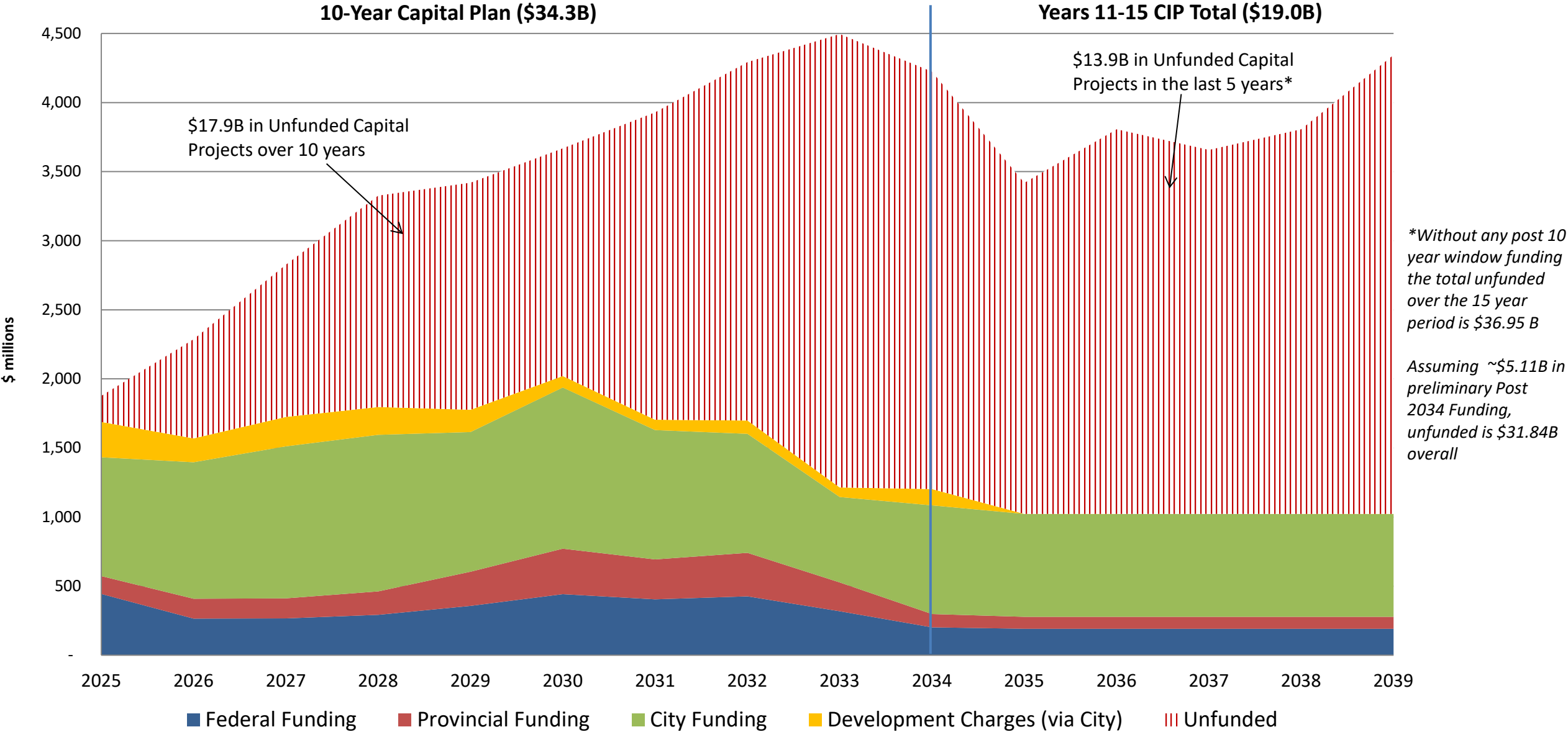


2025-2034

Capital Budget & Plan: Key Unfunded Needs



Capital Investment Plan: Funding Overview



Funding Unmet Capital Priorities

10-Year Unfunded Needs (\$17.9 Billion)		15-Year Unfunded Needs (\$37 Billion)	
10-Year: \$4.3B Annual: \$0.4B	Platform Edge Doors \$368 M 10-Year \$37 M Annually	Platform Edge Doors \$4.1 B 15-Year \$273 M Annually	15-Year: \$10.5B Annual: \$0.7B
	TransformTO \$3.9 B 10-Year \$395 M Annually	TransformTO \$6.4 B 15-Year \$429 M Annually	
10-Year: \$13.6B Annual: \$1.4B	Growth \$2.3 B 10-Year \$232 M Annually	Growth \$5.1 B 15-Year \$339 M Annually	15-Year: \$26.4B Annual: \$1.8B
	Service Improvement \$4.7 B 10-Year \$470 M Annually	Service Improvement \$9.5 B 15-Year \$631 M Annually	
	H&S, LEGIS, SOGR \$6.6 B 10-Year \$659 M Annually	H&S, LEGIS, SOGR \$11.9 B 15-Year \$791 M Annually	

Immediate State-of-Good-Repair Priorities Requiring Funding

Critical to prioritize SOGR/H&S/Legislated projects to ensure reliability and sustainability

Unmet Needs total **\$6.6B (over 10 years)** and **\$11.9B (over 15 Years)**

H&S, Legislative and SOGR Cash Flow Requirements			
Mode (\$millions)	5 Year Need	10 Year Need	15 Year Need
Subway	254.2	1,140.8	3,209.6
Bus & Wheel-Trans	1,317.0	3,526.2	5,690.1
Streetcar	95.8	514.6	1,121.7
Facilities	347.7	1,042.3	1,361.9
Network Wide	163.9	366.4	481.9
Total Requirements	2,178.6	6,590.3	11,865.2

Immediate State-of-Good-Repair Priorities Requiring Funding



As an integrated network, each portfolio has immediate SOGR priority funding needs in the next 5 years:

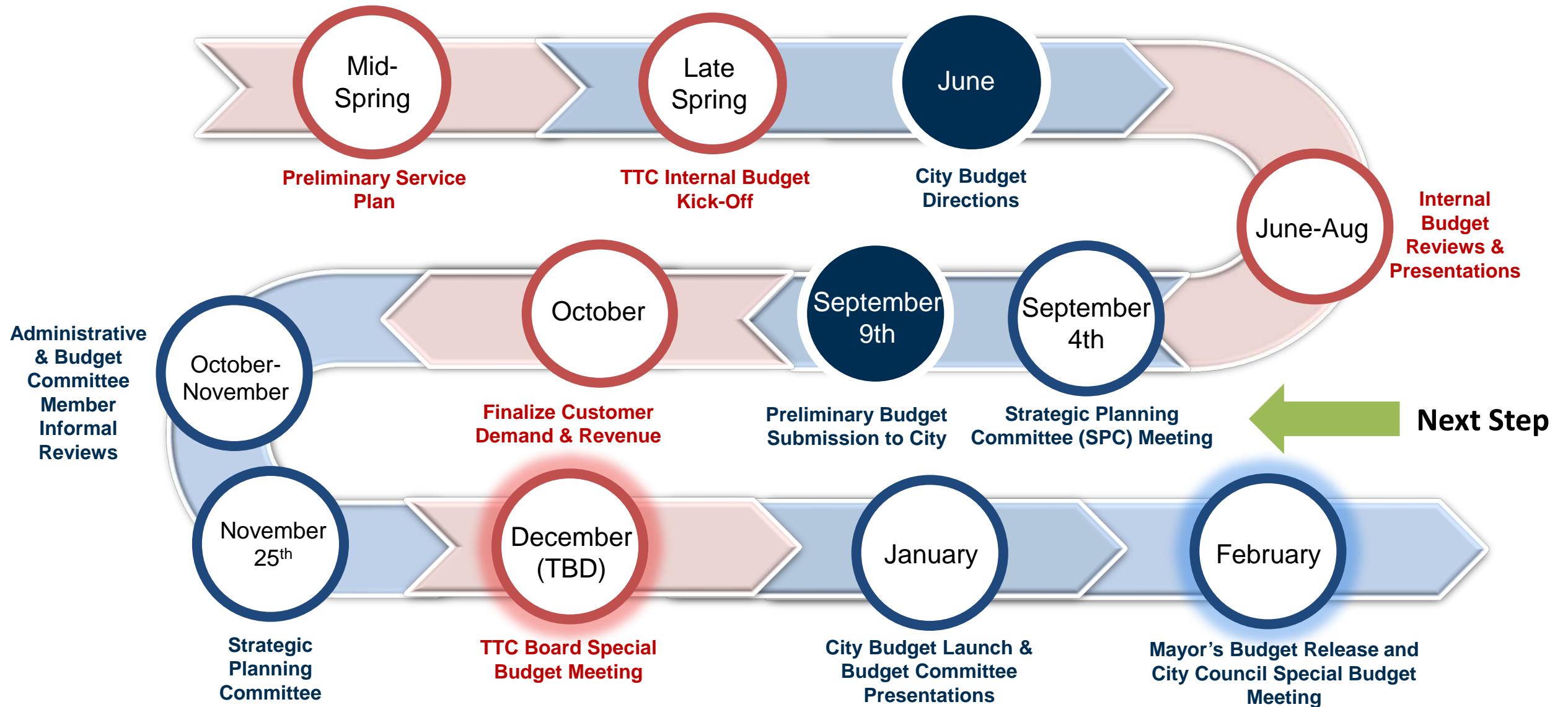
- **\$1.22 billion** for conventional and Wheel-Trans bus fleet replacements, associated infrastructure and bus hoists to address immediate five-year needs at minimum;
- **\$208.7 million** for critical subway systems (signals, electrical and communications) and equipment (escalators, elevators, ventilation and subway pumps/backflow preventers)
- **\$210.5 million** for facility renewal programs including roofing rehabilitation, HVAC replacements, overhead doors, safety systems and infrastructure renewal projects; and;
- **\$84.6 million** for streetcar track replacement in the first five years.

*Amounts and priorities are subject to change through the 2026 budget process.

2026 | Budget Process: Next Steps



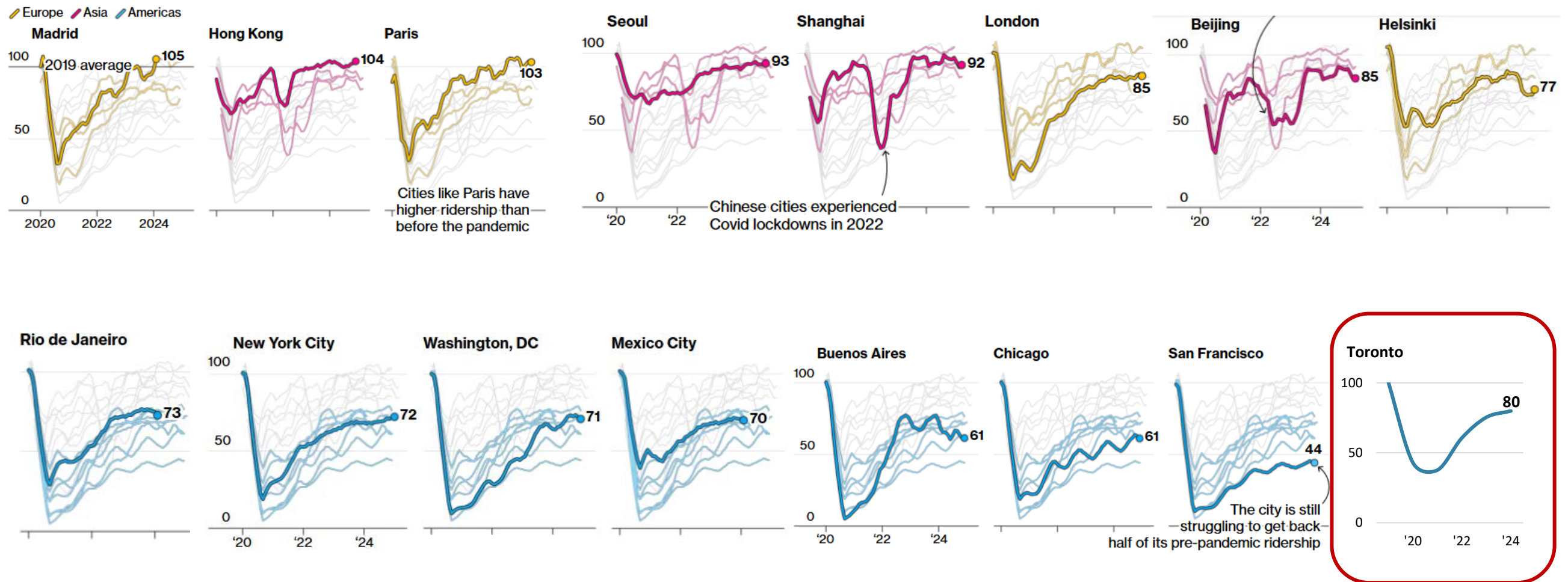
2026 Budget Timelines



Thank you | Questions?



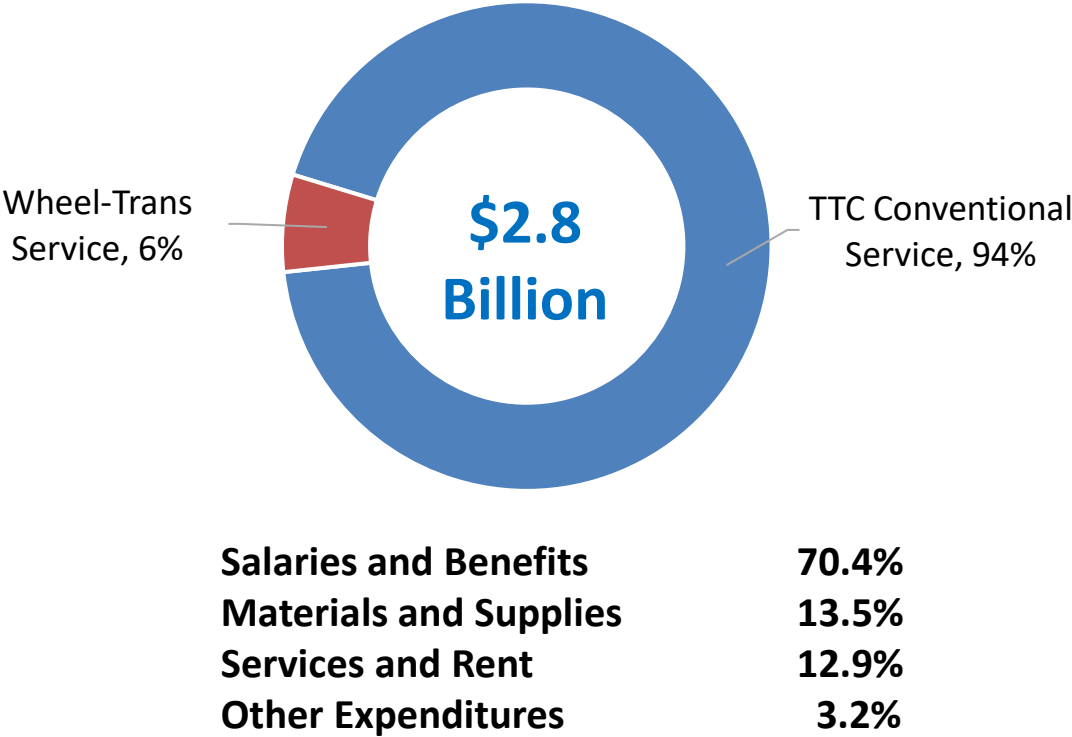
The Americas are Struggling to Return to Pre-Covid Levels



Source: <https://www.bloomberg.com/news/features/2025-06-05/asia-europe-cities-lead-in-public-transit-recovery>

2025 Operating Budget Summary

Where the Money Goes:
By Service



Where the Money Comes From:
By Funding Source

