

2026 Budget Notes

Technology Services Division

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Description

Technology Services Division's vision is to be the trusted technology leader by fostering a connected City. Its mission is to deploy flexible technology architecture and solutions to deliver seamless services, connect the public and businesses, and empower employees.

Strategic Priorities:

1. Provide a resilient, reliable, secure technology foundation to enable new technology program and service delivery.
2. Advance digital service delivery through modern, enterprise-wide solutions.
3. Harness the power of City data to enable data driven operational processes and decision-making across the City.
4. Connect City of Toronto Divisions, Agencies, public and private partners, and researchers to optimize and advance technology service delivery.

Why We Do It

Our services align to the City's [Digital Infrastructure Strategic Framework](#), demonstrating a commitment to equity and inclusion, supporting a well-run city, creating social, economic, and environmental benefits, ensuring privacy and security, enabling democracy and transparency, and maintaining digital autonomy.

The City of Toronto aims to deliver these outcomes equitably, efficiently and with excellent customer service to help improve the lives of Torontonians and work to earn their trust and confidence.

For further information about Technology Services, please visit: [Technology Services – City of Toronto](#)

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What Services We Provide

Digital and Enterprise Business Solutions

Who We Serve: City and Agency staff, businesses, residents, and visitors

What We Deliver: Robust customer centric, sustainable and innovative digital solutions, in alignment with Council mandates, legislation and Auditor General (AG) recommendations.

Resources (gross 2026 operating budget): \$62.1 million

Enterprise Services and Operations

Who We Serve: City and Agency staff, businesses, residents, and visitors

What We Deliver: Sustainment and delivery of corporate systems, foundational technology and network infrastructure underlying public and City services.

Resources (gross 2026 operating budget): \$79.7 million

Enterprise Strategy and Program Delivery

Who We Serve: City and Agency staff, businesses, residents, and visitors

What We Deliver: Oversight of the City's Technology capital portfolio and execution of Technology programs that deliver enterprise solutions in alignment with Council and Auditor General (AG) mandates.

Resources (gross 2026 operating budget): \$39.6 million

Budget at a Glance

2026 OPERATING BUDGET

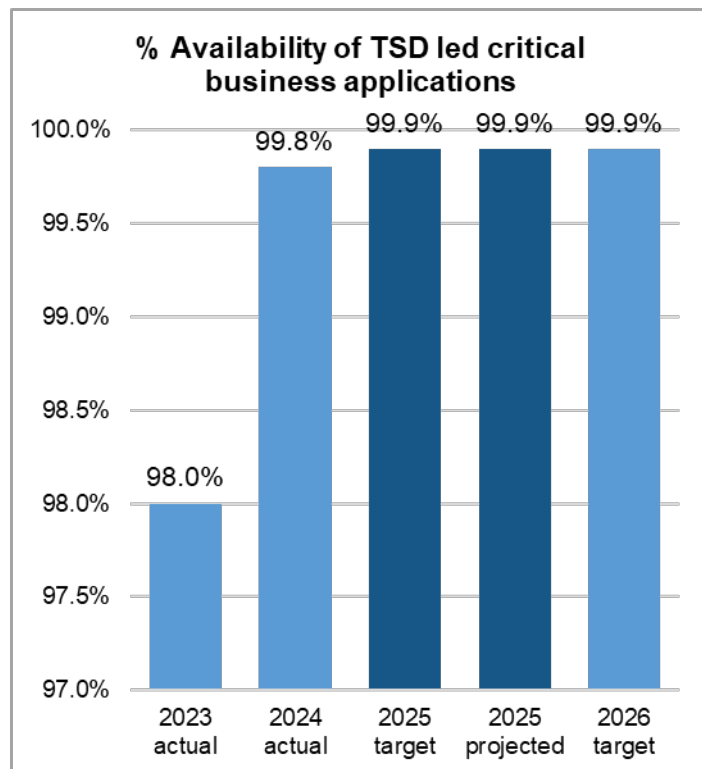
\$Million	2026	2027	2028
Revenues	\$33.0	\$22.1	\$22.9
Gross Expenditures	\$181.4	\$196.1	\$206.9
Net Expenditures	\$148.4	\$174.0	\$184.0
Approved Positions	891.0	919.0	929.0

2025 - 2034 10-YEAR CAPITAL PLAN

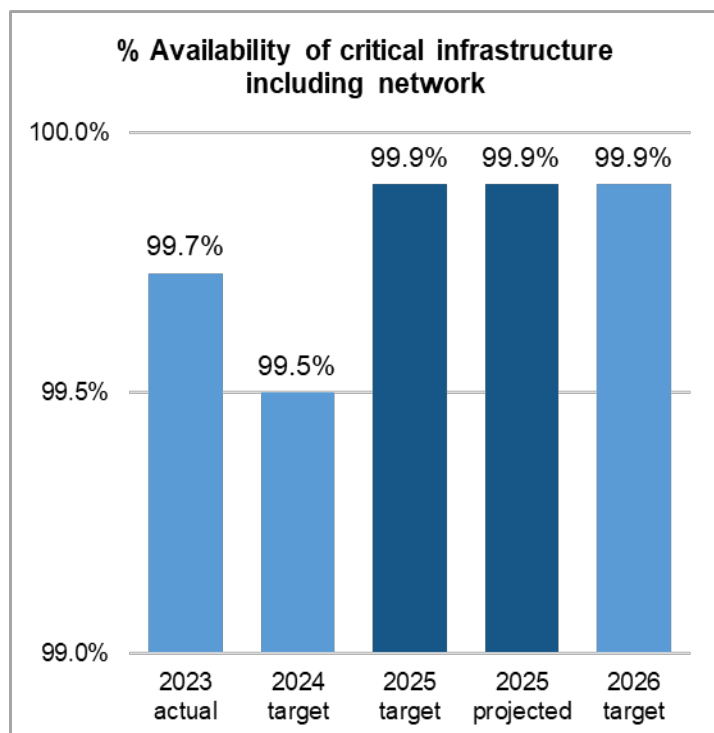
\$Million	2026	2027-2035	Total
Gross Expenditures	\$115.6	\$636.4	\$752.0
Debt	\$89.7	\$357.6	\$447.3

Note: Includes 2025 carry forward funding

How Well We Are Doing – Behind the Numbers

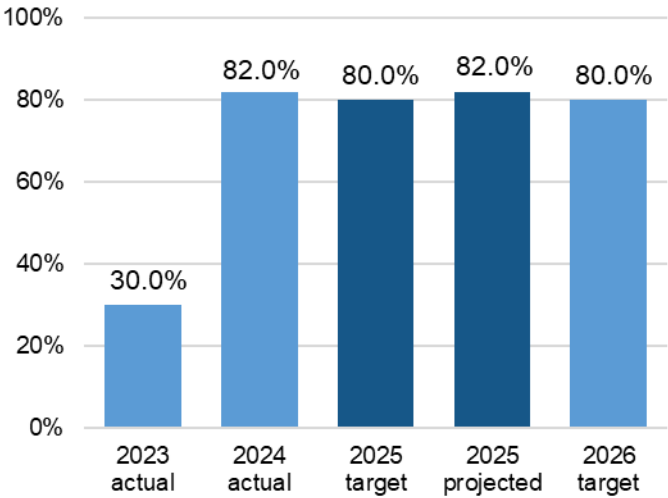


- Measures the average availability of business-critical applications that support essential operations, revenue or customer experience.
- Technology Services currently supports 119 critical business applications (out of 679 total supported applications) and those are powered by 29 core infrastructure systems.
- Applications include public facing digital solutions on Toronto.ca, the Registration Booking Tool, Online Parking Ticketing Payment Solution, Development Application Information Centre, Administrative Penalty System, Rental Renovation License Application and key operational and corporate management systems such as payroll and the City's recruitment portal.
- Technology Services has established an Application Portfolio Management system to track all City applications, currency and expected service levels which supports proactive risk management of critical services.



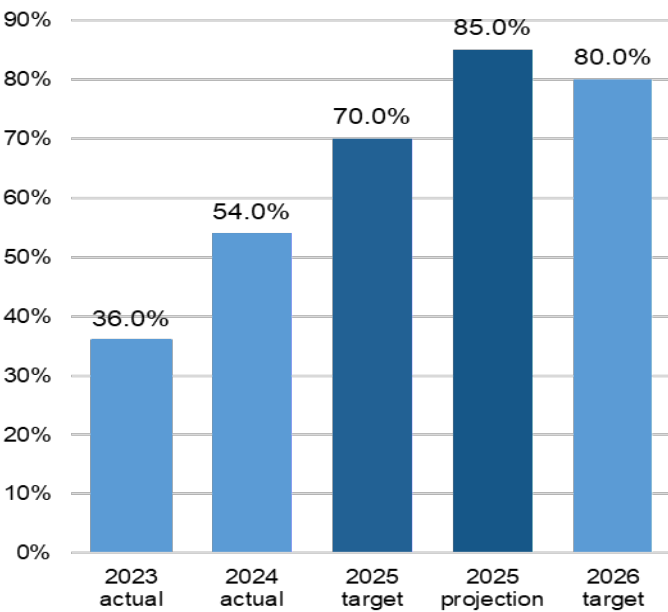
- Measures the average availability of the City's network and Infrastructure assets, with approximately 194,000 assets, including physical assets like laptops, back-end assets like servers and routers, across all City divisions and offices.
- Sustained demand for digitized public and internal services, strengthening cyber risk protection and enabling a mobile, hybrid workforce continues to apply pressure on enterprise network infrastructure and maintenance.
- System changes, state of good repair and a heavier reliance on Cloud solutions impacts service availability, mitigated by investments in lifecycle management, increased monitoring and tighter service level agreements with third parties.
- The refreshed Information Technology Asset Management and Acceptable Use policies will provide additional oversight and governance for hybrid and cloud-based technologies and modern work practices such as remote and mobile work.

**Delivery of City Technology Projects:
% Plan vs. Actual Completed**



- Measures the delivery of approved capital projects per sponsor approved milestone dates.
- There is continued improvement in capital program delivery, supported by enhancements to enterprise governance, appropriate skills and resource investment and co-leadership with divisional partners to meet committed deliverables.
- Technology Services continues to incorporate lessons learned from prior years into intake, demand planning, and execution practices to improve project delivery success.

% calls answered in 120 seconds



- The Service Desk supports approximately 42,000 City staff and Agency by handling technology requests, issues, cybersecurity inquiries, and major service disruptions, while aiming to answer at least 80% of calls within 120 seconds.
- Service Desk leverages a modern software platform launched in 2024 which enables digital workflows and self serve for City staff.
- The Service Desk demand is supported by investments in lifecycle management, training, knowledge access, and efficient incident management processes.
- 2025 results reflect the investments in digital workflows, self serve, continuous improvement using ticket and incident data, investments in new technology normalization and training.

How Well We Are Doing

Service	Measure	2024 Actual	2025 Target	2025 Projection	2026 Target	2027 Target
Key Service Level Measures						
Availability of Critical Applications	% Availability of TSD-led Critical Business Applications	99.8%	99.9%	99.9%	99.9%	99.9%
Availability of Critical Infrastructure	% Availability of City's critical infrastructure including network	99.5%	99.9%	99.9%	99.9%	99.9%
Enterprise Program Delivery	% of Actual projects completed vs. planned completion	82.0%	80.0%	82.0%	80.0%	80.0%
Employee Service Management	% of Calls Answered in 120 seconds	54.0%	70.0%	85.0%	80.0%	80.0%

EXPERIENCES, CHALLENGES AND PRIORITIES

Our Experience and Success

Advanced Strategy, Policy and Governance

- A modernized **Information Technology Asset Management (ITAM) Policy** that governs the full lifecycle of City Information Technology (IT) assets – including hardware, software, and mobile devices. The ITAM Policy introduces stronger governance that contemplates hybrid and cloud environments, improved oversight of technology spending, and addresses Auditor General recommendations.
- The modernized **Acceptable Use Policy (AUP)** outlines expectations for the usage of City IT assets. The updated version reflects today's hybrid and cloud-based environment, Artificial Intelligence (AI) Systems, provides guidance on remote access, and outlines the conditions for non-city issued device use.
- **Generative AI** guidelines ensure responsible and secure use, encompassing ethics, and transparency to support productivity improvements while protecting privacy and public trust. The published guidelines supported the enterprise-wide enablement of MS Chat in June 2025.
- Revised **Digital Accessibility Standard** to be aligned to the City's 2025-2029 Disability Inclusion Action Plan.
- Revised **Directory Services Authentication Standard** to be aligned with updated Cyber Security policies.
- In compliance with the Network Security Policy, the new **Network Security Standard** establishes a robust security framework for the City's Network. The Policy and Standard are based on internationally recognized ISO 27000 framework and NIST 800-215 guideline.
- Established **Application Portfolio Management** to support the management of business applications as an asset and including standardizing application metadata.
- Increased transparency and access to City data with over 500 datasets available on the **Open Data Platform**. Published 21 new datasets and actioned requests to make 97 updates to existing datasets to ensure relevancy.
- Expanded digital connectivity for Torontonians with 24 new free **public Wi-Fi sites** (approximately 150 total), achieving 89% coverage in Neighbourhood Improvement Areas and Emerging Neighbourhoods.
- Led the consolidation of over 200 essential **technology maintenance contracts** to City council, streamlining procurement and strengthening contract management across 30+ divisions, while reducing the total spend by \$14.56 million.
- Established the **Enterprise IT Disaster Recovery Program**—encompassing policies, guidelines, training, and governance—which addresses two of three outstanding AU 7.3 audit recommendations and completed a disaster recovery technology assessment for 52 mission-critical applications.

Key Digital and Enterprise Business Solutions Delivered

- Delivered on enterprise platform roadmaps including Finance Systems Transformation, Parks / 311 integration and enterprise work order management, Automated Penalty System for Red Light Camera and Automated Speed Enforcement, and M365 Teams as well as public facing digital solutions for Pre-Authorized Payment enrollment, Rental Renovation bylaw and dashboards for Housing and 311 service delivery reporting.
- Increased IT Service Desk responsiveness from 36% to 85% through the introduction of a Service Standard, employee enablement through implementation of over 400 Knowledge Base articles and automated workflows for high volume requests, as well as a call-back feature to reduce wait times during high call volume periods.
- Improved support of Toronto Public Service legislated and public-facing meetings through continued life cycle management of audio-visual equipment for Council and Committee.
- Successfully executed the Ward 25 By-Election in collaboration with City Clerks.

Key Challenges and Risks

Organizational readiness to keep pace with ever-evolving technology and operating practices including:

- Procurement agility to enable digitization and keep pace with continuous, accelerated Information Technology (IT) market changes.
- Attracting and retaining talent and modernizing skills to deliver on City priorities.
- Organizational readiness to adopt modern technology, including Artificial Intelligence (AI), operating practices, and risk management.
- Establishing a sustainable funding model to meet the market shift to cloud and software-as-a-service.

Priority Actions

Deliver on the City's priority public service delivery and operational excellence objectives.

1. Build a resilient, reliable, and secure technology foundation:
 - a. Invest in modernized data center strategies and monitoring capabilities inclusive of hybrid Cloud, advanced network solutions, and updated audio-visual technologies for staff and public meetings.
 - b. Continued maturity of IT Disaster Recovery framework, including the development of disaster recovery capabilities to serve both on premise and Cloud solutions.
 - c. Deliver on corporate systems technology modernization.
2. Deliver client-centric services through enterprise-grade modern solutions:
 - a. Continue delivery of Council mandated digital initiatives and 2026+ enterprise systems roadmaps.
 - b. Complete rollouts of staff and IT productivity tools inclusive of M365, ServiceNow.
 - c. Rollout IT Asset Management and Acceptable Use policies.
3. Harness the power of our data through establishing an enterprise data platform and AI program:
 - a. Launch real time dashboards and analytics on newly established enterprise Toronto Data Platform.
 - b. Deliver Customer Experience AI Virtual Assistant and Fast Track Building Permit Application AI supported solutions.
 - c. Iterate digital policies and tools to advance safe, responsible, equitable use of data and AI solutions.
4. Foster stakeholder engagement through a culture of agility and innovation:
 - a. Engage key stakeholders and prioritize public and small business engagement in digital initiatives while advancing the Digital Infrastructure Strategic Framework, data governance and standardization.
 - b. Continue to address the digital divide through the ConnectTO program, based on Toronto-specific digital equity research and adoption of free public Wi-Fi.

CITY STAFF PREPARED BUDGET

The City Manager and Chief Financial Officer and Treasurer have prepared the following budget:

1. The 2026 Operating Budget for Technology Services of \$181.425 million gross, \$33.047 million revenue and \$148.378 million net for the following services:

Service:

	Gross Expenditures (\$000s)	Revenue (\$000s)	Net Expenditures (\$000s)
Technology Services	181,425.3	33,047.3	148,378.0
Total Program Budget	181,425.3	33,047.3	148,378.0

- The 2026 staff complement for Technology Services of 891.0 positions comprised of 221.0 capital positions and 670.0 operating positions.
2. The 2026 Capital Budget for Technology Services with cash flows and future year commitments totaling \$752.020 million as detailed by project in [Appendix 5a](#).

2026 OPERATING BUDGET

2026 OPERATING BUDGET OVERVIEW

Table 1: 2025 Operating Budget by Service

(In \$000s)	2024 Actual	2025 Budget	2025 Projection*	2026 Base Budget	2026 New/Enhanced	2026 Budget	Change vs. 2025 Budget	
By Service	\$	\$	\$	\$	\$	\$	\$	%
Revenues								
Technology Services	16,987.4	27,616.4	24,216.4	33,047.3		33,047.3	5,431	19.7%
Total Revenues	16,987.4	27,616.4	24,216.4	33,047.3		33,047.3	5,431	19.7%
Gross Expenditures								
Technology Services	143,167.3	171,545.7	165,696.7	181,425.3		181,425.3	9,880	5.8%
Total Gross Expenditures	143,167.3	171,545.7	165,696.7	181,425.3		181,425.3	9,880	5.8%
Net Expenditures	126,179.9	143,929.2	141,480.3	148,378.0		148,378.0	4,449	3.1%
Approved Positions**	814.0	878.0	N/A	891.0		891.0	13.0	1.5%

*2025 Projection based on 9-Month Variance

**Year-over-year comparison based on approved positions

KEY DRIVERS

Total 2026 Budget expenditures of \$181.425 million gross reflect an increase of \$9.880 million in spending above 2025 budget, predominantly arising from:

- Salary and Benefits adjustments to reflect contractual obligations and annualized costs for the staff hired in 2025.
- Ongoing operating sustainment costs for completed capital projects, including Financial Systems Transformation, Enterprise Resource Planning Modernization, and Public Digital solutions.
- The division's hiring plan to support initiatives mentioned below:
 - Capital project delivery including acceleration of enterprise and digital solutions rollouts.
 - Build, develop and implement the Toronto Data Platform, Mayor's office and City Council's mandate for a modernized, real-time, and accountable city.
- Additional increases due to inflationary impacts on existing contracts, as well as migration to Cloud.

EQUITY IMPACTS OF BUDGET CHANGES

Technology Services' 2026 Operating Budget is expected to have a medium positive equity and reconciliation impacts for Indigenous, Black and equity deserving groups. It will reduce the digital divide for Indigenous, Black, and equity-deserving groups by funding the expansion of affordable high-speed internet in priority neighbourhoods through the ConnectTO program. New investments will adhere to the Digital Infrastructure Strategic Framework to ensure digital services are accessible and culturally safe.

2026 OPERATING BUDGET KEY COST DRIVERS

The 2026 Net Operating Budget for Technology Services Division of \$148.378 million is \$4.449 million, 3.1% greater than the 2025 Net Budget. Table 2 below summarizes the key cost drivers for the 2026 Budget.

Table 2: 2026 Key Cost Drivers

(In \$000s)	2026				2027 Annualized Impact (Net)
	Revenues	Gross Expenditures	Net Expenditures	Positions**	
2025 Projection*	24,216.4	165,696.7	141,480.3	878.0	N/A
2025 Budget	27,616.4	171,545.7	143,929.2	878.0	N/A
Key Cost Drivers:					
Salaries and Benefits					
Salary & Benefit Adjustments		3,772.6	3,772.6		3,829.9
Capital resources to support Toronto Data Platform				13.0	
Operating Impacts of Capital					
SAP Financial System Transformation Project and Modernization	3,537.1	3,537.1			14,339.5
Completed Capital Projects	538.7	1,748.1	1,209.5		
Non Salary Increases					
Inflationary Impact		821.8	821.8		1,458.0
Revenue Changes					
Interdivisional recoveries	1,355.1				
Other revenue changes					10,997.3
Sub Total Key Cost Drivers	5,430.8	9,879.6	5,803.9	13.0	30,624.7
Affordability Measures		(5,206.2)	(5,206.2)		(5,000.0)
Total 2026 Base Budget	33,047.3	181,425.3	148,378.0	891.0	25,624.7
2026 New/Enhanced					
2026 Budget	33,047.3	181,425.3	148,378.0	891.0	25,624.7
Change from 2025 Budget (\$)	5,430.8	9,879.6	4,448.8	13.0	N/A
Change from 2025 Budget (%)	19.7%	5.8%	3.1%	1.5%	N/A

*Based on 9-Month Variance

**Year-over-year comparison based on approved positions

Key Base Drivers:**Salaries and Benefits**

- Increases due to contractual obligations and the annualized costs for staff hired in 2025 to support 2025 key initiatives of the division and City.
- Thirteen (13) new capital positions (\$2.223 million, fully offset by capital funding) are being added to support the Toronto Data Platform, which will enhance data integration and analytics capabilities across the organization.

Operating Impacts of Capital

- The SAP Financial System Transformation and modernization project increases operating costs as the system moves into its implementation phase which are partially offset by a one-time contribution from the Budget Bridging and Balancing Reserve.
- Other ongoing operating requirements including sustainment of license, maintenance and support, and subscription costs for technology projects, including Enterprise Solutions such as Enterprise Business Transformation and Modern Infrastructure and Technology Operations.

Non-Salary Increases

- Increase due to inflationary impacts from technology contracts and growth in City-wide technology licence demand, which is partially offset by interdivisional recoveries from client programs.

Revenue Changes

- Increases in Inter-Divisional Recoveries primarily related to staffing, licencing and services provided to support capital projects and other client groups.

Affordability Measures:**Table 3: Affordability Measures**

(In \$000s)									
Recommendation	Savings Type	Equity Impact	2026				2027 (Incremental)		
			Revenues	Gross Expenditures	Net Expenditures	Positions	Gross Expenditures	Net Expenditures	Positions
Decommissioning of legacy solutions	Efficiency Savings	No Impact		(1,569)	(1,569)		(1,178)	(1,178)	
Effective License Management/Optimize License Usage	Efficiency Savings	No Impact		(993)	(993)				
Maximize Usage & Device Efficiency	Efficiency Savings	No Impact		(1,492)	(1,492)		(1,689)	(1,689)	
Migration to New Data Centre	Efficiency Savings	No Impact		(193)	(193)				
Vendor Contract Management/Better Pricing Negotiated	Efficiency Savings	No Impact		(959)	(959)		(2,133)	(2,133)	
Total Affordability Measures				(5,206)	(5,206)		(5,000)	(5,000)	

Affordability measures are specific actions taken by Technology Services that achieve cost reductions without impacting service levels for City Divisions and the public.

- Technology Services is committed to delivering cost savings without impacting service levels. These savings will be driven by process automation and digital transformation initiatives, enabling reinvestment in innovative solutions that strengthen operational resilience and enhance customer experience.
- Technology Services (TS) staff continues to review their areas to identify ways of providing the same level of service more effectively and efficiently. As presented in Table 3, TS has identified sustainable and permanent savings of \$5.206 million, including decommission of legacy solutions, service contract costs being lower than budgeted estimates, consistent standards and policies for mobile device management, as well as better management of vendor and licenses.

2026 AND 2027 OUTLOOKS**Table 5: 2027 and 2028 Outlooks**

(In \$000s)	2026 Budget	2027 Incremental Outlook	2028 Incremental Outlook
Revenues			
Revenue Changes		700.0	800.0
Reversal of One Time Funding		(11,697.3)	
Total Revenues	33,047.3	(10,997.3)	800.0
Gross Expenditures			
Salaries & Benefits Changes		3,829.9	4,361.9
Inflationary and Subscription Impacts		1,458.0	2,009.3
Operating Impact from Capital		14,339.5	8,538.0
Efficiencies		(5,000.0)	(4,106.5)
Total Gross Expenditures	181,425.3	14,627.4	10,802.6
Net Expenditures	148,378.0	25,624.7	10,002.6
Approved Positions	891.0	28.0	10.0

Key Outlook Drivers

The 2027 outlook with total gross expenditures of \$196.052 million reflects an anticipated increase of \$14.627 million or 8.1% increase in gross expenditures above the 2026 Operating Budget. The 2028 outlook expects a further increase of \$10.802 million or 5.7% above the 2027 outlook.

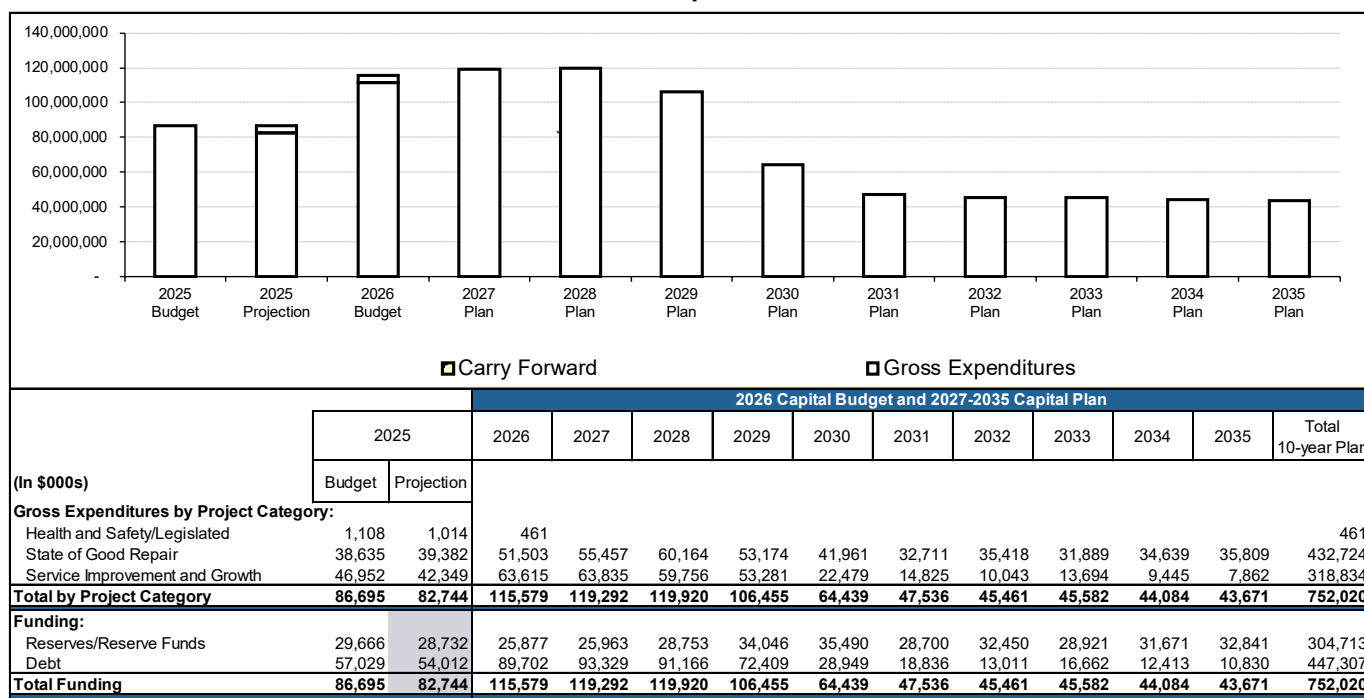
These changes arise from the following:

- Reversal of One-time Funding:** Reversal of the draw on the Budget Bridging and Balancing reserve used to offset the operating sustainment costs associated with the Financial Systems Transformation Project and other base pressures.
Salaries and Benefits Changes: Costs have increased due to annual adjustments for existing employees, including union-negotiated increases and performance-based pay.
- Inflationary and Subscription Impacts:** Subscription and licensing contracts as well as shift to Cloud solutions.
- Operating Impacts from Capital:** Capital program being completed in 2027 and 2028 including the Financial Systems Transformation Project and Team Central. Staffing requirements grow from 891 approved positions in 2026 to 28 additional positions in 2027 and 10 more in 2028, reflecting operational needs tied to the operating impacts of capital.
- Efficiencies:** Driven by process automation and digital transformation initiatives, enabling the organization to reinvest in innovative solutions that enhance operational resilience and customer experience. Over the next two years, Technology Services (TS) will continue to right size what it buys through centralization of maintenance contracts, inventory of hardware and software assets and achieving volume discounts. Furthermore, TS has reprioritized resources in lower priority work to growth areas (examples - SAP, Microsoft, ServiceNow) and prioritized upgrading out of support technology (Windows, Linux) to mitigate high-cost support service contracts.

2025 – 2034 CAPITAL BUDGET AND PLAN

2025 – 2034 CAPITAL BUDGET AND PLAN OVERVIEW

Chart 1: 10-Year Capital Plan Overview



Project Updates (\$129.8 Million)

The 2026-2035 Capital Budget and Plan reflect the following changes to existing projects over the nine common years (2026-2034):

- \$34.8 million increase for eScheduling Solution and Implementation due to increased scope and extended schedule.
- \$22.7 million increase for Enterprise Work Management System project due to scope changes and updated vendor costs due to shift to Cloud.
- \$16.2 million increase for Audio Visual Program due to increased modernization scope.
- \$5.9 million increase for Artificial Intelligence
- \$5.8 million increase for Enterprise Business Intelligence Implementation due to additional scope.
- \$44.4 million increase to various projects to reflect updated cost estimates, project scope changes, and timelines.

New Projects (\$56.8 Million)





The 2026-2035 Capital Budget and Plan include new projects. Key projects are as follows:

- \$23.5 million for Toronto Data Platform establishes data hubs enabled by Artificial Intelligence, which together will create a centralized data platform for the City. The data hubs will enable the City-wide data sharing and real time service delivery reporting.
- \$10.0 million for Identity Access Management Program to implement a solution that will address the City's need to manage identity and access per Cyber controls.
- \$23.3 million for various projects to advance Technology Services' strategic pillars, divisional initiatives, and Council priorities.

Note:

For additional information, please refer to [Appendix 5](#) for a more detailed listing of the 2026 and 2027-2035 Capital Budget and Plan by project; [Appendix 6](#) for Capacity to Deliver Review; and [Appendix 7](#) for a Summary of Capital Delivery Constraints, respectively.

\$752.0 Million 10-Year Gross Capital Program

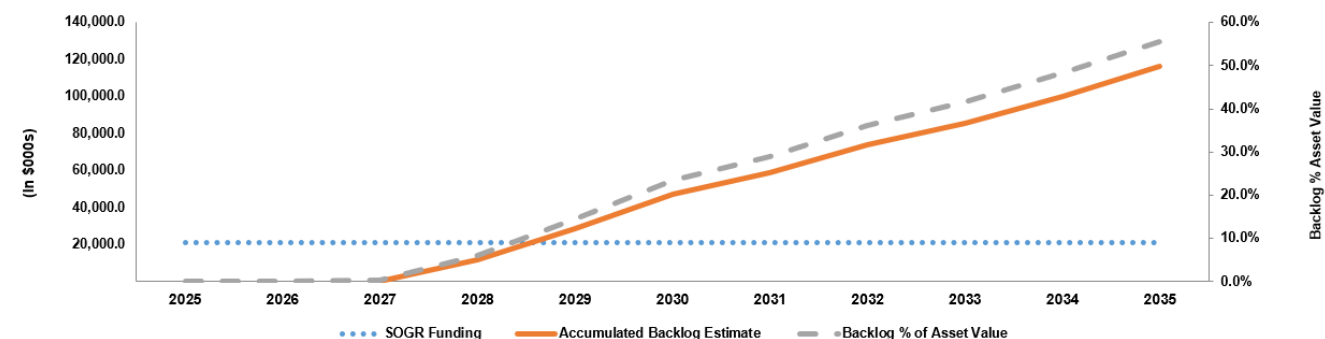
			
Modern Infrastructure and Technology Operations	Enterprise Business Transformation	Data and Analytics	Public Engagement
\$412.9 million 54.9%	\$260.2 million 34.6%	\$48.7 million 6.5%	\$30.2 million 4.0%
<ul style="list-style-type: none"> Technology Lifecycle Management Audio Visual Upgrades Disaster Recovery Framework and Solution Implementation Network Modernization ServiceNow Modernized Data Centre Architecture Identity Access Management Program 	<ul style="list-style-type: none"> SAP Modernization Enterprise Work Management Solution (EWMS) eScheduling Solution and Implementation Community Development and Regulatory and Licensing (CDRL) System Modernized Program TEAM Central Service Delivery Solution Unified Communications M365 ServiceNow 	<ul style="list-style-type: none"> Toronto Data Platform Artificial Intelligence (AI) Enablement Enterprise Business Intelligence Implementation Toronto Emergency Management Business Continuity Information System Land Use Information System (LUIS 3.0) Open Data Master Plan 	<ul style="list-style-type: none"> Customer Experience Technology Modernization Public Digital Evolution ConnectTO Digital Service Enhancement Public Digital Access Digital Payments

How the Capital Program is Funded

City of Toronto		Provincial Funding	Federal Funding
\$752.0 million 100%		\$0 million 0%	\$0 million 0%
Debt	\$447.3 million		
Reserves / Reserve Funds	\$304.7 million		

STATE OF GOOD REPAIR (SOGR) FUNDING AND BACKLOG

The chart below depicts the SOGR funding and accumulated backlog estimates for Asset Life Cycle Management (LCM) in Technology Services and excludes other divisional SOGR projects funded by other than the Sustainment Reserve.

Chart 2: Total SOGR Funding and Backlog

(In \$000s)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
SOGR Funding	21,297.0	21,297.0	21,297.0	21,297.0	21,297.0	21,297.0	21,297.0	21,297.0	21,297.0	21,297.0	21,297.0
Accumulated Backlog Estimate			526.4	12,019.8	28,911.8	47,247.7	58,793.4	74,089.2	85,856.0	100,373.3	116,060.7
Backlog % of Asset Value	0.0%	0.0%	0.3%	6.1%	14.5%	23.5%	29.0%	36.3%	41.7%	48.4%	55.5%
Total Asset Value	193,183.3	194,771.7	196,329.9	197,900.6	199,483.8	201,079.6	202,688.3	204,309.8	205,944.3	207,591.8	209,252.5

- The Technology Services Life Cycle Management (LCM) program ensures that Technology Service Division (TSD) solutions are kept reliable, current, compliant, and supported for continued client satisfaction for all TSD systems. Technology Services delivery management continually assesses the technologies sustained by the LCM program to ensure alignment with leadership directions while also keeping in mind the constant changes in the technology landscape.
- The split of LCM costs is as follows: 44.5% (\$132.2 million) Notebooks/Desktops, 31.3% (\$93.0 million) Network Assets, 17.6% (\$52.4 million) Servers, Storage and Software, 6.6% (\$19.7 million) Network Security, includes impact of increased number of remote workers, Proxy, and Firewall due to hybrid work model.
- To remain within available reserve funding for these costs (\$21.3 million annually), the LCM replacement of notebooks and network assets may be extended beyond the policy of three years (network assets) - five years (notebooks) to be 'when-required'. Based on industry standards, this falls within the cost-constrained approach of five years useful life for notebooks. The mainstream standard is four years, and the aggressive approach is three years. This is a concern with hybrid teleworking as greater mobility leads to increased hardware failures in notebook devices as lifespans are contingent upon the environments to which they are subjected.
- Based on the current level of annual SOGR funding, it is forecasted that there will be a backlog starting in 2027 and additional funding will be requested as part of future budget processes to support the plan. The accumulated backlog presented above is anticipated to increase to \$116.1 million by 2035, representing 55.5% of the total replacement value estimated to be \$209.3 million by 2035.
- Technology Services will continue to refine these estimates based on planned condition assessments of its asset inventory and the SOGR backlog analysis, including asset values.

OPERATING IMPACT OF COMPLETED CAPITAL PROJECTS

Approval of the 2026 Capital Budget will impact the 2026 Operating budget by a total of \$5.285 million net arising from completing the projects shown in Table 6 below.

Table 6: Net Operating Impact Summary

Projects	2026 Budget		2027 Plan		2028 Plan		2029 Plan		2030 Plan		2026-2030		2026-2035	
	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions
Previously Approved														
Various Projects	94.0										94.0	0.0	94.0	0.0
Modernized Data Centre Architecture	289.0		170.8	1.0							459.8	1.0	459.8	1.0
T-Recs Cloud Assessment and Migration	57.0		220.8	1.0							277.8	1.0	277.8	1.0
SAP Modernization (incl. FSTP, Materials Managements, Payroll, Ariba)	3,537.1		2,095.2	-	33.2	-	80.0		164.0		5,909.4	0.0	5,909.4	0.0
Budget Tool Revitalization Program					947.1		80.0				1,027.1	0.0	1,027.1	0.0
Unified Communications	613.0		4,626.0		1,104.0		(240.0)				6,103.0	0.0	6,103.0	0.0
TEAM Central Service Delivery Solution			2,369.8		118.5						2,488.3	0.0	2,488.3	0.0
ConnectTO	162.0										162.0	0.0	162.0	0.0
Disaster Recovery					1,161.4	4.0					1,161.4	4.0	1,161.4	4.0
Directory Services Transition - Phase 2			343.5		515.3		618.3				1,477.1	0.0	1,477.1	0.0
High-Volume Recruitment Capabilities			207.8								207.8	0.0	207.8	0.0
Toronto Emergency Management Business Continuity Information System			289.0								289.0	0.0	289.0	0.0
Network Asset Replacement	393.1										393.1	0.0	393.1	0.0
Employee Communication Modernization	140.0		126.4	1.0							266.4	1.0	266.4	1.0
Data Centre Zones Implementation					300.0						300.0	0.0	300.0	0.0
Network Modernization					3,702.0						3,702.0	0.0	3,702.0	0.0
Administrative Penalty System			130.7	1.0							130.7	1.0	130.7	1.0
MLS Chameleon CMS Enablement of Features			130.7	1.0							130.7	1.0	130.7	1.0
Enterprise Work Management System			300.4	2.0							300.4	2.0	300.4	2.0
ServiceNow			1,648.7	10.0							1,648.7	10.0	1,648.7	10.0
Cloud Deployment - Construction Project and Document Management System			130.7	1.0							130.7	1.0	130.7	1.0
DC Infrastructure Foundation			389.8	3.0							389.8	3.0	389.8	3.0
Modernization of Microsoft Access			691.6	5.0							691.6	5.0	691.6	5.0
Network Modernization					702.0	6.0					702.0	6.0	702.0	6.0
Automating Short Term Rental Operator Verification Process			162.7	1.0							162.7	1.0	162.7	1.0
Multi-Tenant Housing - Technology Implementation			162.7	1.0							162.7	1.0	162.7	1.0
Public Digital Evolution											0.0		0.0	
Sub-Total: Previously Approved	5,285.2		14,197.2	28.0	8,583.4	10.0	538.3		164.0		28,768.1	38.0	28,768.1	38.0
New Projects - 2026														
Enterprise Notification Platform			102.3								102.3	0.0	102	0.0
Computer Aided Dispatch and 911 Networks Life Cycle and Maintenance			40.0								40.0	0.0	40	0.0
Toronto Data Platform							5,824.4	26.0	3,158.8	19.0	8,983.2	45.0	8,983	45.0
Sunbird DCIM Phase-2 Project							104.1				104.1	0.0	104	0.0
Sub-Total: New Projects - 2026			142.3	-	-	-	5,928.5	26.0	3,158.8	19.0	9,229.5	45.0	9,229.5	45.0
New Projects - Future Years														
Sub-Total: New Projects - Future Years				-		-						0.0		0.0
Total (Net)	5,285.2		14,339.5	28.0	8,583.4	10.0	6,466.7	26.0	3,322.8	19.0	37,997.6	83.0	37,997.6	83.0

- Technology Services requires \$5.285 million in gross costs, and \$1.209 million net incremental funding in 2026 to sustain required resources, licenses, maintenance, support, and subscription costs for completed technology projects. 2026 operating costs have been included in the 2026 Operating Budget for Technology Services and is partially offset by a one-time reserve funding.
- It is expected that an additional operating impact of \$14.340 million in 2027 and further \$8.583 million increase in 2028 will be needed to fund sustainment costs for capital projects.
- Technology Services is committed to realizing and capturing all benefits arising from capital investments. Any future operational impacts of capital projects will continue to be reviewed and assessed for future year budget processes.

APPENDICES

Appendix 1

2026 Operating Budget by Category

Category (In \$000s)	2024 Actual	2025 Budget	2025 Projection*	2026 Budget	2026 Change from 2025 Budget	
	\$	\$	\$	\$	\$	%
User Fees and Donations	19.7	30.3	30.3	1,744.7	1,714.4	5666.7%
Contribution From Reserves/Reserve Funds	2,329.1	13,996.9		16,358.2	2,361.3	16.9%
Sundry and Other Revenue	2,073.0	320.0	320.0	320.0		0.0%
Inter-Divisional Recoveries	12,565.6	13,269.3	13,269.3	14,624.4	1,355.1	10.2%
Total Revenues	16,987.4	27,616.4	13,619.6	33,047.3	5,430.8	19.7%
Salaries and Benefits	79,193.4	93,700.2	90,850.6	97,472.8	3,772.6	4.0%
Materials and Supplies	25.2	63.3	38.2	35.7	(27.7)	(43.7%)
Equipment	1,236.6	1,134.3	1,131.8	1,134.3		0.0%
Service And Rent	62,712.1	76,647.8	73,676.1	82,782.6	6,134.7	8.0%
Total Gross Expenditures	143,167.3	171,545.7	165,696.7	181,425.3	9,879.6	5.8%
Net Expenditures	126,179.9	143,929.2	152,077.1	148,378.0	4,448.8	3.1%

*2025 Projection based on 9-Month Variance

Appendix 2

Summary of 2026 Service Changes

N/A

Appendix 3

Summary of 2026 New / Enhanced Service Priorities Included in Budget

N/A

Appendix 4a

Operating Program Provincial/Federal Funding Streams by Program

N/A

Appendix 4b

Capital Program Provincial/Federal Funding Streams by Project

N/A

Appendix 5

**2026 Capital Budget;
2027 - 2035 Capital Plan Including Carry Forward Funding**

Projects (In \$000s)	2026 Budget	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	2034 Plan	2035 Plan	2026- 2035 Total	Health and Safety/ Legislated	SOGR	Service Improvement and Growth
New Projects														
AI-Assisted Building Plan Assessment	748	2,244									2,992			2,992
API Platform Enhancement - Seed funding	155	155									310			310
Application Decommissioning		907	1,981	1,722							4,610			4,610
Application Performance Monitoring (APM) - seed funding	368	368									736			736
Capital Coordination Systems Improvement	58	34	58								150			150
Computer Aided Dispatch and 911 Networks Life Cycle and Maintenance	150	14	150								314			314
Enhanced Dispatch Mobile Data Terminal Connectivity and Location Accuracy	19										19			19
Enterprise Notification Platform			636								636			636
Fleet Services Division Data Infrastructure		301	356								657			657
Fleet/Fire/Paramedics Joint Fit-Gap Analysis Phase 2	366	643	643	366							2,020			2,020
Identity Access Management (IAM) Program	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	10,000			10,000
Release Management Program Development	458	149									607			607
Seed Funding Business Case for Enterprise Archiving/Inactive Record Solution	418	162	418								998			998
ServiceNow - Delivery of Prioritized Phase 1 Descoped Requirements	331	144									475			475
ServiceNow Contract Management Phase 2		644									644			644
ServiceNow Event Monitoring & Management Phase 2	333	167									500			500
ServiceNow User Experience Enhancements	394	172									566			566
Sunbird DCIM Phase-2 Project	692	72									764			764
Toronto Building Express Services (Online Submission Tool)	781	13									794			794
Toronto Building Online Services	917	13									930			930
Toronto Data/AI Platform	663	1,368	3,368	3,368	3,368	3,368	3,368	4,654			23,523			23,523
Trimble Unity Construct (TUC) needs to be integrated with SAP S/4HANA	500	338	506								1,344			1,344
Trimble Unity Construct for Transportation Services		780	1,563								2,343			2,343
TSD Cyber Security Strategic Resourcing		192	308								500			500
Zscaler Phase 4 (ZPA) F5 VPN replacement	156										156			156
Existing Projects														
ACCELERATING THE DIGITIZATION JOURNEY	1,341	1,284	1,284								3,909		3,909	
Access Control Self-Serve	462	907	811								2,180			2,180
Application Portfolio Management	292	577									869			869
ARTIFICIAL INTELLIGENCE (AI)	952	1,656	1,996	2,139	300						7,042			7,042
Audio Visual Program	2,856	2,968	2,995	2,968	2,968	2,968	2,968	2,968	2,968	2,968	29,594		29,594	
BUSINESS APP. SERVICE MONITORING	700										700		700	
CLASS REPLACEMENT - ENT IMPLEMENTATION	1,072	350									1,422			1,422
Community Development and Regulatory & Licensing (CDRL) System Modernized Program	2,005	1,696	2,357	2,357	2,467	855					11,737		11,737	
CONNECTTO - NETWORK UTILITY	988	1,276	1,276	1,276	1,250						6,066			6,066
Corporate Accessibility Services/Support Acquisition	241										241	241		
CXD Projects	3,581	3,523	3,048								10,152			10,152
DC Infrastructure Foundation	950	2,200	2,200	2,675	2,000						10,025			10,025
DESKTOP HARDWARE REPLACEMENT	9,617	9,903	14,969	13,947	14,051	13,051	16,044	13,343	12,964	14,321	132,209		132,209	
Digital Payments	390	551									941			941
Digital Service Enhancement	732	776	776								2,284			2,284
Directory Services Transition - Phase 2	693	1,187	887	343							3,109			3,109
DISASTER RECOVERY PROGRAM	617	1,330	1,355	358							3,660		3,660	

Projects (In \$000s)	2026 Budget	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	2034 Plan	2035 Plan	2026- 2035 Total	Health and Safety/ Legislated	SOGR	Service Improvement and Growth
Diversity Data Collection & Reporting Modernizati	537	587									1,124			1,124
Divisional Roadmaps	140	535	101								775			775
ECS CLOUD DEPLOYMENT-CONSTRUCTION	451	736	243								1,430			1,430
EMPLOYEE COMMUNICATION MODERNIZATION	743	943									1,686			1,686
ENT.STORAGE REPLACEMENT	840	1,140	365	3,150	4,025	2,150	725	1,600	1,675	1,675	17,344		17,344	
ENTERPRISE BUSINESS INTELLIGENCE IMPLEMENTATION	937	1,577	1,577	1,577	136						5,803		5,803	
ENTERPRISE SERVER REPLACEMENT	2,340	2,340	2,340	2,340	2,340	2,430	2,556	2,175	2,175	2,175	23,211		23,211	
Enterprise Social Media Management and Analytics Software	422	422									844			844
ENTERPRISE SOFTWARE REPLACEMENT	1,187	1,187	1,187	1,187	1,187	1,187	1,187	1,187	1,187	1,187	11,870		11,870	
ENTERPRISE WORK MANAGEMENT SOLUTION (EWMS) PHASES 2&3	7,644	5,428	5,428	6,428	10,463	5,063	3,726				44,180			44,180
ENTERPRISE WORK MANAGEMENT SYSTEM PH1 (Post-Consolidation)	3,155	1,688									4,843			4,843
eSCHEDULING SOLUTION & IMPLEMENTATION	1,316	1,949	1,976	1,949	1,949	1,949	1,949	8,040	8,445	6,862	36,386			36,386
File Services Migration to SharePoint	894	44									938		938	
FLEET SERVICES DRIVER ACCIDENT AND FINE MANAGEMENT	567	576									1,143			1,143
High-Volume Recruitment Capabilities	989	1,205									2,194			2,194
Human Services Integration Service Enhancements	928	308									1,236			1,236
Land Use Information System (LUIS 3.0)	507	487	705	909							2,608			2,608
LEGAL SERVICES DOCUMENT MANAGEMENT SYSTEM	128	9									137		137	
LLRS REPLACEMENT	829	760	760								2,349			2,349
M365: Implement Phase 2 and Plan Phase 3	1,999	688									2,687			2,687
MLS Business Licensing & Permitting Portal 2.0	643										643			643
MLS Chameleon CMS Enablement of Features Initiative	321	582									903			903
MLS Modernization - Phase 2		33									33			33
MLS ONBOARDING TO ADMINISTRATION	220	200									420			420
MODERNIZATION OF MICROSOFT ACCESS APPLICATION - PHASE 1	1,800	1,364	1,364	1,364	148						6,039		6,039	
MODERNIZED DATA CENTRE ARCHITECTURE	595	750									1,345			1,345
Multi-Tenant Housing - Technology Implementation	220										220	220		
NETWORK ASSET REPLACEMENT	6,667	6,088	8,693	9,828	10,886	8,519	10,769	9,438	12,453	9,683	93,024		93,024	
Network Modernization (NSS Phase 1)	1,100	1,100	1,057	1,607	1,607	2,312					8,783			8,783
NETWORK SECURITY REPLACEMENT	1,072	1,036	1,093	3,593	3,002	2,496	1,169	1,178	1,218	3,800	19,657		19,657	
OPEN DATA MASTER PLAN IMPLEMENTATION	978	827	157								1,961			1,961
PAM (Privileged Access Management) continued impl	168	1,684	1,106	649							3,608			3,608
PPEB – Day Forward Scanning Implementation Project	355	51									406			406
PROJECT PORTFOLIO MANAGEMENT SYSTEM MIGRATE TO SERVICENOW	727	1,018	1,803								3,548		3,548	
PTP CAPITAL COORDINATION FUTURE STATE SEED PROJECT	125	181									306			306
Public Digital Access (PDA)	1,035	1,845	133								3,013			3,013
Public Digital Evolution	1,207	1,031	900	4,260							7,398			7,398
Public Engagement Database and Online Engagement Platform		104									104		104	
Quality Assurance Centre of Excellence Found Ph2 - Tool Modernization	216	248									464			464
SAP BW Modernization (State of Good Repair)	2,006	2,942	1,596								6,543		6,543	
SAP Materials Management and Warehouse Mgmt Transf	12,000	12,335	18,335	19,684							62,353			62,353
SAP Payroll Modernization	12,000	12,623	12,623	9,297							46,544		46,544	
SAP SuccessFactors Onboarding 2.0	740	210	490								1,440			1,440
SDFA- Online Grant Management System	139	138									277			277
ServiceNow: Implement Phase 2 and Plan Phase 3	900	967	1,267	1,267	542						4,943			4,943
Special Events Consolidated Permitting Application and Monitoring Tool	156	857	857								1,870			1,870
SuccessFactors Reporting Migration	166	1,033									1,199		1,199	
Talent Management Solution Assessment	996	664									1,660			1,660
TEAM Central Service Delivery Solution	1,833	1,208	2,552	2,341							7,934			7,934
TFS Online Payment	301	154									455			455
Toronto Emergency Management Business Continuity Information System	739	710	1,710	1,297							4,456			4,456
T-RECS CLOUD ASSESSMENT & MIGRATION	150	638	638	50							1,477		1,477	
UKG TeleStaff SOGR - Cloud Solution Migration	450	1,125	905								2,480		2,480	
Unified Communications: Calling in the Cloud	1,241	1,046	1,704								3,991			3,991
Unified Communications: Consolidated Contact Cente	993	1,246	1,157	1,157	752	188					5,495			5,495
WORKFORCE BUSINESS INTELLIGENCE	771	583	158								1,513			1,513
Total Expenditures (including carry forward from 2025)	115,579	119,292	119,920	106,455	64,439	47,536	45,461	45,582	44,084	43,671	752,020	461	432,725	318,834

Appendix 5a

2026 Cash Flow and Future Year Commitments Including Carry Forward Funding

Projects (In \$000s)	2026 Budget	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	2034 Plan	2035 Plan	Total 2026 Cash Flow and FY Commitments	Previously Approved	Change in Scope	New with Future Year
New Projects														
AI-Assisted Building Plan Assessment	748	2,244									2,992			2,992
API Platform Enhancement - Seed funding	155	155									310			310
Application Decommissioning		907	1,981	1,722							4,610			4,610
Application Performance Monitoring (APM) - seed funding	368	368									736			736
Capital Coordination Systems Improvement	58	34	58								150			150
Computer Aided Dispatch and 911 Networks Life Cycle and Maintenance	150	14	150								314			314
Enhanced Dispatch Mobile Data Terminal Connectivity and Location Accuracy	19										19			19
Enterprise Notification Platform			636								636			636
Fleet Services Division Data Infrastructure		301	356								657			657
Fleet/Fire/Paramedics Joint Fit-Gap Analysis Phase 2	366	643	643	366							2,020			2,020
Identity Access Management (IAM) Program	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	10,000			10,000
Release Management Program Development	458	149									607			607
Seed Funding Business Case for Enterprise Archiving/Inactive Record Solution	418	162	418								998			998
ServiceNow - Delivery of Prioritized Phase 1 Descoped Requirements	331	144									475			475
ServiceNow Contract Management Phase 2		644									644			644
ServiceNow Event Monitoring & Management Phase 2	333	167									500			500
ServiceNow User Experience Enhancements	394	172									566			566
Sunbird DCIM Phase-2 Project	692	72									764			764
Toronto Building Express Services (Online Submission Tool)	781	13									794			794
Toronto Building Online Services	917	13									930			930
Toronto Data/AI Platform	663	1,368	3,368	3,368	3,368	3,368	3,368	4,654			23,523			23,523
Trimble Unity Construct (TUC) needs to be integrated with SAP S/4HANA	500	338	506								1,344			1,344
Trimble Unity Construct for Transportation Services		780	1,563								2,343			2,343
TSD Cyber Security Strategic Resourcing		192	308								500			500
Zscaler Phase 4 (ZPA) F5 VPN replacement	156										156			156
Existing Projects														
ACCELERATING THE DIGITIZATION JOURNEY	1,341	1,284	1,284								3,909	2,886	1,023	
Access Control Self-Serve	462	907	811								2,180	1,369	811	
Application Portfolio Management	292	577									869	808	61	
ARTIFICIAL INTELLIGENCE (AI)	952	1,656	1,996	2,139	300						7,042	1,191	5,851	
Audio Visual Program	2,856	2,968	2,995	2,968	2,968	2,968	2,968	2,968	2,968	2,968	29,594	13,444	16,150	
Automating Short Term Rental Operator Verification														
BUSINESS APP. SERVICE MONITORING	700										700	700		
CLASS REPLACEMENT - ENT IMPLEMENTATION	1,072	350									1,422	1,243	179	
Community Development and Regulatory & Licensing (CDRL) System Modernized Program	2,005	1,696	2,357	2,357	2,467	855					11,737	11,737	0	
CONNECTTO - NETWORK UTILITY	988	1,276	1,276	1,276	1,250						6,066	5,827	239	
Corporate Accessibility Services/Support Acquisition	241										241	143	98	
CXD Projects	3,581	3,523	3,048								10,152	2,520	7,467	165
DC Infrastructure Foundation	950	2,200	2,200	2,675	2,000						10,025	7,648	2,377	
DESKTOP HARDWARE REPLACEMENT	9,617	9,903	14,969	13,947	14,051	13,051	16,044	13,343	12,964	14,321	132,209	119,503	12,706	
Digital Payments	390	551									941	906	35	
Digital Service Enhancement	732	776	776								2,284		2,284	
Directory Services Transition - Phase 2	693	1,187	887	343							3,109	695	2,414	
DISASTER RECOVERY PROGRAM	617	1,330	1,355	358							3,660	175	3,485	
Diversity Data Collection & Reporting Modernizati	537	587									1,124	1,104	20	
Divisional Roadmaps	140	535	101								775	775	0	
ECS CLOUD DEPLOYMENT-CONSTRUCTION	451	736	243								1,430	628	802	
EMPLOYEE COMMUNICATION MODERNIZATION	743	943									1,686	240	1,446	
ENT.STORAGE REPLACEMENT	840	1,140	365	3,150	4,025	2,150	725	1,600	1,675	1,675	17,344	15,250	2,094	
ENTERPRISE BUSINESS INTELLIGENCE IMPLEMENTATION	937	1,577	1,577	1,577	136						5,803		5,803	
ENTERPRISE SERVER REPLACEMENT	2,340	2,340	2,340	2,340	2,340	2,430	2,556	2,175	2,175	2,175	23,211	20,655	2,556	

Projects (In \$000s)	2026 Budget	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	2034 Plan	2035 Plan	Total 2026 Cash Flow and FY Commitments	Previously Approved	Change in Scope	New with Future Year
Enterprise Social Media Management and Analytics Software	422	422									844	694	150	
ENTERPRISE SOFTWARE REPLACEMENT	1,187	1,187	1,187	1,187	1,187	1,187	1,187	1,187	1,187	1,187	11,870	8,927	2,943	
ENTERPRISE WORK MANAGEMENT SOLUTION (EWMs) PHASES 2&3	7,644	5,428	5,428	6,428	10,463	5,063	3,726				44,180	21,505	22,675	
ENTERPRISE WORK MANAGEMENT SYSTEM PH1 (Post-Consolidation)	3,155	1,688									4,843	5,999	(1,156)	
eSCHEDULING SOLUTION & IMPLEMENTATION	1,316	1,949	1,976	1,949	1,949	1,949	1,949	8,040	8,445	6,862	36,386	1,587	34,799	
File Services Migration to SharePoint	894	44									938	1,226	(288)	
FLEET SERVICES DRIVER ACCIDENT AND FINE MANAGEMENT	567	576									1,143	1,362	(219)	
Fleet Services Digital Driver Permit												134	(134)	
Fleet/Fire/EMS Joint Fit Gap Analysis&Market Scan														
High-Volume Recruitment Capabilities	989	1,205									2,194	2,107	87	
HR Labour Relations Information System (LRIS)														
Human Services Integration Service Enhancements	928	308									1,236	336	900	
Land Use Information System (LUS 3.0)	507	487	705	909							2,608	2,325	283	
LEGAL SERVICES DOCUMENT MANAGEMENT SYSTEM	128	9									137	128	9	
LLRS REPLACEMENT	829	760	760								2,349	353	1,996	
M365: Implement Phase 2 and Plan Phase 3	1,999	688									2,687	2,980	(293)	
MLS Business Licensing & Permitting Portal 2.0	643										643	578	65	
MLS Chameleon CMS Enablement of Features Initiative	321	582									903	903	0	
MLS Modernization - Phase 2		33									33	117	(84)	
MLS ONBOARDING TO ADMINISTRATION	220	200									420	360	60	
MODERNIZATION OF MICROSOFT ACCESS APPLICATION - PHASE 1	1,800	1,364	1,364	1,364	148						6,039	1,474	4,565	
MODERNIZED DATA CENTRE ARCHITECTURE	595	750									1,345	532	813	
Multi-Tenant Housing - Technology Implementation	220										220	416	(196)	
NETWORK ASSET REPLACEMENT	6,667	6,088	8,693	9,828	10,886	8,519	10,769	9,438	12,453	9,683	93,024	80,445	12,579	
Network Modernization (NSS Phase 1)	1,100	1,100	1,057	1,607	1,607	2,312					8,783	5,883	2,900	
NETWORK SECURITY REPLACEMENT	1,072	1,036	1,093	3,593	3,002	2,496	1,169	1,178	1,218	3,800	19,657	20,266	(609)	
OPEN DATA MASTER PLAN IMPLEMENTATION	978	827	157								1,961	647	1,314	
PAM (Privileged Access Management) continued impl	168	1,684	1,106	649							3,608	3,608	(0)	
PPEB – Day Forward Scanning Implementation Project	355	51									406	195	211	
PROJECT PORTFOLIO MANAGEMENT SYSTEM MIGRATE TO SERVICENOW	727	1,018	1,803								3,548	319	3,229	
PTP CAPITAL COORDINATION FUTURE STATE SEED PROJECT	125	181									306	306		
Public Digital Access (PDA)	1,035	1,845	133								3,013	2,139	874	
Public Digital Evolution	1,207	1,031	900	4,260							7,398	2,088	5,310	
Public Engagement Database and Online Engagement Platform		104									104	104		
Quality Assurance Centre of Excellence Found Ph2 - Tool Modernization	216	248									464	311	153	
SAP BW Modernization (State of Good Repair)	2,006	2,942	1,596								6,543	1,914	4,629	
SAP Materials Management and Warehouse Mgmt Transf	12,000	12,335	18,335	19,684							62,353	62,625	(272)	
SAP Payroll Modernization	12,000	12,623	12,623	9,297							46,544	46,256	288	
SAP SuccessFactors Onboarding 2.0	740	210	490								1,440	4	1,436	
SDFA- Online Grant Management System	139	138									277	221	56	
ServiceNow												770	(770)	
ServiceNow: Implement Phase 2 and Plan Phase 3	900	967	1,267	1,267	542						4,943	3,225	1,718	
Special Events Consolidated Permitting Application and Monitoring Tool	156	857	857								1,870	113	1,757	
SuccessFactors Reporting Migration	166	1,033									1,199	1,199		
Talent Management Solution Assessment	996	664									1,660	1,329	331	
TEAM Central Service Delivery Solution	1,833	1,208	2,552	2,341							7,934	7,822	112	
TFS Online Payment	301	154									455	181	274	
Toronto Emergency Management Business Continuity Information System	739	710	1,710	1,297							4,456	3,900	556	
T-RECS CLOUD ASSESSMENT & MIGRATION	150	638	638	50							1,477	427	1,050	
UKG TeleStaff SOGR - Cloud Solution Migration	450	1,125	905								2,480	2,480		
Unified Communications: Calling in the Cloud	1,241	1,046	1,704								3,991	5,040	(1,049)	
Unified Communications: Consolidated Contact Centre	993	1,246	1,157	1,157	752	188					5,495	5,495	(0)	
WORKFORCE BUSINESS INTELLIGENCE	771	583	158								1,513		1,513	
Total Expenditure (including carry forward)	115,579	119,292	119,920	106,455	64,439	47,536	45,461	45,582	44,084	43,671	752,020	522,802	172,463	56,755

Appendix 5b

2027-2035 Capital Plan

N/A

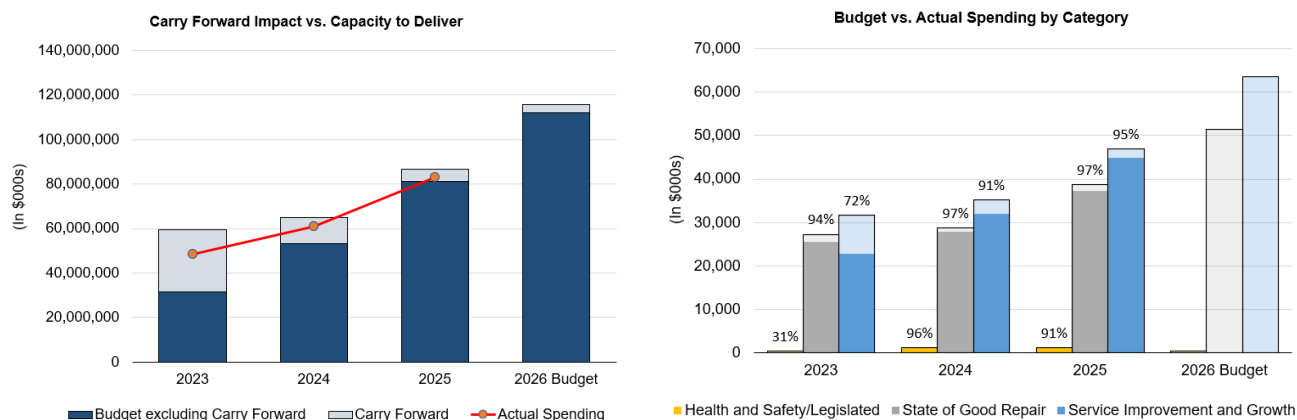
Appendix 6

Capacity to Deliver Review

The 10-Year Capital Plan has been developed with consideration of historically demonstrated capacity to delivery within any given year of a 10-year capital plan. In addition, a review was undertaken to ensure budgets align with the capacity available in the market to deliver on capital projects and assets.

A key component in determining an appropriate level of annual cash flows includes historical capacity to deliver by project categories (Chart 3 below) and assessing projected 2025 underspending that will be carried forward into the 2026-2035 Capital Budget and Plan to complete capital work.

Chart 3 – Capacity to Deliver



- Technology Services actual spend over the previous 3 years, from 2023 to 2025, has averaged \$64.045 million per year, a 90.0% spend rate.
- The projected spend for 2025 is \$82.744 million or 95.4% of the 2025 Capital Budget of \$86.695 million. The unspent cash flow funding of \$3.951 million has been carried forward into 2026 to continue and complete the required capital work for various projects.
- Based on the review of historical capital spending and an assessment of capacity to deliver, \$73.041 million has been deferred from 2026 to future years.
- The 2026 Capital Budget includes a total cash flow funding of \$115.579 million; the funding increase is primarily due to required work to modernize SAP, new projects that have been prioritized to start in 2026, as well as projects focused on state of good repair, addressing audit recommendations, and Council priorities.
- The 2026 Capital Budget of \$115.579 million (including carry forward funding) is higher than the historic 3-year average budget of \$70.354 million and is attributed to the requirements below:
 - Technology Services has increased its annual spending in recent years due to strengthened collaboration across divisions. This includes working with People and Equity to attract and retain talent, partnering with Purchasing and Materials Management to expedite procurement processes, and engaging other stakeholder divisions to plan and deliver projects aligned with annual priorities.

Summary of Capital Delivery Constraints

- In addition to the 10-Year Capital Plan of \$752.0 million, Technology Services has identified \$39.0 million in capital delivery constraints as reflected in the table above. These unfunded projects will be included on the list to be considered with other City priorities in future year budget processes.
 - SAP ECC Payroll Modernization Phase 2 – Subsequent phase of the SAP ECC Payroll Modernization project that will focus on implementing the SAP Payroll cloud solution to leverage new SAP functionalities.
 - Network Modernization Phase 2 and 3 – Subsequent phases of the Network Modernization project that will allow the City to leverage and expand on the groundwork completed by the initial phase of the project.

Appendix 8

Inflows and Outflows to/from Reserves and Reserve Funds

2026 Operating Budget

Reserve Account	Reserve/Reserve Fund Name	Inflow/Outflow/Balance	2026	2027	2028
XQ1508 (\$000)	Vehicle Reserve - IT Sustainment	Opening Balance	13,808.3	8,816.7	3,512.9
		*Contributions (+)			
		Additional Operating Contribution	0.0	0.0	0.0
		Capital & Corporate Financing	21,296.6	21,296.6	21,296.6
		Total Contributions	21,296.6	21,296.6	21,296.6
		*Withdrawals (-)			
		Operating Budget			
		Legal Services	(276.8)	(276.8)	(276.8)
		Technology Services	(4,289.2)	(4,630.3)	(4,639.2)
		Sub-Total Operating Withdrawals	(4,566.1)	(4,907.1)	(4,916.1)
		Capital Budget and Plan			
		Technology Services	(21,722.2)	(21,693.4)	(28,647.4)
		Sub-Total Capital Budget and Plan Withdrawals	(21,722.2)	(21,693.4)	(28,647.4)
		Total Withdrawals	(26,288.3)	(26,600.5)	(33,563.5)
		Interest Income			
		Closing Balance	8,816.7	3,512.9	(8,754.0)

Note: while some years are showing a negative ending balance, it is anticipated that one time funding injection or changing priorities and revised expenditures will adjust the balance.

Reserve Account	Reserve/Reserve Fund Name	Inflow/Outflow/Balance	2026	2027	2028
XQ1509 (\$000)	Vehicle Reserve - IT Vehicles	Opening Balance	132.4	142.7	73.3
		*Contributions (+)			
		Additional Operating Contribution	0.0	0.0	0.0
		Technology Services	10.2	10.2	10.2
		Total Contributions	10.2	10.2	10.2
		*Withdrawals (-)			
		Operating Budget			
		Sub-Total Operating Withdrawals	0.0	0.0	0.0
		Capital Budget and Plan			
		Fleet Services	0.0	(79.6)	0.0
		Sub-Total Capital Budget and Plan Withdrawals	0.0	(79.6)	0.0
		Total Withdrawals	0.0	(79.6)	0.0
		Interest Income			
		Closing Balance	142.7	73.3	83.5

Inflows and Outflows to/from Reserves and Reserve Funds

2026 – 2035 Capital Budget and Plan

Reserve Account	Reserve/Reserve Fund Name	Inflow/Outflow/Balance	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
XQ1508	Vehicle Reserve - IT Sustainment	Opening Balance	13,808.3	8,816.7	3,512.9	(8,754.0)	(21,503.3)	(35,696.7)	(44,233.1)	(55,386.2)	(63,010.4)	(73,385.2)
(\$000)		*Contributions (+)										
		<i>Additional Operating Contribution</i>	0.0	0.0	0.0	21,296.6	21,296.6	21,296.6	21,296.6	21,296.6	21,296.6	21,296.6
		<i>Capital & Corporate Financing</i>	21,296.6	21,296.6	21,296.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Total Contributions	21,296.6	21,296.6	21,296.6	21,296.6	21,296.6	21,296.6	21,296.6	21,296.6	21,296.6	21,296.6
		*Withdrawals (-)										
		Operating Budget										
		<i>Legal Services</i>	(276.8)	(276.8)	(276.8)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		<i>Technology Services</i>	(4,289.2)	(4,630.3)	(4,639.2)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Sub-Total Operating Withdrawals	(4,566.1)	(4,907.1)	(4,916.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Capital Budget and Plan										
		<i>Technology Services</i>	(21,722.2)	(21,693.4)	(28,647.4)	(34,046.0)	(35,490.0)	(29,833.0)	(32,449.8)	(28,920.8)	(31,671.3)	(32,841.4)
		Sub-Total Capital Budget and Plan Withdrawals	(21,722.2)	(21,693.4)	(28,647.4)	(34,046.0)	(35,490.0)	(29,833.0)	(32,449.8)	(28,920.8)	(31,671.3)	(32,841.4)
		Total Withdrawals	(26,288.3)	(26,600.5)	(33,563.5)	(34,046.0)	(35,490.0)	(29,833.0)	(32,449.8)	(28,920.8)	(31,671.3)	(32,841.4)
		<i>Interest Income</i>										
		Closing Balance	8,816.7	3,512.9	(8,754.0)	(21,503.3)	(35,696.7)	(44,233.1)	(55,386.2)	(63,010.4)	(73,385.2)	(84,929.9)

Note: while some years are showing a negative ending balance, it is anticipated that one time funding injection or changing priorities and revised expenditures will adjust the balance.

Reserve Account	Reserve/Reserve Fund Name	Inflow/Outflow/Balance	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
XR6003	Water Capital	Opening Balance	1,257,049.3	1,405,291.0	1,471,602.0	1,508,367.5	1,590,413.6	1,700,135.1	1,853,278.4	2,035,391.1	2,263,681.8	2,564,200.7
(\$000)		*Contributions (+)										
		<i>Toronto Water</i>	478,040.4	489,970.0	501,548.2	516,566.6	538,378.3	557,680.9	577,644.3	598,304.8	619,670.9	641,764.7
		Total Contributions	478,040.4	489,970.0	501,548.2	516,566.6	538,378.3	557,680.9	577,644.3	598,304.8	619,670.9	641,764.7
		*Withdrawals (-)										
		Operating Budget										
		<i>Non-Program Revenues</i>	(4,300.0)	(4,300.0)	(4,300.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Sub-Total Operating Withdrawals	(4,300.0)	(4,300.0)	(4,300.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Capital Budget and Plan										
		<i>Financial Operations & Control</i>	(236.0)	(785.0)	(212.0)	0.0	0.0	0.0	0.0	(196.0)	(697.0)	(667.0)
		<i>Technology Services</i>	(268.0)	(268.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		<i>Toronto Water (*)</i>	(338,240.2)	(432,618.9)	(475,096.5)	(449,937.3)	(445,027.7)	(422,216.3)	(414,878.2)	(391,206.6)	(342,474.4)	(310,761.7)
		Sub-Total Capital Budget and Plan Withdrawals	(338,744.2)	(433,671.9)	(475,308.5)	(449,937.3)	(445,027.7)	(422,216.3)	(414,878.2)	(391,402.6)	(343,171.4)	(311,428.7)
		Total Withdrawals	(343,044.2)	(437,971.9)	(479,608.5)	(449,937.3)	(445,027.7)	(422,216.3)	(414,878.2)	(391,402.6)	(343,171.4)	(311,428.7)
		<i>Interest Income</i>	13,245.5	14,312.9	14,825.7	15,416.8	16,370.9	17,678.7	19,346.6	21,388.4	24,019.3	27,293.7
		Closing Balance	1,405,291.0	1,471,602.0	1,508,367.5	1,590,413.6	1,700,135.1	1,853,278.4	2,035,391.1	2,263,681.8	2,564,200.7	2,921,830.4

(*) Toronto Water has been modified with a spend rate of 82.00% from 2026 to 2028, 85.00% from 2029 to 2035 and Operating Contributions to tie directly to the Rate Model

Appendix 9

Glossary

Approved Position: Permanent or temporary positions that support the delivery of City services and service levels in annual budget.

Actuals: An actual financial amount paid (or received) for the delivery of City services (these exclude any commitments to be paid in the future).

Capacity to Deliver: Ability to deliver projects as demonstrated by historic spending patterns and approved contractual obligations.

Capital Budget and Plan: A Capital Budget and Plan is the City's 10-year strategy to acquire/build assets or extend the useful lives of existing assets. The Capital Budget is the first year of approved cash flows and future year's commitments and the remaining nine years include project estimates.

Capital Delivery Constraints: The capital needs that cannot be accommodated within the capital plan that the Division or Agency have the capacity to deliver.

Complement: Positions that support the delivery of City services and service levels as approved by Council.

Efficiencies: Reductions in the cost of delivering a service without a reduction in service level.

New / Enhanced Service Priorities: New and enhanced service changes resulting in an increase in service levels from what was previously approved by Council.

Operating Budget: An Operating Budget is the City's annual plan to provide services to the residents of Toronto; the budget includes all revenues and expenses needed to provide services.

Operating Impact of Completed Capital Projects: The Operating Budget Impact of Capital is the change in operating expenditure and/or revenue, which is projected to occur during the implementation of a capital project and/or when a capital project is completed. These changes should be documented on a Business Case Form in the appropriate category.

Rate Supported Budget: Budget fully funded by user fees such as Solid Waste, Toronto Water and Toronto Parking Authority.

Salary and Benefits Adjustment: General increases related to contractual obligations, such as cost of living, step increases, pay for performance and progression pay.

State of Good Repair (SOGR): The cost of maintaining assets to ensure that they can support the delivery of City services and meet service outcomes.

Tax Supported Budget: Budget funded by property taxes.

User Fees: Includes all program-generated fees and rental revenue for the use of its services (such as the TTC fare, ice rental fees and various City permits).