

## 2026 Budget Notes

### Toronto Transit Commission

While we aim to provide fully accessible content, there is no text alternative available for some of the content within these pages. If you require alternate formats or need assistance understanding our charts, graphs, or any other content, please contact us at [FPD@toronto.ca](mailto:FPD@toronto.ca).

#### Description

The Toronto Transit Commission (TTC) provides reliable transit service that draws its high standards of customer care from its rich traditions of safety, service and courtesy. The TTC delivers the following two services 24 hours per day, 7 days per week. In 2026:

- TTC Conventional Service will be providing 9.9 million service hours, 246 million service kilometers and 426 million rides across its integrated bus and rail network.
- Wheel-Trans Service will be providing 1.6 million service hours and 4.4 million rides, with door-to-door accessible transit service for passengers with any disability that prevents them from using conventional transit services, including physical, sensory, and/or cognitive disabilities.

The TTC connects the diverse communities of Toronto to economic and social opportunities through an integrated network of subway, bus, streetcar and Wheel-Trans Services, comprised of more than 173 bus routes, 11 streetcar routes and 3 subway lines, with a fleet of 1,890 buses, 206 battery-electric buses, 258 streetcars, 143 trains and 283 Wheel-Trans buses. In addition, the TTC began service for Line 6 Finch West in December 2025 and is completing preparatory activities to begin service for Line 5 Eglinton (for planning purposes, a revenue service date of January 2026 has been assumed, however final dates are subject to confirmation from Metrolinx).

#### Why We Do It

The Toronto Transit Commission aims to serve the needs of transit riders by providing a safe, reliable, efficient and accessible mass public transit service through a seamless integrated network to create access to opportunity for everyone.

The TTC plays a central role in achieving the City's social, economic and environmental service objectives and outcomes by providing and improving mobility that connects people to employment, leisure, social and economic opportunities and contributing to the City's overall resilience.

*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 the TTC, please visit: <https://www.toronto.ca/city-government/accountability-operations-customer-service/city-administration/city-managers-office/agencies-corporations/agencies/toronto-transit-commission/>*

#### Toronto Transit Commission:

**John Montagnese**

Chief Financial Officer (interim)

Tel: (416) 393-3654

Email: [John.Montagnese@ttc.ca](mailto:John.Montagnese@ttc.ca)

#### Corporate:

**Mervyn Mendonca**

Manager, Financial Planning

Tel: (416) 397-4297

Email: [Mervyn.Mendonca@toronto.ca](mailto:Mervyn.Mendonca@toronto.ca)

## What Service We Provide

### **Conventional Transit Service:**

**Who We Serve:** Riders, Businesses, Employers, Event Attendees, Neighbouring Municipalities

**What We Deliver:** The TTC connects the diverse communities of Toronto to economic and social opportunities through an integrated network of subway, bus and streetcar services.

**Resources (gross 2026 operating budget):** \$2.826 billion

### **Wheel-Trans Service:**

**Who We Serve:** Riders, Businesses, Employers, Event Attendees, Neighbouring Municipalities

**What We Deliver:** Wheel-Trans connects the diverse communities of Toronto to economic and social opportunities through an integrated network or Family of Services.

**Resources (gross 2026 operating budget):** \$0.202 billion

## Budget at a Glance\*

### 2026 OPERATING BUDGET

\$Billion	2026	2027	2028
Revenues	\$1.547	\$1.548	\$1.558
Gross Expenditures	\$3.028	\$3.176	\$3.282
Net Expenditures	\$1.481	\$1.628	\$1.724
Approved Positions	15,299	15,271	15,271

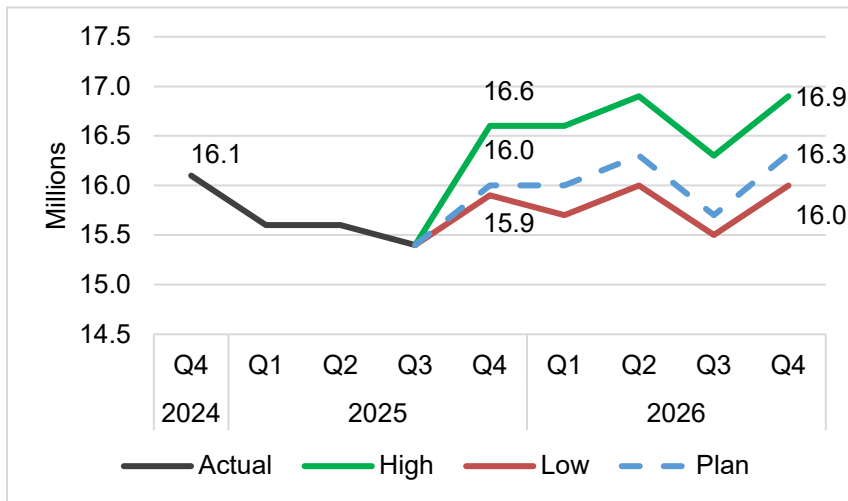
### 2026-2035 10-YEAR CAPITAL PLAN

\$Billion	2026	2027-2035	Total
Gross Expenditures	\$1.635	\$15.023	\$16.657
Debt Recoverable	\$0.554	\$6.843	\$7.397
Debt	\$0.297	\$1.888	\$2.185
Note: Includes 2025 carry forward funding			

\*This document reflects the 2026 Operating Budget and 2026-2035 Capital Budget and Plan as prepared by the City Manager and Chief Financial Officer and Treasurer, which is consistent with the budget approved by TTC Board.

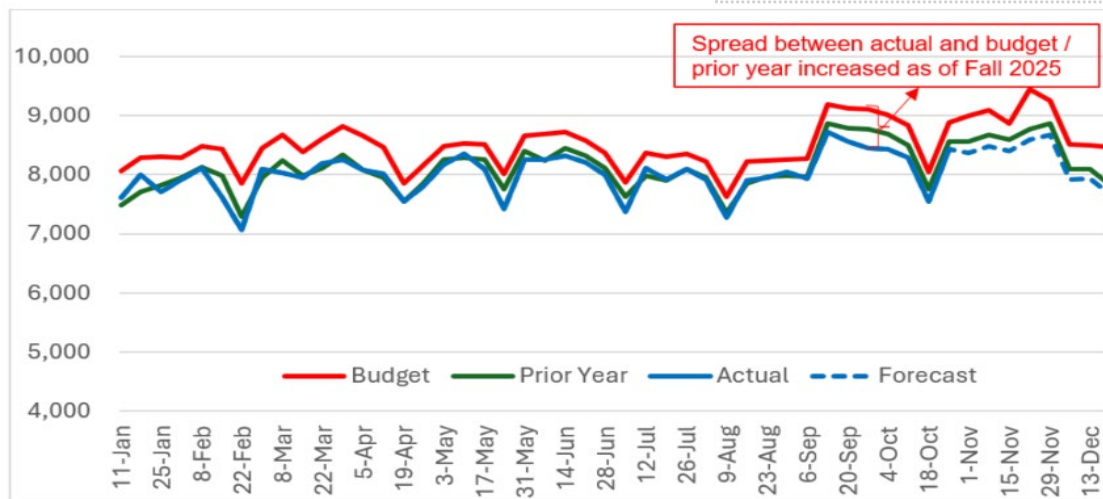
## How Well We Are Doing – Behind the Numbers

**2024 – 2026 TTC Conventional Average Weekly Customer Demand by Quarter**



### Assumptions for 2026 Forecast

- Line 6 opened in December 2025
- Line 5 opening as early as January 2026 subject to approvals
- FIFA World Cup to bring in extra 3.8 million boardings (unlinked trips) over 4 weeks in June-July 2026
- **Low**
  - 0% year-over-year growth
  - Average office commutes rate staying at 3 days per week
- **Medium / Plan**
  - 1.5% year-over-year growth
  - Average office commutes rate staying at 3 days per week
- **High**
  - 1.5% year-over-year growth
  - Increase in average office commute rate from 3 to 3.5 days per week
  - 2025 fourth quarter Medium projection reflects some effect of return-to-office mandate seen until October 2025.



### Assumptions:

- **Economic Outlook:** Toronto's softer economy persists into 2025; 2026 GDP growth (1.6%) and employment growth (0.4%) expected to add 2.6M rides and \$6.3M revenue.
- **Return-to-Office Trends:** No ridership increase observed despite policy changes; no incremental growth assumed for 2026.
- **Post-Secondary Ridership:** International student permit decline reduced pass sales to 50% of prior-year levels; 2026 expected to remain flat.
- **Special Events:** FIFA World Cup (June to July 2026) projected to add 2.0M rides and \$5.0M revenue; other discretionary travel unchanged.
- **Service Enhancements:** Line 5 and Line 6 openings expected to add 3.1M rides and \$7.8M revenue
- **Priority Transit Lanes:** New lanes on Dufferin and Bathurst (June 2026) projected to add 0.6M rides and \$1.7M revenue.
- **Fare Compliance:** Assumed consistent with 2025 with no incremental revenue included (Estimated fare compliance savings of \$15M in 2025 are expected to be maintained in 2026)
- **Fare Capping:** Effective Sept 2026; estimated \$3.1M revenue decrease and 2.1M net new free rides.
- **Average Fare:** 2026 budget assumes \$2.45 (down from \$2.47 in 2025) due to fare capping; prior increase driven by declining pass sales and higher open payment adoption.

## How Well We Are Doing

Measure	2024 Actual	2025 Target	2025 Projection	2026 Target	2027 Target
Service Measures					
Conventional Service Hours (in millions)	9.2	9.5	9.8	9.9	10.3
Wheel-Trans Service Hours (in millions)	1.3	1.5	1.5	1.6	1.6
Customer Satisfaction	71%	84%	73%	84%	84%
Subway - Achieve 90% On-time	91%	90%	89.9%	90%	90%
Streetcar - Achieve 90% On-time	64%	90%	61%	90%	90%
Bus - Achieve 90% On-time	72%	90%	76%	90%	90%
Revenue and Affordability					
Conventional Revenue Rides (in millions)	419.9	439.4	414.0	426.4	434.9
Wheel-Trans Ridership (in millions)	3.6	4.0	4.1	4.4	4.6
Revenue / Cost Ratio*	48%	47%	47%	44%	42%
City Subsidy per Revenue Ride	\$2.59	\$2.76	\$2.96	\$3.02	\$3.26
Financial Management and Efficiency					
Total Operating Cost / Service Hour (Adj. for CPI, index=2026)	\$266	\$286	\$267	\$286	\$278
Operating Cost per Revenue Ride	\$5.60	\$6.09	\$6.17	\$6.63	\$6.72
Revenue Rides: Complement Ratio	31,538	31,891	30,268	29,324	29,968
Operating Savings / Efficiencies [\$320 million since 2019] (in millions)	\$12.9	\$37.2	\$37.2	\$87.3	\$4.1
Savings / Efficiencies as % of Net Expenditures	1.2%	3.1%	3.0%	6.8%	0.3%
SOGR Backlog (in billions)	\$8.2	\$4.3	\$6.1	\$3.9	\$3.5
SOGR Backlog as a % of Total Asset Value	20.7%	10.7%	10.1%	9.7%	8.7 %
Capital Capacity to Spend	94.8%	90.0%	94.9%	90.0%	90.0%
Operating Net Spend Rate	95.1%	97.0%	100.9%	97.0%	97.0%
Conventional Ridership Revenue Budget Accuracy	97.8%	97.0%	95.7%	97.0%	97.0%

\*Based on figure reported to the Canadian Urban Transit Association (CUTA); Includes conventional service fare and ancillary revenues compared against conventional gross expenditures.

## EXPERIENCES, CHALLENGES AND PRIORITIES

### 1. Build a Future-Ready Workforce

- Completed first Employee Engagement Survey since 2016
- Modernized office spaces for 2,350 employees, saving \$3.9 million annually
- Hired 50% women in operator hires, achieving the 40% target
- Launched diversity and anti-racism policies
- Trained 10,600 frontline staff on de-escalation and unconscious bias
- Introduced mentorship and buddy programs to support career growth

### 2. Attract New Riders, Retain Customer Loyalty

- Improved subway and streetcar service frequencies
- Reduced bunching and gapping by 12% on pilot routes
- Improved station cleanliness by 17% at target stations
- Reduced offences against customers down to 26% from 2024
- 62 of 70 stations now accessible; upgrades at 270 stops
- Expanded cellular service to 70% of subway system
- Advanced fare modernization and launched new vending machine pilots
- Approved the 2025 Asset Management Policy, Strategy and Plan
- Received Board approval on the updated Wayfinding Strategy

### 3. Place Transit at the Centre of Toronto's Future Mobility

- Opened Line 6 Finch West; prepared for Line 5 Eglinton opening
- Completed delivery of 60 new streetcars
- Advanced Line 1 and 2 capacity enhancement programs
- Awarded the Bloor-Yonge Capacity Improvements Progressive Design-Build Development Phase contract
- Received 274 electric buses and installed 98 charging points
- Finalized ridership demand model to 2051

### 4. Transform and Modernize for a Changing Environment

- Approved Corporate Emergency Response Plan
- Launched Innovation and Sustainability Strategy
- Initiated HVAC decarbonization and LED retrofits at select TTC facilities
- Migrated SAP systems to cloud and launched Time and Attendance modernization

### 5. Address the Structural Fiscal Imbalance

- Delivered \$37.2 million in operational efficiencies
- Approved \$54 billion Capital Investment Plan; identified \$37.3 billion unfunded needs
- Secured \$1.163 billion federal funding and executed New Deal LRT Agreement
- Reduced fare evasion at crash gates to 2.5%; expanded inspector deployments
- Generated \$64 million in non-fare revenue; approved tunnel-motion advertising
- Advanced modernization of TTC uniform and work clothing process, targeting annual savings of \$0.267 million to \$0.939 million
- Implemented fare compliance strategy, reducing fare compliance losses by \$15 million

## Key Challenges and Risks

The TTC has established an Enterprise Risk Framework and Plan to address ten enterprise-wide risks, as noted below. With the alignment of these risks to the TTC's Corporate Plan, many of them have been considered in the 2026 Budget process. The 2026 Operating Budget and 10-Year Capital Plan provide funding to help mitigate the top five risks as well as worker and customer safety.

Key Enterprise Risks	
1. Capital Funding Requirements	6. Disruption
2. Cybersecurity	7. Governance and Decision-Making
3. Recruitment and Retention	8. Strategy Development and Execution
4. Financial Sustainability	9. Third Party Vendor
5. Public Safety and Transit Security	10. Worker and Customer Safety

## Priority Actions

### 1. Build a Future-Ready Workforce

- Implement engagement action plans and launch Employee Engagement Task Force
- Expand inclusive leadership training and implement Truth and Reconciliation Strategy
- Continue safety programs and mental health initiatives
- Advance succession planning and leadership development
- Modernize tools and technologies available to employees

### 2. Attract New Riders, Retain Customer Loyalty

- Deliver transit plan for FIFA World Cup
- Continue bunching / gapping and cleanliness pilots
- Maintain service improvements including Line 1 and 2 peak service
- Continue to advance subway tunnel cellular coverage and launch solar-powered signage (e-paper pilot)
- Upgrade accessibility and safety at 20 complex stops and 150 stops in general by end of 2026
- Advance RapidTO corridors and Line 3 busway completion
- Launch customer experience dashboard and new wayfinding improvements
- Continue with the City to implement the Community Safety, Security and Well-Being Program

### 3. Place Transit at the Centre of Toronto's Future Mobility

- Complete delivery of 340 electric buses and expand charging infrastructure
- Monitor and refine service for Lines 5 and 6
- Advance Line 1 and 2 modernization and capacity projects
- Launch zero-emission Wheel-Trans pilot and renewable energy projects
- Integrate long-term demand forecasts into capital planning

### 4. Transform and Modernize for a Changing Environment

- Release Innovation and Sustainability Strategy (ISS) Progress Report and expand innovation pilots (AI, safety tech, renewable energy).
- Launch Automated Camera Enforcement pilot
- Deploy full Time and Attendance system and advance SAP Human Resources modernization
- Strengthen emergency preparedness and business continuity programs
- Advance the new service planning and scheduling system

### 5. Address the Structural Fiscal Imbalance

- Deliver \$87.3 million in sustainable savings and efficiencies, bringing total since 2019 to \$320 million
- Maintain service levels with no fare increase for third year
- Implement fare capping in the fourth quarter of 2026
- Expand fare compliance coverage to 8 more stations and Line 5 and 6
- Launch FIFA-related advertising and retail partnership
- Update Capital Investment Plan and reduce SOGR backlog
- Strengthen advocacy for sustainable funding with all levels of government
- Advance long-term capital planning using 2051 demand forecasts

**CITY STAFF PREPARED BUDGET**

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

1. The 2026 Operating Budget for Toronto Transit Commission of \$3,027.508 million gross, \$1,546.919 million revenue and \$1,480.589 million net for the following services:

<b>Service:</b>	<b>Gross Expenditures (\$000s)</b>	<b>Revenues (\$000s)</b>	<b>Net Expenditures (\$000s)</b>
TTC Conventional	2,825,853.3	1,536,614.6	1,289,238.7
Wheel-Trans	201,655.4	10,304.1	191,351.3
<b>Total Program Budget</b>	<b>3,027,508.7</b>	<b>1,546,918.7</b>	<b>1,480,589.0</b>

- The 2026 staff complement for Toronto Transit Commission of 18,644 positions comprised of 3,345 capital positions and 15,299 operating positions.
2. The 2026 Capital Budget for Toronto Transit Commission with cash flows and future year commitments totaling \$12.980 billion as detailed by project in [Appendix 5a](#).
  3. The 2027-2035 Capital Plan for Toronto Transit Commission totalling \$3.677 billion in project estimates as detailed by project in [Appendix 5b](#).
  4. That all third-party funding included in the 2026 Budget be subject to the execution of an agreement or receipt of funding. If such agreement or funding is not in place by 2026 or forthcoming, the approval to spend must be reassessed by City Council relative to other City-funded priorities and needs in future budget processes.

**2026**  
**OPERATING BUDGET**

## 2026 OPERATING BUDGET OVERVIEW

Table 1: 2026 Operating Budget by Service

(In \$ millions)	2024 Actual	2025 Budget	2025 Projection*	2026 Base Budget	2026 New/Enhanced	2026 Budget	Change vs. 2025 Budget	
By Service	\$	\$	\$	\$	\$	\$	\$	%
<b>Revenues</b>								
TTC Conventional	1,263.8	1,461.1	1,330.6	1,539.8	(3.1)	1,536.6	75.5	5.2%
Wheel-Trans	8.6	9.5	9.6	10.3		10.3	0.8	8.0%
<b>Total Revenues</b>	<b>1,272.5</b>	<b>1,470.6</b>	<b>1,340.2</b>	<b>1,550.1</b>	<b>(3.1)</b>	<b>1,546.9</b>	<b>76.3</b>	<b>5.2%</b>
<b>Gross Expenditures</b>								
TTC Conventional	2,350.6	2,674.7	2,555.3	2,826.0	(0.1)	2,825.9	151.2	5.7%
Wheel-Trans	165.5	182.7	187.1	201.7		201.7	18.9	10.4%
<b>Total Gross Expenditures</b>	<b>2,516.1</b>	<b>2,857.4</b>	<b>2,742.4</b>	<b>3,027.7</b>	<b>(0.1)</b>	<b>3,027.5</b>	<b>170.1</b>	<b>6.0%</b>
<b>Net Expenditures</b>	<b>1,243.6</b>	<b>1,386.7</b>	<b>1,402.2</b>	<b>1,477.6</b>	<b>3.0</b>	<b>1,480.6</b>	<b>93.8</b>	<b>6.8%</b>
<b>Approved Positions**</b>	<b>14,112</b>	<b>14,916</b>	<b>14,688</b>	<b>383</b>		<b>15,299</b>	<b>383</b>	<b>2.6%</b>

\*2025 Projection based on 9-Month Variance

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

### KEY DRIVERS

**Total 2026 Budget** expenditures of \$3.028 billion gross reflect an increase of \$170.1 million in spending above the 2025 Budget, predominantly arising from:

- Increasing service hours by 2.0% on TTC conventional (426.4 million revenue rides), and expanding Wheel-Trans Service by 8.7% (4.4 million rides).
- Sustaining prior year service enhancements, including peak capacity increases on Lines 1 and 2, safety and security measures and makes cleanliness and reliability pilots permanent.
- Supporting the first full year of operations for Line 5 Eglinton and Line 6 Finch West, with costs fully offset by Provincial funding under the Ontario–Toronto New Deal Agreement.
- Freezing fares for the third consecutive year, ensuring affordability for TTC riders.
- Introducing fare capping, eliminating upfront costs and reducing costs for frequent riders by limiting monthly fares after 47 trips.
- Delivering \$87.3 million in cost savings through expenditure reviews and efficiency measures that do not impact customers, supplemented by a \$35.0 million draw from the TTC Stabilization Reserve Fund.

These measures allow the TTC to enhance affordability for riders, sustain service levels, and manage inflationary pressures and ongoing operating challenges. Additional investments in the TTC's 2026 Budget also have a broader impact for Toronto as every \$1 invested generates approximately \$6.88 in economic and quality-of-life benefits the city.

### EQUITY IMPACTS OF BUDGET CHANGES

**Overall medium-positive equity impacts:** Overall, a key focus of the 2026 Operating Budget is maintaining and enhancing affordability for customers while preserving and building on recent service enhancements. The TTC is dedicated to ensuring barrier-free transit access, allocating funds to the Wheel-Trans Service for anticipated growth in ridership while initiatives like the Easier Access Program aim to improve accessibility across all transit services.

Building on the TTC's commitment to fare stability, the budget freezes fares for the third consecutive year and introduces fare capping effective September 1, 2026. Fare capping will limit a customer's monthly costs after 47 paid rides, providing frequent riders with predictable and lower transit expenses. This initiative marks the start of a multi-year approach to improving affordability and access to transit.

Additional investments in affordability include the continuation of the City of Toronto's Fair Pass Program, which offers about one-third off single fares and 21% off monthly passes to maintain affordability for users.

The 2026 Operating Budget allocates \$201.6 million gross (\$191.4 million net) for Wheel-Trans Service, to deliver an estimated 4.4 million rides in 2026, accounting for an 8.7% increase in ridership demand from the 2025 Budget.

There are no recommended service reductions that impact customers. The 2026 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 need and meeting user needs.

The 2026-2035 Capital Budget and Plan provides full funding of \$293.6 million to complete the TTC's Easier Access Program, including an approved budget of \$130.5 million for 2026 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 2026 Capital Budget also provides funding for modernization across the transit system, including 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 67 bus stops for planned construction and 17 streetcar stops for design completion.

**2026 OPERATING BUDGET KEY COST DRIVERS**

The 2026 Net Operating Budget for the Toronto Transit Commission of \$1,480.6 million is \$93.8 million, 6.8% 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**	
<b>2025 Projection*</b>	<b>1,340,194.7</b>	<b>2,742,433.9</b>	<b>1,402,239.2</b>	<b>N/A</b>	<b>N/A</b>
<b>2025 Budget</b>	<b>1,470,614.1</b>	<b>2,857,361.3</b>	<b>1,386,747.2</b>	<b>14,916.0</b>	<b>N/A</b>
<b>Key Cost Drivers:</b>					
<i>Prior Year Impacts</i>	(15,000.0)	34,419.6	49,419.6		
<i>Economic Factors</i>		26,657.2	26,657.2		32,849.1
<i>Salary and Benefit Adjustments</i>		76,235.3	76,235.3		13,188.9
<i>Operating Impacts of Capital</i>	3,000.0	9,279.1	6,279.1	52.0	6,566.7
<i>Base Service Changes</i>	6,714.7	31,696.5	24,981.8	178.0	37,673.8
<i>Other Base Changes</i>	(7,698.6)	(12,946.8)	(5,248.2)	49.2	46,876.5
<i>Transit Expansion</i>	90,834.1	90,834.1		110.0	
<b>Sub Total Key Cost Drivers</b>	<b>77,850.3</b>	<b>256,175.1</b>	<b>178,324.9</b>	<b>389.2</b>	<b>137,155.1</b>
<b>Affordability Measures</b>	<b>1,600.0</b>	<b>(85,903.3)</b>	<b>(87,503.3)</b>	<b>(6.0)</b>	<b>(4,135.6)</b>
<b>Total 2026 Base Budget</b>	<b>1,550,064.3</b>	<b>3,027,633.1</b>	<b>1,477,568.8</b>	<b>15,299.2</b>	<b>133,019.5</b>
<b>2026 New/Enhanced</b>	<b>(3,145.6)</b>	<b>(144.3)</b>	<b>3,001.3</b>		<b>14,698.7</b>
<b>2026 Budget</b>	<b>1,546,918.8</b>	<b>3,027,488.8</b>	<b>1,480,570.0</b>	<b>15,299.2</b>	<b>147,718.3</b>
<b>Change from 2025 Budget (\$)</b>	<b>76,304.7</b>	<b>170,127.5</b>	<b>93,822.8</b>	<b>383.2</b>	<b>N/A</b>
<b>Change from 2025 Budget (%)</b>	<b>5.2%</b>	<b>6.0%</b>	<b>6.8%</b>	<b>2.6%</b>	<b>N/A</b>

\*Based on 9-Month Variance

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

**Key Cost Drivers:*****Prior Year Impacts***

The 2026 Operating Budget includes \$49.4 million to address prior-year commitments. This amount includes \$28.1 million for annualized service improvements introduced in spring and fall 2025, ensuring those enhancements are funded for the full year. It also includes \$6.3 million for workforce additions made last year, including 69 positions for the Fare Compliance program. In addition, the budget reflects a \$15.0 million reversal of the one-time reserve draw applied in 2025. These adjustments ensure 2025 service levels are maintained.

***Economic Factors (Inflationary Pressures)***

Inflation and cost escalation are significant factors in the 2026 Operating Budget. A total of \$26.7 million is required to manage inflationary impacts. Rising health and dental benefit costs, driven by both inflation and higher utilization, account for \$11.2 million of this increase. Hydro and utility costs are projected to grow by approximately 5.7%, adding a further \$7.9 million in cost pressures. Contract pricing has also increased by \$7.6 million, affecting faregate maintenance, Wheel-Trans Service agreements, vehicle parts and information technology (IT) subscriptions. These increases are partially offset by expected reductions in diesel prices in 2026, which help mitigate overall inflationary impacts.

***Salary and Benefit Adjustments***

The 2026 TTC Operating Budget reflects the financial impact of recent collective bargaining agreements. \$76.2 million has been allocated to cover cost-of-living adjustments for all unions with active agreements and for staff.

***Operating Impacts of Capital Projects***

The 2026 Operating Budget includes \$9.3 million gross and \$6.3 million net to support ongoing maintenance and operating requirements of completed capital project. This includes:

- **eBus Program:** \$2.0 million gross (\$1.0 million net) and 26 positions to accommodate the delivery of 146 eBuses originally scheduled for 2025. Funding covers maintenance of additional charging systems and temporary operational adjustments. These costs are partially offset by fuel savings and carbon credit revenue as eBuses replace older diesel vehicles.
- **Maintenance and Infrastructure:** \$7.3 million gross and net with 26 positions, including:
  - \$2.5 million and 12 positions for maintenance of 60 new streetcars delivered over the past three years, with added focus on repairs for older vehicles coming out of warranty.
  - \$4.2 million and one position to sustain completed IT projects, including licensing and maintenance for SAP, VISION, IT Service Management, Office 365 and digitization initiatives.
  - \$0.6 million and 13 positions for other operating impacts, including adjustments at Greenwood Yard due to construction and maintenance of public address and passenger intercom systems.
- **Pattison Digital:** \$2.0 million in additional revenue from Pattison Advertising as a result of capital investments in digital advertising signage.

### Base Service Changes

The 2026 Operating Budget includes \$31.7 million to address services changes including:

- Increasing service hours by 2.0%, for a total of 9.9 million hours, to address congestion, adapt to changing travel patterns, deliver world-class service during the FIFA World Cup, and achieve 426.4 million revenue rides in 2026.
- Expanding Wheel-Trans Service to deliver an estimated 4.4 million rides, reflecting an 8.7% increase in demand over the 2025 budget.
- Sustaining prior year service enhancement of capacity increases on Lines 1 and 2 during peak hours.

### Other Base Changes

- **Legislative and Calendar Impacts**

Changes in legislation and calendar adjustments reduce the 2026 Operating Budget by \$19.0 million net. The removal of the Federal Carbon Tax on April 1, 2025, accounts for \$20.7 million in savings, while a permanent reduction in the Ontario Fuel Rebate adds another \$1.9 million. These savings are partly offset by an increase of \$3.1 million to cover higher Canada Pension Plan (CPP) and Employment Insurance (EI) contribution requirements.

- **Other Base Changes**

In addition to the major budget drivers detailed above, other base changes in 2026 require \$14.8 million net and 49 positions to mainly fund and support the following key changes:

- \$8.1 million revenue decrease due to the expiry of a major lease at 800 Kipling Avenue at the end of 2025 and the reversal of anticipated funding for the General Body Repairperson apprenticeship program after the Skills Development Fund provincial funding application was unsuccessful.
- \$1.1 million expenditure increase along with 9 positions to continue investments and progress made in 2025 to address bunching and gapping on the 10 most problematic routes.
- \$0.6 million and 6 positions to support expected increases in call volume for fare evasion, loitering and panhandling as well as support for City crisis workers.

- **Base Revenue Changes**

- The 2026 Operating budget incorporates a \$35.0 million withdrawal from the Stabilization Reserve Fund to help offset reduced passenger revenues of \$34.4 million and maintain fare affordability.
- It is important to note that reliance on the Stabilization Reserve creates a funding pressure for 2027. Future budgets will need to incorporate measures to offset this reserve withdrawal and ensure ongoing financial stability.

## Transit Expansion

- The 2026 Operating Budget includes \$90.8 million to support the first full year of operations for Line 5 Eglinton and Line 6 Finch West, with costs fully offset by Provincial funding under the Ontario–Toronto New Deal Agreement.

## Affordability Measures

TTC has identified \$87.5 million in affordability measures to help offset base operating pressures as detailed below in Table 3. With these actions, total cumulative savings since 2019 will reach \$320.0 million, reflecting ongoing efforts to reduce costs and improve efficiency.

**Table 3: Affordability Measures**

(In \$000s)										
Recommendation	Savings Type	Equity Impact	2026				Revenue	2027 (Incremental)		
			Revenue	Gross	Net	Positions		Gross	Net	Positions
Line-by-Line Reviews	Line-by-line	No Impact		(11,452.9)	(11,452.9)					0.0
Depreciation Expense	Other	No Impact		(28,943.9)	(28,943.9)					0.0
Balancing Actions - Travel Freeze	Other	No Impact	(100.0)	(274.0)	(174.0)					0.0
Diesel Hedging	Efficiency Savings	No Impact		(2,040.6)	(2,040.6)					0.0
Corporate Wide Budget Reduction	Efficiency Savings	No Impact		(21,865.3)	(21,865.3)					0.0
WSIB Funding Strategy	Efficiency Savings	No Impact		(13,000.0)	(13,000.0)					0.0
RapidTO	Efficiency Savings	No Impact	1,700.0	(900.0)	(2,600.0)		2,440.0	(1,127.0)	(3,567.0)	
ITS Efficiencies	Efficiency Savings	No Impact		(605.8)	(605.8)					0.0
LRV Apprentice Program	Efficiency Savings	No Impact		(863.0)	(863.0)	(7.0)				0.0
OTC Transition to In-House Training	Efficiency Savings	No Impact		(108.5)	(108.5)	2.0		(390.6)	(390.6)	
LED Lighting Retrofit Program	Efficiency Savings	No Impact		(325.0)	(325.0)			(28.0)	(28.0)	
Gas Detection Project	Efficiency Savings	No Impact		(145.4)	(145.4)			(150.0)	(150.0)	
Fleet Renewal - Diesel Savings	Efficiency Savings	No Impact		(3,009.4)	(3,009.4)					0.0
Other Efficiencies	Efficiency Savings	No Impact		(2,169.4)	(2,169.4)	(1.0)				0.0
Aftermarket Parts Warranty	Auditor General's Recommendations	No Impact		(200.0)	(200.0)					0.0
Total Affordability Measures			1,600.0	(85,903.3)	(87,503.3)	(6.0)	2,440.0	(1,695.6)	(4,135.6)	

## Line-by-Line Review

Actual spending is monitored throughout the fiscal year to identify cost-saving opportunities. Based on this analysis, \$11.5 million in expenditure reductions have been incorporated into the 2026 Operating Budget. These savings were primarily driven by lower IT spending, reduced water consumption, and lower material and contract costs in vehicle maintenance during 2025.

## Diesel Hedging

Through hedging strategies executed in 2025, TTC secured pricing for 20% of diesel volume at \$0.94 per litre. This approach provides greater budget certainty and helps protect against significant price fluctuations in 2026.

## Workplace Safety Insurance (WSIB) and Long-Term Disability (LTD) Funding Treatment

The TTC provides post-employment benefits through long-term disability (LTD) and WSIB plans, covering all related payments such as income replacement, healthcare costs, and administrative fees. Prior to 2025, TTC expenses and funding for WSIB and LTD were based on an accrual methodology in accordance with Public Sector Accounting Standards (PSAS), which factored in both current payments to administer benefits and changes in the actuarial liability for future payments. Beginning in 2025, the TTC adopted a change in the funding treatment for WSIB and LTD to ensure consistency and align with the funding treatment for post-retirement medical and dental benefits, where annual funding is limited for current payments only.

In 2025, the TTC recorded a funding adjustment (reduction) of \$21.3 million to account for the change in WSIB and LTD funding treatment. For 2026, TTC is continuing this strategy by applying an additional \$13.0 million funding adjustment (reduction) to further align budgeted costs with current payments only.

## Depreciation Expense Funding Treatment

The TTC currently allocates \$28.9 million in operating funding to cover internal depreciation expenses for assets with a useful life of less than 10 years, primarily IT equipment, non-revenue vehicles and other support assets not funded by other governments. Historically, this depreciation charge in the operating budget was used to fund the future replacement of these assets, ensuring resources were available when they reached the end of their useful life.

Beginning in 2026, the TTC will change its accounting treatment by discontinuing the use of internal depreciation as a capital funding source. Going forward, these expenditures will be funded through the Capital Budget rather than the Operating Budget. This change will reduce the operating budget by approximately \$29.0 million per year.

### **Corporate Wide Budget Reduction**

As part of an extensive expenditure review, in the 2026 Operating Budget, a corporate wide budget reduction of \$21.9 million has been applied proportionally across all departments. This adjustment reflects observed underspending trends from prior years, ensuring the budget more accurately aligns with anticipated spending patterns while maintaining service commitments.

**Travel Freeze:** As a balancing action for 2026, the budget also includes \$0.2 million for a one-time freeze on all non-essential staff travel.

### **Efficiency Measures**

Budget efficiencies are actions that reduce costs or optimize resources without impacting service levels or quality—essentially achieving the same outcomes with fewer resources. For 2026, TTC has identified \$10.0 million in efficiency savings, including initiatives recommended by the Auditor General, through the following measures:

- **RapidTO - Priority Lanes on Bathurst and Dufferin (\$2.6 million):** In July 2025, City Council approved RapidTO Transit Priority measures to install streetcar priority lanes on Bathurst Street and bus priority lanes on Dufferin Street. These changes are designed to improve transit speed and reliability and support the City's evolving transportation needs. As a result, operating costs will decrease by \$0.9 million due to fewer service hours required, and ridership growth is expected to generate an additional \$1.7 million in revenue.
  - RapidTO savings are reinvested to service improvements along Bathurst Street corridor, specifically to address growth in demand over 2026 and moving the six minutes or better service.
- **ITS Efficiencies: (\$0.6 million):** Savings have been identified by reducing reliance on professional services, optimizing software licensing through Microsoft 365 implementation and streamlining communication infrastructure by transitioning to MS Teams for internal collaboration.
- **LRV Apprentice Program (\$0.9 million):** An apprenticeship program was introduced to address challenges in hiring Light Rail Vehicle (LRV) technicians and build a skilled workforce for future needs. As the program matures, TTC has reviewed staffing requirements and converted positions to permanent roles supporting capital projects, resulting in a reduction of seven positions.
- **Transition to In-House Training (\$0.1 million):** Specialized training for Special Constables, Fare Inspectors, and Protective Services Guards will transition from external vendors to TTC instructors certified by the Ontario Police College. This change enables more frequent, cost-effective training while improving quality and consistency under TTC standards.
- **LED Lighting Retrofit Program (\$0.3 million):** As part of facility modernization and sustainability efforts, TTC is retrofitting LED lighting at the Harvey Shop Building and Malvern Garage. These upgrades improve lighting quality, reduce energy consumption, and lower hydro costs.
- **Gas Detection Project (\$0.1 million):** TTC is upgrading the gas detection system at Mount Dennis Bus Garage to enhance safety and operational efficiency. The modernized system improves hazardous gas monitoring and optimizes ventilation and heating controls, reducing utility costs and improving environmental performance.
- **Fleet Renewal – Diesel Savings (\$3.0 million):** Hybrid bus deliveries in 2023 and 2024 replaced older diesel buses, significantly reducing fuel consumption in 2025. These savings are now reflected in the 2026 budget, contributing to sustained cost reductions and improved operational efficiency.
- **Other Efficiencies: (\$2.2 million):** A targeted review of operator-related expenditures identified savings through reduced late-in overtime, streamlined new-hire training processes, and optimized spareboard usage, improving resource allocation and lowering costs.
- **Aftermarket Warranties (\$0.2 million):** Continued implementation of the Auditor General's recommendation to use aftermarket part warranties will generate an additional \$0.2 million in savings in 2026. To date, this initiative has delivered \$2.7 million in cumulative savings.

## New and Enhanced Requests

**Table 4: New/Enhanced Requests**

New/Enhanced Request	2026				2027 Annualized Gross	Equity Impact	Supports Key Outcome/Priority Actions
	Revenues	Gross Expenditures	Net Expenditures	Positions			
(In \$000s)							
1 Fare Capping	(3,145.6)	(144.3)	3,001.3		14,698.7	Medium-Positive	Reducing financial barriers and making transit more affordable and accessible.
Total New/Enhanced	(3,145.6)	(144.3)	3,001.3		14,698.7		

### **Note:**

For additional information, please refer to [Appendix 2](#) for details on 2026 Service Changes; [Appendix 3](#) for the 2026 New and Enhanced Service Priorities and [Appendix 4a](#) for Operating Program Provincial/Federal Funding Streams by Funding Source, respectively.

**2027 AND 2028 OUTLOOK****Table 5: 2027 and 2028 Outlook**

(In \$000s)	2026 Budget	2027 Incremental Outlook	2028 Incremental Outlook
<b>Revenues</b>			
Passenger Revenue (2% Growth)		19,996.7	20,396.6
Other Revenue Changes		(48,918.0)	(15,923.0)
Transit Expansion - Line 5 & 6 Funding (New Deal)*		(4,922.1)	5,242.8
<b>Total Revenues</b>	<b>1,546,918.8</b>	<b>(33,843.4)</b>	<b>9,716.5</b>
<b>Gross Expenditures</b>			
Salary and Benefits Adjustments*		13,188.9	98.4
Economic Factors (Inflationary Changes)		32,849.1	36,541.6
Operating Impact of Capital		6,566.7	6,920.1
Base Service Changes		57,670.5	41,615.8
Other Base Changes		8,521.7	15,169.1
Transit Expansion - Line 5 & 6 Expenditures**		(4,922.1)	5,242.8
<b>Total Gross Expenditures</b>	<b>3,027,508.8</b>	<b>113,874.9</b>	<b>105,587.8</b>
<b>Net Expenditures</b>	<b>1,480,590.0</b>	<b>147,718.3</b>	<b>95,871.4</b>
<b>Approved Positions</b>	<b>15,299</b>	<b>(39)</b>	<b>14</b>

\*Does not include provisions for wage increases or benefit improvements beyond the expiry of current Collective Agreements

\*\*Line 5 and 6 costs to be reviewed after one full year of service to understand the impact of inflation, collective bargaining, service and provincial funding

## Key Outlook Drivers

For 2027, incremental net base budget pressures of \$147.7 million are projected. These pressures reflect cost increases from collective agreement salary and benefit provisions up to March 31, 2027, inflationary impacts on materials, services and energy, the full-year impact of 2026 service changes, as well as revenue loss from the implementation of fare capping, and the reversal of the one-time \$35.0 million reserve draw in 2026. Additional pressures may arise from service adjustments under the TTC's 5-Year Service Plan, subject to annual Board review and approval.

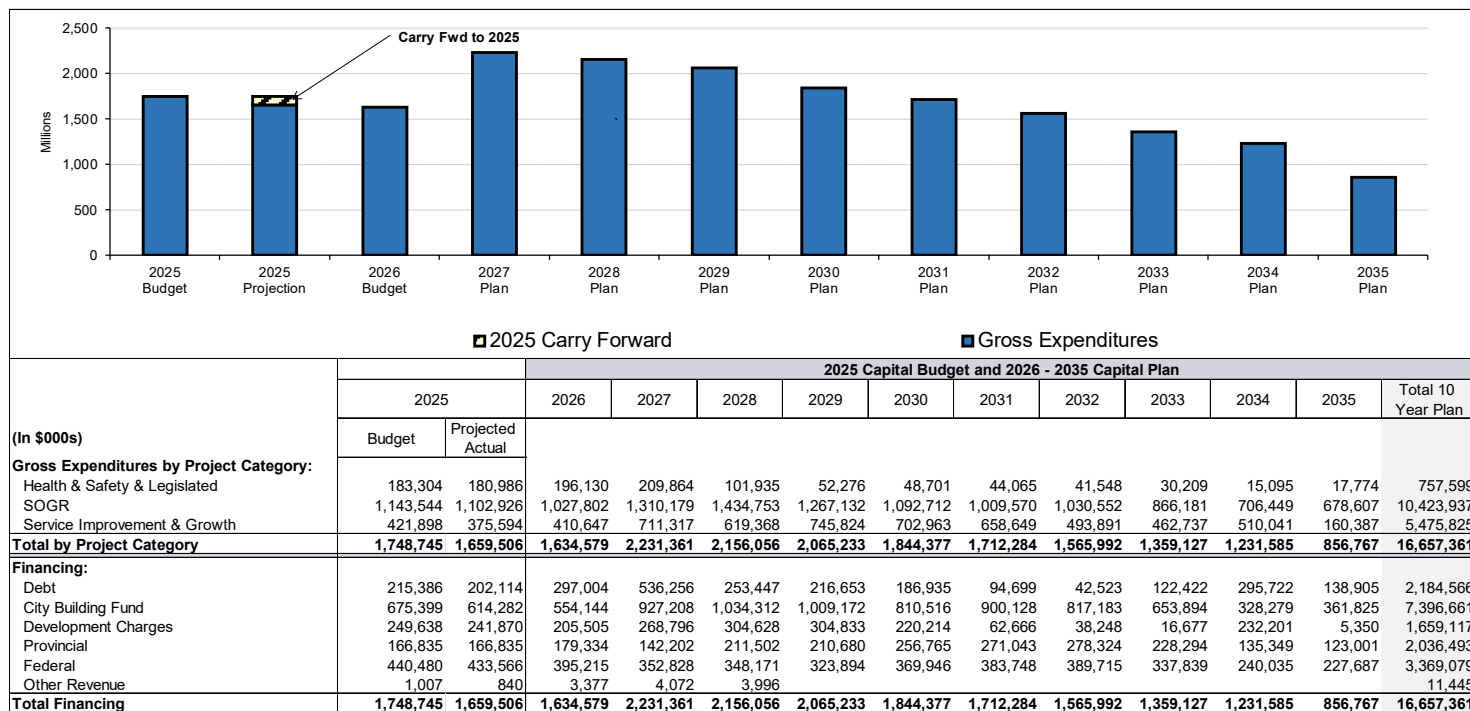
For 2028, incremental net pressures of \$95.9 million are projected, primarily due to inflationary increases for materials, services, and energy, along with potential service adjustments identified in the 5-Year Service Plan.

The current New Deal funding commitment from the province ends in 2026. The outlook assumes continued provincial funding of \$230.9 million in 2027 and \$48.9 million in 2028.

# **2026-2035 CAPITAL BUDGET AND PLAN**

## 2026–2035 CAPITAL BUDGET AND PLAN OVERVIEW

Chart 1: 10-Year Capital Plan Overview



### Project Updates (\$1.102 Billion)

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

- \$178.4 million added scope for Equipment projects
- \$174.3 million for Buildings and Structures projects, including Facilities Renewal projects
- \$155.6 million for Bus Procurement and New Transit Technology
- \$125.5 million related to Signal System projects, including Line 1 ATC Alterations

### New Projects (\$30.5 Million)





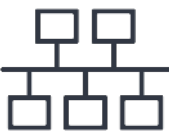



The 2026-2035 Capital Budget and Plan includes the following key new projects:


- \$13.2 million for new IT enhancement initiatives
- \$8.0 million for Tetra communication system
- \$3.9 million for new Wayfinding Pilot
- \$2.5 million for Commission-wide Load Study

#### Note:

For additional information, please refer to [Appendix 4b](#) for Capital Program Provincial/Federal Funding Streams by Projects, [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.

**2026–2035 CAPITAL BUDGET AND PLAN****\$16.657 Billion 10-Year Capital Program**

				
<b>Subway</b>	<b>Bus and Wheel-Trans</b> 	<b>Streetcar</b>	<b>Facility</b> 	<b>Network Wide</b> 
<b>\$10.385 B</b> <b>62%</b>	<b>\$2.727 B</b> <b>16%</b>	<b>\$1.339 B</b> <b>8%</b>	<b>\$1.435 B</b> <b>9%</b>	<b>\$0.771 B</b> <b>5%</b>
<ul style="list-style-type: none"> <li>▪ Purchase subway Trains</li> <li>▪ Capacity Enhancement</li> <li>▪ Subway Car Overhaul</li> <li>▪ Signals/Electrical Communication</li> </ul>	<ul style="list-style-type: none"> <li>▪ Purchase of Electric Buses</li> <li>▪ Purchase of Wheel-Trans Buses</li> <li>▪ Install Charging Infrastructure</li> <li>▪ Implement Priority Measures</li> <li>▪ Bus Overhaul</li> </ul>	<ul style="list-style-type: none"> <li>▪ Upgrade Overhead Power</li> <li>▪ Streetcar Overhaul</li> <li>▪ Surface Track</li> <li>▪ Traction Power</li> </ul>	<ul style="list-style-type: none"> <li>▪ Facility Renewal Programs</li> <li>▪ Roofing Rehabilitation</li> <li>▪ TTC Operations Facility</li> <li>▪ Sustainability Projects</li> </ul>	<ul style="list-style-type: none"> <li>▪ IT Systems</li> <li>▪ Equipment</li> <li>▪ Non-Revenue Vehicle Purchases</li> <li>▪ Advance the Wayfinding Strategy</li> </ul>

 - Project supports Climate Resiliency and/or Greenhouse Gas (GHG) Reduction\*

\*Information above includes full project/sub-project 2026-2035 Budget and Plan cash flows. Does not break out the climate component costs separately.

**How the Capital Program is Funded (in \$ millions)**

City of Toronto		Provincial Funding		Federal Funding	
<b>11,251.79</b> <b>64%</b>		<b>2,036.49</b> <b>12%</b>		<b>3,369.08</b> <b>24%</b>	
City Building Fund	7,396.66	City/Provincial New Deal	758.00	Canada Public Transit Fund	891.69
Debt	2,184.57	Investing in Canada Infrastructure Program (ICIP)	412.27	Investing in Canada Infrastructure Program (ICIP)	459.11
Development Charges	1,659.12	Provincial Gas Tax	866.22	Building Communities Strong Fund	1,905.73
Other	11.44			Federal Subsidy - Streetcar Program	35.24
				Zero Emission Transit Fund (ZETF)	77.31

The TTC's 2026-2035 Capital Budget and Plan includes the following funding sources:

- Continuation of Provincial Gas Tax Fund and the Building Communities Strong Fund (formerly Canada Community-Building Fund) funding based on current funding levels;
- Canada Public Transit Fund (CPTF) contributions for the replacement of Line 2 Subway Trains, with matching funding from both the Province and City;
- Federal Investing in Canada Infrastructure Program (ICIP / PTIF 2) funding with matching funding from the Province and the City (through recoverable debt) for the Bloor-Yonge Capacity Improvements Project;
- Tripartite funding for the Streetcar Program (60 new streetcars and Hillcrest);
- Zero Emission Transit Funding (ZETF) for the procurement of 340 electric buses and associated charging infrastructure
- City funding sources such as the City Building Fund (CBF), debt and development charges funding;
- Other revenue sources, mainly to fund TTC shop and maintenance equipment requirements as well as non-revenue fleet procurements and overhaul programs

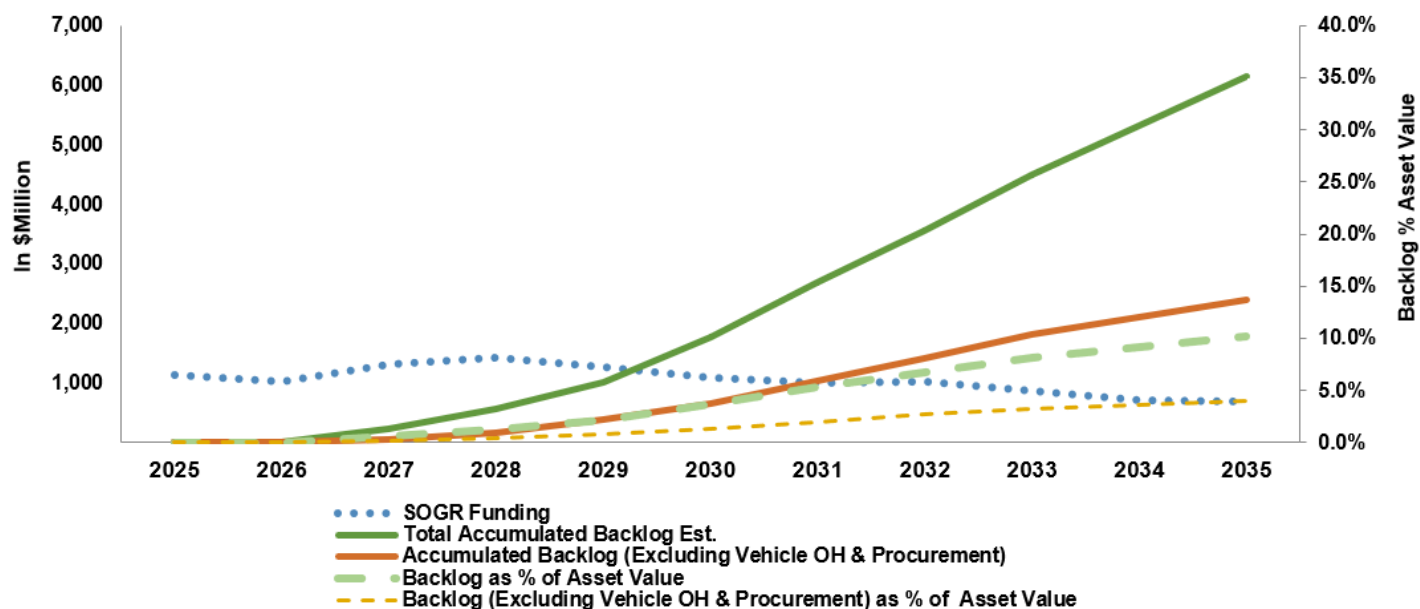
Existing committed/secured Provincial and Federal funding are project-specific in nature. Any additional funding for TTC projects will be dependent upon meeting funding program priority outcomes and requirements.

Given the above, it is essential that the TTC continue to work with its funding partners to maximize funding opportunities to continue to address unmet SOGR needs and critical capital investment priorities.

## STATE OF GOOD REPAIR (SOGR) FUNDING AND BACKLOG

The chart below depicts the SOGR funding and accumulated backlog estimates based on TTC's Capital Investment Plan:

**Chart 2: Total SOGR Funding and Backlog**



\$ Million	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
SOGR Funding	1,143.5	1,027.8	1,310.2	1,434.8	1,267.1	1,092.7	1,009.6	1,030.6	866.2	706.4	678.6
Accumulated Backlog (Excluding Vehicle OH & Procurement)	0.2	8.2	53.8	172.0	388.7	650.5	1,024.3	1,419.4	1,806.1	2,108.9	2,407.0
Backlog (Excluding Vehicle OH & Procurement) as % of Asset Value	0.0%	0.0%	0.1%	0.4%	0.8%	1.3%	2.0%	2.7%	3.3%	3.6%	4.0%
Total Accumulated Backlog Est.	0.2	8.2	242.6	560.8	1,014.2	1,762.7	2,681.0	3,568.5	4,488.1	5,318.2	6,147.2
Backlog as % of Asset Value	0.0%	0.0%	0.6%	1.3%	2.2%	3.6%	5.3%	6.7%	8.1%	9.2%	10.1%
Total Asset Value	39,000.0	40,755.0	42,589.0	44,505.5	46,508.2	48,601.1	50,788.1	53,073.6	55,461.9	57,957.7	60,565.8

The projected SOGR backlog for 2035 represents the total unfunded requirements at the conclusion of the 10-year capital planning cycle, amounting to \$6.147 billion. This reflects an increase from the final 2034 backlog of \$4.343 billion identified in the previous 2025–2034 Capital Budget and Plan, which has grown to \$5.318 billion under the current 2026–2035 Capital Budget and Plan. While significant investments have been made during this cycle, additional requirements identified have contributed to further backlog growth. Key drivers include:

- **E-Bus Procurement:** SOGR requirements increased by \$854.8 million as of 2034 and \$1.277 billion as of 2035, primarily due to higher unit cost estimates and fleet adjustments to meet service level requirements.
- **Streetcar, Bus, and Subway Car Overhaul:** SOGR requirements rose by \$169.1 million as of 2034 and \$277.2 million as of 2035, largely driven by changes in fleet planning.
- **Subway Track:** SOGR requirements increased by \$123.0 million as of 2034 and \$148.7 million as of 2035, following updated track assessments for 2031 onward that identified new maintenance needs.

Despite these increases, the total backlog as a percentage of asset value in 2034 has declined slightly to 9.2% (from 10.7% in the previous cycle), reflecting updated asset valuations from the asset management plan. By 2035, the backlog is projected to represent 10.1% of the estimated total replacement value of \$60.565 billion.

## OPERATING IMPACT OF COMPLETED CAPITAL PROJECTS

The completion of capital projects is expected to result in a cumulative net operating impact of \$6.3 million in 2026, which has been incorporated into the 2026 Operating Budget.

Overall, over the 10-year period, the expected increase to the operating budget is expected to be \$16.1 million. Increased expenditures are expected for additional operating and maintenance activities related to the implementation of ITS BI Enablement and SAP Implementation, the acquisition of streetcars, maintenance for eBus charging systems, and other capital initiatives. However, this is offset by savings mainly due to reduced fuel consumption from replacing clean-diesel buses with hybrid and electric buses. In addition, there is an incremental requirement for 52 positions to support these initiatives.

**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
<b>Previously Approved</b>														
Information Technology System-Infrastructure	4,348.1	1.0	3,321.3		2,911.4	13.0	416.1		481.2	0.0	11,478.2	14.0	15,099.2	14.0
Purchases of Buses	(678.5)	26.0	(1,344.8)	(19.0)	(1,406.1)		2,200.0		(2,600.0)		(3,829.4)	7.0	(18,129.4)	7.0
E-Bus Charging System	1,697.4		2,216.3		6,284.2						10,197.9	0.0	10,197.9	0.0
Purchase of Streetcar	2,474.6	12.0	1,255.7	3.0							3,730.3	15.0	3,730.3	15.0
Design & Construction - TTC Operations Facility	0.0		0.0		0.0		0.0		0.0				2,826.8	0.0
Streetcar Infrastructure	132.2	2.0	96.1	1.0	0.0		201.6		11.6				504.6	1.0
Pattison Digital	(2,000.0)		(1,000.0)		(1,000.0)								(4,000.0)	0.0
Easier Access	63.0		105.0		0.0		97.5		64.6	0.0			515.9	0.0
Other Various OBI's	242.3	11.0	1,917.1	4.0	130.6	1.0	(560.9)	1.0	(12.4)		1,716.8	17.0	5,330.6	16.0
<b>Sub-Total: Previously Approved</b>	<b>6,279.1</b>	<b>52.0</b>	<b>6,566.7</b>	<b>(11.0)</b>	<b>6,920.1</b>	<b>14.0</b>	<b>2,354.3</b>	<b>1.0</b>	<b>(2,055.0)</b>	<b>0.0</b>	<b>23,293.7</b>	<b>53.0</b>	<b>16,076.0</b>	<b>53.0</b>
<b>Total (Net)</b>	<b>6,279.1</b>	<b>52.0</b>	<b>6,566.7</b>	<b>(11.0)</b>	<b>6,920.1</b>	<b>14.0</b>	<b>2,354.3</b>	<b>1.0</b>	<b>(2,055.0)</b>	<b>0.0</b>	<b>23,293.7</b>	<b>53.0</b>	<b>16,076.0</b>	<b>53.0</b>

The TTC is committed to realizing and capturing all benefits arising from capital investments. The 2026 operating impact of \$6.3 million from completed capital projects, as shown in Table 6, has been included in the TTC's 2026 Operating Budget. Any future operating impacts will be reviewed each year and be considered as part of 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	
	\$	\$	\$	\$	\$	%
Provincial Subsidies	107,963.0	203,146.2	135,885.1	279,481.0	76,334.8	37.6%
User Fees and Donations	1,148,974.4	1,214,311.8	1,159,258.6	1,186,060.1	(28,251.7)	(2.3%)
Contribution From Reserves/Reserve Funds	18,200.0	53,156.5	45,051.0	78,877.6	25,721.1	48.4%
Inter-Divisional Recoveries				2,500.0	2,500.0	
<b>Total Revenues</b>	<b>1,275,137.4</b>	<b>1,470,614.5</b>	<b>1,340,194.7</b>	<b>1,546,918.7</b>	<b>76,304.2</b>	<b>5.2%</b>
Salaries and Benefits	1,814,167.7	2,006,425.1	1,958,731.9	2,134,899.5	128,474.5	6.4%
Materials and Supplies	368,043.5	398,778.7	392,514.1	398,191.7	(587.0)	(0.1%)
Equipment	26,295.7	28,943.9	29,394.4	(0.0)	(28,943.9)	(100.0%)
Service and Rent	318,312.4	400,173.5	338,753.1	475,711.5	75,538.0	18.9%
Contribution To Reserves/Reserve Funds	17,590.0	23,040.4	23,040.4	18,706.0	(4,334.4)	(18.8%)
Other Expenditures	226.8					
<b>Total Gross Expenditures</b>	<b>2,544,636.0</b>	<b>2,857,361.6</b>	<b>2,742,433.9</b>	<b>3,027,508.8</b>	<b>170,147.2</b>	<b>6.0%</b>
<b>Net Expenditures</b>	<b>1,269,498.6</b>	<b>1,386,747.1</b>	<b>1,402,239.2</b>	<b>1,480,590.1</b>	<b>93,843.0</b>	<b>6.8%</b>

\*Projection based on 9-Month Variance

## Appendix 2

### Summary of 2026 Service Changes

N/A

## Appendix 3

### Summary of 2026 New/Enhanced Requests Included in Budget

Form ID		Agencies - Cluster	Adjustments				2027 Plan Net Change	2028 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions		
		Program - Toronto Transit Commission - Conventional						
37389		Fare Capping						
74	Positive	<b>Description:</b> <p>The 2026 Operating Budget introduces Fare Capping effective September 1, 2026, as part of TTC's affordability strategy. Under this model, adult, youth, and senior riders will pay for a maximum of 47 rides per month, after which additional trips are free. This initiative simplifies fare payment, removes the need for upfront monthly pass purchases, and improves equity for low-income and transit-dependent riders. Monthly passes for adults, youth, and seniors will be phased out, while the Adult 12-Month Pass and Post-Secondary Monthly Pass remain available. Fare capping supports modernization by enabling open payment and aligns with fare integration initiatives such as the One Fare program. The implementation of this initiative estimates ridership to grow by 21.3M annual free rides by 2028.</p> <p><b>Service Level Impact:</b> Service levels remain unchanged.</p> <p><b>Equity Statement:</b> The introduction of the fare capping program has a high-positive equity impact for low-income and cost-sensitive riders, as it eliminates the need for upfront payment of monthly passes and ensures that after 47 paid trips in a month, all subsequent rides are free, reducing financial barriers and making transit more affordable and accessible.</p> <p><b>Service:</b> Toronto Transit Commission - Conventional Service</p>						
Total Staff Prepared Budget Changes:			(144.3)	(3,145.6)	3,001.3	0.00	14,698.7	17,200.0
<b>Staff Prepared New/Enhanced Service Priorities:</b>			<b>(144.3)</b>	<b>(3,145.6)</b>	<b>3,001.3</b>	<b>0.00</b>	<b>14,698.7</b>	<b>17,200.0</b>

## Appendix 4a

### Operating Program Provincial/Federal Funding Streams by Program

Fund Name - Program (in \$000s)	2026 Budget	2027 Plan	2028 Plan	Total
<b>Provincial Funding</b>				
<b>Ontario-Toronto New Deal Agreement</b>				
LRT Operating Funding (Line 5 and Line 6)*	179,481.1	174,559.0	179,801.8	533,841.9
Community Safety and Well-Being	100,000.0	100,000.0	100,000.0	300,000.0
<b>City Funding - Provincial Gas Tax**</b>	91,600.0	91,600.0	91,600.0	274,800.0
<b>Sub-Total: Provincial Funding</b>	<b>371,081.1</b>	<b>366,159.0</b>	<b>371,401.8</b>	<b>1,108,641.9</b>
<b>Intergovernmental Funding</b>				
FIFA World Cup 2026	2,500.0			
<b>Sub-Total: Intergovernmental Funding</b>	<b>2,500.0</b>			<b>2,500.0</b>
<b>Total Funding</b>	<b>373,581.1</b>	<b>366,159.0</b>	<b>371,401.8</b>	<b>1,111,141.9</b>

\* Assumes Ontario-Toronto New Deal Funding Agreement continues beyond current expiry date of March 31, 2027.

\*\* Funding of Provincial Gas Tax comes through the City as part of the subsidy.

## Appendix 4b

### Capital Program Provincial/Federal Funding Streams by Project

Fund Name – Project (in \$000s)	2026 Budget	2027-2035 Plan	Total
<b>Provincial Funding</b>			
<i>New Deal</i>	50,956	707,044	758,000
<i>Provincial Gas Tax Subsidies (PGT)</i>	86,622	86,622	866,222
<i>Investing in Canada Infrastructure Program (ICIP)</i>	41,755	370,515	412,270
<b>Sub-Total: Provincial Funding</b>	<b>179,334</b>	<b>1,857,159</b>	<b>2,036,493</b>
<b>Federal Funding</b>			
<i>Canada Public Transit Fund</i>	76,079	815,607	891,686
<i>Building Communities Strong Fund</i>	183,951	1,721,779	1,905,730
<i>Investing in Canada Infrastructure Program (ICIP)</i>	46,636	412,478	459,113
<i>Streetcar Program</i>	11,239	24,000	35,239
<i>Zero Emission Transit Fund</i>	77,311		77,311
<b>Sub-Total: Federal Funding</b>	<b>395,215</b>	<b>2,973,863</b>	<b>3,369,079</b>
<b>Total Funding</b>	<b>574,549</b>	<b>4,831,022</b>	<b>5,405,572</b>

## Appendix 5

### 2026 Capital Budget; 2027-2035 Capital Plan Including Carry Forward

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
AUTOMATIC TRAIN CONTROL (ATC) RESIGNALLING PROJECT	28,885	68,758	49,163	65,248	60,639	74,962	82,045	83,049	85,814	97,773	696,336
AUTOMOTIVE NON-REVENUE VEHICLES	17,235	21,411	21,357	18,060	15,460	10,782	3,056	147	118	7,999	115,625
BRIDGES & TUNNELS	41,762	49,431	66,749	65,342	63,328	51,981	51,275	41,276	41,479	41,864	514,487
BUS OVERHAUL	75,153	72,716	81,318	78,857	83,757	82,631	86,032	84,526	89,528	85,214	819,732
COMMUNICATIONS	26,266	29,591	27,605	25,230	25,666	20,473	20,421	20,613	15,716	25,328	236,909
CORPORATE INITIATIVES	11,028	9,183	4,780	4,844	4,844	5,344	5,344	5,844	5,844	5,000	62,055
EASIER ACCESS PHASE III	130,532	118,626	33,922	8,602	1,905						293,587
ENVIRONMENTAL PROGRAMS	12,795	15,627	17,513	14,661	9,831	8,323	9,455	6,646	6,339	9,163	110,353
EQUIPMENT	137,606	333,112	198,555	133,013	100,041	91,932	49,012	34,890	27,238	37,368	1,142,767
FARE HANDLING EQUIPMENT	533	4,500	500	362	1,312	1,312	1,562	1,562	1,562	563	13,768
FARE SYSTEM	2,582	2,260									4,842
FINISHES	22,810	25,354	30,062	23,453	13,173	7,526	10,694	17,843	16,445	14,422	181,782
FIRE VENTILATION UPGRADE	22,335	48,622	65,440	68,771	69,884	31,699	38,459	43,530	20,076	12,750	421,566
FURNITURE & OFFICE EQUIPMENT	120	40	207	30	45	30	20	20	10		522
COMPUTER EQUIPMENT & SOFTWARE	100,016	91,315	51,983	39,930	20,552	18,386	16,925	17,631	15,516	25,194	397,448
LRT MAINT AND STORAGE FACILITY	1,101	2,346	2,883								6,330
LINE 1 CAPACITY ENHANCEMENT	33,788	76,118	127,375	218,569	205,073	117,574	89,981	100,263	27,031	26,830	1,022,602
LINE 2 CAPACITY ENHANCEMENT	16,498	44,316	80,318	125,968	130,579	166,288	154,775	180,852	98,970	39,421	1,037,985
MCNICOLL BUS GARAGE FACILITY	650	2,200	750	437							4,037
ON-GRADE PAVING REHABILITATION PROGRAM	6,980	8,225	10,729	15,444	15,618	15,870	14,944	14,970	15,473	8,115	126,368
OTHER BUILDINGS & STRUCTURES PROJECTS	119,623	204,461	193,751	217,174	214,119	186,349	126,690	101,346	44,761	30,492	1,438,766
OTHER MAINTENANCE EQUIPMENT	2,694	1,863	1,750	1,118	1,133	1,152	1,165	964	953	942	13,734
OTHER SERVICE PLANNING	21,949	23,633	23,549	20,315	14,018	15,081	11,877	3,583	3,051	3,000	140,056
POWER DISTRIBUTION/ELECTRIC SYSTEMS	12,115	11,557	16,975	25,614	24,292	24,491	18,860	18,674	18,880	9,870	181,328
RAIL NON-REVENUE VEHICLES PURCHASE	2,646	10,125	12,182	10,920	11,653	9,253	6,061	84			62,924
PURCHASE OF STREETCARS	8,022	6,740									14,762
SUBWAY CAR PURCHASES	143,552	61,609	235,112	193,383	296,493	319,949	397,929	284,919	387,048	106,180	2,426,174
REPLACEMENT WHEEL-TRANS VEHICLES	10,808	6,941	19,605	4,002	2,783						44,139
PURCHASE OF BUSES	163,435	295,268	243,502	180,449	7,965	617	266	264	684	702	893,152
RAIL NON-REVENUE VEHICLE OVERHAUL	5,603	7,004	7,049	5,070	3,122	1,246	1,280	1,578	1,614	1,429	34,995
SHEPPARD SUBWAY - YONGE TO DON MILLS	300	299									599
SAFETY PROGRAM	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	765	9,765

## Appendix 5 (continued)

### 2026 Capital Budget; 2027-2035 Capital Plan Including Carry Forward

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
SCARBOROUGH RAPID TRANSIT (SRT) TRANSITION/BUSWAY	25,820	27,384									53,204
SIGNAL SYSTEMS	30,647	74,618	61,097	35,027	15,012	19,099	19,609	17,601	12,064	12,877	297,651
TORONTO YORK SPADINA SUBWAY EXTENSION	2,000	49,765									51,765
STREETCAR OVERHAUL PROGRAM	60,767	52,113	41,518	48,312	27,558						230,268
SUBWAY CAR OVERHAUL PROGRAM	59,327	64,730	71,441	79,283	76,743	76,802	58,308	41,693	42,328	41,555	612,210
SUBWAY TRACK	45,687	46,562	35,691	35,871	36,660	30,139	30,568	30,767	31,205	30,586	353,736
SURFACE TRACK	61,766	88,521	126,230	79,098	66,540	66,335	50,576	52,084	53,636	49,696	694,482
SHOP EQUIPMENT	10,024	11,915	12,892	10,639	8,099	8,513	7,306	8,125	11,690	9,171	98,374
TORONTO ROCKET YARD & STORAGE TRACK ACCOMODATION	7,634	29,100	28,708	24,475	8,881	3,113	4,214				106,125
TRACTION POWER	34,454	38,837	33,896	34,557	35,939	36,424	34,643	27,177	22,969	34,056	332,952
WATERFRONT TRANSIT	862	3,797	12,000	9,077	4,331						30,067
TRANSIT SHELTERS & LOOPS	524	585	597	609	621	634	646	659	672	650	6,197
WAYFINDING STRATEGY	2,897	512	512								3,921
YARDS & ROADS	175	900	255								1,330
BLOOR YONGE CAPACITY IMPROVEMENTS	111,573	87,771	105,535	142,419	165,708	206,974	160,994	114,947	131,871	87,792	1,315,584
<b>Total Expenditures (including carry forward from 2025)</b>	<b>1,634,579</b>	<b>2,231,361</b>	<b>2,156,056</b>	<b>2,065,233</b>	<b>1,844,377</b>	<b>1,712,284</b>	<b>1,565,992</b>	<b>1,359,127</b>	<b>1,231,585</b>	<b>856,767</b>	<b>16,657,361</b>

☑ - Project supports Climate Resiliency and/or Greenhouse Gas (GHG) Reduction

\*Information above includes full project/sub-project 2026-2035 Budget and Plan cash flows. Does not break out the climate component costs separately.

## Appendix 5a

## 2026 Cash Flow and Future Year Commitments Including Carry Forward

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
AUTOMATIC TRAIN CONTROL (ATC) RESIGNALING PROJECT	28,885	68,758	49,163	65,248	60,639	74,962	82,045	83,049	85,814	97,773	696,336	601,148	95,188
AUTOMOTIVE NON-REVENUE VEHICLES	17,235	21,411	21,357	18,060	15,460	10,782	3,056	147	118	7,999	115,625	37,192	78,433
BRIDGES & TUNNELS	41,762	49,431	6,607	6,612	7,071						111,483	107,524	3,959
BUS OVERHAUL	75,153	72,716	871	270	270	270	270	270	270	270	150,630	685,982	(535,352)
COMMUNICATIONS	26,266	29,591	7,277	4,302	7,124	2,747	2,757	3,260	3,661	9,544	96,529	17,423	79,106
CORPORATE INITIATIVES	11,028	9,183									20,211	83,567	(63,356)
EASIER ACCESS PHASE III	130,532	118,626	33,922	8,602	1,905						293,587	244,662	48,925
ENVIRONMENTAL PROGRAMS	12,795	15,627									28,422	57,664	(29,242)
EQUIPMENT	137,606	333,112	198,555	133,013	100,041	91,932	49,012	34,890	27,238	37,368	1,142,766	342,338	800,428
FARE HANDLING EQUIPMENT	533	4,500	300	300	1,250	1,250	1,500	1,500	1,500	500	13,133	13,768	(635)
FARE SYSTEM	2,582	2,260									4,842	4,842	
FINISHES	22,810	25,354	2,885	2,307	792	450	460	325			55,383	123,981	(68,598)
FIRE VENTILATION UPGRADE	22,335	48,622	65,440	68,771	69,884	31,699	38,459	43,530	20,076	12,750	421,566	136,990	284,576
FURNITURE & OFFICE EQUIPMENT	120	40									160	(25)	185
COMPUTER EQUIPMENT & SOFTWARE	100,016	91,315	33,464	22,535	70	70					247,470	294,966	(47,496)
LRT MAINT AND STORAGE FACILITY	1,101	2,346	2,883								6,330	6,330	
LINE 1 CAPACITY ENHANCEMENT	33,788	76,118	127,375	218,569	205,073	117,574	89,981	100,263	27,031	26,830	1,022,602	971,511	51,091
LINE 2 CAPACITY ENHANCEMENT	16,498	44,316	80,318	125,968	130,579	166,288	154,775	180,852	98,970	39,421	1,037,985	902,629	135,356
MCNICOLL BUS GARAGE FACILITY	650	2,200	750	437							4,037	4,038	(1)
ON-GRADE PAVING REHABILITATION PROGRAM	6,980	8,225									15,205	50,211	(35,006)
OTHER BUILDINGS & STRUCTURES PROJECTS	119,624	204,459	169,074	193,513	181,054	148,666	60,006	57,060			1,133,456	433,757	699,699
OTHER MAINTENANCE EQUIPMENT	2,694	1,863									4,557	2,626	1,931
OTHER SERVICE PLANNING	21,949	23,633	10,211	4,687	7,390	7,795	4,582	408			80,655	86,010	(5,355)
POWER DISTRIBUTION/ELECTRIC SYSTEMS	12,115	11,557	7,915	17,009	15,103	15,164	8,966	8,573	9,554		105,956	113,372	(7,416)
RAIL NON-REVENUE VEHICLES PURCHASE	2,646	10,125	12,182	10,920	11,653	9,253	6,061	84			62,924	62,924	
PURCHASE OF STREETCARS	8,022	6,740									14,762	14,815	(53)
SUBWAY CAR PURCHASES	143,552	61,609	235,112	193,383	296,493	319,949	397,929	284,919	387,048	106,180	2,426,174	2,373,744	52,430
REPLACEMENT WHEEL-TRANS VEHICLES	10,808	6,941	19,605	4,002	2,783						44,139	42,225	1,914
PURCHASE OF BUSES	163,435	295,268	241,238								699,941	874,699	(174,758)
RAIL NON-REVENUE VEHICLE OVERHAUL	5,603	7,004	2,120	2,130	973						17,830	31,454	(13,624)
SHEPPARD SUBWAY - YONGE TO DON MILLS	300	299									599	599	
SAFETY PROGRAM	1,000	1,000									2,000	8,765	(6,765)
SCARBOROUGH RAPID TRANSIT (SRT)													
TRANSITION/BUSWAY	25,820	27,384									53,204	53,204	
SIGNAL SYSTEMS	30,647	74,618	19,858	13,712	5,028	9,027	9,376	5,267	4,662	4,837	177,031	67,205	109,826
TORONTO YORK SPADINA SUBWAY EXTENSION	2,000	49,765									51,765	51,764	1
STREETCAR OVERHAUL PROGRAM	60,767	52,113	906	47	5						113,838	19,724	94,114
SUBWAY CAR OVERHAUL PROGRAM	59,327	64,730	71,441	79,283	76,743	76,802	58,308	41,693	42,328	41,555	612,210	412,854	199,356
SUBWAY TRACK	45,687	46,562									92,249	(20,959)	113,208
SURFACE TRACK	61,766	88,521	36,546	26,250	18,850	14,847					246,780	221,170	25,610
SHOP EQUIPMENT	10,024	11,915									21,939	15,154	6,785
TORONTO ROCKET YARD & STORAGE TRACK ACCOMMODATION	7,634	29,100	28,708	24,475	8,881	3,113	4,214				106,125	88,990	17,135
TRACTION POWER	34,454	38,837	455	474	474	474					75,168	1,951	73,217
WATERFRONT TRANSIT	862	3,797	12,000	9,077	4,331						30,067	30,067	
TRANSIT SHELTERS & LOOPS	524	585									1,109	1,700	(591)
WAYFINDING STRATEGY	2,897	512	512								3,921		3,921
YARDS & ROADS	175	900	255								1,330	1,231	99
BLOOR YONGE CAPACITY IMPROVEMENTS	111,573	87,771	105,535	142,419	165,708	206,974	160,994	114,947	131,871	87,792	1,315,584	1,095,921	219,663
<b>Total Expenditure (including carry forward)</b>	<b>1,634,580</b>	<b>2,231,359</b>	<b>1,604,840</b>	<b>1,396,375</b>	<b>1,395,627</b>	<b>1,310,088</b>	<b>1,132,751</b>	<b>961,037</b>	<b>840,141</b>	<b>472,819</b>	<b>12,979,615</b>	<b>10,771,707</b>	<b>2,207,908</b>

## Appendix 5b

## 2027-2035 Capital Plan Including Carry Forward

Projects (In \$000s)	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	2034 Plan	2035 Plan	2027-2035 Total	Health and Safety/ Legislated	SOGR	Service Improvement and Growth
BRIDGES & TUNNELS		60,142	58,730	56,257	51,981	51,275	41,276	41,479	41,864	403,004		403,004	
BUS OVERHAUL		80,447	78,587	83,487	82,361	85,762	84,256	89,258	84,944	669,102		669,102	
COMMUNICATIONS		20,328	20,928	18,542	17,726	17,664	17,353	12,055	15,784	140,380		140,380	
CORPORATE INITIATIVES		4,780	4,844	4,844	5,344	5,344	5,844	5,844	5,000	41,844		41,844	
ENVIRONMENTAL PROGRAMS		17,513	14,661	9,831	8,323	9,455	6,646	6,339	9,163	81,931	81,931		
EQUIPMENT													
FARE HANDLING EQUIPMENT		200	62	62	62	62	62	62	63	635		635	
FINISHES		27,177	21,146	12,381	7,076	10,234	17,518	16,445	14,422	126,399	14,613	111,786	
FURNITURE & OFFICE EQUIPMENT		207	30	45	30	20	20	10		362		362	
COMPUTER EQUIPMENT & SOFTWARE		18,519	17,395	20,482	18,316	16,925	17,631	15,516	25,194	149,978		149,978	
ON-GRADE PAVING REHABILITATION PROGRAM		10,729	15,444	15,618	15,870	14,944	14,970	15,473	8,115	111,163		111,163	
OTHER BUILDINGS & STRUCTURES PROJECTS		24,677	23,661	33,065	37,683	66,686	44,287	44,761	30,492	305,312		305,311	
OTHER MAINTENANCE EQUIPMENT		1,750	1,118	1,133	1,152	1,165	964	953	942	9,177		9,177	
OTHER SERVICE PLANNING		13,338	15,628	6,628	7,286	7,295	3,175	3,051	3,000	59,401			59,401
POWER DISTRIBUTION/ELECTRIC SYSTEMS		9,060	8,605	9,189	9,327	9,894	10,101	9,326	9,870	75,372	4,648	68,075	2,649
PURCHASE OF BUSES		2,264	180,449	7,965	617	266	264	684	702	193,211		182,151	11,060
RAIL NON-REVENUE VEHICLE OVERHAUL		4,929	2,940	2,149	1,246	1,280	1,578	1,614	1,429	17,165		17,165	
SAFETY PROGRAM		1,000	1,000	1,000	1,000	1,000	1,000	1,000	765	7,765	7,765		
SIGNAL SYSTEMS		41,239	21,315	9,984	10,072	10,233	12,334	7,402	8,040	120,619		120,620	
STREETCAR OVERHAUL PROGRAM		40,612	48,265	27,553						116,430		116,430	
SUBWAY TRACK		35,691	35,871	36,660	30,139	30,568	30,767	31,205	30,586	261,487		261,487	
SURFACE TRACK		89,684	52,848	47,690	51,488	50,576	52,084	53,636	49,696	447,702		447,702	
SHOP EQUIPMENT		12,892	10,639	8,099	8,513	7,306	8,125	11,690	9,171	76,435		76,435	
TRACTION POWER		33,441	34,083	35,465	35,950	34,643	27,177	22,969	34,056	257,784		257,784	
TRANSIT SHELTERS & LOOPS		597	609	621	634	646	659	672	650	5,088		5,088	
<b>Total Expenditures (including carry forward from 2025)</b>		<b>551,216</b>	<b>668,858</b>	<b>448,750</b>	<b>402,196</b>	<b>433,243</b>	<b>398,091</b>	<b>391,444</b>	<b>383,948</b>	<b>3,677,746</b>	<b>108,957</b>	<b>3,495,679</b>	<b>73,110</b>

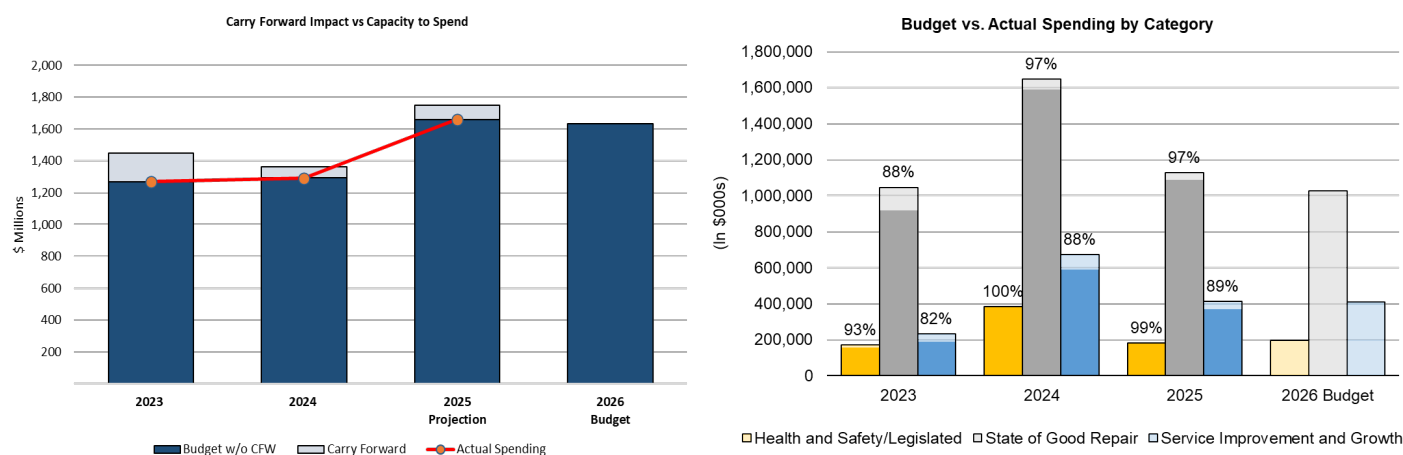
## Appendix 6

### Capacity to Deliver Review

The 10-Year Plan has been developed with consideration of historically demonstrated capacity to deliver within any given year of a 10-Year 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 flow includes evaluating historical capacity to deliver by project categories (Chart 3 below) and assessing projected 2025 underspending that will be carried forward into the 2026 Capital Budget and Plan.

**Chart 3 – Capacity to Deliver**



#### Impact of Capacity to Deliver Review on the 10-Year Plan

TTC's actual spending over the previous three years, from 2023 to 2025, is approximately \$1.406 billion per year or 92%. In 2024, the actual spend rate reached 95% as the pace started to ramp up for major capital projects.

The projected spending for 2025 is \$1.660 billion or 95% of the 2025 Council Approved Capital Budget. Challenges in spending for projects are mainly due to resourcing and supply chain constraints, adjustments to project schedules due to dependencies with third parties/other projects and unforeseen factors. The unspent cash flow funding of \$89 million has been carried forward into 2026 to continue and complete the required capital work.

The 10-year Capital Plan establishes a steady state investment plan to ensure critical assets are maintained in a state of good repair to preserve system safety and reliability and improve capacity to meet service objectives. As part of the 2026 Capital review process, steps were taken to achieve an optimal outcome within available funding sources, and it was important to:

- Recalibrate the 10-Year Capital Plan's project estimates based on previous spending results and project readiness and adjust annual cash flow estimates to tightly align cash flow spending with project schedules;
- Review requirements for major capital projects based on the progress made through the stage-gating process;
- Revisit assumptions on needs, scope, and timing to confirm existing capital priorities and requirements, some of which have been moved beyond the 10-year timeframe, and one project cancelled to reallocate funds;
- Ensure funding commitments are fully funded, including cost escalation for in-flight projects; and;
- Identify any emergent capital priorities that must be funded to address critical health, safety or state of good repair requirements.

## Appendix 7

### Summary of Capital Delivery Constraints

Projects	Total Project Cost	Non-Debt Funding	Debt Required	Cash Flow (In \$ Millions)									
				2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
NOT INCLUDED													
TransformTO	4,574		4,574	287	390	438	341	404	436	594	598	550	536
WAYFINDING STRATEGY	197		197		5	10	26	26	26	26	26	26	26
AUTOMOTIVE NON-REVENUE VEHICLES	105	10	95		2	1	4	6	5	24	32	25	6
BRIDGES & TUNNELS	33		33								11	11	12
BUS OVERHAUL	62		62	1	0	2	2	10	9	9	13	5	13
COMMUNICATIONS	52		52		0	0	1	0	11	11	11	10	7
ENVIRONMENTAL PROGRAMS	17		17		0			0	2	5	5	4	0
EQUIPMENT	1,930	41	1,889	12	97	138	132	116	320	362	337	230	185
FARE SYSTEM	49	25	24		25	24							
FINISHES	182		182		1	10	20	27	39	30	26	11	18
FIRE VENTILATION UPGRADE	42		42		0	1	2	2	4	10	8	2	13
COMPUTER EQUIPMENT & SOFTWARE	144		144	8	25	27	34	21	7	6	6	6	4
LINE 1 CAPACITY ENHANCEMENT	3,089	134	2,955		53	160	266	99	86	239	371	934	882
LINE 2 CAPACITY ENHANCEMENT	207	28	179				12	15	39	44	41	38	19
ON-GRADE PAVING REHABILITATION PROGRAM	8		8										8
OTHER BUILDINGS & STRUCTURES PROJECTS	4,054	1,743	2,311	11	68	174	304	367	536	595	943	698	358
OTHER SERVICE PLANNING	230	79	151		0	12	25	35	43	33	32	31	19
PLATFORM EDGE DOORS	453		453		23	50	77	5	20	50	78	65	85
POWER DISTRIBUTION/ELECTRIC SYSTEMS	70		70		3	5	5	5	6	14	13	12	7
RAIL NON-REVENUE VEHICLES PURCHASE	58		58					1	4	6	12	14	21
SUBWAY CAR PURCHASES	1,274		1,274							0	161	361	753
REPLACEMENT WHEEL-TRANS VEHICLES	342		342		16	10	75	40	35	31	46	67	22
PURCHASE OF BUSES	2,926		2,926		173	190	161	406	442	383	393	375	403
QUEENSWAY BUS GARAGE RENOVATIONS	12	5	6		1	3	7	1	0				
RAIL NON-REVENUE VEHICLE OVERHAUL	2		2										2
SIGNAL SYSTEMS	149		149		4	26	35	35	33	15		0	0
STREETCAR OVERHAUL PROGRAM	397		397				1	33	63	74	77	75	74
SUBWAY CAR OVERHAUL PROGRAM	45		45								10	10	25
SUBWAY TRACK	151		151			12	12	12	21	22	23	23	26
SURFACE TRACK	369		369		2	7	53	49	48	49	51	52	58
SHOP EQUIPMENT	12	1	11				1	2	2	3	1	2	
TORONTO ROCKET YARD & STORAGE TRACK ACCOMODATION	10		10		0	3	3	3					
TRACTION POWER	34		34						0	2	11	16	5
TRANSIT SHELTERS & LOOPS	38		38	0	6	9	12	11					
Total Needs Constraints (Not Included)	21,315	2,066	19,249	319	894	1,312	1,611	1,733	2,237	2,638	3,334	3,651	3,585

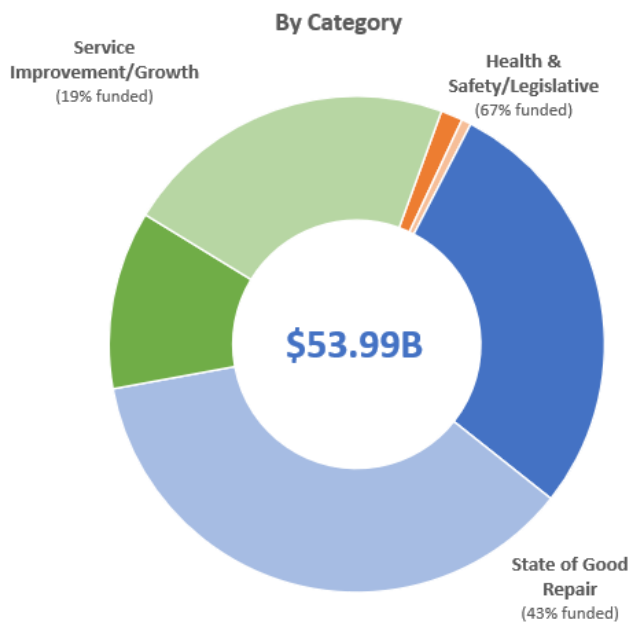
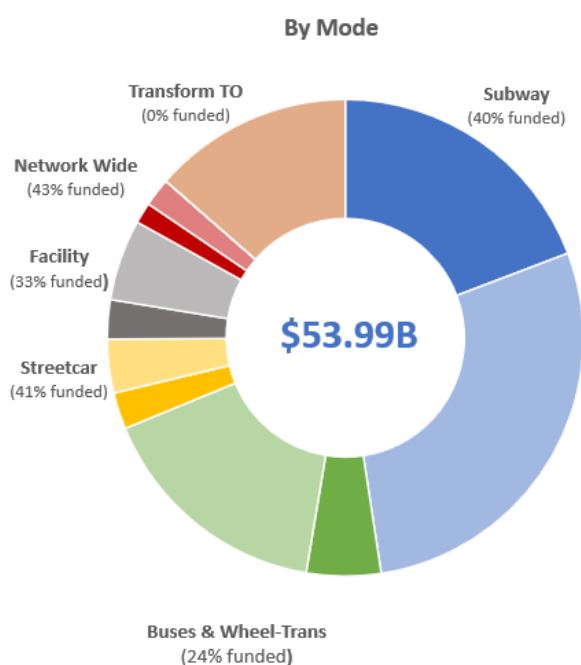
#### 2026-2040 Capital Investment Plan (CIP)

In 2019, the TTC introduced the Capital Investment Plan (CIP) through a supplemental report titled *Making Headway: Capital Investments to Keep Transit Moving*. In 2022, the TTC Board approved the organization's inaugural 15-year Real Estate Investment Plan (REIP), which included guiding principles, an implementation framework, and associated timelines. The TTC Board and Toronto City Council have directed that both the Capital Investment Plan and the REIP be updated annually as part of the budget process. These updates incorporate refined estimates resulting from progress in capital planning through stage gating, adjustments to project timelines or requirements and their associated costs, as well as new capital priorities or updated SOGR assessments that may arise.

As part of the 2026 Capital Budget process, several actions were undertaken to maximize outcomes within available funding:

- **Reviewing major capital project requirements** in alignment with progress achieved through the stage-gating process.
- **Adjusting project cash flow estimates within the 10-Year Capital Plan** to reflect historical spending patterns and project readiness, ensuring annual cash flow projections are closely aligned with project schedules.
- **Addressing emerging state-of-good-repair (SOGR) priorities** by identifying and allocating resources to critical health, safety, and repair needs.

As a result of these updates, the CIP now totals \$53.994 billion, with nearly \$37.336 billion remaining unfunded. The chart below presents the TTC's 2026–2040 Capital Investment Plan by mode and project category, with dark and light shading representing the funded and unfunded portions, respectively.

**Chart 4: 2026-2040 Capital Investment Plan**

Mode	Funded		Unfunded	
	\$	%	\$	%
Subway	10,384.9	40%	15,308.4	60%
Buses & WT	2,727.0	24%	8,723.3	76%
Streetcar	1,338.9	41%	1,966.5	59%
Facility	1,435.2	33%	2,966.7	67%
Network Wide	771.4	43%	1,037.7	57%
Transform TO	-	0%	7,333.8	100%
<b>Total</b>	<b>16,657.4</b>		<b>37,336.4</b>	

Project Category	Funded		Unfunded	
	\$	%	\$	%
Health & Safety/Legislative	757.7	67%	367.7	33%
State of Good Repair	10,423.9	43%	13,539.3	57%
Service Improvement/Growth	5,475.8	19%	23,429.4	81%
<b>Total</b>	<b>16,657.4</b>		<b>37,336.4</b>	

## Appendix 8

### Inflows and Outflows to/from Reserves and Reserve Funds

#### 2026 Operating Budget

#### Program Specific Reserve/Reserve Funds (in 000s)

Reserve/Reserve Fund Name	Inflow/Outflow/Balance	2026	2027	2028
TTC Long Term Liability Reserve	Opening Balance	46,996.4	44,096.4	41,196.4
	Withdrawals (-)	(20,490.0)	(20,490.0)	(20,490.0)
	Contributions (+)	17,590.0	17,590.0	17,590.0
	Total Reserve / Reserve Fund Draws / Contributions	(2,900.0)	(2,900.0)	(2,900.0)
	Closing Balance	44,096.4	41,196.4	38,296.4

#### Corporate Reserve/Reserve Funds (in 000s)

Reserve/Reserve Fund Name	Inflow/Outflow/Balance	2026	2027	2028
TTC Stabilization Reserve	Opening Balance	81,440.8	24,969.8	15,867.5
	Withdrawals (-) *	(57,587.0)	(9,102.3)	-
	Contributions (+)	1,116.0	-	-
	Total Reserve / Reserve Fund Draws / Contributions	(56,471.0)	(9,102.3)	-
	Closing Balance	24,969.8	15,867.5	15,867.5

\*Does not reflect provisions for draws under CEO authority for emergencies (max. \$15 million) and insurance deductible (\$3.5 million).

## Appendix 9

### Glossary

**Approved Position:** Permanent or temporary position 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 has 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 Benefit Adjustments:** General increases related to contractual obligations, such as cost of living, step increases, performance for pay 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).