



Toronto Transit Commission
1900 Yonge Street, Toronto, ON M4S 1Z2
416-393-4000

January 7, 2026

John Elvidge,
City Clerk
Toronto City Hall
100 Queen Street West
Toronto, ON M5H 2N2

Dear John Elvidge:

Subject: Recommended 2026 TTC Conventional and Wheel-Trans Operating Budgets

Recommendation:

The Toronto Transit Commission recommends that City Council:

1. Approve the recommended 2026 Operating Budget totalling \$3.028 billion in gross expenditures, \$1.547 billion in revenues and a net funding requirement of \$1.481 billion for the TTC comprising the following services, as summarized in Appendix A of this report:
 - a. 2026 TTC Conventional Operating Service Budget of \$2.826 billion in gross expenditures, \$1.537 billion in revenues and a net funding requirement of \$1.289 billion; and,
 - b. 2026 Wheel-Trans Operating Budget of \$201.6 million in gross expenditures, \$10.3 million in revenues and a net funding requirement of \$191.4 million.
2. Approve a 2026 year-end Operating workforce complement of 15,299 positions.
3. Reaffirm requests to the Federal and Provincial Governments for a tri-partite development of a sustainable, long-term funding model for public transit capital and operation's needs.

Background

At its meeting on Wednesday, January 7, 2026, the TTC Board considered the attached report entitled "Recommended 2026 TTC Conventional and Wheel-Trans Operating Budgets".

Jamaal Myers, Chair
Joe Mihevc, Vice-Chair
Mandeep S. Lali, Chief Executive Officer

Paul Ainslie, Commissioner
Alejandra Bravo, Commissioner
Fenton Jagdeo, Commissioner
Liane Kim, Commissioner

Ausma Malik, Commissioner
Josh Matlow, Commissioner
Julie Osborne, Commissioner
Dianne Saxe, Commissioner



The Board adopted the following:

It is recommended that the TTC Board:

1. Approve the recommended 2026 Operating Budget totalling \$3.028 billion in gross expenditures, \$1.547 billion in revenues and a net funding requirement of \$1.481 billion for the TTC comprising the following services, as summarized in Appendix A of this report:
 - a. 2026 TTC Conventional Operating Service Budget of \$2.826 billion in gross expenditures, \$1.537 billion in revenues and a net funding requirement of \$1.289 billion; and,
 - b. 2026 Wheel-Trans Operating Budget of \$201.6 million in gross expenditures, \$10.3 million in revenues and a net funding requirement of \$191.4 million.
2. Approve a 2026 year-end Operating workforce complement of 15,299 positions.
3. Approve the implementation of monthly fare capping through PRESTO, effective September 1, 2026, whereby customers who pay per trip will not be charged for additional trips after completing 47 paid rides within a calendar month, consistent with the equivalent value of a Monthly Pass.
4. Approve the related fare policy and product changes outlined in Appendix E of this report that are required to support monthly fare capping, including:
 - a. Aligning pass products with the new capped structure; and
 - b. Phasing out or restructuring any products that duplicate benefits of the cap.
5. Direct the Chief Executive Officer to undertake all activities necessary to implement monthly fare capping in collaboration with Metrolinx, including system configuration, customer-facing materials, operational readiness, and communications.
6. Direct staff to report back to the TTC Board following the first year of monthly fare capping with an assessment of impacts on ridership, revenue, equity outcomes, customer experience, and any recommended fare policy adjustments.
7. Reaffirm requests to the Federal and Provincial Governments for a tri-partite development of a sustainable, long-term funding model for public transit capital and operation's needs.
8. Delegate authority to the Chief Executive Officer to execute any transfer payment and/or contribution agreements required with the Province of Ontario and/or the Government of Canada to receive intergovernmental funding for priority projects and programs, subject to terms and conditions satisfactory to the TTC's General Counsel.



9. Forward this report to the City Budget Committee and the City Manager as the official 2026 Operating Budget submission for the Toronto Transit Commission.

10. Given that:

- The TTC budget is under immense and growing pressure,
- It costs the TTC about \$20 million/ year to accept cash fares (\$10 million in operating costs and \$10 million in lost revenue from fare cheating (partial payment)),
- Many transit systems in Ontario and around the world no longer accept cash fares, and
- Since 2023, Open Payment has meant that multiple payment alternatives are available to ensure equity and accessibility for TTC customers who don't have easy access to a PRESTO outlet, including prepaid credit cards that are widely available without credit checks or bank accounts,

The TTC should consult the public on their preferred option for spending this \$20 million/year, including options such as:

- continuing to accept cash fares,
- expanding Fair Pass, or
- improving wayfinding,

and report back to the TTC Board as part of the Q1 2027 Fare Modernization Update with recommendations on whether, when and how to fairly phase out cash fares.

11. The TTC Board directs that the CEO work with the City Manager to explore and report back to the Strategic Planning Committee as part of the 2027 budget process and in advance of the 2027 budget with opportunities to strengthen the accountable and transparent relationship between the TTC and the City of Toronto, including consideration of mechanisms to formalize agreements between both entities on key performance indicators, verification/auditing, service levels, safety and customer experience.

The recommendations of the Toronto Transit Commission Board as set out above are submitted for City Council approval through the Budget Committee.

Sincerely,

A handwritten signature in cursive script, reading "Chrisanne Finnerty", is positioned below the word "Sincerely,".

Chrisanne Finnerty
Director – Commission Services

Attachment

