

2026 Program Summary

Office of the CFO and Treasurer

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Description

The Office of the Chief Financial Officer (CFO) and Treasurer ensures the effective use of the Corporation's financial resources by providing sound financial planning management and advice; maintaining financial control; developing and implementing effective financial strategies; providing procurement and materials management services that meet the needs of City divisions; and providing timely, accurate and efficient services to Programs, Agencies, Council and the public.

Why We Do It

- City services have sufficient operating and capital funds to address operational and infrastructure needs, while considering the City's long-term financial sustainability, and maintaining a balanced budget as legislatively required.
- The City's capital projects are financed at the lowest borrowing rate to reduce tax burden on Toronto residents and businesses, in consideration of the City's green and social debenture frameworks to promote sustainability, improve climate resiliency and enhance positive socioeconomic outcomes.
- The City's financial assets are invested responsibly to achieve superior [risk-adjusted] rate of returns to meet the City's cash flow requirements.
- The City of Toronto has sufficient financial protection from catastrophic financial loss through the insurance program.
- Torontonians receive timely and equitable resolutions to their claims against the City.
- Divisions receive timely and trusted independent assurance on their internal controls in order to mitigate risk. Risks are controlled to avoid unexpected events and costs that impede achievement of City outcomes.
- Procurement of goods and services is accessible, timely and consistent for City services and suppliers, which enables City divisions to deliver services as planned.
- City divisions and Council have access to accurate, compliant, relevant and complete financial information through an up-to-date financial system.

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 individual divisions within the Office of the CFO and Treasurer, please visit: <https://www.toronto.ca/city-government/accountability-operations-customer-service/city-administration/staff-directory-divisions-and-customer-service/>

What Service We Provide

Financial Planning

Who We Serve: Council, City divisions, agencies and corporations

What We Deliver: City of Toronto balanced budget; financial advice; financial policies and financial reports

Resources (gross 2026 operating budget): \$10.6 million

Financial Strategy and Policy

Who We Serve: Council, City divisions, agencies and corporations

What We Deliver: Enhanced financial policies in support of achieving City objectives and priorities, comprehensive enterprise-wide strategic financial advice and analysis including funding strategies and corporate asset management

Resources (gross 2026 operating budget): \$5.2 million

Internal Audit

Who We Serve: Council, City divisions, agencies and corporations

What We Deliver: Business and risk consulting on policies, processes and information systems; assurance services including the performance of compliance, operational, financial, forensic and internal control reviews

Resources (gross 2026 operating budget): \$3.1 million

Insurance and Risk Management

Who We Serve: Council, City divisions, agencies and corporations, Toronto residents

What We Deliver: Insurance and claims risk advice as well as risk mitigation strategies

Resources (gross 2026 operating budget): \$2.3 million

Purchasing and Materials Management

Who We Serve: City divisions, agencies and corporations, suppliers

What We Deliver: Procurement of goods and services in excess of \$3 billion annually, with a focus on suppliers who support equitable and environmental outcomes

Resources (gross 2026 operating budget): \$21.6 million

Capital Markets

Who We Serve: Council, City divisions, agencies and corporations

What We Deliver: Investment and debt portfolio management

Resources (gross 2026 operating budget): \$2.3 million

Strategic Enterprise Integration and Modernization

Who We Serve: Council, City divisions, agencies and corporations

What We Deliver: Assessment, planning, management and implementation of industry leading business processes and technology, by collaborating with other corporate partners across the City

Resources (gross 2026 operating budget): \$0.7 million

Budget at a Glance

2026 OPERATING BUDGET

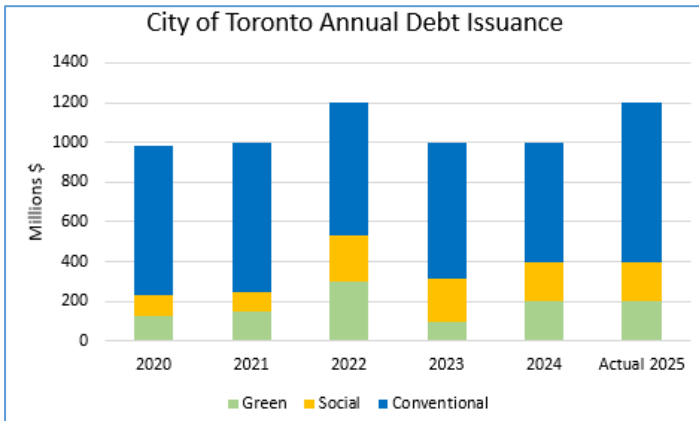
In \$ Millions	2026	2027	2028
Revenues	\$ 7.6	\$ 8.0	\$ 8.2
Gross Expenditures	\$45.9	\$47.8	\$48.9
Net Expenditures	\$38.3	\$39.8	\$40.7
Approved Positions	411.8	391.3	359.3

2026-2035 10-YEAR CAPITAL PLAN

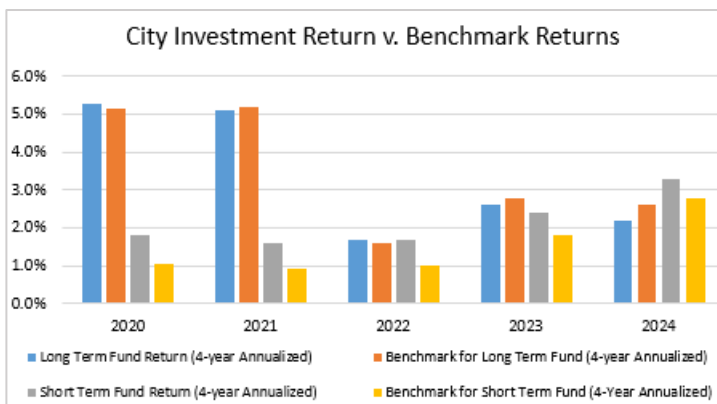
In \$ Millions	2026	2027-2035	Total
Gross Expenditures	\$14.1	\$33.9	\$48.0
Debt	\$14.1	\$32.9	\$47.0

Note: Includes 2025 carry forward funding

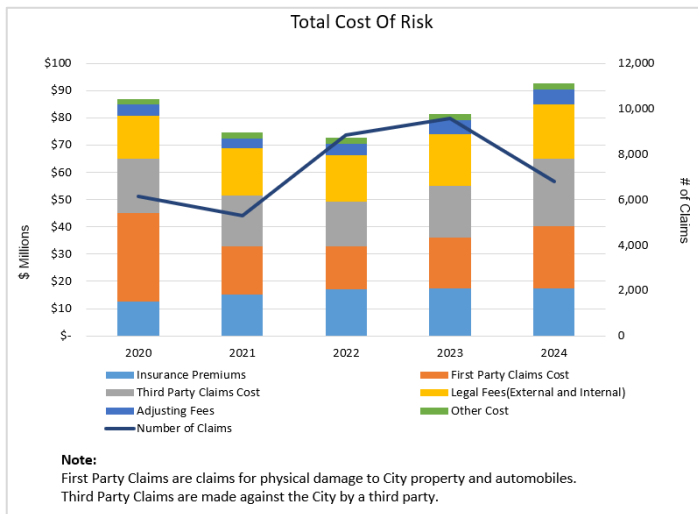
How Well We Are Doing – Behind the Numbers



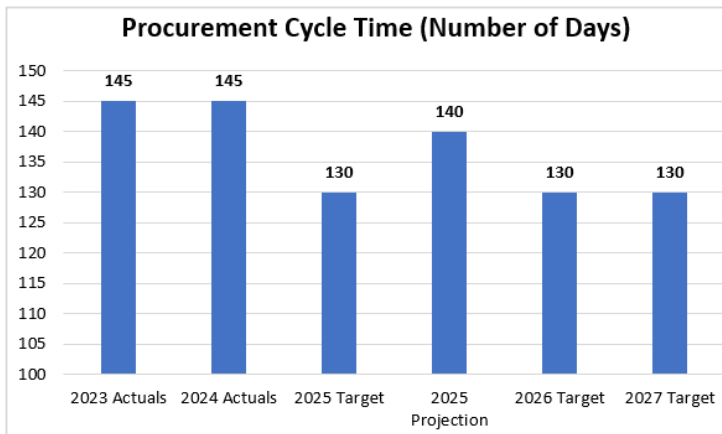
- The City of Toronto is the largest municipal Green Bond Issuer in Canada with \$1.58 billion outstanding at the end of 2025. Activity during 2025 included a \$200 million Green Bond that was issued
- The City was also the first public sector Social Bond Issuer in Canada with \$1.05 billion outstanding at the end of 2025. Activity during 2025 included a \$200 million Social Bond that was issued
- Debenture Frameworks developed, reviewed, and supported by independent opinion provider (Sustainalytics).
- Sustainable bond issues (Green and Social) to continue in future years to finance capital projects with key metrics.
- Impact reporting on projects provided to investors via Annual Newsletters.
- Received international award for the Social bonds issued in 2020 and 2021 (Environmental Finance Social Bond of the Year - Local Municipality - 2021 and 2022 winner).



- This chart indicates the City’s actual investment returns for the Short-Term Fund and Long-Term Fund, in comparison to respective benchmarks.
- Since 2018, the City’s Long-Term Fund has been managed by the Toronto Investment Board under a Council adopted Investment Policy which is based on the prudent investor standard. City staff continue to manage the Short-Term Fund.
- Investment returns for the Short-Term Fund, as measured by an annualized four-year period, have outperformed the benchmark by 0.5% (2020-2024), despite a prolonged period of volatile market conditions.
- The City uses the Financial Times Stock Exchange Canada 30-day T-bill as the benchmark for the Short-Term Fund and a customized benchmark based on an average weighted return of the target asset mix outlined in the Council-adopted Investment Policy for the Long-Term Fund.



- Total Cost of Risk describes the total annual cost of operating the City’s insurance and risk management program over the previous 5 years. Costs are broken down to include insurance premiums, claims costs retained by the City, and other costs (including indirect costs of claims and administrative costs). The annual number of new claims received is also detailed.
- Claim volumes are unpredictable. In 2024, third party claim costs were higher than average as a large number of significant third-party liability claims were able to be resolved. As a result, the inventory of pending files has been reduced.
- Claim volumes can be impacted by other factors, such as potholes or weather, with a corresponding impact to adjusting fees and other expenses.
- Insurance premiums are affected by the City’s claims experience as well as external factors including industry claims experience, industry capacity and prevailing market rates.
- Insurance and Risk Management works with insured program areas and divisions on loss mitigation to manage the City’s claim frequency and severity.



- The average procurement cycle time measures the average time taken to complete a procurement from initiation with PMMD until the issuance of purchasing document. In 2024 this average was 145 working days, unchanged from the previous year. Purchasing and Material Management Division (PMMD) is projecting that for 2025, the average procurement cycle time will be decreased to 140 days.
- In collaboration with City Divisions, PMMD is working to reduce procurement cycle times and should see further improvement in 2026 and 2027. The addition of 10 new buyer positions (approved in 2025), along with filling vacancies, will support the workload demands more efficiently for all competitive procurements, including those relating to capital projects.
- The SAP Ariba Contract Management, Supplier Lifecycle Performance and Buying and Invoicing modules (all to be implemented before year end 2025) will further contribute to system and process improvements and procurement cycle time reductions in 2026-2027 and beyond.

How Well We Are Doing

Service	Measure	2024 Actual	2025 Target	2025 Projection	2026 Target	2027 Target
Outcome Measures						
Financial Planning	Capital Funding Investment (Tax and Rate) in the State of Good Repair (SOGR) projects (\$ million)	\$2,362	\$3,328	\$2,670	\$3,001	\$3,063
Capital Markets	New Debt Issued as a Percentage of the Annual Debt Issuance Target (\$1.2 billion in 2025)	100%	100%	100%	100%	100%
Insurance and Risk Management	% of claim reports acted on within 15 days	94%	95%	91%	95%	95%
Internal Audit	Ratio of engagements in Internal Audit workplan that cover key risks	80%	80%	80%	80%	80%
Procurement	# of days from the requisition date to the Purchase Order/Blanket Contract date	145	130	140	130	130
Key Service Level Measures						
Materials Management Stores and Distribution	Material requests issued and delivered within 5 business days (or 7 calendar days)	67.24%	90%	80%	90%	90%
Other Measures						
Materials Management Stores and Distribution	Inventory Turnover	3.1	4.5	4.0	4.5	4.5

EXPERIENCES, CHALLENGES AND PRIORITIES

Our Experience and Success

- Prioritized investments in state-of-good-repair, reducing the City's projected SOGR as a percentage of asset value, while leveraging the Corporate Asset Management Plan to guide strategic decision-making, and infrastructure funding from other orders of government.
- Incentivized new housing supply by introducing a 15% property tax reduction for new multi-residential properties, providing a development charge (DC) waiver for 6,128 new rental units, and forgoing annual DC indexing, while mitigating impacts on planned capital spending.
- Continued oversubscription of debenture issuances, demonstrating strong demand for City bonds, resulting in \$4.58 million in cost savings for the City.
- Consolidated Green and Social Debenture Frameworks into a new Sustainable Debenture Framework.
- Received the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award for the 2025 City of Toronto Public Budget Book (15 years in a row).
- Successfully renewed the City's corporate insurance program with coverage enhancements resulting in an overall premium decrease of 6.1 percent, and within the 2025 approved budget.
- Provided training on best practices for insurance claims avoidance, defence and investigation to reduce the financial exposure to the City from claims and litigation, as well as reduce claims against the City.
- Achieved \$411 million in Category Management and Strategic Sourcing cost savings/avoidance and \$54 million in Purchasing Client Services cost avoidance benefits to-date.
- Projecting over \$3 million in spending with Indigenous, Black and diverse suppliers and social enterprises through the Social Procurement Program.
- Enhanced the capacity of Internal Audit to proactively support management in addressing audit recommendations and providing quality assurance.
- Successfully launched the new SAP system (S/4HANA) and SAP Ariba Buying and Invoicing module, enabling over 2,000 City and Toronto Police Service users to use this cloud-based system for financial transactions and reporting.

Key Challenges and Risks

- Debt service cost as a percentage of property tax is close to the City's threshold of 15%, while demand for state-of-good-repair and growth-related capital investments continues to grow.
- Continued multi-year budgeting approach aimed at reducing annual opening budget pressures while accounting for inflationary and growth-related demands on costs, with limited access to commensurate revenue tools.
- Challenges attracting and retaining resources to support growing demands of procurement activities.
- Complex risks are challenging to proactively address and mitigate, given the size and scope of the City.
- Increased frequency and severity of claims-related losses results in an increased financial pressure.

Priority Actions

- With a continued multi-year lens, identify further opportunities for permanent budget efficiencies and advance the Continuous Service Review Program.
- Prepare a 10-year capital budget and plan with investments to address SOGR needs, with a focus on transit, housing, and housing-enabling infrastructure, guided by the Capital Prioritization Framework.
- Advance the City's Comprehensive Development Charges Review to develop recommendations which incorporate the City's growth-related requirements, while considering affordability, and market trends.
- Support budget modernization and transformation in developing financial planning tools, building stronger funds management processes, and integrating the city's asset management process.
- Prioritize procurement and enhance capacity to ensure timely, fair and transparent procurement activities, while supporting key projects such as the FIFA 2026 World Cup and 2026 Municipal Election.
- Advance the Enterprise Risk Management (ERM) and Internal Control Framework initiatives to identify and mitigate risks across the City and to strengthen financial controls.
- Execute the inclusion of Toronto Parking Authority (TPA) in the City's insurance program to achieve efficiencies, cost savings and provide risk management support.

2026 BUDGET

1. The 2026 Operating Budget for Office of the Chief Financial Officer and Treasurer of \$45.885 million gross, \$7.577 million revenue and \$38.308 million net for the following services:

Service:	Gross Expenditures (\$000s)	Revenues (\$000s)	Net Expenditures (\$000s)
Financial Planning	10,628.9	1,843.6	8,785.3
Financial Strategy and Policy	5,171.9	951.9	4,220.0
Internal Audit	3,112.0	255.8	2,856.2
Insurance and Risk Management	2,304.8	2,304.8	0.0
Capital Markets	2,311.1	135.0	2,176.1
Purchasing and Materials Management	21,620.3	2,085.9	19,534.4
Strategic Enterprise Integration and Modernization	736.1	0.0	736.1
Total Program Budget	45,885.1	7,577.0	38,308.1

- The 2026 staff complement for the Office of the Chief Financial Officer and Treasurer of 411.8 positions comprised of 103.8 capital positions and 308.0 operating positions.
2. The 2026 Capital Budget for the Office of the Chief Financial Officer and Treasurer with cash flows and future year commitments totaling \$46.968 million as detailed by project in [Appendix 5a](#).
 3. The 2027-2035 Capital Plan for the Office of the Chief Financial Officer and Treasurer totalling \$1.000 million in project estimates as detailed by project in [Appendix 5b](#).

2026 OPERATING BUDGET

2026 OPERATING BUDGET OVERVIEW

Table 1: 2026 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								
Financial Planning	1,521.6	2,011.7	1,779.8	1,843.6		1,843.6	(168.1)	(8.4%)
Financial Strategy and Policy	417.7	679.4	621.3	951.9		951.9	272.5	40.1%
Internal Audit	280.8	255.8	235.8	255.8		255.8		
Insurance and Risk Management	1,965.5	2,130.8	2,125.5	2,304.8		2,304.8	174.0	8.2%
Capital Markets	135.0	135.0	135.0	135.0		135.0		
Purchasing and Materials Management	1,830.2	1,975.3	1,773.4	2,085.9		2,085.9	110.6	5.6%
Strategic Enterprise Integration and Modernization							N/A	N/A
Total Revenues	6,150.8	7,188.0	6,670.8	7,577.0		7,577.0	389.0	5.4%
Gross Expenditures								
Financial Planning	9,447.9	10,370.1	9,918.0	10,628.9		10,628.9	258.8	2.5%
Financial Strategy and Policy	3,320.3	4,590.0	4,373.0	5,171.9		5,171.9	581.9	12.7%
Internal Audit	2,353.2	3,099.7	2,841.9	3,112.0		3,112.0	12.3	0.4%
Insurance and Risk Management	1,965.5	2,130.8	2,125.5	2,304.8		2,304.8	174.0	8.2%
Capital Markets	1,840.7	2,183.4	1,980.1	2,311.1		2,311.1	127.6	5.8%
Purchasing and Materials Management	14,868.6	20,737.1	16,987.5	21,620.3		21,620.3	883.2	4.3%
Strategic Enterprise Integration and Modernization	711.4	529.8	816.8	736.1		736.1	206.3	38.9%
Total Gross Expenditures	34,507.7	43,640.9	39,042.8	45,885.1		45,885.1	2,244.2	5.1%
Net Expenditures	28,356.8	36,452.8	32,372.0	38,308.1		38,308.1	1,855.3	5.1%
Approved Positions**	409.0	425.0	N/A	411.8		411.8	(13.3)	(3.1%)

*2025 Projection based on 9-Month Variance

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

KEY DRIVERS

Total 2026 Budget expenditures of \$45.885 million gross reflect an increase of \$2.244 million in spending above the 2025 Budget, predominantly arising from:

- Increased salaries and benefits primarily related to contractual obligations.
- Actions initiated within Finance and Treasury Services resulting in cost reductions in Corporate Accounts fully offset the 2026 increased budget.

EQUITY IMPACTS OF BUDGET CHANGES

No significant equity impacts: The changes in the Office of the Chief Financial Officer and Treasurer's 2026 Operating Budget do not have any significant equity impacts.

2026 OPERATING BUDGET KEY COST DRIVERS

The 2026 Net Operating Budget for the Office of the Chief Financial Officer and Treasurer of \$38.308 million is \$1.855 million, or 5.1%, 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*	6,670.8	39,042.8	32,372.0	N/A	N/A
2025 Budget	7,188.0	43,640.9	36,452.8	425.0	N/A
Key Cost Drivers:					
Prior Year Impacts					
Annualization of positions budgeted part-year 2025	153.2	153.2			
Salaries and Benefits					
Salaries and Benefits Adjustments	349.6	2,431.2	2,081.6		1,293.7
Alignment of Hiring Plan with Actuals		(233.3)	(233.3)		124.3
Position Changes	(200.3)	(95.4)	104.9	(1.0)	45.8
Capital Project Delivery				(12.3)	
Revenue Changes					
Expenditure Recoveries	86.5		(86.5)		
Other Changes					
		8.3	8.3		
Sub-Total - Key Cost Drivers	389.0	2,264.0	1,875.1	(13.3)	1,463.8
Affordability Measures		(19.8)	(19.8)		
Total 2026 Base Budget	7,577.0	45,885.1	38,308.1	411.8	1,463.8
2026 New/Enhanced					
2026 Budget	7,577.0	45,885.1	38,308.1	411.8	1,463.8
Change from 2025 Budget (\$)	389.0	2,244.2	1,855.3	(13.3)	N/A
Change from 2025 Budget (%)	5.4%	5.1%	5.1%	(3.1%)	N/A

*Based on 9-Month Variance

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

Key Base Drivers:**Prior Year Impacts:**

- Annualization of positions budgeted for partial year 2025 will contribute to increase in 2026, which are fully funded through the Comprehensive Development Charge review.

Salaries and Benefits:

- Salaries and benefits adjustments – increase due to cost-of-living (COLA), step increases, and pay for performance.
- Alignment of Hiring Plan with Actuals – decrease in salaries and benefits budget with expected actuals.
- Position changes - decrease of two positions (previously recovered from reserve funds), offset by addition of one position required to meet operational requirements.
- Capital Project Delivery - decrease of 12.25 positions resulting from the alignment of capital positions between the near completion of the Financial Systems Transformation Project and the upcoming Budgeting Tool Revitalization Project.

Revenue Changes:

- Expenditure Recoveries - increase in recoveries from reserve funds for dedicated positions.

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
Line-by-line review to align non-salary expenditures to expected actuals. No service level reductions.	Line-by-line	No Impact		(19.8)	(19.8)				
Total Affordability Measures				(19.8)	(19.8)	-			-

Affordability measures, as described below, are specific actions taken by Office of the Chief Financial Officer and Treasurer that achieves cost reductions without impacting service levels.

- Line-by-Line Review – actual spending results are monitored throughout the year and spending trends are assessed as part of the expenditure line-by-line review as regular practice. As a result of the analysis undertaken, \$0.020 million in expenditure reductions have been identified and reflected in the 2026 Operating Budget.

Other Efficiencies:

- The Office of the Chief Financial Officer and Treasurer recommends reducing the budget for external consulting services, aligning with our broader goal of lowering consulting expenditures. With Finance and Treasury Services having strengthened internal capacity, our teams are now well-positioned to undertake this work in-house, reducing the need for external consultants. The 2026 net savings for the City of \$0.250 million is reflected in the Non-Program Expenses.
- Further efficiencies and affordability measures are reflected in the City’s Corporate Accounts through actions such as the inclusion of the Toronto Parking Authority in the City’s corporate insurance program and various other reductions to corporate and City-wide expenditures.
- Other efficiencies have been identified in the Financial Operations and Control Budget Notes.

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

(In \$000s)	2026 Budget	2027 Incremental Outlook	2028 Incremental Outlook
Revenues			
Contribution from Reserve		39.9	67.2
Funding to support strategic initiatives		136.8	3.0
Operating Impact of Capital		176.9	53.8
Inter-Divisional Recovery		84.4	50.1
Total Revenues	7,577.0	438.1	174.2
Gross Expenditures			
Salaries and Benefits Changes		1,600.7	1,012.5
Hiring Plan Impacts		124.3	
Operating Impact of Capital		176.9	53.8
Total Gross Expenditures	45,885.1	1,901.9	1,066.4
Net Expenditures	38,308.1	1,463.8	892.2
Approved Positions	411.8	(20.5)	(32.0)

Key Outlook Drivers

The 2027 Outlook with total gross expenditures of \$47.787 million reflects an anticipated \$1.902 million or 4.1% increase in gross expenditures above the 2026 Operating Budget. The 2028 Outlook expects a further increase of \$1.066 million or 2.2% above the 2027 Outlook.

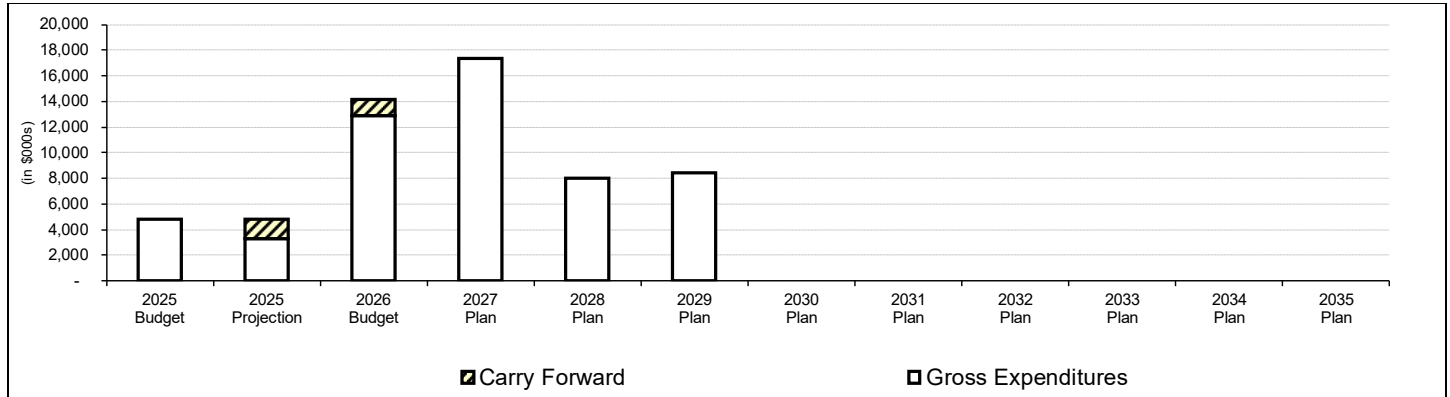
These changes arise from the following:

- **Revenue Changes:** Includes salary and benefit recoveries from positions funded by projects, reserves and inter-divisional recoveries.
- **Salary and Benefits:** The increase in salary and benefits in both 2027 and 2028 are mainly due to contractual obligations.
- **Operating Impact of Capital:** Sustainment of the Enterprise Risk Management Software Solution requires one permanent Project Manager (\$0.177 million) in 2027 and an increased software subscription fee (\$0.054 million) in 2028.

2026-2035 CAPITAL BUDGET AND PLAN

2026-2035 CAPITAL BUDGET AND PLAN OVERVIEW

Chart 1: 10-Year Capital Plan Overview



		2026 Capital Budget and 2027-2035 Capital Plan												
		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total 10-Year Plan	
(In \$000s)		Budget	Projection											
Gross Expenditures by Project Category:														
	Health and Safety/Legislated	561	194										1,000	
	State of Good Repair				600	400								
	Service Improvement and Growth	4,288	3,066	14,121	16,717	7,656	8,473						46,968	
	Total by Project Category	4,849	3,261	14,121	17,317	8,056	8,473						47,968	
Funding:														
	Reserves/Reserve Funds				600	400							1,000	
	Debt	4,849	3,261	14,121	16,717	7,656	8,473						46,968	
	Total Funding	4,849	3,261	14,121	17,317	8,056	8,473						47,968	

Project Updates
(\$23.357 Million)

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

- Risk Management Information System Replacement project deferred \$0.4 million from 2027 to 2028.
- Supply Chain Management Transformation project deferred \$4.619 million of the previously committed capital spending from 2026-2027 to 2028-2029 to align with revised timelines.
- \$23.357 million – Budget Tool Revitalization program has been transferred from Financial Operations and Control with an increase of \$23.357 million in project cost, to identify and implement a single cloud-based, enterprise-wide financial (budget) planning and analysis solution, to replace existing operating and budgeting systems.

New Project
(\$1.375 Million)

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


- \$1.375 million – Enterprise Risk Management (ERM) Software Solution, a multi-year project, to be initiated in early 2026. A robust, standardized, mature ERM program will enable the City to improve decision-making, strengthen governance, and enhance our ability to adapt to changing circumstances.

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; and [Appendix 6](#) for Capacity to Deliver Review, respectively.

2026–2035 CAPITAL BUDGET AND PLAN

\$47.9 Million 10-Year Capital Program


Information Technology / Risk Management
\$47.9 M 100%
<ul style="list-style-type: none"> • Enterprise Risk Management Software Solution • Supply Chain Management Transformation • Budget Tool Revitalization program • Risk Management Information System Replacement 2028 • Investment and Debt Management System Replacement 2027

How the Capital Program is Funded

City of Toronto		Provincial Funding	Federal Funding
\$47.9 M 100%		\$0 M 0%	\$0 M 0%
Reserves/ Reserve Funds	\$ 1.0 M		
Debt	\$ 46.9 M		

OPERATING IMPACT OF COMPLETED CAPITAL PROJECTS

Approval of the 2026 Capital Budget will impact the 2027 Operating Budget by a total of \$0.177 million net arising from completing the Enterprise Risk Management Software Solution project, as 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	
New Projects - 2026															
Enterprise Risk Management Software Solution			176.9	1.0	53.8		3.7		3.7			238.1	1.0	261.1	1.0
Sub-Total: New Projects - 2026			176.9	1.0	53.8		3.7		3.7			238.1	1.0	261.1	1.0
Total (Net)			176.9	1.0	53.8		3.7		3.7			238.1	1.0	261.1	1.0

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

- The expected completion of the Enterprise Risk Management Software Solution project will result in net operating costs of \$0.177 million in 2027 and an incremental \$0.054 million increase in 2028 for one permanent position and software subscription fee required to sustain the system and associated initiative.

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	
	\$	\$	\$	\$	\$	%
User Fees and Donations	28.8		0.4			
Contribution From Reserves/Reserve Funds	3,106.8	4,051.1	3,677.5	4,329.5	278.3	6.9%
Sundry and Other Revenues	221.7	215.9	172.9	215.9		
Inter-Divisional Recoveries	2,793.6	2,921.0	2,820.0	3,031.6	110.6	3.8%
Total Revenues	6,150.8	7,188.0	6,670.8	7,577.0	389.0	5.4%
Salaries and Benefits	33,304.2	42,352.0	37,308.2	44,591.8	2,239.8	5.3%
Materials and Supplies	29.2	35.4	25.7	35.1	(0.3)	(0.8%)
Equipment	68.4	145.3	120.9	138.4	(6.9)	(4.7%)
Service and Rent	901.7	972.2	1,393.2	983.9	11.7	1.2%
Contribution To Reserves/Reserve Funds	148.4	135.5	135.5	135.5		
Other Expenditures	0.1	0.5	0.5	0.5		
Inter-Divisional Charges	55.6		58.8			
Total Gross Expenditures	34,507.7	43,640.9	39,042.8	45,885.1	2,244.2	5.1%
Net Expenditures	28,356.8	36,452.8	32,372.0	38,308.1	1,855.3	5.1%

*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

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

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
<i>Enterprise Risk Management Software Solution</i>	261	908	206								1,375			1,375
<i>Supply Chain Management Transformation (SCMT)</i>	2,200	2,200	2,200	2,419							9,019			9,019
<i>Budget Tool Revitalization (BTR)</i>	11,661	13,610	5,249	6,054							36,574			36,574
<i>Investment & Debt Management System Replacement 2027</i>		600									600		600	
<i>Risk Mgmt Information System Replacement 2028</i>			400								400		400	
Total Expenditures (including carry forward from 2025)	14,121	17,317	8,056	8,473							47,968		1,000	46,968

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	New with Future Year
<i>Enterprise Risk Management Software Solution</i>	261	908	206								1,375			1,375
<i>Supply Chain Management Transformation (SCMT)</i>	2,200	2,200	2,200	2,419							9,019	9,019		
<i>Budget Tool Revitalization (BTR)</i>	11,661	13,610	5,249	6,054							36,574	13,217	23,357	
Total Expenditure (including carry forward)	14,121	16,717	7,656	8,473							46,968	22,236	23,357	1,375

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
<i>Investment & Debt Management System Replacement 2027</i>	600									600		600	
<i>Risk Mgmt Information System Replacement 2028</i>		400								400		400	
Total Expenditures	600	400								1,000		1,000	

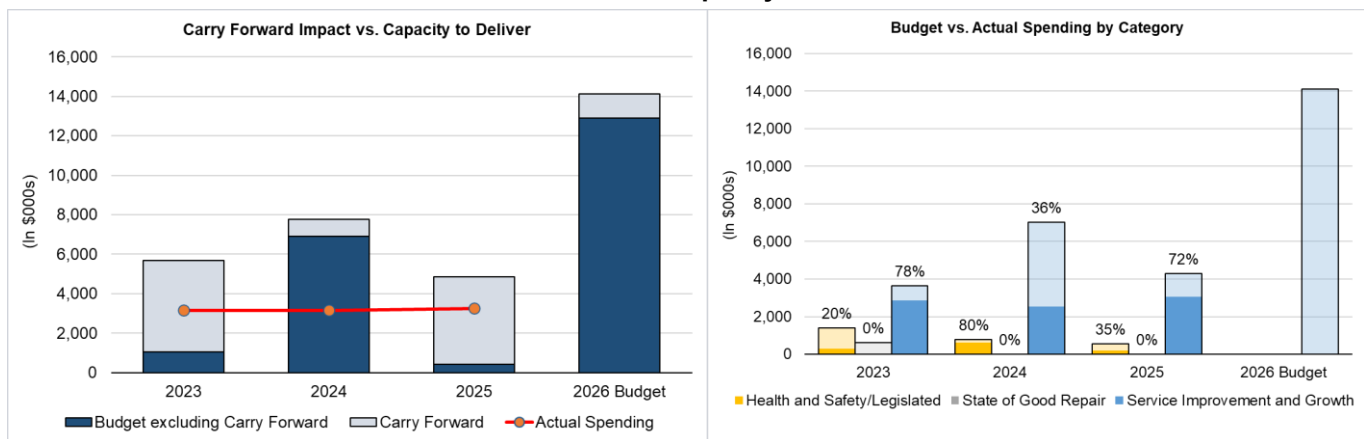
Appendix 6

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 2026-2035 Capital Budget and Plan.

Chart 3 – Capacity to Deliver



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

- The Office of the Chief Financial Officer and Treasurer actual spending over the previous five years, from 2021-2025, has averaged \$2.706 million or 44.7% per year. The Budget Tool Revitalization (BTR) program has been transferred from Financial Operations and Control to the Office of the Chief Financial Officer and Treasurer in the 2026 budget. All prior-year budgets and actuals have been retroactively restated to include BTR. The BTR program, launched in 2023, averaged \$0.702 million in actual spending over 2023–2025, reflecting an annual spend rate of 68.4%. An increase in the spend rate is anticipated in 2026 as the Request For Proposal to procure implementation services is in progress, with the award expected in early 2026 and the selected partner projected to commence work in April 2026.
- The projected spending for 2025 is \$3.261 million or 67.2% of the 2025 Capital Budget. Challenges in spending for projects are mainly due to coordination with other projects for Supply Chain Management Transformation.
- Based on the review of historical capital spending and an assessment of capacity to deliver, \$1.221 million in capital spending originally cash allocated for 2025 has been deferred to 2026, \$4.619 million in capital spending originally cash allocated for 2026 and 2027 has been deferred to 2028 and 2029. Adjustments to the Capital Plan are noted below:
 - Supply Chain Management Transformation project carries forward \$0.734 million from 2025 to 2026 and defers the previously committed capital spending for 2026 and 2027 of \$4.619 million to 2028 (\$2.200 million) and 2029 (\$2.419 million) respectively to align with the revised timelines.
 - Budget Tool Revitalization program carries forward \$0.488 million from 2025 to 2026 to align with the revised timelines.
- While capital spending rates were lower than anticipated in 2025 and recent years, the Office of the Chief Financial Officer and Treasurer is striving to improve spending rates in 2026 by enhancing alignment and coordination with supporting delivery partners.

Appendix 7

Summary of Capital Delivery Constraints

N/A

Appendix 8

Inflows and Outflows to/from Reserves and Reserve Funds

2026 Operating Budget

Corporate Reserve/Reserve Funds

Reserve Account	Reserve/Reserve Fund Name	Inflow/Outflow/Balance	2026	2027	2028
XQ1204 (\$000)	Vehicle Reserve -Purch & Matl	Opening Balance	614.8	286.6	272.8
		*Contributions (+)			
		<i>Additional Operating Contribution</i>	0.0	0.0	0.0
		<i>Office of the Chief Financial Officer and Treasurer</i>	135.5	135.5	135.5
		Total Contributions	135.5	135.5	135.5
		*Withdrawals (-)			
		Operating Budget			
		Sub-Total Operating Withdrawals	0.0	0.0	0.0
		Capital Budget and Plan			
		<i>Fleet Services</i>	(463.7)	(149.3)	0.0
		Sub-Total Capital Budget and Plan Withdrawals	(463.7)	(149.3)	0.0
		Total Withdrawals	(463.7)	(149.3)	0.0
		<i>Interest Income</i>			
		Closing Balance	286.6	272.8	408.3

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, 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).