

# 2025 Year-End Monitoring

Presentation to Budget Committee  
April 22, 2026



# 2025 Year End Financial Position Overview

## Challenges and Mitigating strategies

### Pressures



Winter event impacts



User demand changes



Rising labour costs

### Offsets



Transfer from specific reserves



Favourable revenue in some areas



Operating efficiencies

# 2025 Year End Financial Position (\$ Millions)

Description	2025 Net Operating Budget	Actuals as of Dec 31, 2025	Surplus/(Deficit) before reserve transfers
Tax Levy Funded Budget	747.5	752.9	(5.4)
Stormwater	49.9	45.3	4.6

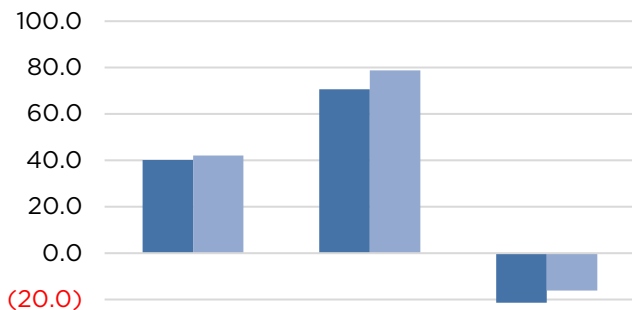
- A \$5.4 M transfer from the Fiscal Stability Reserve is proposed to offset the tax-funded operating deficit
- A \$4.6 M transfer to the Stormwater Capital Reserve Fund is proposed to offset the Stormwater operating surplus

# Service Area Highlights

# Roads

Overall \$15.2 M Deficit

2025 Year-End Results  
(Millions)



(20.0)

(40.0)

Challenging operating year, driven by overspending in labour due to union settlements and temporary staff

Increased contractor costs due to higher winter maintenance events, fleet maintenance, repairs, sidewalk maintenance and leaf pick-up, partially offset by initiatives including LED lighting

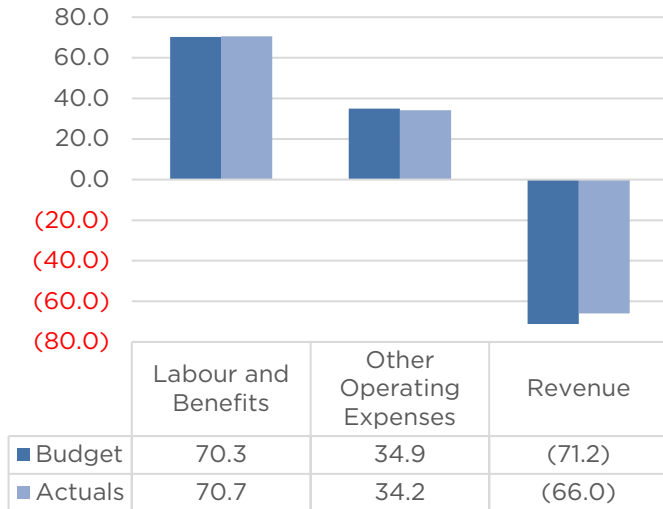
Lower Provincial Offences Act (POA) and parking revenue partially offset by growth in Bell fibre to home and encroachment fees

	Labour and Benefits	Other Operating Expenses	Revenue
■ Budget	40.2	70.7	(21.3)
■ Actuals	42.1	78.8	(16.1)

# Recreation & Culture

Overall \$4.9 M Deficit

2025 Year-End Results  
(Millions)



Savings in operating expenses, with lower materials, supply, and occupancy costs

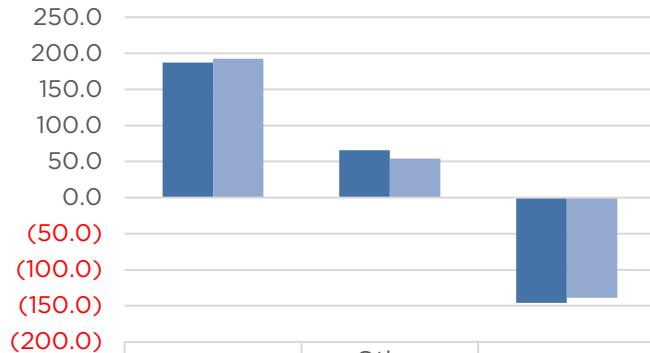
Services adapted to temporary closures by reallocating resources

Overall revenue decline driven by lower user fee activity, reduced external recoveries and facility closure resulted in overall deficit

# Transit

Overall \$1.1 M Deficit

2025 Year-End Results  
(Millions)



Labour cost pressures due to union negotiation settlements

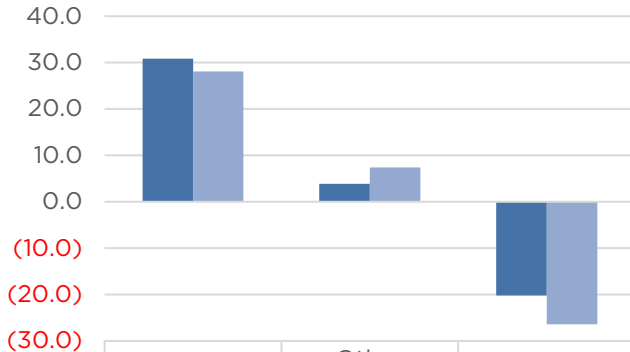
Operational savings from lower diesel consumption due to replacement of diesel buses with hybrid, favorable diesel price, maintenance costs, and lower PRESTO fare processing costs

Ridership and service growth shortfalls, reducing fare revenue, offset by Metrolinx recoveries and Provincial Gas Tax funding

# Regulatory Services

Overall \$5.4 M Surplus

2025 Year-End Results  
(Millions)



Hiring timing generated savings across regulatory service area

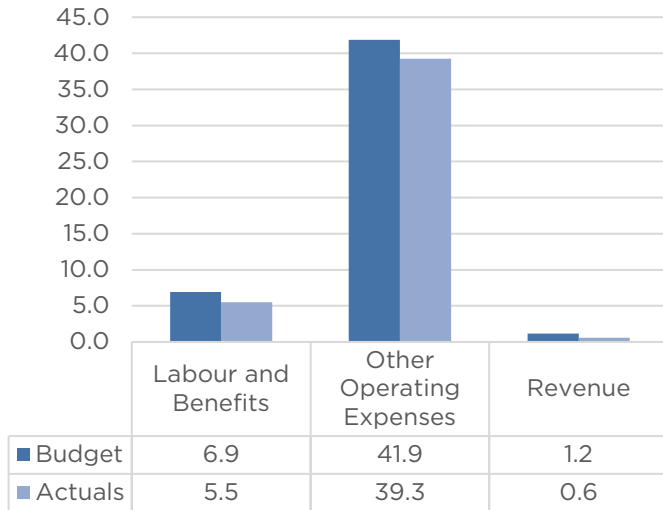
Higher operating expenses, reflecting increased use of registry searches, professional services, and reserve transfers

Revenue increased mainly due to short-term accommodation grants, licensing, inspections, and transportation network growth

# Stormwater

Overall \$4.6 M Surplus

2025 Year-End Results  
(Millions)



Strong overall service performance, supported by stable operations and effective program management during the year

Lower participation in subsidy programs resulted in lower operating expenses, contributing to a favorable year-end position

Lower revenue due to billing adjustments and changes in billing units

# 2026 Outlook



## Fuel price volatility

Global conflict is contributing to volatility in fuel prices



## Declining transit ridership

Lower ridership levels are impacting fare revenue



## Increased winter events

Severe winter conditions are driving costs higher



## Inflationary pressures

Inflation continues to elevate costs for materials, services and labour

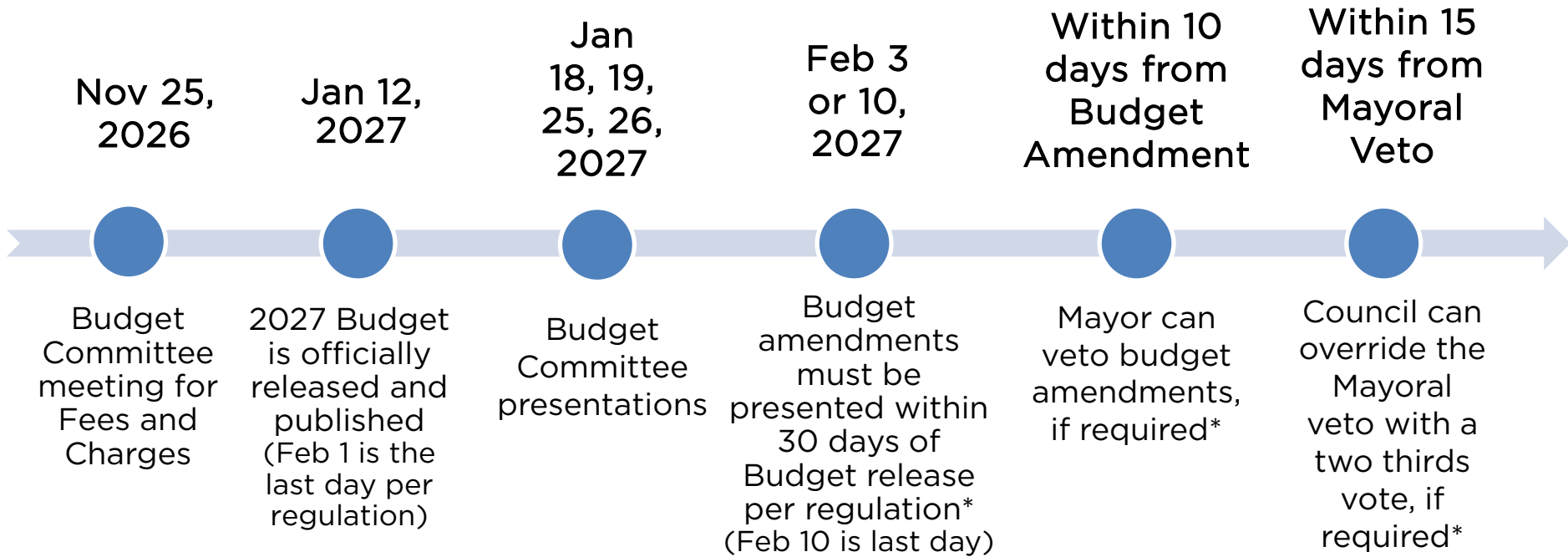


## Legislative changes

New Municipal Buy Ontario Procurement Directive

# Proposed 2027 Budget Timelines

(as per Strong Mayors Legislation)



\*Budget is deemed adopted at the end of the budget amendment, mayoral veto or override period. Mayor and Council can shorten any of the periods. Timelines are subject to change.

# Questions