Agenda – Standing Policy Committee on Finance and Economic Development – September 14, 2026

REPORTS

Item No. 6 Authorization to Increase Expenditure Authority for the Winnipeg Transit 2026 Operating Budget

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That authorization be given to Winnipeg Transit to over-expend its 2026 operating budget expenditures by up to $4.8 million attributed to higher prices for diesel fuel.

2. That the use of savings in salaries and benefits to offset other over-expenditures in the Department where available, be approved.

3. That the use of up to $4.8 million of Transit's retained earnings to fund this over-expenditure be approved.

4. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

ADMINISTRATIVE REPORT

Title: Authorization to Increase Expenditure Authority for the Winnipeg Transit 2026 Operating Budget

Critical Path: Standing Policy Committee on Finance and Economic Development

AUTHORIZATION

Author	Department Head	CFO	CAO
L. Fisher	G. Ewankiw	J. Speidel Acting CFO	J. Dunford

EXECUTIVE SUMMARY

Transit's Q2, 2026 forecast projects a total operating expenditure deficit of $3.1 million attributed to higher fuel prices for diesel ($3.3 million) slightly offset by savings in various other accounts.

The 2026 average price for diesel to the end of June has been $1.36/litre. This exceeds the rate used for budget development ($1.19/litre). Due to uncertainty with respect to recent global events, fuel rates have been very volatile and are difficult to forecast. A moderate rate was assumed for the remainder of 2026 for forecasting purposes. But Transit is requesting over-expenditure authority to accommodate a worst-case scenario. This is due to the uncertainty and wide fluctuations in the rate per litre. Applying these estimated rates could result in Transit's diesel fuel budget to be overspent by between an estimated $3.3 million - $4.8 million.

The requested over-expenditure in the amount of $4.8 million is forecasted based on actuals to the end of June 2026. It includes a contingency amount reflecting the volatility in fuel prices. It is intended to provide Transit with sufficient budget to continue operations through the end of the year.

The over-expenditure will be funded by savings in other operation expenses. This includes salaries and benefits, to the extent they are realized. The balance will be covered by Transit's retained earnings of $14.1 million.

Approval from the Standing Policy Committee is needed in order for Transit to overspend its operating expenditure budget in the amount of $4.8 million. Approval is also needed to use savings in salaries and benefits to offset other expenditures, and to use retained earnings to fund the over-expenditure.

RECOMMENDATIONS

1. That authorization be given to Winnipeg Transit to over-expend its 2026 operating budget expenditures by up to $4.8 million attributed to higher prices for diesel fuel.

2. That the use of savings in salaries and benefits to offset other over-expenditures in the Department where available, be approved.

3. That the use of up to $4.8 million of Transit's retained earnings to fund this over-expenditure be approved.

4. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

Clause 9.1 of By-law No. 7100/97 states, "The Standing Policy Committee on Finance may approve additional appropriations to an operating budget including approval of reallocations of funds provided in an operating budget of the city for a purpose other than that set out in the budget, and approval of additional operating expenditures."

IMPLICATIONS OF THE RECOMMENDATIONS

Approval of the recommendations will enable the Department to continue delivering public transit services at current service levels.

The approved operating budget adjustment will only be used if needed. The over-expenditure amount is recommended to be funded through Transit's unallocated retained earnings.

HISTORY/DISCUSSION

Based on Transit's Q2 forecast, the Department is forecasting a total operating expenditure deficit for 2026 in the amount of $3.1 million. The majority total forecasted expenditure deficit is from high diesel prices ($3.3 million).

The actual fuel rate for diesel in 2026 has ranged between $1.00/litre - $1.72/litre. The average price paid to the end of June has been $1.36 which has exceeded the rate used for budget development ($1.19/litre).

Due to uncertainty with respect to recent global events, fuel rates have been very volatile and are difficult to forecast. While a moderate rate was assumed for the remainder of 2026 for forecasting purposes, Transit is requesting over-expenditure authority to accommodate a worst case scenario due to this uncertainty and wide fluctuations in the rate per litre. Applying these

estimated rates could result in Transit's diesel fuel budget to be overspent by between an estimated $3.3 million - $4.8 million.

The total over-expenditure resulting from the higher rates is partially offset by savings from fewer litres being used than budgeted.

The diesel fuel variance is summarized as follows:

	Average Rate	Litres	Total Cost	Net Shortfall
Budget	$ 1.1925	18,376,000	$21.9 million	
Forecast	$ 1.4203	17,714,000	$25.2 million	($3.3 million)
Worst Case	$ 1.5045	17,714,000	$26.7 million	($4.8 million)

Although Transit's Q2 forecast assumed a moderate diesel rate through the remainder of the year (estimated shortfall of $3.3 million); Transit is requesting over-expenditure approval to cover a shortfall from a worst case scenario ($4.8 million).

The operating budget adjustment will only be utilized to the extent actually required.

The shortfall in diesel funding will be offset by savings realized in other operating expense account, including salaries and benefits, to the extent they are realized at year end; with the remainder to be funded from retained earnings.

Transit has $14.1 million in unallocated retained earnings which can be used to fund the requested over-expenditure amount ($4.8 million).

The amount of this over-expenditure is forecasted based on actuals to the end of June 2026 and includes a contingency amount reflecting the volatility in fuel prices. It is intended to provide Transit with sufficient budget to continue operations through the end of the year. The Department will continue to monitor financial results and, should additional savings be realized during the year or higher fuel prices not materialize, the amount of the required over-expenditure will be reduced.

Approval from the Standing Policy Committee on Finance and Economic Development is required for the over-expenditure of operating expenses. Fuel prices are difficult to predict; should Transit's year end over-expenditure exceed the amount requested in this report, an additional request for over-expenditure will be submitted for Committee approval.

FINANCIAL IMPACT

Financial Impact Statement **Date:** August 6, 2026

Project Name: **First Year of Program** **2026**

Authorization to Increase Expenditure Authority for the Winnipeg Transit 2026 Operating Budget

	2026	2027	2028	2029	2030
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 4,800,000	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 4,800,000	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ 4,800,000	$ -	$ -	$ -	$ -

Additional Comments: Direct costs reflect the requested over-expenditure amount based on forecasted prices for diesel fuel. Transit has sufficient unallocated retained earnings to fund this amount.

Laurie Fisher August 6, 2026

Laurie Fisher, CPA, CA
Manager of Finance and Administration

CONSULTATION

This Report has been prepared in consultation with:

- N/A

OURWINNIPEG POLICY ALIGNMENT

Goal: Environmental Resilience

Objective 2 - Prioritize sustainable transportation as the mobility options of choice.

Transition to a sustainable transportation system that safely and efficiently moves people, goods and services, increases access to a variety of affordable mobility choices, encourages less reliance on personal vehicle travel, reduces travel time, mitigates congestion and related greenhouse gas emissions, and supports the development of denser, better-connected, healthy and complete communities.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Consideration was given as to whether this report connects to the Winnipeg Climate Action Plan (WCAP) and its Goals and Objectives. It was determined that the WCAP is not applicable to this specific report.

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

Consideration was given as to whether this report connects to the Winnipeg Poverty Reduction Strategy (WPRS) and its Goals and Objectives. It was determined that the WPRS is not applicable to this specific report.

SUBMITTED BY

Department: Transit
Division: Finance and Administration
Prepared by: Laurie Fisher, Manager of Finance
Date: August 20, 2026
File No: N/A