



---

To: Committee of the Whole  
Meeting Date: April 9, 2026  
From: Laura McDowell  
Commissioner of Public Works  
Laura Mirabella  
Commissioner of Finance and Regional Treasurer  
Re: **2026 Corporate Asset Management Annual Progress Report**

---

The 2026 Corporate Asset Management Annual Progress Report (the “Report”) provides an annual update on the Region's infrastructure asset portfolio and progress toward achieving the 2024 Corporate Asset Management Plan (CAMP), in compliance with [Ontario Regulation 588/17: Asset Management Planning for Municipal Infrastructure](#).

The Report uses 2024 year-end data and the 2025 Budget. Preparing the Report requires sufficient lead time to gather, analyze, and consolidate information from 13 service areas. While the data is about one year old, the condition of most Regional assets remains relatively stable from year to year.

The Report does not reflect the impact of Council's decision through the 2026 Budget to approve \$960 million in additional asset management spending in the 10-year capital plan, including funding changes through the proposed 2026 DC Bylaw update. The additional spending is expected to partially reduce the variance identified in this report. The updated funding position will be incorporated into the 2027 Progress.

**Key highlights in the Report include:**

- Replacement cost of the portfolio increased from \$28.8 billion to \$31.1 billion, an increase of \$2.3 billion or 8% from 2023, mostly due to inflation
- Overall asset condition remains positive, with 89% of the portfolio in “fair or better” condition
- 95% of full lifecycle needs continue to be funded over the 10-year horizon. The unfunded portion amounts to a \$955 million variance, a decrease from \$1.1 billion identified in last year's progress report. The variance should be partially reduced by the addition of \$960 million in asset management spending in the 2026 Budget, offset by \$473 million in changes

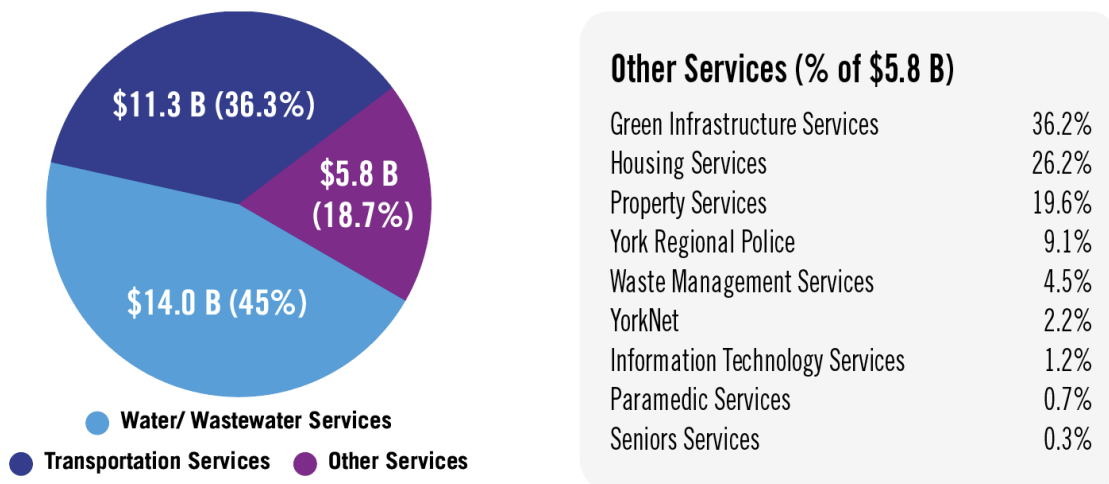
to funding splits identified in the tabled 2026 DC bylaw. Asset management spending will be reviewed and refined through the annual budget process and reported through future Progress Reports

- In 2024, 87% of the capital plan was delivered across the corporation to build new infrastructure and maintain existing assets in a state of good repair. These were completed in alignment with level of service targets
- The Region continues to be a leader in asset management by reducing overall asset lifecycle cost while balancing intergenerational equity

**At the end of 2024, the replacement cost of Regional assets increased to an estimated \$31.1 billion**

The replacement cost of the Region’s infrastructure portfolio increased from \$28.8 billion to \$31.1 billion, an increase of \$2.3 billion or 8% from 2023, primarily due to inflation. Figure 1 illustrates the distribution of service area replacement costs.

**Figure 1**  
**2024 Service Area Replacement Cost Distribution**



**Overall asset condition remains positive, with 89% of the portfolio in “fair or better” condition**

The Region has been tracking the state of Regional assets for several years. At the end of 2024, 89% of all assets were in “fair” or better condition. For core assets, comprising water, wastewater, roads, and bridges, 87% were in “fair” or better condition. The share of core assets in “fair” or better condition declined by two percentage points compared to 2023, primarily due to an increase in the number of Roads assets that have deteriorated below the “fair” condition threshold. The Pavement Asset Management Plan outlines plans and funding for each road

section with a condition rating below “fair” and prioritizes renewal along with other risk factors. Additional funding was also approved through the 2026 Budget to narrow the spending gap reported in this area.

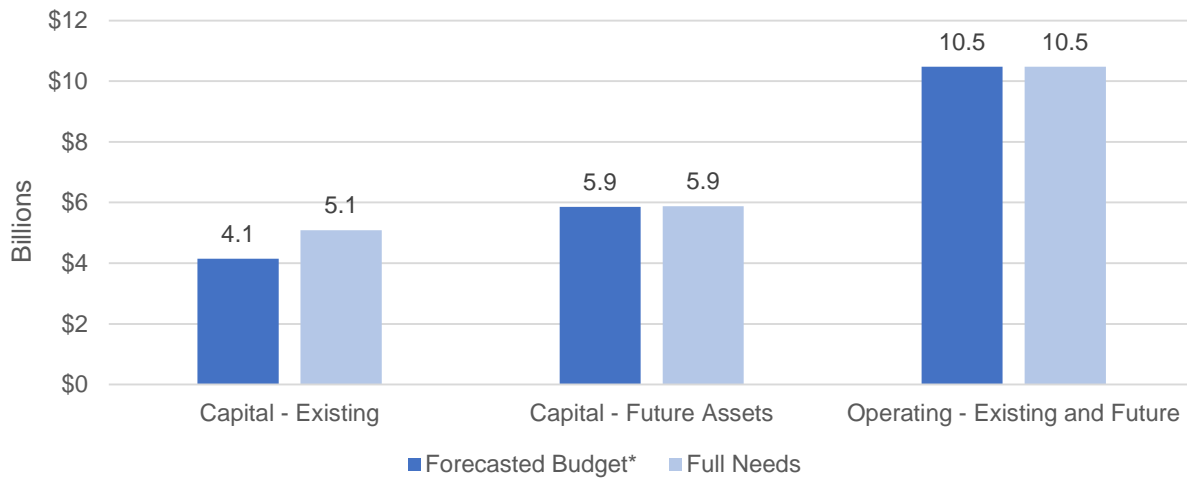
Assets in “poor” and “very poor” condition categories are assessed and prioritized for renewal based on high, moderate, and low risk levels, which consider impacts on service interruption and/or a reduction in meeting level of service targets (see Attachment 1, Table 3).

### **All service areas work to maintain level of service targets, with the objective of achieving the lowest lifecycle costs**

Service areas regularly review and update estimated spending needs to maintain levels of service targets at the lowest lifecycle cost. Lifecycle costs include all expenses associated with an asset throughout its planning, construction, operating, maintenance, and decommissioning phases. Different phases of an asset’s lifecycle are funded through the Region’s operating budget and capital plan. The capital plan focuses on rehabilitating and replacing aging infrastructure and adding new assets to support growth in the Region. The operating budget supports operations and maintenance activities to ensure assets provide their intended level of service.

Figure 2 shows that the projected budget accommodates 95% of lifecycle costs. A variance of approximately \$955 million is primarily due to capital spending needs for existing assets. Funding variances result from several factors including meeting service metric levels, achieving lowest lifecycle cost, and Council commitments. While operating needs are expected to be met over the 10-year horizon, this is a planning assumption based on current service commitments. Operating budgets are reviewed annually and brought to Council for approval. The estimated operating budget increased to \$10.5 billion over the next 10 years, reflecting service delivery needs, including those of York Regional Police.

**Figure 2**  
**Available Budget vs. Full Spending Needs (2025-2034)**



\*For capital, forecasted budget reflects the 10-year capital plan from the 2025 Budget. For operating, it reflects the 2025 Budget and endorsed outlook and planning assumptions for 2027-2034. Operating figures exclude contributions to conservation authorities and capital reserves, debt-related payments, and third-party recoveries.

Of the total \$955 million variance, \$596 million is attributed to Roads Services, \$333 million for Transit Services, \$15 million for Green Infrastructure Services, and \$11 million for Property Services.

- Roads Services** – The variance, in large part, is driven by the rehabilitation of pavement assets to minimize overall lifecycle costs. For pavement, maintenance and renewal costs increase significantly as assets deteriorate, making it more costly to repair. A preventative and proactive pavement strategy is more cost effective and keeps roads in better working condition. Additional reserve funding was approved through the 2026 Budget to gradually reduce the variance. Pavement rehabilitation plans are reviewed regularly to address roads in poor or very poor condition.
- Transit Services** – The variance for transit infrastructure is primarily driven by the Region’s transition to an all-electric bus fleet, a Council commitment that supports the Region’s environmental goals of reducing greenhouse gas emissions. Although operating costs for an electric bus fleet are forecasted to be lower than a comparable fleet of diesel buses, the upfront capital investment to purchase electric buses is significantly higher. Potential delays in electric bus deliveries may lead to deferred retirement of diesel buses and impact service performance.
- Green Infrastructure Services** – The variance in Green Infrastructure Services is tied to achieving target service levels, including ensuring trails remain in fair or better condition and reaching 95% tree canopy coverage along urban Regional roads by 2055.

- **Property Services** – The variance in Property Services primarily relates to spending needs for existing assets as recommended by third party Building Condition Assessments. Further analysis and in-house maintenance control mechanisms help improve accuracy and extended asset useful life. Assets are then prioritized for renewal and replacement based on risk.

## **In 2024, 87% of the capital plan was delivered to build new infrastructure and maintain existing assets in a state of good repair**

Actual spending for asset management is monitored to understand capital delivery rates and trends related to supply chain, resourcing, procurement, and other challenges. In 2024, 87% of the capital plan was delivered for assets in the CAMP. More information on capital delivery reporting, including details by service area, can be found in the [2024 Financial Results – Unaudited Budget-to-Actual Comparison Report](#).

## **Funding risks can arise related to increasing costs and reserve balances**

Overall, the Region continues to assess service level performance along with related operational and funding risks. Funding risks can arise from changes to funding sources or pressures created through cost increases and high inflation. Any increased pressure on the Region's tax levy is generally mitigated by the Council established Asset Replacement Reserve. Since asset management costs can vary significantly year-to-year, the Asset Replacement Reserve ensures that assets can be maintained as needed without creating single-year pressures on the tax levy.

Ongoing work focuses on balancing infrastructure funding needs across each asset class and recommending adjustments where needed, to support striving for intergenerational equity for taxpayers. Asset management strategies for Regional service areas will be reviewed annually through the budget process and monitored through the Progress Report. The sufficiency of asset replacement reserve balances as well as required contributions from the annual tax levy are evaluated annually as part of the Region's fiscal strategy.

---

For more information on this memo, please contact Brian Titherington, Director, Infrastructure Asset Management (Transportation) at 1-877-464-9675 ext. 75901. Accessible formats or communication supports are available upon request.



---

Laura McDowell, P.Eng  
Commissioner of Public Works



---

Laura Mirabella  
Commissioner of Finance and Regional Treasurer



---

Erin Mahoney  
Chief Administrative Officer

March 25, 2026  
17151493  
Attachments (1)

Attachment 1 - 2026 Corporate Asset Management Progress Report (17151532)