

2025

CORPORATE ASSET MANAGEMENT PROGRESS REPORT



April 2025


York Region

About the Corporate Asset Management Progress Report

In accordance with Ontario's *Infrastructure for Jobs and Prosperity Act, 2015*, and Regulation 588/17, this Corporate Asset Management Progress Report (CAMPR) outlines York Region's progress toward achieving the 2024 Corporate Asset Management Plan (CAMP) and details how the Region will continue to deliver services safely, reliably, and in a cost-effective manner. The data in this report is based on York Region's asset portfolio, including Region-owned corporations, as of December 31, 2023, and incorporates information from the 2024 Budget.

York Region-owned organizations



Figure 1: Portfolio includes the following 13 asset-enabled services

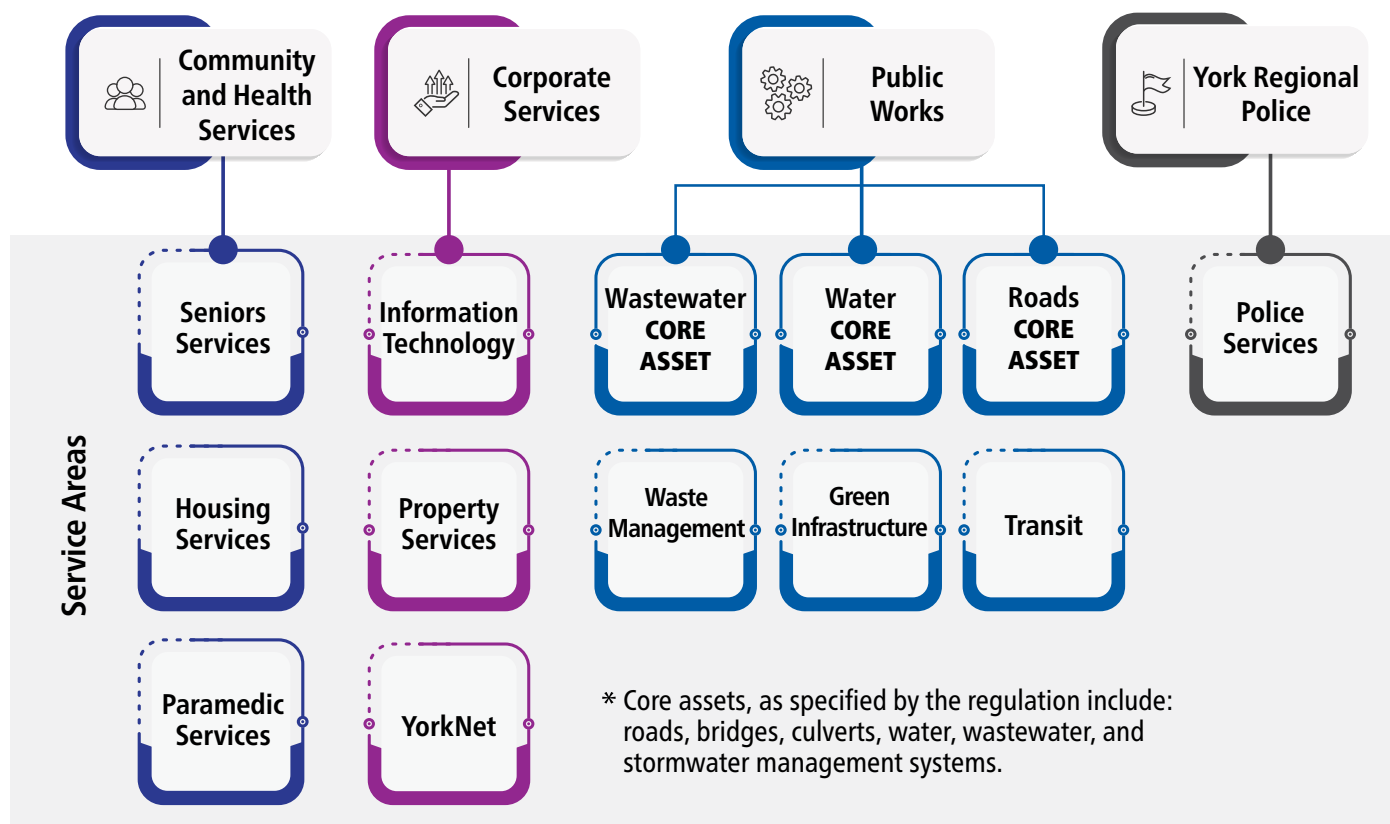




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Executive Summary

Key updates in the 2025 CAMPR

- Replacement cost of the portfolio increased from \$25.3 billion to \$28.8 billion, an increase of \$3.5 billion or 14% from 2022. The majority of the increase is associated with revised asset cost estimations and inflationary impacts
- As of the end of 2023, 90% of the portfolio was in a fair or better condition. All assets identified in poor and very poor categories are prioritized for appropriate rehabilitation and, or replacement based on risk assessment
- While nearly 95% of full lifecycle cost needs are forecasted to be funded over the 10-year horizon, there is a \$1.1 billion funding gap, with variances reported in Roads (\$618 million), Transit (\$453 million), York Regional Police (\$45 million), and Green Infrastructure (\$10 million)
 - Roads Services - Increased investment from asset management reserves in recent years has helped to mitigate the magnitude of the variance, but the costs to maintain roads infrastructure will continue to increase without additional investment. While road conditions in the Region remain good overall, minimizing lifecycle costs over the long run will require additional investment to prevent pavement from deteriorating to where it is more costly to repair. That said, there is a limit to the number of roads that can be under repair each year. As a result a phased approach to additional investment will be considered to address the variance while managing impacts traffic disruption
 - Transit Services – The variance for transit infrastructure is associated with the transition to an all-electric fleet of buses. While this Council commitment supports the Region’s environmental goals of reducing greenhouse gas emissions, it results in additional near-term infrastructure capital costs. Although operating costs for an all-electric bus fleet are expected to be lower than a comparable fleet of diesel buses, the capital investment to purchase electric buses is significantly higher. This is largely driven by inflationary pressures, high demand for electric buses, and limited manufacturing capacity within the industry. As a result, bus deliveries may be delayed beyond initial projections, leading to deferred retirements of diesel buses
 - York Regional Police (YRP) – The variance for YRP infrastructure is primarily associated with equipment needs as identified through an asset management plan completed in 2024. YRP is undertaking further analysis to confirm, as it is believed that the magnitude of need may be overstated. YRP asset management needs will be further explored through the 2026 budget process and as part of the 2026 Progress Report
 - Green Infrastructure Services – The variance for Green Infrastructure services is associated with implementation of the approved Green Infrastructure Asset Management Plan, which aims to expend the York Regional Forest to meet growing demand for greenspace while replacing aging assets such as street trees and trails that have reached the end of their useful life. Individual project costs, available grants and the ability to deliver on the identified initiatives will be assessed in future plans. Green infrastructure supports the Region’s canopy target, enhances streetscapes, advances environmental priorities, aids climate resilience, and promotes healthy communities
- For more details on these variances, refer to the service area profiles section in Appendix A
- In 2023, 87% of the capital plan was delivered for assets included in the CAMP, to build new infrastructure and maintain existing assets in a state of good repair, in alignment with level of service targets. A detailed overview of levels of service is provided in Appendix B
- Region continues to be a leader in asset management by conducting scenario planning strategies, assessed through the Region’s budget process, to reduce overall asset lifecycle cost while balancing intergenerational equity
- Asset management continuous improvement plans remain on track, and the Region continues to enhance its maturity through ongoing improvement initiatives. Updates on planned initiatives for 2024 and 2025 are provided in Appendix C, with a comprehensive list of service area continuous improvement actions available in the 2024 CAMP

Replacement cost update

The Region’s portfolio replacement cost at the end of 2023 was \$28.8 billion. The portfolio replacement cost increased by approximately 14% due in large part to asset cost evaluation and inflation. See Table 1 for insights into portfolio changes.

Figure 2: 2023 Service area replacement cost

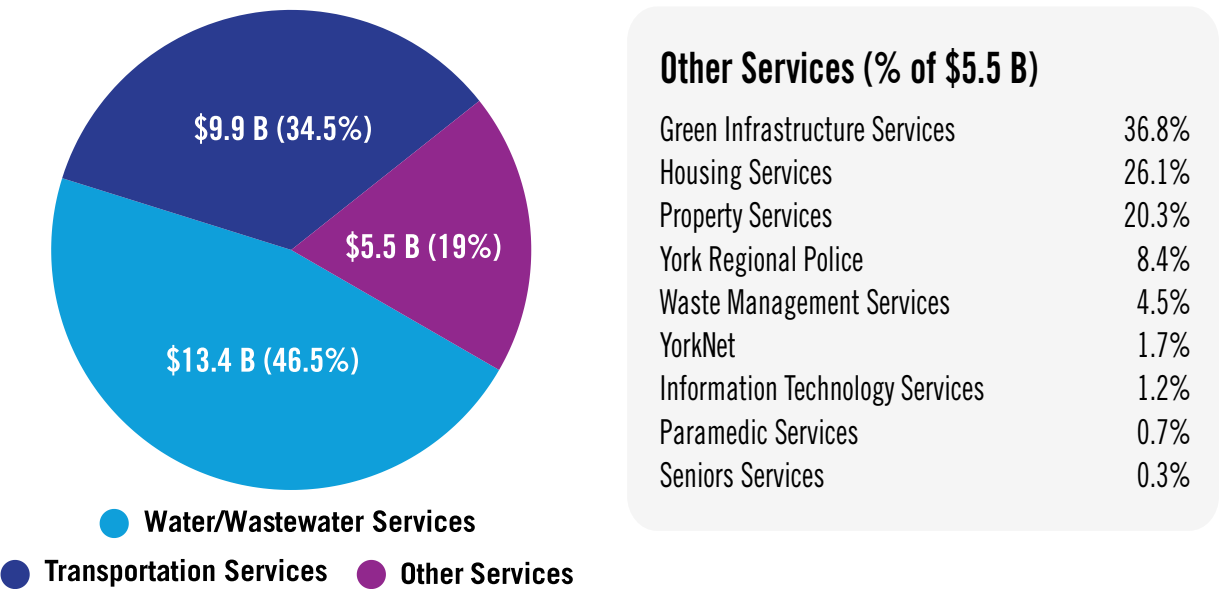


Figure 3: 2022 to 2023 replacement cost change

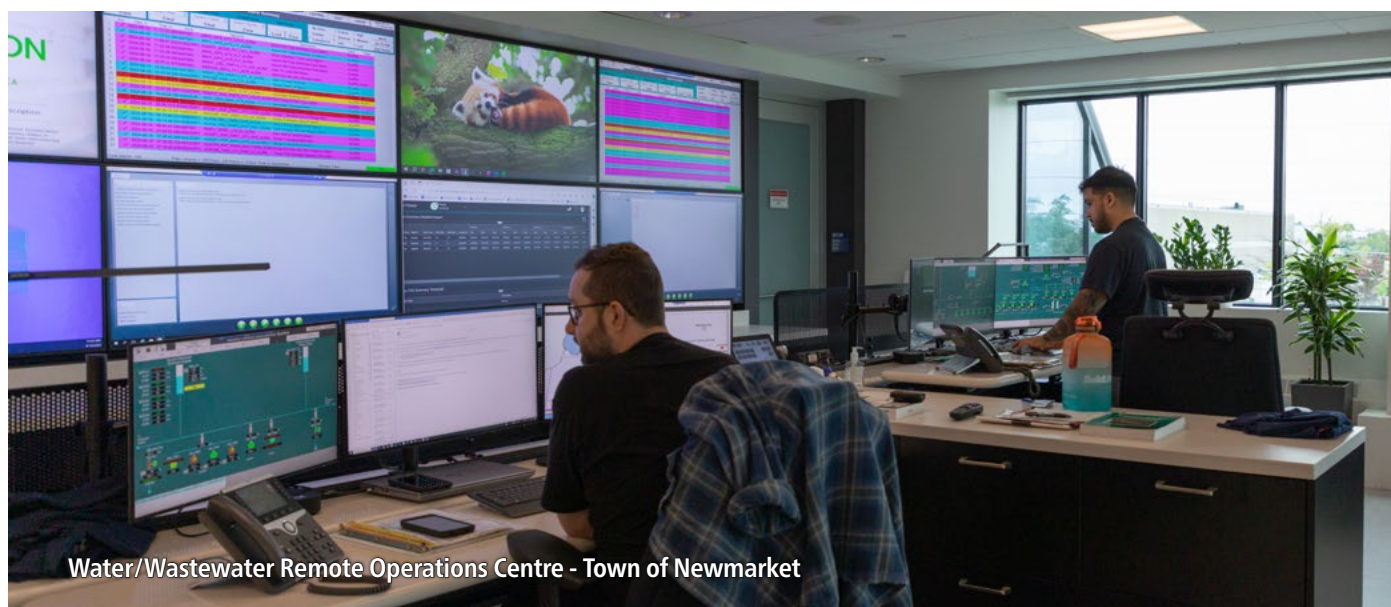
Component	Value (\$millions)	Percent Change
2022 Replacement Value	\$25,350	
Changes		
New & Upgraded Assets	\$394	2%
Inflation	\$942	4%
Asset Evaluation Improvements*	\$2,208	9%
Decommissioned Assets	\$(48)	-1%
Total Change	\$3,496	14%
2023 Replacement Value	\$28,846	

* May include inflationary components that have been captured as part of studies and unit cost improvements.

Table 1: York Region service areas

Service Area	2023 Replacement Cost (\$M)	2022 Replacement Cost (\$M)	Year Over Year Change (\$M/%)	Key Replacement Changes
Wastewater Services	\$9,274.7	\$8,727.6	\$547.1 6%	The \$547 million increase is primarily based on Statistics Canada Non-residential Building Construction Price Index (NRBCPI).
Roads Services	\$6,673.1	\$5,648.0	\$1,025.1 18%	The Roads Services portfolio saw an increase of \$79.7 million, mainly due to the rehabilitation of 187 lane-kilometers, several bridges, large culvert structures, and the preservation of 98 lane-kilometers of regional roads. Additionally, the portfolio's replacement cost valuation rose by approximately \$0.9 billion, reflecting an increase in construction project costs.
Water Services	\$4,115.3	\$3,883.5	\$231.8 6%	The \$231.8 million increase is primarily based on Statistics Canada Non-residential Building Construction Price Index (NRBCPI).
Transit Services	\$3,271.0	\$2,182.9	\$1,088.1 50%	Valuations moved from historical acquisition costs to more mature replacement costs based on updates from the Transit 2023 Asset Management Plan (AMP), which suggests a replacement cost valuation increase in 2023 compared to 2022.
Green Infrastructure Services	\$2,027.2	\$1,810.1	\$217.1 12%	Key replacement changes in 2023 include the addition of 282 tree grates, more than doubling the count from 2022 and increasing the tree grate valuation by \$2.5 million. The York Regional Forest also expanded by 34.7 hectares of forested cover, with 5,721 street trees and 16,436 shrubs and perennials added across Region-owned properties.
Housing Services	\$1,437.0	\$1,186.0	\$251 21%	The \$250.9 million increase in 2023 was driven by the addition of Unionville Commons and inflation adjustments based on the Canadian Residential Building Construction Price Index (RBCPI).
Property Services	\$1,117.9	\$1,025.3	\$92.6 9%	The \$92.6 million increase in replacement cost is attributed to the addition of Paramedic Response Station No. 27, located in the City of Markham, along with inflation adjustments.

Service Area	2023 Replacement Cost (\$M)	2022 Replacement Cost (\$M)	Year Over Year Change (\$M/%)	Key Replacement Changes
York Regional Police Services	\$463.7	\$460.4	\$3.3 1%	The \$3.3 million increase in replacement cost is attributed to the addition of the #1 District Headquarters.
Waste Management Services	\$249.1	\$236.0	\$13.0 6%	The \$13.0 million increase in replacement cost is attributed to inflation. No major changes were made to the portfolio.
YorkNet	\$95.3	\$72.0	\$23.3 32%	YorkNet increased its network size by 187 km (or \$19.4 million), primarily related to the rural expansion project. Normal inflationary pressures added approximately \$3.9 million.
Information Technology Services	\$65.9	\$68.4	-\$2.5 -4%	The \$2.4 million decrease is primarily due to deferred decommissioning of legacy assets.
Paramedic Services	\$39.7	\$35.6	\$4.1 12%	In 2023, 7 ambulances, 7 pieces of paramedic equipment, 6 SUVs, and 3 special response units were decommissioned and replaced with new assets.
Seniors Services	\$16.0	\$13.7	\$2.3 17%	The nurse call system at Maple Health Centre was installed and commissioned in 2023. Additionally, the asset portfolio now includes equipment that was not previously accounted for, such as those for the Adult Day Program, tub room refurbishments, air mattresses, ceiling lift tracks, and turntables.



Water/Wastewater Remote Operations Centre - Town of Newmarket

Service area performance trends

The following table provides a summary of the 2023 replacement costs, grades, trends, and future outlook by service area. The overall service area portfolio grades are based on asset reliability, capacity to meet demand, asset condition, and service affordability. The arrows indicate trends through to 2024 and can be stable (flat arrow), improving (up arrow), or declining (down arrow).

In 2023, a new financial metric was introduced as part of the grade and trend analysis. While data is available for service areas with higher maturity levels, others are working towards measuring it. These metrics are subject to change as a result of continuous improvement efforts and will be updated with each Progress Report.

Table 2: Service area profile summary

Service Area	Overall Grade and Trend	Replacement Cost (\$M)	Grade and Trend (→) to 2024			
			Reliability	Capacity	Condition	Financial
Wastewater Services	A →	\$9,274.7	A →	A →	B →	B →
Roads Services	B →	\$6,673.1	A →	B →	B →	n/a
Water Services	A →	\$4,115.3	A →	A →	B →	B →
Transit Services	B →	\$3,271.0	A →	B ↗	B →	n/a
Green Infrastructure Services	B →	\$2,027.2	A →	B →	B →	B →
Housing Services	B →	\$1,437.0	B →	B →	C ↗	B →
Property Services	B →	\$1,117.9	A →	n/a*	B →	B →
York Regional Police Services	B →	\$463.7	A →	B →	B →	n/a
Waste Management Services	B →	\$249.1	B →	B →	B →	A →
YorkNet	A →	\$95.3	A →	A →	A →	A →
Information Technology Services	B →	\$65.9	A →	C ↘	C ↗	A →
Paramedic Services	A →	\$39.7	A →	A →	A →	n/a
Seniors Services	A →	\$16.0	A →	A →	B →	n/a

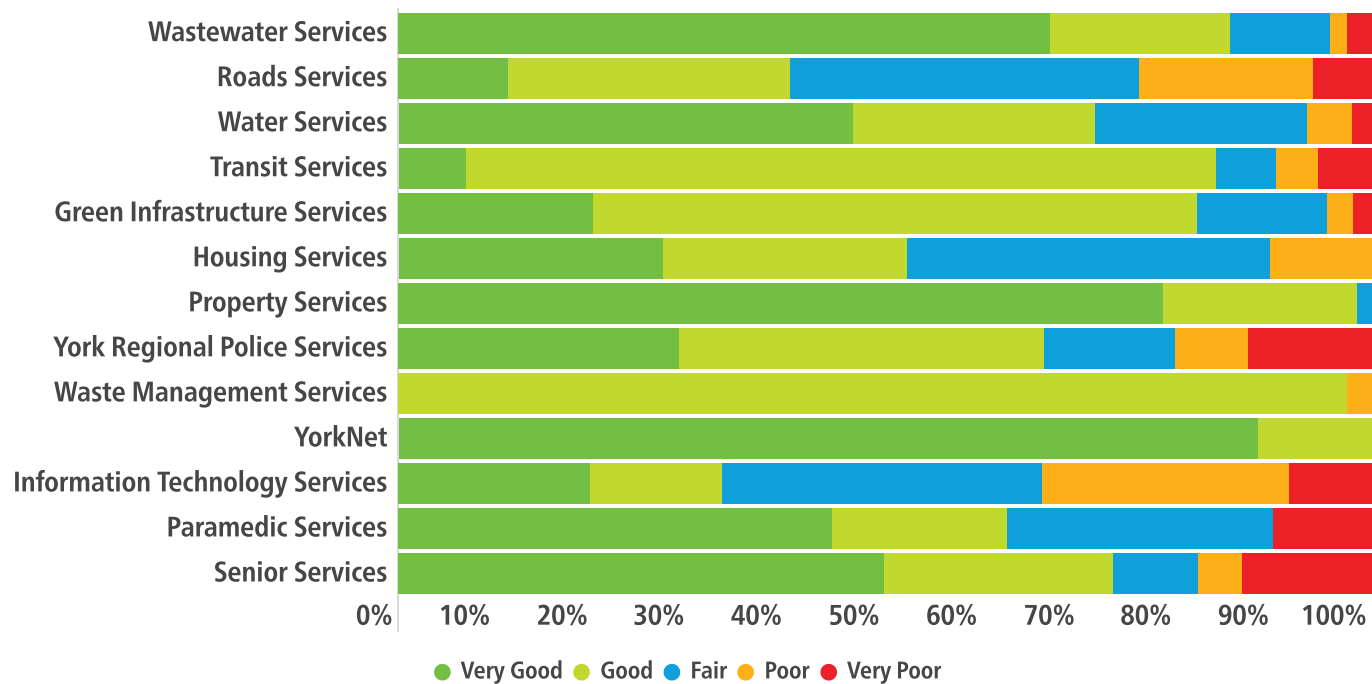
* Metric currently under review as a result of hybrid work model policy changes, and expected to be updated in the 2026 CAMPR.

Overall asset condition remains high, with 90% of the portfolio in fair or better condition

As of the end of 2023, 90% of the corporate asset portfolio is rated in fair or better condition, with core assets (water, wastewater, and roads, as specified in Ontario Regulation 588/17) at 89%. Although, the share of core assets in fair or better condition declined by 3% from 2022 to 2023, this was largely attributed to updated replacement costs in the categories and not in the number of assets. Core asset condition ratings are reported annually through Strategic Plan progress reporting.

Some assets are labeled as poor or very poor based only on age, rather than actual condition. For more details, see the "Managing risk" section on page 10.

Figure 4: Portfolio condition



Bathurst Street north of Green Lane - Township of King, Town of East Gwillimbury

Managing risk

Risks to service delivery include aging assets, extreme weather, power outages, and unexpected asset failures. Varying population growth projections, whether lower or higher, can also pose risk depending on the type of asset. Asset management, including master plans, must take these risks into consideration. In alignment with ISO 31000, these risk management practices ensure that uncertainties impacting service continuity and performance are systematically identified, assessed, and addressed.

For the 2025 CAMPR, regional service areas have introduced a new risk assessment component specifically targeting assets in poor and very poor condition. This enhancement provides deeper insight into the risk levels of these assets, categorizing them on a scale of low, moderate, and high risk. The table below details the monetary value and percentage of any poor and very poor condition assets in relation to the overall portfolio. All assets identified in these categories are prioritized for appropriate rehabilitation and, or replacement.

The Region is developing a Risk Management Guidance Document to support consistency across the corporation in how risk is analyzed in all service areas. Methods promoted by industry-leading organizations and used in more mature service areas will be considered for expansion to the rest of the corporation. The upside of risk is that an unexpected change might create opportunities to improve asset management. These include third-party funding, co-ownership, and the possibility of using an asset for more than one purpose.

Table 3: Understanding risk of assets labeled in poor and very poor condition

Service Area	Total Replacement Cost for P/VP Assets (\$M)	% of P/VP Assets Relative to Total Portfolio	Total Replacement cost of P/VP Assets Classified as High (\$M)	Total Replacement cost of P/VP Assets Classified as Moderate (\$M)	Total Replacement cost of P/VP Assets Classified as Low (\$M)
Wastewater Services	\$401	4%	\$66.2	\$245.1	\$89.7
Roads Services	\$1,999.1	30%	\$1,020.1	\$965.2	\$13.8
Water Services	\$276.7	7%	\$25.9	\$218.9	\$31.9
Transit Services	\$324.3	0%	\$0	\$63.8	\$260.5
Housing Services	\$151.5	0%	\$0	\$8.1	\$143.4
Green Infrastructure Services	\$26.8	5%	\$0	\$0	\$26.8
York Regional Police	\$93.8	20%	\$33.1	\$54.8	\$5.9
Information Technology Services	\$22.4	33%	\$0	\$21.0	\$1.4
Waste Management Services	\$6.7	0%	\$0	\$0	\$6.7
Paramedic Services	\$4.1	0%	\$0	\$3.6	\$0.5
Senior Services	\$2.9	0%	\$0	\$0.8	\$2.1
Total Percentage of Risk for P/VP Condition Assets			35%	48%	17%

Financial Review

Regional fiscal strategy

The Regional Fiscal Strategy aims to achieve long-term financial sustainability by managing capital plans, reducing debt reliance, and saving for the future. It is built on the principle of fairness across generations.

Under the strategy, Regional Council allocates funds to three categories of capital reserves: Asset Replacement reserves, which fund the rehabilitation and replacement of assets; Development Charge reserves, which fund growth-related projects or debt servicing of completed projects; and Capital Reserves, used mainly for the portion of growth-related projects that are not eligible for DC Funding.

Asset replacement reserves are funded through tax levy or user rate contributions from the operating budget. Asset replacement reserves reached a balance of roughly \$2.3 billion at 2023 year-end and were expected to reach almost \$2.5 billion by the end of 2024. Development charge reserves are used to stabilize volatile development charge revenue. Volatility comes from things like construction activity, economic cycles, legislative changes, or changes in DC rates. Development charge reserve balances were approximately \$400 million at the end of 2023 and as noted in the 2024 Budget Book, were expected to reach \$700 million by the end of 2024.

Capital Reserves are mainly earmarked for specific non-DC-eligible growth projects, including roads, transit, social housing and waste management projects. They also help fund non-profit housing repairs and maintenance. These reserves totaled \$1.0 billion at 2023 year-end and were expected to maintain the same balance by the end of 2024.

Coordinated and competitive procurement and other activities

Coordinated procurement of goods and services helps to minimize service disruption and reduce lifecycle costs through economies of scale. Commodity prices for goods and services may be subject to tariffs, which can drive up asset costs throughout the supply chain. The Region works closely with its nine local municipalities, the provincial government, utility companies, the private sector, and other entities to leverage cooperative and competitive purchasing power.

Similarly, the Region and partners enter into agreements for such activities as clearing snow or maintaining traffic signals, since having one party deliver the service instead of two or more is more cost-effective.



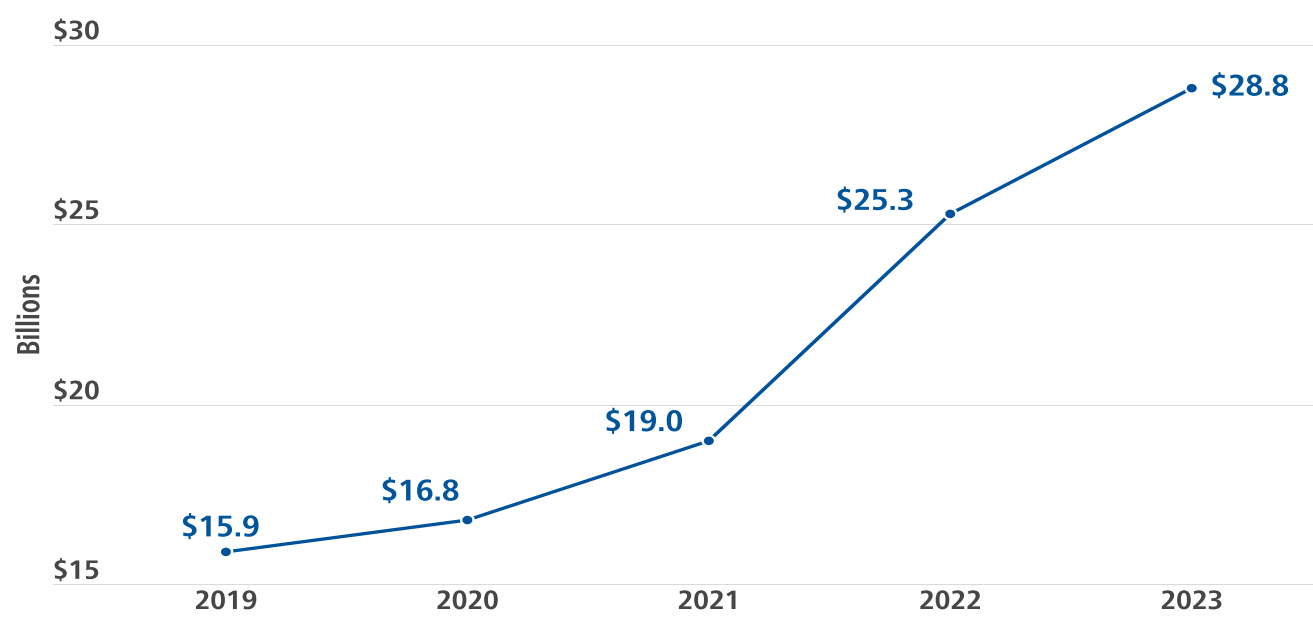
10-year lifecycle spending outlook

Understanding and tracking condition and value of regional assets supports continued performance and achievement of service level expectations. This is done through asset management programs that involve proactive work across the entire life of an asset.

As of the end of 2023, this report estimates it would cost \$28.8 billion to replace York Region’s assets. In the last five years, replacement costs have grown by \$13.0 billion. Growth reflects new assets added to the base, as well as inflation and more refined methods of estimating costs. The increase \$3.5 billion from 2022 to 2023 was largely driven by improved methods of evaluating replacement cost (up \$2.2 billion) mainly in Transit and Roads services, and higher inflation (\$1.0 billion). The remainder (\$0.3 billion) is attributed to new and upgraded assets, and decommissioning.

Public Works assets total over \$25 billion, representing just under 90% of the Region’s portfolio. Its assets include water and wastewater infrastructure valued at \$13.4 billion, transportation assets, including roads and transit, at \$9.9 billion, green infrastructure valued at \$2 billion and waste management services valued at \$0.2 billion.

Figure 5: York Region service area total assets replacement cost



Note: All values in 2023 dollars, uninflated.

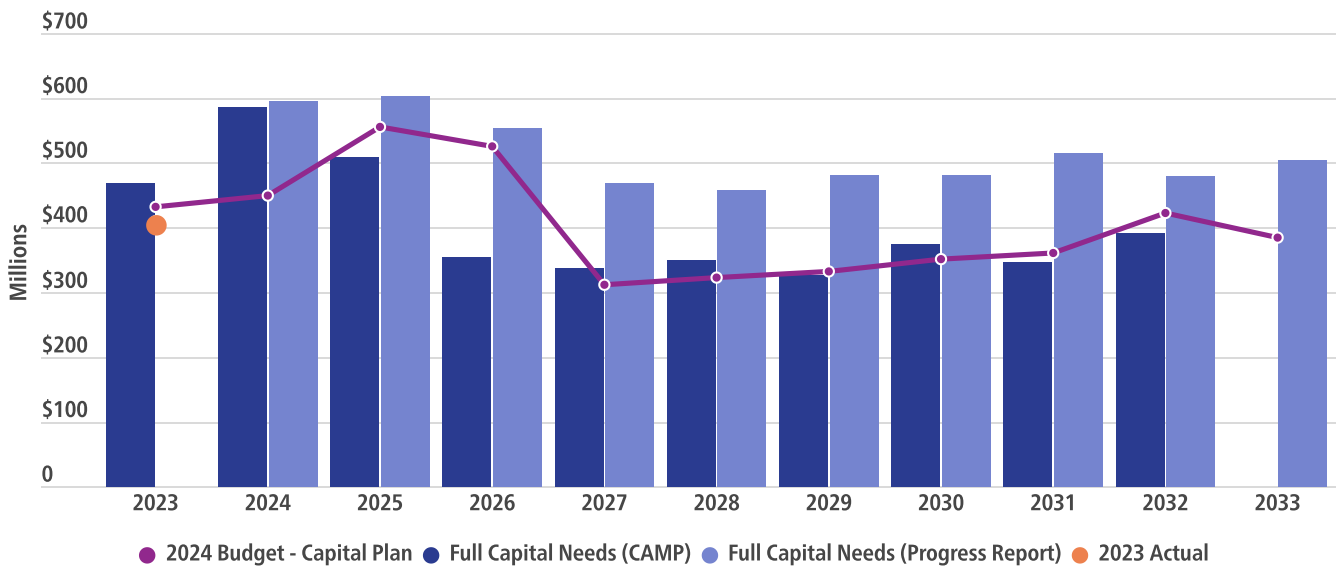
Lifecycle spending

This section outlines lifecycle spending needs to support the levels of service defined in Section 2: Levels of Service. To align with the Region’s budget practices, spending is categorized as either capital and operating. Capital needs are further broken down between renewal needs (asset rehabilitation and replacement) and growth-related needs. The projected budget available to meet asset lifecycle needs over the 10 year horizon (2024 to 2033) is \$19.7 billion. This includes capital budget for existing assets (\$4.0 billion), capital budget for growth-related assets covered by the CAMP (\$5.9 billion), and operating budget for both existing and growth-related assets (\$9.8 billion).

Capital spending to meet existing asset needs

This report estimates the full cost of renewing assets to maintain levels of service. In developing the forecast, service areas reviewed both costs for existing assets as well as increases in renewal needs as assets are added to the base. Figure 6 shows the results. Total spending needs over 10 years to maintain levels of service totals approximately \$5.1 billion.

Figure 6: Capital plan vs. full capital needs (existing assets)



Note: All values in 2023 dollars, uninflated.

The line in the graph shows asset management funding in the 2024 Budget's 10-year Capital Plan (for consistency, the graph excludes spending on assets outside the scope of this Plan). The 10-year total is approximately \$4.0 billion. This results in a projected variance of \$1.1 billion compared to full spending needs. This is mostly driven by variances of:

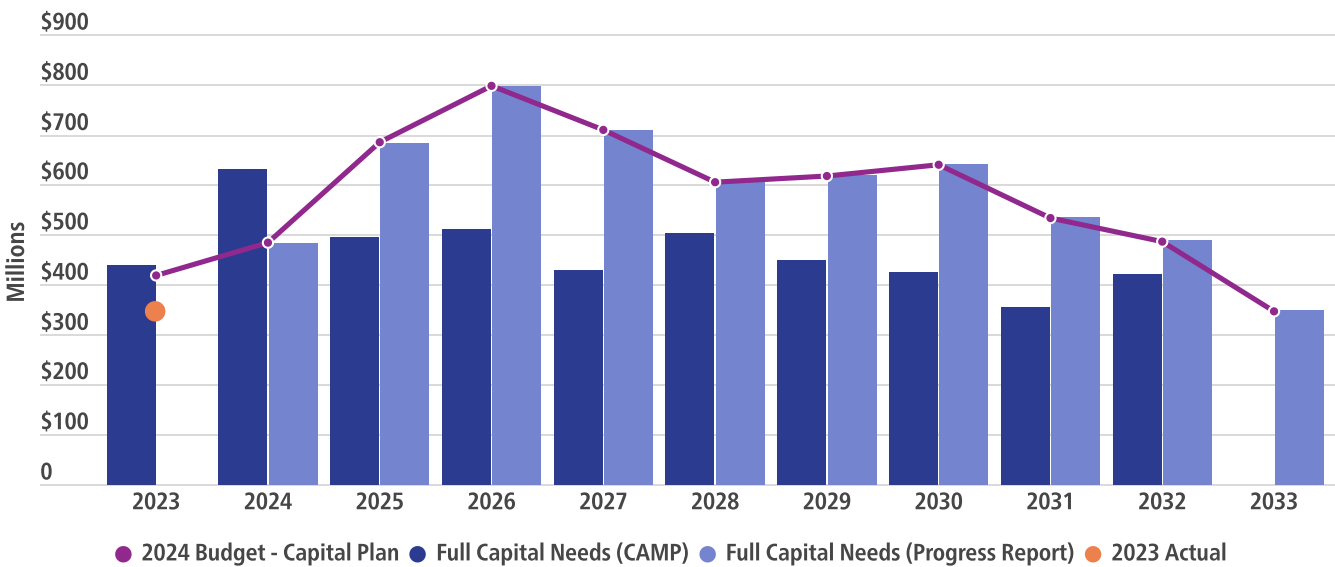
- \$618 million for Roads
- \$453 million for Transit Services
- \$45 million for Police Services
- \$10 million for Green Infrastructure

The individual discussions for these service areas provide more detail. The full needs to budget variances are reviewed through the annual budget process.

Capital spending to meet growth needs

This category captures the initial cost to build or acquire new assets to meet growth needs. For these estimates, service areas reviewed the costs of new assets required to maintain levels of service over the 10-year period. Figure 20 shows total spending needs of approximately \$5.9 billion over 10 years.

Figure 7: Capital plan vs. full capital needs (future assets)

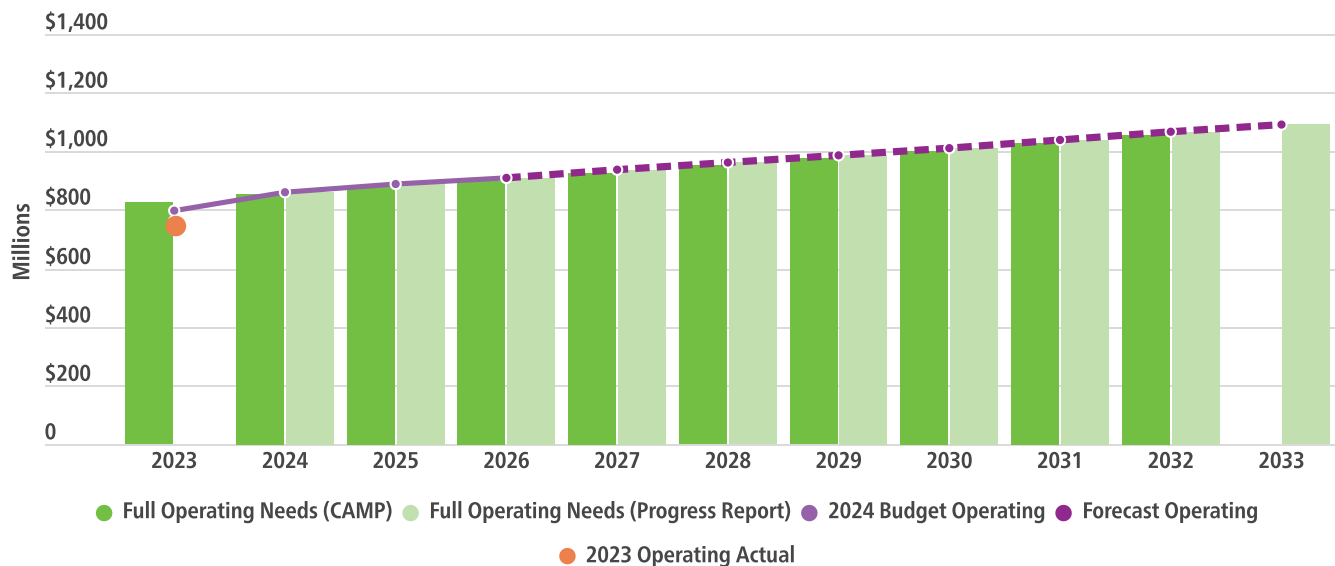


The line in the graph shows growth-related funding in the 2024 Budget's 10-year Capital Plan totaling \$5.9 billion (for consistency, the graph excludes spending on assets outside the scope of this Plan). There are some small costs reported for future assets in this progress report that were not identified in the CAMP. These costs belong to YorkNet and are discussed in more detail in its service area section. Although these figures suggest adequate funding is available, there are small differences in timing of planned spending for Property Services and Green Infrastructure. The discussion for each of these service areas provides additional details.

Operating costs

Service areas have estimated the costs to operate existing and new assets while maintaining approved service levels. In line with the Region's budget, these costs are presented in nominal dollars. Figure 8 shows estimated operating costs of approximately \$9.7 billion over the 10-year horizon. Using a similar approach to capital assessment, available funding has been evaluated against service delivery costs. The Region's budget process prioritizes operating needs, and sufficient funding is expected over this period.

Figure 8: Operating budget vs. full operating needs (existing and future assets)



Anticipated pressures

Based on the analysis outlined in this report, the Region expects to have sufficient funding to continue providing levels of service over the 10-year horizon. The Region is projecting significant population growth, and additional growth-related infrastructure is required. These projections are expected to create additional pressures for the Region going forward:

- The Region's share of funding for the Yonge North Subway Extension is approximately \$1.12 billion based on the 2024 budget. Once the project is complete, tax levy support for the Region's share of operating costs will be needed from the Region's annual operating budget
- The cost of the next phase of bus rapid transit is estimated to be approximately \$1.8 billion over the 10-year period. This was not included in the 2024 Capital Plan as senior government funding would be needed to undertake these projects
- Approximately \$304 million in community housing projects were excluded from the Plan for the same reason

Fiscal strategy considerations

The Region effectively manages its lifecycle needs through the annual budget process and the Regional Fiscal Strategy. As this progress report identified a higher spending need relative to available budget, opportunities to increase service area budgets will be reviewed through the 2026 budget development process. The Region will also continue to explore other potential funding sources, such as grants, subsidies and developer support, to reduce costs to its own service users. Fiscal strategies for addressing asset management lifecycle costs are outlined in the 2024 CAMP.

The full report, including appendices, is available on the Region's [Corporate Asset Management website](#).



Pedestrian push button

