



Office of the Commissioner
Environmental Services Department
Transportation Services Department

MEMORANDUM

To: Members of Committee of the Whole

From: Erin Mahoney, M. Eng.
Commissioner of Environmental Services

Ann-Marie Carroll
Acting Commissioner of Transportation Services

Date: October 25, 2021

Re: 2020 State of the Infrastructure Report

The Region's 13 Service Areas work together annually to update the Corporate Asset Management State of the Infrastructure Report and refine processes and practices to improve data inputs, replacement values and metrics for asset management.

The Corporate Asset Management Strategy is led by the Commissioners of Environmental and Transportation Services providing direction on corporate asset management. These two departments have responsibility for over 80% of the Region's infrastructure assets. Coordination of asset management deliverables with key asset management stakeholders per the [Corporate Asset Management Policy](#) and framework is led by a dedicated Corporate Asset Management team.

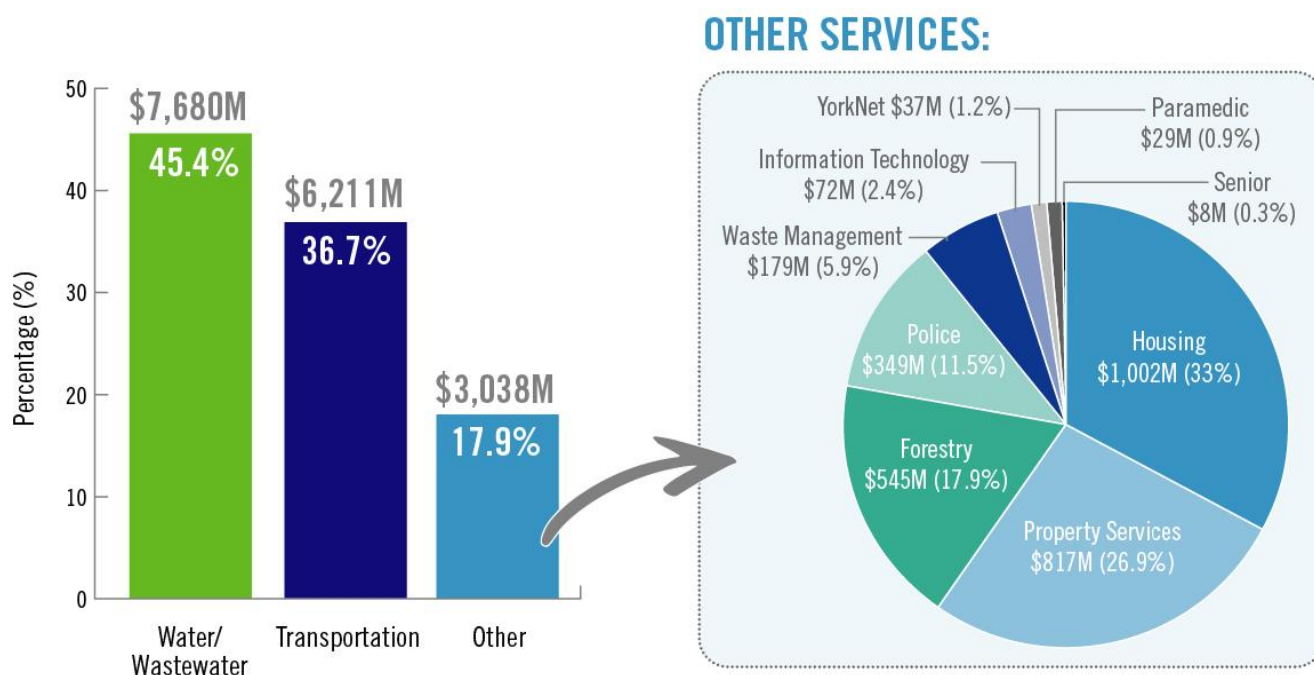
This memo and attachment updates Council on the state of Regional infrastructure as a follow up to a Council [report](#) from earlier this year. Staff committed at the [June 15, 2021](#) meeting to bring forward the 2020 Report when information became available. The State of the Infrastructure Report provides an understanding of the assets owned by the Region that are used to support each Service Area. This summary provides an analysis of the condition of the Region's infrastructure, a snapshot of current services and an outlook for the future.

York Region owns and operates assets with an estimated replacement value of \$16.9 billion, which is an annual increase of \$1 billion from 2019

Assets are essential to provide services that contribute to the high quality of life enjoyed by York Region residents and are the basis for services to be delivered in a safe, reliable, and efficient manner, while sustaining a growing community. As of December 31, 2020, the Region owns and operates over \$16.9 billion in tangible assets. The distribution of assets for each Service Area is illustrated in Figure 1.

Figure 1

Service Area Distribution of Replacement Value of \$16.9 Billion in Existing Assets



Note 1: Figures are rounded to nearest whole number.

Note 2: Transportation includes Roads and Transit Service Areas.

88% of the Region's assets are in fair to very good condition, through Council's ongoing commitment to maintain Levels of Service by making appropriate financial investments

Annual tracking, monitoring, and reporting of asset condition by Service Area and annual assessment of reserves for asset management are undertaken as part of the Corporate Asset Management process. State of the infrastructure reporting supports the Good Government pillar in the Region's Strategic Plan that focuses on financial sustainability, transparency, accountability and reliability of Regional government and its programs and services. Maintaining assets in a state of good repair is a cost-effective way to manage infrastructure lifecycles. Spending the right amount of capital dollars on infrastructure asset management lowers the risk of service disruption and decreases the cost of sustaining Regional infrastructure over time.

State of the infrastructure reporting includes the percentage of Regional assets with a condition assessment rating of fair or better for all 13 Service Areas including core assets (water, wastewater, transportation) and non-core assets. In 2020, 88% of all Regional assets were considered in fair to very good condition down slightly from 89% in 2019. In comparison, 86% of core assets (transportation, water and wastewater) were in fair to very good condition.

The fiscal strategy enables the sustainability of Levels of Services and the condition of assets across the Region's portfolio. The 2020 State of the Infrastructure Report shows that Regional assets as a whole are performing well and maintaining a stable performance trend into 2021.

Below are highlights of significant Service Area specific changes from 2019 to 2020.

- Replacement value of the Transit Service Area portfolio increased by approximately \$315 million. Improvements included adding six electric buses, purchased in support of the Region's commitment to electrify the transit fleet by 2051 through the Transit and Corporate Fleet Electrification Plans, along with acquisition of the Newmarket Bus Terminal and completion of bus rapid transit lanes on Yonge Street, Bathurst Street and Centre Street in the Cities of Richmond Hill and Vaughan. The Province continues to be responsible for asset management activities and associated costs for bus rapid transit lane assets under its ownership
- A new building located at 17150 Yonge Street was added to the Property Service Area portfolio increasing the replacement value for this portfolio by approximately 53% or \$275 million
- Police Service Area opened a new marine facility (replacement value of nearly \$10 million) that houses seven fleet vessels and contributed to a portfolio increase from 2019 of \$16.7 million for this Service Area
- YorkNet expanded their fibre network with a portfolio increase from \$25.3 million to \$37.3 million, this fibre network supports administrative services across the Region including hospitals, universities, local municipal operations, libraries, schools, and police services
- Additional changes and increases to Service Area portfolios are attributed to indexing replacement costs from 2019 to 2020 for scheduled rehabilitation and replacement of existing infrastructure
- Approximately 94% of the water/wastewater asset portfolio is in fair or better condition, which is unchanged from the previous reporting year. All water and wastewater assets rated in poor or very poor condition have been programmed for rehabilitation or replacement
- Percentage of Information Technology assets in poor condition increased from 16% to 35%. This was largely related to delays in refreshing across all asset classes due to the logistical challenges and reprioritizations due to COVID-19

- Transportation and Finance staff have worked together to develop a long-term financial strategy for the Regional road network using the Asset Replacement Reserve supported by Council

Corporate Asset Management is integral to long term financial sustainability

Corporate Asset Management supports the Region’s Fiscal Strategy to ensure financial sustainability over time. The Region’s Corporate Asset Management Policy plays an important role in providing guiding principles that are embedded in the Region’s long-term fiscal strategy.

Continued implementation of the Policy and Plan is essential to effectively manage infrastructure investments needed to sustain asset-enabled services and continue to achieve desired Levels of Service. State of the infrastructure reporting supports fiscal planning by providing annual insight into the 13 individual Service Areas and their combined portfolios by tracking replacement value and Levels of Service.

The Public Sector Accounting Board issues a Statement of Recommended Practice to provide guidance to governments on reporting supplementary information such as assessment of Tangible Capital Assets. Reporting elements within the State of the Infrastructure Report align with this Practice leading to a better understanding of the Region’s Tangible Capital Assets beyond that contained in its financial statements.



Erin Mahoney, M. Eng.
Commissioner of Environmental Services



Ann-Marie Carroll
Acting Commissioner of Transportation Services



Bruce Macgregor
Chief Administrative Officer

Attachment (1)
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