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To: Committee of the Whole  
Meeting Date: May 7, 2026  
From: Laura Mirabella  
Commissioner of Finance and Regional Treasurer  
Re: **Financing Leases as at December 31, 2025**

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This memorandum provides members of Committee of the Whole with an update on all financing leases in place as at December 31, 2025, in accordance with Ontario Regulation 653/05 (the “Regulation”) under *Municipal Act, 2001*.

### **Provincial regulation requires annual reporting of financing leases**

As stated in Regulation, municipalities are required to annually report on their financing leases. The update must identify all financing leases and proportion of the net present value of financing leases to total long-term debt. It must also include a statement from the Treasurer that all agreements were made in accordance with the municipality’s policies and goals.

The Region’s Capital Financing and Debt Policy (the “Policy”) governs administration of capital financing leases and incorporates all the Regulation’s requirements, including the need to provide an annual update to Council. Policy also incorporates requirements from Ontario Regulation 403/02, which stipulates financing leases are counted toward the Region’s debt and financial obligation limit, also known as the annual repayment limit.

### **A financing lease extends beyond the term of Council**

For purposes of Regulation, financing leases are a subset of all Regional lease commitments for the provision of municipal capital facilities where payments extend beyond the current Council term. Municipal capital facilities include land, works, equipment, machinery and related systems and infrastructure. Leases expiring within the same Council term are not considered a financing lease.

### **Financing leases differ from contractual lease obligations reported in annual audited financial statements**

This memorandum shows the net present value of all lease payments over the entire lease term for financing leases under the Regulation. In contrast, the Region’s annual audited financial statements,

prepared in accordance with Public Sector Accounting Standards, include a disclosure of the minimum payments, for the next five years, for all leases.

Amounts in Appendix A do not match lease amounts disclosed in audited financial statements. The differences are summarized in Table 1.

**Table 1**  
**Comparison of financing leases and contractual lease obligations**

Comparative Factor	Financing Leases	Contractual Lease Obligations
Reporting standard	Ontario Regulation 653/05	Public Sector Accounting Standards section PS 3390 – Contractual Obligations
Reporting requirement	Update to Council	Annual audited financial statements
Period	Term of lease	Five years beyond the date of the financial statements
Scope	A subset of leases at the end of the reporting year and extending beyond the term of Council	All leases including those entered into after the end of the reporting year
Value of money	Net present value	Nominal dollars

**Council approval is required for one new material lease authorized in 2025**

The Regulation allows a municipality to differentiate between material and non-material leases, to be defined in municipality’s policies. The Policy currently defines a material lease as one with annual payments equal to or greater than \$250,000 or a net present value equal to or greater than \$2 million over the term of the lease agreement. This includes possible extensions or renewals where approval authority has been delegated to an officer of the corporation. Review of the material lease definition is currently in progress and an updated Policy will be provided to Council for approval.

All material leases entered during the year must be approved by Council and supported by a Treasurer’s report. The Treasurer’s report assesses costs and risks associated with proposed lease and provides a comparison with other financing forms. In 2025, Council authorized one material lease, which was to temporarily lease [8301 Keele Street, Vaughan](#).

**All financing leases in 2025 conform to policy guidelines**

Total average annual payments were \$4.7 million for all 40 of the Region’s financing leases as of December 31, 2025 expiring beyond 2026, the current term of Council. Details are provided in Appendix A, which includes both material and non-material financing leases.

The Policy requires the following cost and risk factors be compared to other financing forms prior to the use of financing leases:

- The ability for lease payments to vary, either based on an underlying benchmark debt instrument, or based on changes in the assumed residual value of the asset
- Uncertainty over leasing costs if the contract needs to be extended or renewed
- Financial strength of the leasing company

Lease information in this memorandum has been verified by departments. Legal Services also reviews all lease agreements prior to their execution and confirmed that Council authorized one material lease in 2025 (temporary lease for 8301 Keele Street, Vaughan) that required consideration for material contingent obligations.

This memorandum confirms, in opinion of Commissioner of Finance and Regional Treasurer, all financing leases entered in 2025 are in accordance with policies and goals set out in the Policy.

### **Financing leases had a net present value of \$26.7 million as at December 31, 2025**

Table 2 shows net present value of all financing leases at end of 2025, itemized by type, as well as the proportion of financing leases relative to Region's total long-term debt in comparison to the prior year.

Net present value of financing leases at 2025 year-end was \$26.7 million, representing Region's financial obligation over the remaining lease terms. The net present value of the financing leases decreased by \$4.0 million from \$30.7 million in 2024 to \$26.7 million in 2025, primarily resulting from the reduced remaining life of outstanding lease payments and slightly higher interest rates.

Financing leases represented approximately 1.31% of total long-term debt of the Region.

**Table 2**  
**Net Present Value (NPV) of Financing Leases**

Type	Amount as at Dec. 31, 2025 (\$Million)	Amount as at Dec. 31, 2024 (\$Million)	Change (\$Million)
<b>A.</b> Real estate	26.4	30.2	(3.8)
<b>B.</b> Miscellaneous Equipment	0.3	0.4	(0.1)
<b>C.</b> Total NPV of Financing Leases (= <b>A + B</b> )	26.7	30.7	(4.0)
<b>D.</b> Total Long-Term Debt* plus NPV of Financing Leases	2,033.6	2,069.0	(35.4)
<b>E.</b> Total NPV of Financing Leases as a Proportion to the Total Long-Term Debt plus NPV of Financing Leases (= <b>C / D</b> )	1.31%	1.48%	(0.17%)

Figures may not add due to rounding.

\*Total long-term debt is debt incurred by Region and outstanding at year-end, offset by value of the sinking fund asset set aside to repay sinking fund debt. Debt and sinking fund for local municipalities is excluded.

This memorandum meets reporting requirements set out by the Regulation and Policy governing the use of capital financing leases.

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For more information on this memo, please contact Bonny Tam, Director, Treasury Office at 1-877-464-9675 ext.75885. Accessible formats or communication supports are available upon request.



Laura Mirabella

Commissioner of Finance and Regional Treasurer



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Erin Mahoney

Chief Administrative Officer

April 1, 2026

# 17158532

Appendix A – Financing Leases as of December 31, 2025

The Regional Municipality of York  
Financing Leases as at December 31, 2025

Description	Address	Term of Lease Including Renewal Options (Years)	Expiry Date	Average Annual Cost (\$)*	Net Present Value (\$)*
<b>Police Real Estate Leases</b>					
Bruce's Mill (Community Safety Village)	3291 Stouffville Road, Whitchurch-Stouffville	31	9/30/2033	16,554	111,527
Queensway North (Telus) Tower	297 Queensway North, Georgina	10	12/31/2028	35,256	100,870
Tangreen (Communication Tower)	10 Tangreen Court, North York	11	12/31/2028	24,171	69,156
Township of King Sub Station	2585 King Road, Kettleby	20	12/31/2038	25,500	250,597
Whitchurch Stouffville Substation	111 Sandiford Drive, Whitchurch Stouffville	15	10/31/2028	81,993	222,429
York Regional Police Association (YRPA)	63 Eric T. Smith Way, Unit 204, Aurora	20	12/31/2041	79,605	890,738
York Regional Police Association (YRPA)	63 Eric T. Smith Way, Unit 205, Aurora	5	6/30/2027	47,587	69,673
Vaughan Metropolitan Centre	100 New Park Place, Vaughan	10	2/28/2034	176,313	1,238,131
Kleinburg Substation	10418 Islington Avenue, Kleinburg, Vaughan	5	3/31/2030	30,600	121,169
<b>Police Real Estate Leases Subtotal</b>				<b>517,579</b>	<b>3,074,290</b>
<b>Transit Leases</b>					
Access way to Richmond Hill Centre Terminal	Access way to Richmond Hill Centre Terminal, Richmond Hill	25	12/31/2030	26,760	123,220
Bernard Bus Terminal <sup>1</sup>	10909 Yonge Street, Richmond Hill	Note 1	None	1	21
Pioneer Village Station <sup>2</sup>	50 Settler Road, Vaughan	Note 2	None	32,000	666,667
TTC - Don Mills	1700 Sheppard Avenue East, Toronto	10	11/24/2032	139,262	851,890
TTC – Downsview	1035 Sheppard Avenue West, Toronto	10	9/30/2030	52,325	229,781
Vaughan Mills Bus Terminal	1 Bass Pro Drive, Vaughan	99	12/1/2103	229,175	4,660,501
YRT Bus Supply Warehouse	35 Killaloe Road, Vaughan	10	2/28/2030	151,632	589,231
Richmond Hill Centre Terminal	8675 Yonge Street, Richmond Hill	25	8/31/2030	4,099	17,711
Promenade Terminal <sup>3</sup>	1 Promenade Circle, Thornhill	30	12/31/2033	2	14
<b>Transit Leases Subtotal</b>				<b>635,256</b>	<b>7,139,037</b>
<b>Office Services Printer Leases</b>					
Print Shop / High Capacity Sheet Feeder - for File-based Processing	17250 Yonge Street, Newmarket	5	1/8/2028	9,161	17,939
Print Shop - Pro C5300SS/N 3853C600081 (colour - wall)	17250 Yonge Street, Newmarket	5	9/30/2028	35,285	92,973
Print Shop - Pro C5300SS/N 3853C600108 (colour - middle)	17250 Yonge Street, Newmarket	5	9/30/2028	35,587	93,766
Print Shop - PRO 3820S S/N 3692CB00044 (black ink)	17250 Yonge Street, Newmarket	5	9/30/2028	34,581	91,117
Ink Printer – Riso/Xerox	17250 Yonge Street, Newmarket	5	9/30/2028	7,651	20,159
<b>Office Services Printer Leases Subtotal</b>				<b>122,265</b>	<b>315,955</b>

Description	Address	Term of Lease Including Renewal Options (Years)	Expiry Date	Average Annual Cost (\$)*	Net Present Value (\$)*
<b>EMS Leases</b>					
EMS Aurora - Fire Hall	220 Edward Street, Aurora	35	12/31/2034	34,997	263,720
EMS Markham - Fire Hall	10 Riviera Drive, Markham	25	4/30/2029	81,306	256,780
EMS Nobleton	15 Old King Road, Nobleton	23	8/31/2029	27,489	95,100
EMS Schomberg <sup>4</sup>	15 Dillane Drive, King	50	4/14/2061	1	17
EMS Mount Albert	22A Princess Street, East Gwillimbury	40	8/31/2044	1,375	16,993
EMS Stouffville - Fire Hall	100 Weldon Road, Whitchurch-Stouffville	20	11/26/2029	13,502	49,562
EMS Vaughan - Fire Hall	7690 Martin Grove Road, Vaughan	49	1/31/2066	66,286	1,178,822
EMS Richmond Hill – Fire Hall	150 High Tech Road, Richmond Hill	8	1/31/2028	43,960	88,683
EMS Ballantrae – Fire Hall	15400 Highway 48, Whitchurch-Stouffville	23	12/31/2027	24,432	47,502
<b>EMS Leases Subtotal</b>				<b>293,349</b>	<b>1,997,178</b>
<b>Other Real Estate Leases</b>					
Community Environmental Centre (Elgin Mills Road)	1200 Elgin Mills Road East, Richmond Hill	20	9/30/2030	49,376	216,834
Early Intervention Services	13175 Yonge Street Premises and Basement, Richmond Hill	20	2/28/2027	247,492	282,670
Markham Early Intervention Services	9275 Highway 48 (Markham Road), Units 16, 17, 202 and 204, Markham	13	1/7/2027	159,972	160,612
Markham Health Services	4261 Hwy #7, Suites B4-B9, Suite C-1, Markham	20	11/30/2029	404,880	1,490,138
Markham Household Hazardous Waste Depot	555 Miller Avenue, Markham	18	12/31/2027	42,141	81,931
South East District Yard (Richmond Hill Works Yard)	1700 Major Mackenzie Drive East, Richmond Hill	33	3/31/2028	54,498	118,314
South Services Centre <sup>5</sup>	50 High Tech Road, Richmond Hill	31	12/31/2031	2,019,485	10,906,603
The Link	20849 Dalton Road, Georgina	15	9/30/2035	115,955	933,025
<b>Other Real Estate Leases Subtotal</b>				<b>3,093,798</b>	<b>14,190,126</b>
<b>Financing Leases Total</b>				<b>4,662,247</b>	<b>26,716,585</b>

<sup>1</sup> No end date, the land was conveyed to the Region for the period it is required to operate a public transit service, nominal rent is charged for the lease

<sup>2</sup> Lease term is to the end of subway service

<sup>3</sup> Nominal rent is charged for the lease

<sup>4</sup> The landlords are area municipalities of York Region, consequently nominal rents are charged for these leases

<sup>5</sup> Average annual cost and net present value do not include any amounts received for the sublease of this property

\* Figures may not add due to rounding