

## **Annual Review of the City of Toronto's Asset Management Planning Progress**

**Date:** June 2, 2026  
**To:** Executive Committee  
**From:** Chief Financial Officer and Treasurer  
**Wards:** All

### **SUMMARY**

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On May 21, 2025 City Council adopted report EX23.7 - City of Toronto's 2025 Corporate Asset Management Plan for all municipal infrastructure assets in accordance with *Ontario Regulation 588/17: Asset Management Planning for Municipal Infrastructure* (the "Regulation") under the *Infrastructure for Jobs and Prosperity Act*.

The 2025 Corporate Asset Management Plan (AMP) encompassed 26 City Divisions, Agencies, and Corporations (DACs) that hold ownership and/or responsibility over City-owned municipal infrastructure assets, as defined by the Regulation. Organized into 9 service areas and 26 subservices, the AMP exhibited the multitude of services provided by the City, demonstrating the relationship between service delivery and the assets that support those services. The 2025 Corporate AMP represents the final milestone of O. Reg. 588/17.

In accordance with the Regulation's ongoing accountability requirements for Ontario municipalities, the City must undertake an annual review of its asset management (AM) program and report on progress to Council on or before July 1 of each year. This report constitutes the City's first annual AM progress update to Council, addressing the following areas, as required:

- a) the municipality's progress in implementing its asset management plan;
- b) any factors impeding the municipality's ability to implement its asset management plan; and
- c) a strategy to address the factors described in clause (b).

Overall, the City has made significant progress in its AM program, including establishing a CAM strategy and roadmap; completing its first AM readiness assessment and data collection exercise; strengthening integration with the City's budget process; developing internal AM dashboards to support evidence-based decision-making; and establishing a dedicated AM network across agencies, boards, and corporations.

In conjunction with the continued development of the City's AM program, an internal review of the 2019 Corporate Asset Management Policy was undertaken. This review resulted in technical amendments to reflect the formal establishment of the Corporate Asset Management (CAM) function and updates to associated definitions, roles and responsibilities. It is recommended that City Council approve these technical changes and delegate authority to allow for future non-substantive amendments to the policy, as required, to support ongoing program refinement and compliance.

## **RECOMMENDATIONS**

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The Chief Financial Officer and Treasurer recommends that:

1. City Council adopt the report (June 2, 2026) from the Chief Financial Officer and Treasurer as required under Ontario Regulation 588/17: Asset Management Planning for Municipal Infrastructure.
2. City Council adopt the Corporate Asset Management Policy set out in Attachment 1 and City Council delegate authority to the Chief Financial Officer and Treasurer to affect any further technical amendments to the policy as required.

## **FINANCIAL IMPACT**

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Adoption of this report does not result in immediate financial implications. However, ongoing compliance with the legislative requirements will result in the need for identification of resources and functions corporately to establish an organization-wide practice of integrated asset management (AM) in support of a whole-of-government approach to AM that will promote consistency and standardization of AM practices across the City.

As identified in the 2025 Corporate Asset Management Plan (AMP), the City of Toronto maintains approximately \$215 billion in assets. The 2026-2035 Capital Plan invests roughly \$33 billion in state-of-good repair (SOGR) to support maintenance needs. Further improvement initiatives identified in the 2025 Corporate AMP and formalized in the Corporate Asset Management (CAM) roadmap will be integrated into the City's annual budget process and capital prioritization framework as recommended through the Updated Long-Term Financial Plan. This will enhance existing prioritization processes and be used to make data-driven, evidence-based decisions regarding the 10-Year Capital Plan to balance service value optimization, risk mitigation and cost reduction. It will also allow Council to set strategic direction in the allocation of available capital funds using a consistent set of guiding principles, while considering overall affordability and capacity to deliver capital investments.

## **DECISION HISTORY**

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At its final wrap-up meeting on February 20, 2019, Budget Committee requested that the Chief Financial Officer and Treasurer continue efforts to update and improve the City's asset management policies, standards, and practices and report back together with the City's asset management policy for Council's consideration and approval by July 1, 2019, as required by Provincial legislation.

<https://secure.toronto.ca/council/agenda-item.do?item=2019.BU4.4>

At its meeting on June 18, 2019, City Council adopted the Corporate Asset Management Policy. The purpose of this policy is to guide the development and implementation of the City of Toronto's asset management framework and asset management plans and applies to the lifecycle management activities of municipal infrastructure assets that are owned and/or controlled by the City of Toronto for the provision of services. This policy was developed in response and in accordance with *Ontario Regulation 588/17: Asset Management Planning for Municipal Infrastructure* and it is used to guide the development of the City's asset management plans.

<https://secure.toronto.ca/council/agenda-item.do?item=2019.EX6.11>.

At its meeting on November 9, 2021, City Council adopted the Core Infrastructure Asset Management Plan for water, wastewater, stormwater, roads, bridges, and culverts. The report was developed in response and in accordance with *Ontario Regulation 588/17: Asset Management Planning for Municipal Infrastructure* under which all municipalities must submit an asset management plan on the current state of its core infrastructure assets and the lifecycle activities and costs required for maintaining current levels of service.

<https://secure.toronto.ca/council/agenda-item.do?item=2021.EX27.3>.

At its meeting on September 6, 2023, City Council considered the Updated Long-Term Financial Plan. As part of the report, City staff committed to developing a prioritization framework for the 2025 budget planning process. It was noted that the framework would consider prioritization according to capital project categories, spend rates, availability and eligibility of funding, risk assessment, environmental, social and governance contributions, and strategic alignment with the City's priorities.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.EX7.1>

At its meeting on April 9, 2024, Executive Committee received a status update on the development of a comprehensive capital prioritization framework in which City staff identified key considerations to develop an objective tool and an approach for prioritizing capital projects based on a set of weighed criteria, with an intent to ultimately enhance the City's existing prioritization process.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.EX13.6>

At its meeting on May 22, 2024, City Council adopted the 2024 Corporate Asset Management Plan for all municipal infrastructure assets outside of the six core assets previously reported on through the 2021 Core Infrastructure Asset Management Plan. The report was developed in response and in accordance with Ontario Regulation 588/17: Asset Management Planning for Municipal Infrastructure under which all municipalities must submit an asset management plan on the current state of all other municipal infrastructure assets and the lifecycle activities and costs required for maintaining current levels of service.

At its meeting on May 21, 2025, City Council adopted the 2025 Corporate Asset Management Plan for all municipal infrastructure assets. The report was developed in response and in accordance with Ontario Regulation 588/17: Asset Management Planning for Municipal Infrastructure under which all municipalities must submit an asset management plan on the current state of all municipal infrastructure assets and the lifecycle activities and costs required to achieve proposed levels of service.

<https://secure.toronto.ca/council/agenda-item.do?item=2025.EX23.7>

## COMMENTS

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### Corporate Asset Management (CAM)

The City's Asset Management program is connected to the corporate strategic priority of ensuring the long-term financial sustainability of the City. The CAM function was established in 2023 within Finance and Treasury (F&T) Services to fulfill the provincial requirements under O. Reg. 588/17, but more importantly, to build the City's Corporate asset management (AM) program in support of a whole-of-government approach to AM that will promote consistency and standardization of AM practices across the City.

AM practices have typically occurred at the divisional/agency level. Although this has resulted in establishing in-depth service specific knowledge and customization of practices, it is recognized that this disparate approach results in a duplication of effort and inconsistent practices across the organization, with limited corporate visibility into asset needs. The City recognizes that a corporate AM lens is required to better align asset performance and lifecycle costs with capital planning and budget development. Varying degrees of data maturity and inconsistent lifecycle modelling and forecasting have impacted the City's ability to prioritize capital needs and investments at a corporate-level over the long-term. A centralized AM approach will facilitate the development of common tools, guidelines, policies, standards, and processes and provide oversight and alignment for asset management with other corporate initiatives, as well as complement the ongoing development of the City's Capital Prioritization Framework.

CAM's objective is to develop and implement frameworks and strategies for the effective stewardship of the City's assets, ensuring they are managed sustainably, cost-effectively, and in alignment with corporate strategic priorities. This includes advising infrastructure investment planning, capital prioritization, data maturity, risk assessments, and service level and lifecycle management to support service delivery and organizational resilience.

CAM will lead the change management process to move toward a 'whole-of-government approach' to AM that allows for:

- greater integration and stability in asset, capital and financial planning;
- improved evidence-based decision-making regarding capital investments;
- enhanced collaboration on projects that involve infrastructure assets; and

- steadfast compliance with provincial regulations and alignment with strategic goals.

## **Progress on the City's AM Program**

Since the approval of the 2025 Corporate AMP, CAM has been focused on actioning the improvement initiatives outlined in the report. The priority of which was the development of a CAM strategy to document and formalize the strategic direction required for the establishment and advancement of the City's AM program. It provides recommendations on the short, medium, and long-term priorities required, and outlines an implementation plan for execution of these tasks to support the development of a systematic and integrated AM program. The long-term goal of the AM program is to enable the City's diverse asset groups to be managed in a consistent fashion but be applied in a manner that acknowledges and accounts for City Division and Agency service-specific standards and needs. Over the past year, CAM's efforts have been directed toward initiating change management through senior leadership engagement and the establishment of foundational AM processes.

Significant progress has been made in establishing and advancing the City's AM Program. Key outcomes achieved to-date include the following:

- Completion of a comprehensive review and update of the Corporate Asset Management Policy to reflect the continued maturation and advancement of the City's CAM function (May 2025).
- Implementation and augmentation of an in-house Decision Support System (DSS), enabling more consistent, evidence-based renewal investment planning and improved transparency in decision-making (July 2025).
- Completion of the City's first AM readiness assessment, establishing a baseline of organizational capability and identifying targeted actions to drive continuous improvement that will inform future program development (July 2025).
- Establishment of a dedicated AM Network for Agencies, Boards and Commissions (ABCs), strengthening cross-service collaboration, consistency, and shared accountability for asset-related decisions (July 2025).
- Development of a CAM Strategy and 5-year implementation roadmap, providing a clear, phased path to embed asset management best practices and support long-term service sustainability (August 2025).
- Integration of climate change considerations into financial planning and decision-making through support of Environment, Climate and Forestry's (ECF's) Climate Change Resilience Workplan to develop a specific AM workplan that will improve the City's ability to manage climate-related risks to infrastructure and service delivery (December 2025).

- Completion of the 2026 corporate asset data collection exercise, improving the quality, consistency, and reliability of asset data used to inform renewal investment planning and renewal investment decision-making (January–March 2026).
- Delivery of a CAM Roadmap Roadshow to senior leadership, strengthening executive awareness, alignment, and leadership commitment to the successful implementation and continuous evolution of the CAM program (March–April 2026).
- Implementation of two new data requirements in Captor, the City’s capital budgeting tool, for the 2027 Budget process to enhance the quality, consistency, and usability of asset-related capital data that will inform capital planning and financial decision-making (May 2026).
- Presentation of the City of Toronto’s corporate AM journey at the Canadian Network of Asset Managers (CNAM) 2026 National Conference, demonstrating the City’s engagement and active involvement within the AM community of practice (May 2026).

Key AM developments and advancements within specific City Divisions and Agencies include, but are not limited to:

<b>Division, Agency or Corporation (DAC)</b>	<b>Key AM Updates &amp; Developments</b>
Corporate Real Estate Management (CREM)	<ul style="list-style-type: none"> <li>• Commenced the City-Wide Real Estate (CWRE) Lifecycle Asset Management Program to allow for standardized comparisons of SOGR/renewal needs related to Real Estate Assets, which is a foundational enabler for optimizing value in asset management.</li> <li>• CREM has completed approximately a third of the 1,679 Building Condition Assessments and Asset Tagging with the balance to be completed in 2026 and 2027.</li> </ul>
Dock walls & Breakwaters	<ul style="list-style-type: none"> <li>• The Waterfront Dock Walls and Western Beaches Breakwaters Action Plan Update recommends a funding reallocation of \$6.8 million in 2026 to accelerate CreateTO’s work on the Dockwall Resilience Program.</li> </ul>
Environment, Climate & Forestry (EC&F)	<ul style="list-style-type: none"> <li>• EC&amp;F convened 28 DACs to complete Toronto’s first comprehensive climate change risk assessment, forming the foundation for future resilience planning and improve informed decision-making.</li> </ul>

Division, Agency or Corporation (DAC)	Key AM Updates & Developments
Parks & Recreation (P&R)	<ul style="list-style-type: none"> <li>• P&amp;R is in the process of updating its asset’s replacement values and condition assessments which refines lifecycle, renewal planning and improves the SOGR needs to reflect more accurately.</li> </ul>
Solid Waste Management	<ul style="list-style-type: none"> <li>• Solid waste continues the development of the Asset Management Plan (AMP) for Collection Yards with an anticipated completion by 2026.</li> </ul>
Toronto Community Housing Corporation (TCHC)	<ul style="list-style-type: none"> <li>• TCHC is projected to achieve a Facility Condition Index (FCI) of 10.9% in 2026, improving from 12.2% in 2025. This reflects ongoing capital investments and asset management efforts.</li> </ul>
Toronto Public Library (TPL)	<ul style="list-style-type: none"> <li>• Through the 2026 Budget process TPL secured over \$60 million in incremental investments in core infrastructure to address critical SOGR needs across the portfolio over the next 10 years.</li> <li>• As a result of the planned incremental investments in critical infrastructure, the anticipated SOGR backlog over the 10 years is expected to decrease by 28%.</li> </ul>
Toronto Water (TW)	<ul style="list-style-type: none"> <li>• TW continued to meet and exceed its service obligations under all applicable legislation and regulations, with no incidents of regulatory non-compliance related to water infrastructure. However, four non-conformances were recorded for wastewater infrastructure in 2025. Immediate repairs were undertaken to address the identified causes, with additional maintenance activities and planned capital works scheduled in the coming years to fully resolve the issues.</li> <li>• TW initiated the Climate Change Adaptation and Resilience Strategy in 2025 and completed an internal high-level scan and assessment of the division’s current adaptation and resilience preparedness.</li> </ul>
Toronto Parking Authority (TPA)	<ul style="list-style-type: none"> <li>• TPA has formally adopted an Asset Management Policy and Plan, approved by the TPA Board in 2025.</li> <li>• TPA has also completed comprehensive asset tagging for all TPA-owned assets, including garages, surface lots, facilities and tenant properties.</li> <li>• Finalized a Strategic Asset Management Plan (SAMP) and established Governance and Change Management Plans to ensure the organizational adoption of these new standards.</li> </ul>

Division, Agency or Corporation (DAC)	Key AM Updates & Developments
Toronto Transit Commission (TTC)	<ul style="list-style-type: none"> <li>• The TTC is focusing on data-driven decision-making by prioritizing investments in its Enterprise Asset Management (EAM) system.</li> <li>• Efforts are centered on improving the completeness and quality of asset and maintenance data to ensure more accurate lifecycle forecasting and operational reliability.</li> </ul>
Transportation Services (TS)	<ul style="list-style-type: none"> <li>• TS allocated over \$1.3 billion of the 10-year capital plan to fund the Local and Major Road Rehabilitation Program and updated Local and Major Roads Asset Management Strategy to drive sustainable long-term investment in SOGR projects.</li> <li>• TS allocated \$11 million to fund the establishment of a new annual Local Roads Resurfacing Program and allow for approximately 15-20km of resurfacing to be completed.</li> </ul>

**Factors Impeding AM Progress and Mitigating Strategies**

The Province requires that municipalities also report on any factors impeding progress towards AM planning. Progress on the City’s AM Program continues, however, several factors are currently constraining timely and consistent implementation. Targeted strategies have been identified to address these constraints, strengthen program foundations, and support ongoing maturity and sustainability as evidenced below.

Impeding Factors	Strategic Responses
<ul style="list-style-type: none"> <li> <b>Growing State-of-Good-Repair (SOGR) pressures.</b> The City’s SOGR backlog is projected to increase over the next ten years, from \$11.5 billion in 2026 to \$24.7 billion by 2035, reflecting a widening gap between available funding and reinvestment requirements. While the provincial upload of the Gardiner Expressway and Don Valley Parkway (the City’s largest single SOGR liability) has helped to alleviate these mounting financial pressures, the long-term sustainability of the City’s infrastructure portfolio remains at risk. </li> </ul> <p>SOGR is the largest investment area in the 10-Yr Capital Plan. Despite owning over 60% of City infrastructure, the City receives about nine cents of each tax dollar, leaving SOGR underfunded. This mismatch is driving a growing renewal backlog and underscores the need for sustainable, predictable funding.</p>	<ul style="list-style-type: none"> <li> <b>Advancing long-term, sustainable capital investment strategies, as identified through the Long-Term Financial Plan (LTFP),</b> that align lifecycle reinvestment needs with predictable, stable revenue sources that will grow with the City and highlight a sustained all-of-government approach to infrastructure planning and management. </li> </ul> <p>This is further supported by <b>capital prioritization</b>, optimized use of intergovernmental funding, and enhanced transparency to Council on the service and risk implications of funding gaps.</p>
<ul style="list-style-type: none"> <li> <b>Varying degrees of AM experience and decentralized practices across the organization.</b> AM practices vary significantly among City Divisions and Agencies, reflecting differing levels of readiness and experience. Asset management remains largely decentralized, with responsibility residing within individual programs that often operate in silos. Some Divisions and Agencies are in the early stages of developing comprehensive AM approaches—particularly in the area of long-term renewal forecasting—and lack dedicated resources, resulting in inconsistent practices. Multiple AM systems are also in use across DACs, hindering data standardization, consistency, and corporate-level analysis. </li> </ul>	<ul style="list-style-type: none"> <li> <b>Improving AM maturity and centralizing practices.</b> Establish clear corporate governance, minimum AM practice standards, and a phased maturity model to guide Divisions and Agencies toward consistent, enterprise-wide AM practices. </li> <li> <b>Developing a City-staff AM training module.</b> Create and implement an internal AM training program (e.g. an “AM 101” basic training course) to provide all City-staff with a foundational understanding of AM principles, roles, and responsibilities, complemented by an overview of the City’s budget and capital planning processes. </li> </ul>

Impeding Factors	Strategic Responses
<ul style="list-style-type: none"> <li>• <b>No formally established corporate AM guidelines.</b> The lack of consistent corporate standards for AM terminology, definitions, methodologies, and reporting expectations limits the City’s ability to achieve consistent practice, comparability, and enterprise-wide integration. This includes established asset data standards, risk and service level frameworks.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Standardizing corporate guidance and frameworks.</b> Develop and adopt corporate AM guidelines, standardized terminology, templates, and reporting frameworks to ensure consistency, comparability, and clarity across the organization. This includes working in collaboration with other Divisions within F&amp;T to develop an Enterprise Risk Management (ERM) framework that applies an AM lens, integrate AM into the City’s budgeting process, and align a financial data hierarchy to streamline information requirements and reporting.</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Limited governance structure and role clarity.</b> A formal governance mechanism, such as an executive steering committee, is not in place and there is limited awareness among key stakeholders of their roles and responsibilities in asset management. This constrains effective escalation, prioritization, and oversight of renewal and critical capital investment decisions.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Forming an AM governance framework.</b> Develop a governance framework document that clarifies roles, responsibilities and decision-making authorities across City Council, senior leadership, Division and Agency Heads and cross-divisional AM working groups. This will improve transparency and organizational alignment, while supporting more effective escalation, prioritization, and adjudication of asset renewal requirements and critical capital investment decisions.</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Incomplete development of Levels of Service (LOS) metrics and supporting data.</b> Asset-focused LOS metrics have not been fully developed across the organization. Data gaps for certain asset classes further limit the City’s ability to assess service impacts and risks, including emerging areas such as climate-related performance and resilience.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Developing an Asset LOS (ALOS) framework.</b> Prioritize the development of standardized, outcome-focused LOS metrics for key asset classes, supported by targeted data improvement initiatives and integration of climate-related performance indicators. This would dovetail with the work informed through EX28.5 – Progress and Priorities for Enhancing Toronto’s Climate Resilience, adopted by Council in December 2025, which identifies CAM as the lead in developing a workplan to improve integration of climate risks and impacts into AM planning processes.</li> </ul>

Impeding Factors	Strategic Responses
<ul style="list-style-type: none"> <li>• <b>Limitations of existing capital budgeting tools.</b> The City’s current capital planning and budgeting application has limited capability to integrate AM data, analytics, and decision-support outputs, constraining the City’s ability to fully embed AM principles into capital planning and investment prioritization, particularly as it relates to renewals/SOGR.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Collaborating on the Budget Tool Revitalization (BTR) initiative.</b> Engage with divisional counterparts on the implementation of a modern, cloud-based enterprise financial planning and analysis solution to replace the City’s existing operating and capital budgeting tools. CAM, in collaboration with the BTR team, will explore and identify opportunities to better align asset management data and capital budgeting processes, supporting improved integration and consistency across the organization.</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Capacity and capability constraints within the CAM function.</b> The CAM team has limited resourcing to advance the full range of improvement initiatives identified in the 2025 Corporate AMP and outlined in the CAM Strategy. As a relatively new function, the team is also continuing to build AM knowledge and practical experience. Additional tools, staffing, and targeted training will be required as the program matures and implementation accelerates.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Resource-planning and capability-building for CAM.</b> Incrementally strengthen CAM resourcing through phased staffing, targeted training, and specialized AM tools, aligned with the approved CAM roadmap and prioritized improvement initiatives to strengthen internal expertise and institutional knowledge.</li> </ul>

**Next Steps**

The next phase of CAM will focus on advancing data maturity and strengthening AM capability across DACs. This will be achieved through continued framework development, deeper integration of AM practices into core City planning and financial processes, and the introduction of standardized AM reporting to enhance transparency in decision-making. Collectively, these efforts will improve organizational visibility into asset performance, service levels, risk exposure, and long-term renewal requirements.

An early priority supporting this phase is the development and deployment of program-specific internal AM dashboards, informed by the 2026 Data Collection exercise. These dashboards will be used to support the preparation of City Division and Agency 10-Year Capital Plan submissions for the 2027 Budget process. Functioning as targeted, condensed “AMP snapshots”, the reporting will provide DACs with consistent, data-driven evidence to support renewal investment planning and capital prioritization, and to improve the accuracy and credibility of SOGR backlog forecasting.

Future reporting on asset management to Council includes:

- Annual AM progress updates to Council: As per O. Reg. 588/17, an annual review of the City’s asset management progress will be conducted on or before July 1st in each year after the municipality’s asset management plan for proposed levels of service is completed. The next progress update to Council will be provided prior to July 1, 2027.
- Ongoing AMP reviews and updates: As per O. Reg. 588/17, a review and update of the corporate asset management plan must be completed at least every 5 years. The next iteration of the City’s Corporate AMP will be presented for consideration by 2030.

## **CONTACT**

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## **SIGNATURE**

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Stephen Conforti  
Chief Financial Officer and Treasurer

## **ATTACHMENTS**

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Attachment 1: City of Toronto’s Corporate Asset Management Policy