The Corporation of the Town of Milton

Report To:	Council
From:	Glen Cowan, Chief Financial Officer / Treasurer
Date:	June 22, 2026
Report No:	ES-032-26
Subject:	Asset Management – 2026 Progress Report
Recommendation:	THAT report ES-032-26 be received for information.

EXECUTIVE SUMMARY

This report provides an annual progress update on the Town's 2025 Asset Management Plan (AMP), in accordance with O.Reg. 588/17, with the following information of note:

- The Town continues to prioritize necessary maintenance and redevelopment work to ensure assets remain in a state of good repair and undertake regular condition assessment studies to understand current needs and inform the next AMP and future budgets.
- Capital spending of $37.9 million was approved through the 2026 budget to address infrastructure renewal needs. The 2027-2035 capital forecast includes an estimated $627.2 million to maintain existing assets in a state of good repair.
- Annual sustainable funding for asset management is $67.7 million in the 2026 Budget.
- The estimated annual infrastructure funding deficit is $41.15 million for 2026, a reduction of $750,000 from the baseline deficit of $41.9 million as established through the 2024 Asset Management Plan.
- Staff continue to explore opportunities to reduce the annual infrastructure funding deficit through a combination of external funding opportunities, technological advancements and other asset management practices, as well as continued investments to the One Equity fund (within policy limits), where incremental investment income would be directed to infrastructure renewal reserves for future investment in infrastructure.
- Asset management continuous improvement plans remain on-track and the Town continues to enhance its maturity through ongoing improvement initiatives.

REPORT

Background

Through Ontario Regulation 588/17 (under the Infrastructure for Jobs and Prosperity Act, 2015), every municipality was required to prepare a strategic asset management policy, a plan to maintain core municipal infrastructure, a levels of service proposal and a publicly accessible asset management plan. The requirements and timelines associated with the regulation (as amended by the Ministry of Infrastructure on March 15, 2021) are shown below. The Town achieved all milestones.

- ✓ July 1, 2019: strategic asset management policy to be in place
- ✓ July 1, 2022: an asset management plan for core municipal assets
- ✓ July 1, 2024: an asset management plan for all other assets
- ✓ July 1, 2025: an asset management plan with proposed levels of service

Every five years a full review and update will be completed for the Town's Asset Management Plan with the next full review scheduled for 2029/30.

The legislation also requires an annual review of the asset management progress to be conducted and reported to Council on or before July 1 each year addressing:

- The municipality's progress in implementing its asset management plan
- Any factors impeding the municipality's ability to implement its asset management plan; and
- A strategy to address the factors impeding the implementation of the plan

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Asset management is an ongoing, proactive process that includes understanding asset characteristics, assessing condition, defining and measuring levels of service and planning for lifecycle maintenance and replacement. The Town's Asset Management Plan (AMP) supports broader corporate planning by establishing long-term infrastructure plans, informing financial planning and annual budgeting, and supporting asset-related decision-making and investment prioritization.

The last comprehensive update to the Town's AMP was in 2025 (see staff report ES-031-25). This study identified that the Town has $3.6 billion in assets based on the estimated

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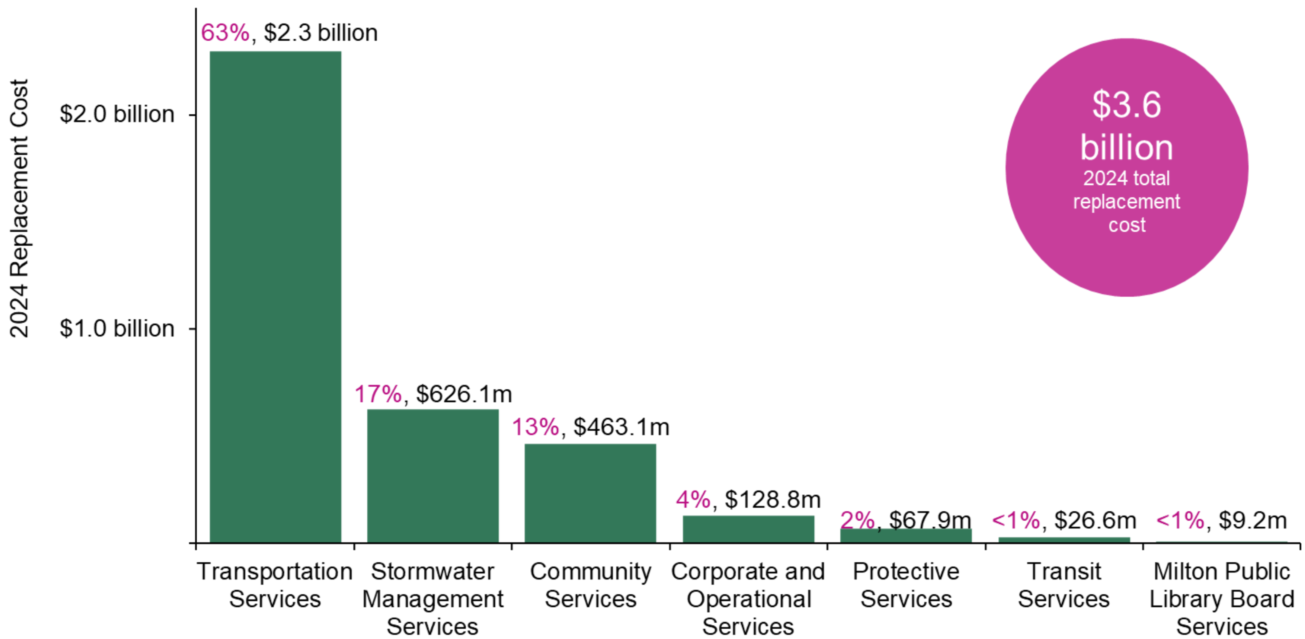
replacement value with over 80% of the Town's assets within the transportation and stormwater management service areas.



The study also indicated that a significant portion of the asset base (79%) is in good to very good condition. For the 6% that are in poor or very poor condition it is primarily a reflection of the age of the assets, where the asset continues to be operational beyond its originally estimated useful life.

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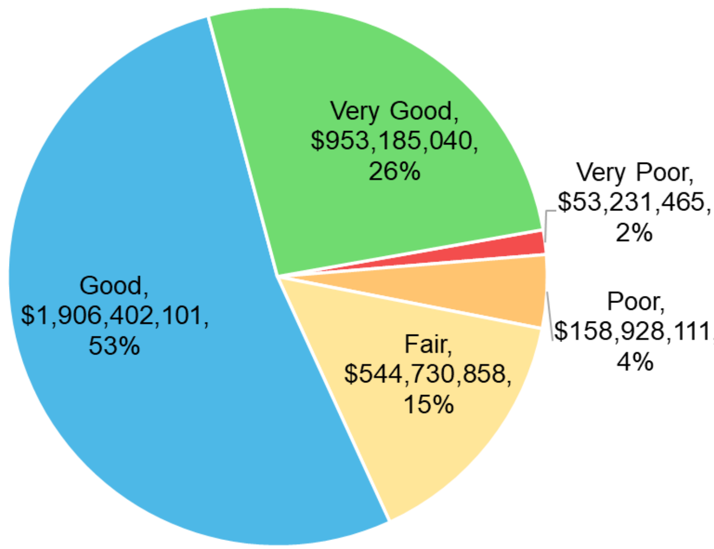

Town-wide asset replacement values and condition assessments will be updated as part of the development of the Town's corporate AMP every five years.

The AMP also identified areas for continuous improvement and monitoring including:

- Ongoing enhancement of the Town's infrastructure datasets, which underpin all financial analysis and capital planning
- Regular refinement of risk models as new data becomes available, supporting more strategic project prioritization and alignment with corporate objectives
- Periodic review of service level goals to ensure they remain achievable within the Town's financial capacity and evolving infrastructure conditions
- Continued exploration of diverse and sustainable funding sources including grants, partnerships and revenue reinvestment strategies to strengthen long-term capital planning

State of the Infrastructure Review

The AMP, and underlying condition assessment studies, are the primary documents informing the development of capital budgets. The 2026 capital budget provides for $37.9 million in projects to maintain the Town's assets in a state of good repair. The 2027-2035 capital forecast identifies a further $627.2 million is expected to be required for asset replacement

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over the next 10 years. As part of the annual budget process, funding sources for the needs outlined in the 10-year capital forecast, have been identified.

The capital program includes a number of projects and studies that will provide for updated inventories and condition assessment of the Town assets, as well as documenting levels of service. The information obtained through these studies will be incorporated into the next comprehensive update of the Town's AMP.

The tables below outlines the timing of condition assessment reviews for the Town's most significant asset categories, with additional commentary on the scope of work for projects expected to be undertaken in 2026.

Transportation Services

Condition Assessment Study	Last Review	Next Review	Scope of Current Year Work
Roads	2024	2028	
Bridges	2025	2027	
Guiderails	2024	2026	An inventory and condition assessment on Town guiderails, completed in 2024, identified 187 locations on Town roads where guiderails are warranted or could be installed. In 2026, through capital project C30011525, staff will confirm if guiderails are indeed warranted and provide a prioritization plan for installation of new guiderails.
Streetlights	2025	Post 2035	

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Retaining Walls	2023	2026	Capital project C30011625 was established to conduct a condition/needs assessment for the Town's retaining walls to confirm existing inventory and condition and provide recommendations for rehabilitation. The study results will establish a capital plan to ensure retaining walls remain in a good state of repair.
Fences and Entryway Features		2026	Capital project C47000924 was established to conduct an inventory, analysis and condition assessment of all the Entryway Features built in various neighbourhoods, by the development community. This review will also include developing an inventory of fencing in the Town.

Stormwater Management Services

Study	Last Review	Next Review	Scope of current year work
Stormwater Management Ponds	2020	2026	Capital project C43000525 will provide an updated stormwater infrastructure condition assessment study for assumed stormwater infrastructure including stormwater ponds, low-impact development and oil & grit separators.

Facilities

Study	Last Review	Next Review
Facility Audit	2024	2028
Park Amenities Audit	2024	Post 2035

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In addition to the condition assessment projects noted above, the 2025 capital program also included a capital project C30012025 Asset Management Data Enhancement. This project provided funding for temporary resources to ensure the Town's digital infrastructure inventory is up to date and complete and establish processes to provide for ongoing maintenance and upkeep of inventory records. This work began in the fall of 2025 and will continue into 2027.

To further enhance data records, the Town has expanded on its asset data requirements from Developers, by clearly outlining expectations for the format, structure and completeness of asset information submissions for new subdivisions. This process will help to enhance the quality and consistency of asset-related data received by the Town through subdivision assumption processes.

Lifecycle Management, Risk Strategy and Levels of Service Review

Annually staff review lifecycle management activities to assess whether changes are required to current processes. Recent updates since the last AMP include:

- adjustment to the lifecycle for 12 metre Transit buses from 12 years to 18 years which was incorporated into the 2026 budget and 10-year capital forecast, along with the associated reduction in funding requirements, and will be incorporated into the next comprehensive AMP.

- Ongoing development of Standard Operating Procedure (SOP) for bridge cleaning to establish clear and standardized practices for routine cleaning activities, including the removal of debris, sediment, and contaminants that can accelerate deterioration

- Identification of ongoing maintenance activities required for guiderail and retaining walls to regularly monitor condition and enable a proactive approach to upkeep.

A number of recent master plans and strategic studies underway or recently completed will continue to inform any required changes to the levels of service including:

- Fire Services Master Plan (completed in 2025)
- Recreation and Culture Master Plan (expected completion in 2027)
- Stormwater Master Plan (expected completion in 2027)
- Strategic Plan (expected update in 2027)

The Development Charge study process, completed in 2026, also identified the investments required to support the expansion of services to the growing community. Although the study provided for a high level forecasting of future operating impacts and asset management

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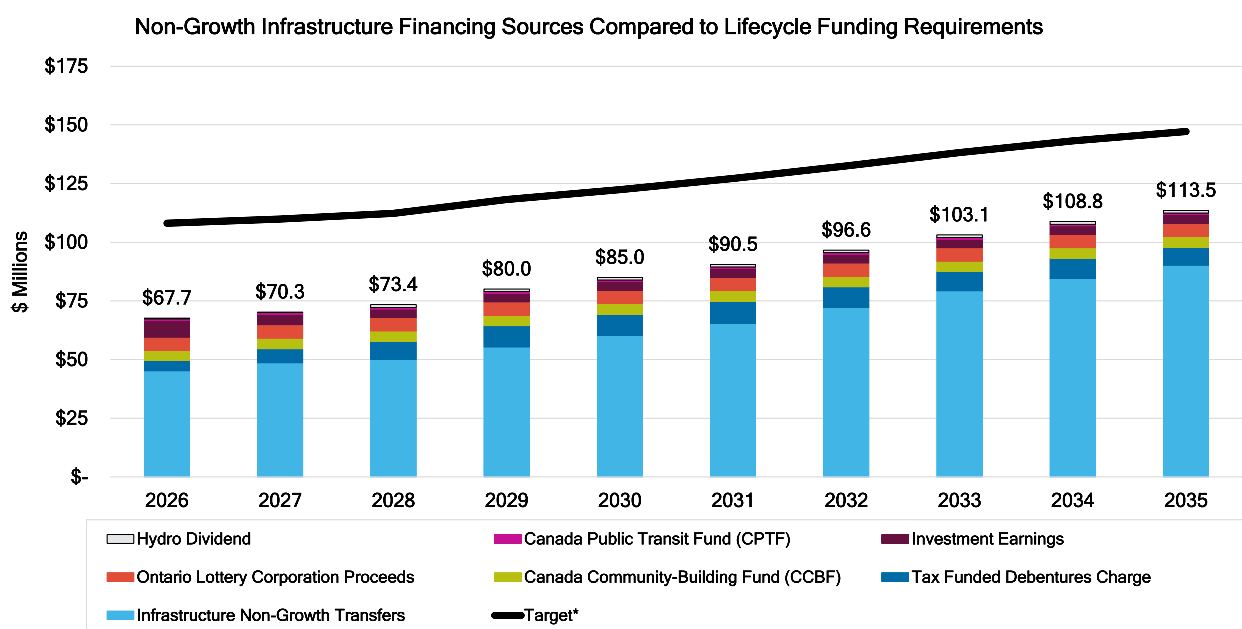
consideration, the results will be further analyzed through the next corporate Asset Management Plan and fiscal impact studies.

Financing Strategy Review

The Town has adopted a gradual approach to reduce the infrastructure deficit, which was identified at $41.9 million during the 2025 AMP. The Town's overall funding strategy includes growing the existing annual funding contributions with consideration for inflation and assessment growth, funding the lifecycle cost of constructed and assumed infrastructure, as well as contributing additional annual incremental amounts when feasible.

As of 2026, annual sustainable funding for asset management renewal amounts to $67.7 million. This amount supports both the expenditures needed during the current year, as well as the amount that can be transferred to reserve for use in the future. The annual infrastructure funding deficit is estimated to be $41.15 million, a reduction of $750,000 from the baseline deficit identified in the 2025 AMP.



Pursuant to the Financial Principles Policy No. 110, investment income is being used in part to offset annual operating costs and contributions to the reserve and reserve funds which are used over the forecast period to support the capital program. The Town began to invest in the One Equity Fund in 2025 using a phased approach. It is expected that, over time, this

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increased exposure to the equity market will result in increased investment earnings which can be directed to the infrastructure reserves, resulting in a continued reduction of the deficit.

The Town also continues to pursue new external funding sources that can be used for infrastructure renewal projects such as the Canada Public Transit Fund.

Financial Impact

Continuous reviews of condition assessment, lifecycle management, service levels and risk management may result in financial implications associated with asset management. These will be reviewed and reported to Council through individual studies or through the annual budget process.

The Town’s existing financial policies require that an annual lifecycle funding provision be incorporated into the operating budget for the future rehabilitation of assets that are constructed by the Town or assumed from developers. The policies also require the capital financing base that is included within the Town’s operating budget to be increased each year with consideration for inflation and assessment growth. These measures are intended to ensure that the Town’s annual infrastructure funding deficit does not increase as the community continues to grow.

The Town’s financial policies also speak to additional funding contributions being proposed through the budget process in order to gradually reduce the existing infrastructure deficit. To assist with mitigating tax pressures, the incremental additional funding is not feasible in all years, including in 2026. It is expected that, over time, the Town’s increased exposure to the equity market through the ONE Equity fund will also allow for increased investment income to be directed towards the Infrastructure Reserves. The Town will also continue to look for non-financial opportunities to further reduce the funding gap, such as new technologies or opportunities to extend the useful lives of assets or otherwise reduce their lifecycle costs

Respectfully submitted,

Glen Cowan
Chief Financial Officer / Treasurer

For questions, please contact: Jennifer Kloet, CPA, CA Phone: x2216

Attachments

None

Approved by CAO
Andrew M. Siltala
Chief Administrative Officer

Recognition of Traditional Lands

The Town of Milton resides on the Treaty Lands and Territory of the Mississaugas of the Credit First Nation. We also recognize the traditional territory of the Huron-Wendat and Haudenosaunee people. The Town of Milton shares this land and the responsibility for the water, food and resources. We stand as allies with the First Nations as stewards of these lands.