

2025 INFRASTRUCTURE STATE AND CONDITION

Recommendation

That the January 21, 2026, Integrated Infrastructure Services report IIS03137, be received for information.

Requested Action

Information only

ConnectEdmonton's Guiding Principle

ConnectEdmonton Strategic Goals

CONNECTED

This unifies our work to achieve our strategic goals.

Urban Places

City Plan Values

PRESERVE

Corporate Business Plan

Managing the corporation

Council Policy, Program or Project Relationships

- C598A - Asset Management Policy

Related Council Discussions

- November 30, 2020, Integrated Infrastructure Services report IIS00101, 2020 Infrastructure State and Condition
- October 13, 2023, Integrated Infrastructure Services report IIS01767, Asset Rationalization Framework
- October 30, 2024, Integrated Infrastructure Services report IIS02683, Update to Policy C598 - Infrastructure Asset Management Policy
- September 10, 2025, Financial and Corporate Services report FCS02994, Edmonton Financial Sustainability Framework

Previous Council/Committee Action

At the June 25, 2025, Special Infrastructure Committee meeting, the following motion was passed:

That Administration incorporate into the Integrated Infrastructure Services report IIS03137 an accounting of infrastructure assets acquired since the last report, including:

1. the quantity and type of infrastructure added,
2. the associated replacement value; and

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3. a historical summary of the growth in quantity of infrastructure assets owned by the City, going back as far as data allows.

Executive Summary

- Administration conducts an annual inventory of municipal assets, compiling this information biennially into the Infrastructure State and Condition report. This report includes an analysis of the count, approximate replacement value, and physical condition of assets.
- This report has been updated to reflect an organization of assets by service area, rather than the traditional asset hierarchy. This change was made to help better inform decision-making by City services by aligning the assets with the services they support.
- Inventory data enables Administration to effectively plan and execute all aspects of asset management, including service delivery, operations and maintenance, renewal, investment and divestment strategies.
- As of December 31, 2024, the City's portfolio of infrastructure assets has a replacement value of approximately \$39.8 billion, representing an increase of \$5.1 billion from the value reported in 2023 due to continuous growth, escalating costs and enhanced reporting.
- The City's assets overall remain predominantly in good condition. Specifically, 54.2 per cent are rated in Very Good [A] or Good [B] condition, 33.2 per cent are in Fair [C] condition, and 10.2 per cent are in Poor [D] or Very Poor [F] condition.
- The percentage of assets in Poor [D] and Very Poor [F] condition has improved slightly from 10.5 per cent in 2023 to the current 10.2 per cent, which is considered to be within acceptable levels for the overall asset portfolio.
- For the City to maintain its healthy asset portfolio in terms of physical condition, the investment level must be increased. The effect of maintaining or reducing the investment level includes (1) impacting the assets in Fair [C] condition, causing them to slip into poor condition; and (2) increasing demand on operation and maintenance resources, leading to cost increases or reduction in services.
- The 2025 Infrastructure State and Condition (Attachment 1) will be posted on edmonton.ca

REPORT

History and background

Asset inventory has been collected annually in the City of Edmonton since 2000. The inventory of assets has been refined over the years, with a focus on continuous improvement in data collection methods and ensuring the inventory is as comprehensive as possible, capturing all assets we own and manage.

In 2000, the City's inventory consisted of approximately 80 different asset groupings, which helped to shape the data collected for decades. Over the years, the asset inventory has been refined to support better delineation of assets, separating them into smaller groupings based on types of construction, different functions or segregation of components. These improvements

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support a deeper understanding of the complexity and value of the City's asset portfolio, providing more accurate data for use in forecasting and analysis.

In the latest asset inventory, there are more than 800 different asset groupings, which reflect a significant amount of refinement in the City's asset data, as well as the continual growth and advancement of the City's asset portfolio. Many of the assets reported today, such as Information Technology (IT) equipment and software or new fleet vehicles, did not exist in 2000 when inventory collection began.

Asset inventory is collected and updated annually; however, the condition of the assets may be assessed on a different schedule than the report. For example, the arterial roadway physical condition is assessed every two years, whereas the local street sidewalk is assessed every four years.

Inventory and Asset Management

Robust and accurate asset data is the foundation for all effective asset management decisions at the City of Edmonton. This critical data is fed directly into decision models and management tools. These systems support the analysis of asset information to substantiate required investment levels and determine renewal priorities, as well as subsequent budget allocations, based on areas of greatest need.

Consistent and regular data collection across the corporation is essential to ensure quality. This ongoing process helps to ensure that all aspects of municipal assets are captured and also provides a continuous opportunity to refine collection activities and improve accuracy. The long-term success of this consistency is clearly evident in the notable improvements between the 2000 and 2025 asset inventory reports. By maintaining this consistent approach, the City has been able to continually expand the inventory to include new or previously unreported assets, leading to better overall municipal asset management.

The data gathered through the annual asset inventory is used for a multitude of purposes, including the following:

- Inventory information, combined with asset lifecycle information, is entered into the Risk-based Infrastructure Management System (RIMS) to analyze the City's long-term capital asset renewal needs.
- The type and count of inventory, combined with financial information from maintenance programs, help to forecast the impacts of capital investment on the City's finances and resources.
- Understanding the state and condition of assets supports the Asset Rationalization Program to determine the best course of action for an existing asset. Additionally, the information supports the work of the Capital Infrastructure Plan Program (CIPP) in determining where, what, and when to renew and build at the City-wide and district levels, in alignment with The City Plan, asset management best practices, and within available budgets.
- Understanding the state and condition of the City's assets enables departments to make informed program decisions in response to changes in the asset inventory.

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Asset Replacement Value

The financial values used in the Infrastructure State and Condition report are Asset Replacement Values, which are defined as the cost of total replacement of an existing asset in today's dollars, with the most cost-effective asset providing an equivalent level of service. Replacement value considers the cost of replacing an obsolete asset with its modern equivalent, as well as the cost of meeting current legislative or regulatory requirements. Replacement value is used as the weighted average for the portfolio's other attributes. The Asset Replacement Value differs from the values used for insurance purposes and from the values used to report capital assets in financial statements.

Reporting By Programs and Services

For 2025, the State and Condition Report has been organized by programs of services and subservices, rather than an asset hierarchy, as in previous years. This change was made to help better inform decision-making by City services by aligning the assets with the services they support.

In addition, Administration has separated out a new category titled Not Rated. In previous years, unrated assets were assumed to be in Fair (C) condition. This assumption could lead to a false understanding of the actual condition of the assets. The new category helps identify unrated assets holistically, enabling Administration to focus attention on improving processes and enabling improved asset management. It should be noted that an asset without a rating does not indicate that it is not being managed or maintained. It may mean that a standard rating system has not been applied to the asset, or that assessing an asset's condition is difficult or impractical. For example, assets such as underground utilities and sprinkler systems, where only the surface protrusions can be accessed for condition assessment.

The 2023-2026 Corporate Business Plan service list (Attachment 2) was used to categorize assets into programs and services. Assets, such as office buildings, which serve multiple services, are categorized into Various Programs. Boards and Commissions include the Edmonton Police Service and the Edmonton Public Library assets.

The following table provides a summary of the inventory state and condition by programs and services as of December 31, 2024:

Programs and Services	Replacement Value	Very Good [A]	Good [B]	Fair [C]	Poor [D]	Very Poor [F]	Not Rated [?]
City of Edmonton Total	\$39,820,229,397	26.4%	27.8%	33.2%	6.3%	3.9%	2.3%
Environmental Protection	\$6,174,006,193	20.3%	41.3%	27.7%	2.8%	1.5%	6.5%
Environmental Stewardship	\$705,328,180	12.3%	52.5%	29.3%	4.5%	1.4%	0.0%
Movement of People & Goods	\$23,994,018,122	31.3%	26.0%	27.6%	8.3%	5.2%	1.6%
Project & Asset Management	\$1,600,725,359	8.7%	28.8%	52.9%	1.7%	4.5%	2.2%
Public Safety	\$603,181,319	17.1%	36.3%	39.2%	4.5%	1.9%	0.9%
Recreation & Culture	\$4,245,248,392	21.0%	20.2%	54.1%	3.4%	0.4%	0.9%

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Social Support	\$361,067,567	36.9%	26.0%	36.0%	0.2%	0.0%	0.1%
Various Programs	\$1,241,340,785	3.5%	8.2%	72.6%	6.4%	5.9%	3.1%
Boards and Commissions	\$895,313,480	40.3%	19.9%	29.5%	4.4%	5.9%	0.0%

For reference, the data is also displayed by asset hierarchy at the end of Attachment 1.

Changes Since Last Report

Replacement Value

- Overall, the reported replacement value of the City's portfolio has increased by approximately \$5.1 billion since the previous report in 2023. Several factors have contributed to the increase, including the City's regular general growth, inflationary increases and data refinement.
- The following table compares asset portfolio replacement values between the 2025 Infrastructure State and Condition report (Attachment 1) and the 2023 Infrastructure State and Condition report (Attachment 3). Definitions of the asset categories can be found in Attachment 4.

Assets	2025 Replacement Value	2023 Replacement Value	2023 Inflated Replacement Value (2025\$)	Variance % (2025\$)
Ancillary Infrastructure	\$4,096,393,651	\$3,319,772,343	\$3,481,844,223	17.7%
Culture and Heritage Assets	\$30,830,817	\$81,219,705	\$85,184,866	-63.8%
Facilities	\$8,691,733,982	\$8,397,259,404	\$8,807,215,112	-1.3%
Goods and People Movement	\$19,540,907,642	\$16,749,740,227	\$17,567,465,543	11.2%
Open Space	\$5,914,641,513	\$4,805,071,448	\$5,039,655,896	17.4%
Service Delivery	\$1,106,081,202	\$893,971,747	\$937,615,608	18.0%
Utilities	\$439,640,591	\$415,322,708	\$435,598,837	0.9%
City of Edmonton Total	\$39,820,229,397	\$34,662,357,582	\$36,354,580,084	9.5%

Quantities

- Overall, the quantity of assets increased throughout most of the portfolios.
- The following table compares the quantities of certain key assets between the 2025 Infrastructure State and Condition report (Attachment 1) and the 2023 Infrastructure State and Condition report (Attachment 3).

Assets	Units	2025 Reported	2023 Reported	Variance %
Paved Roads				
Arterial	Lane km ¹	3,272	3,263	0.3%
Local	Lane km	4,976	4,722	5.4%

¹ Lane Kilometres are calculated from the length of the Road Sections within the classification multiplied by the number of Lanes recorded on each Road Section

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Collector	Lane km	1,741	1,693	2.8%
Buildings	Buildings	1,006	997	0.9%
Transit				
Buses	Vehicles	1,083	1,051	3.0%
Light Rail Vehicles	Vehicles	94	94	0.0%
Open Space				
Play Areas	m ²	350,545	339,125	3.4%
Park Trails	km	871	759	14.8%

- A direct comparison of the quantities between the 2023 and 2025 State and Condition Reports cannot be completed for all asset groups in Attachment 1 due to the refinement of data collection and associated asset attributes (e.g. changes in how quantity units are measured).

Key Observations:

A full listing of the asset groups within each asset portfolio, including quantities, replacement values and a comparison to 2023, is included at the back of Attachment 1. The following summarizes the notable changes since 2023:

- **Culture and Heritage Assets:** The decrease in portfolio values is a result of significant improvements made to the way artifacts are catalogued and valued. The count of assets has been enhanced to accurately capture and report the relevant artifacts, and the replacement value has been adjusted to align with industry best practices. While the result shows a decrease in value, it is, in reality, an improvement in practices to be applied to future reporting periods.
- **Goods and People Movement:** This portfolio has the largest replacement value increase of approximately \$2.8 billion. LRT assets, in particular, have grown significantly due to increased number of assets and the refinement of asset data being reported. The reported increase for LRT assets is \$1.2 billion. Additionally, bridge asset values have increased by approximately \$700 million, or 23 per cent of the 2023 value, which is a result of more detailed cost estimating based on updated replacement costs.
- **Open Space:** This portfolio has a relatively nominal value increase overall, with the exception of natural assets. Natural assets have a replacement value of \$1 billion in the 2025 State and Condition Report compared to an unreported value in 2023. A methodology for calculating the replacement value had not yet been developed at the time of the 2023 State and Condition Report. The methodology has since been created, enabling replacement values to be incorporated into this report.
- **Service Delivery:** Although smaller, this portfolio has increased by more than \$200 million, representing 20 per cent of the 2023 reported value. Most increases in value are moderate, with larger increases in assets where asset reporting has been further refined. The quantity of assets in this category has increased by approximately 170,000 units. A review of this portfolio

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reveals the increase is primarily due to the refinement of data and reporting on assets that were not previously reported.

- **Utilities:** This portfolio has seen a moderate increase in value of approximately \$34 million. The count of these assets has decreased due to data refinement, particularly in Waste Services, where a significant focus has been placed on advancing asset management practices.

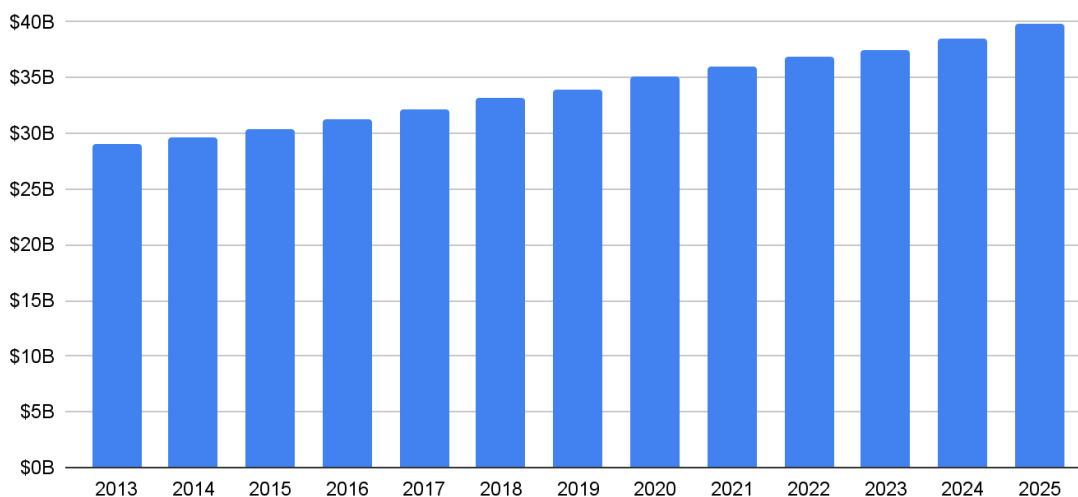
Historical Summary of Infrastructure Asset Growth

Administration completed an analysis using past inventory data and adjusted past amounts to 2025 dollars to filter out increases due to inflation. Asset groups which are no longer part of City inventory, such as drainage assets now owned by EPCOR, have been removed from past years to normalize the asset base being analyzed.

The analysis was completed for the years 2013 and later, as the method for indexing asset values changed in 2011, resulting in the inability to compare results to earlier years. The following are key observations from the analysis:

- Between 2013 and 2025 (a 12-year period), the City of Edmonton's infrastructure asset inventory grew by an estimated 37.4 per cent from a replacement value of \$28.9 billion (inflated) in 2013 to \$39.8 billion in 2025. This growth reflects only the addition of new infrastructure assets; it does not include the increase in replacement value resulting from inflation. This translates to an annual average growth rate of 2.7 per cent.
- The source of asset growth (e.g., City acquired, developer contributed, service level changes) cannot be readily determined, as the inventory is a snapshot of the count, condition and value of the assets, and the majority of asset records do not indicate how assets were added to the inventory. However, based on annual financial statements, over the past 16 years, an average of approximately \$150 million (2025\$) in contributed assets has been added annually. This equates to approximately 17.4 per cent of the average annual growth during this period.

City Wide Annual Asset Replacement Value (2025\$)



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Key Trends

The City's assets overall remain predominantly in good condition. Specifically, 54.2 per cent are rated in Very Good [A] or Good [B] condition, 33.2 per cent are in Fair [C] condition, and 10.2 per cent are in Poor [D] or Very Poor [F] condition.

The percentage of assets in Poor [D] and Very Poor [F] condition has improved slightly from 10.5 per cent in 2023 to the current 10.2 per cent, which is considered to be within acceptable levels for the overall asset portfolio. This result is influenced by several conditions including:

- Investment in renewal of existing assets, which increases the value of assets in good condition.
- Investment in new assets. Newer assets tend to be larger and more valuable, therefore, have a larger influence on the average condition of the portfolio. Additionally, they increase the overall value of the portfolio, so while the absolute value of assets in poor condition might be increasing, as a percentage of the whole, it is decreasing.
- Improvements in asset data collection and reporting which can affect the reported quantity, value, and condition of the assets.

The City has a large and growing inventory of aging assets, without adequate renewal funding to ensure they remain in suitable shape to achieve their optimal service lifespan. Administration refers to this as the renewal gap.

For the City to maintain its healthy asset portfolio in terms of physical condition, the investment level must be increased. The effect of maintaining or reducing the investment level includes (1) impacting the assets in Fair [C] condition, causing them to slip into poor condition; and (2) increasing demand on operation and maintenance resources, leading to cost increases or a reduction in services.

Building conditions

When reviewing the asset inventory, one of the asset classes of concern is the Facilities portfolio. While, on the whole, it shows very few assets are in Poor (D) and Very Poor (F) condition based on replacement value, almost 60 per cent of the assets are in Fair (C) condition. This trend had been identified in previous years and highlighted within the 2023-2036 Capital Investment Outlook. The risk with so many assets in Fair condition is that they will soon fall into Poor condition and will require significant investment within the next two fiscal cycles. Limited available funding for renewal, coupled with continually increasing renewal requirements and limited operational funding for maintaining facilities, compounds this issue. As a result, the list of deteriorating facilities will continue to grow. Similar scenarios are seen across the City's asset portfolio to a lesser extent, and potential impact on City services.

The newly approved Dedicated Renewal Fund may help manage this risk by providing consistent funding for asset renewal; however, the development of this fund will take time to have an impact on these assets.

Transit rolling stock assets

The portfolio of transit rolling stock assets (buses and light rail vehicles) is rated at more than 50 per cent in Poor (D) and Very Poor (F) condition due in large part to the age of the assets. While

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an asset in poor condition is not inherently unsafe, it does present a higher likelihood of failure, which will in turn adversely affect the City's ability to maintain service levels and increase the maintenance costs of the assets. As noted in the March 19, 2024, City Operations report CO02086, Edmonton Transit Service - Bus Fleet Replacement Plan, maintaining an older bus costs approximately \$0.54 per kilometre more than a newer bus. Considering the overall size of the ETS fleet and assuming an average bus usage of 55,000 kilometres annually, reducing the fleet age could result in significant cost savings.

Transit fleet assets, in particular, require consistent renewal plans to reduce spikes in purchases, align with manufacturer production schedules and spread renewal over a longer period of time on an ongoing basis. This applies to both buses and light rail vehicles. As part of the 2023-2026 budget, debt funding was approved to replace the oldest of the City's light rail vehicles, which will take several years to complete due to lengthy procurement lead times and manufacturer production schedules. This will help reduce the number of light rail vehicles in poor condition, but only temporarily, as the next batch of light rail vehicles is also approaching the end of its life.

Within Edmonton's bus portfolio of more than 1,000 buses, each unit is expected to last between 12 and 18 years with regular maintenance and refurbishment. Based on the fleet age, one quarter, or 250 buses, should be replaced every four-year fiscal cycle, not including growth to accommodate service expansion. The bus fleet does not have any special allocation of renewal funding and, as such, relies on the same limited pool of funding as the rest of the City's assets. This presents a challenge for maintaining a healthy fleet, as the City has only been able to fund a portion of its ideal investment in previous cycles. The Dedicated Renewal Fund, identified earlier, may help offset this, but as noted before, it will take time to build up to a capacity that will help address the needs of the City's assets.

Next steps

The 2025 Infrastructure State and Condition Report is intended to enable all aspects of asset management, including service delivery, operations and maintenance, renewal, investment and divestment strategies. As part of Council's role in capital infrastructure investment, the inventory data provides context for the following upcoming items that will be brought forward in 2026 by Administration:

- 2027-2036 Capital Investment Outlook (City Council - January 27, 2026): Overview of the City's capital planning and future investment requirements anticipated over the next 10 years.
- 2027-2036 Operating Investment Outlook (City Council - January 27, 2026): Ten-year forecast of incremental changes to the City's operating revenues and expenditures.
- Asset Rationalization Update (Infrastructure Committee - April 8, 2026): Update on the status of Asset Rationalization Framework implementation, including the categories of assets assessed and their findings.
- Spring 2026 Supplemental Capital Budget Adjustment: Provides recommended capital budget adjustments for 2026.

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- Capital Asset Investment Policy (City Council - June 16, 2026): Presentation of Capital Asset Investment Policy for Council approval. This work is part of the Fiscal Gap Strategies Work Plan.
- 2027-30 Capital Budget Deliberations (City Council - Nov/Dec 2026): Proposed 2027-2030 Capital Budget and proposed 2027-2030 Operating Budget will be deliberated by Council, establishing capital investment and renewal levels for the next budget cycle.

Administration will also be leveraging the inventory data for the following initiatives and activities:

- Capital Infrastructure Plan Program: Develop and maintain city-wide and district level infrastructure renewal and growth plans to support project prioritization and inform budget planning.
- Fiscal Gap Strategies Work Plan: Implementation of the strategies to address the City's fiscal gap as outlined in the March 5, 2025, Financial and Corporate Services report c - Fiscal Gap Strategies Work Plan. One area of work within the Work Plan is to assess the asset inventory relative to the City's revenue-generation capacity and service requirements to inform the size of the City's capital asset inventory and divestiture strategy. Results of this work will inform capital planning related to growth and renewal.
- Continuous improvement of inventory processes, including updating building replacement values to better reflect current market conditions and determining the potential for assigning condition ratings to unrated assets.

Community insight

This report is to provide a point-in-time reporting of the state of the City's asset portfolio, including count, condition and value. Once Administration determines if investment in an asset is required, public engagement is undertaken on a project-by-project basis using a variety of mediums to ensure that all interested parties who want to contribute or provide input have an opportunity to do so.

Within the asset management industry, there are many formal and informal engagement opportunities that Administration engages in to ensure relationships and networks are maintained. These opportunities include a wide network for sharing industry lessons learned, learning opportunities regarding new technologies, and opportunities to engage in asset management research.

GBA+

A comprehensive gender-based analysis plus (GBA+) perspective is consistently applied to all infrastructure projects at various stages throughout the asset's lifespan. Asset management provides the criteria for decision-making processes, determining which assets merit investment based on their physical condition and the maintenance of their expected lifecycle. The Asset Management Policy C598A not only ensures compatibility with the organization's vision, goals and objectives, but also aligns seamlessly with current and future asset management procedures. This entails adhering to service delivery policies and considering how Edmontonians and communities interact with assets when making decisions. Thus, the focus is on understanding the

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interconnectedness and intersectionality of asset investments rather than viewing individual assets in isolation.

Asset investment is based on data, and projects incorporate policy reviews, such as Policy C602 - Accessibility for People with Disabilities, to meet modern standards and the diverse needs of users.

The City of Edmonton owns a variety of infrastructure assets which support the delivery of services. These assets require responsible acquisition, operation, maintenance, rehabilitation and eventual replacement and/or disposal. Ensuring the assets Edmonton manages on behalf of its residents are in sound condition is fundamental to providing services to all users, regardless of ability.

Though a comprehensive GBA+ was not undertaken for this report, a full analysis is applied on an individual project basis as the need for renewal of specific assets arises, allowing for future contributions to the equality outcomes.

Environment and Climate Review

Environment and climate change were identified as one of four key risk themes for the upcoming year in the 2026 Annual Corporate Risk Profile (Council Report FCS02944, September 3, 2025). The 2026 Annual Corporate Risk Profile notes that these impacts pose significant challenges, including effects on ecosystems, public health and safety, as well as City operations and infrastructure, and increase the vulnerability of the City's assets. In alignment with the City's environment and climate resilience goals, the Integrated Infrastructure Services (IIS) Department developed the City's Asset Management Policy C598A. This policy includes a guiding principle of "Sustainability-Oriented".

Beyond their monetary value, City-owned assets have far-reaching environmental value. Environmental value and benefits of City-owned assets include, but are not limited to:

- Climate change mitigation: The assets associated with active pathways and transit services support potential reductions in community greenhouse gas emissions through reduced single-occupancy vehicle travel and increased use of transit and active modes of transportation.
- Environmental protection and regulatory compliance: The assets associated with waste management services help reduce the potential for improper disposal of waste materials, thereby protecting ecosystems, water and wildlife, while ensuring regulatory compliance.
- Environmental stewardship and enhancement of biodiversity: City-owned assets of green and natural infrastructure lead to reductions in greenhouse gas emissions through carbon sequestration, facilitate improvements in local air quality through particulate filtration by the vegetation, provide essential food and habitat for local biodiversity, and help mitigate the urban heat island effect by providing shade and cooling through evapotranspiration.

Attachments

1. 2025 Infrastructure State and Condition
2. 2023-2026 Corporate Business Plan Service List Placemat

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3. 2023 Infrastructure State and Condition
4. Infrastructure Asset Hierarchy and Description