Asset Management reinvestment plan Early Years and Child Care

The Early Years and Child Care Services help families in Peel to access safe and affordable childcare and receive support they need to thrive.

Peel has leased the childcare facilities to independent childcare providers. The facilities are ageing and are currently in poor condition.

Peel Region is implementing the Canada Wide Early Learning and Child Care (CWELCC) program to make licensed childcare more affordable and accessible. The goal is to add 12,567 licensed spaces by 2026. To support this, Peel is exploring opportunities to use existing Regional and Peel Housing Corporation assets and planning for co located childcare in future developments. More facilities will be added as the program progresses and data becomes available.

10 year summary

Table 1. Current state and 10 year plan (in $ millions)

Current rating	Current replacement value	10 year forecasted SoGR reinvestment needs	10 year SoGR Capital Plan reinvestments	10 year forecasted rating
◐ Poor	16.0	9.6	8.9	◑ Good

Table 1 shows that the current overall infrastructure state for the Early Years and Child Care is 'Poor'. The estimated replacement value of these assets is $16.0 million, based on 2024 values. The 10 year Capital Plan includes reinvestments of $8.9 million to maintain the infrastructure in a SoGR. These planned investments are lower than the forecasted needs of $9.6 million over the same period. Lower reinvestment in the 2026 Capital Plan is driven by the deferral of select SoGR projects beyond the 10 year planning horizon.

20 year SoGR outlook

Figure 1. 20 Year outlook of infrastructure reinvestment needs

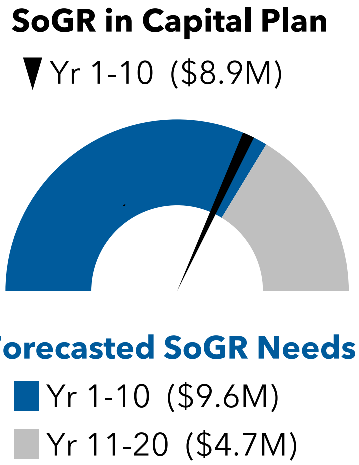


Figure 1 presents a 20 year outlook of infrastructure reinvestment needs to maintain the infrastructure in a SoGR. For the first 10 years, the planned reinvestments of $8.9 million is lower than the forecasted needs of $9.6 million, driven by the deferral of select SoGR projects beyond the 10 year planning horizon. The chart also shows that SoGR needs are expected to decrease significantly in the following 10 years. This is due to higher planned reinvestment in the first 10 years, reflecting an aging portfolio.

State of the infrastructure

Current infrastructure

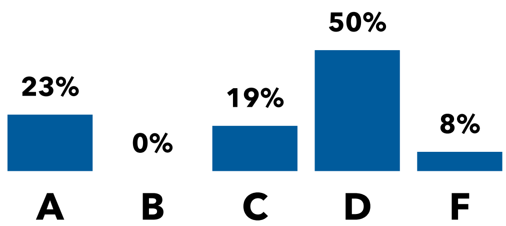
Early Years and Child Care infrastructure includes 3 childcare centres. The average age of the assets is 46 years.

Replacement value

The total replacement value of assets for the Early Years and Child Care is estimated at $16.0 million, based on 2024 values.

Condition[1] of the Infrastructure

Figure 2. Asset condition grading



Building conditions are evaluated through detailed assessments.

Figure 2 shows:

- 23% of assets are rated Grade A, representing new or like new condition.
- There are no assets rated B.
- 19% of assets are rated Grade C, indicating non critical defects and some critical repairs expected soon.
- 50% of assets are rated Grade D, indicating some critical defects and many critical repairs expected soon.
- 8% of assets are rated Grade F, indicating many critical defects requiring immediate repairs and replacements.

[1] Descriptions of the Condition Rating are included in Appendix II Reading Guide

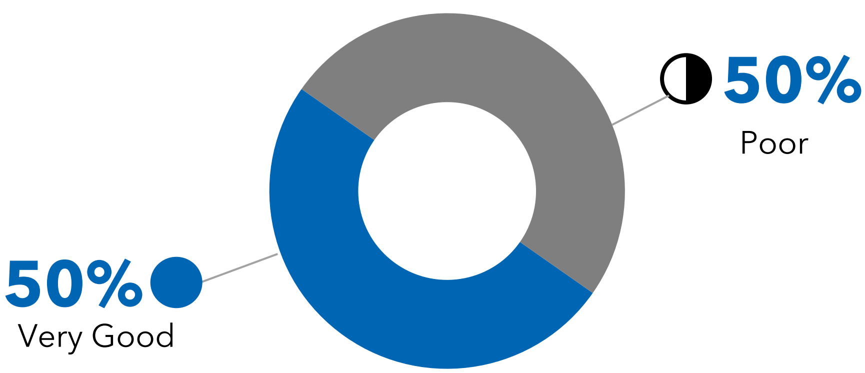
Current infrastructure Risk Management Rating

The current overall 2025 infrastructure Risk Management Rating for the Early Years and Child Care is 'Poor'.

Figure 3 illustrates that within the portfolio:

- 50% of asset classes are in Very Good state, indicating that almost all assets are achieving the desired targets.
- 50% of asset classes are in Poor state, indicating that many assets are not achieving the desired targets.
- There are no asset classes in Good, Fair, or Very Poor state.

Figure 3. Current infrastructure rating



Target customer level of service[2]

Our customers should expect:

- Ensure childcare providers are licensed and adhere to high standards of care and safety.
- Provide support and resources to accommodate children with special needs, fostering an inclusive environment.
- Ensure facilities are fully accessible and equipped to meet the daily requirements of children and caregivers.

[2] Definition of Customer Level of Service is included in Appendix III The Enterprise Asset Management Strategy

Infrastructure reinvestment plan

Table 2. 10 year state of good repair reinvestments

Forecasted needs	Capital Plan
$9.6 million	$8.9 million

Table 2 shows that reinvestments of $8.9 million are included in the 10 year Capital Plan to maintain infrastructure in a SoGR. These planned reinvestments are lower than the forecasted needs of $9.6 million over the same period. The difference is primarily due to the deferral of SoGR projects (e.g., roof replacement, resurfacing of pavement) outside of the 10 year horizon during the planning process after data was provided to EAM.

Table 3. Operations and maintenance expenses

Annual expenditure	Re investment rate
$0.1 million	0.6%

Table 3 shows that operations and maintenance expenses for Early Years and Child Care are approximately $0.1 million per year, representing 0.6% of the asset replacement value. These expenses support facility operations and maintenance activities. As part of the whole lifecycle strategy, these costs are regularly reviewed and will be optimized over time as asset management tools and technology improve.

10 year infrastructure Risk Management Rating with Capital Plan reinvestments

In 10 years (2035), the overall infrastructure Risk Management Rating for the Early Years and Child Care is forecasted to increase to 'Good.'

Error! Reference source not found. illustrates that within the portfolio:

- 50% of asset classes are in Very Good state, indicating that almost all assets are achieving the desired targets.
- 50% of asset classes are in Fair state, indicating that many assets are not achieving the desired targets.
- There are no asset classes in Good, Poor or Very Poor state.

Figure 4. 10 year infrastructure Risk Management Rating