

Report

Date August 16, 2023
Subject Asset Management Update

File:

PURPOSE

To provide an update on asset management activities and obtain Council approval for a grant application to the Union of British Columbia Municipalities' Asset Management Planning Program.

BACKGROUND

Asset Management is an integrated business approach involving all departments to effectively manage existing and new infrastructure to maximize benefits, reduce risk and provide satisfactory levels of service to community users in a socially, environmentally, and economically sustainable manner.

It is a continuous process used in decision-making that helps us care for the infrastructure that delivers valuable services to the community in a way that considers the service needs, manages risks and opportunities, and uses resources wisely. It is represented graphically by the following graphic developed by Asset Management BC.



In 2016 the Municipality embarked on its formal journey toward asset management by engaging a consultant to complete several foundational initiatives supporting improved asset management. This project benchmarked the state of asset management practice at the time and provided suggestions for an asset management improvement program.

In 2018, following up on the suggested improvement program, a project was initiated to improve asset management planning for the linear water, sewer, storm and road infrastructure. The summary of findings and recommendations was presented to Council early in 2020.

Informally, the Municipality has always been actively engaged in asset management, and the consultant reviews undertaken to date indicate that much of the supporting information exists for each asset class (cost, installation date, replacement value, etc.). The suggested improvements focus primarily on establishing defined and documented practices and processes to help ensure consistency across the Municipality.

In 2021, Council approved the first Asset Management Policy, which outlines the fundamental asset management principles to be implemented across the Municipality.

DISCUSSION

As noted above, there is good information on what we own, the historical (purchase) cost of the assets, how long the assets should last and reasonably good information on the condition of most of the assets. Replacement cost has been estimated, but given the current construction climate, it is difficult to establish a methodology for producing new estimates that will reflect the construction costs today.

Assets which support the delivery of municipal services include:



A review of the Cemetery assets was recently completed, and 2023 business plans include:

- integrating natural assets into the asset management system
- obtaining detailed information in an asset management plan for municipal buildings
- testing software systems to allow for a standardized approach using Parks infrastructure as a pilot.

Council adopted an asset management policy in 2021, and staff will be bringing forward an asset management strategy for Council approval later this year which will detail the steps that will be taken over the next three years.

To help achieve asset management goals, the Union of British Columbia Municipalities is accepting applications under the Asset Management Planning program which can provide up to 50% of total project costs to the grant maximum (\$25,000). Funding was received under the 2022 program to support the creation of an asset management plan for buildings which will be completed later this year. For this 2023 intake, staff recommend an application to support the creation of an asset management plan for park infrastructure.

A resolution from Council is required to submit the grant application. The Municipal contribution to the project can be accommodated using funds already in the five-year financial plan.

OPTIONS

(Recommended Option) THAT Council support an application to the Asset Management Planning Program for a grant of up to \$25,000 for the creation of Asset Management Plans for park infrastructure and support overall grant management for the project.

- This resolution is required by the Union of British Columbia Municipalities to ensure that Council is aware of and supports the project. The municipal share of funds can be accommodated within the approved five-year financial plan.

IMPLICATIONS

All staff are involved in asset management; however, there are no staff dedicated to asset management activities such as creating policies and processes and coordinating cross-departmental work.

Over the next few months, staff will bring an asset management strategy forward for Council approval and report on specific data related to many of the asset classes detailed above.

Grant funding would allow more specific progress to be made with respect to park infrastructure.

RECOMMENDATION

THAT Council support an application to the Asset Management Planning Program for a grant of up to \$25,000 for the creation of Asset Management Plans for park infrastructure and support overall grant management for the project.

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