



Asset Management

Strategy and Status Update



Asset Management – What is it?

- An integrated business approach involving all departments to manage infrastructure to:
 - *Maximize benefits*
 - *Reduce risk*
 - *Provide satisfactory levels of service*

Asset Management



Framework developed by Asset Management BC

- Continuous Process
- Policy Adopted in 2021
- Strategy presented today
- More than one plan

Purpose of AM Strategy

- Describe role of AM in achieving objectives
- Document decision making approach
- Set objectives and performance targets
- Detail roles and responsibilities
- Describe improvement initiatives

Strategy Objective #1

Find a balance between what level of service will be provided and what level of service is affordable.

Achieved Through:

- Developing methodologies to define levels of service using standard practices and benchmarks.
- Preparing project analysis methodologies to rank projects.

Strategy Objective #2

Integrate AM into all departments, policies, strategies, plans and processes.

Achieved Through:

- Developing communication strategies and plans for communicating outcomes and issues with staff.
- Establishing training and education program.
- Referencing the policy and strategy in new policies and plans.

Strategy Objective #3

Take a lifecycle approach to developing cost effective strategies for the long term.

Achieved Through:

- Developing risk based decision making framework.
- Identifying performance measures.
- Developing a standard approach to asset data and risk ratings.

Strategy Objective #4

Plan for and provide stable long term funding.

Achieved Through:

- Determining appropriate and sufficient reserves to enable stable and predictable tax levies.
- Considering current and future users of the assets.

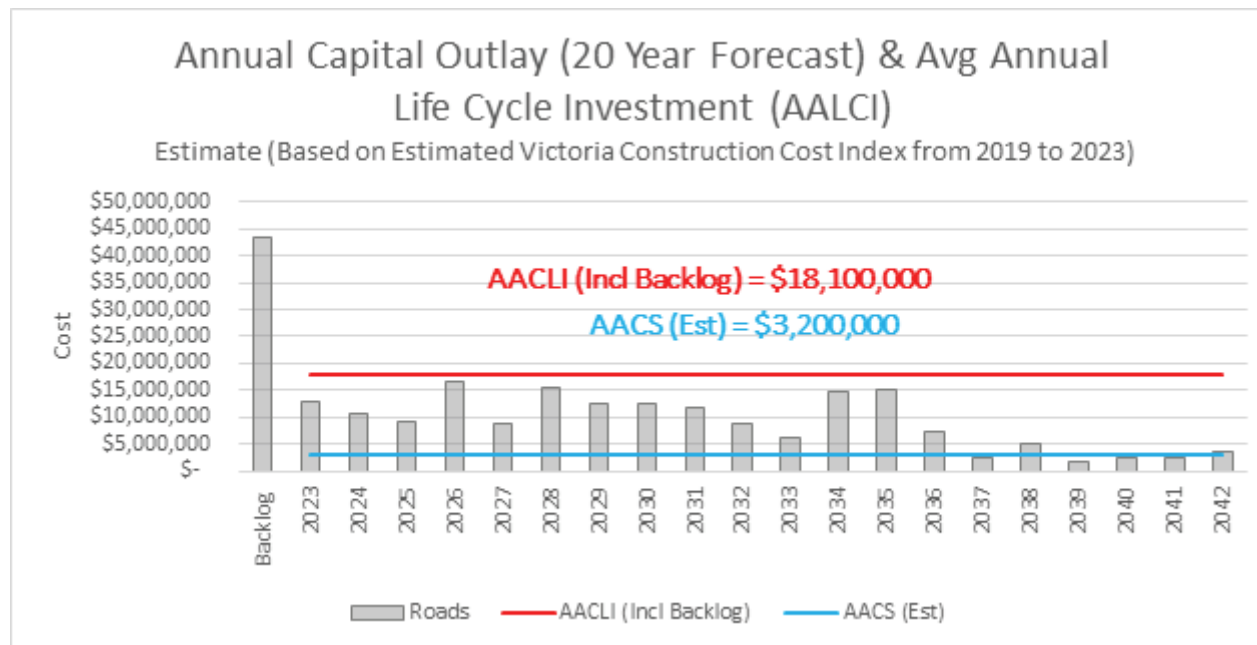
Where are we at?

- Generally good information on:
 - *What we own*
 - *Historical cost*
 - *How long it should last*
 - *What condition it is in (for many assets)*

Where we can improve

- Standardized approach to risk and condition assessment
- Standardized process for adjusting asset useful life based on condition
- System for recording and updating information to allow for better decision making

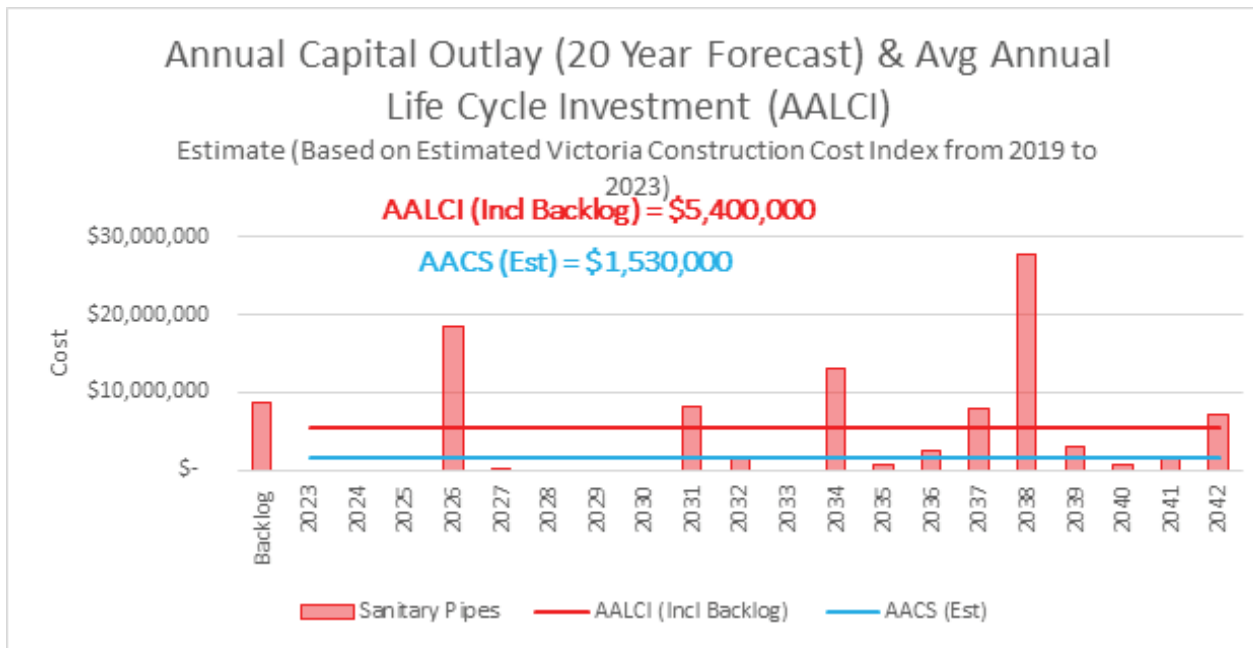
Specific Assets – Roads 300 km



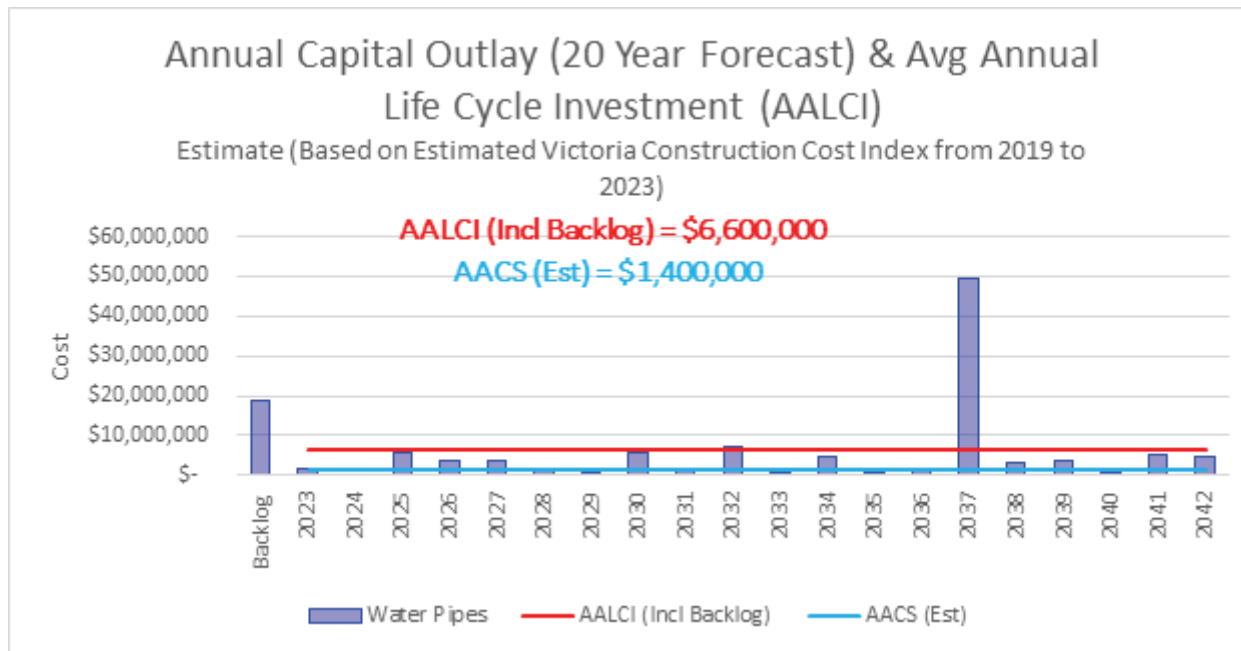
Specific Asset – Sidewalk Curb & Gutter

- Value \$14.6 million
- Repairs through annual maintenance budget
~\$40,000
- Replacement through roads budget

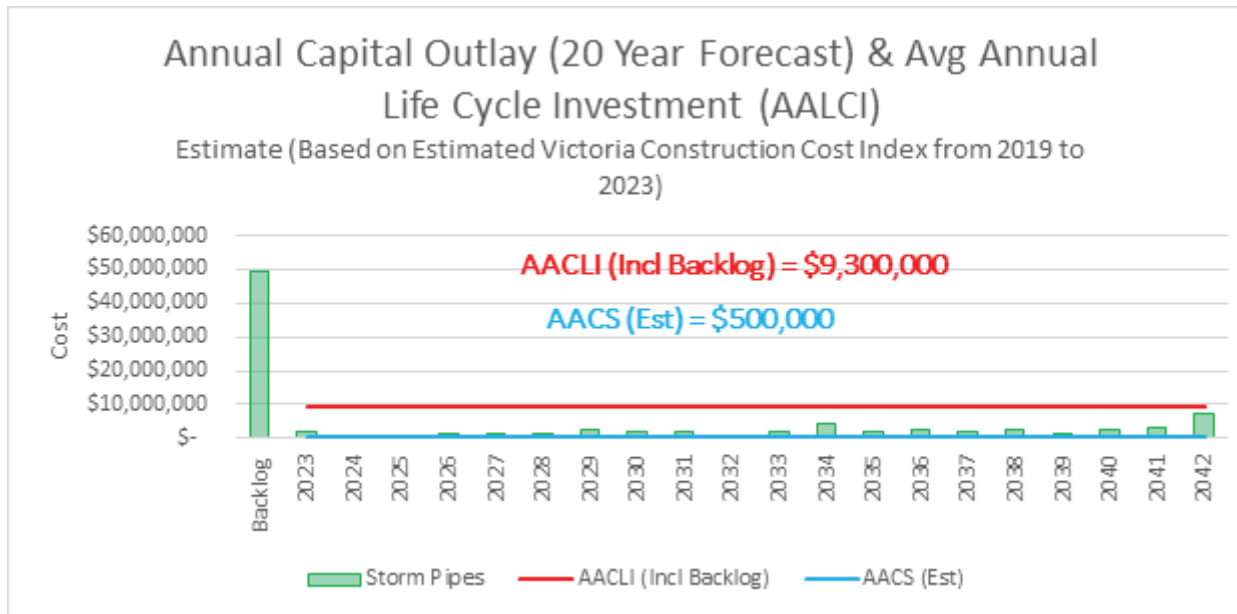
Specific Asset – Sanitary 150 km of Mains



Specific Asset – Water 240 km of Mains

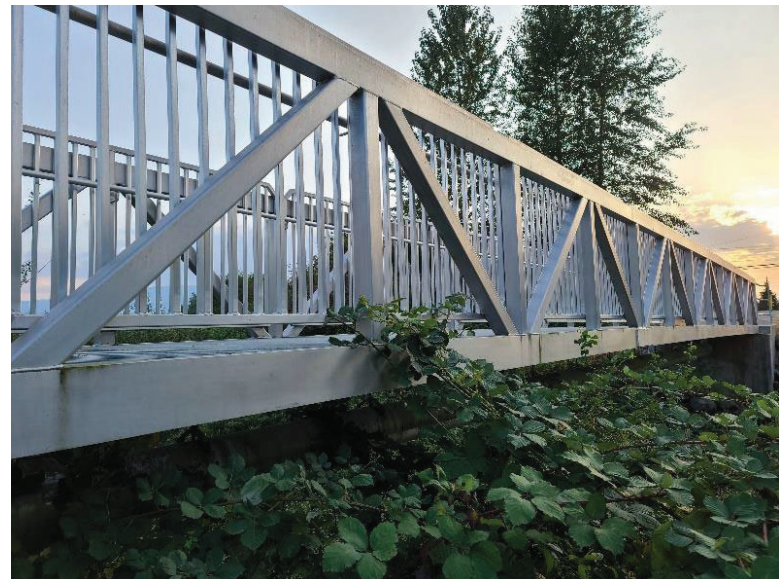


Specific Asset – Storm 160 km of Mains

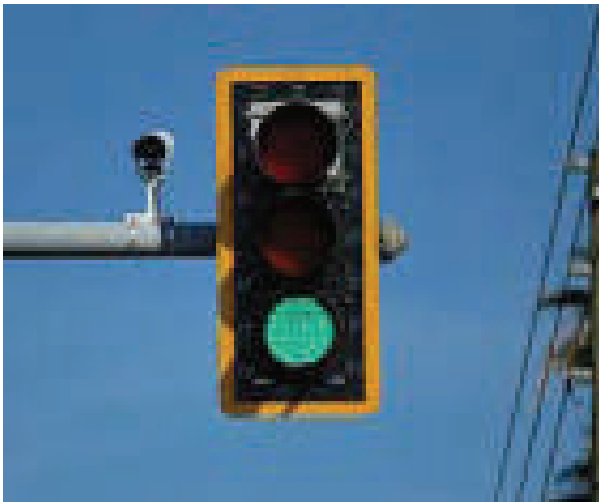


Specific Asset - Bridges

- Detailed assessment of 10 road and pedestrian bridges, 5 precast culverts and 3 multi-plate structures
- \$15 million over 20 years required
- Generally included in roads budget



Specific Assets – Street and Traffic Lights



- \$6.3 million value
- Annual maintenance budget of \$76,000
- Replaced as necessary – not often

Specific Assets - Buildings

- Grant received for formal asset management plan creation
- Report coming to Council shortly

Specific Assets – Fleet and Equipment

- 156 vehicles and equipment
- Reserves of \$1.7 million
- Annual contribution to reserve
- Annual replacement between \$600,000 - \$1 million



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Specific Assets – Fire Vehicles and Equipment

- Annual contribution to reserve increasing by \$25,000 per year
- More detailed analysis of replacement timelines and costs required



Specific Assets – Wharves and Docks

- Two projects included in 2024 plan for Council consideration
- User fees support operations and some maintenance
- More work needed to understand future costs



Specific Assets – Parks and Recreation

- Assets such as playgrounds, trails, irrigation systems, outdoor pools
- Pilot of asset management software in 2024
 - Refine asset information including replacement cost
 - Develop condition assessments
 - Track maintenance activities

Specific Assets – Cemetery

- Assets such as irrigation systems, fencing, trails, roads, storage building
- Annual maintenance budget and perpetual care fund
- Report to Council in 2024

Summary

Asset	Annual Funding Shortfall	2023 Budgeted Expense
Roads	\$14.9 million	\$8.1 million
Sanitary	\$3.9 million	\$7.9 million
Water	\$5.2 million	\$6.5 million
Drainage	\$8.8 million	\$2.1 million
Bridges	\$0.75 million	\$0.13 million
Buildings	Coming soon	\$6.4 million
Parks and Recreation	Coming soon	\$2.2 million

Summary

- Asset Management is an ongoing process
- Includes operating (maintenance) and capital
- Long term financial planning includes:
 - Taxation (property tax and parcel tax)
 - User fees
 - Borrowing
 - Grant funding