
 Director	 Municipal Manager/Deputy Municipal Manager
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<i>COUNCIL AGENDA</i>	
Date: <u>March 30, 2026</u>	Item: <u>10.3</u>

DISTRICT OF WEST VANCOUVER
750 17TH STREET, WEST VANCOUVER BC V7V 3T3

COUNCIL REPORT

Date:	March 6, 2026
From:	Chrystal Boy, Deputy Director, Financial Services
Subject:	2025 Asset Management Update

RECOMMENDATION

THAT:

1. the report dated March 6, 2026, titled “2025 Asset Management Update” be received for information;
2. “Capital Asset Management Policy 0054” be rescinded; and
3. Proposed “Asset Management Policy 0238” be approved.

1.0 Purpose

This report provides an update on the District of West Vancouver’s (“District”) asset management program, including key accomplishments, challenges, and planned next steps. The report also seeks Council approval to rescind Capital Asset Management Policy 0054 (**Appendix A**) and to approve proposed Asset Management Policy 0238 (**Appendix B**) which reflects the District’s updated asset management approach.

2.0 Executive Summary

As part of the annual review cycle, this report provides an update on the District's asset management program. The program supports the capital planning process by identifying critical needs and prioritizing requests within the District's limited capital investment funding.

The asset management program includes the following:

- maintaining current inventories of all categories of District assets;
- estimating condition and remaining life of those assets;
- defining appropriate levels of services and maintenance standards for all categories of assets;
- determining the ongoing costs of those maintenance standards; and
- developing appropriate replacement cycles and replacement costs.

In 2025, staff continued implementation of the asset management work plan, including ongoing improvements to asset data quality and integration of asset information into the corporate asset management system, as well

as continued efforts to align capital planning and renewal priorities with asset condition, risk, and service impacts.

A key governance improvement initiated in 2025 was the modernization of the District's policy framework. Staff propose that:

- Council rescinds Capital Asset Management Policy 0054;
- Council approves proposed Asset Management Policy 0238 to govern the District's overall asset management approach (service, risk, lifecycle, decision-making, reporting, and continuous improvement); and
- a new Tangible Capital Assets Policy (currently in draft form, to be approved at a later date by the Municipal Manager) to govern accounting/financial reporting and internal control requirements for tangible capital assets, separating these accounting functions from broader asset management practice.

In addition, the District advanced work on natural capital assets in 2025. In collaboration with the Climate Action and Environment Department, Finance and Corporate Services updated the Asset Management Policy to include natural capital assets and treat them similarly to infrastructure assets for the purposes of identification, stewardship, and integration into asset management practices.

3.0 Legislation/Bylaw/Policy

Capital Asset Management Policy 0054, adopted by Council on May 12, 2025, is based on asset management principles set out by Asset Management BC.

Policy update: Staff recommend that Council rescind the current policy and replace it with two distinct policies (one to be approved by Council and one to be approved by the Municipal Manager), as described in Section 7.1, to differentiate governance responsibilities and administrative accounting requirements.

4.0 Council Strategic Objective(s)/Official Community Plan

Asset Management is a fundamental program related to the maintenance of District assets and supports all District service delivery objectives and strategic goals.

Objective 1.6 of Council's Strategic Plan is to integrate natural capital assets into the District's regular management and budgeting process.

5.0 Financial Implications

The report discusses financial implications throughout and is intended to support Council's capital planning and prioritization decisions.

As in prior years, the District's asset management work continues to demonstrate the relationship between:

- the optimal investment required to maintain assets at acceptable service levels over the long term; and
- the available capital investment funded through the Asset Levy and operating budget contribution, and the resulting shortfall which contributes to deferred maintenance.

6.0 Background

Per the Capital Asset Management Policy, the District reports annually on asset management work. Asset management is important to the District because assets are critical to service delivery and because Council must make annual capital funding decisions balancing renewal needs, service levels, and risk.

Since 2015, the District has taken significant steps to implement a comprehensive asset management program, including establishing an asset register, forming a cross-departmental staff Asset Management Task Group (AMTG), updating condition and usage assessments, projecting maintenance costs over a 20-year cycle, and implementing systems integration to improve data and decision support.

7.0 Analysis

7.1 Discussion

Asset Management Program Work

In 2025, staff continued with the asset management work plan, including:

- updating asset information to record state, condition, and projecting maintenance costs over a 20-year cycle;
- aligning the District's annual capital budget with District asset management strategies so that funds are directed to assets at the point of maximum impact;
- continuing integration of asset information from multiple sources into the corporate asset management system (Maintenance Connection), particularly facilities asset information;
- continuing reconciliation and linking of Maintenance Connection to JDE so that financial history and asset unit numbers are classified consistently and provide a single source of information; and
- carrying out action plans for low use, poor condition assets and seeking opportunities for cost savings.

Staff also continued to manage emerging pressures affecting asset lifecycle performance, including increased usage of certain community assets since the COVID-19 period and the accelerating effects of climate change on exposed assets such as trails, piers, and roads.

Policy Work

Staff recommend rescinding current Capital Asset Management Policy 0054 because it combines two functions that are best governed separately:

1. *Overall asset management (corporate stewardship and service delivery)*
This includes lifecycle planning, levels of service, risk management, long-range renewal strategies, and prioritization of investments across asset categories.
2. *Accounting and financial reporting for tangible capital assets*
This includes capitalization rules, asset componentization where applicable, amortization, disposals, write-down/impairment considerations, and internal controls supporting Public Sector Accounting Board (PSAB) -aligned financial reporting.

As the District's asset management program has matured—particularly with enhanced system integration (Maintenance Connection and JDE) and the expansion of the program to additional asset categories—there is increased value in clearly separating:

- Council-directed governance and corporate asset management expectations from
- administrative accounting policy and internal control requirements.

This separation improves clarity of accountability, supports auditability and consistent accounting treatment, and allows the Council policy to focus on core stewardship outcomes (service, risk, sustainability, transparency) rather than accounting mechanics. Staff developed the following policies:

1) Council Policy: Asset Management Policy

A Council policy that sets the District's overarching asset management principles and governance expectations, including:

- objectives and scope (including engineered and natural assets);
- roles/responsibilities and reporting cadence;
- decision-making principles to balance service levels, risk, lifecycle costs, and long-term affordability; and
- continuous improvement expectations.

2) Administrative Policy: Tangible Capital Assets Policy

An administrative policy establishing requirements for accounting and financial reporting controls for tangible capital assets, including:

- capitalization thresholds and asset classes;
- useful lives and amortization methodologies;
- additions, disposals, transfers, and write-down/impairment processes; and
- system controls and reconciliations between operational asset systems and the financial system.

This approach explicitly separates accounting functions from overall asset management work, while ensuring both are strengthened.

Natural Capital Assets

In 2025, collaboration work was completed with the Climate Action and Environment Department to update the District's asset management approach to:

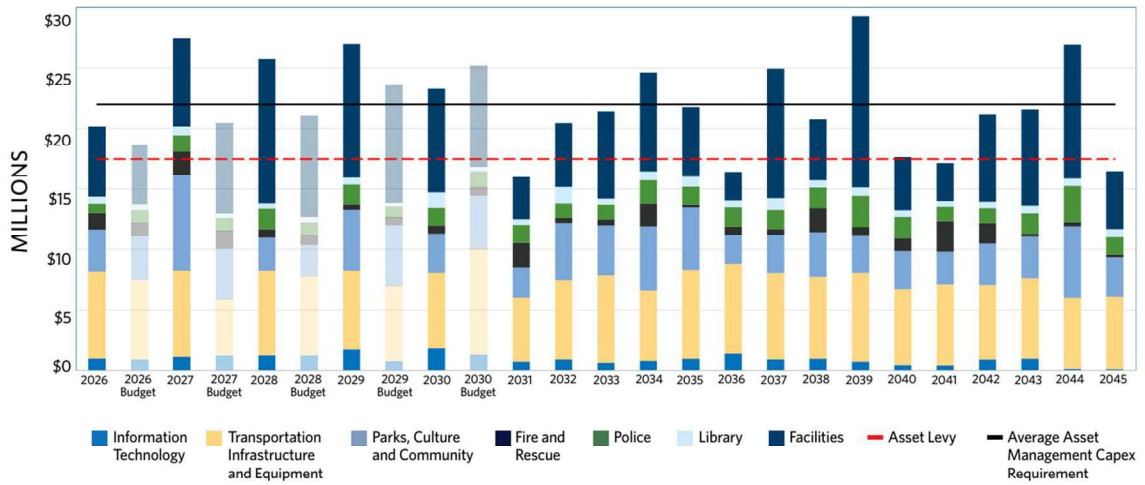
- explicitly include **natural capital assets** within the asset management program; and
- treat natural capital assets **similarly to infrastructure assets** for purposes of asset identification and stewardship expectations (e.g., inclusion in policy scope and integration into asset management practices).

This work builds on the District's prior steps to develop an inventory of natural capital assets, the development of a public tree asset database, the addition of staff from the Climate and Environment Department on the AMTG, and ongoing discussions about integrated environmental strategy and investment in maintenance and protection of natural assets. Incorporating natural capital assets into the policy framework supports more complete lifecycle and risk planning, particularly in the British Columbia context where natural assets can materially affect municipal service outcomes (e.g., stormwater conveyance and attenuation, slope stability, and ecosystem resilience). The impacts of climate change and opportunities for nature-based adaptation measures (e.g., sea level rise adaptation, rain gardens, bioswales, tree canopy cover, etc.) also requires natural assets to be treated similar to infrastructure assets with respect to ongoing maintenance strategies and costs to maintain the intended level of service.

Funding for Capital Investment

Based on the asset management work completed in 2025, and the updated 20-year maintenance cost projections (2026–2045), staff estimate the optimal average annual investment required to maintain general fund assets at appropriate service levels to be approximately \$22.0 million. This represents an increase from the prior year's estimate, driven primarily by inflationary cost escalation and the addition of new assets to the District's inventory. As assets are added to the asset base, they create future lifecycle and renewal obligations that must be reflected in the long-term maintenance projections.

The graph below summarizes the 20-year maintenance cost forecast used to calculate the optimal investment estimate. The detailed information supporting this graph is used to inform the development and risk-based prioritization of the District's annual capital program, including the 2026 capital budget requests.



The faded bars in the graph illustrate the impact of deferring planned maintenance and renewal work from 2026 into future years due to insufficient available funding. While deferrals may reduce near-term expenditures, they can increase the risk of accelerated deterioration, higher future costs, and service impacts, and they contribute to deferred maintenance pressures.

In 2025, the annual funding available for capital investment was approximately \$19.0 million, inclusive of the 1% Asset Levy increase approved through the 2025 budget. This resulted in an ongoing annual funding gap of approximately \$1.7 million, which—if not addressed—will continue to contribute to deferred maintenance pressures.

In the 2026 budget, the \$2.6 million operating budget contribution was eliminated and will be replaced over time through planned increases to the Asset Levy. With the elimination of the operating contribution, and assuming a 1% Asset Levy increase, the funding available for capital investment is estimated to be approximately \$17.5 million. Compared to the estimated optimal investment level identified through the asset management plans, this represents an annual shortfall of approximately \$4.5 million.

Year	Asset Levy Increase	Asset Levy Amount Increase	Asset Levy	Operating Budget Contribution	Available for Capital Investment	Estimate of Optimal Investment	Shortfall
2025	1%	\$0.9M	\$16.5M	\$2.6M	\$19.0M	\$20.7M	\$1.7M
2026	1%	\$1.0M	\$17.5M	-	\$17.5M	\$22.0M	\$4.5M

The 2026–2030 Five-Year Financial Plan forecasts a 2% Asset Levy increase in each of 2027 through 2030, which is intended to fund the forecasted capital program in those years.

To mitigate the impacts of the funding gap, staff will continue to assess and advance strategies that may include:

- (i) increasing capital investment over time,
- (ii) pursuing alternative funding sources,

- (iii) reviewing and, where necessary, adjusting service levels, and/or
- (iv) identifying efficiencies and innovations to reduce lifecycle maintenance costs while maintaining acceptable levels of service.

7.2 Climate Change and Sustainability

Maintenance of District assets at an optimal level is a key component of effective service delivery and contributes to sustainability and resiliency. Staff also continue to seek sustainable solutions to lower greenhouse gas emissions and reduce environmental impacts. In addition, recognizing and managing natural capital assets as part of the asset portfolio supports climate adaptation and community resilience objectives.

7.3 Public Engagement and Outreach

Staff will continue to incorporate asset management concepts into appropriate public communications and budget engagement, consistent with the District's prior approach of incorporating asset management concepts into budget engagement activities.

7.4 Other Communication, Consultation, and Research

District staff responsible for maintaining assets contributed to this report by providing updates to the asset register and related asset management information.

8.0 Options

8.1 Recommended Option

THAT:

1. the report dated March 6, 2026, titled "2025 Asset Management Update" be received for information;
2. "Capital Asset Management Policy 0054" be rescinded; and
3. Proposed "Asset Management Policy 0238" be approved.

8.2 Considered Options

Council may request additional information on the asset management program.

9.0 Conclusion

Asset management remains a high priority for the District. In 2025, staff continued to advance the asset management work plan, strengthen decision-support through systems integration, and modernize the governance framework by separating Council-level asset management direction from administrative tangible capital asset accounting requirements. The District also advanced integration of natural capital assets into asset management policy work to ensure natural assets are included and treated similarly to infrastructure assets within the District's asset management framework.



Author:

Chrystal Boy, Deputy Director, Financial Services

Appendices:

Appendix A: Capital Asset Management Policy 0054

Appendix B: Proposed Asset Management Policy 0238

District of West Vancouver
POLICY

Title: Capital Asset Management
Division: Finance & Corporate Services
Policy Number: 0054
File Number: 0282-20-0054

1. Purpose

- 1.1. The purpose of this policy is to establish guidelines for an effective system for the management of the District's investment in capital assets, ensure compliance with legislation and follow best practices in asset financing.
- 1.2. The Capital Asset Management policy is based on asset management principles set out by Asset Management BC, and on principles for the accounting treatment of public sector capital assets which comply with Generally Accepted Accounting Principles (GAAP) and in accordance with Canadian Public Sector Accounting Standards (PSAS) as prescribed by the Public Sector Accounting Board (PSAB) section 3150.

2. Scope

- 2.1. This policy applies to all capital assets owned by the District, whether acquired through purchase, donation, dedication, or by other means.
- 2.2. This policy does not apply to non-depreciable assets, which include land, pooled items, and unique items of historic or cultural significance considered to be irreplaceable, and whose value cannot be determined.

3. Definitions

- 3.1. **"Asset"** means anything that the District owns or controls. This may include non-tangible assets such as certain rights, easements, or covenants; financial assets such as cash and cash equivalents, and non-amortizable assets such as land, pooled items, and unique items of historic or cultural significance whose value cannot be determined. Capital Assets are a sub-set of assets.
- 3.2. **"Asset Cost"** means the gross amount of consideration given up to acquire, construct, develop, or better an asset, and includes all costs directly attributable to acquisition, construction, development, betterment, replacement, or renewal of an asset, including installing the asset at the location and in the condition necessary for its intended use. Asset cost does not include amounts spent to maintain an asset in serviceable condition such that its useful life is not impaired.
- 3.3. **"Asset Management Task Group"** (AMTG) means a staff group charged with carrying out the responsibilities outlined in this policy.

District of West Vancouver

POLICY

- 3.4. **“Asset Reserves”** mean statutory reserves and other amounts that may be set aside by the District for the acquisition, construction, development, betterment, or replacement of capital assets.
- 3.5. **“Capital Asset”** means a physical asset which is depreciable, that is, the value of which is consumed by use over time. By policy, capital assets at the District of West Vancouver meet all the following criteria:
- (a) has physical substance;
 - (b) initial cost is greater than \$10,000;
 - (c) has a useful life extending two years or more;
 - (d) is not for sale in the ordinary course of operations; and
 - (e) is depreciable – i.e., the asset is consumed through use.
- For greater certainty, capital assets do not include land.
- 3.6. **“Capital Asset Management”** means systematic and coordinated activities and practices through which the District will manage its capital assets, and their associated performance, risks, and expenditures throughout their life-cycles.
- 3.7. **“Capital Asset Management Plan”** means a document specifying activities, resources, responsibilities and timelines for implementing the Capital Asset Management Program.
- 3.8. **“Capital Asset Register”** means a complete and accurate list of the capital assets that the District owns.
- 3.9. **“Capital Grant”** means funding provided by a third party to help defray the cost of a District capital asset. Third parties may be other levels of government providing funding through specific grant programs and may also be developers providing funding or assets through specific arrangements, including Development Cost Charges (DCCs) or Community Amenity Contributions (CACs), or members of the community contributing funding (donations).
- 3.10. **“Capital Linear Assets”** means capital assets which form a linear system. Examples include roads, sidewalks, trails, fibre optic networks, and underground pipe networks for the transport of water, sanitary sewer discharges, or storm sewer discharges.
- 3.11. **“Director, Finance & Corporate Services”** means the person duly appointed by the Corporation of the District of West Vancouver pursuant to Section 149 of the *Community Charter*.
- 3.12. **“Disposal”** means physically disposing of a capital asset. It does not mean writing a capital asset off the books, possibly replacing it, but keeping it ‘in case’ it proves useful.
- 3.13. **“District”** means the Corporation of the District of West Vancouver.
- 3.14. **“Generally Accepted Accounting Principles”** (GAAP) means the generally accepted accounting principles used by local government organizations.

District of West Vancouver POLICY

- 3.15. “Levels of Service”** means the defined and measurable quality of a particular service. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental acceptability, and cost.
- 3.16. “Pooled Items”** means similar or identical assets that do not meet the accounting definition of capital assets because individually they are valued at less than \$10,000 each, but that nevertheless generally require periodic replacement in aggregate. Examples include, but are not limited to:
- (a) library books;
 - (b) firearms;
 - (c) police protective gear;
 - (d) fire turnout gear;
 - (e) fire hoses;
 - (f) fitness equipment;
 - (g) furniture (desks, chairs, cabinets, meeting tables, lounge furniture, staff room furniture, credenzas, sit-stand furniture, other standard office equipment);
 - (h) small equipment (desktop computers, laptops, monitors, monitor arms, speakers, headsets, webcams, keyboards, mice, docking stations, cables).
- 3.17. “Public Sector Accounting Board” (PSAB)** means the body maintained by the Chartered Professional Accountants of Canada (CPA Canada) to serve the public interest by establishing Public Sector Accounting Standards (PSAS).
- 3.18. “Short-term Capital Assets”** means capital assets with a useful life of five years or less.

4. Policy Statement

4.1. Capital Asset Management

- 4.1.1. The District will maintain and manage its capital assets at defined levels of service to support public safety, community well-being, and community goals.
- 4.1.2. The District will monitor standards and levels of service to ensure that they meet and support the community and Council’s goals and objectives.
- 4.1.3. The District will establish capital asset replacement strategies using full life-cycle costing principles.
- 4.1.4. Where appropriate, the District will incorporate capital asset management into its other corporate plans.
- 4.1.5. Council is the responsible authority for approving, updating, amending, or rescinding this policy and providing the corresponding direction to administration.
- 4.1.6. The Director, Finance & Corporate Services is responsible for the overall administration and enforcement of the policy under guidance and direction from the Municipal Manager.

District of West Vancouver POLICY

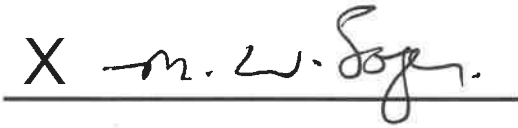
- 4.1.7. An Asset Management Task Group (AMTG), consisting of at least six staff from relevant areas of the organization, shall develop proactive guidelines and practices to carry out the directives in this policy for managing, financing, and operating current assets, and in planning for future assets and delivery of services.
- 4.1.8. The AMTG shall review, at least annually, the suite of capital assets owned and managed by the District, to ensure that the capital assets are still suitable to purpose and are being managed in accordance with this policy.
- 4.1.9. The AMTG shall make an annual recommendation to Council on capital assets that should be considered for retirement, disposition, or replacement.
- 4.1.10. The District will report to citizens regularly on the status and performance of work related to the capital asset management plan.

4.2. Capital Asset Financing

- 4.2.1. The District will plan financially for the appropriate level of maintenance of capital assets to deliver optimal service levels and benefit from the full useful life of the capital assets.
- 4.2.2. The District will establish, maintain, and support stable and appropriate financial reserves and other mechanisms to ensure that adequate resources are available to replace, renew, and/or decommission all capital assets.
- 4.2.3. It shall be the policy of the District to establish and maintain Asset Reserves for the acquisition and replacement of capital assets. Every effort shall be made to match these reserves to the requirements identified by the District for support of the capital assets.
- 4.2.4. Short-term capital assets will be identified as such in the Capital Asset Register. The source of financing for short-term capital assets shall be the Asset Reserves, or short-term capital leases where appropriate.
- 4.2.5. Capital linear assets will be identified as such in the Capital Asset Register. Due to the network characteristics of these assets, and their long useful lives, the management of costs across the capital linear asset life-cycle has an emphasis on timely maintenance and repair over replacement. However, every effort will be made to also provide appropriate replacement reserves, with an acknowledgement that borrowing for capital linear asset replacement may be needed in some cases.
- 4.2.6. Facility capital assets will be identified as such in the Capital Asset Register. Facility capital assets will be componentized. Financing of facility component replacement and betterment will be financed using the Asset Reserves; replacement of entire facilities, or construction or acquisition of new facilities, will generally be financed through a combination of Asset Reserves, use of land sales proceeds, and borrowing.
- 4.2.7. Capital grants will be fully used.
- 4.2.8. Capital grants are a financing mechanism, and, as such, will not be netted against the costs of the related capital assets, which will be recorded at full value.

District of West Vancouver
POLICY

5. Approval

Approved by	<input type="checkbox"/> Municipal Manager	<input checked="" type="checkbox"/> Mayor and Council
Approval date	2025/05/12	
Council minutes eDocs # (Council Policies only)	5821637	
Council report eDocs # (Council Policies only)	5817893	
Signature		

6. Additional Information

Category	<input checked="" type="checkbox"/> Council	<input type="checkbox"/> Administrative
Related procedure	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Date of last review	2025	

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District of West Vancouver
POLICY

Title: Asset Management
Division: Finance and Corporate Services
Policy Number: 0238
File Number: 0282-20-0238

1. Purpose

- 1.1. The purpose of this policy is to set out the District's governance and expectations for asset management so that community service levels are defined, risks are understood, and asset-related decisions are supported by clear information and long-term affordability, with appropriate attention to climate and operational resilience.
- 1.2. This policy is intended to integrate asset management into operations, capital planning, and long-term planning. It also establishes that natural assets that contribute to municipal service delivery will be identified and considered within asset management plans, including appropriate protection and maintenance strategies.

2. Scope

- 2.1. This policy applies to all assets or asset systems owned or used by the District to deliver services, including engineered assets and natural assets.

3. Definitions

- 3.1. **"Asset"** means anything that the District owns or controls. A physical component of a system that enables services to be provided.
- 3.2. **"Asset Management"** means an integrated 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.
- 3.3. **"Asset Management Plan"** means the documented plan to manage an asset to meet Levels of Service (LOS) over the lifecycle at the lowest total cost.
- 3.4. **"Engineered Assets"** means the designed and constructed components of infrastructure systems (e.g., roads, bridges, culverts, storm and sanitary systems, water systems, facilities, parks infrastructure, fleet, information technology).
- 3.5. **"Levels of Service"** means specific parameters that describe the extent and quality of services provided. LOS link an asset's performance to target performance goals.
- 3.6. **"Lifecycle"** means the life of an asset; the time from its first use until it is no longer able to be used. This can be measured in days or years and can take into account factors like age, regular maintenance, preventative maintenance and manufacturer's expected life.

District of West Vancouver POLICY

- 3.7. **“Natural Assets”** means natural resources relied on to provide services such as flood attenuation, erosion protection, water storage, air quality regulation, and recreation (e.g., foreshore and shoreline, creeks and riparian areas, wetlands, aquifers, steep slopes, urban forests).
- 3.8. **“Risk”** means consequence and likelihood of failure.

4. Policy Statement

- 4.1. The District’s asset management program is guided by the principles below. Together, they support consistent, long-horizon decisions that maintain service reliability, manage exposure to risk, and align infrastructure choices with the District’s financial capacity and community priorities.
- 4.1.1. Service Delivery
- The District will:
- a) operate, maintain, renew, and replace assets to achieve defined LOS that balance community expectations, risk tolerance, and affordability; and
 - b) implement an asset management system that relies on sound data, asset information, and structured risk assessment to inform priorities.
- 4.1.2. Financial Stewardship
- The District will:
- a) apply lifecycle planning and lifecycle cost analysis when developing renewal and replacement approaches;
 - b) prioritize capital plans based on LOS, risk, cost-benefit, and intergenerational equity; and
 - c) integrate asset management into the District’s financial planning (including reserve strategies and long-term funding plans) to support funding decisions.
- 4.1.3. Alignment and Collaboration
- The District will:
- a) align asset management practices with related corporate plans and strategies (as applicable), so infrastructure decisions support broader organizational objectives; and
 - b) embed asset management responsibilities and practices across departments and service areas to support coordinated planning and delivery.
- 4.1.4. Long-term Resilience and Continuous Improvement
- The District will
- a) manage assets with a long-term perspective that considers evolving service demands, regulatory requirements, climate-related hazards and impacts, and the needs of future residents; and

District of West Vancouver POLICY

- b) monitor and review the effectiveness of the asset management program and related processes using results to refine practices, improve data, and strengthen decision-making over time.

4.2. Accountability

- 4.2.1. All staff are responsible for using industry guidelines and good practices as applicable in compliance with all applicable legislation and regulations.

5. Approval

Approved by	<input type="checkbox"/> Municipal Manager	<input type="checkbox"/> Mayor and Council
Approval date	Click here to enter a date.	
Council minutes Document ID (Council Policies only)		
Council report Document ID (Council Policies only)		
Signature	X _____	

6. Additional Information

Category	<input checked="" type="checkbox"/> Council	<input type="checkbox"/> Administrative
Related procedure	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Date of last review	2026	

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