

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

**10.4.**

## **COUNCIL REPORT**

Date:	January 24, 2025
From:	Chrystal Boy, Deputy Director, Financial Services
Subject:	2024 Asset Management Update
File:	04.0842.01.2024

### **RECOMMENDATION**

THAT the report dated January 24, 2025, titled “2024 Asset Management Update” be received for information.

#### **1.0 Purpose**

This report provides an update on the District of West Vancouver’s (“District”), highlighting accomplishments, challenges, and future plans.

#### **2.0 Executive Summary**

As part of the annual review cycle, this report assesses the District's asset management program, asset condition, and maintenance needs. 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
- developing appropriate replacement cycles and replacement costs

Based on the asset management work completed in 2024, the estimated average annual cost of maintaining the required investment in general fund assets at appropriate service levels is \$20.7 million. As of 2024, the annual amount available for capital investment is \$18.1 million which includes the 4% Asset Levy increase approved in the 2024 budget. There is still a shortfall of \$2.6 million each year if there is no change to the capital investment amount and the shortfall will continue to contribute to the deferred maintenance issue. Staff will need to mitigate by utilizing the following methods: finding strategies to increase capital investment, seek alternative methods of funding, reduce service levels, or find efficiencies to decrease maintenance costs.

Accomplishments in 2024 include:

- Asset register
  - developed new 20-year capital planning dashboard in corporate asset management system, Maintenance Connection (MC), which would eventually replace asset inventory spreadsheet as more assets are incorporated into the system
  - built integration between software systems for data feed into MC for facilities' assets from facilities' capital planning software
  - standardized facilities' asset structure to allow for better tracking and reporting consistency
- Road pavement assessment
  - led by Engineering & Transportation Division to conduct detailed pavement assessment
- Sanitary utility asset management plan (AMP) updated
  - Council endorsed AMP as presented by Engineering & Transportation Division
- Public tree inventory
  - led by Climate Action & Environment and supported by Parks, Culture & Community Services to inventory all public trees through Geographic Information System (GIS) analysis
  - performed condition and risk assessments on a portion of trees in high use parks, business areas and high use trails
- Protection of natural assets
  - park dedication in Upper Lands (Eagleridge) for conservation

### **3.0 Legislation/Bylaw/Policy**

The District's Capital Asset Management Policy 02-30-367, adopted by Council on December 5, 2016, is based on asset management principles set out by Asset Management BC.

### **4.0 Council Strategic Objective(s)/Official Community Plan**

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

### **5.0 Financial Implications**

The report discusses financial implications throughout. A table illustrating the capital investment amount and shortfall since the Asset Levy was established is provided.

### **6.0 Background**

Per the Capital Asset Management Policy, the District is directed to report annually to residents on the work related to asset management. The previous report, "2023 Asset Management Update" was presented at the January 29, 2024, regular Council meeting.

Asset management is important to the District for the following reasons:

- Assets are critical to the service delivery for which the District is responsible. The state and condition of these assets directly impacts their ability to provide service. Assets that are not maintained at an optimal level provide sub-optimal service, and, if maintenance falls below threshold, assets are at risk of failure, with a subsequent loss of service and risk of liability.
- Each year, Council is presented with a capital budget, composed of numerous projects and Council is asked to make funding decisions, based on judgements about which asset investments should be made to support the community's long-term best interests. An asset management framework is essential to evaluate these projects, ensuring that new projects are not undertaken at the expense of letting older assets deteriorate.

## 6.1 History

In 2015, when the District undertook a Fiscal Sustainability Review of General Fund capital assets, it showed that an investment of at least \$13.9 million was required each year to maintain the District's assets at an optimal level and that the annual \$7.4 million amount available for capital investment was significantly insufficient. Based on the results of that review, the District established an Asset Levy and took steps to formalize an asset management program.

The table below shows the capital investment amount and shortfall in capital investment each year since the Asset Levy was established.

Year	Asset Levy Increase	Asset Levy Amount Increase (\$M)	Asset Levy (\$M)	Operating Budget Contribution (\$M)	Available for Capital Investment (\$M)	Estimate of Optimal Investment (\$M)	Shortfall (\$M)
2015	0.00%	-	-	\$7.4	\$7.4	\$13.9	\$6.5
2016	5.25%	\$3.1	\$3.1	\$7.4	\$10.4	\$13.9	\$3.5
2017	2.45%	\$1.6	\$4.6	\$7.4	\$12.0	\$14.1	\$2.1
2018	1.56%	\$1.1	\$5.7	\$7.4	\$13.0	\$14.5	\$1.5
2019	1.76%	\$1.5	\$7.1	\$7.4	\$14.5	\$14.5	-
2020	0.00%	-	\$7.1	\$0.7	\$7.8	\$14.5	\$6.7
2021	2.50%	\$2.4	\$9.5	\$1.2	\$10.7	\$16.9	\$6.2
2022	1.00%	\$0.8	\$10.3	\$2.1	\$12.4	\$16.4	\$4.0
2023	2.00%	\$1.7	\$12.0	\$2.6	\$14.6	\$17.7	\$3.1
2024	4.00%	\$3.5	\$15.5	\$2.6	\$18.1	\$19.8	\$1.7

As illustrated in the table above, the capital investment was drastically reduced in 2020 in response to the COVID-19 pandemic. While this enabled the District to carry on operations in 2020, it seriously set back the capital program. Funding for capital was reduced by 47% and many important and worthwhile projects had to be postponed. This further compounded the issue of deferred maintenance. Starting in 2021, efforts focused on rebuilding the capital investment that was foregone due to COVID-19.

Significant steps have been taken over the past years to implement a comprehensive asset management program at the District, including:

- creating a comprehensive Asset Register listing all District assets;
- developing the Capital Asset Management Policy and Capital Asset Management Procedure;
- forming the Asset Management Task Group (AMTG);
- updating the Asset Register annually for condition and usage assessments including projecting maintenance costs over a 20-year planning cycle;
- establishing the Asset Levy and statutory asset reserves (Capital Facilities Reserve, Capital Infrastructure Reserve and Capital Equipment Reserve) to hold the funds collected from the Asset Levy;
- commencing the project to consolidate asset information from multiple information systems to a single repository in MC;
- developing and implementing a framework for evaluating new community assets; and
- creating an inventory of natural capital assets.

## 7.0 Analysis

### 7.1 Discussion

In 2024, staff continued with the asset management work plan:

- updating the 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 with integrating asset information from multiple sources to the corporate asset management system, in particular the facilities’ asset information;
- continuing with reconciling and linking Maintenance Connection to the enterprise resource planning system, JDE, so that historical financial information and unit numbers are classified in the same manner so that there is a single source of information; and
- carrying out action plans for low use, poor condition assets and seeking any opportunities for cost savings.

In addition, staff accomplished the following items:

- conducted detailed road pavement assessment with the Pavement Condition Assessment report to be finalized in 2025;
- presented sanitary utility asset management plan (AMP) to Council for endorsement;
- completed public tree inventory along with condition and risk assessments in high use parks, business areas and high use trails; and
- continued discussions on an integrated environmental strategy which includes investment in the maintenance and protection of natural capital assets (e.g. park dedication in Upper Lands – Eagleridge).

#### State of District Infrastructure

Since 2016, the District has devoted significant resources to understanding the condition of assets. Condition information at the individual asset level is evaluated based on physical condition and operating performance.

The 2024 asset management update showed that the condition of most assets was found to range from “fair” to “very good”, with a sizable proportion of buildings classified as “poor” or “very poor.” These buildings are mostly either highly or moderately used for delivering District services.

Maintenance on buildings has been deferred mainly due to lack of funding and typically the only work that can be funded is for asset preservation. This means that maintenance of these assets is to address critically impaired assets or assets that will be completely unusable unless repaired.

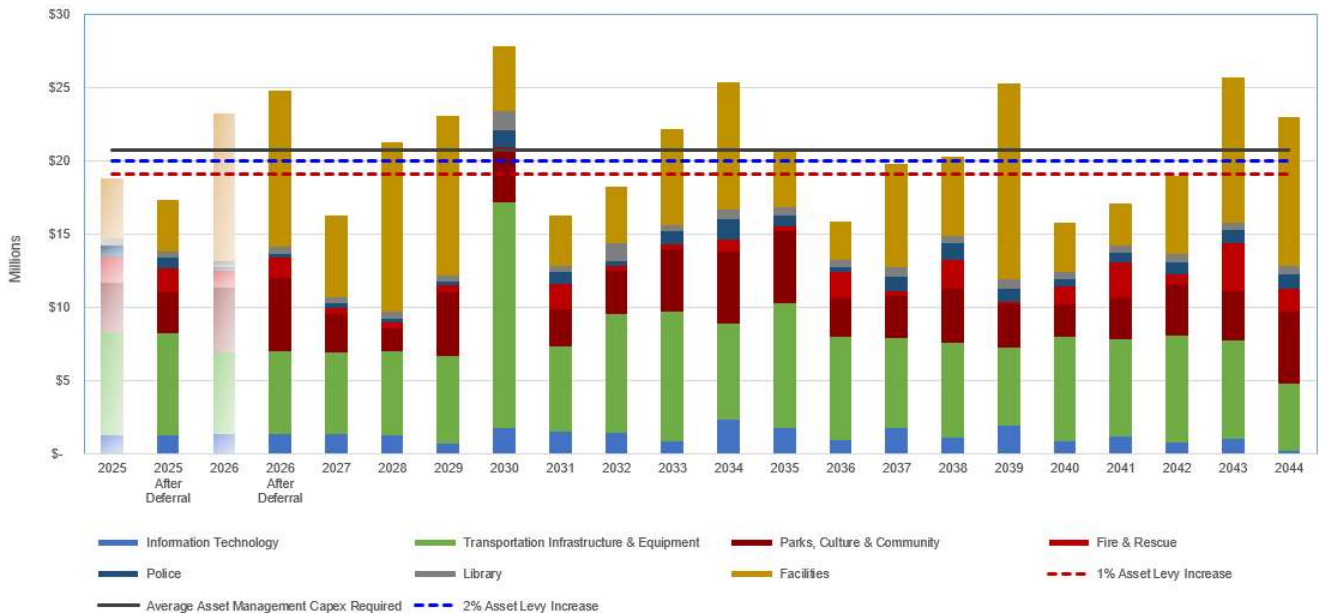
It has also been noted that usage of assets such as trails and parks greatly increased during the COVID-19 pandemic and usage has not dropped since then. This has resulted in quicker deterioration of these assets than before. In addition, climate change impacts are accelerating the degradation of assets exposed to the elements like trails, piers, and roads. As climate change impacts continue to be felt, asset maintenance strategies will need to be reconsidered.

**Funding for Capital Investment**

Based on the updated 20-year maintenance cost projections from 2025-2044, the optimal investment amount is estimated to be \$20.7 million each year. The amount increased from the prior year’s estimate mainly due to inflation and from new assets added to the District’s inventory. As every new asset requires maintenance in the future, these are added into the asset base amount.

The graph below is the 20-year maintenance cost information used to calculate the optimal investment estimate. The detailed information used to produce this graph supports the development and prioritization of the 2025 capital budget requests.

The first four bars illustrate the effect of deferring asset maintenance work from 2025 to 2026. This was due to lack of available funding.



For the 2025 budget, staff presented two scenarios to increase the Asset Levy to minimize the gap between available capital investment and the optimal investment amount. A 1% Asset Levy increase raises an additional \$0.9M leaving a shortfall of \$1.7M from the optimum amount. A 2% Asset Levy increase raises an additional \$1.9M leaving a shortfall of \$0.7M from the optimum amount. This can be seen in the graph above with the dotted lines compared to the solid line.

This table shows the amount available for capital investment with the different Asset Levy increases (with minor rounding differences).

Year	Asset Levy Increase	Asset Levy Amount Increase (\$M)	Asset Levy (\$M)	Operating Budget Contribution (\$M)	Available for Capital Investment (\$M)	Estimate of Optimal Investment (\$M)	Shortfall (\$M)
2025	1.00%	\$0.9	\$16.5	\$2.6	\$19.0	\$20.7	\$1.7
2025	2.00%	\$1.9	\$17.4	\$2.6	\$20.0	\$20.7	\$0.7

**Low Use, Poor Condition Assets**

A matrix using a combination of asset condition and use assessments formed the basis for developing a list of assets classified as “low use, poor condition” assets. This list was created in 2016.

Poor condition assets were defined as assets showing significant signs of deterioration and performing at a lower level than originally intended. Required maintenance costs for these assets exceed acceptable standards or norms. Low use assets were defined as assets in low use in comparison to the optimal level of service they might reasonably be expected to provide.

This work provided important insights, as “low use, poor condition assets” are often “forgotten assets” until a situation arises which brings them to attention. Rather than ignore these assets, the District has identified them, and staff are working diligently to manage them. However, each one of these assets is unique, and developing asset maintenance solutions for each one is challenging. An update on the current work on these assets is attached (**Appendix A**).

#### High Use, Poor Condition Assets

In 2022, staff also turned their attention to another category of assets in poor condition but classified as high use.

A substantial number of District facilities, roads, along with some park infrastructure fall into this category, as seen in **Appendix B**. Appendix B also provides an estimate of the 20-year maintenance requirements for each asset, assuming they are not replaced. In most cases, replacement would cost more but would provide additional service life and possible benefits such as greenhouse gas (GHG) emission reductions.

These assets are in poor condition for numerous and varied reasons and deciding what to do in each case will require careful consideration. One of the effects of under-investment due to COVID-19 is that more District assets now fall into this category. A refocus on whether these assets should be maintained, or replaced, is required.

As the District moves forward, it is seeing new ways of doing things and staff will be considering all asset replacement strategies carefully to ensure that the District’s service delivery goals continue to be met in the most efficient way possible. In many cases, this will mean a greater reliance on technology, with greater control over service delivery processes and monitoring of outcomes. Staff also continue to search for replacement strategies to reduce GHG emissions, such as continuing with fleet electrification and converting to heat pumps in facilities where possible.

#### 2025 Work Plan

Staff will continue with the asset management program and the on-going work of integrating asset information to MC along with reconciling to JDE for financial information. The work plan will include:

- assess if other natural assets can be inventoried and valued;
- try to incorporate natural assets into the District's asset register;
- explore alternate funding strategies such as local area service tax for assets that serve a "sub-area" of a municipality; and
- seek increased assistance from higher levels of government for funding to replace municipal assets. At the provincial level, this includes continued representation of the increased infrastructure costs being imposed on municipalities by the Province's housing strategy.

## 7.2 Climate Change & Sustainability

Maintenance of District assets at an optimal level is a key component of effective service delivery, which contributes to the overall sustainability and resiliency of the District. In addition, staff continue to seek new and more sustainable solutions to lower GHG emissions and reduce environmental impacts.

## 7.3 Public Engagement and Outreach

During the District's budget engagement process (January 13 to 31, 2025), the concepts of asset management were presented to the community. The 2024 budget process included a series of public open houses (January 21, 22 and 23) and online engagement opportunities.

## 7.4 Other Communication, Consultation, and Research

District staff responsible for maintaining assets contributed to this report by providing updates to the Asset Register.

# 8.0 Options

## 8.1 Recommended Option

The recommended option is that this report be received for information.

## 8.2 Considered Options

Council may request additional information on the Asset Management program, or direct that additional options be provided for specific assets.

## 9.0 Conclusion

Asset management remains a high priority for the District, and staff continue to improve the District's asset management program.

Author:



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Chrystal Boy, Deputy Director, Financial Services

Appendices:

Appendix A: Progress on Low Use, Poor Condition Assets

Appendix B: List of High Use, Poor Condition Assets

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	Service Area	Asset	Maintenance Cost (over next 20 years)	2024 Update	2025 Proposed Action
1	Engineering	Low Volume Roads (cul-de-sac)	\$4.5M	Added to low use, poor condition list as of 2023.	The final 2024 Pavement Condition Assessment report will be completed soon. In the report, 7% of local roads are in poor condition. Local roads are critical infrastructure that provide access to homes and facilities and will be replaced at the time the underground infrastructure is replaced.
2	Engineering	Bridges connecting to local roadways	*Estimate is based on whether Council allows the demolition of the Nelson Canyon and 26th St. bridges	Added to low use, poor condition list as of 2023.  *Estimate is over next five-years to align with major structural reassessment frequency.  Does not include engineering costs nor inspection programming.	Based on the 2022 detailed assessment (done every five years), there are no bridges on local roads that are in poor condition. The only bridges in poor condition are:  Keith Road – on a collector - traffic bridge  Nelson Canyon – pedestrian bridge  26th Street - pedestrian bridge  Presenting to Council on February 24, 2025, options for Nelson Canyon Bridge and the removal of 26th Street bridge.  Developing a rehabilitation plan for Keith Road Bridge.

Asset Management Update - Progress on Low Use, Poor Condition Assets

3	Facilities	Hollyburn Ranger Cabin & Storage Shed	\$546K	Discussions with stakeholders ongoing.	Discussions with stakeholders ongoing.
4	Facilities	Stonehedge (775 15th Street)	\$561K	Continue to maintain the facility as required to keep the building safe and operational for the occupants.	Continue to maintain the facility as required to keep the building safe and operational for the occupants.
5	Parks	Klahanie Park Outdoor Court	TBD pending improvements to be made in 2025	Decision is pending the proposed addition and renovations to the Evergreen Squash Club.	Asset to be maintained and improvements to be made in 2025.
6	Parks	Klahanie Park Backstop	\$10K	Assess level of use by sport groups to determine if replacement is required.	Maintain asset to ensure it is safe for use until long-term viability of asset is determined.
7	Parks	Parthenon Park Water Access	\$5K	The wharf to be repaired.	The wharf to be repaired.
8	Parks	Caulfeild Elementary Baseball Backstop	TBD if asset is needed	To be replaced as per capital renewal plan.	Need to determine if backstop is needed. School board property.
9	Facilities	Whytecliff Park Concession Building	\$88K	Continue to retain and maintain this park amenity.	Continue to retain and maintain this park amenity.
10	Facilities	Lighthouse Park Sk'iwitsuit Hut & Phil Mundy Building, and other buildings	\$835K	Sk'iwitsuit Hut and adjacent structures to be maintained in a reasonable state of repair and in tenantable condition as per the lease agreement terms with the federal government; no further action to be taken until the longer-term status of the lease is determined.	Sk'iwitsuit Hut and adjacent structures to be maintained in a reasonable state of repair and in tenantable condition as per the lease agreement terms with the federal government; no further action to be taken until the longer-term status of the lease is determined.
11	Facilities	Anderson Residence (775 15th Street)	\$570K	Added to low use, poor condition list as of 2023. Roof has failed.	Discussions with stakeholders, maintain asset to ensure it is safe for use until the long-term plan is determined.

Asset Management Update - Progress on Low Use, Poor Condition Assets

12	Parks	Tennis Courts – Burley Drive, Caulfeild Elementary, Cedardale, Westridge	\$840K	Added to low use, poor condition list as of 2023.	Funds have been requested for the renovation of the courts at Caulfeild Elementary and Burley Drive in the 2025 budget. Cedardale and Westridge will be considered in future capital budget requests.
13	Facilities	Fulton House (1538 Fulton Avenue)	\$691K	Maintain asset to ensure it is safe for use until long-term viability of asset is determined	Maintain asset to ensure it is safe for use until long-term viability of asset is determined while also seeking opportunities to lease space.
14	Facilities	Ambleside Park Pump House	\$239K	Continue to maintain the facility as required.	Continue to maintain the facility as required.
15	Facilities	Klee Wyck Park Caretaker Cottage	\$688K	Maintain asset to ensure it is safe for use until long-term viability of asset is determined	Maintain asset to ensure it is safe for use until long-term viability of asset is determined.
16	Parks	Dundarave Wading Pool	\$1.6M	Demolish asset	To be completed in first quarter of 2025.

## Asset Management Update - Progress on Low Use, Poor Condition Assets

Table includes assets removed from the low use, poor condition list since the list was established in 2016:

	<b>Asset</b>	<b>Reason</b>
1	Ambleside Lockup	Building demolished in 2023. A new Ambleside Park outdoor fitness circuit is being installed.
2	Hollyburn Cabins (District Owned)	Disposed of in prior years.
3	Hugo Ray Fieldhouse/ Washroom Building	Status changed to moderate usage in 2023. Facility leased in 2024, and status changed to fair condition with repairs made in 2024.
4	Navy Jack House	In 2023, entered into a lease agreement with Carrera Management Corporation for the building's renovation and restoration to build and operate a coffee shop/wine bar for the public.
5	Klee Wyck Property	In 2022, the main house, studio and greenhouses were removed. A master plan for Klee Wyck Park is being undertaken.
6	Larson Bay Tennis Court	Disposed in 2022.
7	Whytecliff Park Caretaker Residence	Disposed in 2020.
8	Ambleside Youth Centre	Disposed in 2019. In 2020, a temporary Youth Hub was established in Park Royal Shopping Centre.
9	Erwin Park Neighbourhood Playground	Disposed in 2019.
10	Westwood Park Neighbourhood Playground	Disposed in 2019.
11	Douglas Street Park Sport Court	Maintain asset to ensure it is safe for use until it needs complete replacement. Fencing updates completed in 2023. Public mural being explored in 2024.
12	Cypress Falls Parking Lot	Parking lot to receive regular maintenance as a gravel parking lot.
13	Dundarave Park Concession & Washroom	Repairs and maintenance completed in 2024 therefore status changed to fair condition.
14	Deacon Cabin	Lease agreement was finalized, status changed to moderate usage in 2024.
15	Larson Bay Park Outhouse Building	Repairs and maintenance completed in 2024 therefore status changed to good condition.

Asset Management Update  
List of High Use, Poor Condition Assets

The table lists high use assets in poor condition because of deferred maintenance:

	<b>Service Area</b>	<b>Asset</b>	<b>Maintenance Cost</b> (over next 20 years; if not replaced)	<b>Comment</b>
1	Engineering	Arterial Roads	\$0.2M	The final 2024 Pavement Condition Assessment report will be completed soon. In the report, the road network is divided into three road types, arterial, collector, and local. Based on the estimated remaining service life, 3% of arterial roads are in poor condition, 16% of collector roads are in poor condition, and 7% of local roads are in poor condition. Arterial and collector roads will be prioritized for replacement within the annual paving capital envelopes.
2	Facilities	Seniors' Activity Centre	\$8.9M	Multi-year capital renewal budget request of \$12K included in 2025 capital program. An additional \$3.9M is planned for the next four years.  \$169K, \$1.4M, \$2.4M & \$21K was scheduled in 2026, 2027, 2028 & 2029.
3	Facilities	Gleneagles Community Centre	\$6.1M	Multi-year capital renewal budget request of \$13K included in 2025 capital program. An additional \$1M is planned for the next four years.  \$106K, \$23K \$861 & \$17K was scheduled in 2026, 2027, 2028 & 2029.
4	Facilities	West Vancouver Ice Arena	\$5.8M	Multi-year capital renewal budget request of \$141K included in 2025 capital program. An additional \$326K is planned for the next four years.  \$205K, \$50K, \$16K & \$55K was scheduled in 2026, 2027, 2028 & 2029.

Asset Management Update  
List of High Use, Poor Condition Assets

5	Facilities	Fire Hall # 1	\$5.5M	Multi-year capital renewal budget request of \$216K included in 2025 capital program. An additional \$681K is planned for the next four years.  \$147K, \$500K & \$39K was scheduled in 2026, 2027 & 2029.
6	Facilities	SPCA	\$1.4M	Multi-year capital renewal budget request of \$1.1M was planned for the next three years.  \$351K, \$314K & \$391K was scheduled in 2026, 2027 & 2028.
7	Facilities	Fire Hall # 3 - Caulfeild	\$1.1M	Multi-year capital renewal budget request of \$99K included in 2025 capital program. An additional \$166K is planned for the next four years.  \$150K & \$16K was scheduled in 2026 & 2029.
8	Facilities	Fire Hall # 4 - British Properties	\$699K	Multi-year capital renewal budget request of \$253K was planned for the next three years.  \$9K & \$245K was scheduled in 2026 & 2028.
9	Facilities	Lighthouse Park Caretaker Residence	\$557K	Multi-year capital renewal budget request of \$342K was planned in 2028.
10	Fire	Three Fire Trucks & One Fire Support Vehicle	\$4.8M	Per asset management plans, renewal cost of \$148K scheduled in 2026.  \$3.1M was planned for two fire truck in 2043 and \$1.5M in 2044 for one fire truck.
11	Parks	Artificial Sport Field Replacement	\$4.6M	A multi-year program funded by the Artificial Turf Replacement Fund covers the replacement of carpet and other major components. There is no request for funding in 2025 as 2025 budget request is still in early stage.
12	Parks	Trails	\$2.3M	A multi-year project of replacing and/or repairing failing trails and trail structures (foot bridges, boardwalks, stairs, etc.). Major projects for 2025 will be Stevens Drive/Rabbit Lane Stair

Asset Management Update  
List of High Use, Poor Condition Assets

				Trail repair, Keith Place. Stairs Replacement Phase 1, and Brothers Creek Crossover trail bridge replacement. Budget request of \$215K included in 2025 capital program.  The total of \$975K was planned over the next four years.
13	Parks	Pipes – underground park utility systems	\$1.4M	A multi-year program to replace underground infrastructure such as water, sewer, storm pipes, and roads in parks that have reached the end of their serviceable life. There is no request for funding in 2025. The 675K was planned for 2029.
14	Parks	Pier	\$1.3M	An ongoing program for major repairs and replacements of District waterfront park pier structures and floats based on an engineering consultants report. Budget request of \$30K included in 2025 capital program.  The total of \$180K was planned over the next four years.
15	Parks	Failing Park Structures	\$1.0M	An ongoing program for major repairs and replacements related to public safety and the protection of District's park assets. Budget request of \$70K included in 2025 capital program.  The total of \$225K was planned over the next four years.
16	Parks	Fences	\$0.7M	In 2025, the Barrier Railing at Horseshoe Bay Seating Blocks and fencing from washroom building to island seating are scheduled for replacement and repairs with a \$65K budget request. This is an ongoing program with an annual \$35K planned cost to repair and replace fencing in park areas that are not covered by other projects.
17	Parks	Backstop	\$0.7M	The cost is part of the multi-year program to replace sport field lights,

Asset Management Update  
 List of High Use, Poor Condition Assets

				fencing and backstops. There is no funding requested for 2025. \$333K backstop replacement and repairs are planned for 2027.
18	Other	Other items below \$500K	\$4.6M	Planned maintenance on many of these items was deferred due to lack of funding.