

## Mayor's Report

### **Asset Management Planning Is Key To Financial Sustainability**

For the past three years, the municipality has been working on development of a 'Capital Assets Inventory' and 'Capital Assets Management Plan' as part of its overall financial management plan. The municipality is currently extending its road assets inventory to include an assessment of pavement condition and service-life needed for comprehensive long-term financial planning.

The [BC Asset Management Planning Program](#) was created in 2014 with financial support from the [Ministry of Community, Sport & Cultural Development](#). The intent of the program is to assist local governments in delivering sustainable services by extending and deepening their asset management practices. In July 2015, the [Auditor General For Local Government](#) issued a [discussion paper](#) regarding the management of infrastructure assets by local governments.

"Local Governments too often take core infrastructure for granted until it breaks down. Without robust Asset Management practices, it is too easy for local governments to starve capital replenishment and bring in artificially low tax rates and user fees in order to balance budgets — the long-term consequences of this can be catastrophic. Sustainable service delivery is critical for the guarantee of future livability with our communities."  
– Richard Walton, Mayor, District of North Vancouver

The BC approach to asset management, which is being led by [Asset Management BC](#) (AMBC), identifies internationally accepted best management practices that have been endorsed by the [Union of British Columbia Municipalities](#) (UBCM). The approach focuses on desired outcomes rather than prescribing specific methodologies, thereby allowing local governments to develop and implement an approach tailored to their specific needs and capacity. UBCM, in partnership with AMBC, has led development of an asset management framework which establishes a systematic approach that local governments can use to provide service, asset and financial sustainability through an asset management approach.

In April, Council received a [Roads Asset Management Report](#) prepared by [Urban Systems](#) based on an inventory of road assets, which includes estimations of the current replacement value for each asset. The report included an 'Asset Replacement Forecast' created to provide a high-level overview of when assets might need to be replaced based on their projected service-life, and how much that might cost. This information is important for financial planning, policy development and implementation, and risk assessment. On September 18<sup>th</sup>, Council received a [presentation](#) from [Urban Systems](#) regarding 'Roads Asset Management' as part of this on-going process.

Two scenarios were considered for the asset management forecast to minimize discrepancies caused by assumptions. Between both scenarios, the '20-Year Average Annual Investment' (AAI) had a mean of \$100,000, and the 'Average Annual Life Cycle Investment' (AALCI) had a mean of \$82,000. The bottom line, unlike numerous BC municipalities, Belcarra does not have a roads infrastructure deficit, and only needs to maintain the current funding level of \$100,000 per year for roads maintenance to ensure financial sustainability!

Belcarra Council will continue to do due diligence to ensure that potential funding obligations are anticipated and included in the long range financial plan, and Belcarra property owners can take comfort in knowing that Belcarra is indeed financially sustainable.

**Ralph Drew**  
**Mayor**