



## Committee Report

**To:** Warden Chris Peabody and  
Members of the Corporate Services Committee

**From:** Edward Henley  
Director of Corporate Services

**Date:** March 2, 2023

**Re:** Tangible Capital Asset Policy Revision

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### Staff Recommendation:

That the revised Tangible Capital Asset Policy be approved as presented, effective January 1, 2023.

### Background:

The County's Tangible Capital Asset Policy was last updated in November of 2015 and focused on the recognition criteria and accounting treatment for Tangible Capital Assets. Since this time the business environment and provincial requirements for asset management have changed how the County obtains and utilizes Tangible Capital Asset information and thus an update to the policy is recommended.

The recognition and data maintenance of the County's Tangible Capital Assets is becoming increasingly influenced by asset management practices. The goal of asset management is to deliver an adequate level of service in the most cost-effective manner. Implementing effective asset management strategies requires an accurate asset inventory with regularly updated information.

The revised policy aims to increase capital thresholds to exclude high-quantity items of insignificant financial value that do not lend themselves to asset management strategies. As a result, items with a cost of \$1,000 or less will be excluded from pooled asset categories going forward, with the exceptions of computers and library books. There are currently over 2,200 pooled assets in the County's software that would be excluded under this change. At a conservative estimate of five minutes to record each asset, this results in time savings of over 26 full workdays spent on initial data entry.

The capital threshold for several non-pooled asset categories will be increased from \$5,000 to \$10,000 to keep pace with inflationary cost increases and help manage asset volume. Due to inflation, an item costing \$5,000 back when the thresholds were set in 2008 now costs almost \$9,000 according to the Non-Residential Building Consumer Price Index (NRBCPI). These threshold changes will permit more effective asset management for significant asset categories such as core infrastructure.

The new asset categories of Stormwater Infrastructure and Small Culverts will be added due to both their significant financial value and importance for asset management to the County. The County's 2022 Asset Management Plan estimated the cost of Stormwater

Infrastructure to exceed \$25 million, while the cost of a Small Culvert can be tens of thousands of dollars.

The revised policy also clarifies the responsibilities of County Council and Staff to reflect current roles related to capital spending and asset management.

**Financial/Staffing/Legal/IT Considerations:**

There are no staffing, legal or IT considerations associated with this report.

**Interdepartmental Consultation:**

The Senior Management Team and impacted county staff have reviewed the proposed changes and provided feedback for incorporation in the revised policy.

**Link to Strategic Goals and Elements:**

Explore alternative options to improve efficiency and service.

**Report Author:**

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**Departmental Approval:**

Edward Henley, Director of Corporate Services

**Approved for Submission:**

Derrick Thomson

Chief Administrative Officer