

**Legislative Services Department**  
**830 Cliffe Avenue**  
**Courtenay, B.C.**  
**V9N 2J7**



**Phone (250) 334-4441**  
**Fax (250) 334-4241**  
**jward@courtenay.ca**

City File No.: 390-20

February 13, 2018

Association of Vancouver Island  
And Coastal Communities  
525 Government Street  
Victoria, B.C. V8V 0A8

**Re: 2018 Resolution – Asset Management**

Please be advised that the City of Courtenay submits the following resolution for the 2018 AVICC Annual General Meeting:

***Common Asset Management Policy***  
***City of Courtenay***

*WHEREAS the purposes of a British Columbia municipality and regional district include providing for stewardship of the public assets of its community;*

*AND WHEREAS, the powers, duties and functions of British Columbia municipal and regional district Chief Administrative Officers include:*

- (a) overall management of the operations of the local government;*
- (b) ensuring that the policies, programs and other directions of the council or board are implemented; and*
- (c) advising and informing the council or board on the operation and affairs of the local government.*

*NOW THEREFORE BE IT RESOLVED THAT the Association of Vancouver Island Coastal Communities supports sound Asset Management practices as the means to achieve local Sustainable Service Delivery;*

*THAT BC municipalities and regional districts, their respective CAOs and staffs would benefit from guidance to a common communications approach to enhance Asset Management Practices; and*

*THAT the AVICC recommends the Union of BC Municipalities Resolve to develop and implement such a common communications approach in partnership with the LGMA and Asset Management BC.*

I trust the above is satisfactory, and please do not hesitate to contact me if you require further information.

Yours truly,

ORIGINAL SIGNED BY

John Ward, CMC  
Director of Legislative and Corporate Services  
Deputy Chief Administrative Officer

## **BACKGROUND**

### **Common Asset Management Policy**

Asset Management BC (AMBC) has been providing awareness of Asset Management best practices for nearly a decade and throughout that time senior City Staff have been closely affiliated with AMBC. The City has benefited from that relationship by adopting many of the practices AMBC devised or has otherwise supported and after several years, the positive impacts are beginning to be felt.

AMBC is a group of Associations, governments and first nations with a collective interest in Asset Management. It's important to emphasize that AMBC quite deliberately refers to itself as a "Community of Practice", meaning it does not depend upon or represent a particular entity or sector. Therefore, the various observations and suggested practices are motivated only by objectivity and excellence in Asset Management practices.

Given its chosen position as a neutral party, it might be considered presumptuous of AMBC to offer advice to elected officials without it first being requested. That is possibly why there has not yet been a collation of policy practices offered in support of CAOs and council/board elected officials where, from a public administrator's perspective, something of that nature would be very useful. Ironically, our affiliation with AMBC has helped us to recognize that this form of guidance does exist, but it is located in various places and has not been provided or promoted in a coherent, unified way. The guidance is located in statutes, senior government publications and Courtenay Council's Asset Management Policy.

Beyond the operational aspects, to be successful over the long-term a local government AM program depends upon three intertwined yet distinct communications channels and their respective content:

1. The **relationship between council members/regional directors with their constituents** to consider and agree upon continuing levels of service balanced with the constituents' willingness to pay;
2. The **relationship between council members/regional directors and their respective CAOs** to agree upon policy objectives (and reporting) and provision of the means to achieve them; and
3. The **relationship between municipal/regional district CAOs and their staffs** to set the operational and capital work plans in place to achieve sustainable service delivery through sound AM practices.

These three channels have their origins in the following references:

- *Community Charter (CC)* and *Local Government Act (LGA)*;  
<http://www.bclaws.ca/>
- Auditor General for Local Government (AGLG) Perspectives Series Booklet, “Asset Management for Local Governments”;  
<https://www.aglg.ca/> and
- City of Courtenay **Policy #1670.00.02** “Asset Management Policy”.  
<http://www.courtenay.ca/EN/main/city-hall/asset-management.html>

#### COUNCIL/BOARD MEMBERS AND CONSTITUENTS:

As most will know, municipalities and regional districts are distinct, but are both referred to as ‘local governments’ and the *Community Charter* and *Local Government Act* are the two principal sources of their respective authority. These statutes provide for the purposes of these two forms of local government. One purpose is “providing for stewardship of the public assets of its community”.<sup>1</sup> They also stipulate that ‘the powers, duties and functions of a municipality or regional district are to be exercised and performed by its council or board’<sup>2</sup> as the case may be.

The BC AGLG provides even more succinct guidance to the elected officials:

“Local residents, as service customers and taxpayers, expect to be advised and consulted on how you are spending tax dollars... It is important for you to... engage and educate members of the community on what asset management involves, why it is important and the implications if your local government fails to proactively manage publicly-owned assets. This communication provides an opportunity for your local government to ask the community about their service level expectations and their willingness to pay the costs of meeting those expectations.”<sup>3</sup>

This guidance is echoed the City’s Asset Management Policy: “...council members are responsible for adopting policy and ensuring that sufficient resources are applied to manage the City’s capital assets” and for providing “...those we serve with services and levels of service for which they are willing to pay”.<sup>4</sup>

#### COUNCIL/BOARD AND THEIR CAOs:

The *CC* and *LGA* speak to this relationship, too: CAOs’ powers, duties and functions include overall management of operations of the local government; ensuring that the policies, programs and other directions of the council/board are implemented; and advising and informing the council/board on the operation and affairs of the local government.<sup>5</sup>

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<sup>1</sup> *Community Charter* s. 7 and *Local Government Act* s. 185.

<sup>2</sup> *Community Charter* s. 114 and *Local Government Act* s. 194.

<sup>3</sup> Auditor General for Local Government (AGLG) Perspectives Series Booklet, “Asset Management for Local Governments”, pp. 17-18.

<sup>4</sup> This latter policy statement is reiterated in the City of Courtenay Strategic Priorities 2016-2018.

<sup>5</sup> Paraphrased for convenience from *Community Charter* s. 147 and *Local Government Act* s. 235.

The AGLG also considers this relationship:

“Elected officials have a stewardship responsibility and an oversight role, while staff are responsible for implementation and for reporting back to the council/board. It is important for both parties to understand and respect the distinction between governance and management and to maintain an appropriate balance of accountability... As elected officials, you can help ensure effective asset management by supporting staff in their efforts to develop and implement asset management planning.”<sup>6</sup>

Council’s AM Policy commits to “Ensuring necessary capacity and other operational capabilities are provided” and to “...providing sufficient financial resources to accomplish them”. As a reflection of the legislation and AGLG guidance, the Policy goes on: “The Chief Administrative Officer has responsibility for Asset Management plans, strategies and procedures as well as reporting to Council on the effectiveness of Asset Management practices and their outcomes.”

#### CAOs AND THEIR STAFF:

Communications as part of this relationship is a matter of leadership style and public administration practices. How these manifest themselves locally is a function of the individuals’ education and experience along with ongoing professional development. This is offered by agencies such as the Local Government Management Association of BC and more formalized training through various academic institutions.

While the statutes do not speak to this particular relationship, the AGLG does provide some guidance:

“Asset management is a highly integrated activity requiring staff from across the local government to interact and share knowledge and data. It requires a shift to a new business model based on sustainable service delivery. To succeed, your chief administrative officer must champion asset management, select the right group of staff from finance, planning, operations, information technology and engineering, give them the proper authority and make them accountable for action.”<sup>7</sup>

This AGLG guidance coincides with the City’s AM Policy as provided above.

As is obvious, the guidance to successfully develop these three channels of communication does exist. However, it would be more effective if it were coalesced in a singular form that could be consistently referred to by local governments wishing to more effectively develop Asset Management for Sustainable Service Delivery. One way of accomplishing this could be for BC local governments to collectively request it be done on their behalf by an organization or agency such as Asset Management BC.

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6 Auditor General for Local Government (AGLG) Perspectives Series Booklet, “Asset Management for Local Governments”, pp. 17 & 13.

7 Auditor General for Local Government (AGLG) Perspectives Series Booklet, “Asset Management for Local Governments”, p. 18.