

ADMINISTRATIVE REPORT

TO: Shane Bourke, City Manager	DATE: November 12, 2024
FROM: Danielle Whiteway, Chief Financial Officer	MEETING: Financial & Administrative Services Committee
REPORT WRITER: Alex Shepherd, Manager of Assets	
SUBJECT: Policy 351 - Tangible Capital Assets	

RECOMMENDATIONS

That the Financial Administrative Services Committee recommends Council approve amendments to Policy 351 – Tangible Capital Assets as presented.

PREVIOUS COUNCIL / COMMITTEE DIRECTIONS

Policy 351 was last revised on August 11, 2020.

BACKGROUND

Originally developed in 2012, this policy’s purpose is to establish transparent and compliant management of the City’s tangible capital assets (TCAs) in accordance with Public Sector Accounting Board (PSAB) PS 3150 standards, as well as International Standards Organization (ISO) 55000 Asset Management standards. Ensuring that financial statements accurately reflect the City’s investments in tangible capital assets.

ANALYSIS

Policy 351 was amended to align with the PSAB standards for Tangible Capital Asset management, including updated definitions that have since been re-defined from last revision of the policy. Aligning with these standards ensures financial reporting meets required public sector accounting standards and emphasizes best practices for asset management throughout the asset lifecycle.

The inclusion of Asset Retirement Obligations (AROs) ensures that legal or constructive obligations tied to asset retirement (e.g., decommissioning, restoration) are well-documented and financially accounted for, per PSAB PS 3280.

Revisions and other changes include modernization of the policy, appropriate language changes and general clean-up of the policy itself.

Relationship to City Council's Areas of Focus / Strategic Priorities

Asset Management is a strategic priority through economic readiness, innovative efficiencies and quality of life for the citizens of Grande Prairie.

Environmental Impact

This policy promotes positive environmental impacts by addressing Asset Retirement Obligations (AROs), which ensure that when assets are decommissioned, they are properly removed, restored, or remediated to prevent environmental damage. This proactive management helps minimize the environmental footprint of asset disposal and supports sustainability by integrating environmental considerations throughout the asset lifecycle.

Economic Impact

The Tangible Capital Assets (TCA) Policy enhances economic efficiency by ensuring accurate financial reporting, lifecycle management, and risk mitigation, leading to long-term cost savings and optimized use of public resources. By maintaining reliable infrastructure and supporting sustainable asset management, the policy promotes economic growth and improves the City's financial sustainability.

Social Impact

This policy promotes social benefits by ensuring reliable, well-maintained public infrastructure that enhances residents' quality of life and supports equitable service delivery. By fostering accountability, sustainability, and transparency in asset management, the policy helps build trust with the community and ensures long-term access to essential services like transportation, utilities, and public facilities.

Relevant Statutes / Master Plans / City Documents

City of Grande Prairie Strategic Plan 2022-2025.

Risk

None

Alternatives (Optional)

STAKEHOLDER ENGAGEMENT

An internal review was completed and provided input on proposed amendments to the policy.

BUDGET / FINANCIAL IMPLICATIONS

No impacts to existing budget, as no capitalization thresholds have been changed or asset categories amended.

SUMMARY / CONCLUSION

Policy 351 required additional amendments to ensure the City can implement this policy appropriately to reflect updated public accounting standards, modernization, general clean up, and added appropriate definitions for Asset Retirement Obligations. These changes reflect a strong and modernized Tangible Capital Asset Policy. Administration recommends that Council approve updates to the policy as presented.

ATTACHMENTS

1. Policy 351 – Revised
2. Policy 351 – Marked Up