

Date: March 2, 2010



City Council Committee Report

To: Mayor Compton & Members of Council

Fr: Charlotte Edie

Re: Amendments to Tangible Capital Asset Policy

Recommendation: THAT Council approve the changes to the Tangible Capital Asset Policy as follows:

- **Roadways – paved, surface treated and gravel. Each of these was originally broken down by 'land, subsurface and surface'. We found that there was no benefit to keeping this break down, therefore we recommend that the roadways be treated as one unit and be amortized over the number of years originally recommended for the surface. Most of the capital works performed on roadways relates to the surface.**
- **Bridges – Decks. We recommend that the word 'Decks' be substituted by the word 'Substructure'. Our consultants use this term in their reports and we feel that this terms better describes what we want to capture in this category. The other component already in the policy is 'Superstructure'.**
- **We recommend that the Fire Fleet be categorized separately and that the amortization period for Fire Fleet be set at 25 years with a threshold of \$15,000. The amortization period is longer than other fleet categories and better reflects useful life.**

Background: The goal of the tangible capital asset policy is to provide direction to ensure that the City's tangible capital assets are recorded appropriately and accurately, and to prescribe the accounting treatment for those assets.

As the process for inventorying and valuing the capital assets unfolded it was discovered that there were more realistic parameters to set for certain assets. As a result we request that the policy be amended to better reflect how the capital assets will be reported and amortized.

Budget: There is no expected budget impact as a result of this report.

Communication Plan/Notice By-law Requirements: That Council approve the amendments in this report to the Tangible Capital Asset Policy #FI-6-1 approved by By-Law #152-2008.