



Asset Management Policy (DRAFT)

Purpose

The Town of Addison (Town) owns and manages an array of assets that are utilized to provide services to the community. This policy establishes the framework and defines the principles by which the Town of Addison’s assets will be managed. With the Council’s adoption of the policy, the Town will be able to develop and maintain an Asset Management System that will help to ensure the optimized delivery of services and the responsible stewardship of the Town’s assets.

This policy establishes the Town’s commitment to asset management and helps ensure that asset related decisions are made in alignment with the principles defined herein. This policy:

- Documents the Town's commitment to asset management and the continuous improvement of asset management practices.
- Defines over-arching principles for asset management that are appropriate for the Town and are reasonable, logical, and necessary for delivery of sustainable, affordable services.
- Defines guiding principles for asset management.
- Establishes roles and responsibilities for asset management.

Scope

This policy applies to the lifecycle management activities of the Town’s assets and includes the following:

- A. All assets or asset systems (including natural assets) owned by the Town and used to deliver services to the community. These assets are categorized by the following asset systems:

Buildings	Parks and Trails	Landscape
Pedestrian Lights	Water	Wastewater
Signals	Pavement	Bridges
Curb Ramps	Sidewalks	Traffic Signals
Traffic Signs	Streetlights	Fleet
Airport	Stormwater	

- B. Assets owned by others but managed or co-managed by the Town to deliver services to the community are subject to the terms of any agreements already in place.

Definitions

Asset - An item that has potential or actual value to the organization.

Asset Management - Managing assets to minimize the total cost of owning, operating, maintaining those assets while delivering the desired service level at an acceptable level of risk.

Asset Management Plan - A long-range planning document that provides a framework for understanding the assets an organization owns and manages, the services it provides, risks it assumes, and the financial investments required to sustain the services.

Asset Management System – The system of policies, strategies, and plans needed to manage the Town’s assets.

Lifecycle - The stages involved in the management of an asset.

Lifecycle Cost - The cost of owning, operating, and maintaining an asset over its lifetime.



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Level of Service - Parameters that reflect political and economic outcomes that the organization desires to deliver.

Principles

The following principles will guide the Town's Asset Management System:

A. Service Delivery

- The Town will adopt a whole organization, all asset approach to asset management that considers the interdependence between asset systems and services throughout their full lifecycle.
- The Town will balance community expectations and regulatory requirements with risk, affordability, and available resources to provide safe and reliable services.
- The Town will provide transparency and accountability to the community. This will include regular communications to Council.
- The Town will comply with all required legislative, regulatory, and statutory requirements.

B. Sustainability and Resiliency

- The Town will make asset management decisions that consider financial impacts and will be based on the long-term outlook, minimization of risk and lifecycle costs, and maximization of value to the community.
- The Town will adopt a proactive approach to managing infrastructure assets to minimize service disruption.
- The Town will ensure that financial and resource planning are in alignment with the Town's service delivery requirements.
- Staff will provide an annual update to Council on asset management planning progress.

C. Fiscal Responsibility

- The Town will ensure asset management decisions are supported by data and cost / benefit analysis.
- The Town will strive to make asset management decisions that promote minimization of long-term cost rather than lowest initial cost.
- The Town will develop and update plans for infrastructure asset rehabilitation and replacement. This will include the following:
 - Development of long-term projections of infrastructure investment needs
 - Identification of operations and maintenance cost
 - Analysis of resources needed to perform work
- The Town will develop prioritized capital investment plans.
- The Town will develop mechanisms to ensure long-term financial sustainability.
- The Town will recognize that asset management practices must be proactive and responsive to changing environments.

D. Coordination, Communication, and Transparency

- The Town will coordinate asset management decisions and activities across all departments to ensure maximum value to the community.
- The Town will operate with a clear structure of organizational accountability for the inventory, condition, use, and performance of assets.
- The Town will embed asset management principles and practices across all



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departments by adopting a formal, consistent, and repeatable approach to the management of its assets.

- The Town will ensure transparency to stakeholders regarding asset performance.
- The Town will measure and report to Council periodically on the performance and effectiveness of the Asset Management System.

E. Innovation and Continual Improvement

- The Town will utilize technology to support effective asset management practices.
- The Town will focus on driving innovation that promotes a more efficient delivery of services and enhance value to the community.
- The Town will work towards industry best practices.
- The Town will monitor performance and benchmark against similar organizations.

Roles and Responsibilities

The development and continued improvement of the Town's Asset Management System requires a collaborative effort. Asset Management roles and responsibilities are described below:

Council

- Adopt, review, and update the Asset Management Policy.
- Approve the funding necessary to ensure the Town possesses the corporate capacity to support the Asset Management System.
- Provide strategic direction, set priorities, and articulate community values.
- Approve asset funding through the annual budget process.

City Manager

- Implement the Asset Management Policy.
- Provide Town-wide leadership in asset management.
- Maintain the necessary corporate capacity (including, but not limited to staff competencies, business processes, and information systems) to support the Asset Management System.
- Promote and raise awareness of asset management to Council, staff, and other stakeholders.
- Ensure alignment and integration across the organization toward achieving asset management goals.
- Propose a budget that includes the necessary funding for asset maintenance, rehabilitation, and replacement projects consistent with the Council's strategic direction and priorities.

Chief Financial Officer

- In collaboration with the impacted departments, develop an annual maintenance budget that cost effectively maximizes the useful life of assets.
- In collaboration with the impacted departments, utilize Infrastructure Reinvestment Intelligence System (IRIS) to develop financial models that identify and fund qualifying maintenance, rehabilitation and replacement projects.
- Develop funding strategies and options for each of these models.
- Develop options within each of these models as needed to assist in decision making.
- Work with the City Manager's Office to create a proposed budget that funds maintenance, rehabilitation and replacement projects consistent with the Council's strategic direction and priorities.
- Consider the full spectrum of financing options to achieve asset management objectives. This includes but is not limited to annual budget appropriations for



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maintenance, fee increases in enterprise funds, assessments, impact fees, debt financing, and cash financing (Infrastructure Investment Fund).

- Propose financial policy changes as needed to achieve asset management objectives.
- Provide strategic insight into the potential reallocation of resources to achieve asset management objectives.

Department Heads

- In collaboration with the Chief Financial Officer, develop an annual maintenance budget that cost effectively maximizes the useful life of assets.
- In collaboration with the Chief Financial Officer, utilize IRIS to develop financial models that identify and fund qualifying maintenance, rehabilitation and replacement projects.
- Lead in the development, implementation, and continuous improvement of asset management processes and practices.
- Ensure alignment of asset management decisions with the Town's strategic goals.
- Track, analyze, and report on asset management progress for assets within the department.
- Champion asset management practices and collaboration within the department and across the organization.