

Asset Management Policy Discussion

March 10, 2020

The logo for ADDISON, featuring the word "ADDISON" in a bold, blue, sans-serif font centered within a white circle. The circle is set against a blue background that is part of a larger graphic design on the right side of the slide, which includes a white diagonal line and a grey triangular corner.

Previous Council Actions

In Fiscal Year 2017, Council directed Staff to initiate development of an Asset Management Plan. Staff has completed several vital steps in this process:

- A Request for Qualifications was issued resulting in the engagement of Kayuga Solutions, Inc. (Kayuga) to assist the Town in the development of the plan.
- The Town's asset inventory was developed, and each asset's condition was assessed.
- The asset information was loaded into a software program called IRIS (Infrastructure Reinvestment Intelligence System). IRIS allows users to develop cost models related to the maintenance, rehabilitation and replacement of assets.
- Council approved a software license and maintenance agreement for a Computerized Maintenance Management System (CMMS) to store records of an asset's work history and understand the lifecycle cost of asset ownership.

Asset Management Policy Discussion

In order to build upon the progress made to date, Council will discuss a draft Asset Management Policy that:

- Establishes the scope and framework for the Asset Management Plan.
- Establishes key definitions for Asset Management.
- Establishes principles regarding sustainability, resiliency, transparency, communication and fiscal responsibility.
- Defines roles and responsibilities for the Council, the City Manager, the Chief Financial Officer, and Department Directors regarding Asset Management.

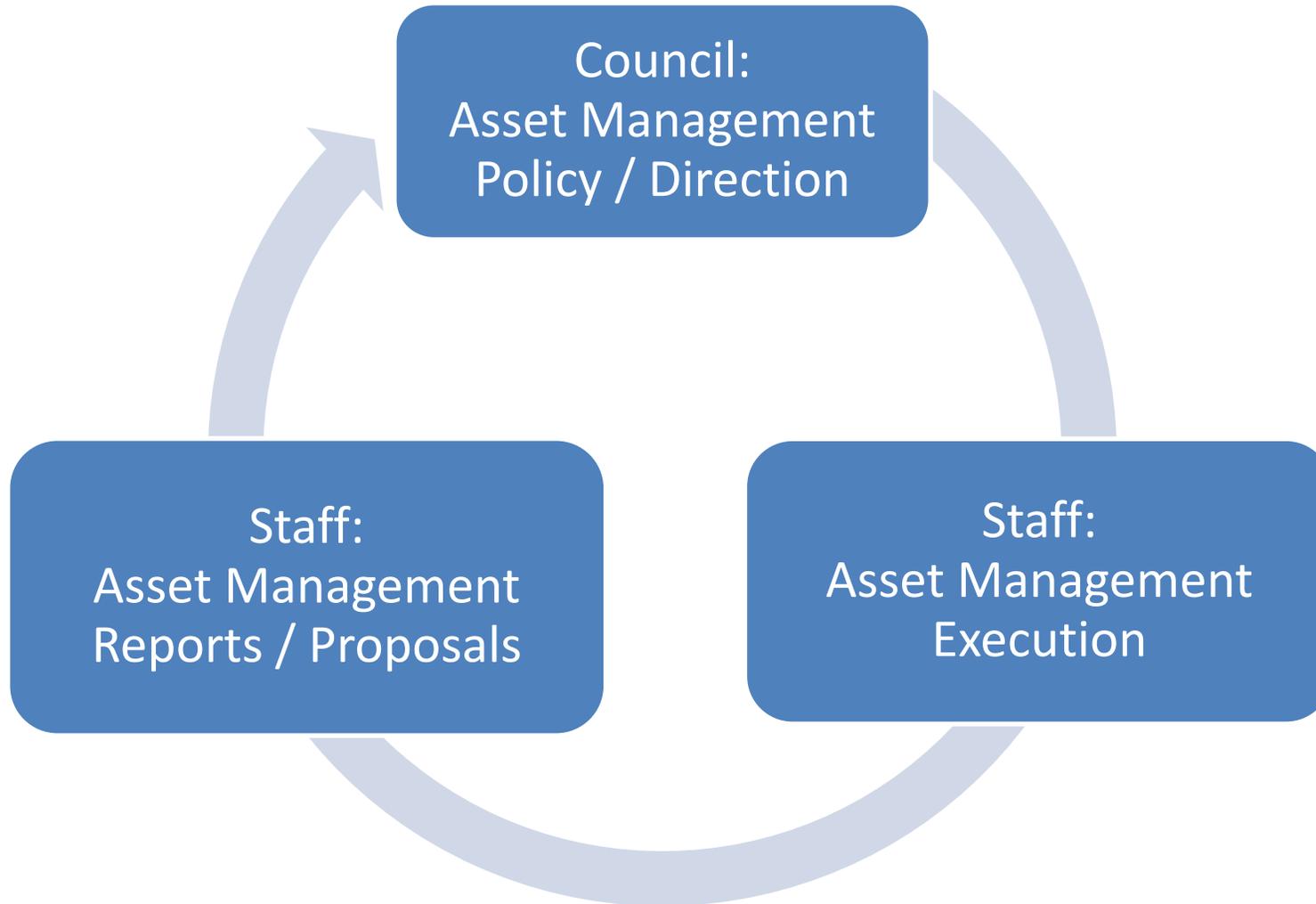
Scope

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

- 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:

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

- 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.



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

Asset Management - Managing assets to minimize the total cost of owning, operating, and maintaining those assets.

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

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.

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

Service Delivery

- The Town will adopt a whole organization approach to asset management.
- The Town will balance community expectations and affordability to provide safe and reliable services.
- The Town will provide transparency and accountability to the community through regular communications.

Sustainability and Resiliency

- The Town will make asset management decisions based on the minimization of risk and lifecycle costs and the maximization of value to the community.
- The Town will adopt a proactive approach to managing infrastructure assets.
- 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 activities.

Fiscal Responsibility

- The Town will ensure asset management decisions are supported by data and based on 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 actively develop and update long-term projections of infrastructure investment needs.
- The Town will develop prioritized capital investment plans to ensure long-term financial sustainability.
- The Town will recognize that asset management practices must be proactive and responsive to changing conditions.

Coordination, Communication, and Transparency

- The Town will coordinate asset management decisions and activities across all departments.
- The Town will operate with a clear structure of organizational accountability.
- The Town will embed asset management principles and practices across all departments.
- The Town will measure and report to Council periodically on the performance and effectiveness of the Asset Management System.

Innovation and Continual Improvement

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

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 management related funding through the annual budget process.

Roles and Responsibilities

City Manager

- Implement the Asset Management Policy and 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 asset management to Council, Staff, and other stakeholders.
- Ensure organizational alignment toward achieving asset management goals.
- Propose a budget that includes the necessary funding of asset maintenance, rehabilitation and replacement projects consistent with the Council's strategic direction and priorities.

Roles and Responsibilities

Chief Financial Officer (CFO)

- Collaboratively develop an annual maintenance budget that cost effectively maximizes the useful life of assets.
- Utilize the 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.
- Work with the City Manager's Office to create a proposed budget.
- Consider the full spectrum of financing options to achieve asset management objectives.

Roles and Responsibilities

Department Heads

- In collaboration with the CFO, develop an annual maintenance budget that cost effectively maximizes the useful life of assets.
- In collaboration with the CFO, utilize IRIS to develop financial models.
- 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 within the department and across the organization.

Is Council comfortable with:

- the scope of the policy?
- the framework of the policy?
- the definitions in the policy?
- the principles in the policy?
- the roles and responsibilities in the policy?

Is there anything Council would like to add or remove from the policy?