

Multiyear Planning with Tools

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The Budget

The budget is a plan of the services to be provided to your taxpayers, with the corresponding funding sources to pay for the services.

- Lifespan of the budget is one fiscal year.
- Budgets should include considerations for future events beyond the end of the fiscal year.
 - Easy to get tunnel vision worrying about this year only.
 - Difficult to justify fund balance amounts without future planning.
 - Ex. Reserves - Why do we have them? When will we use them? When will they be sufficiently funded?



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What is a Multiyear Plan?

A multiyear plan allows decision-makers to set long-term priorities and work toward goals, rather than making choices based only on the needs and politics of the moment.

- Types of Plans:
 - Multiyear Financial Plan
 - Multiyear Capital Plan



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Multiyear Financial Plan

A multiyear financial plan projects revenues and expenditures for several years into the future.

- A **Budget** authorizes spending limitations using appropriations.
- A **Multiyear Financial Plan** illustrates what will happen to a government's ability to pay for and provide services, given a set of policy and economic assumptions.
 - “Can we continue on the path we are on?”
 - “What might be the impact of our decision to...?”



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Financial Plan Elements

- Revenue Projections
- Expenditure Projections
- Annual Operating Deficits/Surpluses
- Reserve Balances
- Fiscal Improvement Plan



Financial Plan Elements

Revenue Projections

- Real Property Taxes – Review trends and try to keep in line with normal trends in your plan. Adjustments can be made later.
- PILOTs – Ensure figures match the contractual agreements on-hand and are being enforced.
- Sales Tax and Other Non-Property Tax Revenues – Review trends but consider the changing local economy and policy changes (State, county and local levels).
- State/Federal Aid – Review documentation and programs supported by the aid. Review calculations and funding levels. Normally better to underestimate than overestimate.



Financial Plan Elements

Revenue Projections

- Departmental Income – Determined by local policies and operations. More predictable in the short-term.
- Other Local Revenues – Review trends and keep fluctuations reasonable by using inflation or other known factors.
- Interfund Transfers – Relying on another fund as a regular financing source could indicate the need for policy changes or rate changes in the recipient fund.
- One-time Revenues – Be careful not to include these in your overall plan. Try to segregate these and match them to a one-time expenditure.



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Financial Plan Elements

Expenditure Projections

Project by Object of Expenditure:

- Personal Service (.1) – Number of staff, salary schedules and contractual/union agreements. Consider renegotiations here.
- Equipment and Capital Outlay (.2) – Review inventory and maintenance records. Refer to your Multiyear Capital Plan.
- Contractual (.4) – Talk to your department heads and ask them to explain their projections to determine long-term outcomes of operations, such as the funding of reserves.
- Debt Service (.6 & .7) – Use established debt schedules as basis. Refer to your Multiyear Capital Plan.



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Financial Plan Elements

Expenditure Projections

- Employee Benefits (.8) – Based on health care and retirement costs. Anticipate timing of rate changes by providers.
- Interfund Transfers (.9) – Relying on another fund as a regular financing source could indicate the need for policy changes or rate changes in the recipient fund. Review equity concerns.
- Others – Contingencies are often used in budgeting for unforeseeable circumstances. Long-term identifiable items should be addressed in the funding of reserves.



Financial Plan Elements

Expenditure Projections: Project by Function

- | | |
|--|-------------------------------|
| • General Governmental Support | • Culture and Recreation |
| • Public Safety | • Home and Community Services |
| • Health | • Employee Benefits |
| • Transportation | • Debt Service |
| • Economic Opportunity and Development | • Interfund Transfers |
| | • Other (Contingencies) |



Financial Plan Elements

Operating (Deficits)/Surpluses

- Projected Revenues less Projected Expenditures equals Projected Operating (Deficit)/Surplus.
- Too many years of either deficits or surpluses can result in widening budgetary gaps.
 - Unreasonable fund balance levels can be a result of many years of operating surpluses.
 - Poor financial condition, interfund borrowing, or continuous use of unrestricted fund balance can be a result of many years of operating deficits.



Financial Plan Elements

Reserves Balances

- Through formal resolution, the local government can establish reserve funds, earmarking resources for the future acquisition and repair of essential capital assets.
- Also, can be used to help endure short-term fiscal pressures such as revenue short or unanticipated expenditures.



Financial Plan Elements

Fiscal Improvement Plan

This part of the plan identifies goals to improve the long-term fiscal condition of the municipality, specifies the local actions necessary to achieve those goals and defines performance measures that will help measure progress.

1. Identify Goals: Are you trying to achieve expenditure reductions, revenue generation or build reserves?
2. Local Actions: What will you do to achieve your goals? What policy changes need to be addressed?
3. Performance Measures: How will you measure your levels of success in reaching your goals?

Sample Fiscal Improvement Plan can be found in Appendix A of the guide.

<https://www.osc.ny.gov/files/local-government/publications/pdf/multiyear-financial-planning.pdf>



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Financial Planning Tools

Information:

- <https://www.osc.ny.gov/local-government/resources/planning-resources>
- [Multiyear Financial Planning LGMG](#)

Data Gathering:

- Use your financial accounting system reports.
- <https://www.osc.ny.gov/open-book-new-york>
- Multiyear compare

Data Analysis:

- Develop a spreadsheet.
 - Extend past the trend years captured.
- OSC's Multiyear Financial Planning Spreadsheet
 - [Municipal \[.xls\]](#)
 - [School District \[.xls\]](#)



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Local Government Data Search

You can search six reports:

- Property Tax Cap:** Factors used by local governments to calculate their real property tax levy limit.
- Revenues and Expenditures:** Local government revenue and expenditure data.
- Tax Limit:** The maximum amount of real property tax cities, counties and villages may levy.
- Balance Sheet:** Local government asset, liability and equity data.
- Debt:** Local government summary of debt related activity. Installment purchase contract data is not available for school districts prior to 2003.
- Multi-year Compare:** 2 to 5 year presentation of local government Balance Sheet, Revenue, Expenditure, Fund Balance/Net Assets and Budget data by fund.

<https://www.osc.ny.gov/open-book-new-york>

Select 'Search Local Government Data' from landing page.

Report

☐ Property Tax Cap
 ☐ Revenues and Expenditures
 ☐ Tax Limit
 ☒ Multi-year Compare

Report Type

☐ Trend
 ☐ Comparison

Submit

You can also download bulk detailed account-level data of revenues, expenditures and balance sheets. Download the following zipped .csv files:

- Single class of local government for all years,
- All classes of local government for a single year, or
- All classes of local government for all years.

Download Bulk Data Files

☐ Revenue, Expenditure, and Balance Sheet Account Code Level Data
 ☐ Debt
 ☐ Property Tax Cap

Download Data

Most useful for multiyear planning purposes.

For more advanced analysis.

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Home > Local Government Introduction > Multi-year Compare Search > Multi-year Compare Report

Report starts with Balance Sheet and goes through Revenues/ Expenditures by Fund.

Top right corner: Export options

[Printer Friendly \(PDF\)](#)
[Download to an Excel Spreadsheet](#)

Account Code	Code Narrative	2016	2017	2018	2019	2020	Difference 2019/2020
A1001	Real Property Taxes	\$563,817.00	\$590,288.56	\$591,311.64	\$592,096.42	\$611,615.07	\$19,518.65
	Real Property Taxes:	\$563,817.00	\$590,288.56	\$591,311.64	\$592,096.42	\$611,615.07	
A1081	Other Payments In Lieu Of Taxes	\$26,953.97	\$26,894.90	\$26,825.40	\$26,537.81	\$26,758.13	\$221.12
A1090	Interest & Penalties On Real Prop Taxes	\$6,933.82	\$5,481.93	\$5,862.40	\$4,601.66	\$5,053.38	\$451.72
	Real Property Tax Items:	\$33,887.79	\$32,376.83	\$32,687.80	\$31,138.67	\$31,811.51	
A1120	Non Prop Tax Dist By County	\$234,299.04	\$252,714.69	\$252,375.80	\$261,298.44	\$270,686.06	\$9,387.62
A1130	Utilities Gross Receipts Tax	\$19,057.59	\$20,270.31	\$21,913.92	\$28,971.06	\$24,241.40	-\$4,729.66
A1170	Franchises	\$20,725.05	\$20,659.26	\$15,684.33	\$16,485.27	\$27,055.70	\$10,570.43
	Non Property Tax Items:	\$274,081.68	\$293,644.26	\$289,954.05	\$306,754.77	\$321,983.16	
A1230	Treasurer Fees	\$360.00	\$505.00	\$430.00	\$210.00	\$2.95	-\$207.05
A1520	Police Fees	\$352.25	\$490.00	\$550.00	\$805.00	\$455.00	-\$350.00
A1601	Public Health Fees	-	-	-	-	\$42.00	-
A1710	Public Works Charges	\$22.50	-	\$12,207.19	\$40.00	\$40.00	\$0.00
A2110	Zoning Fees	\$500.00	\$525.60	\$675.00	\$250.00	\$250.00	\$0.00
	Departmental Income:	\$1,234.75	\$1,520.60	\$13,882.19	\$1,305.00	\$789.95	
A2228	Data Processing, Other Govts	\$1,000.00	\$1,000.00	\$1,250.00	\$1,250.00	\$1,260.00	\$10.00
A2262	Fire Protection Services Other Govts	\$49,800.00	\$49,800.00	\$49,800.00	\$49,800.00	\$50,796.00	\$996.00
A2389	Misc Revenue, Other Govts	\$595.80	\$2,005.04	\$2,227.89	\$2,002.90	\$1,148.80	-\$854.10

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Home > Local Government Introduction > Multi-year Compare Search > Multi-year Compare Report

Determine approach to best handle object code analysis.

Account Code	Code Narrative	2016	2017	2018	2019	2020	Difference 2019/2020
A10101	Legislative Board, Pers Serv	\$10,800.00	\$10,800.00	\$10,050.00	\$10,800.00	\$10,800.00	\$0.00
A10104	Legislative Board, Contr Expend	\$302.47	\$149.72	\$1,110.20	\$1,637.28	\$410.71	-\$1,226.57
A11101	Municipal Court, Pers Serv	\$7,717.00	\$7,717.00	\$7,717.00	\$10,250.00	\$9,588.30	-\$661.70
A11102	Municipal Court, Equip & Cap Outlay	-	-	\$249.98	-	-	-
A11104	Municipal Court, Contr Expend	\$2,817.30	\$4,256.42	\$5,297.52	\$2,430.04	\$2,923.63	\$493.59
A11101	Mayor, Pers Serv	\$5,400.00	\$5,400.00	\$5,400.00	\$5,400.00	\$5,400.00	\$0.00
A11102	Mayor, Equip & Cap Outlay	-	-	-	\$1,175.85	-	-
A11104	Mayor, Contr Expend	\$2,727.03	\$2,960.56	\$1,491.08	\$3,048.34	\$2,694.04	-\$354.30
A1251	Treasurer, Pers Serv	\$82,570.02	\$86,570.12	\$91,589.92	\$101,322.63	\$97,635.63	-\$3,687.00
A1252	Treasurer, Equip & Cap Outlay	-	\$422.60	\$2,704.26	\$2,451.88	-	-
A1254	Treasurer, Contr Expend	\$17,627.43	\$19,092.85	\$20,770.78	\$20,783.56	\$27,102.31	\$6,318.75
A1354	Assessment, Contr Expend	\$271.20	\$272.00	\$1,264.92	\$275.39	\$269.20	-\$6.19
A14101	Clerk, Pers Serv	\$5,074.16	\$5,000.00	\$3,333.36	-	\$1,815.00	-
A14104	Clerk, Contr Expend	-	-	-	-	\$155.75	-
A14201	Law, Pers Serv	\$3,705.00	\$3,705.00	\$3,705.00	\$3,705.00	\$2,161.25	-\$1,543.75
A14204	Law, Contr Expend	\$18,538.05	\$5,679.25	\$16,993.75	\$2,656.25	\$5,345.85	\$2,689.60
A14201	Operation Of Plant Pers Serv	\$4,774.12	\$3,941.44	\$2,953.20	\$3,361.86	\$3,376.06	\$14.20
A14202	Operation Of Plant Equip & Cap Outlay	-	-	\$119.99	-	-	-
A14204	Operation Of Plant Contr Expend	\$45,732.08	\$37,002.45	\$48,976.85	\$43,666.51	\$39,199.85	-\$4,666.66
A19104	Unallocated Insurance, Contr Expend	\$47,542.44	\$51,405.05	\$53,994.34	\$57,000.06	\$60,296.74	\$3,296.68
A19204	Municipal Assn Dues, Contr Expend	\$1,526.00	\$1,609.60	\$1,336.00	\$1,646.00	\$1,611.00	-\$35.00
	General Government Support:	\$257,124.30	\$245,984.06	\$279,038.15	\$271,810.45	\$270,765.32	

Determine if function level and/or sub-function/department level is best approach.

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Unclaimed Funds Retirement Local Government State Agencies State Vendors Other ▾

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Planning Resources

Multiyear Financial Planning

- Multiyear Financial Planning Local Government Management Guide [pdf]
- Multiyear Financial Planning - On Demand Webinar
- Multiyear Financial Planning Spreadsheets**
 - Municipal [xls]**
 - School District [xls]
- County Sales Tax Distributions and Withholdings:
 - Aid and Incentives for Municipalities (AIM) and AIM-Related Payments
 - Sales Tax Withholdings from Counties and New York City to Support Medical Facilities

Utilize publications and webinars at Board meetings.

Make your own or use this as a guide.

Capital and Strategic Planning

- Capital Planning**
 - Capital Assets Local Government Management Guide [pdf]
 - Multiyear Capital Planning Local Government Management Guide [pdf]
 - Multiyear Capital Planning and Budgeting - On Demand Webinar
 - Capital Planning Tool [xls]
- Strategic Planning**
 - Strategic Planning Local Government Management Guide [pdf]

Planning and Budgeting

- Understanding the True Costs of Services Webinar Presentation [pdf]

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Tells the account codes included.

This date changes them all.

(ENTER NAME OF LOCAL GOVERNMENT HERE)

Four Year Financial Plan, Fiscal Years: 2022-2025

General Fund

2022

	Actual				Estimated	Projected			
	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues									
Real Property Taxes									
Sales and Use Tax									
State Aid									
Federal Aid									
Interfund Transfers									
Other Revenue									
Total Revenues and Other Sources	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures									
Personal Services									
Equipment and Capital Outlay									
Contractual									
Debt Service (Principal and Interest)									
Employee Benefits									
Interfund Transfers									
Total Expenditures and Other Uses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Surplus (Deficit)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Budgetary Reserves									
Fund Equity, Beg. of Year						0	0	0	0
Fund Equity, End of Year						0	0	0	0
Nonspendable and Restricted Fund Balance									
Unrestricted Fund Balance						\$0	\$0	\$0	\$0
Unrestricted Fund Balance % of Expenditures									

Introduction

General Fund

Operating Fund 1

Operating Fund 2

Levy and Employment

Summary

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Multiyear Capital Plan

A Multiyear Capital Plan identifies all capital and major equipment needs, incorporates a process for prioritizing projects, and includes a maintenance cycle to sustain current capital assets.

- What assets do we currently own?
- What are our local government's capital investment needs?
- How have we prioritized these needs?
- How much will they cost to build and maintain?
- What is our fiscal capacity to support capital spending over time?
- What is the best way to finance these capital investments?
- How can we effectively manage these projects?
- How much will they cost to operate once constructed?

Management Analysis

1. Identify what types of assets and expenditures will be included in the capital plan.
2. Decide how long a period the capital plan should encompass.
3. Develop data and information requirements for decision making and recordkeeping purposes.
4. Develop a specific timetable for creating and reviewing the capital plan.



Management Analysis

5. Determine who will be participating in the planning process (elected officials, department heads, etc.), and at what points in the process.
6. Decide when public meetings or hearings will be held to elicit public participation.
7. Finally, be sure to formally approve the plan annually and make sure it is evaluated regularly in future years.



Capital Inventory

The inventory should include but need not be limited to:

- Utility and sanitation assets, including sewer and water systems, solid waste facilities, and municipal electric and lighting systems.
- Highways, roads and bridges.
- Public buildings.
- Certain equipment, vehicles and furnishings.
- Land or rights to land.
- Certain improvements to land other than buildings.



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Capital Inventory

The inventory should include:

- A brief description of the asset (or group of assets)
- Its location
- Its estimated useful life
- Its remaining useful life
- Its current condition
- Its estimated replacement value.

Insurance policy and provider is a starting point.



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Capital Planning Tools

Information:

- <https://www.osc.ny.gov/local-government/resources/planning-resources>
- [Multiyear Capital Planning LGMG](#)
- [Capital Assets LGMG \(Appendix A for forms\)](#)

Data Gathering:

- Use your financial accounting system reports.
- Asset inventories.
- Asset acquisition and maintenance records.


Data Analysis:

- Develop a spreadsheet
 - Extend past the trend years captured.
- OSC's Multiyear Capital Planning Spreadsheet
 - [Capital Planning Tool \[.xls\]](#)



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Planning Resources

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- [Multiyear Financial Planning - On Demand Webinar](#)
- **Multiyear Financial Planning Spreadsheets**
 - [Municipal \[.xls\]](#)
 - [School District \[.xls\]](#)
- County Sales Tax Distributions and Withholdings:
 - Aid and Incentives for Municipalities (AIM) and AIM-Related Payments
 - Sales Tax Withholdings from Counties and New York City to Support Medical Facilities

Capital and Strategic Planning

- **Capital Planning**
 - [Capital Assets Local Government Management Guide \[pdf\]](#)
 - [Multiyear Capital Planning Local Government Management Guide \[pdf\]](#)
 - [Multiyear Capital Planning and Budgeting - On Demand Webinar](#)
 - [Capital Planning Tool \[.xls\]](#)
- **Strategic Planning**
 - [Strategic Planning Local Government Management Guide \[pdf\]](#)

Planning and Budgeting

- [Understanding the True Costs of Services Webinar Presentation \[pdf\]](#)

Additional resources for capital asset inventories in Appendix A.

Make your own or use this as a guide.

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Appendix A: Property Record Forms

Sample manual form (pdf) are available for the following:

Initial Inventory Sheet
Real Property Record
Personal Property Record
Register of Identification Numbers
Property Acquisition Record
Property Disposition Record
Physical Inventory Worksheet

Sample electronic form (xlsx) are available for the following:

Inventory Sheet
Real Property Record
Personal Property Record
Physical Inventory Worksheet

How to Use this Template

To make the process of multiyear capital planning easier, the Office of the State Comptroller (OSC) has constructed this template, which allows for the determination and assessment of capital needs, and the consideration of the costs and budget impact of capital improvements. Users should modify this template in whatever way is necessary to accommodate their particular needs.

Capital Needs, this is a list of all needed capital improvement projects, including a general description, their estimated costs, funding sources, time for completion, and the date by which they must be completed. The projects from this sheet fill in the projects section of the Needs Assessment sheet.

Needs Assessment, all of the projects from the Capital Needs sheet are assessed by factors determined by the user.

Capital Improvement Plan, this is a five-year plan that takes the high-priority projects from the needs assessment and shows the overall costs. These costs are used to fill in the Budget Impact sheet.

Total Budget Impact, this summarizes and shows the effect on future operating budgets of the projects that are listed in the Capital Improvement Plan. The costs to the operating plan that are determined here can be used in an operational Multiyear Financial Plan.

Assets Inventory, many local governments do not have a comprehensive inventory of capital assets, but it can be invaluable in determining the current condition of capital assets and potential future capital spending needs. Existing records, department managers, and insurance carriers can be good sources for this inventory.

For more guidance on planning issues, please refer to OSC's Publications and Resources pages below:

<https://www.osc.ny.gov/local-government/resources/planning-resources>
<https://www.osc.ny.gov/local-government/publications>

Look for these guides on our publications page:
 Multiyear Capital Planning Local Government Management Guide
 Capital Assets Local Government Management Guide
 Strategic Planning Local Government Management Guide
 Reserve Funds Local Government Management Guide

Modifying for Future Years

The period covered by this plan may be modified by changing the current year in the Capital Improvement Plan, in cell E7 (currently '2022'), to the desired current year of the plan.

Start Here Capital Needs Needs Assessment Capital Improvement Plan Total Budget Impact Assets Inventory

Prioritizing Capital Projects

4. Discuss with managers and department heads and formalize the priority of needs based on the criteria established.
 - Factors to consider when evaluating potential projects:
 - Health and safety concerns
 - Legal mandates by court order State or federal governments.
 - Economic, environmental, or social value to the community or region.
 - Operational benefits to the local government.
 - Specific needs or demands for improved service, timeliness or cost savings.
 - Investment return (e.g., saving on maintenance).
 - Capacity to leverage other resources (e.g., matching funds).
 - Project feasibility (cost, time frames, management capacity).
 - Project risks.



Prioritizing Capital Projects

5. Next, the process should prioritize and rank projects in order of importance so that decision makers can effectively evaluate these requests.
 - Departmental or functional priorities - Departments should create project lists that reflect the urgency of need from an operational perspective.
 - Fiscal priorities - Here, the focus is on such factors as the impact projects will have on debt affordability measures, debt service costs, capital reserve funds, cash flow and operating costs once the project is completed.
 - Executive priorities - Local government leaders should also assess capital needs within the context of their broader community objectives.



[illegible]

Enter Name of Municipality on Capital Needs Page)

Capital Improvement Plan

Needs Assessment

2022-2026

(Fill in green sections. The other sections will be automatically filled in or calculated.)

Step 1: List the criteria (e.g., cost, need) you will use to evaluate the project or acquisition. You may add criteria as needed.

Step 2: Assign a weight to each criterion on a scale of 1 - 10, with 10 being the most important.

CRITERION	WEIGHT
1 Looks Nice	5
2 Safety	10
3 Longevity	8
4 Maintenance	6
5	
6	
7	
8	

Step 3: Projects will be populated from Capital Needs list. Consider each criterion for each project and assign a rating from 1-10 on how well it meets that criterion. Add project lines as needed.

Step 4: Set Project Score needed for inclusion in Capital Improvement Plan:

PROJECT NAME <small>Additional projects may be added by using the copy function to add rows. Rows must also be added to the Capital Improvement Plan tab.</small>	CRITERION 1		CRITERION 2		CRITERION 3		CRITERION 4		CRITERION 5		CRITERION 6		CRITERION 7		CRITERION 8		PROJECT SCORE
	Looks Nice		Safety		Longevity		Maintenance		0		0		0		0		
	Rating	Weight	Rating	Weight	Rating	Weight	Rating	Weight	Rating	Weight	Rating	Weight	Rating	Weight	Rating	Weight	
Roads	7	5	9	10	10	8	7	6	0	0	0	0	0	0	0	0	247
Truck	4	5	8	10	9	8	7	6	0	0	0	0	0	0	0	0	214
addition	9	5	7	10	9	8	5	6	0	0	0	0	0	0	0	0	217
0		5	10	8		8	6		0	0	0	0	0	0	0	0	0
0		5	10	8		8	6		0	0	0	0	0	0	0	0	0
0		5	10	8		8	6		0	0	0	0	0	0	0	0	0
0		5	10	8		8	6		0	0	0	0	0	0	0	0	0
0		5	10	8		8	6		0	0	0	0	0	0	0	0	0
0		5	10	8		8	6		0	0	0	0	0	0	0	0	0
0		5	10	8		8	6		0	0	0	0	0	0	0	0	0
0		5	10	8		8	6		0	0	0	0	0	0	0	0	0
0		5	10	8		8	6		0	0	0	0	0	0	0	0	0
0		5	10	8		8	6		0	0	0	0	0	0	0	0	0
0		5	10	8		8	6		0	0	0	0	0	0	0	0	0
0		5	10	8		8	6		0	0	0	0	0	0	0	0	0
0		5	10	8		8	6		0	0	0	0	0	0	0	0	0
0		5	10	8		8	6		0	0	0	0	0	0	0	0	0
0		5	10	8		8	6		0	0	0	0	0	0	0	0	0
0		5	10	8		8	6		0	0	0	0	0	0	0	0	0

Start Here
Capital Needs
Needs Assessment
Capital Improvement Plan
Total Budget Impact
Assets Inventory

Assessing Budget Impacts

- This is where the multiyear capital plan and budgeting begin to come together.
- A multiyear capital plan should provide accurate, reasonable estimates of each project's budgetary impact, including debt service costs, impact on capital reserve funds and fund balance, and future operating expenditures.



Assessing Budget Impacts

- Current and Future Debt Service Costs
 - Large capital projects often must be funded with the issuance of debt. Estimates should be prepared on the principal and interest costs associated with issuing bonds for these types of projects.
- Installment-Purchase Contracts
 - These costs for purchases of equipment, machinery and apparatus are similar in some respects to purchases made with debt proceeds, in that they are funded over a period of more than one year, subject to certain terms and conditions.



Assessing Budget Impacts

- Pay-As-You-Go Costs
 - Some capital expenditures may be paid for out of current appropriations in the year acquired.
- Reserve Funds
 - Through formal resolution, the local government can establish reserve funds, earmarking resources for the future acquisition and repair of essential capital assets.
- Future Operating Costs
 - To the extent possible, future operating costs necessary to utilize the capital asset should be estimated.



Assessing Budget Impacts

- Impact on Revenues
 - Certain capital expenditures need to be financed with increased fees or user charges.
- New Costs and/or Savings Associated with New Capital Assets
 - While the construction of new capital assets often result in new operating costs, it can also produce savings if the investment improves efficiency.



{Enter Name of Municipality on Capital Needs Page}

Capital Improvement Plan 2022-2026

Total Budget Impact (Sections will be populated with data from the Capital Improvement Plan.)

	Current Year	Future Plan Years			
	2022	2023	2024	2025	2026
Total Estimated Financing/Revenues Sources	\$3,100,000	\$1,030,000	\$500,000	\$0	\$0
Total Estimated Project Costs	\$2,500,000	\$2,080,000	\$58,000	\$0	\$0
Total Budget Impact	\$600,000	(\$1,050,000)	\$442,000	\$0	\$0

Notes: Remember to consider debt service costs and impacts.

Start Here | Capital Needs | Needs Assessment | Capital Improvement Plan | Total Budget Impact | Assets Inventory

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Financing Capital Acquisitions

- Adequate Operating Position
 - A healthy cash position is the first essential element of an effective capital financing strategy.
- Designated Capital Reserves
 - Certain capital projects (particularly those funded with dedicated charges or fees) should have capital reserve funds established and annual transfers made into those reserves.

Financing Capital Acquisitions

- A Mix of Pay-As-You-Go and Debt Financing
 - Maintaining a balance of pay-as-you-go and debt financing is important.
- Local Debt Capacity
 - Because debt creates long-term fixed costs, local governments should use various metrics to track their debt burden in relation to indicators that reflect their ability to pay these costs and still meet future capital infrastructure needs.

(Enter Name of Municipality on Capital Needs Page)

Capital Improvement Plan

2022-2026

(Fill in green sections. Other sections will be automatically calculated.)

Fund	Project Name (Add projects that are selected after Needs Assessment.)	Date of Completion	Total Estimated Project Costs	Costs Incurred in Each Year					Balance	Notes
				Current Year 2022	2023	2024	2025	2026		
DA	Roads	10/1/2024	\$1,000,000	\$400,000	\$550,000	\$58,000			(\$8,000)	Change Order
DA	Truck	3/1/2022	\$100,000	\$100,000					\$0	
A	Addition	6/1/2023	\$3,500,000	\$2,000,000	\$1,530,000				(\$30,000)	Change Order
		1/0/1900							\$0	
		1/0/1900							\$0	
	TOTAL PROJECT COSTS		\$4,600,000	\$2,500,000	\$2,080,000	\$58,000	\$0	\$0	(\$30,000)	

Fund	Project Name (Populated from above)	Date of Completion	Total Financing/ Revenues Sources	Financing/Revenues Incurred in Each Year					Balance	Notes
				Current Year 2022	2023	2024	2025	2026		
DA	Roads	10/1/2024	\$1,000,000	\$500,000		\$500,000			\$0	
DA	Truck	3/1/2022	\$100,000	\$100,000					\$0	
A	Addition	6/1/2023	\$3,500,000	\$2,500,000	\$1,030,000				(\$30,000)	RPT
0		1/0/1900	\$0						\$0	
0		1/0/1900	\$0						\$0	
	TOTAL PROJECT		\$4,600,000	\$3,100,000	\$1,030,000	\$500,000	\$0	\$0	(\$30,000)	

Start Here | Capital Needs | Needs Assessment | **Capital Improvement Plan** | Total Budget Impact | Assets Inventory

Adoption

- The local government should seek public input on the proposed capital plan. This will allow public interest groups, business leaders, and community residents to review program priorities and to voice any concerns.
- Governing board approval of the multiyear capital program does not generally extend beyond the first year of the capital program and should be renewed each year.

Monitoring

- A plan is only as good as the results it produces.
- Follow-up is essential to determine if capital program goals are being met.
- Routine monitoring of approved capital projects helps to ensure that projects remain on schedule and within budget.
- Amend when necessary!

Summary

- Multiyear planning is essential to sound budgeting and fiscal oversight processes.
- Multiyear plans allow management to think in terms of future needs and the future impacts of today's decisions.
- A good multiyear planning process can not only help managers develop structurally balanced, realistic budgets, but can also help explain financial decision making to the taxpayers to gain support and acceptance.

Questions?

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