

COMPREHENSIVE FINANCIAL PLAN

Long Term Development & Growth Planning

Comprehensive Financial Plan Introduction

A comprehensive financial plan (CFP) is a both a short-term and long-term guide for capital, operating, and personnel expenditures. The CFP includes a list of capital, operating, and personnel requests that the City and its community envisions for the future. It is a plan that integrates timing of expenditures with the City's annual budget. The CFP identifies future needs that will benefit the City and its community. The CFP also indicates the priorities assigned to each requests and presents a target construction/implementation schedule.

A carefully prepared CFP has many uses. It can assist a community to:

- Anticipate and communicate community needs in advance, before needs become critical;
- Rank capital, operating, and personnel improvement needs so the higher priority requests are given consideration for funding before requests not as urgently needed;
- Plan for maintenance and operations costs so expenses are budgeted in advance and requests that communities cannot afford to operate are avoided;
- Provide a written description and justification for requests submitted for funding so the Council, Mayor, and appropriate agencies have the information necessary to make informed decisions about funding capital, operating, and personnel requests; and
- Provide the basis for capital, operating, and personnel requests as part of the annual budget.

A capital CFP request is one that warrants special attention in the annual City budget. Ideally, public funds are not expended if the capital request is not listed in the City CFP. A capital expenditure should be a major, nonrecurring budget item that results in a fixed asset with an anticipated life of at least three years. Capital requests eligible for inclusion into the CFP have a minimum cost of \$10,000.

The CFP is updated annually, since only some of the requests are funded and completed each year. The process to update the CFP will begin in August of each year and conclude in January with the final report submitted to Council. The final CFP will assist departments with their annual budget requests due in April.

The CFP integrates the City's annual budget with planning for larger requests that meet City and community goals. The CFP program involves a process where the City Council compiles a viable way to implement goals for the City and community using technical support from the City departments and suggestions from the public.