

CITY OF NEW MEADOWS

Comprehensive Financial Planning
Why Its Important



CLEARWATER
— FINANCIAL —

OUR MISSION, VISION & VALUES



MISSION

*Helping individuals and governments
achieve their potential*

VISION

Go to for government support

- Established in 2015
- First and only Idaho headquartered municipal advisory firm
- Over 30 years of combined experience
- **MSRB REGISTERED**

VALUES – C.A.R.E.

Connection: Consider the customer in all you do.

- Exceed expectations of all customers – surprise and delight them.
- Build long-term relationships, over short-term gains.
- Give back meaningfully to the communities we serve.

Accountability: Do what you say you will do.

- Be accountable for, and proud of, your conduct and work product.
- If things change, let people know.
- Know what you are talking about. Know your numbers.

Respect: Respect and seek to understand differences:

- Listen and seek to understand before speaking.
- Build trust in every relationship.
- Take advantage of and learn from different perspectives.
- Leverage innovation as a competitive advantage.

Ethics: Maintain the highest standard of integrity:

- Value open, honest, and two-way communication.
- Avoid any actual or perceived conflict of interest.
- Comply with the letter and the spirit of the law.

SUITE OF SERVICES



PUBLIC RELATIONS - ELECTIONS, SURVEYS, MARKETING, MESSAGING, SOCIAL MEDIA, INTERGOVERNMENTAL SOLUTIONS, REGIONALIZATION



DEVELOPMENT SERVICES - STRATEGIC/COMP/MASTER PLANNING, P&Z, SITE SELECTION, ENTITLEMENT, PLAN REVIEWS, DESIGN TEAMS, PROJECT MANAGEMENT



MUNICIPAL FINANCE - BONDS, PRIVATE PLACEMENTS, LEASES, BOND BANK, INSURANCE, RATINGS, DEQ & USDA-RD, ARPA, IMPACT FEES, GRANT ADMIN



ACCOUNTING - GASB, BUDGET/AUDIT REVIEWS, FINANCIAL PROJECTIONS, FINANCIAL POLICIES, WHAT IF, COMPREHENSIVE FINANCIAL PLANNING



ECONOMIC DEVELOPMENT - URBAN RENEWAL, P3, DOWNTOWNS, DEVELOPMENT RFP, HIGHEST-BEST-USE, MARKET ANALYSIS, ECONOMIC IMPACT



BANKING SERVICES - RFP, LATENT FUNDS, PROCESS/SYSTEM INNOVATION, BOND FUND INVESTMENT



CAMERON ARIAL

President / Ph.D. / Municipal Advisor Principal

Cameron Arial founded Clearwater Financial in 2015 and has been in municipal services for over decades. He is passionate about representing his clients' best interest and is known for his use of competition to achieve superior and transparent results.

Cameron is a pioneering municipal advisor, public & private executive, presented at numerous municipal conferences, and mentored other municipal advisors. He has a unique understanding of strategic & comprehensive planning, economic development, finance, and commercial development, working in both the private and public sectors. He has developed municipal & commercial projects in multiple states and his expertise spans the entire development process.

Cameron earned his Ph.D. in Public Administration and a certificate in Community Planning from Boise State University. He serves on the boards of the Urban Land Institute and Idaho Technology Council. He is a registered Municipal Advisor Principal and holds Series 50, 52, and 54 licenses.



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JACE PERRY

COO / CPA / Municipal Advisor Representative

Jace is the former Executive Director of the Idaho Bond Bank Authority and oversaw all aspects of the Authority including: debt issuances, participant activity, continuing disclosure, application review, accounting, and auditing.

Jace spent 8 years as the Investment Accountant for the Idaho State Treasurer's Office where he managed the accounting for the Treasurer Investment Division including the Local Government Investment Pool (LGIP), Diversified Bond Fund (DBF) and the State's internal investments. He also served as the Chairman of the Idaho College Savings Program. He worked at Eide Bailly, a top 25 CPA firm, auditing various entities including: municipal governments, corporations, hospitals, and non-profit organizations.

Jace holds a bachelor's degree in accounting from Brigham Young University – Idaho and is a licensed Certified Public Accountant and Chartered Global Management Accountant. Jace is a registered Municipal Advisor Representative and holds a Series 50 license.



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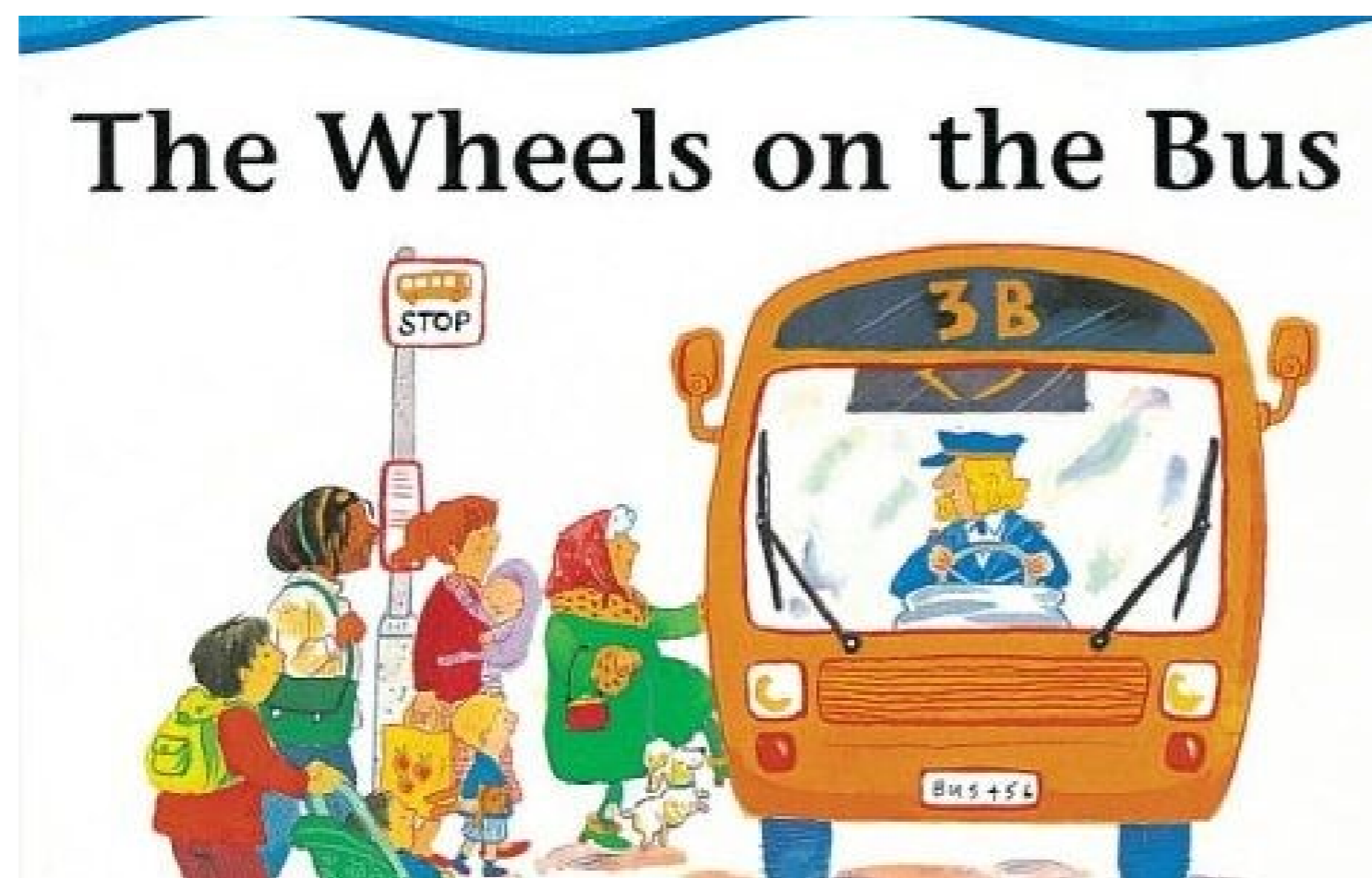
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COMPREHENSIVE FINANCIAL PLAN



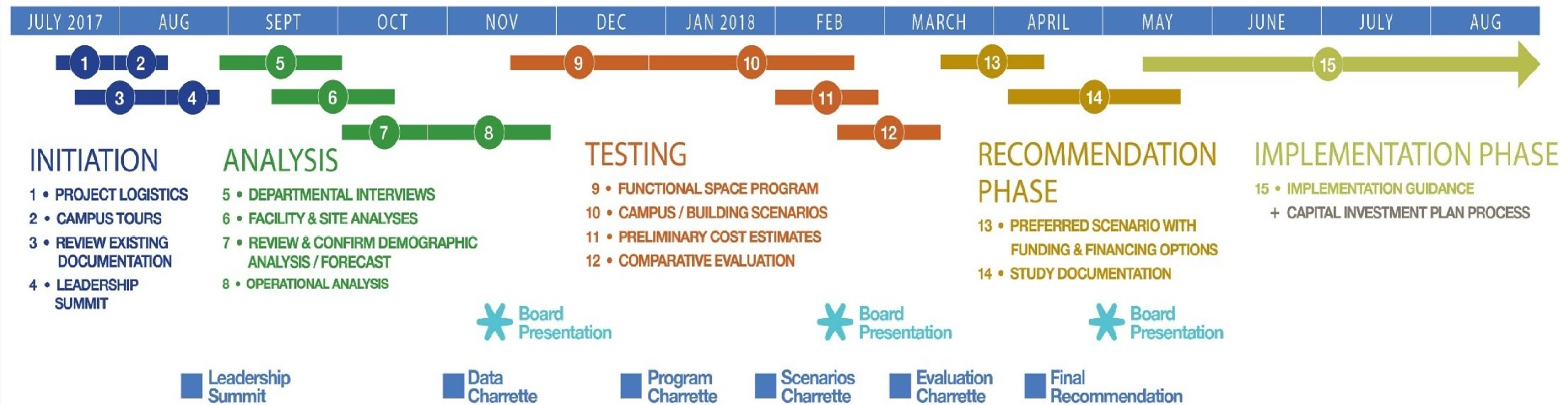
WHY DO A CFP?

- Forecast facility needs and the necessary funding over a rolling 10 year period.
- Does not predict future, but creates awareness of financial challenges and opportunities.
- Informs financial and operational decision-making to account for a range of possibilities.
- Serves as an education and public engagement tool where citizens can know where their tax-payer dollars are intended to be spent.
- Serves as a financial planning document for the finance officer, so they can invest in a timely manner and ensure funds are available when needed.
 - Aides finance officer in complying with internal investment policies and best practices.





HOW IT WORKS?





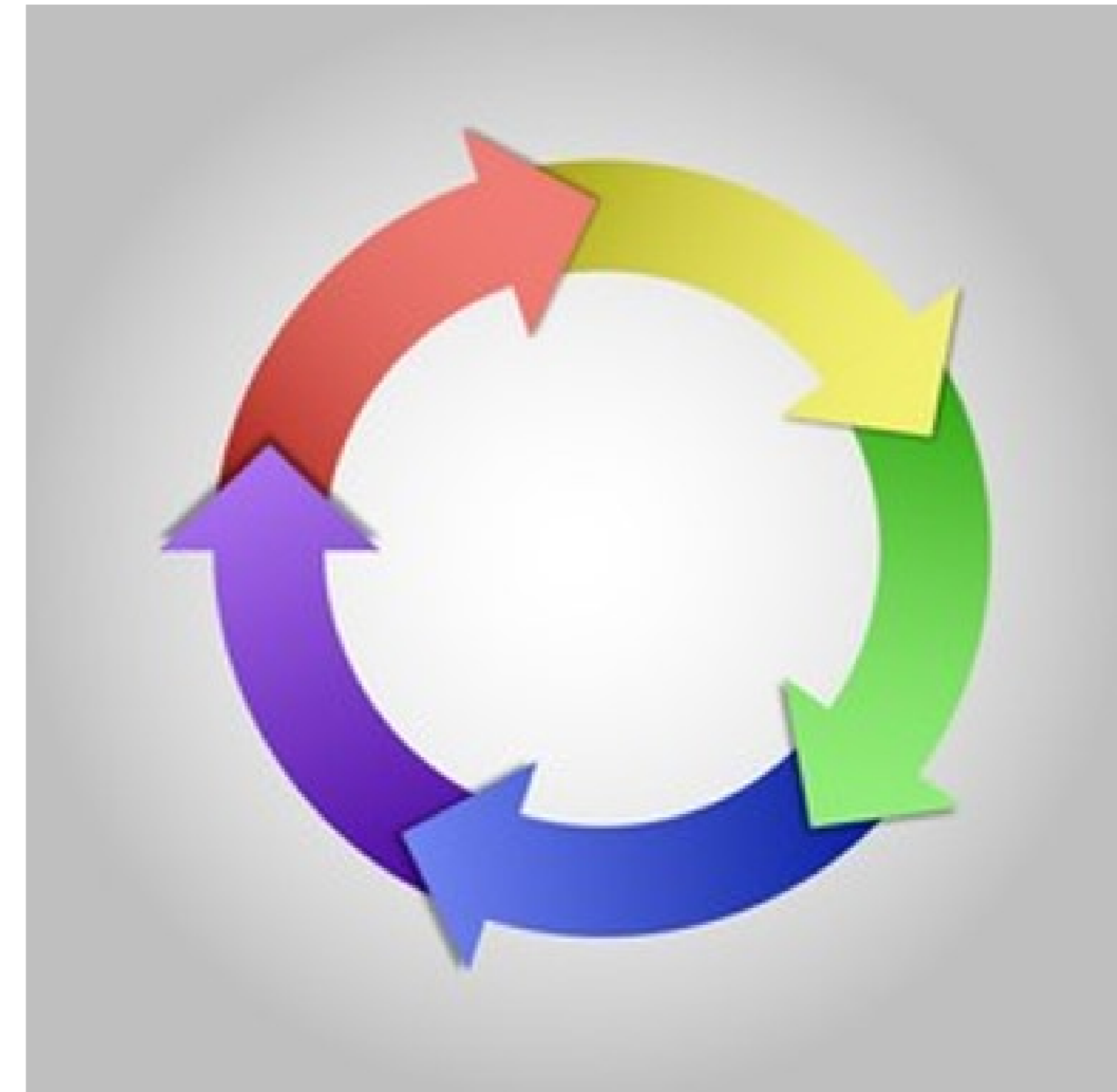
BENEFITS OF A CFP

- Creates a long-term outlook into other planning processes like budgeting, capital planning, and revenue forecasting
- Helps diagnose potential risks and causes of fiscal distress
- Stimulates “big-picture thinking” and requires the City to set and adjust vision
- Provides a tool for evaluating long-term compliance with financial policies
- Allows for pre-emptive action to mitigate forecasted concerns vs. reaction
- Defines parameters for decision-making
- Communicates current successes and long-term financial position to community
- Credit factor to rating agencies & investors. Determinant in credit ratings.



DEVELOPING CFP

- Identify and engage stakeholders
- Inventory assets
- Establish priority ranking criteria
- Prepare financial forecasts
- Prepare project requests
- Prioritize projects
- Finalize the plan
- Update the plan annually



IDENTIFYING & ENGAGING STAKEHOLDERS



- Determine who will be involved and what are their responsibilities.
 - Plan Director – One person, such as the chief administrative officer or an outside consultant, leads the process.
 - Elected Officials – Set policy and fund the process.
 - Department Heads – Major inputs into facility needs.
 - Economic Forecast Committee – Encourage involvement and helps establish credibility and support of the plan long-term. Update projections annually.
 - Consultants – Municipal advisor, engineers, and other consultants assist in evaluating project and in providing project cost estimates.
- Once stakeholders are identified, the Plan Director conducts regular meetings to outline and drive the process and define responsibilities.





INVENTORY ASSETS

- Assess the condition of capital assets
 - Consider an asset manager for larger governments
 - Most governments rely on department heads and consulting engineers
- Plan Director generally prepares forms defining necessary information
- Information should include:
 - Description of asset
 - Name of controlling department
 - Location
 - Purpose or use of asset
 - When the asset was acquired or constructed
 - Expected life
 - Description and date of major renovations
 - Description of the condition
 - Discussion of required renovations or upgrades and replacement year



ESTABLISH PRIORITY RANKING CRITERIA



- Guidelines for prioritizing project funding
- Adopt by policy and distribute to stakeholders
- Criteria should rank projects on a high, medium or low priority basis

High

- Required by law
- Required by contract
- Improve public safety
- Reduce expenses
- Increase revenues
- Contribute to job retention
- Benefit majority of residents

Medium

- Prevent deterioration of assets
- Improve delivery of services to the public
- Contribute to job creation
- Are non-essential but have a high degree of public support

Low

- Support delivery of a service for which there is a declining demand
- Enable the provision of a new service not currently provided
- Improve the quality of life but are non-essential



PREPARE FINANCIAL FORECASTS

- Form Economic Forecast Committee. Meets quarterly to assess national and local economy. Adjust growth assumptions (inflation, market valuation, etc.)
- Determine level of capital expenditures over next 10 years
- Analyze each fund (general and enterprise), consider historical results and future revenues and expenditures. Project net income (revenues, less expenditures, less existing debt service). Net income is available cash for projects (pay-as-you go) or for debt service payment on bonds
- Forecasts consider proposed new revenue sources including taxes, bonds, or fees. One-time funds (grants) are included
- Include O&M and capital needs. Informs elected officials and the public on how and when projects will be funded





PREPARE PROJECT REQUESTS (1)

- Preparation of requests for repair, upgrading or replacement of assets
- Requests for construction or acquisition of new capital
- Completed by each department and submitted to the Plan Director
- The Plan Director or a committee reviews the requests for completeness
- Compilation of the requests is often similar to a wish list
- Information should facilitate the priority of projects

Project Request Form

Project Name: ABC	Approved By: Damon Ellis			
Assign a Change Request Reference				
Action: Allocate Change request with reference from change request log & write down a new record in the change request log				
Change Request Ref: User Interface design	Date Received: 25-11-2020			
Change Request Information: To be completed by the person requesting the change				
Request Name	Contact Details	Role	Requester Business Unit	Signature
Tom	XXXXXXXXXX	Sales Manger	Research & Development	XXXXXXXXXX
Dean	XXXXXXXXXX	Developer	Research & Development	XXXXXXXXXX
Contact Description: Text Here				
Change Justification: Text Here				
Alternatives / Comments: Text Here				
Remarks: Text Here				

This slide is 100% editable. Adapt it to your needs and capture your audience's attention.



PREPARE PROJECT REQUESTS (2)

- Requests include the following:
 - Project Description: Description of the project/asset to be acquired
 - Existing Condition: Description of the existing condition to be alleviated
 - Goals and Benefits: Goals & benefits derived from completion project
 - Funding Schedule: Estimated cost and timing for the project
 - Project Funding: Identify how the project is to be funded



PREPARE PROJECT REQUESTS (3)

- More sophisticated CFPs include the impact of capital acquisition a new facility will have on the overall budget
- This analysis would generally include:
 - Annual O&M costs
 - Annual reductions in current O&M costs
 - Additional staffing, particularly when a new service is involved



PRIORITIZE PROJECTS

- Funds are finite and rarely are in excess of requests
- Based on the priority ranking criteria, projects are ranked based from highest priority to lowest priority
- Projects or services that are unable to be funded can be pushed into the next year or removed. Importance of annual adjustments!





FINALIZE THE PLAN

- Bring all prioritized requests together
- Present to Council prior to budget setting is ideal
- GFOA Best Practice:
 - CFP is the “starting point for capital planning, developing operating budgets, estimating revenue, and other planning processes.”





UPDATE THE PLAN ANNUALLY

- Critical step in the process
- CFP is a living document that communicate the City's priorities
- Forces the City to look at its services and align them with its vision
- GFOA Best Practice
 - “The plan should be reviewed on an annual basis and updated as needed or as major assumptions change.”





BEST PRACTICE

Primary Planning Purpose	Long Term Financial Planning	Strategic Planning	Developing Financial Policies	Capital Improvement Planning	Budgeting
Establish an organizational vision		X	X		
Achieve organizational alignment	X	X	X	X	X
Forecast long-term revenue	X			X	
Forecast long-term expenses	X			X	
Setting utility rates	X				
Identify unfunded liabilities(including pension-related issues)	X			X	
Assessing infrastructure condition				X	
Determine long-term debt capacity	X				
Conduct a general environmental scan		X			
Conduct analysis of the external economic environment	X	X			
Conduct analysis of the fiscal environment	X		X		
Prioritize services, initiatives, and programs and set goals		X			
Determine long-term financial impact of priorities and goals	X			X	
Allocate resources to address priorities and accomplish goals				X	X
Set short-term service-level goals based on priorities and long-term goals					X

CFPs are best completed conjunction with:

- Strategic planning
- Developing financial policies
- Capital improvement planning
- Master facility planning
- Budgeting

“CFP’s are how things get done and communities realize their vision.”

Utility Rate Studies



WHY DO RATE STUDIES?

- Key component of CFP. Examine all enterprise funds.
- Provide utility managers and board members clear understanding of what current water rate structure can support.
- Ensures revenues are sufficient for current *AND* future operation and maintenance needs; depreciation; and repair and replacement needs.
- Provide a rate design that is cost based, justifiable to the public and meets the specific rate design objectives needed to maintain and grow your utility.

