

## **Capital Budgeting and Planning Workshop**

Capital planning is a critical factor in every municipality's long-term sustainability and an integral part of the strategic planning process.

Achievement of community goals and objectives is supported through careful capital planning. This enables quality service delivery and prioritized capital investment in the future of municipalities. Capital planning is crucial for service delivery success, financial health, properly maintained infrastructure, and vibrant economies.

- Capital budgeting and planning as a strategic process.
- Asset management integration into the capital budget process.
- How to build a successful process from the ground up.
- Priority based budgeting use for capital planning.
- Funding a capital budget strategically (excel based tools reviewed).
- Tools for determining the long-term funding GAP.
- Techniques for analyzing capital budget needs.
- Bloom Scan for identifying risks and opportunities.
- How to present a capital budget successfully to Council and the public.



Tim Duhamel has 20 years of municipal government experience in the areas of budgeting, long range financial planning and senior administration.

Tim has been a Finance Manager, a General Manager of Community and Protective Services and a CAO.

Tim has been a member of GFOA Alberta since 1998 and is now the President of Bloom - Centre for Municipal Education.

Tim has been involved in managing Capital processes in excess of \$1.5 billion dollars and single projects in excess of \$100 million dollars over a 20 year period.

# **Capital Budgeting and Planning**

Winnipeg  
September 11, 2018

*One Day Seminar.*



## **Bloom's top five reasons for taking this seminar:**

1. Capital budgeting is critical for municipal sustainability.
2. Infrastructure deficits are looming but can be avoided with good capital planning.
3. Funding sources are scarce but can be maximized if well planned for.
4. Today's capital environment requires a priority-based process.
5. Communicating capital needs and priorities to Council and the Public is crucial for success.



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*“Great course. Very knowledgeable speakers.  
Clear and informative presentation.”*

*“Loved the tools and appreciated being able  
to take them away in a usable format!”*

The Basics	<ul style="list-style-type: none"> <li>• Capital defined</li> <li>• Long term capital plan defined (with examples)</li> <li>• Budget vs. capital plan</li> <li>• Asset management defined</li> <li>• “Capital equation” concept explained</li> </ul>
Capital Overview	<ul style="list-style-type: none"> <li>• Understanding the complexity of a municipality and the role of capital in the delivery of municipal services</li> <li>• Asset management concept and value (high level review)</li> <li>• Tangible capital asset concepts and value (high level review)</li> <li>• “Infrastructure deficit” defined and affects</li> </ul>
Capital Budget Structure/ Fundamentals	<ul style="list-style-type: none"> <li>• Interaction between capital budgeting, long-term planning, tangible capital assets and asset management</li> <li>• Building a capital budget and long-term plan</li> <li>• Basics of funding – sources and how funding plans are developed</li> <li>• Capital budget structure for analysis, decision-making, and presentation</li> </ul>
Creating a Capital Process	<ul style="list-style-type: none"> <li>• Attributes of an effective and successful process (with examples)</li> <li>• Capital budget process and timeline (with examples)</li> <li>• Creating the process timeline (deadlines, meetings, presentations)</li> <li>• Prioritizing a capital plan; what criteria are used to base decisions on</li> <li>• Integrating input from internal and public communication (administrative, council and public engagement)</li> <li>• Examples of successful processes, suggestions and strategies to ensure success for the financial officer and the organization</li> </ul>
Funding Sources	<ul style="list-style-type: none"> <li>• Review of all funding sources (risks and opportunities)</li> <li>• Review of debt as a financing source (tax and non-tax supported)</li> <li>• How to build a funding plan with a strategic emphasis</li> <li>• Understanding amortization</li> <li>• The difference between funded and unfunded capital plans and arguments for using them</li> <li>• Explanation of “capital budget equation” fully balanced with funding sources (advanced discussion)</li> </ul>
Techniques for Analyzing, Funding and Financing	<ul style="list-style-type: none"> <li>• “Municipal scan” concept introduced</li> <li>• Advanced funding principles (5 year “funding gap” concept and strategies to solve funding gaps with illustrations/tools)</li> <li>• Analyzing a capital plan and identifying short-term and long-term risks</li> <li>• “Funding pool concept” – forecasting/calculate long-term funding sources</li> <li>• “Gap analysis concept”; how to calculate a funding gap in simple form as well as in detail (spreadsheet tool reviewed)</li> <li>• Annually funded programs; how to identify and build annual maintenance programs</li> </ul>
Business Cases/ Feasibility Studies	<ul style="list-style-type: none"> <li>• Forms for submission that capture information for decision making (examples provided)</li> <li>• Building a business case for small, medium and large scale projects</li> </ul>
Tools for Success	<ul style="list-style-type: none"> <li>• Fund a capital budget tool</li> <li>• Build a funding pool tool</li> <li>• Capital gap analysis tool</li> <li>• Example submission forms</li> <li>• Capital business case example</li> </ul>

*“Great workshop! Recommend  
this for management, not just  
finance!”*

*“I really appreciate the time and effort you took to share your awesome  
presentation. Very valuable information we were missing and now can  
begin implementing. Thank-you!”*