

GFOAT  
CONFERENCE



March 2023

# CAPITAL PLANNING

## WHAT'S IT ALL ABOUT?





# AGENDA

Why?

What?

Who?

How?



NJ Governor kills Hudson River Tunnel Project – expected to have over \$5B more than estimated.

Local City halts issuing building permits due to water capacity issues.

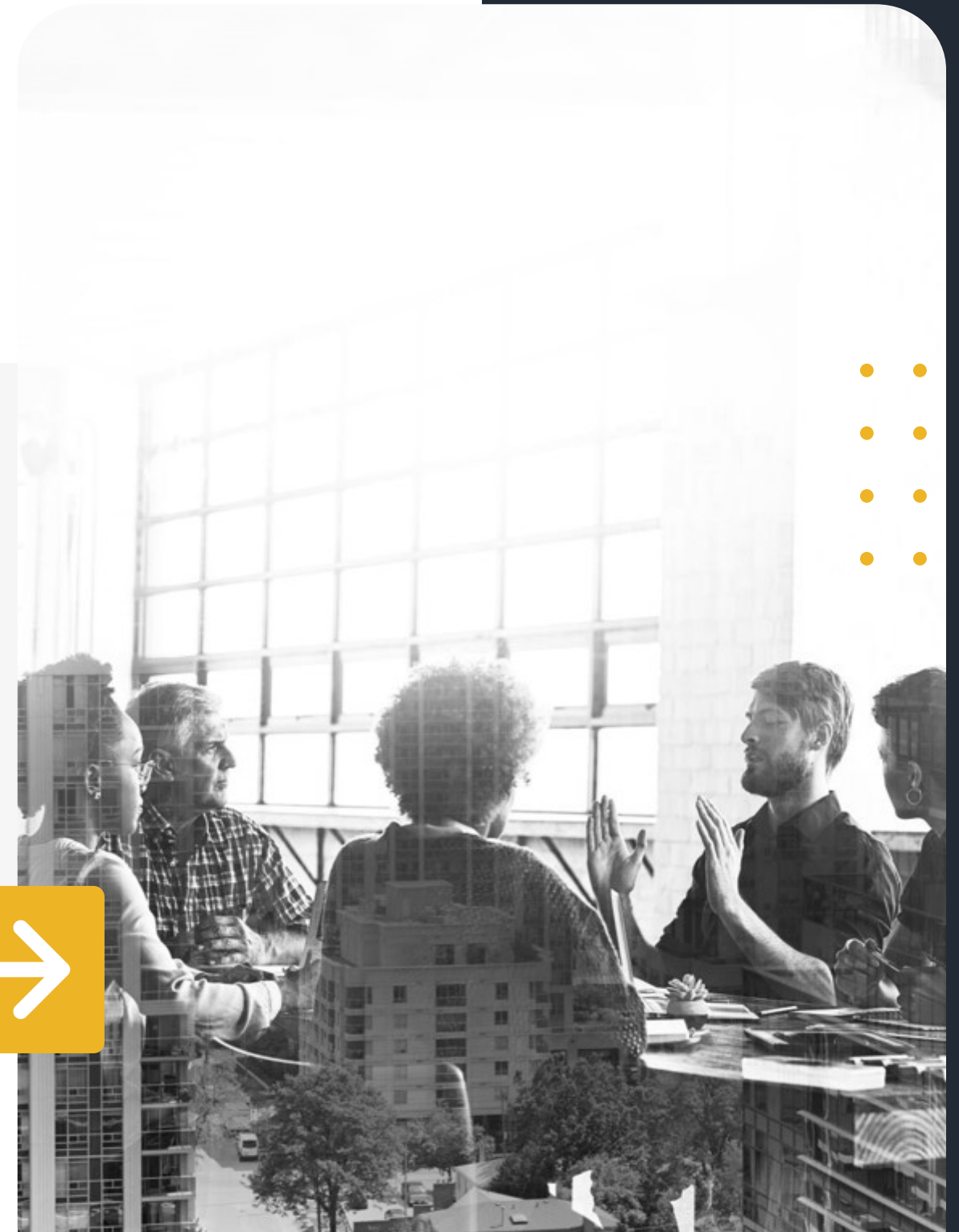
News that the Transbay Terminal is something like \$300 million over budget should not come as a shock to anyone. We always knew the initial estimate was way under the real cost.

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The way to get started is to quit talking and begin doing.

- Walt Disney





# HOW DO WE START?

## Know Your Assets

- Roads/Streets
- Parks/Recreation
- Water/Sewer
- Buildings/Facilities
- Convention/Golf

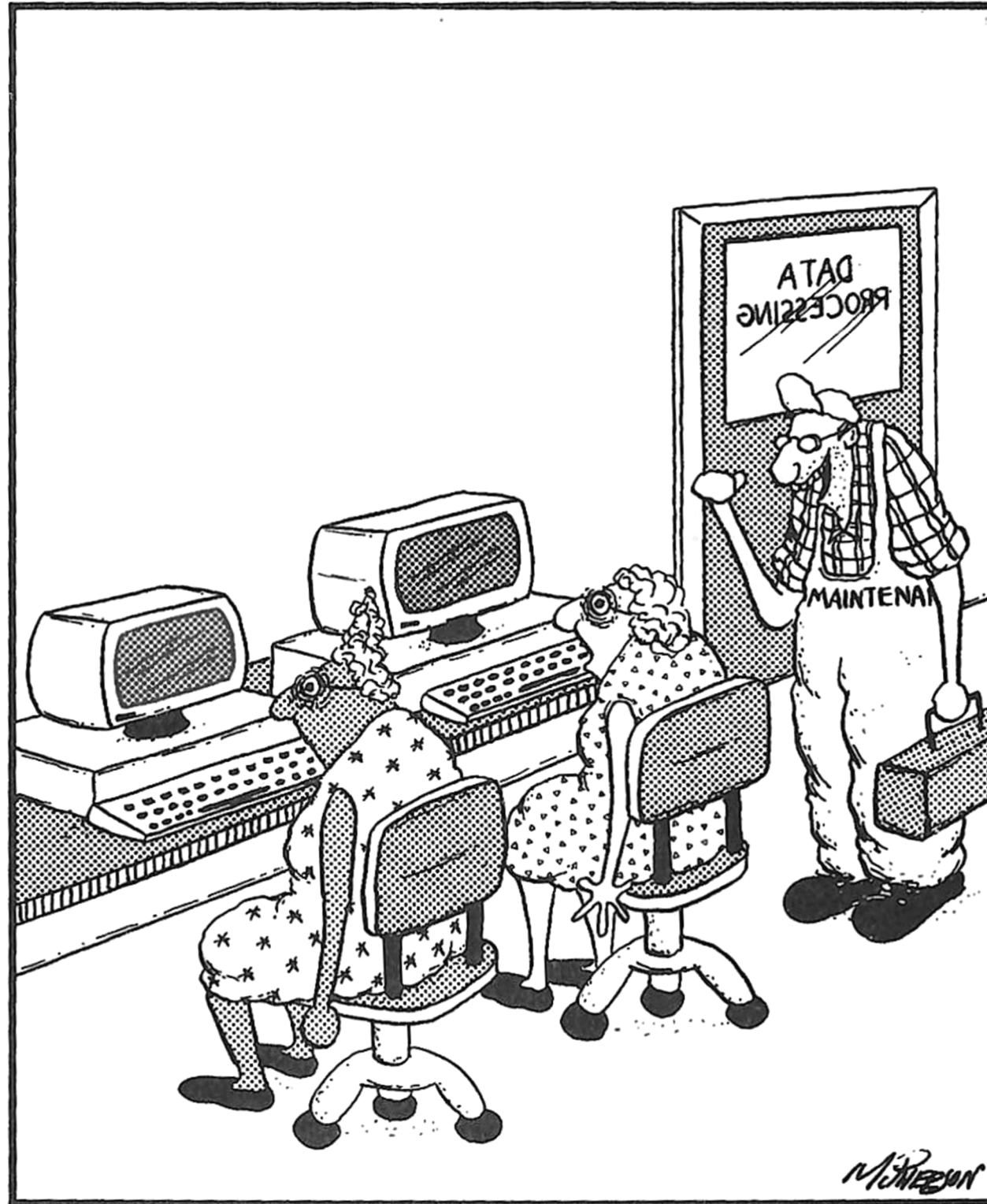
## Who are the Stakeholders?

- Council
- Citizens
- Staff
- Boards/Committees
- Business

## Funding/ Prioritizing

- Financing Methods
- Tracking Costs
- Lifecycle Costs
- O&M
- Resiliency

# INTERDEPENDENCE



“Sorry about that little power outage there. We were installing an electric air freshener in the men’s room. Hope we didn’t mess up yer data or whatever yer doin’ there.”



# MASTER PLANNING CAPITAL PLANNING

The Big Picture

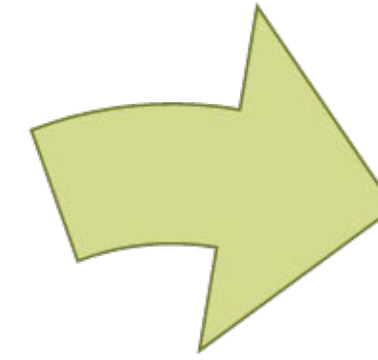


## Real Estate Criteria

- Asset Valuation
- Land Valuation

## Physical Asset Criteria

- Building Condition Needs
- Unfunded Liability
- FCI



## Utilization Criteria

- Facility utilization
- Accommodation planning
- Functional Index
- Own vs. lease

## Financial Criteria

- Capital Costs
- Operating Costs
- Capital Creation Strategies
- Incentives



## Environmental Criteria

- Carbon Footprint
- Energy Conservation
- Renewable Solutions





# STAKEHOLDERS/ DECISION MAKERS



## Council

Strategic Direction

Final Approval



## Citizens

Clear  
Communications

Values Defined



## Businesses

Impact

Value



## Boards

Evaluation of  
Options

Consensus



## Staff

Rubber Meets  
the Road!



“

**CAPITAL PROJECTS  
ARE LIKE BUSES.  
THERE'S ALWAYS  
ANOTHER ONE  
COMING. ”**

*How do we fund them?*







# FUNDING

- **Long -term Financial Planning Models**
  - O&M Costs
  - I&S Property Tax Rate
  - Water & Sewer Rate Study
  - 4B Sales Tax
  - Other Revenues
- **Federal Funds and Grants**
- **Cash**
- **Debt**
  - Voter Approved G.O. Debt
  - Certificates of Obligation
  - Revenue Bonds
  - Lease Purchase



## SOME BEST PRACTICES

- Consider Inflation
- Multi -Year Capital Plan - 5 to 25 Years
- Assess Your Ability to Manage the Capital Asset





“

**If you don't know  
where you are  
going, how will you  
know when you get  
there? ”**

**-Casey Stengel**



# THANK YOU

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We appreciate your time!  
Please feel free to reach  
out with any questions  
following this presentation.



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