



LONG-TERM FINANCIAL PLANNING POLICY

CROW WING COUNTY BRainerd, MINNESOTA

**Adopted by County Board
August 13, 2013
Amended November 26, 2019**

Our Vision: Being Minnesota's favorite place.

Our Mission: Serve well. Deliver value. Drive results.

Our Values: Be responsible. Treat people right. Build a better future.

LONG-TERM FINANCIAL PLANNING POLICY
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I. LONG-TERM FINANCIAL PLANNING POLICY STATEMENT OF PURPOSE

The purpose of this policy is to ensure the County’s on-going financial sustainability beyond a single fiscal year budget cycle in light of the County’s long-term service vision and objectives. Financial sustainability is defined as the County’s long-term financial performance and positioning, where planned long-term service and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services. This policy is intended to describe particular elements or aspects of such long-term planning programs within the County and to memorialize this financial practice into a formal policy.

II. SCOPE

This policy is applicable County-wide.

III. LONG-TERM FINANCIAL PLAN

The County will maintain long-term fiscal solvency by identifying significant future expenses, liabilities, problems and resources that are not included or recognized in the annual budget.

A. COMMITMENT TO LONG-TERM FINANCIAL PLANNING

The Long-Term Financial Plan (LTFP) process evaluates known internal and external issues impacting the County’s financial condition. Such issues are identified, presented, and mitigated when and where possible. The process begins by identifying critical areas which have, or are expected to have, an impact on the financial condition of the County over the next three years. Once the issues are identified, specific goals and objectives are developed for each structural deficiency. The LTFP is a constantly changing and moving document which will be routinely updated and presented on a rolling basis. The LTFP may be completed in support of the budget process, and is intended to help the County achieve the following:

- (1) Ensure the County can attain and maintain financial sustainability;
- (2) Ensure the County has sufficient long-term information to guide financial decisions;
- (3) Ensure the County has sufficient resources to provide programs and services for citizens;
- (4) Ensure potential risks to on-going operations are identified in the long-term financial planning process and communicated on a regular basis; and
- (5) Identify changes in expenditures or revenue structures needed to deliver services or to meet the goals adopted by the County Board.
- (6) Recognize that the County may need to adapt after consideration of outside forces and changing economic conditions.

B. SCOPE OF THE PLAN

1. COMPREHENSIVE ANALYSIS

The LTFP will provide meaningful analysis of key trends and conditions, including, but not limited to, the following:

- a. Analysis of the affordability of current services, projects, and obligations:
 - An analysis of the County’s environment in order to anticipate changes that could impact the County’s services or financial objectives.
 - Revenue and expenditure projections, including the financial sustainability of current service levels over a multi-year period.

- The affordability of current debt relative to affordability ratios prescribed by County policy or State law.
 - The affordability of maintaining and replacing the County's current capital assets (e.g., buildings, infrastructure).
 - The ability to maintain reserves within the target ranges prescribed by County policy over a multi-year period.
 - The impact of non-current liabilities on the County's financial position.
- b. Analysis of the affordability of anticipated service expansions or investments in new assets:
- The operating costs of any new initiatives, projects, or expansion of services where funding has been identified through alternative sources or adopted or approved by the County Board through other actions. Service delivery of administrative services and functions shall be included to the extent needed proportionately with the expansion of other services.
 - The affordability of the County's long-term Capital Improvements Plan (CIP), including operating and maintenance costs for new assets.
 - The affordability of other master plans that call for significant financial investment by the County.
- c. Synthesis of the above to present the County's financial position:
- A clear presentation of the resources needed to accomplish the capital improvements identified in the County's CIP and to maintain existing capital assets.
 - A clear presentation of the resources needed to maintain existing services at their present level in addition to the expansion of services as may have been identified through the analysis described above.
 - Identification of the imbalances between the County's current direction and the conditions needed for continued financial health.

2. SOLUTION-ORIENTED

The LTFP will identify issues that may challenge the continued financial health of the County, and the plan will identify possible solutions to those challenges. Planning decisions shall be made primarily from a long-term perspective, and structural balance is the overarching goal of the planning process.

C. NON-CURRENT LIABILITIES

The LTFP will address strategies for ensuring that the County's long-term liabilities remain affordable. The County Board supports efforts to ensure that critical long-term liabilities like debt service, asset maintenance, pensions, and other post-employment benefits remain affordable.

IV. LONG-TERM FINANCIAL PLANNING POLICY ADOPTION

The County's Long-Term Financial Planning Policy shall be adopted by resolution of the County Board. The policy shall be reviewed on a biennial basis by the Budget Committee and any modifications made thereto must be approved by the County Board.