



Leading Practices in Municipal Government



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With you today



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Based in Winnipeg, Scott is a Partner with KPMG's Deal Advisory practice.

He has 20 years' experience in economics, business, and finance in both public and private sector. This includes 15 years of government experience as a Cabinet Minister and decision maker in provincial and municipal governments.

His experience covers a wide range of areas including public finance, economic development, social services, labour, housing, municipal/police governance, Indigenous partnerships resource development, and capital projects including IT.



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Based in Edmonton, Bradley is a Senior Manager with KPMG's Global Infrastructure Advisory Practice.

He is a Professional Engineer with extensive experience in municipal infrastructure and is a nationally recognized leader in asset management.

Bradley has also worked with the City of Edmonton's Finance and Infrastructure Departments in leadership roles that centered on the advancement of more informed and transparent decision making.



Agenda

MORNING SESSION		
Time	Topic	
1	9:00am – 9:15am	Introductions and Goals
2	9:15am – 10:30am	Governance Leadership and Strategic Planning
	10:30am – 10:45am	Break
4	10:45am – 11:15pm	Municipal Finance
5	11:45am – 12:00pm	Breakout Activity
	12:00pm	Adjourn

AFTERNOON SESSION		
Time	Topic	
1	1:00pm – 1:15pm	Introductions and Goals
2	1:15pm – 2:30pm	Governance Leadership and Strategic Planning
	2:30pm – 2:45pm	Break
4	2:45pm – 3:45pm	Municipal Finance
5	3:45pm – 4:00pm	Breakout Activity
	4:00pm	Adjourn

Introductions

Please briefly introduce yourself to your neighbour at your table:

- Where are you from
- What is your role in your municipality

Rules for Today's Session

- Start on time, finish on time
- Engaged and ready to contribute
- Listen to other points of view
- Positive and constructive
- Limit distractions

What Are the Goals of Today's Session

01

Better understanding of municipal governance structure to become a more efficient organization

02

Streamlined process to save time and money for your Municipality

03

Better understand of key elements of roles and responsibilities of Council and Admin

04

Leading practices of long term strategic planning and measuring performance


05

Provide overview of the Elements of Municipal Financial planning

Let's hear from you?

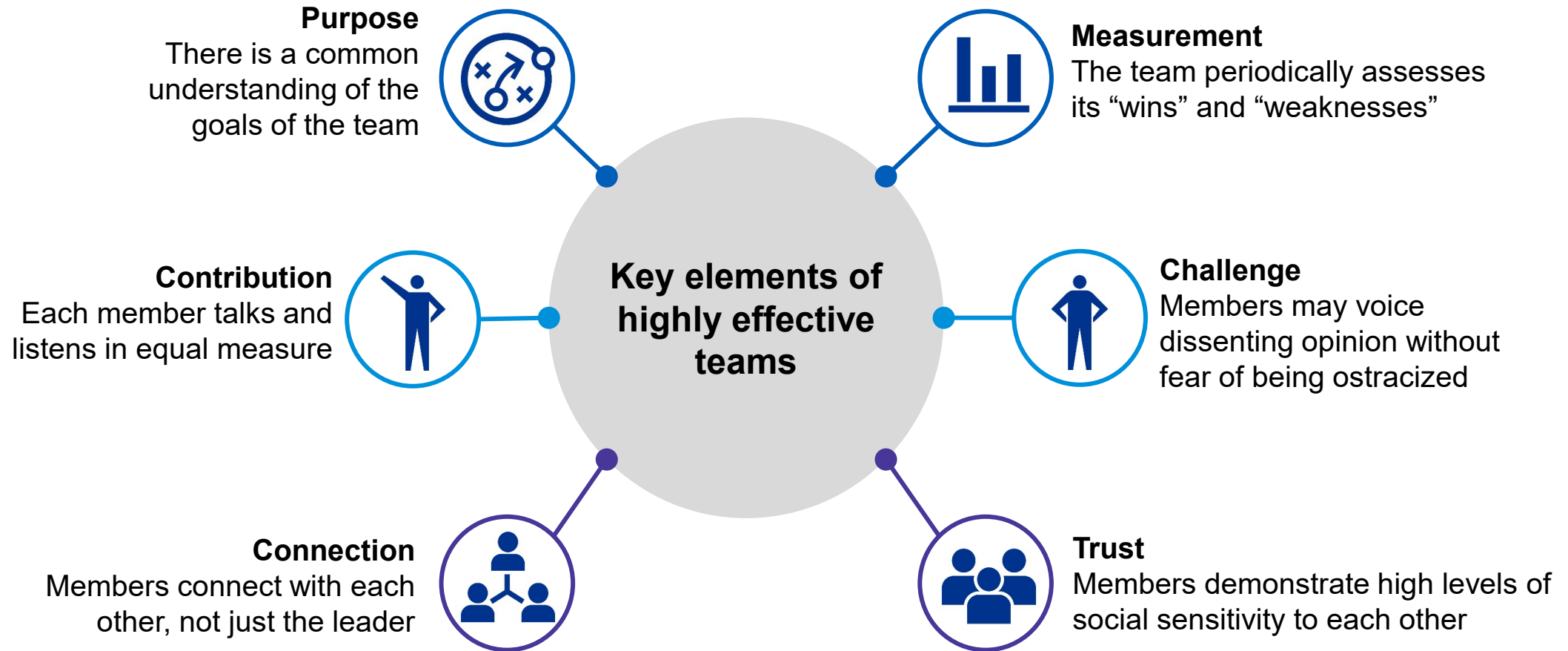
Municipal Governance Best Practices from FCM, AMO, and AMM

These points are based on the principles and guidelines are taken from recommended governance practices though FCM, AMO, and AMM.

Transparency and Accountability		<ul style="list-style-type: none">▪ Open decision-making▪ Accessible information▪ Performance clarity	Sustainable Development		<ul style="list-style-type: none">▪ Environmental & Social considerations
Public Participation		<ul style="list-style-type: none">▪ Community engagement▪ Diverse feedback channels	Partnerships & Collaboration		<ul style="list-style-type: none">▪ Cross-sector cooperation
Financial Management		<ul style="list-style-type: none">▪ Prudent budgeting▪ Diverse revenue streams	Capacity Building		<ul style="list-style-type: none">▪ Training & development
Innovation & Continuous Improvement		<ul style="list-style-type: none">▪ Adaptive practices▪ Ongoing learning			

Governance Leading Practices

Outlined below are the key elements that contribute to the framework of effective governance. Each element is a cornerstone that supports collaborative success and leadership in practice.



Municipal Governance

Essential Roles of Municipal Governance

Canada's municipalities are at the forefront of delivering a growing array of vital services to citizens, ranging from water supply and wastewater disposal, to mobility and transportation, to local recreation and community programs.

Across Canada, delivering these services relies on managing thousands of employees, and more than a trillion dollars worth of infrastructure.

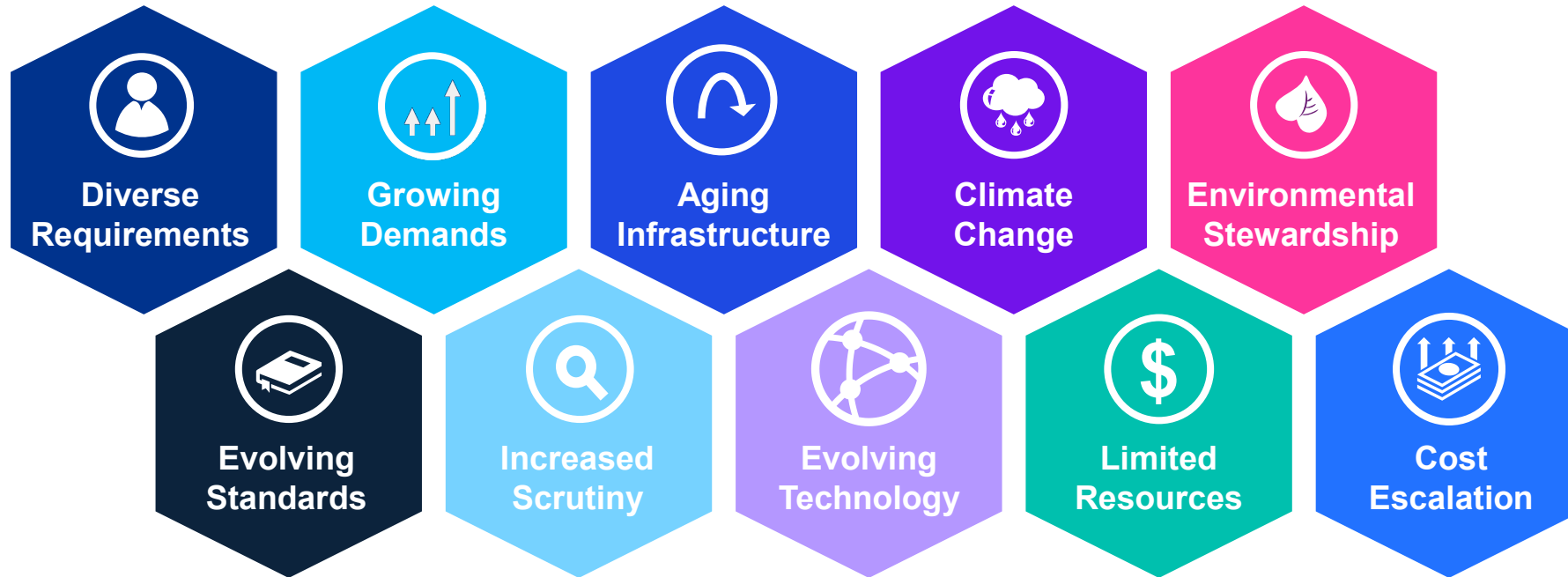
Responsibilities

In Manitoba, municipal governments are governed by **The Municipal Act**, which states that the purposes of municipalities are:

- to provide good government;
- to provide services, facilities or other things that, in the opinion of the council of the municipality, are necessary or desirable for all or a part of the municipality; and
- to develop and maintain safe and viable communities.

Challenges within Manitoba Municipalities

Manitoba municipalities are facing a growing set of pressures impacting their ability to effectively and efficiently plan-for and deliver needed services.



Question: What is the top challenge you are facing within your Municipality

Why Should Good Governance be Important to You

01

Becoming an efficient organization will save time and money for your organization

05

Allow you to do your job more effectively

02

Less red tape and delays to getting things done

06

Less conflict with Council and Administration

03

Better services delivery for constituents

07

Clarification of roles, responsibilities and processes for Council and Administration

04

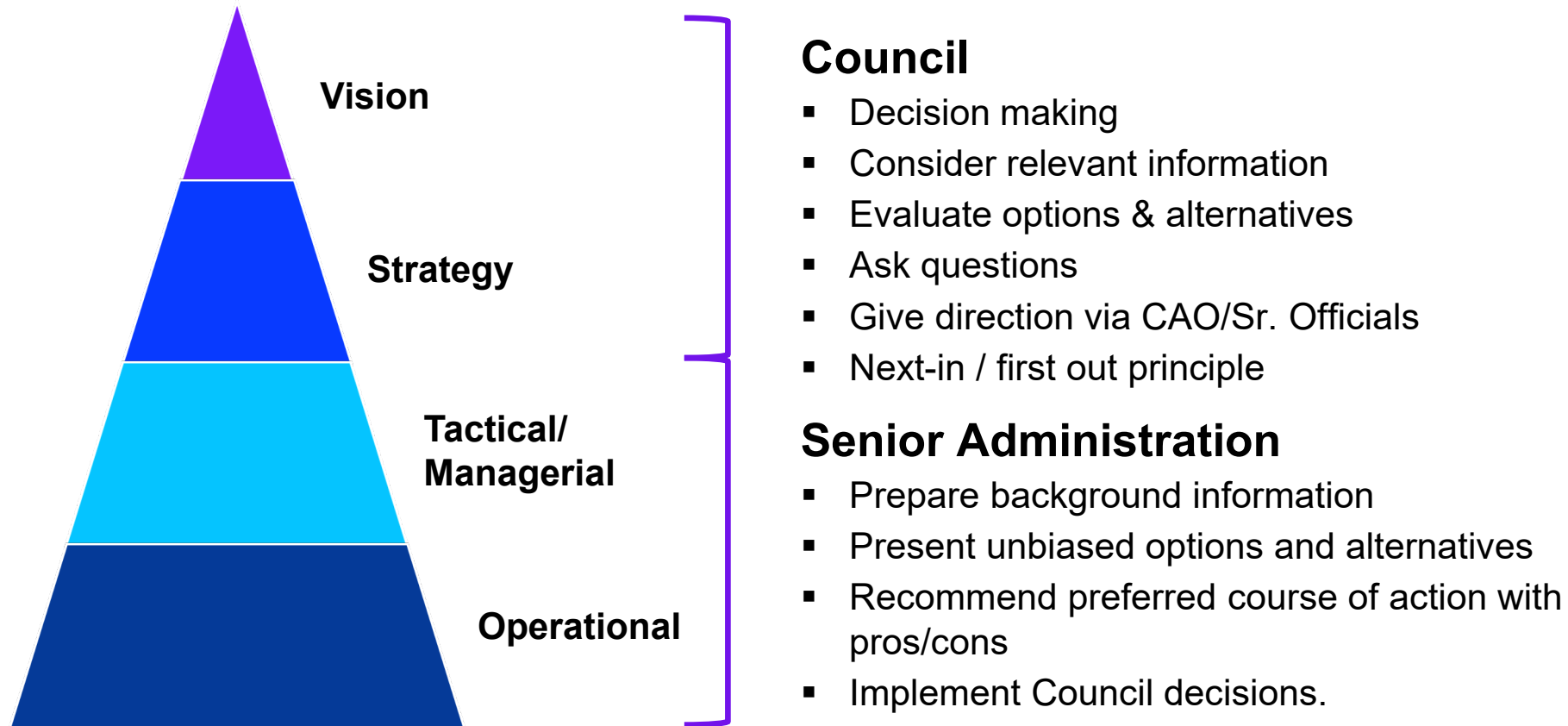
More transparency for residents

08

More efficient ways to allocate funding to priority areas

Strategic Governance Framework

This pyramid illustrates the Strategic Governance Framework that is crucial for steering municipalities towards sustained success and community well-being.



Governance Framework – Guiding Principles

Stakeholder Transparency

Governance must be transparent to allow stakeholders to enforce desired behaviours and increase enterprise adherence to related standards and directives.

Involvement of Senior Leadership

To be effective in creating value for community, Senior Leadership from Administration and the rest of organization must be involved and active.

Simple, Clear Direction

The Governance Framework must clearly identify the decisions that need to be made to efficiently guide the strategy, operations, and investments by providing mechanisms to quickly and effectively make decisions.

Ability to Handle All Situations

The Governance Framework should be able to handle all requests for enhancement or sustainment of information and technology by assessing exceptions and changing standards and directives as appropriate.

Designation of Accountability & Responsibility

Governance must clearly assign accountability and responsibility for the enhancement and sustainment of capabilities, investments and processes.

Three Pillars of Municipal Governance Excellence

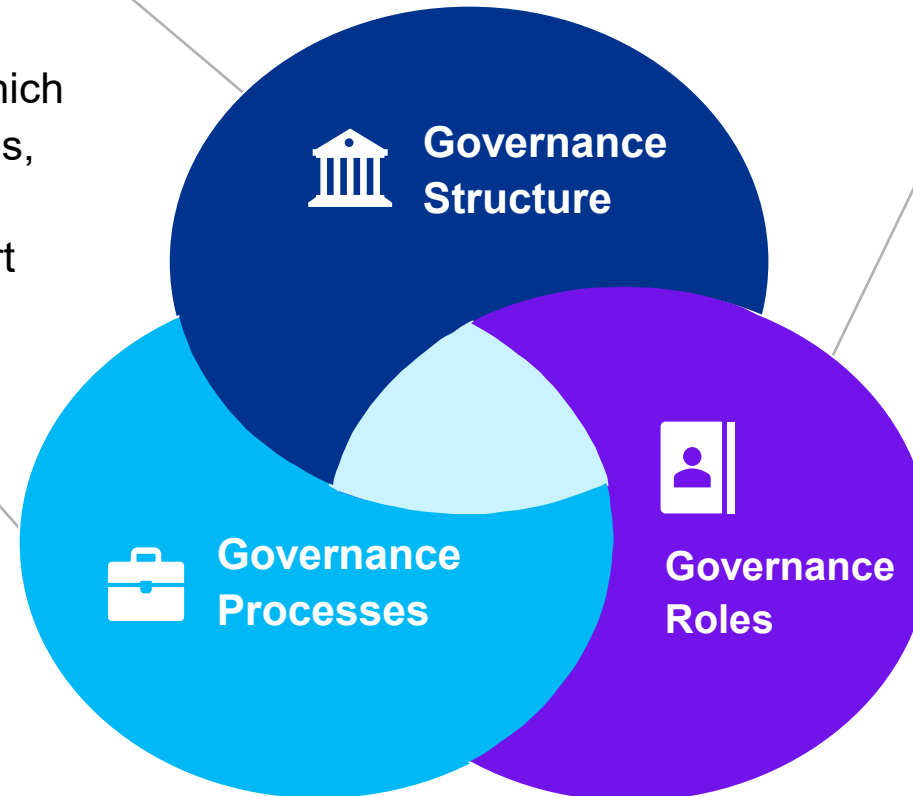
Below are the foundational elements that constitute an effective municipal governance system

01 Governance Structure

The system and structure by which an entity organizes and operates, including decision-making, authority, and policies to support governance.

03 Governance Processes

Measures of how well the governance structure and roles work together to achieve the goals of an entity, such as delivering services, transparency and fiscal responsibility.



02 Governance Roles

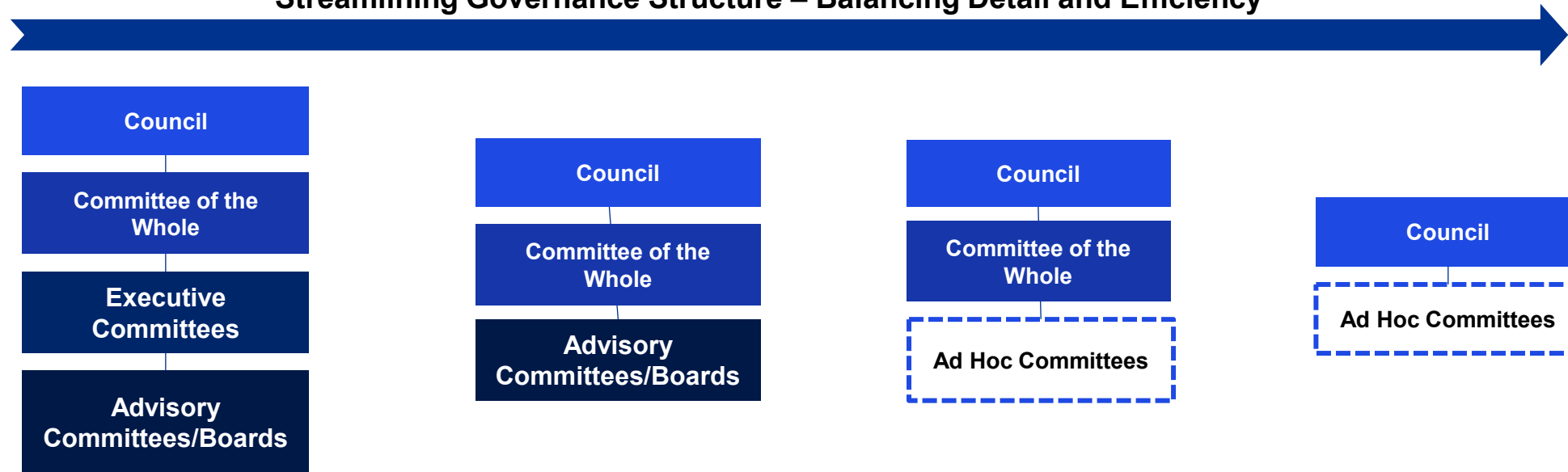
The functions and responsibilities of different actors within the governance structure, such as elected officials, administrative staff and advisory bodies.

Pillar One: Governance Structure

The system and structure by which the municipality organizes and operates, including decision-making, authority, and policies to support governance.

- Council, Committee of the Whole, Committee of Adjustment – is the frequency/timing of council meetings conducive to timely and effective decision-making?
- Executive, Advisory and Ad Hoc Committees – is there effective and efficient use of time/resources?

Streamlining Governance Structure – Balancing Detail and Efficiency

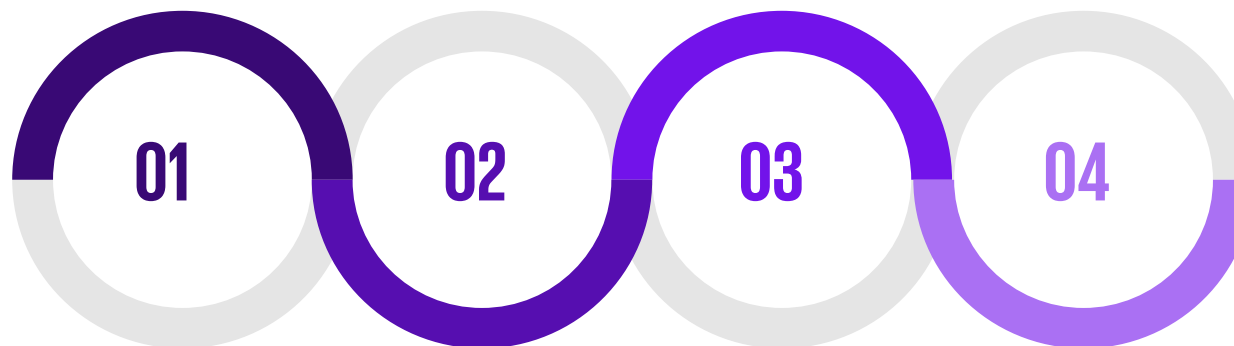


Pillar Two: Governance Roles

The functions and responsibilities of different stakeholders within the governance structure, such as elected officials, administrative staff and advisory bodies.

Roles & Responsibilities

- Clarity on the boundaries between Council and staff and the role of the CAO as a point of contact
- Understanding of accountability and processes for managing agendas
- Role of staff in preparing information/reports for Council



Communication & Collaboration

- Role of the community (public) in informing council decisions
- Communicating Council decisions inward (across the organization) and outward (to the public)

Onboarding, training, development and recruiting

- Effectiveness of Council orientation (for new and returning elected officials)
- Transfer of knowledge during turnover of key governance positions

Decision making & authority

- Authority of committees in making decisions versus recommendations
- Delegation of authority from Council to CAO/committees/staff
- Maintenance of the Delegation of Authority By-law

Collaborative Dynamics: Council and Administration Roles in Municipal Governance

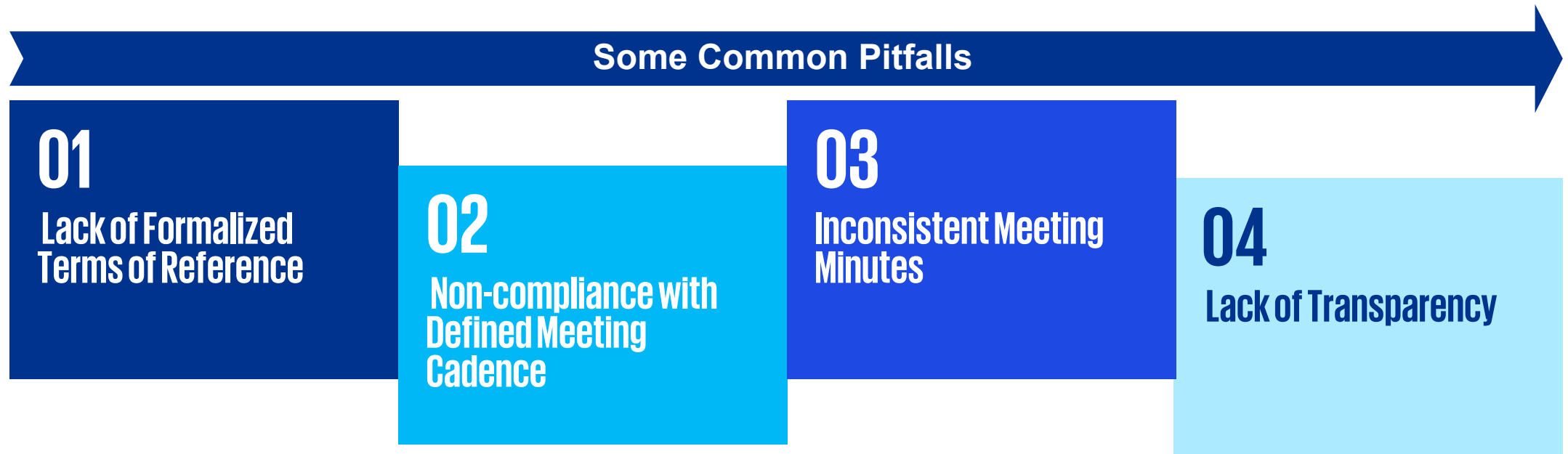
There are two distinct yet interconnected roles that define the governance framework of municipalities.

Council	Administration
<ul style="list-style-type: none">• Uniform understanding of vision, goals and direction• Policy guidelines, parameters for discretionary action• Clear, rational structure and reporting relationships• Feedback on performance• Opportunity for self-development and self-expression• Job satisfaction	<ul style="list-style-type: none">• Recognition of the role of the elected official vs. administration• Be accessible to council members• Be ready for potential changes• Timely follow up on all matters raised by council• Evidence-based presentation of needs and options• The importance of neutrality

Pillar Three: Governance Processes

Effective governance hinges on seamless processes. These processes encompass:

- Updated and accurate policies and by-laws
- Comprehensive performance data for decision-making
- Supportive administrative functions, like agenda setting



Engaging Stakeholders in Governance

Engaging stakeholders is integral to our governance, building trust and ensuring a participatory approach at every level.

01

**Foundation
of Trust**

03

**Inclusive
Engagement**

05

**Feedback
Mechanisms**

02

**Open
Governance
Model**

04

**Accountable
Actions**

06

**Continuous
Dialogue**



Jurisdictional Scan for Benchmarking

Jurisdictional Scan – Processes and Procedures

Policies and Procedures

All comparators have a delegation of authority By-law.

No comparators have a policy for in-camera meetings. However, such items are addressed in the Procedural By-law of each municipality.

All comparators expressed that the review and renewal of policies is staff responsibility. Each department is responsible for a set of policies for including tracking review dates, monitoring impacts for changing legislation, updating language, etc.



The resource is readily available and always up-to-date



The resource is readily available but not always up-to-date



The resource does not exist

	Municipality A	Municipality B	Municipality C	Municipality D
Monthly Meetings				
Number of regular Council meetings per month	2	1	1	1
Number of CoW meetings per month	2	1	1	0
Policies and Procedures				
Terms of Reference for committees				
Delegation of Authority By-Law				
Strategic Plan				
Procedural By-law reviewed				
Policies reviewed				

Jurisdictional Scan- Staff Reports

Reports to Council

All stakeholders raised concerns that discussion items at Council meetings are sometimes operational and not linked to the Town's strategic priorities.

Recently, Town staff have updated Council reports to include options and alternatives to allow Council members to evaluate multiple proposed solutions to an issue. Previously, all staff reports comprised of a single recommendation for Council to either approve or deny.

KPMG reviewed components of staff reports amongst the comparator group to summarize the information provided to Council to inform decision-making.

	Municipality A	Municipality B	Municipality C	Municipality D
Components of a Staff Report				
A) Issue				
B) Recommendation				
C) Analysis, Options & Alternatives				
D) History/Background				
E) Communications Plan				
F) Financial Implications				
G) Link to Strategic Plan or other guiding documents				



Component is included and always adhered to



Component is part of template but not always used



Component is never used

Governance Maturity Model

Governance Maturity Model – What Is it?

The governance maturity model assesses the current governance structure on the guiding principles of good governance. Each principle is assessed on a scale to determine areas that require greater maturity.

What is being assessed?



01 Governance Structure

The system and structure by which the Municipalities organizes and operates, including decision-making, authority, and policies to support governance.



02 Governance Roles

The functions and responsibilities of different actors within the governance structure, such as elected officials, administrative staff and advisory bodies.



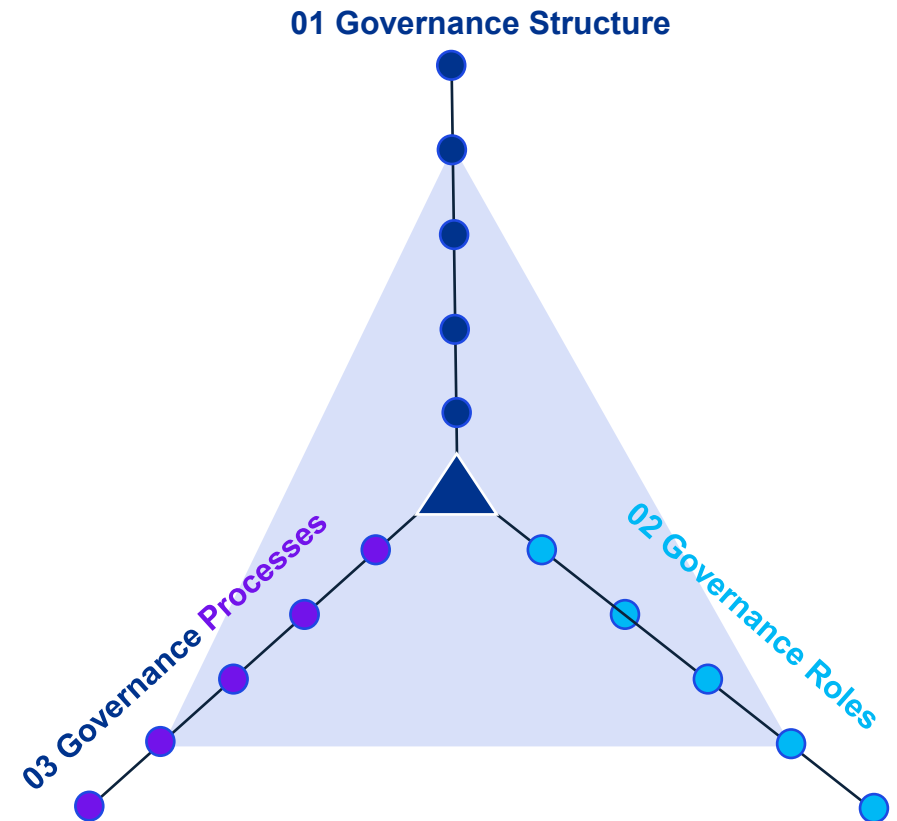
03 Governance Processes

Measures of how well the governance structure and roles work together to achieve the goals of the Town, such as delivering services, transparency and fiscal responsibility.

Rating Scale Used

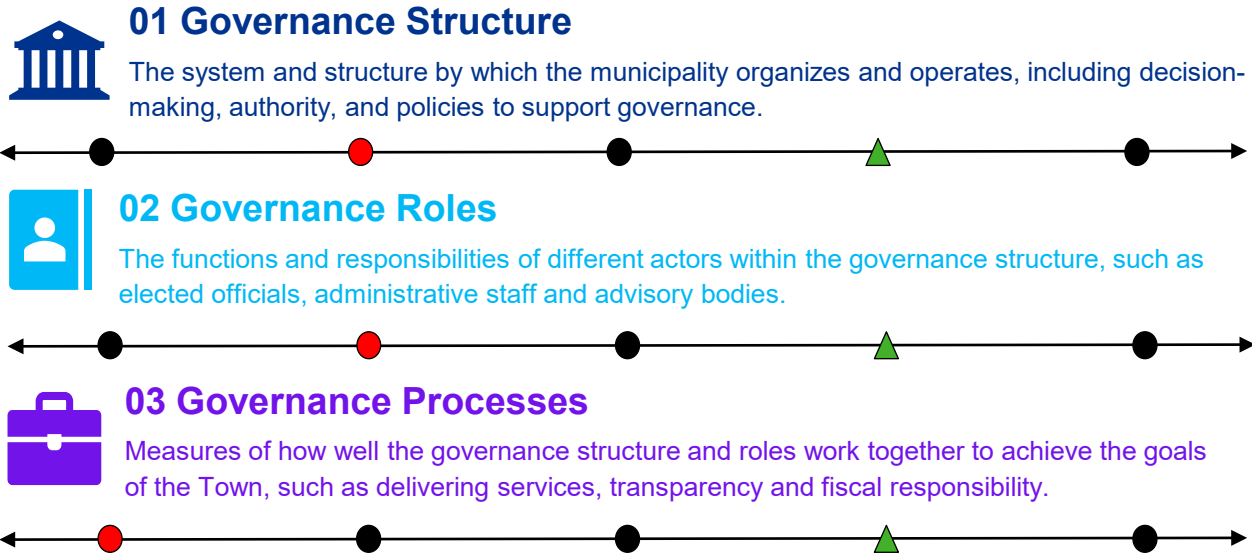
Initial	Stable	Consistent	Optimized	Strategic
Capabilities are basic and informal; little to no formal structure	Basic capabilities are in place and functioning at a minimum level of proficiency	Most capabilities are in place and functioning at a reasonable level of proficiency	All capabilities are in place and functioning at a good to high level of proficiency	All capabilities are in place and functioning at a high level of proficiency; governance seen as adding value to the business

Governance Maturity Radar Chart

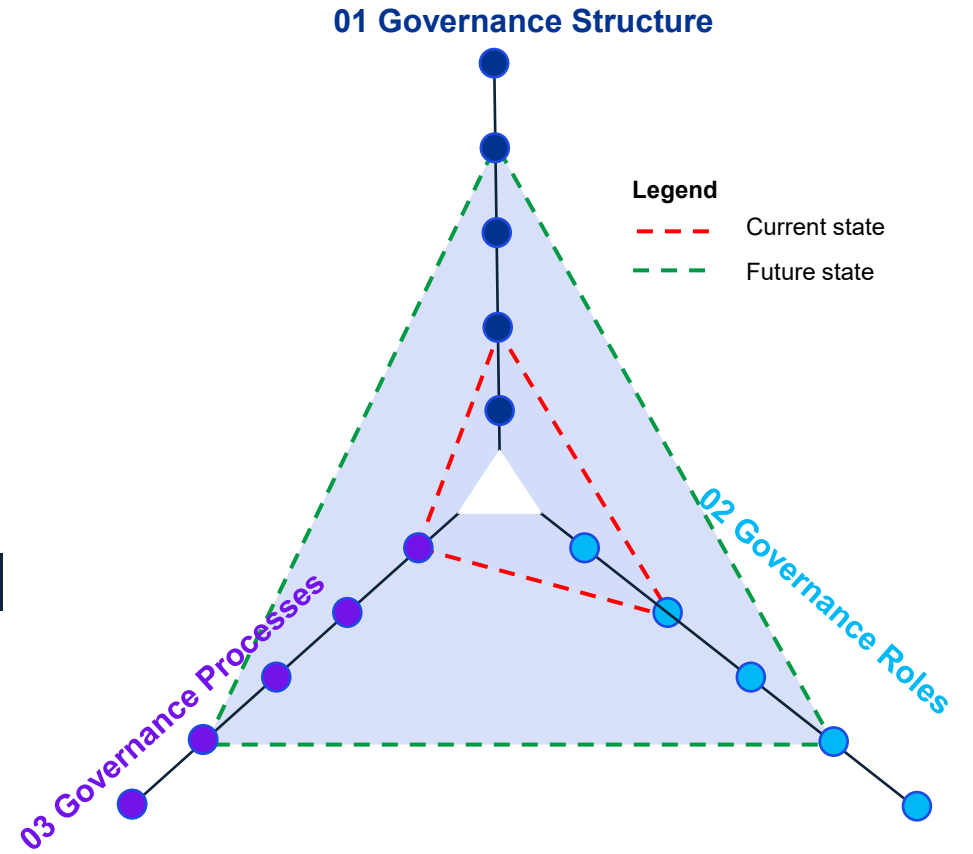


Governance Maturity Model – illustrative example

The red circles represent the current state of governance and green triangles represents the Municipalities future direction.



Rating Scale Used				
Initial Capabilities are basic and informal; little to no formal structure	Stable Basic capabilities are in place and functioning at a minimum level of proficiency	Consistent Most capabilities are in place and functioning at a reasonable level of proficiency	Optimized All capabilities are in place and functioning at a good to high level of proficiency	Strategic All capabilities are in place and functioning at a high level of proficiency; governance seen as adding value to the business



How would you assess your own governance maturity within your organization?

Key Takeaways – Municipal Governance

01

Strategic Cohesion:
Aligning vision, strategy, and operations for cohesive governance

02

Efficient Structure:
Clear roles and streamlined processes for quicker decision-making

03

Open Transparency:
Upholding transparency for enhanced accountability

04

Stakeholder Involvement:
Engaging all stakeholders for diverse input and collaboration

05

Adaptive Governance:
Embracing continuous improvement for responsive governance

Strategic Planning

Bridging Governance and Strategic Planning

Effective governance lays the groundwork for strategic planning, ensuring that our long-term objectives are not just visionary, but actionable and accountable.

- **Aligned Objectives:** Strategic plans are informed by governance objectives, ensuring unity of purpose.
- **Governance Oversight:** Oversight mechanisms established by governance are key in strategic plan implementation.
- **Policy-Driven Strategy:** Governance policies set the stage for strategic priority setting and resource allocation.
- **Engagement Through Governance:** Governance channels foster stakeholder engagement in strategic development.
- **Accountable Execution:** Governance structures hold strategic initiatives accountable for results and impact.

Purpose of a Strategic plan

Effective governance lays the groundwork for strategic planning, ensuring that our long-term objectives are not just visionary, but actionable and accountable. The Strategic Plan document will help Council and the Administration identify and focus their efforts and resources.

Provide Clarity

Guides focused decision-making

Assist with adjustment to change

Supports change with a clear vision

Ensure Coordination

Aligns team efforts with objectives.



Capacity building

Aligns skills with strategic direction.

Improve Efficiency

Informs daily decisions.

Increase Transparency & Accountability

Engages stakeholders, results published online.

Leading Practices in Municipal Strategic Plans

While there is not a single best approach to strategic planning, a sound strategic planning process will include the following key steps:

- **Start the Process:** Initiate strategic planning with a clear procedure
- **Mission Statement:** Define a broad organizational purpose
- **SWOT Analysis:** Evaluate internal and external environmental factors
- **Identify Key Issues:** Pinpoint critical issues and opportunities
- **Set Broad Goals:** Establish a few overarching goals
- **Strategize:** Develop high-level strategies for goal achievement
- **Action Plans:** Outline detailed plans for execution
- **Measurable Objectives:** Set objectives with clear timelines
- **Performance Metrics:** Link goals and strategies with measurable outcomes
- **Plan Approval:** Obtain organizational consent
- **Implementation & Monitoring:** Execute and regularly review the plan

The Government
Financial Officers
Association
("GFOA"),
recommends the
following "best
practices" for a
strategic plan for
local and
state/provincial
governments

Strategic Planning Process



This Strategic Plan has been developed with the understanding that strategies are developed through the partnership of Council and Administration. The role of Administration is to determine actions appropriate to achieve the goals of Council.



Strategic Plan
(high-level, directional, concise) –
Council with Senior Administration

Administration/ Management –
Specific Strategies / Corporate
Business & Operating Plans



Top Strategic Priorities

The following are examples of strategic priorities for a municipality which would form part of the Strategic Plan.



Quality of life

1. Opportunities to enhance tourism through shared cultural and recreational activities (including with Indigenous communities). This may include:
 - Developing event spaces. Utilize the Market Square.
 - Expanding use of bass fishing competition tent to other events.
 - Planning town festivals and events. Create / update policies to support events in the public space.
2. Develop waterfront and attractions to draw interest from regional and cross-border tourists.



Economic growth

1. Position the Town to attract investment. This may include:
 - Defining key economic advantages of the town and region – e.g., natural resources, very low electric rates, rail connections, and tourism traffic.
2. Consider incentive programs to attract residential, commercial, and industrial development. This may include: implementation of the former mill site conceptual plan, CIP connection, incentives to developers.



Municipal services & infrastructure

1. Service delivery / level of service review.
2. Expand use of Asset Management systems, long-term sustainability plans, and other plans and methodologies.
3. Develop a public communication strategy to enhance open and transparent communication with residents.



Partnerships

1. Work toward reconciliation through active collaboratively with Indigenous groups and neighboring communities.
2. Support development of housing projects, seniors housing and entry-level housing, modular homes. DSSAB
3. Lobby the province to explore drug treatment program options.

Guidelines on Creating KPIs in your Strategic Plan

Guidelines for developing the KPIs include:



Identify a relatively small number of core key performance indicators (KPIs) in each area that the Municipality plans about which to regularly report (e.g., annually).



KPIs should have alignment with the overall strategy and the four strategic priority areas.



KPIs should be at a high level, fact-based, data is easily collected, and can be a mix of quantitative measures and qualitative measures



Some of these types of core KPIs are reported in Annual Reports



In addition, Administration may continue to maintain a larger set of KPIs for internal operational purposes.

Advancing Strategic Planning

Embarking on strategic planning requires clear steps and coordination; here's how you can move forward effectively:

- **Strategic Plan Timeline:** Determine the period for the next Strategic Plan
- **Starting Information:** Identify necessary initial data
- **Collaborative Development:** Partner internally or with experts to create a Strategic Plan
- **Finalization:** Have Senior Administration draft the final plan for Council approval
- **Communication Strategy:** Plan how to share and implement the Strategic Plan
- **Action Development:** Admin to outline actions aligned with the plan's priorities
- **Progress Reporting:** Admin reports to Council, e.g., annually
- **Review Schedule:** Council and Admin review and update the plan, e.g., biennially

A Strategic Plan is not the details and specific actions. The Strategic Plan is a directional roadmap to help focus municipal efforts with collective purpose.

Key Takeaways – Strategic Planning

01

Vision Alignment

Ensure your strategic plan reflects the long-term vision of the municipality

02

Integrated Approach

Utilize the strategic plan as a guide for decision-making across all departments.

04

Adaptability

Build in the capacity to adjust strategies in response to changing circumstances.

05

Performance Tracking

Select a focused set of KPIs for effective performance monitoring.

03

Stewardship

Commit to the strategic directions set forth in the plan and follow through on initiatives.

Activity (15 minutes)

At your table, share the answers to the following questions related to our Municipality's Strategic Plan:

- Do you have a strategic plan?
- Do you incorporate it into budgeting and decision making?
- Are the strategic priorities short and directional?
- Is the plan adoptable?
- Are there performance measurements



Financial Planning

Challenges with Financial Planning

Planning & Budgeting in most municipalities is a complex and time consuming process.

Some challenges include:

- Many separate, evolved processes
- Independent data sources
- Limited visibility across groups
- Manual and labour intensive
- Prone to errors and omissions
- Inconsistency across departments and over years
- Opaque and difficult to follow



Essentials of Budgeting In Manitoba Municipalities

What is it?

The annual municipal financial plan (budget) determines the services and programs that will be delivered to residents and property owners, the level of those services and programs, and how they will be paid for. In making these decisions, Council must consider the impact to residents and property owners as a whole, as well as on specific property owners such as cottagers, farmers, and businesses.

Operating Budget - estimated expenditures for each program and service, and the revenues needed to fund it.

Capital Budget - estimated expenditures on capital assets, and how they will be funded.

Five-year Capital Program – mid/long-term capital needs, defining timing of projects, their costs, and how they are intended to be funded.

Essentials of Financial Planning in Municipalities

Financial planning is the blueprint that shapes a municipality's economic future and priorities

- **Strategic Overview:** Financial planning sets the economic course for municipal services and development.
- **Resource Allocation:** It involves distributing financial resources to various municipal services and capital projects.
- **Long-term Sustainability:** Focuses on ensuring the long-term financial health and sustainability of the municipality.
- **Stakeholder Impact:** Considers the financial effects on diverse stakeholders including residents, businesses, and investors.
- **Integrated Planning:** Integrates with strategic planning to align financial resources with municipal goals and priorities.

Why do we need Financial Planning?

01

Need to plan beyond term of current Council

- High growth
- Economic decline
- Major capital projects

02

Ties into infrastructure planning

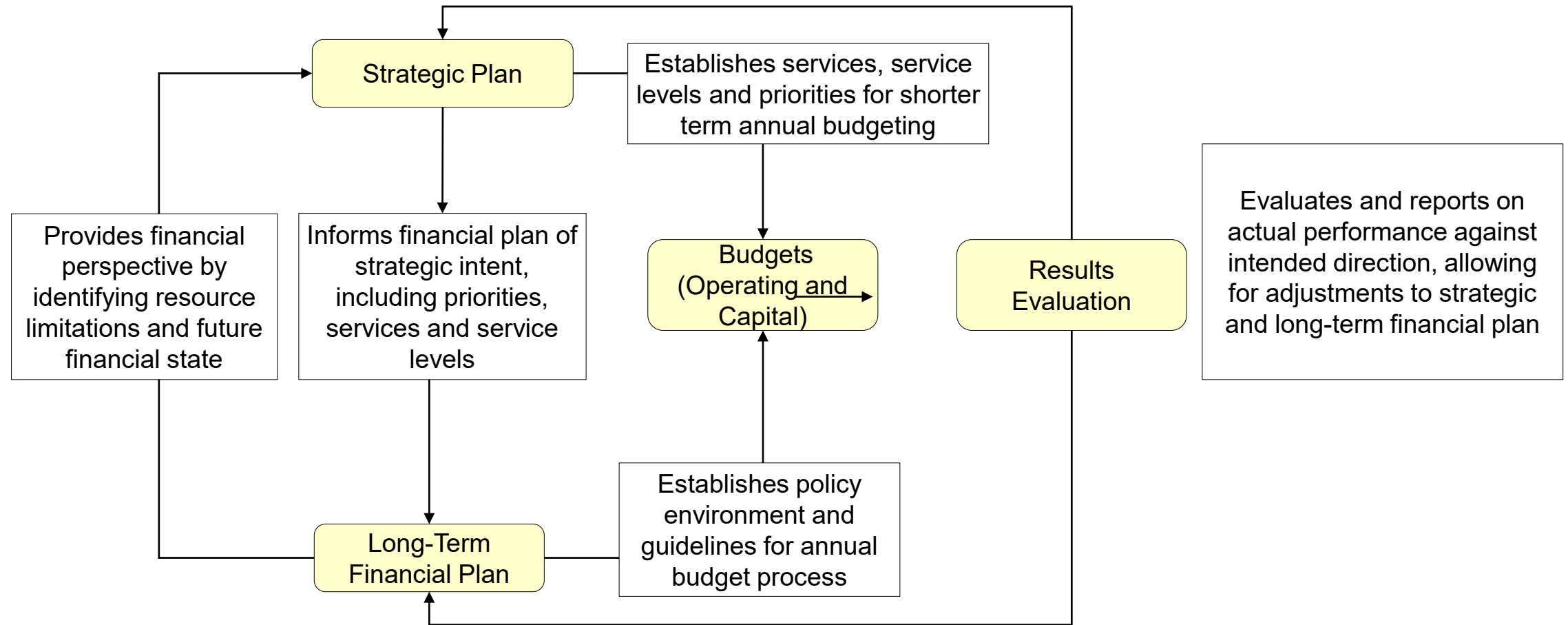
- Substantial number of assets approaching end of useful life
- Growth
- Asset management planning

03

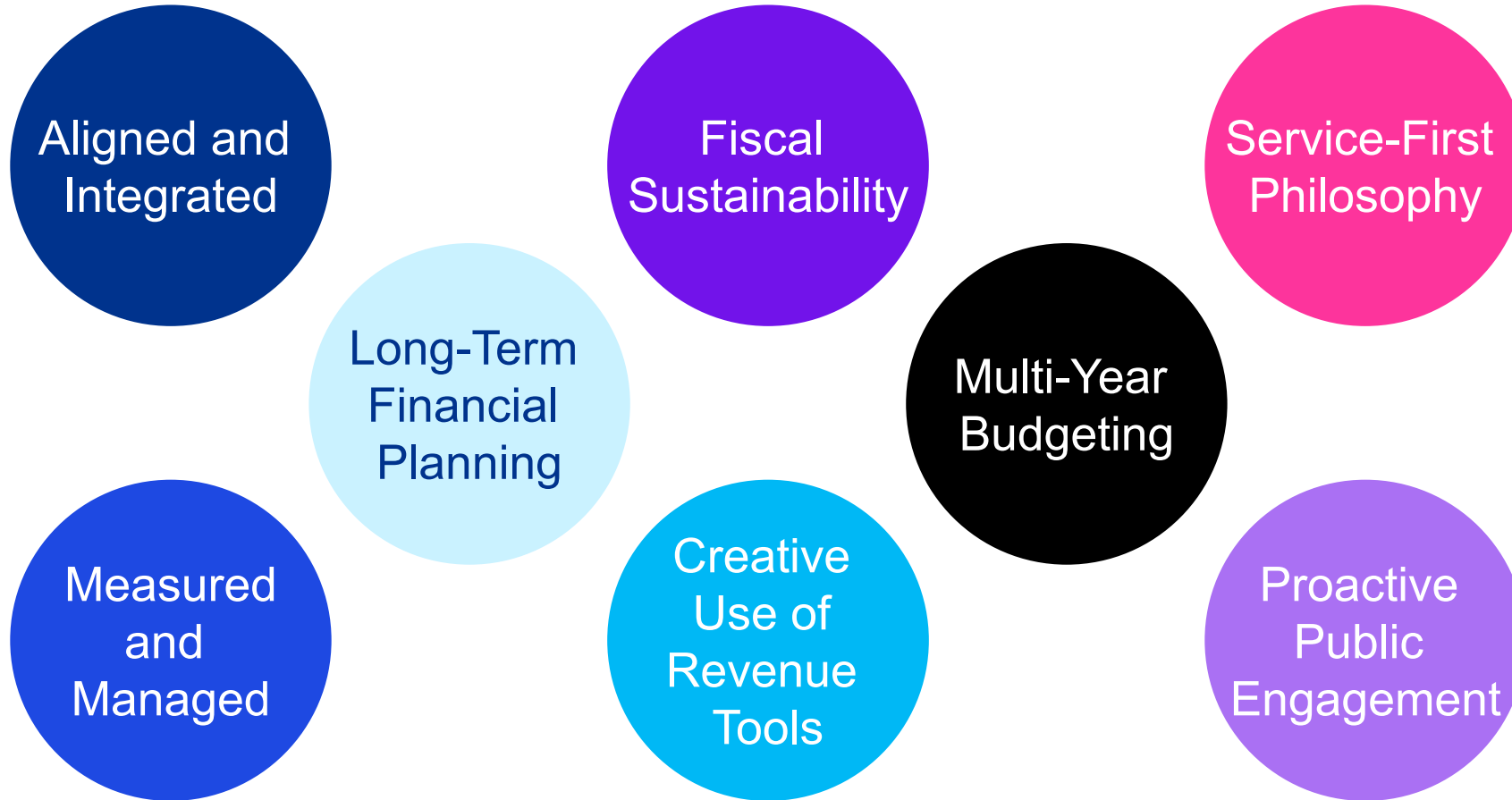
Provides a structure for financial decision making

- Formal policies and procedures
- Impact analysis of Council decisions
- No surprises; predictable financial decisions
- Reduces the annual budget season panic

The Municipal Financial System (Utopia)



What does leading practice look like?



Activity (15 minutes)

Think about your municipality's financial planning. At your table, share the answers to the following questions

- What do you like about the way your municipality budgets?
- Do you have a Long Range Financial Plan? How far out does it go?
- When was the last time it was refreshed?
- To what degree do you align your short term financial decision (i.e. Budget) with long range financial objectives?

The Municipal Financial Framework

The following four (4) elements are required to create a robust financial framework for a Municipality. It is important to note that most Municipalities implement these elements to varying degrees.

Financial Principles

1

General principles used to guide financial decision-making at a Municipality and the creation of policies, procedures and processes

Financial Policies

2

Policies which govern key financial elements at a Municipality including the use of debt, reserves, surpluses etc.

Long-Term Financial Plan (LTFP)

3

A plan that outlines the financial resources required to meet strategic goals, master plans and other priorities

Financial Model

4

A model that supports the long-term financial planning exercise and communication of financial performance to Management and Council

Financial Principles

Financial principles represent the rules by which a Municipality's long-term financial plan and its performance will be governed.

- ✓ Acceptable levels of taxation increases vs. cost reduction requirements
- ✓ Debt management
- ✓ Infrastructure investment levels and service trade-offs
- ✓ Consistency with other plans and strategies
- ✓ Reserve and reserve fund strategies

These principles will in turn drive:

- A. Financial indicators – measures used to assess the financial performance and position of the Municipality
- B. Financial policies – formal documentation of financial approaches and strategies

Financial Policies

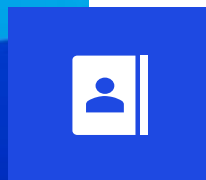
Why? - Govern key financial elements

Financial policies document key financial elements and decision making. They provide the structural rigour to the financial plan.



Reserves & Reserve Funds

- ✓ Stabilization reserves
- ✓ Minimum and maximum levels
- ✓ Formal definitions
- ✓ Council approval requirements



Debt

- ✓ Allowable repayment limit
- ✓ Provincial regulation
- ✓ Policy upon repayment of debt



Capital Financing

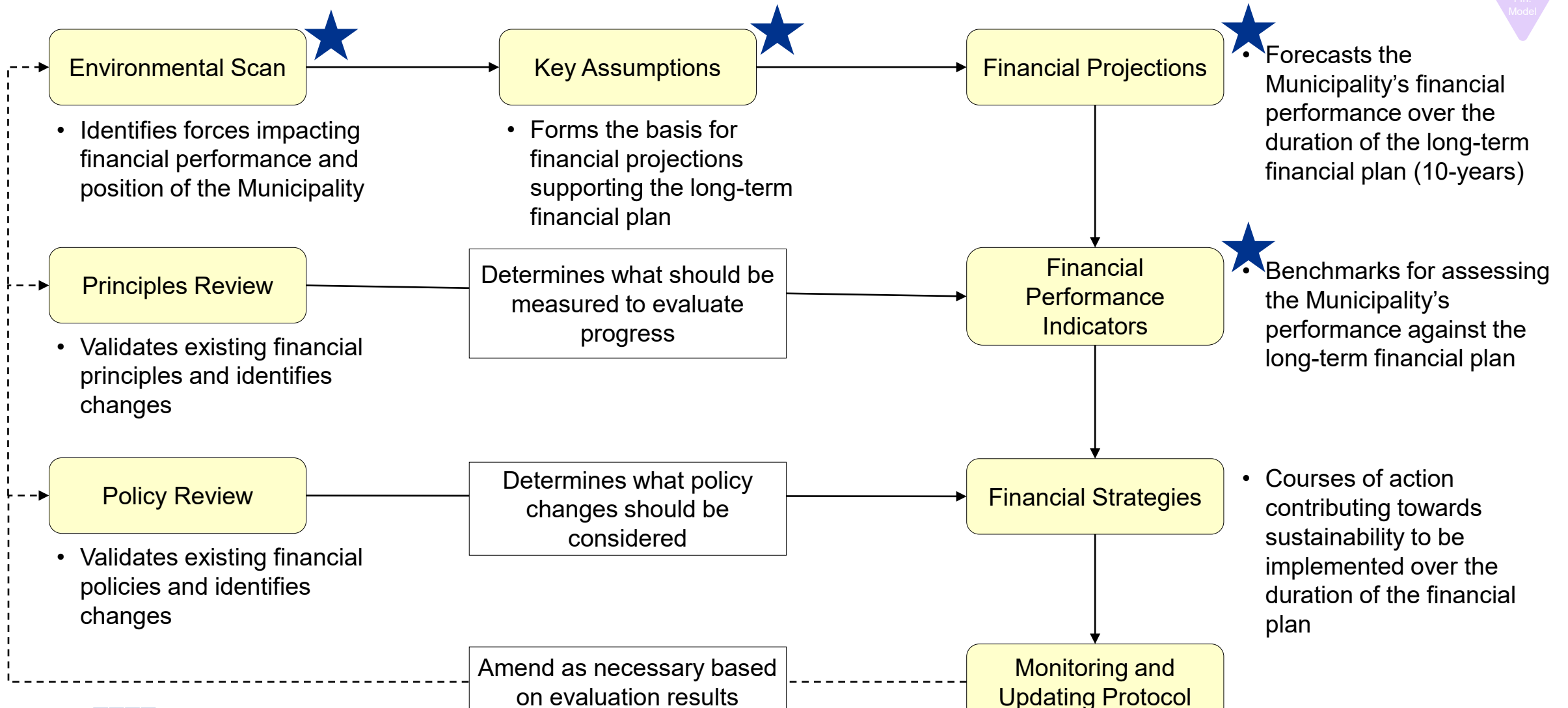
- ✓ Use of debt
- ✓ Capital financing levy
- ✓ Use of reserves



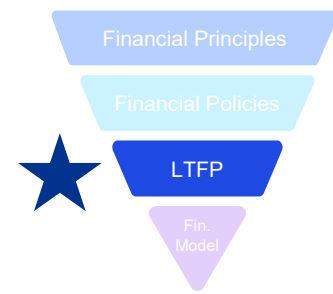
Budgeting Process

- ✓ Timeframes
- ✓ Reporting requirements to Council

Long-Term Financial Plan Components



Factors to consider in your Financial Plan Environmental Scan



01 **Capital investment requirements**
What is your Asset Management Plan telling you? Are there new significant capital purchases on the political horizon?

02 **Assessment growth**
How is your assessment growing? Is it predictable or have you been experiencing spikes or drops in value?

03 **User Fees**
What is the recovery on your user fees? Is Council aware of the cost of service delivery? When have user fees last been reviewed?

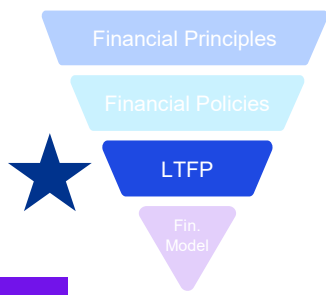
04 **Population and household levels**
Do you expect to experience a significant surge in population? Or did the local paper mill close and people are moving out?

05 **Provincial funding**
What is the expected future of Provincial funding programs/grants?

06 **Reserves**
Do you employ life cycle costing? How healthy are your reserves? Do you have a policy on how the municipality both contributes and draws down reserves?

07 **Operating expenses**
What are your labour settlements in the short term? Do you expect them to significantly vary in the medium term? What are the inflation projections for your province or CMA?

08 **Debt issuance and repayment**
What has been your debt practices? What capital assets/projects does your municipality finance with debt? Is the municipality carrying significant debt?



Financial Performance Indicator Examples

01

Sustainability

- Financial assets to financial liabilities
- Total reserves and reserve funds per household
- Total operating expenses as a percentage of taxable assessment
- Capital additions as a percentage of amortization expense
- Infrastructure Density

02

Flexibility

- Total debt per household
- Residential taxation as a percentage of average household income
- Total taxation as a percentage of total assessment
- Debt servicing costs (interest and principal) as a percentage of total revenues
- Net book value of tangible capital assets as a percentage of historical cost of tangible capital assets

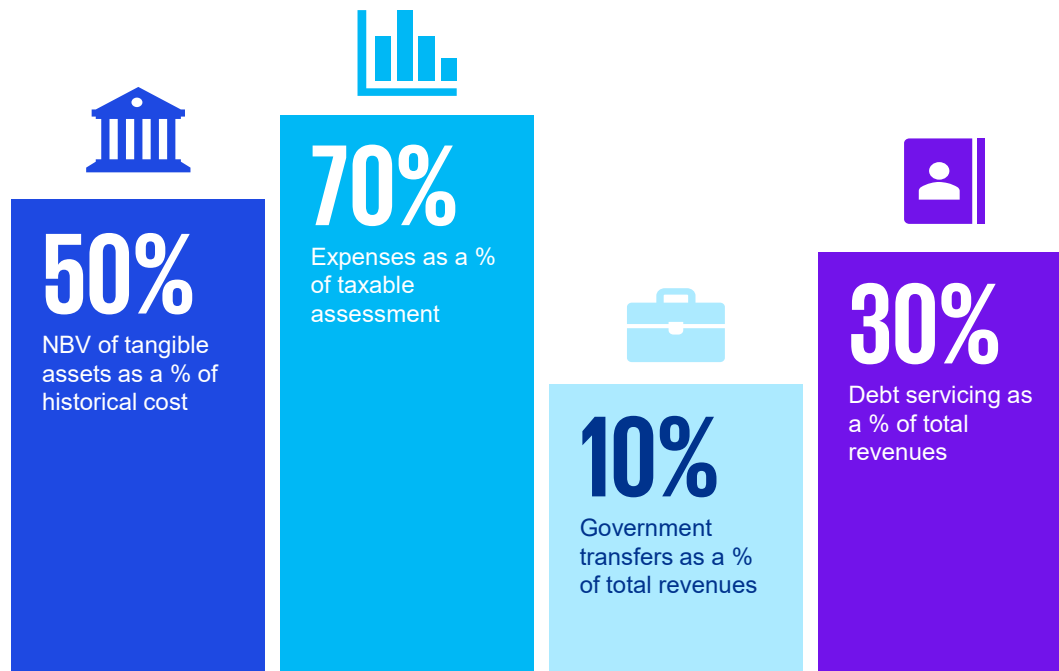
03

Vulnerability

- Operating grants as a percentage of total revenues
- Capital grants as a percentage of total capital expenditures

Benchmarking

Benchmarking of financial indicators is part of a typical environmental scan and allows a Municipality to understand the financial performance of its comparators and identify how it is financially positioned relative to its comparators based upon governance structure, population size, urban/rural characteristics, geography and/or households.

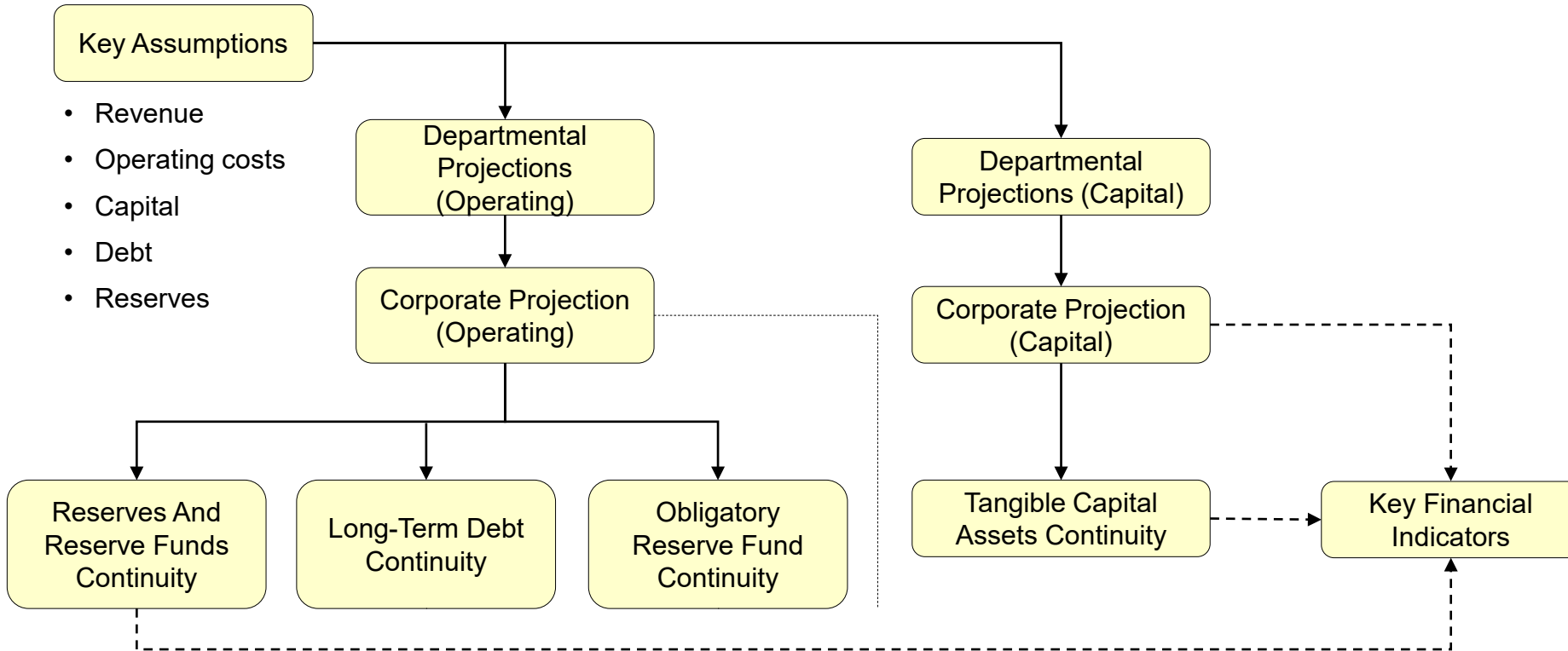
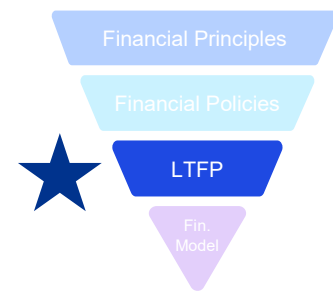


Why Benchmarking?

It helps to understand if your municipality is unique or part of a general pattern in the sector

- Comparing financial performance and taxation levels has both benefits and risks
- Provides insight into affordability issues; what a peer municipality can achieve with the same resources
- Easy to assume all variables are the same (assessment base, non-taxation revenues)
- Also assumes that taxation and service levels in other communities are 'right'

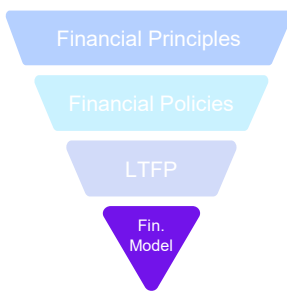
Financial Projections



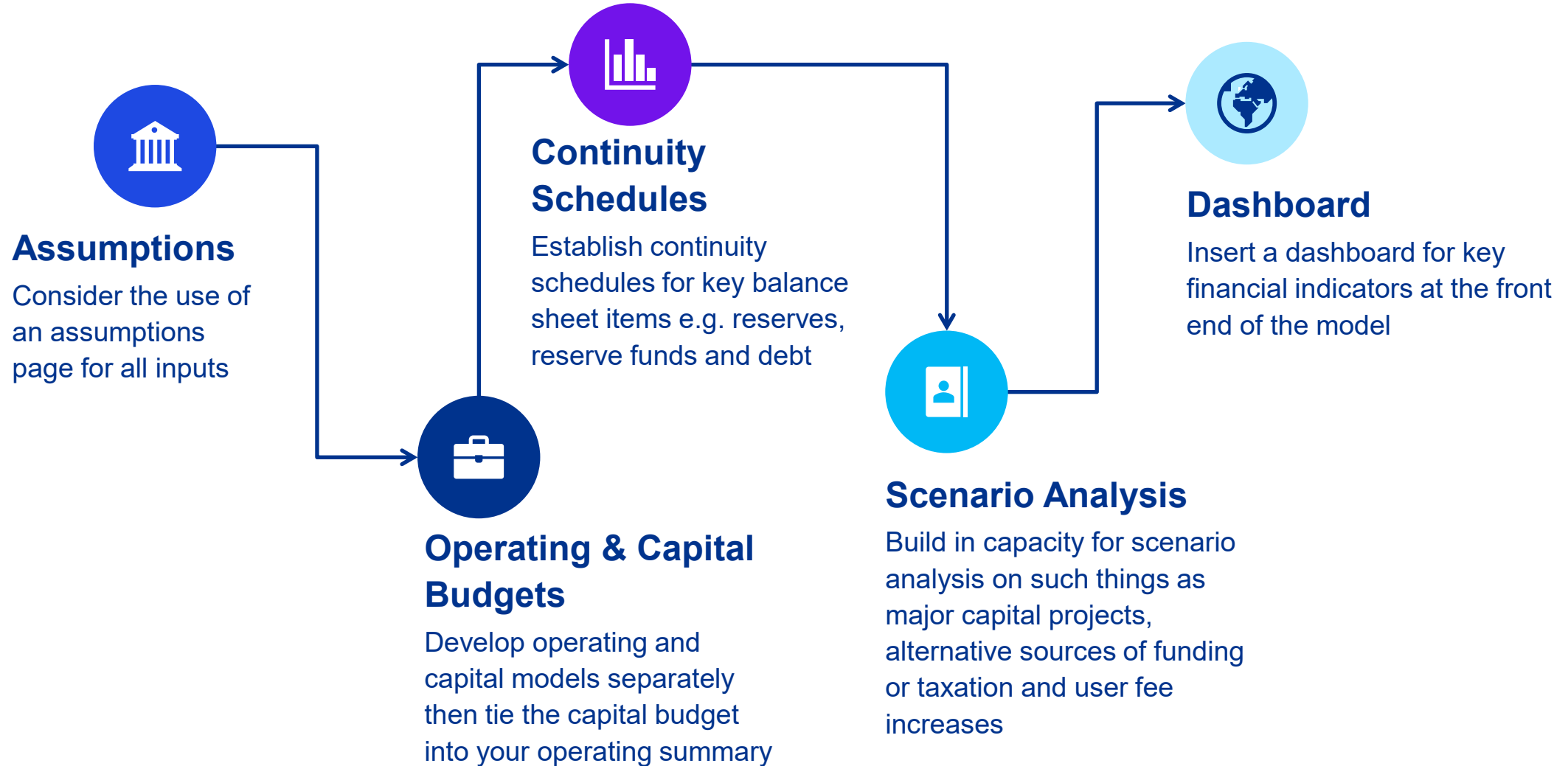
Financial Model

A financial model is a quantitative representation of a municipality's financial operations, performance, and projections. It's a tool for decision-making, used to forecast the financial impact of strategic choices, policy changes, and external economic factors.

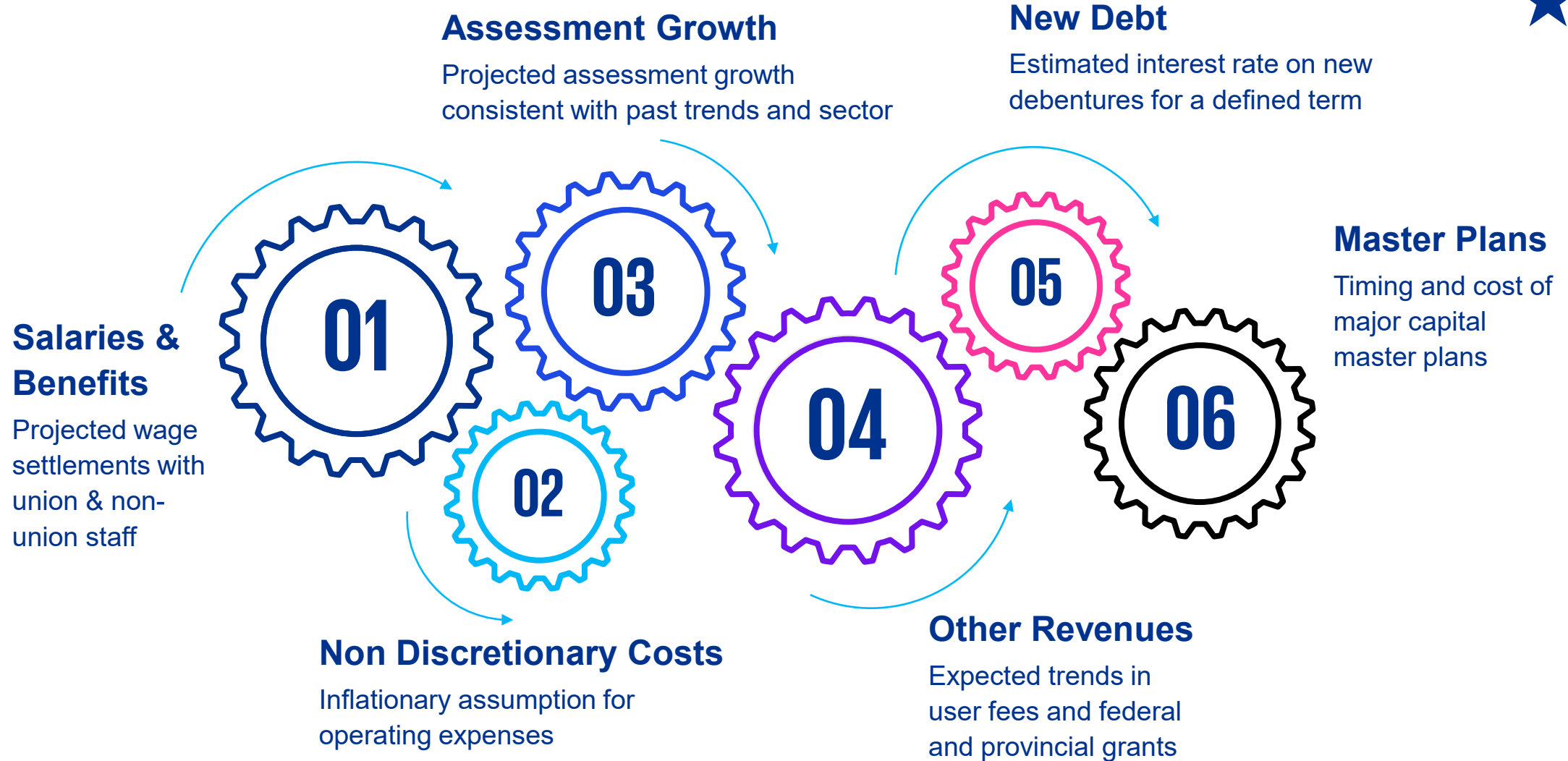
- **Fiscal Roadmap:** Outlines financial health and future outlook for informed planning
- **What-If Analysis:** Assesses financial resilience under various scenarios
- **Strategic Resource Deployment:** Aligns budgeting with municipal goals and priorities
- **Outcome Tracking:** Monitors financial indicators to measure progress towards strategic goals
- **Stakeholder Reporting:** Enhances communication of financial status and projections to key stakeholders



Building the Financial Model



Typical Financial Model Assumptions



Key Takeaways – Financial Planning

01

A long-term financial plan brings structure to a municipality's finances by aligning financial policies, budgets, strategic/master plans and debt/reserves

02

Financial principles and policies are intrinsic to the success of the plan; they guide decision making around data input

04

A financial model needs to have the ability to conduct scenario analysis or *what ifs*

03

Council will publicly brag about developing a financial plan and then balk at the discipline it imposes on financial decision making

05

Financial Performance Indicators are valuable tools to understand performance; just be careful in the number you track in your model's dashboard



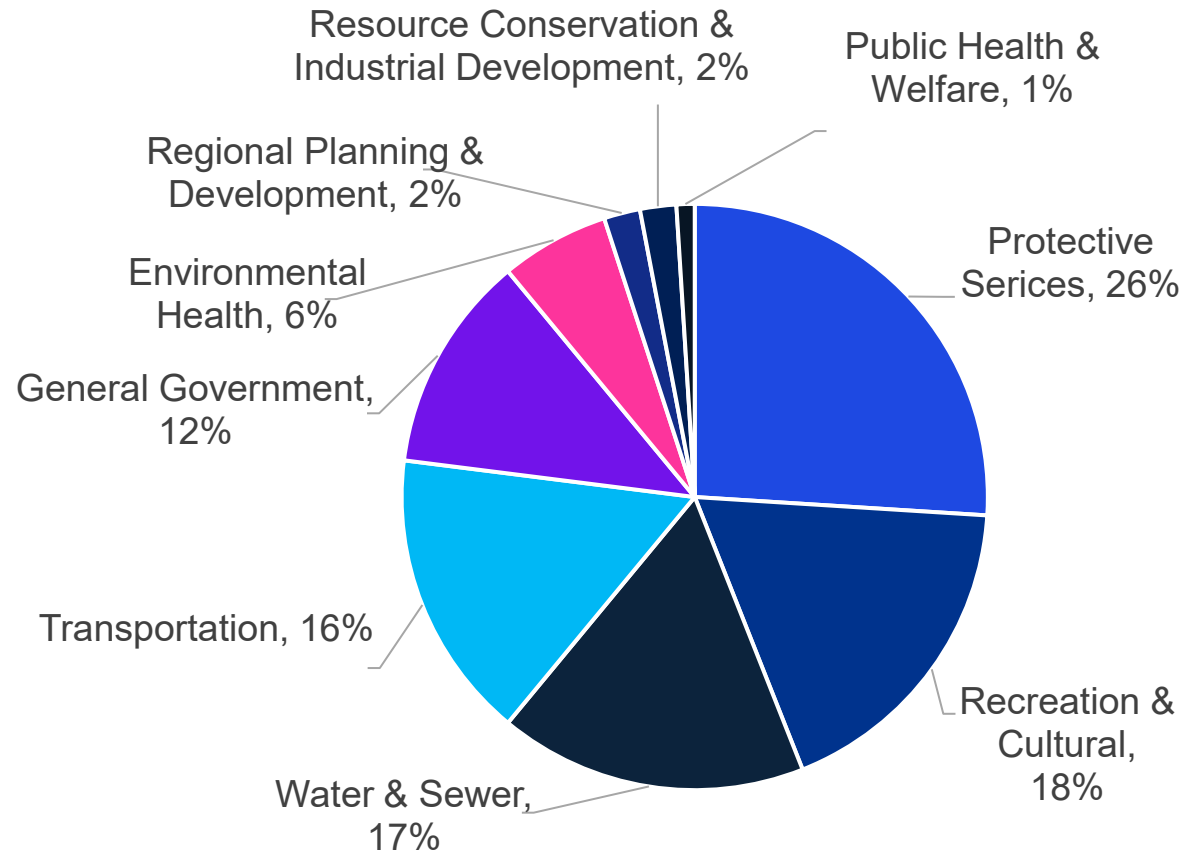
Municipal Infrastructure

Municipal Infrastructure – What is it?

Physical infrastructure plays a key role in municipal service delivery. Next to labour, physical infrastructure makes up the largest portion of the municipal budget.

How much of your budget is infrastructure-related?

**Manitoba Municipal Spending by Function
(6 year average)**



Source: Municipal Consolidated Financial Statements for 2008-2013.

Infrastructure Lifecycle

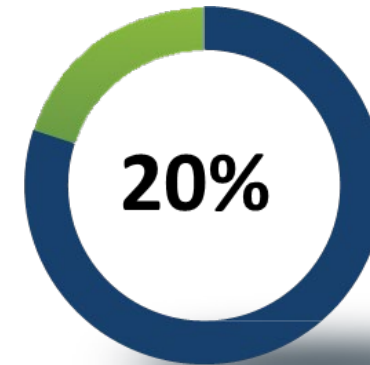
Infrastructure lifecycle costs typically include:

- Planning and design costs
- Capital costs
- Operating and maintenance costs
- Rehabilitation and renewal costs
- Disposal costs.

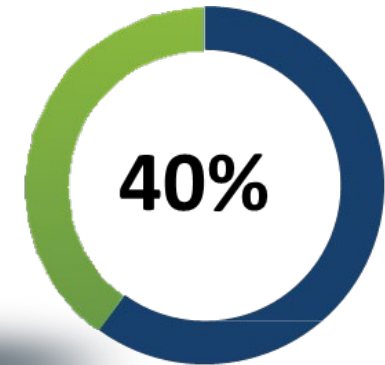
Life cycle costs can also include:

- Financial management costs
- Condition assessment costs
- Audit costs
- Review costs

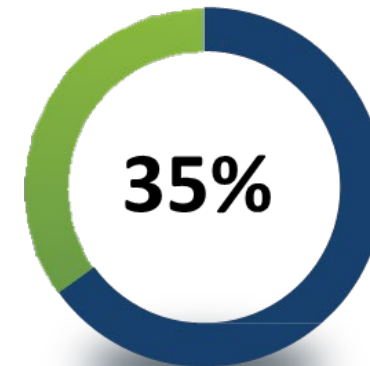
Are you planning any *big* investments?



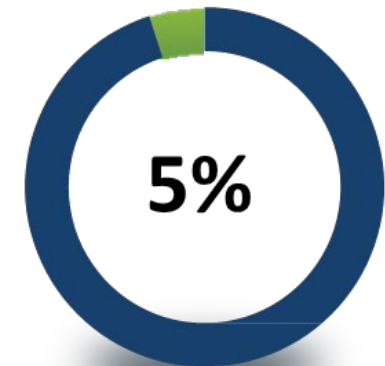
Initial Capital Cost



Operating Cost



Maintenance



Disposal

What is happening now with Municipal Infrastructure

Municipal infrastructure is a growing concern. Leaders are challenged to balance current and future service requirements while living within their means. A strategic approach is needed to align front-line and technical service levels with broader business and community goals and objectives and establish a framework to support coordinated and effective planning and decision making.

Aging Infrastructure

Competing Priorities

Limited Resources

Changing Environments

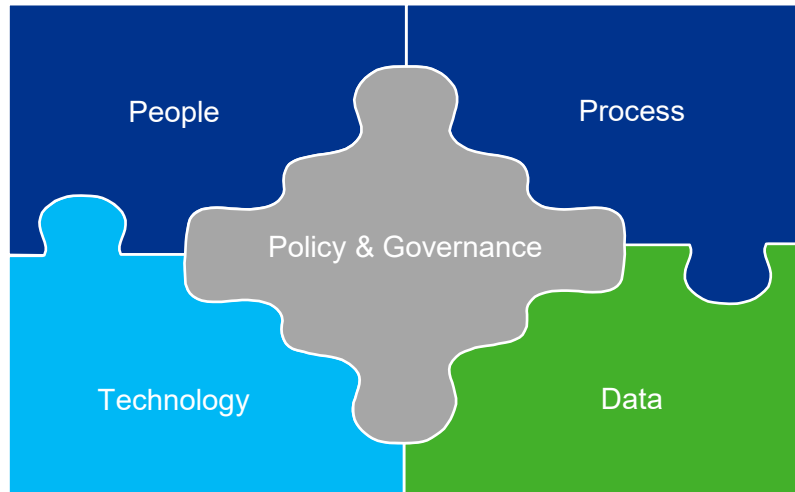
Advancing Municipal Infrastructure

What steps are needed to move forward?

Effective AM programs strengthen the asset management function, and enhance the asset management system needed to drive sustainable planning and decision making.

Strengthening the AM Function

Strengthening the organizational enablers needed to support and sustain investment planning and delivery over the long-term.



Enhancing the AM System

Enhancing the activities, practices and tools guiding robust, effective asset investment planning and delivery.

Goals and Objectives	Levels of Service	State of Infrastructure	Management Strategy	Financial Strategy					
<ul style="list-style-type: none"> •Why are we here? •What is our vision and what do we want to achieve? 	<ul style="list-style-type: none"> •What services do we need to support these goals? •At what level do we need to provide them? 	<ul style="list-style-type: none"> •How does our infrastructure support service delivery? •Where are the current and future risks? 	<ul style="list-style-type: none"> •What do we need to do to manage them? •What capital and operating investments are needed? 	<ul style="list-style-type: none"> •What will this cost and how will we afford? •What trade-offs are needed to make this sustainable? 					
Verify Stakeholders	Confirm Goals	Define Criteria	Set Targets	Assess Risk	Identify Needs	Assign Actions	Evaluate Priorities	Develop Plans	Produce Forecast

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Integrity

We do what is right.



Excellence

We never stop learning and improving.



Courage

We think and act boldly.



Together

We respect each other and find strength in our differences.



For Better

We do what matters.



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