

Town of Plymouth

**2009 Budget Presentation
January 22, 2008**

Mark D. Sylvia, Town Manager
Lynne A. Barrett, Finance Director

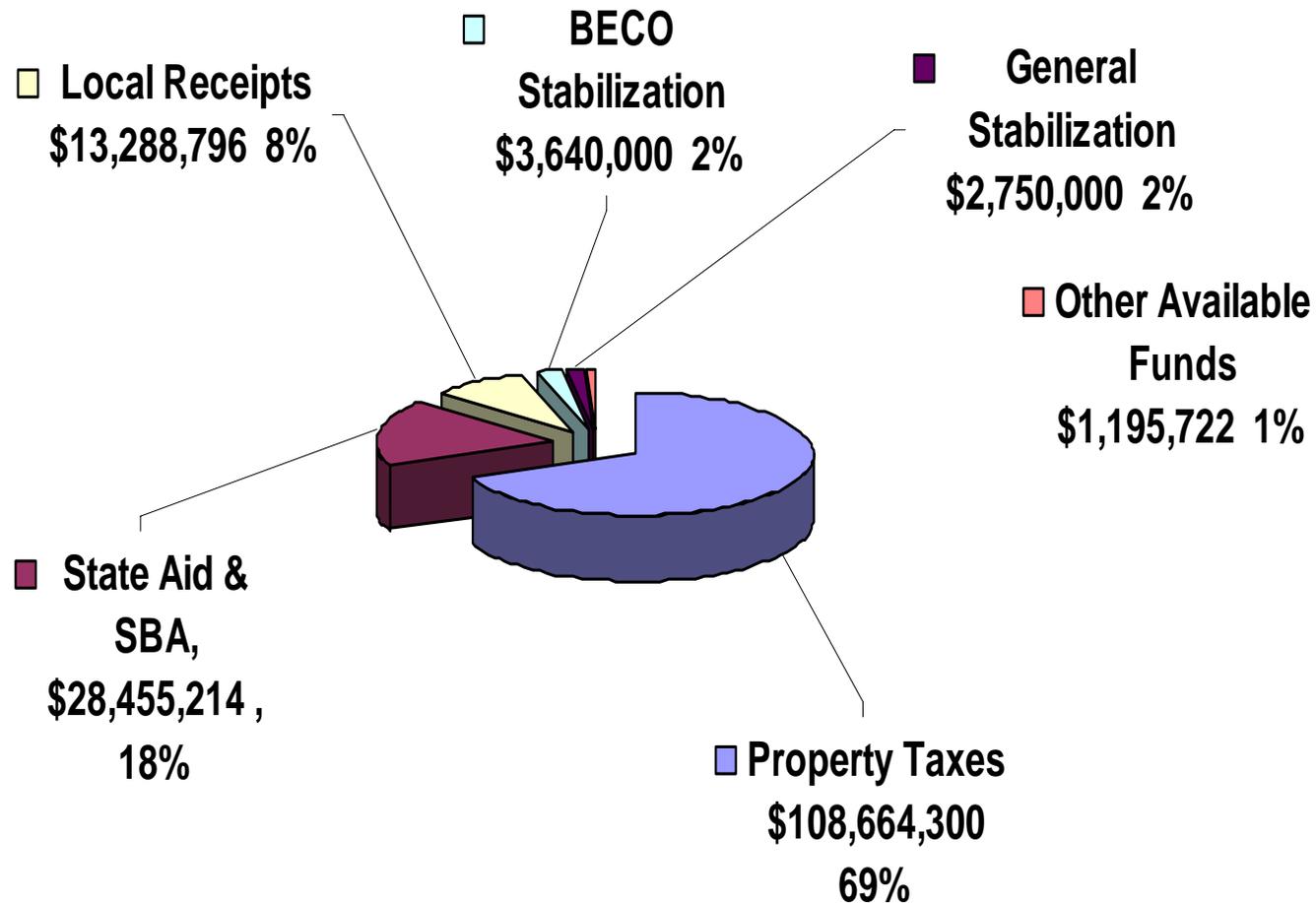
Town of Plymouth 2009 Budget Message

- Maintain Level Service Budget
- Revenue Assumptions
 - State Aid
 - Local Receipts
 - Other Available Funds
 - Property Tax Levy
- Operating Budget Highlights
- Conclusion

Maintain Level Service Budget

- Departments were asked to maintain a level service budget
- Include contractual cost of living and step increases only
- This budget maintains services that have been added back in the last couple of years
- There is no new positions or initiatives in this budget

Revenues By Category 2009 Budget



State Aid – 18% of Revenues

- Level funded over prior year budget
- Unknown \$
 - Governor's Budget to come out this week
 - House & Senate will then deliberate
 - Consensus Revenue \$ we may know in a couple of months
- State Budget Issues:
 - How the state will respond to the \$100 million dollar shortfall in Lottery proceeds
 - Outcome of Governor's proposals that are on the table:
 - Local option taxes
 - Reform of the telecommunications property tax system
 - Casino's ??

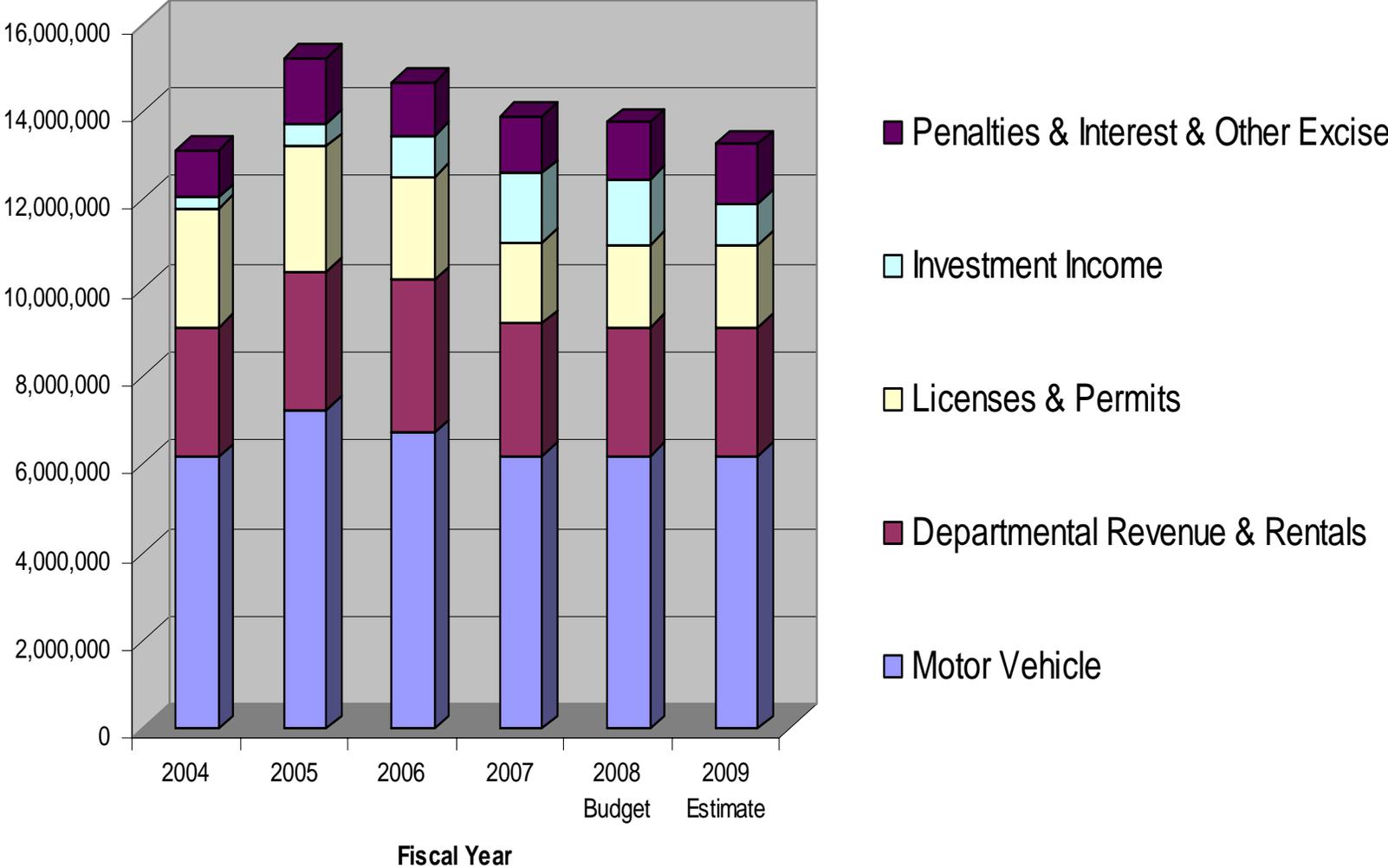
State Aid

	<u>Final</u> <u>Budget</u> <u>Fiscal</u> <u>2008</u>	<u>Proposed</u> <u>Budget</u> <u>2009</u>	<u>Budget 2009</u> <u>Increase</u> <u>(Decrease)</u> <u>over Budget</u> <u>2008</u>	<u>% Increase</u> <u>(Decrease)</u>
<u>State Aid - Cherry Sheet</u>				
Chapter 70	19,542,986	19,542,986	0	0.00%
Charter School Reimbursement	839,825	839,825	0	0.00%
School Lunch	47,213	47,213	0	0.00%
Lottery	4,876,826	4,876,826	0	0.00%
Police Career Incentive	355,000	355,000	0	0.00%
Veterans Benefits	151,340	151,340	0	0.00%
Exemptions - Vets, Blind	139,939	139,939	0	0.00%
Exemptions - Elderly	88,854	88,854	0	0.00%
State Owned Land	795,884	795,884	0	0.00%
Public Libraries	63,991	63,991	0	0.00%
Total	\$26,901,858	\$26,901,858	\$0	0.00%

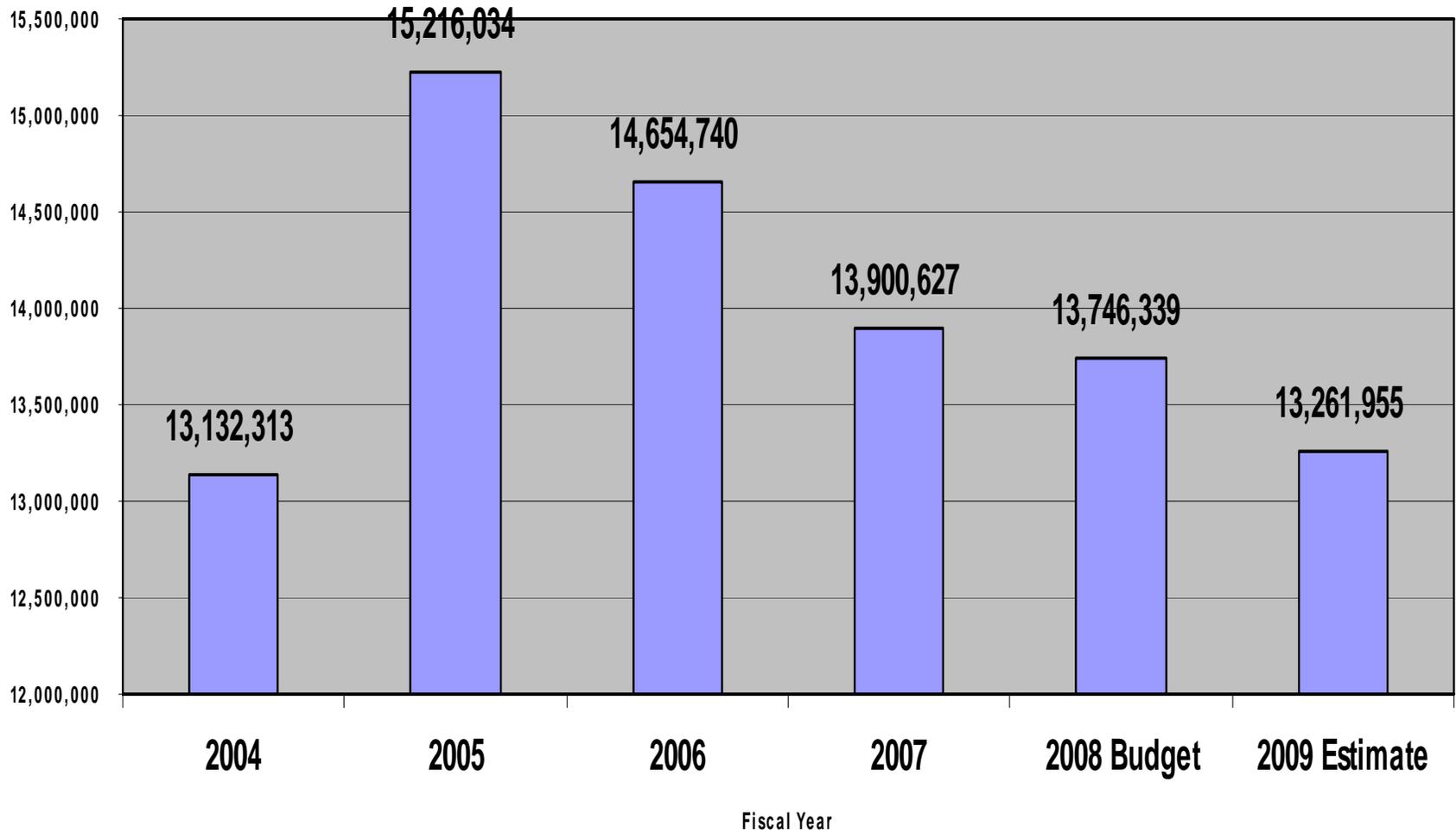
Local Receipts – 8% of Revenues

- 2009 Recommended total is 95% of the 2007 actual results
- The Gap between budget and actual over the years has decreased
- Direct result of the downturn in the economy
 - Motor Vehicle Excise decline
 - Licenses & Permits decrease

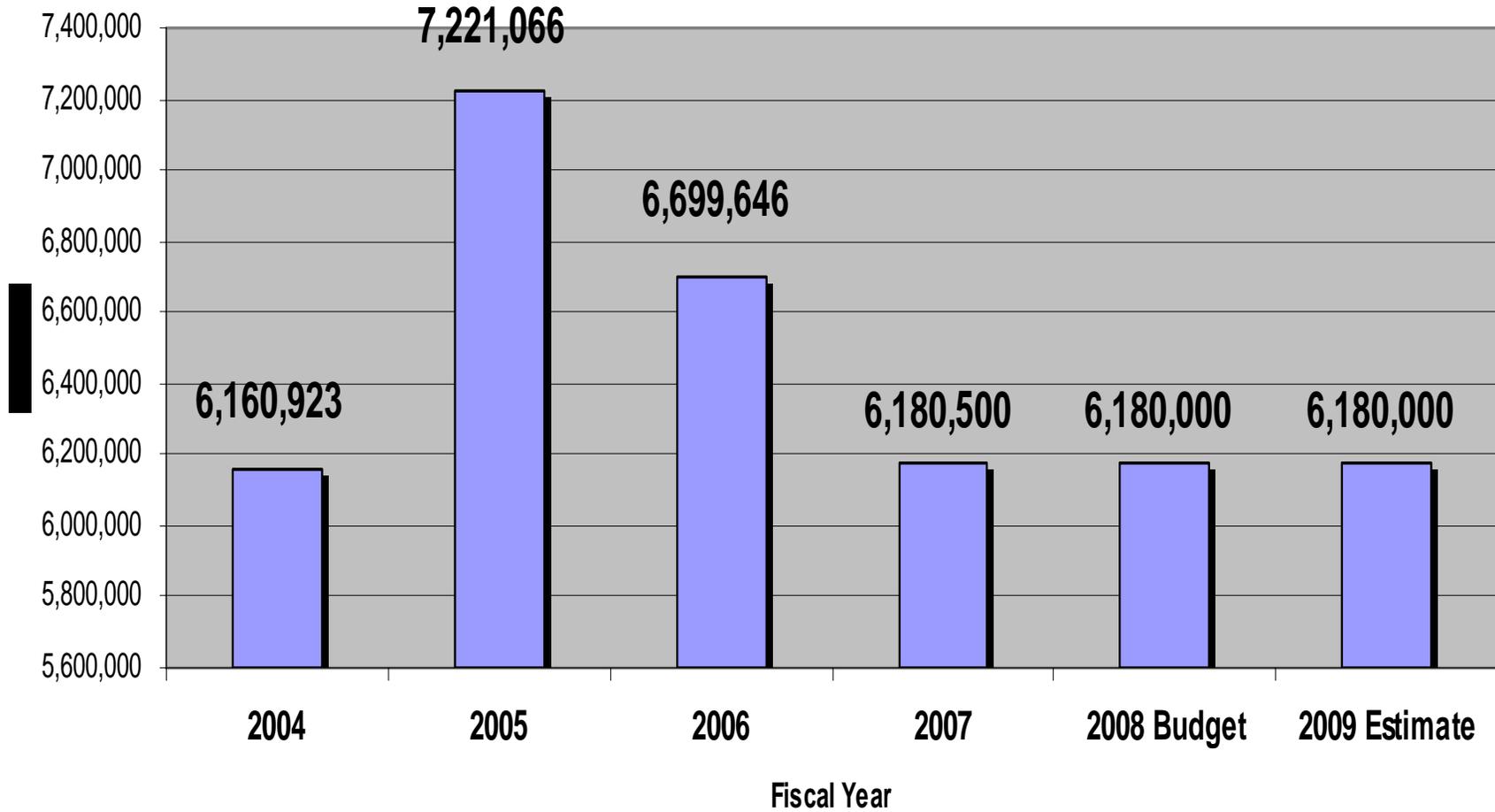
Local Receipt Makeup Trends



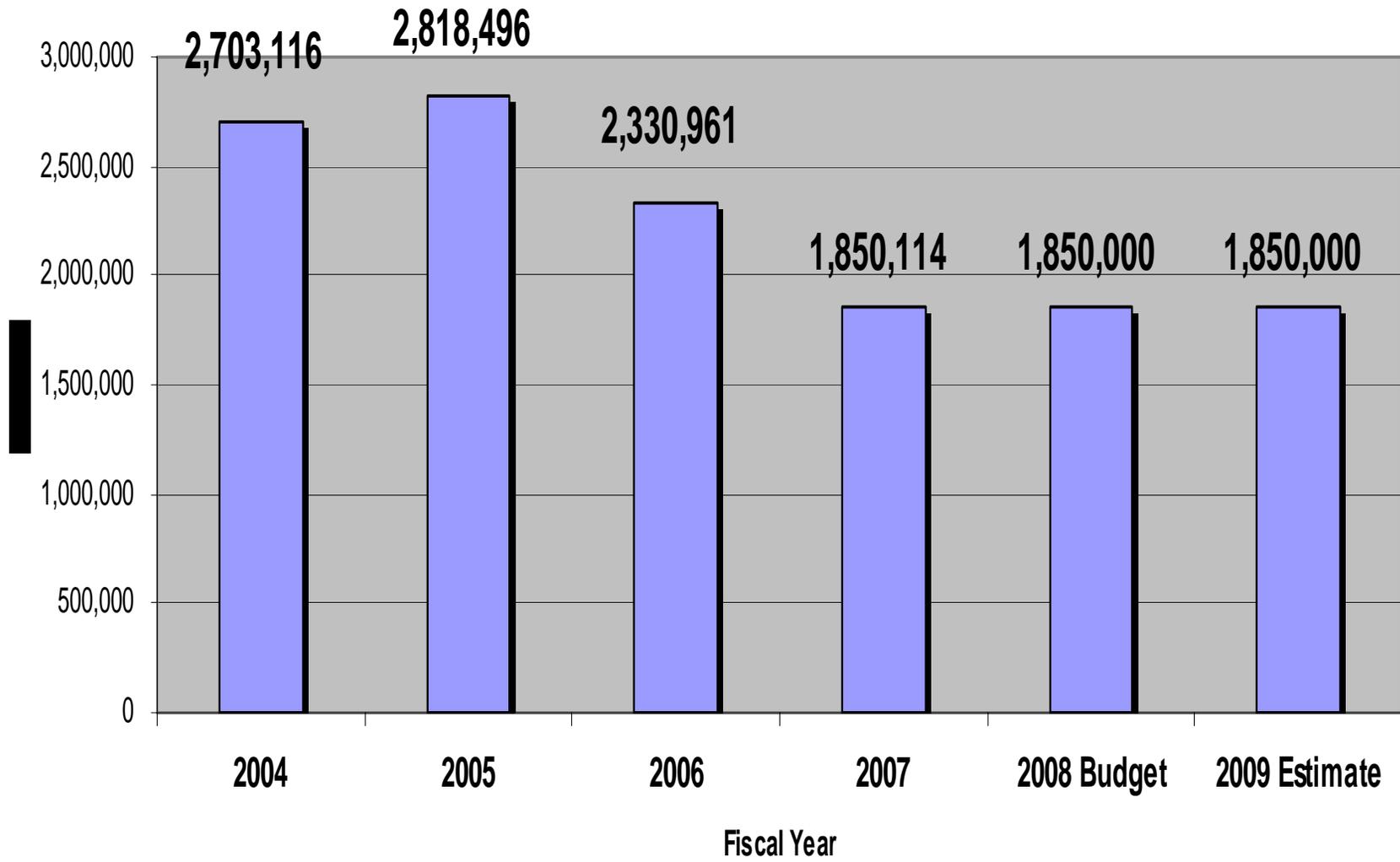
Total Local Receipt Trends



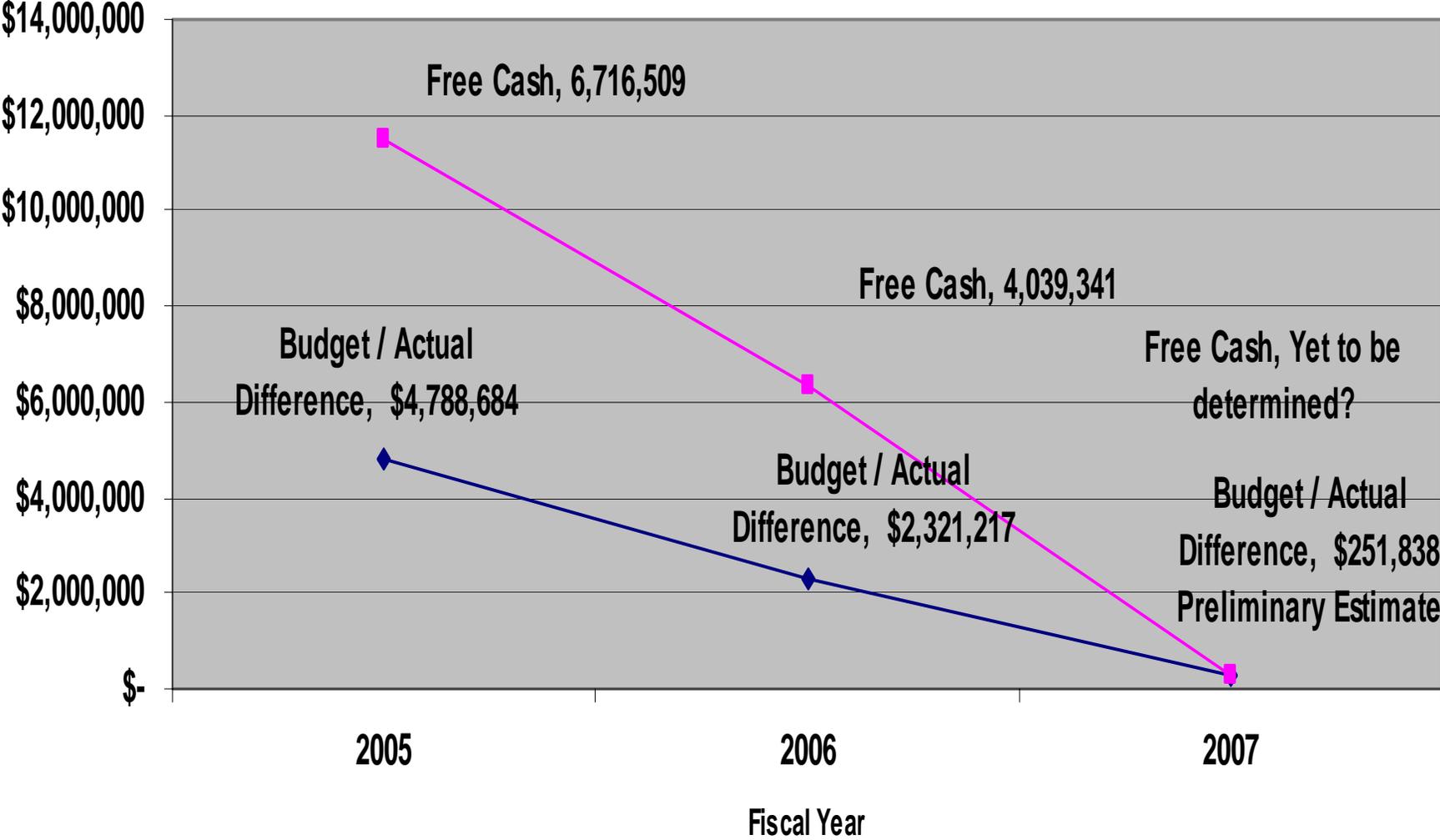
Motor Vehicle Excise Trends



Licenses & Permits Trend



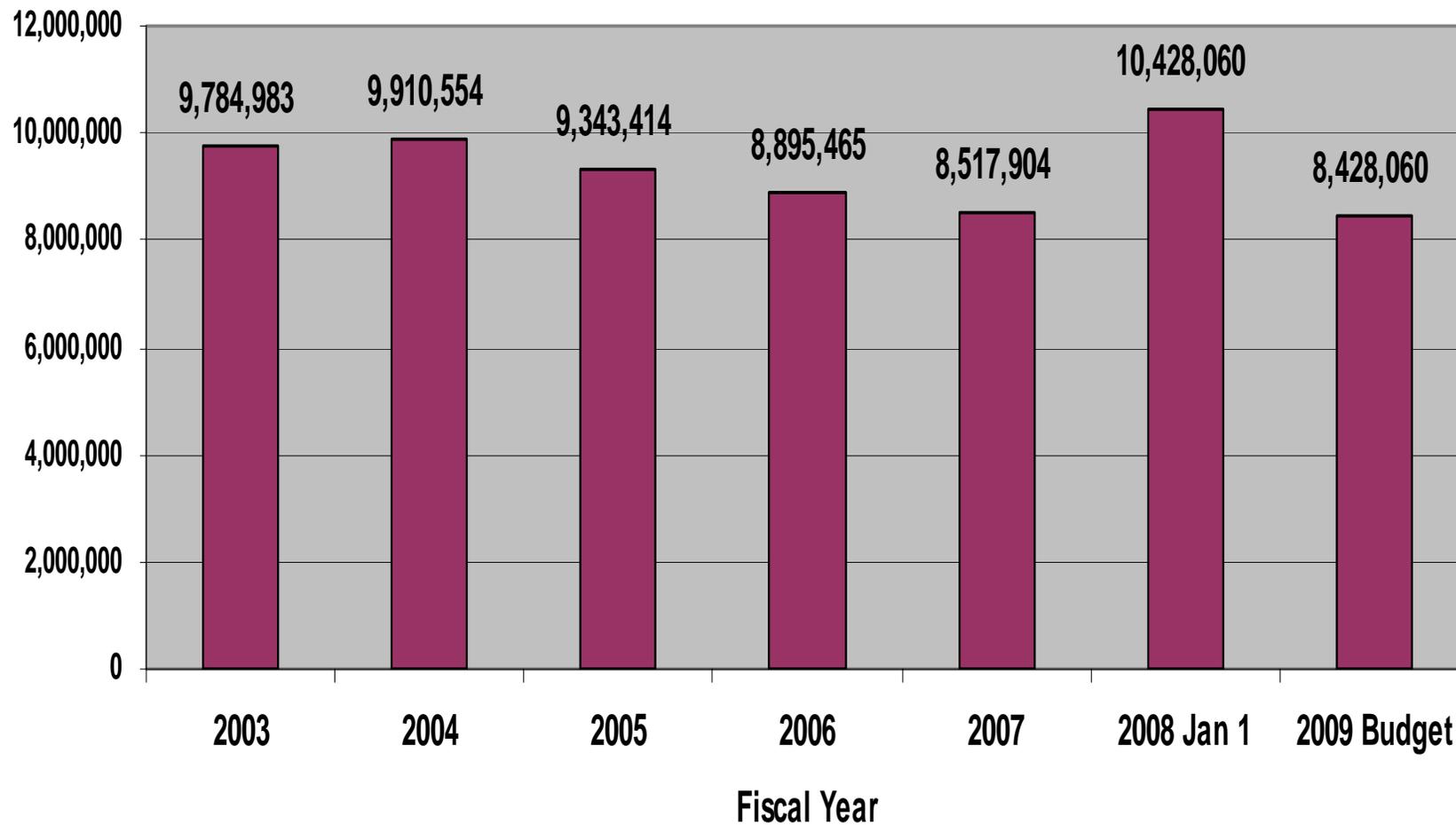
Budget to Actual Gap on Local Receipts - Relationship to Free Cash



Other Available Funds – 5% of Revenues

- Second year of a three year plan to use the **BECO Stabilization** fund to help fund the operating budget and minimize impact on the tax rate due to the net decrease in the BECO / Entergy tax payment - \$3,640,000
- **General Stabilization Fund** - \$2,750,000 for general debt service and \$250,000 for sewer enterprise debt service
- Other Miscellaneous Funds – Consistent with prior years

Stabilization Fund Balances



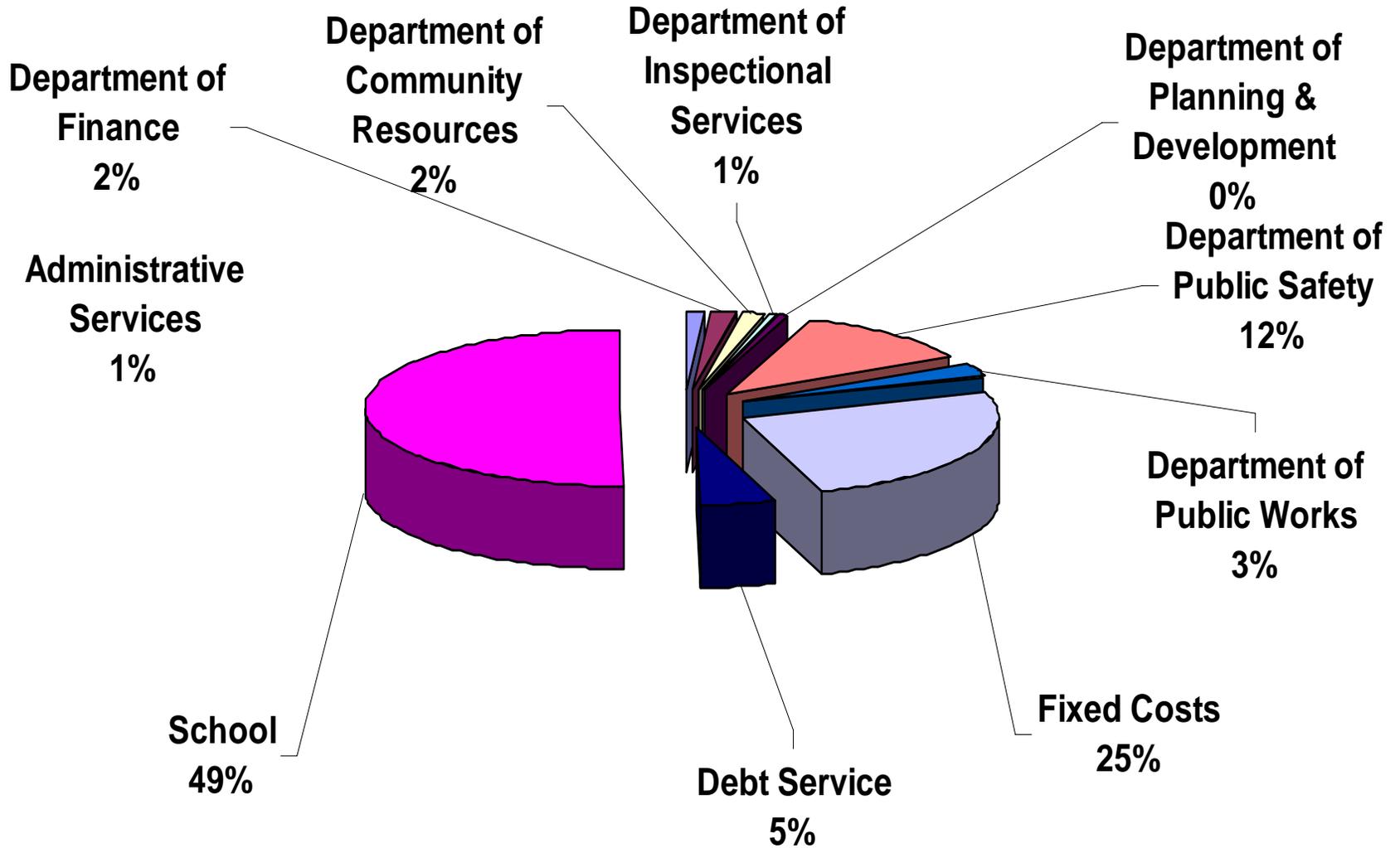
Property Taxes – 69% of Revenues

	<u>Final Budget Fiscal 2008</u>	<u>Proposed Budget 2009</u>	<u>Budget 2009 Increase (Decrease) over Budget 2008</u>	<u>% Increase (Decrease)</u>
<u>Property Taxes</u>				
Prior Year Tax Levy Limit	104,782,419	109,179,948	4,397,528	4.20%
Amended Prior Year New Growth				
2.5% Allowance	2,619,560	2,729,499	109,938	4.20%
New Growth	1,777,968	1,800,000	22,032	1.24%
Operational Override	0			
Levy Limit	109,179,948	113,709,446	4,529,499	4.15%
Debt Exclusion	0	200,000	200,000	
Other				
Maximum Allowable Levy Limit	109,179,948	113,909,446	4,729,499	4.33%
Unused Levy Capacity	(8,286,759)	(5,245,146)	3,041,613	-36.70%
Total Property Taxes Raised	\$100,893,188	\$108,664,300	7,771,112	7.70%
Tax Rate	\$10.33	\$11.21	0.88	8.54%
Property Values	9,767,007,525	9,692,007,525	(75,000,000)	-0.77%

Property Tax Revenues

- 2 ½% Levy Increase \$2,729,499
- New Growth \$1,800,000
- Entergy payment estimated at \$8.2 million based on the 2009 value at the 2008 tax rate
- Unused levy capacity for 2009 estimated at \$5.2 million

Operating Budget Highlights



Operating Budget Highlights

	<u>Final Budget Fiscal 2008</u>	<u>Proposed Budget 2009</u>	<u>Budget 2009 Over (Under) Budget 2008</u>	<u>% Increase (Decrease)</u>
Administrative Services	1,541,258	1,608,530	67,272	4.36%
Department of Finance	2,297,212	2,395,070	97,858	4.26%
Department of Community Resources	2,091,359	2,306,739	215,380	10.30%
Department of Inspectional Services	805,192	818,248	13,056	1.62%
Department of Planning & Development	550,377	569,578	19,201	3.49%
Department of Public Safety	16,434,520	17,472,718	1,038,198	6.32%
Department of Public Works	4,116,044	4,237,919	121,875	2.96%
Fixed Costs	35,224,712	37,942,166	2,717,454	7.71%
Debt Service	6,439,458	6,906,308	466,850	7.25%
School	72,072,076	75,423,428	3,351,352	4.65%
Total	\$141,572,207	\$149,680,704	\$8,108,497	5.73%

Operating Budget Highlights

- Overall budget increase of 5.73% or \$8,108,497
 - Salary increases include cost of living adjustments, step increases and reclassification adjustments
 - Department of Community Resources - Veterans Benefits \$124,000 (Of which 75% will be reimbursable)
 - Finance Department – Info Technology \$85,000 (MUNIS Support Agreement & Disaster Recovery Plan)
 - Administrative Services – Town Clerk – Postage \$26,000
 - Department of Public Safety – Salary increase over the previous year includes the 2008 & 2009 COLA's
 - School Department budget increased 4.65% or \$3,351,352 overall

Fixed Costs

	FY08 Budget	FY09 Town Manager Recommen dation	\$ Over/Under FY08	% Over/Und er FY08
FinCom Reserve Account	\$ 228,000	\$ 228,000	\$ -	0.00%
Salary Reserve Account	\$ 300,503	\$ 216,268	\$ (84,235)	-28.03%
Fuel & Utilities	\$ 1,992,130	\$ 2,108,739	\$ 116,609	5.85%
Tax Title Foreclosures	\$ 65,000	\$ 75,000	\$ 10,000	15.38%
Snow & Ice Removal	\$ 326,527	\$ 336,324	\$ 9,797	3.00%
Pensions	\$ 6,146,245	\$ 6,662,019	\$ 515,774	8.39%
Member Benefits	\$ 2,051,450	\$ 2,256,595	\$ 205,145	10.00%
Member Insurance	\$ 23,356,100	\$ 25,224,588	\$ 1,868,488	8.00%
All Town Insurance	\$ 758,757	\$ 834,633	\$ 75,876	10.00%
II. TOTAL FIXED COSTS BUDGET	\$ 35,224,712	\$ 37,942,166	\$ 2,717,454	7.71%

Member Insurance – 8% Increase

- Health Trust Fund ended 2007 in greater stable position than prior year
- Actual Health Claim payments from trust over previous year increased by only 5%
- The Trust, in addition to covering the IBNR of \$1.8 million, had an undesignated fund balance of \$3.4 million; an increase of \$2.2 million over the previous year
- Health Insurance sub-committee has been meeting to review all health insurance options for the Town and analyze any cost saving measures that can be recommended for the future

Community Debt

- Increase of \$466,850 of which \$200,000 is estimated for exempt school debt project
- We are using \$2,750,000 from the General Stabilization Fund to fund general debt service costs and \$250,000 to fund sewer debt as is consistent with prior years
- Plymouth's Bond Rating Aa2/AA-
- \$68.4 million principal debt outstanding at June 30, 2007 of which 74.5% will be paid off within 10 years (This includes General & Enterprise Debt)
- Next Bond Issue scheduled for Fiscal 2009 – currently we have \$16.4 million out in temporary issues

Other Expenditures

	<u>Final Budget</u> <u>Fiscal</u> <u>2008</u>	<u>Proposed</u> <u>Budget</u> <u>2009</u>	<u>Budget 2009</u> <u>Over</u> <u>(Under)</u> <u>Budget</u> <u>2008</u>	<u>% Increase</u> <u>(Decrease)</u>
<u>General Articles</u>				
Stabilization Fund	4,438,156	1,000,000	(3,438,156)	-77.47%
Article 8 Departmental Equipment	466,463	576,449	109,986	23.58%
Unemployment Compensation Fund	50,000	75,000	25,000	50.00%
Household Hazardous Waste Day	20,000	20,000	0	0.00%
Town Promotion Fund	230,450	295,000	64,550	28.01%
Recovery of Medicaid Payments - School	212,047	243,417	31,370	14.79%
Out of District Transportation - School	60,000	66,213	6,213	10.36%
Total	\$5,477,116	\$2,276,079	(\$3,201,037)	-58.44%
<u>Off-Budget Expenditures</u>				
Cherry Sheet Assessments	4,054,650	4,338,476	283,826	7.00%
Cherry Sheet Offsets	111,204	111,204	0	0.00%
Tax Title Raised on Recap	54,771	60,000	5,229	9.55%
Revenue Deficit - Sewer	19,774	0	(19,774)	-100.00%
Appropriation Deficits - Snow & Ice	240,086	0	(240,086)	-100.00%
Overlay Reserve	1,074,613	900,000	(174,613)	-16.25%
Transfer to Solid Waste Enterprise	223,567	223,567	0	0.00%
Transfer to Water Enterprise	175,503	175,503	0	0.00%
Transfer to Sewer Enterprise	228,500	228,500	0	0.00%
Total	\$6,182,668	\$6,037,250	(\$145,418)	-2.35%

Closing Remarks

- Tight Revenue Estimates
- Maintain Level Service Budgets
- 2nd year of a 3 year plan to use the BECO Stabilization Fund
- Increased utilization of the unused levy capacity
- Biggest budgetary challenge will be to maintain this budget in the out years with tight revenue projections and levy limit concerns
- We need to move cautiously throughout this budget cycle and beyond