

Town of Plymouth

**2009 Town Meeting
Budget Presentation
April 5, 2008**

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

Town of Plymouth 2009 Budget Process

- Starts in September and culminates today:
 - September 11, 2008 Budget Guidelines distributed to departments
 - Level Service Budgets for departments
 - 5 -10% Increases to fixed costs
 - Meetings with Departments during November
 - Town Manager develops a recommendation in December
 - Finance Director reviews in January
 - Budget recommended on 1/22/08 to Selectmen
 - A & F reviews January thru end of February
 - 2/28/08 Final Vote of A & F on Budget with changes since the 1/22/08 budget
 - Budget books to the printer 3/10/2008

Town of Plymouth 2009 Budget Message Revenue Estimates

Town Meeting Book – Budget Message

- State Aid
 - Level funded from 2008

April 5, 2008 Town Meeting

- State Aid
 - **INCREASE** of \$1.8 million in Education Aid per the House & Senate Resolution package dated 3/11/2008
 - **INCREASE** of \$168K for School Building Assistance as a result of audit of 3 completed school projects – March final grant recalculation received

GENERAL FUND REVENUES

	<u>Final Budget Fiscal 2008</u>	<u>2009 Recommended Budget</u>	<u>Recommended Budget Increase (Decrease) over 2008</u>
<u>State Aid - Cherry Sheet</u>			
Chapter 70	19,542,986	21,376,068	1,833,082
Charter School Reimbursement	839,825	839,825	0
School Lunch	47,213	47,213	0
Lottery	4,876,826	4,876,826	0
Police Career Incentive	355,000	355,000	0
Veterans Benefits	151,340	151,340	0
Exemptions - Vets, Blind	139,939	139,939	0
Exemptions - Elderly	88,854	88,854	0
State Owned Land	795,884	795,884	0
Public Libraries	63,991	63,991	0
Total	\$26,901,858	\$28,734,940	\$1,833,082
<u>State Aid - MSBA</u>			
School Construction Reimbursement	1,553,356	1,722,333	168,977
Total	\$1,553,356	\$1,722,333	\$168,977

Town of Plymouth 2009 Budget Message Revenue Estimates

Town Meeting Book – Budget Message

**April 5, 2008
Town Meeting**

➤ Property Taxes

- 2.5% Levy Limit Increase - \$2.7 million
- New Growth – Estimate \$1.8 million
- Debt Exclusion - \$200,000 – School Project
- Use \$3.1 million in excess levy capacity
 - 2008 \$8.3 million - actual excess levy capacity
 - 2009 \$5.2 million - estimate

➤ Property Taxes

- 2.5% Levy Limit Increase – **SAME**
- New Growth – **REDUCED** to \$1.5 million
- Debt Exclusion – **REMOVED** - Impact estimated for 2010
- **REDUCE** use of excess levy capacity to \$1.4
 - 2009 \$6.9 million – **REVISED** estimate

GENERAL FUND REVENUES

	<u>Final Budget</u> <u>Fiscal 2008</u>	<u>2009 Recommended</u> <u>Budget</u>	<u>Recommended</u> <u>Budget</u> <u>Increase</u> <u>(Decrease)</u> <u>over 2008</u>
<u>Property Taxes</u>			
Prior Year Tax Levy Limit	104,782,419	109,179,948	4,397,528
Amended Prior Year New Growth			0
2.5% Allowance	2,619,560	2,729,499	109,938
New Growth	1,777,968	1,500,000	(277,968)
Operational Override	0	0	0
Levy Limit	109,179,948	113,409,446	4,229,499
Debt Exclusion	0	0	0
Other			
Maximum Allowable Levy Limit	109,179,948	113,409,446	4,229,499
Unused Levy Capacity	(8,286,759)	(6,942,233)	1,344,526
Total Property Taxes Raised	\$100,893,188	\$106,467,213	5,574,025
Estimated Tax Rate	\$10.33	\$10.90	0.57
Based on 2008 Property Values	9,767,007,525	9,767,007,525	0

Town of Plymouth 2009 Budget Message Revenue Estimates

Town Meeting Book – Budget Message

April 5, 2008 Town Meeting

➤ Local Receipts

- Decrease of ½ million from 2008 due to decrease in MVE, L & P & Interest Income

➤ Local Receipts

- SAME

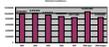
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➤ Other Available Funds

- General Stabilization - \$2.75 million for GF Debt & \$250K for Sewer Debt
- BECO Stabilization - \$3.64 million for GF operations
- Indirect Transfers Level Funded

➤ Other Available Funds

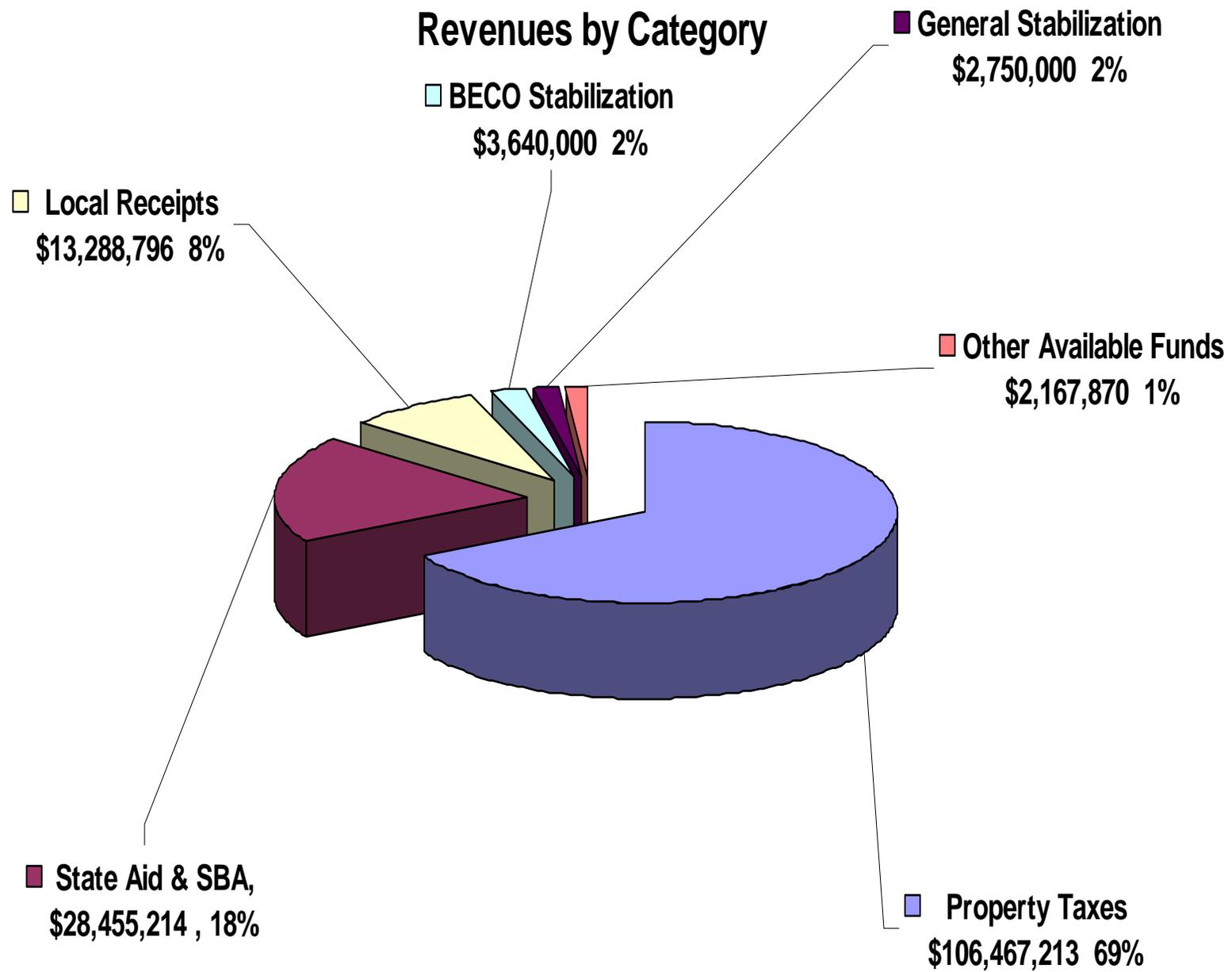
- SAME Stabilization use for both General & BECO
- Increase in the Transfer in from Enterprise Funds for the Indirect Costs of 127%



GENERAL FUND REVENUES

	<u>Final Budget Fiscal 2008</u>	<u>2009 Recommended Budget</u>	<u>Recommended Budget Increase (Decrease) over 2/28/2008</u>
<u>Available Funds</u>			
Title V Loan Program	29,819	39,816	9,997
Recreation Revolving	13,300	10,659	(2,641)
Plymouth Beach Revolving		14,961	14,961
Conservation Trust Fund	10,000	0	(10,000)
Cemetery Perpetual Care Art 7	17,000	25,523	8,523
Article 8 Funds	7,500	141,503	134,003
Hotel / Motel 45% RRAP		295,000	295,000
Old Articles	47,700	0	(47,700)
Stabilization Fund for LT Debt	2,750,000	2,750,000	0
BECO Stabilization Fund	4,000,000	3,640,000	(360,000)
Free Cash for Stabilization Fund	2,538,156	0	(2,538,156)
Free Cash for Capital & Special Articles	947,840	0	(947,840)
Total	\$10,361,315	\$6,917,462	(\$3,443,853)
<u>Transfers in from Enterprise Funds</u>			
Sewer Fund Indirect Costs	\$144,946	\$352,360	207,414
Water Fund Indirect Costs	\$216,155	\$782,196	566,041
Airport Indirect Costs	\$209,729	\$200,660	(9,069)
Solid Waste Fund Indirect Costs	\$152,946	\$305,192	152,246
Total	\$723,776	\$1,640,408	\$916,632

Revenues by Category



Town of Plymouth 2009 Budget Message Budget Items

Town Meeting Book – Budget Message

**April 5, 2008
Town Meeting**

- Maintain a Level Service Budget in the Municipal Operating Budget – 6.4% Increase
 - Contractual cost of living adjustments, step increases, Veterans Benefits, Postage, Technology & Legal
- Revised budget based on State Aid Resolution & Enterprise Fund Indirect Cost Study – 9% Increase
 - Restoration of 5 Police Officers to Public Safety – 1%
 - Transfer of DPW Salaries from Enterprise to GF 1.6% (Indirect Analysis completed March 21st)

Town of Plymouth 2009 Budget Message Budget Items

Town Meeting Book – Budget Message

**April 5, 2008
Town Meeting**

- Fixed Costs – 4.3% Increase
 - 5% Increase for Health Insurance
 - 5% Increase for Pension
 - Level fund fuel & utilities

- Fixed Costs – 4.84% Increase
 - Salary Reserve increase of \$91,240 (Set aside for DPW)
 - Member Benefits
 - Medicare \$10,000
 - Workers Comp - \$87,305

Town of Plymouth 2009 Budget Message Budget Items

Town Meeting Book – Budget Message

April 5, 2008 Town Meeting

➤ Debt Service – Increase
6.94%

➤ Debt Service – Increase of
.34%

➤ Short Term Interest
Rates Dropped during
1st Qtr – 4% to 3% -
Decrease of \$224,916

➤ Timing of School Project
estimated for 2010 not
2009 – Decrease of
\$200,000

Town of Plymouth
2009 Budget Message
Budget Items

**Town Meeting Book –
Budget Message**

**April 5, 2008
Town Meeting**

- School Budget – Increase of 4.65%

- School Budget – Increase of **5.21%**
 - \$400K of additional school aid to be used for school programs to improve teaching and learning in the schools

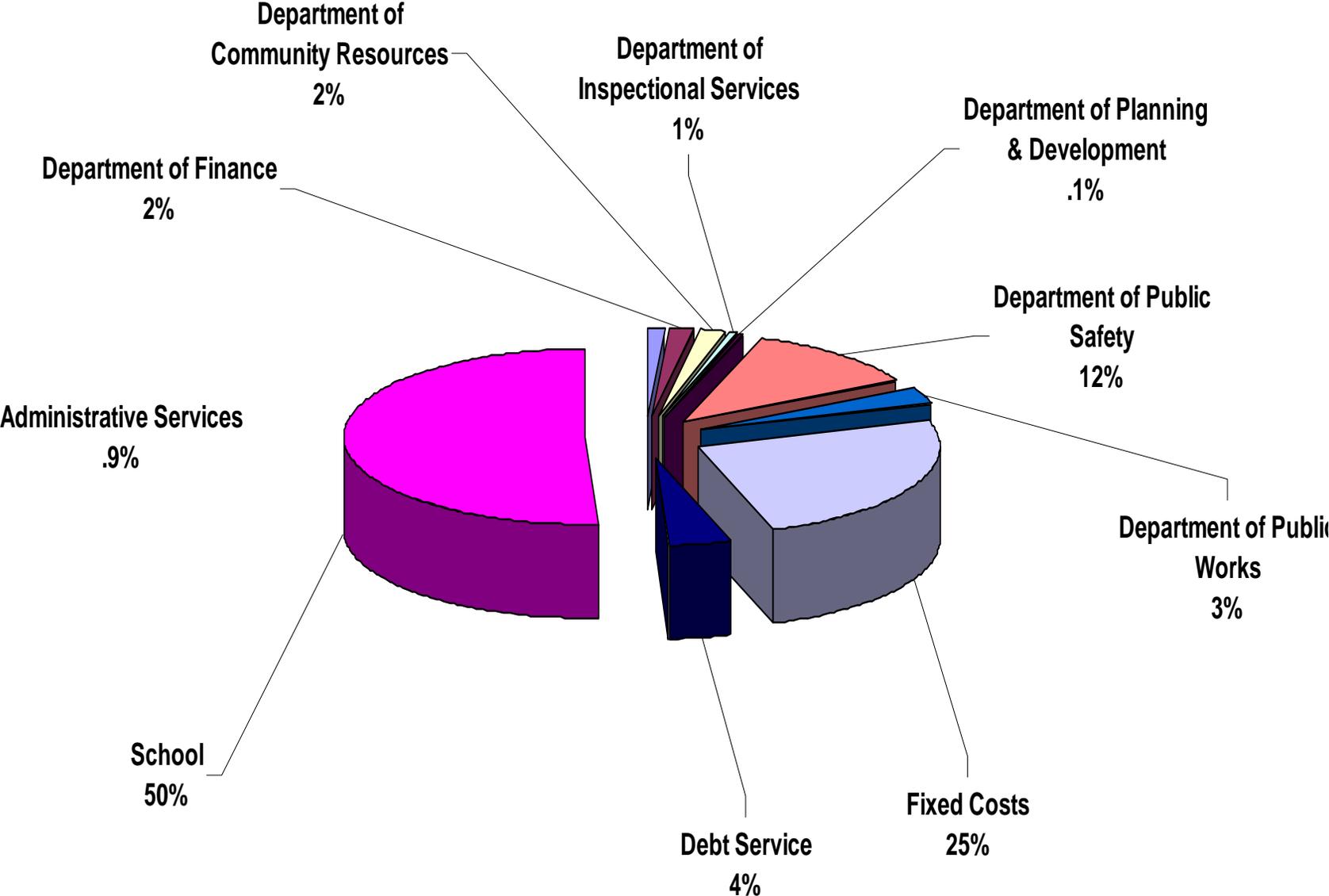
GENERAL FUND EXPENSES

	<u>Final Budget Fiscal 2008</u>	<u>2009 Recommended Budget</u>	<u>Recommended Budget Increase (Decrease) over 2008</u>
<u>Operating Budgets</u>			
Administrative Services	1,541,258	1,804,330	263,072
Department of Finance	2,297,212	2,395,070	97,858
Department of Community Resources	2,091,359	2,306,739	215,380
Department of Inspectional Services	805,192	818,248	13,056
Department of Planning & Development	550,377	569,578	19,201
Department of Public Safety	16,434,520	17,771,478	1,336,958
Department of Public Works	4,116,044	4,687,081	571,037
Fixed Costs	35,224,712	36,928,288	1,703,576
Debt Service	6,439,458	6,461,392	21,934
School	72,072,076	75,823,428	3,751,352
Total	\$141,572,207	\$149,565,632	\$7,993,425

GENERAL FUND EXPENSES

	<u>Final Budget Fiscal 2008</u>	<u>2009 Recommended Budget</u>	<u>Recommended Budget Increase (Decrease) over 2008</u>
<u>General Articles</u>			
Stabilization Fund - Article 14	4,438,156	1,000,000	(3,438,156)
Departmental Equipment Art 8	466,463	648,891	182,428
Unemployment Compensation Fund Art 10	50,000	75,000	25,000
Household Hazardous Waste Day Art 11	20,000	20,000	0
Town Promotion Fund Art 12	230,450	295,000	64,550
School Medicaid - School Art 17	212,047	243,417	31,370
Out of District Transportation Art 17A	60,000	66,213	6,213
Total	\$5,477,116	\$2,348,521	(\$3,128,595)
<u>Off-Budget Expenditures</u>			
Cherry Sheet Assessments	4,054,650	4,338,476	283,826
Cherry Sheet Offsets	111,204	111,204	0
Tax Title Raised on Recap	54,771	60,000	5,229
Appropriation Deficits - Snow & Ice – March	240,086	800,000	559,914
Appropriation Deficits – 2007 – Close March	0	96,558	96,558
Overlay Reserve	1,074,614	980,296	(94,318)
Transfer to Solid Waste Enterprise	223,567	66,465	(157,102)
Transfer to Water Enterprise	175,503	0	(175,503)
Transfer to Sewer Enterprise	248,274	404,000	155,726
Total	\$6,182,669	\$6,856,999	\$674,330

Operating Budget Breakdown



COMBINED ENTERPRISE FUNDS

	Approved Budget Fiscal 2008	Budget Fiscal 2009	\$ Increase / Decrease over 2008
<u>Operating Expenditures & Items to be Raised:</u>			
Salaries & Wages	2,429,151	2,032,664	(396,487)
Expenses	6,647,158	6,514,755	(132,403)
Debt Service	2,991,215	3,027,772	36,557
Transfer to General Fund - Indirect Costs	723,776	1,640,408	916,632
Capital - PY	468,504	0	(468,504)
Capital	1,715,626	0	(1,715,626)
Revenue Deficit	19,774	0	(19,774)
Total	\$14,995,204	\$13,215,599	(\$1,779,605)
<u>Operating Revenues & Other Sources:</u>			
Facility Receipts - User Charges & other	11,913,730	12,495,134	581,404
Transfer from the Tax Levy - GF Subsidy	647,344	470,465	(176,879)
Stabilization Fund	250,000	250,000	0
Capital reserve	1,171,590	0	(1,171,590)
Free Cash	544,036	0	(544,036)
Free Cash - PY Costs	468,504	0	(468,504)
Total	14,995,204	13,215,599	(1,779,605)

Closing Remarks

- This budget was formulated with careful review of all integral items:
 - Conservative revenue estimates
 - Thorough review of budgets including fixed costs to ensure they are accurate & reasonable
 - Comprehensive analysis of the Enterprise Fund Indirect Costs and implementation of the results with this budget
 - Consideration of Deficits
 - Postponement of Capital Expenditures
 - Reduction of Tax Increases a priority
 - At the same time setting aside reserves for future stability
- Continue to be cautious in future years in formulating budgets and the use of the property tax levy