



TOWN OF PLYMOUTH
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TO: ADVISORY & FINANCE COMMITTEE
BOARD OF SELECTMEN

FROM: LYNNE A. BARRETT
DEPARTMENT OF FINANCE

SUBJECT: STM ARTICLE 7 – PAVEMENT MANAGEMENT PROGRAM DEBT
STABILIZATION FUND

DATE: FEBRUARY 10, 2017

Town's Pavement Management Program has been completed now for a few years and the Chapter 90 funds is nowhere enough to fund that program. Many people have wondered "Why don't we use the Motor Vehicle Excise Tax for Roads?"

I am recommending that we begin to fund a Pavement Management Program Debt Stabilization fund with excess Motor Vehicle Excise Taxes. On an annual basis we budget a certain amount of MVE for the normal operating budget and then at the end of the year we compare that to what we actually took in. The excess will flow to free cash. I propose that we begin by transferring the excess from 2016 of \$1,019,741 to this fund and annually we do the same; at the same time being a little bit more conservative on the estimates for the operating budget.

This fund would then be available to pay for the principal, interest and other borrowing costs associated with the Pavement Management program – Road Pavement Preservation projects submitted to capital; initially Article 10 of the Annual Town Meeting.

I am prepared to give you a presentation on this proposal at your next meeting.

If you have any questions please let me know and I appreciate your support.