

Town of Plymouth

**2013 Budget Presentation
January 10, 2012**

Joint Meeting with BOS, A & F and School Committee

Mark Stankiewicz, Town Manager
Lynne Barrett, Director of Finance

2013 Budget Challenges

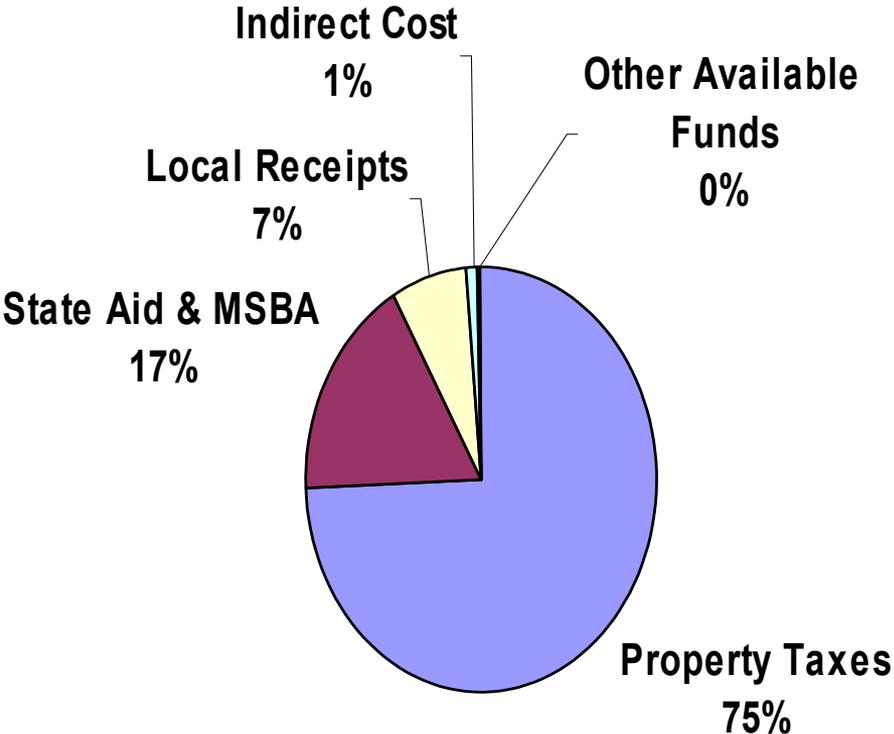
• Revenue Challenges:

- Keep Tax Increases to a MINIMUM
- State Aid Uncertainty – Level Fund
- Local Receipts – Revenue Enhancement Ideas
- ARRA Funds Exhausted
- Eliminate use of one time revenues (Free Cash, Stabilization or Overlay Surplus) towards the operating budget
- Eliminate Subsidies to Enterprise Operations

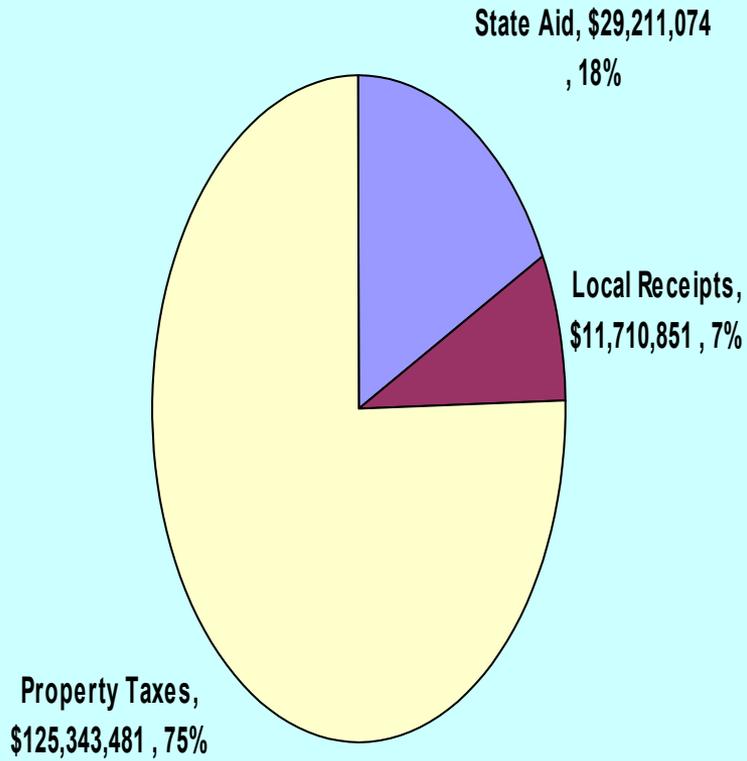
Expenditure Challenges:

- Open a New High School and Senior Center
- Restore 5 Grant Funded Firefighters to the Budget
- Increased Demands on Services (DPW)
- Move Towards Curbside Trash Collection
 - Increase Recycling
- All Labor Contracts Expire 6/30/2012 – No Salary Reserve for Town or School
- Municipal Health Care Reform – Changes to Health Insurance
- OPEB Liability Funding
- Control Debt Service Amortization

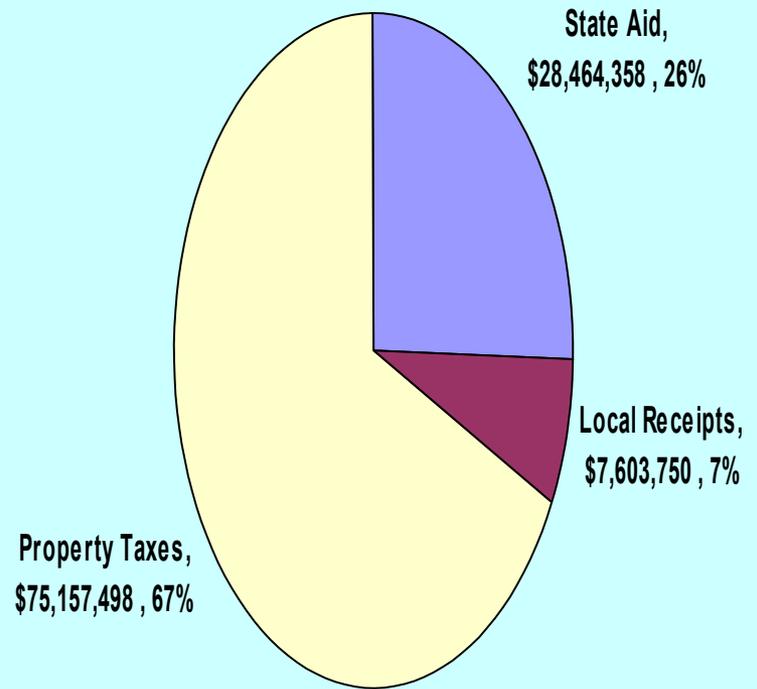
General Fund Revenues



2012 Revenue Makeup



2001 Revenue Makeup



- **Property Taxes:**

- Recommended Increase of \$3,226,750:

2 1/2 % Levy Limit Growth	3,141,764
New Growth	730,953
Increase in Debt Exclusion	316,858
Increase to Excess Levy Capacity	(962,826)
Net Total Increase	3,226,750

- New Growth

- *Equivalent of 75% of 2012 New Growth Estimate*

- 2013 Total Debt Exclusion for PNHS & Senior Center \$3,350,441

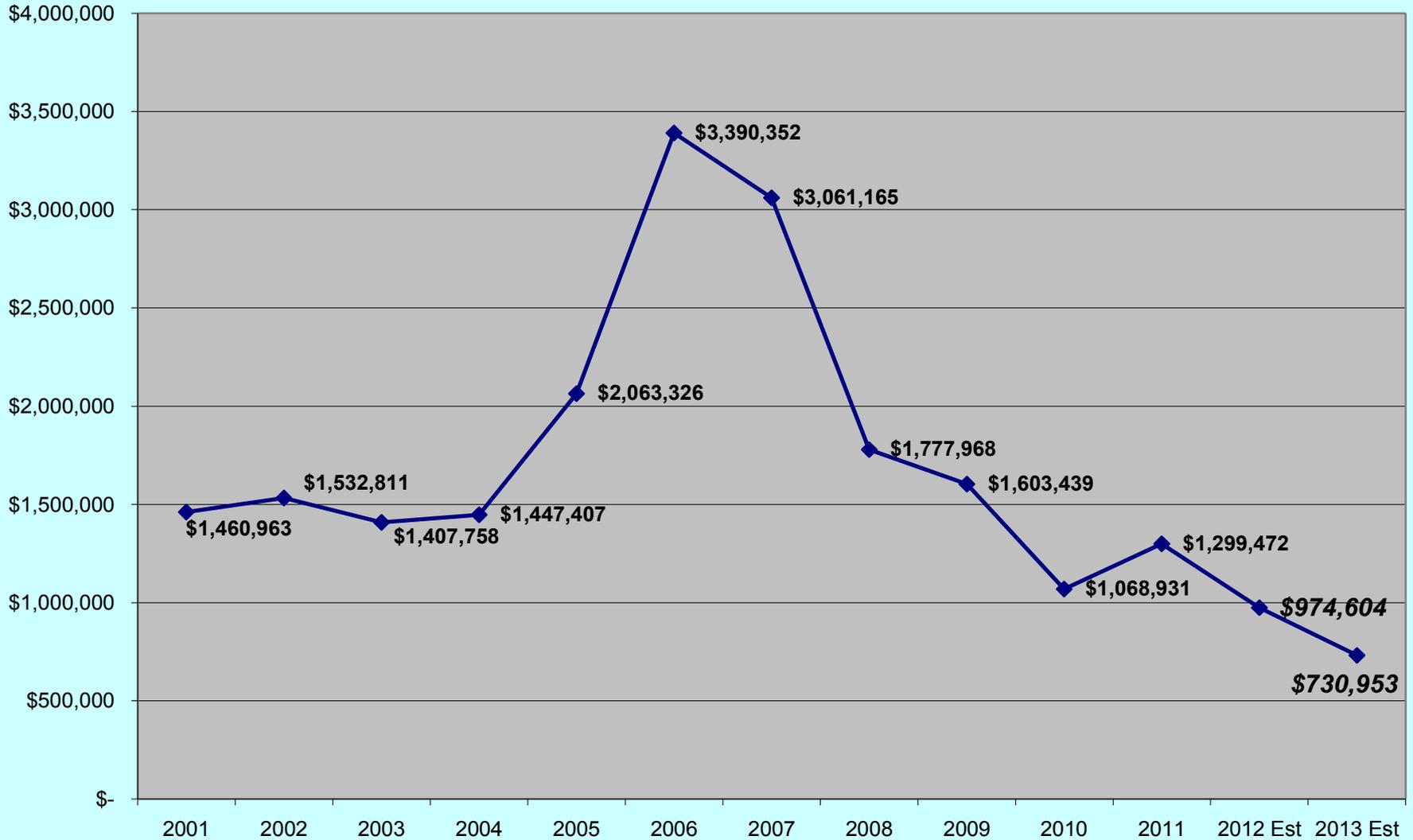
Plymouth Average Home Value 2011:	\$307,975.00
Annual Cost for that Homeowner:	\$116.86
Cost per thousand of Home Value	\$0.3795

- Increase Excess Levy Capacity

- *Brings to a level of \$7,550,247*

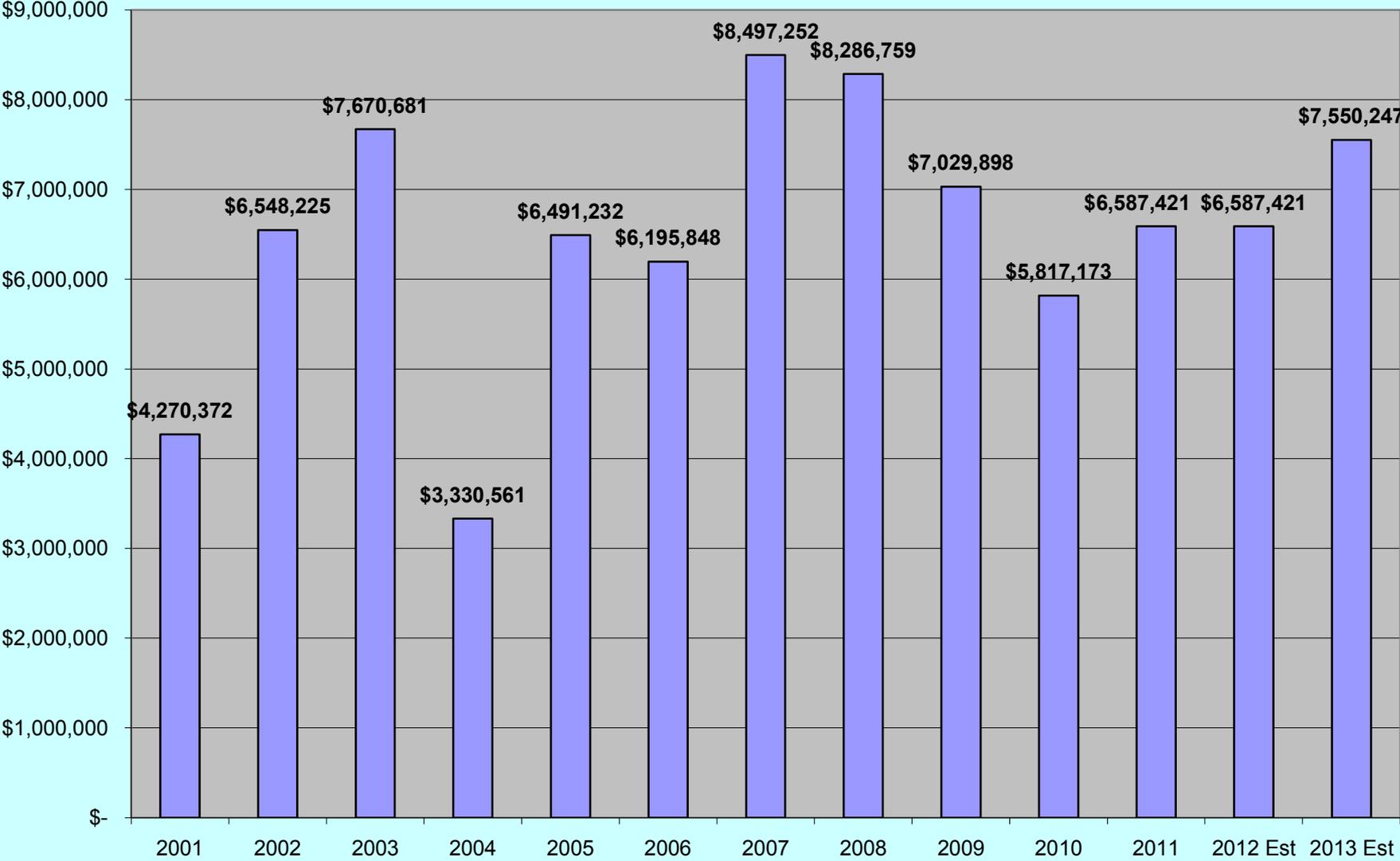
- *Increase of \$962,826 equates to .11 cents per thousand*

New Growth Trends

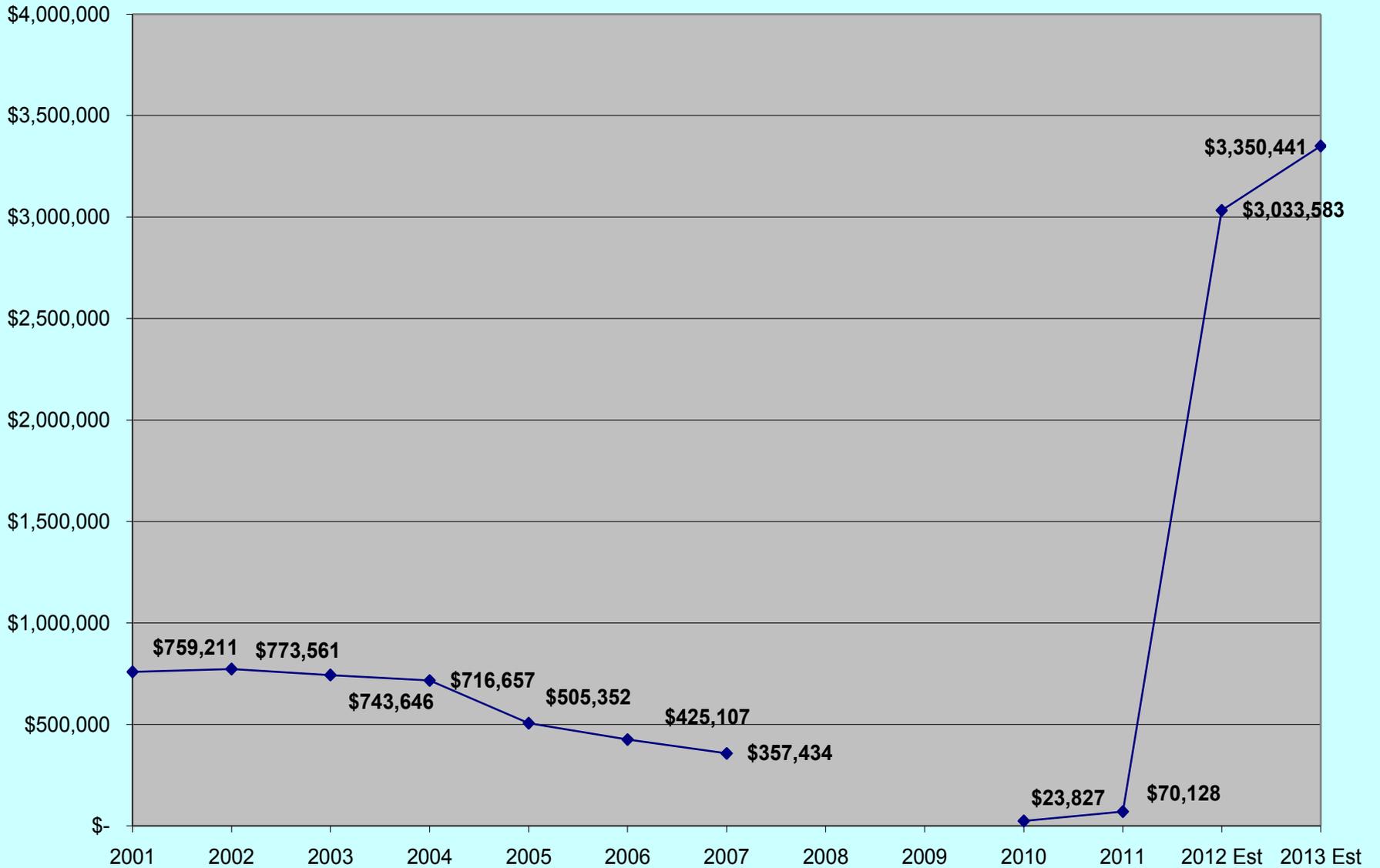


At 75% of previous years

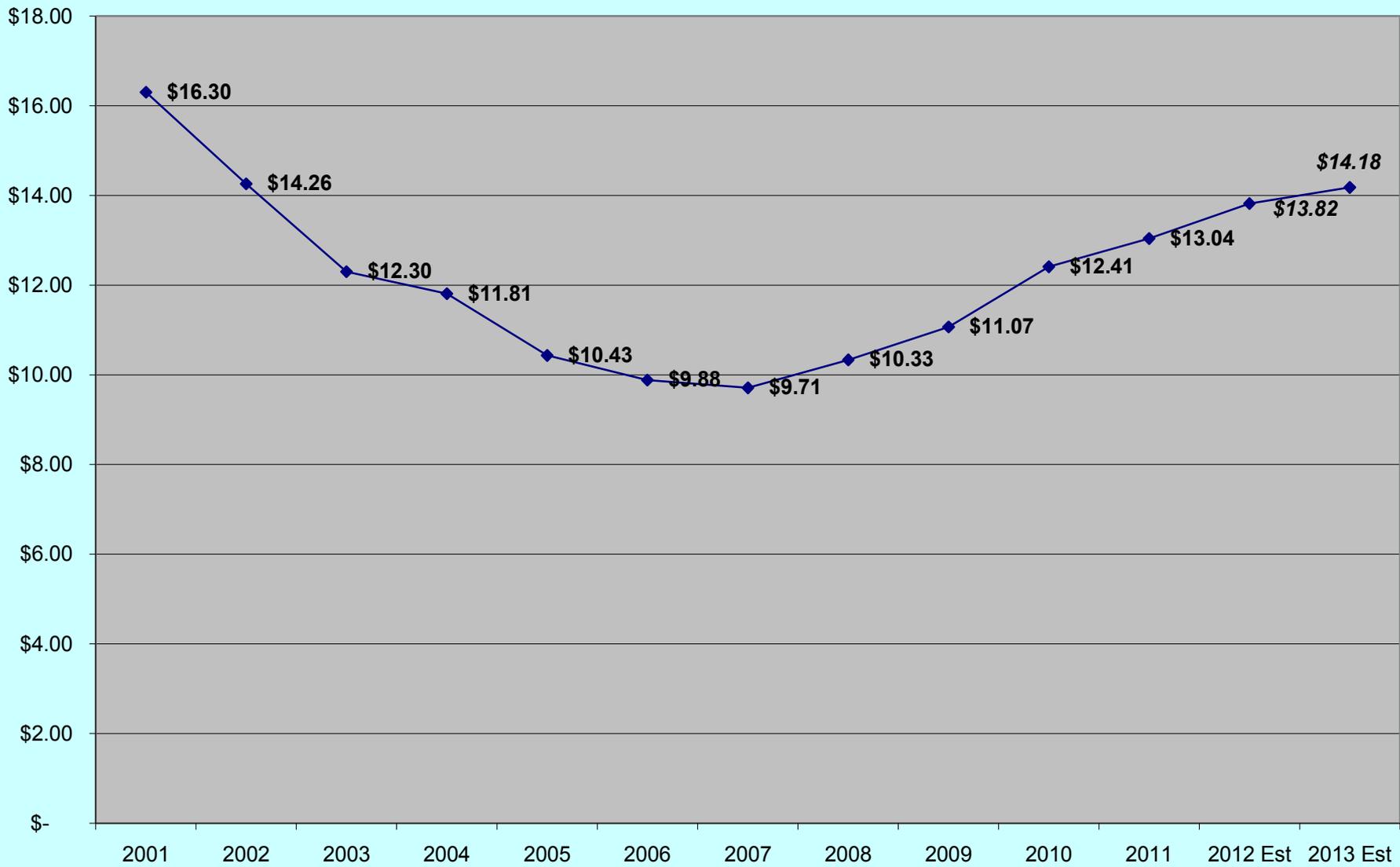
Excess Levy Capacity



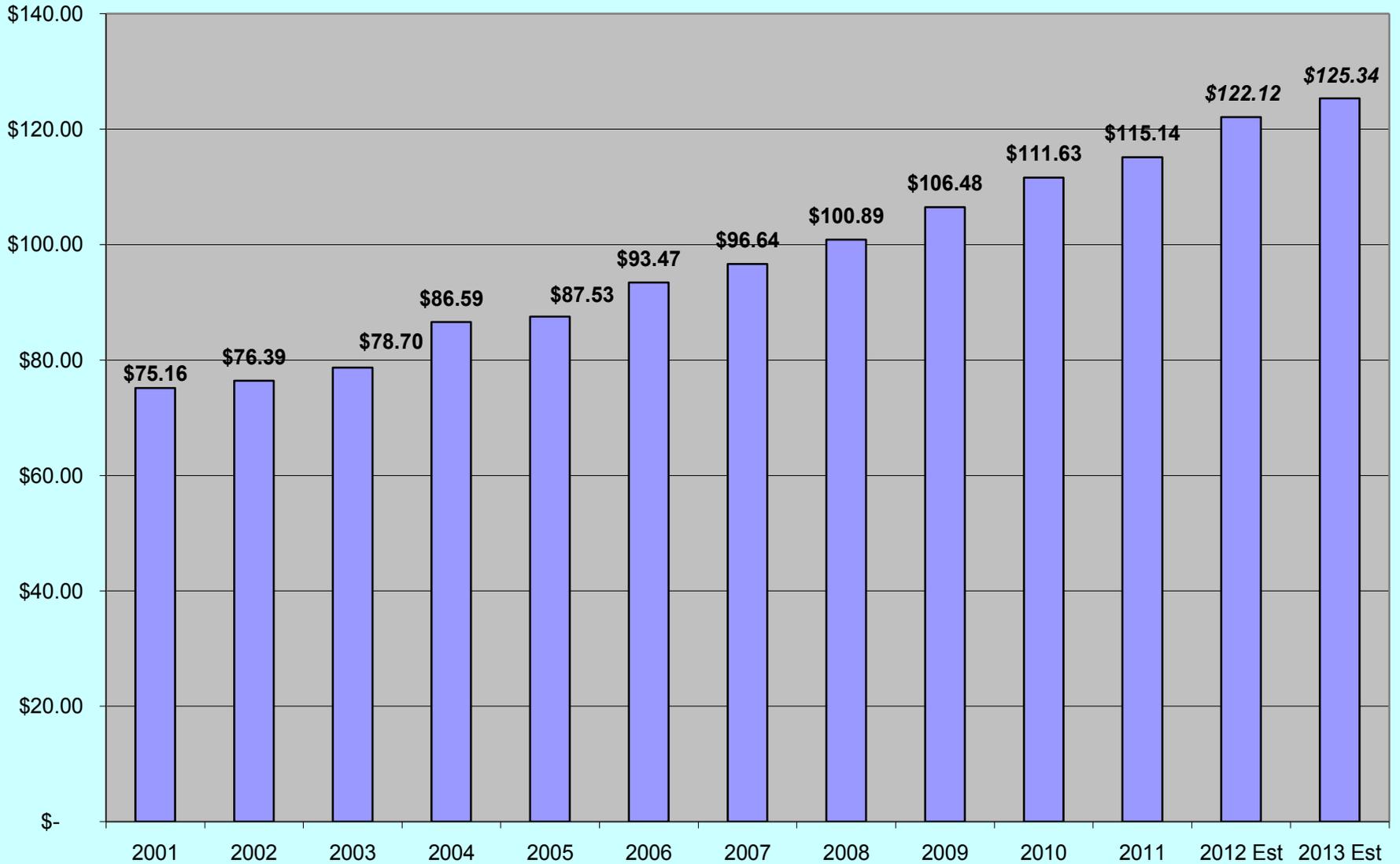
Debt Exclusion on Taxes



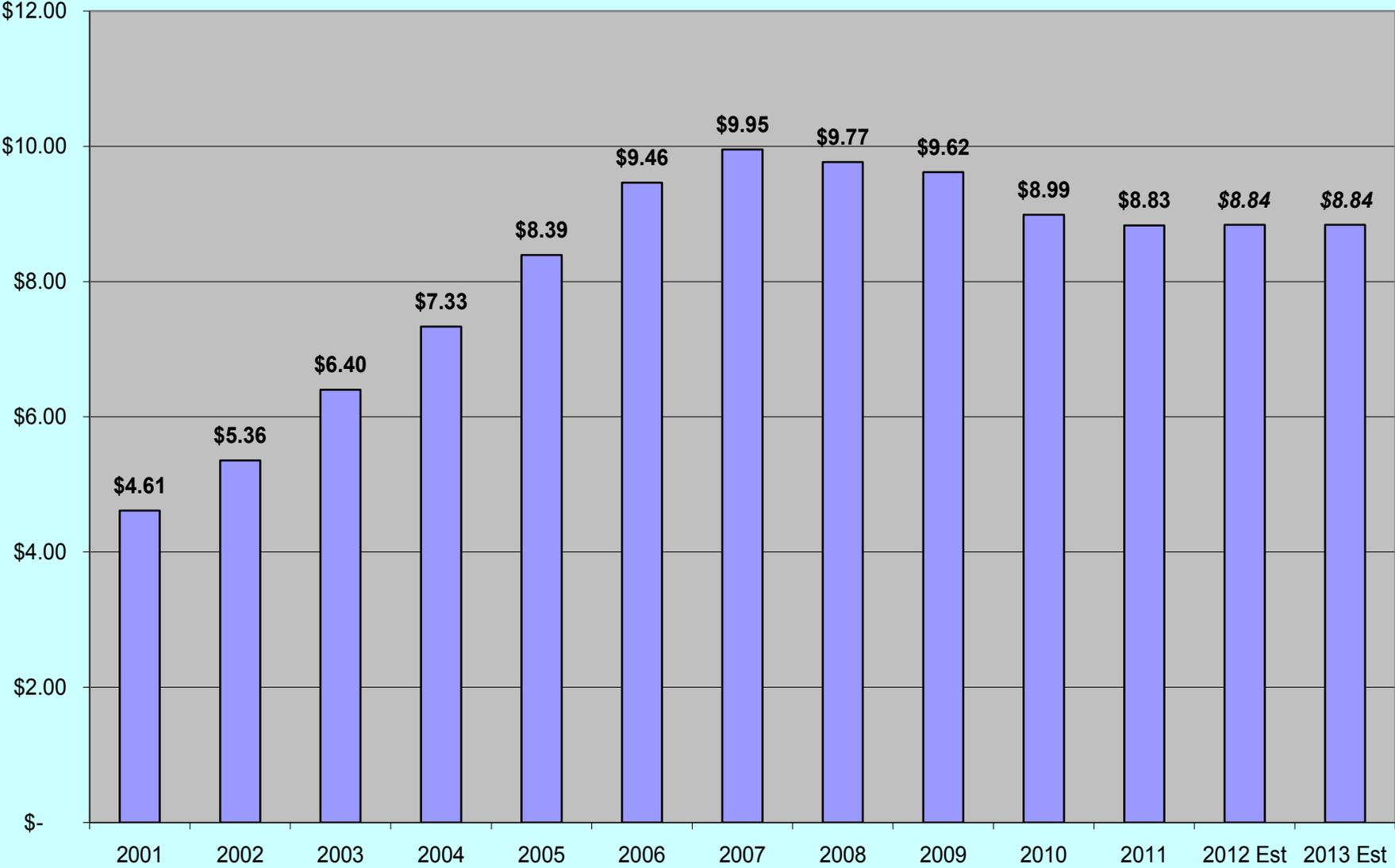
Tax Rate Trends



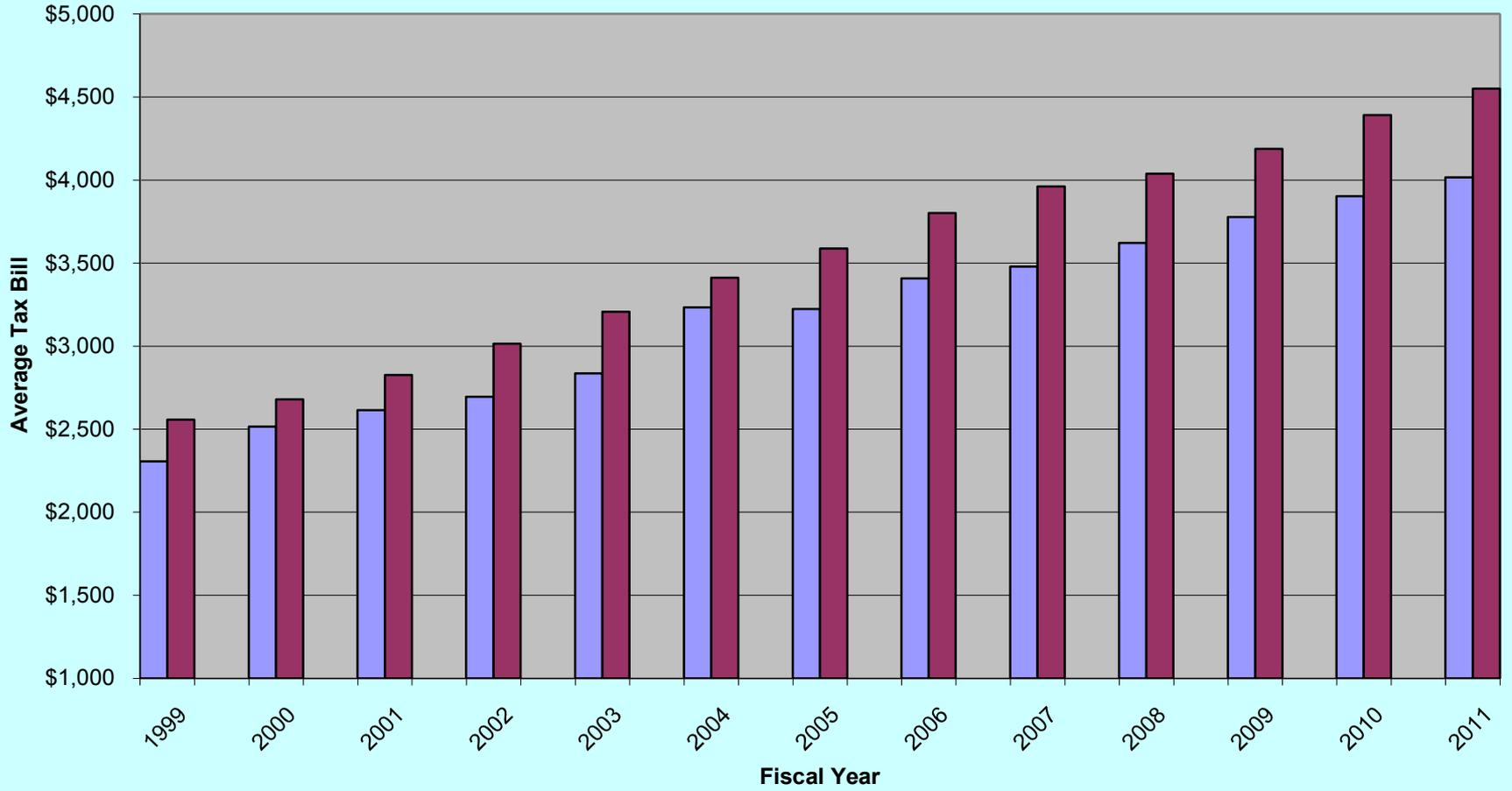
Property Tax Revenue History in Millions



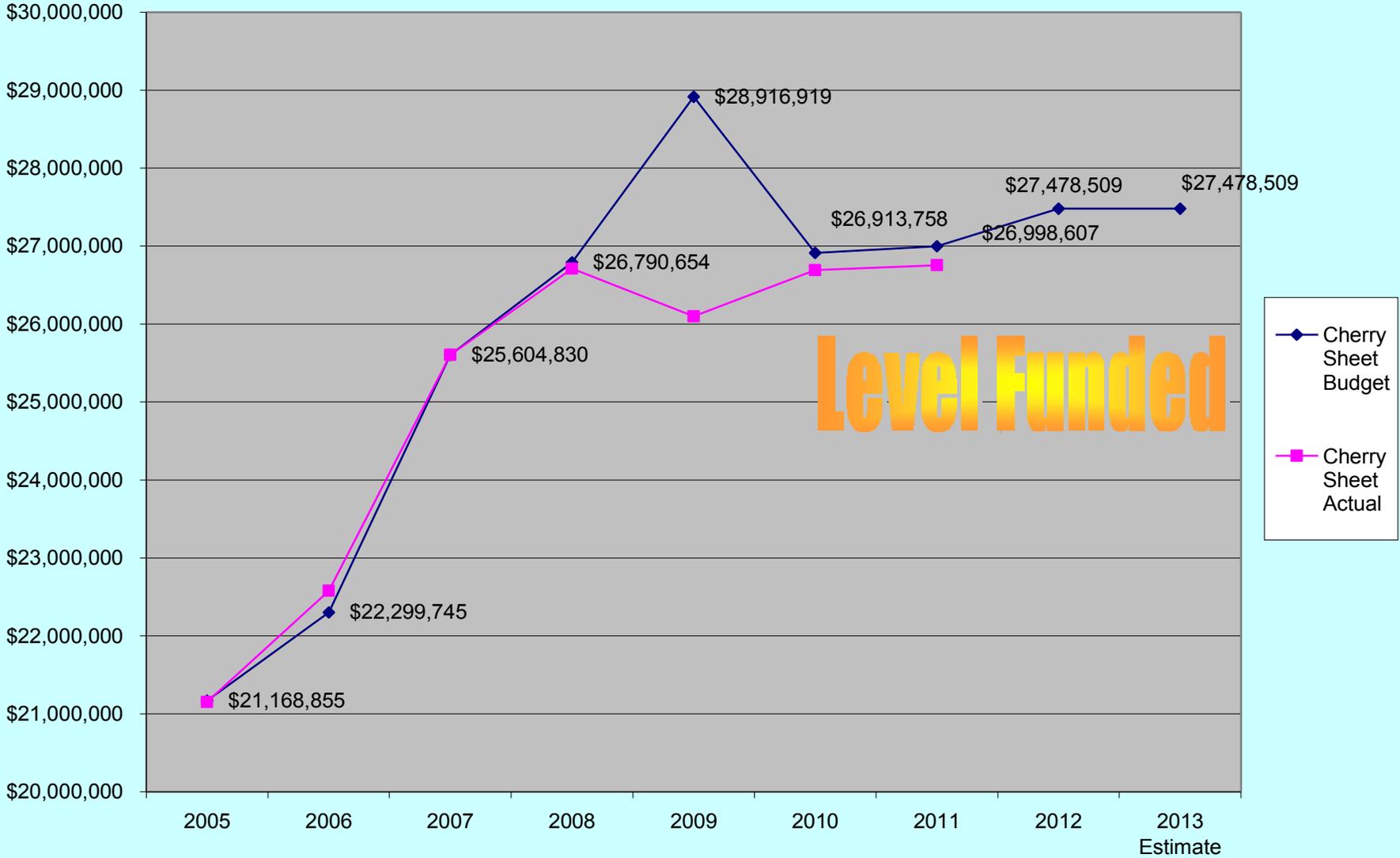
Assessed Value Trends in Billions



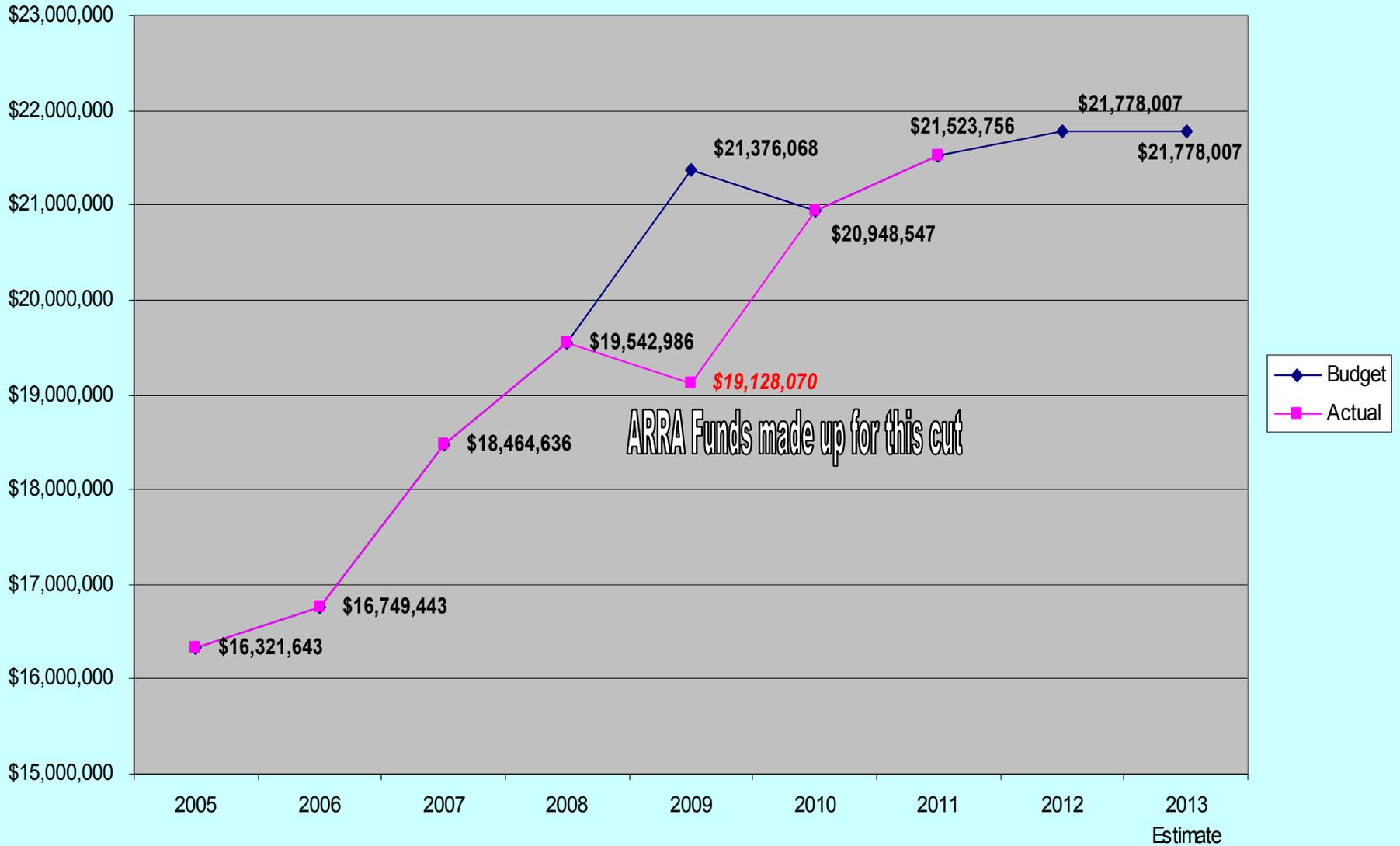
Average Single Family Tax Bill



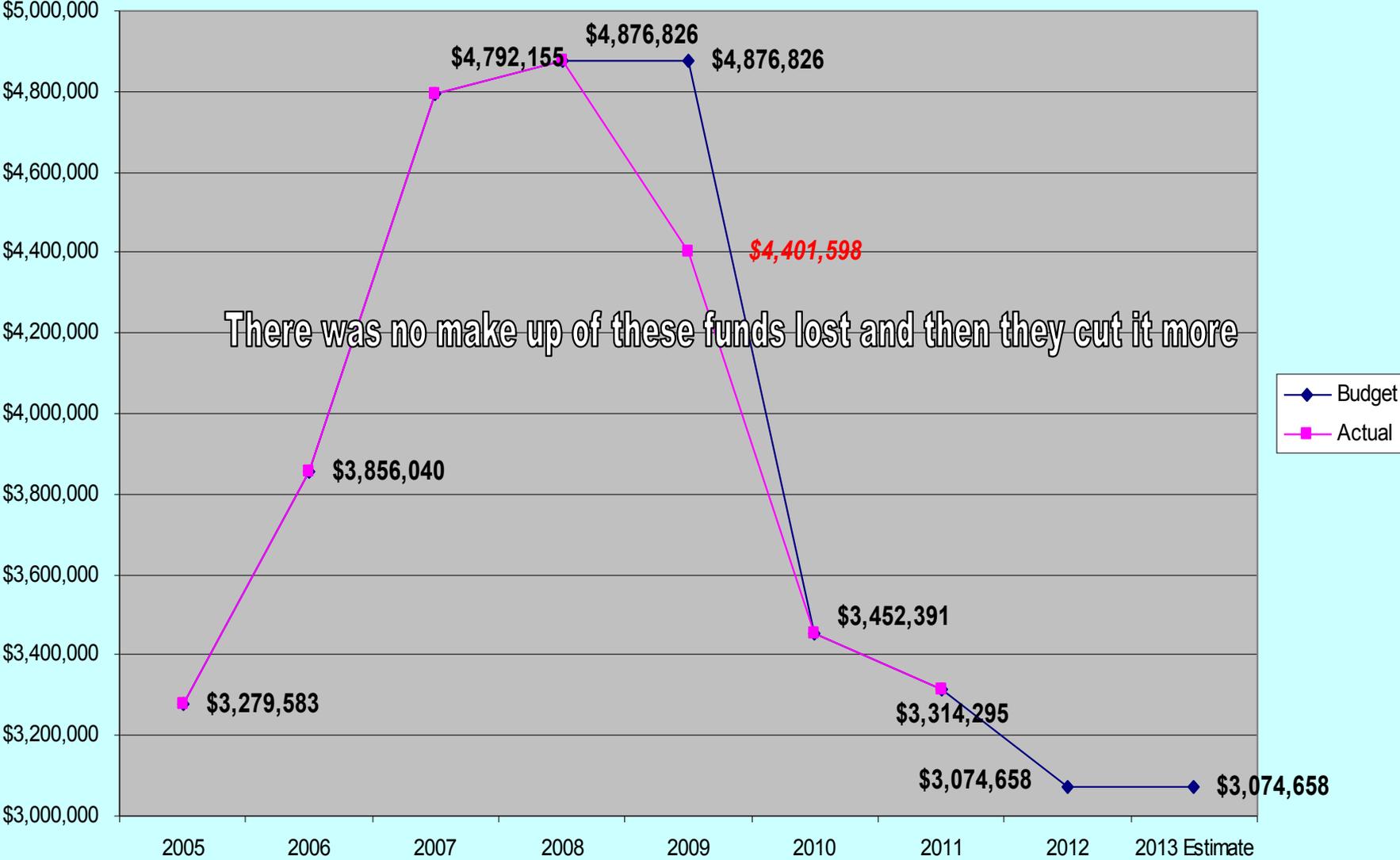
Cherry Sheet State Aid



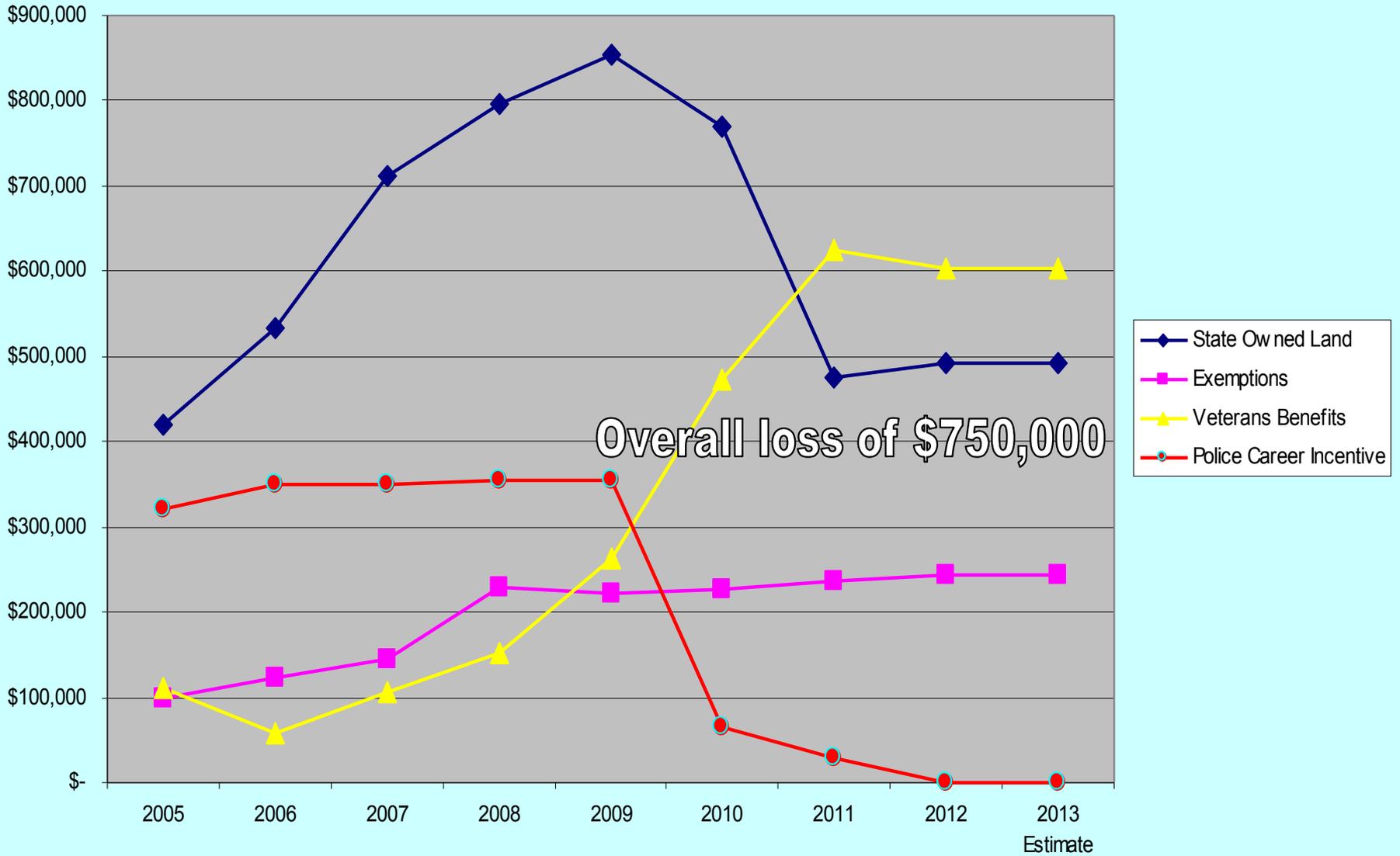
State Aid Trends - CH 70 Education Aid



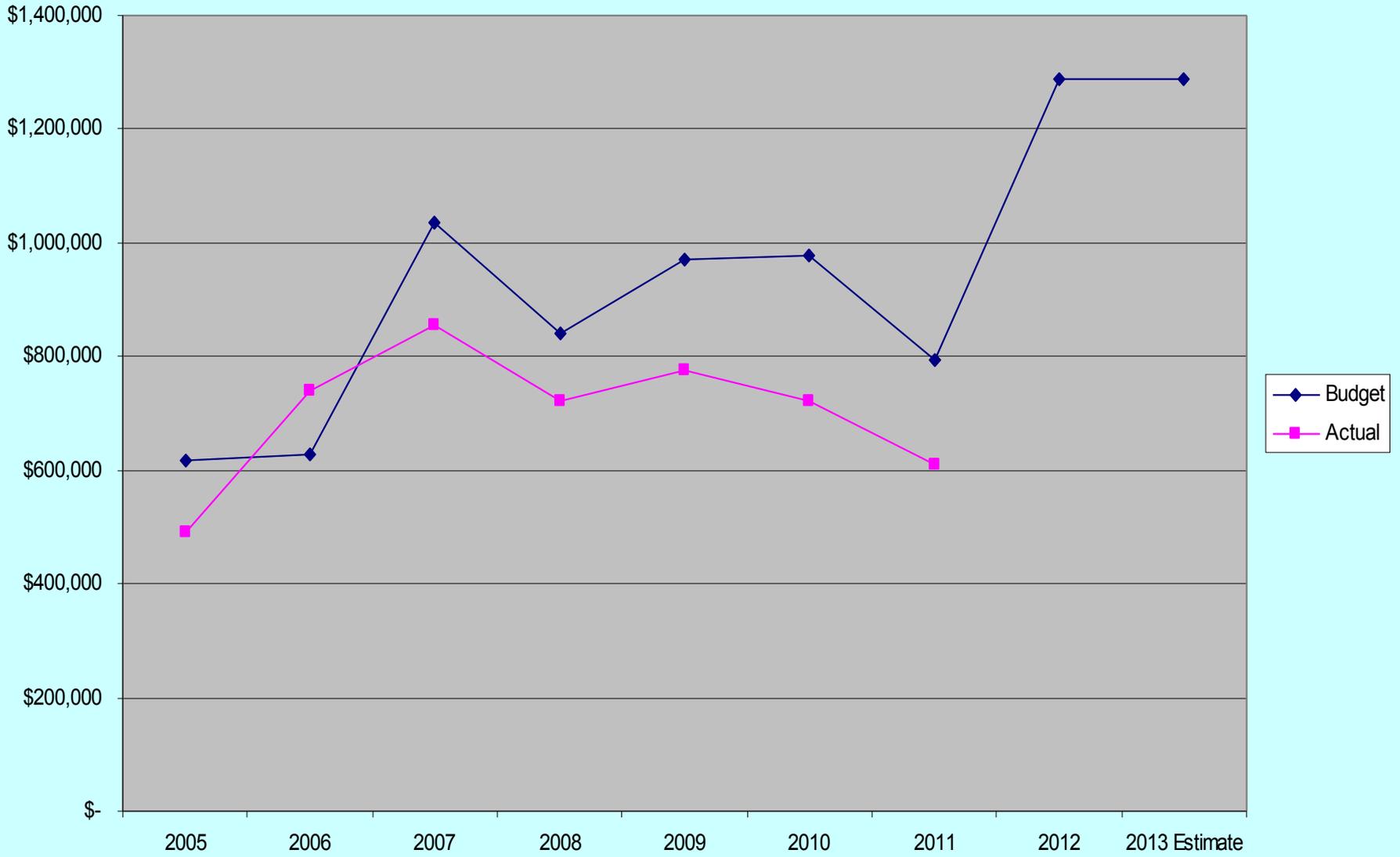
State Aid Trends - General Municipal Aid (formerly Lottery)



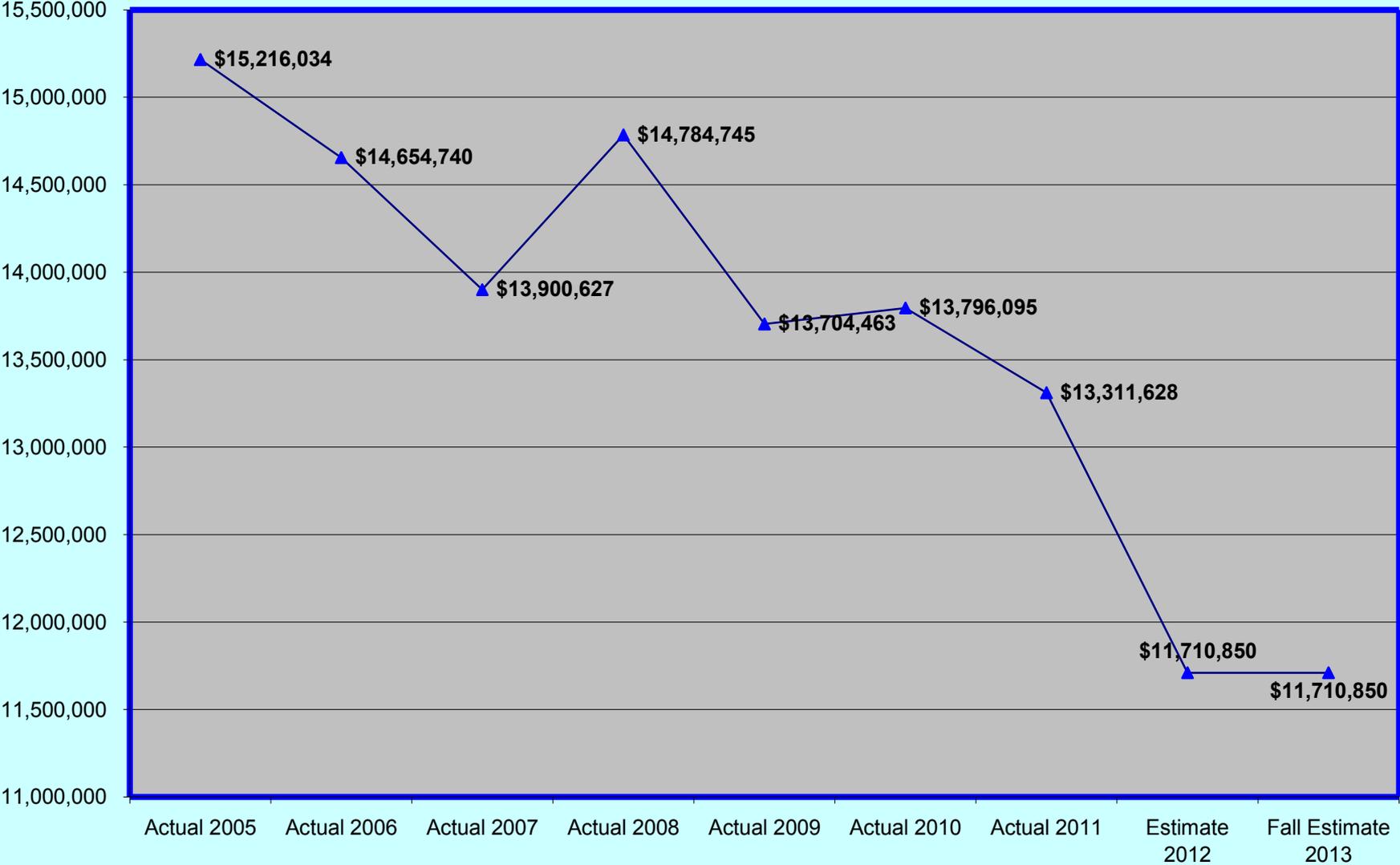
State Aid Trends - Other



State Aid Trends - Charter School Reimbursement

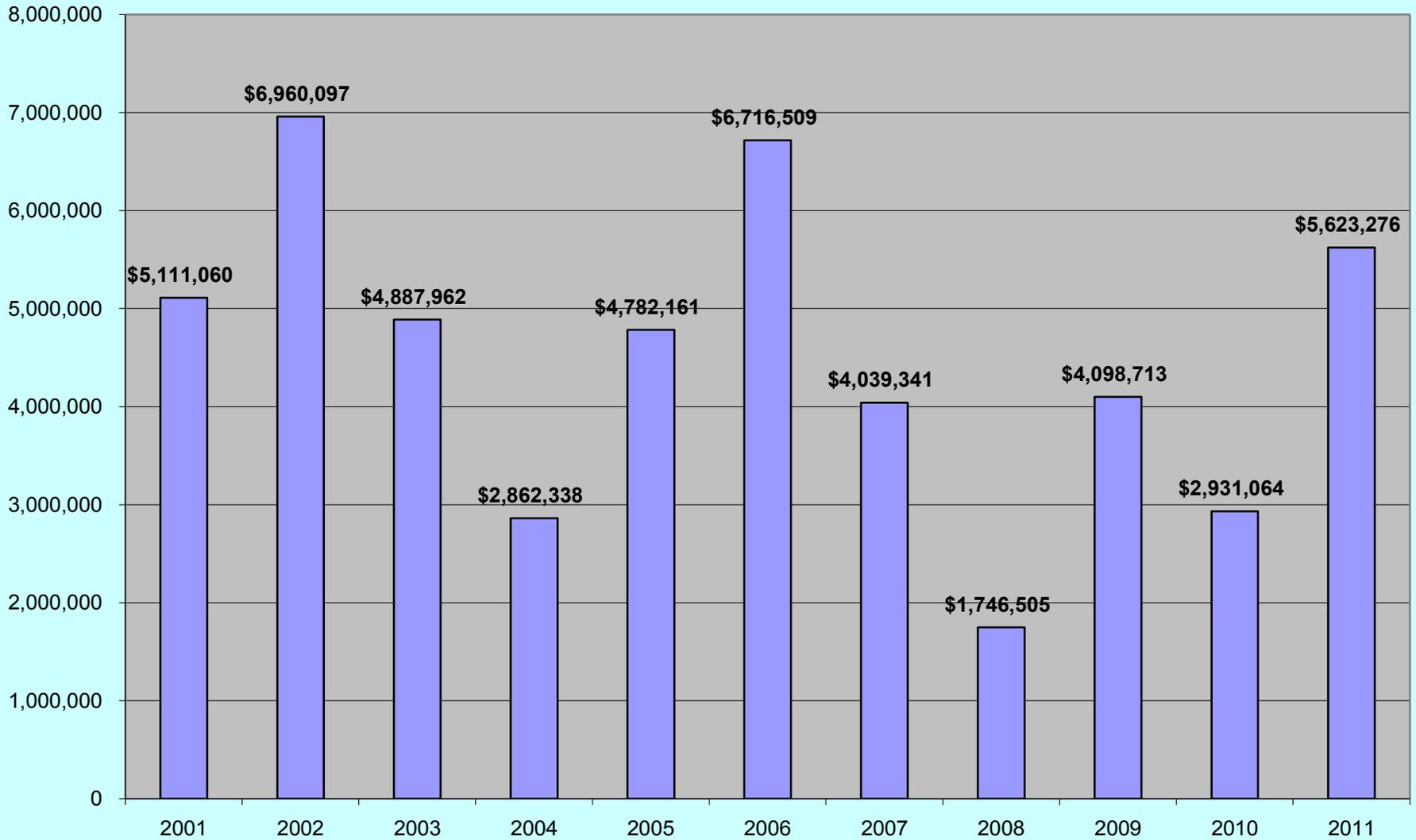


LOCAL RECEIPT TRENDS

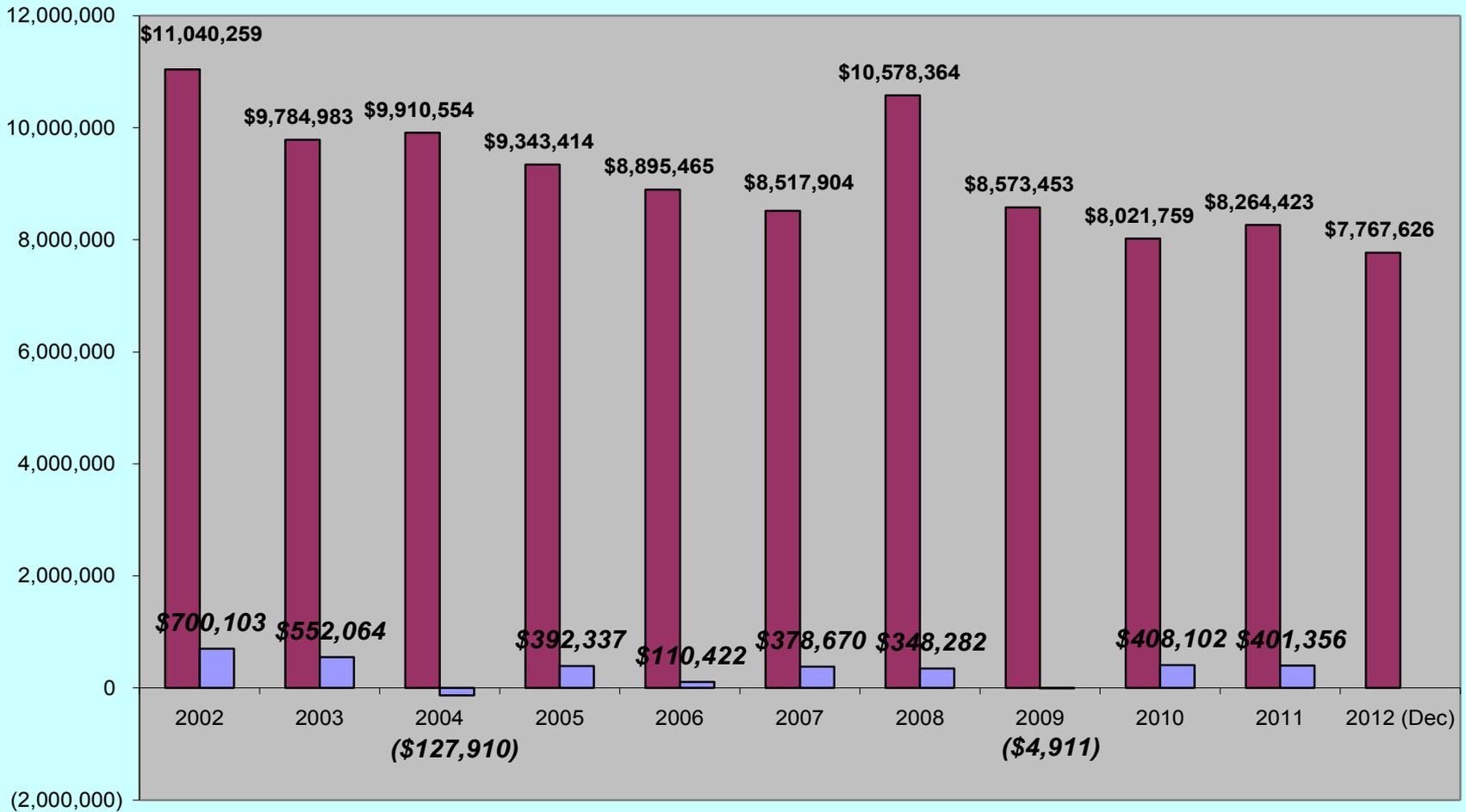


- Other Sources & Available Funds:
 - No use of free cash or stabilization for the operating budget (last year we used \$2.2 million)
- Free Cash Recommendation for 2013:
 - 10% for Stabilization
 - 10% for OPEB Trust Fund
 - 10% Reserve in Fund Balance
 - \$1.4 million for Art 8 Departmental Equipment
 - Remaining for Art 9 Capital

Free Cash Balances



Stabilization Fund Balances & Earnings



Goal to get Stabilization Fund to a balance of where we would only use the earnings for Capital and other one time expenditures. It also would help in stabilizing or increasing our bond rating.

Bond Rating

Rating Agency	Current	Goal
Moody's	Aa2	Aa1
Standard & Poor's	AA	AA+

What could move the rating up?

“Stabilization of the Town’s financial position and growth of available reserves.”

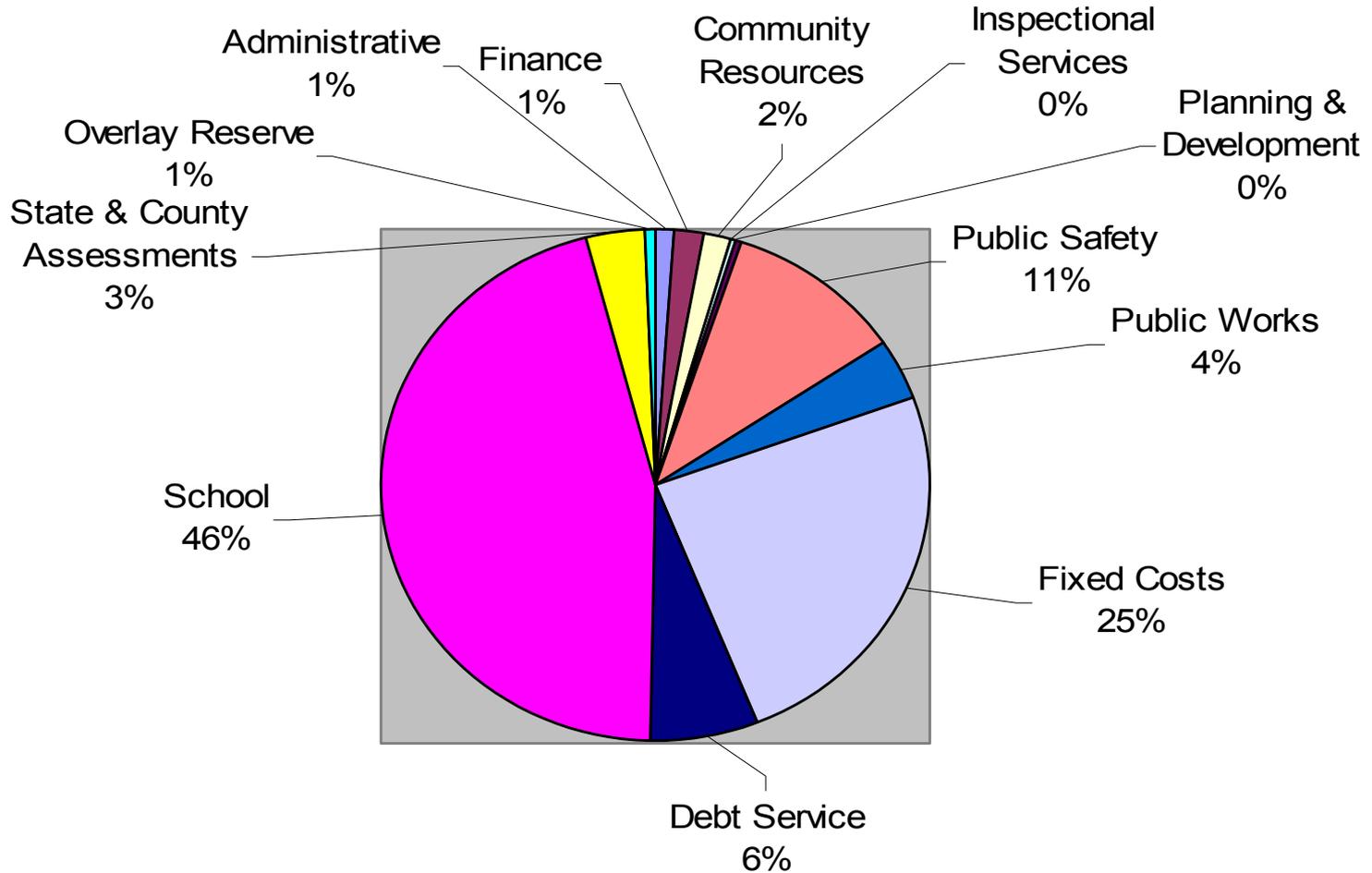
“Adoption and adherence to comprehensive financial policies geared to ensuring long-term financial stability and financial flexibility.”

What could move the rating down?

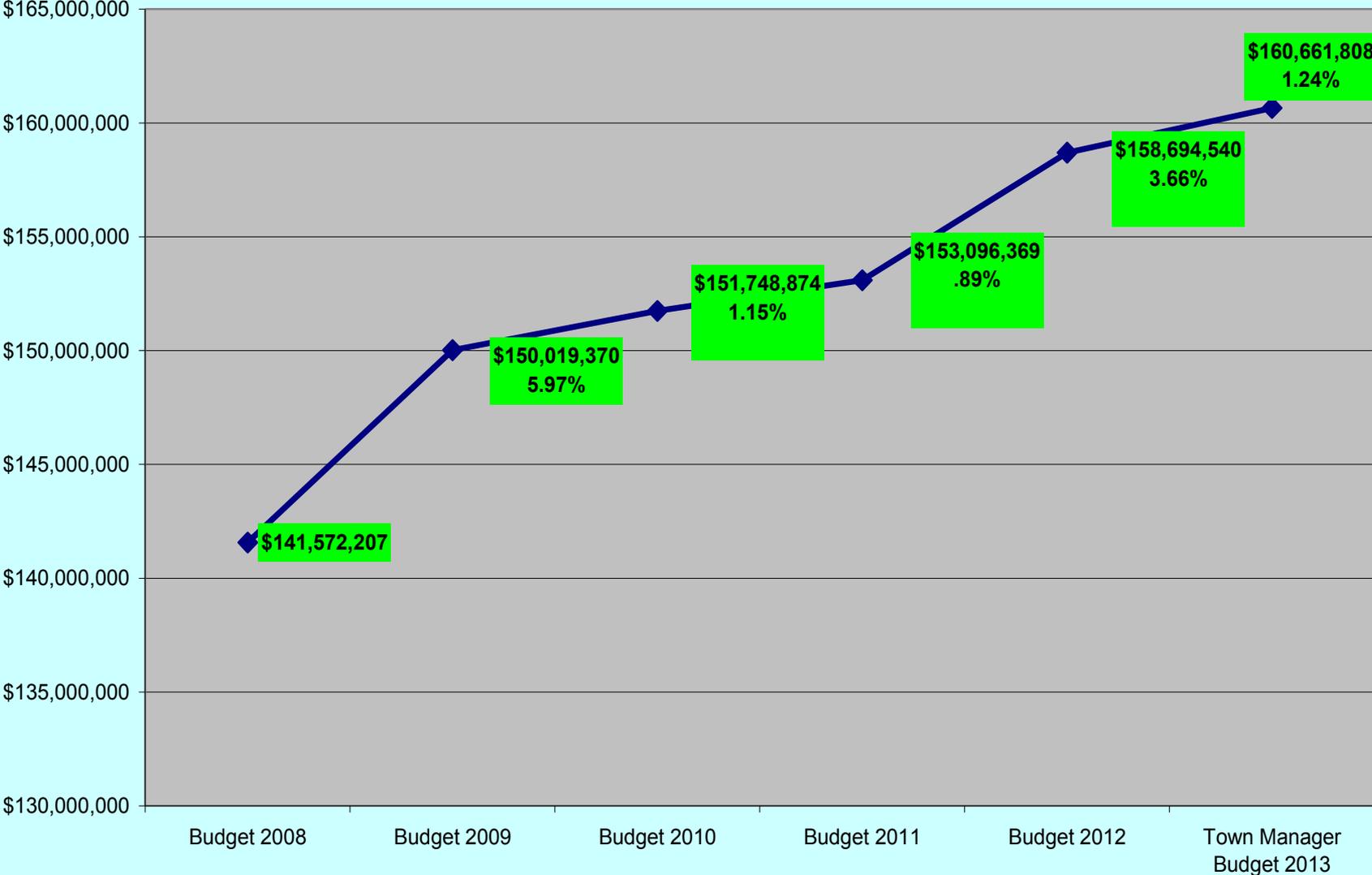
“Continued deterioration in available reserves.”

“Persistent structurally imbalanced operations.”

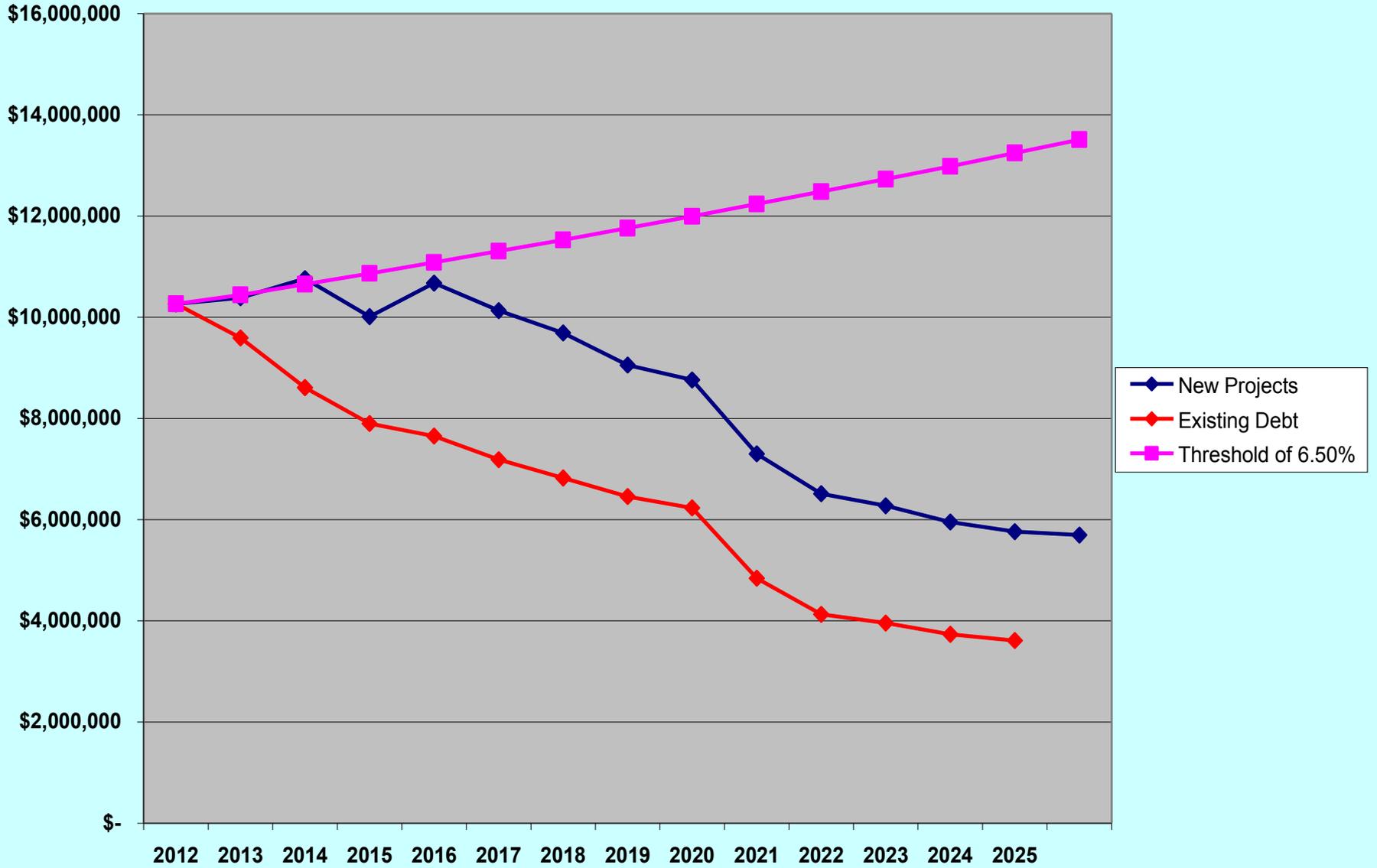
Town Manager Budget



General Fund Budget Trends



General Fund - Long Term Debt Service



2013 Budget Challenges

- **Revenue Challenges:**
 - Keep Tax Increases to a MINIMUM
 - 2.64% Increase in Property Tax Levy (2012 was a 6.06% Increase)
 - State Aid Uncertainty – Level Fund
 - There could be potential increase due to state rebounding
 - Local Receipts – Revenue Enhancement Ideas
 - If enhancement ideas are adopted that can generate revenue
 - ARRA Funds Exhausted
 - School budget is funded and opening a new school
 - Eliminate use of one time revenues (Free Cash, Stabilization or Overlay Surplus) towards the operating budget
 - This budget includes no support from free cash or stabilization fund
 - Includes a transfer of over ½ million into Stabilization
 - Eliminate Subsidies to Enterprise Operations
 - First Year there is no General Fund Subsidy to Enterprise funds

2013 Budget Challenges

- **Expenditure Challenges:**
- Open a New High School and Senior Center
 - This budget does that and funds new positions at the locations
- Restore 5 Grant Funded Firefighters to the Budget
 - This substantially restores them
- Increased Demands on Services (DPW)
 - This budget adds 6 new positions
- Move Towards Curbside Trash Collection
 - Increase Recycling
 - This budget funds curbside collection, recycling and DTM facility
- All Labor Contracts Expire 6/30/2012 – No Salary Reserve for Town or School
- Municipal Health Care Reform – Changes to Health Insurance
 - Savings in 2013 estimated at \$1.5 million
- OPEB Liability Funding
 - Transferring ½ million into the trust fund from Free cash
- Control Debt Service Amortization
 - Limited debt will be recommended in 2013 based on analysis