

# Town of Plymouth

**2010 Budget Presentation  
June 1, 2009**

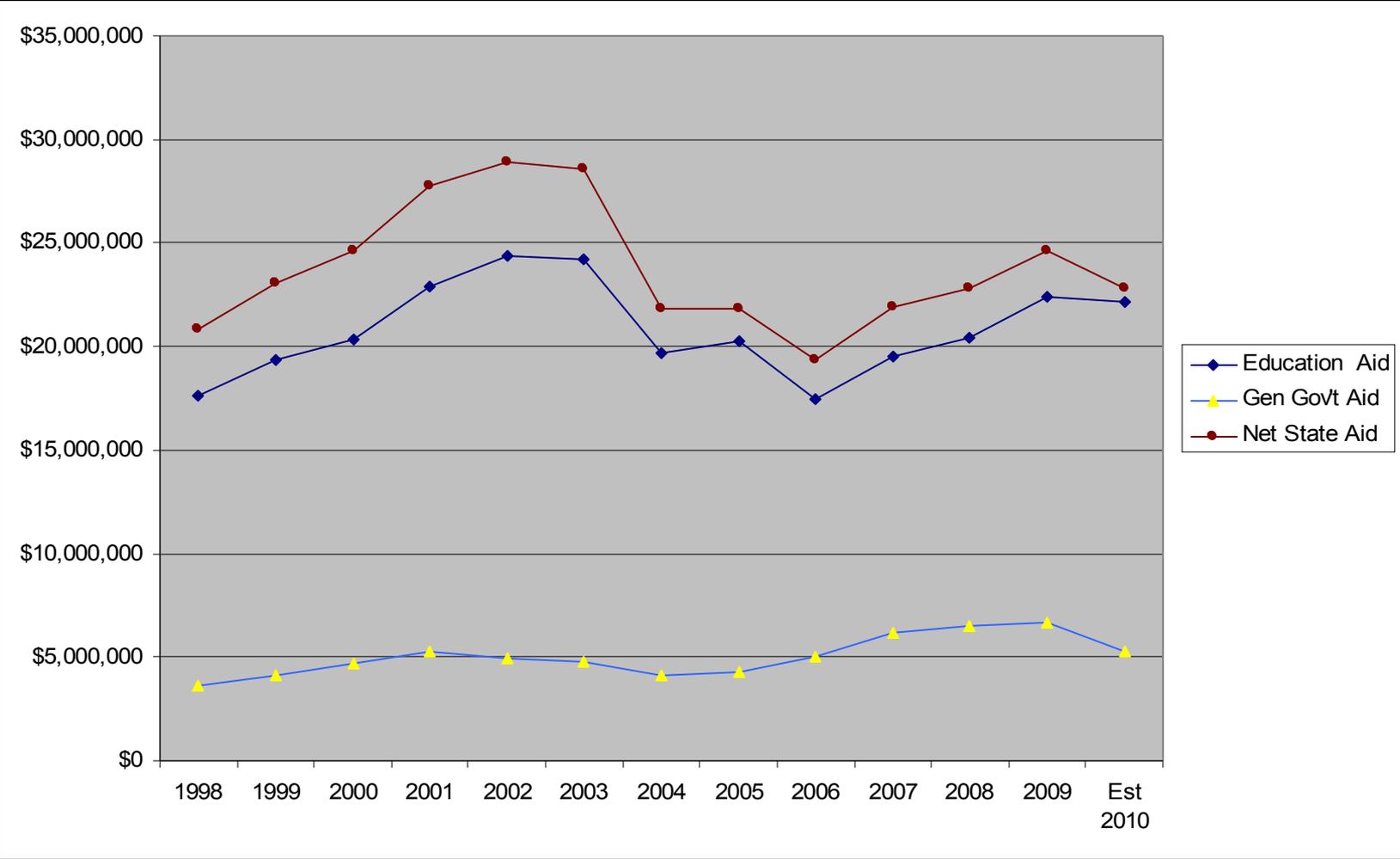
**Annual Town Meeting**

Melissa Arrighi, Acting Town Manager  
Lynne A. Barrett, Director of Finance

# 2010 Budget Challenges – Revenue Side

- **State Aid Cuts:**
  - 2009 Cut of \$ 475,228
  - 2010 Cut from 2009 Original Cherry Sheet (Net – State Aid Less Assessments & Offsets):
    - Governor’s Budget \$ 857,322 Decrease
    - House Final Budget \$ 970,303 Decrease
    - Plymouth’s Budget \$1,815,177 Decrease
    - Senate Budget \$2,434,411 Decrease (\$619 Difference)
    - Final Budget \$ ??? – End of June / July

# State Aid Trends



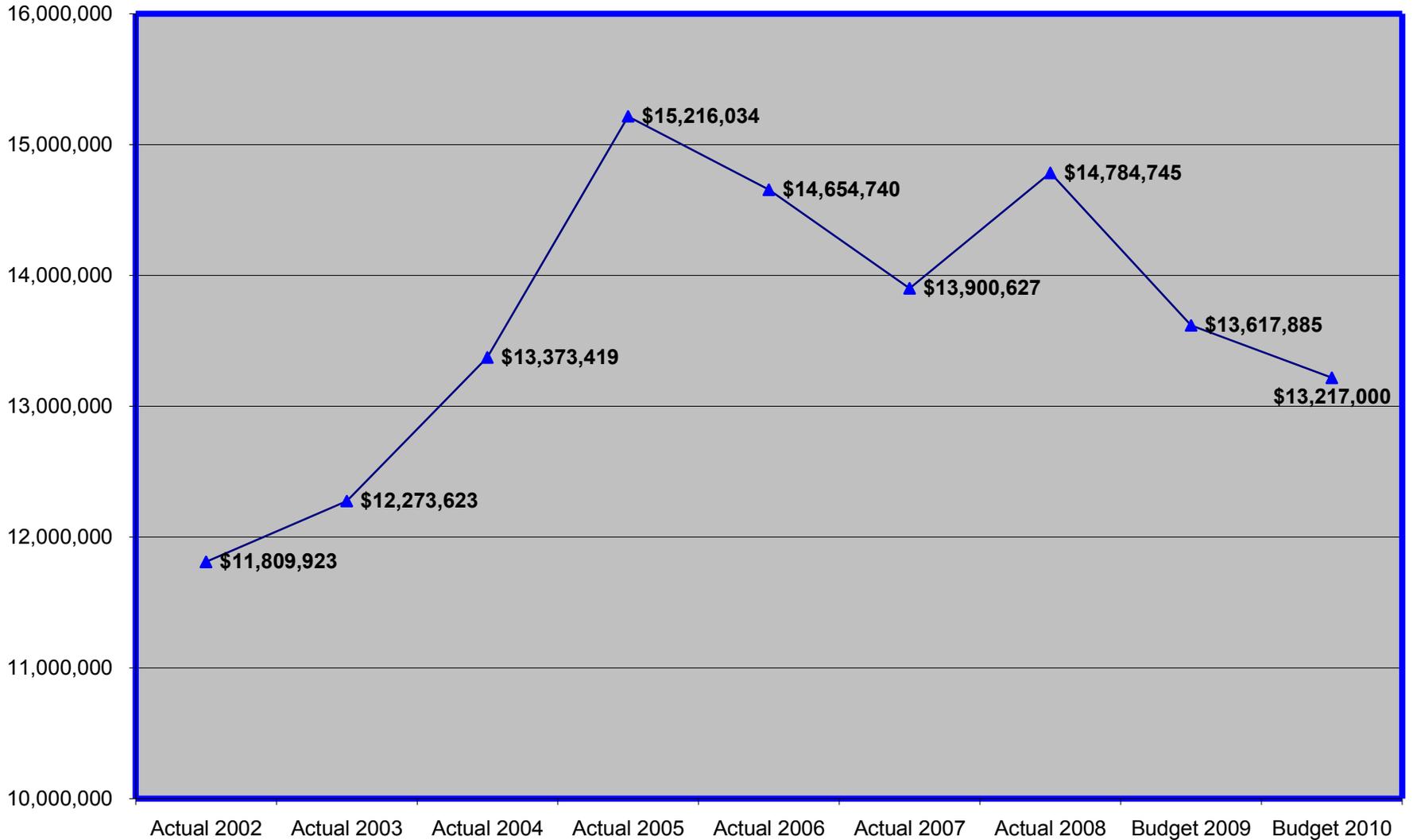
# 2010 Budget Challenges – Revenue Side

- **Local Receipts:**

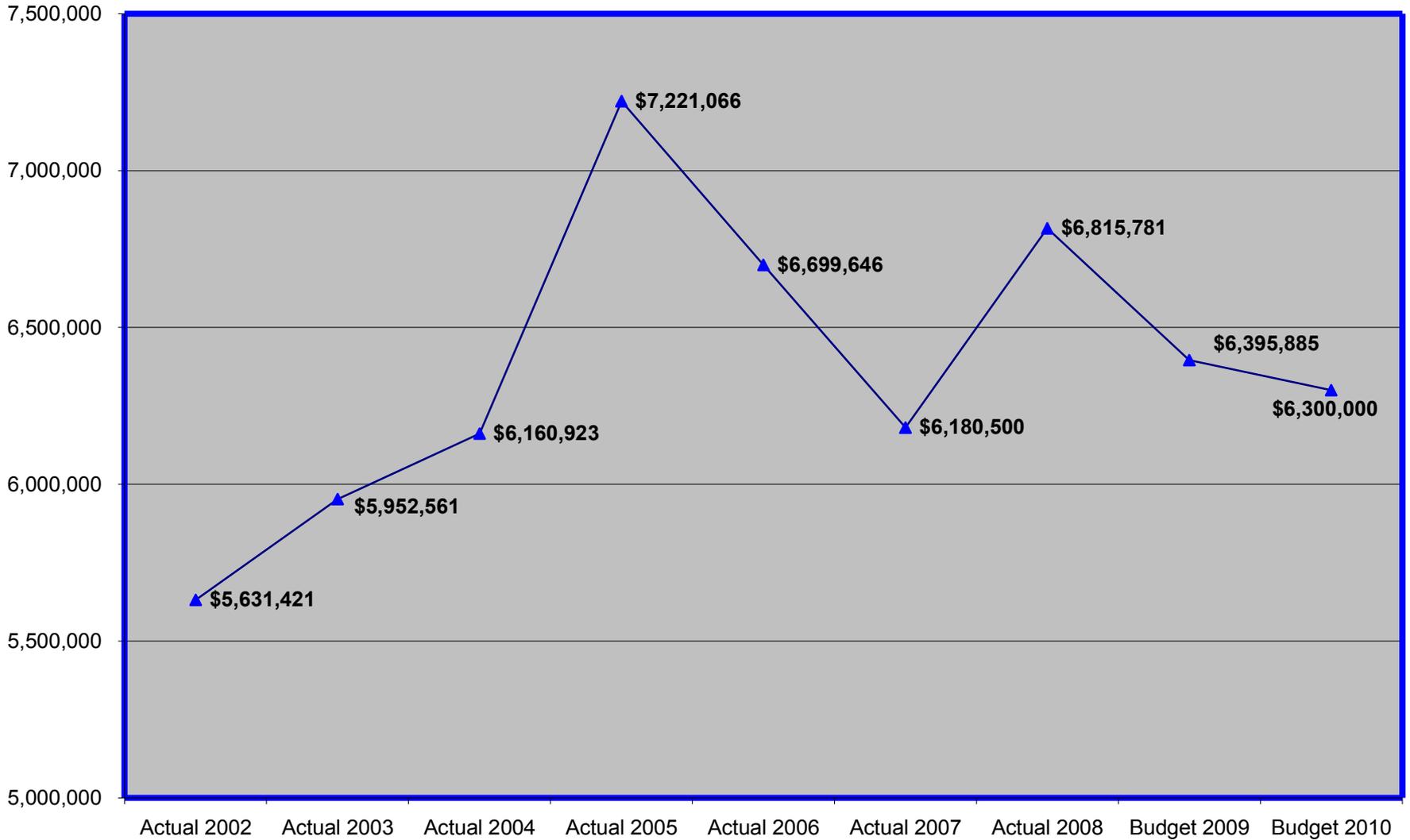
- **Budgeting \$13,217,000 for 2010**

- 2.94% decrease from the 2009 Budget
    - Represents 89.40% of 2008 Actual
      - Motor Vehicle Commitments are down because people are not replacing their cars with new cars as often
      - L & P are down 10% due to lack of activity in the housing market
      - Investment Income is down due to dramatic drops in interest rates
      - School Medicaid reimbursement estimate dropped by \$280,000 because of change in formula

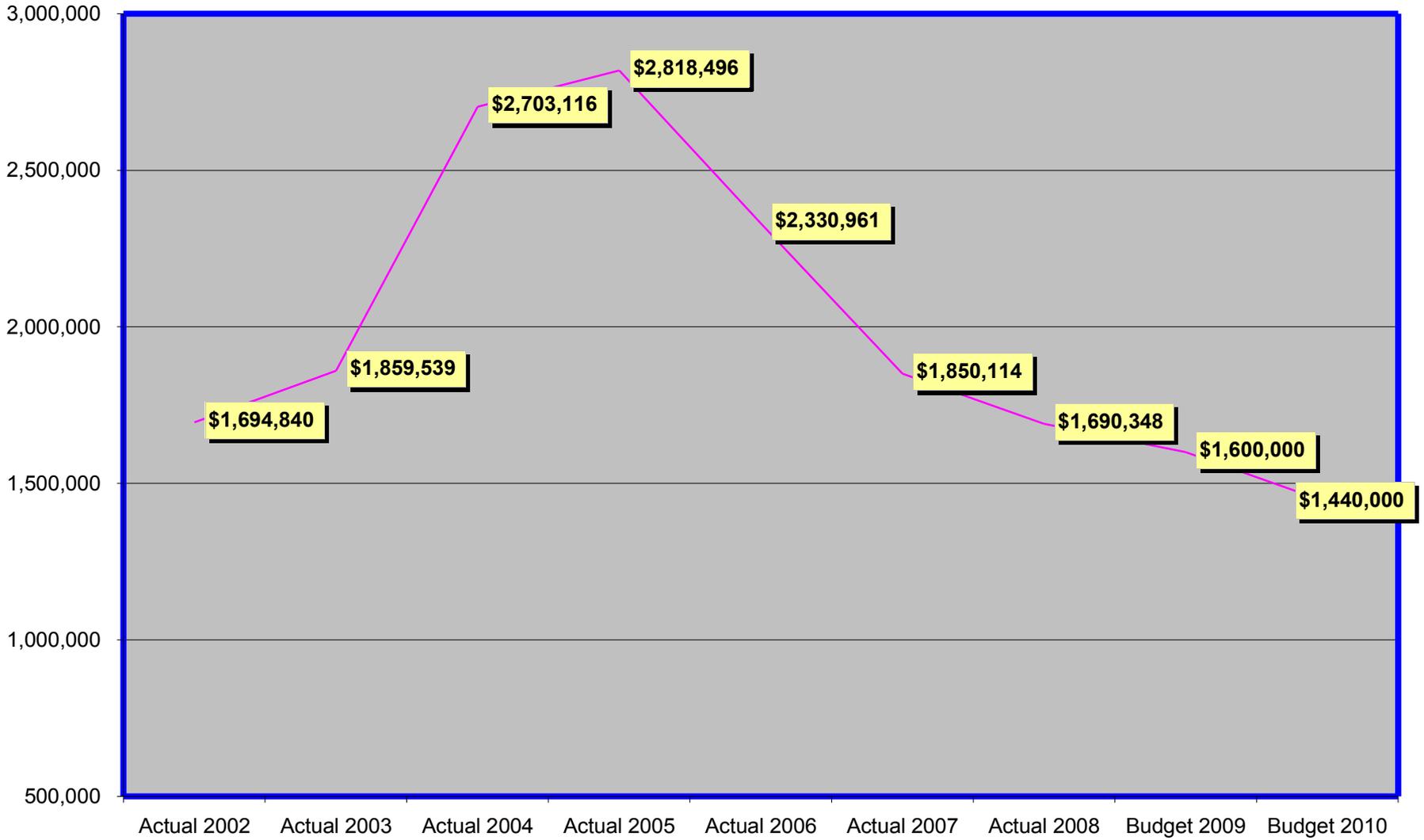
## LOCAL RECEIPT TRENDS



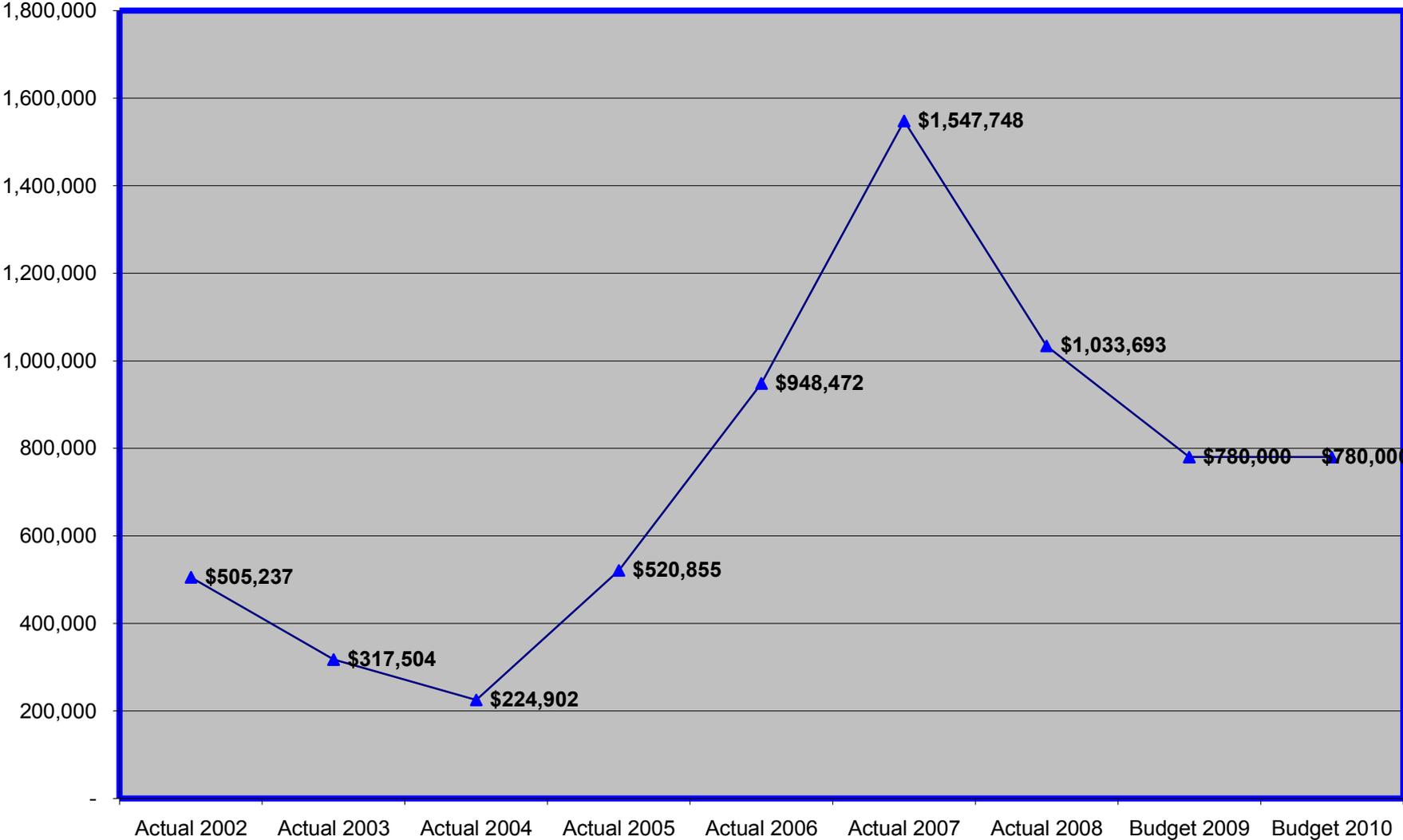
## MOTOR VEHICLE EXCISE TRENDS



## LICENSES & PERMITS TREND



# INVESTMENT INCOME TRENDS



# 2010 Budget Challenges – Revenue Side

- Other Sources & Available Funds:
  - Title V for debt & Admin, Revolving Accounts for fringe benefits, Cemetery Perpetual Care & Waterways Fund for operations, and Parking Meter Receipts Reserved
  - Overlay Surplus & Stabilization for Debt Service
  - BECO Stabilization – last year of a 3 year plan to use this to offset decrease in revenue from BECO.
  - Enterprise Indirect Costs

**Indirect Costs - 2010**

	<b>Water</b>	<b>Sewer</b>	<b>Solid Waste</b>	<b>Airport</b>
Town Manager	\$86,593	\$79,131	\$12,876	\$8,816
Human Resources	\$7,060	\$0	\$2,680	\$3,530
Town Clerk	\$34,247	\$0	\$8,058	\$2,015
Finance Director & Accountant	\$36,577	\$17,894	\$15,182	\$12,326
Procurement	\$11,382	\$668	\$966	
Treasurer & Collector	\$74,909	\$14,883	\$19,221	\$7,443
Information Technology	\$22,825	\$7,248	\$12,535	\$5,933
Board of Health	\$0	\$0	\$1,576	
DPW Administration	\$127,064	\$8,400	\$16,363	
Engineering	\$88,421	\$30,720	\$2,679	
Highway	\$14,316	\$0	\$1,681	
Environmental Management	\$10,388	\$65,073	\$69,033	
Maintenance	\$39,973	\$6,341	\$121,438	
Health, Life, Dental Insurance	\$210,477	\$42,212	\$42,926	\$84,364
Retirement	\$174,656	\$52,488	\$38,290	\$67,165
Property & Liability Insurance	\$50,701	\$23,071	\$3,695	\$3,206
Worker's Compensation Insurance	\$27,153	\$8,228	\$13,628	\$11,269
<b>Total Indirect Costs</b>	<b>\$1,016,742</b>	<b>\$356,357</b>	<b>\$382,827</b>	<b>\$206,067</b>
<b>General Fund Charge Backs:</b>				
Disposal Costs & Landfill Monitoring			(\$87,900)	
Offset for Property Taxes & other				<b>(\$149,067)</b>
Municipal Consumption of Water	(\$65,155)			
Municipal Consumption of Sewer		(\$52,731)		
<b>Sub - total Charge Backs</b>	<b>(\$65,155)</b>	<b>(\$52,731)</b>	<b>(\$87,900)</b>	<b>(\$149,067)</b>
<b>Total Indirect Costs</b>	<b>\$951,587</b>	<b>\$303,626</b>	<b>\$294,927</b>	<b>\$57,000</b>

# 2010 Budget Challenges – Revenue Side

- Property Taxes

- Estimate for new growth is down dramatically:

- 2008 \$1,777,968
    - 2009 \$1,603,439
    - *2010 Estimate* \$1,300,000

- 2 ½ % Growth equals \$2,837,822

- Debt Exclusion for PNHS project \$23,827

- Short Term interest (net of premium) for preliminary study & design services - \$4 million

- Excess Levy Capacity use of \$808,910

- 2009 \$7,029,580
    - *2010 Estimate* \$6,220,670

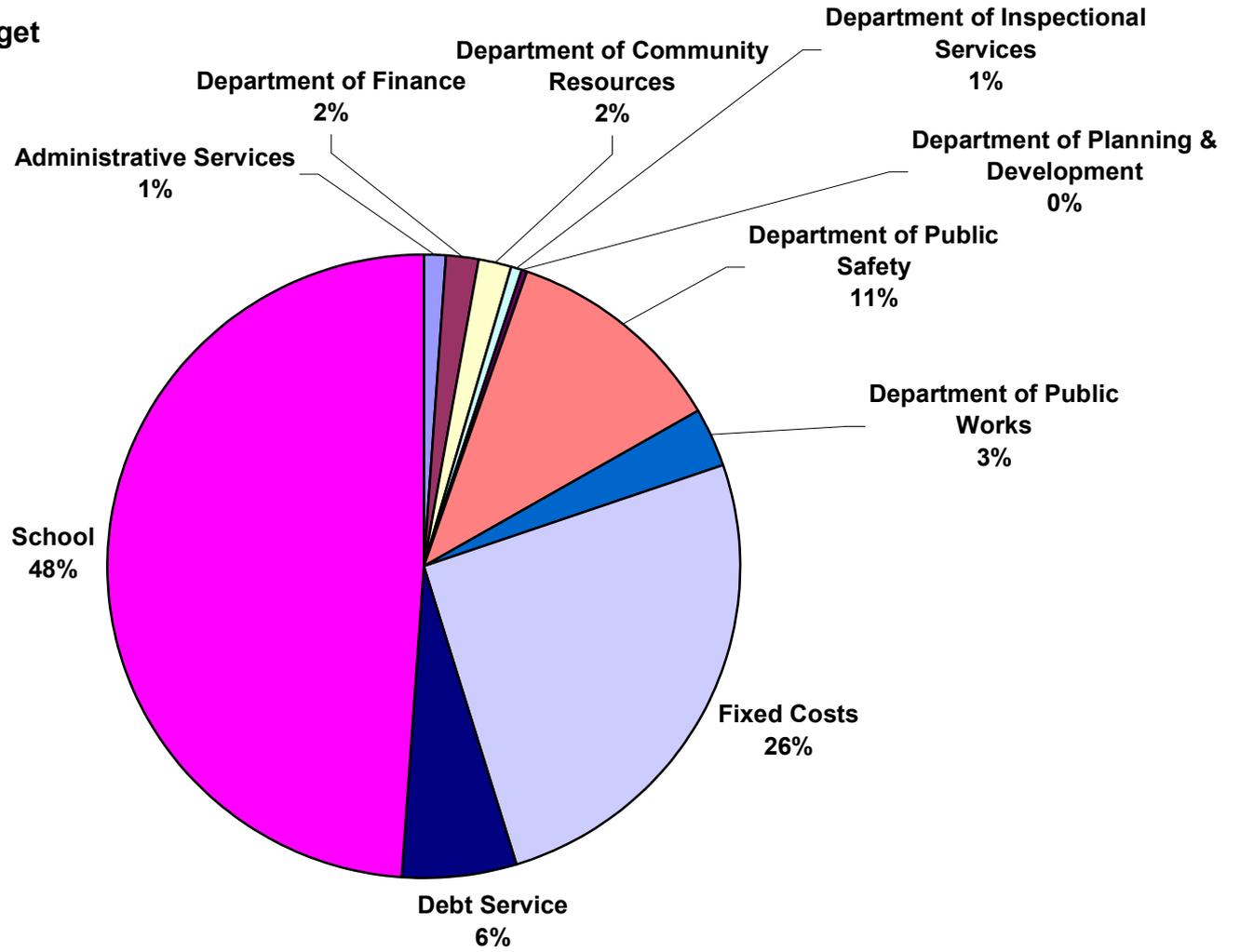
<b>Overall Town Property Tax Levy - Budget Scenarios</b>				
	<b>Value</b>	<b>Tax rate</b>	<b>Levy</b>	
FY 2009 (This Year)	\$9,619,059,316	\$11.07	\$106,482,987	Budget Scenarios
<b>FY 2010 Values dropping 6% and raising \$111.4 m in Levy</b>	<b>\$9,041,915,757</b>	<b>\$12.33</b>	<b>\$111,453,864</b>	<b>Current Recommended Budget (1)</b>

<b>Average Home in Plymouth - Budget Scenarios</b>				
2009 Avg Home (This Year)	\$343,049	\$11.07	\$3,798	Increase in Taxes from 2009 bill
<b>2010 Avg Home decreasing 6% with Recommended budget</b>	<b>\$322,466</b>	<b>\$12.33</b>	<b>\$3,976</b>	<b>\$178</b>

# 2010 Budget Challenges – Expense Side

- Message from the Board of Selectmen:
  - Keep Core Services - Challenging
  - Keep Jobs - Layoffs, Retirements, Reductions
    - Fixed Costs Increasing
    - Cut over \$2 million from the 2009 budget between town & school budgets
  - Reduce Costs
    - Town Liability Insurance (Increase Deductibles & Increase Discounts)
    - Utilities (Energy Saving Measures & Projects to help reduce increases)
    - Health Insurance
      - Un-blending of Rates 7/1/2009 – Future Reductions

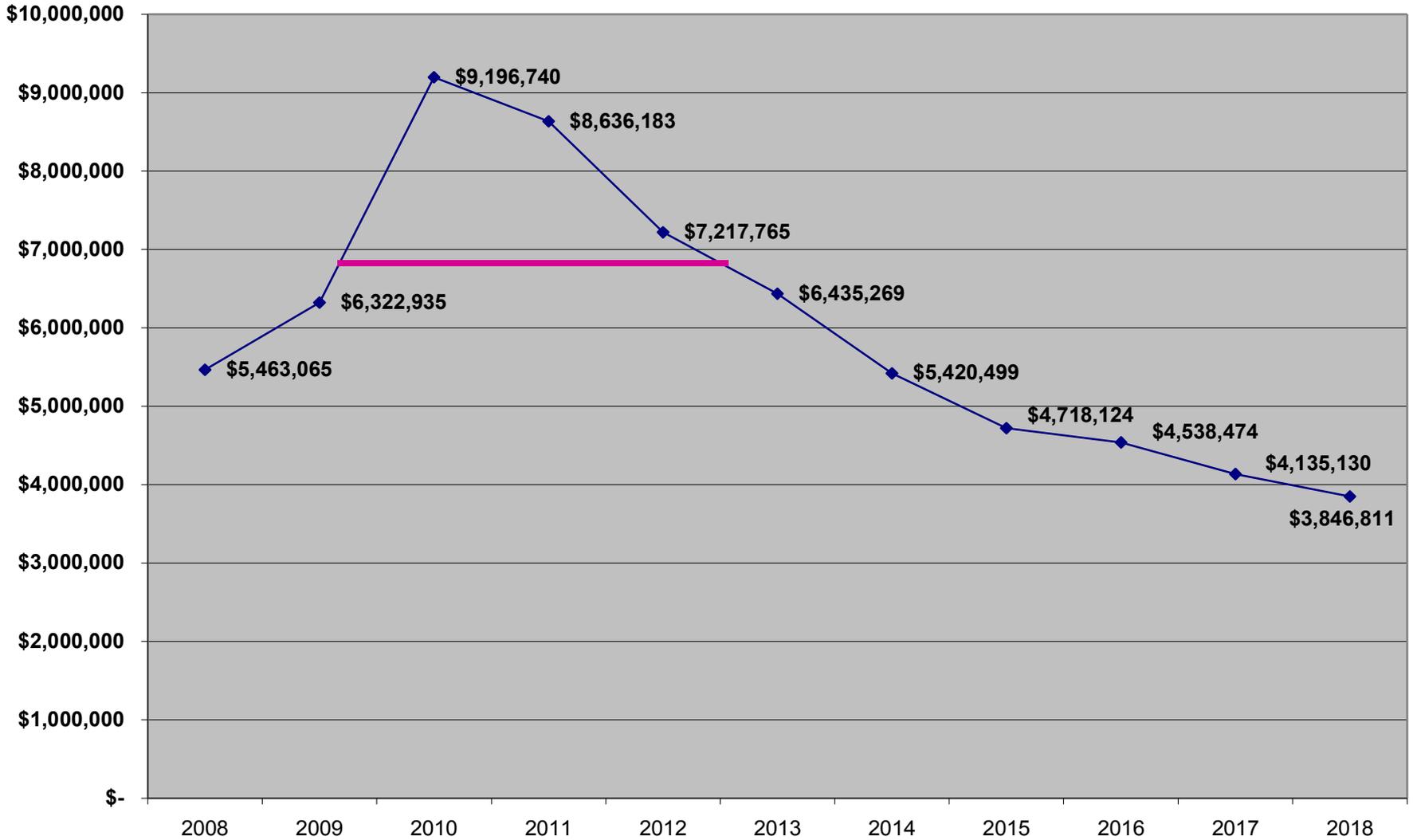
# General Fund Budget



# 2010 Budget Challenges – Expense Side

- Overall Budget Increase 1.60%
  - Fixed Cost Increases overall 5.16%:
    - Health Insurance & Other Member Benefits increased 6.3% overall (includes Medicare B reimbursements for Retirees, Workers Compensation, Town Match of Medicare for Employees subject to)
    - Pensions Increase of 8.37%
    - Tax Title increase of 88.4%
    - Utilities & Fuel level funded
  - Community Debt Service increase of 36.23%
  - Town Department Budget decrease of (2.19%)
  - School Budget decrease of (1.55%)
- Other Expenditures:
  - Snow & Ice Deficit of \$1.2 million, increase of 62.81%
  - Unemployment increase of 407.50%
  - Potential Sewer & Solid Waste Enterprise Fund Deficits
  - Article 8 Town Departmental Equipment decrease of 54.10%
  - School Medicaid Article – spend \$256K to get back \$1 million
  - Tax Title Raised on recap increase of 95.99%

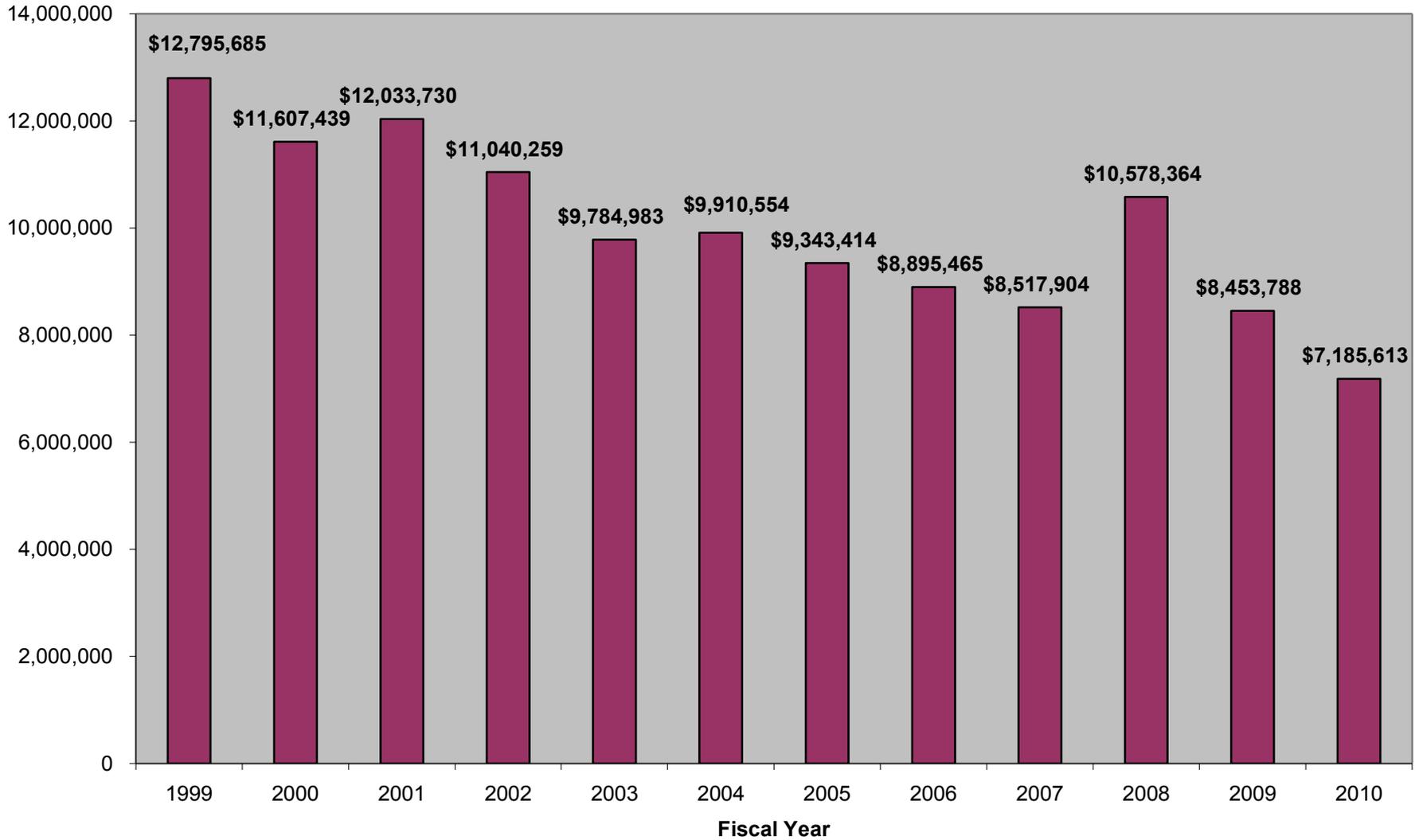
### Debt Service - General Fund



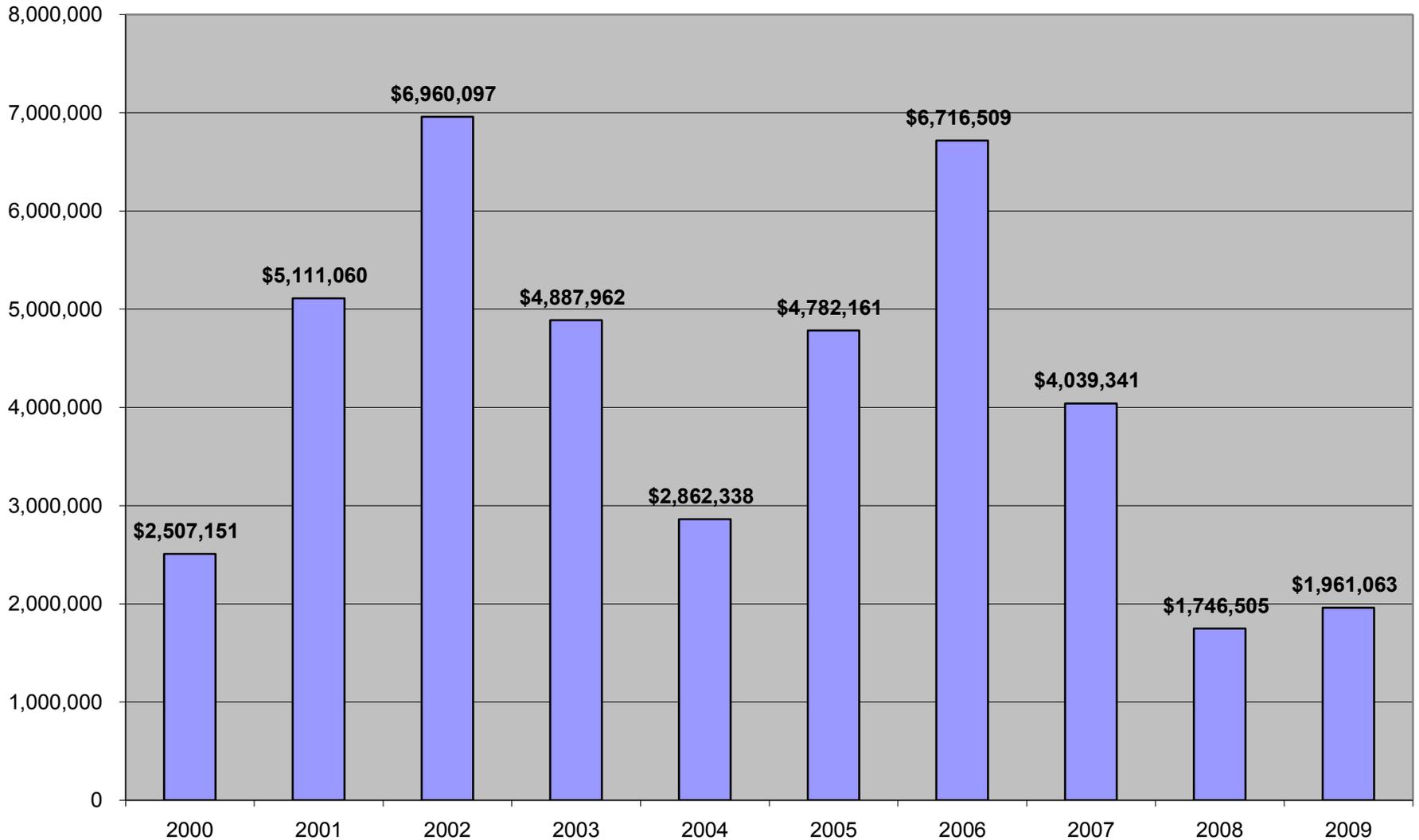
# 2010 Budget Challenges

- Bond Issue \$35.9million (All funds) –
  - Original budget 5% interest Rate – We received Average Coupon Rate of 3.99%
    - Total Savings all funds was \$524K
- Saved another \$40,000 on the short term interest budget for school project
- Refunding of Debt – Future Savings to be determined and voted in the fall (Savings put back in stabilization)
- Stabilization Fund will need to be used next year to help reduce the peak

## Stabilization Fund Balances



## Free Cash Balances



# 2010 Budget Challenges & Beyond

- State Aid Unknowns
- Reduce Fixed Cost Increases
- Keep the Tax Increases to a Minimum
  - Comprehensive Plan for use of Excess levy Capacity
- Commitment to a Healthy Stabilization Fund
- Close Debt Service Monitoring