

Town of Plymouth
Fiscal Year 2008
Budget Primer

Budget Forecasting Overview
September 26, 2006

Introduction

- **The Budget Components**
 - Proforma Budget

 - Budget Guidelines/Key Budget Assumptions
 - Strategic Planning

 - Article 8

 - Capital Planning
 - Planning Calendar

Key Budget Revenue Assumptions

- Revenue
 - Taxes
 - New Growth; level funded at \$2,300,000
 - 2.5% Growth; \$2,600,544
 - BECO Stabilization Transfer
 - \$3,500,000
 - Local Receipts
 - Trending; five year trend analysis
 - Allocation Percent; 95 % of projected revenues
 - State Aid
 - State aid will be projected at 2006 levels until otherwise confirmed by State Delegation

Revenues

	Budget Fiscal Year 2007	Budget Fiscal Year 2008	Budget Fiscal Year 2009	Budget Fiscal Year 2010	Budget Fiscal Year 2011	Budget Fiscal Year 2012
Edison Payment	11,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
From Stabilization Accounts	-					
GS: General Fund Debt Service	2,750,000	2,750,000	2,750,000	2,750,000	2,750,000	2,750,000
GS; Funding WW Debt Service	250,000	250,000	250,000	250,000	250,000	250,000
BECO Stabilization Fund; Operating		3,500,000	4,200,000			
Subtotal	3,000,000	6,500,000	7,200,000	3,000,000	3,000,000	3,000,000

Revenues; Tax Levy

	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>
Prior Year Levy Capacity	99,240,750	104,021,769	108,922,313	113,645,371	118,486,505	123,448,668
2.5 % Increase	2,481,019	2,600,544	2,723,058	2,841,134	2,962,163	3,086,217
New Growth	2,300,000	2,300,000	2,000,000	2,000,000	2,000,000	2,000,000
Debt Exclusions	400,000	350,000	300,000	250,000	200,000	100,000
Less						
In Lieu of Tax (Shift Differential)	(11,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Unused Levy Capacity (FY 2008 Reserve)	(7,556,099)	(4,047,504)	(1,555,473)	(20,542)		
Subtotal	85,865,670	104,224,809	111,389,897	117,715,963	122,648,668	127,634,884

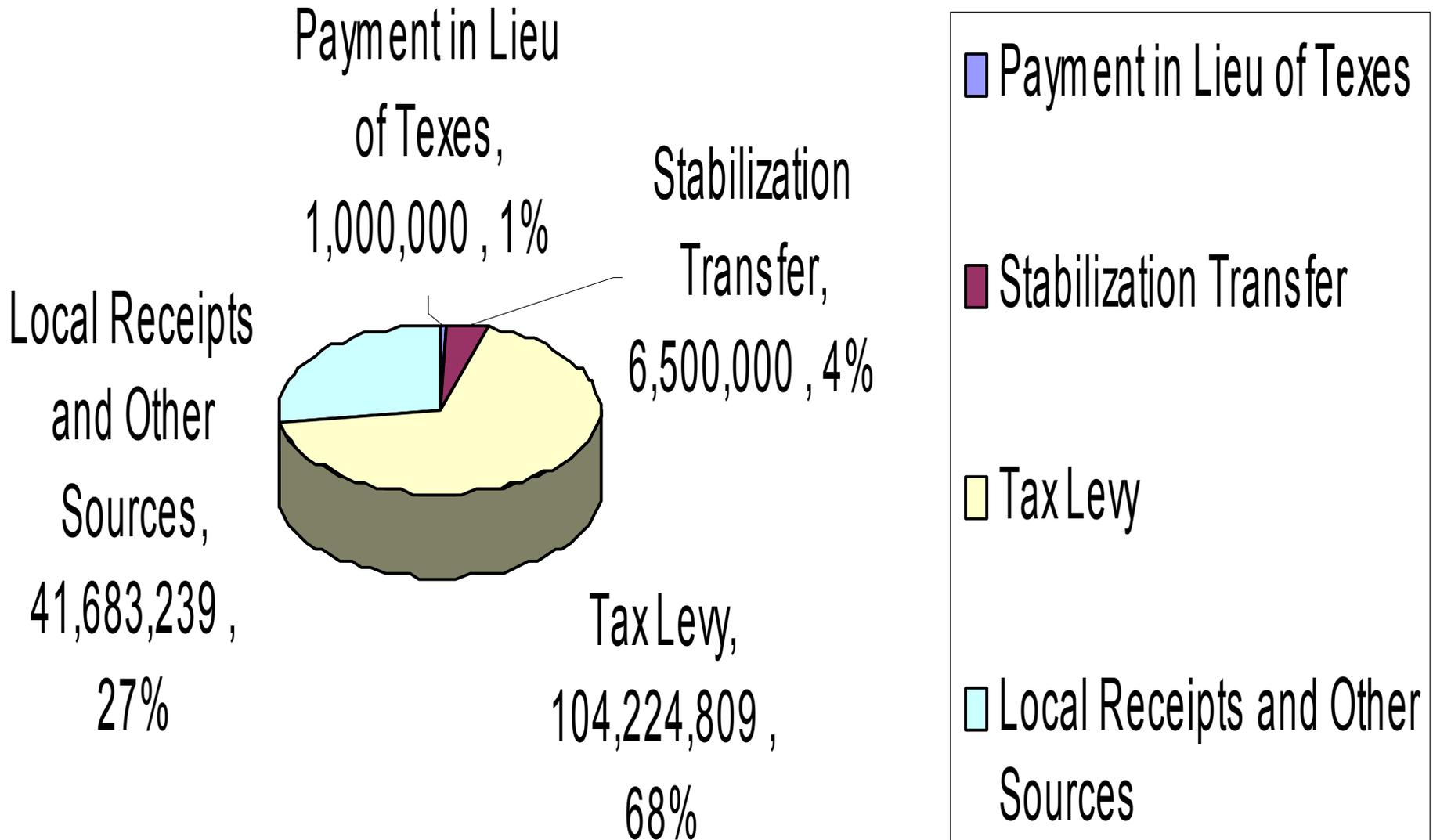
Revenues; Local Receipts and Other Sources of Funds

	Budget	Budget	Budget	Budget	Budget	Budget
	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Local Receipts	14,430,832	14,969,041	15,270,696	15,578,497	15,892,574	16,213,058
State Aid	25,709,826	25,709,826	25,709,826	25,709,826	25,709,826	25,709,826
Other Sources and Transfers	1,004,372	1,004,372	1,004,372	1,004,372	1,004,372	1,004,372
Subtotal	41,145,031	41,683,239	41,984,894	42,292,695	42,606,772	42,927,256

Revenues; Summary

	Budget	Budget	Budget	Budget	Budget	Budget
	Fiscal Year					
	2007	2008	2009	2010	2011	2012
Payment in Lieu of Tax	11,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Stabilization Transfer	3,000,000	6,500,000	7,200,000	3,000,000	3,000,000	3,000,000
Tax Levy, <i>net of unused levy capacity</i>	85,865,670	104,224,809	111,389,897	117,715,963	122,648,668	127,634,884
Local Receipts and Other Sources	41,145,031	41,683,239	41,984,894	42,292,695	42,606,772	42,927,256
Total Revenue	141,010,700	153,408,048	161,574,791	164,008,659	169,255,440	174,562,141

REVENUE BY CATEGORY



Budget Guidelines

- Expenditures
 - Wages and other Employee Compensation
 - COLA; 3% increase
 - Steps & Other Compensation; weighted average of 2% increase
 - Operating Expenditures
 - Contractual Services, 1.5% increase (*not automatic*)
 - Fuel/Electricity/Utilities
 - 5% increase
 - Fixed Costs
 - Health and Other Insurances; 10% increase
 - Pension; 8% increase

Expenditures; Municipal Services

	Budget Fiscal Year 2007	Budget Fiscal Year 2008	Budget Fiscal Year 2009	Budget Fiscal Year 2010	Budget Fiscal Year 2011	Budget Fiscal Year 2012
Administrative Services	1,358,973	1,414,288	1,466,687	1,496,020	1,525,941	1,556,460
Department of Finance	1,781,500	1,855,064	1,931,997	1,970,631	2,010,037	2,050,232
Department of Community Resources	1,944,076	2,020,091	2,099,483	2,141,473	2,184,302	2,227,988
Department of Inspectional Services	718,759	753,202	789,337	805,124	821,226	837,651
Department of Planning and Development	510,035	531,675	554,319	565,405	576,714	588,248
Department of Public Safety	16,372,632	17,163,975	17,994,371	18,617,201	19,265,667	19,940,941
Department of Public Works	4,510,450	4,690,662	4,878,381	4,975,949	5,075,468	5,176,977
	27,196,425	28,428,957	29,714,575	30,571,803	31,459,355	32,378,497

Expenditures; Fixed Costs

	Fiscal Year					
	2007	2008	2009	2010	2011	2012
TOWN: Salary Reserve Account	775,000	798,250	822,198	846,863	872,269	898,437
FinCom Reserve Account	100,000	100,000	100,000	100,000	100,000	100,000
Fuel and Utility Reserve	340,000	374,000	411,400	452,540	497,794	547,573
Tax Title Foreclosure	65,000	66,300	67,626	68,979	70,358	71,765
Snow and Ice	290,492	301,527	313,005	321,413	330,055	338,939
Street and Traffic Lighting	315,000	346,500	363,825	382,016	401,117	421,173
Pensions	5,799,029	6,378,932	7,016,825	7,718,508	8,490,358	9,339,394
Member Benefits	1,770,509	1,984,283	2,182,712	2,400,983	2,641,081	2,905,189
Member Insurance	20,643,094	22,960,971	25,257,068	27,782,775	30,561,052	33,617,158
Town Insurance	660,389	726,428	799,070	878,977	966,875	1,063,563
Total Fixed Costs	30,758,512	34,037,190	37,333,729	40,953,054	44,930,961	49,303,192

Expenditures; Other Operating

	Budget Fiscal Year 2007	Budget Fiscal Year 2008	Budget Fiscal Year 2009	Budget Fiscal Year 2010	Budget Fiscal Year 2011	Budget Fiscal Year 2012
Debt Service (exclusive of 9/06 debt exclusion)	6,001,871	6,414,403	7,219,712	8,264,577	8,966,833	8,299,190
Intra-governmental Transfers	1,366,889	1,368,550	1,368,550	1,368,550	1,368,550	1,368,550
Total Other Operating	7,368,760	7,782,953	8,588,262	9,633,127	10,335,383	9,667,741

Expenditures; School Operating

	Budget Fiscal Year 2007	Budget Fiscal Year 2008	Budget Fiscal Year 2009	Budget Fiscal Year 2010	Budget Fiscal Year 2011	Budget Fiscal Year 2012
Personal Services	52,147,567	54,708,440	54,929,107	57,675,562	60,559,340	63,587,307
Operating Expenses	16,552,006	16,883,046	17,220,707	17,565,121	17,916,424	18,274,752
Total: School Expenditures	68,699,573	71,591,487	72,149,814	75,240,683	78,475,764	81,862,059

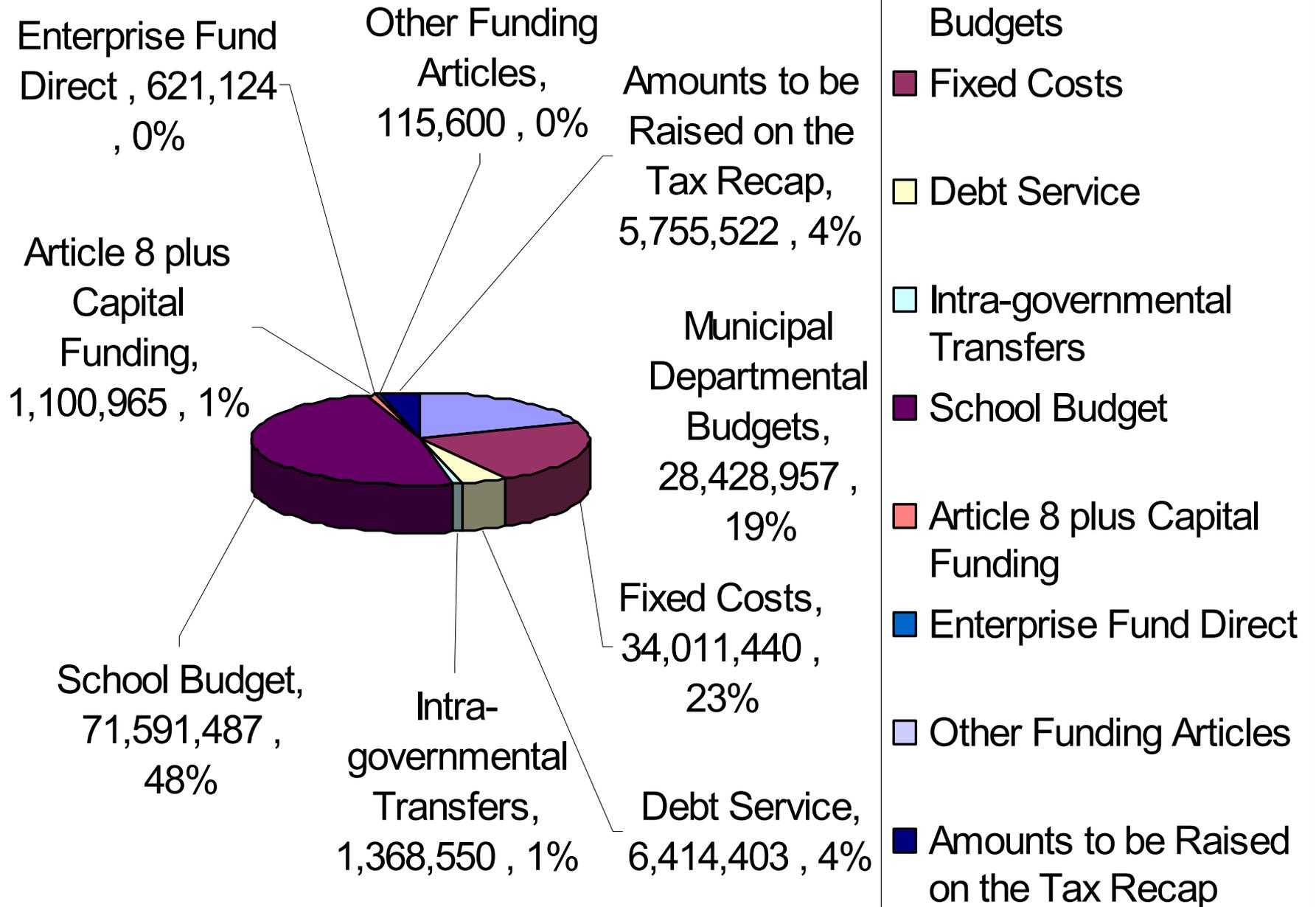
Expenditures; Other Amounts to be Raised

	Budget Fiscal Year 2007	Budget Fiscal Year 2008	Budget Fiscal Year 2009	Budget Fiscal Year 2010	Budget Fiscal Year 2011	Budget Fiscal Year 2012
Article 8; Purchases of Non-Cap Equipment	500,965	500,965	500,965	500,965	500,965	500,965
Capital Funding	1,040,310	600,000	600,000	600,000	600,000	600,000
Direct Enterprise Fund	603,033	621,124	639,758	658,951	678,719	699,081
Unemployment Compensation Plan	100,000	103,000	106,090	109,273	112,551	115,927
Household Hazardous Waste	12,600	12,600	12,600	12,600	12,600	12,600
Overlay Reserve	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Cherry Sheet Offsets	3,755,522	3,755,522	3,755,522	3,755,522	3,755,522	3,755,522
Snow and Ice	0	0	0	0	0	0
Unfunded Liability (GASB 43)	0	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total; Other Amounts to be Raised	7,012,430	7,593,211	7,614,935	7,637,310	7,660,357	7,684,095

Expenditure; Summary

	Fiscal Year					
	2007	2008	2009	2010	2011	2012
Municipal Departmental Budgets	27,196,425	28,428,957	29,714,575	30,571,803	31,459,355	32,378,497
Fixed Costs	30,758,512	34,037,190	37,333,729	40,953,054	44,930,961	49,303,192
Debt Service	6,001,871	6,414,403	7,219,712	8,264,577	8,966,833	8,299,190
Intra-governmental Transfers	1,366,889	1,368,550	1,368,550	1,368,550	1,368,550	1,368,550
School Budget	68,699,573	71,591,487	72,149,814	75,240,683	78,475,764	81,862,059
Article 8 plus Capital Funding	1,541,275	1,100,965	1,100,965	1,100,965	1,100,965	1,100,965
Enterprise Fund Direct	603,033	621,124	639,758	658,951	678,719	699,081
Other Funding Articles	112,600	115,600	118,690	121,873	125,151	128,527
Amounts to be Raised on the Tax Recap	4,755,522	5,755,522	5,755,522	5,755,522	5,755,522	5,755,522
Total Expenditures	141,035,700	153,408,048	161,574,791	164,035,977	172,861,819	180,895,583

EXPENDITURES BY CATEGORY



Proforma Tax Rate / Tax Bill Data

FISCAL YEAR	TOTAL VALUE SINGLE FAMILY PARCELS	NUMBER OF SINGLE FAMILY PARCELS	AVG VALUE SINGLE FAMILY PARCELS	TAX RATE	AVERAGE TAX BILL	AVG BILL INCREASE/ (DECREASE)
2008*	\$5,891,866,583	17,082	\$344,917	\$ 12.18	\$4,201.09	\$ 679.49
2007*	\$5,891,866,583	17,082	\$344,917	\$ 10.21	\$3,521.60	\$ 113.82
2006	\$5,891,866,583	17,082	\$344,917	\$ 9.88	\$3,407.78	\$ 185.12

* *Estimated taxes based on FY06 average single family home*

* *Estimated tax rate*

Budget Development

• Objectives-

- Goal setting/performance based budget initiatives initiated with the FY 2007 budget
- Matching Department budgets with BoS goals
- Level Service Budget – continue with improved / expanded services
- Continue with long-term time horizon perspective and planning
 - Operating budgets;
 - Capital budgets; current year, 5 year and 10 years and over projections/submissions
- Capital Budgets will be submitted and considered earlier

Budgetary Constraints

- *Edison "PILOT"* payment decrease of \$10 million.
- *GASB Statements 43 & 45, and IBNR*
 - continue \$1,000,000 funding
- *Member benefits,*
 - 10% increase, or a \$2,700,000 increase over FY 2007
- *Pension Contribution,*
 - 8% or \$600,000 increase
- *Fuel and Utilities; evaluating cost containment initiatives*
 - 5% or \$100,000
- *Municipal Salaries*
 - Steps plus 3% Cola; \$1,200,000
- *School budget*
 - Applying similar assumptions, net of transportation, \$2,900,000 increase

Remaining Actions; *Budget Calendar*

Date

Action

September 26, 2006

BOS MEETING - Joint meeting with Finance and School Committees. This will be a budget forecasting session. BoS will also vote to accept the budget guidelines.

September 29, 2006

Department and Division Head budget workshop at the Joslin Property

October 13, 2006

DEADLINE to submit budgets

October 20, 2006

Budget submittals back to departments for final verification

October 25, 2006

Final verified budgets back to Finance

October 27, 2006

Internal meeting to review department submissions

October 30 2006 thru

November 6, 2006

Budget Reviews with the Town Manager

November 15, 2006

Town Manager's recommendations completed and distributed

November 20/21, 2006

Appeal meetings

December 5, 2006

Board of Selectmen Budget Presentation and adoption

December

COEC Meeting (anytime after October 6th)