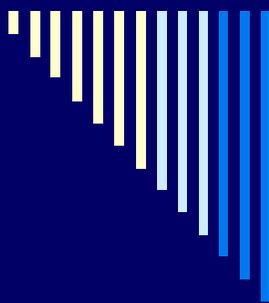


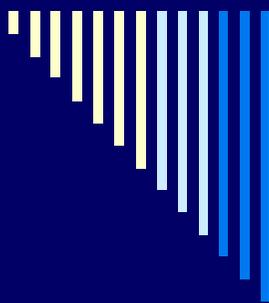
Town of Plymouth
Updated Budget
Recommendation 2014
January 22, 2013

Melissa Arrighi, Town Manager
Lynne Barrett, Director of Finance



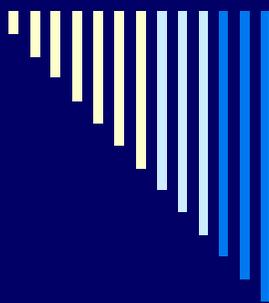
Available Funds (Free Cash)

- *“...free cash is a community's unrestricted available funds that may be used as a funding source for appropriations. Free cash is generated when the actual operating results compare favorably with the budget. Specifically, free cash is generated when actual revenue collections are more than budget estimates, and when expenditures and encumbrances (unpaid bills and orders) are less than appropriations, or both.*
- *Free cash provides communities with a certain flexibility in that it is the major source of funding for any supplemental appropriation after the annual budget has been adopted and a tax rate set.*
- *Free cash can only be used after the certification process is complete.”*



Available Funds (Free Cash)

- *“DOR recommends that communities understand the role free cash plays in sustaining a strong credit rating and encourages the adoption of policies on its use. Under sound financial policies, a community would strive to generate free cash in an amount equal to 3-to-5 percent of its annual budget. Free cash would not be depleted in any year, so that the following year's calculation would begin with a positive balance. Conservative revenue projections and departmental appropriations would be orchestrated to produce excess income and departmental turn backs. As a non-recurring revenue source, a prudent use of free cash would be to fund one-time expenditures, a capital purpose or to replenish other reserves. If projected as a revenue source to support the ensuing year's operations, the amount used would be restricted to a percentage of total free cash.*
 - *However, DOR also recommends that free cash not be available to supplement current year departmental operations. By eliminating the expectation of additional resources later in the fiscal year to back-fill budgets, department heads will produce more accurate and realistic annual appropriation requests. “*
-
- Mass DOR, DLS, Technical Assistance Section, Free Cash



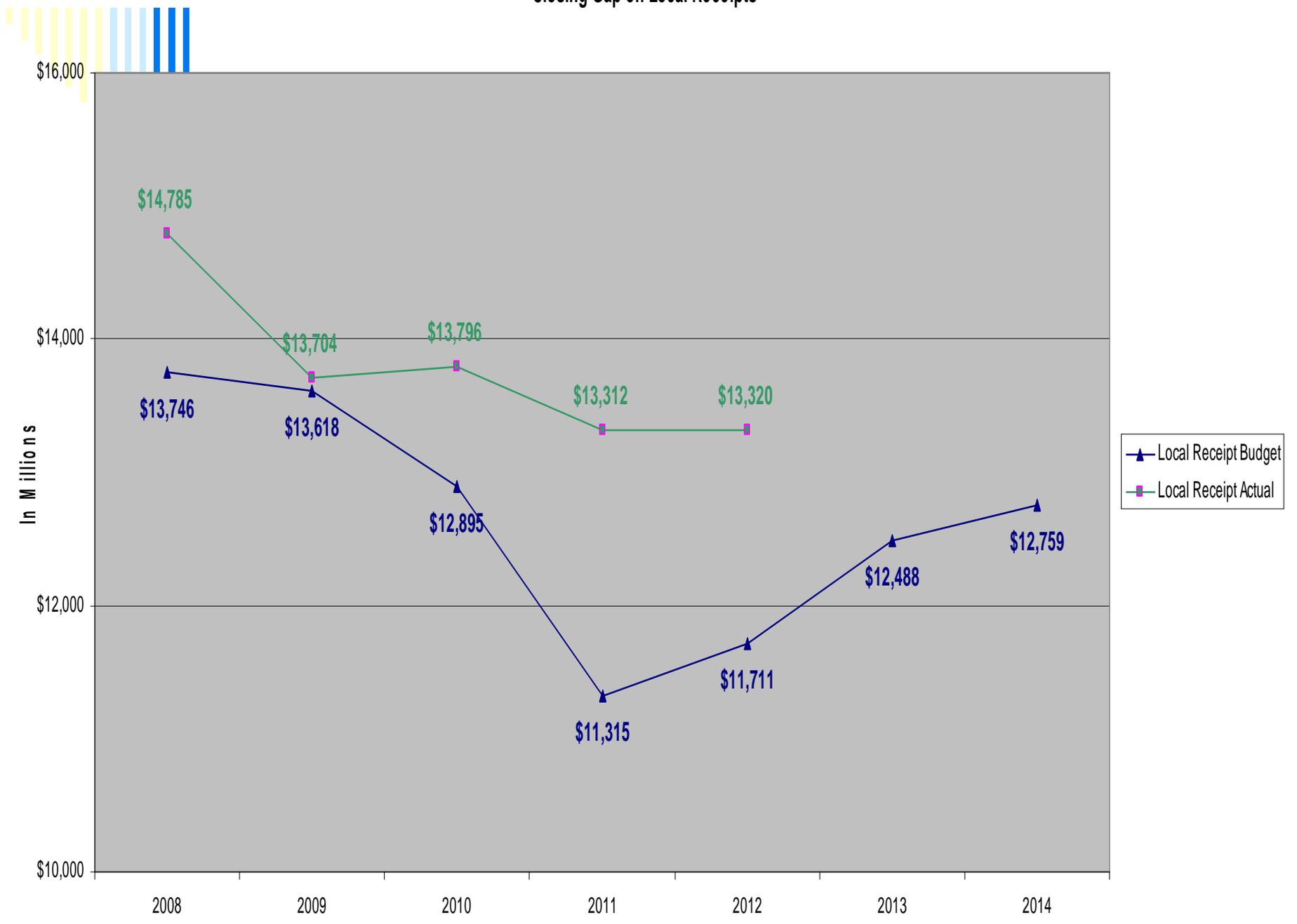
Available Funds (Free Cash)

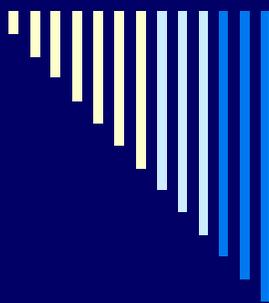
- DOR Certified Available Funds at \$4.8 million
 - Where does it come from:
 - DOR Calculation from the 6/30/12 Balance Sheet
 - Budgeted Revenues - \$1.7 million
 - Budget Savings - \$2 million
 - Unused from Prior Year - \$670 K
 - Town Manager Recommended Use:
 - The first of an annual set aside into the “Plant Mitigation Fund” - \$1 million
 - Article 8 Departmental Equipment \$725 K
 - Set aside and save 10%
 - Remaining available for Capital funding during the COEC ranking process or other items
-

**Town of Plymouth
Budget vs. Actual - State and Local Revenue
Fiscal Year 2012**

FROM THE COMMONWEALTH	Budget	Actual	Difference	%
Veteran's Benefits	\$ 603,303.00	\$ 624,956.00	\$ 21,653.00	103.59%
Exemptions	\$ 242,687.00	\$ 274,498.00	\$ 31,811.00	113.11%
Police Career Incentive	\$ -	\$ -	\$ -	# DIV /0!
State Owned Land	\$ 491,425.00	\$ 491,425.00	\$ -	100.00%
Chapter 70	\$ 21,778,007.00	\$ 21,778,007.00	\$ -	100.00%
Charter School Reimbursement	\$ 1,288,429.00	\$ 1,066,193.00	\$ (222,236.00)	82.75%
General Municipal Aid	\$ 3,074,658.00	\$ 3,074,658.00	\$ -	100.00%
Total from the Commonwealth	\$ 27,478,509.00	\$ 27,309,737.00	\$ (168,772.00)	99.39%
FROM LOCAL RECEIPTS				
Motor Vehicle Excise	\$ 5,652,873.00	\$ 6,390,921.45	\$ 738,048.45	113.06%
Other Excise (Hotel & Boat)	\$ 540,274.00	\$ 716,482.80	\$ 176,208.80	132.61%
Penalties/Interest on Taxes	\$ 551,712.00	\$ 628,420.00	\$ 76,708.00	113.90%
Payment In Lieu of Taxes	\$ 56,883.00	\$ 71,398.78	\$ 14,515.78	125.52%
Fees	\$ 437,922.00	\$ 441,747.32	\$ 3,825.32	100.87%
Rentals	\$ 566,892.00	\$ 796,751.58	\$ 229,859.58	140.55%
Departmental Revenue - School (Medicaid Reimb & P-Card Rebate)	\$ 600,000.00	\$ 430,596.69	\$ (169,403.31)	71.77%
Departmental Revenue - Cemeteries	\$ 74,025.00	\$ 69,750.00	\$ (4,275.00)	94.22%
Departmental Revenue - Crematory	\$ 257,000.00	\$ 305,825.00	\$ 48,825.00	119.00%
Departmental Revenue - Recreation	\$ 81,146.00	\$ 104,224.00	\$ 23,078.00	128.44%
Other Departmental Revenue	\$ 217,271.00	\$ 351,313.89	\$ 134,042.89	161.69%
Licenses and Permits	\$ 1,435,083.00	\$ 1,657,936.20	\$ 222,853.20	115.53%
Fines and Forfeits	\$ 312,073.00	\$ 350,297.23	\$ 38,224.23	112.25%
Investment Income	\$ 180,000.00	\$ 328,496.27	\$ 148,496.27	182.50%
Other Miscellaneous Income	\$ 747,697.00	\$ 702,786.88	\$ (44,910.12)	93.99%
Other Miscellaneous Income - Non-recurring	\$ -	\$ 251,932.14	\$ 251,932.14	# DIV /0!
			\$ -	# DIV /0!
Total Local Receipts	\$ 11,710,851.00	\$ 13,598,880.23	\$ 1,888,029.23	116.12%
GRAND TOTAL - STATE & LOCAL RECEIPTS	\$ 39,189,360.00	\$ 40,908,617.23	\$ 1,719,257.23	104.39%

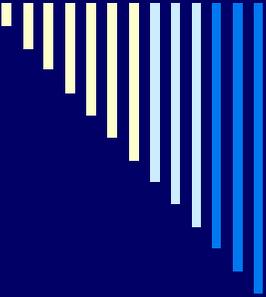
Closing Gap on Local Receipts





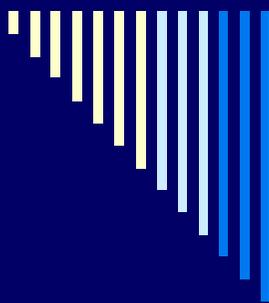
Available Funds (Free Cash)

- Statewide Free Cash for 2012 \$832 Million
 - Plymouth .68% of statewide total
 - Plymouth 3.03% as a % of 2012 Total Budget
 - State Guideline 3% to 5%
 - Communities within Guideline = 83
 - Communities below 3% = 165
 - 11 Negative Free Cash
 - 23 No Certification
 - Communities above 5% = 103
 - Some as high as 20%
-



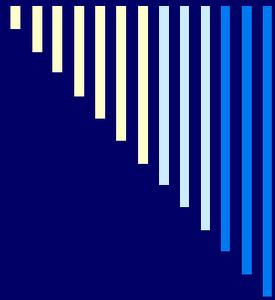
Other Budget Considerations

- Debt Service – May 2013
 - Interest Rates are at an all time low
 - Budget at Coupon Rate
 - Net Interest Cost could be lower because of premium quoted (premium pays for issuance costs remaining goes to free cash except for debt exclusion premium)
 - Underwriters flexibility will save us money
 - Amortization Schedules – Weigh the short term versus the long term with interest cost
 - FATM we will make adjustments accordingly
-



Other Budget Considerations

- ❑ Snow & Ice Deficit Estimate \$685,000
 - ❑ Allowance for Abatements & Exemptions \$1 million
 - ❑ State & County Charges 5% Increase to \$6.8 million
 - ❑ Tax Rate Effect
 - Every \$100,000 of Expense = Penny on Tax Rate
 - \$100 million of property value on this budget = .18 cents on Tax Rate
-



Recommended Budget

- General Fund:
 - \$167,628,212 (a reduction of \$201,090 from original recommendation)
 - *Based on this budget using 2013 property values and the 2013 average home of \$300,298 this is an APPROXIMATE increase in taxes of \$224 for the average home.*
- Airport:
 - \$2,698,315
- Sewer:
 - \$4,495,512
- Water:
 - \$3,052,374
- Solid Waste – Scheduled for a later date