



Town of Plymouth – Financial Management Policies & Guidelines

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Foundation Basics of Financial Policies & Guidelines

- Fiscal Reserves
- Planning & Monitoring
- Capital Planning & Debt Service Management
- Revenue Enhancement
- Investments
- Stakeholder Endorsement & Engagement

Fiscal Reserves

- Written Policies to Fund & Maintain Reserves
 - Help communities to sustain operations during difficult economic periods
 - Hold money for specific future purposes
 - Finance unforeseen or emergency needs
 - In limited instances, provide revenue sources for the annual budget
 - Positively impact a community's credit rating and, consequently, its long-term cost to fund major projects

Fiscal Reserves - General

Reserve Description	%	Policy Goal				Actual Balance	%
		Based on	Year	Goal			
Undesignated Fund Balance	5.00%	210,279,320	GF Budget	2018	10,513,966	11,124,376	5.29%
	10.00%	210,279,320	GF Budget	2018	21,027,932		
Free Cash Balance	2.50%	210,279,320	GF Budget	2018	5,256,983	5,686,497	2.70%
	5.00%	210,279,320	GF Budget	2018	10,513,966		
Stabilization Fund	5.00%	210,279,320	GF Budget	2018	10,513,966	10,055,441	4.78%
	10.00%	210,279,320	GF Budget	2018	21,027,932		
Total Unrestricted (UFB & Stabilization)	10.00%	210,279,320	GF Budget	2018	21,027,932	11,124,376	5.29%
	20.00%	210,279,320	GF Budget	2018	42,055,864		
						21,179,817	10.07%

- Government Finance Officers Association (GFOA) www.gfoa.org recommends, at a minimum, that general-purpose governments, regardless of size, maintain unrestricted budgetary fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures.

Other Specific Reserves

		Policy Goal							
Reserve Description	%	Based on		Year	Goal Balance		Actual Balance	%	
Health Insurance Trust Fund	15.00%	35,459,794	Annual Claims Exp	2018	5,318,969	IBNR	2,453,000		
	25.00%	35,459,794	Annual Claims Exp	2018	8,864,948	Other	5,446,462		
		2,954,983	Average Monthly			Total	7,899,462	22.28%	
Dental Insurance Trust Fund	15.00%	2,163,836	Annual Claims Exp	2018	324,575	IBNR	150,000		
	25.00%	2,163,836	Annual Claims Exp	2018	540,959	Other	806,116		
		180,320	Average Monthly				956,116	44.19%	
Overlay	0.60%	166,379,503	Annual Property Tax Levy	2018	998,277		949,910	0.57%	
	1.00%	166,379,503	Annual Property Tax Levy	2018	1,663,795				

Other Specific Reserves & Policies

- Nuclear Mitigation Special Purpose Stabilization Fund
- OPEB Trust Fund
- Pavement Management Plan Debt Special Purpose Stabilization Fund
- 1820 Court House Fund (Meals Tax)
- Environmental Affairs Fund (50% Renewable Energy PILOT's)

Planning & Monitoring

- Multi Year Forecasting Tool
- Website Changes to enhance reporting and monitoring of activity
- Financial Report Center
 - Audits, Budget Info Page, Debt Info
 - Policies once Endorsed
 - Reserves
 - Financial Reports
 - Monthly Revenue & Expenditures – Budget to Actual
 - Other Reports
 - CPA Info – Project Specific

Capital Planning & Debt Service Management

- Capital Improvements Bylaw
 - 5 Year Capital Plan
 - Ranking process by CIC for current year
- Debt Service Guidelines
 - % of Debt Service to Budget between 5% to 10%
 - Maturity & Structure
 - Reconciliation & Record Keeping
 - Refunding Opportunities

Revenue Enhancement

- Assessors Valuation Process in accordance with DOR Standards
- Collection of Receivables
- Licenses & Permits By-law
- Annual Review of all Fees

Stakeholder Endorsement & Engagement

- Stakeholders:
 - Boards, Committees and Town Meeting Members
 - All Employees
 - Taxpayers
 - General Public here and outside of Plymouth
- Working Document that will change and get updated frequently
- Web site will provide reporting, education and interest
- **Recommendation to endorse the Financial Policies & Guidelines**