

Town of **BARNSTABLE**

Massachusetts







TEN YEAR FINANCIAL FORECAST

In order to assist town leaders with their strategic planning process, this document provides an in-depth look at the Town's current financial condition, revenue and expenditure trends over the past ten years and projections for the next decade.

Mark S. Ells Town Manager January 19, 2017 2018

Fiscal Years 2018 through 2027

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SECTION I – INTRODUCTION & SUMMARY

Long-term financial forecasting allows the town to consider its financial future beyond the current and immediate subsequent fiscal year. This offers the opportunity for better management of the community's fiscal health as long-term imbalances can be identified and strategies to counteract them can be developed. It is a strategic process that varies significantly between communities as well as the annual budget process.

As with any long-range forecast, this document should not be interpreted as a spending plan for the next 10 years. Decisions regarding the allocation of resources and spending priorities can change from year-to-year. Any adjustments to priorities should take into account key financial data. Additionally, the town needs to consider the impacts of these decisions on the town's financial position. Decisions made locally and at the state level in the next six months could substantially influence revenue and expense levels, which are reflected in this report.

The focus of the Ten-Year Forecast should not be centered on the accuracy of the numbers provided herein but rather on the trends illustrated. Furthermore, how this report can be connected to the Town's other planning documents such as, the Annual Operating Budget, Capital Improvement Plan, and the Town Council's Strategic Plan need to be considered. These plans are all interconnected and the Ten-Year Forecast is as good a place to start when juxtaposed with the other documents.

GENERAL FUND SUMMARY

The General Fund is the main operating fund of the Town. It is used to account for financial resources except those required to be accounted for in other funds, i.e. enterprise funds. It is used by the Town for recording property taxes and is the central focus of this forecast. The difference between the projected revenue and expenditures is referred to as the budget gap. Neither new services nor the expansion of existing services has been incorporated into this forecast. If new services are necessary, then it will require a corresponding cost reduction to an existing service or a new funding source must be identified. The Town Council's strategic plan will be used as a guide to make these types of decisions from year to year. No attempt is made in this forecast to predict Town Council priorities over the next ten years.

The budget gaps projected for the next 10 years are offset by an estimate of budget surplus to be generated each year. Surplus is generated from two sources; returned appropriations and actual revenues exceeding budget estimates. The budget gaps in the projection are covered by the use of surplus. The use of surplus is restored by the generation of surplus when the previous fiscal year is closed. The following table compares the use and generation of surplus over the past 10 years.

	Beginning	Use	d For:		Ending
Certification Date:	Balance	Operations	Capital	Generated	Balance
July 1, 2008 (FY09)	\$17,321,483	(\$6,390,369)	(\$4,500,000)	\$1,501,616	\$7,932,730
July 1, 2009 (FY10)	\$7,932,730	(\$1,930,000)	\$0	\$2,408,587	\$8,411,317
July 1, 2010 (FY11)	\$8,411,317	(\$1,080,758)	\$0	\$3,416,013	\$10,746,572
July 1, 2011 (FY12)	\$10,746,572	(\$1,195,000)	(\$2,000,000)	\$4,768,613	\$12,320,185
July 1, 2012 (FY13)	\$12,320,185	(\$687,330)	\$0	\$5,639,538	\$17,272,393
July 1, 2013 (FY14)	\$17,272,393	(\$3,579,836)	(\$7,000,000)	\$4,403,107	\$11,095,664
July 1, 2014 (FY15)	\$11,095,664	(\$3,585,000)	(\$591,993)	\$6,451,368	\$13,370,039
July 1, 2015 (FY16)	\$13,370,039	(\$4,104,926)	(\$1,037,689)	\$5,721,779	\$13,949,203
July 1, 2016 (FY17)	\$13,949,203	(\$2,726,877)	(\$4,000,000)	\$5,908,772	\$13,131,098
Totals		(28,857,726)	(21,364,682)	49,911,941	

As the table above illustrates, the Town used about \$800,000 more in surplus than generated in FY 2016 resulting in a decline in surplus from \$13.9 million to \$13.1 million. On average, the town has generated nearly \$5 million of surplus per year. Much of the surplus generated over

the past 10 years has been used to augment the capital program and to fund snow and ice removal operating budget deficits. The town has limited the amount of surplus used to finance reoccurring operating expenses.

General Fund revenue for the fiscal year ending June 30, 2016 performed very well. Property tax collections were 97.25% of the committed levy amount, motor vehicle and rooms excise taxes exceeded budget estimates by \$1.3 million, a \$1 million premium was received on the town's FY16 bond issue, and other local receipts exceeded budget estimates by \$1.5 million. Combined with unexpended appropriations the General Fund generated \$5.9 million of surplus. The General Fund surplus was certified by the state Division of Local Services as of July 1, 2016 at \$13,131,098. This represents 8.7% of the FY17 operating budget. Fund balance policy recommendations set an acceptable range between 8% and 16% of the operating budget; depending upon a community's revenue and expense volatility, susceptibility to natural disasters, immediate capital needs, and exposure to state and federal aid cuts. The Town Council's current fund balance policy reserve is 4% resulting in \$7,288,738 of funds in excess of the policy reserve.

Property taxes comprise a significant portion of the town's General Fund resources accounting for over 80 percent of all general fund resources. This is a more stable revenue source than other types of taxes, which are more directly tied to the economy such as sales and income taxes. During periods of economic downturns, the town's cash flow from property taxes may be impacted, but ultimate collections are nearly certain as unpaid taxes are liened and collected upon the sale of the property. Only in the rare instance of a town foreclosure are the taxes not paid in full. The other 20 percent of the General Fund's resources are more susceptible to economic swings as they depend upon activity levels; and in the case of state aid, income and sales taxes. In periods of economic downturns, the town is in a more favorable position than many other communities are because it receives a small portion of its General Fund revenue in the form of state aid. The town has enhanced its General Fund revenue over the past few years with the adoption of local taxing authority and the creation of new resources. In FY 2010, the

Town Council approved an increase in the local rooms tax and a local meals tax. These were dedicated to the town's largest capital needs a sewer expansion program and private road improvements. In FY 2016, the town increased its reoccurring revenue stream by nearly \$700,000 with the addition of solar array projects at the airport and solid waste facilities. Most of this new revenue source was dedicated to the capital program; however, more resources are needed to fully fund for the town's capital requests.

The town's financial condition has shown some improvement over the last couple of years and the General Fund surplus generated has been strong for the last 5 years. Although, budget estimates for various revenue categories have increased in FY17, which may result in fewer surpluses being generated. The town should continue to consider using most of the surplus generated for the capital program as any excessive reliance on it to cover recurring operating costs runs the risk of creating an unsustainable operating budget. This forecast demonstrates how current General Fund operations can be maintained over the next 10 years if spending levels and revenues perform within the assumptions used. Budget gaps are projected every year for the General Fund for the next ten years. The existing level of surplus may sustain the current operating levels if all assumptions used in the projection hold true through FY 2024. In fiscal year 2025, the town's General Fund surplus drops below the Town Council reserve level.

This forecast projects the general fund's available reserves to decline from \$16.5 million to a deficit of \$2.8 million over the next 10 years. Although economic indicators and rebounding tax revenues reveal that the town of Barnstable has reached a turning point from the Great Recession, this forecast reflects financial obligations and rising benefits costs that diminish the positive outlook over the next 10 years. Despite improving revenue receipts as projected forward, the town continues to face challenges related to the funding of infrastructure, an increased response to snow and ice removal, rising benefits costs, and unfunded long-term liabilities.

Capital Improvements Plan submissions for the next 5 years total \$182 million. This amount is well beyond what the town's current revenue structure can fund and it does not include the costs of addressing the comprehensive Section 208 area-wide water quality management plan. The town has expiring debt service of about \$1.4 million in FY19 for school construction projects. These were voter approved debt payments that are added to the tax levy each year. Starting in FY20 this debt exclusion will no longer be added to the tax levy offering the town the opportunity to redirect this amount towards new projects provided the voters approve.

The town's snow and ice removal costs totaled \$2.1 million in FY16 against a budget of \$600,000 resulting in a deficit of \$1.5 million. Having to generate \$1.5 million in surplus to cover deficit spending at this level can be a risky proposition. FY16 was not an extraordinary year for snowfall as the town received about 40 inches in total. The town has significantly increased its response and corresponding costs in delivering these services. More recurring resources will need to be directed to this area of the budget so that tolerable levels of deficit spending can be achieved.

To mitigate rising benefit costs the Cape Cod Municipal Health Group has implemented plan design changes to health plans over the past few years and has recently approved the addition of a high deductible Health Savings Account Plan. Rate increases for health insurance plans exceeded 10% in FY17 and are expected to increase more than 10% in FY18 even with plan design changes. The State has also executed several changes to retirement plan benefits attempting to reduce the unfunded costs associated with this benefit. Collectively, the unfunded liabilities for health insurance and pensions total \$215 million for the town of Barnstable. Pension assessments are projected to increase 5.3% a year in this forecast consistent with actuarial valuations, which include an assumed rate of return on pension plan assets of 7.75%. If this target it not met then assessments will go up beyond the current 5.3% increase per year. The Barnstable County Pension System's 2015 rate of return was 1.2% and its funded ratio is 57%. Health insurance expenses are projected to increase between 7.5% and 10% per year over the next 10 years; well above inflation rates.

GENERAL FUND FORECAST SCHEDULE – FY18 THROUGH FY27 - REVENUE

		Projected									
	2018P	2019P	2020P	2021P	2022P	2023P	2024P	2025P	2026P	2027P	
Revenue Sources											
Taxes:											
Base levy from prior year	\$ 112,771,807	\$ 116,541,102	\$ 120,404,630	\$ 124,364,746	\$ 128,423,865	\$ 132,584,462	\$ 136,849,074	\$ 141,220,301	\$ 145,700,809	\$ 150,293,329	
Proposition 2½ increase	2,819,295	2,913,528	3,010,116	3,109,119	3,210,597	3,314,612	3,421,227	3,530,508	3,642,520	3,757,333	
Estimated new growth	950,000	950,000	950,000	950,000	950,000	950,000	950,000	950,000	950,000	950,000	
New base tax levy	116,541,102	120,404,630	124,364,746	128,423,865	132,584,462	136,849,074	141,220,301	145,700,809	150,293,329	155,000,662	
CCC Environmental tax	594,793	609,663	624,905	640,527	656,540	672,954	689,778	707,022	724,698	742,815	
Debt exclusions	1,348,903	1,300,266	(27,776)	-	-	-	-	-	-	-	
Gross property tax levy	118,484,798	122,314,558	124,961,874	129,064,392	133,241,002	137,522,028	141,910,079	146,407,831	151,018,027	155,743,477	
Less allowance for abatements & exemptions	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	
Net property taxes available for operations	117,484,798	121,314,558	123,961,874	128,064,392	132,241,002	136,522,028	140,910,079	145,407,831	150,018,027	154,743,477	
Motor vehicle & vessel excise	7,125,000	7,265,000	7,407,800	7,553,456	7,702,025	7,853,566	8,008,137	8,165,800	8,326,616	8,490,648	
Local rooms tax	1,830,000	1,839,150	1,848,346	1,857,587	1,866,875	1,876,210	1,885,591	1,895,019	1,904,494	1,914,016	
PILOT	29,000	29,000	29,000	29,000	29,000	29,000	29,000	29,000	29,000	29,000	
Total Taxes	126,468,798	130,447,708	133,247,020	137,504,436	141,838,903	146,280,803	150,832,806	155,497,650	160,278,136	165,177,141	
State Aid:											
Chapter 70 Aid for Education	10,117,098	10,319,440	10,525,829	10,736,345	10,951,072	11,170,094	11,393,496	11,621,365	11,853,793	12,090,869	
School Construction	3,018,706	3,018,706	859,776	-	-	-	-	-	-	-	
Unrestricted General Government	2,022,453	2,062,902	2,104,160	2,146,243	2,189,168	2,232,952	2,277,611	2,323,163	2,369,626	2,417,019	
Other	901,223	861,035	828,022	801,089	779,310	761,900	748,198	737,642	729,758	724,146	
Total State Aid	16,059,480	16,262,083	14,317,787	13,683,678	13,919,550	14,164,946	14,419,304	14,682,170	14,953,177	15,232,033	

GENERAL FUND FORECAST SCHEDULE – FY18 THROUGH FY27 – REVENUE CONTINUED

		Projected									
	2018P	2019P	2020P	2021P	2022P	2023P	2024P	2025P	2026P	2027P	
Other Revenue:										<u> </u>	
Charges for services	3,180,094	3,224,354	3,269,384	3,315,260	3,455,003	3,503,095	3,552,093	3,602,019	3,652,891	3,704,732	
Fees	840,000	912,347	864,030	937,066	889,471	963,264	916,464	991,093	945,171	1,020,223	
Late fees on tax payments	825,000	814,746	819,563	824,452	829,410	834,438	839,534	834,699	829,931	825,230	
Fines and citations	350,000	353,100	356,229	359,388	362,576	365,795	369,044	372,323	375,633	378,975	
Licenses & permits	2,155,000	2,183,109	2,211,726	2,240,860	2,270,522	2,300,721	2,331,467	2,362,772	2,394,646	2,427,099	
Earnings on investments	250,000	252,250	254,520	256,811	259,122	261,454	263,807	266,182	268,577	270,995	
Leases and rentals	150,000	152,800	155,656	158,569	161,541	164,571	167,663	170,816	174,032	177,313	
Special assessments	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	
Other revenue	1,130,000	1,135,300	1,140,663	1,146,089	1,151,579	1,157,133	1,162,754	1,168,441	1,174,195	1,180,017	
Total Other Revenue	9,070,094	9,218,006	9,261,771	9,428,494	9,569,223	9,740,471	9,792,827	9,958,344	10,005,077	10,174,582	
<u>Transfers In:</u>											
Embarkation fees	154,853	164,635	167,928	171,286	174,712	178,206	181,770	185,406	189,114	192,896	
Parking meter receipts	221,000	234,960	239,659	244,453	249,342	254,328	259,415	264,603	269,895	275,293	
Mooring fees	288,000	306,192	312,316	318,563	324,934	331,433	338,061	344,822	351,719	358,753	
Pension reserve	260,000	250,000	240,000	230,000	220,000	210,000	200,000	190,000	180,000	170,000	
Community Preservation Fund	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	
Wetlands protection fund	45,000	47,843	48,799	49,775	50,771	51,786	52,822	53,879	54,956	56,055	
Total Transfers In	998,853	1,033,630	1,038,703	1,044,077	1,049,758	1,055,753	1,062,068	1,068,710	1,075,684	1,082,998	
Total General Fund Revenue Sources	\$ 152,597,225	\$ 156,961,427	\$ 157,865,281	\$ 161,660,685	\$ 166,377,434	\$ 171,241,973	\$ 176,107,006	\$ 181,206,873	\$ 186,312,074	\$ 191,666,755	
	-	•		•	•		•			<u> </u>	
Percent Change From Previous Year	3.2%	2.9%	0.6%	2.4%	2.9%	2.9%	2.8%	2.9%	2.8%	2.9%	

GENERAL FUND FORECAST SCHEDULE – FY18 THROUGH FY27 – EXPENDITURES

Projected									
2018P	2019P	2020P	2021P	2022P	2023P	2024P	2025P	2026P	2027P
									\$ 47,270,003
									80,798,789
, ,									128,068,792
2.6%	2.5%	2.5%	2.5%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%
, ,	, ,	, ,	, ,	, ,	, ,	, ,	, ,	, ,	1,830,688
			, ,	, ,			, ,	, ,	1,886,607
									41,031,181
	, ,	, ,	, ,	, ,			, ,	, ,	10,440,788
			, ,	, ,			, ,	, ,	3,289,837
				, ,			, ,	, ,	2,687,831
									105,000
									1,500,000
		<u> </u>							20,000
48,905,506	50,221,825	48,622,249	49,485,868	51,289,685	53,434,736	55,601,094	57,690,408	60,472,541	62,791,932
150.944.248	154.855.113	155.919.822	159.519.385	164.132.782	169.163.082	174.292.451	179.424.689	185.331.874	190,860,724
2.20/	2.50/	0.70/	2.20/	2.00/	2.40/	2.00/	2.00/	2.20/	2.00/
3.3%	2.6%	0.7%	2.3%	2.9%	3.1%	3.0%	2.9%	3.3%	3.0%
(4 106 751)	(4 717 207)	(E 202 746)	(E 006 000)	(6 712 150)	(7 220 210)	(7 001 E41)	(0 072 000)	(0.220.204)	(9,947,018)
(4,190,731)	(4,717,297)	(3,263,740)	(3,360,060)	(0,713,136)	(7,239,210)	(7,991,541)	(0,073,300)	(9,230,204)	(9,947,010)
(2 543 775)	(2 610 982)	(3 338 288)	(3 844 780)	(4 468 506)	(5 160 327)	(6 176 986)	(7 091 804)	(8 250 004)	(9,140,988)
. , , ,		. , , ,				. , , ,	. , , ,		3,817,214
									(5,323,773)
., 5,115	100,120	(223)032)	(05.,052)	(1)100)000)	(1),,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	(2,032,137)	(0,000,010)	(1,515,555)	(3)323)773)
16,052,278	16,527,388	17,013,508	16,793,617	16,139,225	14,953,375	13,176,310	10,485,173	6,981,863	2,438,496
\$ 16,527,388	\$ 17,013,508	\$ 16,793,617	\$ 16,139,225	\$ 14,953,375	\$ 13,176,310	\$ 10,485,173	\$ 6,981,863	\$ 2,438,496	\$ (2,885,277)
•	•		•	•			•		
\$ 6,037,770	\$ 6,194,205	\$ 6,236,793	\$ 6,380,775	\$ 6,565,311	\$ 6,766,523	\$ 6,971,698	\$ 7,176,988	\$ 7,413,275	\$ 7,634,429
\$ 10,489,618	\$ 10,819,304	\$ 10,556,824	\$ 9,758,449	\$ 8,388,064	\$ 6,409,787	\$ 3,513,475	\$ (195,125)	\$ (4,974,779)	\$ (10,519,706)
	\$ 37,340,860 64,697,882 102,038,742 2.6% 9,702,847 1,725,000 23,500,000 7,661,709 2,015,000 105,000 20,000 48,905,506 150,944,248 3.3% (4,196,751) (2,543,775) 3,018,885 475,110 16,052,278 \$ 16,527,388	\$ 37,340,860 \$ 38,317,959 64,697,882 66,315,329 102,038,742 104,633,288 2.6% 2.5% 9,702,847 9,252,242 1,725,000 1,742,250 23,500,000 24,854,550 7,661,709 7,929,752 2,675,950 2,737,835 2,015,000 105,000 1,500,000 1,500,000 20,000 20,000 48,905,506 50,221,825 150,944,248 154,855,113 3.3% 2.6% (4,196,751) (4,717,297) (2,543,775) (2,610,982) 3,018,885 3,097,102 475,110 486,120 16,052,278 16,527,388 \$ 16,527,388 \$ 17,013,508	\$ 37,340,860 \$ 38,317,959 \$ 39,324,360 64,697,882 66,315,329 67,973,212 102,038,742 104,633,288 107,297,573 2.6% 2.5% 2.5% 2.5% 2.5% 2.5% 2.5% 2.5% 2.5	\$ 37,340,860 \$ 38,317,959 \$ 39,324,360 \$ 40,360,974 64,697,882 66,315,329 67,973,212 69,672,543 102,038,742 104,633,288 107,297,573 110,033,517 2.6% 2.5% 2.5% 2.5% 2.5% 2.5% 2.5% 2.5% 2.5	2018P 2019P 2020P 2021P 2022P \$ 37,340,860 \$ 38,317,959 \$ 39,324,360 \$ 40,360,974 \$ 41,428,741 64,697,882 66,315,329 67,973,212 69,672,543 71,414,356 102,038,742 104,633,288 107,297,573 110,033,517 112,843,097 2.6% 2.5% 2.5% 2.5% 2.6% 9,702,847 9,252,242 5,433,218 4,141,953 3,659,641 1,725,000 1,742,250 1,759,673 1,777,269 1,795,042 23,500,000 24,854,550 26,648,580 28,364,303 30,197,070 7,661,709 7,929,752 8,207,173 8,494,301 8,791,475 2,675,950 2,737,835 2,801,211 2,866,117 2,932,589 2,015,000 2,080,196 2,147,395 2,216,925 2,288,68 105,000 105,000 105,000 105,000 1,500,000 1,500,000 1,500,000 20,000 20,000 20,000 20,000 20,000 20,000 20,000	2018P 2019P 2020P 2021P 2022P 2023P \$ 37,340,860 \$ 38,317,959 \$ 39,324,360 \$ 40,360,974 \$ 41,428,741 \$ 42,528,631 64,697,882 66,315,329 67,973,212 69,672,543 71,414,356 73,199,715 102,038,742 104,633,288 107,297,573 110,033,517 112,843,097 115,728,346 2.6% 2.5% 2.5% 2.5% 2.6% 2.6% 2.6% 9,702,847 9,252,242 5,433,218 4,141,953 3,659,641 3,384,347 1,725,000 1,742,250 1,759,673 1,777,269 1,795,042 1,812,992 23,500,000 24,854,550 26,648,580 28,364,303 30,197,070 32,149,374 7,661,709 7,929,752 8,207,173 8,494,301 8,791,475 9,099,048 2,675,950 2,737,835 2,801,211 2,866,117 2,932,589 30,006,66 2,015,000 2,080,196 2,147,395 2,216,925 2,288,868 2,363,308 105,000 <	2018P 2019P 2020P 2021P 2022P 2023P 2024P \$ 37,340,860 \$ 38,317,959 \$ 39,324,360 \$ 40,360,974 \$ 41,428,741 \$ 42,528,631 \$ 43,661,649 64,697,882 66,315,329 67,973,212 69,672,543 71,414,356 73,199,715 75,029,708 102,038,742 104,633,288 107,297,573 110,033,517 112,843,097 115,728,346 118,691,357 2.6% 2.5% 2.5% 2.5% 2.6% 2.6% 2.6% 9,702,847 9,252,242 5,433,218 4,141,953 3,659,641 3,384,347 2,988,943 1,725,000 1,742,250 1,759,673 1,777,269 1,795,042 1,812,992 1,811,122 23,500,000 24,854,550 26,648,580 28,364,303 30,197,070 32,149,374 34,227,926 7,661,709 7,929,752 8,207,173 8,494,301 8,791,475 9,099,048 9,417,382 2,075,950 2,737,835 2,801,211 2,866,117 2,932,589 3,000,666 3,0	\$ 37,340,860 \$ 38,317,959 \$ 39,324,360 \$ 40,360,974 \$ 41,428,741 \$ 42,528,631 \$ 43,661,649 \$ 44,828,830 64,697,882 66,315,329 67,973,212 69,672,543 71,414,356 73,199,715 75,029,708 76,905,451 102,038,742 104,633,288 107,297,573 110,033,517 112,843,097 115,728,346 118,691,357 121,734,281 2.6% 2.5% 2.5% 2.5% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6%	2018P 2019P 2020P 2021P 2022P 2023P 2024P 2025P 2026P \$ 37,340,860 \$ 38,317,959 \$ 39,324,360 \$ 40,360,974 \$ 41,428,741 \$ 42,528,631 \$ 43,661,649 \$ 44,828,830 \$ 46,031,246 64,697,882 66,315,329 67,973,212 69,672,543 71,414,356 73,199,715 75,029,708 76,905,451 78,828,087 102,038,742 104,633,288 107,297,573 110,033,517 112,843,097 115,728,346 118,691,357 121,734,281 124,859,333 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.6% 2.275,191 1,725,000 1,742,250 1,759,673 1,777,269 1,795,041 3,843,447 2,988,943 2,365,720 2,275,191 1,725,000 1,742,250 1,759,673 1,777,269 1,795,041 3,81,177,722 1,811,222 1,849,493 1,867,928 2,3500,000 2,854,550 26,648,580 28,364,303 30,197,070 32,149,374

AIRPORT ENTERPRISE FUND SUMMARY

The Airport Enterprise Fund supports the operation and development of the Barnstable Municipal Airport site. Activities financed by this fund include administration, operations, and maintenance. Based on current service levels, operating cost increases are projected out over the next 10 years. The projected revenue increases are then derived at based on what is needed to cover the operating costs. On average, the airport's overall revenue will need to increase 2.4 percent per year to cover the projected cost increase. Projections over the next 10 years indicate the airport will need to use a portion of its reserves to fund operating budgets and limited reserves will be available for the capital program. It will have to continue to rely on federal and state grants for its infrastructure improvements.

The Airport Enterprise Fund currently operates on a full costs recovery basis requiring no General Fund subsidy. It will also pay the General Fund \$232,540 for indirect support services in FY17. It is expected that it will remain self-supporting going forward. As of July 1, 2016, the fund has a surplus balance of \$2,793,657 million.

Factors Affecting Revenues

Airport activities are financed primarily through jet fuel sales and user fees collected from airlines and concessionaires. Significant factors in the generation of airport revenue are passenger traffic, enplanements and fuel sales. These three items represent actual measures of airport and aviation services. Fuel sales are also a measure of the airport's competitiveness in the marketplace. The airport lost a major customer in FY16, which resulted in a significant revenue decline. FY16 revenue collected was \$1.45 million less than budgeted. The adopted FY17 budget is \$1.9 million less than the FY16 budget. Much of the decrease in revenue is due to a reduction in fuel sales. Going forward the airport operations will be challenged to find ways to increase its enplanements and passengers to make up for this lost business.

Factors Affecting Expenses

Expenses for functions associated with operations and maintenance will rise in response to projected increases in inflationary costs and union contracts. The volume of fuel sales and the cost of fuel are two other factors affecting this budget. Additionally, the airport has been served a notice of responsibility by the Massachusetts Department of Environmental Protection for releasing hazardous materials into the groundwater near the airport that has affected the groundwater source, which supplies some of the town's public water supply wells. The cost of the airport's required response is unknown as of this date and could have a material impact on the airport operation's expenditures.

Capital Program

The airport participates in the federally sponsored Airport Improvement Program, which is administered by the Federal Aviation Administration. This program has an entitlement component with funding being determined by enplanement levels. The airport's annual entitlement grant is approximately \$1.2 million and is based on enplanements. The airport makes annual expenditures for required airfield rehabilitation projects using these funds. Most airport capital projects consist of costs being shared in a threefold process: the Federal Aviation Administration (FAA) at 90 percent, the Massachusetts Aeronautics Commission (MAC) at 5 percent, and a local (Airport) share of 5 percent. Discretionary funds at the federal and state levels may become available for capital improvements.

BARNSTABLE MUNICIPAL AIRPORT OPERATING BUDGET PROJECTION - BUDGETARY BASIS

	Projected									
	2018P	2019P	2020P	2021P	2022P	2023P	2024P	2025P	2026P	2027P
Charges for Services	\$ 4,999,064	\$ 5,117,166	\$ 5,238,501	\$5,363,165	\$5,491,253	\$ 5,622,866	\$5,758,106	\$ 5,897,078	\$6,039,892	\$ 6,186,658
Fees	1,100,651	1,131,244	1,162,726	1,195,124	1,228,465	1,262,778	1,298,091	1,334,434	1,371,840	1,410,339
Grants	87,600	87,600	87,600	87,600	87,600	87,600	87,600	87,600	87,600	87,600
Other	50,900	50,900	50,900	50,900	50,900	50,900	50,900	50,900	50,900	50,900
Total Revenues:	6,238,216	6,386,910	6,539,727	6,696,789	6,858,218	7,024,144	7,194,697	7,370,013	7,550,231	7,735,497
Change From Prior Year	2.37%	2.38%	2.39%	2.40%	2.41%	2.42%	2.43%	2.44%	2.45%	2.45%
Salaries and Wages	1,763,769	1,811,012	1,859,632	1,909,669	1,961,164	2,014,161	2,068,704	2,124,839	2,182,611	2,242,070
Benefits	572,478	558,515	580,692	604,056	628,685	654,657	682,059	710,983	741,526	773,793
Operating Expenses Debt Service:	3,760,751	3,834,595	3,910,511	3,988,563	4,068,813	4,151,327	4,236,173	4,323,422	4,413,146	4,505,419
Principal	30,000	104,758	123,450	126,987	130,667	139,494	143,473	147,612	151,917	161,394
Interest	46,800	97,288	105,844	100,906	95,827	90,600	85,020	79,531	73,827	67,850
Transfers Out	213,228	217,493	221,842	226,279	230,805	235,421	240,129	244,932	249,831	254,827
Total Expenses:	6,387,026	6,548,903	6,713,521	6,864,473	7,020,293	7,186,166	7,352,087	7,523,707	7,700,940	7,888,959
Budget Surplus (Deficit)	(148,811)	(161,994)	(173,794)	(167,684)	(162,075)	(162,023)	(157,390)	(153,694)	(150,708)	(153,462)
Estimated Surplus Generated	63,870	65,489	67,135	68,645	70,203	71,862	73,521	75,237	77,009	78,890
Net Surplus Generated (Used)	(84,940)	(96,505)	(106,659)	(99,040)	(91,872)	(90,161)	(83,869)	(78,457)	(73,699)	(74,572)
Beginning Surplus	2,793,657	2,708,717	2,612,212	2,505,553	2,406,514	2,314,642	2,224,481	2,140,612	2,062,154	1,988,455
Ending Surplus	\$ 2,708,717	\$ 2,612,212	\$ 2,505,553	\$ 2,406,514	\$ 2,314,642	\$ 2,224,481	\$ 2,140,612	\$ 2,062,154	\$ 1,988,455	\$1,913,883
Assumptions:										
% change in total revenue exc. transfers	2.37%	2.38%	2.39%	2.40%	2.41%	2.42%	2.43%	2.44%	2.45%	2.45%
% change in salaries	2.67%	2.68%	2.68%	2.69%	2.70%	2.70%	2.71%	2.71%	2.72%	2.72%
% change in benefits	2.07%	-2.44%	3.97%	4.02%	4.08%	4.13%	4.19%	4.24%	4.30%	4.35%
% change in operating exp	8.25%	1.96%	1.98%	2.00%	2.01%	2.03%	2.04%	2.06%	2.08%	2.09%
% change in debt service	-1.16%	163.08%	13.49%	-0.61%	-0.61%	1.59%	-0.70%	-0.59%	-0.62%	1.55%
% change in transfers	-8.30%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

SOLID WASTE ENTERPRISE FUND SUMMARY

The solid waste fund is used to account for all revenues and expenses associated with operating the Town of Barnstable's facility located on Flint Street in Marstons Mills. The facility operates a transfer station, recycling facility, and bulky item disposal service.

This operation has undergone some significant changes over the past couple of years. The town's waste disposal contract had expired and the town's tipping fee per ton has significantly increased. The new tipping fee contract is good for 10 years and has a cost escalator of 2.5% per year. The increased costs for waste disposal have resulted in transfer station sticker increases of \$80 over the past 2½ years; from \$160 to \$240 for residents. This is still considerably less than charges for curbside pickup offered by private haulers in town but could be approaching a price point where residents may be willing to pay more for the convenience of curbside pickup. The operation currently has around 9,000 full-fee paying customers. This operation also provides recycling services for all town residents free of charge. It is projected that rates will have to increase by \$10 every other year in order to cover inflationary costs.

The FY17 capital improvement program authorized \$2 million for improvements to make the use of the facility more customer friendly, increase safety and encourage more recycling; thereby, reducing disposal costs. This improvement is expected to increase the rate by as much as \$30. This may be offset by a reduction in disposal costs if recycling does increase.

The Solid Waste Enterprise Fund currently operates on a full costs recovery basis requiring no General Fund subsidy. It will also pay the General Fund \$101,542 for indirect support services in FY17. It is expected that it will remain self-supporting going forward. As of July 1, 2016, the fund has a surplus balance of \$2,409,841.

Factors Affecting Revenues

The solid waste fund revenues are affected by rates set at the residential transfer station and recycling facility. Rates are set annually for services provided by this facility. The two major sources of revenue for the fund are the residential sticker and the tonnage fees charged for disposal of construction and demolition materials by homeowners and local small businesses. The Department of Public Works is evaluating a pay-as-you-throw program option that could increase recycling and reduce disposal costs. This will be presented to the Town Council for their consideration in the near future. This pro forma assumes no changes to the program operations.

Factors Affecting Expenses

Expenses have been forecast to provide staffing levels for a 7-day operation. Projected wage and benefit increases range from 3 to 10 percent. Debt service is included for all solid waste related borrowings. A significant amount of the fund's surplus is expected to be consumed by funding debt repayment over the next 2 years on the loan issued for the landfill capping. Surplus used for debt repayment has been planned as surplus was accumulated in prior years for this specific purpose in order to eliminate any need for rate increases to repay the loans.

SOLID WASTE ENTERPRISE FUND OPERATING BUDGET PROJECTION – BUDGETARY BASIS

	Projected										
	2018P	2019P	2020P	2021P	2022P	2023P	2024P	2025P	2026P	2027P	
Charges for Services	\$3,135,500	\$3,149,465	\$ 3,253,803	\$ 3,268,525	\$3,373,642	\$3,389,164	\$3,495,103	\$3,511,472	\$3,618,282	\$ 3,635,545	
Other Revenue	79,050	74,748	71,108	66,755	67,647	67,391	67,432	66,322	65,643	63,668	
Total Revenues:	3,214,550	3,224,213	3,324,911	3,335,280	3,441,289	3,456,555	3,562,535	3,577,793	3,683,924	3,699,213	
Salaries and Wages	1,177,128	1,210,081	1,243,984	1,278,865	1,314,753	1,351,677	1,389,668	1,428,757	1,468,976	1,510,358	
Benefits	363,406	383,878	406,805	431,191	457,130	484,725	514,087	545,333	578,587	613,983	
Debt Service:	•	ŕ	ŕ	ŕ	,	,	ŕ	ŕ	ŕ	,	
Principal	444,995	459,852	126,644	129,550	128,572	130,215	112,983	116,383	119,918	123,595	
Interest	95,536	90,673	85,824	81,009	76,032	70,899	66,100	61,581	56,926	52,409	
Operating Expenses	1,310,730	1,303,864	1,332,392	1,361,599	1,391,502	1,422,118	1,453,463	1,485,556	1,518,414	1,552,057	
Transfers Out	101,543	103,574	105,645	107,758	109,913	112,112	114,354	116,641	118,974	121,353	
Capital Outlay	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	
Total Expenses:	3,533,338	3,591,921	3,341,295	3,429,971	3,517,902	3,611,746	3,690,656	3,794,250	3,901,794	4,013,755	
Budget Surplus (Deficit)	(318,788)	(367,708)	(16,383)	(94,691)	(76,613)	(155,190)	(128,121)	(216,457)	(217,870)	(314,541)	
Estimated Surplus Generated	35,333	35,919	33,413	34,300	35,179	36,117	36,907	37,943	39,018	40,138	
Net Surplus Generated (Used)	(283,455)	(331,789)	17,029	(60,391)	(41,434)	(119,073)	(91,214)	(178,514)	(178,852)	(274,404)	
Beginning Surplus	2,409,841	2,126,386	1,794,597	1,811,626	1,751,235	1,709,801	1,590,728	1,499,513	1,320,999	1,142,147	
Ending Surplus	\$2,126,386	\$ 1,794,597	\$ 1,811,626	\$ 1,751,235	\$1,709,801	\$1,590,728	\$1,499,513	\$1,320,999	\$1,142,147	\$ 867,743	
Assumptions:											
% change in total revenue exc. transfers	4.47%	0.30%	3.12%	0.31%	3.18%	0.44%	3.07%	0.43%	2.97%	0.42%	
% change in salaries	2.80%	2.80%	2.80%	2.80%	2.81%	2.81%	2.81%	2.81%	2.81%	2.82%	
% change in benefits	9.00%	5.63%	5.97%	5.99%	6.02%	6.04%	6.06%	6.08%	6.10%	6.12%	
% change in operating exp	-5.94%	-0.52%	2.19%	2.19%	2.20%	2.20%	2.20%	2.21%	2.21%	2.22%	
% change in debt service	35.29%	1.85%	-61.41%	-0.90%	-2.83%	-1.71%	-10.95%	-0.63%	-0.63%	-0.47%	
% change in transfers	8.05%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	

WATER POLLUTION CONTROL ENTERPRISE FUND SUMMARY

This operation runs the wastewater treatment plant on Bearses Way in Hyannis, a smaller plant in Marstons Mills and a small treatment system at Red Lily Pond. The main facility in Hyannis acts as a repository for residential and commercial sewage and septage. The facility in Marstons Mills services the two school buildings and a residential housing development located adjacent to the school property. The Red Lilly Pond system services residential properties located in the vicinity of the pond. The system also includes 30 sewage pump stations and 55 miles of sewer lines. Close to 600 million gallons of wastewater and 12 million gallons of septage are treated every year.

This operation will experience significant changes once the Section 208 area-wide water quality management plan is completed. Part of this plan will most likely include the expansion of collection systems and the centralized treatment of wastewater. There has been much discussion of various funding scenarios for sewer expansion, effluent mitigation and nitrogen management. Part of the expansion discussion includes issues of ability to pay and cost allocation. In the past, the federal and state governments subsidized 90 percent of capital costs for construction of new wastewater facilities and sewer expansion. Decisions will need to be made in regards to the cost allocation for sewer expansion, nitrogen management and effluent mitigation. Cost allocations may include betterments, sewer rates, tax rates, and other potential new sources of revenue, net of any federal and state funding that may be available. The Town Council recently voted to assess 50% betterments to homeowners tying into the Stewart's Creek sewer expansion. An assumption is made in this forecast that this assessment rate will be applied to future projects; however, no specific new projects are included in the projection as DPW is updating the Comprehensive Wastewater Management Plan.

In July of 2010, the Town Council voted to increase the local rooms tax by 2 percent and to levy a local meals tax of 0.75 percent. The Council also voted to dedicate these new revenues to a sewer expansion program by filing special legislation for the creation of a Sewer Construction Special Revenue Fund. Transfers from the special revenue fund are included in this projection

to cover the cost of debt service issued on recent expansion projects in the Stewart's Creek area and a new pump station on West Main St. In fiscal year 2015, special legislation was passed that allows the town to expand the use of this fund to include the repairs and improvements of private roads.

The Water Pollution Control Enterprise Fund currently operates on a full costs recovery basis requiring no General Fund subsidy. It will also pay the General Fund \$172,304 for indirect support services in FY17. It is expected that it will remain self-supporting going forward. As of July 1, 2016, the fund has a surplus balance of \$8,661,669.

Factors Affecting Revenues

Sewer rates charged to users of the system account for a majority of the revenue in this fund. The number of customers tied into the facility can have a significant impact on revenue. The rates are set in accordance with the necessary revenue required to run the sewer operations and pay back the borrowings issued for the sewer plant improvements. Rate increases of approximately 4 to 5 percent have been implemented over the past several years. The projections do not include any changes to the customer base.

Factors Affecting Expenses

Expenses have been forecast to maintain current staffing levels, at a projected wage and benefit increase of 3 and 10 percent respectively. Operating expenses are projected to increase 3 percent per year. Debt service is included for all sewer related borrowings including those funded by the special revenue fund. Projections have been made for all outstanding loan authorizations that have yet to be issued by the town that will be the responsibility of ratepayers.

Capital Program

The town is working on updating its Comprehensive Wastewater Management Program. A Water Resources Advisory Committee (WRAC) has recently been created and will be addressing this program. The town's Comprehensive Finance Advisory Committee has suggested a funding mechanism to address the program. Their report was issued in February 2010. They concluded that no betterments should be assessed and the cost of the program should be shared by as many entities as feasible, including all local property tax payers if necessary. Absent the WRAC's final analysis, the Town Council has currently dedicated meals and rooms taxes along with 50% betterment assessments as the funding sources for the program. No property taxes are currently provided for the program.

WATER POLLUTION CONTROL ENTERPRISE FUND OPERATING BUDGET PROJECTION – BUDGETARY BASIS

	Projected										
	2018P	2019P	2020P	2021P	2022P	2023P	2024P	2025P	2026P	2027P	
Charges for Services	\$4,712,000	\$4,924,040	\$5,145,622	\$5,377,175	\$5,619,148	\$5,872,009	\$6,136,250	\$6,412,381	\$6,700,938	\$7,002,480	
Interest & Penalties	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	
Other Revenue	123,117	119,990	113,861	105,830	97,203	88,923	84,032	80,747	80,125	81,134	
Permits	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	
Sewer Assessments	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	
Total Revenues:	4,945,117	5,154,030	5,369,483	5,593,005	5,826,351	6,070,932	6,330,282	6,603,128	6,891,063	7,193,614	
Salaries and Wages	1,153,777	1,187,940	1,223,128	1,259,372	1,296,703	1,335,154	1,374,759	1,415,552	1,457,568	1,500,846	
Benefits	418,664	444,135	471,236	500,075	530,768	563,439	598,220	635,251	674,685	716,681	
Debt Service:											
Principal	991,421	1,197,220	1,358,990	1,399,585	1,424,930	1,263,336	1,283,555	1,207,768	1,246,900	1,287,534	
Interest	419,185	629,921	776,353	916,329	981,936	934,404	895,212	854,312	812,667	769,519	
Operating Expenses	1,801,946	1,836,600	1,872,298	1,909,088	1,947,022	1,986,155	2,026,547	2,068,262	2,111,369	2,155,942	
Transfers Out	172,398	175,846	179,363	182,950	186,609	190,341	194,148	198,031	201,992	206,032	
Total Expenses:	4,957,389	5,471,662	5,881,368	6,167,399	6,367,969	6,272,830	6,372,441	6,379,176	6,505,181	6,636,554	
	5.65%	10.37%	7.49%	4.86%	3.25%	-1.49%	1.59%	0.11%	1.98%	2.02%	
Budget Surplus (Deficit)	(12,272)	(317,632)	(511,885)	(574,394)	(541,619)	(201,898)	(42,159)	223,952	385,882	557,060	
Estimated Surplus Generated	49,574	54,717	58,814	61,674	63,680	62,728	63,724	63,792	65,052	66,366	
Net Surplus Generated (Used)	37,301	(262,915)	(453,072)	(512,720)	(477,939)	(139,170)	21,565	287,744	450,934	623,426	
Beginning Surplus	8,661,669	8,698,970	8,436,055	7,982,984	7,470,263	6,992,324	6,853,154	6,874,720	7,162,463	7,613,397	
Ending Surplus	\$8,698,970	\$8,436,055	\$ 7,982,984	\$ 7,470,263	\$ 6,992,324	\$ 6,853,154	\$ 6,874,720	\$ 7,162,463	\$ 7,613,397	\$8,236,823	
Assumptions:											
% change in total revenue exc. transfers	5.39%	4.22%	4.18%	4.16%	4.17%	4.20%	4.27%	4.31%	4.36%	4.39%	
% change in salaries	2.96%	2.96%	2.96%	2.96%	2.96%	2.97%	2.97%	2.97%	2.97%	2.97%	
% change in benefits	14.82%	6.08%	6.10%	6.12%	6.14%	6.16%	6.17%	6.19%	6.21%	6.22%	
% change in operating exp	11.22%	1.92%	1.94%	1.96%	1.99%	2.01%	2.03%	2.06%	2.08%	2.11%	
% change in debt service	6.20%	29.53%	16.87%	8.46%	3.93%	-8.69%	-0.86%	-5.36%	-0.12%	-0.12%	
% change in transfers	2.20%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	

WATER SUPPLY ENTERPRISE FUND SUMMARY

The Water Supply Fund was created through the acquisition of the Barnstable Water Company. This operation provides service to residential and commercial properties within the village of Hyannis. This operation has contended with significant changes recently with the contamination of its water supply in the Mary Dunn and Maher public water supply wells. Carbon filtration systems have been installed at the Mary Dunn well field and interconnections have been constructed with adjoining water supply operators. Several millions of dollars have been spent in the past year for these efforts. Additionally, it is anticipated that a treatment system will need to be constructed at the Maher site beginning sometime in FY17. A significant portion of the Water Supply Enterprise Fund's reserves have been accessed to make these improvements and it is projected that user fees will increase greater than the system's historical rate increases in order to cover the increased costs of operations.

The town contracts with SUEZ North America to run its water supply operation. This is a multiyear contract with built in escalators. It is expected that this operation will continue to be operated under a contract over the next 10 years. As more treatment systems are constructed, the annual operating cost of the system, including the management contract, will rise.

The Water Supply Control Enterprise Fund currently operates on a full costs recovery basis requiring no General Fund subsidy. It will also pay the General Fund \$65,290 for indirect support services in FY17. It is expected that it will remain self-supporting going forward. As of July 1, 2016, the fund has a surplus balance of \$3,257,325.

Factors Affecting Revenues

The rates are set in accordance with the necessary revenue required to run the water operations and pay back borrowings issued for water related capital improvements. Current rates are projected to increase 9 percent in FY 2018 and FY 2019 to cover the cost of recent capital improvements. This forecast includes a provision for an annual rate increase of 5 to 8 percent to help fund the operational budget increases and an infrastructure improvement program of over \$1 million per year beyond FY 2019.

Factors Affecting Expenses

Management of this service is provided for by an outside contractor and it is expected to continue operating in this manner. The capital improvement portion of this service has a significant impact on expenses. The system has incurred expenses in excess of \$5 million recently to address the water contamination at the Mary Dunn wells. The projection does not include any legal settlement with the County for the pollution of the Mary Dunn wells and is based on a worst-case scenario.

WATER SUPPLY ENTERPRISE FUND OPERATING BUDGET PROJECTION – BUDGETARY BASIS

	Projected										
	2018P	2019P	2020P	2021P	2022P	2023P	2024P	2025P	2026P	2027P	
Charges for Services	\$5,322,780	\$5,798,822	\$6,260,063	\$6,758,197	\$7,228,946	\$7,732,642	\$8,194,622	\$8,684,316	\$9,116,906	\$ 9,571,122	
Fines & Penalties	57,840	57,840	57,840	57,840	57,840	57,840	57,840	57,840	57,840	57,840	
Other	66,657	60,259	59,114	60,343	63,469	70,019	78,212	88,660	101,580	116,497	
Permits	174,009	178,277	182,764	187,486	192,459	197,698	203,222	209,050	215,202	221,700	
Rents	100,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	
Total Revenues:	5,721,286	6,295,198	6,759,781	7,263,866	7,742,714	8,258,199	8,733,896	9,239,866	9,691,528	10,167,159	
Salaries and Wages	287,674	296,118	304,813	313,767	322,988	332,484	342,263	352,333	362,703	373,382	
Benefits	91,685	96,570	101,734	107,191	112,960	119,059	125,508	132,326	139,537	147,162	
Debt Service:											
Principal	1,336,067	1,500,196	1,567,508	1,711,126	1,629,729	1,797,919	1,872,214	1,945,566	2,024,975	2,097,032	
Interest	745,389	757,019	737,673	743,008	738,981	758,792	746,319	732,876	718,505	710,322	
Operating Expenses	3,866,909	3,548,626	3,634,985	3,723,917	3,815,499	3,909,811	4,006,934	4,106,952	4,209,952	4,316,023	
Transfers Out	68,057	69,418	70,807	72,223	73,667	75,140	76,643	78,176	79,740	81,335	
Capital Outlay	245,000	245,000	245,000	245,000	245,000	245,000	245,000	245,000	245,000	245,000	
Total Expenses:	6,640,781	6,512,947	6,662,519	6,916,232	6,938,825	7,238,206	7,414,880	7,593,229	7,780,410	7,970,256	
Budget Surplus (Deficit)	(919,495)	(217,749)	97,263	347,634	803,888	1,019,993	1,319,016	1,646,637	1,911,117	2,196,903	
Estimated Surplus Generated	66,408	65,129	66,625	69,162	69,388	72,382	74,149	75,932	77,804	79,703	
Net Surplus Generated (Used)	(853,087)	(152,620)	163,888	416,796	873,276	1,092,375	1,393,164	1,722,570	1,988,921	2,276,606	
Beginning Surplus	3,257,325	2,404,238	2,251,618	2,415,506	2,832,302	3,705,578	4,797,953	6,191,118	7,913,687	9,902,609	
Ending Surplus	\$ 2,404,238	\$ 2,251,618	\$ 2,415,506	\$ 2,832,302	\$3,705,578	\$4,797,953	\$6,191,118	\$7,913,687	\$ 9,902,609	\$12,179,215	
Assumptions:											
% change in total revenue exc. transfers	8.56%	10.03%	7.38%	7.46%	6.59%	6.66%	5.76%	5.79%	4.89%	4.91%	
% change in salaries	5.63%	2.94%	2.94%	2.94%	2.94%	2.94%	2.94%	2.94%		2.94%	
% change in benefits	39.00%	5.33%	5.35%	5.36%	5.38%	5.40%	5.42%	5.43%		5.47%	
% change in operating exp	22.54%	-8.23%	2.43%	2.45%	2.46%	2.47%	2.48%	2.50%		2.52%	
% change in debt service	34.19%	8.44%	2.12%	6.46%	-3.48%	7.94%	2.42%	2.29%		2.33%	
% change in transfers, net	4.24%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	

GOLF COURSE ENTERPRISE FUND SUMMARY

This enterprise fund consists of two municipal courses; Olde Barnstable Fairgrounds in Marstons Mills and the Hyannis Golf Course (HGC). The purchase of the Hyannis Golf Course in FY05 provides the town with two municipal courses that has increased the recreational opportunities for our citizens. The golf course management is committed to operating and maintaining attractive and efficient public golf facilities while striving to ensure that they are as self-supporting as possible. The following strategies have been established as a way of achieving these commitments: maximize revenue centers; develop a comprehensive junior golf program; provide members with competitive and recreational golf tournaments; cultivate a continuous volunteer assistance program; establish a sound turf management plan, and work closely with other town divisions to cross-utilize department resources.

Over the years, management has committed revenue resources to improving golf course conditions. Without healthy turf conditions, it is difficult to charge competitive prices. The visitor is likely to pay more for a top quality conditioned golf course. Therefore, the playing surfaces must be well maintained. This has become more challenging in recent years, as the golf industry across the county has declined resulting in a reduction in revenue.

Over the past 10 years, the golf course revenues have not changed significantly. Competition from other courses and a limited growth in the numbers of golfers makes it challenging to grow business. It is projected that the combined revenue for the two golf courses will improve from its current levels over the next several years as the industry rebounds. Going forward, fee increases in the neighborhood of two to three percent per year are necessary if activity levels remain constant with current levels. By fiscal year 2026, the golf course could have an annual operating capital budget of \$150,000 or more. The golf course needs to work on building reserves and increasing revenue before it implements a more comprehensive capital improvement program. The golf course's current fee structure remains competitive with surrounding courses.

The Golf Enterprise Fund currently operates on a full costs recovery basis requiring no General Fund subsidy. It does not pay the General Fund for indirect support services, which were calculated to be \$176,194 in FY17. Unless a significant increase occurs in rounds played it is expected that this enterprise fund will not have the resources to pay for indirect support services. As of July 1, 2016, the fund has a surplus balance of \$733,441.

Factors Affecting Revenues

Each year, golf course fees are set through the town-wide user fee rate analysis. These fees are set in accordance with the necessary revenue required to run course operations with a small profit if play shows an upward trend. As growth in play is difficult to predict, fees are set assuming level utilization. If the amount of rounds played or memberships increase then the need to raise rates can be mitigated.

Factors Affecting Expenses

Reductions in staff levels over the past few years were implemented because of declining revenue. No increase in permanent year-round staff is projected over the next ten years. A projected wage increase of 3 percent and benefit increases of 10 percent per year are included in the forecast. Operating expenses are projected to increase approximately 1 percent per year.

Capital Program

The Hyannis Golf Course's irrigation system is antiquated and in need of replacement. Failure to address this asset as well as other improvements at the course could result in a significant loss of play and corresponding revenue. A \$4.2 million improvement project has been submitted for the improvements. It is expected that these improvements will enhance the rounds of play thereby generating additional revenue; however, it will not be enough to cover the cost of this project and will require a contribution from another source. The projection does not include funding for this project or the anticipated growth in play if constructed. The debt service for the HGC acquisition is paid off in FY 2025. At that time, additional resources will be available for a major capital improvement such as this project.

GOLF COURSE ENTERPRISE FUND OPERATING BUDGET PROJECTION – BUDGETARY BASIS

	Projected										
	2018P	2019P	2020P	2021P	2022P	2023P	2024P	2025P	2026P	2027P	
Charges for Services	\$3,243,477	\$3,307,589	\$3,372,976	\$3,439,665	\$3,507,681	\$3,577,052	\$3,647,803	\$3,719,963	\$3,793,559	\$3,868,621	
Investment Income	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	
Transfers In	152,869	156,690	160,607	164,623	168,738	172,957	177,281	181,713	186,255	190,912	
Total Revenues:	3,403,346	3,471,279	3,540,584	3,611,288	3,683,420	3,757,008	3,832,084	3,908,675	3,986,815	4,066,533	
Salaries and Wages	1,395,441	1,434,967	1,475,652	1,517,530	1,560,635	1,605,004	1,650,674	1,697,685	1,746,075	1,795,886	
Benefits	417,622	403,504	427,415	452,824	479,829	508,534	539,050	571,496	605,996	642,687	
Operating Expenses	1,035,936	1,047,938	1,060,159	1,072,601	1,085,269	1,098,167	1,111,298	1,124,666	1,138,276	1,152,132	
Debt Service:											
Principal	295,974	309,733	319,522	289,343	304,197	314,084	329,008	338,968	60,967	27,005	
Interest	107,320	94,633	81,373	69,038	57,928	46,243	34,181	21,543	8,527	6,652	
Transfers Out	159,857	163,054	166,315	169,641	173,034	176,495	180,025	183,625	187,298	191,043	
Capital Outlay	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	
Total Expenses:	3,439,148	3,480,829	3,557,435	3,597,977	3,687,892	3,775,527	3,871,236	3,964,983	3,774,139	3,842,406	
Budget Surplus (Deficit)	(35,803)	(9,550)	(16,852)	13,311	(4,472)	(18,518)	(39,152)	(56,307)	212,676	224,127	
Estimated Surplus Generated	34,391	34,808	35,574	35,980	36,879	37,755	38,712	39,650	37,741	38,424	
Net Surplus Generated (Used)	(1,411)	25,258	18,722	49,291	32,407	19,237	(440)	(16,657)	250,417	262,551	
Beginning Surplus	733,441	732,030	757,288	776,010	825,301	857,707	876,944	876,504	859,847	1,110,264	
Ending Surplus	\$ 732,030	\$ 757,288	\$ 776,010	\$ 825,301	\$ 857,707	\$ 876,944	\$ 876,504	\$ 859,847	\$1,110,264	\$1,372,815	
Assumptions:											
% change in total revenue exc. transfers	2.03%	1.97%	1.97%	1.97%	1.97%		1.97%	1.97%	1.97%		
% change in salaries	1.41%	2.83%	2.84%	2.84%	2.84%		2.85%	2.85%	2.85%		
% change in benefits	15.14%	-3.38%	5.93%	5.94%	5.96%		6.00%	6.02%	6.04%	6.05%	
% change in operating exp	-1.05%	1.16%	1.17%	1.17%	1.18%	1.19%	1.20%	1.20%	1.21%	1.22%	
% change in debt service	-11.09%	0.27%	-0.86%	-10.60%	1.04%	-0.50%	0.79%	-0.74%	-80.72%	-51.57%	
% change in transfers	-0.41%	2.24%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	

MARINA ENTERPRISE FUND SUMMARY

The Marina Enterprise Fund was created in FY06 to isolate the financial activity of the four town-owned marinas; Barnstable, Bismore, Gateway and Prince Cove. The enterprise model will allow the town to segregate all financial activity associated with operating these facilities to measure their financial self-sufficiency. The principal revenue source at all four marinas is the annual rental of docking space or slips. Town staff provides daily management of the marinas.

The Marina Enterprise Fund experienced its highest revenue generation levels in FY16 since its inception grossing nearly \$750,000; excluding transfers. The improving economy has resulted in more boating activity, most of the operation's slips are occupied, and transient activity is very strong. Over the past 2 years, \$1.5 million of capital improvements have been approved including the dredging of Gateway Marina, the reconstruction of the Prince Cove bulkhead and the design for a new bulkhead at Bismore Marina. Even with improved activity levels, rate increases will be necessary to repay the bonds issued for the capital improvements.

The Marina Enterprise Fund covers all of its direct operating expenses; excluding debt service, and pays the General Fund \$31,993 for indirect support services. It covers a majority of its debt service costs. It receives \$60,031 from the General Fund to assist in paying back the bond issued for the reconstruction of the Barnstable Harbor Bulkhead. It also receives \$30,000 from the Bismore Park special revenue account to cover its cost for maintaining and monitoring the Bismore Park area. As of July 1, 2016, the fund has a surplus balance of \$774,588.

Factors Affecting Revenues

The rates are set in accordance with the necessary revenue required to run the marina operations including all capital improvements. The possibility of expanding the number of slips would allow for additional revenue sources in this area. The marinas have a waiting list for slip space so vacancy rates are not a significant factor in calculating revenues. Revenues are projected to increase less than 1 percent per year through a combination of activity levels and rate adjustments.

Factors Affecting Expenses

The purchase of the Prince Cove Marina in FY03 was financed with the issuance of a new loan. The annual loan payments for the acquisition are covered by the new revenue sources derived from taking over the operations of the marina. Additionally, a loan of \$1,250,000 was issued to replace the Barnstable Harbor Bulkhead. The general fund will repay \$725,000 of the loan and the marina enterprise fund will repay the remaining \$525,000. The annual debt payments are included in the projection.

Salaries and benefits are projected to increase 2 percent to 6 percent per year. Operating expenses are projected to increase on average 1.3 percent per year. Capital outlay of \$15,000 per year is provided for facility improvements. This could be in the form of cash outlay or an annual loan payment.

MARINA ENTERPRISE FUND OPERATING BUDGET PROJECTION – BUDGETARY BASIS

	Projected									
	2018P	2019P	2020P	2021P	2022P	2023P	2024P	2025P	2026P	2027P
Charges for Services	\$ 12,000	\$ 12,320	\$ 12,649	\$ 12,988	\$ 13,336	\$ 13,695	\$ 14,064	\$ 14,443	\$ 14,833	\$ 15,235
Docking and Slip Fees	669,325	702,791	702,791	702,791	702,791	702,791	702,791	702,791	702,791	702,791
Other	7,974	8,546	8,534	8,520	8,480	8,229	8,187	7,269	7,328	7,390
Rents	15,500	15,500	15,500	15,500	15,500	15,500	15,500	15,500	15,500	15,500
Transfers In	88,831	87,231	85,631	84,031	82,431	80,831	74,231	73,050	71,825	70,513
Total Revenues:	793,630	826,389	825,106	823,830	822,539	821,046	814,773	813,053	812,278	811,429
Salaries and Wages	258,412	262,475	266,659	270,969	275,408	279,980	284,689	289,540	294,536	299,682
Benefits	39,948	42,112	44,404	46,832	49,404	52,129	55,016	58,077	61,321	64,759
Debt Service:										
Principal	291,645	293,311	294,044	291,845	268,719	265,668	172,695	174,803	176,995	159,274
Interest	104,589	93,398	82,630	71,869	60,645	49,896	41,069	34,568	27,901	20,983
Operating Expenses	109,307	110,711	112,143	113,604	115,096	116,618	118,173	119,762	121,385	123,044
Transfers to General Fund	35,714	36,428	37,157	37,900	38,658	39,431	40,220	41,024	41,845	42,682
Capital Outlay	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Total Expenses:	854,616	853,435	852,037	848,019	822,929	818,722	726,863	732,773	738,982	725,425
Budget Surplus (Deficit)	(60,986)	(27,047)	(26,931)	(24,188)	(390)	2,324	87,910	80,280	73,296	86,004
Estimated Surplus Generated	8,546	8,534	8,520	8,480	8,229	8,187	7,269	7,328	7,390	7,254
Net Surplus Generated (Used)	(52,439)	(18,512)	(18,411)	(15,708)	7,839	10,511	95,179	87,608	80,686	93,258
Beginning Surplus	774,588	722,148	703,636	685,225	669,517	677,356	687,867	783,046	870,654	951,340
Ending Surplus	\$ 722,148	\$ 703,636	\$ 685,225	\$ 669,517	\$ 677,356	\$ 687,867	\$ 783,046	\$ 870,654	\$ 951,340	\$1,044,598
Assumptions:										
% change in total revenue exc. transfers	6.59%	4.87%	0.04%	0.04%	0.04%	0.01%	0.04%	-0.07%	0.06%	0.06%
% change in salaries	5.49%	1.57%	1.59%	1.62%	1.64%	1.66%	1.68%	1.70%	1.73%	1.75%
% change in benefits	-3.18%	5.42%	5.44%	5.47%	5.49%	5.52%	5.54%	5.56%	5.59%	5.61%
% change in operating exp	1.35%	1.28%	1.29%	1.30%	1.31%	1.32%	1.33%	1.34%	1.36%	1.37%
% change in debt service	11.20%	-2.40%	-2.59%	-3.44%	-9.44%	-4.19%	-32.26%	-2.06%	-2.14%	-12.02%
% change in transfers	2.07%	-0.71%	-0.70%	-0.70%	-0.69%	-0.68%	-4.83%	-0.33%	-0.35%	-0.42%

SANDY NECK ENTERPRISE FUND SUMMARY

Sandy Neck, a coastal barrier beach, is approximately six miles long, varying in width from 200 yards to one half mile. The Town of Barnstable owns this unique conservation and recreation area. The Sandy Neck Park Enterprise Fund was created in FY06. The activities included in this operation include visitors to Bodfish Park (the recreational beach area) and off-road vehicle access to the outer portions of the beach. Town staff provides daily management of the park.

The Sandy Neck Enterprise Fund broke the \$1 million mark in revenue generation in FY16 for the first time. Activity in this park is at an all-time high. Off Road Vehicle (ORV) permits totaled 4,683; a 13% increase over FY15. This area has become very popular for residents and non-resident alike. If user activity continues at the levels experienced in FY16 there may need to be a higher level of enforcement activities on the ORV area to ensure the safety of the public and staff as it has become very crowded.

The Sandy Neck Enterprise Fund currently operates on a full costs recovery basis requiring no General Fund subsidy. It will also pay the General Fund \$36,449 for indirect support services in FY17. It is expected that it will remain self-supporting going forward. As of July 1, 2016, the fund has a surplus balance of \$714,332.

Factors Affecting Revenues

Major sources of revenue for this operation include beach sticker sales, parking revenue and off-road vehicle sticker sales. Weather can play a major role in the revenue generated at this park as approximately 20 to 25 percent of revenue is derived from daily parking fees. Other factors that can affect revenue are nesting endangered shorebirds and turtles. These can affect activity levels at this park and staff has been working on a plan with state officials to mitigate the impacts while protecting the species.

Factors Affecting Expenses

Salaries and benefits are projected to increase 2 percent to 10 percent per year. Operating expenses are projected to increase approximately 1 percent per year. Operating expense include the loan payment of approximately \$95,000 per year for the construction of the bathhouse which opened in May 2011.

Capital Program

The embankment in front of the main parking lot by the bathing beach area continues to be an area of major concern for this operation. Storms out of the Northeast can cause severe erosion to this embankment. A capital improvement for a long-term solution is being evaluated and will most likely impact fees charged by this operation in order to finance.

SANDY NECK ENTERPRISE FUND OPERATING BUDGET PROJECTION – BUDGETARY BASIS

Cottage Leases 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 53,200 <th< th=""><th>17D</th></th<>	17D
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Total Revenues: 957,748 995,750 1,016,271 1,040,436 1,062,164 1,084,487 1,107,360 1,130,834 1,157,921 1,182,5 Salaries and Wages 507,066 517,880 528,974 540,357 552,036 564,021 576,319 588,940 601,893 615,1 Benefits 92,094 97,378 102,987 108,943 115,267 121,984 129,120 136,700 144,755 153,3 Debt Service: Principal 55,000 60,000 60,000 65,000 65,000 65,000 70,000 75,000 70,00 Interest 37,181 34,981 32,581 30,181 27,781 25,181 22,581 20,388 17,938 15,1 Operating Expenses 201,232 202,566 203,919 205,290 206,679 208,087 209,515 210,961 212,428 213,99	,908
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	,125
Transfers Out 40,926 41,745 42,579 43,431 44,300 45,186 46,089 47,011 47,951 48,9	,915
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Capital Outlay 92,500 92,500 92,500 92,500 92,500 92,500 92,500 92,500 92,500 92,500 92,500	,500
Total Expenses: 1,025,999 1,047,050 1,063,541 1,080,701 1,103,563 1,121,959 1,141,124 1,166,500 1,192,465 1,208,9	,952
Budget Surplus (Deficit) (68,251) (51,299) (47,269) (40,265) (41,400) (37,472) (33,764) (35,667) (34,544) (26,3	,356)
Estimated Surplus Generated 10,260 10,470 10,635 10,807 11,036 11,220 11,411 11,665 11,925 12,0	,090
Net Surplus Generated (Used) (57,991) (40,829) (36,634) (29,458) (30,364) (26,253) (22,353) (24,002) (22,619) (14,2	,267)
Beginning Surplus 714,332 656,341 615,512 578,878 549,420 519,055 492,803 470,450 446,448 423,8	,829
Ending Surplus \$656,341 \$615,512 \$578,878 \$549,420 \$519,055 \$492,803 \$470,450 \$446,448 \$423,829 \$409,5	,562
Assumptions:	
% change in total revenue exc. transfers 7.85% 3.97% 2.06% 2.38% 2.09% 2.10% 2.11% 2.12% 2.40% 2.1	2.13%
% change in salaries 9.80% 2.13% 2.14% 2.15% 2.16% 2.17% 2.18% 2.19% 2.20% 2.2	2.21%
% change in benefits 17.80% 5.74% 5.76% 5.78% 5.81% 5.83% 5.85% 5.87% 5.89% 5.65%	5.91%
% change in operating exp 15.51% 0.66% 0.67% 0.67% 0.68% 0.68% 0.69% 0.69% 0.70% 0.70%	0.70%
	3.41%
% change in transfers 12.28% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2	2.00%

HYANNIS YOUTH & COMMUNITY CENTER ENTERPRISE FUND SUMMARY

The facility consists of a youth center complete with multi-purpose rooms, a full size gymnasium with a 4 lane-walking track, concession area, pro shop, lockers, common areas, and two ice skating rinks. The main rink has a seating capacity of 1,700. Ice rink areas can also be converted for non-ice activities. The facility is operated as an enterprise fund in order to determine its level of self-sufficiency. The facility was constructed at a cost of approximately \$25 million with \$17.4 million coming from a bond issue.

The Hyannis Youth & Community Center (HYCC) is the town's newest enterprise fund. As such, it has not accumulated reserve levels on par with the other town's enterprise funds. This enterprise fund also receives significant support from the General Fund as it provides services to many segments of the town's population for little to no charge. The General Fund subsidy for FY17 is \$1,976,412. This covers all of the debt service on the construction bonds and support to cover operating expenses. In addition, the operation pays nothing to the General Fund towards indirect support.

The operation continues to be accounted for as an enterprise fund so that the General Fund subsidy can be easily measured and evaluated. The subsidy will continue to grow unless additional revenue can be generated. As of July 1, 2016, the fund has a surplus balance of \$502,380.

Factors Affecting Revenues

The main revenue sources for this operation are from ice rental and advertising. The possibility of collaborating with other entities to sell more ice time is being explored. Major ice rental activities include public skating, youth hockey associations, camps, clinics, private ice rentals, tournaments and leagues. Ice activities are projected to generate 85 percent of the total gross revenue.

The facility opened its doors soon after the Great Recession and has been challenged with selling all of its available ice time. As the activities conducted in this facility are recreational in nature, downturns in the economy will impact this operation more significantly. Customers tend to cut back on the amount they spend on recreational activities during economically stressful times. No significant increase in total revenue is projected.

Factors Affecting Expenses

Salaries and benefits are projected to increase 3 to 6 percent annually. Operating expenses are projected to increase on average 3 percent per year. Operating costs are projected to increase as the facility is almost ten years old. Mechanical systems are beginning to reach their useful lives and may need replacing soon.

HYANNIS YOUTH & COMMUNTY CENTER ENTERPRISE FUND OPERATING BUDGET PROJECTION – BUDGETARY BASIS

						Proje	ecte	ed				
	2018P		2019P	2020P	2021P	2022P		2023P	2024P	2025P	2026P	2027P
Charges for Services	\$ 753,0	17	\$ 771,024	\$ 789,483	\$ 808,404	\$ 827,799	\$	847,679	\$ 868,056	\$ 888,943	\$ 910,351	\$ 932,295
Fees	305,5	60	312,275	319,150	326,188	333,394		340,770	348,323	356,055	363,972	372,078
Advertising	110,7	90	113,653	116,591	119,605	122,699		125,873	129,130	132,473	135,903	139,423
Other	2,0	00	2,000	2,000	2,000	2,000		2,000	2,000	2,000	2,000	2,000
Rent	31,5	43	32,094	32,656	33,228	33,809		34,401	35,003	35,615	36,239	36,873
Transfers In	1,970,3	36	1,967,300	1,954,830	1,955,601	1,954,757		1,951,472	1,956,965	1,961,015	1,964,505	1,974,919
Total Revenues:	3,173,2	45	3,198,347	3,214,710	3,245,026	3,274,457		3,302,195	3,339,477	3,376,102	3,412,971	3,457,588
Salaries and Wages	878,4	43	900,897	923,987	947,732	972,149		997,261	1,023,086	1,049,645	1,076,962	1,105,057
Benefits	225,2		238,490	252,529	267,440	283,277		300,102	317,977	336,971	357,157	378,612
Debt Service:								,	,		,	0.0,0==
Principal	850,9	00	855,000	846,000	846,000	843,000		836,000	836,000	833,000	821,000	809,000
Interest	319,4	36	280,300	243,550	209,710	175,870		142,150	108,710	75,270	48,650	27,270
Operating Expenses	836,7		859,945	884,175	909,456	935,854		963,437	992,281	1,022,465	1,054,077	1,087,208
Transfers Out	102,5	10	104,560	106,651	108,784	110,960		113,179	115,443	117,752	120,107	122,509
Total Operating Expenditures	3,213,2	63	3,239,192	3,256,893	3,289,122	3,321,111		3,352,129	3,393,496	3,435,103	3,477,952	3,529,656
Budget Surplus (Deficit)	(40,0	18)	(40,845)	(42,183)	(44,096)	(46,654)		(49,933)	(54,019)	(59,002)	(64,982)	(72,068)
Estimated Surplus Generated	32,1		32,392	32,569	32,891	33,211		33,521	33,935	34,351	34,780	35,297
Net Surplus Generated (Used)	(7,8		(8,454)	(9,614)	(11,205)	(13,443)		(16,412)	(20,084)	(24,651)	(30,202)	(36,771)
Beginning Surplus	502,3		494,495	486,041	476,427	465,222		451,779	435,367	415,283	390,632	360,430
Ending Surplus	\$ 494,4			\$ 476,427	\$ 	\$ 451,779	\$	435,367	\$ 415,283	\$ 390,632	\$ 360,430	\$ 323,659
Assumptions										- 		
Assumptions:	2.1	10/	2.240/	2.240/	2.250/	2.250/		2.250/	2.250/	2.250/	2.260/	2.260/
% change in total revenue exc. transfers		34%	2.34%	2.34%	2.35%	2.35%		2.35%	2.35%	2.36%	2.36%	2.36%
% change in salaries		55%	2.56%	2.56%	2.57%	2.58%		2.58%	2.59%	2.60%	2.60%	2.61%
% change in benefits		94%	5.87%	5.89%	5.90%	5.92%		5.94%	5.96%	5.97%	5.99%	6.01%
% change in debt service		36%	-2.99%	-4.03%	-3.11%	-3.49%		-4.00%	-3.42%	-3.86%	-4.25%	-3.84%
% change in operating exp)7%	2.78%	2.82%	2.86%	2.90%		2.95%	2.99%	3.04%	3.09%	3.14%
% change in transfers	-0	37%	-0.27%	-0.50%	0.14%	0.06%		-0.05%	0.38%	0.31%	0.28%	0.61%

SEWER CONSTRUCTION AND PRIVATE WAY MAINTENANCE AND IMPROVEMENT FUND

This special revenue fund was created under Chapter 355 of the Acts of 2014 as passed by the State Legislature and signed by the Governor. One-third of the town's collected rooms tax and all of the local meals tax is directly credited to this fund. As of June 30, 2016 the funds balance was \$12.2 million. The annual revenue generated from rooms and meals taxes approximates \$2.5 million. Appropriations from this fund are reviewed as part of the town's annual Capital Improvement Program.

				S	tate	d in Thousand	ls							
	FY17B	FY18P	FY19P	FY20P		FY21P		FY22P	FY23P	FY24P		FY25P	FY26P	FY27P
Beginning Balance	12,204	\$ 14,127	\$ 16,074	\$ 18,045	\$	20,040	\$	22,061	\$ 24,105 \$	26,176	5 \$	28,271	\$ 30,392	\$ 32,539
Trust Fund Revenue	\$ 2,424	\$ 2,448	\$ 2,472	\$ 2,497	\$	2,522	\$	2,547	\$ 2,573 \$	2,598	\$	2,624	\$ 2,651	\$ 2,677
Committed	(501)	(501)	(501)	(502)		(502)		(502)	(503)	(503	3)	(503)	(504)	(504)
Additional Capacity	\$ 14,127	\$ 16,074	\$ 18,045	\$ 20,040	\$	22,061	\$	24,105	\$ 26,176 \$	28,27	\$	30,392	\$ 32,539	\$ 34,712

SECTION II – GENERAL FUND REVENUE SUMMARY

The forecast has been prepared using a revenue driven model. Revenue projections for the town's General Fund were prepared for the next ten years using a set of assumptions to estimate the town's available financial resources. Major assumptions in the revenue area include:

- Annually raising the tax levy by the allowable 2 ½ percent
- Property taxes from new building growth are projected to average \$950,000 annually
- Existing property tax debt exclusions expire in FY 2019 and no new debt exclusions are included in the forecast for the next ten years
- Motor vehicle excise taxes have recovered and are projected to increase over the next 10 years
- Room excise tax and meals tax will increase 1% per year. All of the meals tax and one-third of the rooms tax will be dedicated
 to a special revenue fund for sewer construction and private road repairs
- State aid increases will be minimal as the town receives the maximum amount it can under the Chapter 70 funding formula
- Existing school building assistance will continue to be honored by the state; reducing the property tax impact of the existing debt exclusions through FY19
- Local revenues will grow marginally as the economy improves and fee adjustments are put into place

Using these assumptions, the estimated General Fund revenue for the following ten years is projected to be the following:

PROJECTED GENERAL FUND REVENUE

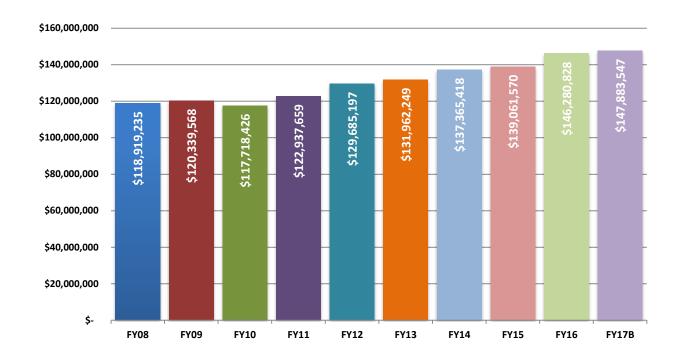
Projected General Fund Revenue - State in Millions (000,000)

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027
Property taxes	\$117.48	\$121.31	\$123.96	\$128.06	\$132.24	\$136.52	\$140.91	\$145.41	\$150.02	\$154.74
State aid	16.06	16.26	14.32	13.68	13.92	14.16	14.42	14.68	14.95	15.23
Other taxes	8.98	9.13	9.29	9.44	9.60	9.76	9.92	10.09	10.26	10.43
Charges for services	3.18	3.22	3.27	3.32	3.46	3.50	3.55	3.60	3.65	3.70
Licenses & permits	2.16	2.18	2.21	2.24	2.27	2.30	2.33	2.36	2.39	2.43
Transfers	1.00	1.03	1.04	1.04	1.05	1.06	1.06	1.07	1.08	1.08
Late fees on tax payments	0.83	0.81	0.82	0.82	0.83	0.83	0.84	0.83	0.83	0.83
Fees	0.84	0.91	0.86	0.94	0.89	0.96	0.92	0.99	0.95	1.02
Earnings on investments	0.25	0.25	0.25	0.26	0.26	0.26	0.26	0.27	0.27	0.27
Other revenue	1.13	1.14	1.14	1.15	1.15	1.16	1.16	1.17	1.17	1.18
Fines and citations	0.35	0.35	0.36	0.36	0.36	0.37	0.37	0.37	0.38	0.38
Special assessments	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19
Leases and rentals	0.15	0.15	0.16	0.16	0.16	0.16	0.17	0.17	0.17	0.18
Total	\$152.60	\$156.96	\$157.87	\$161.66	\$166.38	\$171.24	\$176.11	\$181.21	\$186.31	\$191.67
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Growth	\$4.71	\$4.36	\$0.90	\$3.80	\$4.72	\$4.86	\$4.87	\$5.10	\$5.11	\$5.35

The estimated annual growth in general fund revenue ranges from \$.90 million in FY 2020 to \$5.35 million in FY 2027. The drop-off in FY 2020 is due to expiring state reimbursements and tax levy add-ons for school construction projects. There is a significant reduction in debt service expenditures that year as well.

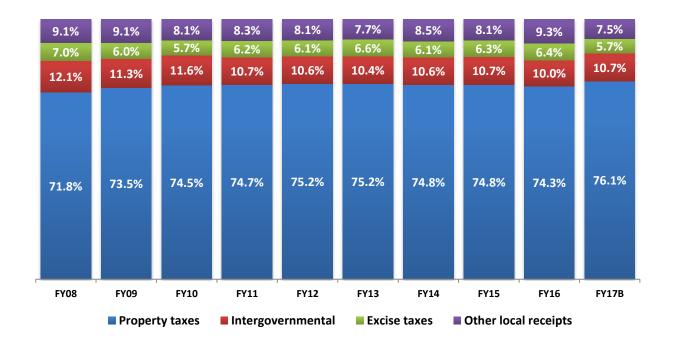
Most of the general fund revenue growth is from the tax levy, which includes a 2.5% increase as allowed under Proposition 2½ and estimated new property tax growth of \$950,000 per year.

HISTORY OF GENERAL FUND REVENUE – FY08 ACTUAL TO FY17 BUDGET



Total general fund revenue over the past ten years has grown from \$118.8 million in FY 2008 to a budgeted amount of \$147.9 million in FY 2017 (excluding the amounts used from free cash to balance the budget). The decrease in FY 2010 was a result of the impact from the global financial crisis that started in August of 2008, which eventually trickled down to the local level. Property tax collections were weaker, motor vehicle excise and rooms tax were on the decline, state aid was reduced and investment rates were weakening. The larger revenue increase in FY 2012 was mainly a result of improved collections on overdue taxes and the implementation of a new local meals tax and an increase in the local room's tax rate. The increase in FY 2016 was due to growth in nearly every revenue category as the economic climate improved considerably.

COMPOSITION OF GENERAL FUND REVENUE – FY08 ACTUAL TO FY17 BUDGET



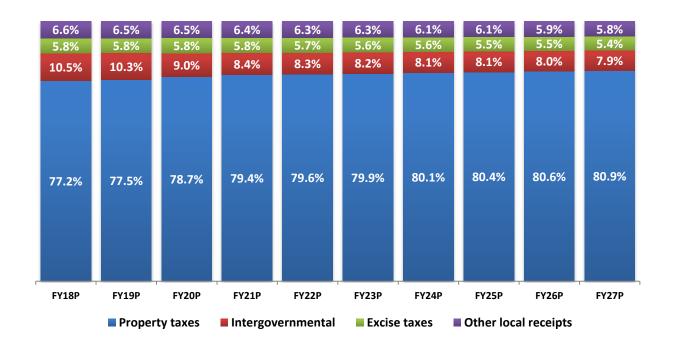
Property taxes currently comprise about 76 percent of all general fund revenue sources compared to 72 percent in FY 2008. The growth rate in the tax levy is greater than the growth rate in all other categories. This trend is expected to continue. Excise taxes have declined from 7 percent in FY 2008 to 5.7 percent mainly due to the growth in property taxes outpacing the growth in this category. Intergovernmental resources have declined from 12.1 percent to 10.7 percent as several aid categories have been eliminated, including school transportation, highway funds, and Quinn Bill reimbursements. Additionally, the town's amount of unrestricted aid and CH70 aid has been reduced over this period. Less than 8 percent of the total general fund revenue is comprised of resources other than taxes and intergovernmental aid.

PROJECTED GENERAL FUND REVENUE – FY18 TO FY27



Total general fund revenue is projected to grow by \$39 million over the next 10 years from \$152.5 million in FY 2018 to \$192 million by FY 2027. Most of the increase is produced from property taxes. No growth is projected for the net Intergovernmental aid, as increases in State aid will be offset by the expiration of reimbursements from the Massachusetts School Building Authority for some school construction projects. All other revenue sources generated from excise taxes and local activities such as building permits, beach stickers, investment income, etc. are projected to grow by \$2.6 million over this 10-year period.

COMPOSITION OF PROJECTED GENERAL FUND REVENUE – FY18 TO FY27



By FY 2027, property taxes are expected to comprise 81 percent of all General Fund revenue. The increased reliance on property taxes is a result of Proposition 2½ allowable increases and new property tax growth projections. It is projected that the town will need to raise the tax levy by the maximum allowable amount in order to provide the same level of services, which are included in the FY 2017 budget. Other General Fund revenue sources are not projected to increase at the same percentage rate resulting in property taxes comprising a greater overall share of the composition of total General Fund revenues. Excise taxes are projected to grow \$1.4 million over this 10-year period, which results in a consistent percentage of the overall general fund revenue sources. Intergovernmental aid declines from 10 percent to 8 percent because of the school construction reimbursements expiring. Taxes and intergovernmental aid combined will make up 89 percent of the total General Fund revenue sources by FY 2027.

GENERAL FUND EXPENDITURE SUMMARY

General Fund expenditure projections for fixed costs, benefits and operating expenses were made based on a variety of assumptions. The major assumptions include:

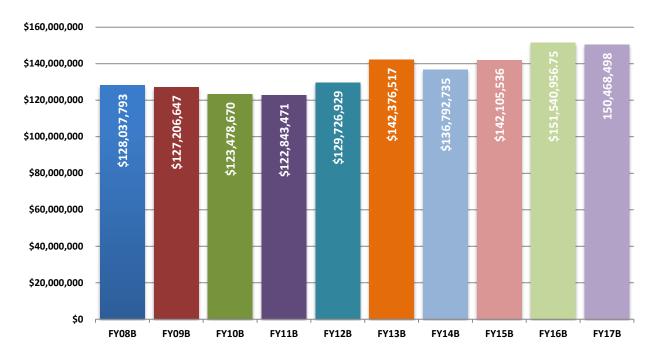
- An estimated 7.5 percent annual increase in health insurance
- The annual commitment to the Capital Trust Fund increases 2.5 percent each year and expiring debt service is recommitted to the capital program in later years
- County pension assessments increases 5.3 percent per year as investment performance on retirement fund assets are expected to improve over time
- An annual contribution into a Health Insurance Trust Fund will increase \$50,000 each year
- School assessments will average a 3.5 percent increase per year
- Other assessments are projected to increase 2 to 2.5 percent a year
- Municipal and school operating budgets will increase 2.6 percent per year
- Salaries will increase on average 3 percent a year

Using these assumptions, the estimated General Fund expenditures for the following ten years are projected to be the following:

	Projected General Fund Expenditures - State in Millions (000,000)									
	FY18P	FY19P	FY20P	FY21P	FY22P	FY23P	FY24P	FY25P	FY26P	FY27P
School Operations	\$64.70	\$66.32	\$67.97	\$69.67	\$71.41	\$73.20	\$75.03	\$76.91	\$78.83	\$80.80
Municipal Operations	37.34	38.32	39.32	40.36	41.43	42.53	43.66	44.83	46.03	47.27
Employee Benefits	23.50	24.85	26.65	28.36	30.20	32.15	34.23	36.44	38.80	41.03
Capital Program	13.90	13.97	10.72	10.13	10.37	10.62	10.98	11.24	11.51	11.78
Assessments	10.34	10.67	11.01	11.36	11.72	12.10	12.49	12.89	13.30	13.73
Other	5.37	5.45	5.53	5.62	5.71	5.80	5.90	5.99	6.10	6.20
Total	\$155.14	\$159.57	\$161.20	\$165.51	\$170.85	\$176.40	\$182.28	\$188.30	\$194.56	\$200.81
Growth	\$13.49	\$4.43	\$1.63	\$4.30	\$5.34	\$5.56	\$5.88	\$6.01	\$6.26	\$6.25

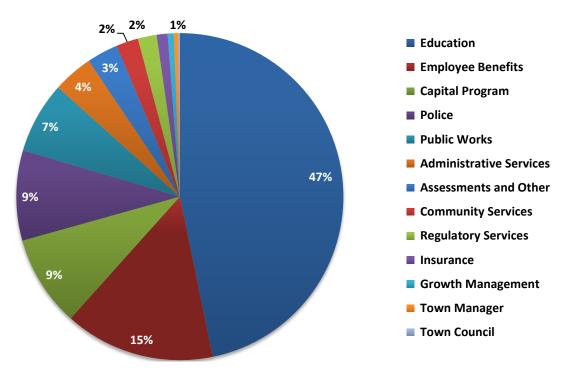
Employee benefit costs are projected to nearly double over the next 10 years as the increase in health insurance and pension assessments are projected to outpace inflation. The increase in total expenditures in FY 2020 is less than other years as expiring debt service in the capital program offsets increases in other areas of the operating budget.

GENERAL FUND EXPENDITURE BUDGETS – FY08 TO FY17



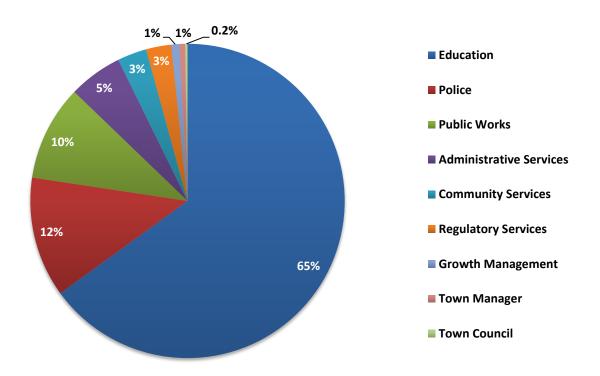
The General Fund budget has grown from \$128 million in FY 2008 to \$150 million in FY 2017. The declines in FY 2010 and FY 2011 were due to the recession. The increases in FY 2012 and FY 2013 were principally due to an increase in funding for the town's capital program. Excess General Fund reserves were appropriated and transferred to the Capital Trust Fund. The FY 2014 budget was lower than FY 2013 as this was not repeated. The increase in the FY 2015 and FY 2016 budgets were principally due to the increasing cost of operations. Additionally, the FY 2016 budget included a \$4 million one-time transfer of excess General Fund reserves to the Capital Trust Fund. The General Fund budget has increased \$22 million over the past 10 years or \$2.2 million on average per year.

FY2017 APPROVED GENERAL FUND BUDGET BY MAJOR CATEGORY



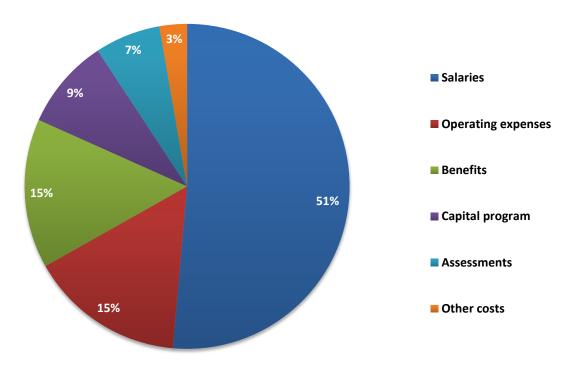
Direct expenditures on education represent the largest part of the General Fund budget at 47 percent. This includes the local school system and the assessments received from the Cape Cod Regional Technical High School in Harwich and Commonwealth Charter Schools. The town's FY 2017 assessments include over 400 Barnstable children attending these schools. Employee benefits comprise 15 percent of the fiscal 2017 budget. This category includes health insurance for active and retired employees, county retirement assessments, and workers' compensation and unemployment expenses. The capital program represents 9 percent and includes resources allocated to debt service payments on bonds issued to finance capital improvements and transfers into the Capital Trust Fund. Respectively, the Police and Public Works Departments represent 9 percent and 7 percent of the budget. Collectively, these aforementioned areas account for 87 percent of all General Fund expenditures.

FY2017 APPROVED GENERAL FUND OPERATING BUDGET BY DEPARTMENT



\$108 million of the \$150 million General Fund-operating budget is directed towards local operations. Of this amount, 65 percent is dedicated to Education and 87 percent is dedicated to Education, Police and Public Works combined. All other operations total 13 percent. The remaining \$42 million is dedicated to other costs including employee benefits, capital program, assessments, and insurance.

FY2017 APPROVED OPERATING BUDGET BY OBJECT OF EXPENDITURE



Almost \$100 million of the General Fund operating budget, or 66 percent is comprised of salaries and benefits for employees, as the town is a provider of services. Over \$23 million is comprised in operating expenses such as utilities to support those services. Nearly \$14 million is allocated to the town's infrastructure and over \$9 million comprises assessments from other entities including regional schools and the state.

SECTION III – ECONOMIC FACTORS

Economic factors at all levels are considered when preparing the forecast. National events will trickle down to the state level, which in turn will influence what happens locally. Usually the local economy will be impacted 12 to 24 months subsequent to events that occur at the state and federal levels.

A. NATIONAL ECONOMIC FACTORS

- 1. Crude Oil When this report was written domestic crude oil prices were around \$53 per barrel. This is about \$17 more than the same time as last year. As a result, gas prices at the pump and home heating oil are on the rise from where they were a year ago. However, this is still considerably lower than the \$100 dollar level they were at 4 years ago. This has given consumers extra money to save or to spend in other areas. It is also the opinion of many market analysts that it has contributed to strong vehicle sales across the country. The town has seen a corresponding increase in its Motor Vehicle Excise Tax. The down side is the negative impact on the energy companies. Corporate revenues have suffered as well as the energy stock markets.
- 2. Automotive Sales National automotive sales remain strong. Low gas prices have encouraged sales but this romance may end in 2017. The National Automobile Dealers Association is forecasting sales to increase again in 2017 but at a slower pace than 2016. New car sales as well as population impact the town's Motor Vehicle Excise Tax. As our year round population is not projected to increase, any growth in this revenue will have to come from vehicle sales volume and price increases.
- 3. GDP The Bureau of Economic Analysis (BEA) updates the Gross Domestic Product each month. It describes how fast the economy is growing. The ideal growth rate is between 2-3%. This is fast enough to provide enough jobs but not so fast it will create inflation. The GDP for the 3rd quarter of 2016 was 2.9%. This has kept inflation in place. This is good news for consumers as there have not been any significant price increases in consumables. The prices paid by consumers for an assorted basket of goods and services, which is tracked each month by the Bureau of Labor Statistics; the Consumer Price Index; rose 0.2% in

- November 2016 and are currently up only 0.7 percent year over year. The Fed's long-term goal for price inflation is 2 percent.
- 4. Interest Rates The Federal Reserve recently increased short-term borrowing rates by 0.25 percent; the first rate increase in nearly a decade. This should only influence short-term borrowing rates and credit cards. Interest earned on savings should not be impacted, as banks are not expected to immediately raise rates earned on deposits; only the rates they charge on credit cards. Interest earned on the Town's cash deposits are not expected to grow. This rate increase can also strengthen the dollar against other world currencies resulting in fewer travelers coming to the United States. This could have an impact on our international tourism industry. Mortgages should not be impacted. Mortgage rates across the country continue to be at historically low levels, which assist the real estate market. If anything, it may entice more people to enter the home ownership market as it could indicate a trend of rate increases to come. Interest rates are expected to remain low in the near term.
- 5. Employment The national unemployment rate has fallen to 4.6% as of November 2016, its lowest level in years. This could lead to an increase in federal income tax receipts.
- 6. The Consumer Confidence Index This is a measurement of Americans' attitudes about current and future economic conditions. Consumer confidence is the primary driver of demand in the U.S. economy. When confidence is high, people will shop more. Consumer confidence continues to rise. A post-election surge continues, as Americans are more optimistic about the economy, jobs and income. A 13-year high in stock prices is also boosting confidence.
- 7. Household Debt Household debt is what individuals owe, as opposed to what businesses or the government owes. It is comprised of non-housing and housing debt. It can be borrowed from a bank, a credit union, a non-profit or school, and even the federal government. U.S. household debt rose to \$12.4 trillion in the third quarter of 2016. An increase in non-housing debt can indicate an increase in consumer confidence and people are more willing to make large purchases. The average U.S. household credit card debt is over \$16,000, which is approaching pre-recession (2008) levels.
- 8. Corporate Profits Corporate profits, as reported quarterly by the BEA (Bureau of Economic Analysis), are summarized briefly as the income of organizations treated as corporations in

the national income and product accounts. Corporate profits in the United States increased by \$98.3 billion, or 6.4 percent, to \$1575.4 billion in the third quarter of 2016. This is contributing to more hires in the workforce.

B. STATE ECONOMIC FACTORS

- 1. State Tax Revenue State budget officials are reporting that state tax collections for 2017 are expected to remain weak over the rest of fiscal year and grow only modestly next year. The Department of Revenue reports that taxes could end the current fiscal year below the revised \$26.1 billion projection adopted in October, which is roughly \$800 million lower than the original forecast for the year. This could indicate no growth and possible reductions to local aid in fiscal year 2018 for some communities.
- 2. State Budget Following the revenue hearing early this month, the governor implemented unilateral budget cuts. While much of the shortfall was closed using non-tax revenues that were not included in the original budget act and a voluntary state workforce reduction program, the governor on Dec. 6 announced his use of statutory Section 9C authority to reduce state spending to cover a new shortfall estimated at \$98 million. The 9C cuts were spread over almost 150 accounts in the budget and avoided the main municipal and school aid accounts. Among the cuts were dozens of earmarked appropriations, including many for cities and towns to help pay for a wide variety of programs and facilities. The impact to the town has been minimal in FY 2017.
- 3. Pension Reform and Health Insurance Reform The state has implemented reforms in both areas affecting current and future employees. While the health insurance reforms affect all active and retired employees, most of the cost savings with the recent round of pension reforms was targeted at future employees. The State's unfunded pension liability is in excess of \$20 billion. Its healthcare liability stands at around \$15 billion, and it has not set aside any funds to address this yet. Creating a dedicated funding stream for this liability could result in less aid to cities and towns.

C. LOCAL ECONOMIC FACTORS

- 1. New Building Growth New residential growth has been on the rise for the past three years; however, no increase in this area is expected as there is limited green space for new residential developments. Additional property taxes generated from new growth for FY 2017 was \$1.4 million. New building growth is projected to be \$950,000 per year throughout this forecast; slightly more than what it has averaged over the past 10 years.
- 2. Tourism According to statistics published by the Cape Cod Chamber of Commerce, there has been an increase in several key areas including; occupancy rates at area hotels/motels, rooms tax receipts, meals tax receipts visits and visitors to the National Seashore. Rooms tax and meals tax both trended higher in fiscal year 2017. Cape Cod's tourism economy appears to be strong.
- 3. Ordinance Development The financial impact of any new ordinances should be closely examined to determine its potential impact on the town's finances. New ordinances can require additional staff to enforce and can prohibit or encourage new development.
- 4. Property Taxes This revenue source is more stable than sales and income tax receipts. It is the main revenue source for the General Fund. Consequently, fluctuations in the town's budget are not as predisposed to economic upswings and downturns as do governments that depend upon sales and income taxes. While it is a steady and predictable resource, it has limitations under Proposition 2 ½ unlike sales and income taxes.
- 5. Reserves the town continues to maintain several reserves, which can be accessed to provide for the continuation of services on a short-term basis (1- 2 years) or to support the capital program.
- 6. Unfunded liabilities The town currently faces unfunded pension and healthcare liabilities of around \$215 million. The amortization of the pension liability is expected to be completed by FY 2037. In addition, the town has established a trust fund to accumulate resources for the unfunded healthcare liability but the annual funding to this trust is approximately \$4 million less per year than the required annual contribution. The health insurance plan changes implemented in fiscal year 2013 reduced this liability by nearly \$32 million.

- 7. Infrastructure Improvements and Expansion The town is facing two major programs; private roads and sewer expansions. Combined, these programs are expected to exceed \$1 billion in total costs over several decades. To date, limited resources are available to finance them. The Town Council approved a local meals tax and an increase in the local rooms tax with both sources being directed to a sewer expansion and private roads. However, they are insufficient to address a comprehensive program.
- 8. The town's economic development program focuses on specific activities which include promoting Hyannis' revitalization, collaboration with the Hyannis Area and Cape Cod Chambers of Commerce, the Hyannis Main Street Business Improvement District, planning and study initiatives for the Route 132 regional commercial area and corridor, Hyannis Harbor and Route 28 corridor. The Harbor Your Arts (HyA) program is a key component of the downtown Hyannis revitalization initiative and has stimulated collateral development on Pearl Street. HyA promotes arts and cultural programs and events throughout the town including performing arts, exhibits, retail space for artists through the artist shanty program and artist live/work space. These arts focused activities attract visitors and residents and enhance their Hyannis experience, provide market opportunities for artists and businesses, support the local creative economy, enhance business activity in Hyannis and continue to define downtown Hyannis as an arts and culture destination.

SECTION IV – MAJOR OPERATING BUDGET COMPONENTS

Particular attention is given to certain areas of the revenue and expense structure contained in the operating budgets in order for this forecast to hold true. These areas include the following:

PROPOSITION 2 ½

Property tax levy growth is limited to 2 ½ percent of the previous year's base levy before a factor for new building growth is added. Currently, this provides about \$2.8 million in General Fund revenue growth, an amount equivalent to 1.8% of the total General Fund budget. It is projected that the town will need to raise the tax levy by the maximum 2 ½ percent allowed every year in order to maintain current services or minimize reductions thereto.

NEW PROPERTY TAX GROWTH

Additional taxes generated from new building growth are estimated to remain steady over the forecast period (\$950,000 per year) with the anticipation of an improving economy. With limited vacant building lots available, the town will have to rely more upon targeting redevelopment of existing lots to achieve this goal.

CHAPTER 70 AID FOR EDUCATION

A new formula was developed several years ago that provides for each community to receive no less than 17.5 percent of its foundation budget in the form of CH70 aid. The town currently receives 17.2 percent of its foundation budget leaving little room for growth. The town's CH70 aid will increase only if its foundation budget increases, and in addition, only if the State adequately funds the program.

UNRESTRICTED GENERAL GOVERNMENT AID

This category of aid is projected to increase 2 percent per year. The recent passage of legislation allowing casinos in Massachusetts may have some impact on the distribution of aid in this category. The revenue sharing formula for casino revenue allocates 20 percent to local aid.

MASSACHUSETTS SCHOOL BUILDING ASSISTANCE

The town currently receives about \$3 million annually from the Massachusetts School Building Authority (MSBA). The projection assumes this funding will continue as scheduled. The projection does not include any additional funding from the MSBA. Funding for new projects under this program is very competitive. The new program for financing school construction is derived from the state sales tax, which has seen some recent recovery.

MOTOR VEHICLE EXCISE TAXES

This is the third largest revenue source for the town's General Fund after property taxes and state aid. Changes in this category of revenue are influenced by many factors including vehicle sales volume, vehicle prices, interest rates on car loans, the increasing length offered on car loans, the increase in vehicle life spans, consumer confidence in the economy, and town population. The surge in the economy and auto industry has translated in a significant growth in this category of revenue over the past couple of years. A tipping point will be reached and the town should expect to see this revenue source level off and even decline at some point. During the last recession, the town saw this revenue source drop by over \$1.5 million from the previous year levels.

OTHER LOCAL RECEIPTS

This category of revenue includes the various charges for permits and fees such as beach stickers, building permits, investment income, and fees assessed for the late payment of taxes and many others. Most of the charges are set at rates to recover the cost of providing a particular service. These are reviewed and adjusted periodically to maintain a certain level of cost recovery. The total amount of revenue generated in this category is less than \$8 million annually in the General Fund or about 4.5% of the General Fund budget. The forecast projects that many of these fees will need to be adjusted to continue to cover the increased cost of services.

FUND BALANCE

It is estimated that the town will continue to generate some surplus in its operating budget every year from returned appropriations and actual revenue exceeding budget estimates;

therefore, a portion of general fund balance is used to provide some stability in the operating budget. In addition, fund balance is used to cover the projected snow and ice removal deficit and the town has self-insured unemployment costs. The amount of surplus used over the next 10 years is projected to exceed the amount generated resulting in the reduction of surplus.

SALARIES

Salaries are the single largest expense for the town. Labor contracts include a merit increase for eligible employees. Merit increases in most cases include ten steps. Employees are moved to the next step upon a satisfactory evaluation. In most cases, once an employee has more than 10 years of service they are no longer eligible for merit increases. Approximately 70 percent of the school department's labor force and 50 percent of the municipal department's labor force is at the top step. Salaries also increase every year by any negotiated cost of living allowances (COLA). The projection includes an average salary increase of 3 percent per year. This amount is to provide for merit and COLA increases.

HEALTH INSURANCE

The Town of Barnstable belongs to a joint purchasing group; the Cape Cod Municipal Health Group (CCMHG), for procuring health insurance for its employees. The group implemented plan design changes in FY13 that reduced the annual cost in premiums as the changes were designed to encourage more effective utilization of health insurance. The projection provides for an increase of 7.5 percent per year in health insurance rates. The CCMHG continues to work on ways to reduce costs as well; for example, mail order prescriptions, health awareness and smoking cessation programs. The Affordable Care Act includes an excise tax of 40%, which is applied to the excess premium over the Acts benchmarks. The town will be responsible for this tax. The benchmarks are \$10,200 for a single plan and \$27,500 for a family plan. The tax was scheduled to take effect in 2018 but has recently been delayed by the Federal government until 2020. This is projected to have a major impact on the town's finances as the premiums for the CCMHG's plans are approaching the benchmarks. The forecast includes a tax liability of \$350,000 in FY 2020 and grows to \$1.7 million by FY 2027.

OTHER POST EMPLOYMENT BENEFITS

Similar to pensions, town employees can earn other post-employment benefits (OPEB) over their years of service that will not be received until after their retirement. In the town of Barnstable, the OPEB consists principally in the form of health insurance. A new accounting rule requires that the town actuarially determine what its annual required contribution (ARC) would be to fully fund this benefit. The amount of the ARC that exceeds the town's actual health insurance expense in any one year is added to the liability on the town's Statement of Net Position. The ARC exceeded the town's actual expenses in fiscal year 2016 by about \$4 million and the town's liability grew to almost \$49 million. In essence, to fully fund health insurance for active and retired employees, the town would have to budget \$4 million more per year for health insurance. A similar shortfall can be expected every subsequent year. If the town elects not to fund all or part of this liability, it is expected that it will eventually lead to a bond rating downgrade as the rating agencies are watching very closely how governments across the country address, or don't address, this issue.

It is expected that the town will continue to cover fifty percent of the annual health insurance costs of eligible town retirees, as this is the minimum required by state law. Eligible retired teachers enter the state's health insurance program managed through the Group Insurance Commission. The town is assessed its share of the cost each year by the state for retired teachers. The town must pay 85% to 90% of retired teacher's health insurance premiums depending upon their retirement date. This charge is included on the town's Cherry Sheet.

UTILITIES AND FUEL

The FY16 budget across all town budgets (General Fund and Enterprise Funds) for utilities and fuel is approximately \$5 million combined. The town has installed co-generation equipment, photovoltaic solar panels on various rooftops, wind turbines at the Water Pollution Control Facility and upgraded heating plants to make buildings more efficient. In addition, it has adopted a new fuel-efficient vehicle policy. Efforts will continue to reduce the town's reliance on fossil fuels as well to reduce costs. Large photovoltaic solar arrays have been constructed on land at the town's solid waste facility and airport, which is guaranteed to provide the town with

income of about \$800,000 annually. These funds have been used to balance operating budgets and enhance the capital program.

PRIVATE ROADS

There is no provision included in this projection to finance the taking or improvement of these roads, or the elimination of services currently provided. Recently, the state approved the town's request to expand the use of the Sewer Construction Trust Fund for this purpose and it is now referred to the Sewer Construction/Private Way Maintenance and Improvement Special Revenue Fund. The town could address some of the immediate needs with this funding source which allows these funds to be used on private roads meeting certain criteria.

CLEAN WATER

This challenge involves two major pieces; expanding and constructing sewer collection systems and upgrading and maintaining existing sewer collection systems. Protecting the town's water resources is one of the most, if not the highest, priority for the community. The Town Council has created a Water Resources Advisory Committee whose charge is "to advise the Town of Barnstable on the completion and implementation of its Comprehensive Water Resource Management Planning Project, with the goal of protecting and restoring the Town's fresh and salt water bodies and its drinking water supplies, in compliance with the Cape Cod Commission's Cape Cod Area Wide Water Quality Management Plan Update of 2015, (The 208 Plan)".

In addition, the Town's Comprehensive Financial Advisory Committee (CFAC) has reported on a financing method for funding a comprehensive water resource protection program. In summary, their report concluded that new revenue sources would need to be created, as existing town resources were inadequate for addressing this program. Some of their recommendations could be implemented while others would require special or general legislation to be passed. The Town Council adopted several measures (not necessarily CFAC's recommendations) in July 2010 to begin addressing this issue including; the establishment of a 50% betterment assessment, adoption of a local meals tax and an increase in the local room occupancy tax. This issue has also been reviewed on a countywide basis by the Cape Cod Commission, which recently issued a new Section 208 Water Quality Plan. The plan points out

where opportunities exist for Cape Cod communities to work collaboratively on addressing the topic focusing on watershed areas as opposed to town-by-town solutions.

WATER SUPPLY

The Department of Public Works and the Hyannis Water Board have developed a comprehensive capital improvements program for the water operations. This includes improvements to pump stations and water filtration systems, water line replacements and upgrades, water storage facilities, water treatment facilities and new well exploration. A water rate model has been developed to determine the necessary rate increases that will be needed to cover the cost of the capital improvements.

SPECIAL EDUCATION

The largest component within this section of the School Department budget is the cost for outof-district residential placement services. These services can fluctuate immensely from year to
year depending upon the number of students enrolled and the type of services required. One
new student could easily add over \$100,000 of costs to the School Department's budget. The
State Circuit Breaker Reimbursement program provides for some financial relief. Subject to
appropriation, the State's share shall equal a percentage of the prior year's approved
instructional costs in excess of four times the full amount of the prior year's state average per
pupil foundation budget as defined in M.G.L. c.70 and in accordance with the Department of
Elementary and Secondary Education. For FY 2017, the rate is approximately 70 percent of the
eligible costs as the program is not fully funded. Even with no changes in enrollment, a cut in
the reimbursement rate can have a significant impact on a school district's budget. The district
partners with the New England Center for Children who specialize in the education of students
with Autism. "Partner classrooms" are currently offered up to seventh grade with expansion
planned for FY18 for grades eight to twelve. The partner program has been an effective strategy
to avoid costly out-of-district placements.

FACILITY MAINTENANCE

Town and school facilities are aging. Adequate funds need to be directed to the annual maintenance and improvement of these facilities. When budgets are constricted, this is one of the first reductions made. The Town must continue to find ways to augment currently allocated funds to the maintenance of facilities as well as identify opportunities to close facilities no longer needed.

Most notably are the Town's elementary school facilities which are in need of significant renovations. Declining enrollments have allowed for the reduction of the School Department's physical plant reducing the cost of this program. The former Grade 5 building was closed and sold for \$3 million. Osterville Bay Elementary School was closed at the end of the 07-08 school year. Cotuit, Marstons Mills and Osterville Elementary schools were closed after the 08-09 school year. Any lease income generated from these facilities can be used towards maintaining their condition.

The \$3 million from the sale of the former Grade 5 building has been used for various school building improvements and was exhausted with the passage of the FY15 Capital Improvement Program. There will ultimately be some sort of tax levy commitment to complete this program. Massachusetts School Building Assistance may also become available.

TECHNOLOGY

Updating technology is a priority in the school department. Past technology upgrades have traditionally been performed as the facility is renovated. In FY07, a one-time infusion of \$300,000 was made for technology upgrades system-wide and another \$337,000 in FY10. In the most recent three years, approximately \$700,000 has been invested in school technology improvements. The challenge will be to implement this as part of the School Department's annual operating budget. The Information Technology Division within the municipal operations budget has a financial plan that includes \$105,000 annually for hardware and software upgrades.

TRANSPORTATION

The district's largest annual contract for service, student transportation, expires in FY17. Evidenced by surrounding communities who have recently sought similar services, the student transportation market is in a process of rebalancing contracts for Federal and state wage and leave mandates. This will result in higher operating costs for districts.

Studies have proven a social and academic benefit to high school aged students starting school at a later time. Review of the School Department's transportation practice is underway to determine a fiscally responsible means of revising the current start times. Changes to start times may result in a less efficient transportation plan and higher operating costs.

SECTION V – KEY FINANCIAL STATISTICS

A. BARNSTABLE TRENDS

CAPITAL PROGRAM

The town of Barnstable has an inventory of over \$400 million in fixed assets. This includes land, land improvements, buildings, equipment and machinery, furniture and fixtures, boats, vehicles, trailers, computers, roads, sidewalks, bridges, runways, marinas, parks, fresh water ponds and lakes, dredged waterways, beaches, water and sewer lines and other. This inventory of assets requires the town to invest considerable funds to replace or improve the assets over time. Town departments have identified in excess of \$121 million dollars of general fund capital needs over the next 5 years not including a comprehensive sewer expansion or private road repair program. This is more than what town resources can provide for. Appropriations for the General Fund capital program over the past 10 years are illustrated in the table below. This does not include capital improvements financed with grants, enterprise funds and other sources of revenue.

Fiscal	Operating	CIP	CIP	
Year	Capital	Cash	Bond Financed	Total
2008	\$811,000	\$3,250,000	\$2,588,600	\$6,649,600
2009	\$1,051,730	\$3,480,000	\$1,677,500	\$6,209,230
2010	\$844,345	\$3,670,000	\$1,661,600	\$6,175,945
2011	\$488,709	\$3,412,500	\$2,300,000	\$6,201,209
2012	\$1,113,174	\$3,275,000	\$4,480,000	\$8,868,174
2013	\$643,765	\$5,129,000	\$0	\$5,772,765
2014	\$1,011,435	\$3,316,000	\$6,248,000	\$10,575,435
2015	\$1,069,855	\$5,687,810	\$4,231,500	\$10,989,165
2016	\$1,211,504	\$3,956,247	\$12,523,000	\$17,690,751
2017	\$1,209,300	\$4,505,739	\$9,503,000	\$15,218,039
10 Year Total	\$9,454,818	\$39,682,296	\$45,213,200	\$94,350,314

The town has been committed to a \$3.25 million CIP cash program for the maintenance of the public roads since fiscal year 2008. In the past two fiscal years, significant increases in bond financing have been needed to support school and municipal infrastructure restoration projects. From this, the town's projected annual commitment for new capital is approximately \$10.7 million per year for the next five years. This includes \$3.7 million in annual cash financing and \$7 million in bond financing.

NET SCHOOL SPENDING REQUIREMENTS

The Commonwealth's school finance statute, Chapter 70 of the General Laws, establishes an annual "net school spending" requirement for each Massachusetts school district. Failure to comply with this requirement may result in non-approval of a municipality's tax rate, enforcement action by the Attorney General, or loss of state aid.

		State	Per	Per
		Required	Student	Student
	Foundation	School	Required	Dollar
	Enrollment	Spending	Spending	Change
FY08	5,814	\$53,193,630	\$9,149	\$175
FY09	5,706	\$53,191,974	\$9,322	\$173
FY10	5,583	\$53,189,694	\$9,527	\$205
FY11	5,492	\$52,082,556	\$9,483	-\$44
FY12	5,381	\$51,917,318	\$9,648	\$165
FY13	5,429	\$53,702,127	\$9,892	\$243
FY14	5,434	\$55,193,835	\$10,157	\$265
FY15	5,423	\$54,648,673	\$10,077	-\$80
FY16	5,492	\$55,521,660	\$10,110	\$32
FY17B	5,490	\$57,300,645	\$10,437	\$328

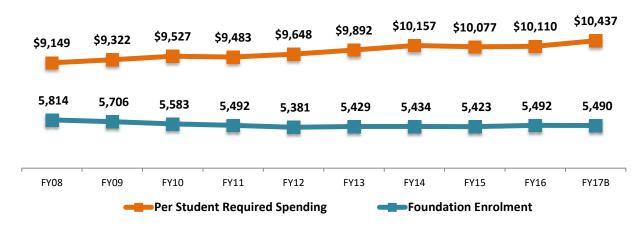
	Actual Net School Spending	Required Spending	Difference
FY08	\$59,936,946	\$53,193,630	\$6,743,316
FY09	\$61,495,507	\$53,191,974	\$8,303,533
FY10	\$58,980,446	\$53,189,694	\$5,790,752
FY11	\$58,404,917	\$52,082,556	\$6,322,361
FY12	\$60,995,325	\$51,917,318	\$9,078,007
FY13	\$61,852,869	\$53,702,127	\$8,150,742
FY14	\$65,306,537	\$55,193,835	\$10,112,702
FY15	\$67,837,819	\$54,648,673	\$13,189,146
FY16B	\$70,624,244	\$55,521,660	\$15,102,584
FY17B	\$72,742,971	\$57,300,645	\$15,442,326

Since the implementation of Education Reform in FY 1993, the required per student spending has increased \$6,389, from \$4,048 to \$10,437, or 158%. The required school-spending amount increased \$32 million, from \$25 million to \$57 million, or 128%. This is much less than the percentage increase in the per student spending requirement due to an 11% drop in the enrollment level over the same period. The Town has consistently complied with the state mandated spending requirements.

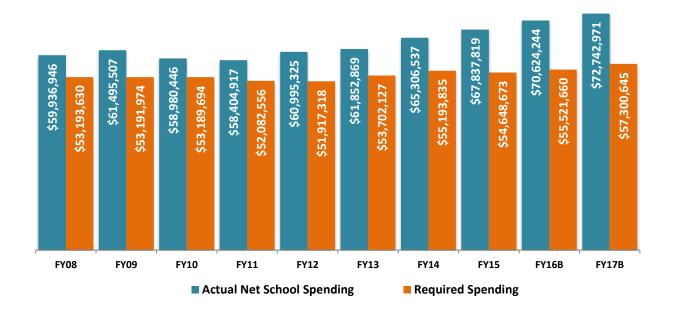
More recently, Sections 124 and 278 of the FY15 State Budget established the Foundation Budget Review Commission to "determine the educational programs and services necessary to achieve the commonwealth's educational goals" and to "review the way foundation budgets are calculated and to make recommendations for potential changes in those calculations as the commission deems appropriate." The Commission made recommendations to change four areas of the Foundation Budget: 1. Health Insurance, 2. Special Education, 3. English Language Learners, and 4. Low Income Students. The recommendations will result in increasing the minimum spending in each area thereby increasing the foundation budget if fully adopted.

Barnstable currently spends in excess of \$15 million over the Foundation Budget, so any changes should not result in additional required spending for the Town. However, as the Foundation Budgets for all school districts are impacted it could result in a redistribution of CH70 aid that could have a negative effect on a "high-effort" community like Barnstable.





Foundation enrollment had been on a steady decline from FY 2008 through FY 2012 and has leveled off since then. During this same period, the required spending per student has increased. This inverse relationship explains why the required net school spending has not decreased even though enrollment is down from the FY 2008 level.



The Town's actual net school spending has consistently met or exceeded the required amount. The FY16 & FY17 are budgeted amounts and not actuals.

RESERVES USED TO BALANCE OPERATING BUDGETS

The town has used a portion of its General Fund reserves on an annual basis to balance the operating budget. The Massachusetts Department of Revenue certifies the General Fund reserve, also known as free cash, every year. From this reserve, the Town Council's policy is to set aside an amount equal to 4 percent of the operating budget, net of transfers, for extraordinary and unforeseen events. Any balance remaining is distributed between the School Department and Municipal Departments in accordance with a revenue sharing agreement. The use of the reserves is subject to Town Council approval. It may be used to balance annual operating budgets, capital budgets or to fund one-time expenses. The following table illustrates this activity within this reserve for the past ten years.

	Beginning	Use	d For:		Ending
Certification Date:	Balance	Operations	Capital	Generated	Balance
July 1, 2008 (FY09)	\$17,321,483	(\$6,390,369)	(\$4,500,000)	\$1,501,616	\$7,932,730
July 1, 2009 (FY10)	\$7,932,730	(\$1,930,000)	\$0	\$2,408,587	\$8,411,317
July 1, 2010 (FY11)	\$8,411,317	(\$1,080,758)	\$0	\$3,416,013	\$10,746,572
July 1, 2011 (FY12)	\$10,746,572	(\$1,195,000)	(\$2,000,000)	\$4,768,613	\$12,320,185
July 1, 2012 (FY13)	\$12,320,185	(\$687,330)	\$0	\$5,639,538	\$17,272,393
July 1, 2013 (FY14)	\$17,272,393	(\$3,579,836)	(\$7,000,000)	\$4,403,107	\$11,095,664
July 1, 2014 (FY15)	\$11,095,664	(\$3,585,000)	(\$591,993)	\$6,451,368	\$13,370,039
July 1, 2015 (FY16)	\$13,370,039	(\$4,104,926)	(\$1,037,689)	\$5,721,779	\$13,949,203
July 1, 2016 (FY17)	\$13,949,203	(\$2,726,877)	(\$4,000,000)	\$5,908,772	\$13,131,098
Totals		(28,857,726)	(21,364,682)	49,911,941	

The amount of reserves used to balance on-going operations as illustrated above has ranged from less than \$1 million to over \$9 million. The Town has historically been able to generate more reserves than what it has spent with the exception of fiscal year 2008. This demonstrates a structurally balanced budget over the 10-year period. The generation of surplus is derived from unexpended appropriations and actual revenues out-performing budget estimates. The Town must be cautious about placing an over-dependency on this funding source to pay for recurring operating costs. The current balance of \$13.1 million in the savings account is distributed in accordance with the revenue sharing agreement as follows:

Municipal savings	\$1,945,532
School savings	\$4,342,895
Town Council reserve	\$6,842,671
Total	\$13,131,098

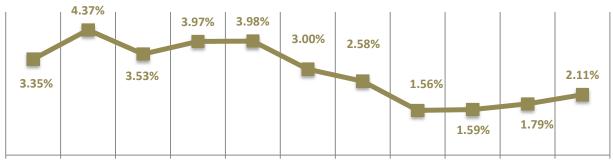
BONDS RATINGS

The Town continues to manage its financial affairs in a prudent manner. In FY16, Standard and Poor's reaffirmed the Town's bond rating at AAA. This excellent bond rating has been in effect since 2007 and should continue to allow the Town to receive favorable borrowing rates on future debt issues, saving thousands of dollars in interest costs on bond issues.

BORROWING RATES

Borrowing rates are at an all-time low for the municipal bond market. This has created an opportunity for the Town to "refund" or "refinance" most of its older bond issues. All bonds eligible for refunding have been refunded. The Town's last bond issue of \$16.648 million in February 2016 resulted in a net interest cost of 2.11% over the life of the bond. The Town could seize this opportunity, coupled with its excellent bond rating, and implement an aggressive capital improvement program that could save thousands in borrowing costs, but it would require a revenue source to repay the bonds such as an increase in taxes or the redirection of existing resources from operations to debt service.

Barnstable Borrowing Rates:

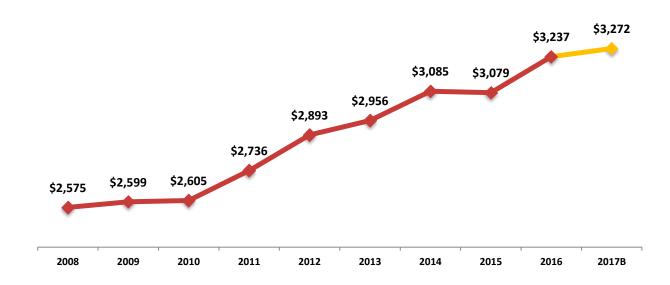


2003 issue 2004 issue 2006 issue 2007 issue 2008 issue 2010 issue 2011 issue 2012 issue 2014 issue 2015 issue 2016 issue

Municipal borrowing rates are at their lowest levels in decades. As illustrated in the chart above, the Town's last four bond issues have resulted in very favorable net interest costs, all under the 3% level, compared to bonds issued over 5 years ago.

TOTAL GENERAL FUND REVENUES PER CAPITA

The growth in the Town's General Fund revenue per capita coupled with a leveling in population reveals a history of strong revenue growth. It is also an indication of the Town's high dependency on property taxes, which is a more stable revenue source than most other types of governmental revenue.

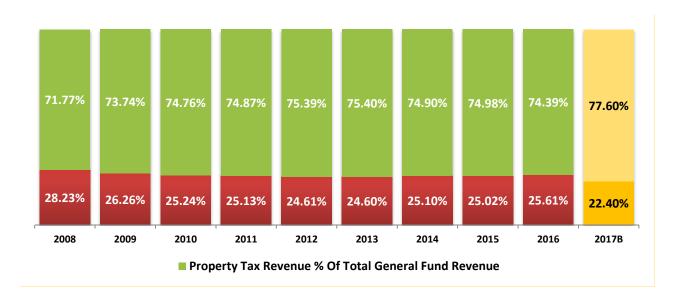


Fiscal			% Change		Annual		% Change
Year		Annual %	Since	Annual GF	Revenue	Annual %	Since
Ended	Population	Change	2007	Revenue	Per Capita	Change	2008
2008	46,184	-1.19%	-1.19%	\$118,919,235	\$2,575	2.54%	0.00%
2009	46,297	0.24%	-0.94%	\$120,339,568	\$2,599	0.95%	0.95%
2010	45,193	-2.38%	-3.31%	\$117,718,426	\$2,605	0.21%	1.16%
2011	44,932	-0.58%	-3.86%	\$122,937,659	\$2,736	5.04%	6.26%
2012	44,824	-0.24%	-4.10%	\$129,685,197	\$2,893	5.74%	12.36%
2013	44,641	-0.41%	-4.49%	\$131,962,249	\$2,956	2.17%	14.80%
2014	44,529	-0.25%	-4.73%	\$137,365,418	\$3,085	4.36%	19.80%
2015	45,170	1.44%	-3.35%	\$139,061,570	\$3,079	-0.20%	19.56%
2016	45,193	0.05%	-3.31%	\$146,280,828	\$3,237	5.14%	25.71%
2017B	45,193	0.00%	-3.31%	\$147,883,547	\$3,272	1.10%	27.08%

Total Town's General Fund revenue per capita has increased every year since FY 2008.

PROPERTY TAX REVENUE AS A PERCENTAGE OF TOTAL GENERAL FUND REVENUE

The growing trend in property taxes as a percent of total General Fund revenue is an indication of the Town's increasing dependency on this revenue source. Reductions in state aid and other General Fund revenues that are more volatile contribute to this trend. The high reliance on property taxes to fund operations can have a considerable impact on the Town's tax rate and taxing capacity if property values were to significantly decline. This trend can also have a significant impact on the Town's cash flow if tax delinquencies grow. On the positive side, this funding source is more dependable resulting in a higher level of budget stability.



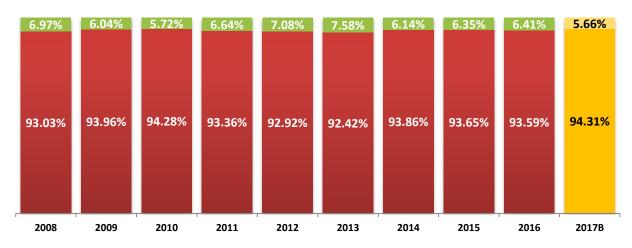
Fiscal	Property		% Change	Percentage
Year	Tax	Annual %	Since	of Total
Ended	Revenue	Change	2008	GF Revenue
2008	\$85,349,785	3.40%	0.00%	71.77%
2009	\$88,742,112	3.97%	3.97%	73.74%
2010	\$88,006,435	-0.83%	3.11%	74.76%
2011	\$92,046,075	4.59%	7.85%	74.87%
2012	\$97,769,280	6.22%	14.55%	75.39%
2013	\$99,494,912	1.77%	16.57%	75.40%
2014	\$102,888,344	3.41%	20.55%	74.90%
2015	\$104,269,489	1.34%	22.17%	74.98%
2016	\$108,813,031	4.36%	27.49%	74.39%
2017B	\$114,754,190	5.46%	34.45%	77.60%

Property taxes have grown from 72% of total General Fund revenue to 77%. This trend is expected to continue as property taxes are allowed to increase every year under state law,

regardless of changes to property valuations, while all other sources of revenue can fluctuate depending upon the economy, activity levels and state appropriations for local aid.

EXCISE TAX AS A PERCENTAGE OF TOTAL GENERAL FUND REVENUE

This category of revenue has declined from the peak years of 2012 and 2013 due to meals and rooms taxes being dedicated to a Special Revenue Fund.



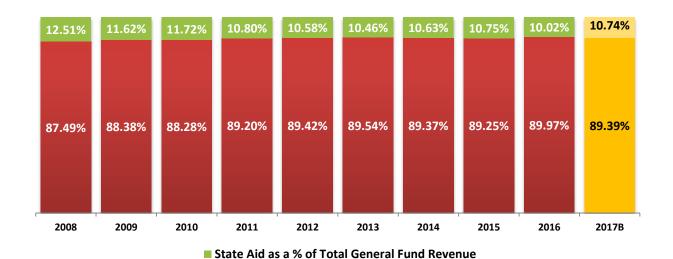
■ Excise Tax Revenue as a % of Total General Fund Revenue

Fiscal	Excise		% Change	Percentage
Year	Тах	Annual %	Since	of Total
Ended	Revenue	Change	2008	GF Revenue
2008	\$8,287,731	-0.38%	0.00%	6.97%
2009	\$7,270,810	-12.27%	-12.27%	6.04%
2010	\$6,731,097	-7.42%	-18.78%	5.72%
2011	\$8,168,665	21.36%	-1.44%	6.64%
2012	\$9,176,572	12.34%	10.72%	7.08%
2013	\$10,001,473	8.99%	20.68%	7.58%
2014	\$8,436,344	-15.65%	1.79%	6.14%
2015	\$8,826,596	4.63%	6.50%	6.35%
2016	\$9,374,450	6.21%	13.11%	6.41%
2017B	\$8,364,547	-10.77%	0.93%	5.66%

This category of revenue has grown from FY14 to FY16 as the economy and auto industry has improved. The reduction from FY13 to FY14 was due to a redirection of meals and rooms taxes to a dedicated Special Revenue Fund. This revenue source can still be volatile depending on numerous factors that influence vehicle sales. An increase in this revenue source is a reflection of more and/or newer vehicles registered in Barnstable.

STATE AID AS A PERCENTAGE OF TOTAL GENERAL FUND REVENUE

This category of revenue has become a smaller portion of General Fund revenue over the past 10 years due to limited state aid increases and an increasing property tax levy. The slight tick upwards in FY17 is due to an increase in CH70 aid that was much higher than experienced in the last 9 years. Similar increases are not expected in FY18 and beyond as the Town has reached the maximum funding allowed under the current CH70 formula.

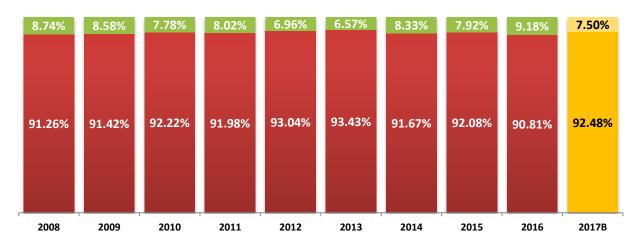


Fiscal % Change Percentage Year State Annual % Since of Total **Ended** 2008 **GF Revenue** Aid Change \$14,882,347 2008 2.96% 0.00% 12.51% 2009 -6.07% -6.07% 11.62% \$13,979,615 2010 -7.27% \$13,800,539 -1.28% 11.72% 2011 \$13,280,973 -3.76% -10.76% 10.80% 2012 \$13,719,532 3.30% -7.81% 10.58% 2013 \$13,797,920 0.57% -7.29% 10.46% 2014 \$14,602,022 5.83% -1.88% 10.63% 2015 10.75% \$14,951,122 2.39% 0.46% 2016 \$14,658,250 -1.96% -1.51% 10.02% 2017B \$15,884,365 8.36% 6.73% 10.74%

This category of revenue has declined from a high of 12.5% of total General Fund revenue in fiscal year 2008 to 10.74% in fiscal year 2017.

OTHER LOCAL RECEIPTS AS A PERCENTAGE OF TOTAL GENERAL FUND REVENUE

Local receipts are comprised of permits, licenses, charges for services, fee, fines, investment income and other miscellaneous revenues. Any increase/decrease trend in this area is an indication of the local economy and investment market. The increase in FY 2016 is mainly contributable to building permit revenue improving, Medicaid reimbursements, bond premiums, and investment income. These categories combined accounted for 25% of other local receipts in FY 2016.

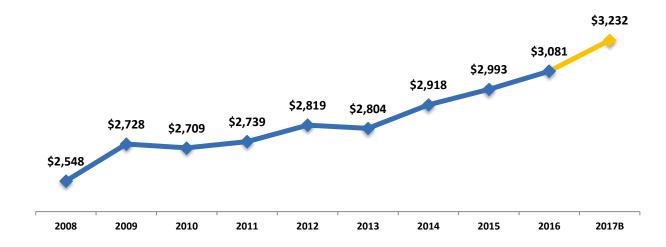


■ Other Revenue as a % of Total General Fund Revenue

Fiscal	Other		% Change	Percentage
Year	Local	Annual %	Since	of Total
Ended	Receipts	Change	2008	GF Revenue
2008	\$10,399,372	-13.24%	0.00%	8.74%
2009	\$10,321,653	-0.75%	-0.75%	8.58%
2010	\$9,154,911	-11.30%	-11.97%	7.78%
2011	\$9,862,216	7.73%	-5.17%	8.02%
2012	\$9,019,814	-8.54%	-13.27%	6.96%
2013	\$8,667,944	-3.90%	-16.65%	6.57%
2014	\$11,438,709	31.97%	9.99%	8.33%
2015	\$11,014,362	-3.71%	5.91%	7.92%
2016	\$13,435,097	21.98%	29.19%	9.18%
2017B	\$11,090,960	-17.45%	6.65%	7.50%

TOTAL GENERAL FUND EXPENSES PER CAPITA

Total General Fund expenditures have increased by approximately \$33 million over the past 10 years. Moreover, a level population over the same period results in a consistent rise in the spending per capita.

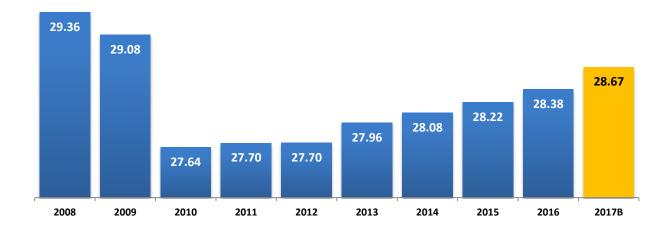


Fiscal	Total		Total	
Year	General Fund		Expenditures	Annual %
Ended	Expenditures	Population	Per Capita	Change
2008	\$117,692,118	46,184	\$2,548	5.7%
2009	\$126,290,869	46,297	\$2,728	7.0%
2010	\$122,443,991	45,193	\$2,709	-0.7%
2011	\$123,083,652	44,932	\$2,739	1.1%
2012	\$126,379,174	44,824	\$2,819	2.9%
2013	\$125,160,855	44,641	\$2,804	-0.6%
2014	\$129,952,667	44,529	\$2,918	4.1%
2015	\$135,208,106	45,170	\$2,993	2.6%
2016	\$139,239,771	45,193	\$3,081	2.9%
2017B	\$150,468,547	45,193	\$3,232	4.9%

Per capita expenditures for the General Fund have increased from \$2,548 in FY 2008 to \$3,081 in FY 2016. Expenditures have increased 18% over this period, while the population has decreased 2%, resulting in a 21% increase in per capita spending.

FULL TIME EQUIVALENT (FTE) EMPLOYEE'S PER 1,000 OF POPULATION

Even with a declining population, the Town's full time equivalent employees per capita are below the levels of most preceding years. This is mainly due to significant staff reductions made in fiscal year 2010.

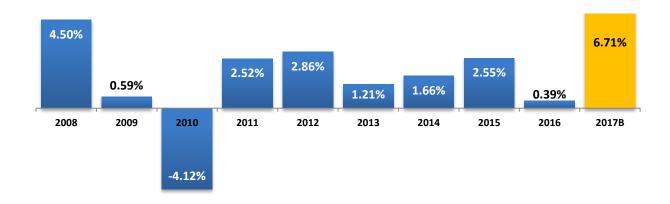


Fiscal			FTE's Per	Ammund 0/
Year			1000	Annual %
Ended	FTE's	Population	Population	Change
2008	1,356	46,184	29.36	-0.34%
2009	1,346	46,297	29.08	-0.96%
2010	1,249	45,193	27.64	-4.92%
2011	1,244	44,932	27.70	0.18%
2012	1,242	44,824	27.70	0.01%
2013	1,248	44,641	27.96	0.93%
2014	1,250	44,529	28.08	0.44%
2015	1,275	45,170	28.22	0.49%
2016	1,282	45,193	28.38	0.57%
2017B	1,295	45,193	28.67	1.01%

FTE's per 1,000 populations are 3.34% lower in FY 2016 than its peak of 29.36 in FY 2008.

ANNUAL PERCENTAGE CHANGE IN PERSONNEL SERVICES

This category reflects the cost of salaries and benefits for all active (no retirees) General Fund employees, including the School Department. Salaries include full-time, part-time and seasonal labor costs as well as overtime. Since FY 2008, actual costs have increased 7.7 percent for an average of 0.64% per year.

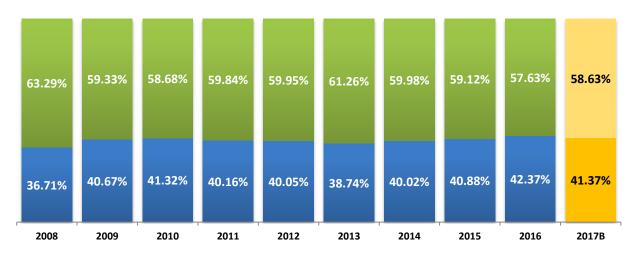


Fiscal			% Change
Year	Personnel	Annual %	Since
Ended	Services	Change	2008
2008	\$74,489,683	4.50%	0.00%
2009	\$74,931,910	0.59%	0.59%
2010	\$71,845,207	-4.12%	-3.55%
2011	\$73,659,070	2.52%	-1.12%
2012	\$75,765,122	2.86%	1.71%
2013	\$76,678,902	1.21%	2.94%
2014	\$77,948,898	1.66%	4.64%
2015	\$79,937,459	2.55%	7.31%
2016	\$80,250,773	0.39%	7.73%
2017B	\$85,636,429	6.71%	14.96%

The large reduction in FY 2010 was the result of a significant decrease in the labor force. The increase in FY17 is due to the rising costs of labor and 13 additional FTE's added to the General Fund operating budgets.

PERSONNEL SERVICES AS A PERCENTAGE OF TOTAL GENERAL FUND EXPENDITURES

This category reflects the cost of salaries and benefits for all active (no retirees) General Fund employees, including the school department. Salaries include full-time, part-time and seasonal labor costs as well as overtime. The percentage of expenditures directed to personnel services in FY 2008 through FY 2016 continues to be less than the previous years. This is due to non-personnel expenditures growing three times faster than personnel services in the same period.

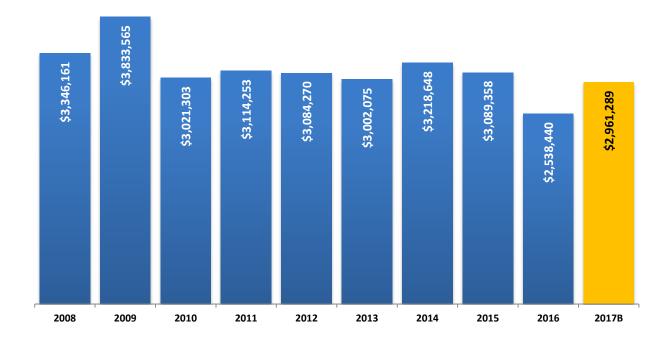


■ Personnel Services % of Total General Fund Expenditures

			Personal
Fiscal		Total	Services
Year	Personnel	General Fund	as a % of
Ended	Services	Expenditures	Total
2006	\$68,120,377	\$108,166,244	62.98%
2007	\$71,285,255	\$112,673,400	63.27%
2008	\$74,489,683	\$117,692,118	63.29%
2009	\$74,931,910	\$126,290,869	59.33%
2010	\$71,845,207	\$122,443,991	58.68%
2011	\$73,659,070	\$123,083,652	59.84%
2012	\$75,765,122	\$126,379,174	59.95%
2013	\$76,678,902	\$125,160,855	61.26%
2014	\$77,948,898	\$129,952,667	59.98%
2015	\$79,937,459	\$135,208,106	59.12%
2016	\$80,250,773	\$139,239,771	57.63%
2017B	\$85,636,429	\$146,059,003	58.63%

GENERAL FUND EXPENDITURES FOR UTILITY AND FUEL COSTS

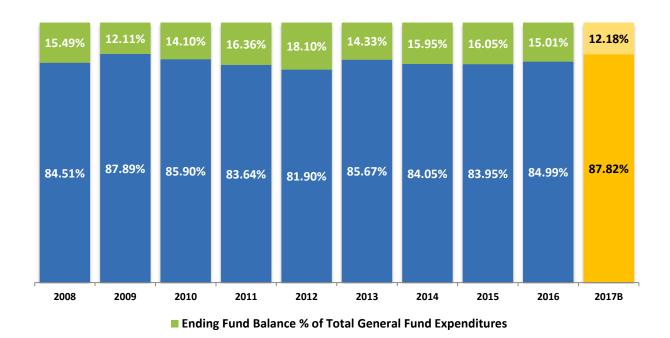
The declining costs in gasoline, diesel fuel, natural gas and electricity; coupled with several energy efficiency upgrades installed by the Town; the closing of three school facilities in FY 2010; and a drop in the consumption levels has resulted in a reduction in the costs for this area of expenditures.



The costs incurred in FY 2010 through FY 2016 were actually lower than what the Town incurred in FY 2008. The FY 2010 reduction was mainly due to the closing of facilities. The increase in FY 2014 was due to increases in the cost of natural gas, gasoline and diesel fuel. The FY 2017 budget is still less than costs incurred in many of the previous years.

ENDING FUND BALANCE AS A TOTAL OF GENERAL FUND EXPENDITURES

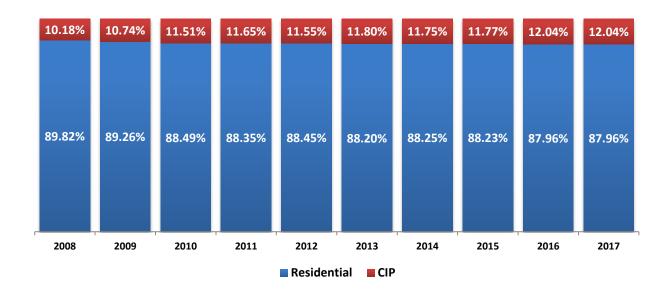
The Town Council's policy is to keep a portion of fund balance in reserve for extraordinary or unforeseen events that is equivalent to 4% of operating expenses. As of June 2016, the Town had the equivalent of 15 percent of expenditures in fund balance. The excess is used for one-time capital expenses and periodically for financing operating costs if the need to continue services is desired for a short-term basis. It is also used as start-up funds for new and expanded services as well as grant matching opportunities.



Ending fund balance has ranged from 12% to 18% from FY 2008 to FY 2016. The declines in FY 2009 and FY 2013 were due to using fund balance to finance capital cost and recurring operating expenses.

PERCENTAGE OF ASSESSED VALUE BY PROPERTY CLASS

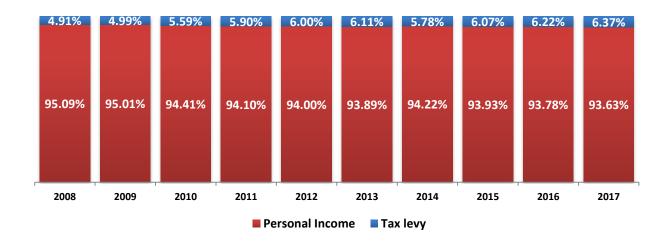
Town property has historically been residential in its composition. Over the past 10 years, it has never fallen below 87 percent of the total town property value. Exploding residential property values from 2004 to 2007, along with most of the Town's new growth coming from this area, resulted in this class of property growing to almost 90 percent of the total property value. As a result, this class of property has paid a larger share of the tax levy. However, since 2008, this trend has reversed as the residential property market experienced declines due to the national mortgage crisis. It is expected that there will be no significant change to the distribution of property value over the near future.



Fiscal Year	Assessed Residential	Assessed Commercial Industrial &	Total Assessed	D 44	SID of
Ended	Value	Personal Prop	Value	Res %	CIP %
2008	\$13,323,872,172	\$1,510,834,578	\$14,834,706,750	89.816%	10.184%
2009	\$12,983,016,619	\$1,561,766,566	\$14,544,783,185	89.262%	10.738%
2010	\$11,822,832,710	\$1,537,385,315	\$13,360,218,025	88.493%	11.507%
2011	\$11,474,497,625	\$1,512,846,240	\$12,987,343,865	88.351%	11.649%
2012	\$11,343,180,287	\$1,481,935,183	\$12,825,115,470	88.445%	11.555%
2013	\$11,220,887,767	\$1,500,525,748	\$12,721,413,515	88.205%	11.795%
2014	\$11,114,256,735	\$1,479,843,270	\$12,594,100,005	88.250%	11.750%
2015	\$11,207,187,750	\$1,495,595,775	\$12,702,783,525	88.226%	11.774%
2016	\$11,559,979,680	\$1,582,911,680	\$13,142,891,360	87.956%	12.044%
2017	\$11,636,943,473	\$1,593,450,357	\$13,230,393,830	87.956%	12.044%

PROPERTY TAX REVENUE AS A PERCENTAGE OF PERSONAL INCOME

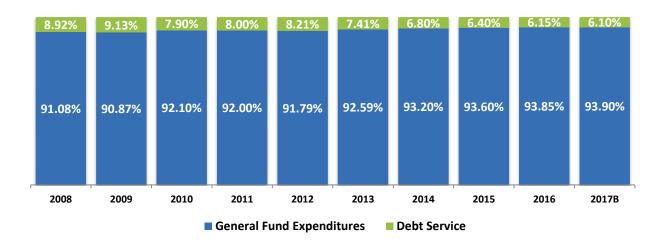
Property tax revenue is estimated to consume around 6.4 percent of personal income. This has grown by about 1.5 percent over the past 10 years. These numbers do not include the Town's fire districts. An increasing trend is expected as wages are anticipated to stagnate and the Town will have to increase the tax levy by the maximum amount allowable.



Fiscal Year	Town Tax	Estimated Per Capita		Personal	Town Tax Levy as a % of Personal
Ended	Levy	Income	Population	Income	Income
2008	\$86,040,891	\$37,958	46,184	\$1,753,052,272	4.91%
2009	\$89,064,458	\$38,579	46,297	\$1,786,091,963	4.99%
2010	\$91,769,862	\$36,347	45,193	\$1,642,629,971	5.59%
2011	\$94,579,103	\$35,672	44,932	\$1,602,814,304	5.90%
2012	\$97,325,379	\$36,199	44,824	\$1,622,583,976	6.00%
2013	\$100,386,021	\$36,794	44,641	\$1,642,520,954	6.11%
2014	\$103,522,019	\$40,234	44,529	\$1,791,579,786	5.78%
2015	\$106,676,486	\$39,675	44,331	\$1,758,832,425	6.07%
2016	\$110,547,068	\$40,072	44,331	\$1,776,420,749	6.22%
2017	\$114,284,396	\$40,472	44,331	\$1,794,184,957	6.37%

GENERAL FUND DEBT SERVICE AS A PERCENTAGE OF TOTAL EXPENDITURES.

This measure identifies relative spending priorities of the Town such as how much is being spent on debt service verses other services like public safety. Debt service expenditures have declined from 8.9 percent of the total fund expenditures to 6.2 percent. The decline is attributable to two factors; 1) debt service on school related construction projects that are exempt from Prop 2 ½ have declined and, 2) the town has incorporated a larger cash program into its capital program reducing its need to borrow funds.

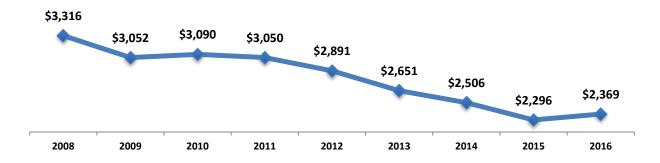


			Debt Service
Fiscal	Total	General Fund	as a % of
Year	General Fund	Debt	General Fund
Ended	Expenditures	Service	Expenditures
2008	\$117,692,118	\$10,494,698	8.9%
2009	\$126,290,869	\$11,527,076	9.1%
2010	\$122,443,991	\$9,674,116	7.9%
2011	\$123,083,652	\$9,846,297	8.0%
2012	\$126,379,174	\$10,373,524	8.2%
2013	\$125,160,855	\$9,270,243	7.4%
2014	\$129,952,667	\$8,830,555	6.8%
2015	\$135,208,106	\$8,651,467	6.4%
2016	\$139,239,771	\$8,564,409	6.2%
2017B	\$150,468,547	\$9,172,108	6.1%

The Town anticipates more bond issues in the next few years, which should keep this percentage in the 6 to 7 percent range as debt service, and total General Fund expenditures are expected to increase.

DEBT PER CAPITA

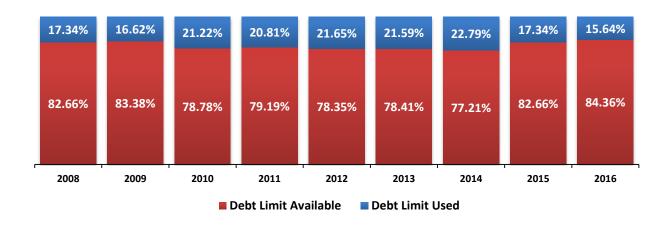
This includes all debt of the Town including the self-supporting enterprise funds. Enterprise fund bonds are included as general obligation bonds of a Massachusetts community and therefore constitute a pledge of its full faith and credit even if a particular fund or revenue source for repayment is identified. The Town's outstanding bonds payable peaked in FY 2008 at \$153 million as major projects for water, sewer and the Hyannis Youth & Community Center were financed. However, the Town has realized a decline in the past few years even with the drop in population as payments on bonds have exceeded new issues. Net debt per capita reduces the Town's outstanding debt by self-supporting enterprise fund operations and future reimbursements from the state. Factoring these numbers reduces the Town's outstanding bonds balance to approximately \$72 million or \$1,593 per capita.



Fiscal	General Obligation		2.1.
Year Ended	Bonds Outstanding	Population	Debt Per Capita
		•	•
2008	\$153,164,126	46,184	\$3,316
2009	\$141,278,670	46,297	\$3,052
2010	\$139,662,903	45,193	\$3,090
2011	\$137,041,471	44,932	\$3,050
2012	\$129,595,321	44,824	\$2,891
2013	\$118,333,105	44,641	\$2,651
2014	\$111,571,531	44,529	\$2,506
2015	\$103,720,936	45,170	\$2,296
2016	\$107,039,672	45,193	\$2,369

PERCENTAGE OF DEBT CAPACITY USED

This is a measure of the Town's borrowing limitations that are defined by State statutes. The Town remains well below it's' debt capacity limitation and has never exceeded 23% of the limitations over the past 10 years. This capacity could allow a comprehensive debt financed infrastructure program to take place if adequate funding sources are identified to make the annual debt payments on new bond issues.

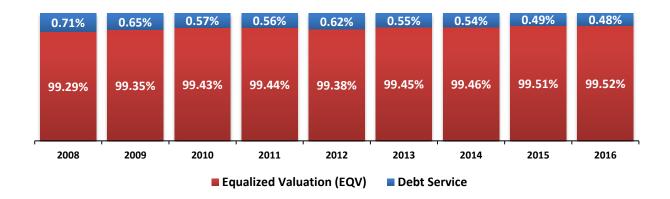


Fiscal			Remaining				
Year	Equalized	Debt Limit	Debt Subject	Debt	% Of Debt		
Ended	Valuation (EV)	5% of EV	To Debt Limit	Capacity	Limit Used		
2008	\$16,142,285,200	\$807,114,260	\$139,929,186	\$667,185,074	17.34%		
2009	\$16,142,285,200	\$807,114,260	\$134,106,510	\$673,007,750	16.62%		
2010	\$14,945,861,000	\$747,293,050	\$158,576,560	\$588,716,490	21.22%		
2011	\$14,945,861,000	\$747,293,050	\$155,531,529	\$591,761,521	20.81%		
2012	\$13,864,305,700	\$693,215,285	\$150,055,520	\$543,159,765	21.65%		
2013	\$13,864,305,700	\$693,215,285	\$149,695,756	\$543,519,529	21.59%		
2014	\$13,476,184,100	\$673,809,205	\$153,576,957	\$520,232,248	22.79%		
2015	\$13,476,184,100	\$673,809,205	\$116,841,025	\$556,968,180	17.34%		
2016	\$13,476,184,100	\$673,809,205	\$105,404,692	\$568,404,513	15.64%		

The debt subject to the debt limit includes authorized and unissued borrowings. Over the past 10 years, the Town has used less than 23% of its total debt capacity. Consistently strong property values contribute to this low percentage. The spike in FY 2010 is due to a significant decline in property value, which was still strong at \$14.9 billion.

GENERAL FUND DEBT AS A PERCENTAGE OF PROPERTY VALUE

This is a measure of the community's wealth available to support present and future revenue / taxing capacity in order to meet obligations. The Town's capacity is very strong. This additional capacity can be accessed through voter approved debt exclusion overrides. The decline in this ratio is due to increasing property values and decreasing debt.

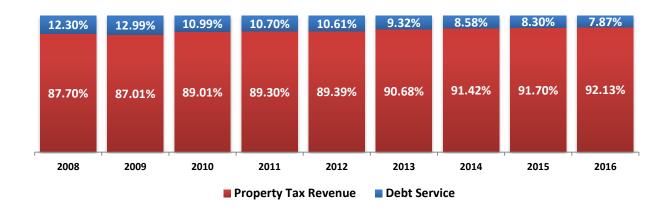


Fiscal			General Fund
Year	Equalized	General Fund	Debt as a %
Ended	Valuation (EQV)	Bonds Payable	of EV
2008	\$16,142,285,200	\$114,635,906	0.71%
2009	\$16,142,285,200	\$104,794,067	0.65%
2010	\$14,945,861,000	\$84,883,454	0.57%
2011	\$14,945,861,000	\$83,025,115	0.56%
2012	\$13,864,305,700	\$86,404,277	0.62%
2013	\$13,864,305,700	\$76,236,384	0.55%
2014	\$13,476,184,100	\$72,236,503	0.54%
2015	\$13,476,184,100	\$66,104,606	0.49%
2016	\$13,476,184,100	\$64,710,644	0.48%

The maximum percentage allowed under state law is 5%. The Town has consistently been below this maximum level due to its high EQV. Even though the Town's EQV has fallen \$2.7 billion since FY 2009, the Town's percentage remains well below 1 percent for the past several years.

PROPERTY TAXES ALLOCATED TO DEBT SERVICE

The declining trend is due to expiring school construction debt service as well as an effort to finance more infrastructure improvements with cash. As the school construction loans expire, the property taxes allocated to pay them cannot be redirected to new loans as the taxes expire as well. This ratio should level off at around 8 to 9 percent as the Town plans to allocate a portion of the property tax levy growth each year to financing the capital program.



Fiscal	Property	General Fund	% Of Property
Year	Тах	Debt	Taxes Allocated
Ended	Revenue	Service	To Debt Service
2008	\$85,349,785	\$10,494,698	12.30%
2009	\$88,742,112	\$11,527,076	12.99%
2010	\$88,006,435	\$9,674,116	10.99%
2011	\$92,046,075	\$9,846,297	10.70%
2012	\$97,769,280	\$10,373,524	10.61%
2013	\$99,494,912	\$9,270,243	9.32%
2014	\$102,888,344	\$8,830,555	8.58%
2015	\$104,269,489	\$8,651,467	8.30%
2016	\$108,813,031	\$8,564,409	7.87%

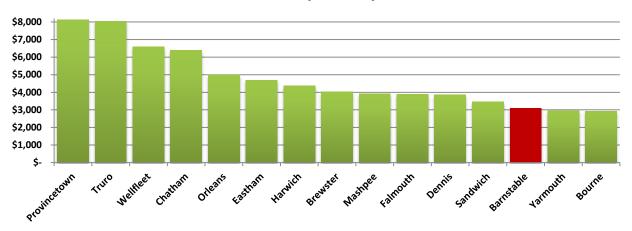
This ratio has fallen from 13 percent in FY 2009 to 7.87 percent in FY 2016. Debt service expenditures have declined while property tax revenue has grown resulting in a smaller percentage of tax revenue being allocated to this area of the budget. Additionally, the Town has incorporated a more aggressive cash financed capital program, which has also decreased the amount of tax revenue directed towards debt service.

B. BARNSTABLE VS. PEER GROUPS

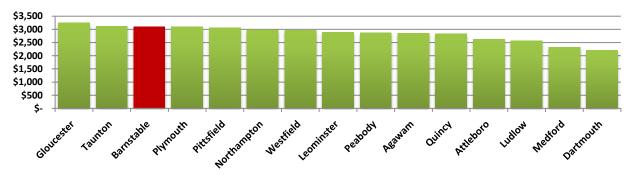
ALL REVENUE PER CAPITA

Total per capita revenue shows, in an equalizing manner, how much revenue each municipality generates including enterprise funds. Since the property tax levy cap drives budgeting in Massachusetts communities, this is a key variable in comparing municipalities.

FY15 Total Revenue Per Capita - Cape Cod Communities



FY15 Total Revenue Per Capita - Barnstable Peer Group

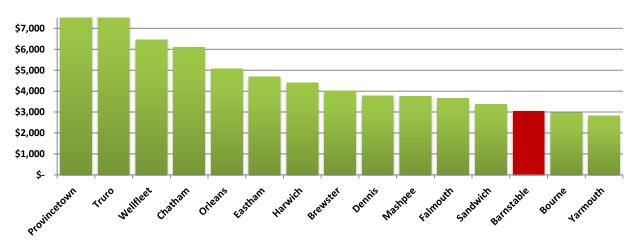


Barnstable's revenue per capita is in the lower group for all Cape communities. This does not include the tax revenue for the Town's five fire districts. The Cape communities with higher per capita revenue have higher average tax bills. Compared to a peer group of off-Cape communities, Barnstable is the highest of the group as are most of the Cape communities. As the Cape communities have a significant number of second homeowners this demonstrates the revenue impact from the non-resident sector.

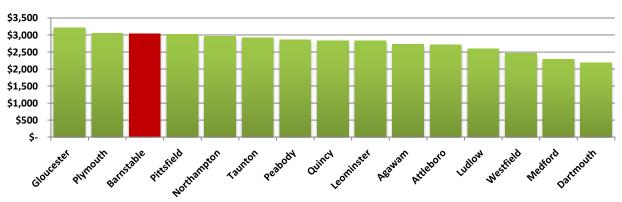
TAX REVENUE PER CAPITA

Taxes are the primary revenue source for a majority of Massachusetts communities. This includes property taxes and excise taxes. State wide, they account for nearly 60 percent of all revenue collected by communities.

FY15 Tax Revenue Per Capita - Cape Cod Communities



FY15 Tax Revenue Per Capita - Barnstable Peer Group

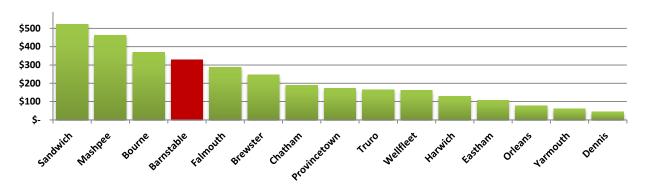


Barnstable's tax revenue per capita falls in the lower end of the Cape Cod group. This does not include the tax for the five fire districts. Barnstable's tax per capita is greater than most of the peer group off-Cape. This is mainly due to the limited state aid Cape Cod communities received and second homeowners not included in the population count.

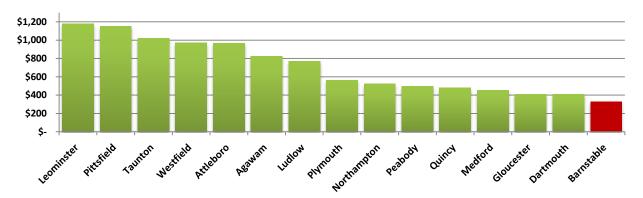
STATE AID PER CAPITA

The State's largest local aid programs are tailored to help the municipalities that have relatively low revenue-generating abilities. Municipalities with high local aid per capita tend to be those with lower property values.

FY15 State Aid Per Capita - Cape Cod Communities



FY15 State Aid Per Capita - Barnstable Peer Group

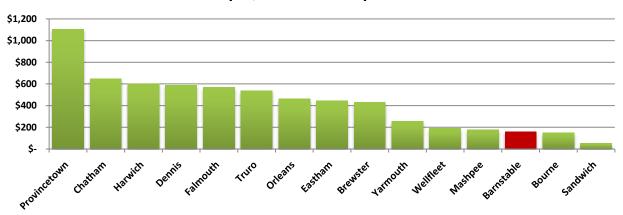


Barnstable's state aid per capita of \$305 is near the high end of the group for all Cape Cod communities and is the lowest of all communities in the off-Cape peer group.

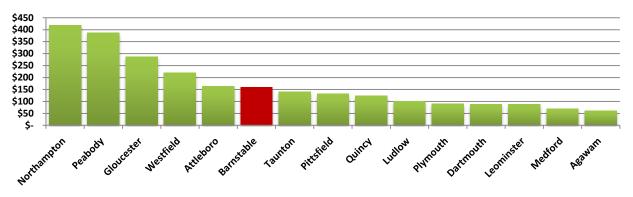
OTHER LOCAL RECEIPTS PER CAPITA

This category includes all other local receipts except for the taxes and state aid. It includes revenue such as enterprise fund receipts, licenses, fines, various charges for services and many other miscellaneous sources.

FY15 Local Receipts/All Other - Cape Cod Communities



FY15 Local Receipts/All Other - Barnstable Peer Group



Barnstable is in the lower end for all Cape Cod communities for other local receipts per capita as well as compared to the off-Cape peer communities. Westfield and Peabody have significant electric enterprise fund operations, which cause them to be higher than the other communities in Barnstable's peer group.

GENERAL FUND SPENDING PER CAPITA

Cape Cod Communities				Massachusetts Peer Group					
FY15 Spending				FY15 Spending					
Municipality	Per Capita		State Rank	Municipality	Per Capita		State Rank		
Bourne	\$	2,685	130	Dartmouth	\$	2,085	40		
Barnstable	\$	2,993	191	Attleboro	\$	2,348	70		
Yarmouth	\$	3,020	196	Medford	\$	2,391	79		
Sandwich	\$	3,529	266	Leominster	\$	2,533	102		
Falmouth	\$	3,781	289	Westfield	\$	2,592	113		
Dennis	\$	3,788	290	Ludlow	\$	2,684	129		
Mashpee	\$	3,924	293	Plymouth	\$	2,739	142		
Brewster	\$	4,095	302	Agawam	\$	2,790	154		
Harwich	\$	4,308	309	Northampton	\$	2,901	173		
Eastham	\$	4,781	324	Peabody	\$	2,925	178		
Orleans	\$	4,961	326	Barnstable	\$	2,993	191		
Chatham	\$	6,167	337	Quincy	\$	3,032	199		
Wellfleet	\$	6,457	338	Taunton	\$	3,060	205		
Provincetown	\$	7,914	341	Pittsfield	\$	3,194	223		
Truro	\$	7,968	342	Gloucester	\$	3,481	255		

Looking at the latest data available from the Division of Local Services data bank Barnstable's FY 2015 General Fund spending per capita is \$2,993, which ranked 191 out of 351 communities; or near the middle of the group. This is down from 196 in FY 2014. This does not include the Town's fire districts. Barnstable's spending per capita was \$35 lower than the statewide average of \$3,028. When compared to Cape Cod communities, Barnstable's FY 2015 spending per capita is near the bottom for all Cape Cod communities. Many Cape Cod communities' spending per capita is over \$4,000. This could be due to the significant population increase in the summer months that require a higher level of spending for these communities. Including the fire districts, this would add about another \$550 to the total, placing Barnstable in the middle of all Cape communities. When compared to an off-Cape peer group, Barnstable's spending per capita is near the top of the group. Again, this could be attributable to the large summer population that requires a higher level of expenditures for Cape Cod communities with the population growth not factored into the spending per capita equation.

SECTION VI – GENERAL FUND FORECAST ASSUMPTIONS

The 10-year forecast is based on a variety of assumptions regarding projected revenues and expenditures over the forecast period. The following is a summary of the assumptions used within this forecast.

A. REVENUE ASSUMPTIONS

A.1 TAX LEVY

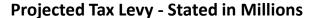
A.1. (a) Maximum Allowable Tax Levy. The maximum allowable tax levy for a community each year is comprised of its base levy from the previous year, increased by 2.5 percent, consistent with the provisions of Proposition 2½, plus a factor for new property growth, plus any voter approved debt exclusions, capital exclusions and operating overrides. Additionally, Cape Cod community taxpayers have authorized the annual tax levy to be increased by the annual assessment received from the Cape Cod Commission also known as the Cape Cod Environmental Tax.

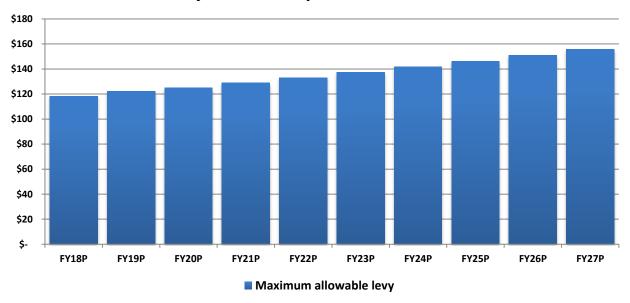
	Projected Tax Levy - Stated in Millions									
	FY18P	FY19P	FY20P	FY21P	FY22P	FY23P	FY24P	FY25P	FY26P	FY27P
Base levy from prior year	\$112.77	\$116.54	\$120.40	\$124.36	\$128.42	\$132.58	\$136.85	\$141.22	\$145.70	\$150.29
Prop. 2½ increase	2.82	2.91	3.01	3.11	3.21	3.31	3.42	3.53	3.64	3.76
Estimated new growth	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95
New base	116.54	120.40	124.36	128.42	132.58	136.85	141.22	145.70	150.29	155.00
Voter Approved Add-ons:										
CCC Environmental Tax	0.59	0.61	0.62	0.64	0.66	0.67	0.69	0.71	0.72	0.74
Debt exclusions*	1.35	1.30	-0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Maximum allowable levy	\$118.48	\$122.31	\$124.96	\$129.06	\$133.24	\$137.52	\$141.91	\$146.41	\$151.02	\$155.74
Percentage increase	3.25%	3.23%	2.16%	3.28%	3.24%	3.21%	3.19%	3.17%	3.15%	3.13%

 $[\]hbox{*All approved debt exclusions are for school construction projects.}$

The projected tax levy for the next 10 years is estimated to grow from \$118 million to \$155 million. This represents about a 3.1 percent increase per year. It is expected that the Town will have to increase the base levy by 2.5 percent every year and a factor for new building growth will add another 0.7 percent. New property tax growth is expected to average about \$950,000 per year, approximately, what it has averaged over the past 10 years. The Cape Cod

Commission assessment is projected to increase 2.5 percent per year and voter approved debt exclusions expire in FY 2020. There are no additional voter approved exclusions included in the tax levy calculation for the next 10 years.

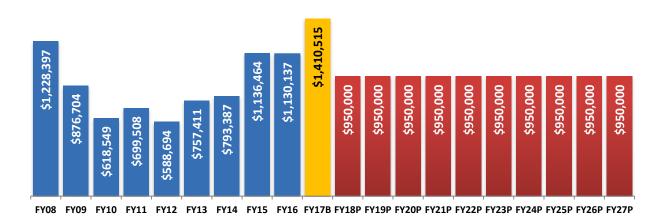




The projected increase in the tax level is approximately 3.1 percent each year except for FY 2020. In this fiscal year, the increase in the levy is offset by the expiration of school debt exclusions bringing the projected rate increase closer to 2 percent.

A.1. (b) New Growth. New growth is a critical component of the tax levy and is dependent on many factors such as the health of the local economy, ordinance development that may affect new development and redevelopment, as well as building permit issuance and its associated follow-up. Developable lots are diminishing every year making it more important for the Town to encourage the redevelopment of existing improved land in order to increase the Town's new property value.

New Growth - Actual vs Projected



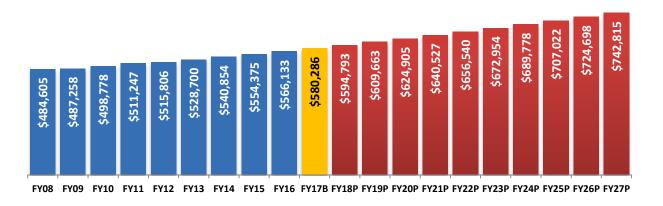
The blue bars represent the past nine years of actual new property tax growth and yellow bar is the current year's FY 2017 budget new growth. The FY 2017 new growth figure is the highest amount over the past 10 years. New property tax growth has been less than \$800,000 in 5 of the past 10 years. Much of the new growth over the past three years has been in the personal property category as investments have been made by public utilities. The Town anticipates this area to fluctuate over the next 10 years with the economy as it has over the past 10 years, averaging \$950,000 per year.

A.2 CAPE COD ENVIRONMENTAL TAX.

In addition to Proposition 2½ tax increases and in accordance with the Cape Cod Commission Act of 1990, each year an additional tax is levied on residents of the town. The "Cape Cod Environmental Tax" was endorsed by the voters and is authorized by Sub-section (A), Section 28B of Chapter 35 of the Massachusetts General Laws. This tax is used to finance the annual operations of the Cape Cod Commission.

The tax is the product of a formula that takes the total budget for the Cape Cod Environmental Protection Fund (CCEPF) and divides that sum by the combined county tax rate for all Cape Cod communities. This amount is then multiplied by the "weighted" tax rate for each individual Cape Cod community according to the community's percentage of the overall equalized valuation of Cape Cod.



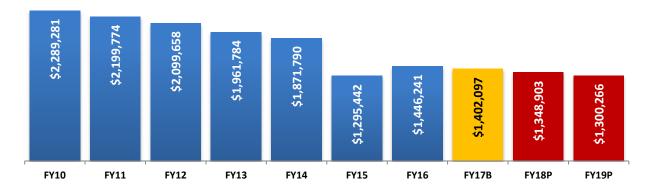


The blue bars represent the past nine years of actual revenue collections and yellow bar is FY 2017 budget. This tax has steadily increased over the past 10 years. The average increase per year has been 2 percent. The tax is forecasted to increase 2.5 percent annually indicated by the red bars; consistent with Proposition 2½. County surplus is not expected to be available to offset assessment increases. A change in the Cape Cod Environmental Tax is dependent upon changes in the most recent tax rates for the town relative to all Cape Cod communities' tax rates. If the town sees a higher percentage increase in its tax rate relative to other communities, its portion of the overall tax assessment may increase more than 2.5 percent.

A.3 DEBT EXCLUSIONS.

Debt exclusions are additional taxes levied beyond the 2½ tax levy cap. The voters must approve these taxes. They are repaid over a specified period, and expire after a defined payback period. When calculating the tax levy, the town credits any School Building Assistance (SBA) payments received against the debt payments excluded from the tax levy cap, to arrive at a net amount to add to the tax levy. For example, in FY 2017, the town is authorized to tax above the 2½ cap; \$1,402,097 in debt exclusions. The gross amount of the debt service payments on approved projects is \$4,420,803 and the SBA reimbursements total \$3,018,706. The approved projects include the Barnstable High School addition and renovation (expires FY 2019) and the Barnstable Intermediate School addition and renovation (expires FY 2020).





The blue bars represent the past nine years of additional taxes raised for debt exclusions. The amount of debt exclusions added to the tax levy has declined over the past 10 years as bond payments have matured and debt has been refinanced on school construction projects. At its peak, the additional amount added to the tax levy was nearly \$3 million. The above chart includes the authorized debt exclusions for FY 2017 through FY 2019 represented by the yellow and red bars. These amounts are net of assistance payments received from the state. Debt exclusions expire in FY 2020.

A.4 STATE AID

Aid from the Commonwealth is difficult to forecast because it is predicated on 1) the state's political climate and 2) changes in the state economy that affect aid distributions. For the purposes of this forecast, certain aid categories have been estimated as follows:

A.4 (a) Chapter 70 Aid. The Education Reform Act of 1993, as amended by recent budget language, continues to have a substantial impact on municipal finance and, in particular, on the level of local aid received by municipalities and regional school districts. Education Reform was undertaken in an effort to ensure both adequate funding of the Commonwealth's public schools and to bring equity to local taxation effort based on a community's ability to pay.

Since its original enactment, the Chapter 70 formula has required a minimum local contribution from each city and town in the Commonwealth. The intent was that wealthier communities would be asked to contribute more from local revenues and would receive less state aid. Conversely, poorer communities would contribute less from local sources and receive a greater share of state aid. In the early years of the formula, an effort was made to measure community wealth and to adjust local contributions accordingly. Nevertheless, these factors did not work well in practice, and most of them were dropped over the years. There were many examples of towns of comparable wealth with widely differing contribution requirements. The state budget enacted for FY 2007 included some significant changes to the Chapter 70 formula in order to address these issues. State budgets since FY 2007 continue to incorporate those changes.

The formula starts with the calculation of a foundation budget (see Table 1 in Appendix D) for each district that reflects district enrollment, pupil characteristics, inflation, and geographical differences in wages. The foundation budget represents the minimum spending level necessary to provide an adequate education, with a policy goal that all districts will meet or exceed their foundation budget through the combination of state and local resources. The formula then looks at ability to pay to determine how much of this targeted spending amount should come from local sources and how much should be funded by the state.

A new measure of ability to pay, called the aggregate wealth model, was instituted in the FY 2007 state budget and has been followed each year since then. This new method uses updated property values and personal income data to address issues of inter-municipal equity so that communities with similar ability to pay eventually receive similar levels of state aid and pay similar local contributions. The formula relies equally on two indicators of community wealth, the DOR equalized property valuations, and personal income data from state tax returns to calculate a level of effort for each community (see Table 2 in Appendix D). The level of effort is then compared to the foundation budget. If it exceeds the foundation budget, as in Barnstable's case, then the foundation budget becomes the measure to which a target local contribution is calculated. The target local contribution for all communities is 82.5% of the foundation budget, meaning that every community should receive at least 17.5% of their foundation budget in the form of CH70 aid. For communities like Barnstable, that are contributing more than the 82.5% requirement, the formula is to reduce this excess effort over a five year period subject to the availability of state funds.

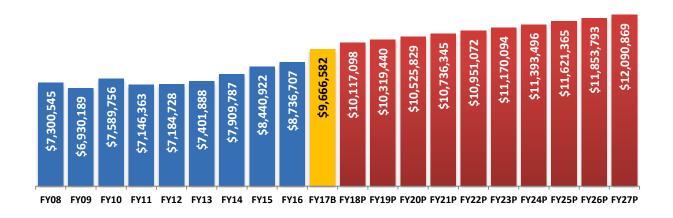
The next step is to determine how much new state aid districts will receive. The state aid target is simply 100 percent minus each district's local contribution target, expressed as a percentage of the district's foundation budget. The minimum aid target is 17.5%. Barnstable currently receives about 17.2% for FY 2017. If the state fully funded its commitment of 17.5% the town would receive an additional \$200,000 in CH70 aid.

Chapter 70 aid is comprised of four aid categories: foundation aid, down payment aid, growth aid, and minimum aid. To determine how much Chapter 70 a district receives, the prior year's required local contribution is increased by the Municipal Revenue Growth Factor (MRGF) to yield a preliminary local contribution. This figure is then compared to the target local contribution and, increased or decreased, depending on whether it exceeds the target local share or is below the target. If this new local contribution plus the prior year's Chapter 70 aid is not sufficient to meet the current foundation budget, then additional foundation aid is then awarded to reach the foundation budget. Down payment aid may be awarded to those districts that receive less aid than indicated by their target aid share, multiplied by their foundation

budget. Movement toward this target aid amount is phased-in over several years and the amount awarded is reduced by any increase in foundation aid. Growth aid is intended to provide aid to districts with growing foundation budgets. To determine if a district qualifies for this aid, the foundation budget for the current year is compared to the prior year, with the positive difference multiplied by the target aid share. If the result exceeds the amount of the foundation aid and down-payment aid together, the difference is awarded as growth aid. Finally, minimum aid guarantees each district an increase of \$50 per pupil from all four aid types. These four components of new aid are then added to the prior year Chapter 70 amount to yield the total new Chapter 70 award.

The Department of Elementary and Secondary Education (ESE) administers the Chapter 70 formula. Before receiving any education aid, all districts are required to submit End-of-Year Pupil and Financial Reports to the Department. The data contained in these reports are used to demonstrate compliance with net school spending requirements. Net school spending is the sum of the required local contribution plus state aid. In many cases, this amount exceeds the foundation budget.

Chapter 70 Aid for Education - Actual and Projected



The blue bars represent the past nine years of actual revenue collections and yellow bar is FY 2017 budget. The town's CH70 aid has increased nearly \$2.4 million over the past 10 years going from \$7.3 million to \$9.7 million. Under the current formula, the town's FY 2017 CH70 Aid

would be approximately \$200,000 more if the State were in the financial position to fully fund its commitment. Projections for CH70 Aid include minimum increases for the next 10 years.

A.4 (b) Unrestricted General Government Aid. The purpose of this aid category is to provide general-purpose financial assistance to municipalities on an equalizing basis. This is formerly known as "Lottery Aid". The formula is equalizing, with municipalities with lower property values receiving proportionately more aid than those with greater property values. The formula is based on population and Equalized Property Valuation. The formula is as follows:

Municipality's Aid = (Es ÷ Em) * \$10 * Pm * K

Es = Equalized Valuation per capita of the state

Em = Equalized Valuation per capita of the municipality

Pm = Population of the municipality

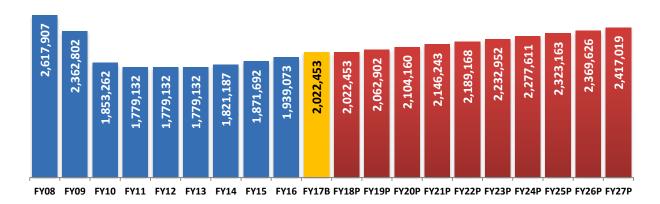
K = Pro-ration factor

The pro-ration factor adjusts the formula according to the net Lottery receipts available. The formula is normally applied only to the new Lottery Aid that is the amount above or below what was estimated the previous year.

The Lottery distribution is funded through a transfer of funds and not by appropriation, although the total amount of the annual distribution is stipulated in Section 3 of the annual state budget. The Division of Local Services certifies to the Comptroller the amounts to be distributed to municipalities. Surplus lottery amounts are estimated in supplemental appropriations. Section 3 of the annual state budget stipulates that any lottery shortfall from, or excess of, the amount appropriated will be deducted from, or added to, the second quarter of the next fiscal year's distribution. Surplus lottery amounts are not included on the cherry sheet in the fiscal year as they are part of a supplemental budget approved after the adoption of the annual state budget. No surplus distributions have occurred since FY 2001. In addition, \$75 million was appropriated in FY05 as "One-Time Municipal Relief Aid" and was not

considered as surplus Lottery revenues. This appropriation was not intended to become part of the base for future Lottery distributions.

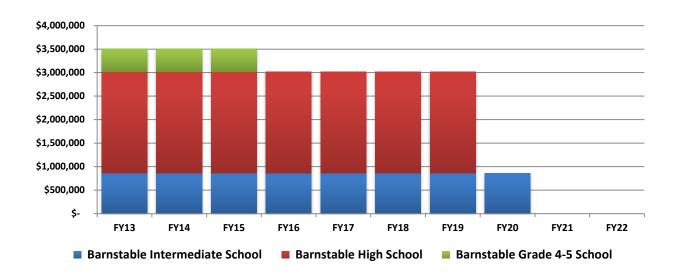
Unrestricted Aid - Actual and Projected



The blue bars represent the past nine years of actual revenue collections and yellow bar is FY 2017 budget. The town was experiencing a steady decline in this revenue category from FY 2008 to FY 2011 at which point it was essentially level funded in FY 2012 and FY 2013. FY 2014 to FY 2017 saw slight increases and future projections include a 2 percent growth in this revenue category indicated by the red bars. Excess lottery distributions have been received in the past but are not included in this forecast. Additionally, casino gambling has been approved and it is projected that lottery sales will be negatively impacted. However, they could be offset by a new revenue sharing formula from casino gambling taxes imposed by the State.

A.4 (c) School Building Assistance. In 2004, the State Legislature created the Massachusetts School Building Authority (MSBA) as an independent public authority, charged with reforming the former school building program that had amassed \$11 billion in outstanding obligations with no clear funding source and that had built up a list of 428 projects that were waiting for state reimbursement. The MSBA assists school districts with planning and financing school construction and renovation projects. Funding to assist communities is provided from a dedicated sales tax revenue amount. The receipts are kept in a separate fund known as the School Modernization and Reconstruction Trust Fund. Prior to the creation of the MSBA, the Town of Barnstable had several school construction projects for which it was receiving annual assistance from the State to help pay off the bonds associated with the construction. The MSBA

continued with funding this annual obligation and it is expected that the town will receive this assistance until the bonds expire on the last project in FY 2020. Assistance received under this program is credited to the tax levy raised for debt exclusions every year as described under section A.3.



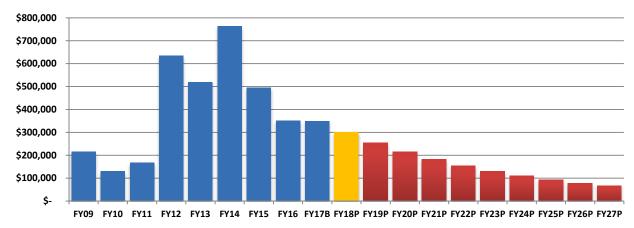
School building assistance for the Grade 4-5 School ended in FY15, as did the corresponding debt. In FY 2019, the assistance for the High School will end and the Intermediate School assistance will end the following year. The bonds associated with these projects will expire in the corresponding years.

A.4 (d) Charter Tuition Assessment Reimbursement. The purpose of this aid category is to reimburse sending districts for the student tuition and the capital facilities tuition component they pay to Commonwealth charter schools. The capital facilities tuition component includes interest and principal payments, for the construction, renovation, purchase, acquisition, or improvement of school buildings and land.

Sending districts receive assistance through the charter tuition reimbursement formula in December, March, and June for those students that elect to attend a charter school. Sending districts are reimbursed a portion of the costs associated with pupils attending charter schools beginning with the second quarterly distribution. A new reimbursement formula was implemented in FY 2012. The old formula reimbursed communities for the annual cost increase using a three-tier basis of 100% in year 1, 60% in year 2 and 40% in year 3. During the phase-out of the old formula, overall aid will decrease. What districts will see is that the legislation reduces the cost of the program in the short-term while committing to provide more aid in the long-term. This aid is also subject to the State appropriating sufficient funds to fully fund the aid program, which has not happened in the past couple of years.

Fiscal	Re	Total					
Year	1	2	3	4	5	6	Aid
FY11	100	60	40			6	200
FY12	100	25	40				165
FY13	100	25	25			G .	150
FY14	100	25	25	25		0	175
FY15	100	25	25	25	25		200
FY16	100	25	25	25	25	25	225





The blue bars represent the past nine years of actual revenue collections and yellow bar is FY 2017 budget. The town initially received aid under this category in FY 2000 when the Sturgis Charter School opened. Reimbursements were much higher in the initial years as grade levels were added each year and the way the reimbursement formula functioned. A significant increase for FY 2012 was received as the school expanded by adding a second campus comprised of 9th and 10th grade. Two more grade levels were added in FY 2013 and FY 2014 that resulted in higher aid levels as more Barnstable students attended the school. Aid will significantly decline in accordance with the new formula starting in FY 2018 indicated by the red bars.

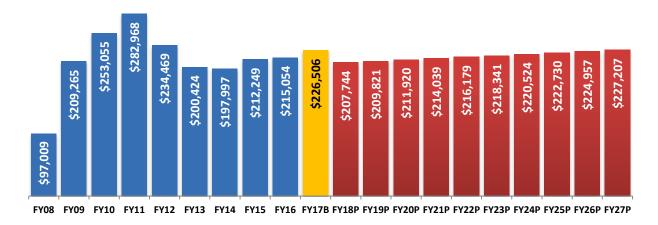
A.4 (e) **Police Career Incentive.** The purpose of this aid is to encourage police officers in participating communities to earn degrees in law enforcement or criminal justice and to provide educational incentives through salary increases. The State ceased to appropriate any more funds for this category of aid in FY 2012 and it is anticipated that it will not be restored.

A.4 (f) Veterans' Benefits. The purpose of this aid category is to reimburse municipalities for a portion of authorized amounts spent for veterans' financial, medical, and burial benefits. The program reimburses 75 percent of a municipality's costs for veterans' and their dependents' benefits. In an effort to make this program's estimates closer to the actual costs, the Department of Veterans' Services devised a new method of calculating the estimated

reimbursements. Reimbursements are now paid in the year after the costs are incurred. For example, the upcoming fiscal year (FY 2017) Cherry Sheet estimates are based on 6 months of actual authorized expenditures (July 1 through December 31 of FY 2016) plus a prorated amount for the remaining 6 months of the prior fiscal year.

The Veterans' Agent and the Treasurer of each municipality shall certify the names and other information that the Commissioner of Veterans' Services may require within 30 days after the end of the month in which the expenditures were made. The Commissioner then approves and certifies to the Comptroller the amounts to be reimbursed.

Veterans Benefits



The blue bars represent the past nine years of actual revenue collections and yellow bar is FY 2017 budget. This category of aid has increased significantly since FY 2008; corresponding with the dramatic increase in expenses. The escalation in caseloads as well as growth in medical, burial and other financial costs have driven the increases. Expenses are projected to decrease for a couple of years before they rise once again; resulting in a corresponding increase in revenue indicated by the red bars.

A.4 (g) Exemptions. The purpose of this aid category is to reimburse municipalities for property tax exemptions granted to qualifying veterans, blind persons, surviving spouses and elderly persons. The reimbursement for each type of exemption is specified by statute. Each municipality is reimbursed for each exemption documented in a given fiscal year. The amounts

of exemption granted to individuals and the amounts reimbursed to municipalities by statute are as follows:

- Surviving spouses, minor children, and elderly persons:

Clause 17 - \$175, full reimbursement

Clauses 17C, 17C½, 17D - \$175, reimbursement cannot exceed the amount reimbursed under Clause 17

- Veterans: Clause 22(a-f) \$400 exempted, \$225 reimbursed
- Paraplegic veterans, surviving spouses: Full amount, 100 percent minus \$400
 reimbursed (§8A)
- Veterans, loss of one arm, foot, or eye: Clause 22A \$750 exempted, \$575 reimbursed
- Veterans, loss of two arms, two feet, one arm and one leg, or loss of sight: Clause 22B \$1,250 exempted, \$1,075 reimbursed
- Veterans, special adapted housing: Clause 22C \$1,500 exempted, \$1,325 reimbursed
- Veterans, surviving spouses of soldiers, sailors & National Guard: Clause 22D
 100 percent first 5 years, up to \$2,500 each year thereafter
- Veterans and Surviving Spouses, 100 percent disability: Clause 22E
 \$1,000 exempted, \$825 reimbursed
- Blind persons:

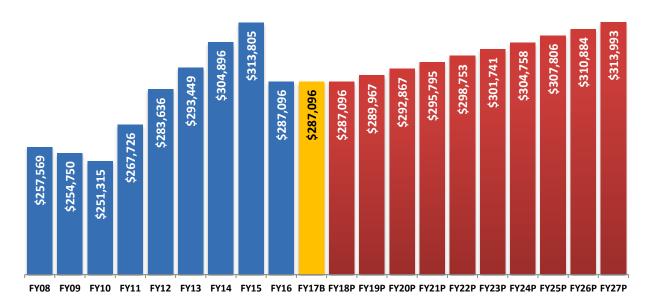
Clause 37 - \$437.50 exempted, \$87.50 reimbursed

Clause 37A - \$500 exempted, \$87.50 reimbursed

- Elderly persons: The state's reimbursement remains at \$500 per individual, subject to appropriation

The Division of Local Services on a rolling basis processes claims for reimbursement. Delays in setting a tax rate due to revaluation problems can result in reimbursement claims being submitted late in the current fiscal year or early in the upcoming fiscal year. Since appropriations to reimburse property tax exemptions revert to the state's general fund at the end of August each year, the Division of Local Services cannot process any requests after August 20th. The Division of Local Services certifies to the Comptroller the amounts to be reimbursed.

Exemption Reimbursements - Actual and Projected



The blue bars represent the past nine years of actual revenue collections and yellow bar is FY 2017 budget. This category of aid has been on a consistent trend over the fiscal years. Projections for this category of aid include a slight increase per year as more property owners are expected to become eligible; particularly elderly and veterans.

A.4 (h) Payments in Lieu of Taxes (PILOT). The purpose of this aid is to reimburse communities for forgone tax revenues due to certain types of tax-exempt state-owned land. Eligibility for reimbursement depends on land use and the state agency with jurisdiction over the property as specified in the legislation. Payment is for land only, not for buildings or any other improvements erected on or affixed to the land. Parcels of land that were exempt from property taxation before acquisition by the state are ineligible for reimbursement through this program.

The formula is based on property value and the latest three-year statewide average tax rate.

The formula is as follows:

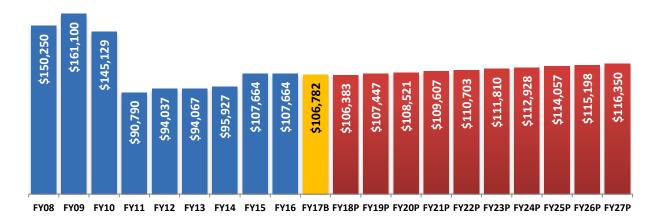
Municipality's Aid = PV * ET * K

PV = Estimated property value of eligible State-Owned Land

ET = 3 year statewide average tax rate

K = Pro-ration factor

Reimbursements for State Owned Land - Actual and Projected



The blue bars represent the past nine years of actual revenue collections and yellow bar is FY 2017 budget. This aid category peaked in FY 2009 at \$161,100. Significant cuts have been made since then. Funding is subject to state appropriation which has been unpredictable. This category of aid is projected to increase slightly over the next several years indicated by the red bars. By FY 2027, it remains well below the town's peak year of FY 2009.

A.4 (i) School Transportation and Highway Aid. Several years ago the state was providing funds for school transportation and public road improvements. These aid categories have been eliminated and this projection does not include any restoration of the aid. The town was receiving as much as \$1 million per year.

A.5 LOCAL RECEIPTS

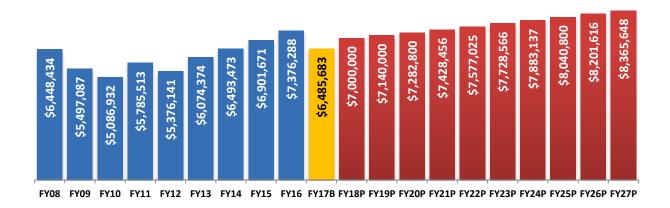
A.5 (a) Motor Vehicle Excise Tax. Motor Vehicle Excise collections are authorized by Massachusetts General Law, Chapter 60A, Section 1. The excise tax is calculated by a formula of \$25 per \$1,000 of valuation. The tax is based on a percentage of the MSRP as follows:

90% of MSRP for model year the same as the tax year 60% of MSRP for model 1 year old 40% of MSRP for model 2 years old 25% of MSRP for model 3 years old 10% of MSRP for model over 3 years old

This category of revenue is difficult to project because of the many variables involved. These include the timing of the state in mailing commitments, the price changes in new vehicles, the volume of new vehicle purchases and leases, and changes in the economy. The town receives a tax commitment from the State Department of Motor Vehicles each month with the first and largest commitment usually issued in the month of January. This commitment is a good indicator of where this revenue category is trending. For the past seven years, the January commitment has been as follows:

FY 2007 - \$4,466,675 - no change FY 2008 - \$4,318,526 - 3.3 percent decrease FY 2009 - \$3,811,735 - 11.7 percent decrease FY 2010 - \$3,916,718 - 2.7 percent increase FY 2011 - \$4,073,493 - 4.0 percent increase FY 2012 - \$4,184,661 - 2.7 percent increase FY 2013 - \$4,578,757 - 9.4 percent increase FY 2014 - \$4,810,718 - 5.0 percent increase FY 2015 - \$5,066,021 - 5.3 percent increase FY 2016 - \$5,693,449 - 12.4 percent increase The auto industry has recovered from the recent recessionary years. Locally, many dealerships have made significant investments in their properties signifying a recovery has incurred.

Motor Vehicle Excise Tax - Actual and Projected



The blue bars represent the past nine years of actual revenue collections and yellow bar is FY 2017 budget. This area of revenue peaked in FY 2016 at \$7.3 million. FY 2009 and FY 2010 saw significant drops in revenue; close to \$1.5 million. The recovery began in FY 2013 which saw this area grow to over \$6 million after several years in decline. The FY 2017 budget was conservatively projected at \$6.5 million; an amount approximating the FY 2014 actual. This category of revenue is projected to grow over the next 10 years which is represented by the red bars.

A.5 (b) Boat Excise Tax. The boat excise tax has always been a relatively small revenue source to the town and is set at \$10 per \$1,000 of valuation by the state. Boat excise has not experienced the increases that motor vehicle excise has in recent years. The state imposes a maximum taxable value of \$50,000 on vessels. This category has been projected to remain level during the forecast period at \$130,000 per year. The following table is used to calculate the tax:

Length of Vessel	Valuation of Vessels (based on age of vessel)										
(overall centerline	Under	4 years of age	4 tl	hru 6 years of age	7 or more years of age						
Under 16'	\$	1,000	\$	700	\$	400					
16' but less than 17.5'	\$	1,500	\$	1,000	\$	800					
17.5' but less than 20'	\$	3,000	\$	2,000	\$	1,500					
20' but less than 22.5'	\$	5,000	\$	3,300	\$	2,500					
22.5' but less than 25'	\$	7,500	\$	5,000	\$	3,800					
25' but less than 27.5'	\$	10,500	\$	7,000	\$	5,300					
27.5' but less than 30'	\$	14,000	\$	9,300	\$	7,000					
30' but less than 35'	\$	18,500	\$	12,300	\$	9,300					
35' but less than 40'	\$	24,000	\$	16,000	\$	12,000					
40' but less than 50'	\$	31,500	\$	21,000	\$	15,800					
50' but less than 60'	\$	41,000	\$	27,300	\$	20,500					
60' or over	\$	50,000	\$	33,000	\$	24,800					

History of Boat Excise Tax Revenue

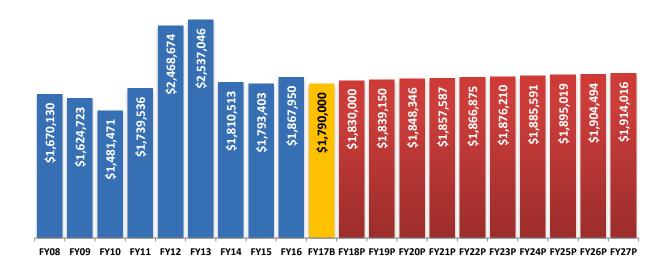


The blue bars represent the past nine years of actual revenue collections and yellow bar is FY 2017 budget. As illustrated by the chart above, actual collections have ranged between \$135,000 and \$170,000 over the past 10 years.

A.5 (c) Motel/Hotel Tax. The Massachusetts Legislature enacted the Motel/Hotel Tax in 1985 as a local option excise tax on hotels, motels, and lodging houses ("bed and breakfasts"). The Commonwealth administers the tax by collecting the local option portion from business establishments and sending them back to the cities and towns on a quarterly basis. The local option tax was capped at 4 percent until recently. Cities and towns now have the option of increasing the local portion to 6 percent. The Town of Barnstable recently adopted this increase in July 2010. The revenue collected from the additional 2 percent has been dedicated for sewer expansion projects.

Motel/Hotel tax revenues depend largely on room occupancy from year-to-year, the total number of room stock, as well as the base rates charged to consumers by hotels and motels. In better economic times, more rooms may be occupied during the town's tourist season, leading to potentially higher returns on the tax. The closure or conversion of rooms to condominiums reduces the number of room stock susceptible to the tax, leading to potentially lower returns on the tax. There is one new hotel/motel development in the horizon that may add less than 100 new rooms to the town's stock which contributes to the increase in projected revenue for this category.

Rooms Excise Tax - Actual and Projected



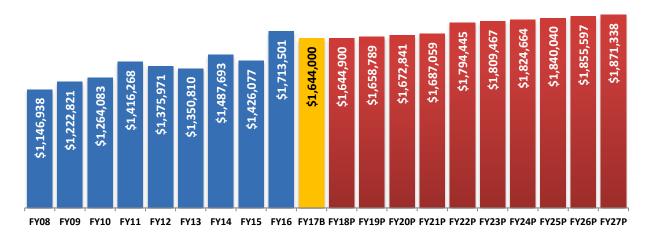
The blue bar represents the actual collections from FY 2008 through FY 2016 and the yellow bar FY 2017 budget. The spikes in FY 2012 and FY 2013 are due to a 2% rate increase which was subsequently dedicated to a new special revenue fund. The projected revenue in later years is very similar to the actual over the past ten years as the additional 2% increase has been dedicated to a Sewer Construction and Private Way Maintenance Special Revenue Fund and has been removed from the FY 2014 to FY 2027 amounts. History has illustrated this category of revenue's resiliency. FY 2010 was the only year the town realized a reduction in this category of revenue. There have been no significant changes due to the economy. Visitors continue to come to Cape Cod. They may be drawn from national, international and regional areas.

A.5 (d)Charges for Services.

This category is mainly comprised of recreational revenues, police outside detail services and chargebacks to enterprise funds.

Recreational. Revenue in this area is comprised of beach stickers, parking receipts at the beaches, and charges for program participation.

Recreation Charges for Services - Actual and Projected

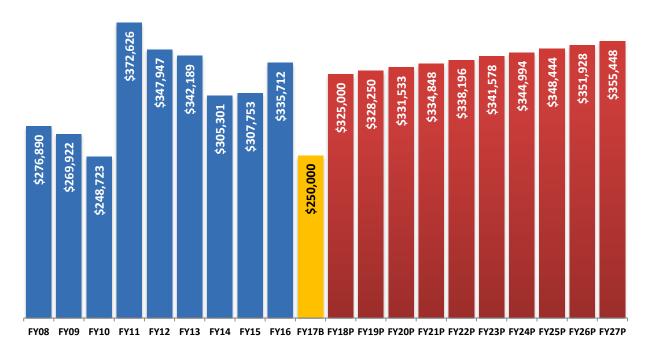


The blue bars represent the actual revenue collected from FY 2008 through FY 2016 and the yellow bar FY 2017 budget. This category of revenue has seen strong growth over the years due to increased activity levels as well as rate increases. Beach sticker sales and parking revenue are up as people appear to be opting for more inexpensive recreation opportunities. Projected

revenue in FY 2018 through FY 2027 is slightly higher as increases in the beach sticker rates are projected. The last time beach stickers were increased was in FY 2016 by \$5. Daily parking rates were also increased in FY 2016. More rate increases are expected in FY 2022 to assist with paying for a comprehensive beach facility renovation program.

Police Outside Detail. Revenue in this area is mainly derived from security services provided to the airport in accordance with TSA regulations. The Police Department bills the airport enterprise fund on a monthly basis for this service. Revenue is also derived from a 10% administrative charge for all other outside detail services provided to vendors for projects like road construction.

Police Outside Detail - Actual and Projected



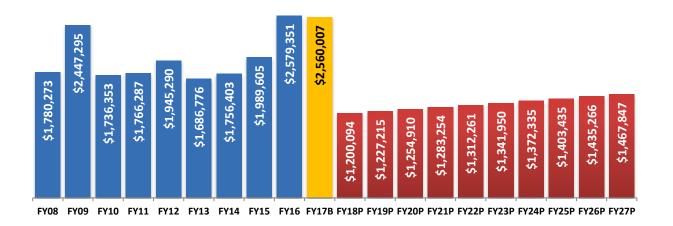
The blue bars represent the actual revenue collected from FY 2008 through FY 2016 and the yellow bar FY 2017 budget. A significant increase occurred in FY 2008 as a result in the method used to account for the security services provided to the airport by the Barnstable Police Department. Payments for these services were previously included in the enterprise fund chargebacks. The higher levels of revenue FY 2011 through FY 2014 is mainly due to an increase in construction activity throughout the town which required police detail support. The

projection for FY 2018 through FY 2027 is at par with last year actuals as the construction activity levels are expected to remain the same. The service levels provided to the airport are expected to continue at the same level.

Enterprise Fund Chargebacks. The town's administrative code includes a provision under Section 241-56 (6) (j) that the rates set for enterprise fund operations be designed to generate sufficient revenue to support the full cost, direct and indirect, of operations. For cost efficiency reasons, administrative orderliness, and the inability to be invoiced separately, several items are budgeted and managed within the town's General Fund operations which subsequently must be allocated to the enterprise fund operations. The costs allocated to the enterprise fund operations include the following items:

- Shared personnel included in this category are the personnel located in the Town Council,
 Town Manager, Human Resource, Information Technology, Finance, Public Works,
 Community Services and Regulatory Services operations. Personnel costs include salaries,
 health insurance, life insurance, Medicare tax and county retirement.
- 2. Barnstable County Retirement assessments for employees within each enterprise fund operation.
- 3. Building, contents and casualty insurance, public officials' liability insurance, and vehicle insurance.
- 4. Retiree's health insurance.
- 5. MUNIS financial management system annual support and licensing costs.
- 6. Annual financial auditing fees.

Enterprise Fund Chargebacks - Projected & Actual

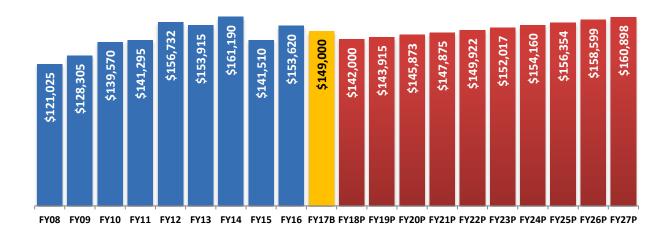


The blue bars represent the actual charges collected from FY 2008 through FY 2016 and the yellow bar FY 2017 budget. This area of revenue has increased over the past several years due to the size and the number of enterprise fund operations. In FY 2010, the new Hyannis Youth & Community Center was created. The increase in FY 2009 was the result of an accelerated payback from the golf course operations for land provided for the construction of the Olde Barnstable Fairgrounds. The decline in the FY 2013 was for a change in accounting whereby shared staff in the Department of Public Works is now budgeted under each enterprise fund's salaries. The decline projected in FY 2018 and beyond from the FY 2017 level is due to an accounting change for including pension and insurance costs on their own line item as opposed to including them as a transfer to the general fund. For FY 2019 through 2027, this category of general fund revenue is expected to increase 2% per year. No additional enterprise funds are expected to be created.

A.5 (e) Fees, Fines, Forfeitures & Penalties. This category is comprised of various fees charged by the cemetery operations, Town Clerk, Police Department, Regulatory Services, Treasurer and Town Collector.

Cemetery. Cemetery fees include burial and administration fees, marker and monument fees and cremation internments.

Cemetery Fees - Actual and Projected



Actual collections represented by the blue bars have trended upwards over the past several years with the exception of FY 2015. The projection for FY 2018 through FY 2027 represented by the red bars begins to trend upwards and is projected to increase slightly due to rate adjustments and activity levels.

Town Clerk. The Town Clerk's fees are mainly comprised of fees charged for copies of vital statistics.

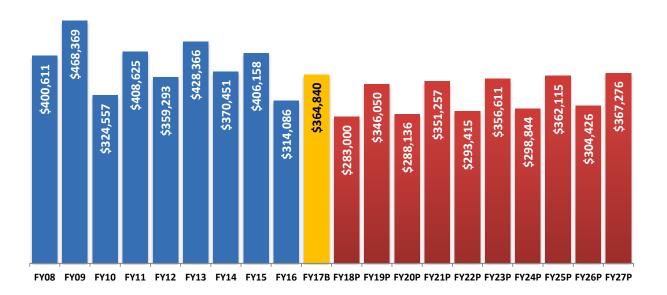
Town Clerk Fees - Actual and Projected



The blue bars represent actual fees collected for FY 2008 through FY 2016 as well as the yellow bar for FY 2017 budget. The projected amounts for FY 2018 through FY 2027 are not expected to be significantly different from where it has been over the past few years.

Police. Revenue in this category consists of alarm registration and false alarm fees as well as criminal and non-criminal violations.

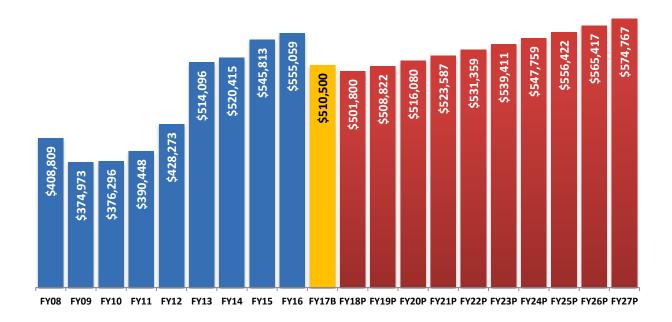
Police Fees - Actual and Projected



The blue bars represent actual revenues for FY 2008 through FY 2016 as well as the yellow bar for budget for FY 2017. Property owners with alarm systems must register biannually with the Police Department. Since the fee is every other year, the revenue in this category will fluctuate higher in the odd numbered years. There are no significant changes projected for citation revenue.

Regulatory Services. Some of the more significant fees included in this category include rental car surcharges, building inspections and rental property registrations.

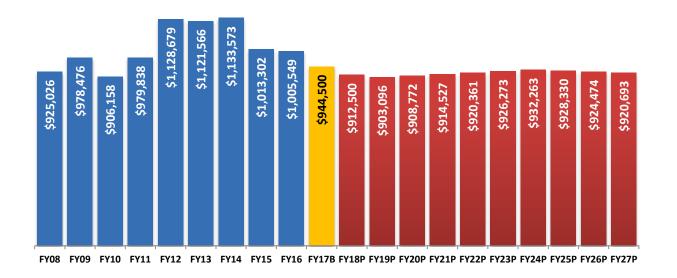




The blue bars represent actual revenue collected for FY 2008 through FY 2016 as well as the yellow bar for FY 2017 budget. The spike in FY 2013 is attributable to the improved collection of parking tickets including many older tickets. This category of revenue is projected to increase slightly over the life of the forecast as represented by the red bars. Improved parking fine collections should allow for this category to be closer to the actual FY 2013 and FY 2014 levels going forward.

Treasurer and Town Collector. This category of revenue includes interest on the late payment of taxes, fees for municipal lien certificates and other fees associated with late tax payments.

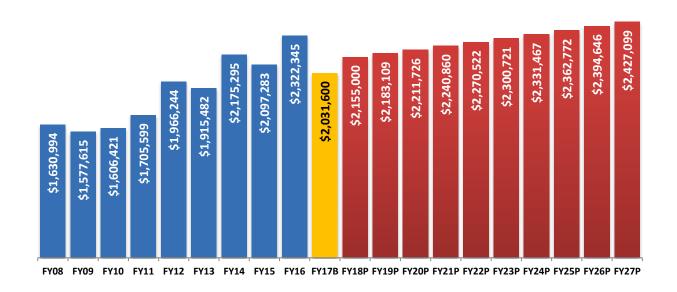
Treasurer and Town Collector Fees - Actual and Projected



The blue bars represent actual revenue collected for FY 2008 through FY 2016 as well as the yellow bar for FY 2017 budget. Actual revenue collections in this area have declined recently. Revenue in this area is projected to decline slightly over the forecast period indicated by red bars. Interest on late tax payments should decline as the economy recovers.

A.5 (f) Licenses and Permits. Fees for licenses and permits issued by the town are annually reviewed for potential increases. Most of the revenue from this category is generated by the regulatory services and community services departments. Changes in this area will be as a result of fee increases established through the annual user fee rate study process and activity levels. Major revenue includes alcohol beverage licenses and building, wiring and plumbing permits.





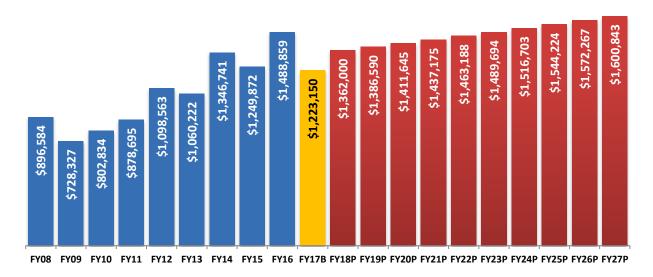
The blue bars represent actual revenue collected for FY 2008 through FY 2016 as well as the yellow bar for FY 2017 budget. The spikes in FY 2012, 2014 and 2016 are mainly attributable to building related permits. The town has seen an uptick in homeowner remodeling over the past couple of years. This could be attributable to homeowners postponing improvements until the economy improved. Revenue in this category is projected to increase slightly over the forecast period indicated by red bars mainly due to activity levels and fee adjustments.

Alcohol Beverage Licenses - Actual and Projected



The blue bars represent actual revenue collected for FY 2008 through FY 2016 as well as the yellow bar for FY 2017 budget. No significant changes to the number of licenses issued are expected.

Building, Gas, Wiring & Plumbing Permits - Actual and Projected



The blue bars represent actual revenue collected for FY 2008 through FY 2016 as well as the yellow bar for FY 2017 budget. The spike in revenue for FY 2014 and FY 2016 was from residential permits. This was most likely due to homeowners deferring renovation projects when the recession hit in FY 2008. This category has improved since FY 2009. This revenue

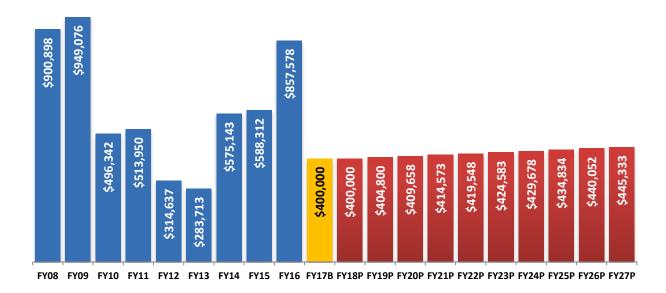
source is projected to remain steady over the forecast period indicated by red bars with slight increases every year.

A.5 (g) Other General Fund Revenue Sources. This area includes Medicaid reimbursements, investment income, special assessments and property lease revenue.

Medicaid Reimbursements. In accordance with laws and regulations governing the Medicaid program, school systems mandated by the Individuals with Disabilities Education Act (IDEA) to provide health-related services to their special education student populations are permitted to file claims for partial federal reimbursement of both their health service and administrative support expenditures incurred in providing those services. Qualifying administrative support expenditures falls into two categories: (1) support activities associated with the delivery of health-related services; and, (2) support activities that benefit a state's Medicaid program administration generally.

As a broad overview, there are two functions that must be performed by a school district that desires to participate in administrative activity claiming. First, designated school personnel must complete a time study. In the Commonwealth, such a time study, which tracks how school employees spend their work day, needs to be completed during each of three quarters during the school year for a period of five consecutive days during each quarter. Once the time study has been completed and the expenditure information collected, a district then (1) tabulates and summarizes the time study data to identify claimable activities performed by their staff and the amount of time spent on those activities; (2) applies certain formulas to the expenditure information; and (3) calculates the Medicaid Eligibility Factor for the district and applies it to the results of the time study and expenditure information. This process will result in the calculation of a district's gross expenditures; the federal Medicaid agency will award partial reimbursement based on a district's gross expenditures.

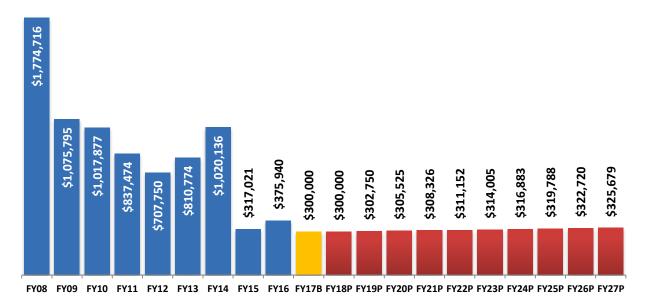
Medicaid Revenue - Actual and Projected



The blue bars represent actual revenue collected for FY 2008 through FY 2016 as well as the yellow bar for FY 2017 budget. This revenue has been consistent until FY 2010 when the reimbursement formulas were changed as a result of new Federal rules and eligible costs declined. This revenue source is not projected to change significantly from the current budget estimate in FY 2017 as student populations and eligible costs are both down.

Investment Income. Investment income comprises the largest component of this category. Interest income depends almost entirely on the timing and amount of revenue collection, expenditure disbursement, interest rates and the investment vehicles available to the town.

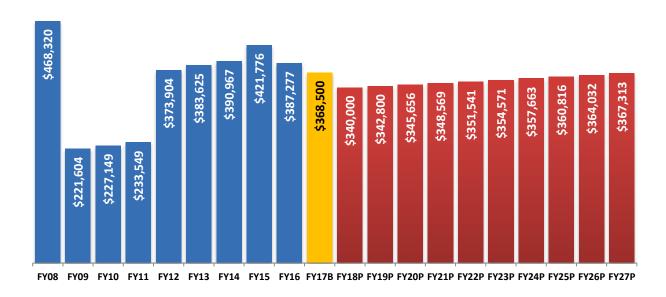
Investment Income - Actual and Projected



The blue bars represent actual revenue collected for FY 2008 through FY 2016 as well as the yellow bar for FY 2017 budget. In FY 2008 and FY 2009, the town has used reserves to balance operating budgets and borrowed funds for the capital program were being expended on projects. Additionally, interest rates have significantly declined and it is projected that they will continue to remain low for an extended period of time. Due to the volatility of this revenue source, it is best to plan a budget based on a conservative number. Projections are similar to the most recent year actuals.

Special Assessments and Lease Income. The town leases several town owned properties including, but not limited to the Race Lane Farm, parking lots, Maritime Museum, Old Town Hall, YMCA and the Marstons Mills Airfield. Special assessments include assessments billed to the five fire districts for tax collection and billing services and assessments added to commercial property tax bills for owners who fail to submit an annual income and expense report to the Town Assessor.





The blue bars represent actual revenue collected for FY 2008 through FY 2016 as well as the yellow bar for FY 2017 budget. The increase in FY 2008 was due to a one-time land lease payment for a residential housing development in West Barnstable built on town owned land. The spike in FY 2012 and thereafter is due to an increase in the fine for commercial properties which fail to file the required income and expense report with the Town Assessor. The assessment was increased from \$50 to \$250. Future projections for this category of revenue are relatively consistent with the FY 2015 collected amount.

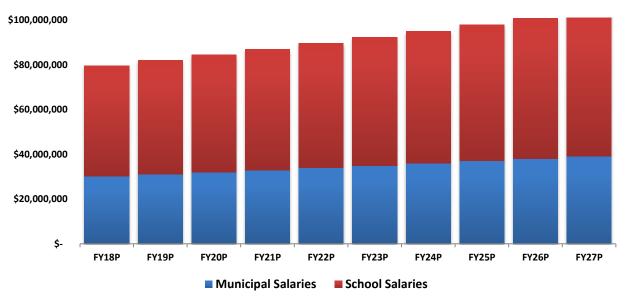
B. EXPENDITURE ASSUMPTIONS

Major expenditure drivers contained within the general fund operating budgets include labor contracts, employee benefits, utilities, fuel and any projected changes in service levels. No attempt is made in the projection to add or subtract staff in any area of the operations. The costs of current staffing levels are projected out over the next 10 years using a set of assumptions. As the town is a service provider, labor and the associated employee benefits are the primary cost drivers. Other expenditure drivers include special education, infrastructure maintenance and replacement, assessments received from other entities and insurance to protect the town's assets. The following assumptions for these cost areas are used in the forecast.

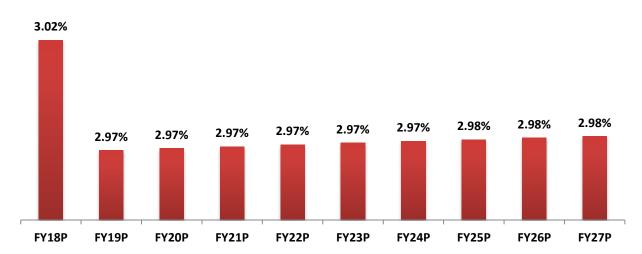
B.1 SALARIES

Salaries include permanent salaries and wages, overtime, seasonal and temporary wages. The projection includes an amount for contractual merit pay increases as well as any negotiated cost of living adjustments. Approximately one-half of the current work force is eligible for a merit pay increase as many are at their top step on the pay scales. This percentage will decline over time if there is limited to no turnover in the workforce. It is more likely that this will remain the same or increase as enough of the workforce will be eligible to retire over the next 10 years. The percentage increase in salaries is higher in FY 2018 as increases in the State minimum wage rates are included.





Projected Annual % Change

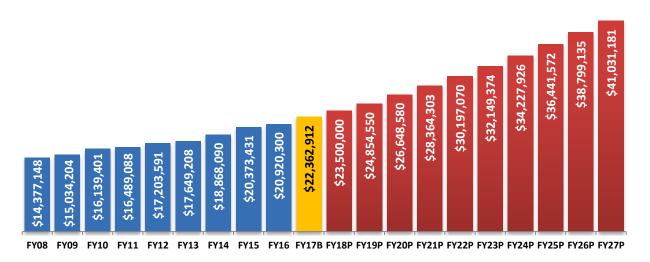


Over the next 10 years, salaries are projected to grow from \$79 million to \$103 million. There are no projected changes to staffing levels.

B.2 EMPLOYEE BENEFITS

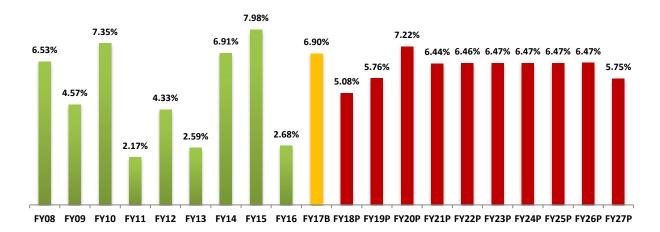
Employee benefits include health insurance for active and retired employees, Barnstable County retirement assessments, Medicare tax on wages, life insurance, workers' compensation insurance and unemployment insurance.





The blue bars represent actual expenditures for FY 2008 through FY 2016 as well as the yellow bar for FY 2017 budget. Actual expenditures on employee benefits increased \$6.5 million from \$14.3 million in FY 2008 to \$20.9 million in FY 2016. Expenditures in this area are expected to grow by another \$17.5 million over the next 10 years.

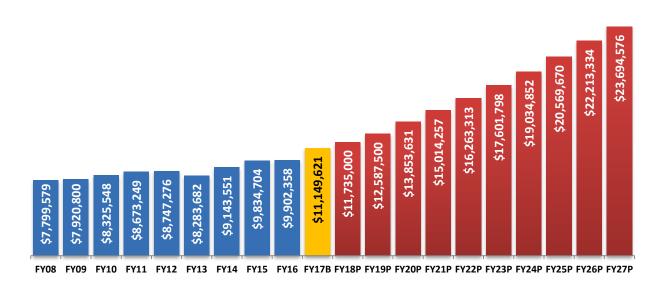
Actual & Projected Annual % Change Employee Benefits



B.2 (a) Health Insurance

The town belongs to the Cape Cod Municipal Health group which is a joint purchase group made up of over 50 entities. Participation in a larger group helps the town spread its health insurance risk over a larger base. Employees that work an average of 20 or more hours per week are eligible to participate in the town's group health insurance plan. The town contributes 50% towards an employee's annual health insurance cost for both active and retired employees. Retired teachers join the state's health insurance group (Group Insurance Commission) upon retirement and local governments are assessed for the payments made on behalf of their teacher retirees. Retired teachers contribute 10-15% towards their health insurance depending upon their retirement date. This category also includes a payment into a Health Insurance Trust Fund as the town is working towards accumulating assets to cover its unfunded liability for health insurance.





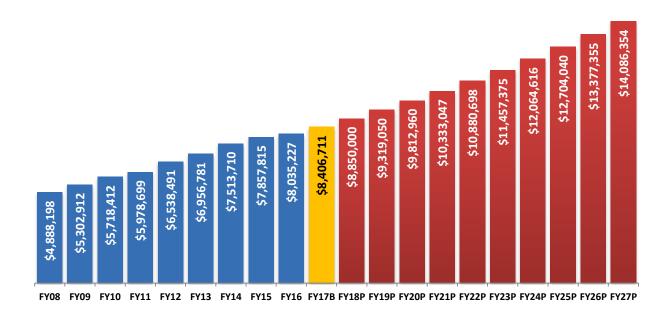
The blue bars represent actual expenditures for FY 2008 through FY 2016 as well as the yellow bar for FY 2017 budget. Over the past 10 years, health insurance expenses have grown from \$7.8 million in FY 2008 to \$10 million in FY 2016. This cost is expected to rise even more over the next 10 years as an excise tax under the Affordable Care Act takes effect in FY 2020 and the town begins to set aside funds in a trust for its unfunded healthcare liability. The town's current

unfunded liability exceeds \$130 million. Additionally, health insurance premium rates are expected to rise above the rate of inflation. Total expenditures are estimated to grow from \$11 million to over \$24 million by FY 2027. The town passed new health insurance reform legislation in FY 2012 which resulted in the reduction in actual expenditures in FY 2013.

B.2 (b) County Retirement

Non-teaching employees that work an average of 25 hours or more per week are required to participate in the Barnstable County Retirement System. Teachers are part of the Massachusetts Teachers Retirement System for which the state covers the cost.

County Retirement Assessments



The blue bars represent actual expenditures for FY 2008 through FY 2016 as well as the yellow bar for FY 2017 budget. County retirement assessments have nearly doubled from \$4.9 million in FY 2008 to \$8 million in FY 2016. Assessments are impacted significantly by the rate of return earned on the assets of the system. Annual assessment increases have ranged from a low of 2% to a high of 11% over the past 10 years. The Town's share of the unfunded liability of the county system was \$94 million as of December 31, 2015. The Town of Barnstable represents approximately 14.9 percent of the system. The annual assessment includes a charge for the

amortization of this obligation through the fiscal year 2037. Annual assessment increases are projected to average 5.3% over the next 10 years resulting in another \$6 million increase in the assessment amount from \$8 million to \$14 million.

B.2 (c) Workers' Compensation

All employers in Massachusetts are required to insure its workforce for injuries incurred on the job. The town switched to a self-insured program in FY 2012 as a competitive market for this type of insurance was non-existent. The town issued bids and received one response which was substantially more than previous years. A trust fund was established in FY 2012 to accumulate resources for this program and the forecast includes a projection of \$1.2 million per year to be credited to the trust fund.

B.2 (d) Medicare

All town employees contribute to the Federal Medicare program at the rate of 1.45% of their gross wages and the town matches this charge. This cost will increase correspondingly with the increase in wages paid. The forecast projects the cost to increase from \$960,000 in FY 2017 to over \$1.2 million by FY 2027.

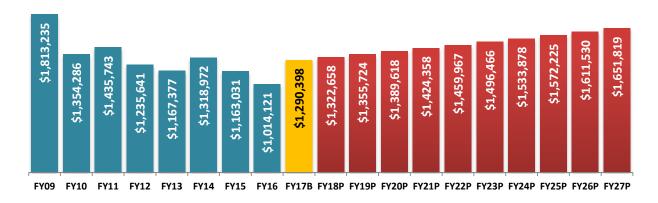
B.2 (e) Unemployment and Life Insurance

The town provides minimal life insurance coverage for employees at a cost of \$12 per year per employee if they choose to participate. This represents 50% of the cost. The employee pays the other half. The town is also self-insured for unemployment cost and the projection includes \$300,000 per year for this insurance as no significant layoffs are projected.

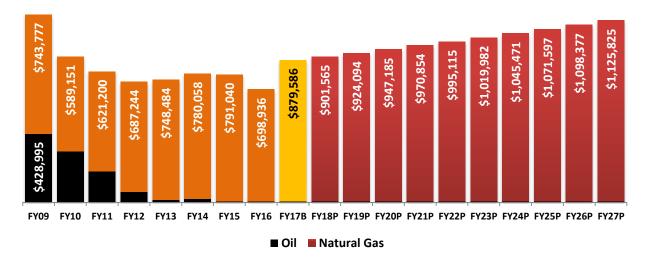
B.3 UTILITIES AND FUEL

This category includes electricity, natural gas, heating oil, telephone, sewer, water, and gasoline and diesel fuel used in vehicles.

Actual and Projected Electricity Costs

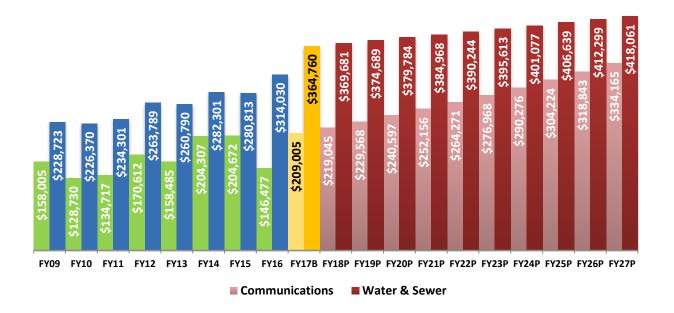


The green bars represent actual expenditures for FY 2008 through FY 2016 as well as the yellow bar for FY 2017 budget. Electricity costs have decreased significantly since FY 2009 due to energy efficiency upgrades, the installation of solar arrays at several facilities and a reduction in the price per kilowatt-hour. In addition, FY 2012, FY 2013, FY 2016 was warmer seasons contributing to more savings. Costs are projected to increase on average 2.5% in later years.

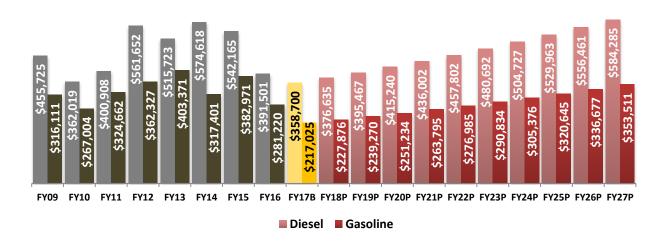


The orange/black bars represent actual expenditures for FY 2008 through FY 2016 as well as the yellow bar for FY 2017 budget. Essentially all actively used facilities have been converted to natural gas for heating and cooling. As the chart above indicates, oil expenditures have declined

over the past few years due to conversions to natural gas and the remaining facilities are being converted, or will be in the near future. Additionally, FY 2012, FY 2013, FY 2016 was warmer years resulting in significant savings on consumption levels. The cost of natural gas is projected to increase as some of the town's favorable contracts have expired. The projection uses a 2.5 percent increase per year. The projection does not include any new facilities or the closure of any current facilities.



The closure of some school facilities in FY 2010 resulted in actual cost reductions in these utilities indicate by green bars for communication and blue bars for water & sewer. The forecast indicated by red bars includes an annual increase of 5 percent for water and sewer and 1.4 percent for communications. The Hyannis water and sewer systems, which many town facilities are connected to, have capital program plans that may require annual rate increases.



The grey bars represent diesel actual expenditures and black actual gasoline expenditures for FY 2008 through FY 2016 as well as the yellow bar for FY 2017 budget. The largest users of gasoline are the Police and Public Works Departments. The largest users of diesel fuel are the Public Works and School Departments. Cost reductions in FY 2010 were attributable to a reduction in the price as well as the elimination of several buses used for student transportation as a result of school closures. The Public Works Department has also reduced its fleet of vehicles and has instituted programmatic changes to reduce fuel consumption. More recently, the town has experienced significant decreases in the price for vehicle fuel. Looking ahead, fuel prices are projected to increase slightly in FY 2018 and costs are projected to increase 5 percent per year thereafter.

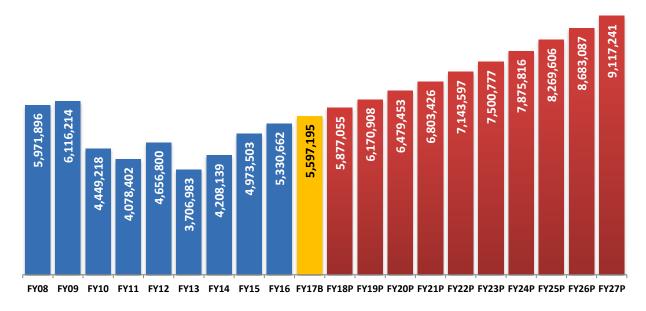
B.4 SPECIAL EDUCATION

One out of every six public school students in Massachusetts has some type of disability that affects the student's ability to make effective educational progress and requires special education services. School districts are required to provide these special education services by both state and federal law. Special education services can be provided in a wide range of settings. Some students receive services in a general education classroom; in some cases, through an aide assigned to assist one or more students in that class. A student may receive services in a pull-out program for a portion of the school day while spending the remainder of the day in a general education classroom, or the student may be in a substantially separate program for all or most of the day. Many districts have joined together to form educational

collaborates to provide substantially separate special education programs on a regional basis, providing for the student and for effective cost control through economies of scale. Barnstable Public Schools is part of the Cape Cod Collaborative. Students with significant disabilities may require placement in a private special school either in a day program or a residential program.

The state special education reimbursement program, commonly known as the Circuit Breaker (CB) program, was started in FY 2004 to provide additional state funding to districts for high-cost special education students. The threshold for eligibility is tied to four times the state average foundation budget per pupil as calculated under the chapter 70 program, with the state currently paying 75 percent of the costs above that threshold. For children placed in a school district outside their home town by the Department of Transitional Assistance or the Department of Children and Families, and for children who have no parents or guardians in the commonwealth, the reimbursement is 100 percent above the threshold rather than 75 percent.

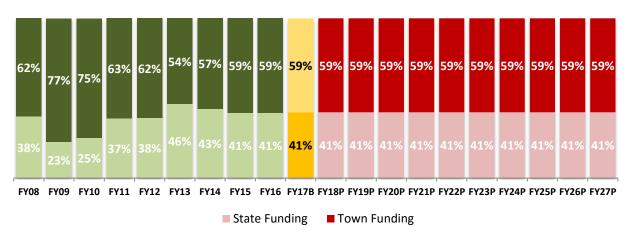
Special Education Expenditures Eligible for Circuit Breaker Funding



Total special education costs have fluctuated between \$3.7 million to \$6.1 million over the past 10 years. This area of the budget is projected to continue to increase. This category of spending can be very unpredictable. One new student requiring residential placement services can result in significant costs. The fluctuation in costs over the past 7 years has been as much as 27% in one year. For the purpose of this forecast special education costs eligible for the CB program are projected to increase 5% per year. Standard rates for each type of service are established

annually by DESE based on statewide surveys and are used to calculate the reimbursable cost for each student; this simplifies the claim process and minimizes the documentation which needs to be submitted. For students attending private 766 schools, the eligible cost for reimbursement is based on the approved tuition rate set by the state's Operational Services Division.

Distribution of Special Education Funding



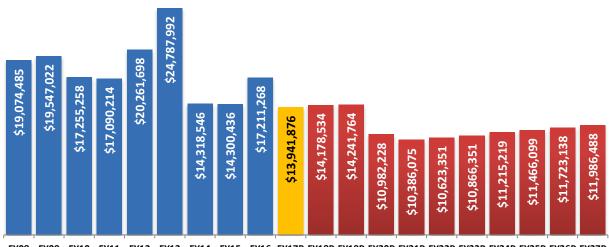
The chart above illustrates the actual (green bars) and projected (red bars) funding rates between the state and the town for our special education costs eligible for reimbursement under the Circuit Breaker program. It ranged from a high of 46% in FY 2013 to a low of 23% in FY 2009. It is projected that the state program will cover about 41% of the costs in future years.

Each summer, districts submit claim forms to the Department of Elementary and Secondary Education (DESE) listing the types and amounts of special education instructional services provided to each student during the previous fiscal year. Administrative and overhead costs are not reimbursable.

B.5 INFRASTRUCTURE FUNDING

Infrastructure funding, also referred to as the capital improvements program, consists of General Fund revenues dedicated to loan payments on bonds issued to finance capital projects as well as transfers from the General Fund into the town's Capital Trust Fund.

Capital Program Funding



FY08 FY09 FY10 FY11 FY12 FY13 FY14 FY15 FY16 FY17B FY18P FY19P FY20P FY21P FY22P FY23P FY24P FY25P FY26P FY27P

As indicated by the blue bars for actuals and red bars for projected expenditures in the chart above, funds allocated to the town's General Fund capital program have been on the rise as new bonds have been issued to finance capital improvements. In addition, the town has dedicated excess General Fund reserves to the capital program. This is illustrated by the sharp increases in FY 2012, FY 2013, and FY 2016. The declines in FY 2020 and FY 2021 are due to debt exclusions expiring on the high school and intermediate school. These bonds will be paid off and the tax levy will decline correspondingly.

B.5 (a) Capital Trust Fund

The Capital Trust Fund is used as a mechanism for financing the town's general fund capital program. This fund receives an annual transfer from the town's General Fund, which is currently set at approximately \$8.6 million. Investment earnings on the trust fund's investments stay with the fund as opposed to the General Fund. Trust fund assets are then used to pay the annual principal and interest payments on bonds issued to finance General Fund capital improvements. Enterprise funds pay the principal and interest costs on bonds

issued to finance their respective improvements. The only exceptions are the Hyannis Youth and Community Center (HYCC) enterprise fund and Marina enterprise fund. The loan payments on the bonds issued to finance the construction of the HYCC and a portion of the Barnstable Harbor Bulkhead are paid for out of the Capital Trust Fund. Additionally, the Capital Trust Fund finances an annual public roads improvement program of \$3,250,000. The town monitors the trust fund's cash flow projections on an annual basis to determine the level of additional borrowing authorizations that it could finance for capital improvements.

		FY2018	FY2019	FY2020	FY2021	FY2022
1	Beginning Trust Fund Balance	\$ 15,268,243	\$ 13,833,957	\$12,260,081	\$ 10,620,224	\$ 9,056,015
2	Investment Earnings	167,951	152,174	142,038	138,224	142,156
3	Private Road Betterments Collected	70,000	65,000	60,000	55,000	50,000
4	Transfer From General Fund	8,636,985	8,837,112	9,042,226	9,252,450	9,467,913
5	Additional Contribution From General Fund	-	-	-	-	2,000,000
6	Total Current Year Resources	8,874,936	9,054,286	9,244,264	9,445,674	11,660,069
7	Total Available Resources	24,143,178	22,888,243	21,504,345	20,065,897	20,716,084
8	Existing Debt Service Payments	(5,716,646)	(5,399,462)	(5,031,234)	(4,544,744)	(4,036,367)
9	Estimated Debt Service on FY17 CIP (\$9.5m)	(892,575)	(876,200)	(859,825)	(843,450)	(827,075)
10	Public Roads Program	(3,250,000)	(3,250,000)	(3,250,000)	(3,250,000)	(3,250,000)
11	Other Cash Program	(450,000)	(450,000)	(450,000)	(450,000)	(450,000)
12	Total Current Year Commitments	(10,309,221)	(10,628,162)	(10,884,122)	(11,009,882)	(11,101,817)
13	Increase (Decrease) in Trust Fund	(1,434,285)	(1,573,876)	(1,639,857)	(1,564,208)	558,252
14	Ending Trust Fund Balance	\$ 13,833,957	\$12,260,081	\$ 10,620,224	\$ 9,056,015	\$ 9,614,267
18	Balance Designated for Town Leased Facilities	\$ 585,932	\$ 682,265	\$ 780,399	\$ 895,270	\$ 1,011,290
19	Undesignated	\$ 13,248,025	\$11,577,816	\$ 9,839,824	\$ 8,160,745	\$ 8,602,977
15	% of trust fund resources committed in CY (max = 80%)	44%	48%	53%	57%	56%

As illustrated in the above table, the town will begin FY 2018 with a projected fund balance of \$15.3 million in the trust fund. In addition to an annual cash program of \$3.7 million the trust fund could provide for an additional bond issues as the trust fund's ending balance exceeds \$8 million per year over the next five years.

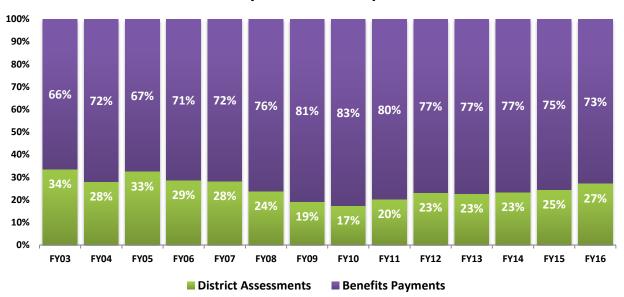
B.6 ASSESSMENTS AND OTHER

This category of General Fund expenditures includes assessments from the regional veterans' district and associated benefit payments, county tax, and Cape Cod Commission assessments, various assessments received from the Commonwealth of Massachusetts, funding provided to the seven village libraries, a grant to promote tourism, funding for various town celebrations, and a provision for possible funding deficits for snow and ice removal.

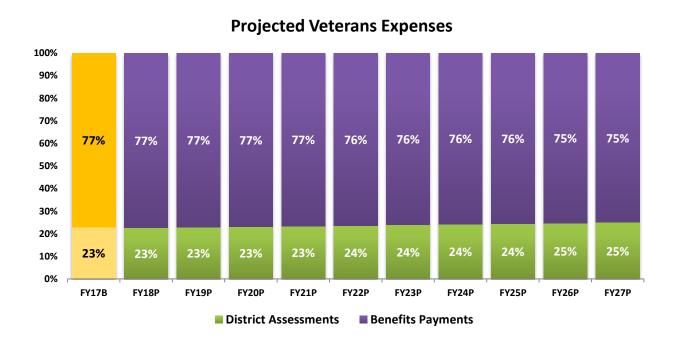
B.6 (a) Veterans' District Assessments and Benefit Payments

State laws require all towns to provide certain benefits to veterans. Towns can either appoint a local Veterans' Agent or participate in a regional program which administers the benefit payments. The town belongs to a regional veterans' district made up of the 15 Cape Cod communities. All participants share in the administrative costs of running the district. The administrative budget is allocated based on each member's equalized property valuation as last determined by the state. Barnstable represents 19.3 percent of the total for the group. The FY 2017 assessment for administration is \$96,458. In addition to the assessment, this budget provides funding for direct benefit payments made to veterans. The FY 2017 budget for direct payments is \$421,458.





A majority of the cost increase in this category is associated with benefit payments. Benefit payments increased substantially in FY 2008 through FY 2010 as an increase in caseloads occurred.



Assessments for administration of the program are projected to increase 1.4 percent per year as well at the benefit payments.

B.6 (b) County Assessments

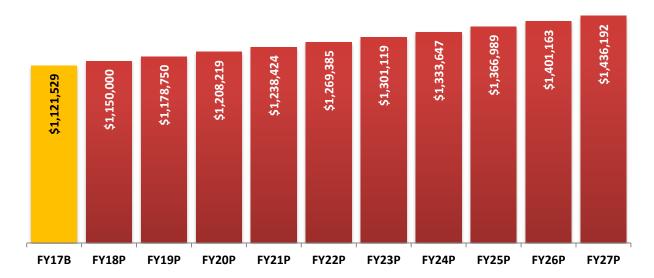
The town receives assessments from Barnstable County; for operating the county government and Cape Cod Commission. The total assessment to all member towns is limited to increasing 2½ percent per year. Assessments are allocated to member towns based on equalized valuations which could result in a member town's assessment being more or less than 2½ percent in any given year. The portion of the assessment for funding the Cape Cod Commission is exempt from Proposition 2½ and is added to the levy limit each year.

History of Percentage Change in Barnstable County Assessments



As the chart above illustrates, the percentage change in the annual assessment from the county can change more or less than 2½ percent per year. The decrease in FY 2006 was a result of the county using excess reserves to decrease the annual assessments.

Projected Barnstable County Assessments

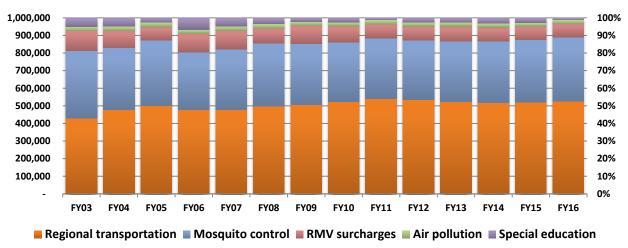


Assessments are projected to increase 2.5% per year over the forecast period. It is not anticipated that the county will have any surplus funds that could be used to lower the assessments as in past years.

B.6 (c) State Assessments

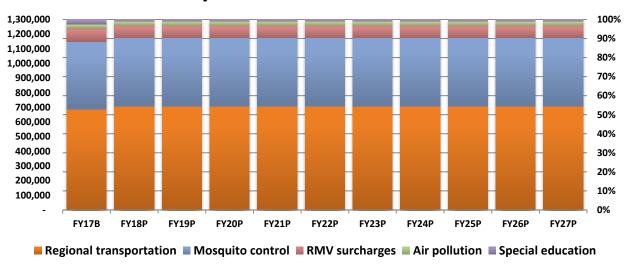
The town is assessed for several items by the state on an annual basis including mosquito control projects, air pollution control districts, non-renewal surcharges from the Registry of Motor Vehicles, special education costs for students enrolled in state hospital schools and regional transportation authorities.





Regional transportation and mosquito control projects comprise a majority of this expense category. Combined these costs have risen from \$668,000 in FY 2008 to \$861,000 in FY 2016, or 29 percent. In addition to inflationary cost increases, regional transportation costs are impacted by service levels.



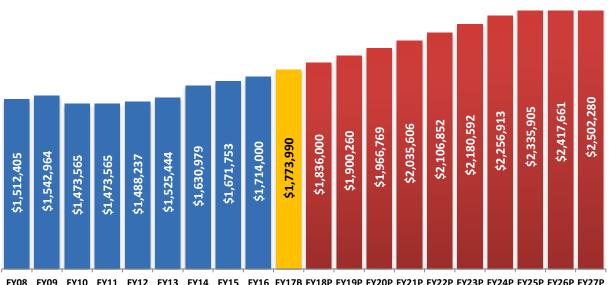


The costs in this area are projected to increase an average of 2.5 percent per year over the forecast period. Regional transportation and mosquito control assessments comprise 90% of the costs in this area.

B.6 (d) Library Funding

The town provides funding for the seven village libraries which covers approximately one-half of the collective operating expenses of the seven libraries.

Actual and Projected Library Funding

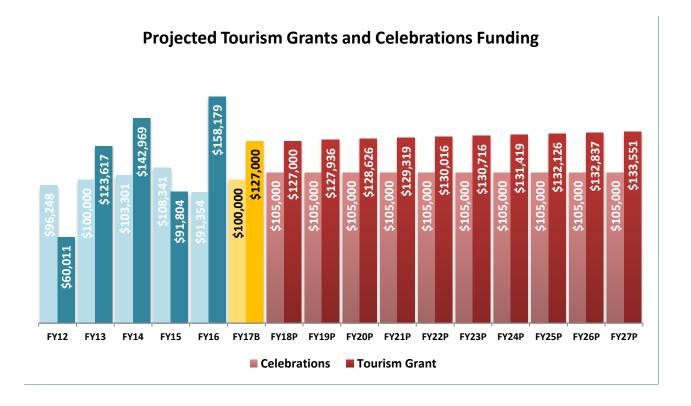


FY08 FY09 FY10 FY11 FY12 FY13 FY14 FY15 FY16 FY17B FY18P FY19P FY20P FY21P FY22P FY23P FY24P FY25P FY26P FY27P

Library funding has increased from \$1,512,000 in FY 2008 to \$1,714,000 in FY 2016. The reduction in FY 2010 coincided with reductions to all other operations. The town provided its largest increase in FY 2014 in order for the libraries to participate in the State Aid to Libraries grant program without having to file a waiver and to provide funding so each library can have an annual audit conducted. \$105,000 of additional funding was provided and was added to the base allocation going forward. Projected increases are 3.5 percent per year over the forecast period.

B.6 (e) Tourism and Celebrations Funding

Each year the town dedicates 7.5 percent of two-thirds of the projected rooms tax revenue to a grant for the promotion of tourism; the town's main economy. This equates to 5 percent of the total rooms tax revenue. The other one-third of rooms tax revenue is dedicated to a Sewer Construction and Private Way Maintenance and Improvement Special Revenue Fund. This grant will fluctuate correspondingly with the rooms tax revenue estimate. The town also provides funding for celebrations. Most of this funding goes towards financing an annual 4th of July parade and fireworks.

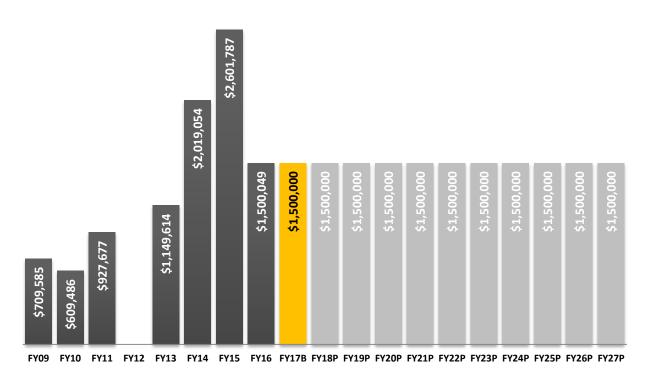


Room's taxes are projected to increase 1 percent per year, which results in a slight increase in the annual grant for tourism. The funding provided for celebrations is held level. A majority of this expense is allocated to the annual 4th of July parades and fireworks display.

B.6 (f) Snow and Ice Removal Deficits

State law allows cities and towns to deficit spend for these purposes due to the unpredictability of events. Any deficit that occurs is included in the subsequent year's budget. The town budgets \$600,000 annually for snow and ice removal. Any amount expended above this level is included in the following year's budget. Funding for the deficit is provided from the town's unreserved General Fund surplus.





The chart above illustrates the amount spent for snow and ice removal above the annual budget of \$600,000. The volatility of this expenditure is illustrated by the significant swings in the deficits ranging from a high of \$2.6 million in FY 2016 to \$0 in FY 2012. Going forward, the forecast includes a provision for a \$1,500,000 deficit per year in addition to the \$600,000 the town includes in the annual operating budget. Another way of looking at this budget is that the town budgets \$2.1 million per year for snow and ice removal, \$600,000 for the current year's expenditures and \$1,500,000 for any budget deficit from the prior year. The \$600,000 is included in the Department of Public Work's operating budget.

APPENDIX A

Table 1 – Foundation Budget

FY17 Chapter 70 Foundation Budget

20 Barnstable

				Base Fo	undation Cor	nponents		Incrementa	I Costs Above	The Base					
	(1)			(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)		
	Pre-	Kinde	rgarten		Jr High/	High	ELL	ELL	ELL	Voca-	Special Ed	Special Ed	Economically		
	School	Half-Day	Full-Day	Elementary	Middle	School	ol PK		KF - 12	tional	In District	Out of Dist	Disadvantaged	TOTAL*	
Foundation Enrollment	104	0	326	1,811	1,163	1,676	0	0	462	0	204	54	1,953	5,490	
1 Administration	18,929	0	118,664	659,204	423,332	610,064	0	0	168,168	0	512,501	135,662	0	2,646,524	
2 Instructional Leadership	34,187	0	214,319	1,190,588	764,579	1,101,836	0	0	303,728	0	0	0	0	3,609,237	
3 Classroom and Specialist Teachers	156,755	0	982,730	5,459,205	3,085,148	6,538,227	0	0	2,097,452	0	1,691,125	0	6,196,908	26,207,551	
4 Other Teaching Services	40,203	0	252,050	1,400,193	647,268	776,558	0	0	285,618	0	1,578,980	2,073	0	4,982,942	
5 Professional Development	6,199	0	38,885	216,052	150,399	210,154	0	0	74,599	0	81,580	0	136,378	914,247	
6 Instructional Equipment & Tech	22,689	0	142,237	790,157	507,429	1,170,016	0	0	201,575	0	71,206	0	0	2,905,309	
7 Guidance and Psychological	11,405	0	71,511	397,261	339,584	613,450	0	0	134,899	0	0	0	0	1,568,110	
8 Pupil Services	4,536	0	28,450	237,060	248,661	826,318	0	0	60,476	0	0	0	0	1,405,502	
9 Operations and Maintenance	43,529	0	272,891	1,515,970	1,055,446	1,474,763	0	0	523,552	0	572,489	0	957,068	6,415,708	
10 Employee Benefits/Fixed Charges	39,237	0	245,974	1,366,526	834,383	1,155,217	0	0	438,535	0	648,561	0	629,042	5,357,474	
11 Special Ed Tuition	0	0	0	0	0	0	0	0	0	0	0	1,288,041	0	1,288,041	
12 Total	377,670	0	2,367,712	13,232,216	8,056,229	14,476,601	0	0	4,288,603	0	5,156,443	1,425,776	7,919,395	57,300,645	
13 Wage Adjustment Factor	100.0%											Foundation	Budget per Pupil	10,437	
14 Economically Disadvantaged Decile	8										_			<u></u> _	

^{*} Total foundation enrollment does not include columns 11 through 13, because those columns represent increments above the base. The pupils are already counted in columns 1 to 10.

Special education in-district headcount is an assumed percentage, representing 3.75 percent of K to 12 non-vocational enrollment and 4.75 percent of vocational enrollment.

Special education out-of-district headcount is also an assumed percentage, representing 1 percent of non-vocational K-12 enrollment.

Economically disadvantaged headcounts are the number of pupils in columns 1 through 10 who are directly certified as eligible for the Supplemental Nutrition

Assistance Program (SNAP); the Transitional Assistance for Families with Dependent Children (TAFDC); the Department of Children and Families' (DCF) foster care program; and MassHealth (Medicaid).

Each component of the foundation budget represents the enrollment on line 1 multiplied by the appropriate state-wide foundation allotment.

The wage adjustment factor is applied to underlying rates in all functions except instructional equipment, benefits and special education tuition.

The foundation budget shown on this page may differ from the final number used in the formula, due to rounding error.

Total foundation enrollment assigns pupils in pre-kindergarten and half-time kindergarten an enrollment count of .5.

Table 2 – Calculation of Effort

			local effort	DOR total	local effort	combined		local contribution	contribution	target		local		preliminary	contribution	shortfall	increment	increment		excess effort	required		Before	After implem	entation	
Le - District	+	total EOV 2014	from property wealth	income 2013 🔻	from income wealth	effort vield	FY17 foundation	foundation pct=	(lesser of max local or effort yield)	local share 🔻	~	contribution FY16 =	mrgf FY17 🔻	contribution FY17 =	percentage of foundation	from target local sha	toward target *	toward target =	excess effort =	times effort reduction 7 🕶	contribution FY17 🔻	percentage of foundatic = =	below effort shortfall 🔻	below effort shortfall	above effort o	distance from target
1 Abington	_	1,759,005,600	6,669,703	516,549,000	7,593,654	14,263,357	21,821,619	18,002,836	14,263,357	65.36		14,647,037	2.98%	15,083,519	69.12	0.00	0.00%	0	820,162	697,138	14,386,381	65.93	0	0	123,024	0.57
2 Acton 3 Acushnet		3,865,006,000 1,040,797,100	14,655,121 3,946,438	1,315,982,000 287,587,000	19,345,913 4,227,743	34,001,035 8,174,181	45,015,298 14,218,337	37,137,621 11,730,128	34,001,035 8,174,181	75.53 57.49		34,660,507 8,160,751	4.32% 3.26%	36,157,841 8,426,791	80.32 59.27	0.00	0.00%	0	2,156,806 252,610	1,833,285 214,719	34,324,556 8,212,073	76.25 57.76	0	0	323,521 37,892	0.72
4 Adams 5 Agawam		483,765,400	1,834,316	169,793,000 771 471 000	2,496,083 11.341.197	4,330,399 22,506,483	13,300,477	10,972,894 32.842.791	4,330,399 22.506.483	32.56 56.54		3,999,249 22,728,531	3.99% 4.78%	4,158,819	31.27 59.82	1.29	0.00%	0	1 308 472	1 112 201	4,158,819 22,702,754	31.27 57.03	-171,580	171,580	196 271	-1.29 0.49
6 Alford		281,265,800	1,066,489	38,535,000	566,493	1,632,982	239,087	197,247	197,247	82.50		217,857	4.03%	226,637	94.79	0.00	0.00%	0	29,390	24,982	201,656	84.34	0	0	4,409	1.84
7 Amesbury 8 Amherst		1,849,252,600 2,220,991,600	7,011,896 8,421,436	548,616,000 663,320,000	8,065,063 9,751,297	15,076,959 18,172,733	23,896,220 24,562,999	19,714,382 20.264,474	15,076,959 18,172,733	63.09 73.98		15,384,352 18,376,324	3.46%	15,916,651 19,015,820	66.61 77.42	0.00	0.00%	0	839,692 843,087	713,738 716,624	15,202,913 18,299,196	63.62 74.50	0	0	125,954 126,463	0.53 0.52
9 Andover		7,120,772,800	27,000,163	2,447,461,000	35,979,495	62,979,658	59,005,772	48,679,762	48,679,762	82.50		49,813,940	4.11%	51,861,293	87.89	0.00	0.00%	0	3,181,531	2,704,301	49,156,992	83.31	0	0	477,230	0.81
10 Arlington 11 Ashburnham		7,913,085,100 585.465.100	30,004,410	2,304,468,000 187,496,000	33,877,392 2.756.331	63,881,802 4.976.266	53,252,939 11.147.635	43,933,674 9,196,799	43,933,674 4.976.266	82.50 44.64		41,680,654 5,063,238	4.30% 4.28%	43,472,922 5.279.945	81.63 47.36	0.87	0.00%	0	0 303.679	0 258.127	43,472,922 5,021,818	81.63 45.05	-460,752	460,752	0 45.552	-0.87 0.41
12 Ashby		288,268,400	1,093,041	88,954,000	1,307,690	2,400,730	4,444,399	3,666,629	2,400,730	54.02		2,480,417	3.24%	2,560,783	57.62	0.00	0.00%	0	160,053	136,045	2,424,738	54.56	0	0	24,008	0.54
13 Ashfield 14 Ashland		230,930,200 2,267,885,700	875,629 8,599,247	45,465,000 761,361,000	668,369 11,192,572	1,543,998 19,791,819	1,960,849 26,107,231	1,617,701 21,538,465	1,543,998 19,791,819	78.74 75.81		1,581,448 19,788,949	3.49%	1,636,641 20,501,351	83.47 78.53	0.00	0.00%	0	92,643 709,532	78,747 603,102	1,557,894 19,898,249	79.45 76.22	0	0	13,896 106,430	0.71
15 Athol		635,006,300 3.884.331.000	2,407,783 14,728,397	209,670,000 1.238.666.000	3,082,305 18,209,311	5,490,087 32.937.708	18,186,161 69,263,004	15,003,583 57,141,979	5,490,087 32.937.708	30.19 47.55		2,509,131 33.385.070	4.56%	2,623,547 34.610.302	14.43 49.97	15.76 0.00	2.00%	50,183	1.672.594	1.421.705	2,673,730 33.188.597	14.70	-2,866,540	2,816,357	0 250.889	-15.49
16 Attleboro 17 Auburn		1,944,459,700	14,728,397 7,372,897	1,238,666,000	18,209,311 7,409,542	14,782,440	24,494,202	20,207,717	32,937,708 14,782,440	47.55 60.35		33,385,070 15,322,827	3.67% 5.11%	16,105,823	49.97 65.75	0.00	0.00%	0	1,572,594	1,421,705	14,980,947	47.92 61.16	0	0	250,889 198,507	0.37
18 Avon 19 Aver		770,032,900 1.012.014.600	2,919,769 3.837.302	131,491,000 230,071,000	1,933,015 3,382,215	4,852,785 7,219,517	6,561,646 10,850,769	5,413,358 8,951,884	4,852,785 7,219,517	73.96 66.53		5,158,418 7,325,712	5.82% 5.19%	5,458,638 7,705,916	83.19 71.02	0.00	0.00%	0	605,853 486,399	514,975 413.439	4,943,663 7,292,477	75.34 67.21	0	0	90,878 72.960	1.38
20 Barnstable		13,476,184,100	51,098,269	1,492,914,000	21,946,945	73,045,214	60,062,782	49,551,795	49,551,795	82.50		49,113,901	3.46%	50,813,242	84.60	0.00	0.00%	0	1,261,447	1,072,230	49,741,012	82.82	0	0	189,217	0.32
21 Barre 22 Becket		406,699,000 516,080,100	1,542,099	126,515,000 41.521.000	1,859,865	3,401,964 2.567,234	8,688,803 2,035,765	7,168,262 1.679.506	3,401,964 1.679.506	39.15 82.50		3,610,197 1,676,045	4.36% 3.91%	3,767,602 1.741.578	43.36 85.55	0.00	0.00%	0	365,638 62,072	310,792 52 761	3,456,810 1,688,817	39.78 82.96	0	0	54,846 9 311	0.63
23 Bedford		3,037,581,300	11,517,737	805,132,000	11,836,039	23,353,776	26,208,295	21,621,844	21,621,844	82.50		22,418,457	5.00%	23,539,380	89.82	0.00	0.00%	ō	1,917,536	1,629,906	21,909,474	83.60	0	0	287,630	1.10
24 Belchertown 25 Bellingham		1,401,621,900 2,163,943,500	5,314,594 8,205,124	455,829,000 533,677,000	6,701,025 7,845,448	12,015,619 16,050,573	24,734,902 23,893,203	20,406,294 19,711,893	12,015,619 16,050,573	48.58 67.18		12,083,498 16,474,483	3.35% 4.31%	12,488,295 17,184,533	50.49 71.92	0.00	0.00%	0	472,676 1,133,960	401,775 963,866	12,086,520 16,220,667	48.86 67.89	0	0	70,901 170,094	0.28 0.71
26 Belmont		5,760,631,800	21,842,853	1,857,450,000	27,305,895	49,148,748	41,182,985	33,975,963	33,975,963	82.50		32,834,400	3.80%	34,082,107	82.76	0.00	0.00%	0	106,144	90,222	33,991,885	82.54	0	0	15,922	0.04
27 Berkley 28 Berlin		755,363,800 533,595,700	2,864,148	220,213,000 137,395,000	3,237,295 2,019,809	6,101,442 4,043,068	11,591,204 3,885,766	9,562,743 3.205.757	6,101,442 3,205,757	52.64 82.50		5,776,913 3,303,598	3.97% 5.22%	6,006,256 3,476,046	51.82 89.46	0.82	0.00%	0	270,289	229,746	6,006,256 3,246,300	51.82 83.54	-95,186 0	95,186 0	0 40.543	-0.82 1.04
29 Bernardston		221,233,900 5.684.015.700	838,863 21,552,344	55,041,000	809,144 23.094.044	1,648,006	2,921,385 46.416.732	2,410,143 38,293,804	1,648,006 38.293.804	56.41 82.50		1,684,497	3.50% 3.24%	1,743,454 40.125.561	59.68 86.45	0.00	0.00%	0	95,448 1.831.757	81,131 1.556.993	1,662,323 38.568.568	56.90 83.09	0	0	14,317 274.764	0.49
30 Beverly 31 Billerica		5,566,356,800	21,552,344 21,106,212	1,570,944,000 1,382,527,000	23,094,044	44,646,389 41,430,386	46,416,732 59,291,110	38,293,804 48,915,165	38,293,804 41,430,386	69.88		38,866,293 42,201,569	4.46%	40,125,561	74.35	0.00	0.00%	0	2,653,373	2,255,367	38,568,568 41,828,392	70.55	0	0	398,006	0.59
32 Blackstone 33 Blandford		843,990,300 172,518,200	3,200,197 654,145	251,191,000 35.238.000	3,692,694 518.025	6,892,891 1.172.170	13,770,051	11,360,292 1.131.109	6,892,891 1.131.109	50.06 82.50		7,002,536 1.184.826	3.70% 4.37%	7,261,630 1,236,603	52.73 90.19	0.00	0.00%	0	368,739 105.494	313,428 89.670	6,948,202 1.146.933	50.46 83.65	0	0	55,311 15.824	0.40 1.15
34 Bolton		933,040,100	3,537,851	330,212,000	4,854,362	8,392,213	9,920,768	8,184,633	8,184,633	82.50		8,316,411	4.30%	8,674,017	87.43	0.00	0.00%	0	489,384	415,976	8,258,041	83.24	0	0	73,408	0.74
35 Boston 36 Bourne		110,810,609,300 4.220,554,100	420,165,696 16.003.270	25,546,202,000 609.623.000	375,548,153 8.961.911	795,713,849 24.965.181	802,914,848 22,491,130	662,404,749 18.555,182	662,404,749 18.555.182	82.50 82.50		657,393,838 19,450,012	4.86%	689,343,179 20.445.853	85.86 90.91	0.00	0.00%	0	26,938,430 1.890.671	22,897,666	666,445,514 18,838,783	83.00 83.76	0	0	4,040,765 283.601	0.50 1.26
37 Boxborough		998,009,700	3,784,199	287,937,000	4,232,888	8,017,087	8,248,710	6,805,186	6,805,186	82.50		7,094,610	3.33%	7,330,861	88.87	0.00	0.00%	0	525,675	446,824	6,884,037	83.46	0	0	78,851	0.96
38 Boxford 39 Boylston		1,613,407,100 625,053,300	6,117,630 2.370.043	692,008,000 221,074,000	10,173,032 3,249,952	16,290,662 5,619,995	14,001,636 5.698.010	11,551,350 4,700.858	11,551,350 4,700,858	82.50 82.50		12,113,160 4,918,431	2.88% 4.89%	12,462,019 5.158.942	89.00 90.54	0.00	0.00%	0	910,669 458.084	774,069 389,371	11,687,950 4,769,571	83.48 83.71	0	0	136,600 68,713	0.98
40 Braintree		5,574,551,500	21,137,284	1,358,152,000	19,965,844	41,103,128	58,893,927	48,587,490	41,103,128	69.79		41,939,640	3.87%	43,562,704	73.97	0.00	0.00%	0	2,459,576	2,090,640	41,472,064	70.42	0	0	368,936	0.63
41 Brewster 42 Bridgewater		3,545,641,200 2,412,842,700	13,444,171 9,148,887	288,703,000 769,573,000	4,244,149 11,313,295	17,688,320 20,462,182	11,212,930 33,381,968	9,250,667 27,540,123	9,250,667 20,462,182	82.50 61.30		9,623,044	3.23% 4.19%	9,933,868 21,413,209	88.59 64.15	0.00	0.00%	0	683,201 951,027	580,721 808,373	9,353,147 20,604,836	83.41 61.72	0	0	102,480 142,654	0.91
43 Brimfield		395,322,100 5.739.735.500	1,498,961 21,763,620	119,158,000	1,751,711	3,250,672	5,557,154	4,584,652	3,250,672	58.50 21.87		3,324,611	5.31%	3,501,148 43.394.386	63.00	0.00	0.00%	0	250,476	212,905	3,288,243	59.17	0	0	37,571	0.67 -1.94
44 Brockton 45 Brookfield		255,456,800	21,763,620 968,627	1,758,945,000 83,534,000	25,857,799 1,228,012	47,621,418 2,196,639	217,777,376 5,098,480	179,666,336 4,206,246	47,621,418 2,196,639	43.08		42,036,604 2,279,218	2.57%	2,337,794	19.93 45.85	1.94 0.00	0.00%	0	141,155	119,982	43,394,386 2,217,812	19.93 43.50	-4,227,032 0	4,227,032 0	21,173	-1.94 0.42
46 Brookline 47 Buckland		17,051,417,000 213.003.400	64,654,644 807.655	4,040,498,000 36.865.403	59,398,323 541.949	124,052,967	73,409,265 2.074.311	60,562,644 1,711,307	60,562,644 1.349.604	82.50 65.06		59,216,726 1.383,272	3.59% 4.39%	61,342,606 1,443,998	83.56 69.61	0.00	0.00%	0	779,962 94.394	662,968 80.235	60,679,638 1,363,763	82.66 65.75	0	0	116,994 14.159	0.16
48 Burlington		5,185,943,200	19,663,780	1,021,083,000	15,010,679	34,674,459	36,097,775	29,780,664	29,780,664	82.50		31,607,558	5.01%	33,191,097	91.95	0.00	0.00%	0	3,410,433	2,898,868	30,292,229	83.92	0	0	511,565	1.42
49 Cambridge 50 Canton		29,733,817,500 4.083.657.900	112,743,087 15.484.194	5,555,551,000 1.148.644.000	81,670,728 16.885.920	194,413,815 32.370.114	80,655,733 32.859.944	66,540,979 27.109.454	66,540,979 27.109.454	82.50 82.50		68,456,380 27,489,741	6.20% 4.38%	72,700,676 28.693.792	90.14 87.32	0.00	0.00%	0	6,159,697 1.584.338	5,235,742 1.346,687	67,464,934 27.347.105	83.65 83.22	0	0	923,955 237.651	1.15 0.72
51 Carlisle		1,241,047,500	4,705,737	539,037,000	7,924,244	12,629,981	8,885,761	7,330,753	7,330,753	82.50		7,837,948	4.23%	8,169,493	91.94	0.00	0.00%	ō	838,740	712,929	7,456,564	83.92	0	0	125,811	1.42
52 Carver 53 Charlemont		1,134,092,700 130,454,200	4,300,192 494,649	318,440,000 26,227,000	4,681,305 385,556	8,981,496 880,206	17,809,344 1,691,445	14,692,709 1,395,442	8,981,496 880,206	50.43 52.04		9,336,775 918,569	4.57% 5.09%	9,763,466 965,324	54.82 57.07	0.00	0.00%	0	781,970 85,118	664,675 72,350	9,098,792 892,974	51.09 52.79	0	0	117,296 12,768	0.66 0.75
54 Charlton		1,413,260,000	5,358,723	427,100,000	6,278,687	11,637,410	22,689,494	18,718,832	11,637,410	51.29		10,883,970	5.46%	11,478,235	50.59	0.70	0.00%	0	0	0	11,478,235	50.59	-159,175	159,175	0	-0.70
55 Chatham 56 Chelmsford		6,196,588,000 4,733,578,400	23,495,888 17,948,527	270,083,000 1,503,838,000	3,970,421 22,107,536	27,466,309 40,056,064	5,356,337 49,675,034	4,418,978 40,981,903	4,418,978 40,056,064	82.50 80.64		4,401,128 41,819,308	3.53% 3.93%	4,556,488 43,462,807	85.07 87.49	0.00	0.00%	0	137,510 3,406,743	116,884 2,895,732	4,439,605 40,567,075	82.89 81.66	0	0	20,627 511,011	0.39 1.02
57 Chelsea 58 Cheshire		2,234,376,700 297,594,300	8,472,189 1,128,402	588,057,000 82,551,000	8,644,875 1,213,561	17,117,064 2,341,963	87,277,896 4,656,876	72,004,264 3,841,923	17,117,064 2,341,963	19.61 50.29		14,536,830 2,203,362	5.76% 3.59%	15,374,151 2,282,463	17.62 49.01	1.99 1.28	0.00%	0	0	0	15,374,151 2,282,463	17.62 49.01	-1,742,913 -59,500	1,742,913 59,500	0	-1.99 -1.28
59 Chester		122,891,100	465,972	28,752,000	422,676	888,648	1,779,094	1,467,753	888,648	49.95		929,775	4.29%	969,662	54.50	0.00	0.00%	ō	81,014	68,862	900,800	50.63	0	0	12,152	0.68
60 Chesterfield 61 Chicopee		151,017,800 3,824,974,200	572,621 14,503,331	23,596,000 1,038,808,000	346,879 15,271,250	919,500 29,774,581	1,570,788 89,575,524	1,295,900 73,899,808	919,500 29,774,581	58.54 33.24		952,649 30,214,682	3.11%	982,276 31,387,012	62.53 35.04	0.00	0.00%	0	62,776 1,612,431	53,360 1,370,566	928,916 30,016,446	59.14 33.51	0	0	9,416 241,865	0.60
62 Chilmark		3,238,385,900	12,279,137	42,905,000	630,735	12,909,873	1,057,483	872,423	872,423	82.50		940,065	4.14%	978,984	92.58	0.00	0.00%	ō	106,561	90,577	888,407	84.01	0	0	15,984	1.51
63 Clarksburg 64 Clinton		124,331,300 1,076,951,500	471,433 4,083,527	33,243,000 373,971,000	488,697 5,497,652	960,130 9,581,178	2,544,146 21,580,496	2,098,920 17,803,909	960,130 9,581,178	37.74 44.40		842,624 9,800,189	2.69% 3.21%	865,291 10,114,775	34.01 46.87	3.73 0.00	1.00%	8,426 0	533,597	453,557	873,717 9,661,218	34.34 44.77	-94,839 0	86,413 0	0 80,040	-3.40 0.37
65 Cohasset 66 Colrain		2,622,371,300 169,419,700	9,943,366 642,396	739,699,000 42,489,000	10,874,125 624,620	20,817,491	14,733,842 2.166.724	12,155,420 1,787,547	12,155,420 1.267.016	82.50 58.48		12,048,958	4.18% 4.95%	12,552,604	85.20 62.21	0.00	0.00%	0	397,184 81.003	337,606 68.853	12,214,998	82.90 59.04	0	0	59,578 12.150	0.40
67 Concord		5,540,602,300	21,008,557	2,154,897,000	31,678,587	52,687,144	28,952,082	23,885,468	23,885,468	82.50		24,572,306	4.28%	25,624,001	88.50	0.00	0.00%	0	1,738,533	1,477,753	24,146,248	83.40	0	0	260,780	0.90
68 Conway 69 Cummington		251,195,300 129,127,900	952,469 489.620	64,731,000 25,366,000	951,594 372,899	1,904,063 862,519	2,366,751 830.679	1,952,569 685,310	1,904,063 685,310	80.45 82.50		1,941,915 773,892	3.93%	2,018,232 799,585	85.27 96.26	0.00	0.00%	0	114,169 114,275	97,044 97.134	1,921,188 702,451	81.17 84.56	0	0	17,125 17,141	0.72 2.06
70 Dalton		597,077,300	2,263,966	190,336,000	2,798,081	5,062,046	9,493,839	7,832,418	5,062,046	53.32		5,221,783	2.97%	5,376,870	56.64	0.00	0.00%	0	314,824	267,600	5,109,270	53.82	0	0	47,224	0.50
71 Danvers 72 Dartmouth		4,163,499,300 4,985,767,900	15,786,932 18,904,766	1,041,999,000	15,318,160 15,366,599	31,105,092 34,271,365	37,354,516 40,887,272	30,817,476 33,731,999	30,817,476 33,731,999	82.50 82.50		30,798,454 33,778,936	3.70%	31,937,997 35,086,181	85.50 85.81	0.00	0.00%	0	1,120,521 1,354,182	952,443 1,151,055	30,985,554 33,935,126	82.95 83.00	0	0	168,078 203,127	0.45
73 Dedham		4,205,403,500	15,945,822	1,145,623,000	16,841,509	32,787,332	28,455,546	23,475,825	23,475,825	82.50		25,291,926	5.92%	26,789,208	94.14	0.00	0.00%	ō	3,313,383	2,816,376	23,972,832	84.25	0	0	497,007	1.75
74 Deerfield 75 Dennis		680,644,100 6,250,958,500	2,580,830 23,702,048	201,622,000 425,230,000	2,963,993 6,251,197	5,544,823 29,953,245	6,005,071 14,053,233	4,954,184 11,593,917	4,954,184 11,593,917	82.50 82.50		5,221,957 12,014,386	4.42% 2.96%	5,452,767 12,370,012	90.80 88.02	0.00	0.00%	0	498,583 776,095	423,796 659,681	5,028,971 11,710,331	83.75 83.33	0	0	74,787 116,414	1.25 0.83
76 Dighton 77 Douglas		838,835,300 902,244,800	3,180,650 3,421,083	218,405,000 281,734,000	3,210,716 4,141,699	6,391,366 7,562,782	12,937,768 14,598,366	10,673,659 12,043,652	6,391,366 7,562,782	49.40 51.81		6,575,793 7,043,796	4.01% 3.54%	6,839,482 7,293,146	52.86 49.96	0.00 1.85	0.00%	0	448,116	380,899	6,458,583 7,293,146	49.92 49.96	-269,636	0 269,636	67,217	0.52 -1.85
78 Dover		2,310,390,900	8,760,416	1,217,611,000	17,899,787	26,660,202	10,768,029	8,883,624	8,883,624	82.50		9,366,645	4.34%	9,773,157	90.76	0.00	0.00%	0	889,533	756,103	9,017,054	83.74	-269,636 0	209,030	133,430	1.24
79 Dracut 80 Dudley		2,920,269,000 885.262.100	11,072,919	927,556,000 292,247,000	13,635,762 4.296.248	24,708,681 7.652.937	44,714,050 19.571.939	36,889,091 16.146.850	24,708,681 7.652.937	55.26 39.10		24,037,471 5.738.434	2.99% 4.07%	24,756,191 5.971.988	55.37 30.51	0.00 8.59	0.00%	0 114,769	47,510 0	40,384	24,715,808 6.086.757	55.28 31.10	-1.680.949	1.566.180	7,127	0.02 -8.00
81 Dunstable		467,427,400	1,772,366	291,036,000	4,278,445	6,050,811	5,150,125	4,248,853	4,248,853	82.50		4,314,656	3.54%	4,467,395	86.74	0.00	0.00%	0	218,542	185,761	4,281,634	83.14	0	0	32,781	0.64
82 Duxbury 83 East Bridgewater		3,475,390,900 1,506,014,000	13,177,800 5,710,423	1,156,244,000 417,230,000	16,997,646 6,133,591	30,175,446 11,844,014	29,421,666 21,712,207	24,272,874 17,912,571	24,272,874 11,844,014	82.50 54.55		24,866,076 11,907,612	3.53% 3.90%	25,743,848 12,372,009	87.50 56.98	0.00	0.00%	0	1,470,974 527,995	1,250,328 448,796	24,493,520 11,923,213	83.25 54.91	0	0	220,646 79,199	0.75 0.36
84 East Brookfield		207,396,100	786,393	62,051,000	912,196	1,698,589	3,693,164	3,046,860	1,698,589	45.99		1,437,906	4.15%	1,497,579	40.55	5.44	1.00%	14,379	0	0	1,511,958	40.94	-201,010	186,631	0	-5.05
85 Eastham 86 Easthampton		2,823,221,800 1,482,339,500	10,704,940 5,620,655	143,336,000 423,449,000	2,107,146 6,225,015	12,812,086 11,845,670	4,976,118 18,091,522	4,105,298 14,925,506	4,105,298 11,845,670	82.50 65.48		4,356,675 11,793,004	3.12%	4,492,603 12,191,608	90.28 67.39	0.00	0.00%	0	387,305 345,938	329,209 294,047	4,163,394 11,897,561	83.67 65.76	0	0	58,096 51,891	1.17 0.28
87 East Longmeadov	w	1,829,457,200	6,936,837	598,240,000	8,794,573	15,731,410	26,003,641	21,453,004	15,731,410	60.50		16,206,963	3.65%	16,798,517	64.60	0.00	0.00%	0	1,067,107	907,041	15,891,476	61.11	0	0	160,066	0.61
88 Easton 89 Edgartown		3,008,417,200 6,954,386,400	11,407,154 26,369,268	1,021,710,000 184,992,000	15,019,896 2,719,520	26,427,050 29,088,787	35,262,755 6,243,086	29,091,773 5,150,546	26,427,050 5,150,546	74.94 82.50		26,998,493 5,154,440	3.93% 3.47%	28,059,534 5,333,299	79.57 85.43	0.00	0.00%	0	1,632,484 182,753	1,387,611 155,340	26,671,923 5,177,959	75.64 82.94	0	0	244,873 27,413	0.70 0.44
90 Egremont		409,767,000 659.098.000	1,553,732 2,499,132	26,956,000 31,708,000	396,273 466.131	1,950,006 2,965,263	936,424 2.768.317	772,550 2,283,861	772,550 2,283,861	82.50 82.50		772,365 2,431,419	3.06%	795,999 2.518.950	85.00 90.99	0.00	0.00%	0	23,449 235,089	19,932 199.826	776,067 2,319,124	82.88 83.77	0	0	3,517 35,263	0.38
91 Erving 92 Essex		766,992,800	2,908,242	190,619,000	2,802,241	5,710,483	5,335,939	4,402,150	4,402,150	82.50		4,635,827	4.18%	4,829,605	90.51	0.00	0.00%	0	427,455	363,337	4,466,268	83.70	0	0	64,118	1.20
93 Everett		3,794,616,400	14,388,222	796,105,000	11,703,335	26,091,557	87,583,038	72,256,007	26,091,557	29.79		25,666,047	4.56%	26,836,419	30.64	0.00	0.00%	0	744,862	633,133	26,203,286	29.92	0	0	111,729	0.13