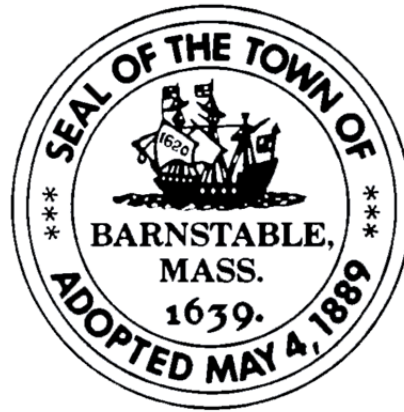


Town of Barnstable



FY18 Operating Budget Summary

Mark S. Ells
Town Manager
May 4, 2017

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SUMMARY OF ALL APPROPRIATED FUNDS

Fund	Actual FY 2016	Budget		FY17 - 18	
		FY 2017	FY 2018	\$ Change	% Change
General Fund	\$149,127,287	\$153,533,546	\$160,184,435	\$6,650,889	4.33%
Solid Waste Enterprise	3,056,168	3,403,815	3,428,020	24,205	0.71%
Water Pollution Control Enterprise	4,214,608	4,692,412	4,601,261	(91,151)	-1.94%
Water Supply Enterprise	4,383,836	6,705,312	6,789,486	84,174	1.26%
Marina Enterprise	820,049	797,403	839,067	41,664	5.22%
Sandy Neck Enterprise	864,859	937,998	1,018,462	80,464	8.58%
Golf Enterprise	3,250,637	3,451,182	3,554,772	103,590	3.00%
HYCC Enterprise	3,046,446	3,221,011	3,379,599	158,588	4.92%
PEG Enterprise	561,486	775,000	811,627	36,627	4.73%
Airport Enterprise	6,249,673	6,093,528	6,508,537	415,009	6.81%
Total All Budgeted Funds	\$175,575,050	\$183,611,207	\$191,115,266	\$7,504,059	4.09%
All Funds Net Of Transfers	\$166,308,998	\$178,300,042	\$184,552,416	\$6,252,374	3.51%
All Funds Net of Transfers and Snow Removal Deficit	\$163,707,211	\$176,799,993	\$183,052,416	\$6,252,423	3.54%
General Fund Net of Transfers and Snow Removal Deficit	\$138,336,746	\$147,622,243	\$153,033,951	\$5,411,708	3.67%
Full-time Equivalent Employees	1,282.45	1,294.40	1,308.95	14.55	

The total proposed FY18 operating budget for the Town of Barnstable's appropriated funds is \$191,115,266. This is an increase over the FY17 budget of \$7,504,059. In addition to the General Fund, this figure includes the Town's nine Enterprise Fund operations. These funds comprise the Town's annually appropriated funds.

Another way to look at the overall budget is to compare the change year-over-year net of transfers, as transfers are not direct expenditures for personnel services or operating expenses. Excluding transfers from the budget results in a FY18 budget increase of \$6,252,374 or 3.5%. The budget increase includes a net increase of 14.55 new full-time equivalent (FTE) positions. A majority of these (9) are for a civilian dispatch workforce in the Police Department. The School Department's FTE are increasing by 1.3 and the Municipal Operations by 13.25 FTE. Three (3) positions are being eliminated: one in the Town Manager's office, one in Public Works and one in Community Services.

The General Fund accounts for revenues and expenditures necessary to provide general governmental services. By definition, all financial resources that are not required to be accounted for in other funds are accounted for in the General Fund. This fund receives all property tax revenue except for property tax surcharges for the Community Preservation Act. The Enterprise Funds are primarily supported by user fees. Residents that access these services pay a fee to support the operation. The fees charged by the Enterprise Fund operations are set at levels that should allow them to cover all operational and capital costs unless a General Fund subsidy is provided.

The General Fund budget is increasing \$6,650,889 in FY18 or 4.3%. This includes transfers and snow removal costs. Removing those costs result in a General Fund budget increase of \$5,411,708 or 3.7%.

Municipal operations are increasing \$1,165,601, education expenditures are increasing \$2,044,219 and fixed costs are increasing \$3,441,069. Major factors contributing to the increase in the overall budget are contractual labor obligations, an increase of 11.25 full-time equivalents, the transfer of three existing positions into the General Fund from other funds, software licensing and hardware maintenance fees across departments, additional funds for materials and supplies in Public Works, an increase in the base budget for snow removal, increases in pension and healthcare costs, and an increase in debt service.

The increase in the Airport Enterprise Fund budget is mainly attributable to the projected increase in jet fuel costs. The airport’s largest source of revenue is from the sale of jet fuel. They are projected to sell over 700,000 gallons in FY18 and the cost per gallon is expected to rise.

The decrease in the Water Pollution Control Enterprise Fund budget is due to a decrease in debt service. Some of the fund’s bonds will mature in FY17.

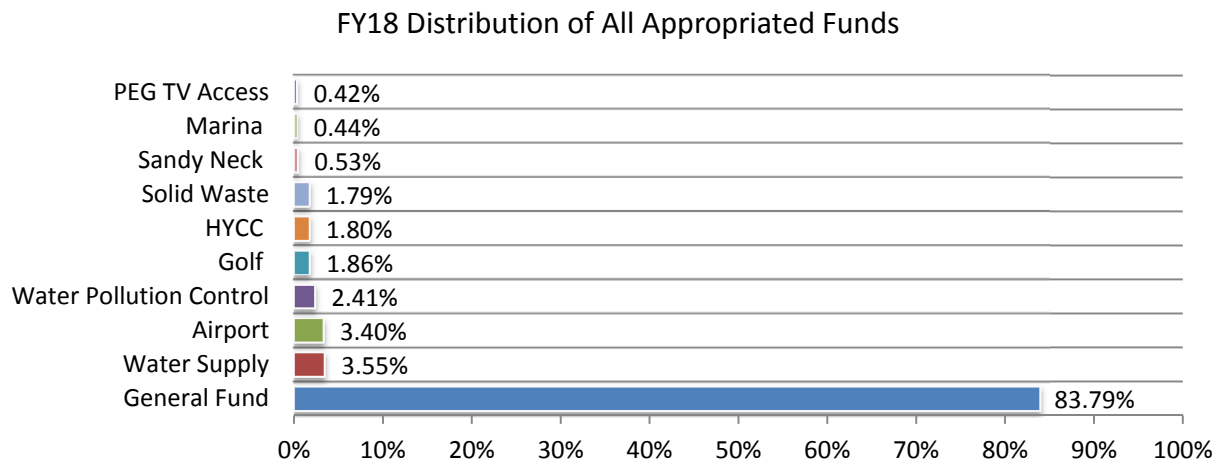
The Water Enterprise Fund budget is increasing primarily due to an increase in the management contract for operating the system, additional funding to purchase water from the Town of Yarmouth, if needed, and funding to maintain the new carbon filter treatment system.

The Solid Waste, Golf Course and Marina Enterprise Fund budgets are increasing mainly due to contractual salary increases and increases in employee benefit costs.

The Sandy Neck Enterprise Fund is increasing due to contractual labor obligations, seasonal employee wage increases, additional funds for police details, and additional funding for facilities maintenance.

The HYCC Enterprise Fund is increasing mainly due to the addition of personnel, an increase in employee benefits, operating capital of \$80,000 and an increase in funds for facility maintenance.

The PEG Enterprise Fund is increasing due to \$125,000 being provided for operating capital. This is partially offset by decreases in other areas.



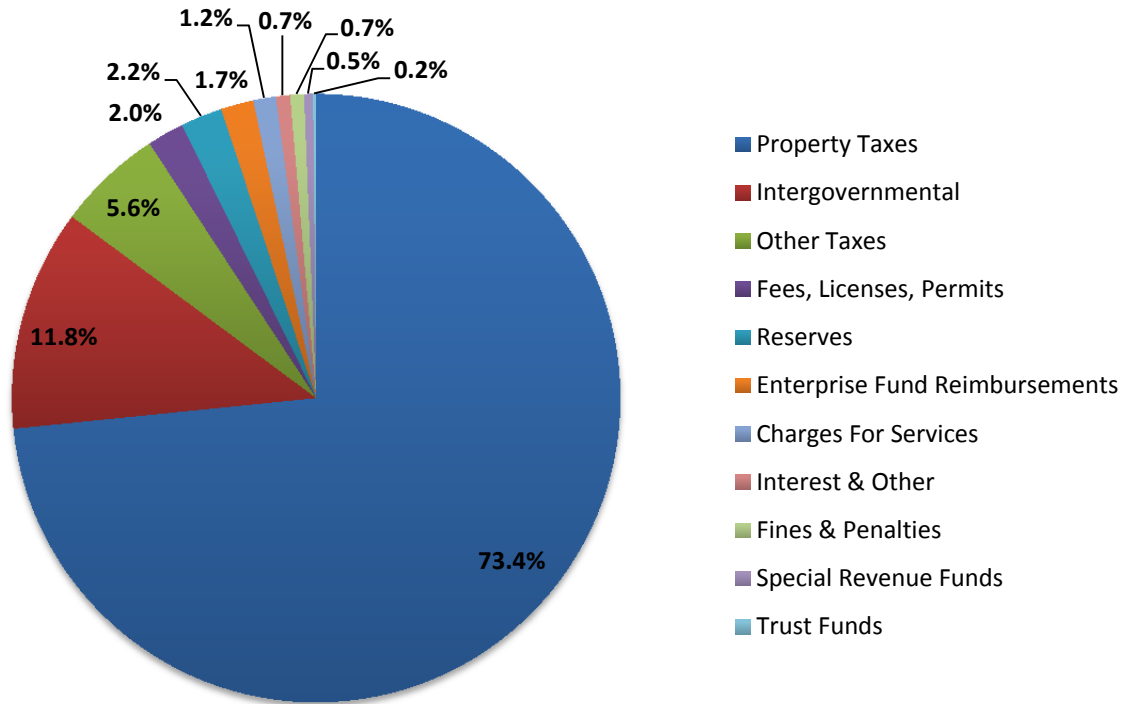
The General Fund comprises 84% of all spending for the funds requiring annual appropriation. The Water Supply is the largest Enterprise Fund and comprises 3.55% of all spending.

GENERAL FUND REVENUE SUMMARY

Property Taxes:	Actual FY 2016	Budget FY 2017	Budget FY 2018	Change FY17 - 18	Percent Change
Tax Levy	\$ 110,547,068	114,243,675	118,484,798	\$ 4,241,123	3.71%
Reserved for Abatements and Exemptions	(1,734,037)	(1,700,000)	(915,000)	785,000	-46.18%
Property Taxes Available for Operations	\$ 108,813,031	\$ 112,543,675	\$ 117,569,798	\$ 5,026,123	4.47%
Other Taxes:					
Motor Vehicle Excise Tax	7,376,288	6,485,683	7,000,000	514,317	7.93%
Boat Excise Tax	130,213	130,000	125,000	(5,000)	-3.85%
Motel/Hotel Excise Tax	1,867,950	1,790,000	1,830,000	40,000	2.23%
Payments in Lieu of Tax	30,865	28,000	29,000	1,000	3.57%
Total Other Taxes	\$ 9,405,316	\$ 8,433,683	\$ 8,984,000	\$ 550,317	6.53%
Other Resources:					
Intergovernmental	18,019,274	18,782,718	18,852,905	70,187	0.37%
Fines & Penalties	1,293,794	1,250,000	1,175,000	(75,000)	-6.00%
Fees, Licenses, Permits	3,556,570	3,144,100	3,128,900	(15,200)	-0.48%
Charges For Services	2,067,131	1,910,000	1,925,000	15,000	0.79%
Interest and Other	2,697,616	1,298,500	1,201,148	(97,352)	-7.50%
Special Revenue Funds	670,053	738,853	761,853	23,000	3.11%
Enterprise Funds	2,579,351	2,560,007	2,770,524	210,517	8.22%
Trust Funds	280,000	270,000	260,000	(10,000)	-3.70%
Reserves	-	2,602,010	3,555,307	953,297	36.64%
Total Other Resources	\$ 31,163,789	\$ 32,556,188	\$ 33,630,637	\$ 1,074,449	3.30%
Total General Fund Resources	\$ 149,382,136	\$ 153,533,546	\$ 160,184,435	\$ 6,650,889	4.33%

General Fund resources used to balance the FY18 operating budget are \$6.6 million more than the FY17 amount. Of this amount, \$5 million is provided from property taxes, as the tax levy will increase by 2.5% plus an estimated amount of \$950,000 for new property growth. This results in an expected increase of 3.7% in the tax levy. Additionally, the amount of the tax levy set aside for abatements and exemptions is being reduced by \$785,000 resulting in more funds available for the operating budget. Motor vehicle excise taxes continue to show healthy growth and are projected to increase \$514,000. The net of all other funding sources are essentially level with the FY17 amount. The amount of reserves used to balance the budget will grow by \$953,297 as more reserves are being directed to the Capital Trust Fund to augment the capital program.

Distribution of FY 2018 General Fund Resources



Property taxes: comprise 73% of all General Fund resources and intergovernmental resources make up 12%. Local receipts provide 9% of the funding sources and other taxes provide 5.6% of all the General Fund resources. Transfers from reserves comprise 2% of the total resources with a majority of this being used to fund the FY17 snow and ice deficit.

Property taxes are projected to grow consistent with the provisions of Proposition 2½ and the Town Council’s budget policy. No property tax overrides are proposed for FY18 to balance the operating or capital budgets. The formula used to calculate the projected tax levy for FY18 is as follows:

Base levy from FY17	\$112,771,807
Prop 2½ allowable increase	2,819,295 (2.5% of FY17 base)
Estimated new property tax growth	\$950,000
Cape Cod Commission environmental tax	\$594,793
Debt exclusions	<u>\$1,348,903</u>
Estimated Property Tax Levy	\$118,484,798
Less reserve for abatements & exemptions	<u>(\$915,000)</u>
FY18 Tax Levy available for operations	\$117,569,798

Estimated new property tax growth is derived principally from new building construction. The Town Assessor works closely with the Building Services Department and reviews building activity to arrive at an estimate for the ensuing year.

The tax for the Cape Cod Commission (CCC) is a tax that is added to the levy every year above the Proposition 2½ allowable increase. This was a voter approved additional tax that all Cape Cod communities pay. The CCC assessments can only be increased by 2.5% every year so the tax is projected to grow by this percentage in FY18.

Debt exclusions are also voter approved initiatives that are added to the levy above the Proposition 2½ increase. These are equal to the debt service payments they are raised to cover and they expire once the debt service expires.

Every year a provision for abatements and property tax exemptions must be made as well. For FY18 a provision of \$915,000 is being set aside, reducing the available property taxes to fund operations by this amount.

Motor Vehicle Excise: 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 auto industry has recovered from the recessionary years. Locally, many dealerships have made significant investments in their properties signifying a recovery in the industry. For FY18 the Town is projecting a 7.9% increase in this tax as commitments continue to show improvement.

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 is projected to be level in FY18 based on prior year collections.

Motel/Hotel Excise 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. Cities and towns now have the option of adopting up to a 6% local tax on room sales. One-third, or 2% of the tax assessed by Barnstable has been dedicated for sewer expansion projects and certain qualifying private road improvements. The remaining 4% is used as a General Fund revenue source. This revenue source is projected to increase by 2.2% in FY18.

Payments in Lieu of Tax (PILOT): The Barnstable Housing Authority, a tax-exempt entity, provides an annual payment to the Town. A payment for state owned land is included under Intergovernmental Aid.

Intergovernmental: This category of revenue consists of several state aid classifications. Most notably are CH70 aid for education and unrestricted general government aid.

Fines & Penalties: This category is comprised of various charges by the Police Department (false alarms, and non-criminal violations), Town Collector and Treasurer (interest and penalties on the late payment of taxes).

Fees, Licenses, Permits: This category is comprised of various fees charged by the cemetery operations (burial, administration, and monument fees), Town Clerk (copies of vital statistics), Police Department (alarm registration), Regulatory Services Department (beverage licenses, rental property registration, and rental car surcharges), Building Services Department (building electrical and plumbing permits) and Town Collector (municipal lien certificates).

Charges for Services: This category is mainly comprised of recreational revenues (beach stickers and beach parking) and police outside detail services.

Interest and Other: This category is mainly comprised of revenue from renewable energy projects and investment income. The renewable energy projects generating revenue include the solar arrays at the transfer station in Marstons Mills and the airport. Interest income depends almost entirely on the timing and amount of revenue collections, expenditure disbursement, interest rates and the investment vehicles available to the Town.

Special Revenue Funds: This category includes revenue from embarkation fees, the Community Preservation Fund, parking fees collected at Bismore Park, mooring fees and conservation fees collected under the Wetlands Protection Act. These fees are all required to be accounted for within the Town’s special revenue funds. The Town then transfers a sum annually out of the special revenue fund to balance the General Fund operating budget.

	Balance on 1-May-17	Estimated Annual Revenue	Amount Used For The FY18 Operating Budget
Parking Meter Receipts	388,420	304,010	191,100
Wetland Protection Fund	194,950	51,650	45,000
Embarkation Fee Revenue	249,627	179,350	207,753
Water Ways Improvement Fund	410,716	225,705	288,000
Community Preservation Fund	9,320,167	3,750,772	30,000
Totals	10,563,880	4,511,487	761,853

Enterprise Funds: 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 Funds. These costs include items such as pension assessments and property and casualty insurance. In addition, the Enterprise Funds are charged a service fee for support they receive from certain General Fund operations such as Finance, Human Resources and Information Technology. The FY18 reimbursements from the Enterprise Funds are as follows:

Indirect Cost	
Airport	\$739,998
Golf	454,820
Solid Waste	338,497
Water Pollution Control	489,251
Water Supply	150,579
Marina	71,543
Sandy Neck	100,873
Hyannis Youth & Community Center	334,091
Public, Educational, Governmental Access Television	90,872
Total Enterprise Funds Indirect Cost	\$2,770,524

Trust Fund: The Town maintains a Pension Reserve Trust Fund, which it utilizes every year to offset the pension assessment received from the County Retirement System.

General Fund Reserves: The Town will use \$3,555,307 in General Fund reserves to balance the FY18 operating budget. The Town has historically been able to generate more reserves than what it has used to balance the budget due to conservative revenue estimation and unexpended appropriations. The Town expects to generate a surplus in FY17, which will offset most if not all of what will be used in FY18 to balance the budget. In addition, most of the costs being paid for with surplus are not necessarily recurring operating costs and include the following:

- \$1,500,000 for the FY17 snow removal cost that exceeded the FY17 budget;
- \$1,000,000 for Capital Trust Fund;
- \$325,000 for health insurance mitigation for employees;
- \$200,000 for retiree sick leave buyback;
- \$300,000 for the Town's self-insured unemployment expense; and
- \$230,307 for School Department's operating budget.

These costs are not expected to be repeated with any certainty. Snow removal costs are dependent upon the weather and FY17 was a modest year. FY18 will continue with the agreement to use reserves to mitigate increases in co-pays and deductibles for employee health insurance. There are several departments with anticipated retirements in FY18 which may require a sick leave buyback payment in accordance with labor contracts and the Town has always used reserves to fund its self-insured unemployment insurance program. Following is a ten-year history of General Fund reserves used and generated.

Certification Date:	Beginning Balance	Used For:		Generated	Ending Balance
		Operations	Capital		
July 1, 2007 (FY08)	\$13,441,565	(\$3,577,630)	(\$2,235,000)	\$9,692,548	\$17,321,483
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	

GENERAL FUND EXPENDITURE SUMMARY

Municipal Operations:	Actual FY 2016	Approved FY 2017	Projected FY 2017	Proposed FY 2018	CHANGE FY17 - 18	
					\$	%
Police Department	\$ 13,119,283	\$ 13,407,890	\$ 13,551,351	\$ 13,835,845	\$ 427,955	3.19%
Public Works Department	9,834,852	10,627,159	9,518,379	10,937,141	309,982	2.92%
Administrative Services Department	5,586,389	5,990,289	5,534,236	5,997,073	6,784	0.11%
Community Services Department	2,763,937	3,262,086	2,892,079	3,555,185	293,099	8.99%
Regulatory Services Department	1,711,297	1,903,408	1,779,821	2,039,538	136,130	7.15%
Building Services	798,910	901,642	788,220	1,031,867	130,225	14.44%
Planning & Development	830,260	904,137	858,246	899,336	(4,801)	-0.53%
Town Manager	550,017	633,153	409,587	495,537	(137,616)	-21.74%
Town Council	233,693	263,842	226,145	267,685	3,843	1.46%
Total Municipal Operations	\$ 35,428,638	\$ 37,893,606	\$ 35,558,064	\$ 39,059,207	\$ 1,165,601	3.08%
Education:						
Local School System	63,128,410	66,050,000	65,950,000	67,884,706	1,834,706	2.78%
Regional School District	3,192,748	3,302,096	3,302,096	3,535,665	233,569	7.07%
Commonwealth Charter Schools	2,791,296	3,111,749	3,111,749	3,048,128	(63,621)	-2.04%
School Choice	904,893	934,327	934,327	973,892	39,565	4.23%
Total Education	\$ 70,017,347	\$ 73,398,172	\$ 73,298,172	\$ 75,442,391	\$ 2,044,219	2.79%
Fixed Costs:						
Employee Benefits	20,920,299	22,362,912	22,050,000	24,031,654	1,668,742	7.46%
Debt Service	8,564,409	9,172,108	9,152,000	9,500,634	328,526	3.58%
State & County Assessments	2,418,471	2,602,504	2,576,046	2,608,855	6,351	0.24%
Grants	1,872,179	1,900,990	1,900,990	1,954,210	53,220	2.80%
Property & Liability Insurance	1,573,817	1,620,000	1,650,000	1,760,000	140,000	8.64%
Celebrations, Rent & Other	143,373	172,000	153,000	177,000	5,000	2.91%
Total Other Requirements	\$ 35,492,548	\$ 37,830,514	\$ 37,482,036	\$ 40,032,353	\$ 2,201,839	5.82%
Total General Fund Before Transfers	\$ 140,938,533	\$ 149,122,292	\$ 146,338,272	\$ 154,533,951	\$ 5,411,659	3.63%
Transfers to Other Funds	8,188,754	4,411,254	4,411,254	5,650,484	1,239,230	28.09%
Grand Total General Fund	\$ 149,127,287	\$ 153,533,546	\$ 150,749,526	\$ 160,184,435	\$ 6,650,889	4.33%

The municipal operations budget is increasing \$1,165,601 or 3.1%. Total spending on education is increasing \$2,044,219 or 2.8%. Local school operations are increasing \$1,834,706 while assessments from other districts are increasing \$209,513 collectively. The area with the largest increase in the General Fund budget is fixed costs, which are increasing 5.8% or \$2,201,839. Most of the increase is in the employee benefits area. Health insurance premiums are rising 10.7% and the county retirement assessment increased 7%. Transfers to other funds are increasing by almost \$1.2 million. An additional \$1 million is being transferred to the Capital Trust Fund in FY18.

DETAIL OF CHANGES IN OPERATING BUDGET

Municipal Operating Budget Changes

MUNICIPAL *			
Category	Amount	FTE *	Description
Town Manager staff reduction	(72,032)	(1.00)	Elimination of Administrative Assistant to Town Manager position.
Public Works staff reduction	(32,905)	(0.50)	Elimination of Energy Coordinator position.
Community Services Department staff reduction	(25,518)	(0.50)	Elimination of part-time Administrative Assistant.
Net reduction in overtime and seasonal wage budgets across all departments	(11,140)		Remaining fiscal year budget impact of a \$1 dollar increase in seasonal wages effective 1/1/17 net of reduction in overtime and seasonal wages across all departments.
Town Manager operating expenses	(26,832)		Reduction in funding for Town Manager operating expenses.
Administrative Services Department	(34,000)		Elimination of funding for consultant to evaluate alternatives for a new phone system included in FY17 budget; not repeated for FY18.
Police Department operating expenses	(15,300)		Elimination of one-time funding for boat repairs.
Police Department operating expenses	(75,275)		Reduction in training funds for one-time training conducted in FY17.
Police Department operating expenses	(12,100)		Reduction in funding for a car vac and dress uniforms not repeated in FY18.
Community Services operating expenses	(1,000)		Reduction in funding for educational outreach program.
Conservation operating expenses	(10,000)		Transfer shooting range land management funds to Public Works.
Contractual Salary Obligations net of savings in staff turnover	452,011		Costs associated with employee collective bargaining agreements and salary savings from lower salaries on new hires.
Town Clerk staff and operating expenses	19,000	0.25	Funds provided for software and staff to track requests for public information in accordance with the new public records law.
Civilian dispatch staff for Police Department	137,667	9.00	6 months of funding to civilianize the dispatch center in the Police Department beginning 1/1/18.
Building Services staff salaries	118,044	2.00	Consolidation of Building Revolving Fund with General Fund operation. Increase in staff is offset by increase in permit revenue.
Community Services Department salaries	55,120	1.00	Addition of a Aquaculture Specialist.
Community Services Department salaries	81,668	1.00	Transfer of Marketing Manager position from HYCC Enterprise Fund to General Fund.
Police Department salaries	11,880		Additional overtime funds for police officer training.
Police Department salaries	19,140		Additional funding for police matrons; increasing then number of shifts from 13 to 16 per week.
Conservation overtime	4,000		Additional funding provided for trail and parking lot maintenance and illegal dumping cleanup.
Community Services Department salaries	9,780		Additional overtime and operating expenses for Assistant Harbormaster training.
Administrative Services operating expenses	28,000		Outside contract services for property valuation work for assessing operations.
Administrative Services operating expenses	35,198		Increase costs for software and hardware licensing and maintenance.
Administrative Services operating expenses	10,559		Increase in funds for town-wide cell phone service.
Police Department operating expenses	9,846		Patrol rifles and safety equipment.
Increase in gasoline & diesel across departments	24,700		Increase in cost based on new contract for FY18.
Building Services operating expenses	12,000		Funds provided for PayPal costs on ePermitting system and cleanup funds for neglected property.
Regulatory Service operating expenses	15,652		Additional Funding for Bismore Park programs.
Public Works operating expenses	182,330		Additional funding for land management, software licenses, safety training, roadway maintenance.
Show Removal	125,000		Increase in base budget for snow removal.
Operating capital funding across departments	130,108		Increase in funding for recurring operating capital.
Increase in Municipal Operations	1,165,601	11.25	

*FTE – Full-time Equivalent

Education Operating Budget Changes

SCHOOL			
Category	Amount	FTE	Description
Contractual Salary Obligations	1,357,120		Costs associated with employee collective bargaining agreements, retirements and resignations.
K-3 Grade Teachers	(120,088)	(2.00)	Staffing reductions due to changing enrollment.
School Counselor (0.5 FTE)	30,022	0.50	Elementary Counselor to support the social and emotional needs of students.
ESL Interventionist	35,802	1.00	Supports the learning needs of English Language Learners at Barnstable High School.
Grant Positions to General Fund	175,130	1.91	Existing grant funded positions moved to the General Fund due to reduced anticipated grant funding.
NECC Program to BHS	247,026	3.00	Expansion of the partnership with the New England Center for Children to provide Autism programming to Barnstable High School.
School Savings Account	(230,306)		One-time expenditures off set by the districts savings account.
Bus Contract	340,000		Contract rate increase for student transportation.
Increase in Local School Budget	1,834,706	4.41	

Fixed Costs Budget Changes

FIXED COSTS			
Category	Amount	FTE	Description
Employee benefits	1,668,742		Costs increases mainly due to retirement and health insurance.
Increase in debt service	328,526		Increase in annual debt service due to FY17 bond issue.
Increase in grant funding	53,220		Increase in grants for libraries.
Property & casualty insurance	140,000		Increase costs associated with premiums.
Assessments & other fixed costs	11,351		Increase costs associated State, County & local assessments.
Increase in fixed costs	2,201,839		

BARNSTABLE MUNICIPAL AIRPORT ENTERPRISE FUND

Airport Enterprise Fund	Actual	Approved	Projected	Proposed	Change	Percent
Source of Funding	FY 2016	FY 2017	FY 2017	FY 2018	FY17 - 18	Change
Intergovernmental Aid	\$ 111,595	\$ 87,600	\$ 139,035	\$ 87,600	\$ -	0.00%
Fees, Licenses, Permits	1,119,215	698,477	683,802	663,341	(35,136)	-5.03%
Charges for Services	5,156,051	4,884,106	4,649,373	4,956,281	72,175	1.48%
Interest and Other	84,025	423,345	261,361	434,132	10,787	2.55%
Total Operating Source of Funding	\$ 6,470,885	\$ 6,093,528	\$ 5,733,571	\$ 6,141,354	\$ 47,826	0.78%
Intergovernmental Aid	\$ 4,062,073	\$ 6,149,350		\$ 950,000	\$ (5,199,350)	-84.55%
Borrowing Authorizations		318,650		-	(318,650)	-100.00%
Total Capital Source of Funding	\$ 4,062,073	\$ 6,468,000	\$ -	\$ 950,000	\$ (5,518,000)	-85.31%
Total Sources of Funding	\$ 10,532,958	\$ 12,561,528	\$ 5,733,571	\$ 7,091,354	\$ (5,470,174)	-43.55%
Expense Category						
Personnel	\$ 1,753,358	\$ 1,732,017	\$ 1,696,201	\$ 1,744,988	\$ 12,971	0.75%
Benefits	571,605	546,737	571,916	562,937	16,200	2.96%
Operating Expenses	3,570,524	3,474,133	3,074,544	3,669,440	195,307	5.62%
Capital Outlay	88,687	30,400	29,550	147,600	117,200	385.53%
Debt Service	53,600	77,700	77,700	170,344	92,644	119.23%
Transfers Out	211,899	232,541	232,541	213,228	(19,313)	-8.31%
Total Operating Budget	\$ 6,249,673	\$ 6,093,528	\$ 5,682,452	\$ 6,508,537	\$ 415,009	6.81%
Capital Improvements Program	\$ 6,071,012	\$ 6,623,000		\$ 1,075,000	\$ (5,548,000)	-83.77%
Total Capital Expenses	\$ 6,071,012	\$ 6,623,000	\$ -	\$ 1,075,000	\$ (5,548,000)	-83.77%
Total Expenses	\$ 12,320,685	\$ 12,716,528	\$ 5,682,452	\$ 7,583,537	\$ (5,132,991)	-40.36%
Excess (Deficiency) Cash Basis	\$ (1,787,727)	\$ (155,000)	\$ 51,119	\$ (492,183)	\$ (337,183)	
Adjustment to accrual basis	2,757,307	-	-	-		
Beginning Net Assets per CAFR	71,064,422	72,034,002	72,034,002	72,085,121		
Ending Net Assets per CAFR	72,034,002	71,879,002	72,085,121	71,592,938		
Invested in capital assets, net of related debt (1)	(73,184,333)					
Invested in inventory (1)	(106,288)					
User fees receivable (1)	(111,197)					
Reserved for continuing appropriations (2)	(250,000)					
Reserved for subsequent year's budget (3)	(985,648)					
Reserved for encumbrances (4)	(34,219)					
Other post employment benefits obligation (5)	886,439					
Compensated absences (5)	115,742					
Net Pension Liability (5)	4,755,973					
Deferred Outflow of Resources (6)	(326,814)					
Net assets available for appropriation (free cash) (7)	<u>\$ 2,793,657</u>					

(1) These are non-cash assets which cannot be appropriated for expenditure. They would need to be converted to cash through sale or collection (accounts receivable) in order to become cash available for appropriation.

(2) This represents the portion of the airport enterprise fund's cash in the town's treasury that has been appropriated for a specific capital expenditure which still remains unexpended as of June 30, 2016.

(3) This amount represents the net assets appropriated for the subsequent fiscal year's capital program budget.

(4) This amount represents a reservation of funds to cover obligations arising from purchase orders or contracts that is chargeable to, but not yet paid from, a specific appropriation account.

(5) These amounts represent liabilities that will be provided from future resources and not the net assets at the close of the fiscal year.

(6) This amount represents the deferred recognition of an outflow of resources related to future fiscal years.

(7) Amount certified by the Division of Local Services.

Summary of Significant Budget Changes

The FY18 proposed operating budget is increasing \$415,009 or 3.8%. Personnel and benefit costs are increasing about \$19,000, which includes all contractual pay increases and increases in health insurance costs. Operating expenses are increasing \$195,307, which is primarily due to the expected rising cost in jet fuel purchases. Capital outlay of \$147,600 is provided for vehicle replacement, facility improvements and safety equipment. Debt service will increase \$92,644 for the bonds issued in FY17 to finance the airport's capital program.

Revenue generated by airport operations will cover the FY18 proposed operating budget. A total of \$367,183 of the airport's reserves will be used to balance the operating budget, as there are no fee changes proposed for FY18.

APPROPRIATION ORDER 2017-112

ORDERED:

That the sum **\$6,508,537** be appropriated for the purpose of funding the Town's FY 2018 Airport Enterprise Fund budget, and to meet such appropriation that **\$6,141,354** be raised from current year revenues by the Airport Enterprise Fund, and that **\$367,183** be transferred from the Airport Enterprise Fund reserves, as presented to the Town Council by the Town Manager.

SCHOOL DEPARTMENT – GENERAL FUND

School Department	Actual	Approved	Projected	Proposed	Change	Percent
Source of Funding	FY 2016	FY 2017	FY 2017	FY 2018	FY17 - 18	Change
Taxes	\$ 50,492,658	\$ 53,053,303	\$ 52,953,303	\$ 54,579,180	\$ 1,525,877	2.88%
Intergovernmental	12,049,639	12,771,697	12,771,697	12,850,220	78,523	0.61%
Fees, Licenses, Permits	365,000	225,000	225,000	225,000	-	0.00%
Interest and Other	953	-	-	-	-	0.00%
School Savings Account	220,160	-	-	230,306	230,306	0.00%
Total Sources	\$63,128,410	\$66,050,000	\$65,950,000	\$67,884,706	\$ 1,834,706	2.78%

Expenditure Category	Actual	Approved	Projected	Proposed	Change	Percent
Personnel	\$ 46,160,568	\$ 48,435,226	\$ 48,393,996	\$ 49,816,504	\$ 1,381,278	2.85%
Operating Expenses	14,458,325	15,004,533	14,928,155	15,413,685	409,152	2.73%
Horace Mann Charter School	2,509,517	2,610,241	2,627,849	2,654,517	44,276	1.70%
Total Appropriation	\$63,128,410	\$66,050,000	\$65,950,000	\$67,884,706	\$ 1,834,706	2.78%

Employee Benefits Allocation:	
Life Insurance	\$ 5,098
Medicare	699,971
Health Insurance	3,405,588
County Retirement	1,979,167
Total Employee Benefits (1)	\$ 6,089,824
Total Expenditures Including Benefits	\$69,218,234

\$ 5,488
713,970
3,780,203
1,964,178
\$ 6,463,839
\$72,413,839

Full-time Equivalent Employees	834.15	840.40	841.70	1.30
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(1) Employee benefits are not included in the department's appropriation and are allocated for informational purposes only.

Note: The appropriation order is \$2,668,622 less than the budget of \$67,884,706 as the budget includes, \$1,609,666 of Circuit Breaker funding, \$225,000 of Transportation Fees Funding, and \$833,956 of School Choice funding, which do not require Town Council appropriation.

Summary of Significant Budget Changes

The FY18 proposed budget is \$1,834,706 more than the FY17 approved budget representing a 2.78% increase. The increase provides for the contractual pay increases for all department staff. In addition, 4.41 FTE positions are being added to the General Operating budget. Positions include Special Education Assistants, part-time School Counselor, English Language Learner support staff and K-5 Math Coaches. Total districtwide FTE change is limited to 1.3 FTE positions as 3.11 FTE grant funded positions and 2.0 K-3 Grade Teachers are reduced. Barnstable is continuing its partnership with the New England Center for Children and bringing its successful Autism programming structure to Barnstable High School for an additional cost of \$247,026. Contracted bus service costs will increase in FY18 by \$340,000 as a result of a new competitively bid contract beginning July 2017.

APPROPRIATION ORDER 2017-113

ORDERED:

That the sum **\$65,216,084** be appropriated for the purpose of funding the Town's FY 2018 Barnstable Public Schools budget, and that to meet this appropriation that **\$64,985,778** be raised from current year revenues, and that **\$230,306** be transferred from the General Fund reserves, as presented to the Town Council by the Town Manager.

POLICE DEPARTMENT – GENERAL FUND

Police Department	Actual	Approved	Projected	Proposed	Change	Percent
Source of Funding	FY 2016	FY 2017	FY 2017	FY 2018	FY17 - 18	Change
Taxes	\$ 12,419,486	\$ 12,743,050	\$ 12,779,751	\$ 13,276,845	\$ 533,795	4.19%
Fines, Forfeitures, Penalties	132,948	176,000	131,083	126,000	(50,000)	-28.41%
Fees, Licenses, Permits	106,072	149,840	182,755	89,000	(60,840)	-40.60%
Charges for Services	350,034	265,000	353,837	271,000	6,000	2.26%
Interest and Other	60,745	24,000	53,925	23,000	(1,000)	-4.17%
Special Revenue Funds	50,000	50,000	50,000	50,000	-	0.00%
Total Sources	\$13,119,283	\$13,407,890	\$13,551,351	\$13,835,845	\$ 427,955	3.19%

Expenditure Category	Actual	Approved	Projected	Proposed	Change	Percent
Personnel	\$ 11,791,903	\$ 12,144,520	\$ 12,275,555	\$ 12,572,784	\$ 428,264	3.53%
Operating Expenses	944,799	940,570	892,582	868,941	(71,629)	-7.62%
Capital Outlay	382,581	322,800	383,214	394,120	71,320	22.09%
Total Appropriation	\$13,119,283	\$13,407,890	\$13,551,351	\$13,835,845	\$ 427,955	3.19%

Employee Benefits Allocation:	
Life Insurance	\$ 721
Medicare	142,856
Health Insurance	802,976
County Retirement	1,843,204
Total Employee Benefits (1)	\$ 2,789,757
Total Expenditures Including Benefits	\$15,909,040

\$ 743
156,762
851,000
2,126,246
\$ 3,134,752
\$16,686,103

Full-time Equivalent Employees	132.75	132.75	141.75	9.00
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(1) Employee benefits are not included in the department's appropriation and are allocated for informational purposes only.

Summary of Significant Budget Changes

The FY18 proposed budget is increasing \$427,955 or 3.19%. Personnel costs are increasing \$428,264 or 3.53%. Most of the increase is attributed to contractual obligations. Other funding increases include \$189,167 to hire nine (9) additional staff to support the police dispatch center, \$11,880 in overtime to support police training and \$19,140 to fund additional hours for police Matrons. Operating costs are decreasing by \$71,629 or 7.62%. Several one-time costs have been removed which offsets the additional cost for dispatch uniforms and advertisement (\$3,500), specialized training and legal updates (\$22,230), the purchase patrol rifles (\$5,746), safety equipment (\$4,100), and an increase in the gasoline contract (\$17,700). Capital Outlay includes \$270,000 of funding for 6 new patrol vehicles, \$79,500 for computer hardware and software, \$18,000 for Tasers and \$26,620 for traffic equipment.

Tax support will increase by \$533,795 in FY18 and provides most of the funding for this department.

APPROPRIATION ORDER 2017-114

ORDERED:

That the sum of **\$13,835,845** be appropriated for the purpose of funding the Town's FY 2018 Barnstable Police Department budget; and to meet such appropriation that **\$13,785,845** be raised from current year revenues and that **\$50,000** be transferred from the Embarkation Fee Special Revenue Fund as presented to the Town Council by the Town Manager.

PLANNING & DEVELOPMENT DEPARTMENT – GENERAL FUND

Planning & Development	Actual	Approved	Projected	Proposed	Change	Percent
Source of Funding	FY 2016	FY 2017	FY 2017	FY 2018	FY17 - 18	Change
Taxes	\$ 787,768	\$ 865,137	\$ 812,496	\$ 858,836	\$ (6,301)	-0.73%
Fees, Licenses, Permits	42,358	39,000	45,750	40,500	1,500	3.85%
Interest and Other	134	-	-	-	-	0.00%
Total Sources	\$ 830,260	\$ 904,137	\$ 858,246	\$ 899,336	\$ (4,801)	-0.53%

Expenditure Category						
Personnel	\$ 723,193	\$ 795,737	\$ 759,046	\$ 790,936	\$ (4,801)	-0.60%
Operating Expenses	107,067	108,400	99,200	108,400	-	0.00%
Total Appropriation	\$ 830,260	\$ 904,137	\$ 858,246	\$ 899,336	\$ (4,801)	-0.53%

Employee Benefits Allocation:			
Life Insurance	\$ 40		\$ 40
Medicare	9,720		9,611
Health Insurance	52,531		43,375
County Retirement	165,297		164,657
Total Employee Benefits (1)	\$ 227,588		\$ 217,683
Total Expenditures Including Benefits	\$ 1,057,848		\$ 1,075,929

Full-time Equivalent Employees	10.65	10.50	10.50	0.00
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(1) Employee benefits are not included in the department's appropriation and are allocated for informational purposes only.

Summary of Significant Budget Changes

There are no significant changes to this operating budget. Staffing remains at 10.5 full-time equivalents and operating expenses are level funded at \$108,400.

Taxes provide 95% of the funding for this Department.

APPROPRIATION ORDER 2017-115

ORDERED:

That the sum of **\$899,336** be appropriated for the purpose of funding the Town's FY 2018 Planning and Development Department budget, and that to meet this appropriation that **\$899,336** be raised from current year revenues as presented to the Town Council by the Town Manager.

COMMUNITY SERVICES DEPARTMENT – GENERAL FUND

Community Services Department	Actual	Approved	Projected	Proposed	Change	Percent
Source of Funding	FY 2016	FY 2017	FY 2017	FY 2018	FY17 - 18	Change
Taxes	\$ 634,304	\$ 1,243,128	\$ 672,623	\$ 1,529,409	\$ 286,281	23.03%
Fees, Licenses, Permits	75,879	60,000	69,166	69,000	9,000	15.00%
Charges for Services	1,713,501	1,644,000	1,831,317	1,654,000	10,000	0.61%
Interest and Other	18,845	10,000	14,015	12,000	2,000	20.00%
Special Revenue Funds	288,000	288,000	288,000	288,000	-	0.00%
Enterprise Funds	33,408	16,958	16,958	2,776	(14,182)	-83.63%
Total Sources	\$ 2,763,937	\$ 3,262,086	\$ 2,892,079	\$ 3,555,185	\$ 293,099	8.99%

Expenditure Category	Actual	Approved	Projected	Proposed	Change	Percent
Personnel	\$ 2,388,895	\$ 2,817,321	\$ 2,563,587	\$ 3,114,140	\$ 296,819	10.54%
Operating Expenses	315,428	367,265	262,503	373,045	5,780	1.57%
Capital Outlay	59,614	77,500	65,989	68,000	(9,500)	-12.26%
Total Appropriation	2,763,937	3,262,086	2,892,079	3,555,185	293,099	8.99%

Employee Benefits Allocation:	
Life Insurance	\$ 165
Medicare	29,875
Health Insurance	70,919
County Retirement	355,178
Total Employee Benefits (1)	\$ 456,138
Total Expenditures Including Benefits	\$ 3,220,075

\$ 160
28,686
81,528
349,536
\$ 459,910
\$ 3,351,989

Full-time Equivalent Employees	24.68	29.40	31.90	2.50
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(1) Employee benefits are not included in the department's appropriation and are allocated for informational purposes only.

Summary of Significant Budget Changes

The FY18 proposed budget is increasing \$293,099 or 8.99%. Personnel costs are increasing \$296,819, or 10.54%, which includes contractual obligations, state minimum wage increase requirements totaling \$27,000 and the addition of 2.5 full-time equivalent (FTE) positions. The new FTE's include one (1) new Aquaculture Specialist position (\$55,120) and two (2) positions transferred; one from Information Technology and one from the Hyannis Youth and Community Center operations (\$177,643). This cost increase is partially offset by the elimination of 0.50 FTE for an Administrative Assistant position (\$25,518). Operating costs are increasing by \$5,780 and includes additional funding for gasoline and training. Capital Outlay includes \$35,000 for a replacement vehicle and \$33,000 for aquatic equipment replacement. Tax support will increase \$286,281 or 23% over the FY17 amount to fund most of the budget increase.

APPROPRIATION ORDER 2017-116

ORDERED:

That the sum of **\$3,555,185** be appropriated for the purpose of funding the Town's FY 2018 Community Services Department General Fund budget, and to meet such appropriation, that **\$3,267,185** be raised from current year revenue and that **\$288,000** be transferred from the Waterways Special Revenue Fund as presented to the Town Council by the Town Manager.

GOLF COURSE ENTERPRISE FUND

Golf Course Enterprise Fund	Actual	Approved	Projected	Proposed	Change	Percent
Source of Funding	FY 2016	FY 2017	FY 2017	FY 2018	FY17 - 18	Change
Taxes	\$ 125,598	\$ 149,140	\$ -	\$ 175,217	\$ 26,077	17.48%
Charges for Services	3,173,011	3,180,617	3,152,582	3,304,680	124,063	3.90%
Interest and Other	52,537	5,128	8,413	10,000	4,872	95.01%
Total Operating Source of Funding	\$ 3,351,146	\$ 3,334,885	\$ 3,160,995	\$ 3,489,897	\$ 155,012	4.65%
Capital Trust Fund Reserves	\$ 82,000	\$ -	\$ -	\$ -	\$ -	0.00%
Borrowing Authorizations	-	565,000	-	325,000	(240,000)	-42.48%
Total Capital Source of Funding	\$ 82,000	\$ 565,000	\$ -	\$ 325,000	\$ (240,000)	-42.48%
Total Source of Funding	\$ 3,433,146	\$ 3,899,885	\$ 3,160,995	\$ 3,814,897	\$ (84,988)	-2.18%
Expense Category						
Personnel	\$ 1,271,444	\$ 1,381,414	\$ 1,308,994	\$ 1,459,522	\$ 78,108	5.65%
Benefits	332,323	357,320	353,769	392,397	35,077	9.82%
Operating Expenses	1,010,150	1,066,957	958,451	1,067,614	657	0.06%
Capital Outlay	52,979	27,000	26,450	26,000	(1,000)	-3.70%
Debt Service	419,026	453,611	453,611	431,153	(22,458)	-4.95%
Transfers Out	164,715	164,880	164,880	178,086	13,206	8.01%
Subtotal Operating Budget	\$ 3,250,637	\$ 3,451,182	\$ 3,266,155	\$ 3,554,772	\$ 103,590	3.00%
Capital Improvement Program	\$ 225,178	\$ 565,000	\$ -	\$ 325,000	\$ (240,000)	-42.48%
Total Capital Expenses	\$ 225,178	\$ 565,000	\$ -	\$ 325,000	\$ (240,000)	-42.48%
Total Expenses	\$ 3,475,815	\$ 4,016,182	\$ 3,266,155	\$ 3,879,772	\$ (136,410)	-3.40%
Excess (Deficiency) Cash Basis	\$ (42,669)	\$ (116,297)	\$ (105,160)	\$ (64,875)	\$ 51,422	
Adjustment to accrual basis	6,257	-	-	-		
Beginning Net Assets per CAFR	8,019,287	7,982,875	7,982,875	7,877,715		
Ending Net Assets per CAFR	7,982,875	<u>\$ 7,866,578</u>	<u>\$ 7,877,715</u>	<u>\$ 7,812,840</u>		
Invested in capital assets, net of related debt (1)	(10,719,035)					
Invested in inventory (1)	(63,146)					
User fees receivable (1)	(35,464)					
Reserved for encumbrances (2)	(101,506)					
Other post employment benefits obligation (3)	606,692					
Compensated absences (3)	88,616					
Accrued Interest (3)	74,878					
Net pension liability (3)	3,581,297					
Deferred outflow of resources (4)	(391,999)					
Net assets available for appropriation (free cash) (6)	<u>\$ 1,023,208</u>					

(1) These are non-cash assets which cannot be appropriated for expenditure. They would need to be converted to cash through sale or collection (accounts receivable) in order to become cash available for appropriation.

(2) This amount represents a reservation of funds to cover obligations arising from purchase orders or contracts that is chargeable to, but not yet paid from, a specific appropriation account.

(3) These amounts represent liabilities that will be provided from future resources and not the net assets at the close of the fiscal year.

(4) This amount represents the deferred recognition of an outflow of resources related to future fiscal years.

(5) This represents the portion of the enterprise fund's cash in the town's treasury that has been appropriated for a specific capital expenditure which still remains unexpended as of June 30, 2016.

(6) Amount certified by the Division of Local Services.

Summary of Significant Budget Changes

The Golf Course Enterprise Fund FY18 proposed budget is increasing \$103,590 or 3%. Personnel costs are increasing \$78,108. This is for all contractual obligations and includes \$20,744 in funding for minimum wage increases. Operating costs are essentially level funded. Capital outlay includes \$26,000 to purchase kitchen equipment at Olde Barnstable.

The proposed budget includes using \$64,875 of reserves to balance the budget. General Fund support totals \$175,217 and represents the General Fund staff support received by the operation.

APPROPRIATION ORDER 2017-117

ORDERED:

That the sum of **\$3,554,772** be appropriated for the purpose of funding the Town's FY 2018 Golf Course Enterprise Fund budget; and to meet such appropriation that **\$3,314,680** be raised from enterprise fund revenues, and that **\$175,217** be raised from the General Fund, and that **\$64,875** be transferred from the Golf Course Enterprise Fund reserves, as presented to the Town Council by the Town Manager.

HYANNIS YOUTH AND COMMUNITY CENTER ENTERPRISE FUND

Hyannis Youth & Community Center	Actual	Approved	Projected	Proposed	Change	Percent
Source of Funding	FY 2016	FY 2017	FY 2017	FY 2018	FY17 - 18	Change
Taxes	\$ 592,820	\$ 719,936	\$ 719,936	\$ 971,263	\$ 251,327	34.91%
Fees, Licenses, Permits	324,902	299,000	333,616	368,500	69,500	23.24%
Charges for Services	729,483	735,450	674,070	675,500	(59,950)	-8.15%
Interest and Other	212,801	141,000	188,265	139,000	(2,000)	-1.42%
Capital Trust Fund	1,292,000	1,256,476	1,256,476	1,170,336	(86,140)	-6.86%
Total Operating Source of Funding	\$ 3,152,006	\$ 3,151,862	\$ 3,172,363	\$ 3,324,599	\$ 172,737	5.48%
Total Sources of Funding	\$ 3,152,006	\$ 3,151,862	\$ 3,172,363	\$ 3,324,599	\$ 172,737	5.48%
Expense Category						
Personnel	\$ 793,169	\$ 851,142	\$ 815,000	\$ 917,411	\$ 66,269	7.79%
Benefits	148,113	207,852	195,738	237,653	29,801	14.34%
Operating Expenses	692,643	803,969	626,218	871,689	67,720	8.42%
Capital Outlay	-	-	-	80,000	80,000	0.00%
Debt Service	1,292,202	1,256,476	1,256,476	1,170,336	(86,140)	-6.86%
Transfers Out	120,319	101,572	101,572	102,510	938	0.92%
Subtotal Operating Budget	\$ 3,046,446	\$ 3,221,011	\$ 2,995,004	\$ 3,379,599	\$ 158,588	4.92%
Total Expenses	\$ 3,046,446	\$ 3,221,011	\$ 2,995,004	\$ 3,379,599	\$ 158,588	4.92%
Excess (Deficiency) Cash Basis	\$ 105,560	\$ (69,149)	\$ 177,359	\$ (55,000)	\$ 14,149	
Adjustment to accrual basis	83,495	-	-	-		
Beginning Net Assets per CAFR	8,911,782	9,100,837	9,100,837	9,278,196		
Ending Net Assets per CAFR	9,100,837	<u>\$ 9,031,688</u>	<u>\$ 9,278,196</u>	<u>\$ 9,223,196</u>		
Invested in capital assets, net of related debt (1)	(10,195,779)					
Reserved for encumbrances (2)	(19,622)					
Deferred revenue (3)	(47,795)					
Accrued interest (4)	179,033					
Other post employment benefits obligation (4)	169,006					
Compensated absences (4)	45,308					
Net pension liability (4)	2,156,732					
Deferred outflow of resources (5)	(816,190)					
Reserved for subsequent year's budget (6)	(69,150)					
Net assets available for appropriation (free cash) (7)	<u>\$ 502,380</u>					

(1) These are non-cash assets which cannot be appropriated for expenditure. They would need to be converted to cash through sale or collection (accounts receivable) in order to become cash available for appropriation.

(2) This amount represents a reservation of funds to cover obligations arising from purchase orders or contracts that is chargeable to, but not yet paid from, a specific appropriation account.

(3) This represents revenue accrued for financial statement reporting purpose but deferred for the calculation of surplus.

(4) These amounts represent liabilities that will be provided from future resources and not the net assets at the close of the fiscal year.

(5) This amount represents the deferred recognition of an outflow of resources related to future fiscal years.

(6) This amount represents the net assets appropriated for the subsequent fiscal year's operating budget.

(7) Amount certified by the Division of Local Services.

Summary of Significant Budget Changes

The FY18 proposed budget is increasing \$158,588 or 4.92%. Personnel and benefit costs are increasing \$96,070 and include all contractual obligations as well as three additional full-time employees for the maintenance of the facility. One position is being transferred to the General Fund for a net increase of two FTE's. Operating costs are increasing \$67,720 as more funding is provided for the facility's maintenance. \$80,000 is provided for capital outlay which includes funding for a third Zamboni (used) and \$25,000 for equipment replacement and facility improvements. These cost increases are partially offset by a reduction in debt service of \$86,140.

Funding for this operation is comprised of \$1,183,000 in estimated operating revenue; a \$1,170,336 transfer from the Capital Trust Fund, \$971,263 in tax support and \$55,000 of the Enterprise Fund reserves. The General Fund charges to this enterprise fund total \$334,091 and are included in the \$3.38 million budget, resulting in a net subsidy of \$637,172.

APPROPRIATION ORDER 2017-118

ORDERED:

That the sum of **\$3,379,599** be appropriated for the purpose of funding the Town's FY 2018 Hyannis Youth and Community Center Enterprise Fund budget; and to meet such appropriation that **\$1,183,000** be raised from enterprise fund revenues, and that **\$971,263** be raised from the General Fund, and that **\$1,170,336** be transferred from the Capital Trust Fund, and that **\$55,000** be transferred from the Hyannis Youth and Community Center Enterprise Fund reserves, as presented to the Town Council by the Town Manager.

MARINA ENTERPRISE FUND

Marina Enterprise Fund	Actual	Approved	Projected	Proposed	Change	Percent
Source of Funding	FY 2016	FY 2017	FY 2017	FY 2018	FY17 - 18	Change
Fees, Licenses, Permits	\$ 698,064	\$ 627,500	\$ 660,852	\$ 686,500	\$ 59,000	9.40%
Charges for Services	22,518	11,000	20,874	12,000	1,000	9.09%
Interest and Other	115,239	22,700	22,234	23,200	500	2.20%
Special Revenue Funds	24,000	30,000	30,000	30,000	-	0.00%
Capital Trust Fund Reserves	61,231	60,031	60,031	58,831	(1,200)	-2.00%
Total Operating Source of Funding	\$ 921,052	\$ 751,231	\$ 793,991	\$ 810,531	\$ 59,300	7.89%
Borrowing Authorizations		500,000		-	(500,000)	-100.00%
Total Capital Source of Funding	\$ -	\$ 500,000	\$ -	\$ -	\$ (500,000)	-100.00%
Total Source of Funding	\$ 921,052	\$ 1,251,231	\$ 793,991	\$ 810,531	\$ (440,700)	-35.22%
Expense Category						
Personnel	247,585	254,616	241,383	258,311	3,695	1.45%
Benefits	30,552	31,613	33,995	38,692	7,079	22.39%
Operating Expenses	96,351	107,848	76,368	108,116	268	0.25%
Capital Outlay	14,148	15,000	13,791	20,000	5,000	33.33%
Debt Service	227,901	356,333	356,333	378,234	21,901	6.15%
Transfers Out	203,512	31,993	31,993	35,714	3,721	11.63%
Subtotal Operating Budget	\$ 820,049	\$ 797,403	\$ 753,863	\$ 839,067	\$ 41,664	5.22%
Capital Improvement Program	74,198	500,000		-	(500,000)	-100.00%
Total Expenses	\$ 894,247	\$ 1,297,403	\$ 753,863	\$ 839,067	\$ (458,336)	-35.33%
Excess (Deficiency) cash basis	\$ 26,805	\$ (46,172)	\$ 40,128	\$ (28,536)	\$ 17,636	
Adjustment to accrual basis	(360,296)	-	-	-		
Beginning Net Assets per CAFR	4,348,622	4,015,131	4,015,131	4,055,259		
Ending Net Assets per CAFR	4,015,131	\$ 3,968,959	\$ 4,055,259	\$ 4,026,723		
Invested in capital assets, net of related debt (1)	(2,931,421)					
Reserved for encumbrances (2)	(8,819)					
Reserved for continuing appropriations (3)	-					
Reserved for subsequent year's budget (4)	(46,172)					
Other post employment benefits obligation (5)	118,032					
Compensated absences (5)	14,054					
Net pension liability (5)	680,992					
Deferred revenue (6)	-					
Deferred outflow of resources (7)	(46,796)					
Net assets available for appropriation (free cash) (8)	\$ 1,795,001	-				

(1) These are non-cash assets which cannot be appropriated for expenditure. They would need to be converted to cash through sale or collection (accounts receivable) in order to become cash available for appropriation.

(2) This amount represents a reservation of funds to cover obligations arising from purchase orders or contracts that is chargeable to, but not yet paid from, a specific appropriation account.

(3) This represents the portion of the enterprise fund's cash in the town's treasury that has been appropriated for a specific capital expenditure which still remains unexpended as of June 30, 2016.

(4) This amount represents the net assets appropriated for the subsequent fiscal year's operating budget.

(5) These amounts represent liabilities that will be provided from future resources and not the net assets at the close of the fiscal year.

(6) This represents revenue accrued for financial statement reporting purpose but deferred for the calculation of surplus.

(7) This amount represents the deferred recognition of an outflow of resources related to future fiscal years.

(8) Amount certified by the Division of Local Services.

Summary of Significant Budget Changes

The Marina Enterprise Fund FY18 proposed budget is increasing \$41,664 or 5.22%. Personnel costs are increasing by \$3,695 and include additional funding for minimum wage increases (\$9,500) and all contractual obligations. Savings from the turnover in staffing offset some of this increase. Debt service payments have increased by \$21,901 due to the recent bulkhead and dredging projects. Operating cost is increasing by \$268 due to the indirect cost charge for marine/property/vehicle insurance year-over-year. Capital outlay cost of \$20,000 is for the annual dock replacement and maintenance program. The FY18 General Fund cost charges to the Marina Enterprise Fund \$71,543.

Funding for this operation includes a transfer of \$30,000 from the Bismore Park Special Revenue Fund and \$58,831 from the Capital Trust Fund. \$28,536 of reserves will be used to balance the FY18 Budget as there are no proposed changes to slip fees.

APPROPRIATION ORDER 2017-119

ORDERED:

That the sum of **\$839,067** be appropriated for the purpose of funding the Town's FY 2018 Marina Enterprise Fund budget; and to meet such appropriation that **\$721,700** be raised from enterprise fund revenues, and that **\$58,831** be transferred from the Capital Trust Fund, and that **\$30,000** be transferred from the Bismore Park Special Revenue Fund, and that **\$28,536** be transferred from the Marina Enterprise Fund reserves, as presented to the Town Council by the Town Manager.

SANDY NECK ENTERPRISE FUND

Sandy Neck Enterprise Fund	Actual	Approved	Projected	Proposed	Change	Percent
Source of Funding	FY 2016	FY 2017	FY 2017	FY 2018	FY17 - 18	Change
Fees, Licenses, Permits	\$ 725,578	\$ 568,519	\$ 720,440	\$ 634,846	\$ 66,327	11.67%
Charges for Services	244,954	237,479	223,115	238,616	1,137	0.48%
Interest and Other	103,400	82,000	104,928	95,000	13,000	15.85%
Total Operating Source of Funding	\$ 1,073,932	\$ 887,998	\$ 1,048,483	\$ 968,462	\$ 80,464	9.06%
Intergovernmental Aid	148,500	-	-	-	-	0.00%
Total Capital Source of Funding	\$ 148,500	\$ -	\$ -	\$ -	\$ -	0.00%
Total Source of Funding	\$ 1,222,432	\$ 887,998	\$ 1,048,483	\$ 968,462	\$ 80,464	9.06%
Expense Category						
Personnel	\$ 439,313	\$ 463,683	\$ 450,925	\$ 497,828	\$ 34,145	7.36%
Benefits	61,689	76,319	80,347	93,715	17,396	22.79%
Operating Expenses	159,269	174,216	135,233	200,312	26,096	14.98%
Capital Outlay	71,500	93,500	71,855	93,500	-	0.00%
Debt Service	95,481	93,831	93,831	92,181	(1,650)	-1.76%
Transfers Out	37,607	36,449	36,449	40,926	4,477	12.28%
Subtotal Operating Budget	\$ 864,859	\$ 937,998	\$ 868,640	\$ 1,018,462	\$ 80,464	8.58%
Capital Improvement Program	\$ 91,981	\$ -	-	-	-	0.00%
Total Expenses	\$ 956,840	\$ 937,998	\$ 868,640	\$ 1,018,462	\$ 80,464	8.58%
Excess (Deficiency) cash basis	\$ 265,592	\$ (50,000)	\$ 179,843	\$ (50,000)	\$ -	
Adjustment to accrual basis	(128,423)	-	-	-		
Beginning Net Assets per CAFR	(201,766)	(64,597)	(64,597)	115,246		
Ending Net Assets per CAFR	(64,597)	<u>\$ (114,597)</u>	<u>\$ 115,246</u>	<u>\$ 65,246</u>		
Invested in capital assets, net of related debt (1)	(249,820)					
Reserved for encumbrances (2)	(9,355)					
Reserved for continuing appropriations (3)	(92,807)					
Reserved for subsequent year's budget (4)	(50,000)					
Other post employment benefits obligation (5)	62,791					
Compensated absences (5)	5,767					
Net pension liability (5)	1,195,826					
Deferred revenue (6)	(1,300)					
Deferred outflow of resources (7)	(82,173)					
Net assets available for appropriation (free cash) (8)	<u>\$ 714,332</u>	-				

(1) These are non-cash assets which cannot be appropriated for expenditure. They would need to be converted to cash through sale or collection (accounts receivable) in order to become cash available for appropriation.

(2) This amount represents a reservation of funds to cover obligations arising from purchase orders or contracts that is chargeable to, but not yet paid from, a specific appropriation account.

(3) This represents the portion of the enterprise fund's cash in the town's treasury that has been appropriated for a specific capital expenditure which still remains unexpended as of June 30, 2016.

(4) This amount represents the net assets appropriated for the subsequent fiscal year's operating budget.

(5) These amounts represent liabilities that will be provided from future resources and not the net assets at the close of the fiscal year.

(6) This represents revenue accrued for financial statement reporting purpose but deferred for the calculation of surplus.

(7) This amount represents the deferred recognition of an outflow of resources related to future fiscal years.

(8) Amount certified by the Division of Local Services.

Summary of Significant Budget Changes

The proposed budget is increasing \$80,464 or 8.58%. Personnel costs are increasing \$34,145, and include funding for contractual obligations, minimum wage increases of \$9,000, and \$13,000 for gatehouse staff. Operating costs are increasing \$26,096. These additional costs include \$11,000 for police details to handle the increased volume of traffic on the beach, \$9,000 for beach facility maintenance, and \$5,800 for a federal endangered species permit. Capital outlay will remain level funded. These costs include \$16,000 for a radio frequency identification system (RFID) for better monitoring of pass holders, \$22,500 for a vehicle replacement, , and continuation of a sand nourishment program at \$55,000. The budget includes using \$50,000 of the Enterprise Fund's reserves to fund the sand nourishment program, if needed. The FY18 General Fund costs charges to the Sandy Neck Enterprise Fund total \$100,873.

APPROPRIATION ORDER 2017-120

ORDERED:

That the sum of **\$1,018,462** be appropriated for the purpose of funding the Town's FY 2018 Sandy Neck Park Enterprise Fund budget; and to meet such appropriation that **\$968,462** be raised from enterprise fund revenues, and that **\$50,000** be transferred from the Sandy Neck Enterprise Fund reserves, as presented to the Town Council by the Town Manager.

PUBLIC, EDUCATIONAL, AND GOVERNMENTAL ACCESS TELEVISION ENTERPRISE FUND

Public, Educational, Government (PEG)	Actual	Approved	AS OF 12/31	Proposed	Change	Percent
Source of Funding	FY 2016	FY 2017	FY 2017	FY 2018	FY17 - 18	Change
Fees, Licenses, Permits	\$ 794,459	\$ 775,000	\$ 430,467	\$ 795,000	\$ 20,000	2.58%
Total Operating Source of Funding	\$ 794,459	\$ 775,000	\$ 430,467	\$ 795,000	\$ 20,000	2.58%
Total Sources of Funding	\$ 794,459	\$ 775,000	\$ 430,467	\$ 795,000	\$ 20,000	2.58%
Expenditure Category						
Personnel	\$ 259,059	\$ 333,985	\$ 119,717	\$ 257,785	\$ (76,200)	-22.82%
Benefits	15,244	18,715	7,756	65,120	46,405	247.96%
Operating Expenses	285,256	367,300	250,484	363,722	(3,578)	-0.97%
Capital Outlay	1,927	55,000		125,000	70,000	127.27%
Subtotal Operating Budget	\$ 561,486	\$ 775,000	\$ 377,957	\$ 811,627	\$ 36,627	4.73%
Total Expenses	\$ 561,486	\$ 775,000	\$ 377,957	\$ 811,627	\$ 36,627	4.73%
Excess (Deficiency) Cash Basis	\$ 232,973	\$ -	\$ 52,510	\$ (16,627)	\$ (16,627)	
Adjustment to accrual basis		-	-	-		
Beginning Net Assets	1,704,942	1,937,915	1,937,915	1,990,425		
Ending Net Assets	1,937,915	\$ 1,937,915	\$ 1,990,425	\$ 1,973,798		

Summary of Significant Budget Changes

The FY18 proposed budget is increasing \$36,627 or 4.7%. Personnel and benefit costs are decreasing \$29,795 and include all contractual obligations. The reduction is a result of turnover in staffing and the reduction in part-time employees. Operating costs are slightly lower due to a reduction in the funds allocated for operating Channel 22. Operating capital of \$125,000 includes funding for major equipment upgrades necessary for Channel 18.

Funding for this operation is provided from the license agreement with Comcast. \$16,627 of surplus will be used to balance the operating budget.

APPROPRIATION ORDER 2017-121

That the sum of **\$811,627** be appropriated for the purpose of funding the Town's FY 2018 Cable Television Public, Educational, and Governmental Access Enterprise Fund budget; and to meet such appropriation that **\$795,000** be raised from enterprise fund revenues, and that **\$16,627** be transferred from the Cable Television Public, Educational and Governmental Access Enterprise Fund reserves, as presented to the Town Council by the Town Manager.

REGULATORY SERVICES DEPARTMENT – GENERAL FUND

Regulatory Services	Actual	Approved	Projected	Proposed	Change	Percent
Source of Funding	FY 2016	FY 2017	FY 2017	FY 2018	FY17 - 18	Change
Taxes	\$ 349,445	\$ 540,258	\$ 319,321	\$ 626,838	\$ 86,580	16.03%
Fines, Forfeitures, Penalties	248,645	224,000	274,431	230,000	6,000	2.68%
Fees, Licenses, Permits	978,962	946,550	983,524	964,500	17,950	1.90%
Charges for Services	1,588	-	1,350	-	-	0.00%
Interest and Other	6,641	1,000	9,595	2,000	1,000	100.00%
Special Revenue Funds	122,516	188,100	188,100	211,100	23,000	12.23%
Enterprise Funds	3,500	3,500	3,500	3,500	-	0.00%
Total Sources	\$ 1,711,297	\$ 1,903,408	\$ 1,779,821	\$ 2,037,938	\$ 134,530	7.07%

Expenditure Category	Actual	Approved	Projected	Proposed	Change	Percent
Personnel	\$ 1,505,434	\$ 1,674,267	\$ 1,598,565	\$ 1,710,857	\$ 36,590	2.19%
Operating Expenses	205,863	229,141	181,256	245,641	16,500	7.20%
Capital Outlay	-	-	-	81,440	81,440	0.00%
Total Appropriation	\$ 1,711,297	\$ 1,903,408	\$ 1,779,821	\$ 2,037,938	\$ 134,530	7.07%

Employee Benefits Allocation:	
Life Insurance	\$ 174
Medicare	19,184
Health Insurance	84,656
County Retirement	264,480
Total Employee Benefits (1)	\$ 368,494
Total Expenditures Including Benefits	\$ 2,079,791

\$ 178
19,644
93,084
302,670
\$ 415,576
\$ 2,195,396

Full-time Equivalent Employees	33.50	34.00	36.00	2.00
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(1) Employee benefits are not included in the department's appropriation and are allocated for informational purposes only.

Summary of Significant Budget Changes

The FY18 proposed budget is increasing \$134,530 or 7%. Personnel costs are increasing \$36,590. This includes all contractual obligations and \$3,900 for Conservation overtime. Operating costs are increasing \$16,500 and include \$5,000 for cleanup funds in the Health Division and \$21,500 for Bismore Park improvements. This is offset by a \$10,000 transfer to Public Works for the management of the Shooting Range grounds. Capital outlay of \$81,440 includes funding for three water quality management projects including Fanwort control, Bearse Pond Study and Mystic Lake/Middle Pond monitoring and survey. Tax support is increasing \$86,580. Additional funding of \$23,000 is provided from the Bismore Park Special Revenue Funds to offset the costs of the Bismore Park improvements.

APPROPRIATION ORDER 2017-122

ORDERED:

That the sum of **\$2,037,938** be appropriated for the purpose of funding the Town's FY 2018 Regulatory Services Department budget, and to meet such appropriation, that **\$1,826,838** be raised from current year revenue, and that **\$45,000** be transferred from the Wetlands Protection Special Revenue Fund, and that **\$166,100** be transferred from the Bismore Park Special Revenue Fund, as presented to the Town Council by the Town Manager.

BUILDING SERVICES DEPARTMENT – GENERAL FUND

Building Services	Actual	Approved	Projected	Proposed	Change	Percent	
Source of Funding	FY 2016	FY 2017	FY 2017	FY 2018	FY17 - 18	Change	
Fees, Licenses, Permits	\$ 1,514,007	\$ 1,258,150	\$ 1,407,350	\$ 1,288,000	\$ 29,850	2.37%	
Charges for Services	698	-	-	-	-	0.00%	
Total Sources	\$ 1,514,705	\$ 1,258,150	\$ 1,407,350	\$ 1,288,000	\$ 29,850	2.37%	
Expenditure Category							
Personnel	\$ 758,007	\$ 853,971	\$ 747,120	\$ 978,796	\$ 124,825	14.62%	
Operating Expenses	40,903	47,671	41,100	54,671	7,000	14.68%	
Total Appropriation	\$ 798,910	\$ 901,642	\$ 788,220	\$ 1,033,467	\$ 131,825	14.62%	
Employee Benefits Allocation:							
Life Insurance	\$ 104		\$ 104				
Medicare	10,214		10,418				
Health Insurance	47,374		52,111				
County Retirement	156,119		161,834				
Total Employee Benefits (1)	\$ 213,810		\$ 224,467				
Total Expenditures Including Benefits	\$ 1,012,720		\$ 1,012,687				
Full-time Equivalent Employees	12.00	12.00		14.00		2.00	

Summary of Significant Budget Changes

The FY18 proposed budget is increasing \$131,825 or 14.6%. Personnel costs are increasing \$124,825. This includes all contractual obligations and 2 FTE's transferred from the Building Services Revolving Fund. These 2 FTE's are \$64,436 for a Local Inspector and \$46,092 for a Permit Technician. The remaining request is for \$7,516 to support a part-time clerk position. Operating costs will increase \$7,000 to support costs associated with the E-permitting for PayPal fees. Fees generated by the division cover 100% of the direct operating costs.

APPROPRIATION ORDER 2017-123

ORDERED:

That the sum of **\$1,033,467** be appropriated for the purpose of funding the Town's FY 2018 Building Services Department budget, and to meet such appropriation, that **\$1,033,467** be raised from current year revenue as presented to the Town Council by the Town Manager.

DEPARTMENT OF PUBLIC WORKS – GENERAL FUND

Public Works Dept.	Actual	Approved	Projected	Proposed	Change	Percent
Source of Funding	FY 2016	FY 2017	FY 2017	FY 2018	FY17 - 18	Change
Taxes	\$ 6,809,207	\$ 8,749,395	\$ 7,649,849	\$ 9,076,226	\$ 326,831	3.74%
Intergovernmental	50,823	-	-	-	-	0.00%
Fees, Licenses, Permits	184,790	184,000	174,295	184,000	-	0.00%
Interest and Other	103,400	101,800	102,320	85,000	(16,800)	-16.50%
Special Revenue Funds	63,500	70,570	70,570	70,570	-	0.00%
Enterprise Funds	21,345	21,345	21,345	21,345	-	0.00%
General Fund Reserves	2,601,787	1,500,049	1,500,000	1,500,000	(49)	0.00%
Total Sources	\$ 9,834,852	\$ 10,627,159	\$ 9,518,379	\$ 10,937,141	\$ 309,982	2.92%
Expenditure Category						
Personnel	\$ 5,199,980	\$ 5,724,504	\$ 5,252,101	\$ 5,714,156	\$ (10,348)	-0.18%
Operating Expenses	4,001,868	4,266,655	3,725,105	4,571,985	305,330	7.16%
Capital Outlay	633,003	636,000	541,173	651,000	15,000	2.36%
Total Appropriation	\$ 9,834,852	\$ 10,627,159	\$ 9,518,379	\$ 10,937,141	\$ 309,982	2.92%
Employee Benefits Allocation:						
Life Insurance	\$ 373		\$ 397			
Medicare	50,748		60,018			
Health Insurance	220,646		249,414			
County Retirement	839,335		820,297			
Total Employee Benefits (1)	\$ 1,111,101		\$ 1,130,127			
Total Expenditures Including Benefits	\$ 10,945,953		\$ 10,648,506			
Full-time Equivalent Employees	83.53	86.00		85.50	-0.50	

(1) Employee benefits are not included in the department's appropriation and are allocated for informational purposes only.

Note: The proposed budget of \$10,937,141 includes \$1.5 million for the FY17 snow and ice removal deficit.

Summary of Significant Budget Changes

The Department's FY18 proposed budget is increasing \$309,982 or 2.92%. This includes an increased budget of \$125,000 for snow removal. Excluding snow removal, the budget is increasing \$184,982, or 2.17%. Personnel costs are decreasing \$10,348, which includes all contractual obligations, elimination of 0.50 FTE for the Administration Division, and \$5,000 for custodial overtime for the maintenance of public comfort stations. Operating costs are increasing a net of \$180,330 or 4.2% when excluding snow removal expenses. Public Works operating requests include \$3,000 for diesel/gasoline contract price increases, \$38,400 annual GPS vehicle tracking service, \$44,000 for a new work order system, \$5,000 Safety Officer training budget, \$2,630 for Ridgewood Park maintenance, \$30,000 for Stewart's Creek monitoring, \$42,000 for the disposal of street sweeping material, and \$5,300 for landscaping on Route 132. Capital outlay cost is increasing \$15,000. This includes continued level funding for vehicle replacements at \$500,000 and \$91,000 for building improvements and equipment replacement. Other costs include \$25,000 to maintain Town leased properties, and \$35,000 to replace DPW's fuel pump station. General Fund reserves and tax support represent 97% of the funding for this department.

APPROPRIATION ORDER 2017-124

ORDERED:

That the sum of **\$9,437,141** be appropriated for the purpose of funding the Town's FY 2018 Department of Public Works General Fund budget, and to meet such appropriation, that **\$9,366,571** be raised from current year revenue, **\$45,570** be transferred from the Embarkation Fee Special Revenue Fund and **\$25,000** be transferred from the Bismore Park Special Revenue Fund, as presented to the Town Council by the Town Manager.

Note: The appropriation amount of \$9,437,141 is less than the proposed budget of \$10,937,141 as it does not include \$1,500,000 for the FY17 deficit spending for snow and ice removal. The deficit spending does not require Town Council appropriation.

SOLID WASTE ENTERPRISE FUND

Solid Waste Enterprise Fund	Actual	Approved	Projected	Proposed	Change	Percent
Source of Funding	FY 2016	FY 2017	FY 2017	FY 2018	FY17 - 18	Change
Intergovernmental Aid	\$ 107,258	\$ -	\$ -	\$ -	\$ -	0.00%
Charges for Services	2,194,247	3,004,007	2,915,923	2,908,500	(95,507)	-3.18%
Interest and Other	76,703	73,000	66,566	71,000	(2,000)	-2.74%
Total Operating Source of Funding	\$ 2,378,208	\$ 3,077,007	\$ 2,982,489	\$ 2,979,500	\$ (97,507)	-3.17%
Intergovernmental Aid	\$ 10,500	\$ -	\$ -	\$ -	\$ -	0.00%
Borrowing Authorizations	-	2,000,000	-	-	(2,000,000)	-100.00%
Total Capital Source of Funding	\$ 10,500	\$ 2,000,000	\$ -	\$ -	\$ (2,000,000)	-100.00%
Total Sources of Funding	\$ 2,388,708	\$ 5,077,007	\$ 2,982,489	\$ 2,979,500	\$ (2,097,507)	-41.31%
Expense Category						
Personnel	\$ 1,063,416	\$ 1,153,572	\$ 1,076,581	\$ 1,180,498	\$ 26,926	2.33%
Benefits	293,313	320,421	307,524	352,613	32,192	10.05%
Operating Expenses	1,173,720	1,393,487	1,002,612	1,399,999	6,512	0.47%
Capital Outlay	38,267	38,300	38,300	-	(38,300)	-100.00%
Debt Service	391,631	399,544	399,544	393,368	(6,176)	-1.55%
Transfers Out	95,821	98,491	98,491	101,542	3,051	3.10%
Subtotal Operating Budget	\$ 3,056,168	\$ 3,403,815	\$ 2,923,052	\$ 3,428,020	\$ 24,205	0.71%
Capital Improvements Program	\$ 301,099	\$ 2,700,000	\$ -	\$ -	\$ (2,700,000)	-100.00%
Total Capital Expenses	\$ 301,099	\$ 2,700,000	\$ -	\$ -	\$ (2,700,000)	-100.00%
Total Expenses	\$ 3,357,267	\$ 6,103,815	\$ 2,923,052	\$ 3,428,020	\$ (2,675,795)	-43.84%
Excess (Deficiency) Cash Basis	\$ (968,559)	\$ (1,026,808)	\$ 59,437	\$ (448,520)	\$ 578,288	
Adjustment to accrual basis	367,898	-	-	-		
Beginning Net Assets per CAFR	2,468,714	1,868,053	1,868,053	1,927,490		
Ending Net Assets per CAFR	1,868,053	\$ 841,245	\$ 1,927,490	\$ 1,478,970		
Invested in capital assets, net of related debt (1)	(913,539)					
Intergovernmental receivable (1)	(342,814)					
Reserved for subsequent year's budget (2)	(1,026,808)					
Reserved for encumbrances (3)	(90,087)					
Other post employment benefits obligation (4)	491,249					
Compensated absences (4)	61,379					
Net pension liability (4)	2,838,719					
Reserved for continuing appropriations (5)	(281,244)					
Deferred outflow of resources (6)	(195,067)					
Net assets available for appropriation (free cash) (7)	\$ 2,409,841					

(1) These are non-cash assets which cannot be appropriated for expenditure. They would need to be converted to cash through sale or collection (accounts receivable) in order to become cash available for appropriation.

(2) This amount represents the net assets appropriated for the subsequent fiscal year's capital program and operating budget.

(3) This amount represents a reservation of funds to cover obligations arising from purchase orders or contracts that is chargeable to, but not yet paid from, a specific appropriation account.

(4) These amounts represent liabilities that will be provided from future resources and not the net assets at the close of the fiscal year.

(5) This represents the portion of the enterprise fund's cash in the town's treasury that has been appropriated for a specific capital expenditure which still remains unexpended as of June 30, 2016.

(6) This amount represents the deferred recognition of an outflow of resources related to future fiscal years.

(7) Amount certified by the Division of Local Services.

Summary of Significant Budget Changes

The FY18 proposed operating budget is increasing \$24,205 or 0.71%. Personnel costs are increasing \$26,926. This includes all contractual obligations. Operating costs are increasing \$6,512 due to indirect cost charges for property/vehicle/officials insurance year-over-year. The FY18 General Fund charges to the Solid Waste Enterprise Fund total \$338,497. The Solid Waste Enterprise Fund FY18 proposed budget will use \$448,520 to balance the budget. A total of \$323,932 is used to pay for the landfill-capping loan and \$124,588 is used for fee mitigation, as there is no proposed increase in the residential transfer station sticker price for FY18.

APPROPRIATION ORDER 2017-125

ORDERED:

That the sum of **\$3,428,020** be appropriated for the purpose of funding the Town's FY 2018 Department of Public Works Solid Waste Enterprise Fund budget, and to meet such appropriation that **\$2,979,500** be raised from the enterprise fund revenues, and that **\$448,520** be transferred from the Solid Waste Enterprise Fund reserves, as presented to the Town Council by the Town Manager.

WATER POLLUTION CONTROL ENTERPRISE FUND

Water Pollution Control Enterprise Fund	Actual	Approved	Projected	Proposed	Change	Percent	
Source of Funding	FY 2016	FY 2017	FY 2017	FY 2018	FY17 - 18	Change	
Fines & Penalties	\$ 53,835	\$ 50,000	\$ 93,825	\$ 60,000	\$ 10,000	20.00%	
Fees, Licenses, Permits	15,560	10,000	13,795	10,000	-	0.00%	
Charges for Services	4,791,544	4,542,412	4,746,949	4,396,261	(146,151)	-3.22%	
Interest and Other	260,414	90,000	149,072	135,000	45,000	50.00%	
Total Operating Source of Funding	\$ 5,121,353	\$ 4,692,412	\$ 5,003,641	\$ 4,601,261	\$ (91,151)	-1.94%	
Intergovernmental Aid	\$ 35,000	\$ -	\$ -	\$ -	\$ -	0.00%	
Borrowing Authorizations	-	2,104,000	-	-	(2,104,000)	-100.00%	
Total Capital Source of Funding	\$ 35,000	\$ 2,104,000	\$ -	\$ -	\$ (2,104,000)	-100.00%	
Total Sources of Funding	\$ 5,156,353	\$ 6,796,412	\$ 5,003,641	\$ 4,601,261	\$ (2,195,151)	-32.30%	
Expense Category							
Personnel	\$ 1,086,446	\$ 1,131,789	\$ 1,114,811	\$ 1,191,470	\$ 59,681	5.27%	
Benefits	340,721	353,446	353,449	401,915	48,469	13.71%	
Operating Expenses	1,338,281	1,620,175	1,229,712	1,596,178	(23,997)	-1.48%	
Capital Outlay	50,304	90,000	65,000	90,000	-	0.00%	
Debt Service	1,225,686	1,328,307	1,328,307	1,149,395	(178,912)	-13.47%	
Transfers Out	173,170	168,695	168,695	172,303	3,608	2.14%	
Subtotal Operating Budget	\$ 4,214,608	\$ 4,692,412	\$ 4,259,974	\$ 4,601,261	\$ (91,151)	-1.94%	
Capital Improvements Program	\$ 257,004	\$ 2,193,505	\$ -	\$ 382,000	\$ (1,811,505)	-82.58%	
Total Capital Expenses	\$ 257,004	\$ 2,193,505	\$ -	\$ 382,000	\$ (1,811,505)	-82.58%	
Total Expenses	\$ 4,471,612	\$ 6,885,917	\$ 4,259,974	\$ 4,983,261	\$ (1,902,656)	-27.63%	
Excess (Deficiency) Cash Basis	\$ 684,741	\$ (89,505)	\$ 743,667	\$ (382,000)	\$ (292,495)		
Adjustment to accrual basis	(1,853,191)	-	-	-			
Beginning Net Assets per CAFR	34,197,253	33,028,803	33,028,803	33,772,470			
Ending Net Assets per CAFR	33,028,803	\$ 32,939,298	\$ 33,772,470	\$ 33,390,470			
Invested in capital assets, net of related debt (1)	(21,305,280)						
User Charges Receivable (1)	(1,785,013)						
Special Assessments Receivable (1)	(1,119,252)						
Intergovernmental receivable (1)	(598,514)						
Reserved for subsequent year's budget (2)	-						
Reserved for encumbrances (3)	(186,182)						
Reserved for continuing appropriations (4)	-						
Other post employment benefits obligation (5)	323,488						
Compensated absences (5)	75,480						
Net pension liability (5)	2,918,769						
Deferred outflow of resources (6)	(222,477)						
Net assets available for appropriation (free cash) (7)	\$ 11,129,822						

(1) These are non-cash assets which cannot be appropriated for expenditure. They would need to be converted to cash through sale or collection (accounts receivable) in order to become cash available for appropriation.

(2) This amount represents the net assets appropriated for the subsequent fiscal year's capital program budget.

(3) This amount represents a reservation of funds to cover obligations arising from purchase orders or contracts that is chargeable to, but not yet paid from, a specific appropriation account.

(4) This represents the portion of the enterprise fund's cash in the town's treasury that has been appropriated for a specific capital expenditure which still remains unexpended as of June 30, 2016.

(5) These amounts represent liabilities that will be provided from future resources and not the net assets at the close of the fiscal year.

(6) This amount represents the deferred recognition of an outflow of resources related to future fiscal years.

(7) Amount certified by the Division of Local Services.

Summary of Significant Budget Changes

The FY18 proposed budget is decreasing \$91,151 or 1.94%. Personnel costs are increasing \$59,681, which includes all contractual obligations. Capital outlay of \$90,000 will support repairs for plant and equipment. Debt service is decreasing \$178,912 due to bonds expiring.

The FY18 capital budget will use \$382,000 in reserves to balance the budget.

APPROPRIATION ORDER 2017-126

ORDERED:

That the sum of **\$4,601,261** be appropriated for the purpose of funding the Town's FY 2018 Department of Public Works Water Pollution Control Enterprise Fund budget, and to meet such appropriation that **\$4,601,261** be raised from the enterprise fund revenues, as presented to the Town Council by the Town Manager.

WATER SUPPLY ENTERPRISE FUND

Water Supply Enterprise Fund	Actual	Approved	Projected	Proposed	Change	Percent
Source of Funding	FY 2016	FY 2017	FY 2017	FY 2018	FY17 - 18	Change
Fines & Penalties	\$ 43,210	\$ 50,000	\$ 31,824	\$ 44,000	\$ (6,000)	-12.00%
Fees, Licenses, Permits	379,523	149,000	157,584	29,500	(119,500)	-80.20%
Charges for Services	4,630,405	4,890,812	4,835,630	5,297,000	406,188	8.31%
Interest and Other	250,661	180,500	210,611	207,500	27,000	14.96%
Total Operating Source of Funding	\$ 5,303,798	\$ 5,270,312	\$ 5,235,649	\$ 5,578,000	\$ 307,688	5.84%
Borrowing Authorizations	\$ -	\$ 900,000	\$ -	\$ 1,924,000	\$ 1,024,000	113.78%
Total Capital Source of Funding	\$ -	\$ 900,000	\$ -	\$ 1,924,000	\$ 1,024,000	113.78%
Total Sources of Funding	\$ 5,303,798	\$ 6,170,312	\$ 5,235,649	\$ 7,502,000	\$ 1,331,688	21.58%
Expense Category						
Personnel	\$ 257,202	\$ 276,596	\$ 270,500	\$ 283,716	\$ 7,120	2.57%
Benefits	58,989	61,716	66,666	86,661	24,945	40.42%
Operating Expenses	2,668,200	4,601,637	3,187,094	4,062,028	(539,609)	-11.73%
Capital Outlay	179,616	160,000	158,496	160,000	-	0.00%
Debt Service	1,149,574	1,540,073	1,540,073	2,129,024	588,951	38.24%
Transfers Out	70,255	65,290	65,290	68,057	2,767	4.24%
Total Operating Budget	\$ 4,383,836	\$ 6,705,312	\$ 5,288,119	\$ 6,789,486	\$ 84,174	1.26%
Capital Improvements Program	\$ 2,859,326	\$ 1,702,000	\$ -	\$ 2,169,000	\$ 467,000	27.44%
Total Capital Expenses	\$ 2,859,326	\$ 1,702,000	\$ -	\$ 2,169,000	\$ 467,000	27.44%
Total Expenses	\$ 7,243,162	\$ 8,407,312	\$ 5,288,119	\$ 8,958,486	\$ 551,174	6.56%
Excess (Deficiency) Cash Basis	\$ (1,939,364)	\$ (2,237,000)	\$ (52,470)	\$ (1,456,486)	\$ 780,514	
Adjustment to accrual basis	3,115,650	-	-	-		
Beginning Net Assets per CAFR	13,835,306	15,011,592	15,011,592	14,959,122		
Ending Net Assets per CAFR	15,011,592	<u>12,774,592</u>	<u>14,959,122</u>	<u>13,502,636</u>		
Invested in capital assets, net of related debt (1)	(7,728,640)					
User Charges Receivable (1)	(1,145,987)					
Intergovernmental receivable (1)	(1,415,908)					
Reserved for subsequent year's budget (2)	(802,000)					
Reserved for encumbrances (3)	(446,859)					
Reserved for continuing appropriations (4)	(738,201)					
Accrued Interest (5)	273,326					
Other post employment benefits obligation (5)	42,301					
Compensated absences (5)	160					
Net pension liability (5)	693,033					
Deferred outflow of resources (6)	(485,492)					
Net assets available for appropriation (free cash) (7)	<u>\$ 3,257,325</u>	-				

(1) These are non-cash assets which cannot be appropriated for expenditure. They would need to be converted to cash through sale or collection (accounts receivable) in order to become cash available for appropriation.

(2) This amount represents the net assets appropriated for the subsequent fiscal year's capital program budget.

(3) This amount represents a reservation of funds to cover obligations arising from purchase orders or contracts that is chargeable to, but not yet paid from, a specific appropriation account.

(4) This represents the portion of the enterprise fund's cash in the town's treasury that has been appropriated for a specific capital expenditure which still remains unexpended as of June 30, 2016.

(5) These amounts represent liabilities that will be provided from future resources and not the net assets at the close of the fiscal year.

(6) This amount represents the deferred recognition of an outflow of resources related to future fiscal years.

(7) Amount certified by the Division of Local Services.

Summary of Significant Budget Changes

The FY18 proposed budget is increasing \$84,174 or 1.26%. A significant increase in debt service is the result of the installation of water treatment systems. This will result in the reduction of water purchased from the Town of Yarmouth used for blending. This is reflected in the significant reduction to operating expenses for FY18.

A total of \$1,456,486 of reserves will be used to balance the operating and capital programs. A rate increase of 9% has been approved for FY18 and \$1.24 million is used for fee mitigation to prevent rates from increasing above 9% for FY18.

APPROPRIATION ORDER 2017-127

ORDERED:

That the sum of **\$6,789,486** be appropriated for the purpose of funding the Town's FY 2018 Department of Public Works Water Supply Enterprise Fund budget, and to meet such appropriation that **\$5,578,000** be raised from the enterprise fund revenues, and that **\$1,211,486** be transferred from the Water enterprise Fund reserves, as presented to the Town Council by the Town Manager.

TOWN COUNCIL DEPARTMENT – GENERAL FUND

Town Council	Actual	Approved	Projected	Proposed	Change	Percent
Source of Funding	FY 2016	FY 2017	FY 2017	FY 2018	FY17 - 18	Change
Taxes	\$ 184,865	\$ 236,335	\$ 198,638	\$ 240,395	\$ 4,060	1.72%
Enterprise Funds	48,828	27,507	27,507	27,290	(217)	-0.79%
Total Sources	\$ 233,693	\$ 263,842	\$ 226,145	\$ 267,685	\$ 3,843	1.46%

Expenditure Category	Actual	Approved	Projected	Proposed	Change	Percent
Personnel	\$ 212,714	\$ 233,392	\$ 201,795	\$ 237,235	\$ 3,843	1.65%
Operating Expenses	20,979	30,450	24,350	30,450	-	0.00%
Total Appropriation	\$ 233,693	\$ 263,842	\$ 226,145	\$ 267,685	\$ 3,843	1.46%

Employee Benefits Allocation:	
Life Insurance	\$ 47
Medicare	2,616
Health Insurance	26,784
County Retirement	30,299
Total Employee Benefits (1)	\$ 59,746

Total Expenditures Including Benefits	\$ 293,439	\$ 284,827
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Full-time Equivalent Employees	1.40	1.40	1.40	0.00
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(1) Employee benefits are not included in the department's appropriation and are allocated for informational purposes only.

Summary of Significant Budget Changes

The FY18 proposed budget is increasing \$3,843 or 1.46% over the FY17 approved budget. Personnel costs are increasing \$3,843. There are no changes to the operating expense budget.

Funding for this operation is provided from taxes and enterprise funds. Enterprise fund support is decreasing \$217 and tax support will increase \$4,060. The increase in tax support is a combination of the budget increase and the reduction in enterprise fund support.

APPROPRIATION ORDER 2017-128

ORDERED:

That the sum of **\$267,685** be raised and appropriated for the purpose of funding the Town's FY 2018 Town Council budget as presented to the Town Council by the Town Manager.

TOWN MANAGER DEPARTMENT – GENERAL FUND

TOWN MANAGER	Actual	Approved	Projected	Proposed	Change	Percent
Source of Funding	FY 2016	FY 2017	FY 2017	FY 2018	FY17 - 18	Change
Taxes	\$ 406,319	\$ 510,687	\$ 288,209	\$ 417,328	\$ (93,359)	-18.28%
Fees, Licenses, Permits	17,898	19,500	18,412	18,400	(1,100)	-5.64%
Enterprise Funds	125,800	102,966	102,966	59,809	(43,157)	-41.91%
Total Sources	\$ 550,017	\$ 633,153	\$ 409,587	\$ 495,537	\$ (137,616)	-21.74%
Expenditure Category						
Personnel	\$ 466,143	\$ 506,321	\$ 325,331	\$ 395,537	\$ (110,784)	-21.88%
Operating Expenses	83,874	126,832	84,256	100,000	(26,832)	-21.16%
Total Appropriation	\$ 550,017	\$ 633,153	\$ 409,587	\$ 495,537	\$ (137,616)	-21.74%
Employee Benefits Allocation:						
Life Insurance	\$ 36		\$ 23			
Medicare	6,631		3,780			
Health Insurance	37,570		27,736			
County Retirement	113,415		62,341			
Total Employee Benefits (1)	\$ 157,652		\$ 93,881			
Total Expenditures Including Benefits	\$ 707,669		\$ 503,468			
Full-time Equivalent Employees	4.50	4.50		3.50		-1.00

(1) Employee benefits are not included in the department's appropriation and are allocated for informational purposes only.

Summary of Significant Budget Changes

The Town Manager's FY18 proposed budget will see a reduction of \$137,616 from the FY17 approved budget, or a 22% decrease. The reduction is a result of the elimination of one full-time position, savings from the turnover in personnel and the reduction of \$26,832 in operating expenses. Funding for this operation is comprised of fees, enterprise fund support and taxes.

Tax support will decrease \$93,359.

APPROPRIATION ORDER 2017-129

ORDERED:

That the sum of **\$495,537** be raised and appropriated for the purpose of funding the Town's FY 2018 Town Manager budget as presented to the Town Council by the Town Manager.

ADMINISTRATIVE SERVICES DEPARTMENT – GENERAL FUND

Administrative Services Dept.	Actual	Approved	Projected	Proposed	Change	Percent
Source of Funding	FY 2016	FY 2017	FY 2017	FY 2018	FY17 - 18	Change
Taxes	\$ 1,702,651	\$ 3,168,730	\$ 2,185,134	\$ 3,324,437	\$ 155,707	4.91%
Intergovernmental	287,096	287,096	298,230	300,156	13,060	4.55%
Fines, Forfeitures, Penalties	912,202	850,000	1,177,907	819,000	(31,000)	-3.65%
Fees, Licenses, Permits	271,605	262,060	287,708	250,500	(11,560)	-4.41%
Charges for Services	1,310	1,000	300	-	(1,000)	-100.00%
Interest and Other	1,707,108	663,500	827,054	454,000	(209,500)	-31.57%
Special Revenue Funds	30,000	30,000	30,000	30,000	-	0.00%
Enterprise Funds	674,417	727,903	727,903	818,980	91,077	12.51%
Total Sources	\$ 5,586,389	\$ 5,990,289	\$ 5,534,236	\$ 5,997,073	\$ 6,784	0.11%
Expenditure Category						
Personnel	\$ 4,369,751	\$ 4,611,433	\$ 4,518,788	\$ 4,606,460	\$ (4,973)	-0.11%
Operating Expenses	1,080,333	1,239,856	1,015,448	1,285,613	45,757	3.69%
Capital Outlay	136,306	139,000	-	105,000	(34,000)	-24.46%
Total Appropriation	\$ 5,586,389	\$ 5,990,289	\$ 5,534,236	\$ 5,997,073	\$ 6,784	0.11%
Employee Benefits Allocation:						
Life Insurance	\$ 468		\$ 672			
Medicare	57,051		57,864			
Health Insurance	264,379		282,430			
County Retirement	848,402		878,972			
Total Employee Benefits (1)	\$ 1,170,298		\$ 1,219,938			
Total Expenditures Including Benefits	\$ 6,756,688		\$ 6,754,174			
Full-time Equivalent Employees	60.60	60.30		59.55		-0.75

(1) Employee benefits are not included in the department's appropriation and are allocated for informational purposes only.

Summary of Significant Budget Changes

The FY18 proposed budget is increasing \$6,784 or 0.11% over the FY17 approved budget. Personnel costs are decreasing \$4,973 mainly due to a transfer of one full-time position from Information Technology to the Community Services Department and reduced costs in overtime. Other costs included in personnel are contractual obligations, and \$13,000 for 0.25 FTE's to increase hours for a part-time Public Records Assistant position in the Town Clerk's Office. Operating costs are increasing \$45,757, which will fund the increased cost for software and hardware maintenance/licenses (\$35,198), cell phone services (\$10,559), property valuation services (\$28,000), and public records requests software (\$6,000). These increases are offset by a reduction to the budget in the Information Technology Division for outside consultants. Capital outlay includes \$105,000 for the continuation of software and hardware upgrades. Tax support will increase \$155,707 to cover the cost increases as well as the reduction in other funding sources.

APPROPRIATION ORDER 2017-130

ORDERED:

That the sum of **\$5,997,073** be raised and appropriated for the purpose of funding the Town's FY 2018 Administrative Services Department budget as presented to the Town Council by the Town Manager.

OTHER REQUIREMENTS – GENERAL FUND

Other Requirements	Actual	Approved	Projected	Proposed	Change	Percent
Source of Funding	FY 2016	FY 2017	FY 2017	FY 2018	FY17 - 18	Change
Taxes	\$ 30,096,706	\$ 32,892,632	\$ 32,544,154	\$ 35,321,153	\$ 2,428,521	7.38%
Intergovernmental	5,631,716	5,723,925	5,723,925	5,702,529	(21,396)	-0.37%
Interest and Other	799,790	498,200	498,200	625,148	126,948	25.48%
Special Revenue Funds	116,037	112,183	112,183	112,183	-	0.00%
Enterprise Funds	1,672,053	1,659,828	1,659,828	1,836,824	176,996	10.66%
Trust Funds	280,000	270,000	270,000	260,000	(10,000)	-3.70%
Reserves	5,085,000	1,085,000	1,085,000	1,825,000	740,000	68.20%
Total Sources	\$ 43,681,302	\$ 42,241,768	\$ 41,893,290	\$ 45,682,837	\$ 3,441,069	8.15%

Expenditure Category	Actual	Approved	Projected	Proposed	Change	Percent
Employee Benefits						
Retirement Assessments	\$ 8,035,227	\$ 8,406,711	\$ 8,400,000	\$ 9,003,460	\$ 596,749	7.10%
Health Insurance for Active Employees	6,056,420	7,226,550	7,050,000	7,754,715	528,165	7.31%
Retiree Health & Sick Benefits	4,191,330	4,123,071	4,050,000	4,558,479	435,408	10.56%
Workers' Compensation & Unemployment	1,602,444	1,535,000	1,500,000	1,600,000	65,000	4.23%
Medicare & Life Insurance	1,034,878	1,071,580	1,050,000	1,115,000	43,420	4.05%
Total	\$ 20,920,299	\$ 22,362,912	\$ 22,050,000	\$ 24,031,654	\$ 1,668,742	7.46%

Debt Service, Grants, Assessments & Other	Actual	Approved	Projected	Proposed	Change	Percent
Debt Service	\$ 8,564,409	\$ 9,172,108	\$ 9,152,000	\$ 9,500,634	\$ 328,526	3.58%
Library Grants	1,714,000	1,773,990	1,773,990	1,827,210	53,220	3.00%
Tourism Grant	158,179	127,000	127,000	127,000	-	0.00%
Property & Liability Insurance	1,573,817	1,620,000	1,650,000	1,760,000	140,000	8.64%
Interest on Tax Refunds	19	20,000	1,000	20,000	-	0.00%
Celebrations	91,354	100,000	100,000	105,000	5,000	5.00%
Lombard Trust Rent	52,000	52,000	52,000	52,000	-	0.00%
Veterans' District Assessment & Benefit Payments	342,071	421,458	395,000	420,000	(1,458)	-0.35%
Old Kings Highway	9,750	9,500	9,500	10,250	750	7.89%
Greenhead Fly Control District	5,320	5,320	5,320	5,320	-	0.00%
County Tax & Cape Cod Commission Assessments	1,094,173	1,121,529	1,121,529	1,113,942	(7,587)	-0.68%
Mosquito Control	352,254	372,123	372,123	376,199	4,076	1.10%
Air Pollution Control Districts	21,832	22,378	22,378	21,224	(1,154)	-5.16%
RMV Non-renewal Surcharge	72,380	72,380	72,380	55,540	(16,840)	-23.27%
Cape Cod Regional Transit Authority	509,433	551,118	551,118	564,896	13,778	2.50%
Special Education Assessment	11,258	26,698	26,698	41,484	14,786	55.38%
Total	\$ 14,572,249	\$ 15,467,602	\$ 15,432,036	\$ 16,000,699	\$ 533,097	3.45%

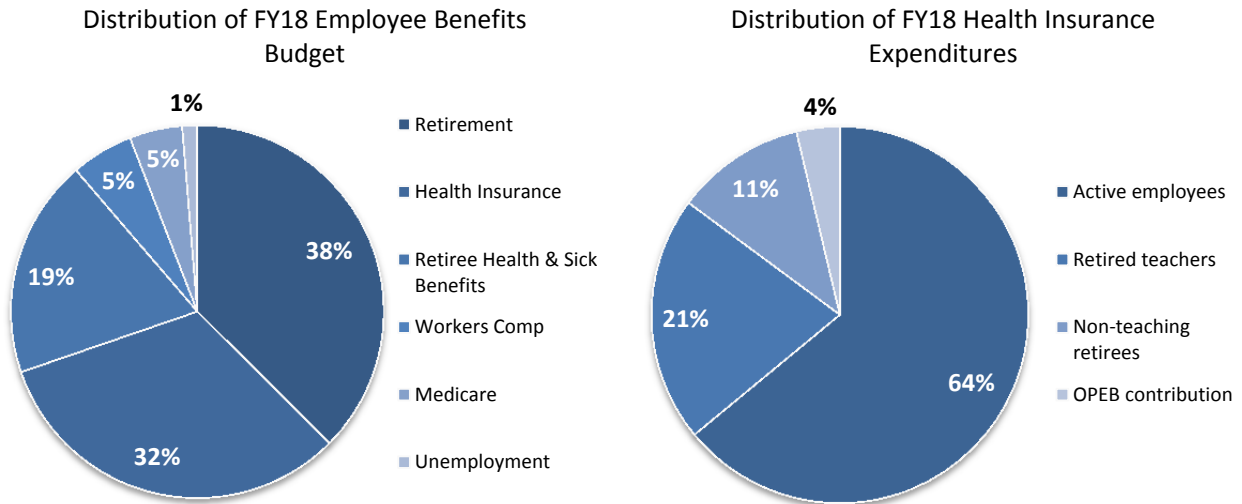
Subtotal Before Transfers	\$ 35,492,548	\$ 37,830,514	\$ 37,482,036	\$ 40,032,353	\$ 2,201,839	5.82%
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Transfers	Actual	Approved	Projected	Proposed	Change	Percent
Transfer to Capital Trust Fund	\$ 7,435,335	\$ 3,540,468	\$ 3,540,468	\$ 4,504,004	\$ 963,536	27.21%
Transfer to Special Revenue Funds	34,999	-	-	-	-	0.00%
Transfer to Capital Projects Funds	-	1,710	1,710	-	(1,710)	-100.00%
Transfers to Enterprise Funds	718,420	869,076	869,076	1,146,480	277,404	31.92%
Total	\$ 8,188,754	\$ 4,411,254	\$ 4,411,254	\$ 5,650,484	\$ 1,239,230	28.09%

Grand Total Other Requirements	\$ 43,681,302	\$ 42,241,768	\$ 41,893,290	\$ 45,682,837	\$ 3,441,069	8.15%
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Employee Benefits

The Town is required by Federal or State law to provide certain benefits to its workforce. This category of expenditures includes life insurance, health insurance, Medicare, retirement assessments, unemployment, workers' compensation, other retiree benefits, as well as the annual contribution to the Other Post-Employment Benefits (OPEB) Trust Fund.



Health insurance for active and retired employees is the largest expenditure in this area of the budget. Collectively, they represent 51% of all employee benefits spending. This includes the contribution to the Town's Trust Fund for other-post employment benefits, which is budgeted at \$450,000 for FY18. The Town's Annual Required Contribution (ARC), as calculated by actuaries, for fully funding its other post-employment benefit obligation is approximately \$5 million. This level of funding cannot be achieved immediately without significant cuts to services or additional increases in the tax levy. Health insurance for active employees comprises 64% of all health insurance expenses while retirees make up 32%. The county retirement assessment is the second largest expenditure in this category representing 38% of the total budget. These assessments have increased considerably over the past few years. The Town has been able to mitigate some of the increase by adopting a new payment schedule that saves approximately \$125,000 per year.

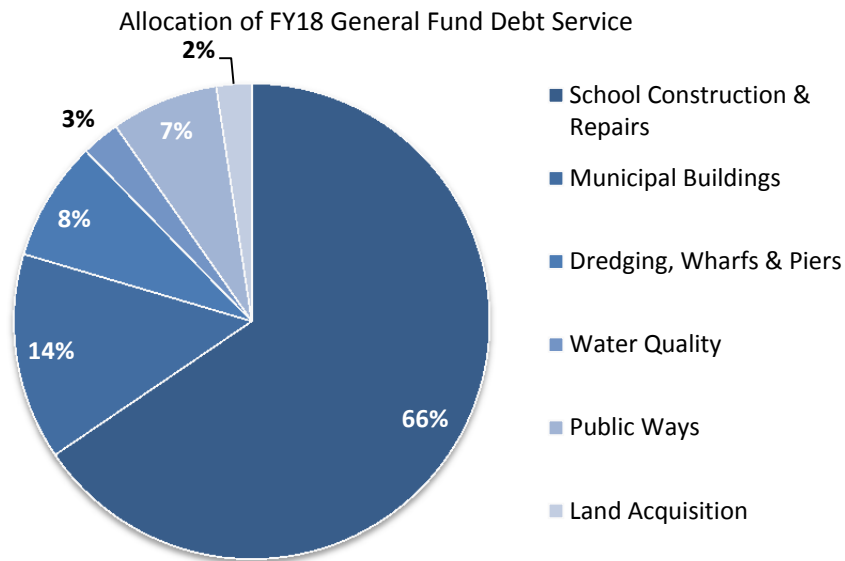
APPROPRIATION ORDER 2017-131 Employee Benefits

ORDERED:

That the sum of **\$21,473,175** be appropriated for the purpose of funding the Town's FY 2018 Employee Benefits budget, and to meet such appropriation, that **\$20,388,175** be raised from current year revenue, that **\$260,000** be transferred from the Pension Reserve Trust Fund, and that **\$825,000** be transferred from the General Fund reserves, as presented to the Town Council by the Town Manager.

Debt service

Major capital improvements within the Capital Improvements Program will be funded through the issuance of notes and bonds and repayment of the debt issuance is included in the debt service appropriation. For further detail on the Town's debt obligations, please refer to pages 108 through 117 of the FY18 budget book. This budget does not include debt associated with enterprise fund operations. Debt service for enterprise fund operations is included in each respective enterprise fund budget. Additionally, this budget does not include debt service on land acquisitions made by the Community Preservation Fund (CPF). The CPF, a special revenue fund, pays for its own debt service out of surtaxes added to the Town's real estate tax bills. The chart below details the General Fund debt service budget by type of capital improvement.



A majority of the Town's General Fund debt service is for school related projects.

APPROPRIATION ORDER 2017-132 Debt Service

ORDERED:

That the sum of **\$9,500,634** be appropriated for the purpose of funding the Town's FY 2018 General Fund Debt Service budget, and to meet such appropriation, that **\$9,388,451** be raised from current year revenue, and that **\$59,283** be transferred from the Embarkation Fee Special Revenue Fund, and that **\$52,900** be transferred from the Bismore Park Special Revenue Fund, as presented to the Town Council by the Town Manager.

Grants

The Town provides two grants: one for the seven village libraries and one for promoting tourism. The grant for the libraries is increasing 3% or \$53,220 and the tourism grant is level funded with the FY17 budget amount of \$127,000.

APPROPRIATION ORDER 2017-133 Grants

ORDERED:

That the sum of **\$1,954,210** be raised and appropriated for the purpose of funding the Town's FY 2018 Library and Tourism Grant budgets as presented to the Town Council by the Town Manager.

Other Fixed Costs

This area contains the remaining expenditures the Town must provide for as part of its on-going operations which include assessments from other entities, insurance, transfers to the Capital Trust Fund and other items. Several of these charges are assessed to the Town on the Cherry Sheet received from the state and do not require Town Council appropriation but they must be included in the budget.

Property & Liability Insurance	1,760,000
Interest on Tax Refunds	20,000
Celebrations	105,000
Lombard Trust Rent	52,000
Veterans' District Assessment & Benefit Payment	420,000
Old King's Highway	-
Greenhead Fly Control District	5,320
County Tax & Cape Cod Commission Assessments	1,113,942
Mosquito Control	376,199
Air Pollution Control Districts	21,224
RMV Non-renewal Surcharge	55,540
Cape Cod Regional Transit Authority	564,896
Special Education Assessment	41,484
Transfer to Capital Trust Fund	4,504,004
Regional School District Assessment	<u>3,535,665</u>
	12,575,274
<u>Less amounts included on the Cherry Sheet:</u>	
County Tax & Cape Cod Commission Assessments	(1,113,942)
Mosquito Control	(376,199)
Air Pollution Control Districts	(21,224)
RMV Non-renewal Surcharge	(55,540)
Cape Cod Regional Transit Authority	(564,896)
Special Education Assessment	<u>(41,484)</u>
Appropriation Amount	<u><u>10,401,989</u></u>

APPROPRIATION ORDER 2017-134 Insurance, Assessments, Transfers and Other Fixed Costs

ORDERED:

That the sum of **\$10,412,239** be raised and appropriated for the purpose of funding the Town's FY 2018 Insurance, Assessments, Transfers and Other Fixed Costs budgets as presented to the Town Council by the Town Manager, and that the following sums be transferred from the Town's Enterprise Funds for the purpose of reimbursing administrative, employee benefit and insurance costs budgeted within the General Fund:

Water Pollution Control	\$489,251
Solid Waste	\$338,497
Water Supply	\$150,579
Airport	\$739,998
Golf Course	\$454,820
Marinas	\$71,543
Sandy Neck	\$100,873
HYCC	\$334,091
PEG	\$90,872

And further, that the sum of **\$1,500,000** be transferred from the General Fund reserves all for the purpose of funding the Town's FY 2018 General Fund budget as presented to the Town Council by the Town Manager.

Community Preservation Fund Budget and Minimum Set-Asides

Annually, the Town Council must approve a minimum set-aside for each program area within the Community Preservation Fund (CPF). The minimum set-aside is equal to 10% of the estimated revenue of the CPF. This amount for FY18 is \$393,521. Any remaining balance after the minimum set-aside is placed in a budget reserve and can be used for any program area within the CPF. The Town Council must also approve an administrative budget for the Community Preservation Committee. The proposed budget for FY18 is \$150,000; the same amount used for the past several years. Any remaining funds in the appropriation revert to the CPF's fund balance, or reserves. Additionally, the CPF must provide funding to pay the annual principal and interest payments on bonds issued to finance any of its projects in addition to those issued under the former Land Bank program.

APPROPRIATION ORDER 2017-135 COMMUNITY PRESERVATION FUND ADMINISTRATION EXPENSES AND FY 2017 PROGRAM SET-ASIDES

ORDERED:

That, pursuant to the provisions of M.G.L. c.44B §6, for the fiscal year beginning July 1, 2017, the following sums of the annual revenues of the Community Preservation Fund be set aside for further appropriation and expenditure for the following purposes: **\$393,521** for open space and recreation; **\$393,521** for historic resources; **\$393,521** for community housing; **\$508,604** for a budget reserve, and that the sum of **\$150,000** be appropriated from the annual revenues of the Community Preservation Fund for the administrative expenses the Community Preservation Committee, to be expended under the direction of the Town Manager, or the Community Preservation Committee with the prior approval of the Town Manager.

APPROPRIATION ORDER 2017-136 APPROPRIATION ORDER FOR COMMUNITY PRESERVATION FUND FY 2018 DEBT SERVICE

ORDERED:

That the Town Council hereby appropriate **\$2,191,188** for the purpose of paying the FY 2018 Community Preservation Fund debt service requirements, and to meet such appropriation, that **\$2,096,044** be provided from current year revenues of the Community Preservation Fund and that **\$95,144** be provided from the reserve for the historic preservation program within the Community Preservation Fund.