



The Town of Barnstable

Comprehensive Financial Advisory Committee (CFAC)

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June 1st, 2013

Honorable Dr. Debra Dagwan

Town Council President

Town of Barnstable

367 Main Street

Hyannis, MA, 02601

RE: CFAC Review of Proposed FY14 Operating Budget

Dear Council President Dagwan:

The Comprehensive Financial Advisory Committee (CFAC) met with the Finance Director to review and discuss the proposed FY14 Town of Barnstable Operating and School Department Budget. As always, CFAC wishes to express its appreciation and cooperation of Mark Milne, Finance Director, and his staff, and acknowledge their efforts in proposing a balanced budget. The budget continues to fund important Town services and does not require any staffing reductions in spite of the economy and limited state financial assistance. The continuing positive opinion of the rating agencies with respect to the soundness of the Town's finances is due, in large part, to Mark Milne's efforts and professionalism and those of his budget team.

CFAC also wishes to acknowledge the work of the Town Council and Town Administration in considering past CFAC budget recommendations. The Committee notes that our past recommendations to publish a summary budget document and develop a town-wide performance measurement program have been adopted, though see the comments in this letter with respect to the latter initiative. It is also important to recognize that CFAC has, from time to time, endorsed several administration initiatives, such as the enhanced funding of this year's capital budget, the creation of a Sewer Trust Fund which will lower the cost of the wastewater program for homeowners, plus the unresolved effort to increase the time homeowners have to pay betterment assessments from 20 to 30 years. CFAC has also produced detailed analyses of prospective costs for the Town's Comprehensive Wastewater Management Program and analyzed possible future costs of its solid waste program.

CFAC's annual efforts to review the Town's Operating Budget and the Capital Budget are intended to provide the Council and Administration with an independent viewpoint or recommendations on various aspects of the Town's budget cornerstones.

1. Revenue Forecasts. One important element of the Town Operating Budget is its revenue forecast. It may, in fact, be the most important element of any credible budget as expenditures can be reasonably controlled, whereas the flow of revenue to the Town is subject to forces largely outside of the control of Town government. In reviewing the Town’s Operating Budget, we believe that Council should consider spending more time reviewing revenue projections. Developing realistic revenue estimates is important if there is to be a reasonable expectation that the proposed budget is credibly balanced for the upcoming year.

One way of determining the ability of budget staff to fairly estimate revenue projections is to go back and look at the accuracy of what was predicted to be Town revenue for FY14 as previously set out in the FY11 budget, thus were calculated three to four years ago. Note, the following chart comparing predicted revenue with amounts projected in the pending budget:

	Projected FY14 ¹ Revenue (FY11)	Projected ² Revenue (FY14)	FY11/FY14 % Change
Property Taxes	\$101,850,000	\$101,995,925	.001%
Other Taxes	\$ 8,930,000	\$ 7,111,939	(20.4%)
Other Resources	<u>\$ 27,000,000</u>	<u>\$ 26,317,943</u>	(.025%)
TOTAL	\$137,780,000	\$135,425,807	(.017%)

It is important to discuss why the projected numbers deviated over the course of three to four years. Local aid amounts may be unexpectedly reduced, new taxes may be imposed, and the rise or fall of the economy will impact actual revenue receipts. Given the range of variables, any one line item of projected revenue (other than property tax receipts) is inherently unpredictable; in contrast, the sum total of all revenue sources is more predictable as the up or down trends of a wide range of variables will tend to cancel out each other. It is important to insure that the Town’s total projected revenue is both conservative and reasonably accurate if the proposed budget is believed to be credibly balanced and to be of assistance to Town managers and the Town Council in terms of longer term financial planning. At least from the above very informal measurement, it appears as if the Town’s finance staff is producing credible “bottom-line” revenue estimates. It is important to also note that each year usually ends with a surplus.

¹ From “Ten Year Financial Forecast, FY12 to FY21”, Town of Barnstable, November 4, 2010, p. 5

² From “FY14 Proposed Operating Budget”, Town of Barnstable, May 16, 2013, p. 61

2. Program Performance Measurements.

The traditional review of an operating budget is one that looks at the numbers associated with proposed departmental spending for the upcoming fiscal year. It is an important review. However, over the years CFAC has suggested that the Council should also inquire as to (a). the specific goals of each department's programs, (b). how it intends to spend its requested appropriation to accomplish such goals, and (c). what are the appropriate program performance measures which would permit the department head, the senior Town Administration, the Town Council and the taxpaying public to judge how well it is accomplishing a program's intended purpose. For the most part, that form of review and analysis is not occurring, past commitments notwithstanding.

For several years CFAC had recommended a more comprehensive effort to add meaningful performance measurements to the budget as a means of better evaluating the effectiveness of program performance and outcomes and to attempt to provide answers to the question of what exactly the residents and taxpayers of the Town are "buying" with their tax dollars. Past Town operating budgets have included some measures which ranged widely in terms of quality and meaningfulness. Historically, some departments made an effort to develop performance measurements, most departments simply listed various workload measurements and some departments or divisions provided no measures of any kind. In addition, no comprehensive effort has been made to publicly evaluate even those limited measures or reach conclusions about program performance effectiveness. The FY14 proposed budget continues this pattern. The effort to make improvements is clearly a work in progress though some departmental efforts are either incomplete or lacking altogether. The Administration's commitment to periodically review and make public its evaluation of departmental goals and program performance is unclear.

Partly due to our past recommendations, in FY12 the Town Administration, with the support of the Council, launched an effort to develop Town-wide performance measurements for its many governmental programs. In addition and as part of last two year's operating budget reviews, CFAC chose to suggest a number of such performance measures and selected the Town's Regulatory Services department as its initial effort (for FY12) and the Environmental Services Division (for FY13). CFAC has periodically reviewed the efforts to implement its suggested performance measurements and our review shows mixed results. Some new performance measures have been adopted, but some programs continue to have no meaningful performance measures at all.

A few examples, some involving major Town issues, others simply related to the efficiency of Town government, highlight the issue.

1. Administrative Services Department. For FY14 the Human Resources Division states that one of its goals is to "Implement an internal Alternative Dispute Resolution program." There is no further description in the budget as to the

purpose of this effort, where the implementation effort stands, or how much money is allocated for this task. It also was a goal in FY13, in FY12 and in FY11.

2. Solid Waste Division, Department of Public Works. The only performance measurement listed for this division for FY14 is one which simply lists the tonnage of material accepted by the Marston's Mills Transfer Station, by general category. It then asserts that the division has "(i)ncreased the percentage of recycled material in the waste stream by 9%". No background numbers or dates are supplied.³ In addition, the formatting of the data is not consistent year to year.

3. Barnstable Municipal Airport. The proposed FY14 budget states that one long term goal is to "(d)velop market strategies to attract prospective air carriers ...and charter services to meet the Cape's demand for air travel". This goal has been mentioned in the budget over the past several years. However, enplanement data indicates a reduction from 124,162 to 94,466 from CY10 to CY12. Clearly, this is a measurement which needs additional detail and inquiry. Note, too, the performance measures listed for the Airport should be better seen as workload measures and not performance measures.

4. Building- Zoning Division. A long term goal for the division is to "ensure safe, permitted dwelling units for citizens of the Town". Nowhere in the budget are there performance measures or even workload measures as to how one would measure improvements in safety (let alone a discussion of the definition of 'safety'), number of citations issued for safety reasons, follow up on citations issued, etc.

In its review of the proposed operating budget, CFAC recommends that the Town Council should ask questions with respect to the current status of the performance measurement program as well as questions with respect to the various workload and performance measures offered by Town departments and divisions. This is an important initiative and deserves ongoing Council oversight as well as resources needed to properly staff the initiative.

3. Review of Goals and Policies. In view of revenue receipts for the past several years, including a predicted continuation of minor growth in most revenue categories for FY14,

³ A review of this year's budget (FY13) helps to understand the proffered measurement, but the relatively large increase in recycling from presumably one year to the next, 3,381 tons to 5,190 tons, an increase of 53.5%, is not explained. Why is recycling increasing at such a rapid rate? Was there a change in the methodology used to count of the number of tons?

It should also be noted that the Town Manager states that a goal for the Department of Public Works should be that **50%** of solid waste material should be recycled. See page 26 of the proposed budget. No such goal appears in the DPW section of the budget, let alone any discussion as to how this aggressive goal will be measured or achieved, other than adding \$15,000 to the DPW budget for some unspecified purpose. See p. 26.

the Council should consider conducting a review of the adequacy and appropriateness of its current “Budget Policy Statement” to insure that the goals, policies and standards make sense given current demographic trends and expected revenue limitations for the foreseeable future. The Town Administration and Council have done a good job over the past several years in developing and approving a balanced budget, but the stress of maintaining desired levels of service in view of current revenue realities is significant. CFAC further believes that an across the board review will also assist the Councilors in better understanding the various policies and the underlying reasons for their adoption. With respect to its review, the Council and Administration may wish to consider the following specific items:

- (a). The reserve requirement of 4% should be periodically reviewed in light of standards established by the rating agencies for healthy reserves versus the need to free up funds, particularly for needed capital projects;
- (b). A thorough review of the future appropriateness of the current 60/40 arrangement with the school department and insure that all sources of non-earmarked revenue are included on the revenue side of the equation and that both the town and the school system equally share the risk associated with any revenue reductions; and,
- (c). The current performance measurement effort is a multi-year process, but there should be some results that could be reviewed by the Town Council, perhaps by a committee of the Council created for that specific purpose.

Finally, and related to the performance measurement initiative, in terms of a suggested new budget policy statement CFAC recommends to Town Council the adoption of the following:

[NEW] “3. A. v. Continued development and evaluation of meaningful performance measures as part of the budget process in order to insure program effectiveness which shall be periodically and publicly reviewed by the Administration and Council.”

4. Budget Format Change. Begun in last year’s proposed budget, the proposed FY14 budget continues to remove health insurance costs from departmental and other budgets and centralizes them in one separate line item. The underlying reason for this major change is not adequately explained in the document and CFAC can see no significant improvement in the budget presentation as a result. Indeed, removing these expenditures significantly distorts the ability to follow expenditure trends over time and understates actual departmental expenditures. As stated last year, we recommend that

departmental budgets recapture these expenses in the future and eliminate this format change.

If the Administration believes it needs to highlight health insurance expenditures in the context of the budget document – clearly an important area of expense – it is always free to do so without amending actual and proposed expenditures for each department and other cost centers.

5. Other Personnel Employee Benefits (OPEB).

In virtually all instances, the Town is adequately meeting current and future financial obligations, either through annual appropriations or through legally binding commitments to appropriate future monies to meet those obligations. However, there is one major exception that the Town is just beginning to fund related to the unfunded obligation for health insurance costs for retirees. Placing it in the forefront of most other Massachusetts cities and towns, the Town appropriated a small amount of money for this fiscal year and the proposed budget continues that effort.

According to the most recent published Comprehensive Annual Financial Report (CAFR), compiled by the Town and audited by an independent certified public accounting firm, the annual net health care insurance obligation increased by \$5,782,696 at the end of 2012. The Town had a total unfunded accrued liability of \$162,010,280. Placed in perspective, the unfunded accrued liability on a per person basis translates into \$3,585 per resident of the Town of Barnstable.

It is important to not overreact to this issue. While a serious matter, the Town should continue with its plan to annually contribute to reduce the unfunded liability and, when the Town's financial situation warrants, add to its annual contribution. At some point either through legislation or a consensus among municipal financial professionals precise guidance on dealing with the matter will emerge. For the time being it is important to be aware of the problem and continue to make annual contributions.⁴

⁴ The bond rating agencies have been reviewing the impact of this issue with respect to municipalities. One major rating agency comments are instructive: "Moody's does not expect to make any rating changes simply as a result of the disclosure of a large OPEB liability. Instead, we plan to assess both the level of an issuer's liability compared to its peers and the issuer's plan to manage the liability. Over time, some outliers -- those with unusually large or small liabilities, those with unusually weak or strong plans -- could see an upward or downward rating adjustment....Moody's does not believe that an issuer should embark on a plan to fully fund an OPEB liability merely because a large number has appeared in its financial statements. Instead an issuer should decide to fund any portion of the liability only if it makes sense for financial, legal, or public policy reasons. In those cases where an issuer has, for sound reasons, chosen to fund its liability, Moody's believe that bonds can be an appropriate part of the funding plan."

6. PILOT Program. Based on the very low proposed revenue (\$25,000) from payments-in-lieu-of-taxes (PILOT) program, CFAC believes that the Council should again review its methodology and, more important, its approach to the implementation of a PILOT Program. This issue was studied in 2005 with some recommendations made to the then sitting Council. This concern was also raised in recent CFAC reviews and there does not appear to be any growth in this category of revenue. While there may not be a great deal of new revenue, some PILOT agreements could offer non-cash services to town government which might offset certain current costs. One example of this suggested approach is in the area of Senior Services: The Administration could attempt to identify opportunities for partnering with specialized, non-profit organizations which may be able to provide elderly program services thus defraying Town personnel costs in this area. A second specific example might be to subsume the current town effort in providing vaccination services with the health care operations of Cape Cod Hospital. Another possibility may be the use of Cape Cod Community College students through an "Intern" or "Co-Op" program to provide cost effective support in such areas as Information Technology, Accounting, Criminal Justice and Environmental Technology.

7. Independent Districts. In the FY10 letter to Town Council CFAC wrote:

"CFAC acknowledges that the budgets of the five independent fire districts do not fall within the Town's operating budget. We equally realize that the cost of supporting the fire districts are paid by the same homeowners who pay for town services.... As a way of mitigating the total cost of town government, we recommend that Town Council review the issue of fire district consolidation so as to possibly remove duplicative management and other operating costs."

And, in FY11, CFAC wrote:

"We note that nothing has happened with respect to Fire District consolidation since last year, notwithstanding some historic interest concerning this issue on the part of Town Council...We suggest that the Town Administration and Council consider filing legislation that would insure that the rate of growth in the tax levies for the Fire District be no greater than the rate of growth for the Town of Barnstable."

Similar comments were repeated over the past two years.

CFAC understands the pressure on town officials to adequately fund town services. Those pressures are constant and often expressed in emotional terms. While a law which is continually debated, Proposition 2½ does have one major benefit which is to force cities and towns to order their priorities and live within their means. The independent fire districts are not so constrained. Council might want to take note of the

following chart which shows the comparative growth in the tax levy for the Town of Barnstable and for the independent Fire Districts, from FY05 to FY13.

TAX LEVY GROWTH COMPARISON, FY05 TO FY13

	<u>FY05</u>	<u>FY13</u>	<u>% CHANGE</u>
Town of Barnstable	\$77,555,031	\$100,386,021	29.4%
Independent Districts	\$17,206,855	\$ 23,692,912	37.7%

There is an understandable reluctance for Town officials to involve themselves in the affairs of what are separate and independent governmental entities. CFAC recognizes that its own charter of responsibilities does not extend to the independent fire or water districts in the Town of Barnstable. But, the average taxpayer does not distinguish between the various governmental organizations, particularly when reading a Town real estate tax bill containing the tax obligations for both town government services and the services of the independent districts. In addition, CFAC has noted the fact that there has been continuing efforts to transfer certain town costs to an independent district as a way of avoiding the spending constraints of Proposition 2½. Further, while it is nice to see new fire stations throughout the Town, it is not at all clear that a convincing case, supported by historic fire response data, has been made to justify the significant costs associated with the frequent construction of expensive new fire stations. A historic trend in fewer fire incidents, the general increase in fire suppression technology, the use of fire retardant construction material and the reduction in the Town’s population *might* require the building of new fire stations in geographically appropriate locations, but also the decommissioning of others. The existence of multiple independent fire districts in the Town of Barnstable does not enhance town-wide planning for geographically appropriate fire stations or effective cost controls. CFAC does acknowledge the general increase in EMT related incidents, but would also point out that the optimum geographic location of ambulance vehicles and fire vehicles may differ.⁵

CFAC repeats its past recommendations that the Town Administration and Council consider filing legislation that would insure that there is a percentage cap on the growth of each of the Town’s independent districts equivalent to that which the Town must abide. In addition, one consolidated district for fire suppression services and EMT operations and a separate district for water treatment and delivery should be considered. Alternatively, all district water operations could be brought under the

⁵ The number count of various services in the districts is interesting. One fire district noted that for CY12, there were a total of 3,876 incidents responded to by the fire district. Of that amount 2,744 (71%) were related to rescues and emergency medical service incidents. Fire incidents totaled 84 (2%). The balance of other incidents range from non-fire related incidents, explosions, service calls, false alarms, etc.

control of Town government *providing* there is a firm commitment to insure that it operates as a self-supporting governmental function. Finally, the Town Council should also be skeptical of efforts to transfer parts of Town government and its services to independent districts unless there is a clear relationship between the particular service and the original legislative purpose in creating the district.

8. Enterprise Funds. The underlying rationale in creating an Enterprise Fund is to insure that it is self-supporting, identifies total service costs, provides useful management information and retains investment income and surplus funds (or shows Fund deficits). CFAC recommends that the Administration annually conduct a thorough review of the funding elements with respect to Enterprise Fund reimbursements to insure full recovery with respect to chargeable Town costs. Operating expenses not covered by user or other program-related fees or income are paid for by the use of either Fund surpluses or the outright appropriation of town funds by the Town Council. The Committee acknowledges that the Administration recently increased some fees which should help reduce past reliance on Fund “surpluses” and better insure that they are self-supporting, but a continuing subsidy, either from Fund surpluses or from the General Fund, will still be necessary.

CFAC notes that there are eight existing Enterprise Funds covering a range of services. Last year we noted that several of the Funds were using reserves to subsidize operating costs (“fee mitigation”), which is statutorily permissible although arguably a violation of the spirit of the law. Five of the eight Enterprise Funds are projected to show a net decrease in fund balances for FY14 due to the use of surplus funds to balance operating or capital expenses. See p. 135 of the proposed budget. The Funds are the Airport Enterprise Fund, the Solid Waste Enterprise Fund, the Sewer Operations Fund, the Golf Enterprise Fund, and the Sandy Neck Enterprise Fund. To be clear, it is understandable why the Town would desire to lower the cost of service for these programs, but doing so does tend to undermine the purpose of creating an Enterprise Fund in the first place. As has been noted in past budget reviews, it is important to know the various categories or types of funds contained in the Enterprise Fund “Ending Net Assets” line. Some of the “surplus” funds are unexpended bond funds, some of the money is clearly unexpended but obligated for some legitimate purpose, while other portions of the Fund balance are clearly surplus as that word is commonly understood. However, the decision to use such undesignated fund balances raises several important budget and policy questions: (a). what percentage of the cost of service is actually being subsidized (in other words, what would have been the full, unsubsidized charge to users?); (b) at what point will the subsidy end (run out of available surplus funds); and, (c). is this a desired financial policy given the intent of state law creating Enterprise Funds (if it is not going to function as a true Enterprise Fund, why keep it as a separate Fund)? We continue to suggest that the Council should ask the Administration to submit a detailed analysis of the net assets for each Enterprise Fund, setting forth the various asset categories and amounts constituting the Fund balance in order to know

what portion of the Fund balance is restricted and cannot be used as a potential subsidy for operations or capital programs, and the amount of dollars that are actually available to provide “fee mitigation”. A separate Council hearing or workshop on Enterprise Fund finances, while complex, would be helpful in understanding how the Funds work, what they show or do not show and how to interpret Enterprise Fund financial statements.

More specific comments with respect to various Enterprise Funds follow.

General Fund support for the Enterprise Fund for the two Town-owned golf courses continues to climb. In FY11 the Town used \$12,123 to support golf operations; the proposed budget states that \$161,288 is needed. While it may be asserted that the subsidy is to aid in the golf operations paying for their indirect cost charges from the Town, such charges are an integral part of their total operating expenses. Overall golf industry trends do not bode well as the following extract from a KPMG report indicates:

“The signs for 2012 do not tell a glowing tale of financial bliss for the golf industry. The past year was filled with challenge, and 2012 will bring even more – testing the mettle of businessmen and forcing golf courses and developers to further adapt or die....U.S. rounds are flat. But flat is the new up. The golf industry has seen a steady decline in rounds in recent years that can’t be attributed solely to weather. Demographic and economic trends have led to a slow bleeding of about a 2 percent decline each year. But the U.S. economy will experience a modest boost in 2012, and that should be enough to keep rounds flat. Savvy operators make moves to increase their play. But that will mean a decline in play and revenue for courses that have neglected maintenance or other investment needs. This will force more distressed properties to take action — either selling for giving up. Overall, U.S. golf supply will shrink by a modest one percent or less.” KPMG International Cooperative, January 17, 2012.

The budget understandably speaks about the development of a “Master Plan” related to golf course infrastructure improvements and a “Marketing Plan” to make the courses a “true golfing destination” as the management of golf operations understands the challenges facing the industry. However, the Town Administration and Town Council may wish to commission a review whether the Town should continue to be in the golf business or, as a corollary, whether it needs to own and operate two courses.

The Solid Waste Division of the Department of Public Works operates as an Enterprise Fund. Major changes in solid waste operations are currently under consideration and major increases in both costs and user fees are expected due to the close of the contract with Covanta, Inc. for the disposal of solid waste. A couple of cautionary notes can be gleaned from the proposed operating budget. First, recycling may not be the “cost saver” touted by some. The budget notes that:

“...recycling operation does not generate enough revenue to offset the cost of operations requiring this operation to be funded partially with surplus funds. A significant amount of the fund’s surplus is expected to be consumed by funding recycling program costs and debt repayment over the next 9 years.”

Indeed, when CFAC reviewed this operation, revenue from recycling only contributed half of the cost of the operation. And, while recycling tonnage that otherwise would be disposed by the Town's contract with Covanta will money with respect to disposal costs, increases in recycling tonnage also means increases in direct program costs.

Second, while the Town Council did increase sticker fees last year, the increase was not sufficient to make the program self-supporting.⁶

The Enterprise Fund for the Hyannis Youth and Community Center is subsidized by the General Fund and the decision to do so was made during the discussion surrounding the issuance of debt for the new facility. The direct subsidy is necessary and the HYCC Fund balance is insufficient to permit a subsidy similar to other Funds. Upon reflection, CFAC questions the wisdom of the initial decision to create the Enterprise Fund for the Hyannis Youth and Community Center operations. We recommend that the Fund should be terminated and the operation treated as a line division for all accounting and budgeting purposes as, in our opinion, the operation will never be in a position to be self-supporting. The expectation that the Youth Center could develop a revenue stream that would be sufficient to pay for debt service on the bonds used to construct the facility was, in retrospect, overly optimistic. In other words and in our judgment, revenue from the Youth Center operations will never equal its expenses.

CFAC also wishes to comment on the Barnstable Municipal Airport budget information. The Airport is an Enterprise Fund, supported in large measure by airport users. CFAC suggests that the budget line item roll-up entitled "Charges for Services", be broken up into its major component pieces in order to show, over the course of several years, trends in key revenue components, such as fuel sales.

In addition, the Airport has listed a mix of performance measures and workload measures. We would note that at a minimum the workload measures have some descriptive language explaining their significance. For example, the workload measure of "Airport Operations" without a more descriptive explanation means little to anyone outside of the management of the airport. Further, for a couple of the workload measures we recommend ten years of data. Airport projections for such things as "Enplanements" and "Fuel Sales", as set forth in the document, are meaningless without a longer term perspective showing trends.

⁶ CFAC has had an opportunity to review DPW calculations which is used to determine the pricing of sticker fees. An increase in sticker fees is warranted and, in addition, it is important to insure that costs are fully loaded into the calculations.

Last year’s review of the proposed operating budget for the Airport contained the following comment:

“...the Airport has been remarkably inaccurate in its estimates and projections. For example, in the then proposed FY10 budget the Airport management projected the dispensing of 1,222,085 gallons of aviation and jet fuel for FY10; the reality was 687,657 gallons. It is insufficient to state that the results were due to an “unforeseeable” downturn in the economy. Leaving aside whether it was foreseeable or not... the Airport has consistently estimated or projected enplanement and fuel sale numbers which have never materialized. Given the importance of the income related to these measures, the Council should insist upon better data and more accurate estimates.”

This year we viewed the data for total Airport revenue. The information below contains financial data from FY07 through April, FY13, measuring budgeted amounts compared actual receipts:

Year	Budget	Actual	Difference	Percent
FY07	\$5,892,986	\$6,971,040	\$1,078,054	+18.3%
FY08	6,354,084	7,600,486	1,246,402	+19.6%
FY09	6,665,584	7,107,019	441,435	+ 6.6%
FY10	7,252,349	5,655,232	1,597,117	(22.0%)
FY11	6,017,076	6,739,210	722,134	+12.0%
FY12	7,743,100	6,766,670	976.430	(12.6%)
FY13*	7,349,458	6,059,897	1,289,561	(incomplete)
2014	7,230,647	n/a	n/a	n/a

*FY13 amounts based on 10 months of data. Assuming an equal monthly distribution of receipts, final amount should be close to the budgeted amount.

We further reviewed two fuel-related revenue sources for the Airport. The largest source of revenue is fuel sales and associated fuel flowage fees. The chart below shows budget versus actual data:

FY07	Budget	Actual	Difference	Percent
jet fuel	\$3,261,736	\$3,949,620		
flowage	45,000	43,898		
total	3,306,736	3,993,518	686,782	+20.8%

FY08					
jet fuel	3,649,526	4,527,262			
flowage	50,000	36,260			
total	3,699,526	4,564,022	864,496		+23.4%
FY09					
jet fuel	4,071,419	4,354,410			
flowage	44,000	38,545			
total	4,115,419	4,392,955	277,536		+6.7%
FY10					
jet fuel	4,557,004	3,036,288			
flowage	39,000	48,304			
total	4,596,004	3,084,592	1,512,012		(32.9)%
FY11					
jet fuel	3,017,974	3,743,333			
flowage	40,000	58,774			
total	3,579,974	3,802,107	222,133		+6.2%
FY12					
jet fuel	4,312,054	3,783,514			
flowage	40,800	38,195			
total	4,352,854	3,821,709	531,145		(12.2)%
FY13*					
jet fuel	4,206,158	3,363,509			
flowage	45,000	40,618			
total	4,251,158	3,404,127	847,031		(incomplete)
FY14					
jet fuel	4,461,416				
flowage	45,000				
total	4,506,416				

*FY13 amounts based on 10 months of data. Assuming an equal monthly distribution of receipts, final amount should be approximately \$165,000 under budget, about 4%.

While we have highlighted fuel sales and flowage fees, there are other areas in the airports revenue line items, such as the rental of vehicle space, terminal rental, land rental, etc. that show a high degree of variance. See Appendix A.

It is important to note that the Airport, on a cash basis, has run a deficit for FY12 and deficits are expected for FY13 and FY14. The Airport, not surprisingly, has not been

immune to the impact of the recession, as noted in the following comments by the Airport Manager:

“A continuing decline in the number of passengers boarding commercial flights at Barnstable Municipal Airport in Hyannis is prompting concern from the airport manager. “We’re trending toward under 100,000” for the year, airport manager Roland W. “Bud” Breault Jr. said Wednesday. “That’s incredible.” Six years ago, in 2006, enplanements at the airport totaled 203,240. Since then, enplanements have continued to drop. Last year, they fell to 100,521, half of the 2006 total. Through October of this year, enplanements totaled 80,861. Even if enplanements for November and December match those of last year, the total for the current year will only reach about 95,000. “I had hoped we had bottomed out,” Mr. Breault said.

He reviewed the enplanement numbers at Wednesday’s meeting of the airport commission finance subcommittee. The decline in enplanements has a direct effect on federal funding for capital improvements at the airport. Mr. Breault said capital funding that comes to the airport under the Federal Aviation Administration’s Airport Improvement Program has fallen in recent years from \$1.8 million to \$1.2 million a year. Program funding is based on a formula that includes enplanement totals. The program plays a key role in funding capital improvements at the airport. Additional federal grants sometimes become available, Mr. Breault said, but are not guaranteed.” Barnstable Enterprise, December 7, 2012.

The Town Council and Administration should be no less concerned.

9. School Department. CFAC has been tracking long term financial, staffing and pupil data for several years. See page 14 for the multi-year table. Unfortunately, the decision to centralize health insurance expenditures, thus removing them from department budgets, hampers the ability of the Committee to present a chart of key data which is consistent with its past practice.

The current school budget shows that since FY02, the highest recent point in terms of student enrollment, the number of students in the Barnstable school system has **decreased** by 23% (7,049 versus 5,434) and total school spending has **increased** by about 21.6% since FY05 (\$51.777 million versus \$62.950 million). On a per student basis total school spending has **increased** by over 45% since FY05. In FY14 we will be spending about \$11,584 per student per year. During this same time period, “required net school spending” per pupil has increased from \$6,579 to \$10,190, or an increase of 55%. The FY14 budget of \$11,584 per student spending is 13.6% above the required amount, though is under the statewide average of per pupil spending.

After ten years and without significant exception, student enrollment has been less than the year before. CFAC notes that the new Superintendent and the School Committee launched an initiative for the current fiscal year to better market the many strengths of the Barnstable School system. In light of that initiative, the FY13 budget had projected a net increase of about 40 students for this year. Unfortunately, the

increase is four students, though the initiative may have slowed the drop in student enrollment. **CFAC does note that in eleven or twelve years, at the current rate of student attrition, the school population will be one-half of its highest point in 2003.** Changing population patterns, demographics and increasing competition among various schools will prove to be a challenge, marketing initiatives notwithstanding. In an article in a local newspaper, the writer noted that the decrease in students was not confined to any one community:

“The Class of 2012 across the Cape’s municipal school districts numbered 1,533 students. Ten years ago, when these kids were in second grade, there were 2,010 of them. That’s a drop of 23.73% over the past decade, according to data provided by the Massachusetts Department of Elementary and Secondary Education. Falmouth was hit hardest, with a drop of 47% from 324 second graders in 2002 to 170 seniors in 2012. Dennis-Yarmouth’s class of 2012 shrank 37% in the same decade. The only traditional school district that added students was Nauset, whose class of 2012 grew by 24.75% from 2002 to 2012.” Cape Cod Today, December 16, 2012.

And, another article with a statewide perspective recognized the same trend in public school enrollment:

“Since 2003, enrollment in public schools in Massachusetts has fallen by 35,000 students, or 4%. The decline has occurred even while enrollment in the rest of the country has increased. The early years of this enrollment decline were documented in a Pioneer Institute report in 2008.

Massachusetts is losing students for two related reasons: the population is not growing very quickly due to people moving out of the state, and the population is old and getting older with a relatively small number of children born each year.

While the enrollment decline has continued, some of the trends have changed in recent years. In 2008, the drop in enrollment was concentrated in western Massachusetts and the Cape, but since 2008 the decline has spread to other areas. From 2003 to 2008 large urban districts shrank more than twice as fast as other districts, but in the past four years their enrollment is relatively flat while other areas have shrinking enrollment. Charter school enrollment has continued to rise over the past four years, although the growth has fallen as the pace of new school openings slowed.

The decline started in 2004, and projections from the Department of Elementary and Secondary Education suggest that it is likely to continue. By 2020, the state could lose another 30,000 students – doubling the loss to date.” [Enrollment Trends in Massachusetts, An Update](#), Pioneer Institute, October, 2012.

These trends are remarkable and, assuming they continue, will clearly cause significant financial and political stress in the not too distant future.

There is not much the Town can do to neither alter demographics nor greatly influence the Commonwealth in terms of its education spending mandates or CH70 aid. However, the Town administration and Council, in conjunction with the School Committee, could begin a thoughtful process of strategizing how they will handle the problems caused by these virtually uncontrollable demographic trends. If nothing is done the decline in enrollment and the inescapable pressure to maintain robust education funding will erode support for the public school system. Taxpayers without children in the school system may be supportive of public education, but not at any cost or where private education options become cost competitive and educationally attractive. Perhaps any long range business and marketing strategy should go hand in hand with the politically long and demanding process of discussing regionalizing the Barnstable school system with one or more adjoining Cape Cod communities.

FISCAL YEAR	ENROLLMENT	STAFFING - FTE's	ACTUAL APPROPR./BUDGET	EXPENDITURES PER STUDENT	REQUIRED NET SCHOOL SPNDG.	ALL SCHOOL EXPEND.	EXPENDITURES PER STUDENT
2002	7,049				\$46.374		
2003	6,827	973.74			\$48.244	\$51.196	\$7,263
2004	6,742	935.24			\$48.768	\$51.394	\$7,623
2005	6,501	903.24	\$52.310	\$8,047	\$51.297	\$51.777	\$7,965
2006	6,310	903.24	\$54.425	\$8,625	\$53.133	\$56.004	\$8,875
2007	5,980	911.30	\$56.616	\$9,468	\$53.667	\$59.078	\$8,974
2008	5,814	903.54	\$58.643	\$10,087	\$53.194	\$59.937	\$10,309
2009	5,706	891.38	\$60.437	\$10,592	\$53.192	\$61.496	\$10,777
2010	5,583	811.58	\$52.294	\$9,367	\$53.190	\$58.980	\$10,564
2011	5,492	812.58	\$53.067	\$9,663	\$52.663	\$57.426	\$10,456
2012	5,381	813.03	\$55.175	\$10,123	\$51.917	\$60.112	\$11,171
2013 (proj)	5,429	815.53	\$55.856	\$10,297	\$53.485	\$61.255	\$11,282
2014 (prop)	5,434	809.23	\$57.255	\$10,536	\$54.446	\$62.950	\$11,584
FY05/FY14	-16.4%	-10.04%					
HP/FY14	-23.0%	-16.90%					

HP =
Highest
Point

**NOTES TO
CHART:**

- Starting in FY13, the Administration has removed health insurance expenses from all departments. Thus, approximately \$4 to \$5 million in school expenses are now located in the line item for Town-wide health insurance. Town budgets for FY10, FY 11 and FY12 have been restated. Average per pupil amounts are thus understated for those years.
- Amounts do not include Sturgis Charter schools or Cape Cod Tech. assessments.

10. Boat Excise Tax. The profile for boat excise tax revenue is somewhat unusual, showing both annual reductions and growth over the ten years as captured on the bar chart on page 67. CFAC requested additional information on this relatively small revenue stream.

Boat excise taxes are set at \$10 per \$1,000 of boat value, but are capped at \$50,000 for any vessel, regardless of the boats value. The excise tax for most boats is relatively small and thus the motivation to collect unpaid excise tax bills is less than for property taxes.

Actual receipts for the boat excise tax follow:

BOAT EXCISE	COLLECTED IN						
	FY08	FY09	FY10	FY11	FY12	FY13 TO DATE	TOTAL
FY08	151,024.00	3,615.09	4,806.74			53.00	159,498.83
FY09		145,457.31	17,081.79	471.78	453.05	263.00	163,726.93
FY10			141,225.14	9,602.51	699.00	65.00	151,591.65
FY11				143,326.46	1,316.09	5.16	144,647.71
FY12					131,852.76	3,127.54	134,980.30
FY13						125,623.21	125,623.21

For any one year the boat excise tax receivable is not great, but in the aggregate boat owners owe the Town about \$140,000 as shown below:

BOAT EXCISE REC - FY04	\$12,147.31
BOAT EXCISE REC - FY05	\$12,000.92
BOAT EXCISE REC - FY06	\$15,645.10
BOAT EXCISE REC - FY07	\$13,390.24
BOAT EXCISE REC - FY08	\$15,973.17
BOAT EXCISE REC - FY09	\$10,906.09
BOAT EXCISE REC - FY10	\$9,809.42
BOAT EXCISE REC - FY11	\$9,935.06
BOAT EXCISE REC - FY12	\$13,740.50
BOAT EXCISE REC - FY13	\$29,830.40

CFAC has inquired about the effectiveness of its collection efforts for overdue amounts. The brief period of time for our review did not allow for a response and the Town Council may wish to follow-up on our quick review. In addition, the Town may want to direct the Administration, working with other communities, the Massachusetts Association of Treasurers and Collectors and the Massachusetts Municipal Association, to press the state legislature for changes in the excise measure that would make the excise more directly related to the value of boats registered in the Commonwealth of Massachusetts and to make collection of overdue taxes more certain.

11. Miscellaneous. A few other budget notes follow:

The data presented for the Municipal Airport enplanements on page 13 is different than the Airport numbers presented in their budget on page 331.

The data for building permits for FY12 on page 11 shows the highest number of issued permits in ten years, though the total value for permits is down from FY11. The trend may be an indication that the estimates for expected property tax for “new growth” may be higher than estimated, presuming no worsening in the economy.

There is no discussion in the budget with respect to future cost operating (or capital) impacts resulting from the implementation of the much discussed and reviewed Comprehensive Wastewater Management Plan. While it is and has been true that the Town is awaiting the results of work being done by a Town citizen committee, some discussion of the large operating and capital costs associated with the program does not need to await the work of the committee. Short of not doing the necessary work, any formulation will have a major impact on both budgets. As a suggestion, on page 82 of the budget there is a helpful explanation of the Town reserves. It is evident that there is a fund amount in excess of the Council adopted policy of 4% of the general fund to be held as a reserve. The Council may wish to earmark an additional portion of that excess for future debt service obligations associated with the Town’s wastewater capital program.

Finally, CFAC has previously noted its concern with respect to the brief window it has to thoroughly review the proposed Town operating budget and prepare a meaningful report. Indeed, the short window makes any significant interaction with Town departments impossible. We do want to acknowledge, though, that the Finance Director made a major effort to distribute copies of the proposed budget as soon as it could be made available and CFAC appreciates his efforts. Copies of the budget were received on May 13th, three days earlier than last year. This report will be sent to Council on or about June 1st, a very short time to conduct our review.

The Committee once again wishes to thank the Finance Director for his assistance and clear willingness to address the issues contained in this letter and we look forward to continued discussions on ways to improve the town’s budgeting policy and practices.

Sincerely,

A handwritten signature in cursive script that reads "Laura Cronin". The signature is written in a dark ink and is positioned above the typed name.

Laura Cronin
Chairman, CFAC

cc: Members of the Town Council
Members of CFAC
Tom Lynch, Town Manager
Mark Milne, Director of Finance

APPENDIX A

**BARNSTABLE MUNICIPAL AIRPORT
REVENUE**

**FY07-
FY09**

			FY07		FY08		FY09	
			BUDGET	ACTUALS	BUDGET	ACTUALS	BUDGET	ACTUALS
607700	417000	JET FUEL TAX LANDING FEES- GENERAL	-	123,532.78	-	-	-	-
607700	421010	AVIATION GROUND POWER	100,000.00	133,117.58	125,000.00	158,603.79	135,000.00	140,367.84
607700	421011	UNIT CHARGES LANDING FEES-	3,000.00	2,475.00	3,000.00	3,200.00	3,000.00	2,450.00
607700	421020	AIRLINES AIRCRAFT	155,000.00	179,478.18	170,000.00	240,024.80	170,000.00	211,765.62
607700	421030	PARKING FEES	19,000.00	27,142.60	25,000.00	16,657.00	25,000.00	20,657.00
607700	421040	JET FUEL FUEL FLOWAGE	3,261,736.00	3,949,620.28	3,649,526.00	4,527,762.03	4,071,419.00	4,354,410.04
607700	421041	FEES JET FUEL	45,000.00	43,897.86	50,000.00	36,260.18	44,000.00	38,545.39
607700	421050	ADDITIVE MOGAS AND	16,000.00	13,594.04	15,000.00	12,851.28	15,000.00	8,349.83
607700	421060	DIESEL FIXED BASED-	15,000.00	14,830.82	20,000.00	15,879.48	16,000.00	19,342.01
607700	421070	HYANNIS AIR FIXED BASED-	7,000.00	7,312.08	4,000.00	5,330.86	5,000.00	4,376.69
607700	421071	GRIFFEN FIXED BASED-	10,000.00	8,071.05	8,000.00	11,051.17	8,000.00	11,491.25
607700	421072	CAPE FLIGHT FIXED BASE -	6,000.00	4,074.08	4,000.00	484.00	4,000.00	308.70
607700	421074	RECTRIX FIXED BASE - AIR	-	-	-	-	-	8,977.55
607700	421075	CAPE COD	-	-	-	-	-	-
607700	421090	HANGER RENTAL TIE DOWN	89,000.00	91,470.00	84,000.00	84,189.00	91,000.00	50,365.88
607700	421091	RENTAL TERMINAL	8,500.00	8,551.17	11,000.00	9,462.78	9,000.00	8,547.50
607700	421092	RENTAL LAND LEASE	150,000.00	225,599.73	105,000.00	131,613.95	13,000.00	180,526.81
607700	421093	RENTAL RENTAL CAR	180,552.00	129,439.24	250,000.00	259,944.32	230,000.00	268,272.81
607700	421094	SPACE RENTAL TERMINAL RENT -	30,000.00	54,343.81	20,000.00	48,000.00	60,000.00	58,243.04
607700	421095	NON AERO LAND LEASE -	49,288.00	62,262.86	50,000.00	65,362.62	62,000.00	57,905.50
607700	421096	NON AERO COMMAND UNIT	178,730.00	213,605.89	202,000.00	229,274.74	216,680.00	245,848.20
607700	421097	STORAGE HYANNIS WATER	1,680.00	1,680.00	1,680.00	280.00	-	-
607700	421098	WELL LEASE VEHICLE PARKING	-	-	-	-	-	-
607700	421130	CONCESSIONS RENTAL CAR	875,000.00	700,742.95	681,000.00	770,226.41	725,000.00	596,313.75
607700	421131	CONCESSIONS	365,000.00	370,490.09	430,000.00	451,523.21	395,000.00	472,987.50
607700	421133	AIR FREIGHT ADVERTISING	17,000.00	23,299.71	20,000.00	26,313.02	23,000.00	21,000.94
607700	421134	CONCESSIONS	10,000.00	18,260.32	10,000.00	17,975.81	15,000.00	22,493.50

607700	421135	MISCELLANEOUS CONCESSIONS TERMINAL	3,000.00	7,738.00	1,000.00	5,136.30	1,000.00	1,204.89
607700	421136	COMMISSIONS RECTRIX - CONCESSION	39,000.00	529.45	20,000.00	595.96	2,000.00	619.28
607700	421137		-	9,512.82	9,000.00	22,928.44	17,485.00	17,422.16
607700	421200	ID FEES CUSTOMER	3,500.00	7,735.00	3,500.00	9,633.00	4,000.00	7,299.65
607700	431112	FACILITY CHARGE PASSENGER	-	-	-	-	-	-
607700	431115	FACILITY CHARGE GRANT - FEDERAL	-	-	-	-	-	-
607700	464080	- TSA SECURITY EARNINGS ON	-	92,840.44	-	71,937.42	-	101,635.85
607700	474020	INVESTMENT FINANCE	250,000.00	438,282.51	377,878.00	363,630.65	300,000.00	159,013.87
607700	474030	CHARGES SALE OF BONDS- PREMIUM	3,000.00	376.96	3,000.00	1,305.09	3,000.00	1,926.78
607700	475030		-	-	-	-	-	3,604.07
607700	475080	REIMBURSEMENTS	-	2,784.34	-	1,108.38	-	7,640.51
607700	475090	MISCELLANEOUS	1,000.00	3,383.89	1,000.00	1,492.23	1,000.00	2,886.35
607700	721073	FIXED BASE - AMA	1,000.00	964.09	500.00	447.80	1,000.00	217.92
		GRAND TOTAL	5,892,986.00	6,971,039.62	6,354,084.00	7,600,485.72	6,665,584.00	7,107,018.68

**BARNSTABLE MUNICIPAL AIRPORT
REVENUE**

**FY10-
FY12**

			FY10		FY11		FY12	
			BUDGET	ACTUALS	BUDGET	ACTUALS	BUDGET	ACTUALS
607700	417000	JET FUEL TAX LANDING FEES- GENERAL	-	-	-	-	-	-
607700	421010	AVIATION GROUND POWER	135,000.00	160,355.00	155,000.00	161,745.37	155,000.00	146,810.01
607700	421011	UNIT CHARGES LANDING FEES-	3,000.00	2,125.00	3,000.00	2,275.00	3,000.00	1,850.00
607700	421020	AIRLINES AIRCRAFT	170,000.00	189,293.50	340,000.00	302,515.12	340,000.00	258,578.43
607700	421030	PARKING FEES	21,250.00	18,604.00	24,250.00	14,472.00	24,500.00	12,537.00
607700	421040	JET FUEL FUEL FLOWAGE	4,557,004.00	3,036,288.02	3,017,974.00	3,743,332.54	4,312,054.00	3,783,513.99
607700	421041	FEES	39,000.00	48,304.49	40,000.00	58,773.52	40,800.00	38,195.44
607700	421050	JET FUEL ADDITIVE MOGAS AND	15,000.00	7,008.74	8,000.00	4,041.14	-	-
607700	421060	DIESEL	16,000.00	10,069.63	16,000.00	12,215.97	19,200.00	13,364.42
607700	421070	FIXED BASED- HYANNIS AIR	5,000.00	672.82	4,000.00	4,423.01	4,000.00	6,387.22
607700	421071	FIXED BASED- GRIFFEN	8,000.00	10,292.38	11,000.00	9,135.57	11,000.00	9,075.38

607700	421072	FIXED BASED- CAPE FLIGHT FIXED BASE -	4,000.00	443.49	-	303.65	-	423.20
607700	421074	RECTRIX FIXED BASE - AIR	22,485.00	-	22,485.00	18,813.97	22,485.00	25,734.66
607700	421075	CAPE COD	-	-	-	-	-	-
607700	421090	HANGER RENTAL TIE DOWN	91,000.00	38,149.83	64,657.00	57,631.51	89,697.00	37,202.63
607700	421091	RENTAL TERMINAL	9,000.00	5,300.00	6,000.00	3,841.69	5,300.00	4,300.00
607700	421092	RENTAL LAND LEASE	156,250.00	159,448.72	145,886.00	153,555.30	176,791.00	98,506.73
607700	421093	RENTAL RENTAL CAR	237,500.00	281,106.51	345,000.00	322,121.05	319,034.00	345,709.42
607700	421094	SPACE RENTAL TERMINAL RENT -	60,000.00	55,168.18	59,000.00	58,750.00	60,000.00	60,000.00
607700	421095	NON AERO LAND LEASE -	62,000.00	46,472.84	55,912.00	34,609.62	55,486.00	35,426.29
607700	421096	NON AERO COMMAND UNIT	216,680.00	241,806.43	151,161.00	135,864.16	180,702.00	180,462.79
607700	421097	STORAGE HYANNIS WATER	-	-	-	-	-	-
607700	421098	WELL LEASE VEHICLE PARKING	-	1,510.62	-	18,269.32	18,127.00	18,745.88
607700	421130	CONCESSIONS RENTAL CAR	752,090.00	494,043.44	530,000.00	534,114.58	630,000.00	501,165.17
607700	421131	CONCESSIONS	422,090.00	456,157.59	422,090.00	574,667.24	606,708.00	649,202.46
607700	421133	AIR FREIGHT ADVERTISING	23,000.00	17,185.79	22,000.00	16,409.53	20,000.00	23,726.00
607700	421134	CONCESSIONS MISCELLANEOUS	15,000.00	18,593.70	15,000.00	18,931.61	18,000.00	13,141.53
607700	421135	CONCESSIONS TERMINAL	1,000.00	4,549.62	1,000.00	4,497.01	1,000.00	4,497.01
607700	421136	COMMISSIONS RECTRIX -	2,000.00	542.72	2,000.00	444.05	2,000.00	889.60
607700	421137	CONCESSION	-	3,532.16	-	6,525.33	-	-
607700	421200	ID FEES CUSTOMER	4,000.00	7,585.56	3,000.00	11,202.11	5,000.00	12,705.79
607700	431112	FACILITY CHARGE PASSENGER	-	131,281.20	150,452.00	164,174.00	181,460.00	154,258.00
607700	431115	FACILITY CHARGE GRANT - FEDERAL	-	-	220,000.00	61,355.17	250,047.00	164,066.60
607700	464080	- TSA SECURITY EARNINGS ON	50,000.00	128,346.90	87,709.00	77,376.60	87,709.00	114,489.60
607700	474020	INVESTMENT FINANCE	150,000.00	67,646.30	90,000.00	115,673.36	100,000.00	46,659.62
607700	474030	CHARGES SALE OF BONDS-	3,000.00	1,004.41	3,000.00	1,215.09	3,000.00	352.01
607700	475030	PREMIUM	-	-	-	34,943.96	-	3,248.71
607700	475080	REIMBURSEMENTS	-	-	-	-	-	698.23
607700	475090	MISCELLANEOUS	1,000.00	12,342.53	1,000.00	990.55	1,000.00	745.67
607700	721073	FIXED BASE - AMA	1,000.00	-	500.00	-	-	-
		GRAND TOTAL	7,252,349.00	5,655,232.12	6,017,076.00	6,739,209.70	7,743,100.00	6,766,669.49

**BARNSTABLE MUNICIPAL AIRPORT
REVENUE**

**FY13-
FY14**

			FY13 BUDGET	ACTUALS	FY14 BUDGET
607700	417000	JET FUEL TAX LANDING FEES- GENERAL	-	-	
607700	421010	AVIATION GROUND POWER	155,000.00	145,998.80	160,000.00
607700	421011	UNIT CHARGES LANDING FEES-	3,000.00	2,275.00	2,500.00
607700	421020	AIRLINES AIRCRAFT	300,000.00	234,314.80	225,000.00
607700	421030	PARKING FEES	18,000.00	10,358.00	12,000.00
607700	421040	JET FUEL FUEL FLOWAGE	4,206,158.00	3,363,508.84	4,461,416.00
607700	421041	FEES JET FUEL	45,000.00	40,617.83	45,000.00
607700	421050	ADDITIVE MOGAS AND	-	-	-
607700	421060	DIESEL FIXED BASED-	14,000.00	13,320.06	14,000.00
607700	421070	HYANNIS AIR FIXED BASED-	4,000.00	4,899.43	5,000.00
607700	421071	GRIFFEN FIXED BASED-	9,500.00	8,735.60	8,000.00
607700	421072	CAPE FLIGHT FIXED BASE -	-	625.27	-
607700	421074	RECTRIX FIXED BASE - AIR	25,000.00	22,856.26	30,000.00
607700	421075	CAPE COD	-	-	350.00
607700	421090	HANGER RENTAL TIE DOWN	90,000.00	33,846.69	91,278.00
607700	421091	RENTAL TERMINAL	5,300.00	4,375.00	5,300.00
607700	421092	RENTAL LAND LEASE	147,000.00	81,317.00	122,012.00
607700	421093	RENTAL RENTAL CAR	340,000.00	341,164.28	335,000.00
607700	421094	SPACE RENTAL TERMINAL RENT -	60,000.00	61,600.00	78,000.00
607700	421095	NON AERO LAND LEASE -	50,000.00	51,600.00	56,800.00
607700	421096	NON AERO COMMAND UNIT	170,000.00	207,733.56	238,500.00
607700	421097	STORAGE HYANNIS WATER	-	-	-
607700	421098	WELL LEASE VEHICLE PARKING	18,000.00	15,942.90	19,991.00
607700	421130	CONCESSIONS RENTAL CAR	568,000.00	267,900.81	480,000.00
607700	421131	CONCESSIONS	607,000.00	689,360.07	360,000.00
607700	421133	AIR FREIGHT ADVERTISING	21,000.00	20,033.50	21,000.00
607700	421134	CONCESSIONS	12,000.00	10,838.21	25,000.00

607700	421135	MISCELLANEOUS CONCESSIONS TERMINAL	3,000.00	4,497.01	5,000.00
607700	421136	COMMISSIONS RECTRIX -	500.00	15,867.31	500.00
607700	421137	CONCESSION	-	6,610.40	0
607700	421200	ID FEES CUSTOMER	9,000.00	7,180.00	6,000.00
607700	431112	FACILITY CHARGE PASSENGER	175,000.00	142,512.00	74,400.00
607700	431115	FACILITY CHARGE GRANT - FEDERAL	166,000.00	165,654.47	210,000.00
607700	464080	- TSA SECURITY EARNINGS ON	77,000.00	37,050.00	87,600.00
607700	474020	INVESTMENT FINANCE	50,000.00	45,944.44	50,000.00
607700	474030	CHARGES SALE OF BONDS-	-	1,278.46	-
607700	475030	PREMIUM	-	-	0
607700	475080	REIMBURSEMENTS	-	-	-
607700	475090	MISCELLANEOUS	1,000.00	80.52	1,000.00
607700	721073	FIXED BASE - AMA	-	-	-
		GRAND TOTAL	7,349,458.00	6,059,896.52	7,230,647.00

NOTE: FY13 Actuals are through April 2013