

TOWN OF BARNSTABLE



FISCAL 2017

Operating Budget Summary

Thomas K. Lynch - Town Manager

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SUMMARY OF ALL APPROPRIATED FUNDS

Fund	Actual		Budget		FY 2016 - 2017	
	FY 2015	FY 2016	FY 2017	\$ Change	% Change	
General Fund	\$142,367,485	\$153,360,141	\$153,516,536	\$156,395	0.10%	
Airport Enterprise	7,852,708	7,915,852	6,093,528	(1,822,324)	-23.02%	
Water Pollution Control Enterprise	4,222,820	4,463,158	4,692,412	229,254	5.14%	
Water Supply Enterprise	3,863,074	4,389,768	5,270,312	880,544	20.06%	
Solid Waste Enterprise	2,850,186	3,362,811	3,403,815	41,004	1.22%	
Golf Enterprise	2,997,498	3,242,906	3,431,181	188,276	5.81%	
HYCC Enterprise	3,006,004	3,185,270	3,221,011	35,742	1.12%	
Marina Enterprise	650,119	703,731	797,403	93,672	13.31%	
Sandy Neck Enterprise	881,584	865,717	937,998	72,281	8.35%	
Total All Budgeted Funds	\$168,691,478	\$181,489,353	\$181,364,196	(\$125,157)	-0.07%	
All Funds Net Of Transfers	<u>\$162,190,271</u>	<u>\$171,673,067</u>	<u>\$175,226,998</u>	<u>\$3,553,931</u>	2.07%	
All Funds Net of Transfers and Snow Removal Deficit	<u>\$159,588,484</u>	<u>\$169,071,280</u>	<u>\$173,726,998</u>	<u>\$4,655,718</u>	2.75%	
General Fund Net of Transfers and Snow Removal Deficit	<u>\$ 134,887,547</u>	<u>\$142,569,600</u>	<u>\$147,606,992</u>	<u>\$ 5,037,392</u>	3.53%	
Full-time Equivalent Employees	1274.80	1280.85	1292.25	11.40		

The total proposed FY17 operating budget for the town of Barnstable's appropriated funds is \$181,364,196. This is a decrease from the FY16 budget of \$125,157. In addition to the General Fund, this figure includes the town's eight Enterprise Fund operations. These funds comprise the town's annually appropriated funds. The decrease is attributable to the large reduction in the Airport Enterprise Fund, a reduction in the amount transferred to the Capital Trust Fund and a reduction in snow removal costs in FY16.

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 FY17 budget increase of \$3,553,931 or 2.07%. The budget increase includes a net of 11.40 new full-time equivalent (fte) positions; 12.95 in the General Fund offset by a reduction of 1.55 for all of the Enterprise Funds. The School Department's fte are increasing by 6.25 and the Municipal Operations by 6.70 fte. The Airport Enterprise Fund's fte are decreasing by 2 and the Enterprise Funds under the Public Works Department are increasing .45 fte.

Eliminating snow removal costs from the budgets provides one more way to view the budget. Since these costs can vary significantly from year-to-year it provides a better picture of the recurring operating costs. Removing these costs reveal that the overall operating budgets are increasing \$4,655,718 or 2.75%.

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 is the fund that receives all property tax revenue except for property tax surcharges for the Community Preservation Act. User fees primarily support the Enterprise Funds. Residents that access these services pay a fee to support the operation. The fees charged by the Enterprise Fund operations are set at levels, which should allow them to cover all operational and capital costs unless a general fund subsidy is provided.

The General Fund budget is increasing \$156,395 in FY17. This includes transfers and snow removal costs. Removing those costs result in a General Fund budget increase of \$5,037,392 or 3.53%. Municipal operations are increasing \$1,315,368, education expenditures are increasing \$2,122,273 and fixed costs are increasing \$1,599,751. Major factors contributing to the increase in the overall budget are contractual labor obligations, an increase of 6.25 full-time equivalents in the local school operations, the addition of 6.70 full-time equivalents in the municipal operations, wage increases for seasonal employees to meet state minimum wage requirements, seasonal Community Service Officers in the Police Department, software licensing and hardware maintenance fees across departments, training funds in the Police Department, additional funds for materials and supplies in Public Works, an increase for operating capital in the municipal operations, an increase in pension and healthcare costs, program enhancements in the School Department for preventative maintenance, textbooks and a K-5 reading program, and an increase in debt service.

The large reduction in the Airport Enterprise Fund budget is due to the bankruptcy filing of Island Airlines. This company accounted for approximately 25% of the Airport's fuel sales as well as other airport revenues. As a result, the airport will require less funding for fuel purchases and two full-time positions will be eliminated.

The increase in the Water Pollution Control Enterprise Fund budget is due to an increase in operating expenses, employee benefits, and debt service.

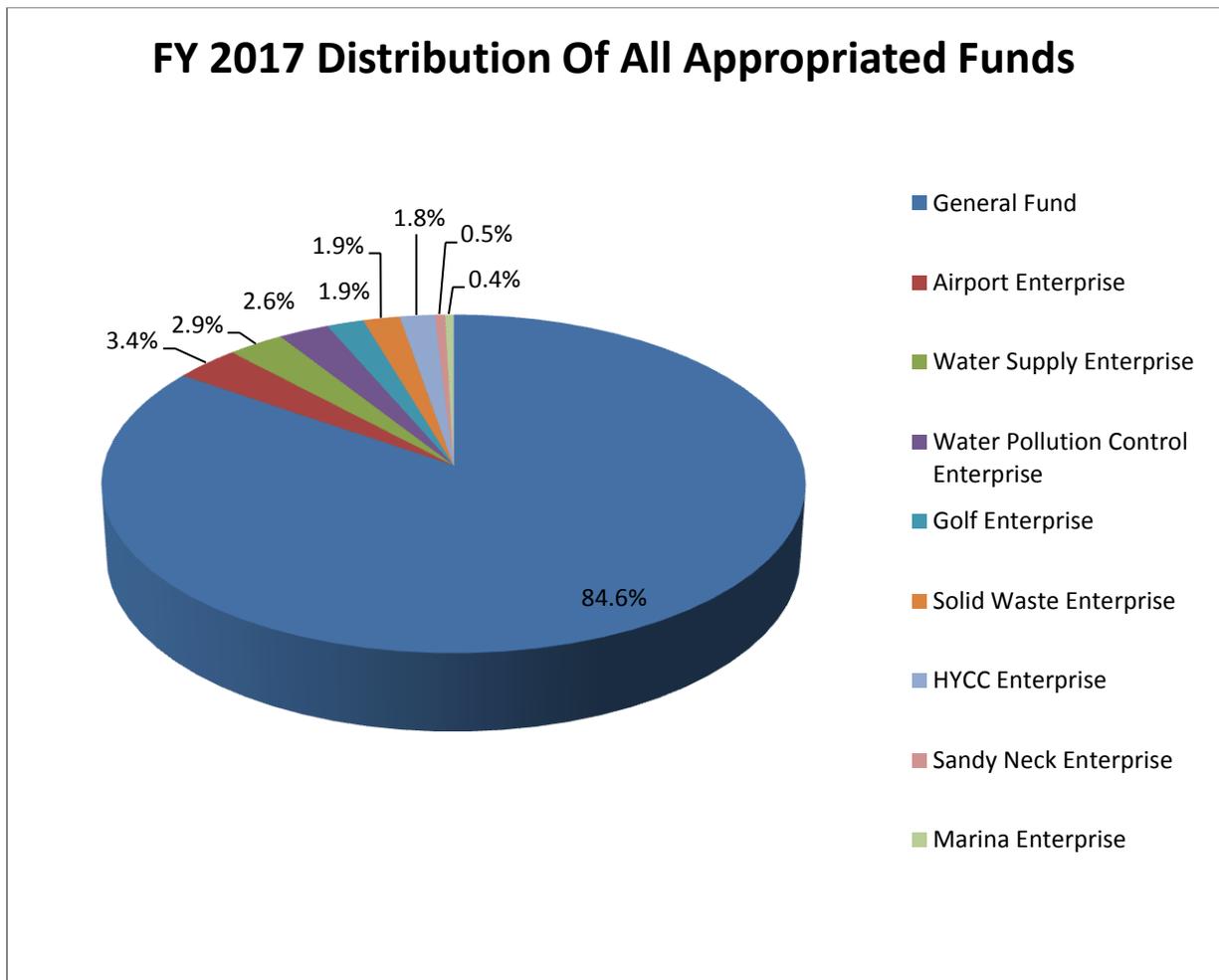
The Water Enterprise Fund budget is increasing primarily due to an increase in the management contract for operating the system, additional funding to purchase water from the town of Yarmouth, if needed, and funding to maintain the new carbon filter treatment system.

The Solid Waste and HYCC enterprise fund budgets are increasing mainly due to contractual salary increases and increases in employee benefit costs.

The Golf Course Enterprise Fund is increasing due to contractual pay increases, an increase in the minimum wage for seasonal employees, funding for a marketing analysis, pump replacement, and an increase in debt service.

The Sandy Neck Enterprise Fund is increasing due to contractual labor obligations, seasonal employee wage increases, additional funds for the purchase of merchandise for resale, and funding for improvements to the gatehouse.

The Marina Enterprise Fund is increasing mainly due to an increase in debt service for bonds issued in FY16 with the first payments due in FY17.



The General Fund comprises 85% of all spending for the funds requiring annual appropriation. The airport is the largest enterprise fund and comprises 3.4% of all spending.

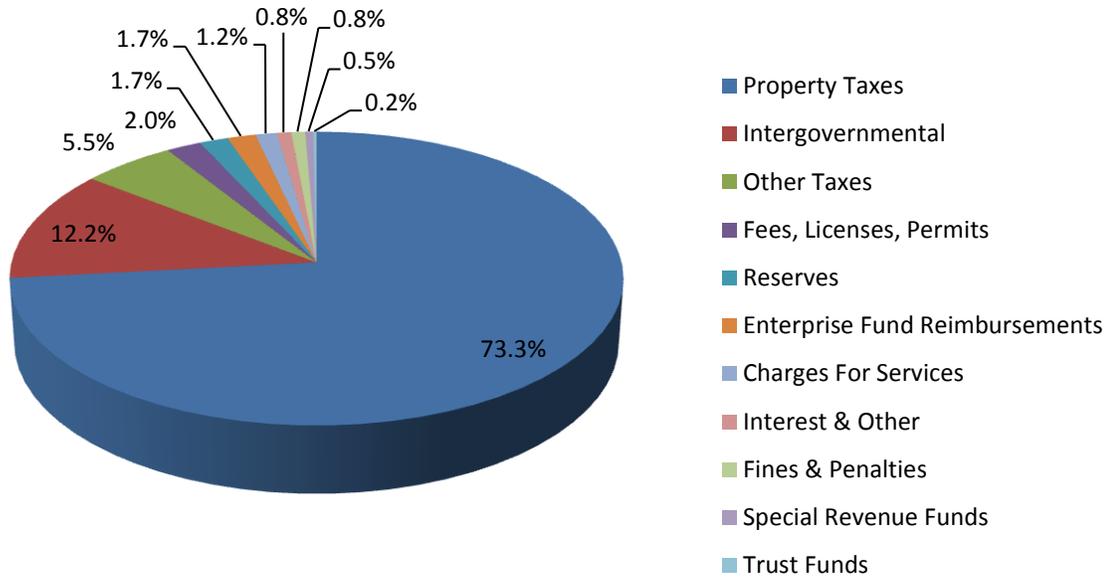
GENERAL FUND REVENUE SUMMARY

	Actual FY 2015	Budget FY 2016	Budget FY 2017	Change FY16- 17	Percent Change
<u>Property Taxes:</u>					
Tax Levy		110,547,068	114,243,675	\$ 3,696,607	3.34%
Reserved for Abatements and Exemptions		(1,724,851)	(1,700,000)	24,851	-1.44%
Property Taxes Available for Operations	104,269,489	108,822,217	112,543,675	3,721,458	3.42%
<u>Other Taxes:</u>					
Motor Vehicle Excise Tax	6,901,670	6,082,645	6,485,683	403,038	6.63%
Boat Excise Tax	131,523	130,000	130,000	-	0.00%
Motel/Hotel Excise Tax	1,793,403	1,790,000	1,790,000	-	0.00%
Payments in Lieu of Tax	30,084	28,000	28,000	-	0.00%
Total Other Taxes	8,856,680	8,030,645	8,433,683	403,038	5.02%
<u>Other Resources:</u>					
Intergovernmental	18,021,185	17,741,040	18,782,718	1,041,678	5.87%
Fines & Penalties	1,345,840	1,300,000	1,250,000	(50,000)	-3.85%
Fees, Licenses, Permits	3,444,222	3,205,000	3,144,100	(60,900)	-1.90%
Charges For Services	1,748,463	1,720,000	1,910,000	190,000	11.05%
Interest and Other	1,447,833	821,800	1,298,500	476,700	58.01%
Special Revenue Funds	846,902	670,053	738,853	68,800	10.27%
Enterprise Funds	1,989,605	2,579,351	2,560,007	(19,344)	-0.75%
Trust Funds	290,000	280,000	270,000	(10,000)	-3.57%
Reserves	107,266	8,190,035	2,585,000	(5,605,035)	-68.44%
Total Other Resources	29,241,316	36,507,279	32,539,178	(3,968,101)	-10.87%
Total General Fund Resources	\$ 142,367,485	\$ 153,360,141	\$ 153,516,536	\$ 156,395	0.10%

Overall, the total General Fund resources used to balance the FY17 budget are essentially level with the FY16 budget. A significant amount of reserves were used to balance the FY16 budget as some were transferred to the Capital Trust Fund to enhance the town's capital program and there was a significant snow removal deficit included in the FY16 budget.

In FY17, property taxes are projected to increase \$3.7 million. Excluding reserves, 65% of the revenue growth for FY17 is from property taxes, 18% from intergovernmental resources and the remaining 17% from other local sources. A change in the Chapter 70 education funding formula results in a larger increase in intergovernmental aid for the town in FY17. Of the \$1,041,678 increase in intergovernmental revenue, \$929,875 is from Chapter 70 aid. Reserves used to balance the budget will decline significantly by \$5.6 million as will the corresponding expenditures funded from here, which include snow removal and transfers to the Capital Trust Fund.

Distribution of FY 2017 General Fund Resources



Property and other taxes provide 79% of the resources used to balance the general fund operating budget. Intergovernmental aid provides 12% of the total resources with all other categories providing the remaining 9%.

Property Taxes. The tax levy is projected to grow consistent with the provisions of Proposition 2½ and the Town Council’s budget policy. No property tax overrides are proposed for FY17 to balance the operating or capital budgets. The FY17 tax levy is projected to grow by \$3,696,607 over the FY16 tax levy. The projected tax levy is calculated as follows:

FY16 Base Tax Levy	\$ 108,645,163	
Prop 2.5 Allowable Increase	2,716,129	(2.5% of FY16 Base)
Estimated New Property Tax Growth	900,000	
Cape Cod Commission Environmental Tax	580,286	
Voter Approved Debt Exclusions	1,402,097	
FY17 Estimated Maximum Allowable Tax Levy	<u>\$ 114,243,675</u>	
Tax Levy Ceiling	<u>\$ 328,572,284</u>	(2.5% of town's equalized property value)
Excess Levy Capacity	<u>\$ 214,328,609</u>	(Can only be accessed with voter approval)

Proposition 2 ½ places constraints on the amount of taxes levied by a city or town as well as how much the levy can increase from year-to-year. In addition, no community can levy more than its tax levy ceiling, which is equal to 2.5% of the total full, and fair cash value of all taxable real and personal property in the community. Barnstable's tax levy ceiling is \$328,572,284. This is \$214,328,609 more than the estimated FY17 maximum allowable levy of \$114,243,675. The excess levy capacity can only be accessed with property tax overrides approved on a ballot by the voters.

A total of \$1,700,000 of the estimated FY17 tax levy will be set aside for property tax abatements and exemptions leaving a net amount of \$112,543,675 available to fund the FY16 operating budget.

Motor Vehicle Excise. This tax is authorized by Massachusetts General Law, Chapter 60A, Section 1. The excise tax is calculated by a formula of \$25 per \$1,000 of valuation. Valuation is based on a percentage of the manufacturer's suggested retail price (MSRP) which declines every year. This revenue source is projected to grow by 6.6% in FY17 as billings have increased.

Boat Excise Tax. This has always been a relatively small revenue source for 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 and this revenue source is estimated to be flat. The state imposes a maximum taxable value of \$50,000 on vessels resulting in the largest tax bill being \$500.

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. The local option tax was capped at 4% until recently. Cities and towns now have the option of increasing the local portion to 6%. The Town of Barnstable recently adopted this increase in July 2010. The revenue collected from the additional 2% has been dedicated for sewer expansion projects and certain qualifying private road improvements. This revenue source is estimated to be level with the FY16 amount.

Payments in Lieu of Tax (PILOT). The Barnstable Housing Authority, a tax-exempt entity, provides an annual payment to the town. This is the only PILOT the town receives.

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 (building electrical & plumbing permits, beverage

licenses, rental property registration, and rental car surcharges), 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 fess collected under the Wetlands Protection Act. These fees are all required to be accounted for with 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 May 1, 2016	Estimated Annual Revenue	Amount Used For The FY17 Operating Budget
Parking Meter Receipts	\$ 323,422	\$ 300,000	\$ 221,000
Wetland Protection Fund	188,051	50,000	45,000
Embarkation Fee Revenue	215,065	170,000	154,853
Water Ways Improvement Fund	518,696	260,000	288,000
Community Preservation Fund	9,818,189	4,000,000	30,000
	<u>\$ 11,063,423</u>	<u>\$ 4,780,000</u>	<u>\$ 738,853</u>

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 FY17 reimbursements from the enterprise funds are as follows:

Indirect Charges	
Airport Enterprise Fund	\$ 817,344
Golf Enterprise Fund	\$ 399,140
Solid Waste Enterprise Fund	\$ 303,625
Waster Pollution Control Enterprise Fund	\$ 444,872
Water Supply Enterprise Fund	\$ 124,632
Marina Enterprise Fund	\$ 61,044
Sandy Neck Enterprise Fund	\$ 86,520
HYCC Enterprise Fund	<u>\$ 322,830</u>
Total Enterprise Funds	<u>\$2,560,007</u>

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 \$2,585,000 in general fund reserves to balance the FY17 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 excess of \$2 million in FY16, which will offset a significant portion of what will be used in FY17 to balance the budget. In addition, most of the costs being paid for with surplus are not recurring operating costs. The surplus will be used to finance the following costs:

\$1,500,000 for FY16 snow removal cost that exceeded the FY16 budget

\$585,000 for health insurance mitigation for employees

\$200,000 for retiree sick leave buyback

\$300,000 for the Town's self-insured unemployment expense

These costs are not expected to be repeated with any certainty. Snow removal costs are dependent upon the weather and FY16 was a modest year for the town compared to FY15. FY17 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 anticipate retirements in FY17 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.

GENERAL FUND EXPENDITURE SUMMARY

	Actual	Approved	Projected	Proposed	CHANGE FY16 - 17	
	FY 2015	FY 2016	FY 2016	FY 2017	\$	%
<u>Municipal Operations:</u>						
Police Department	\$ 12,385,746	\$ 13,299,119	\$ 13,277,263	\$ 13,392,590	\$ 93,471	0.70%
Public Works Department	10,657,303	11,384,164	9,810,567	10,627,159	(757,005)	-6.65%
Administrative Services Department	5,169,513	5,739,396	5,547,554	5,990,289	250,893	4.37%
Community Services Department	2,573,871	2,857,738	2,817,214	3,262,086	404,348	14.15%
Regulatory Services Department	2,446,044	2,632,848	2,544,588	2,805,050	172,202	6.54%
Growth Management Department	798,482	904,585	827,689	904,137	(448)	-0.05%
Town Manager	540,368	596,116	563,042	633,153	37,037	6.21%
Town Council	242,765	250,759	239,121	263,842	13,083	5.22%
Total Municipal Operations	34,814,091	37,664,725	35,627,037	37,878,306	213,581	0.57%
<u>Education:</u>						
Local School System	61,444,588	64,250,000	64,138,966	66,050,000	1,800,000	2.80%
Regional School District	2,830,850	3,195,407	3,195,407	3,302,096	106,689	3.34%
Commonwealth Charter Schools	2,609,854	2,912,261	2,968,866	3,111,749	199,488	6.85%
School Choice	903,705	918,231	934,327	934,327	16,096	1.75%
Total Education	67,788,997	71,275,899	71,237,566	73,398,172	2,122,273	2.98%
<u>Fixed Costs:</u>						
Employee Benefits	20,373,431	21,439,410	21,191,227	22,362,912	923,502	4.31%
Debt Service	8,651,467	8,647,981	8,647,981	9,172,108	524,127	6.06%
State & County Assessments	2,415,833	2,521,092	2,511,592	2,602,504	81,412	3.23%
Grants	1,763,557	1,838,250	1,838,250	1,900,990	62,740	3.41%
Property & Liability Insurance	1,510,581	1,580,000	1,580,000	1,620,000	40,000	2.53%
Celebrations, Rent & Other	171,377	172,000	157,000	172,000	-	0.00%
Abatements & Exemptions Deficits	-	32,030	-	-	(32,030)	-100.00%
Total Other Requirements	34,886,246	36,230,763	35,926,050	37,830,514	1,599,751	4.42%
Total General Fund Before Transfers	137,489,334	145,171,387	142,790,653	149,106,992	3,935,605	2.71%
Transfers to Other Funds	4,878,150	8,188,754	8,188,754	4,409,544	(3,779,210)	-46.15%
Grand Total General Fund	\$142,367,485	\$153,360,141	\$150,979,407	\$153,516,536	\$ 156,395	0.10%

The municipal operations budget is increasing \$213,581 or 0.57%. This includes a reduction of \$1,101,787 in snow removal costs from the prior year. This is included in the Public Works Department budget. Excluding the snow removal costs from recurring operations results in an increase of \$1,315,368 in the municipal operations, or 3.8%. As this cost is included in the Public Works Department budget, removing it from there results in an increase of \$344,782, or 4.2% for that department. Total spending on education is increasing \$2,122,273 or 3%. Local school operations are increasing \$1,800,000 while assessments from other districts are increasing \$322,273 collectively. Fixed costs are increasing 4.4% or \$1,599,751 with a majority of the increase attributed to employee benefits and debt service. Transfers to other funds are declining by almost \$3.8 million as the FY16 budget included a transfer of \$4 million to the Capital Trust Fund, which is not repeated in the FY17 proposed budget.

DETAIL OF CHANGES IN OPERATING BUDGET

Municipal Operating Budget Changes

Category	Amount	FTE *	Description
Contractual Salary Obligations	521,071		Costs associated with employee collective bargaining agreements.
Finance Division staff	(18,956)	(0.35)	Decrease funding for Property Mgt. Coordinator position.
Police Dept. Overtime	32,000		Additional funds for overtime to keep pace with higher salaries.
Seasonal Community Service Officers	51,960		Funding for seasonal CSO's to patrol downtown Hyannis during busy tourism season.
Crocker Neck Gate operations	7,000		Funding for opening and closing Crocker Neck Gate.
Health Division Staff	46,890	0.75	Increase hours for part-time Health Inspector by 10 hours per week and increase Hazmat Materials Specialist to full-time. Cost offset by fee increases in the Health Division.
Gateway Greeter positions in Consumer Affairs	68,800		Funds to increase hourly wage, increase season for additional weeks and increase the daily hours for the seasonal Gateway Greeter positions. Funds offset by additional parking receipts earned at Bismore Park.
Public Works Department staff changes	67,014	1.55	2 new full-time Grade 5 laborers and additional overtime for fleet maintenance in Highway Division offset by the transfer of .45 fte's for a Safety Officer shared with the enterprise fund operations.
Hourly wage increase in the Community Services Department	67,800		Additional funds to cover a \$1 per hour wage increase effective January 1, 2016 and January 1, 2017.
Senior Center Staffing	162,345	3.25	Additional funds provided for operating the Adult Supportive Day Program at the Senior Center. Partially offset by \$90,000 in estimated program revenue.
Restore Asst. Recreation Director's position	54,040	1.00	Restoration of a previous budget cut which will allow the Division to more actively engage the Youth in our Community.
Animal Control Officer	27,000	0.50	Additional funds to increase a part-time position to full-time resulting in two full-time Animal Control Officers.
Seasonal Aquatics Staffing	23,000		Restoration of Hamblin's Pond aquatic staffing.
Savings on gasoline and diesel fuel contracts	(76,500)		Savings in Police, Public Works and Community Services Department.

*FTE – Full-time Equivalent

Municipal Operating Budget Changes Continued

Category	Amount	FTE	Description
Training academy funds for the Police Dept.	(179,006)		Funds provided in the FY16 budget that will not be repeated in FY17.
Savings on Parking ticket Contract services	(6,000)		New contract signed for parking ticket processing resulting in savings for the Regulatory Services Department.
Utilities	(20,000)		Savings on electric and natural gas utilities
Community Services operating expenses	(5,250)		reduction for one-time expense included in the FY16 budget for mobile on-line registration software.
Town Council operating expenses	3,650		Additional funding for advertising and strategic planning consultant.
Professional Services for Information Tech.	34,000		Consultant to assist Information Technology with evaluating new telecommunications system including possible VOIP system.
Computer hardware, software and maintenance	73,465		Additional funds for Information Technology Division, Public Works Dept. and the Police Dept. for software & hardware licenses & maintenance as well as equipment replacement & upgrades.
Training funds for the Police Department	97,505		Funds to provide for training sworn officers in active shooter training, as well as command staff training and other specialized training.
Cell phones and air cards	69,000		Increase in funds for air card service and town-wide cell phone service.
Police Dept. operating expenses	12,100		Replace dress uniforms and carvac system.
Health Division expenses	7,500		Flu vaccine
Public Works Department operating expenses	125,000		Additional funds for catch basin cleaning, asphalt material, solid waste disposal, traffic signals, contract plumbing services and vehicle repairs and maintenance.
Community Services Department operating expenses	17,000		Increase in funds for navigational aids, postage and educational outreach.
Operating capital funding	52,940		Increase in funding to replace air conditioning in computer room, additional marked cruiser for the Police Department, landscaping improvements at Stone Park and equipment replacement for the Community Survives Department.
Increase in Municipal Operations	1,315,368	6.70	
Decrease in snow removal deficit (DPW)	(1,101,787)		Deficit spending dropped from \$2,601,787 to \$1,500,000.
Net change in Municipal operations	213,581	6.70	

Education Operating Budget Changes

Category	Amount	FTE	Description
Contractual Salary Obligations	\$ 1,658,877		Costs associated with employee collective bargaining agreements.
Retirement savings	(153,411)		Salary savings from turnover in staff.
One-time expenses in FY16 budget	(220,220)		Expenses included in the FY16 budget that will not be repeated in FY17.
Utilities	(50,000)		Reduction in electricity budget.
Program Enhancements	304,306		\$50,000 for preventative maintenance; \$24,000 for textbooks and \$230,306 for a reading program for Grades K-5.
Out-of-district tuition savings	(213,993)		Reducing slots with the Cape Cod Collaborative by 5.
Crossworks Program	195,000	3.50	Creation of in-house program to offset reduction in slot at Cape Cod Collaborative.
ELL Programming	170,951	2.55	Two teachers and a translator as well as software and curriculum materials.
Athletics	92,215		Increase funding for coaching, game management and custodial overtime.
Early Learning Center	12,525	0.20	Increase funding for custodian and supplies.
Operating expenses	3,750		Cell and data charges
Increase in Local School Budget	1,800,000	6.25	
Increase in Regional School District Assessme	106,689		For students attending Cape Cod Technical Regional High School in Harwich, MA
Increase in Charter School Assessments	199,488		For students attending Sturgis and Lighthouse Charter schools
Increase in School choice Assessments	16,096		For students electing to go to other local school districts
Net Change in Education Budget	\$ 2,122,273	6.25	

Fixed Costs Changes

Category	Amount	FTE	Description
Employee benefits	923,502		Costs increases mainly due to retirement and health insurance.
Increase in debt service	524,127		Increase in annual debt service due to FY16 bond issue.
Increase in grant funding	62,740		Increase in grants for libraries and tourism.
Property & casualty insurance	40,000		Increase costs associated with premiums.
Assessments & other fixed costs	49,382		Increase costs associated State, County & local assessments.
Increase in fixed costs	1,599,751		

Increase in General Fund budget before transfers	3,935,605	12.95
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Transfers	(3,779,210)	Reduction in net transfer to the Capital Trust Fund and amounts provided to enterprise funds.
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Net increase in General Fund budget including transfers	156,395
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BARNSTABLE MUNICIPAL AIRPORT ENTERPRISE FUND

<u>Expense Category</u>	Actual FY 2015	Approved FY 2016	Projected FY 2016	Proposed FY 2017	Change FY16 - 17	Percent Change
Personnel	\$ 1,739,813	\$ 1,721,125	\$ 1,695,308	\$ 1,732,017	\$ 10,892	0.63%
Benefits	508,583	534,790	526,768	508,398	(26,392)	-4.94%
Operating Expenses	5,002,733	4,931,182	4,061,182	3,309,515	(1,621,667)	-32.89%
Capital Outlay	154,092	247,000	100,000	30,400	(216,600)	-87.69%
Debt Service	54,500	78,600	78,600	77,700	(900)	-1.15%
Transfers Out	392,987	403,155	403,155	435,498	32,343	8.02%
Subtotal Operating Budget	7,852,708	7,915,852	6,865,013	6,093,528	(1,822,324)	-23.02%
Capital Program	8,126,584	5,912,000	5,912,000	6,623,000	711,000	12.03%
Total Expenses	<u>15,979,293</u>	<u>13,827,852</u>	<u>12,777,013</u>	<u>12,716,528</u>	<u>(1,111,324)</u>	<u>-8.04%</u>
Permanent full-time equivalent employees	25.50	25.00		23.00	(2.00)	
Source of Funding						
Intergovernmental Aid	4,695,258	87,600	87,540	6,236,950	6,149,350	7019.81%
Fees, Licenses, Permits	609,037	1,052,227	1,052,227	698,477	(353,750)	-33.62%
Charges for Services	7,054,406	6,725,125	5,725,125	4,884,106	(1,841,019)	-27.38%
Interest and Other	208,702	50,900	50,849	423,345	372,445	731.72%
Borrowing Authorizations	-	5,422,350	5,422,350	318,650	(5,103,700)	-94.12%
Total Sources	12,567,403	13,338,202	12,338,091	12,561,528	(776,674)	-5.82%
Excess (Deficiency) cash basis	(3,411,890)	(489,650)	(438,922)	(155,000)	\$ 334,650	
Adjustment to accrual basis	5,251,656	-	-	-		
Beginning Net Assets per CAFR	69,224,656	71,064,422	71,064,422	70,625,500		
Ending Net Assets per CAFR	71,064,422	\$ 70,574,772	\$ 70,625,500	\$ 70,470,500		
Invested in capital assets, net of related debt (1)	(72,049,325)					
Invested in inventory (1)	(50,165)					
User fees receivable (1)	(394,303)					
Reserved for continuing appropriations (2)	(2,411,677)					
Reserved for subsequent year's budget (3)	(377,000)					
Reserved for encumbrances (4)	(153,786)					
Other post employment benefits obligation (5)	804,091					
Compensated absences (5)	109,411					
Net Pension Liability (5)	4,443,127					
Deferred Outflow of Resources (6)	(7,609)					
Net assets available for appropriation (free cash) (7)	\$ 977,186					

(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, 2015.

(3) This amount represents the net assets appropriated for the subsequent year's (FY16) 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 FY17 proposed budget is decreasing \$1,822,324 or 23%. Personnel and benefit costs are decreasing a modest 0.76%, which includes all contractual pay increases and the reduction of two full-time positions. Operating expenses are decreasing \$1,621,667 or 32.9% primarily caused by a reduction in fuel sales of approximately 250,000 gallons due to the Island Airlines bankruptcy, a reduction in the number of leased fuel trucks, the termination of the contract with the airport Air Service Development consultant, and a reduction in the cost of electricity. Capital outlay is down 87% due to budgetary deferrals of routine maintenance and vehicle replacements.

Revenue generated by airport operations will cover the FY17 proposed operating budget. The Airport continues to generate a significant amount of revenue from its jet fuels sales. FY17 revenue from fees, licenses and permits includes the new revenue from the renewable energy solar array projects and is expected to be at least 29% above the minimum annual guaranteed revenue. The enterprise fund will use \$155,000 in reserves and \$318,650 in borrowing authorizations for the FY17 capital improvement program. Grants are anticipated for \$6,150,000 for the FY17 capital program.

APPROPRIATION ORDER 2016-121

ORDERED:

That the sum **\$6,093,528** be appropriated for the purpose of funding the Town's FY 2017 Airport Enterprise Fund budget, and to meet such appropriation that **\$6,093,528** be raised from current year revenues by the airport enterprise fund as presented to the Town Council by the Town Manager.

SCHOOL DEPARTMENT

<u>Expenditure Category</u>	Actual FY 2015	Approved FY 2016	Projected FY 2016	Proposed FY 2017	Change FY16 - 17	Percent Change
Personnel	\$ 44,492,521	\$ 46,784,051	\$ 46,690,483	\$ 48,563,627	\$ 1,779,576	3.80%
Operating Expenses	16,952,068	17,465,949	17,448,483	17,486,373	20,424	0.12%
Total Appropriation	61,444,588	64,250,000	64,138,966	66,050,000	1,800,000	2.80%
Employee Benefits Allocation:						
Life Insurance	4,766		5,126			
Medicare	626,067		650,426			
Health Insurance	3,174,327		3,600,000			
County Retirement	1,872,643		1,979,167			
Total Employee Benefits (1)	5,677,803		6,234,719			
Total Expenditures Including Benefits	\$ 67,122,391		\$ 70,373,685			
Full-time Equivalent Employees	830.35	834.15		840.40	6.25	
Source of Funding						
Taxes	\$ 49,486,961	\$ 51,972,779	\$ 51,861,745	\$ 53,053,303	\$ 1,080,524	2.08%
Intergovernmental	11,510,985	11,692,061	11,692,061	12,771,697	1,079,636	9.23%
Fees, Licenses, Permits	425,000	365,000	365,000	225,000	(140,000)	-38.36%
Interest and Other	1,899	-	-	-	-	0.00%
Reserves	19,743	220,160	220,160	-	(220,160)	-100.00%
Total Sources	\$ 61,444,588	\$ 64,250,000	\$ 64,138,966	\$ 66,050,000	\$ 1,800,000	2.80%

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

Note: The appropriation order is \$2,930,115 less than the budget of \$66,050,000 as the budget includes, \$2,091,115 of Circuit Breaker funding, \$225,000 of Transportation Fees Funding, and \$614,000 of School Choice funding, which do not require Town Council appropriation.

Summary of Significant Budget Changes

The FY17 proposed budget is \$1,800,000 more than the FY16 approved budget representing a 2.8% increase. The increase provides for the contractual pay increases for all department staff. In addition, 6.25 positions are being added due to the addition of a new Crossroads Classroom and increasing the ELL teaching staff at Hyannis West, BUES, & BIS. Additional funding is provided for athletics (\$92,215), preventative maintenance (\$50,000), high school textbooks (\$24,000) and a reading program for grades K-5 (\$230,306). The budget for utilities is being reduced by \$50,000 to offset a portion of proposed increase.

APPROPRIATION ORDER 2016-122

ORDERED:

That the sum **\$63,119,885** be appropriated for the purpose of funding the Town's FY 2017 Barnstable Public Schools budget, and that to meet this appropriation that **\$63,119,885** be raised from current year revenues as presented to the Town Council by the Town Manager.

POLICE DEPARTMENT

<u>Expenditure Category</u>	Actual FY 2015	Approved FY 2016	Projected FY 2016	Proposed FY 2017	Change FY16 - 17	Percent Change
Personnel	\$ 11,312,242	\$ 12,013,453	\$ 11,995,764	\$ 12,144,520	\$ 131,067	1.09%
Operating Expenses	857,829	946,306	943,499	925,270	(21,036)	-2.22%
Capital Outlay	215,675	339,360	338,000	322,800	(16,560)	-4.88%
Total Appropriation	12,385,746	13,299,119	13,277,263	13,392,590	93,471	0.70%
Employee Benefits Allocation:						
Life Insurance	702		695			
Medicare	129,937		138,752			
Health Insurance	739,778		788,323			
County Retirement	2,025,316		1,843,204			
Total Employee Benefits (1)	2,895,733		2,770,974			
Total Expenditures Including Benefits	\$ 15,281,480		\$ 16,048,237			
Full-time Equivalent Employees	130.75	132.75		132.75	0.00	
Source of Funding						
Taxes	\$ 11,621,835	\$ 12,586,401	\$ 12,575,947	\$ 12,727,750	\$ 141,349	1.12%
Fines, Forfeitures, Penalties	166,448	176,000	156,640	176,000	-	0.00%
Fees, Licenses, Permits	189,293	99,840	94,848	149,840	50,000	50.08%
Charges for Services	318,867	265,000	254,400	265,000	-	0.00%
Interest and Other	39,304	15,000	38,550	24,000	9,000	60.00%
Special Revenue Funds	50,000	50,000	50,000	50,000	-	0.00%
Reserves	-	106,878	106,878	-	(106,878)	-100.00%
Total Sources	\$ 12,385,746	\$ 13,299,119	\$ 13,277,263	\$ 13,392,590	\$ 93,471	0.70%

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

Summary of Significant Budget Changes

The FY17 proposed budget is increasing \$93,471 or 0.70%. Several retirements in FY16 will mitigate the budget increase in this department for FY17. All retired sworn officer positions are being filled. Personnel costs are increasing \$131,067, which includes all contractual obligations, an additional \$32,000 for overtime and \$48,960 to support six new seasonal Community Service Officers. There are no proposed staff changes to full-time positions.

Operating costs are decreasing \$21,036. Training academy funds of \$179,000 included in the FY16 budget are not repeated in the FY17 budget as the town was able to obtain slots in the Police Academy in FY16 for all new officer hires. Additionally, the budget for gasoline in FY17 is reduced by \$42,000 as the fuel bid for FY17 was more favorable. Additional funding of \$200,000 is being provided in FY17 for officer training (\$98,000), uniforms (\$12,000), cell phone and air card services (\$54,000), software & hardware maintenance (\$33,000) and \$3,000 for vehicle maintenance equipment.

Capital Outlay includes \$270,000 of funding for 6 new patrol vehicles, \$38,000 for computer hardware and software and \$15,000 for Tasers.

Taxes provide most of the funding support for this department and will increase by \$141,000 for FY17. Funding from fees will increase \$50,000 as many alarm registrations will be up for renewal.

APPROPRIATION ORDER 2016-123

ORDERED:

That the sum of **\$13,392,590** to be appropriated for the purpose of funding the Town's FY 2017 Barnstable Police Department budget; and to meet such appropriation that **\$13,342,590** 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.

GROWTH MANAGEMENT DEPARTMENT

<u>Expenditure Category</u>	Actual FY 2015	Approved FY 2016	Projected FY 2016	Proposed FY 2017	Change FY16 - 17	Percent Change
Personnel	\$ 723,156	\$ 796,185	\$ 734,879	\$ 795,737	\$ (448)	-0.06%
Operating Expenses	75,326	108,400	92,809	108,400	-	0.00%
Total Appropriation	798,482	904,585	827,689	904,137	(448)	-0.05%
Employee Benefits Allocation:						
Life Insurance	44		41			
Medicare	9,682		9,545			
Health Insurance	44,336		51,929			
County Retirement	154,705		165,297			
Total Employee Benefits (1)	208,767		226,812			
Total Expenditures Including Benefits	\$ 1,007,248		\$ 1,054,501			
Full-time Equivalent Employees	10.65	10.50		10.50	0.00	
Source of Funding						
Taxes	\$ 751,897	\$ 865,585	\$ 787,989	\$ 865,137	\$ (448)	-0.05%
Fees, Licenses, Permits	46,409	39,000	39,700	39,000	-	0.00%
Interest and Other	175	-	-	-	-	0.00%
Total Sources	\$ 798,482	\$ 904,585	\$ 827,689	\$ 904,137	\$ (448)	-0.05%

(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 96% of the funding for this Department.

APPROPRIATION ORDER 2016-124

ORDERED:

That the sum of **\$904,137** is appropriated for funding the Town's FY 2017 Growth Management Department budget, and that to meet this appropriation that **\$904,137** be raised from current year revenues as presented to the Town Council by the Town Manager.

Capital Outlay costs are increasing by \$15,500 or 25%. Marine & Environmental Affairs is requesting funds to purchase replacement vehicle and outboard motor in the amount of \$35,000 and \$7,000. Recreation requested funds for playground equipment maintenance for \$6,500 and \$29,000 aquatic equipment replacement.

Charges for services will increase \$190,000 to offset a portion of the budget increase. This is derived from fees charged by the Adult Supportive Day Program and a \$5 increase in the beach-parking permit. Tax support will increase \$230,798 or 23% over the FY16 amount.

APPROPRIATION ORDER 2016-125

ORDERED:

That the sum of **\$3,262,086** is appropriated for funding the Town's FY 2017 Community Services Department General Fund budget, and to meet such appropriation, that **\$2,974,086** 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

Expense Category	Actual FY 2015	Approved FY 2016	Projected FY 2016	Proposed FY 2017	Change FY16 - 17	Percent Change
Personnel	\$ 1,179,100	\$ 1,301,482	\$ 1,240,213	\$ 1,381,455	\$ 79,974	6.14%
Benefits	108,356	133,961	133,960	142,989	9,028	6.74%
Operating Expenses	955,879	1,012,765	1,023,137	1,026,986	14,221	1.40%
Capital Outlay	-	-	-	27,000	27,000	0.00%
Debt Service	382,811	419,100	419,027	453,611	34,511	8.23%
Transfers Out	371,352	375,598	375,598	399,140	23,542	6.27%
Subtotal Operating Budget	2,997,498	3,242,906	3,191,935	3,431,181	188,276	5.81%
Capital Program	212,247	314,000	314,000	565,000	251,000	79.94%
Total Expenses	3,209,745	3,556,906	3,505,935	3,996,181	439,276	12.35%
Permanent full-time equivalent employees	15.75	17.00		17.00	-	
Source of Funding						
Taxes	\$ 121,352	\$ 125,598	\$ 125,598	\$ 149,140	23,542	18.74%
Charges for Services	3,038,221	3,112,180	3,174,424	3,180,617	68,437	2.20%
Interest and Other	13,606	5,128	48,241	5,128	-	0.00%
Borrowing Authorizations	-	314,000	314,000	565,000	251,000	79.94%
Total Sources	3,173,180	3,556,906	3,662,263	3,899,885	342,979	9.64%
Excess (Deficiency) cash basis	(36,566)	1	156,328	(96,296)	<u>\$ (96,297)</u>	
Adjustment to accrual basis	422,071	-	-	-		
Beginning Net Assets per CAFR	7,633,782	8,019,287	8,019,287	8,175,615		
Ending Net Assets per CAFR	8,019,287	<u>\$ 8,019,288</u>	<u>\$ 8,175,615</u>	<u>\$ 8,079,319</u>		
Invested in capital assets, net of related debt (1)	(10,673,634)					
Invested in inventory (1)	(97,508)					
User fees receivable (1)	(41,274)					
Reserved for encumbrances (2)	(54,143)					
Other post employment benefits obligation (3)	550,333					
Compensated absences (3)	68,966					
Accrued Interest (3)	74,420					
Net pension liability (3)	3,095,149					
Deferred outflow of resources (4)	(181,569)					
Reserved for continuing appropriations (5)	(121,753)					
Net assets available for appropriation (free cash) (6)	<u>\$ 638,274</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, 2015.

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

Summary of Significant Budget Changes

The Golf Course Enterprise Fund FY17 proposed budget is increasing \$188,276 or 5.8%. Personnel cost are increasing \$79,974 and includes \$21,430 in funding for minimum wage increases, an additional \$2,000 for overtime and all contractual obligations.

Operating costs are increasing \$14,221 and includes \$25,000 for a market analysis for the Hyannis Golf Course. This is partially offset by reductions to other operating expense line items.

Capital outlay includes \$27,000 to purchase a water pump at Olde Barnstable. Debt service is increasing \$34,511 as new loan payments are due to cover the FY16 bond issue. The FY17 indirect costs charges to the golf course from the general fund total \$399,140. The golf course will pay \$250,000 from their estimated revenue resulting in a general fund subsidy of \$149,140, which is an increase of \$23,542 over the FY16 amount.

The proposed budget includes using \$96,296 of reserves to balance the budget. This will cover the one-time expenses for a market analysis and pump replacement as well as a portion of the increase in debt service. A bond authorization of \$565,000 will pay for the FY17 capital program.

APPROPRIATION ORDER 2016-126

ORDERED:

That the sum of **\$3,282,041** to be appropriated for the purpose of funding the Town's FY 2017 Golf Course Enterprise Fund budget; and to meet such appropriation that **\$3,185,745** be raised from current year revenues by the Golf Course enterprise operations and that **\$96,296** 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

Expense Category	Actual FY 2015	Approved FY 2016	Projected FY 2016	Proposed FY 2017	Change FY16 - 17	Percent Change
Personnel	\$ 718,695	\$ 831,163	\$ 820,000	\$ 851,142	\$ 19,980	2.40%
Benefits	64,545	72,033	72,000	82,561	10,528	14.62%
Operating Expenses	603,442	708,002	707,294	708,002	-	0.00%
Debt Service	1,358,893	1,291,400	1,291,400	1,256,476	(34,924)	-2.70%
Transfers Out	260,430	282,672	282,672	322,830	40,158	14.21%
Subtotal Operating Budget	3,006,004	3,185,270	3,173,366	3,221,011	35,742	1.12%
Capital Program	-	-	-	-	-	0.00%
Total Expenses	3,006,004	3,185,270	3,173,366	3,221,011	35,742	1.12%

Permanent full-time equivalent employees	10.50	10.50	10.50	-
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Source of Funding						
Taxes	570,578	592,820	592,820	719,936	127,116	21.44%
Fees, Licenses, Permits	286,118	299,000	302,000	299,000	-	0.00%
Charges for Services	789,959	735,450	750,000	735,450	-	0.00%
Interest and Other	420,118	141,000	141,000	141,000	-	0.00%
Trust Funds	1,358,892	1,292,000	1,292,000	1,256,476	(35,524)	-2.75%
Total Sources	3,425,665	3,060,270	3,077,820	3,151,862	91,592	2.99%

Excess (Deficiency) cash basis	419,662	(125,000)	(95,546)	(69,149)	\$ 55,851
Adjustment to accrual basis	(19,663)	-	-	-	
Beginning Net Assets per CAFR	8,511,783	8,911,782	8,911,782	8,816,236	
Ending Net Assets per CAFR	8,911,782	\$ 8,786,782	\$ 8,816,236	\$ 8,747,087	

Invested in capital assets, net of related debt (1)	(10,111,188)
Reserved for encumbrances (2)	(96,783)
Deferred revenue (3)	(33,937)
Accrued interest (4)	182,491
Other post employment benefits obligation (4)	153,306
Compensated absences (4)	42,851
Net pension liability (4)	1,847,134
Deferred outflow of resources (5)	(451,847)
Reserved for subsequent year's budget (6)	(125,000)
Net assets available for appropriation (free cash) (7)	\$ 318,809

(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 year's (FY16) operating budget.

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

Summary of Significant Budget Changes

The FY17 proposed budget is increasing \$35,742 or 1.1%. Personnel & benefit costs are increasing \$30,508 and include all contractual obligations. Operating costs will remain level funded. Debt service cost is decreasing \$34,924 and transfers to the general fund are up \$40,158.

Funding for this operation is comprised of \$1,175,450 in estimated operating revenue; a \$1,256,476 transfer from the Capital Trust Fund, \$719,936 in tax support and \$69,149 of the enterprise fund reserves.

APPROPRIATION ORDER 2016-127

ORDERED:

That the sum of **\$2,898,181** be appropriated for the purpose of funding the Town's FY 2017 Hyannis Youth and Community Center Enterprise Fund budget; and to meet such appropriation that **\$1,175,450** be raised from current year revenues by the Hyannis Youth and Community Center operations, and that **\$397,106** be raised from the general fund, and that **\$1,256,476** be transferred from the Capital Trust Fund, and that **\$69,149** 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

Expense Category	Actual FY 2015	Approved FY 2016	Projected FY 2016	Proposed FY 2017	Change FY16 - 17	Percent Change
Personnel	\$ 230,608	\$ 250,108	\$ 240,104	\$ 254,616	\$ 4,508	1.80%
Benefits	28,614	30,312	30,282	31,613	1,301	4.29%
Operating Expenses	88,327	133,192	130,528	98,650	(34,542)	-25.93%
Capital Outlay	31,989	20,000	20,000	15,000	(5,000)	-25.00%
Debt Service	227,701	227,900	227,900	356,333	128,433	56.35%
Transfers Out	42,880	42,219	42,219	41,191	(1,028)	-2.43%
Subtotal Operating Budget	650,119	703,731	691,033	797,403	93,672	13.31%
Capital Program	13,471	1,178,000	1,178,000	500,000	(678,000)	-57.56%
Total Expenses	663,590	1,881,731	1,869,033	1,297,403	(584,328)	-31.05%
Permanent full-time equivalent employees	1.45	1.65		1.65	-	
Source of Funding						
Fees, Licenses, Permits	610,868	593,600	620,000	627,500	33,900	5.71%
Charges for Services	12,375	7,200	12,000	11,000	3,800	52.78%
Interest and Other	27,672	17,700	115,000	22,700	5,000	28.25%
Special Revenue Funds	24,000	24,000	24,000	30,000	6,000	25.00%
Trust Funds	62,431	61,231	61,231	60,031	(1,200)	-1.96%
Borrowing Authorizations		1,008,000	1,008,000	500,000	(508,000)	-50.40%
Total Sources	737,346	1,711,731	1,840,231	1,251,231	(460,500)	-26.90%
Excess (Deficiency) cash basis	73,755	(170,000)	(28,802)	(46,172)	\$ 123,828	
Adjustment to accrual basis	201,362	-	-	-		
Beginning Net Assets per CAFR	4,073,505	4,348,622	4,348,622	4,319,821		
Ending Net Assets per CAFR	4,348,622	\$ 4,178,622	\$ 4,319,821	\$ 4,273,649		
Invested in capital assets, net of related debt (1)	(4,220,746)					
Reserved for encumbrances (2)	(66,261)					
Reserved for continuing appropriations (3)	(139,565)					
Other post employment benefits obligation (4)	107,068					
Net pension liability (4)	615,488					
Compensated absences (4)	17,804					
Deferred outflow of resources (5)	(1,054)					
Net assets available for appropriation (free cash) (6)	\$ 661,356					

(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, 2015.

(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) Amount certified by the Division of Local Services.

Summary of Significant Budget Changes

The Marina Enterprise Fund FY17 proposed budget is increasing \$93,672 or 13.3%. Personnel costs are increasing by \$4,508 and include additional funding for minimum wage increases (\$9,500) and all contractual obligations. Savings from staff turnover will offset a portion of the salary increases.

Debt service payments have increased significantly by \$128,433 due to the recent bulkhead and dredging projects. Operating cost has been reduced by \$34,542 and capital outlay by \$5,000 in order to mitigate the large increase in debt service payments.

Funding for this operation includes a transfer of \$30,000 from the Bismore Park Special Revenue Fund and \$60,031 from the Capital Trust Fund. \$46,172 of reserves will be used to balance the FY17 proposed budget, and the capital program of \$500,000 will be financed with a bond authorization.

APPROPRIATION ORDER 2016-128

ORDERED:

That the sum of **\$797,403** be appropriated for the purpose of funding the Town's FY 2017 Marina Enterprise Fund budget; and to meet such appropriation that **\$661,200** be raised from current year revenues by the marina facilities, and that **\$60,031** be transferred from the Capital Trust Fund, and that **\$30,000** be transferred from the Bismore Park Special Revenue Fund, and that **\$46,172** be transferred from the Marina Enterprise Fund reserves, as presented to the Town Council by the Town Manager.

SANDY NECK ENTERPRISE FUND

Expense Category	Actual FY 2015	Approved FY 2016	Projected FY 2016	Proposed FY 2017	Change FY16 - 17	Percent Change
Personnel	\$ 404,700	\$ 439,894	\$ 413,500	\$ 463,683	\$ 23,789	5.41%
Benefits	58,958	64,101	64,037	76,319	12,218	19.06%
Operating Expenses	123,010	149,400	150,894	166,400	17,000	11.38%
Capital Outlay	146,606	71,500	71,500	93,500	22,000	30.77%
Debt Service	91,981	95,481	95,481	93,831	(1,650)	-1.73%
Transfers Out	56,329	45,341	45,341	44,265	(1,076)	-2.37%
Subtotal Operating Budget	881,584	865,717	840,753	937,998	72,281	8.35%
Capital Program	18,673	-	-	-	-	0.00%
Total Expenses	900,257	865,717	840,753	937,998	72,281	8.35%
Permanent full-time equivalent employees	3.75	3.75		3.75	-	
Source of Funding						
Fees, Licenses, Permits	567,069	511,347	570,000	568,519	57,172	11.18%
Charges for Services	225,685	227,370	230,000	237,479	10,109	4.45%
Interest and Other	72,076	77,000	100,000	82,000	5,000	6.49%
Total Sources	864,831	815,717	900,000	887,998	72,281	8.86%
Excess (Deficiency) cash basis	(35,426)	(50,000)	59,247	(50,000)	\$ -	
Adjustment to accrual basis	(27,663)	-	-	-		
Beginning Net Assets per CAFR	(138,677)	(201,766)	(201,766)	(142,520)		
Ending Net Assets per CAFR	(201,766)	\$ (251,766)	\$ (142,520)	\$ (192,520)		
Invested in capital assets, net of related debt (1)	(277,905)					
Reserved for encumbrances (2)	(35,761)					
Reserved for continuing appropriations (3)	(36,288)					
Reserved for subsequent year's budget (4)	(50,000)					
Other post employment benefits obligation (5)	56,957					
Compensated absences (5)	4,565					
Net pension liability (5)	1,039,131					
Deferred revenue (6)	(18,300)					
Deferred outflow of resources (7)	(1,780)					
Net assets available for appropriation (free cash) (8)	\$ 478,853					

(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, 2015.

(4) This amount represents the net assets appropriated for the subsequent year's (FY16) 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 \$72,281 or 8.35%. Personnel cost are increasing \$23,789, and includes funding for contractual obligations and minimum wage increases of \$18,500.

Operating costs are increasing \$17,000 due to several requests, which include \$5,000 for building facilities maintenance, \$1,000 for staff training, \$3,000 for credit card processing fees, \$5,000 for merchandise purchases for resale, \$1,500 for office supplies, and \$1,500 for uniforms.

Capital Outlay is increasing \$22,000 and includes \$21,500 for a vehicle replacement, \$22,000 to upgrade the gatehouse facility and marsh trail improvements and continued level funding for a sand nourishment program at \$50,000.

The budget includes using \$50,000 of the enterprise fund's reserves to fund the sand nourishment program, if needed.

APPROPRIATION ORDER 2016-129

ORDERED:

That the sum of **\$937,998** be appropriated for the purpose of funding the Town's FY 2017 Sandy Neck Park Enterprise Fund budget; and to meet such appropriation that **\$887,998** be raised from current year revenues by the Sandy Neck Park operations, and that **\$50,000** be transferred from the Sandy Neck Enterprise Fund reserves, as presented to the Town Council by the Town Manager.

APPROPRIATION ORDER 2016-130

ORDERED:

That the sum of **\$2,805,050** be appropriated for the purpose of funding the Town's FY 2017 Regulatory Services Department budget, and to meet such appropriation, that **\$2,616,950** be raised from current year revenue, and that **\$45,000** be transferred from the Wetlands Protection Special Revenue Fund, and that **\$143,100** be transferred from the Bismore Park Special Revenue Fund, as presented to the Town Council by the Town Manager.

DEPARTMENT OF PUBLIC WORKS GENERAL FUND

<u>Expenditure Category</u>	<u>Actual FY 2015</u>	<u>Approved FY 2016</u>	<u>Projected FY 2016</u>	<u>Proposed FY 2017</u>	<u>Change FY16 - 17</u>	<u>Percent Change</u>
Personnel	\$ 5,114,921	\$ 5,476,722	\$ 5,192,717	\$ 5,724,504	\$ 247,782	4.52%
Operating Expenses	4,815,889	5,291,442	4,001,850	4,266,655	(1,024,787)	-19.37%
Capital Outlay	726,493	616,000	616,000	636,000	20,000	3.25%
Total Appropriation	10,657,303	11,384,164	9,810,567	10,627,159	(757,005)	-6.65%

Employee Benefits Allocation:

Life Insurance	436	414
Medicare	48,637	48,937
Health Insurance	274,051	227,780
County Retirement	789,197	839,335
Total Employee Benefits (1)	1,112,321	1,116,465

Total Expenditures Including Benefits \$ 11,769,624 \$ 10,927,032

Full-time Equivalent Employees	82.53	82.95	84.50	1.55
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Source of Funding

Taxes	\$ 7,552,767	\$ 8,411,732	\$ 7,957,282	\$ 8,749,444	\$ 337,712	4.01%
Fees, Licenses, Permits	183,900	184,000	166,640	184,000	-	0.00%
Charges for Services	294	-	-	-	-	0.00%
Interest and Other	233,711	101,800	101,800	101,800	-	0.00%
Special Revenue Funds	63,500	63,500	63,500	70,570	7,070	11.13%
Enterprise Funds	21,345	21,345	21,345	21,345	-	0.00%
General Fund Reserves	2,601,787	2,601,787	1,500,000	1,500,000	(1,101,787)	-42.35%
Total Sources	\$ 10,657,303	\$ 11,384,164	\$ 9,810,567	\$ 10,627,159	\$ (757,005)	-6.65%

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

Summary of Significant Budget Changes

The Department's FY17 proposed budget is decreasing \$757,005 or 6.65%. This includes a reduction of \$1.1 million in snow removal costs. Excluding snow removal, the budget is increasing \$344,782, or 4.2%.

Personnel costs are increasing \$247,782, which includes all contractual obligations and 2 new FTE's for the Highway Division. This has been offset by a reallocation of .45 FTE's for one position to be shared with the enterprise fund operations.

Operating costs are increasing a net of \$77,000 when excluding snow removal expenses. New contracts for diesel fuel and gasoline will save \$33,000 and electricity costs are reduced by \$20,000. An additional \$130,000 is provided for operating cost increases including \$36,000 for solid waste disposal, \$7,000 for contracted services, \$20,000 for asphalt materials, \$7,000 for traffic signals, \$10,000 for software licenses, \$30,000 for vehicle maintenance and \$20,000 for catch basin cleaning.

Capital outlay of \$636,000 will continue to level fund vehicle replacements at \$500,000, \$116,000 for building improvements and equipment replacement and \$20,000 to fund the Stone Park landscape installation project.

Tax support will increase by \$337,712 in FY17 to cover the additional funding provided. General fund reserves used to fund the budget are decreasing by \$1.1 million to \$1.5 million as the snow removal deficit for FY16 was much lower than the previous year.

APPROPRIATION ORDER 2016-131

ORDERED:

That the sum of **\$9,127,160** be appropriated for the purpose of funding the Town's FY 2017 Department of Public Works General Fund budget, and to meet such appropriation, and that **\$9,056,590** 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.

SOLID WASTE ENTERPRISE FUND

Expense Category	Actual FY 2015	Approved FY 2016	Projected FY 2016	Proposed FY 2017	Change FY16 - 17	Percent Change
Personnel	\$ 1,063,412	\$ 1,098,877	\$ 1,076,899	\$ 1,153,572	\$ 54,695	4.98%
Benefits	261,778	281,278	278,465	299,745	18,467	6.57%
Operating Expenses	952,275	1,413,200	1,384,936	1,380,100	(33,100)	-2.34%
Capital Outlay	34,322	38,300	38,267	38,300	33	0.09%
Debt Service	403,764	400,500	400,500	399,544	(956)	-0.24%
Transfers Out	134,635	130,656	130,656	132,554	1,898	1.45%
Subtotal Operating Budget	2,850,186	3,362,811	3,309,724	3,403,815	41,037	1.22%
Capital Program	159,682	480,000	480,000	2,700,000	2,220,000	462.50%
Total Expenses	3,009,868	3,842,811	3,789,724	6,103,815	2,261,037	58.84%
Permanent full-time equivalent employees	15.75	16.75		16.95	0.20	
Source of Funding						
Intergovernmental Aid	4,800	-	10,500	-	-	0.00%
Charges for Services	2,622,524	2,653,900	2,680,439	2,979,007	325,107	12.25%
Interest and Other	90,504	98,000	91,140	98,000	-	0.00%
Borrowing Authorizations	-	-	-	2,000,000	2,000,000	0.00%
Total Sources	2,717,828	2,751,900	2,782,079	5,077,007	2,325,107	84.49%
Excess (Deficiency) cash basis	(292,040)	(1,090,911)	(1,007,645)	(1,026,808)	\$ 64,070	
Adjustment to accrual basis	351,632	-	-	-		
Beginning Net Assets per CAFR	2,409,122	2,468,714	2,468,714	1,461,069		
Ending Net Assets per CAFR	2,468,714	\$ 1,377,803	\$ 1,461,069	\$ 434,261		
Invested in capital assets, net of related debt (1)	(383,798)					
Intergovernmental receivable (1)	(448,071)					
Reserved for subsequent year's budget (2)	(1,090,911)					
Reserved for encumbrances (3)	(228,960)					
Other post employment benefits obligation (4)	445,614					
Compensated absences (4)	71,883					
Net pension liability (4)	2,726,461					
Reserved for continuing appropriations (5)	(66,843)					
Deferred outflow of resources (6)	(4,669)					
Net assets available for appropriation (free cash) (7)	\$ 3,489,420					

(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 year's (FY16) 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, 2015.

(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 FY17 proposed operating budget is increasing \$41,037 or 1.2%. Personnel costs are increasing \$54,695. This includes additional funding of \$43,500 for overtime to assist in covering a seven-day work schedule and all contractual obligations. There is also an increase in staff by 0.20 FTE to cover a shared position between the department's general fund and enterprise fund operations.

The Solid Waste Enterprise Fund FY17 proposed budget will use \$326,808 in reserves to cover the operating costs and \$700,000 of reserves for the capital program. A borrowing authorization of \$2,000,000 will pay for the balance of the FY17 capital program.

APPROPRIATION ORDER 2016-132

ORDERED:

That the sum of **\$3,403,815** be appropriated for the purpose of funding the Town's FY 2017 Department of Public Works Solid Waste Enterprise Fund budget, and to meet such appropriation that **\$3,077,007** be raised from current year revenues by the solid waste facility, and that **\$326,808** be transferred from the Solid Waste Enterprise Fund reserves, as presented to the Town Council by the Town Manager.

WATER POLLUTION CONTROL ENTERPRISE FUND

Expense Category	Actual FY 2015	Approved FY 2016	Projected FY 2016	Proposed FY 2017	Change FY16 - 17	Percent Change
Personnel	\$ 1,042,376	\$ 1,122,679	\$ 1,088,999	\$ 1,131,789	\$ 9,110	0.81%
Benefits	273,518	293,785	287,909	315,334	21,549	7.33%
Operating Expenses	1,385,677	1,448,450	1,419,481	1,553,850	105,400	7.28%
Capital Outlay	32,430	90,000	90,000	90,000	-	0.00%
Debt Service	1,206,130	1,242,600	1,242,600	1,328,307	85,707	6.90%
Transfers Out	282,689	265,644	265,644	273,132	7,488	2.82%
Subtotal Operating Budget	4,222,820	4,463,158	4,394,633	4,692,412	229,254	5.14%
Capital Program	436,309	1,284,500	1,284,500	2,193,505	909,005	70.77%
Total Expenses	4,659,129	5,747,658	5,679,133	6,885,917	1,138,259	19.80%
Permanent full-time equivalent employees	15.15	14.15		14.35	0.20	
Source of Funding						
Fines & Penalties	82,828	50,000	80,000	50,000	-	0.00%
Fees, Licenses, Permits	19,975	10,000	15,000	10,000	-	0.00%
Charges for Services	4,500,164	4,253,158	4,550,000	4,492,412	239,254	5.63%
Interest and Other	460,450	150,000	150,000	140,000	(10,000)	-6.67%
Borrowing Authorizations		1,000,000	1,000,000	2,104,000	1,104,000	110.40%
Total Sources	5,063,417	5,463,158	5,795,000	6,796,412	1,333,254	24.40%
Excess (Deficiency) cash basis	404,288	(284,500)	115,867	(89,505)	\$ 194,995	
Adjustment to accrual basis	(8,840,864)	-	-	-		
Beginning Net Assets per CAFR	42,633,829	34,197,253	34,197,253	34,313,120		
Ending Net Assets per CAFR	34,197,253	\$ 33,912,753	\$ 34,313,120	\$ 34,223,615		
Invested in capital assets, net of related debt (1)	(22,723,813)					
User Charges Receivable (1)	(1,701,872)					
Special Assessments Receivable (1)	(2,618,253)					
Intergovernmental receivable (1)	(754,120)					
Reserved for subsequent year's budget (2)	(284,500)					
Reserved for encumbrances (3)	(774,281)					
Reserved for continuing appropriations (4)	(752,867)					
Other post employment benefits obligation (5)	293,437					
Compensated absences (5)	73,315					
Net pension liability (5)	2,661,785					
Deferred outflow of resources (6)	(4,560)					
Net assets available for appropriation (free cash) (7)	\$ 7,611,524					

(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 year's (FY16) 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, 2015.

(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 FY17 proposed budget is increasing \$229,254 or 5.1%. Personnel & benefit costs are increasing \$30,659, which includes all contractual obligations, \$13,500 for overtime, and an increase in staff by 0.20 FTE.

Operating costs are increasing \$105,400 and includes additional funds for safety equipment, sewer line repairs, chemicals, vehicle maintenance, renewable energy facility maintenance, grounds maintenance and cellular line charges. Debt service is increasing \$85,707 mostly attributed to the recent FY16 bond issue, however, these cost should stabilize as a bulk of the outstanding bonds are nearing maturity.

The FY17 operating budget will be financed with user charges. The capital program will utilize \$89,505 of reserves.

APPROPRIATION ORDER 2016-133

ORDERED:

That the sum of **\$4,692,412** to be appropriated for the purpose of funding the Town's FY 2017 Department of Public Works Water Pollution Control Enterprise Fund budget, and to meet such appropriation that **\$4,692,412** be raised from current year revenues by the Water Pollution Control Facility, as presented to the Town Council by the Town Manager

WATER SUPPLY ENTERPRISE FUND

Expense Category	Actual FY 2015	Approved FY 2016	Projected FY 2016	Proposed FY 2017	Change FY16 - 17	Percent Change
Personnel	\$ 252,020	\$ 263,756	\$ 261,118	\$ 276,596	\$ 12,840	4.87%
Benefits	60,229	63,782	63,718	61,716	(2,066)	-3.24%
Operating Expenses	2,247,895	2,574,983	2,570,000	3,152,883	577,900	22.44%
Capital Outlay	157,484	160,000	160,000	160,000	-	0.00%
Debt Service	1,063,692	1,245,000	1,225,000	1,540,073	295,073	23.70%
Transfers Out	81,754	82,247	82,247	79,044	(3,203)	-3.89%
Subtotal Operating Budget	3,863,074	4,389,768	4,362,084	5,270,312	880,544	20.06%
Capital Program	2,409,449	2,902,000	2,902,000	1,702,000	(1,200,000)	-41.35%
Total Expenses	6,272,523	7,291,768	7,264,084	6,972,312	(319,456)	-4.38%

Permanent full-time equivalent employees	2.90	2.90	2.95	0.05
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Source of Funding

Fines & Penalties	56,700	50,000	55,000	50,000	-	0.00%
Fees, Licenses, Permits	178,679	135,500	180,000	149,000	13,500	9.96%
Charges for Services	4,356,965	4,138,000	4,500,000	4,890,812	752,812	18.19%
Interest and Other	206,355	66,268	218,000	180,500	114,232	172.38%
Borrowing Authorizations	-	2,552,000	2,552,000	900,000	(1,652,000)	-64.73%
Total Sources	4,798,699	6,941,768	7,505,000	6,170,312	(771,456)	-11.11%

Excess (Deficiency) cash basis	(1,473,824)	(350,000)	240,916	(802,000)	\$ (452,000)
Adjustment to accrual basis	2,664,021	-	-	-	
Beginning Net Assets per CAFR	12,645,109	13,835,306	13,835,306	14,076,223	
Ending Net Assets per CAFR	13,835,306	\$ 13,485,306	\$ 14,076,223	\$ 13,274,223	

Invested in capital assets, net of related debt (1)	(6,383,212)
User Charges Receivable (1)	(1,273,793)
Intergovernmental receivable (1)	(2,449,052)
Reserved for subsequent year's budget (2)	(350,000)
Reserved for encumbrances (3)	(69,279)
Reserved for continuing appropriations (4)	(402,529)
Accrued Interest (5)	239,670
Other post employment benefits obligation (5)	38,372
Compensated absences (5)	14,933
Net pension liability (5)	642,317
Deferred outflow of resources (6)	(506,583)
Net assets available for appropriation (free cash) (7)	\$ 3,336,150

(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 year's (FY16) 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, 2015.

(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 FY17 proposed budget is increasing \$880,544 or 20%. The significant increase is due to four components. The operations contract is increasing \$154,200; a provision to purchase water from the town of Yarmouth is increasing \$125,000; a new line item of \$298,700 to maintain the carbon filter system and an increase in debt service for bonds issued to finance the system's capital program.

Estimated revenue for water charges are expected to cover all operating costs. The FY17 capital program proposes to use \$802,000 of the enterprise fund's reserves.

APPROPRIATION ORDER 2016-134

ORDERED:

That the sum of **\$5,270,312** be appropriated for the purpose of funding the Town's FY 2017 Department of Public Works Water Supply Enterprise Fund budget, and to meet such appropriation that **\$5,270,312** be raised from current year revenues by the Water Supply Enterprise Fund operations, as presented to the Town Council by the Town Manager.

TOWN MANAGER DEPARTMENT

<u>Expenditure Category</u>	Actual FY 2015	Approved FY 2016	Projected FY 2016	Proposed FY 2017	Change FY16 - 17	Percent Change
Personnel	\$ 451,074	\$ 469,284	\$ 455,205	\$ 506,321	\$ 37,037	7.89%
Operating Expenses	89,293	126,832	107,837	126,832	-	0.00%
Total Appropriation	540,368	596,116	563,042	633,153	37,037	6.21%
Employee Benefits Allocation:						
Life Insurance	36		35			
Medicare	6,015		6,155			
Health Insurance	34,183		36,335			
County Retirement	108,037		113,415			
Total Employee Benefits (1)	148,271		155,940			
Total Expenditures Including Benefits	\$ 688,639		\$ 718,982			
Full-time Equivalent Employees	4.50	4.50		4.50	0.00	
Source of Funding						
Taxes	\$ 382,548	\$ 450,816	\$ 418,717	\$ 510,687	\$ 59,871	13.28%
Fees, Licenses, Permits	5,865	19,500	18,525	19,500	-	0.00%
Enterprise Funds	151,955	125,800	125,800	102,966	(22,834)	-18.15%
Total Sources	\$ 540,368	\$ 596,116	\$ 563,042	\$ 633,153	\$ 37,037	6.21%

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

Summary of Significant Budget Changes

The FY17 proposed budget is \$37,037 more than the FY16 approved budget representing a 6.2% increase. The increase provides for the contractual pay increases for all department staff and a salary provision for the new Town Manager.

Funding for this operation is comprised of fees, enterprise fund support and taxes. Tax support will increase \$59,871. This is a combination of the budget increase and a reduction in enterprise fund support. The enterprise fund support is decreasing due to the formula used for allocating indirect support. A 5 year rolling average of town-wide expenditures is used for the allocation and the enterprise fund expenditures have declined on a percentage basis over the years; mainly due to smaller capital programs in the more recent years.

APPROPRIATION ORDER 2016-136

ORDERED:

That the sum of **\$633,153** be raised and appropriated for the purpose of funding the Town's FY 2017 Town Manager budget as presented to the Town Council by the Town Manager.

ADMINISTRATIVE SERVICES DEPARTMENT

<u>Expenditure Category</u>	Actual FY 2015	Approved FY 2016	Projected FY 2016	Proposed FY 2017	Change FY16 - 17	Percent Change
Personnel	\$ 4,152,993	\$ 4,473,640	\$ 4,339,737	\$ 4,611,433	\$ 137,793	3.08%
Operating Expenses	926,292	1,160,756	1,102,816	1,239,856	79,100	6.81%
Capital Outlay	90,227	105,000	105,000	139,000	34,000	32.38%
Total Appropriation	5,169,513	5,739,396	5,547,554	5,990,289	250,893	4.37%
Employee Benefits Allocation:						
Life Insurance	472		462			
Medicare	53,233		55,641			
Health Insurance	260,835		266,241			
County Retirement	781,371		848,402			
Total Employee Benefits (1)	1,095,911		1,170,747			
Total Expenditures Including Benefits	\$ 6,265,424		\$ 6,718,300			
Full-time Equivalent Employees	60.85	60.85		60.50	-0.35	
Source of Funding						
Taxes	\$ 1,865,161	\$ 2,865,114	\$ 2,336,955	\$ 3,168,730	\$ 303,616	10.60%
Intergovernmental	313,805	313,805	313,805	287,096	(26,709)	-8.51%
Fines, Forfeitures, Penalties	923,985	900,000	909,750	850,000	(50,000)	-5.56%
Fees, Licenses, Permits	276,447	262,060	248,777	262,060	-	0.00%
Charges for Services	1,578	1,000	800	1,000	-	0.00%
Interest and Other	1,107,813	693,000	1,033,050	663,500	(29,500)	-4.26%
Special Revenue Funds	-	30,000	30,000	30,000	-	0.00%
Enterprise Funds	680,724	674,417	674,417	727,903	53,486	7.93%
Total Sources	\$ 5,169,513	\$ 5,739,396	\$ 5,547,554	\$ 5,990,289	\$ 250,893	4.37%

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

Summary of Significant Budget Changes

The FY17 proposed budget is increasing \$250,893 or 4.4% over the FY16 approved budget. Personnel costs are increasing \$137,793 mainly due to contractual obligations. This includes the reduction of \$18,956 for the elimination of a Property Management Coordinator position or 0.35 FTE.

Operating expenses are increasing \$79,100, which will fund the increased cost for software & hardware maintenance/licenses (\$30,100), cell phone services (\$15,000) and \$34,000 for a consultant to assist the Information Technology Division in evaluating options for a new telecommunications system for the town.

Capital outlay includes an additional \$34,000 for replacing the computer room/data center air conditioning system and \$105,000 for the continuation of software and hardware upgrades throughout the municipal operations managed by the Information Technology Division. One-time funding included in this budget totals \$68,000.

Tax support is expected to increase \$303,616 or 10.60% to cover the cost increases as well as the reduction in other funding sources.

APPROPRIATION ORDER 2016-137

ORDERED:

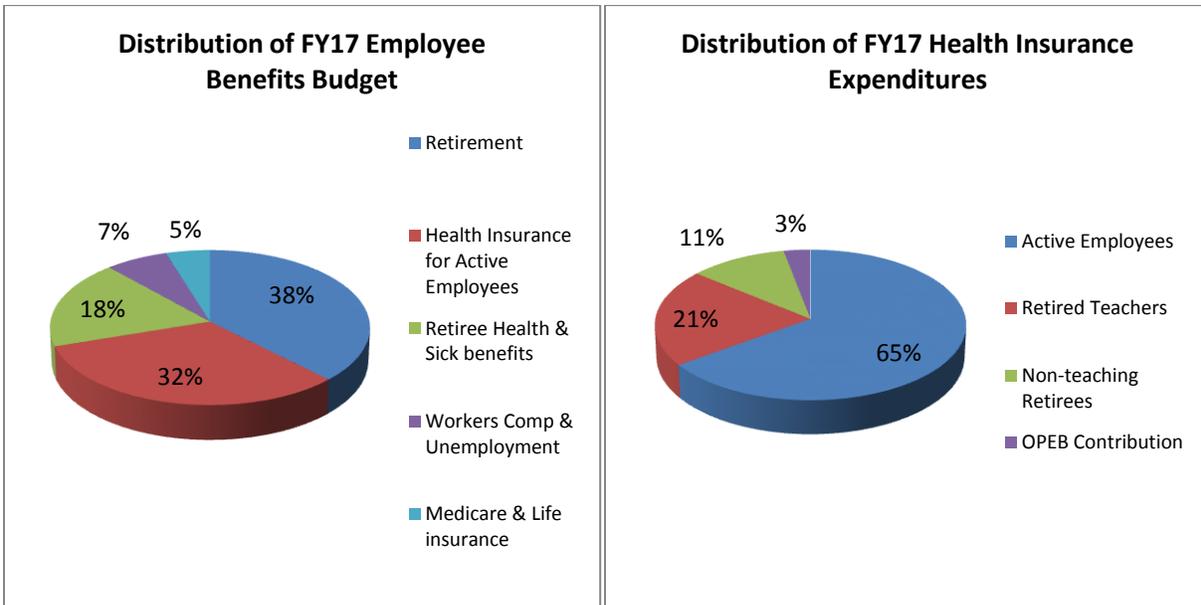
That the sum of **\$5,990,289** be raised and appropriated for the purpose of funding the Town's FY 2017 Administrative Services Department budget as presented to the Town Council by the Town Manager.

OTHER REQUIREMENTS

Expenditure Category	Actual FY 2015	Approved FY 2016	Projected FY 2016	Proposed FY 2017	Change FY16 - 17	Percent Change
Employee Benefits						
Retirement Assessments	\$ 7,857,815	\$ 8,035,227	\$ 8,035,227	\$ 8,406,711	\$ 371,484	4.62%
Health Insurance for Active Employees	5,816,760	6,885,000	6,526,000	7,226,550	341,550	4.96%
Retiree Health & Sick Benefits	4,247,189	4,017,183	4,060,000	4,123,071	105,888	2.64%
Workers' Compensation & Unemployment	1,446,766	1,500,000	1,550,000	1,535,000	35,000	2.33%
Medicare & Life Insurance	1,004,901	1,002,000	1,020,000	1,071,580	69,580	6.94%
Total	20,373,431	21,439,410	21,191,227	22,362,912	923,502	4.31%
Debt Service, Grants, Assessments & Other						
Debt Service	8,651,467	8,647,981	8,647,981	9,172,108	524,127	6.06%
Library Grants	1,671,753	1,714,000	1,714,000	1,773,990	59,990	3.50%
Tourism Grant	91,804	124,250	124,250	127,000	2,750	2.21%
Property & Liability Insurance	1,510,581	1,580,000	1,580,000	1,620,000	40,000	2.53%
Interest on Tax Refunds	11,112	20,000	5,000	20,000	-	0.00%
Celebrations	108,341	100,000	100,000	100,000	-	0.00%
Lombard Trust Rent	51,924	52,000	52,000	52,000	-	0.00%
Veterans' District Assessment & Benefit Payments	374,701	430,000	420,000	421,458	(8,542)	-1.99%
Old Kings Highway	9,500	9,000	9,500	9,500	500	5.56%
Greenhead Fly Control District	5,320	5,320	5,320	5,320	-	0.00%
County Tax & Cape Cod Commission Assessments	1,071,451	1,094,175	1,094,175	1,121,529	27,354	2.50%
Mosquito Control	337,988	352,254	352,254	372,123	19,869	5.64%
Air Pollution Control Districts	21,813	21,832	21,832	22,378	546	2.50%
RMV Non-renewal Surcharge	72,380	72,380	72,380	72,380	-	0.00%
Cape Cod Regional Transit Authority	497,009	509,433	509,433	551,118	41,685	8.18%
Special Education Assessment	25,671	26,698	26,698	26,698	-	0.00%
Abatements & Exemptions Deficits	-	32,030	-	-	(32,030)	-100.00%
Total	14,512,815	14,791,353	14,734,823	15,467,602	708,279	4.79%
Subtotal Before Transfers	34,886,246	36,230,763	35,926,050	37,830,514	1,599,751	4.42%
Transfers						
Transfer to Capital Trust Fund	3,530,313	7,435,335	7,435,335	3,540,468	(3,894,867)	-52.38%
Transfer to Special Revenue Funds	-	34,999	34,999	-	(34,999)	-100.00%
Transfer to Capital Projects Funds	1,037,689	-	-	-	-	0.00%
Transfers to Enterprise Funds	310,148	718,420	718,420	869,076	150,656	20.97%
Total	4,878,150	8,188,754	8,188,754	4,409,544	(3,779,210)	-46.15%
Grand Total Other Requirements	\$ 39,764,396	\$ 44,419,517	\$ 44,114,804	\$ 42,240,058	\$ (2,179,459)	-4.91%
Source of Funding						
Taxes	\$ 31,816,998	\$ 31,134,881	\$ 30,270,270	\$ 32,890,922	\$ 1,756,041	5.64%
Intergovernmental	6,196,395	5,735,174	5,735,174	5,723,925	(11,249)	-0.20%
Interest and Other	51,892	-	559,900	498,200	498,200	0.00%
Special Revenue Funds	355,608	116,037	116,037	112,183	(3,854)	-3.32%
Enterprise Funds	1,053,503	1,672,053	1,672,051	1,659,828	(12,225)	-0.73%
Trust Funds	290,000	280,000	280,000	270,000	(10,000)	-3.57%
Reserves	-	5,481,372	5,481,372	1,085,000	(4,396,372)	-80.21%
Total Sources	\$ 39,764,396	\$ 44,419,517	\$ 44,114,804	\$ 42,240,058	\$ (2,179,459)	-4.91%

Employee Benefits

The budget for employee benefits totals \$22,362,912. Included in this amount is a charge from the Group Insurance Commission for retired teachers' health insurance for \$2,323,071. This amount is included on the Cherry Sheet the town receives from the state, which details all state aid and state charges. This charge does not need to be appropriated by the Town Council and is deducted from the employee benefits budget to arrive at the appropriation order amount of \$20,039,841.



Retirement assessments and health insurance account for a majority of the employee benefits expenditures. Health insurance for active employees accounts for 65% of the health insurance budget. The FY17 budget includes a payment of \$400,000 into the Other Post-Employment Benefits Trust Fund which is used to accumulate assets for benefits provided to employees upon retirement; specifically health insurance.

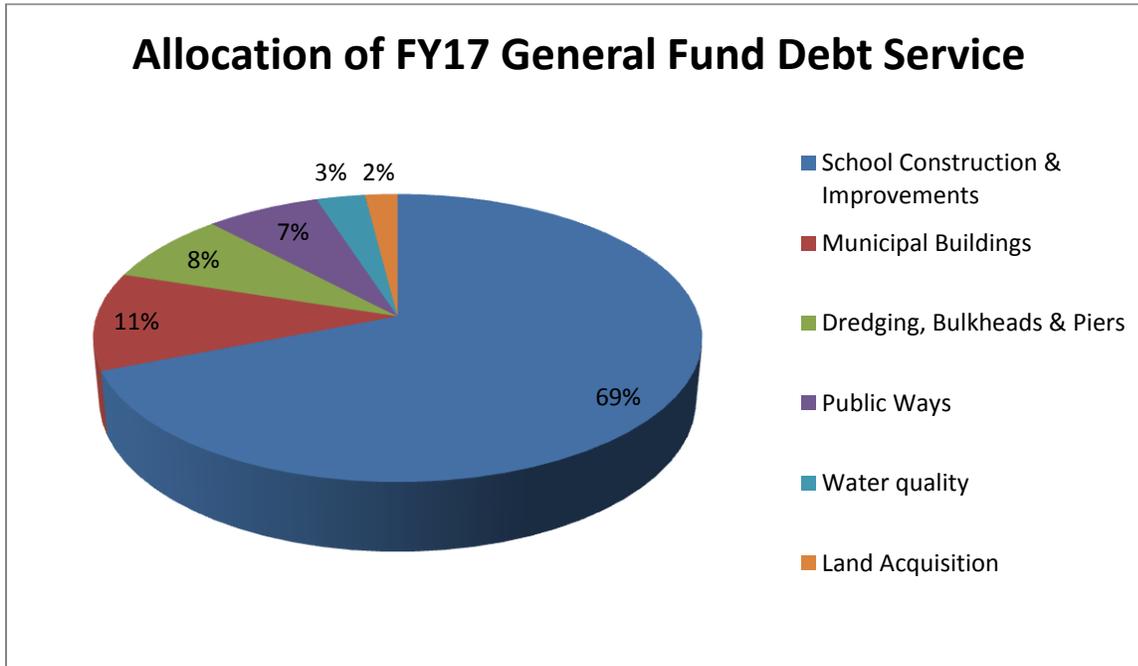
APPROPRIATION ORDER 2016-138 Employee Benefits

ORDERED:

That the sum of **\$20,039,841** be appropriated for the purpose of funding the Town's FY 2017 Employee Benefits budget, and to meet such appropriation, that **\$18,684,841** be raised from current year revenue, that **\$270,000** be transferred from the Pension Reserve Trust Fund, and that **\$1,085,000** be transferred from the general fund reserves, as presented to the Town Council by the Town Manager.

Debt service

The budget for general fund debt service includes the principal and interest payments on bonds issued to finance capital improvements excluding those for the enterprise fund operations. Principal and interest payments on bonds issues for the enterprise funds' capital improvements are part of the enterprise fund budgets.



A majority of the town's general fund debt service is for school related projects.

APPROPRIATION ORDER 2016-139 Debt Service

ORDERED:

That the sum of **\$9,172,108** be appropriated for the purpose of funding the Town's FY 2017 General Fund Debt Service budget, and to meet such appropriation, that **\$9,059,925** 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 3.5% or \$59,990 and the tourism funding is increasing \$2,750 of 2.2% over the FY16 budget amount.

APPROPRIATION ORDER 2016-140 Grants

ORDERED:

That the sum of **\$1,900,990** be raised and appropriated for the purpose of funding the Town's FY 2017 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	\$ 1,620,000
Interest on Tax Refunds	20,000
Celebrations	100,000
Lombard Trust Rent	52,000
Veterans' District Assessment & Benefit Payments	421,458
Old Kings Highway	9,500
Greenhead Fly Control District	5,320
County Tax & Cape Cod Commission Assessments	1,121,529
Mosquito Control	372,123
Air Pollution Control Districts	22,378
RMV Non-renewal Surcharge	72,380
Cape Cod Regional Transit Authority	551,118
Special Education Assessment	26,698
Transfer to Capital Trust Fund	3,540,468
Regional School District Assessment	<u>3,302,096</u>
Subtotal	11,237,068
<u>Less amounts included on the Cherry Sheet:</u>	
County Tax & Cape Cod Commission Assessments	(1,121,529)
Mosquito Control	(372,123)
Air Pollution Control Districts	(22,378)
RMV Non-renewal Surcharge	(72,380)
Cape Cod Regional Transit Authority	(551,118)
Special Education Assessment	<u>(26,698)</u>
Appropriation amount	<u><u>\$ 9,070,842</u></u>

APPROPRIATION ORDER 2016-141 Insurance, Assessments, Transfers and Other Fixed Costs

ORDERED:

That the sum of **\$9,070,842** be raised and appropriated for the purpose of funding the Town's FY 2017 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	\$444,872
Solid Waste	\$303,625
Water Supply	\$124,632
Airport	\$817,344
Golf Course	\$250,000
Marinas	\$61,044
Sandy Neck	\$86,520

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 2017 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 FY17 is \$393,660. 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 and administrative budget for the Community Preservation Committee. The proposed budget for FY17 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 Landbank program.

APPROPRIATION ORDER 2016-142 COMMUNITY PRESERVATION FUND ADMINISTRATION EXPENSES AND FY 2017 PROGRAM SET-ASIDES

ORDERED:

That, pursuant to the provisions of G. L. c. 44B § 6, for the fiscal year ending June 30, 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: **\$393,660** for open space and recreation; **\$393,660** for historic resources; **\$393,660** for community housing; **\$418,896** 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 for 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 2016-143 APPROPRIATION ORDER FOR COMMUNITY PRESERVATION FUND FY 2017 DEBT SERVICE

ORDERED:

That the Town Council hereby appropriate **\$2,285,118** for the purpose of paying the FY 2017 Community Preservation Fund debt service requirements, and to meet such appropriation, that **\$2,186,724** be provided from current year revenues of the Community Preservation Fund and that **\$98,394** be provided from the reserve for the historic preservation program within the Community Preservation Fund.

Comcast Licensing Fees

The Town receives approximately \$775,000 per year from its cable license with Comcast. In accordance with the licensing agreement, the funds are restricted for use as they relate to public, educational and governmental programming activity. The town currently uses these funds to operate Channels 18 and 22. They were also used to finance the construction of a fiber optic network that was completed in FY14. The network connects 48 municipal facilities. This fund will also be used to self-insure the network. Annually, the Town Council authorizes the town Manager to expend these funds in accordance with the licensing agreement.

RESOLVE 2016-144 AUTHORIZING EXPENDITURE OF COMCAST LICENSING FEES FOR THE FUNDING OF THE PUBLIC, EDUCATIONAL AND GOVERNMENT (PEG) ACCESS CHANNELS

RESOLVED: That the Town Council hereby authorizes the Town Manager to expend funds for the FY 2017 operation of Public, Educational and Government access channels from licensing fees provided in the cable licensing agreement with Comcast, as signed by the Town Manager on June 8, 2008.

REVOLVING FUNDS AUTHORIZATION ORDER 2016-145

ORDERED:

Pursuant to Chapter II, Article XVIII-A, Section 3 of the General Ordinances, the Town Council hereby authorizes the following revolving funds for FY 2017:

Fund	Revenue Source	Dept. Officer Authorized To Expend Funds	Use of Fund	Total Expenditure Limit FY 2017
Classroom Education Fund	Program registration fees	Senior Services Director	Salaries, benefits, expenses, contract services to operate program	\$65,000
Recreation Program Fund	Program registration fees	Leisure Services Director	Salaries, benefits, expenses, contract services to operate program	\$500,000
Shellfish Propagation Fund	Fees from permits	Natural Resources Director	Salaries, benefits, expenses, contract services, shellfish equipment to operate	\$200,000
Building Inspections Fund	Fees from permits for municipal & private projects	Building Commissioner	Salaries, benefits, expenses, contract services to operate program	\$150,000
Consumer Protection Fund	Fees from weights & measures	Director of Regulatory Services	Salaries, benefits, expenses, contract services to operate program	\$350,000
Geographic Information Technology Fund	Fees for GIS maps & reports	Information Technology Director	Salaries, benefits, expenses, contract services to operate program	\$10,000
Arts and Culture Program Fund	Shanty revenue, gifts & contributions for arts culture	Growth Management Director	Expenses related to arts and culture program	\$50,000
			Total	\$1,325,000