



Revenue & Expenditure Forecast

FY2001-FY2005

Town of Middleborough

Prepared by the Municipal Data Management and Technical Assistance Bureau
February 2000

INTRODUCTION

At the request of the Middleborough Board of Selectmen and Town Manager, the Department of Revenue's Division of Local Services has prepared a five year revenue and expenditure forecast for the town of Middleborough.

The forecast is based on information gathered from Middleborough's financial records, as well as conversations with the town manager, town clerk/accountant, treasurer/collector, assistant assessor, school department business manager, Bristol-Plymouth Regional Vocational officials, and other town officials. In addition, information was gathered from state agencies, including the Department of Revenue, the Department of Education, and the Public Employees Retirement Administration.

Following an Executive Summary, Section One and Two of this report present the assumptions made to project FY2001-2005 revenues and expenditures.

The primary goal of this forecast is to determine Middleborough's ***funds available for discretionary purposes***. These funds are the difference between the level of expenditures needed to maintain the current FY2000 level of municipal services – the "maintenance budget" – and the revenues projected to meet them. The projected funds available for discretionary purposes reflected the ability of the town to finance costs beyond the maintenance budget from current sources of revenue.

It should be noted that a revenue and expenditure forecast is a projection of the numerous factors which will affect the financial health of a municipality. It is intended to serve as a guide for town officials and citizens in their decision-making process. It is not a budget. Any significant changes in any number of variables—new growth, state aid, wage and salary schedules—can alter the basic findings of the forecast. Consequently, the forecast should be revised as circumstances change. As such, a diskette of the financial information accompanies this report so town officials may make changes easily.

TABLE OF CONTENTS

	Page
Introduction.....	i
Executive Summary.....	1
Section One: Revenue Assumptions and Detailed Projections	3
Tax Levy	3
State Aid	6
Local Receipts	7
Available Funds	10
Section Two: Expenditure Assumptions/Maintenance Budget Projections.....	13
Departmental Salaries	13
Departmental Expenses.....	13
Education Spending.....	17
Acknowledgements	22
Appendix	23

LIST OF FIGURES

Table 1: Funds Available for Discretionary Purposes 1

Graph 1: Projected Revenues vs. Expenditures 1

Table 2: Allowable Valuation & New Growth Projections 4

Table 3: Projected Debt Exclusions & Middle School Reserve 5

Table 4: Projected Chapter 70 Increases 6

Table 5: Projected Lottery Increases 6

Table 6: Projected Free Cash Certifications 11

Table 7: Projected Reimbursements by Water, Wastewater and Gas & Electric
Departments 12

Table 8: Summary of Projected Revenues 12

Table 9: Projected Trash Costs 14

Graph 2: Debt Limits and Indebtedness 15

Table 10: Total Debt, Population and Per Capita Debt 15

Table 11: Projected Foundation Budget Calculations 18

Table 12: Summary of Projected Expenditures 21

Acknowledgments 22

Appendix A: Projected Levy, Limits, Tax Rates and New Growth 23

Appendix B: Projected State Aid 24

Appendix C: Projected Local Receipts 25

Appendix D: Projected Available Funds 27

Appendix E: Projected Indirect Costs for the Water, Wastewater, Gas & Electric
and School Departments 28

Appendix F: Detailed Non-School Expenditure Projections 29

Appendix G: Detailed School Expenditure Projections 44

Appendix H: Middleborough School Spending Requirement Projections 45

Appendix I: Bristol-Plymouth School Spending Requirement Projections 46

EXECUTIVE SUMMARY

FUNDS AVAILABLE FOR DISCRETIONARY PURPOSES

This forecast projects the annual funds available for discretionary purposes – the difference between projected annual revenues and expenditures. This difference serves as an estimate of the town’s financial capacity – the ability to expand existing programs, initiate new ones, provide for salary and wage increases, or finance capital expenditures.

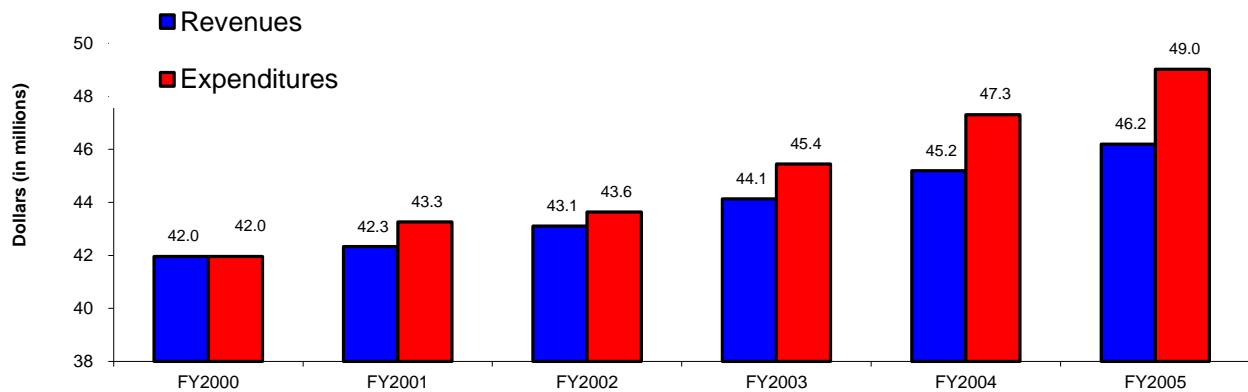
Middleborough’s projected funds available for discretionary purposes for FY2001-FY2005 are reflected in Table 1 and depicted in Graph 1 (below).

Table 1: Funds Available for Discretionary Purposes

	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005
Revenues	\$41,960,210	\$42,327,917	\$43,099,998	\$44,128,599	\$45,190,776	\$46,194,959
Expenditures	41,960,210	43,264,783	43,640,170	45,445,610	47,313,143	49,024,622
<i>Available for discretionary purposes</i>	0	-936,866	-540,172	-1,317,011	-2,122,367	-2,829,663

Notes:
 FY2000 revenues and expenditures reflect the use of \$192,980 from free cash to fund estimated appropriations for the firefighters’ contract, and FICA and health insurance shortfalls. These items will be funded at the next special town meeting.
 These figures exclude the appropriations for water, wastewater and gas & electric departments because they are self-supporting enterprise funds.
 The general fund receives reimbursements for services provided to the water, wastewater, and gas & electric departments. These costs and revenues are reflected in the table.

Graph 1: Projected Revenues vs. Expenditures



Methodology

Maintenance level budget --This forecast assumes a maintenance level budget; that is, expenditures for FY2001-FY2005 are projected on the basis of the expected cost of maintaining the FY2000 level of services in future years. The FY2000 level of service reflects the town's operating budget as adopted by town meeting on May 15, 1999 and amended on October 18, 1999, with the exceptions noted previously in the footnotes to Table 1.

Potential additional expenditures – Certain potential expenditures are not included in the forecast. These include but are not limited to the following.

- Settlement of contracts – Most town and school labor contracts are expiring at the end of FY2001 (some school contracts expire in August 2001). This forecast does not reflect the impact of any future negotiated salary increases for employees beyond those contained in the current contracts.
- Capital expenditures – Capital expenditures for vehicles and equipment are generally not included unless they are recurring items necessary for the daily operation of a department. The recurring capital items included in the forecast are police cruisers, fire hoses, and recreation department equipment.
- New debt – The town has long-term debt payment schedules which include the recently issued \$31.9 million issue. Any proposed debt authorizations or new long-term debt issues are not included in this forecast.

Other considerations --This forecast is built upon assumptions about a number of variables. The forecast will be more useful if adjustments are made as updated information becomes available. Town officials should pay special attention to the following sensitive variables which could have a substantial impact on forecast results.

Revenues

- New growth – New growth is sensitive to changes in building activity. Such changes include delays of anticipated construction, development of unanticipated large commercial or industrial property, residential subdivisions, or a general upswing or downturn of the Massachusetts economy.
- State aid – State aid to communities is subject to annual action by the legislature and the governor. As such, we have made some assumptions regarding the potential funding of new Chapter 70 aid and its impacts on local education spending requirements.

Expenditures

- School expenditures – Similar to state aid, minimum local contributions to schools are subject to a variety of variables, including pupil enrollment, state funding, local revenue growth, and inflationary factors to name a few. This applies to the local schools and the Bristol-Plymouth Vocational Technical School.
- Health insurance costs – The town entered a new health coverage agreement in February 2000. After the contract expires in FY2002, given escalating costs in the health care industry, health insurance costs are projected to increase 20 percent annually for the balance of the forecast.

REVENUE ASSUMPTIONS AND DETAILED PROJECTIONS

The assumptions used to project each revenue source – property tax levy, state aid, local receipts, and available funds – are detailed in the text that follows. A detailed breakdown of the revenue projections can be found in Appendix A through D.

TAX LEVY

For projection purposes, we assume that the town levies to its levy limit for each year of the forecast. Middleborough's maximum allowable levy (levy limit plus debt exclusion) is projected to increase from \$17,515,076 in FY2000 to \$20,699,338 in FY2005 (Appendix A). This increase is attributable to the following.

- Annual 2.5 percent increase – As provided by Proposition 2 ½, the levy limit is increased 2.5 percent over the prior year's levy limit net of debt and capital exclusions.
- New growth – Proposition 2 ½ also allows a community to increase its levy by an amount reflecting the valuation of certain new construction and other improvements in its tax base that is not the result of property revaluation. The purpose of new growth is to recognize and compensate for additional costs associated with new development.
- Debt and Capital Outlay Exclusions – Under the provisions of Proposition 2 ½, voters can authorize a community to levy taxes in excess of its levy limit for the payment of specific debt service costs (debt exclusions) and specific capital acquisitions (capital outlay expenditure exclusions).

Revaluation

The town is currently undertaking a triennial property revaluation. Given the recent rise in property sales, the town performed an assessment/sales analysis in FY1999. Based on its results, the town made interim year adjustments to the residential property class prior to setting the FY2000 tax rate. The interim year adjustments were made to offset projected increases as a result of the FY2001 revaluation.

Based on discussions with local officials, our projections include the following.

- Residential property values increase approximately 10 percent in FY2001.
- Commercial/industrial values increase approximately 5 percent in FY2001.
- No value increases are projected for the next scheduled revaluation in FY2004.

Tax Classification

The town has historically shifted a portion of the tax burden away from the residential properties. In recent years, the commercial, industrial and personal property (CIP) have represented about 20 percent of the town's assessed valuation but have contributed approximately 22 percent of the tax levy, a 10 percent shift. So that the tax rate projections reflect this continued distribution, we have adjusted the selected residential factor in order to maintain a CIP factor of 1.10.

Tax Increment Financing (TIF) Exemption

To encourage economic development, Middleborough has granted TIF exemptions. Middleborough has entered into five TIF agreements and plans to enter into another agreement in FY2000. A TIF agreement enables a community to reduce the tax liability for specific properties up to twenty years. As new construction occurs, the new growth is pro-rated based on the TIF agreement. For example, in 1998, \$16 million of new industrial

construction was built but under the terms of the TIF agreements, only \$9.5 million was captured in allowable valuation increases which contributed to new growth in FY2000.

New Growth

New growth is calculated by multiplying allowable new construction of the prior calendar year by the tax rate of the previous fiscal year. For example, FY2000 new growth equals allowable new construction in calendar year 1998 multiplied by the FY1999 tax rate(s). To project new growth, we have estimated the valuation impact of construction activity and have projected tax rates. Tax rates are projected on the basis of estimated maximum allowable levy limits and estimated total assessed valuation.

We reviewed historical building permits, construction begun but not completed, proposed plans to construct multiple unit residential tracts, commercial and industrial developments, and changes in personal property accounts. Based on this information and discussions with local officials, we have projected allowable valuation increases and new growth depicted in Table 2.

Table 2: Allowable Valuation & New Growth Projections

Calendar year	1999	2000	2001	2002	2003
Fiscal year	2001	2002	2003	2004	2005
Single family dwellings	\$7,650,000	\$4,500,000	\$3,600,000	\$2,700,000	\$4,500,000
Tanglewood	0	4,725,000	4,725,000	4,725,000	0
Oak Point	4,500,000	4,500,000	4,500,000	0	0
Additions/renovations	2,000,000	1,600,000	1,280,000	1,024,000	819,200
Other	500,000	450,000	405,000	364,500	328,050
Residential (total)	14,650,000	15,775,000	14,510,000	8,813,500	5,647,250
Commercial	750,000	11,347,500	607,500	546,750	492,075
Chapter lands	0	1,000,000	1,000,000	0	0
Industrial	0	0	0	0	0
Personal Property	3,000,000	900,000	720,000	1,800,000	360,000
Total allowable valuation increase	\$18,400,000	\$29,022,500	\$16,837,500	\$11,160,250	\$6,499,325
New Growth	\$353,832	\$484,444	\$276,790	\$189,565	\$111,362

Middleborough has seen increased building activity due to current trends in the real estate market and regional economy, the availability of land, and the extension of the Commuter Rail into town. In addition, there are two large-scale residential developments planned, Tanglewood and Oak Point. The Tanglewood development is planned to be more expensive than average homes built in town and is planned to be built in phases over three years. The Oak Point development, on the other hand, is a mobile home development. Generally, mobile homes are exempt from property taxes, however, the Oak Point club house, roads and sewer plant, estimated at \$13.5 million, are projected to be captured in new growth estimates over the next three years.

In the commercial properties, two large TIF projects are currently planned, a Christmas Tree Shops addition (estimated at \$8 million) and New England Sportswear new construction (estimated at \$10 million). These are projected to be completed in 2000 and taxable in

FY2002. This will add about \$10.67 million in allowable valuation increases. In addition, the assessors are estimating new growth in agricultural lands classified under Chapter 61A. Specifically, they are projecting increases in value in the cranberry bog parcels due to increased productivity of the land and/or new acreage previously undisclosed which generally is found when mapping or aerial photographs are redone.

There are no plans to expand or construct any additional industrial developments as of this writing. Therefore, there is no projected industrial growth in this forecast.

Annually, the assessors request Form of Lists from all businesses. This is a listing of all contents (furniture, business machines, computers, etc.) in commercial and industrial properties, otherwise referred to as personal property. Each taxable item that is new or a replacement is captured in the new growth calculation. Personal property items that are removed, depreciated or sold reduce the total personal property valuation, but unlike other property classes, is not netted against increases for new growth purposes. In our forecast, the town is projected to capture most new personal property growth in its revaluation years (FY2001 and FY2004) due to the work of contractors that specialize in this work. We have also reduced the personal property valuation by \$1 million each year of the forecast to prevent overstating the value of this class of property.

Overall, with the exception of the specific developments noted above, our projections of new construction reflect a decline between FY2001-FY2005. This reflects a potential slowdown in construction based on rising interest rates and projected slowdown in the economy.

Debt Exclusion

Middleborough voted to exclude the debt service costs associated with the construction of the new Middle School. The amount excluded is the scheduled debt service costs net of School Construction reimbursements from the state and Middle School Reserve funds raised in advance for this debt cost (see other available revenues section). The town plans to use this reserve over eight years¹. Table 3 displays the debt exclusions for each year of the forecast.

Table 3: Projected Debt Exclusions & Middle School Reserve

	FY2001	FY2002	FY2003	FY2004	FY2005
Excludable school debt	\$ 2,548,013	2,385,296	2,326,446	2,265,242	2,204,038
Less state aid	1,613,264	1,613,264	1,613,264	1,613,264	1,613,264
Less Middle Reserve	409,749	252,004	213,182	269,476	208,272
Debt Exclusion amount	525,000	520,028	500,000	382,502	382,502
Middle School Reserve:					
Beginning balance	1,607,510	1,197,761	945,757	732,575	463,099
Changes	-409,749	-252,004	-213,182	-269,476	-208,272
Ending balance	1,197,761	945,757	732,575	463,099	254,827

¹ The amount of the reserve used in FY2004 and beyond is subject to the outcome of the school construction audit and any adjustment in the annual school construction reimbursement amount to Middleborough.

STATE AID

State aid for communities is based on annual Cherry Sheet estimates. The Cherry Sheet is the official notification by the Commissioner of Revenue to local assessors of the estimated receipts to be paid to a community or regional school district by the Commonwealth during the next fiscal year. The assessors are required to use these figures in determining the town's tax rate.

Because many of the state aid receipts due to a community vary based on changing expenditures and annual reports filed with the Commonwealth, we have projected most receipts at the estimated FY2000 level (Appendix B). These projections assume the community files for reimbursement timely. The exceptions are as follows.

- Chapter 70 – The Education Reform Act of 1993 had a substantial impact on municipal finance and in particular, on the level of state aid received by municipalities and regional school districts. Education Reform was undertaken in an effort to improve the level of funding of public schools over a seven-year period. Through a combination of state aid (Chapter 70), local effort (annual local contribution) and total spending targets (foundation budget), all municipal and school districts have reached their foundation budget by FY2000. While FY2000 marks the end of the state funding increases specifically prescribed in Chapter 70, future aid increases are likely to be more modest and aimed at maintaining foundation spending. In Table 4, we have projected increases in Chapter 70 funding.²

Table 4: Projected Chapter 70 Increases

	FY2001	FY2002	FY2003	FY2004	FY2005
Total Chapter 70	\$2,935,713,058	\$3,035,713,058	\$3,110,713,058	\$3,160,713,058	\$3,210,713,058
Increase over prior FY	132,380,103	100,000,000	75,000,000	50,000,000	50,000,000
Percentage increase	4.72	3.41	2.47	1.61	1.58
Middleborough	13,093,793	13,442,993	13,704,893	13,879,493	14,054,093

- School construction – The Commonwealth reimburses communities and regional school districts for a portion of qualified capital improvements and construction. The town received its last reimbursement (\$709,790) for an old project in FY2000. However, beginning in FY2001, the town is scheduled to receive a new reimbursement for the Middle School project in the amount of \$1,613,264. We have projected this figure in each year of the forecast, but it will probably change once the town has completed a school construction audit of the project.
- Lottery – Similar to Chapter 70, we have projected the lottery receipts to increase beyond the Governor's House 1 proposal of \$730,000,000 in FY2001 in declining amounts (Table 5).

Table 5: Projected Lottery Increases

	FY2001	FY2002	FY2003	FY2004	FY2005
Total lottery aid	\$730,000,000	\$780,000,000	\$820,000,000	\$850,000,000	\$870,000,000
Increase over prior FY	60,000,000	50,000,000	40,000,000	30,000,000	20,000,000

² Our projections reflect the town's estimated share of new Chapter 70 funding. No adjustments have been made for Choice and Charter School assessments. These costs are annually assessed through the withholding of Chapter 70 funds. The combined cost to Middleborough is currently about \$35,000.

Middleborough	2,365,346	2,533,334	2,667,725	2,768,518	2,835,713
---------------	-----------	-----------	-----------	-----------	-----------

- State-owned land – The Commonwealth reimburses communities for foregone tax revenues to certain types of tax-exempt state-owned land. At present, the reimbursement is prorated based on the amount funded and approved in the state budget. The amount funded has increased about 20 percent annually and is projected to be fully funded in FY2002 using the current values (FY1996).

The Division of Local Services' Bureau of Local Assessment (BLA) is required to conduct a re-appraisal of these lands every five years. BLA is in the process of conducting the re-appraisal to determine the FY2001 values to be used for reimbursement purposes in FY2002. In the absence of new value information, we have projected the FY2001 and FY2002 estimates to increase 20 percent annually over the FY2000 estimate (\$46,728) or \$56,074 in FY2001 and \$67,288 in FY2002. In FY2003-FY2005, we have level funded the estimate at the FY2002 estimated amount. These projections assume no adjustments to reflect purchases and sales of state-owned land.

LOCAL RECEIPTS

Local receipts are revenues a municipality collects primarily through fees, fines, licenses and permits. Also included are motor vehicle excise, hotel/motel excise and other miscellaneous non-property tax revenues. A listing of actual and projected local receipts is found in Appendix C.

In general, projected local receipts are based on an analysis of historical information, actual FY1999 receipts and discussions with town officials. Any one-time and unusually large receipts were closely examined to determine whether these receipts can reasonably be expected to recur in FY2001-2005. Our projections are based on currently established fee schedules.

MOTOR VEHICLE EXCISE

For FY2001-FY2005, we have projected motor vehicle excise receipts to increase 2 percent per year from the FY2000 estimate level of \$1,243,635. This takes into consideration actual collections in the last few years and the town's practice of under estimating this revenue source intentionally to generate free cash.

OTHER EXCISE

This category includes boat, farm and hotel/motel excises. The town's boat and farm excise have not changed much in recent years and have been level funded at the town's FY1999 actual level of \$7,282. The hotel/motel excise, on the other hand, has increased in recent years. According to town officials, it receives hotel/motel excise from three establishments in town. Because there have been no improvements to these properties, the recent increases are believed to be the result of a strong economy and the town's proximity to Cape Cod. Based on discussions with local officials, we have projected the hotel/motel excise to increase at 2 percent per year beyond the FY2000 estimate of \$117,373.

PENALTIES & INTEREST

Penalties and interest on taxes and excises have fluctuated in recent years. The largest collections (FY1997) are the result of the treasurer/collector's initiative to encourage payments by placing past due real estate taxes immediately into tax title and initiating tax foreclosure proceedings. Adjusting for these one-time collections and based on discussions with the treasurer/collector, we have projected this revenue at the FY1999 actual collection of \$200,721.

PAYMENTS IN-LIEU

This category is payments in lieu of taxes made by other communities that own land in Middleborough. Because these amounts are based on the current property value and tax rate, we have level funded this revenue at the FY1999 actual level of \$42,022.

OTHER CHARGES

This is the surcharge collected on police detail costs. When a police officer is hired for a private work detail, the vendor is charged the cost of the police officer's salary costs and an additional 10 percent surcharge for administrative costs. Based on conversations with local officials, this figure fluctuates due to one-time projects. On average, the town collects about \$10,000 annually. Therefore, we have projected this revenue figure at \$10,000 for each year of the forecast.

FEES

This category primarily reflects filing fees from the treasurer/collector, assessors, zoning board, planning board, and town clerk. Based on discussions with local officials, historical information and adjustments for one-time receipts in FY1999, we have projected this revenue at \$82,000 for FY2001 and FY2002. For FY2003-FY2005, we have projected these revenues to increase to \$100,500. This is an increase of about \$18,500 from the dog license receipts formerly sent to the county (see Other available funds section). These projections assume the town will maintain its current fee schedule.

RENTAL INCOME

This category includes rental income of town buildings and mobile home excise fees. The town rents some of its buildings on a long-term basis and from time to time for events. As such, this revenue source fluctuates. The mobile home excise fees, on the other hand, are projected to increase based on the development of the Oak Point Mobile Park. The developer plans to increase the park 100-120 units per phase and the first phase sold out in the first year. The annual mobile home excise fee is \$144 (\$12/month x 12 months) per unit. Therefore, based on discussions with town officials, historical information and recent developments, we have projected this receipt to increase 10 percent in each year of the forecast.

SCHOOLS

The schools generate miscellaneous receipts and receive Medicaid reimbursements from the state. While the miscellaneous receipts are not consistent, Medicaid reimbursements (for special services provided for Medicaid-qualifying students) are generally \$92,000 annually. The decrease in FY1999 is the result of a filing error that was not processed by year's end. Therefore, we have projected school receipts at \$92,000 for each year of the forecast. This projection assumes the schools file for reimbursement timely.

LIBRARIES

This category includes miscellaneous receipts excluding library fines. Based on historical information, we have projected these receipts at the FY1999 actual level of \$8,846 annually.

OTHER DEPARTMENTAL RECEIPTS

This category includes miscellaneous receipts from the highway, police, boards and committees. Adjusting for one-time receipts, we have projected these receipts at \$16,730 for each year of the forecast.

LICENSES & PERMITS

This category includes the receipts from alcoholic beverage licenses, town clerk's office, building department, fire department, and board of health. Based on discussions with local officials, we have projected receipts from the alcoholic beverage licenses, town clerk's office licenses and permits, fire department permits, board of health permits and weights & measurers at the FY1999 actual level of \$108,836. For all building-related permits, we have projected a slight decline in receipts to mirror the projected decline in new construction. From the actual FY1999 receipts of \$185,818, we have projected a 5 percent decline annually.

SPECIAL ASSESSMENTS

The town has street betterments which are scheduled to be paid off by FY2004. As of this writing, \$553 remains outstanding in total. Our projections are based on the amounts due annually per the town's recent balance sheet.

FINES & FORFEITS

This category includes court, DPW, parking, library and returned check fines. According to town officials, recent declines in court fines are not the result of a reduction of tickets issued, but rather the result of court administrative actions; town officials believe these receipts will stabilize. Therefore, we have projected these receipts at the FY1999 actual level of 161,901 for each year of the forecast.

INVESTMENT INCOME

Investment income is projected to decline from the actual level of \$455,169 in FY1999 (\$320,000 estimated in FY2000) to \$280,000 in each year of the forecast. The town's investment income in recent years is the result of the investment of temporary bond proceeds. Having issued the long-term debt in December 1999, this figure is projected to decline.

MISCELLANEOUS RECURRING RECEIPTS

This category includes miscellaneous receipts from the town clerk's office. Based on discussions with local officials, this receipt has been projected at the actual FY1999 level of \$26,150 for each year of the forecast. This projection assumes the town will maintain its current fee schedule of these receipts.

AVAILABLE FUNDS

The town's available funds include unrestricted funds such as Free Cash and the Stabilization Fund, and other miscellaneous available funds. In addition, these funds include funding from the water, wastewater and gas & electric departments for costs funded in the general fund (Appendix D).

FREE CASH

One of the more significant available funds is free cash. Free cash is an unrestricted available fund that may be appropriated after certification by DOR's Bureau of Accounts.

A number of factors affect the amount of free cash as of July 1 of each year. These include unexpended and unencumbered appropriations (turnbacks); receipts in excess of estimates; unappropriated surplus overlay; unexpended free cash; and outstanding taxes. Each of these factors has been examined for the purpose of estimating Middleborough's future free cash certifications.

Excess receipts

Receipts projected in this forecast represent our best estimate of actual collections. However, in the case of motor vehicle excise, we used conservative estimates consistent with the town's past practice, as this is a contributing factor toward free cash projections. We recognize even the best estimates are, in the final analysis, only estimates. Consequently, it is not unreasonable, based on an examination of prior years' receipts, to expect that actual collections will be greater than projected. For example, in FY2000, the town set its tax rate before the state finalized its budget. As a result, the town used the preliminary state aid figure of \$12,569,993. The final estimated figure was \$12,636,737; this is \$66,744 in excess of estimate. Similarly, the town received excess lottery receipts in the amount of \$283,899 in FY2000. Unless appropriated, these amounts will close to fund balance and ultimately contribute to increase free cash.

An examination of receipts in FY1997-1999 shows that after adjusting for non-recurring collections, receipts in excess of estimates have averaged about \$1,000,000 per year. For the purpose of the projection, the FY2000 annual surplus receipts are conservatively estimated at \$500,000. This is due in part to the town's less conservative estimate of local receipts in FY2000. After FY2000, receipts in excess of estimates are projected to decline by 10 percent annually, reflecting continued less conservative estimates in order to meet current operating needs.

As for non-recurring receipts, the town has received excess lottery receipts from the Commonwealth. The town received \$152,289 (FY1998), \$201,291 (FY1999) and \$283,899 (FY2000). Preliminary estimates indicate that communities may receive excess lottery receipts in FY2001, however they are expected to be less than prior years. We have projected the town will receive \$100,000 in excess lottery receipts in FY2001. Given the increases in the state program total (see State Aid section), our projections do not reflect any further lottery excess receipts.

Turnbacks

Historically, the town's general fund turnbacks have been about .6 percent of total annual appropriations (net of water and sewer departments). We have assumed that tighter constraints on departmental appropriations will lower turnback amounts in future years. Therefore, turnbacks are estimated at .3 percent of projected total annual appropriations (net of water and wastewater departments) for each year of the forecast.

Free Cash appropriations

The town generally uses all of its free cash annually. The town's FY2000 free cash certification was \$2,181,886. To date, the town has appropriated \$1,721,657 and it is estimated the town will have to appropriate \$192,980 for FY2000 (see Table 1). This will leave an unexpended balance of about \$267,249, which the town historically appropriates to the ensuing year's budget. Our projections assume the town appropriates all free cash to the current operating budget.

Overlay Surplus

Overlay surplus is an unrestricted available fund that may be appropriated directly for any lawful purpose or, if unused, closes to fund balance at the close of the fiscal year. Twice in the last three years, the town closed overlay surplus to fund balance, \$53,099 and \$85,000. Because these amounts are small, our free cash projections assume no further overlay surpluses contributing to free cash certifications.

Table 6: Projected Free Cash Certifications

	FY2001 (7/1/2000)	FY2002 (7/1/2001)	FY2003 (7/1/2002)	FY2004 (7/1/2003)	FY2005 (7/1/2004)
Beginning fund balance ³	\$2,538,236	\$1,332,874	\$991,199	\$854,647	\$836,157
Add:					
Excess local receipts ⁴	850,643	550,000	405,000	364,500	328,050
Budgetary turnbacks	125,881	129,794	130,921	136,337	141,939
Less:					
Free cash appropriated	2,181,886	1,021,469	672,473	519,327	487,868
Ending balance	1,332,874	991,199	854,647	836,157	818,278
Less: Outstanding taxes ⁵	483,999	495,377	521,169	541,325	556,634
Add: Deferred revenue ⁶	172,594	176,651	185,849	193,036	198,496
Projected free cash	1,021,469	672,473	519,327	487,868	460,140

OTHER RESERVES AND FUNDSStabilization Fund

The Stabilization Fund is an unrestricted reserve. In recent years, the town has not used this reserve but added funds to build up the balance. The current available balance is \$588,588. Our projections do not reflect the use of these funds, but they may be used to close the funding gap in any year of this forecast.

Middle School Reserve

³ Equals ending balance as of June 30 of the preceding fiscal year.

⁴ As of 7/1/2000, we have projected \$500,000 in recurring excess receipts and \$350,643 in non-recurring receipts (\$66,744 state aid and \$283,899 excess lottery receipts). Similarly, as of 7/1/2001, we have projected \$450,000 in recurring excess receipts and \$100,000 in non-recurring receipts (excess lottery receipts).

⁵ Based on historical information, outstanding taxes are estimated to be 2.82 percent of the current year's levy.

⁶ Based on historical information, deferred revenue for outstanding taxes, liens and possessions is estimated to be 35.66 percent of the town's outstanding taxes, liens and possessions.

As previously noted in the Tax Levy Section, the town has a Middle School Reserve. Between FY1998-FY2000, the town raised these funds with debt exclusions. With DOR's knowledge and approval, the town levied debt exclusion amounts greater than required. The excess revenues were set aside in the Middle School Reserve to be used in the initial years of the long-term debt, thereby lessening the debt exclusion impact on taxpayers. Our projections include the amounts listed by year in Table 3.

Departmental reimbursements

As previously noted, the water and wastewater departmental budgets are not included in this forecast because each is a self-supporting enterprise fund. However, some of their operating costs (long-term debt service, health/life insurance, FICA, etc) are budgeted in the general fund and reimbursed with transfers from the enterprise funds. The gas & electric department also operates outside of the general fund and reimburses the town for operation-supporting costs. The town prepared a costing of these services in FY2000. Using this costing report, future reimbursement amounts were projected and estimated as available funds in the general fund. The detailed analysis is found in Appendix E while a summary of the reimbursements is below in Table 7.

Table 7: Projected Reimbursements by Water/ Wastewater/Gas & Electric Departments

	FY2001	FY2002	FY2003	FY2004	FY2005
Water	\$611,388	\$616,034	\$561,453	\$591,034	\$621,400
Wastewater	197,365	198,962	211,754	226,809	243,982
Gas & Electric	836,225	909,589	1,035,406	1,182,807	1,351,943

Other Reserves

County Dog Receipts -- We project the town will use the current available balance of \$18,940 to fund the FY2001 budget. As previously noted, the town will no longer participate in the county program after FY2000 (see Local Receipts section). Therefore, we have projected the town will receive about \$18,500 in FY2001 which will be available to fund the FY2002 budget.

Council on Aging Trust -- The town annually appropriates funds from the Council on Aging Trust to offset the cost of the council on aging budget. Based on discussion with local officials and historical balances, our projections include \$190,000 in each year of the forecast.

Gas & Electric In-Lieu of Taxes Payment -- In addition to the reimbursement of town costs, the Gas & Electric Department makes an annual in-lieu of taxes payment of \$270,000. Based on our discussions with local officials, our projections include \$270,000 in each year of the forecast.

Table 8: Summary of Projected Revenues

	FY2001	FY2002	FY2003	FY2004	FY2005
Levy	\$17,916,577	\$18,831,165	\$19,545,913	\$20,088,777	\$20,694,862
State Aid	17,943,075	18,471,478	18,867,768	19,143,161	19,384,957
Local Receipts	2,645,880	2,669,793	2,713,797	2,740,843	2,769,402
Available Funds	3,822,385	3,127,562	3,001,121	3,217,995	3,345,738
Total	42,327,917	43,099,998	44,128,599	45,190,776	46,194,959

EXPENDITURE ASSUMPTIONS AND DETAILED PROJECTIONS

This section of the report details Middleborough's expenditure projections for FY2001-FY2005 and the assumptions behind the projections. A detailed breakdown of the salary and expenditure projections is located in Appendix F-G.

Middleborough's expenditure projections are based on a maintenance budget. That is, the forecast reflects only those items necessary to maintain the current level of services. The base year for comparison is the FY2000 budget as adopted. No new positions or programs are included in the projection. Potential negotiated salary increases, one-time capital expenditures and other non-recurring expenditures have also been excluded.

DEPARTMENTAL SALARIES

Departmental salaries (non-school) are projected to increase from \$7,575,929⁷ in FY2000 to \$7,882,654 in FY2005 or 4 percent. This increase assumes the follow.

- Each position will remain filled by the current incumbent
- All town contracts expire June 30, 2001
- After the contracts expire, salaries are based upon the step increases contained in the contracts
- Non-union employee salaries have been adjusted for cost of living increases awarded by the town through June 30, 2001
- Part-time, unclassified employee salaries are level-funded at the FY2000 amount
- In FY2001, the salaries of all employees are based on a 53 pay-week and in all other years the salaries are based on a 52 pay-week

DEPARTMENTAL EXPENSES

With certain exceptions, all departmental expenses have been projected to increase 2.32 percent per year through FY2005. This estimate reflects recent updates and trends in the Consumer Price Index and the State and Local Implicit Price Deflator compiled by the U.S. Department of Commerce's Bureau of Economic Analysis. The estimated increase is an average increase of the last five years. Each year's deflator is an average of the four quarters of the year. However, because there was little difference, we used the first quarter of the fiscal year (third quarter of the calendar year) reporting figure instead of the annual average. This was done because Chapter 70 specifically requires the first quarter of the fiscal year figures for projecting increases in foundation spending (see Education Spending -- Foundation Budget) and so our projections used the same increases for school and non-school projections.

Revaluation Services

The town is scheduled to conduct triennial revaluations in FY2001 and FY2004. While most of the work is scheduled to be conducted by in-house personnel, some contractual services will be required. It is projected the cost of these services will be \$65,000 in FY2001 and \$70,000 in FY2004. In the interim years, the recollection and interim-year adjustment work costs are projected to be \$5,000 in FY2002, FY2003 and FY2005.

⁷ See notes to Table 1.

Trash Disposal

The town hauls its trash to the SEMASS refuse facility in Rochester, Massachusetts. Based on the town's contract with the SEMASS and the town's projected tonnage amounts, the town provided us with the following projections for trash disposal costs.

Table 9: Projected Trash Disposal Costs

	FY2001	FY2002	FY2003	FY2004	FY2005
SEMASS	\$141,660	\$144,020	\$146,382	\$148,743	\$151,104

Ambulance Contract

The town is entering into a new three-year contract for ambulance service. Based on the terms of the contract, it will cost the town \$31,666 annually for FY2001-FY2003. After FY2003, it is projected the service cost will increase 2.32 percent annually.

Postage

The U.S. Postal Service has proposed a postage rate increase next year. Reportedly, each postage class will be increased about \$.01. Because this action is not definite, this has not been factored into the forecast.

School transportation costs⁸

The town provides transportation for regular education students (K-12), special education students, and high school students attending Bristol and Norfolk County Agricultural schools. The town enters into multi-year contracts for these services.

According to school officials, the estimated costs of providing transportation services to regular educational students are \$924,840 (FY2001), \$943,524 (FY2002) and \$962,352 (FY2003). The new contract provides for three additional buses and the transportation cost for the Bristol County Agricultural School. Based on discussions with school officials, for the two remaining years of the forecast, the regular transportation services are projected to increase 2.32 percent annually. With the inclusion of Bristol County in the regular service, the Norfolk County Agricultural School transportation service cost is projected to be \$30,000 in FY2001 and is projected to increase 2.32 percent annually.

Special education transportation service is projected to increase 25 percent annually. This is based on historical information and discussions with local officials.

Debt Service

This category includes financial service costs, long-term debt service and short-term interest costs. The town annually budgets \$15,000 for financial services and \$150,000 for short-term interest costs⁹, which are reflected in our projections. The amount budgeted for long-term debt service is based on debt service schedules provided by financial lenders. We have not included the Title 5 Water Pollution Trust debt issues because they are funded with betterments and reported in a special revenue fund.

⁸ While this is traditionally a school expenditure, many communities classify it as non-school because it does not contribute toward meeting school spending requirements.

⁹ Short-term interest costs for the water, wastewater and gas & electric departments are charged directly to the appropriate fund, not the general fund.

Given the recent multi-million dollar debt issue, town officials raised questions regarding the amount of debt the town has issued and cited additional needs in the future. The amount of debt issued and the manner in which it is managed is a policy decision of the town. However, to put this issue into perspective, Graph 2 depicts comparable communities¹⁰ debt burden as a percentage of the normal debt limit,¹¹ which is 5 percent of the town’s equalized property valuation (EQV), and Table 10 shows each community’s debt burden per capita. Each town’s total debt (long-term, short-term and authorized but unissued) is reported to DOR in the Statement of Indebtedness (as of 6/30/1999). As seen in Graph 2, most of the communities range between 70-78% of their debt limits and Middleborough has the second

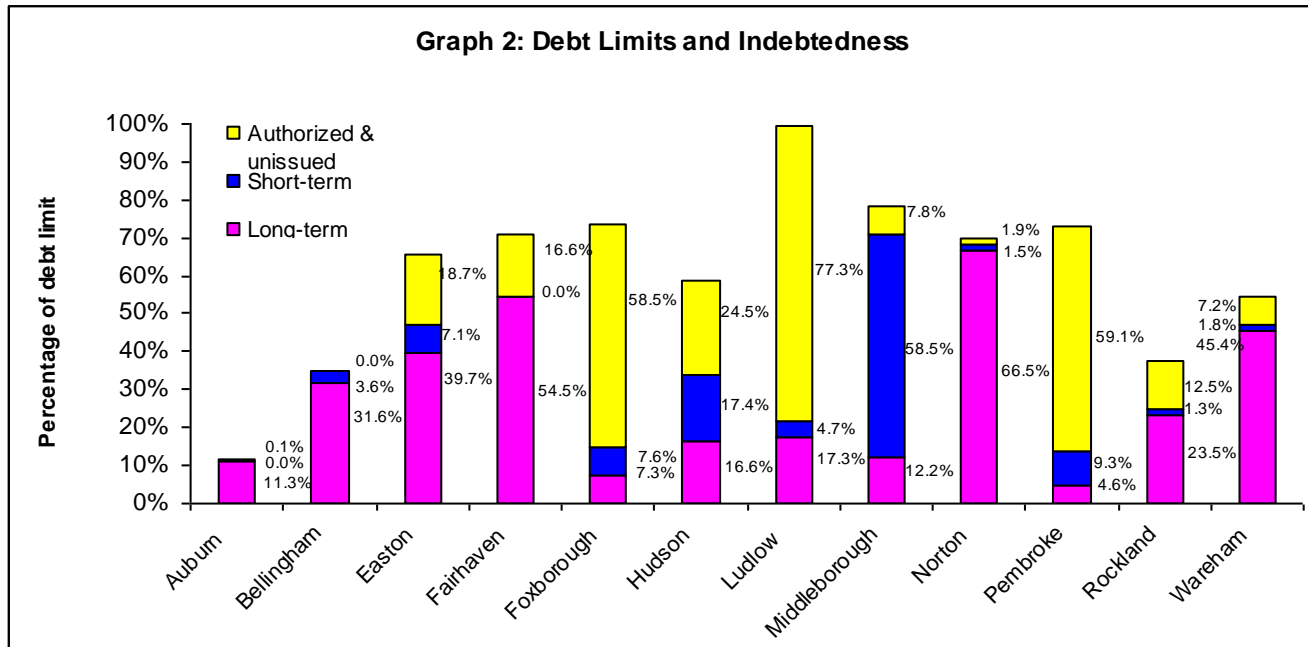


Table 10: Total Debt, Population and Per Capita Debt

	Auburn	Bellingham	Easton	Fairhaven	Foxborough	Hudson	Ludlow	Middleborough	Norton	Pembroke	Rockland	Wareham
Total debt (millions)	\$5.28	\$18.49	\$44.71	\$33.05	\$43.66	\$31.0	\$46.87	\$39.08	\$29.69	\$38.56	\$15.92	\$34.24
Population	15,580	15,864	21,311	15,937	16,388	17,803	18,957	19,702	16,097	16,621	17,730	19,756
Debt/capita	\$339	\$1,166	\$2,098	\$2,074	\$2,664	\$1,741	\$2,472	\$1,983	\$1,845	\$2,320	\$898	\$1,733
Rank	12	10	4	5	1	8	2	6	7	3	11	9

highest level of debt of these communities. In terms of per capita debt, Middleborough ranks 6th from the highest among these communities.

¹⁰ These are communities with similar population (1998) and EQV figures.

¹¹ According to Chapter 44, Section 10, a town’s debt limit is the maximum amount of debt that a municipality may authorize for qualified purposes. A community may issue debt outside the debt limit, but for our purposes, we used debt inside and outside of the debt limit.

Fringe Benefits

This category includes workmen's compensation, unemployment insurance, health & life insurance, FICA and retirement. Projections for these items are based on discussion with local officials and historical information.

Workmen's Compensation -- The town is self-insured and maintains a trust fund for any claims. Barring any large, unanticipated claims, we have projected this to increase 5 percent in each year of the forecast in order to maintain a positive balance in the fund.

Unemployment Insurance -- The town annually funds this at \$40,000. Barring any layoffs, we have projected this at \$40,000 in each year of the forecast.

Health & Life Insurance -- As a result of a change in insurance carrier, the town's health insurance costs have increased 10 percent for the remaining five months of FY2000. Under the terms of the new 2½-year contract (2/1/2000-6/30/2002), the town's cost will increase approximately 10 percent each year. As a result, we project this expenditure to increase 12 percent¹² in FY2001 and 10 percent in FY2002. After the contract expires in 2002, given escalating costs in health care industry, health insurance costs are projected to increase 20 percent annually for the balance of the forecast.

FICA (Federal Contributions Act) -- Wages of employees hired after March 1996 are subject to the hospital insurance portion of the social security tax, however, any employee not participating in the town's retirement fund must pay the retirement portion of it too. In both cases the town must match the employee contribution. Based on discussions with the treasurer, we have projected FICA to increase 10 percent in FY2001 and FY2002 (based on cost of living increases and the newer employees' step increases) and 5 percent in each of the remaining years of the forecast. As salaries change, cost-of-living increases are granted, and new employees are hired, these costs will change accordingly.

Retirement -- Based on information from the Public Employees Retirement Administration and Plymouth County Retirement Board, we have projected this to increase about 10 percent per year. This takes into account the current projected salaries and the county's schedule to fund its unfunded liability. Again, as salaries change, cost-of-living increases are granted, and new employees are hired, this cost will change accordingly.

Other Amounts to be raised

These are amounts raised on page two of the tax recapitulation sheet. The recurring items include Cherry Sheet offsets, the overlay and state & county charges.

Cherry Sheet offsets -- These include school lunch and public library aid. In addition, the town included the tuition of state wards funds with the offsets because the town keeps these receipts a revolving fund. Together, these three receipts were estimated at \$110,469 in FY2000 based on the preliminary available figures when the tax rate was set. Our projections level-fund these items at the actual FY2000 amount of \$118,816.

Overlay -- The overlay is the amount reserved each year for tax exemptions and abatements. Based on historical information and the use of the overlay, it was level-funded at \$350,000 for each year of the forecast.

¹² In FY2000, 7 months are at a lower premium cost/month and 5 months are at the new premium cost/month. In FY2001, the first 6 months will be at the same premium cost/month as the last 5 months of FY2000 and the second half of FY2001 will be 10 percent higher per month. However, due to the additional month at a higher premium/month, the increase in FY2001 is closer to 12 percent.

State & County Charges -- These are charges found on the Cherry Sheet and in unclassified expenditures (SRPEDD the town's regional planning agency). Based on the current population figures and equalized values (EQV), these charges are projected to increase 2.5 percent in each year of the forecast. The exception is the air pollution district assessment. The FY2001 estimate is adjusted due to the new population figures (FY1998) recently released. After FY2001, this assessment is projected to increase 2.5 percent annually.

In the FY2000 budget, Chapter 161A, the Massachusetts Bay Transportation Authority (MBTA) enabling legislation was rewritten. Due to the expansion of the commuter rail, the town of Middleborough will be assessed a charge beginning in FY2002. Based on current weighted-population figures, the town's assessment will be approximately \$130,000. However, this assessment will be phased in over five years and it will be reduced by the amount the community pays in regional transit assessments.

Reserve Fund

Based on the current appropriation of \$100,000 to the Finance Committee's Reserve Fund, we have projected \$100,000 in each year of the forecast.

EDUCATION SPENDING

School salaries

Similar to the town's salaries, school salaries are increased based on current contractual cost of living and step increases. However, unlike the town budget, school salaries do not have to be adjusted for 53 weeks in FY2001 because the schools budget 52.2 weeks annually. As a result, salaries are projected to increase from \$14,629,652 in FY2000 to \$15,469,554 in FY2005 (Appendix G).

School expenditures

School expenditures have been projected to increase at 2.32 percent. The exceptions to this are as follows.

- Other district, vocational and residential tuition – Based on conversations with town officials, these are projected to increase 10 percent annually.
- Collaborative tuition -- Based on historical information and conversations with town officials, these are projected to increase 25 percent annually.

Education Reform

Since the passage of the Education Reform Act of 1993, municipalities have had to meet mandatory school spending requirements when preparing their budgets. As of FY2000, all communities are at an adequate level of school spending or the "foundation budget" as described in the law. The foundation budget calculations allocate fixed spending target amounts per pupil for teachers' salaries and benefits, support staff salaries and benefits, utilities, maintenance costs and books and equipment, among other things. These calculations are adjusted annually for inflation and also take into account the school district's pupil characteristics and the regional labor market.

Similar to general government salary and expenditure projections, education budget projections are based on a maintenance budget. These projections are then compared to projected foundation budgets, net school spending and minimum required local contributions to ensure the minimum spending requirements are maintained. The school spending requirement projections for Middleborough Schools (Appendix H) and Bristol-Plymouth (Appendix I) are based on the following.

Foundation budget

Foundation budgets are adjusted annually for inflation by multiplying the ratio of the implicit price deflator for state and local government purchases for the first quarter of the prior fiscal year to the value of the same deflator and quarter of fiscal year 1993. Based on discussions with Department of Education officials, we have projected the deflator to increase at the same rate that we have projected municipal spending to increase 2.32 percent. Having projected new first quarter of the fiscal year deflator values, the change in the value in the most recent year to 1993, or foundation rate increase, is calculated. Next, the foundation rate increase is compared to the previous year's foundation rate increase. The change in foundation rate increases is applied to the foundation budget to project future foundation budgets.

Table 11 – Projected Foundation Budget Calculations

	FY2001	FY2002	FY2003	FY2004	FY2005
Foundation percent increase since 1993	18.513	21.266	24.083	26.966	29.915
Change from PY foundation rate increase	3.47	2.75	2.82	2.88	2.95

Net School Spending & minimum required local contribution projections

The total education reform school spending requirement is called net school spending. This figure is the combination of the minimum required contribution from local revenues plus state Chapter 70 education aid. Net school spending (and the foundation budget) does not include school transportation or school construction costs. Net school spending can be met through a combination of direct appropriation to the school department budget and indirect costs appearing in other municipal budgets (e.g., health insurance, retirement costs, and services provided by town employees).

On the revenue side, we have projected the increases in Chapter 70 aid based on a declining amount of minimum aid per pupil. The minimum required local contribution projections are projected to increase based on the municipal revenue growth factor (MRGF).

MRGF

The municipal revenue growth factor (MRGF) is an estimate of the total percentage increase in a municipality's general-purpose revenues from one year to the next. A municipality's MRGF cannot, however, exceed the annual percentage increase in Chapter 70 aid. Typically, a municipality must increase its minimum local contribution for education by at least this growth factor percentage, thus ensuring that the schools receive their fair share of increasing revenues. Consequently, the MRGF is critical to estimating required increases in school spending for budgetary purposes.

The MRGF calculation is based on the combined percentage increase of three separate revenue components.

- Tax levy -- Increases are based on an automatic 2 ½ percent increase in the previous year's levy limit, plus an estimate of new levy growth based on a three year average of new growth as a percentage of the prior year's levy limit. Overrides occurring after FY93 and all debt exclusions are excluded from the tax levy calculations.
- General Revenue sharing -- Increases are based on the annual change in general revenue sharing as calculated by the combined change in three Cherry Sheet programs: additional assistance, state owned land and lottery. Initial estimates for these revenue

increases are based on the state aid figures appearing in the Governor’s budget, House Bill 1, which is typically released in late January.

- **Unrestricted Local Receipts** -- The seven local receipt categories used in the MRGF calculation are: motor vehicle excise, other excise, penalties and interest on taxes and excise, payments in lieu of taxes, fines and forfeits, investment income and other recurring miscellaneous receipts. The growth in local receipts is measured by comparing the budgeted receipts in the prior year to those budgeted in the current year.

It should be noted that our foundation budget, NSS and local contribution projections do not take into account changes in foundation enrollment or changes in labor market area wages. This is based on discussions with local and DOE officials that the school enrollment is relatively level and there is very little difference between the labor market area wages and Middleborough’s wages. Furthermore, our projections do not provide for any impacts as a result of excess debt or the federal census currently being conducted that may impact state aid funding and local funding requirements beginning in FY2003.

Excess debt

As required by law, a community must fund the minimum required local contribution. However, this requirement may be reduced for excess debt incurred by the community. Excess debt is calculated by taking the debt service for school construction (net of school construction reimbursement) per pupil (foundation enrollment) and comparing it to the statewide average. If the community’s per pupil expense exceeds the statewide average, the difference is multiplied by the foundation enrollment to render the excess debt amount. This amount may be used to reduce the minimum required local contribution provided it does not fall below the foundation budget.

For example, in FY2001, the total school-related debt is \$2,991,956 or \$1,378,692 (net of school construction reimbursement). The per pupil (foundation enrollment) cost is estimated to be about \$395 ($\$1,378,692 / 3,492 = \395). Based on information from DOE, the statewide average per pupil cost is \$160. The difference between Middleborough’s projected cost/pupil and the statewide average is \$235 ($\$395 - 160 = \235). This difference is then multiplied by the enrollment figure to render a potential excess debt projection of \$820,620 ($\$235 \times 3,492 = \$820,620$). This amount could be used to reduce the NSS requirement as long as the result does not fall below the foundation budget figure as seen in the example below.

Excess Debt Example	
Minimum contribution	\$9,414,214
<u>Less excess debt</u>	<u>820,620</u>
Net minimum contribution	8,593,594
<u>Plus Chapter 70 funding</u>	<u>13,093,793</u>
Adjusted NSS	21,687,387
Foundation budget	\$21,016,270

In this example, the maintenance budget projection of the FY2001 school budget (\$22,381,405) exceeds the adjusted NSS figure (\$21,687,387). On the other hand, our projections (without excess debt taken into consideration) in appendix H present another view. While Middleborough’s projected NSS will be above its projected foundation budget in

each year of the forecast, without excess debt the projected budget (direct and indirect costs) will be below the NSS projections in FY2001 and FY2002.

Bristol-Plymouth Assessment

Middleborough is member of the Bristol-Plymouth Vocational Technical School (district). In recent years, the town's assessment has been a combination of its minimum contribution (per DOE) and an additional assessment. Once the district adopts its budget, it nets the member minimum contributions and the total Chapter 70 funding for the year. The remaining amount is assessed to members based on the regional agreement (current enrollment share).

According to district officials, a \$6.5 million capital improvement is currently underway. Until the school construction reimbursement is received, the district plans to issue temporary debt. According to DOE, the district should receive the reimbursement beginning in FY2003.

Therefore, based on historical information, projected school spending requirements (Appendix I), and the new capital assessment, we have projected the district assessments using the following assumptions.

- The minimum contribution increases are capped at the projected percentage increases of Chapter 70.
- The projected increase in Chapter 70 is minimum aid per foundation pupil.
- The foundation enrollment is stable at 865 (10/1/1999)
- The debt service for the district assumes a 5 percent short-term interest rate through the spring 2002 and 7 percent long-term rate (DOE assumptions for school construction reimbursement). The town's portion of the capital cost is based on current enrollment share.
- The additional assessment (based on current enrollment share) has been projected to increase 10 percent in each year of the forecast.

Similar to the Middleborough schools, these projections were compared with state spending requirements. According to DOE, the spending for the district as a whole must be above foundation. Therefore, our projections indicate that the regional assessments meet spending requirements.

Table 12: Summary of Projected Expenditures

	FY2001	FY2002	FY2003	FY2004	FY2005
Personnel	\$7,927,884	\$7,818,569	\$7,853,768	\$7,859,271	\$7,882,654
Expenses	3,474,763	3,599,653	3,739,593	3,902,140	4,087,926
Capital	146,884	88,320	89,789	156,292	92,830
Fixed costs	10,683,087	10,577,566	11,671,524	12,724,996	13,653,398
Other amounts	616,257	625,456	654,721	684,069	713,500
Reserves	100,000	100,000	100,000	100,000	100,000
Local schools	19,572,224	20,019,429	20,492,229	21,020,249	21,604,141
B-P Voc Tech	743,684	811,177	843,986	866,126	890,173
Total	43,264,783	43,640,170	45,445,610	47,313,143	49,024,622

ACKNOWLEDGEMENTS

The Department of Revenue, Division of Local Services, prepared this report.

Joseph J. Chessey, Deputy Commissioner
Gerard D. Perry, Associate Deputy Commissioner

Project staff included:

Frederick E. Kingsley, Bureau Chief
Municipal Data Management and
Technical Assistance Bureau (MDM/TAB)

Melinda J. Ordway, Senior Program Manager
Technical Assistance, MDM/TAB

In preparing this review, DLS interviewed the following officials and individuals:

Sandra Bernier, Accountant & Town Clerk
Donald Boucher, Public Works
Roger Brunelle, Data Processing
Joseph Correia, Finance Committee
Barbara Erikson, Assistant Assessor
William Gedraitis, Building Inspector
Ruth Geoffroy, Planner
Ellen Grant, Selectperson
Thomas Hannon, Finance Committee
John Healey, Town Manager
Marjorie Judd, Library Director
Ted Lang, COA
Joseph MacDonald, School Business Manager
Judy MacDonald, Treasurer/Collector
Harry Pickering, Parks
Neal Rosenthal, Capital Planning Committee
Robert Silberzweig, Bristol-Plymouth Vocational Technical District
Robert Silva, Fire Chief
Jeanne Spaulding, Health
Judith Wiksten, Acting Police Chief