



# The TOWN OF NORWOOD

Commonwealth of Massachusetts

## FINANCE COMMISSION

JUDITH A. LANGONE  
CHAIR

ALAN D. SLATER  
VICE-CHAIR

ROBERT G. DONNELLY

DAVID E. HAJJAR

ANNE MARIE HALEY

### ***FINANCE COMMISSION MEETING***

Meeting, Tuesday, October 17, 2017 at 5:30 pm in the Robert M. Thornton Room, Town Hall, 566 Washington Street, Norwood, MA 02062.

#### A G E N D A

5:30 pm Acceptance of minutes from Tuesday, October 3, 2017

5:35 pm Review of these Special Town meeting articles:

- 4 - Open Space Master Plan
- 13 - Fire Department patient transport system
- 15 - Town Hall Computer Room HVAC
- 16 - General Government wages
- 17 - General Manager salary
- 18 - Wiring Inspector salary
- 19 - Unpaid Bills

6:00 pm Recreation Finances Review - Mr. Hajjar & Mr. Farley

6:30 pm Other business including scheduling

#### FISCAL 2018 RESERVE FUND ACTIVITY

Reserve Fund ATM Appropriation:

\$125,000



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### FINANCE COMMISSION MEETING

*Tuesday, October 3, 2017*

### MINUTES OF MEETING

A meeting of the Finance Commission was held at 5:30 pm, Tuesday, October 3, 2017 in the Robert M. Thornton Room, Town Hall, 566 Washington Street. Attending the meeting were members Judith Langone, Chair, Alan Slater, Vice Chair, Robert Donnelly, David Hajjar and Anne Marie Haley supported by Tom McQuaid, Clerk to the Finance Commission. The main purposes of the meeting included updating the public on Finance Commission activities, discuss the items to appear on the Special Town Meeting Warrant of November 6, 2017 and to reorganize the Finance Commission leadership.

Mrs. Langone asked for discussion on the minutes of July 24, 2017. Mrs. Haley made a motion to accept the minutes, seconded by Mr. Donnelly. The minutes were ***approved 4-0 with Mr. Hajjar abstaining*** as he was not in attendance.

Mr. Donnelly, accompanied by Airport Commissioner Mark Ryan and Airport Manager Russ Maguire made a presentation about the finances of the Norwood Memorial Airport. He reviewed:

- Revenue and expense trends
- Identified opportunities to impact "net earnings"
- Examined the Airport like an enterprise would
- Offered recommendations
- Recognized the Airport's positive impact on the local economy

Mr. Donnelly showed a chart of revenue and expenses from FY2013-2017 which showed:

- The Airport generates a surplus
- Net earnings are trending downward in FY2016 and 2017
- Year-on-year revenues are relatively flat
- We have experienced a significant drop in Fuel Tax revenues



Then he displayed a chart that pulled out variable items like snow removal and FEMA reimbursements with the conclusion that:

- Revenues are relatively flat
- Expenses continue to rise

Looking at the Airport as an enterprise:

- Added indirect costs of Accounting, Accounts Payable, Payroll preparation
- Added fringe benefit costs, airport insurance, legal and litigation costs
- Included snow removal costs and related FEMA reimbursements
- Quantified and performed "what-if" looks at revenue, expenses and net earnings

Conclusions from the above exercise:

- Additional factors caused deficits in three of the five years
- Demonstrated the need to identify additional sources of revenue

As a result of the study, these recommendations have come forth:

- We should benchmark all fees and lease rates with other municipal airports
- Need to develop a plan to offset dip in jet fuel revenues
- Identify other revenue opportunities like hangar development and new fees

Lastly Mr. Donnelly recognized these Mass DOT findings:

- Having the airport generates approximately 394 related industry positions
- Combined payroll of those employees is \$16,863,000
- The value of goods and services related to airport activity is \$52,232,000

Mr. Ryan gave Mr. Donnelly several suggestions to tighten up the report. Mr. Donnelly will incorporate these suggestions as well as other suggestions from Commission members into the final report.

Mrs. Langone thanked all for this important study which will be relayed to the Budget Balancing Committee.

Mr. McQuaid read the list of articles to be discussed at the upcoming Special Town Meeting of November 6, 2017. Please see the list which is attached.

Mr. McQuaid gave a short report about one of the articles which is a major renovation proposal for Blue Hills Regional School. The impact to Norwood is approximately \$150,000 per year. A few weeks prior to Town meeting representatives from Blue Hills will make a presentation to the FINCOM.

Mrs. Langone acknowledged that the Board of Selectmen had made a substantial and complete press release related to the 40B issue.

Mrs. Haley reported liaison activity with the schools. She has been working closely with Dr. Thomson, Superintendent, Maev Bodenhofer, School Committee Chair and Maura Smith, School Committee Member. Some of the items they are looking at include SPED, bus contracts versus delivery using our own vehicles.

Mr. Slater reported on activities of the School Facilities Task force. The previous night the Task Force accepted the consultant's report as the final version. The principal recommendation is that Norwood should build a new middle school on the athletic fields of the Coakley. The recommendation is to include grades 5-8. This frees up space in all the elementary schools and helps defer the need for any action in those facilities. Also, they recommend that the School Committee file a Statement of Interest for funding with the MSBA as soon as possible.

For a November meeting, we will invite Paul Halkiotis, Town Planner to update us on the status of existing TIFs.

The Finance Commission wants to assist the Budget Balancing Committee's effort for 5 year planning.

Mrs. Langone set the schedule for the next few meetings to be held at 5:30 pm in the Robert Thornton Room, Town Hall:

Tuesday, October 17<sup>th</sup> Hajjar / Farley report on Recreation Finances, Blue Hills & some Articles for the upcoming special town meeting.

Tuesday, October 24<sup>th</sup> Special Town Meeting article discussion with departments.

The goal is to mail the FINCOM's recommendations on Friday, October 27<sup>th</sup> so that they will be in Town Meeting Member's hands one week before the meeting.

Mrs. Langone called for nominations for Chair of the Finance Commission. On a motion by Mr. Hajjar, seconded by Mrs. Haley, Alan Slater was **voted Chair unanimously 5-0.**

On a motion by Mr. Donnelly, seconded by Mr. Slater, Anne Marie Haley was **voted Vice Chair unanimously 5-0.**

There being no other business, on a motion by Mr. Hajjar, seconded by Mr. Donnelly, it was **voted unanimously 5-0** to adjourn at 7:35 pm.

A True Copy

Attest: \_\_\_\_\_  
Thomas J. McQuaid, CPA, Clerk-Finance Commission



November 6, 2017 Special Town Meeting

**Article 4 Yellow Sheet**

OPEN SPACE  
MASTER PLAN

The Planning Department is requesting \$30,000 to update the Town's Open Space & Recreation Plan (OSRP). Over the last 20 years the Town has developed Open Space & Recreation Plans that were submitted to the State Department of Conservation & Recreation (DCR) for approval in 1997, 2003 and most recently in 2010. The State encourages communities to have an up to date OSRP. The State DCR approval of an OSRP is valid for up to 7 years. Norwood's Open Space & Recreation Plan expires this year. If a community has an up to date OSRP it is eligible for a number of grant programs. If the town does not have an up to date OSRP it cannot apply for certain environmental grants.

When the Town voted to adopt the Community Preservation Act, we told voters that CPA funds could be used as a local monetary match for several types of State grants. Unfortunately, that will not be the case if the Open Space & Recreation Plan is not updated, as it has been for over 20 years.

The funding request for \$30,000 is to contract with the Town's Regional Planning Agency, the Metropolitan Area Planning Council (MAPC), to serve as a consultant and assist with the preparation of the OSRP. The 2010 OSRP is over 100 pages in length. MAPC projects that it will take over a year to update the plan. The funding request was made last year for the FY 18 budget. During the budget balancing process last winter, the funding was cut from the Planning Department's budget.

The Planning Department has applied for a grant from the State's Community Compact Program. We are hopeful that we will receive some funding to update the OSRP and help to offset the \$30,000. If awarded the grant, we do not anticipate that the Community Compact Program would pay for the full cost of updating the plan.

The Planning Board unanimously voted to request the \$30,000 to update the Open Space & Recreation Plan.



Commonwealth of Massachusetts

**GENERAL MANAGER**

JOHN J. CARROLL  
(781) 762-1240

MEMO TO: John J. Carroll  
FROM: Catherine Carney *Cathy*  
DATE: September 26, 2017  
RE: HVAC Units – IT Server Room

There are two existing air conditioning units that serve the IT server room at the Town Hall, a primary unit and a backup unit. The server room must be kept cool at all times to prevent overheating of the computer servers.

These two units, a Liebert unit located in the ceiling of the server room (which acts as a backup), and a Mitsubishi unit located on the roof of Town Hall (which acts as the primary unit), have both experienced problems this past summer that necessitated the use of portable air conditioning units until these units could be repaired. The units are 17 years old and 15 years old, respectively.

Ken Beck from BLW Engineers has evaluated the units. His opinion is that both units should be replaced. The Mitsubishi unit would be abandoned on the rooftop so as not to damage the roof membrane. The Liebert unit will be dismantled and removed from the ceiling of the IT server room. Two new units would be installed.

The estimated cost of this project, including engineering/design fees, is \$60,000. I am asking at this time that an article be placed on the Special Town Meeting warrant for \$60,000 to replace both units. This will allow us time to design the new system, bid the project, and have the units installed prior to the summer.



## **Review of Norwood Memorial Airport Revenue and Expense Trends October 2017**

At the request of the Finance Commission and Budget Balancing Committee, an analysis of Norwood Memorial Airport revenues and expenses was conducted in July and August. The intent of the analysis was to determine if there were opportunities for airport operations to be more financially self-sustaining, that is, become less dependent on tax revenues as a source of funding for airport operations.

Resources used to obtain the information needed for this report included:

- Meeting with Airport Manager Russ Maguire and Airport Commission Chairman Mark Ryan with Finance Commissioner Robert Donnelly and Board of Selectmen Chairman William Plasko and several follow-up conversations for more information and clarification;
- Review of an initial analysis of the financial structure of the Airport by former Finance Commissioner Joe Greeley (and subsequent recommendation to conduct a "net earnings" exercise);
- Actual Revenue and Expense history from FY2013 through FY2017 provided by Town Accountant Tom McQuaid;
- Study conducted by the Personnel Board in 2015 identifying eight (8) public use airports most comparable to Norwood Memorial Airport;
- Airport Master Plan Update (March 2007)
- Benefit cost estimates, airport insurance costs and legal/litigation costs associated with the Airport provided by Town departments;
- Review of budget and expense detail from other public use airports (e.g., Mansfield, Plymouth, Beverly);
- Massachusetts Statewide Airport Economic Impact Study Update.

The report is divided into four sections:

SECTION 1: FY13 TO FY17 HISTORY OF AIRPORT REVENUES, EXPENSES AND NET EARNINGS

SECTION 2: REVIEW OF AIRPORT REVENUE SOURCES AND EXPENSES

SECTION 3: SUMMARY AND RECOMMENDATIONS

SECTION 4: ECONOMIC IMPACT

Five attachments are included and described in the report.



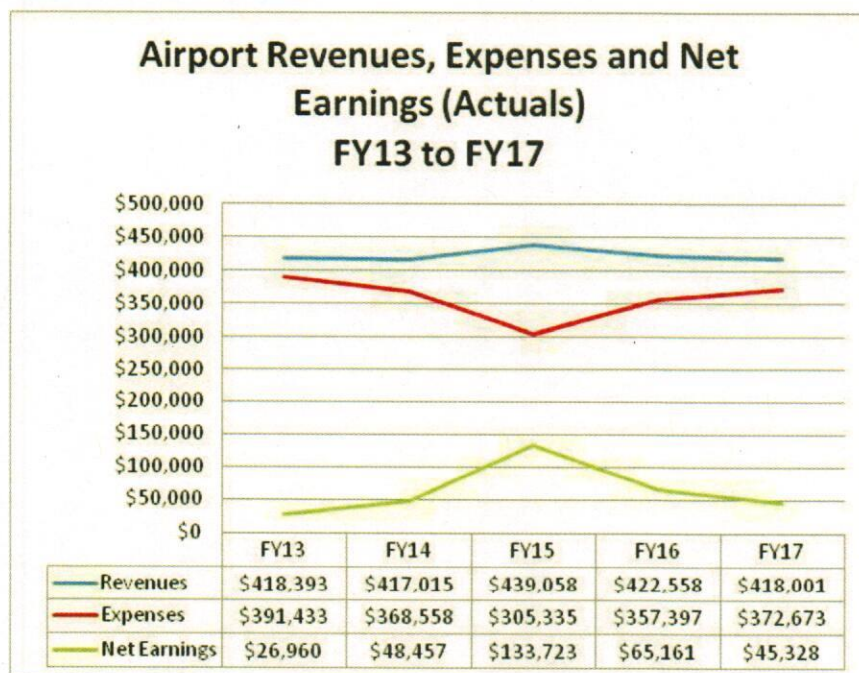
## SECTION 1: FY13 TO FY17 HISTORY OF AIRPORT REVENUES, EXPENSES AND NET EARNINGS

The report contains three attachments detailing actual expense, revenue and "net earnings" history from FY13 to FY17. The first (Attachment A) is Tom McQuaid's history of actual revenue, expense and surpluses/deficits for this five-year period.

The second attachment (Attachment B) includes the adjustments noted by Commissioner Greeley in his report from March 2017. Specifically, for identifying what factors are contributing to our net earnings trends, I have "zeroed" out expenses associated with snow removal and the Town's share of grants from DOT and FAA and revenues from FEMA reimbursements. By doing this, as suggested by Commissioner Greeley, we are able to focus the review on those expenses and revenues that are directly under the control of the Airport.

The third attachment (Attachment C) combines all revenues and costs from Attachments A with the addition of "other town services" costs as suggested by Commissioner Greeley to provide a look at net earnings history when these costs are added into the mix.

The below chart depicts the actual revenue, expense and net earnings history as summarized in Attachment A- "Actuals".



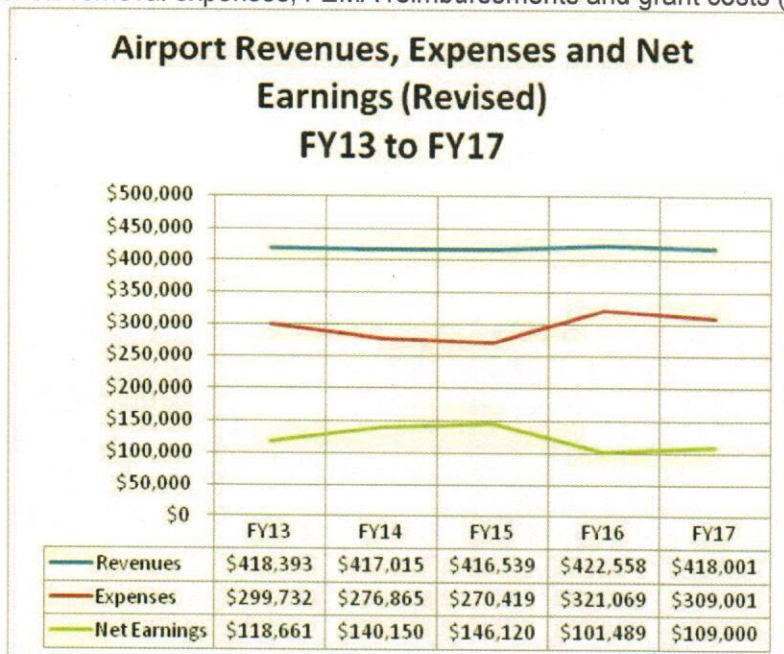
Net earnings during this period fluctuate significantly this period ranging from a low of \$26,960 in FY13 to a high of \$133,723 in FY15. The five-year total for net earnings was \$319,629 or average net earnings of \$63,926 per year.

Since net earnings are a calculation of actual revenues minus actual expenses, expenses that are not under the direct control of the airport influence them greatly. For that reason, Commissioner Greeley recommended that expenses/revenues associated with snow removal, FEMA reimbursements\* and the Town's share of annual grants be removed from the calculation so that we are able to identify net earnings trends and determine the key factors contributing to any trends identified.

\*In FY15, the town received a FEMA reimbursement of \$22,519 for snowstorm related expenses for the winter of February 2013. Additionally, \$30,000 for snow removal for FY15 reflects the FY15 budgeted amount. Due to the severity of the winter of 2014/2015, the Town spent \$152,000 of Free Cash on snow removal. In FY18, the Town received another FEMA reimbursement of \$22,863 for snowstorm related expenses that were incurred in FY17 but considered revenue for FY18 due to the timing of its receipt.



The below chart displays the revised five-year history of revenues, expenses and net earnings with snow removal expenses, FEMA reimbursements and grant costs (Town's share) excluded.



The purpose of this exercise is to identify trends. Looking at this chart, the trend during this period is one of flat revenue growth with expenses trending up. The chart shows that over this period revenues have been relatively flat running from a low of \$416,539 and a high of \$422,558. In only one fiscal year (FY16) did year-on-year revenues experience growth. During the other fiscal years, year-on-year revenues were in the negative.

Expenses have shown more fluctuations over this time ranging from \$270,419 to \$321,069.

"Net Earnings" for FY16 and FY17 are the lowest for the 5-year period beginning on July 1, 2012.

A summary of the data used for this chart is in **Attachment B- "Revised Analysis for Net Earnings Trends."**

Please note that although removed from these calculations for this exercise, snow removal costs have averaged \$44,000 per year over the 5-year period. Average matching grant costs for Norwood averaged \$16,000 per year over the 5-year period.

Additionally, the expenses detailed in this chart do not include the items recommended by Commissioner Greeley to account for the costs of services provided by the Town. Adding these costs to the expense mix will provide a more realistic look at "net earnings" generated by the airport over this period.

#### **Additional Costs for Town Services and Benefits**

Commissioner Greeley identified the following additional cost items for airport operations:

- General Support (Accounting, Treasury, Data Processing)
- Legal/Litigation costs
- Airport Insurance (Airport General Liability and Airport Directors and Officers policies)
- Employee Benefit Costs
- Police and Fire Services

With the exception of "general support", expense history from FY17 and FY18 was obtained from Town departments.

General support includes services such as payroll processing, invoice and payment processing, benefits administration and information technology support. To estimate general support expenses, a factor of 1.4% of total expenses was applied. For the purpose of this exercise, the report utilizes an expense formula similar to one used in Mansfield to estimate these costs. The report did not include an estimate for fire and police services. Although an argument can be made that fire and police services are provided to the airport and are relatively significant (e.g., joint training exercises and development of emergency response protocols), a reasonable benchmark for these costs was not found and the report does not include them in any of the analyses.

Town departments provided FY17 benefit cost estimates, costs for airport insurance and for legal/litigation expenses.

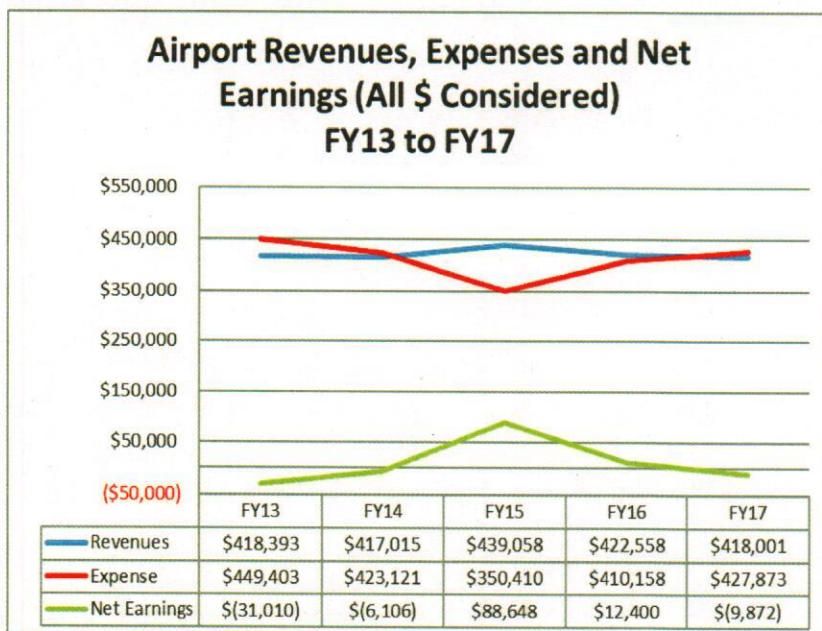
To estimate benefit costs, a formula of 30% of salary recommended by the Town's actuary was applied to the expense line. The Airport Manager does not take health insurance from the town. The benefit cost estimate for the Airport Manager was adjusted down to reflect this.

The calculation for expenses used an estimate of 12.9% of total expenses for these categories in FY17. This was applied to the expense lines for FY13 through FY16 in order to provide a reasonable estimate of their impact on each fiscal year's net earnings.

Finally, now that we have identified slow/flat growth in airport revenues as the primary reasons for the trend, for this analysis, actual expenses for snow removal, FEMA reimbursements and the Town's expense for grants were added back into the mix for the FY13 to FY17 period.

**Attachment C- "All Data Considered"** provides a table summarizing all information associated with this particular analysis. As the name implies, the purpose of this analysis is to see what our net earnings would be when we consider all our revenue sources and all expenses in the mix during this 5-year period.

The below chart displays the revenue, expense and net earnings trends from FY13 to FY17 with the addition of these expenses and revenues that were not included in the net earnings calculation displayed in Attachment B.





Looking at this "what-if" chart, the airport would have likely operated at a net loss in FY17, FY14 and FY13. However, during the entire 5-year period, the airport generated positive net earnings of nearly \$54,000 or an annual average of \$10,800.

## SECTION 2: REVIEW OF AIRPORT REVENUE SOURCES AND EXPENSES

This section briefly summarizes airport expenses and revenue sources.

### Airport Revenues

#### **Leases**

Approximately 50% of revenues in FY17 revenues came from leases. There are seven (7) entities on lease arrangements. Leases have 2% yearly increase requirements attached to them. The Airport owns only one building on site.

Airport Manager Maguire provided a 2009 "Hangar Lease Survey" of eight (8) public-use airports, which identifies lease rates for these airports. Our lease rate (\$0.34 per square foot) seems to be quite competitive (actually at the upper end of the surveyed airports).

According to Mr. Maguire, the demand for hangar space continues to outstrip supply. Please see the below table for lease rates reported in the 2009 study.

Airport Sponsor	Publicly Owned New Hangar Development	Lease rate, Publicly Owned Hangars	Ground Lease Rate, Privately Owned Hangars
Hanscom	None	N/A	\$2.30 sq./ft.
Lawrence	None	N/A	\$0.40 sq./ft.
Beverly	None	N/A	\$0.22 sq./ft.
Taunton	None	N/A	\$0.15 sq./ft.
Plymouth	None	N/A	\$0.32 sq./ft.
Hyannis	Yes	\$2.67 sq./ft.	N/A
Westfield	Yes	\$0.39 sq./ft.	\$0.18 sq./ft.
Orange	None	N/A	\$0.25 sq./ft.
<b>Norwood</b>			<b>\$0.34 sq./ft.</b>

The 2009 study on hangar development details the regional demand for hangar space.

Mr. Maguire and Mr. Ryan identified a number of new potential revenue opportunities from future development of hangars and new buildings on site. These include a hangar adjacent to the 1100 ft by 300 ft BMA lease area. The Fixed Based Operator (FBO), Flight Level, would be able to lease and operate this hangar. This could potentially bring in annual revenues roughly in the area of \$30,000.

The "business model" suggested by Airport Management is a lease-to-build model (as opposed to the Town constructing and managing hangars directly). Details of the costs/benefits of leasing vs. the Town constructing and operating are detailed in the lease study.

The Conservation Commission has approved plans to place a hangar on property near the Airport's SRE building. Such a hangar could generate annual revenues of approximately \$30,000 to \$35,000. The airport will issue a Request for Proposal (RFP) shortly.

The Airport leases property adjacent to the airport for car storage. This land is not used for aviation purposes. It does generate lease income and excise tax income from Verizon and other private entities for automobile storage.

Another future opportunity airport management has identified are plans to develop an office building near the main parking area. This would be a lease-to-build arrangement with a private entity. In addition to office space, this building could possibly host a restaurant. This would require an updated lease study.

## **Fees**

Fees for tie-downs and flowage do not contribute to revenue generation as significantly as leases (12% to 14% of total revenues over the 5-year period).

**Flowage fees** on fuel generate anywhere from 6.6% to 8.2% of total revenues. Flowage fees are \$.07 per gallon of fuel (Flight Level is the fuel operator and it collects the fee).

**Tie-down** fees have contributed anywhere from 4.3% to 6% of total revenues. Tie-down fees (for "push backs") are \$265 per quarter for about 32 tie downs. Another six (6) larger aircraft pay a fee of \$305 per quarter for tie-downs. Flight Level operates the Transient Parking Facility. There are no parking fees for aircraft parked at that facility; however, the Airport does collect revenues via the lease arrangement with Flight Level.

The Airport collects **Commercial fees** from instructors and charter flights. These generate less than 1% of total revenues over the 5-year period.

Airport Management produces **Security badges**. The charge is \$50 per badge. Each badge is good for three (3) years. This is a small revenue source generating approximately 1.5% to 2% of total revenues.

## **Jet Fuel Tax**

The jet fuel tax generates revenues ranging from a low of 4.3% to a high of 20.1% of total revenue during this 5-year period. There was a significant decrease in jet fuel tax revenues from FY16 to FY17 (\$56,360 to \$17,822). In FY13, the Town received \$84,181 in jet fuel taxes. The decline in revenue from this source is due to a change in the state's fuel tax rate. The state collects the tax and distributes the revenue to the municipality. The tax rate per gallon of jet fuel has dropped by over 50% since FY14 (i.e., from \$0.158 per gallon to \$0.074 per gallon).

A history of the jet fuel tax rates obtained from the Massachusetts Department of Revenue is included at the end of the report (**Attachment D**).

## **Excise Taxes**

Verizon vehicles parked at the Access Road lot generate excise tax revenues. These represent about 4.6% of total revenues. This revenue source has grown over the period from a low of \$5,462 in FY15 to \$19,241 in FY17.

## **PILOT/RE Taxes**

Payments-Lieu-of-Taxes and real estate taxes generate approximately 25% of total revenues. Revenue generated from this source has steadily increased during the five-year period.

## **Total Revenue**

**Attachment E** is a pie chart summarizing all revenues by source and amount for the FY13 to FY17 period. Total revenue generated during this period was over \$2.1 million.



## **Airport Expenses**

### **Salaries**

Salary expenses for the two airport employees represent over 45% of airport expenses. This expense items will continue to increase annually with changes in compensation established in collective bargaining agreements and approved non-union pay increases.

### **Maintenance Expenses**

Operations expenses represent about 45% of airport costs. Maintenance expenses associated with snow removal and facility operations are the leading cost factors in airport operations. Vegetation management, rent and vehicle and ground equipment maintenance are also in the mix for maintenance expenses.

### **Grants and Assurances**

Airport Management provided a spreadsheet summary of the projects funded through grants since 1991. Norwood Airport has receives a total of \$20,265,000 in grants during this period. Of this, the Town of Norwood funded \$776,900 or 3.8%.

These grants fund a number of construction and environmental projects at the airport. The annual budget does not include these expenses or the revenues from grants and as such, are not included in this analysis.

Airport management confirmed that such grants do call for all funds generated by the airport be set aside exclusively for the airport operations. DOT and FAA restrict "revenue diversions."

### **Debt**

Norwood Memorial Airport does not currently carry any debt.

## **SECTION 3: SUMMARY AND RECOMMENDATIONS**

### **REVENUES**

During the period of FY13 through FY17, revenue growth was stagnant. Expenses are growing at a higher rate leading to a diminishing of airport "net earnings" in FY16 and FY17.

The current trend of flat revenues and diminishing net earnings requires attention and review. The Airport Commission needs to continue researching new development opportunities and changes in fee structures and levels in order to improve the profitability of the airport and become more financially self-sustaining.

The Airport Commission should consider tactics that will address revenue growth and enhancement.

### **Table of Recommendations**

<b>Revenue Area</b>	<b>Comment</b>	<b>Recommendation</b>
<b>Hangar Development</b>	Airport management is very optimistic about future revenues opportunities from hangar development and other development concepts. These do sound very promising. It seems that our lease rates are competitive. However, these opportunities are mostly out a few fiscal years and will not provide additional revenues in FY18 nor will they, I suspect, in FY19.	<p>Update the hangar lease survey and include the eight (8) airports identified by the Personnel Board as comparable to Norwood to determine if our lease arrangements remain competitive. The 2009 survey included five (5) of those eight airports. As a matter of consistency going forward, we should reach out to these eight airports for all data collection.</p> <p>The comparable airports used in the Personnel Board study were:</p> <ol style="list-style-type: none"> <li>1. Beverly Municipal Airport</li> <li>2. Fitchburg Municipal Airport</li> <li>3. Lawrence Municipal Airport</li> <li>4. Mansfield Municipal Airport</li> <li>5. Orange Municipal Airport</li> <li>6. Pittsfield Municipal Airport</li> </ol>



		<p>7. Plymouth Municipal Airport</p> <p>8. Westfield-Barnes Regional Airport</p>
<b>Fuel Services</b>	<p>The 2007 Master Plan Update included a financial analysis of the cost and benefits of a Town-operated fuel farm. That analysis indicated that a fuel service operated by the Town would require three (3) employees and an investment in equipment as well as the direct purchase of fuel. Estimated annual profit from such an operation was \$357,000 in 2007.</p>	<p>Hold further discussions.</p> <p>A town-owned fuel farm would compete with the current FBO and any future FBO that may also operate a fuel farm. Current litigation may also complicate the town's ability to develop and operate its own fuel farm.</p>
<b>Landing Fees</b>	<p>Norwood does not charge any landing fees. Landing fees were last in existent in the late 1990's. Russ Maguire reports that the Airport Commission had landing fees for aircraft exceeding 5,000 pounds. The fee was very unpopular with users and did not generate a lot of revenue and the fee system ended</p>	<p>Conduct a survey of the eight comparable airports to determine which airports charge landing fees; collect fee level data; and, collect detail on revenue generated from these fees.</p>
<b>Tie-Down Leases</b>	<p>Tie-down fees (for "push backs") are \$265 per quarter for about 32 tie downs. Another six (6) larger aircraft pay a fee of \$305 per quarter for tie-downs. Flight Level operates the Transient Parking Facility. There are no parking fees for aircraft parked at that facility; however, the Airport does collect revenues via the lease arrangement with Flight Level.</p>	<p>Conduct a survey of the comparable airports to determine tie-down fee levels established by these airports and the revenue generated from these fees.</p>
<b>Flowage Fees</b>	<p>Norwood's flowage fee for fuel is \$0.07 per gallon. The FBO (Flight Level) collects the flowage fee. The last increase in flowage fees was in March 2016 (an increase from \$0.06 per gallon to \$0.07 per gallon).</p> <p>Given the loss of revenue from the jet fuel tax, flowage fees may provide an opportunity to make up for some of that lost revenue.</p>	<p>The Airport should conduct a survey of the comparable airports to determine the current flowage fee levels established by these airports and the revenue generated from these fees. Assess whether our fees are competitive or if there is an opportunity to increase fees to generate additional revenues.</p>
<b>Jet Fuel Tax</b>	<p>Due to changes in the state's tax rate, revenue from this source is dwindling over time. It does not appear that Norwood is offsetting this decline in jet fuel revenues with other revenue sources.</p>	<p>Initiate a request to our local legislators to advocate for a tax formula that is more financially beneficial the Town.</p>
<b>Enterprise Fund</b>	<p>Several airports among those comparable to Norwood use enterprise-funding arrangements to organize airport finances. In such arrangements, revenues generated by airport operations fund operations.</p>	<p>Establish a task force to examine the pros and cons of having Norwood Memorial Airport operate as an enterprise fund.</p>
<b>Fee Schedules</b>	<p>A number of comparable municipal airports publish their fees on the municipality's web site.</p>	<p>Post Norwood Airport fees on the Town's web site in order to enhance transparency and promote the airport to users.</p>
<b>1100 ft x 300 ft strip</b>	<p>In 1967, Boston Metropolitan Airport (BMA) sued the Town and the resulting award was an 80-year lease to BMA with no land lease payment to the Airport /Town. As a result, Norwood is unable to generate additional lease revenue from land that represents some 30% of total usable/leasable area of the airport's..</p>	<p>Establish a task force to study the BMA lease area and determine if it is feasible to buy BMA out of the lease.</p>



Master Plan		Consider including a 3 to 5 year financial forecast or plan in the Airport's Master Plan that includes net earnings references.
Annual review of Net Earnings		On an annual basis, conduct a net earnings exercise similar to the one presented in this report.

## **EXPENSES**

When the Snow Removal Equipment (SRE) Building is completed, Airport administrative offices will relocate to the second floor of that building. This will negate the need for renting office space. In FY17, rent and utility expenses were \$23,396 or 6.3% of total expenses.

The SRE building was constructed using money from DOT grants. Phase II involves building out the second floor with a completion date in FY19. MassDot has advised the airport that the grant needed to complete Phase II is forthcoming. At this time, it is not known as to what the local share of the grant will be.

In general, total expenses during this five-year period varied from a low of \$349,000 in FY15 to a high of \$448,000 in FY13. This variation is mostly due to the unpredictable nature of snow removal costs, differences in the Town's share of grants and year-to-year changes in maintenance project work and priorities.

## **BUDGET HISTORY**

The airport link on the town's website cites the following detail regarding the financial support Norwood provides to the airport:

"The Airport Department receives its operating budget via an appropriation from Town Meeting. During the fiscal year, the airport draws revenue—through land leases to aviation and non-aviation businesses, aircraft tie-down leases, fuel flowage fees, jet fuel taxes, payments in lieu of taxes, as well as permit and badging fees. These revenues are then returned to the Town's General Fund."

Summarized below is the history of the Town's financial support to the Airport (as reported in the FY18 Town Budget Document):

FY15 (Actuals)	FY16 (Actuals)	FY17 (Budget)	FY18 (Budget)
\$305,336	\$357,397	\$353,269	\$375,269

## **NET EARNINGS**

As reported previously, the addition of other town services affects airport net earnings over this five-year period. With tight profit margins, these expenses have tended to sink airport net earnings to the negative in three of the five years from FY13 to FY17.

**This analysis supports the need for enhanced revenue generation in order to support year-on-year growth in net earnings and reduce reliance on taxation as a source of funding airport operations.**

## **SECTION 4: ECONOMIC IMPACT**

Public use airports such as Norwood host flight training schools, aircraft maintenance companies, restaurants and other aviation related businesses. They provide an economic contribution to the Town and region beyond the revenue received from airport users. In 2014, the Massachusetts Department of Transportation (Mass DOT) updated a study funded by the Federal Aviation Administration that provides a perspective on the economic benefits publicly owned airports make to the regional economy.

Using FAA methodology, the study estimated that Norwood Memorial Airport had the greatest economic impact (\$52.2 million), largest total employment (394 jobs) and highest economic output of \$52.2 million among airports in the region. A copy of that report is included in this report.

Norwood Airport is one of busiest airports within its comparable peer group with more than 60,000 scheduled flights on average per year. It is important that this report recognize the significant contribution the airport makes to our local economy.



## Attachment A-Actuals

**NORWOOD MEMORIAL AIRPORT**  
**HISTORY OF REVENUES AND EXPENSES**

	FY2013		FY2014		FY2015		FY2016		FY2017	
	Actual		Actual		Actual		Actual		Actual	
<b>Revenue</b>										
<b>Direct</b>										
4423-8703 ST Leases	\$	75,514 18.0%	\$	84,379 20.2%	\$	99,277 22.6%	\$	83,413 19.7%	\$	91,478 21.9%
4424-8702 LT Leases		95,840 22.9%		105,172 25.2%		96,075 21.9%		104,907 24.8%		118,102 28.3%
4425-8704 Flowage Fees		34,273 8.2%		33,988 8.2%		27,374 6.2%		30,651 7.3%		32,555 7.8%
4426-8706 A/C Tie Down Leases		25,273 6.0%		23,489 5.6%		18,735 4.3%		18,271 4.3%		22,244 5.3%
4491-8075 Misc Revenues		574 0.1%		938 0.2%		306 0.1%		717 0.2%		781 0.2%
4491-8884 Security Passes		8,400 2.0%		7,000 1.7%		6,500 1.5%		9,200 2.2%		6,270 1.5%
<b>Total Direct</b>		239,874 57.3%		254,966 61.1%		248,267 56.5%		247,159 58.5%		271,430 64.9%
<b>Indirect</b>										
4600-8610 Jet Fuel Tax		84,181 20.1%		62,178 14.9%		65,862 15.0%		56,360 13.3%		17,822 4.3%
N/A FEMA Reimbursement		- 0.0%		- 0.0%		22,519 5.1%		- 0.0%		- 0.0%
N/A R/E Tax - Flight Level		- 0.0%		- 0.0%		- 0.0%		- 0.0%		- 0.0%
N/A PILOT - BMA		85,398 20.4%		92,933 22.3%		96,948 22.1%		105,851 25.1%		109,508 26.2%
N/A PILOT - Verizon Excise Tax		8,940 2.1%		6,938 1.7%		5,462 1.2%		13,188 3.1%		19,241 4.6%
<b>Total Indirect</b>		178,519 42.7%		162,049 38.9%		190,791 43.5%		175,399 41.5%		146,571 35.1%
<b>Total Revenue</b>		418,393 100.0%		417,015 100.0%		439,058 100.0%		422,558 100.0%		418,001 100.0%
<b>Expenses</b>										
<b>SALARIES</b>										
P1069 Airport Salaries - Part Time		1,501 0.4%		1,271 0.3%		- 0.0%		- 0.0%		- 0.0%
P1344 Airport Salaries - Longevity		1,000 0.3%		1,000 0.3%		1,200 0.4%		- 0.0%		1,500 0.4%
P6014 Airport Salaries - Manager		85,594 21.9%		87,307 23.7%		89,053 29.2%		91,257 25.5%		93,561 25.1%
P6015 Airport Salaries - Asst. Manager		67,753 17.3%		69,108 18.8%		70,490 23.1%		72,236 20.2%		74,058 19.9%
P7067 Airport Salaries - Overtime		6,041 1.5%		4,995 1.4%		4,938 1.6%		7,464 2.1%		7,884 2.1%
<b>Total Salaries</b>		161,889 41.4%		163,681 44.4%		165,681 54.3%		170,957 47.8%		177,003 47.5%
<b>OPERATIONS</b>										
P1327 Airport Oper - Rent / Utilities		20,644 5.3%		20,644 5.6%		20,644 6.8%		20,903 5.8%		23,369 6.3%
P1328 Airport Oper - Communications		2,864 0.7%		3,160 0.9%		2,803 0.9%		3,107 0.9%		3,610 1.0%
P1329 Airport Oper - Incidentals		7,394 1.9%		9,468 2.6%		15,749 5.2%		7,636 2.1%		14,696 3.9%
P6843 Airport Oper - Util & Equip		13,871 3.5%		14,949 4.1%		10,880 3.6%		12,121 3.4%		11,447 3.1%
P6844 Airport Oper - Vegetation Mgmt.		12,365 3.2%		24,620 6.7%		10,400 3.4%		23,855 6.7%		11,305 3.0%
P6845 Airport Oper - Snow Removal		61,905 15.8%		51,370 13.9%		30,000 9.8%		- 0.0%		- 0.0%
P6846 Airport Oper - Veh & Ground Equip		7,051 1.8%		8,052 2.2%		21,084 6.9%		9,886 2.8%		7,131 1.9%
P6847 Airport Oper - Facility		60,196 15.4%		18,086 4.9%		9,432 3.1%		54,915 15.4%		42,278 11.3%
P7026 Airport Security		4,732 1.2%		4,566 1.2%		4,347 1.4%		8,754 2.4%		2,841 0.8%
P2136 Airport Eng Studies		2,500 0.6%		2,700 0.7%		3,000 1.0%		- 0.0%		7,619 2.0%
P3068 Airport Snow and Ice		- 0.0%		- 0.0%		- 0.0%		31,223 8.7%		45,740 12.3%
<b>Total Airport Operations</b>		193,522 49.4%		157,615 42.8%		128,339 42.0%		172,400 48.2%		170,036 45.6%
<b>INCIDENTALS</b>										
P2050 Airport Incid - Advertising		1,029 0.3%		- 0.0%		199 0.1%		- 0.0%		33 0.0%
P2054 Airport Incid - Travel Allowance		169 0.0%		1,379 0.4%		- 0.0%		190 0.1%		443 0.1%
P2056 Airport Incid - Steno		491 0.1%		1,189 0.3%		780 0.3%		1,358 0.4%		980 0.3%
P2063 Airport Incid - Repairs		4,537 1.2%		3,871 1.1%		4,105 1.3%		6,317 1.8%		4,617 1.2%
P2064 Airport Incid - Noise Education		- 0.0%		500 0.1%		1,040 0.3%		- 0.0%		520 0.1%
P2359 Airport Incid - Professional Devel		- 0.0%		- 0.0%		275 0.1%		1,070 0.3%		1,109 0.3%
<b>Total Incidentals</b>		6,226 1.6%		6,939 1.9%		6,399 2.1%		8,935 2.5%		7,702 2.1%
<b>MATCHING GRANT COST</b>										
P2060 Airport Construc - Matching Grant		29,796 7.6%		40,323 10.9%		4,916 1.6%		5,105 1.4%		17,932 4.8%
		29,796 7.6%		40,323 10.9%		4,916 1.6%		5,105 1.4%		17,932 4.8%
<b>TOTAL COST</b>		391,433 100.0%		368,558 100.0%		305,335 100.0%		357,397 100.0%		372,673 100.0%
<b>NET EARNINGS</b>	\$	26,960 6.9%	\$	48,457 13.1%	\$	133,723 43.8%	\$	65,161 18.2%	\$	45,328 12.2%

## Attachment B-Revised Analysis for Trends

**NORWOOD MEMORIAL AIRPORT**  
**HISTORY OF REVENUES AND EXPENSES**

	FY2013 Actual		FY2014 Actual		FY2015 Actual		FY2016 Actual		FY2017 Actual	
<b>Revenue</b>										
<b>Direct</b>										
4423-8703 ST Leases	\$ 75,514	18.0%	\$ 84,379	20.2%	\$ 99,277	23.8%	\$ 83,413	19.7%	\$ 91,478	21.9%
4424-8702 LT Leases	95,840	22.9%	105,172	25.2%	96,075	23.1%	104,907	24.8%	118,102	28.3%
4425-8704 Flowage Fees	34,273	8.2%	33,988	8.2%	27,374	6.6%	30,651	7.3%	32,555	7.8%
4426-8706 A/C Tie Down Leases	25,273	6.0%	23,489	5.6%	18,735	4.5%	18,271	4.3%	22,244	5.3%
4491-8075 Misc Revenues	574	0.1%	938	0.2%	306	0.1%	717	0.2%	781	0.2%
4491-8884 Security Passes	8,400	2.0%	7,000	1.7%	6,500	1.6%	9,200	2.2%	6,270	1.5%
<b>Total Direct</b>	<b>239,874</b>	<b>57.3%</b>	<b>254,966</b>	<b>61.1%</b>	<b>248,267</b>	<b>59.6%</b>	<b>247,159</b>	<b>58.5%</b>	<b>271,430</b>	<b>64.9%</b>
<b>Indirect</b>										
4600-8610 Jet Fuel Tax	84,181	20.1%	62,178	14.9%	65,862	15.8%	56,360	13.3%	17,822	4.3%
N/A FEMA Reimbursement	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
N/A R/E Tax - Flight Level	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
N/A PILOT - BMA	85,398	20.4%	92,933	22.3%	96,948	23.3%	105,851	25.1%	109,508	26.2%
N/A PILOT - Verizon Excise Tax	8,940	2.1%	6,938	1.7%	5,462	1.3%	13,188	3.1%	19,241	4.6%
<b>Total Indirect</b>	<b>178,519</b>	<b>42.7%</b>	<b>162,049</b>	<b>38.9%</b>	<b>168,272</b>	<b>40.4%</b>	<b>175,399</b>	<b>41.5%</b>	<b>146,571</b>	<b>35.1%</b>
<b>Total Revenue</b>	<b>418,393</b>	<b>100.0%</b>	<b>417,015</b>	<b>100.0%</b>	<b>416,539</b>	<b>100.0%</b>	<b>422,558</b>	<b>100.0%</b>	<b>418,001</b>	<b>100.0%</b>
<b>Expenses</b>										
<b>SALARIES</b>										
P1069 Airport Salaries - Part Time	1,501	0.5%	1,271	0.5%	-	0.0%	-	0.0%	-	0.0%
P1344 Airport Salaries - Longevity	1,000	0.3%	1,000	0.4%	1,200	0.4%	-	0.0%	1,500	0.5%
P6014 Airport Salaries - Manager	85,594	28.6%	87,307	31.5%	89,053	32.9%	91,257	28.4%	93,561	30.3%
P6015 Airport Salaries - Asst. Manager	67,753	22.6%	69,108	25.0%	70,490	26.1%	72,236	22.5%	74,058	24.0%
P7067 Airport Salaries - Overtime	6,041	2.0%	4,995	1.8%	4,938	1.8%	7,464	2.3%	7,884	2.6%
Total Salaries	161,889	54.0%	163,681	59.1%	165,681	61.3%	170,957	53.2%	177,003	57.3%
<b>OPERATIONS</b>										
P1327 Airport Oper - Rent / Utilities	20,644	6.9%	20,644	7.5%	20,644	7.6%	20,903	6.5%	23,369	7.6%
P1328 Airport Oper - Communications	2,864	1.0%	3,160	1.1%	2,803	1.0%	3,107	1.0%	3,610	1.2%
P1329 Airport Oper - Incidentals	7,394	2.5%	9,468	3.4%	15,749	5.8%	7,636	2.4%	14,696	4.8%
P6843 Airport Oper - Util & Equip	13,871	4.6%	14,949	5.4%	10,880	4.0%	12,121	3.8%	11,447	3.7%
P6844 Airport Oper - Vegetation Mgmt.	12,365	4.1%	24,620	8.9%	10,400	3.8%	23,855	7.4%	11,305	3.7%
P6845 Airport Oper - Snow Removal	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
P6846 Airport Oper - Veh & Ground Equip	7,051	2.4%	8,052	2.9%	21,084	7.8%	9,886	3.1%	7,131	2.3%
P6847 Airport Oper - Facility	60,196	20.1%	18,086	6.5%	9,432	3.5%	54,915	17.1%	42,278	13.7%
P7026 Airport Security	4,732	1.6%	4,566	1.6%	4,347	1.6%	8,754	2.7%	2,841	0.9%
P2136 Airport Eng Studies	2,500	0.8%	2,700	1.0%	3,000	1.1%	-	0.0%	7,619	2.5%
P3068 Airport Snow and Ice	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Total Airport Operations	131,617	43.9%	106,245	38.4%	98,339	36.4%	141,177	44.0%	124,296	40.2%
<b>INCIDENTALS</b>										
P2050 Airport Incid - Advertising	1,029	0.3%	-	0.0%	199	0.1%	-	0.0%	33	0.0%
P2054 Airport Incid - Travel Allowance	169	0.1%	1,379	0.5%	-	0.0%	190	0.1%	443	0.1%
P2056 Airport Incid - Steno	491	0.2%	1,189	0.4%	780	0.3%	1,358	0.4%	980	0.3%
P2063 Airport Incid - Repairs	4,537	1.5%	3,871	1.4%	4,105	1.5%	6,317	2.0%	4,617	1.5%
P2064 Airport Incid - Noise Education	-	0.0%	500	0.2%	1,040	0.4%	-	0.0%	520	0.2%
P2359 Airport Incid - Professional Devel	-	0.0%	-	0.0%	275	0.1%	1,070	0.3%	1,109	0.4%
Total Incidentals	6,226	2.1%	6,939	2.5%	6,399	2.4%	8,935	2.8%	7,702	2.5%
<b>MATCHING GRANT COST</b>										
P2060 Airport Construc - Matching Grant	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
<b>TOTAL COST</b>	<b>299,732</b>	<b>100.0%</b>	<b>276,865</b>	<b>100.0%</b>	<b>270,419</b>	<b>100.0%</b>	<b>321,069</b>	<b>100.0%</b>	<b>309,001</b>	<b>100.0%</b>
<b>NET EARNINGS</b>	<b>\$ 118,661</b>	<b>39.6%</b>	<b>\$ 140,150</b>	<b>50.6%</b>	<b>\$ 146,120</b>	<b>54.0%</b>	<b>\$ 101,489</b>	<b>31.6%</b>	<b>\$ 109,000</b>	<b>35.3%</b>



## Attachment C-All Data Considered

**NORWOOD MEMORIAL AIRPORT**  
**HISTORY OF REVENUES AND EXPENSES**

	FY2013 Actual		FY2014 Actual		FY2015 Actual		FY2016 Actual		FY2017 Actual	
<b>Revenue</b>										
<b>Direct</b>										
4423-8703 ST Leases	\$ 75,514	18.0%	\$ 84,379	20.2%	\$ 99,277	22.6%	\$ 83,413	19.7%	\$ 91,478	21.9%
4424-8702 LT Leases	95,840	22.9%	105,172	25.2%	96,075	21.9%	104,907	24.8%	118,102	28.3%
4425-8704 Flowage Fees	34,273	8.2%	33,988	8.2%	27,374	6.2%	30,651	7.3%	32,555	7.8%
4426-8706 A/C Tie Down Leases	25,273	6.0%	23,489	5.6%	18,735	4.3%	18,271	4.3%	22,244	5.3%
4491-8075 Misc Revenues	574	0.1%	938	0.2%	306	0.1%	717	0.2%	781	0.2%
4491-8884 Security Passes	8,400	2.0%	7,000	1.7%	6,500	1.5%	9,200	2.2%	6,270	1.5%
<b>Total Direct</b>	<b>239,874</b>	<b>57.3%</b>	<b>254,966</b>	<b>61.1%</b>	<b>248,267</b>	<b>56.5%</b>	<b>247,159</b>	<b>58.5%</b>	<b>271,430</b>	<b>64.9%</b>
<b>Indirect</b>										
4600-8610 Jet Fuel Tax	84,181	20.1%	62,178	14.9%	65,862	15.0%	56,360	13.3%	17,822	4.3%
N/A FEMA Reimbursement	-	0.0%	-	0.0%	22,519	5.1%	-	0.0%	-	0.0%
N/A R/E Tax - Flight Level	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
N/A PILOT - BMA	85,398	20.4%	92,933	22.3%	96,948	22.1%	105,851	25.1%	109,508	26.2%
N/A PILOT - Verizon Excise Tax	8,940	2.1%	6,938	1.7%	5,462	1.2%	13,188	3.1%	19,241	4.6%
<b>Total Indirect</b>	<b>178,519</b>	<b>42.7%</b>	<b>162,049</b>	<b>38.9%</b>	<b>190,791</b>	<b>43.5%</b>	<b>175,399</b>	<b>41.5%</b>	<b>146,571</b>	<b>35.1%</b>
<b>Total Revenue</b>	<b>418,393</b>	<b>100.0%</b>	<b>417,015</b>	<b>100.0%</b>	<b>439,058</b>	<b>100.0%</b>	<b>422,558</b>	<b>100.0%</b>	<b>418,001</b>	<b>100.0%</b>
<b>Expenses</b>										
<b>SALARIES</b>										
P1069 Airport Salaries - Part Time	1,501	0.3%	1,271	0.3%	-	-	-	-	-	-
P1344 Airport Salaries - Longevity	1,000	0.2%	1,000	0.2%	1,200	0.3%	-	-	1,500	0.4%
P6014 Airport Salaries - Manager	85,594	19.0%	87,307	20.6%	89,053	25.4%	91,257	22.2%	93,561	22.4%
P6015 Airport Salaries - Asst. Manager	67,753	15.1%	69,108	16.3%	70,490	20.1%	72,236	17.6%	74,058	17.7%
P7067 Airport Salaries - Overtime	6,041	1.3%	4,995	1.2%	4,938	1.4%	7,464	1.8%	7,884	1.9%
<b>Total Salaries</b>	<b>161,889</b>	<b>36.0%</b>	<b>163,681</b>	<b>38.7%</b>	<b>165,681</b>	<b>47.3%</b>	<b>170,957</b>	<b>41.7%</b>	<b>177,003</b>	<b>41.4%</b>
<b>OPERATIONS</b>										
P1327 Airport Oper - Rent / Utilities	20,644	4.6%	20,644	4.9%	20,644	5.9%	20,903	5.1%	23,369	5.6%
P1328 Airport Oper - Communications	2,864	0.6%	3,160	0.7%	2,803	0.8%	3,107	0.8%	3,610	0.9%
P1329 Airport Oper - Incidentals	7,394	1.6%	9,468	2.2%	15,749	4.5%	7,636	1.9%	14,696	3.5%
P6843 Airport Oper - Util & Equip	13,871	3.1%	14,949	3.5%	10,880	3.1%	12,121	3.0%	11,447	2.7%
P6844 Airport Oper - Vegetation Mgmt.	12,365	2.8%	24,620	5.8%	10,400	3.0%	23,855	5.8%	11,305	2.7%
P6845 Airport Oper - Snow Removal	61,905	13.8%	51,370	12.1%	30,000	8.6%	-	-	-	-
P6846 Airport Oper - Veh & Ground Equip	7,051	1.6%	8,052	1.9%	21,084	6.0%	9,886	2.4%	7,131	1.7%
P6847 Airport Oper - Facility	60,196	13.4%	18,086	4.3%	9,432	2.7%	54,915	13.4%	42,278	10.1%
P7026 Airport Security	4,732	1.1%	4,566	1.1%	4,347	1.2%	8,754	2.1%	2,841	0.7%
P2136 Airport Eng Studies	2,500	0.6%	2,700	0.6%	3,000	0.9%	-	-	7,619	1.8%
P3068 Airport Snow and Ice	-	-	-	-	-	-	31,223	7.6%	45,740	10.9%
<b>Total Airport Operations</b>	<b>193,522</b>	<b>43.1%</b>	<b>157,615</b>	<b>37.3%</b>	<b>128,339</b>	<b>36.6%</b>	<b>172,400</b>	<b>42.0%</b>	<b>170,036</b>	<b>40.7%</b>
<b>INCIDENTALS</b>										
P2050 Airport Incid - Advertising	1,029	0.2%	-	-	199	0.1%	-	-	33	0.0%
P2054 Airport Incid - Travel Allowance	169	0.0%	1,379	0.3%	-	-	190	0.0%	443	0.1%
P2056 Airport Incid - Steno	491	0.1%	1,189	0.3%	780	0.2%	1,358	0.3%	980	0.2%
P2063 Airport Incid - Repairs	4,537	1.0%	3,871	0.9%	4,105	1.2%	6,317	1.5%	4,617	1.1%
P2064 Airport Incid - Noise Education	-	-	500	0.1%	1,040	0.3%	-	-	520	0.1%
P2359 Airport Incid - Professional Devel	-	-	-	-	275	0.1%	1,070	0.3%	1,109	0.3%
<b>Total Incidentals</b>	<b>6,226</b>	<b>1.4%</b>	<b>6,939</b>	<b>1.6%</b>	<b>6,399</b>	<b>1.8%</b>	<b>8,935</b>	<b>2.2%</b>	<b>7,702</b>	<b>1.8%</b>
<b>MATCHING GRANT COST</b>										
P2060 Airport Construc - Matching Grant	29,796	6.6%	40,323	9.5%	4,916	1.4%	5,105	1.2%	17,932	4.3%
	29,796	6.6%	40,323	9.5%	4,916	10.9%	5,105	1.2%	17,932	4.3%
<b>Other Costs (J. Greeley Model)</b>										
General Support (Acct, Treasury, IT)	-	-	-	-	-	-	-	-	6,000	1.4%
Legal/Litigation	-	-	-	-	-	-	-	-	10,400	2.5%
Airport Insurance	-	-	-	-	-	-	-	-	13,800	3.3%
Employee Benefits Cost (est @ 30% of salaries)	-	-	-	-	-	-	-	-	25,000	6.0%
<b>Total Other Costs</b>	<b>57,970</b>	<b>12.9%</b>	<b>54,563</b>	<b>12.9%</b>	<b>45,075</b>	<b>12.9%</b>	<b>52,761</b>	<b>12.9%</b>	<b>55,200</b>	<b>12.9%</b>
<b>TOTAL COST</b>	<b>449,403</b>	<b>100%</b>	<b>423,121</b>	<b>100%</b>	<b>350,410</b>	<b>100.0%</b>	<b>410,158</b>	<b>100.0%</b>	<b>427,873</b>	<b>100.0%</b>
<b>NET EARNINGS</b>	<b>\$ (31,010)</b>	<b>-6.9%</b>	<b>\$ (6,106)</b>	<b>-1.4%</b>	<b>\$ 88,648</b>	<b>25.3%</b>	<b>\$ 12,400</b>	<b>3.0%</b>	<b>\$ (9,872)</b>	<b>-2.3%</b>



Attachment D

### MASSACHUSETTS FUELS EXCISE RATES

Fourth Quarter 2017  
October 1, 2017 - December 31, 2017

Fuel Type	Tax Per Gallon
Gasoline	\$ 0.24
Special Fuels (Diesel)	\$ 0.24
Special Fuels (Liquified Gases/Propane)	\$ 0.132
Aircraft (Jet) Fuel	\$ 0.075
Aviation Gasoline	\$ 0.255

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### HISTORICAL TAX RATES

Period (Calendar Quarter)

Fuel Type	3Q 17	2Q 17	1Q 17	4Q 16	3Q 16	2Q 16	1Q 16	4Q 15	3Q 15	2Q 15	1Q 15	4Q 14
Gasoline	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24
Special Fuels (Diesel)	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24
Liquified Gases/Propane	\$ 0.142	\$ 0.147	\$ 0.103	\$ 0.107	\$ 0.132	\$ 0.160	\$ 0.108	\$ 0.175	\$ 0.240	\$ 0.180	\$ 0.181	\$ 0.227
Aircraft (Jet)	\$ 0.080	\$ 0.074	\$ 0.067	\$ 0.067	\$ 0.060	\$ 0.074	\$ 0.082	\$ 0.098	\$ 0.095	\$ 0.128	\$ 0.151	\$ 0.151
Aviation Gasoline	\$ 0.216	\$ 0.249	\$ 0.246	\$ 0.236	\$ 0.200	\$ 0.229	\$ 0.255	\$ 0.276	\$ 0.249	\$ 0.282	\$ 0.340	\$ 0.348

### Attachment E Total Revenues FY13 - FY17

