

GUIDE TO THE BUDGET

The FY18 budget document is organized into the following six sections:

- 1. Introduction:** This section starts with the Town Manager's budget message which communicates the Town Council Strategic Plan driving the budget development process. This section highlights major changes and key initiatives in the fiscal year budget. Town Council's Strategic Plan appears throughout the document illustrated within departmental goals and objectives. This section also includes defining Barnstable's Council-Manager form of government and organizational chart.
- 2. Budget Overview:** This section of the document is broken into five sub-sections: Building the Budget, Long-Term Budget Planning, Fiscal Year Operating Budget Summary, Revenue Estimates, and Town-Wide Financial Management Policies.
 - a. Building the Budget-** Provides the reader a brief synopsis of the budget process. This includes a discussion on the relationship between the 10-Year Forecast, Capital Improvements Plan, and Operating Budget.
 - b. Long-term budget planning-** There are many factors that can influence a town's budget. This subsection provides a brief overview of the more pertinent accounts that can influence Barnstable's budget into the future.
 - c. Fiscal Year Operating Budget Summary-** This subsection summarizes the entire fiscal year budget for both general fund and enterprise funds. It provides details on major changes from the previous fiscal year as well as distribution of appropriated funds. Other information included is a list of Full-Time Equivalent Employees (FTE), Department of Revenue certified free cash figures, changes in fund balance, school and municipal operating changes, and consolidated resources/appropriation summary.
 - d. Revenue Estimates –** This subsection includes specific factors that influence the estimates for revenue in the fiscal year. For example, state and local laws, economic factors, and state budget. These factors influence the town's ability to generate resources in the fiscal year.
 - e. Town-Wide Financial Management Policies-** The last subsection includes the financial policies outlined in Barnstable's Town Charter Section 6-1, as well as other financial policies included in the Town's Administrative Code.
- 3. Capital Program and Other Funds:** This section is broken into two parts: Capital Improvements Plan and Other Funds. The capital portion provides a brief overview of the proposed Capital Improvement Plan, potential impacts the projects may have on the operating budget, and debt analysis. Other funds include an overview of resources that are not a part of the budget process. These funds can be standalone and focus on specific services. For example, revolving funds, receipts reserved for specific appropriations, gift and grant accounts.
- 4. Department Summaries General Fund:** This section provides an overview of the various services the town provides as categorized by departments: Police, Public Works, Community Services, Regulatory Services, Building Services, Administrative Services, Planning & Development, Education and Other Requirements. The General Fund includes a majority of the services provided by the Town excluding those which are required to be accounted for by law or ordinance in another fund.

5. Department Summaries Enterprise Funds: An Enterprise Fund is a separate fund established to account for operations:

- a. that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or
- b. where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The Town of Barnstable has nine enterprise funds: Airport, Golf Course, Marina, Sandy Neck Park, Solid Waste Facility, Water Supply, Water Pollution Control, and Public, Education Government Cable Access Fund (PEG).

6. Appendix: This is the final section of the operating budget booklet. Within this section, there are four appendixes as listed below.

- a. **Appendix A-** Includes budget appropriation orders for both operating and capital improvements. Town Council is required by law to vote on these appropriation orders. An appropriation order is an act of setting aside money for a specific purpose.
- b. **Appendix B-** Provides a glossary of government or financial terms used throughout the booklet. This appendix will help the reader understand the technical language used throughout the booklet.
- c. **Appendix C-** the Town's debt schedules. Many of the Town's capital projects require large upfront cash disbursements similar to an individual who purchases a home. Bonds (loans) are issued by the town, similar to a mortgage for an individual, to pay for the large disbursements and the loans are paid back over a period of time that ranges from 5 years to 20 years.
- d. **Appendix D -** Town History, Demographics & Statistics.

Department Summaries– General Fund Guide

FISCAL YEAR 2017 BUDGET ADMINISTRATION & TECHNICAL SUPPORT DIVISION GENERAL FUND

Administration & Technical Support 1

Mission Statement

The Administration and Technical Support Section provides centralized administrative and technical support services to the Department's operating divisions. These services include policy and procedural guidance, program and capital planning, oversight of Division operations, procurement and budgetary management services, community relations and it maintains close liaison with the Town Manager. In addition, the Division provides efficient, cost-effective and professional quality engineering, architectural, survey, and project management services in support of capital improvement and other projects.

Administration

Technical Support

Capital Projects 3

Recent Accomplishments

- 10.4 miles of asphalt surfacing was completed on Town roads, 4.8 miles of asphalt surfacing was completed on Private roads, 1.0 mile of complete, major, roadway reconstruction was completed.
- 3.9 miles of chipseal surface treatments were applied. This process applies a rubberized asphalt coating with fine stone on top of the existing roadway surface, extending the life of the existing asphalt.
- 35.0 miles of road sealing was performed
- Installed 1,200 feet of new granite curb and asphalt sidewalks
- Emergency Management coordination and claims regarding winter storm JUNO
- Multiple reviews of commercial site plans and subdivisions
- Construction management of Main Street Cotuit roadway and drainage rehabilitation
- Construction management of water department water main installation Scudder Ave. & Main Street, Hyannis
- Construction management of the public/private pumpout facility at Hyannis harbor
- Construction management of the sewer connection for the Structures and Grounds office facility

Percentage of FY 2017 General Fund Budget

This division comprises 1.09% of the overall General Fund budget.

Leadership, Management and Vision Page 259

FISCAL YEAR 2017 BUDGET PUBLIC WORKS DEPARTMENT GENERAL FUND

Public Works Department Financial Summary

FY 17 Source of Funding

Taxes provide 96% of the funding for this operation.

Public Works Department FY17 Budget By Division

The Highway Division is the largest operation within the Public Works Department General Fund operations representing 51% of the FY17 proposed budget.

Public Works Department Budget History

Fiscal Year	Budget Amount
Approved FY13	\$7,865,982
Approved FY14	\$9,263,982
Approved FY15	\$10,575,929
Approved FY16	\$11,384,164
Proposed FY17	\$10,627,419

The budget has increased from \$7.8 million in FY13 to \$10.6 million proposed FY17 or 35.14% over the five-year period. Costs associated with snow removal account for much of the change in the budget from year-to-year. In FY13 there were no snow removal deficits from the prior year as FY12 included a mild winter. The reduction in the budget for FY17 is due to decline in snow removal costs of \$1.1 million.

Enhancing, Protecting, Preserving, and Maintaining the Town's Infrastructure Page 260

- 1 Department or Division Title
- 2 Each department/division includes a mission statement, which helps guide policies and procedures.
- 3 This is a list of all divisions/programs operating within the department/division. A department can be segmented into divisions, which are then segmented into programs.
- 4 Each division provides a list of accomplishments for the current fiscal year.
- 5 This chart shows the department/division total budget as a percentage of the overall general fund budget.

- 6 The department/division receives various sources of funding to cover operating cost. These sources are shown as a percentage of total sources of funding received by the department/division.
- 7 This chart shows each division/program as a percentage of the department/division total budget.
- 8 Town Council approved budget history for the department/division for the past five years. This also includes the next years proposed budget (highlighted in orange).

Department Summaries– General Fund Guide (Continued)

FISCAL YEAR 2017 BUDGET		PUBLIC WORKS DEPARTMENT		GENERAL FUND		
Public Works Dept.	Actual	Projected	Proposed	Change	Percent	
Source of Funding	FY 2016	FY 2017	FY 2017	FY 17 - 18	Change	
Taxes	\$ 6,859,993	\$ 8,749,444	\$ -	\$ -	\$ (8,749,444) -100.00%	
Fees, Licenses, Permits	184,790	184,000	-	-	(184,000) -100.00%	
Interest and Other	103,400	101,800	-	-	(101,800) -100.00%	
Special Revenue Funds	83,500	70,570	-	-	(70,570) -100.00%	
Enterprise Funds	21,345	21,345	-	-	(21,345) -100.00%	
General Fund Reserves	2,621,787	1,500,000	-	-	(1,500,000) -100.00%	
Total Sources	\$ 9,834,815	\$ 10,927,159	\$ -	\$ -	\$ (10,927,159) -100.00%	
Expenditure Category	FY 2016	FY 2017	FY 2017	FY 2018	FY 17 - 18	Change
Personnel	\$ 5,199,980	\$ 5,724,504	\$ -	\$ -	(4,266,635) -100.00%	
Operating Expenses	4,001,226	4,266,635	-	-	(636,000) -100.00%	
Capital Outlay	633,609	936,000	-	-	(636,000) -100.00%	
Total Appropriation	\$ 9,834,815	\$ 10,927,159	\$ -	\$ -	\$ (10,927,159) -100.00%	
Employee Benefits Allocation	FY 2016	FY 2017	FY 2017	FY 2018	FY 17 - 18	Change
Life Insurance	\$ 375	\$ -	\$ -	\$ -	\$ -	
Medicare	50,748	-	-	-	-	
Health Insurance	220,646	-	-	-	-	
County Retirement	839,333	-	-	-	-	
Total Employee Benefits (1)	\$ 1,111,101	\$ -	\$ -	\$ -	\$ -	
Total Expenditures including benefits	\$ 10,945,916	\$ -	\$ -	\$ -	\$ -	
Full-time Equivalent Employees	82.50	84.50	84.50	0.00	0.00	

(1) Employee benefits are not included in total departmental appropriation and are allocated for informational purposes only.

Summary of Significant Budget Changes
 The Department's FY17 proposed budget is decreasing \$757,005 or 6.65%. This includes a reduction of \$1.1 million in snow removal costs. Excluding snow removal, the budget is increasing \$344,782, or 4.2%. Personnel costs are increasing \$247,782, which includes all contractual obligations and 2 new FTE's for the Highway Division. This has been offset by a reallocation of 45 FTE's for snow removal to be shared with the enterprise fund operations. Operating costs are increasing a net of \$77,000 with snow removal expenses. New contracts for diesel fuel and gasoline will save \$33,000 and electricity costs \$20,000. An additional \$130,000 is provided for operating cost increases including \$36,000 for solid waste disposal, \$7,000 for contracted services, \$20,000 for asphalt materials, \$7,000 for traffic signals, \$10,000 for software licenses, \$30,000 for vehicle maintenance and \$20,000 for catch basin cleaning. Capital outlay of \$636,000 will continue to level fund vehicle replacements at \$500,000, \$116,000 for building improvements and equipment replacement and \$20,000 to fund the Stone Park landscape installation project. General Fund reserves and tax support represent the largest funding sources combined at 96%.

Enhancing, Protecting, Preserving, and Maintaining the Town's Infrastructure Page 261

FISCAL YEAR 2017 BUDGET		PUBLIC WORKS DEPARTMENT		GENERAL FUND	
Additional Funding Recommended					
Public Works – Asphalt					
1. Software Licenses				\$110,000 Requested	\$110,000 Recommended
Architect and Surveyors require the use of design software packages (such as AutoCAD). It is now an industry standard. These computer programs have eliminated the need to have draftspersons, and changed how documents are stored. In addition to design programs, the DPW also now has Asset Management software and software for its GPS survey units. These systems are new technology and have license requirements as well. This request is to create a dedicated budget line item to fund these requirements.					
2. Stone Park Landscape				\$46,800 Requested	\$20,000 Recommended
This request will be used to make improvements to the recently acquired Stone Park located at the intersection of Main Street and South Street in Hyannis. It is expected this money would allow the DPW to install an irrigation system and a walkway in the park.					
Public Works – Highway					
1. Two new Laborers Positions				\$79,440 Requested	\$79,440 Recommended
This request is for two new Grade 5 employees to address the growing workload within the Highway Division as it relates to roadway systems, parking facilities and drainage facilities. These positions will also serve as Bridge Operators for the West Bay Draw Bridge in Osterville during the boating season. Historically 5 seasonal bridge tenders were hired every year to operate the bridge 22 weeks of the year. Though they were reliable, they were not capable of conducting basic diagnostics/trouble-shooting and manually lowering the bridge in the event of a failure. With the new Grade 5 employees, there will be at least two employees operating the bridge that will be able to perform basic trouble shooting of bridge failures, and "manually" lower the bridge if necessary.					
2. Overtime - Fleet Maintenance				\$40,000 Requested	\$20,000 Recommended
Fleet Maintenance is currently staffed with five mechanics that are responsible for all of the DPW fleet and others. The current and future repair requests are so demanding that it is necessary to work beyond the normal working hours to keep up with the demand, the current line item overtime budget is not adequate to sustain the level of service needed to maintain the fleet and infrastructure. The overtime line item is exhausted 50% by the end of the first quarter and is not enough for the remainder of the year as necessary.					
3. Traffic Signals				\$10,000 Requested	\$7,000 Recommended
Presently we have over 28 signalized intersections throughout the Town, and we are experiencing more traffic signal issues due to an aging equipment and lack of maintenance. We currently call a traffic light vendor to assist us in the repairs where as we have no qualified licensed employees to make such repairs. This has become quite costly over the last few years. If not funded Public safety is at risk.					
4. Asphalt Materials				\$21,900 Requested	\$20,000 Recommended
Creating key-ways and doing a high quality repair. This should result in a significant decrease in repeat complaint/work and a better overall product. To do this the section is using more asphalt and are on pace to exceed their budget.					

Enhancing, Protecting, Preserving, and Maintaining the Town's Infrastructure Page 262

9 This financial table displays the following:

a Sources of Funding: departments or divisions can receive funding to cover operating expenses by charging fees for services, state aid, local tax support, fines and interest, etc.

b Expenditures: all costs are categorized into three segments. Personnel cost for all permanent and temporary salaries and wages. Operating expenses include supplies, professional services, training, licenses etc. Capital Outlay for costs associated with large expenses for the purchase of an asset such as a vehicle.

c Estimated benefits allocated for informational purposes only. Actual costs are included in the other requirements (see Other Requirements section).

d Full-time equivalent employees: Includes permanent year-round staff only; no seasonal staff

10 Significant Budget Changes is a summary of the most significant changes to the proposed budget.

11 Additional Funding Recommended provides a brief description of the additional funding requested by the department and the amount of funding proposed.

a Program requesting the funding

b Names of the items being requested

c Department managers **requested** funds for a specific item. Town Manager **recommended** funding for those items. Not all items need to be fully funded due to savings within the budget, changes in needs, and sharing of resources between budgets.

Department Summaries– General Fund Guide (Continued)

FISCAL YEAR 2017 BUDGET MARINE & ENVIRONMENTAL AFFAIRS DIVISION GENERAL FUND

Fiscal Year 2017 Goals and Objectives

Short Term:

1. Improve our wildlife educational trailer lighting system to better highlight the (taxidermy) birds and animals for schools, senior centers, such and update our educational seminars (Strategic Plan: Environment and Natural Resources, Education) **12**
2. Increase "Learn to Shell" for adults during the summer months (Strategic Plan: Environment and Natural Resources, Education, Recreation)
3. Increase our educational wildlife talks at schools, libraries, senior centers and private groups (Strategic Plan: Environment and Natural Resources, Education, Recreation)
4. Start additional herring count program for Sisseton River (Strategic Plan: Environment and Natural Resources, Infrastructure, Recreation)
5. Explore implementation of an on-line mooring waitlist renewal program (Strategic Plan: Regulatory Access & Accountability, Economic Development, Communication)
6. Continue GIS pinpointing of all moorings in town to determine mooring regulation compliance (Strategic Plan: Regulatory Access & Accountability)
7. Pursue future grant opportunities to support the division's needs (Strategic Plan: Public Health and Safety, Finance)
8. Increase patrol of Town beaches during summer months for any dog issues (Strategic Plan: Education, Public Health and Safety, Communication)

Long Term:

1. Improve mooring enforcement through public information (Strategic Plan: Regulatory Access & Accountability, Communication)
2. Improve communication and oversight of the licensed mooring servicers (Strategic Plan: Regulatory Access & Accountability, Communication)
3. Increase quahog seed production by approximately 280% (1.7 million total) in the FLUPSY (floating upweller system) at Prince Cove Marina (Strategic Plan: Education, Public Health and Safety, Economic Development, Environment and Natural Resources)
4. Continue to develop educational outreach programs (Strategic Plan: Education, Public Health and Safety, Economic Development, Environment and Natural Resources, Communication)
5. Continue eel grass restoration projects and replant all areas in season (Strategic Plan: Education, Public Health and Safety, Economic Development, Environment and Natural Resources, Communication)
6. Continue to remove old shellfish gear (20+ years) from Barnstable Harbor being uncovered by tidal action (Strategic Plan: Education, Public Health and Safety, Economic Development, Environment and Natural Resources)

Protect, Preserve and Promote use of Our Natural Resources and Waterways Page 194

FISCAL YEAR 2017 BUDGET MARINE & ENVIRONMENTAL AFFAIRS DIVISION GENERAL FUND

Full-time Equivalent Employees

Job Title	FY 2017	FY 2018	Change
Administrative Assistant	1.85	1.85	-
Supervisor Natural Resource Officer	0.70	0.70	-
Natural Resource Officer	2.00	2.00	-
Director Marine & Env Affairs	0.70	0.70	-
Community Services Director	0.25	0.25	-
Senior Animal Control Officer	1.00	1.00	-
Animal Control Officer	0.50	1.00	0.50
Shellfish Biol/Const	1.00	1.00	-
Asst Hbrmst Pumpout Boat Operator	0.90	0.90	-
Asst Hbrmst Mooring Officer	1.00	1.00	-
Dept/Div Assistant	0.80	0.80	-
Full-time Equivalent Employees	10.70	11.20	0.50

(2) Full-time Equivalent Employees (FTE) are expressed as a percentage of one full-time employee.

Protect, Preserve and Promote use of Our Natural Resources and Waterways Page 197

12 Goals and Objectives: each division provides a list of short and long-term goals, which directly tie into the Town Council Strategic Plan (see Introduction section).

13 Full-time Equivalent Employees (FTE): This is a list of all personnel allocated to the division. Some personnel salary and wages can be allocated across multiple divisions. For example, a director manages the entire department, and thus their salary costs are allocated across divisions.

Department Summaries– General Fund Guide (Continued)

FISCAL YEAR 2017 BUDGET		STRUCTURES & GROUNDS DIVISION		GENERAL FUND		
Building Maintenance Program						
The Building Maintenance Program is responsible for agency and scheduled maintenance/repairs to over 56 municipal buildings including the Town Hall, Cambridge Department, comfort stations, beach houses, and all Department/Division facilities. This team is comprised of carpenters, plumbers, painters and laborers who work together on repair, renovations and even new construction at municipal facilities. This program assists the Recreation Division with the set-up and removal of beach ramps, ticket booths, and lifeguard stations at all our beaches. This program is also responsible for monitoring, maintenance and repairs, construction and renovation projects for 3 marinas, 6 docks and 17 boat ramps. This section maintains, replaces and constructs new pilings, 12,000 sq. ft. of floats and 14 ramps. They perform the seasonal installation and removal of these floats. Additionally, this team provides support to the Highway Division for snow & ice control and the Town Clerk for all elections.						
14						
Building Maintenance	Actual	Approved	Projected	Proposed	Change	Percent
Source of Funding	FY 2016	FY 2017	FY 2017	FY 2018	FY17-18	Change
Taxes	\$ 437,499	\$ 516,944	\$ -	\$ -	\$ (516,944)	-100.00%
Total Sources	\$ 437,499	\$ 516,944	\$ -	\$ -	\$ (516,944)	-100.00%
Expenditure Category						
Personnel	\$ 299,507	\$ 414,844			\$ (414,844)	-100.00%
Operating Expenses	137,952	101,700			(101,700)	-100.00%
Total Appropriation	\$ 437,499	\$ 516,944	\$ -	\$ -	\$ (516,944)	-100.00%
Employee Benefits Allocation:						
Life Insurance	\$ 24					
Medicare	3,355					
Health Insurance	20,742					
County Retirement	55,178					
Total Employee Benefits (1)	\$ 79,299	\$ -	\$ -	\$ -	\$ (79,299)	-100.00%
Total Expenditures Including Benefits	\$ 516,797	\$ -	\$ -	\$ -	\$ (516,797)	-100.00%
Full-Time Equivalent Employees	7.00	7.00		7.00	0.00	

FISCAL YEAR 2017 BUDGET		FINANCE DIVISION		GENERAL FUND	
Performance Measures / Workload Indicators					
15					
Cost of Financial Operations - Maintaining a cost effective financial operation by measuring its cost as a percentage of the overall general fund-operating budget for the government. This includes the accounting, treasury and procurement related activities.					
Performance Measures	FY 2013	FY 2014	FY 2015	FY 2016	
Central financial operating costs as a percentage of the overall general fund budget	1.77%	1.98%	1.99%	1.96%	
Accounting Operation					
Workload Indicators	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Projected	
Vendor Payments Processed	36,192	36,435	41,187	41,534	
G/L Accounts Maintained	19,344	19,898	18,970	18,914	
G/L Transactions Processed	258,787	271,117	276,092	277,890	
Treasury Operation					
Workload Indicators	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Projected	
Vendor Checks Processed	22,971	23,510	22,149	23,089	
Payroll Checks Processed	59,568	57,869	55,821	56,936	
Procurement & Risk Management Operation					
Workload Indicators	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Projected	
RFP's Issued	26	20	23	33	
Sealed Bids Issued	42	44	50	52	
Contracts Processed	46	75	90	99	
Quotes Conducted or Reviewed	164	160	160	152	
Requisitions Reviewed for Compliance	750	586	650	596	
Avoided Bids	22	26	30	25	
Collaborative Contracts (State & County)	26	24	25	42	
Surplus Property Designations	21	25	25	41	

14 This section includes program description and financial summary.

15 Performance Measures/Workload Indicators: this section provides various measurements specific to the division or program.

Department Summaries–Enterprise Fund Guide

FISCAL YEAR 2017 BUDGET COMMUNITY SERVICES DEPARTMENT ENTERPRISE FUNDS

1 COMMUNITY SERVICES ENTERPRISE FUNDS

2 Marinas Sandy Neck Park
Olde Barnstable Fairgrounds & Hyannis Golf Courses Hyannis Youth & Community Center

3 Mission Statement

The mission of the Community Services Enterprise Funds is to maintain programmatic operations of the Town's waterways and waterside marinas, including Sandy Neck Park, golf courses, and the Hyannis Youth & Community Center in order to provide quality recreational and commercial opportunities to our citizens, visitors and business community.

Providing Recreational/Commercial Opportunities and Access to Our Citizens, Visitors and Business Community Page 337

FISCAL YEAR 2017 BUDGET MARINA ENTERPRISE FUNDS

4 MARINA ENTERPRISE FUNDS

5 Mission Statement

The Marina Enterprise Fund is to provide services that is fair and uniform to all users as well as to protect the safety of people and vessels that use our waterways and waterside facilities.

Town Operated Marinas

- Barnstable Harbor Marina
- Bismore Park Marina Hyannis
- Gateway Marina Hyannis
- Marina at Prince Cove Marston's Mills

6 Recent Accomplishments

- Continued the "FLUSPY" program at The Marina at Prince Cove in conjunction with Natural Resources
- Issued six individuals slip contracts from the established wait lists
- Held a lottery to add 50 names to each of the Gateway Marina at Prince Cove waitlists
- Worked with town of Barnstable Growth Management and the Hyannis Civic Association on the Winter Harbor Lighting at Bismore Park Marina and Hyannis Inner Harbor
- Replaced of the deck at the Marina at Prince Cove building,
- Added a handicap parking area at the Marina at Prince Cove
- Exceeded the Performance Measure at Barnstable Harbor Marina transient dockage use by \$13,500
- Re-grassed the green space at Barnstable Harbor Marina

7 Percentage of FY17 All Appropriated Funds

Marine Enterprise Fund comprises less than 1% of all appropriated funds for fiscal 2017.

Providing Adequate and Safe Use of Water-Oriented Facilities That is Fair and Uniform To All Users Page 338

1 Department title: The department that oversees the enterprise funds. This group of enterprise funds adheres to the department mission statement.

2 Names of the various enterprises funds the department manages.

3 Mission Statement: The group of enterprise funds mission as a whole department.

4 Enterprise Fund title

5 Enterprise Fund Mission Statement

6 Recent Accomplishments for the current fiscal year

7 Percentage of the Enterprise Funds budget against all appropriated funds for the fiscal year (see Budget Overview section).

Department Summaries—Enterprise Fund Guide (Continued)

FISCAL YEAR 2017 BUDGET MARINA ENTERPRISE FUNDS

Marina Enterprise Fund Financial Summary

The Marina Enterprise Fund was created in FY06 to isolate the financial activity of the four town-owned marinas: Barnstable, Bismore, Gateway, and Prince Cove. The enterprise model will allow the town to segregate all financial activity associated with operating these facilities to measure their financial self-sufficiency. The principal revenue source at all four marinas is the annual rental of docking space or slips. Town staff provides the daily management of the marinas.

Factors Affecting Revenues

The rates are set in accordance with the necessary **8** required to run the marina operations including all capital improvements. The possibility of expanding the number of slips would allow for additional revenue sources in this area. The marinas have a waiting list for slip space so vacancy rates are not a significant factor in calculating revenues. In addition, weather can be a contributing factor on transient fees, which is the largest component of revenue for the marinas. Revenues are projected to increase less than 2 percent per year through a combination of activity levels and rate adjustments.

FY17 Source of Funding

Category	Percentage
Fees, Licenses, Permits, Capital Trust Fund	84%
Special Revenue Funds	9%
Interest and Other	4%
Charges for Services	3%
Unlabeled	1%

Marina Enterprise Fund Source of Funding History

Year	Amount
Actual FY13	\$681,268
Actual FY14	\$792,974
Actual FY15	\$737,346
Actual FY16	\$821,051
Proposed FY17	\$797,403

Providing Adequate and Safe Use of Water Oriented Facilities That is Fair and Uniform To All Users Page 341

FISCAL YEAR 2017 BUDGET MARINA ENTERPRISE FUNDS

Factors Affecting Expenses

The purchase of the Prince Cove Marina **11** covered with the issuance of a new loan. The new revenue sources derived from taking over the operations of the marina covers the annual loan payments for the acquisition. Additionally, a loan of \$1,250,000 was issued to replace the Barnstable Harbor Bulkhead. The General Fund will repay \$725,000 of the loan and the marina enterprise fund will repay the remaining \$525,000. In addition, the most recent FY16 bond issue for the Prince Cove Bulkhead (\$570,000), Bismore Bulkhead (\$158,000) and Gateway Dredging (\$280,000) are estimated to cost \$1,340,000 in annual debt payments for at least the next five years. These debt service payments are expected to result in fee adjustments in FY18. Salaries and benefits are projected to increase 3 percent and 10 percent per year respectively. Operating expenses are projected to increase on average 1 percent per year.

Marina Enterprise Fund FY 17 Budget By Expense Category

Category	Percentage
Debt service	45%
Personnel & benefits	36%
Operating expenses	12%
Transfers	2%
Capital outlay	2%

Marina Enterprise Fund Budget History

Year	Amount
Approved FY13	\$617,000
Approved FY14	\$680,221
Approved FY15	\$684,713
Approved FY16	\$703,721
Proposed FY17	\$797,403

The FY17 proposed budget shows that debt service represent the largest expense category within the Marina operations at 45%, which is due to debt payments for the most recent capital projects for Gateway dredging, and Prince Cove and Hyannis bulkhead repairs. Personnel & benefits is the second largest category at 36%. The Marina Enterprise Fund budget has increased from \$617,000 in FY13 to \$797,403 FY17 or 30% over the five-year period.

Providing Adequate and Safe Use of Water Oriented Facilities That is Fair and Uniform To All Users Page 342

8 Factors Affecting Revenues provides a brief description of key factors influencing the Enterprise Fund’s revenues.

9 An enterprise fund receives various sources of funding to cover operating cost. These sources are shown as a percentage of total sources of funding they receive.

10 Source of funding history provides a four-year historical trend.

11 Factors Affecting Expenses provides a brief description of key factors influencing the enterprise fund’s expenses.

12 Expense Category chart shows each category as a percentage of the total budget.

13 Town Council approved budget history for the department/division for the past five years. This also includes the next years proposed budget.

Department Summaries—Enterprise Fund Guide (Continued)

FISCAL YEAR 2017 BUDGET		MARINA				ENTERPRISE FUNDS	
Marina Enterprise Fund		Actual	Approved	Projected	Proposed	Change	Percent
Source of Funding		FY 2016	FY 2017	FY 2017	FY 2018	FY17-18	Change
Fees, Licenses, Permits	14	610,868	593,600	620,000	627,500	33,900	5.71%
Charges for Services		12,375	7,200	12,000	11,000	3,800	52.78%
Interest and Other		27,672	17,700	115,000	22,700	5,000	28.25%
Special Revenue Funds		24,000	24,000	24,000	30,000	6,000	25.00%
Capital Trust Funds		62,431	61,231	61,231	60,031	(1,200)	-1.96%
Total Operating Source of Funding		\$ 737,346	\$ 703,731	\$ 832,231	\$ 751,231	\$ 47,500	6.75%
Borrowing Authorizations			1,008,000	1,008,000	500,000	(508,000)	-50.40%
Total Capital Source of Funding		\$ -	\$ 1,008,000	\$ 1,008,000	\$ 500,000	\$(508,000)	-50.40%
Total Source of Funding		\$ 737,346	\$ 1,711,731	\$ 1,840,231	\$ 1,251,231	\$(460,500)	-26.90%
Expense Category							
Personnel		230,608	250,108	240,104	254,616	4,508	1.80%
Benefits		28,614	30,312	30,282	31,612	1,301	4.29%
Operating Expenses	15	98,227	133,192	130,528	98,655	(34,542)	-25.93%
Capital Outlay		31,989	20,000	20,000	15,000	(15,000)	-25.00%
Debt Service		227,701	227,900	227,900	356,333	128,433	56.35%
Transfers Out		42,880	42,219	42,219	41,191	(1,028)	-2.43%
Subtotal Operating Budget		\$ 650,119	\$ 703,731	\$ 691,033	\$ 797,401	\$ 93,672	13.31%
Capital Improvement Program		13,471	1,178,000	1,178,000	500,000	(678,000)	-57.56%
Total Expenses		\$ 663,590	\$ 1,881,731	\$ 1,869,033	\$ 1,297,401	\$(584,328)	-31.05%
Excess (deficiency) cash b	16	\$ 73,755	\$ (170,000)	\$ (28,802)	\$ (46,172)		
Adjustment to accrual basis		201,362	-	-	-		
Beginning Net Assets per CAFR		4,073,505	4,348,622	4,348,622	4,319,821		
Ending Net Assets per CAFR		4,348,622	4,178,622	4,319,821	4,273,649		
Invested in capital assets, net of related debt (1)		(4,220,746)					
Reserved for encumbrances (2)		(66,261)					
Reserved for continuing appropriations (3)		(138,565)					
Other post employment benefits obligation (4)		107,068					
Net pension liability (4)		615,488					
Compensated absences (4)		17,804					
Deferred outflow of resources (5)		(1,054)					
Net assets available for appropriation (free cash) (6)	17	\$ 661,356					

14 Sources of Funding: Enterprise Funds can receive funding to cover operating expense by charging fees for services, state aid, local tax support, fines and penalties, and interest.

15 Expenditures: all costs are categorized into three segments. Personnel cost for all permanent and temporary salaries and wages. Operating costs includes supplies, professional services, training, licenses etc. Capital Outlay costs are for one-time expenditures, such as purchasing a vehicle.

16 Excess (deficiency): If expenses exceed source of funding the enterprise fund consumes resources (deficiency). If source of funding exceed expenses the enterprise fund generates resources (Excess).

17 Free cash: Free cash is the balance of cash in the Town’s treasury that is free and clear of all encumbrances that exist at the close of each fiscal year. The Town must submit a set of financial statements at the end of each year to the state Department of Revenue (DOR) from which this number is calculated. Once certified by DOR, appropriations can be made from the free cash amounts during the year.

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