

**FINANCIAL SUMMARIES**

# ALL APPROPRIATED FUNDS BUDGET SUMMARY

- All Funds Requiring Annual Appropriation

Fund	Actual FY 2020	Budget FY 2021	Budget FY 2022	Change FY21 - 22	Percent Change
General Fund	\$169,694,711	\$179,777,998	\$182,529,831	\$2,751,833	1.53%
Airport Enterprise	6,545,398	6,115,217	6,612,196	496,979	8.13%
Golf Enterprise	3,057,706	3,171,139	3,368,382	197,243	6.22%
HYCC Enterprise	2,876,320	3,019,472	2,891,546	(127,926)	-4.24%
Marina Enterprise	695,008	717,014	742,051	25,037	3.49%
PEG Enterprise	635,602	758,487	799,097	40,610	5.35%
Sandy Neck Enterprise	768,924	844,681	984,812	140,131	16.59%
Solid Waste Enterprise	2,983,753	3,150,818	3,407,469	256,651	8.15%
Water Pollution Control Enterprise	3,823,852	4,072,599	4,299,130	226,531	5.56%
Water Supply Enterprise	6,759,123	7,672,351	7,385,062	(287,289)	-3.74%
<b>Total All Budgeted Funds</b>	<b>\$197,840,397</b>	<b>\$209,299,776</b>	<b>\$213,019,578</b>	<b>\$3,719,801</b>	<b>1.78%</b>
<b>All Funds Net Of Transfers</b>	<b>\$185,915,038</b>	<b>\$196,642,576</b>	<b>\$200,419,760</b>	<b>\$3,777,183</b>	<b>1.92%</b>
<b>All Funds Net of Transfers and Snow Removal Deficit</b>	<b>\$185,915,038</b>	<b>\$196,642,576</b>	<b>\$200,093,168</b>	<b>\$3,450,591</b>	<b>1.75%</b>
<b>General Fund Net of Transfers and Snow Removal Deficit</b>	<b>\$158,015,352</b>	<b>\$167,120,798</b>	<b>\$169,738,885</b>	<b>\$2,618,087</b>	<b>1.57%</b>
<b>Full-time Equivalent Employees</b>	<b>1,324.95</b>	<b>1,338.07</b>	<b>1,323.93</b>	<b>(14.14)</b>	

\*Enterprise Funds reflect direct operating costs only.

The Town of Barnstable's total proposed FY 2022 operating budget for all appropriated funds is \$213,019,578, which is an increase from the approved FY 2021 budget by \$3,719,801 (1.78%). In addition to the General Fund, these figures include the Town's nine Enterprise Fund operations. Both General Fund and Enterprise Funds comprise the Town's annually appropriated funds.

Another way to look at the overall budget is to compare the change year-over-year net of transfers, as transfers are not direct expenditures for personnel services or operating expenses. Therefore, excluding transfers from the budget results in a FY 2022 budget increase of \$3,777,183 (1.92%). Furthermore, the overall budget shows a net decrease of (-14.14) full-time equivalent (FTE) positions. Most of the decrease is within the school department, showing a net decrease of (-12.84), followed by municipal operations net decrease (-1.85) and Enterprise Funds net increase (0.55).

The General Fund accounts for revenues and expenditures necessary to provide general government services. By definition, all financial resources that are not required to be accounted for in other funds are accounted for in the General Fund. This fund receives all property tax revenue except for property tax surcharges for the Community Preservation Act. User fees primarily support Enterprise Fund operations when residents access the Enterprise Fund services. The fees charged by the Enterprise Fund operations are set at levels that should allow them to cover all operational and capital costs unless a General Fund subsidy is necessary.

The **General Fund** proposed budget is increasing \$2.7 million (1.53%). Fixed costs excluding transfers are up \$237,226 (0.45%) mostly due to an increase in employee benefits. Municipal operations are increasing \$1.66 million (4.12%), all education expenditures are increasing \$315,957 (0.37%), and total fixed costs are increasing \$44,380 (0.07%). Major factors contributing to the increase in the overall budget are contractual labor obligations, the Commonwealth Charter School Assessment, retiree health insurance benefits, and outsourced IT services.

## FINANCIAL SUMMARIES

The **Airport Enterprise Fund** proposed direct operating budget is increasing by \$496,979 (8.13%). Contractual obligations and jet fuel purchases account for most of the increase.

The **Golf Course Enterprise Fund** proposed direct operating budget is increasing by \$197,243 (6.22%). The reinstatement of a Division Assistant position and minimum wage increases account for most of the budget increase.

The **HYCC Enterprise Fund** proposed direct operating budget is decreasing by \$127,926 (-4.24%). This facility has been running at minimum capacity due to the public health crisis. Anticipated savings from reduced ice rink operations account for most of the budget decrease.

The **Marina Enterprise Fund** proposed direct operating budget is increasing by \$25,037 (3.49%) mainly due to the Marina capital outlay needs for dock replacement and repairs, however, the Enterprise Fund is also reimbursing the General Fund for the FY 2021 supplemental appropriation for Bismore Park Bulkhead repairs.

The **PEG Enterprise Fund** proposed direct operating budget is increasing by \$40,610 (5.35%) mainly due to additional funds to support a Live Sports Producer position for the school sports programming.

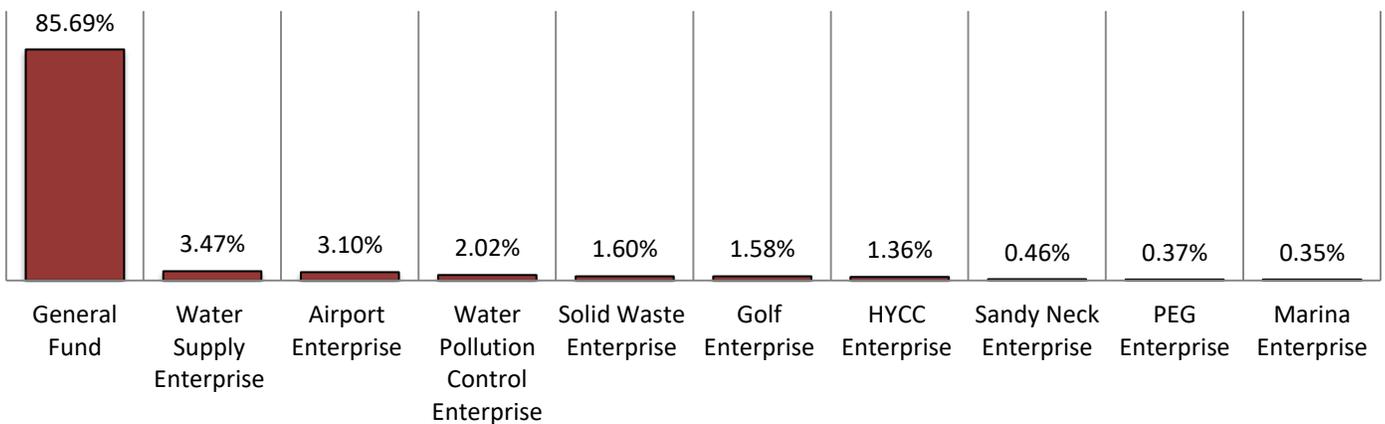
The **Sandy Neck Enterprise Fund** proposed direct operating budget is increasing by \$140,131 (16.59%). The budget includes a one-time charge to reimburse the General Fund for the FY 2021 supplemental appropriation for sand replenishment.

The **Solid Waste Enterprise Fund** proposed direct operating budget is increasing by \$256,651 (8.15%) as most of the budget reductions made in the FY 2021 budget due to the public health crisis is being reinstated.

The **Water Pollution Control Enterprise Fund** proposed direct operating budget is increasing by \$226,531 (5.56%) mainly due to debt service cost and sludge disposal.

The **Water Enterprise Fund** proposed direct operating budget is decreasing by \$287,289 (-3.74%) mainly due to cost associated with water purchases no longer needed as the new Harold E. Tobey Filtration Plant is fully operational.

### Distribution of All Appropriated Funds



The General Fund comprises 86% of all spending for the funds requiring annual appropriation. Water Supply Enterprise Fund is the largest Enterprise Fund comprising 3.5% of all spending.

**FINANCIAL SUMMARIES**

**POSITION SUMMARY FOR ALL APPROPRIATED FUNDS**

Department (Dept.)	FY13 FTE's	FY14 FTE's	FY15 FTE's	FY16 FTE's	FY17 FTE's	FY18 FTE's	FY19 FTE's	FY20 FTE's	FY21 FTE's	FY22 FTE's	Chg
<b>Town Council</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>1.40</b>	<b>-</b>						
<b>Town Manager</b>	<b>11.40</b>	<b>11.40</b>	<b>10.95</b>	<b>10.95</b>	<b>12.80</b>	<b>12.35</b>	<b>11.50</b>	<b>11.60</b>	<b>13.35</b>	<b>14.60</b>	<b>1.25</b>
Office Administration	4.50	4.50	4.50	4.50	4.50	3.50	3.50	3.50	3.50	4.50	1.00
Asset Management	-	-	-	-	2.00	2.00	2.00	2.00	2.00	3.00	1.00
Communication	-	-	-	-	-	-	-	-	1.60	1.60	-
Licensing	2.90	2.90	2.45	2.45	2.30	2.60	1.75	1.75	1.75	1.00	(0.75)
PEG Enterprise Fund	4.00	4.00	4.00	4.00	4.00	4.25	4.25	4.35	4.50	4.50	-
<b>Administrative Services Dept.</b>	<b>60.30</b>	<b>60.50</b>	<b>60.60</b>	<b>60.60</b>	<b>58.30</b>	<b>57.55</b>	<b>56.55</b>	<b>56.80</b>	<b>56.60</b>	<b>56.25</b>	<b>(0.35)</b>
Finance	36.75	36.75	37.85	37.85	35.50	35.75	34.75	34.50	34.50	34.15	(0.35)
Legal	4.55	4.75	4.75	4.75	4.80	4.80	4.80	4.80	4.60	4.60	-
Human Resources	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.50	8.50	8.50	-
Information Technology	11.00	11.00	10.00	10.00	10.00	9.00	9.00	9.00	9.00	9.00	-
<b>Marine &amp; Environmental Affairs Dept.</b>	<b>13.85</b>	<b>14.65</b>	<b>15.90</b>	<b>15.85</b>	<b>16.65</b>	<b>17.30</b>	<b>17.00</b>	<b>16.90</b>	<b>17.00</b>	<b>17.00</b>	<b>-</b>
Natural Resources	6.85	6.85	6.97	6.85	7.55	8.20	8.00	8.00	8.15	8.15	-
Harbormaster	2.80	3.60	3.73	3.60	3.70	3.60	3.85	3.75	3.80	3.80	-
Marina Enterprise Fund	1.45	1.45	1.45	1.65	1.65	1.65	1.30	1.30	1.20	1.20	-
Sandy Neck Enterprise Fund	2.75	2.75	3.75	3.75	3.75	3.85	3.85	3.85	3.85	3.85	-
<b>Community Services Department</b>	<b>39.30</b>	<b>39.25</b>	<b>39.98</b>	<b>41.43</b>	<b>49.65</b>	<b>50.35</b>	<b>51.40</b>	<b>51.85</b>	<b>49.28</b>	<b>47.23</b>	<b>(2.05)</b>
Recreation	7.70	7.70	7.40	7.40	8.40	7.60	7.60	7.25	8.00	9.00	1.00
Council On Aging	6.35	6.30	6.33	6.53	9.75	9.70	10.75	10.30	11.23	7.18	(4.05)
Communications & Public Information	-	-	-	-	-	3.45	3.35	3.25	-	-	-
Golf Enterprise Fund	15.75	15.75	15.75	17.00	17.00	17.10	17.10	17.10	16.10	17.10	1.00
HYCC Enterprise Fund	9.50	9.50	10.50	10.50	10.50	12.50	12.60	13.95	13.95	13.95	-
<b>Planning &amp; Development Dept.</b>	<b>17.80</b>	<b>18.80</b>	<b>17.30</b>	<b>17.30</b>	<b>17.15</b>	<b>16.50</b>	<b>19.00</b>	<b>19.00</b>	<b>19.50</b>	<b>19.50</b>	<b>-</b>
Administration	2.50	3.00	2.50	2.50	2.50	2.50	4.00	3.50	3.50	3.50	-
Comprehensive Planning	1.00	1.00	1.00	1.00	0.75	1.00	1.00	0.75	0.75	0.75	-
Community Development	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-
Regulatory Review	3.50	3.50	3.50	3.50	3.75	4.00	4.50	4.75	5.25	5.25	-
Economic Development	1.65	2.65	2.65	2.65	2.50	2.00	3.00	3.00	3.00	3.00	-
Parking Program	2.30	2.30	2.65	2.65	2.65	2.00	1.50	2.00	2.00	2.00	-
Conservation	4.00	4.00	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	-
Land Management	0.85	0.35	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	-
Traffic & Parking Management	1.00	1.00	-	-	-	-	-	-	-	-	-

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**POSITION SUMMARY FOR ALL APPROPRIATED FUNDS**

<b>Police Department</b>	<b>125.75</b>	<b>125.75</b>	<b>130.75</b>	<b>132.75</b>	<b>132.75</b>	<b>139.75</b>	<b>144.80</b>	<b>145.80</b>	<b>145.80</b>	<b>144.80</b>	<b>(1.00)</b>
Administrative & Investigative Services	24.00	23.00	24.00	24.00	24.00	24.00	24.00	27.00	26.00	25.00	(1.00)
Field Services	101.75	102.75	106.75	108.75	106.75	115.75	120.80	118.80	119.80	119.80	-
<b>Public Works Department</b>	<b>116.35</b>	<b>116.33</b>	<b>116.33</b>	<b>118.33</b>	<b>121.25</b>	<b>120.95</b>	<b>119.95</b>	<b>122.95</b>	<b>119.25</b>	<b>119.25</b>	<b>1.00</b>
Administration & Tech Support	12.95	12.93	12.93	12.93	12.00	11.50	11.50	11.50	9.20	8.65	(0.55)
Highway	35.50	35.50	35.50	35.50	37.50	37.70	37.70	37.70	37.00	37.00	-
Structures & Grounds	34.10	34.10	34.10	35.10	36.50	36.50	35.50	38.50	38.50	40.50	2.00
Solid Waste Enterprise Fund	15.75	15.75	15.75	16.75	16.95	16.95	16.95	16.95	15.95	15.75	(0.20)
WPC Enterprise Fund	15.15	15.15	15.15	15.15	15.35	15.35	15.35	15.35	15.35	15.15	(0.20)
Water Supply Enterprise Fund	2.90	2.90	2.90	2.90	2.95	2.95	2.95	2.95	2.25	2.20	(0.05)
<b>Inspectional Services Department</b>	<b>24.40</b>	<b>24.88</b>	<b>24.88</b>	<b>24.40</b>	<b>24.65</b>	<b>26.65</b>	<b>26.75</b>	<b>26.75</b>	<b>27.55</b>	<b>27.40</b>	<b>(0.15)</b>
Building Services	12.50	12.50	12.50	12.00	11.50	13.50	13.50	13.50	14.50	14.25	(0.25)
Health Services	11.90	12.38	12.38	12.40	13.15	13.15	13.25	13.25	13.05	13.15	0.10
<b>Airport Enterprise Fund</b>	<b>25.30</b>	<b>25.50</b>	<b>25.50</b>	<b>25.00</b>	<b>23.00</b>	<b>23.00</b>	<b>23.00</b>	<b>23.00</b>	<b>23.00</b>	<b>23.00</b>	<b>-</b>
<b>Subtotal General Fund</b>	<b>343.90</b>	<b>346.31</b>	<b>349.44</b>	<b>351.30</b>	<b>358.45</b>	<b>368.20</b>	<b>374.00</b>	<b>377.25</b>	<b>375.58</b>	<b>373.73</b>	<b>(1.85)</b>
<b>Subtotal Enterprise Funds</b>	<b>92.55</b>	<b>92.75</b>	<b>94.75</b>	<b>96.70</b>	<b>95.15</b>	<b>97.60</b>	<b>97.35</b>	<b>98.80</b>	<b>97.15</b>	<b>96.70</b>	<b>0.55</b>
<b>Schools</b>	<b>815.53</b>	<b>809.23</b>	<b>830.35</b>	<b>834.15</b>	<b>840.40</b>	<b>841.70</b>	<b>848.90</b>	<b>848.90</b>	<b>866.34</b>	<b>853.50</b>	<b>(12.84)</b>
Administration	6.00	6.00	7.00	6.80	6.80	6.80	6.30	6.30	11.00	11.00	-
Instructional Services	638.90	634.60	654.72	680.90	686.45	687.75	695.45	695.45	755.64	743.40	(12.24)
Health Services	14.93	13.93	13.93	16.20	16.20	16.20	16.20	16.20	16.80	16.20	(0.60)
Transportation	24.00	24.00	24.00	20.50	20.50	20.50	20.50	20.50	3.00	3.00	-
Food Services	13.00	13.00	13.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00	-
Athletics	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	-
Other Student Services	48.46	46.46	46.46	40.90	41.40	41.40	41.40	41.40	14.25	14.25	-
Maintenance of Plant	59.24	59.24	59.24	53.45	53.65	53.65	53.65	53.65	55.25	55.25	-
Network & Technology	8.00	9.00	9.00	11.40	11.40	11.40	11.40	11.40	5.40	5.40	-
<b>Total All Departments</b>	<b>1,251.98</b>	<b>1,248.29</b>	<b>1,274.54</b>	<b>1,282.15</b>	<b>1,294.00</b>	<b>1,307.50</b>	<b>1,320.25</b>	<b>1,324.95</b>	<b>1,338.07</b>	<b>1,323.93</b>	<b>(14.14)</b>

Total full-time equivalents are decreasing by (-14.14) positions, (0.55) in the Enterprise Funds, (-1.85) for the General Fund, and (-12.84) for local schools.

***FINANCIAL SUMMARIES***

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**FINANCIAL SUMMARIES**

# CONSOLIDATED RESOURCE/APPROPRIATION SUMMARY

	General Fund FY 2022 Budget	Solid Waste Fund FY 2022 Budget	Water Pollution Fund FY 2022 Budget	Water Supply Fund FY 2022 Budget	Marina Fund FY 2022 Budget	Sandy Neck Fund FY 2022 Budget	Airport Fund FY 2022 Budget
<b>Resources:</b>							
Property Taxes	\$136,084,247	\$-	\$-	\$-	\$-	\$-	\$-
Other Taxes	8,777,804	-	-	-	-	-	-
Intergovernmental	18,852,065	-	-	-	-	-	58,400
Fines & Penalties	1,309,000	-	60,000	18,833	-	-	-
Fees, Licenses, Permits	2,760,285	-	9,180	151,447	687,250	491,000	1,776,777
Charges for Services	1,833,500	3,333,363	4,516,460	6,462,583	15,000	250,957	5,160,250
Interest and Other	1,511,983	71,050	228,800	601,843	10,000	95,000	426,338
Interfund Transfers*	7,386,936	-	-	360,000	76,981	-	-
Borrowing Authorizations	-	-	2,465,000	1,050,000	375,000	-	25,550,000
<b>Total Resources</b>	<b>\$178,515,820</b>	<b>\$3,404,413</b>	<b>\$7,279,440</b>	<b>\$8,644,706</b>	<b>\$1,164,231</b>	<b>\$836,957</b>	<b>\$32,971,765</b>
<b>Operating Expenditures:</b>							
Town Council*	\$242,162	\$-	\$-	\$-	\$-	\$-	\$-
Town Manager*	1,060,886	-	-	-	-	-	-
Administrative Services*	5,781,466	-	-	-	-	-	-
Planning & Development*	2,131,801	-	-	-	-	-	-
Police	15,373,934	-	-	-	-	-	-
Inspectional Services	2,353,579	-	-	-	-	-	-
Public Works	10,470,034	3,350,029	3,127,888	4,446,870	-	-	-
Marine & Environmental Affairs	1,261,370	-	-	-	419,160	792,729	-
Community Services	2,395,834	-	-	-	-	-	-
Local School Operations	75,657,251	-	-	-	-	-	-
Airport Operations	-	-	-	-	-	-	6,440,596
<b>Subtotal Operations</b>	<b>\$116,728,317</b>	<b>\$3,350,029</b>	<b>\$3,127,888</b>	<b>\$4,446,870</b>	<b>\$419,160</b>	<b>\$792,729</b>	<b>\$6,440,596</b>
<b>Other Requirements</b>							
Debt Service	\$6,320,128	\$57,440	\$1,171,242	\$2,938,192	\$295,426	\$84,083	\$171,600
Employee Benefits*	25,380,796	305,600	320,199	92,318	20,292	59,621	455,197
Property, Casualty & Liability Ins.*	1,711,736	27,261	61,079	24,301	4,416	8,028	182,880
Staff Support, Audit, and Software Costs*	-	93,175	180,026	93,025	33,361	40,920	171,492
State, County & Local Assessments	14,064,023	-	-	-	-	-	-
Library & Tourism Grants	2,075,000	-	-	-	-	-	-
Other Fixed Costs	422,000	-	-	-	-	-	-
Snow & Ice Removal	326,592	-	-	-	-	-	-
Reserve For Abatements & Exemptions	1,250,000	-	-	-	-	-	-
Capital Program	-	210,000	3,540,000	1,250,000	375,000	225,000	26,202,000
<b>Subtotal Other Requirements</b>	<b>\$51,550,275</b>	<b>\$693,477</b>	<b>\$5,272,546</b>	<b>\$4,397,836</b>	<b>\$728,495</b>	<b>\$417,652</b>	<b>\$27,183,169</b>
<b>Interfund Transfers</b>	<b>\$12,464,354</b>	<b>\$(0)</b>	<b>\$-</b>	<b>\$-</b>	<b>\$27,465</b>	<b>\$108,000</b>	<b>\$-</b>
<b>Grand Total Expenditures</b>	<b>\$180,742,946</b>	<b>\$4,043,506</b>	<b>\$8,400,434</b>	<b>\$8,844,706</b>	<b>\$1,175,120</b>	<b>\$1,318,381</b>	<b>\$33,623,765</b>
<b>Excess (Deficiency) Cash Basis</b>	<b>\$(2,227,125)</b>	<b>\$(639,093)</b>	<b>\$(1,120,994)</b>	<b>\$(200,000)</b>	<b>\$(10,889)</b>	<b>\$(481,424)</b>	<b>\$(652,000)</b>
Beginning Balance - Certified Free Cash	18,524,377	1,284,194	9,942,322	622,194	834,302	705,282	3,885,899
Projected FY 2021 Excess (Deficiency)	2,595,317	910,678	1,350,069	980,123	161,831	53,061	3,838,708
Projected Ending Balance - Certified Free Cash	<b>\$18,892,569</b>	<b>\$1,555,780</b>	<b>\$10,171,397</b>	<b>\$1,402,317</b>	<b>\$985,244</b>	<b>\$276,919</b>	<b>\$7,072,607</b>

\*Indirect Cost adjustments from General Fund to Enterprise Funds to reflect total direct and indirect operating cost.

**FINANCIAL SUMMARIES**

# CONSOLIDATED RESOURCE/APPROPRIATION SUMMARY

	Golf Fund FY 2022 Budget	HYCC Fund FY 2022 Budget	PEG Fund FY 2020 Budget	Capital Projects Fund	Total FY 2022 Budget	Total FY 2021 Budget	Change FY21 - 22	Percent Change
<b>Resources:</b>								
Property Taxes	\$-	\$-	\$-	\$-	\$136,084,247	\$132,058,458	\$4,025,789	3.05%
Other Taxes	-	-	-	-	8,777,804	8,597,000	180,804	2.10%
Intergovernmental	-	-	-	-	18,910,465	22,554,086	(3,643,621)	-16.16%
Fines & Penalties	-	-	-	-	1,387,833	1,322,900	64,933	4.91%
Fees, Licenses, Permits	-	230,000	789,103	-	6,895,042	6,773,767	121,275	1.79%
Charges for Services	3,423,861	237,154	-	-	25,233,128	23,257,306	1,975,822	8.50%
Interest and Other	10,000	39,000	92,000	354,728	3,440,742	2,978,367	462,375	15.52%
Interfund Transfers*	286,500	2,536,859	-	4,145,637	14,792,913	15,808,273	(1,015,360)	-6.42%
Borrowing Authorizations	545,179	1,644,600	-	10,899,958	42,529,737	17,092,000	25,437,737	148.83%
<b>Total Resources</b>	<b>\$4,265,540</b>	<b>\$4,687,613</b>	<b>\$881,103</b>	<b>\$15,400,323</b>	<b>\$258,051,911</b>	<b>\$230,442,157</b>	<b>\$27,609,754</b>	<b>11.98%</b>
<b>Operating Expenditures:</b>								
Town Council*	\$-	\$-	\$-	\$-	\$242,162	\$250,637	\$(8,475)	-3.38%
Town Manager*	-	-	799,097	-	1,859,983	923,588	936,395	101.39%
Administrative Services*	-	-	-	-	5,781,466	5,468,984	312,482	5.71%
Planning & Development*	-	-	-	-	2,131,801	2,082,789	49,012	2.35%
Police	-	-	-	-	15,373,934	14,808,837	565,097	3.82%
Inspectional Services	-	-	-	-	2,353,579	2,164,880	188,699	8.72%
Public Works	-	-	-	-	21,394,822	21,341,311	53,511	0.25%
Marine & Environmental Affairs	-	-	-	-	2,473,259	2,276,934	196,325	8.62%
Community Services	2,927,714	1,746,145	-	-	7,069,694	7,777,479	(707,786)	-9.10%
Local School Operations	-	-	-	-	75,657,251	74,609,415	1,047,836	1.40%
Airport Operations	-	-	-	-	6,440,596	5,883,698	556,898	9.47%
<b>Subtotal Operations</b>	<b>\$2,927,714</b>	<b>\$1,746,145</b>	<b>\$799,097</b>	<b>\$-</b>	<b>\$140,778,547</b>	<b>\$137,588,552</b>	<b>\$3,189,995</b>	<b>2.32%</b>
<b>Other Requirements:</b>								
Debt Service	\$440,668	\$1,145,401	\$-	\$-	\$12,624,180	\$12,449,002	\$175,178	1.41%
Employee Benefits*	270,284	163,025	60,973	-	27,128,304	26,584,153	544,151	2.05%
Property, Casualty & Liability Ins.*	22,225	106,066	2,008	-	2,150,000	1,910,002	239,998	12.57%
Staff Support, Audit, and Software Costs*	150,892	69,197	19,025	-	851,114	923,526	(72,412)	-7.84%
State, County & Local Assessments	-	-	-	-	14,064,023	14,738,653	(674,630)	-4.58%
Library & Tourism Grants	-	-	-	-	2,075,000	2,026,691	48,309	2.38%
Other Fixed Costs	-	-	-	-	422,000	422,000	-	0.00%
Snow & Ice Removal	-	-	-	-	326,592	-	326,592	0.00%
Reserve For Abatements & Exemptions	-	-	-	-	1,250,000	1,788,114	(538,114)	-30.09%
Capital Program	545,179	1,644,600	-	17,759,783	51,751,562	24,358,115	27,393,447	112.46%
<b>Subtotal Other Requirements</b>	<b>\$1,429,248</b>	<b>\$3,128,289</b>	<b>\$82,006</b>	<b>\$17,759,783</b>	<b>\$112,642,775</b>	<b>\$85,200,256</b>	<b>\$27,442,519</b>	<b>32.21%</b>
<b>Interfund Transfers</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$12,599,818</b>	<b>\$12,657,200</b>	<b>\$(57,382)</b>	<b>-0.45%</b>
<b>Grand Total Expenditures</b>	<b>\$4,356,963</b>	<b>\$4,874,434</b>	<b>\$881,103</b>	<b>\$17,759,783</b>	<b>\$266,021,141</b>	<b>\$235,446,008</b>	<b>\$30,575,132</b>	<b>12.99%</b>
<b>Excess (Deficiency) Cash Basis</b>	<b>\$(91,423)</b>	<b>\$(186,821)</b>	<b>\$-</b>	<b>\$(2,359,460)</b>	<b>\$(7,969,229)</b>	<b>\$(5,003,851)</b>	<b>\$(2,965,378)</b>	<b>59.26%</b>
Beginning Balance -Certified Free Cash	433,134	724,944	2,685,352	-	39,642,000	44,645,851	(5,003,851)	
Projected FY 2021 Excess (Deficiency)	1,225,425	90,845	171,412	-	11,377,469	-	-	
Projected Ending Balance - Certified Free Cash	<u>\$1,567,136</u>	<u>\$628,968</u>	<u>\$2,856,764</u>	<u>\$-</u>	<u>\$43,050,240</u>	<u>\$39,642,000</u>	<u>\$(7,969,228)</u>	

\*Indirect Cost adjustments from General Fund to Enterprise Funds to reflect total direct and indirect operating cost.

The total consolidated operations budget including other requirements and capital programs is increasing \$30.5 million (12.99%). The majority of the increase has to do with significant capital needs at the airport. The total increase in the capital program budget is \$27.4 million (112.46%). Excluding the capital program, the consolidated budget is increasing by \$3.2 million (1.51%). Other Requirements excluding the capital program are increasing \$50,000 (0.08%) and operations are increasing \$3.2 million (2.32%).

**FINANCIAL SUMMARIES**

# CHANGE IN FUND BALANCE

- All Funds Requiring Annual Appropriation

Fund	Certified Free Cash Beginning Balance	FY 2021 Projected Excess/ (Deficiency)	FY 2022 Resources	FY 2022 Expenditures	Excess/ (Deficiency)	Projected Certified Free Cash Ending Balance	Percent Change
General Fund (GF)*	\$18,524,377	\$2,595,317	\$177,265,820	\$179,492,944	(2,227,124)	18,892,569	1.99%
GF Capital Program	-	-	-	-	(2,359,460)	(2,359,460)	0.00%
<b>Total General Fund</b>	<b>\$18,524,377</b>	<b>\$2,595,317</b>	<b>\$177,265,820</b>	<b>\$179,492,944</b>	<b>(\$4,586,584)</b>	<b>\$16,533,109</b>	<b>-10.75%</b>
<b>Enterprise Funds:</b>							
Airport	3,885,899	3,838,708	32,971,765	33,623,765	(652,000)	7,072,607	82.01%
Golf	433,134	1,225,425	4,265,540	4,356,963	(91,423)	1,567,136	261.81%
HYCC	724,944	90,845	4,687,613	4,874,434	(186,821)	628,968	-13.24%
Marina	834,302	161,831	1,164,231	1,175,120	(10,889)	985,244	18.09%
PEG	2,685,352	171,412	881,103	881,103	-	2,856,764	6.38%
Sandy Neck	705,282	53,061	836,957	1,318,381	(481,424)	276,919	-60.74%
Solid Waste	1,284,194	910,678	3,404,413	4,043,506	(639,093)	1,555,779	21.15%
Water Pollution Control	9,942,322	1,350,069	7,279,440	8,400,434	(1,120,994)	10,171,397	2.30%
Water Supply	622,194	980,123	8,644,706	8,844,706	(200,000)	1,402,317	125.38%
<b>Total All Funds</b>	<b>\$39,642,000</b>	<b>\$11,377,469</b>	<b>\$241,401,588</b>	<b>\$247,011,357</b>	<b>(\$7,969,228)</b>	<b>\$43,050,240</b>	<b>8.60%</b>

*\*Indirect Cost adjustments from General Fund to Enterprise Funds to reflect total direct and indirect operating cost.*

Fund balance in the table above represents the “Certified Free Cash” portion of fund balance available for appropriation as certified by the MA Department of Revenue, Division of Local Services (DOR). A total of \$2.2 million of General Fund reserves will be used to fund the proposed FY 2022 operating budget and \$2.3 million for the capital program. Including the FY 2021 projected excess will leave a reserve balance of \$16.5 million, which represents about 9.22% of General Fund expenditures. The reserve will be used to fund the proposed FY 2022 budget for employee benefits (\$400,000), unemployment insurance (\$300,000), Town Council reserve fund (\$250,000), snow & ice deficit (\$326,592), and local School operations (\$950,531).

The **Airport Enterprise Fund** will use \$652,000 of reserves for the FY 2022 capital budget. The estimated remaining reserve balance represents 21.03% of the FY 2022 expenditures.

The **Golf Course Enterprise Fund** will use \$91,423 of reserves for the FY 2022 operating budget. The elimination of one (1) position in the approved FY 2021 budget is being reinstated. A minimum wage increase is also impacting operations. The estimated remaining reserves represent 35.97% of the FY 2022 expenditures.

The **Hyannis Youth & Community Center Enterprise Fund** will receive \$1,391,458 in General Fund Subsidy. HYCC will use \$186,821 of reserves to balance the proposed FY 2022 operating budget. The estimated remaining reserves represent 12.90% of the FY 2022 expenditures. General Fund subsidies will continue to be provided for this enterprise operation into the future, as its revenue structure does not allow it to be self-supporting.

The **Marina Enterprise Funds** will use \$10,889 of reserves to balance the operating budget, which includes the annual \$25,000 for dock replacements. The estimated remaining balance in the reserve represents approximately 83% of the FY 2022 expenditures.

The **Public, Guidance, Government Access Channel Enterprise Fund** will not use reserves to balance the operating budget. The estimated remaining reserve balance represents 324.23% of the FY 2022 expenditures.

## FINANCIAL SUMMARIES

The **Sandy Neck Enterprise Fund** will use \$481,424 of reserves to balance the proposed FY 2022 operating and capital budgets. This proposed budget includes a one-time General Fund reimbursement of \$108,000. The estimated remaining balance in the reserves represents 21% of the FY 2022 expenditures.

The **Solid Waste Enterprise Fund** will use \$639,093 of its reserves to balance the proposed FY 2022 operating and capital budgets. Much of the proposed FY 2022 operating budget includes reinstating budget reductions in the approved FY 2021 budget due to the public health crisis. The estimated remaining reserve balance represents 38.48% of the FY 2022 expenditures.

The **Water Pollution Control Enterprise Fund** will use \$1,120,994 of reserves in the proposed FY 2022 operating and capital budgets. The estimated remaining reserve balance is 121.08% of the FY 2022 expenditures.

The **Water Enterprise Fund** will use \$200,000 of reserves for its FY 2022 capital budget. A transfer of \$318,229 from the Sewer Construction and Private Way Maintenance & Improvements Fund will provide funding for this operation. The estimated remaining reserve balance is 15.85% of the FY 2022 expenditures.

The State's Division of Local Services certifies the amount of surplus a community has at the beginning of each fiscal year. These certified amounts can be used to balance operating and capital budgets, if a community chooses to do so. A seven-year summary of the certified amounts for the General Fund and each Enterprise Fund is illustrated below.

Certified Free Cash	July 1, 2014	July 1, 2015	July 1, 2016	July 1, 2017	July 1, 2018	July 1, 2019	July 1, 2020
General Fund	\$13,370,039	\$13,949,203	\$13,131,098	\$16,197,155	\$12,643,236	\$14,688,744	\$18,524,377
<b>Enterprise Funds:</b>							
Airport	2,563,977	977,186	2,793,657	2,386,672	3,525,181	2,761,211	3,885,899
Golf	500,742	638,274	733,441	723,798	684,755	666,343	433,134
HYCC	313,535	318,809	502,380	496,529	634,810	593,821	724,944
Marinas	714,427	661,356	774,588	809,462	851,171	861,350	834,302
PEG*	1,572,908	1,704,942	1,937,915	2,149,696	2,328,719	2,324,141	2,685,352
Sandy Neck	569,512	478,853	714,332	943,846	895,176	909,529	705,282
Solid Waste	4,010,757	3,489,420	2,409,841	2,179,508	1,881,943	2,294,760	1,284,194
Water Pollution	14,838,692	7,611,524	8,661,669	8,797,951	9,230,479	8,734,747	9,942,322
Water Supply	1,827,720	3,336,150	3,257,325	1,249,454	2,157,029	1,274,703	622,194
<b>Totals</b>	<b>\$40,282,309</b>	<b>\$33,165,717</b>	<b>\$34,916,246</b>	<b>\$35,934,071</b>	<b>\$34,832,499</b>	<b>\$35,109,349</b>	<b>\$39,642,000</b>

Sewer Construction & Private Way Maintenance Improvements Fund	\$7,751,788	\$10,044,371	\$12,240,570	\$14,000,808	\$16,367,758	\$18,891,064	\$18,600,205
Comprehensive Water and Wastewater Management Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$533,161

As illustrated in the table above, total reserves for the General Fund and Enterprise Funds have ranged from \$33 to \$40 million. The town has generated nearly as much reserves as it has used over this period. In addition to the General Fund and Enterprise Funds, the Town has a reserve for Sewer Construction & Private Way Improvements Fund. At the close of fiscal year 2020, this fund had a balance of \$18,600,205. This special revenue fund is not part of the annual budget process. It is funded from a local meals tax and rooms tax.

**FINANCIAL SUMMARIES**

# MUNICIPAL BUDGET AND FUNDING SUMMARY

Funding Category	Actual FY 2020	Projected FY 2021	Approved FY 2021	Proposed FY 2022	Change FY21 - 22	Percent Change
Taxes	\$27,510,186	\$27,555,875	\$31,786,230	\$33,503,833	\$1,717,603	5.40%
Intergovernmental	413,745	542,901	340,215	272,524	(67,691)	-19.90%
Fines, Forfeitures, Penalties	1,869,767	1,942,141	1,226,000	1,309,000	83,000	6.77%
Fees, Licenses, Permits	3,328,885	3,535,648	2,367,785	2,560,285	192,500	8.13%
Charges for Services	2,088,326	2,377,438	1,845,100	1,833,500	(11,600)	-0.63%
Interest and Other	1,670,535	1,923,236	1,027,500	941,983	(85,517)	-8.32%
Special Revenue Funds	808,470	669,660	669,660	649,940	(19,720)	-2.94%
Enterprise Funds	922,831	923,525	923,525	851,115	(72,410)	-7.84%
Reserves	-	-	76,547	-	(76,547)	0.00%
<b>Total Sources of Funding</b>	<b>\$38,612,745</b>	<b>\$39,446,955</b>	<b>\$40,262,562</b>	<b>\$41,922,179</b>	<b>\$1,659,617</b>	<b>4.12%</b>

Municipal Department	Actual FY 2020	Projected FY 2021	Approved FY 2021	Proposed FY 2022	Change FY21 - 22	Percent Change
Police	\$14,754,959	\$14,660,748	\$14,808,837	\$15,373,934	\$565,097	3.82%
Public Works	8,965,223	9,998,481	10,103,252	10,470,034	366,782	3.63%
Administrative Services	6,163,192	6,177,389	6,239,787	6,456,364	216,577	3.47%
Community Services	2,428,649	2,262,023	2,389,106	2,395,834	6,728	0.28%
Marine & Environ. Affairs	1,136,772	1,061,711	1,146,965	1,261,370	114,405	9.97%
Inspectional Services	2,053,933	2,042,102	2,164,880	2,353,579	188,699	8.72%
Planning & Development	1,962,548	1,975,868	2,086,289	2,135,301	49,012	2.35%
Town Manager	890,441	991,421	1,036,788	1,192,788	156,000	15.05%
Town Council	257,028	277,211	286,659	282,975	(3,684)	-1.28%
<b>Total Appropriated Expenditures</b>	<b>\$38,612,745</b>	<b>\$39,446,955</b>	<b>\$40,262,562</b>	<b>\$41,922,179</b>	<b>\$1,659,617</b>	<b>4.12%</b>

<b>Full-Time Equivalent Employees (FTE's)</b>	<b>377.25</b>	<b>375.58</b>	<b>373.73</b>	<b>(1.85)</b>
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The Municipal Department proposed FY 2022 budget is increasing by \$1,659,617 (4.12%) over the approved FY 2021 budget. In percentage terms, the Town Manager's budget has the largest increase (15.05%) because of the new Deputy Director of Asset Management position and reallocation of the Town Safety Officer from Public Works. Marine & Environmental Affairs (MEA) represents the second largest budget increase (9.97%) due to a one-time vehicle purchase. Inspectional Services represents the third largest budget increase (8.72%) and includes funding for the monitoring of rental properties. The Police Department has the largest monetary increase (\$565,097) mostly due to outsourcing their IT support services. Public Works is the second largest monetary increase (\$366,782) which includes additional funding for 2 positions, fuel, utilities, streetscape maintenance and grounds maintenance.

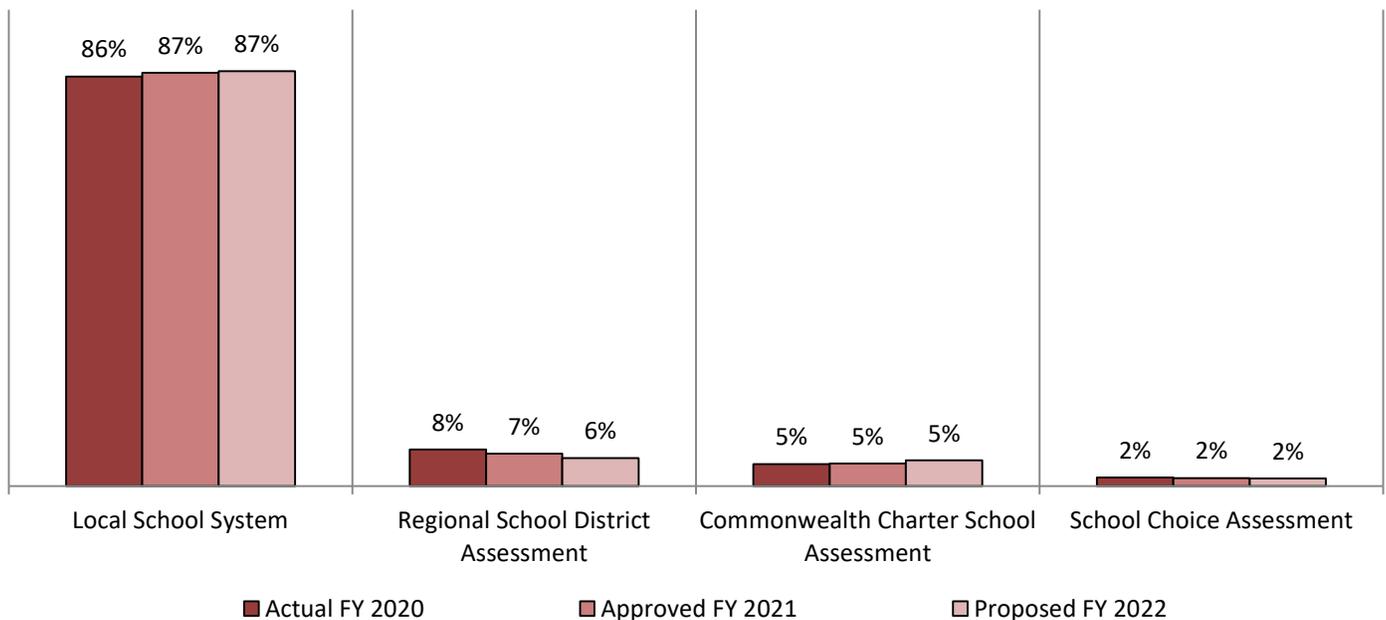
This proposed budget also continues to include several cost increases in the areas of technology for the annual software licenses agreements, hardware maintenance, and cellular phone service.

Property taxes used to fund these operations will increase \$1,716,882 (5.40%). Taxes provide 79% of the funding for this area of the General Fund budget.

# EDUCATION BUDGET AND FUNDING SUMMARY

Funding Category	Actual FY 2020	Projected FY 2021	Approved FY 2021	Proposed FY 2022	Change FY21 - 22	Percent Change
Taxes	\$67,063,717	\$69,685,936	\$69,135,540	\$70,364,916	\$1,229,376	1.78%
Intergovernmental	12,535,186	16,076,211	16,240,237	15,351,818	(888,419)	-5.47%
Fees, Licenses, Permits	-	-	225,000	200,000	(25,000)	-11.11%
Interest and Other	8,856	60,000	-	-	-	0.00%
School Savings Account	-	-	950,531	950,531	-	0.00%
<b>Total Sources of Funding</b>	<b>\$79,607,759</b>	<b>\$85,822,147</b>	<b>\$86,551,308</b>	<b>\$86,867,265</b>	<b>\$315,957</b>	<b>0.37%</b>

Expenditure Category	Actual FY 2020	Projected FY 2021	Approved FY 2021	Proposed FY 2022	Change FY21 - 22	Percent Change
Local School System	\$68,447,788	\$74,439,615	\$74,609,415	\$75,657,251	\$1,047,836	1.40%
Regional School District Assessment	6,080,676	5,856,271	5,856,271	5,106,410	(749,861)	-12.80%
Commonwealth Charter School Assessment	3,676,949	4,095,060	4,626,689	4,693,340	66,651	1.44%
School Choice Assessment	1,402,346	1,431,201	1,458,933	1,410,264	(48,669)	-3.34%
<b>Total Appropriation</b>	<b>\$79,607,759</b>	<b>\$85,822,147</b>	<b>\$86,551,308</b>	<b>\$86,867,265</b>	<b>\$315,957</b>	<b>0.37%</b>



All General Fund expenditures on education for Barnstable students attending schools outside of the local school district total \$11,210,014 or 13% of the entire education budget. The regional school assessment for the Cape Cod Technical High School is the largest at 6% of all education expenditures. Tax support will increase \$1.2 million in FY 2022 to fund these expenditures. Taxes support represents 81% of the budget. Reserves of \$950,531 will be used in FY 2022 to balance the local school operating budget.

**FINANCIAL SUMMARIES**

## OTHER REQUIREMENTS AND FUNDING SUMMARY

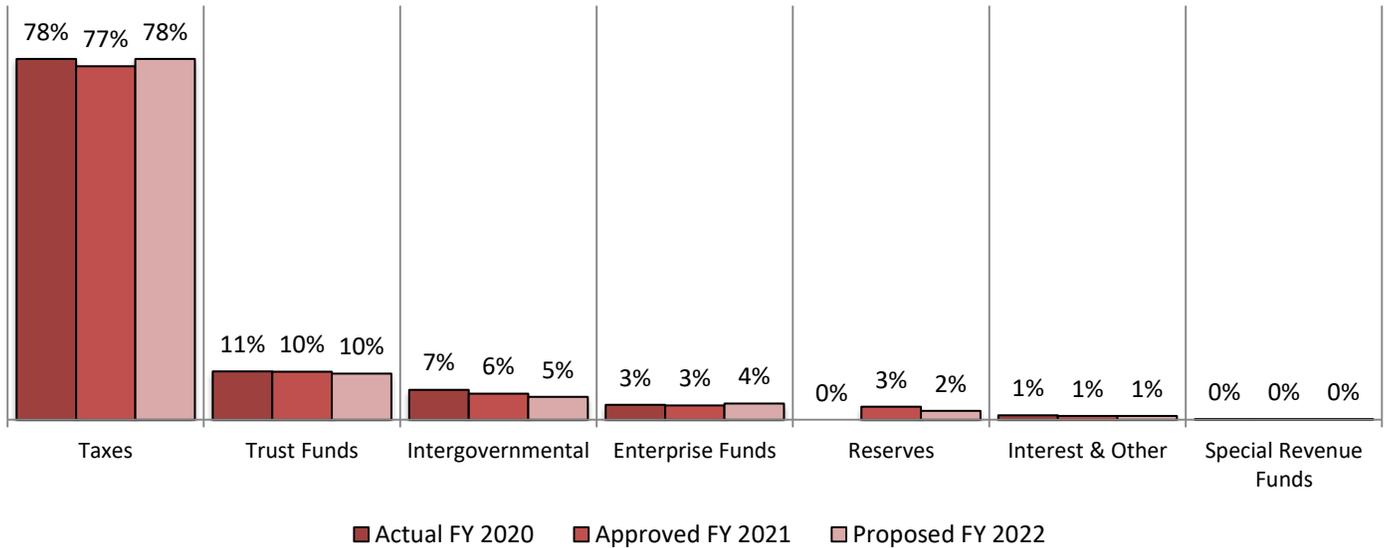
Other Requirements Funding Category	Actual FY 2020	Projected FY 2021	Approved FY 2021	Proposed FY 2022	Change FY21 - 22	Percent Change
Taxes	\$49,149,123	\$51,207,848	\$49,887,471	\$50,953,318	\$1,065,847	2.14%
Intergovernmental	4,104,469	3,090,753	3,689,634	3,227,723	(461,911)	-12.52%
Interest and Other	627,310	625,000	570,000	570,000	-	0.00%
Special Revenue Funds	112,330	97,540	97,540	86,400	(11,140)	-11.42%
Enterprise Funds	2,055,454	2,020,322	2,020,412	2,321,240	300,828	14.89%
Trust Funds	6,585,492	6,797,324	6,797,324	6,515,128	(282,196)	-4.15%
Reserves	-	-	1,843,640	1,276,592	(567,048)	-30.76%
<b>Total Sources of Funding</b>	<b>\$62,634,178</b>	<b>\$63,838,787</b>	<b>\$64,906,021</b>	<b>\$64,950,401</b>	<b>\$44,380</b>	<b>0.07%</b>

Expenditure Category	Actual FY 2020	Projected FY 2021	Approved FY 2021	Proposed FY 2022	Change FY21 - 22	Percent Change
Retirement Assessments	\$10,364,345	\$10,602,208	\$10,602,208	\$10,835,369	\$233,161	2.20%
OPEB Contribution	550,000	600,000	600,000	650,000	50,000	8.33%
Health Insurance for Active Employees	7,390,949	7,635,000	7,993,371	8,000,000	6,629	0.08%
Retiree Health & Sick Benefits	4,813,070	4,901,448	4,950,958	5,166,485	215,527	4.35%
Workers' Compensation & Unemployment	1,426,580	1,350,000	1,200,000	1,200,000	-	0.00%
Medicare & Life Insurance	1,222,752	1,096,598	1,237,616	1,276,450	38,834	3.14%
<b>Total Employee Benefits</b>	<b>\$25,767,696</b>	<b>\$26,185,255</b>	<b>\$26,584,153</b>	<b>\$27,128,304</b>	<b>\$544,151</b>	<b>2.05%</b>

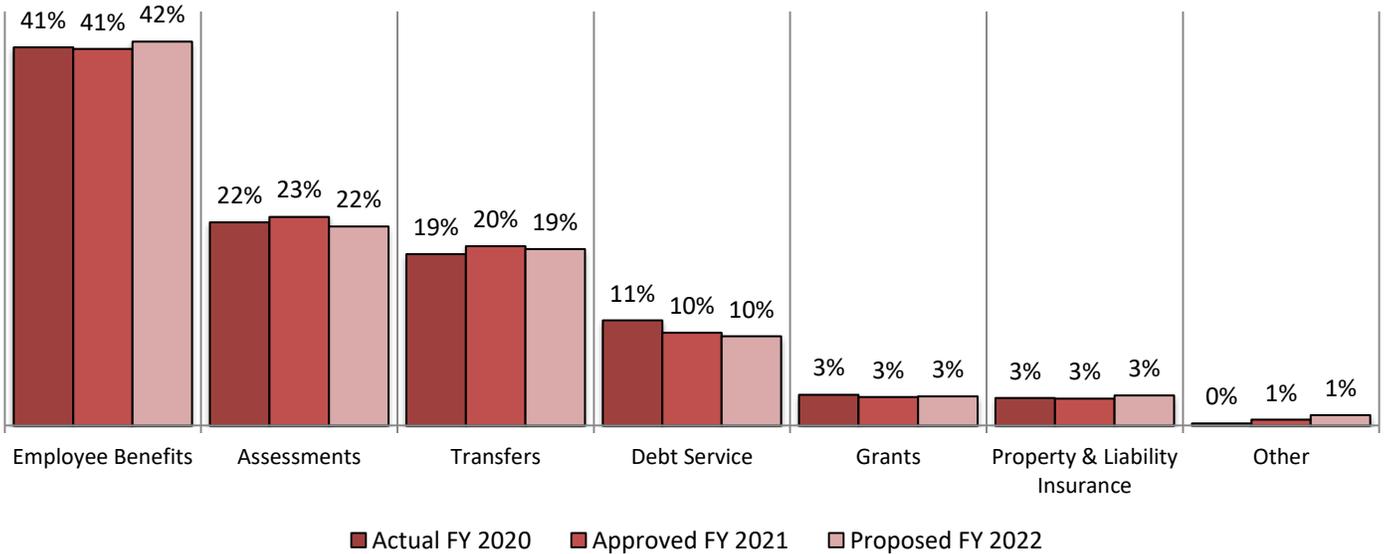
Debt Service, Grants, Assessments & Other	Actual FY 2020	Projected FY 2021	Approved FY 2021	Proposed FY 2022	Change FY21 - 22	Percent Change
Debt Service	7,176,698	6,567,324	6,567,324	6,320,128	(247,196)	-3.76%
Library Grants	1,938,460	1,899,691	1,899,691	1,948,000	48,309	2.54%
Tourism Grant	167,510	127,000	127,000	127,000	-	0.00%
Property & Liability Insurance	1,893,958	2,007,567	1,910,000	2,150,000	240,000	12.57%
Interest on Tax Refunds	48	-	-	-	-	0.00%
Celebrations	100,482	4,624	120,000	120,000	-	0.00%
Lombard Trust Rent	52,000	52,000	52,000	52,000	-	0.00%
Veterans' District Assmt. & Benefit Payments	391,944	400,000	400,000	425,000	25,000	6.25%
Old Kings Highway	9,950	9,950	9,950	9,950	-	0.00%
Greenhead Fly Control District	5,820	5,820	5,820	5,820	-	0.00%
County Tax & Cape Cod Commission Assmt.	1,185,464	1,215,102	1,215,102	1,230,279	15,177	1.25%
Mosquito Control	423,915	458,888	458,801	460,119	1,318	0.29%
Air Pollution Control Districts	21,758	22,201	22,201	21,953	(248)	-1.12%
Regional School District Assessment	6,080,676	5,856,271	5,856,271	5,106,410	(749,861)	-12.80%
Commonwealth Charter School Assessment	3,676,949	4,095,060	4,626,689	4,693,340	66,651	1.44%
School Choice Assessment	1,402,346	1,431,201	1,458,933	1,410,264	(48,669)	-3.34%
RMV Non-renewal Surcharge	55,540	66,040	66,040	66,040	-	0.00%
Cape Cod Regional Transit Authority	593,494	608,331	608,331	623,542	15,211	2.50%
Special Education Assessment	10,111	9,927	10,515	11,306	791	7.52%
Snow & Ice Deficit	-	-	-	326,592	326,592	0.00%
Town Council Reserve Fund	-	159,335	250,000	250,000	-	0.00%
<b>Total Debt Service, Grants, Assessments &amp; Other</b>	<b>\$25,187,123</b>	<b>\$24,996,332</b>	<b>\$25,664,668</b>	<b>\$25,357,743</b>	<b>\$(306,925)</b>	<b>-1.20%</b>
<b>Subtotal Before Transfers</b>	<b>\$50,954,819</b>	<b>\$51,181,587</b>	<b>\$52,248,821</b>	<b>\$52,486,047</b>	<b>\$237,226</b>	<b>0.45%</b>
Transfer to Capital Trust Fund	\$10,191,521	\$10,442,825	10,442,825	11,042,896	600,071	5.75%
Transfer to Capital Projects Funds	114,000	-	-	-	-	0.00%
Transfers to Enterprise Funds	1,373,838	2,214,375	2,214,375	1,421,458	(792,917)	-35.81%
<b>Total Transfers</b>	<b>\$11,679,359</b>	<b>\$12,657,200</b>	<b>\$12,657,200</b>	<b>\$12,464,354</b>	<b>\$(192,846)</b>	<b>-1.52%</b>
<b>Grand Total Other Requirements</b>	<b>\$62,634,178</b>	<b>\$63,838,787</b>	<b>\$64,906,021</b>	<b>\$64,950,401</b>	<b>\$44,380</b>	<b>0.07%</b>

**FINANCIAL SUMMARIES**

**3 Year Comparison of Funding Sources for Other Requirements**



**3 Year Comparison of Funding Sources for Other Requirements**



Employee benefits, Capital Trust Fund transfers, and debt service comprise most of the spending in this category. Together they account for 71% of all spending in the fixed costs category. Taxes have provided most of the additional funding needed for the growth in spending in this area of the budget. Transfers from the Capital Trust Fund for debt service payments as a percentage of total resources has increased correspondingly with the decrease in other resource categories.

**FINANCIAL SUMMARIES**

## GENERAL FUND BUDGET SUMMARY

Funding Category	Actual FY 2020	Projected FY 2021	Approved FY 2021	Proposed FY 2022	Change FY21 - 22	Percent Change
Taxes	\$138,005,020	\$139,662,444	\$138,867,344	\$143,612,051	\$4,744,707	3.42%
Intergovernmental	17,053,400	19,709,865	20,270,086	18,852,065	(1,418,021)	-7.00%
Fines & Penalties	1,869,767	1,942,141	1,226,000	1,309,000	83,000	6.77%
Fees, Licenses, Permits	3,328,885	3,535,648	2,592,785	2,760,285	167,500	6.46%
Charges for Services	2,088,326	2,377,438	1,845,100	1,833,500	(11,600)	-0.63%
Interest and Other	2,306,701	2,608,236	1,597,500	1,511,983	(85,517)	-5.35%
Special Revenue Funds	920,800	767,200	767,200	736,340	(30,860)	-4.02%
Enterprise Funds	2,978,285	2,943,847	2,943,937	3,172,355	228,418	7.76%
Trust Funds	6,585,492	6,797,324	6,797,324	6,515,128	(282,196)	-4.15%
<b>Total Sources of Funding</b>	<b>\$175,136,676</b>	<b>\$180,344,143</b>	<b>\$176,907,276</b>	<b>\$180,302,707</b>	<b>\$3,395,431</b>	<b>1.92%</b>

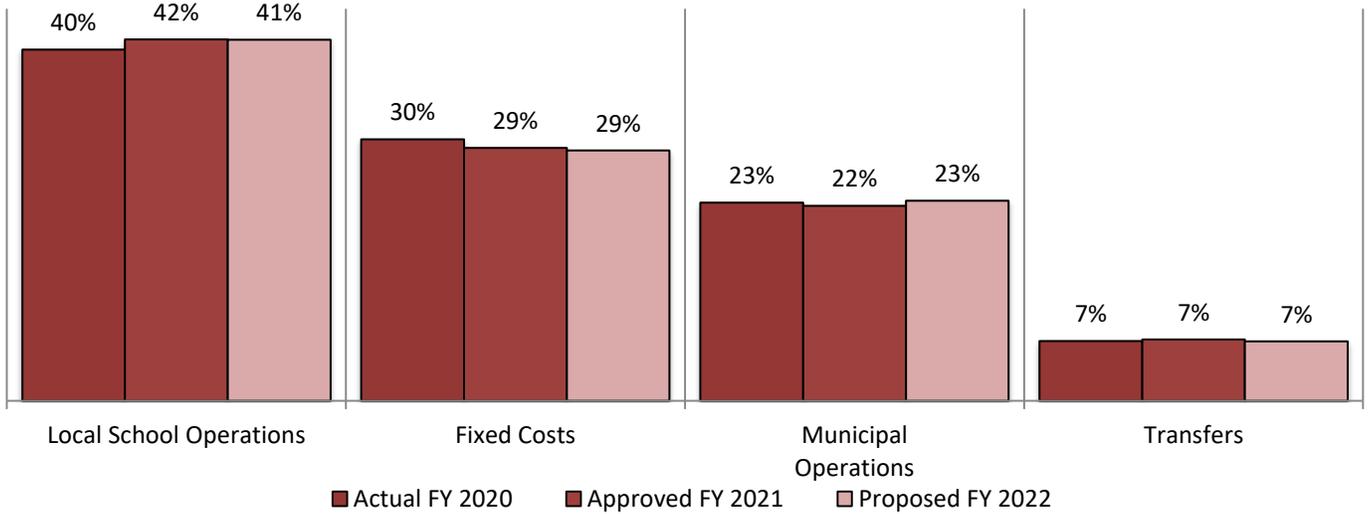
Expenditure Category						
Municipal Operations	\$38,612,745	\$39,470,424	\$40,262,562	\$41,922,180	\$1,659,618	4.12%
Local School Operations	68,447,788	74,439,615	74,609,415	75,657,251	1,047,836	1.40%
Fixed Costs Excluding Transfers	50,954,819	51,181,587	52,248,821	52,486,047	237,226	0.45%
Transfers	11,679,359	12,657,200	12,657,200	12,464,354	(192,846)	-1.52%
<b>Total Appropriation</b>	<b>\$169,694,711</b>	<b>\$177,748,825</b>	<b>\$179,777,998</b>	<b>\$182,529,832</b>	<b>\$2,751,834</b>	<b>1.53%</b>

<b>Excess (Deficiency)</b>	<b>\$5,441,965</b>	<b>\$2,595,317</b>	<b>\$(2,870,722)</b>	<b>\$(2,227,125)</b>	<b>\$643,597</b>
Beginning - Certified Free Cash	15,953,134		21,395,099	18,524,377	
Projected FY 2021 Excess (Deficiency)				2,595,317	
Ending Projected Certified Free Cash	<u>\$21,395,099</u>		<u>\$18,524,377</u>	<u>\$18,892,569</u>	
Full-time Equivalent Employees	1,226.15		1,241.92	1,227.23	(14.69)

The total General Fund proposed FY 2022 budget is increasing \$2.75 million (1.53%) from the approved FY 2021 budget. Total resources used to balance the budget are increasing \$3.4 million (1.92%) resulting in a decrease in the use of reserves to balance the budget. Taxes provide 79% of the total sources of funding for the General Fund budget. This category includes property taxes, motor vehicle excise and rooms excise tax. Taxes represent the majority of growth in sources of funding in FY 2022. Intergovernmental aid is the second largest funding source at 10% of the total sources of funding for the General Fund budget. All other sources comprise 11% of the total sources of funding used to balance the budget.

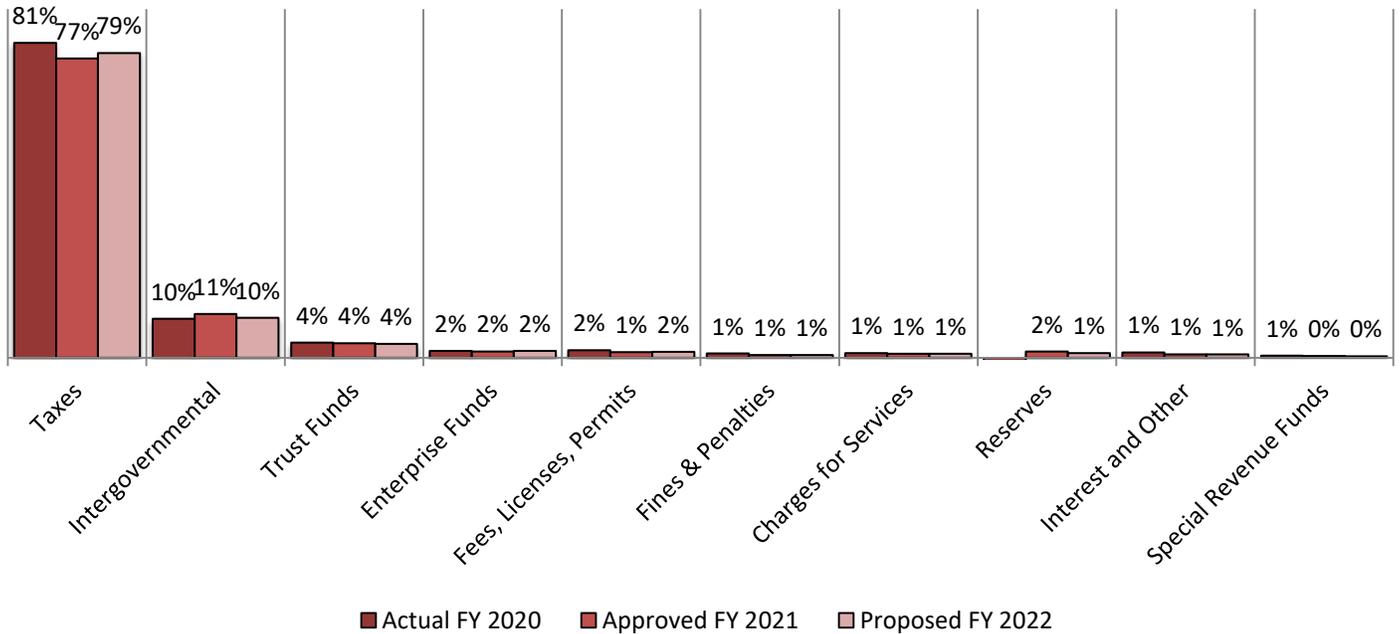
## FINANCIAL SUMMARIES

### 3 Year Comparison General Fund Expenditures By Major Area



The local school system is the largest cost area for the General Fund accounting for 41% of all expenditures. Other Requirements (fixed costs) are the second largest area at 29%. Transfers include amounts allocated to the Capital Trust Fund for future capital improvements and financial support to the HYCC Enterprise Fund.

### 3 Year Comparison General Fund Resources



Taxes include property, motor vehicle and boat excise and local hotel/motel rooms tax. These sources of funding provide 79% of all General Fund operations. Intergovernmental revenue provides 10% of the funding. Reserves provide less than 1%.

**FINANCIAL SUMMARIES**

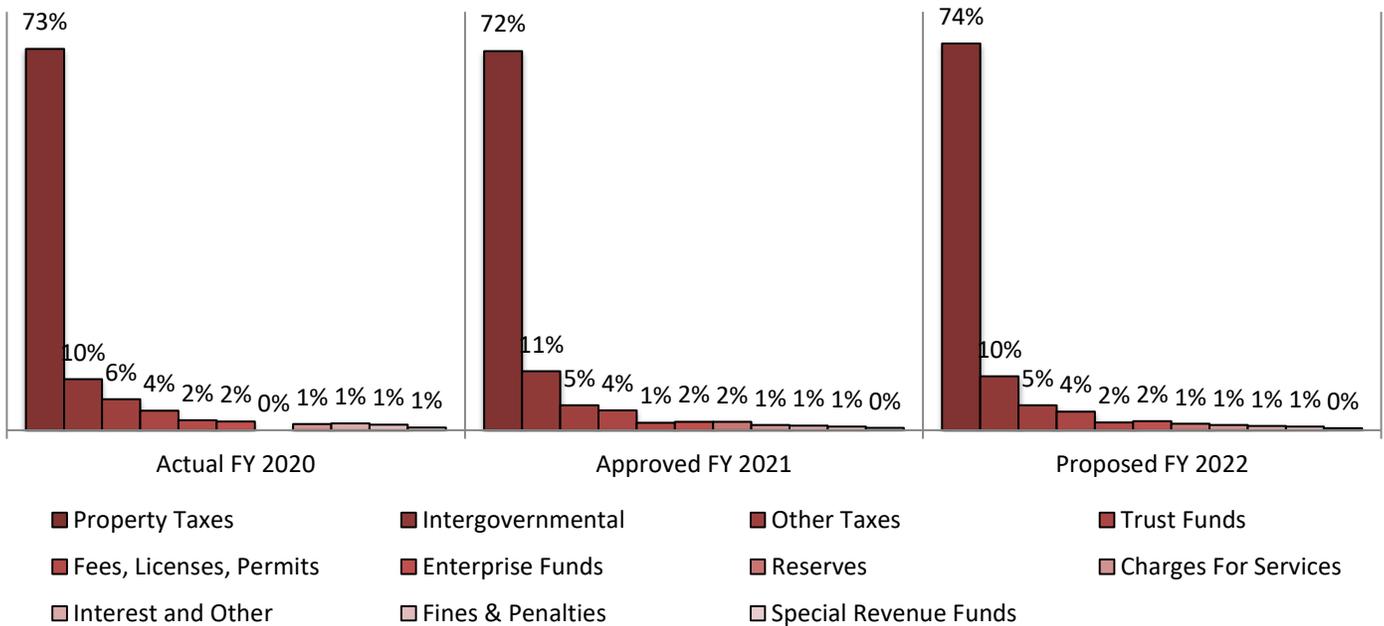
# GENERAL FUND REVENUE SUMMARY

Funding Category	Actual FY 2020	Projected FY 2021	Budget FY 2021	Budget FY 2022	Change FY21 - 22	Percent Change
Tax Levy	\$130,301,138	\$132,058,458	\$132,058,458	\$136,084,247	\$4,025,789	3.05%
Reserved for Abatements and Exemptions	(2,673,825)	(1,788,114)	(1,788,114)	(1,250,000)	538,114	-30.09%
<b>Property Taxes Available for Operations</b>	<b>\$127,627,313</b>	<b>\$130,270,344</b>	<b>\$130,270,344</b>	<b>\$134,834,247</b>	<b>\$4,563,903</b>	<b>3.50%</b>

<b>Other Taxes:</b>						
Motor Vehicle Excise Tax	\$8,245,118	\$7,950,523	\$7,000,000	\$7,180,804	\$180,804	2.58%
Boat Excise Tax	147,647	131,354	115,000	115,000	-	0.00%
Motel/Hotel Excise Tax	1,950,148	1,275,423	1,450,000	1,450,000	-	0.00%
Payments in Lieu of Tax	34,794	34,800	32,000	32,000	-	0.00%
<b>Total Other Taxes</b>	<b>\$10,377,707</b>	<b>\$9,392,100</b>	<b>\$8,597,000</b>	<b>\$8,777,804</b>	<b>\$180,804</b>	<b>2.10%</b>

<b>Other Resources:</b>						
Intergovernmental	\$17,053,400	\$19,709,865	\$20,270,086	\$18,852,065	\$(1,418,021)	-7.00%
Fines & Penalties	1,869,767	1,942,141	1,226,000	1,309,000	83,000	6.77%
Fees, Licenses, Permits	3,328,885	3,535,648	2,592,785	2,760,285	167,500	6.46%
Charges For Services	2,088,326	2,377,438	1,845,100	1,833,500	(11,600)	-0.63%
Interest and Other	2,306,701	2,608,236	1,597,500	1,511,983	(85,517)	-5.35%
Special Revenue Funds	920,800	767,200	767,200	736,340	(30,860)	-4.02%
Enterprise Funds	2,978,285	2,943,847	2,943,937	3,172,355	228,418	7.76%
Trust Funds	6,585,492	6,797,324	6,797,324	6,515,128	(282,196)	-4.15%
Reserves	-	-	2,870,718	2,227,123	(643,595)	-22.42%
<b>Total Other Resources</b>	<b>\$37,131,656</b>	<b>\$40,681,699</b>	<b>\$40,910,650</b>	<b>\$38,917,779</b>	<b>\$(1,992,871)</b>	<b>-4.87%</b>

<b>Total General Fund Resources</b>	<b>\$175,136,676</b>	<b>\$180,344,143</b>	<b>\$179,777,994</b>	<b>\$182,529,830</b>	<b>\$2,751,836</b>	<b>1.53%</b>
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## FINANCIAL SUMMARIES

# General Fund Revenue Forecast Assumptions

## Property Taxes

Property taxes are projected to grow consistent with the provisions of Proposition 2½ and the Town Council’s budget policy. No property tax overrides are proposed for FY 2022 to balance the operating or capital budgets. The formula used to calculate the projected tax levy for FY 2022 is as follows:

<b>FY 2021 Base Levy</b>	<b>\$ 129,764,768</b>
Prop 2½ allowable increase (2.5% of base)	3,244,119
Estimated new property tax growth	750,000
Cape Cod Commission environmental tax	636,555
Debt exclusions	1,688,805
Less reserve for abatements & exemptions	(1,250,000)
<b>FY 2022 Tax Levy available for operations</b>	<b>\$ 134,834,247</b>

Estimated new property tax growth is derived principally from new building construction. The Town Assessor works closely with the Inspectional Services Department and reviews building activity to arrive at the estimate for the ensuing year.

The tax for the Cape Cod Commission (CCC) is a tax that is added to the levy every year above the Proposition 2½ allowable increase. All Cape Cod communities pay this voter approved additional tax. The CCC assessments can only be increased by 2.5% every year.

Debt exclusions are also voter approved initiatives that are added to the levy above the Proposition 2½ increase. These are equal to the debt service payments and they expire once the debt service expires.

Every year a provision for abatements and property tax exemptions must be made as well. For FY 2022 a provision of \$1,250,000 is being set aside, reducing the available property taxes to fund operations by this amount.

	Projected Tax Levy - Stated in Millions				
	2022P	2023P	2024P	2025P	2026P
Base levy from prior year	\$ 129.76	\$ 133.76	\$ 137.85	\$ 142.05	\$ 146.35
Prop. 2½ increase	3.24	3.34	3.45	3.55	3.66
Estimated new growth	0.75	0.75	0.75	0.75	0.75
Less reserve for abatements & exemptions	(1.25)	(1.00)	(1.00)	(1.00)	(1.00)
<b>New base</b>	<b>\$ 132.51</b>	<b>\$ 136.85</b>	<b>\$ 141.05</b>	<b>\$ 145.35</b>	<b>\$ 149.76</b>
<b>Voter Approved Add-ons:</b>					
CCC Environmental Tax	0.64	0.65	0.67	0.69	0.70
Debt exclusions*	1.69	1.69	1.69	1.69	1.69
<b>Maximum allowable levy</b>	<b>\$ 134.83</b>	<b>\$ 139.19</b>	<b>\$ 143.41</b>	<b>\$ 147.72</b>	<b>\$ 152.15</b>
<b>Percent Change From Previous Year</b>	<b>3.50%</b>	<b>3.23%</b>	<b>3.03%</b>	<b>3.01%</b>	<b>3.00%</b>

\* All approved debt exclusions are for school construction projects.

The projected tax levy for the next five years is estimated to grow from \$134 million to \$152 million. This represents about a 3 percent increase per year. It is expected that the Town will have to increase the base levy by 2.5 percent every year and a factor for new building growth. New property tax growth is expected to average about \$750,000 per year, approximately. The Cape Cod Commission assessment is projected to increase 2.5 percent per year. A recently approved debt exclusion override is for the Cape Cod Regional Technical High School, which is expected to affect the town’s tax levy for several years.

**FINANCIAL SUMMARIES**

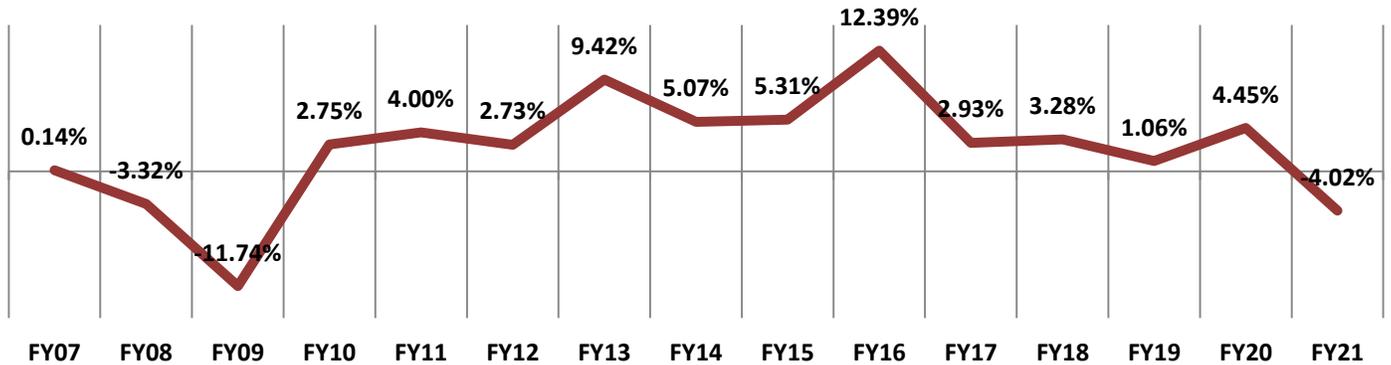
**Motor Vehicle Excise Tax**

Motor Vehicle Excise collections are authorized by Massachusetts General Law, Chapter 60A, Section 1. The excise tax is calculated by a formula of \$25 per \$1,000 of valuation. The tax is based on a percentage of the MSRP as follows:

- 90% of MSRP for model year the same as the tax year
- 60% of MSRP for model 1 year old
- 40% of MSRP for model 2 years old
- 25% of MSRP for model 3 years old
- 10% of MSRP for model over 3 years old

This category of revenue is difficult to project because of the many variables involved. These include the timing of the state in mailing commitments, the price changes in new vehicles, the volume of new vehicle purchases and leases, and changes in the economy. The Town receives a tax commitment from the State Department of Motor Vehicles every other month with the first and largest commitment usually issued in the month of January. This commitment is a good indicator of where this revenue category is trending. For the past seven years, the January commitment has been as follows:

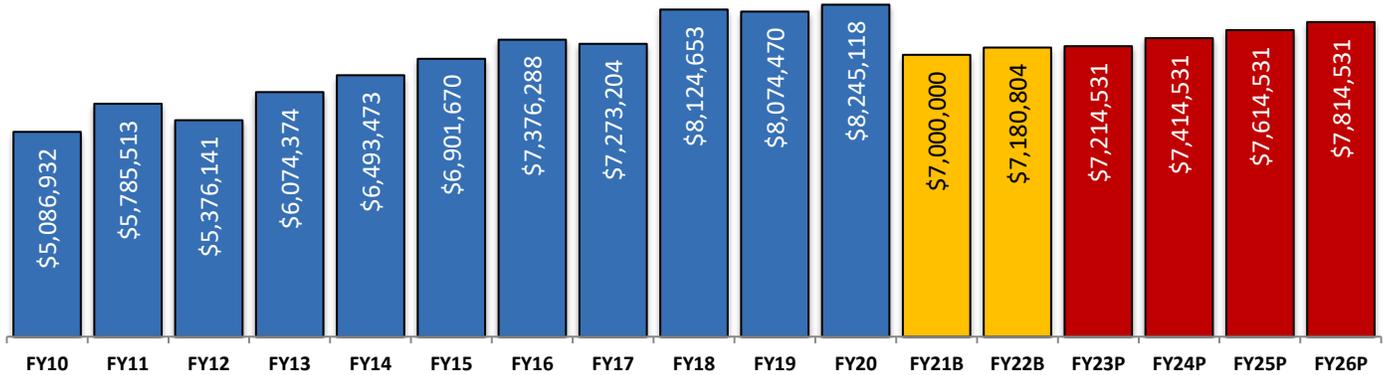
**Motor Vehicle Excise Tax - January Commitment  
Annual % Change**



The auto industry has recovered from the 2008 recessionary year. Locally, many dealerships have made significant investments in their properties; however, this revenue source may have maxed out its potential due to the tremendous growth over the years.

**FINANCIAL SUMMARIES**

**Motor Vehicle Excise Tax - Actual vs Projected**

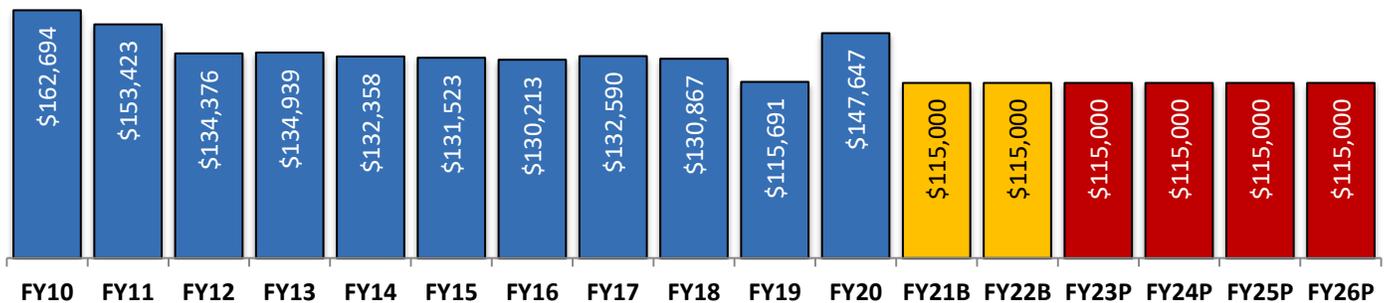


The blue bars represent the past eleven years of actual revenue collections, and yellow bars are FY 2021 and FY 2022 budgets. The town takes a conservative approach when budgeting for this source of revenue, which explains the budget figure being much lower than actuals. As per the National Automobile Dealers Association, new vehicle sales nationwide set a record at 17.6 million units sold in 2016, but predict future sales to decline. This area of revenue has reached its highest amount in FY 2020 at \$8.2 million. FY 2010 saw significant drop in revenue due to the 2008 recession. The recovery began in FY 2013, which saw this area grow to over \$8 million after several years in decline. The FY 2022 budget was conservatively projected. Projections over the next five years are will remain below historical figures represented by the red bars.

**Boat Excise Tax**

The boat excise tax has always been a relatively small revenue source to the Town and is set at \$10 per \$1,000 of valuation by the state. Boat excise has not experienced the increases that motor vehicle excise has in recent years. The state imposes a maximum taxable value of \$50,000 on vessels. This category is projected to be level based on prior year collections.

**History of Boat Excise Tax Revenue - Actual and Budgeted**



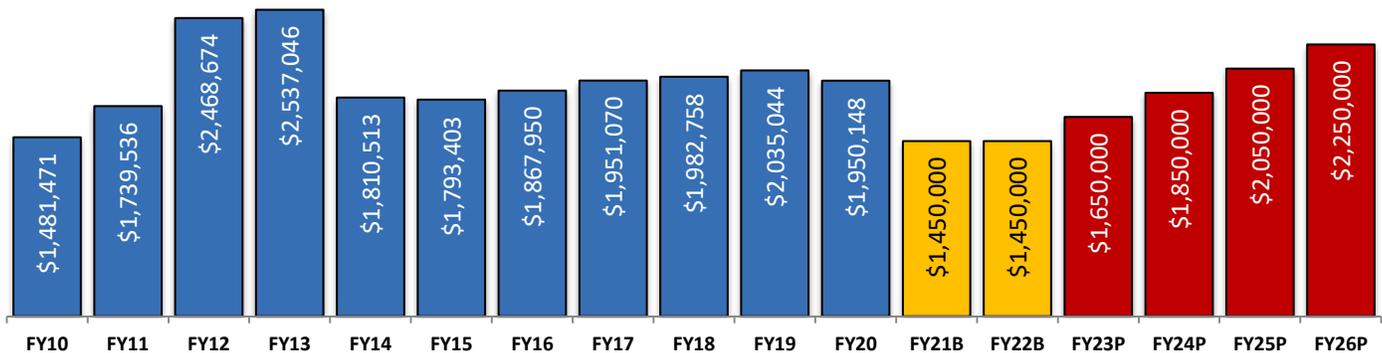
The blue bars represent the past eleven years of actual revenue collections, yellow bars are FY 2021 and FY 2022 budgets, the red bars represent projected revenue. As illustrated by the chart above, actual collections have ranged between \$135,000 and \$162,000 over the past eleven years.

## FINANCIAL SUMMARIES

### Motel/Hotel Excise Tax

The Massachusetts Legislature enacted the Motel/Hotel Tax in 1985 as a local option excise tax on hotels, motels, and lodging houses (“bed and breakfasts”). The Commonwealth administers the tax by collecting the local option portion from business establishments and sending them back to the cities and towns on a quarterly basis. The local option tax was capped at 4% until recently. Cities and towns now have the option of increasing the local portion to 6%. The Town of Barnstable recently adopted this increase in July 2010. The revenue collected from the additional 2% has been dedicated for sewer expansion projects and certain qualifying private road improvements. Motel/Hotel tax revenues depend largely on room occupancy from year-to-year, the total number of room stock, as well as the base rates charged to consumers by hotels and motels. In better economic times, more rooms may be occupied during the Town’s tourist season, leading to potentially higher returns on the tax. The closure or conversion of rooms to condominiums reduces the number of room stock susceptible to the tax, potentially leading lower returns on the tax.

#### Rooms Excise Tax - Actual vs Projected



The blue bars represent the past eleven years of actual revenue collections, yellow bars are FY 2021 and FY 2022 budgets. The spikes in FY 2012 and FY 2013 are due to a 2% tax rate increase, which was subsequently dedicated to the Sewer Construction and Private Way Improvement Special Revenue Fund in FY 2014. This revenue source has maintained a steady increase over the years indicating tourism's attraction to Cape Cod. FY 2021 and FY 2022 are lower due to the pandemic but should trend back towards previous years' amounts post-pandemic.

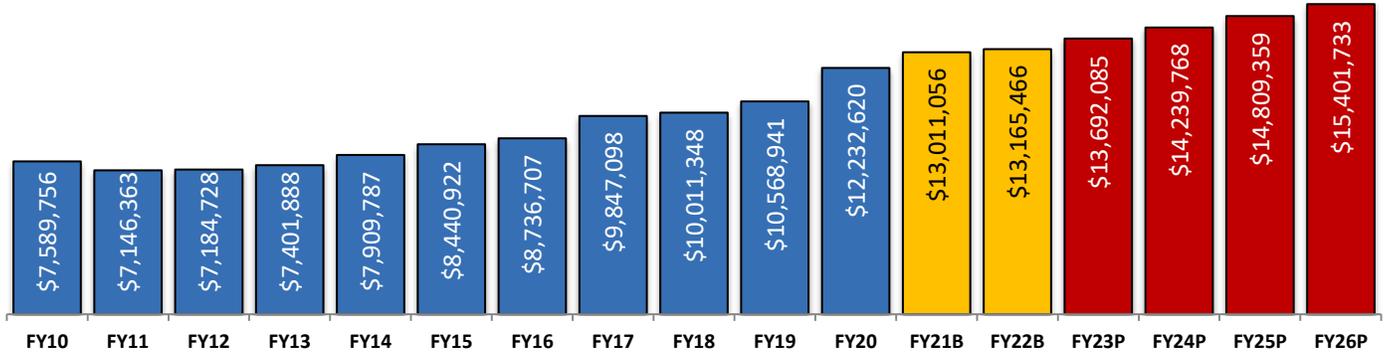
### Intergovernmental

This category of revenue consists of several state aid classifications. Most notably are Chapter 70 (CH70) aid for education, and unrestricted general government aid. The estimate used for the FY 2021 budget proposal is based on the Governor’s proposed budget for FY 2021. The House and Senate will also propose budgets and then conference to reconcile their differences. Their budget is then sent to the Governor who can veto specific line items or make changes to state aid categories like CH70. The House and Senate can override any vetoes during late June or early July, after the Town has already approved its budget. As this is a political process, the Town has historically used the Governor’s proposal to develop its budget and make budget adjustments subsequent to the state budget passage if necessary.

The Department of Elementary and Secondary Education (ESE) administers the Chapter 70 formula. Before receiving any education aid, all districts are required to submit End-of-Year Pupil and Financial Reports to the Department. The data contained in these reports are used to demonstrate compliance with net school spending requirements. Net school spending is the sum of the required local contribution plus state aid. In many cases, this amount exceeds the foundation budget.

**FINANCIAL SUMMARIES**

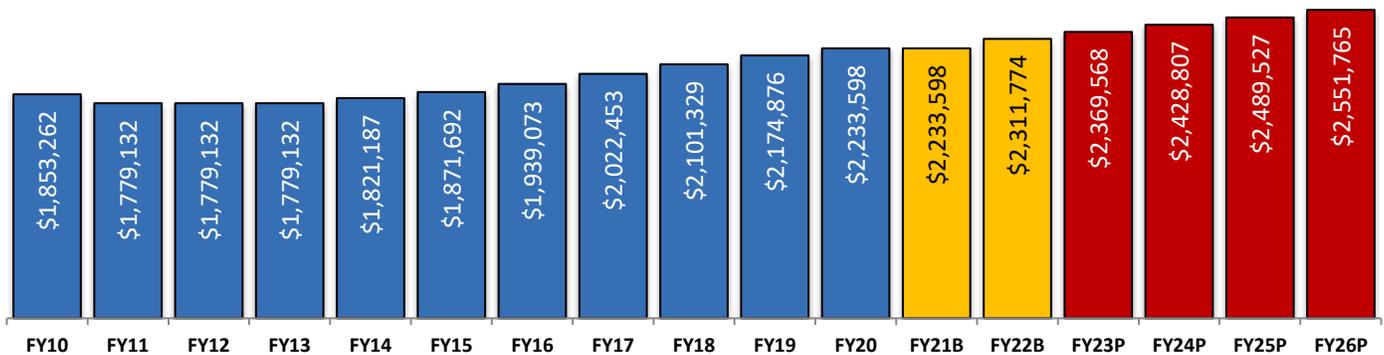
**Chapter 70 Aid for Education - Actual vs Projected**



The blue bars represent the past eleven years of actual revenue collections, yellow bars are FY 2021 and FY 2022 budgets. The town’s CH70 aid has increased nearly \$3 million over the past eleven years going from \$6.9 million to \$10 million. The large increase in FY 2021 & FY 2022 budget is the result of the Governors commitments to the new Student Opportunity Act that seeks to increase funding over a seven-year plan for K-12 schools. Future projections for CH70 Aid include minimal increases.

Unrestricted General Government Aid category is to provide general-purpose financial assistance to municipalities on an equalizing basis. This is formerly known as “Lottery Aid”. The formula is equalizing, with municipalities with lower property values receiving proportionately more aid than those with greater property values.

**Unrestricted Aid - Actual vs Projected**



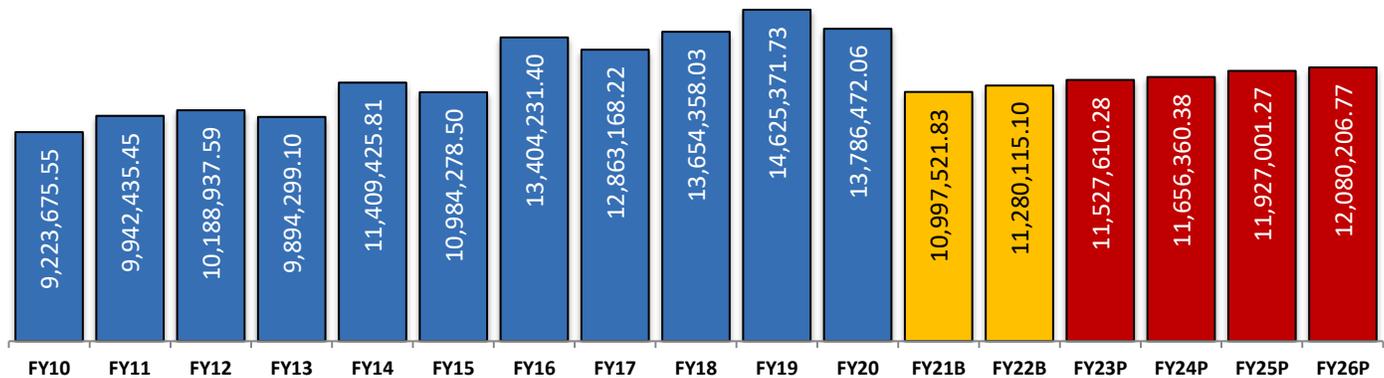
The blue bars represent the past eleven years of actual revenue collections, yellow bars are FY 2021 and FY 2022 budgets. The town was experiencing a steady decline in this revenue category from FY 2010 to FY 2013. FY 2014 to FY 2017 saw slight increases, and future projections include a 1.5% growth in this revenue category indicated by the red bars. Excess lottery distributions have been received in the past but are not included in this forecast. Additionally, casino gambling has been approved and it is projected that lottery sales will be negatively impacted. However, they could be offset by a new revenue sharing formula from casino gambling taxes imposed by the State.

## FINANCIAL SUMMARIES

### Local Receipts

This category includes revenue generated from services, fees, permits, licenses, fines, penalties, investment income, and other sources generated at the local level. The historical activity levels in each category are monitored and then projected. Any fee adjustments are also taken into consideration and projections for each area are then produced based on activity levels and rates. This area of revenue is projected to be lower in FY 2021 based on recent events.

#### Local Receipts- Actual and Projected



The blue bars represent actual receipts collected through FY 2020 as well as the yellow bars for FY 2021 and FY 2022 budgets. The projected amounts represented by the red bars for FY 2023 through FY 2026.

### Trust Funds

The Town maintains a Pension Reserve Trust Fund, which it utilizes every year to offset the pension assessment received from the County Retirement System. The pension assessment is budgeted in the General Fund.

### General Fund Reserves

The Town will use \$2,227,123 in General Fund reserves to balance the proposed FY 2022 operating budget. The Town has historically been able to generate more reserves than what it has used to balance the budget due to conservative revenue estimation and unexpended appropriations. In addition, some of the costs being paid for with surplus are not recurring operating costs. The following is a history of General Fund reserves used and generated.

Certification Date:	Beginning Balance	Used For:		Generated	Ending Balance
		Operations	Capital		
July 1, 2014	\$11,095,664	(\$3,585,000)	(\$591,993)	\$6,451,368	\$13,370,039
July 1, 2015	\$13,370,039	(\$4,104,926)	(\$1,037,689)	\$5,721,779	\$13,949,203
July 1, 2016	\$13,949,203	(\$2,726,877)	(\$4,000,000)	\$5,908,772	\$13,131,098
July 1, 2017	\$13,131,098	(\$2,572,316)	(\$350,000)	\$5,988,373	\$16,197,155
July 1, 2018	\$16,197,155	(\$3,587,352)	(\$4,260,175)	\$4,293,608	\$12,643,236
July 1, 2019	\$12,643,236	(\$2,442,899)	(\$264,000)	\$4,752,408	\$14,688,745
July 1, 2020	\$14,688,745	(\$2,870,718)	(\$233,554)	\$6,939,912	\$18,524,384

**FINANCIAL SUMMARIES**

# GENERAL FUND EXPENDITURE SUMMARY

<b>Municipal Operations:</b>	<b>Actual FY 2020</b>	<b>Projected FY 2021</b>	<b>Approved FY 2021</b>	<b>Proposed FY 2022</b>	<b>Change FY21 - 22</b>	<b>Percent Change</b>
Police Department	\$14,754,959	\$14,660,748	\$14,808,837	\$15,373,934	\$565,097	3.82%
Public Works Department	8,965,223	9,998,481	10,103,252	10,470,034	366,782	3.63%
Administrative Services Dept.	6,163,192	6,177,389	6,239,787	6,456,364	216,577	3.47%
Community Services Department	2,428,649	2,262,023	2,389,106	2,395,834	6,728	0.28%
Inspectional Services	2,053,933	2,042,102	2,164,880	2,353,579	188,699	8.72%
Planning & Development	1,962,548	1,975,868	2,086,289	2,135,301	49,012	2.35%
Marine & Environmental Affairs	1,136,772	1,061,711	1,146,965	1,261,370	114,405	9.97%
Town Manager	890,441	1,014,890	1,036,788	1,192,789	156,001	15.05%
Town Council	257,028	277,211	286,659	282,975	(3,684)	-1.28%
<b>Total Municipal Operations</b>	<b>\$38,612,745</b>	<b>\$39,470,424</b>	<b>\$40,262,562</b>	<b>\$41,922,180</b>	<b>\$1,659,618</b>	<b>4.12%</b>

<b>All Education:</b>						
Local School System	\$68,447,788	\$74,439,615	\$74,609,415	\$75,657,251	\$1,047,836	1.40%
Regional School District	6,080,676	5,856,271	5,856,271	5,106,410	(749,861)	-12.80%
Commonwealth Charter Schools	3,676,949	4,095,060	4,626,689	4,693,340	66,651	1.44%
School Choice	1,402,346	1,431,201	1,458,933	1,410,264	(48,669)	-3.34%
<b>Total All Education</b>	<b>\$79,607,759</b>	<b>\$85,822,147</b>	<b>\$86,551,308</b>	<b>\$86,867,265</b>	<b>\$315,957</b>	<b>0.37%</b>

<b>Other Requirements Costs:</b>						
Employee Benefits	\$25,767,696	\$26,185,255	\$26,584,153	\$27,128,304	\$544,151	2.05%
State & County Assessments	2,697,996	2,796,259	2,796,760	2,854,009	57,249	2.05%
Debt Service	7,176,698	6,567,324	6,567,324	6,320,128	(247,196)	-3.76%
Grants	2,105,970	2,026,691	2,026,691	2,075,000	48,309	2.38%
Property & Liability Insurance	1,893,958	2,007,567	1,910,000	2,150,000	240,000	12.57%
Snow & Ice Removal Deficit	-	-	-	326,592	326,592	0.00%
Town Council Reserve Fund	-	159,335	250,000	250,000	-	0.00%
Celebrations, Rent & Other	152,530	56,624	172,000	172,000	-	0.00%
<b>Total Other Requirements</b>	<b>\$39,794,848</b>	<b>\$39,799,055</b>	<b>\$40,306,928</b>	<b>\$41,276,033</b>	<b>\$969,105</b>	<b>2.40%</b>

<b>Total General Fund Before Transfers</b>	<b>\$158,015,352</b>	<b>\$165,091,625</b>	<b>\$167,120,798</b>	<b>\$170,065,478</b>	<b>\$2,944,680</b>	<b>1.76%</b>
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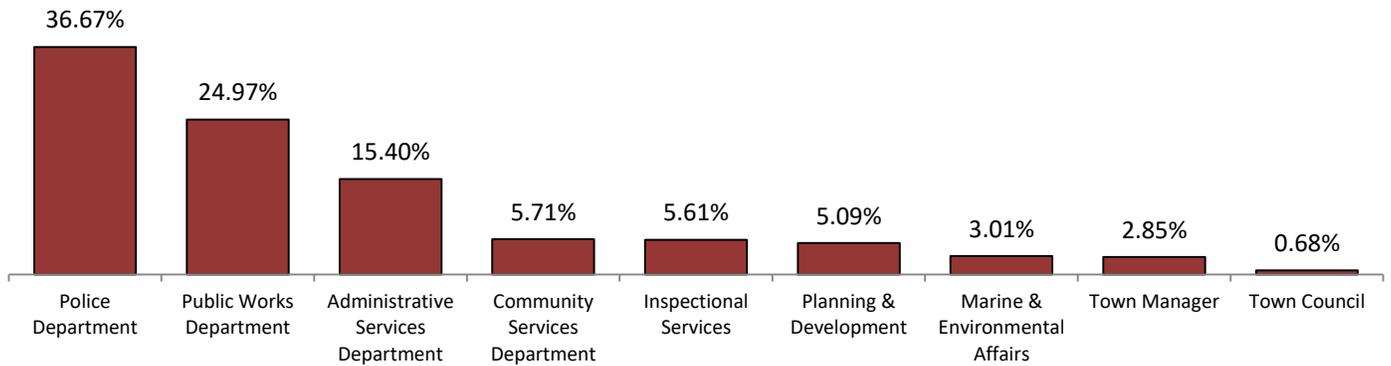
Transfers to Other Funds	11,679,359	12,657,200	12,657,200	12,464,354	(192,846)	-1.52%
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<b>Grand Total General Fund</b>	<b>\$169,694,711</b>	<b>\$177,748,825</b>	<b>\$179,777,998</b>	<b>\$182,529,832</b>	<b>\$2,751,834</b>	<b>1.53%</b>
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The municipal operations budget is increasing \$1.6 million (4.12%). Police Department represents the largest monetary change, but as a percentage change, the Town Manager budget is showing the largest percentage increase. Spending on all education requirements is increasing \$315,957 (0.37%). Local school operations are increasing \$1,047,836 (1.40%) while assessments from other districts are decreasing \$731,879 collectively. Other school assessments are related to the number of students attending schools outside the district as well as debt service cost associated with the new Cape Tech Vocational School construction project. Other Requirements (excludes school assessments) are increasing \$969,105 (2.40%). Most of the increase in Other Requirements is due to employee benefits and carryover snow & ice deficits incurred in FY 2021. Transfers to Other Funds include needed financial support for the Hyannis Youth & Community Center. This line item also includes the annual transfer to the Capital Trust Fund for the town's capital program.

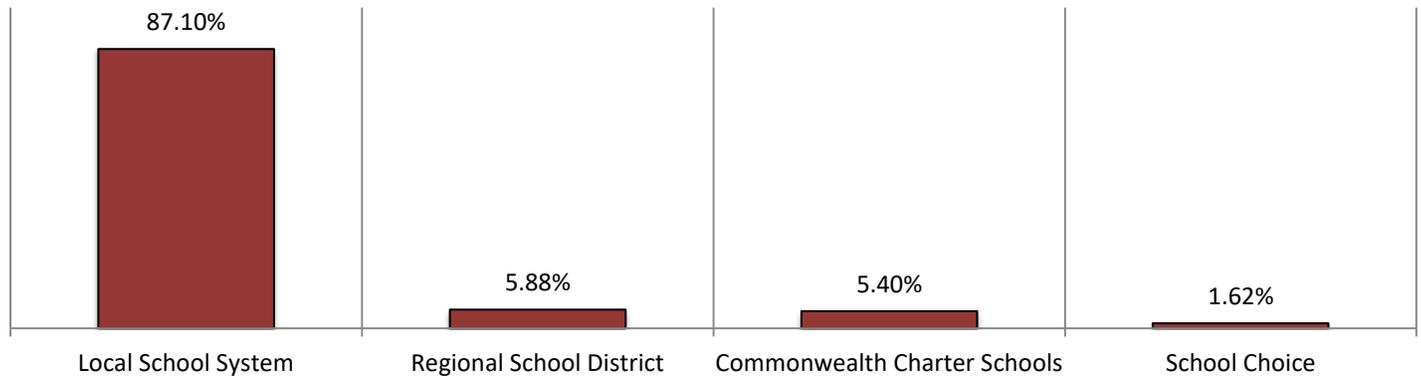
## FINANCIAL SUMMARIES

### Distribution of Municipal Operations



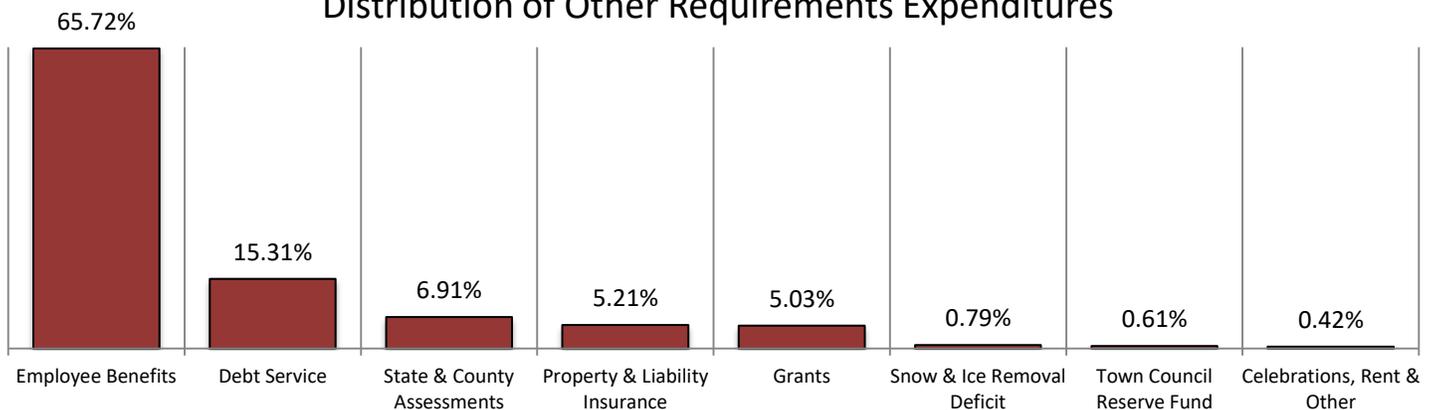
The two largest municipal operations are Police and Public Works, comprising 62% of all municipal spending. Administrative Services is the next largest area representing 15% and includes the Finance, Legal, Human Resources, and Information Technology divisions.

### Distribution of All Education Expenditures



The local K to 12-school system accounts for 88% of all expenditures on education. The other 12% of education expenditures are directed towards other districts in which Barnstable students attend.

### Distribution of Other Requirements Expenditures



A majority of these expenditures are for employee benefits, assessments, and debt service. They comprise 91% of all expenditures in this category.

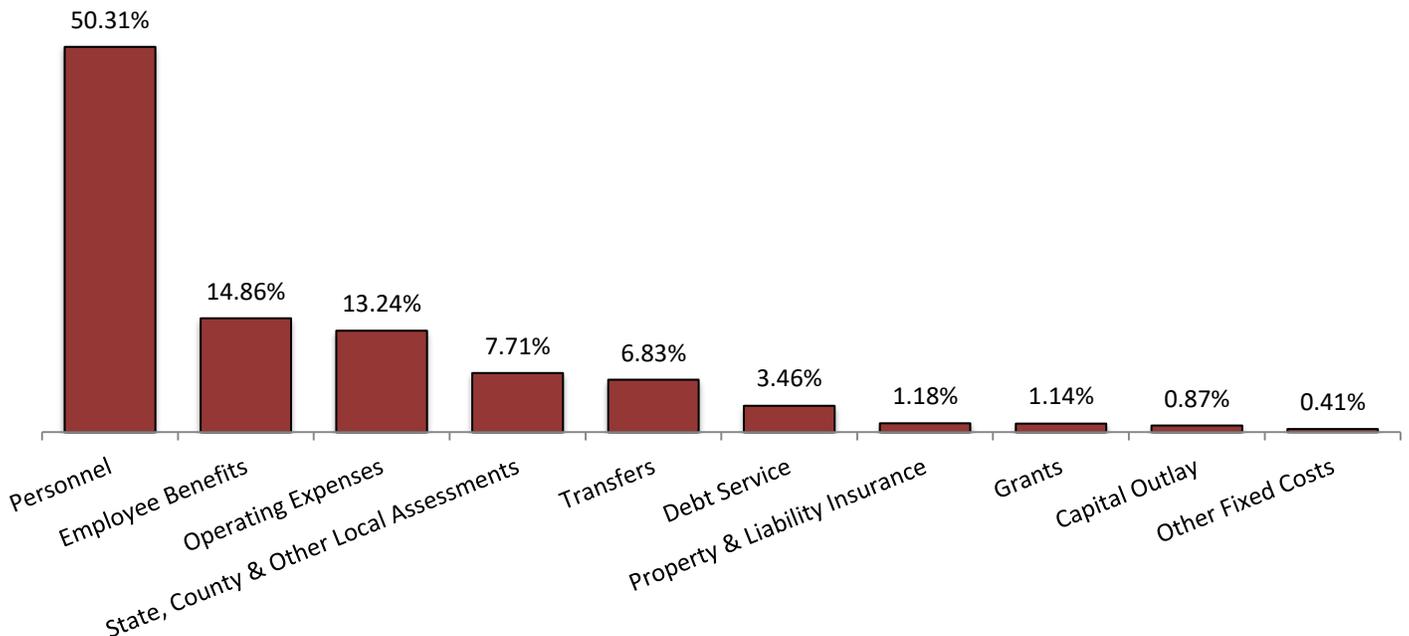
**FINANCIAL SUMMARIES**

**General Fund Budget by Major Expenditure Category**

Expenditure Category	Actual FY 2020	Projected FY 2021	Approved FY 2021	Proposed FY 2022	Change FY21 - 22	Percent Change
Personnel	\$86,528,504	\$89,855,458	\$90,468,298	\$91,822,717	\$1,354,419	1.50%
Employee Benefits	25,767,696	26,185,255	26,584,153	27,128,304	544,151	2.05%
State, County & Other Local Assmt.	13,857,967	14,178,791	14,738,653	14,064,023	(674,630)	-4.58%
Transfers	11,679,359	12,657,200	12,657,200	12,464,354	(192,846)	-1.52%
Debt Service	7,176,698	6,567,324	6,567,324	6,320,128	(247,196)	-3.76%
Operating Expenses	19,208,285	22,629,713	22,902,964	24,173,982	1,271,018	5.55%
Grants	2,105,970	2,026,691	2,026,691	2,075,000	48,309	2.38%
Property & Liability Insurance	1,893,958	2,007,567	1,910,000	2,150,000	240,000	12.57%
Capital Outlay	1,323,744	1,424,868	1,500,715	1,582,732	82,017	5.47%
Other Fixed Costs	152,530	215,959	422,000	748,592	326,592	77.39%
<b>Total Expenditures</b>	<b>\$169,694,711</b>	<b>\$177,748,825</b>	<b>\$179,777,998</b>	<b>\$182,529,832</b>	<b>\$2,751,834</b>	<b>1.53%</b>

Personnel costs and the associated employee benefits account for \$1.9 million of the proposed FY 2022 General Fund budget change. This includes a net decrease of (-14.14) in the municipal and local school operations. Operating expenses are increasing \$1,271,018, debt service is decreasing \$247,196, and assessments are decreasing \$674,630.

**General Fund Budget By Major Expenditure Category**



Salaries & wages and the associated benefits for all employees account for 65% of all General Fund expenditures. This is not unusual for a local government because it functions as a service provider.

## LONG-TERM BUDGET PLANNING

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Particular attention is given to certain areas of the revenue and expense structure contained in the operating budgets in order to maintain a sustainable budget in the years ahead.

### New Property Tax Growth

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Additional taxes generated from new building growth are estimated to increase gradually over the next few years, as the local economy has remained robust. However, with limited vacant building lots available, the Town will have to rely more upon targeting redevelopment of existing lots to achieve this goal.

### Chapter 70 Aid for Education

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A new formula was developed several years ago that provides for each community to receive no less than 17.5% of its foundation budget in the form of CH70 aid. Barnstable is considered a high effort community meaning that it falls into the group of communities that will not receive more than 17.5% of its foundation budget in the form of CH70 aid. The current state aid proposed for FY 2022 provides Barnstable with 17.23% of its foundation budget. As a result, future increases in this category of state aid will be of a similar percentage increase that occurs in the foundation budget.

### Unrestricted General Government Aid

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No significant increase in this category of aid is projected. Additionally, the recent passage of legislation allowing casinos in Massachusetts should have some impact on the distribution of aid in this category. Most of this aid is currently derived from lottery sales, which could be negatively impacted by casinos. The revenue sharing formula for casino revenue was reported to be based on the CH90 distribution formula, which is more favorable to the Town of Barnstable than the lottery formula. No projections for casino revenue have been provided to cities and towns.

### Massachusetts School Building Assistance

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The Town will receive its final reimbursement in FY 2019 from the Massachusetts School Building Authority (MSBA) for existing debt service on school construction projects. Based on this, school officials continue to submit “statements of interest” to the Massachusetts School Building Authority, which describe the preliminary plans for renovations and expansions to the existing facilities. Funding for new projects under this program is very competitive. The new program for financing school construction is derived from the state sales tax.

### Investment Income

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Interest rates have fallen precipitously over the past several years and cash balances will continue to decline as we complete capital projects. It is projected that investment rates will remain low in the future as the economy experiences a period of uncertainty.

## **FINANCIAL SUMMARIES**

### **Salaries**

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Salaries are the single largest expense for the Town. Labor contracts include a merit increase for all eligible employees. Merit increases in most cases include ten steps. Employees are moved to the next step upon a satisfactory evaluation. In most cases, once an employee has more than 10 years of service they are no longer eligible for merit increases. Approximately 70% of the School Department labor force and 50% of the municipal departments labor force are at the top step. Salaries may also increase every year by any negotiated cost of living allowances.

### **Health Insurance**

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The Town of Barnstable belongs to a joint purchasing group (Cape Cod Municipal Health Group) for procuring health insurance for its employees. The group implemented plan design changes in FY 2013 and again for FY 2018 that may assist in mitigating the annual cost increases in premiums as the changes encourage the more effective use of health insurance. High deductible HSA plans were also implemented for FY 2018. The Cape Cod Municipal Health Group continues to work on ways to reduce costs as well; for example, mail order prescriptions, health awareness, and smoking cessation programs.

### **Pension Assessments**

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The town belongs to the Barnstable County Retirement Association (BCRA). Each year, the County Retirement Board notifies each member town with the amount of its share of the county retirement pension expense. This assessment includes the normal costs for current retirees, an amount for the amortization of the unfunded liability of the system, and the expenses for running the system. Pension assessments are expected to continue to rise in the neighborhood of 4.5% to 8% per year depending upon the investment performance of the system's assets. The county pension system conducts an actuarial calculation every year of the unfunded liability for the system, which will readjust the assessment levels. The assessments have increased more \$3.5 million over the past 10 years. The unfunded liability of the system is being amortized through fiscal year 2037 as allowed by State law.

### **Other Post-Employment Benefits**

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Similar to pensions, town employees can earn other post-employment benefits (OPEB) over their years of service that will not be received until after their employment with the town ends through retirement. In the Town of Barnstable, the OPEB consists principally in the form of health insurance. A new accounting rule requires that the town actuarially determine what its annual required contribution (ARC) would be to fully fund this benefit. The amount of the ARC that exceeds the town's actual health insurance expense for retirees in any one year is added to the liability on the town's balance sheet. The ARC exceeded the town's actual expenses in fiscal year 2016 by an estimated \$4.5 million and the town's balance sheet liability grew to \$48 million. In essence, to fully fund health insurance for active and retired employees, the Town would have to budget \$4.5 million more per year for health insurance. A similar shortfall can be expected every subsequent year. If the Town elects not to fund all or part of this liability, it is expected that it will eventually lead to a bond rating downgrade as the rating agencies are watching very closely how governments across the country address, or don't address, this issue. It is expected that the Town will continue to cover 50% of the annual health insurance costs of eligible town retirees, as this is the minimum required by state law. Eligible retired teachers enter the state's health insurance program managed through the Group Insurance Commission. The Town is assessed its share of the cost each year by the state for retired teachers. The town must pay 80% to 85% of retired teacher's health insurance premiums depending upon their retirement date. This charge is included on the Town's Cherry Sheet. The Town has created an OPEB Trust Fund and annually makes an appropriation into the fund; however, it is far below the ARC.

## **FINANCIAL SUMMARIES**

### **Utilities and Fuel**

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The budget across all Town budgets (General Fund and Enterprise Funds) for utilities and fuel is approximately \$5 million combined. The Town has installed co-generation equipment, photovoltaic solar panels, and wind turbines and upgraded heating plants to make buildings more efficient. In addition, it has adopted a new fuel-efficient vehicle policy and has several new electric vehicles and hybrids. Efforts will continue to reduce the Town's reliance on fossil fuels as well as reduce costs. A 4-megawatt photovoltaic solar array at the town's transfer station and recycling facility in Marstons Mills went on-line in FY 2015 as well as a 5-megawatt solar array at the Cape Cod Gateway Airport. Collectively, these systems are expected to generate over to \$1 million in additional revenue annually. This new revenue source is used to balance operating budgets as well as provide increased funding for the capital program.

### **Private Roads**

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The Town has a significant inventory of private roads. Many of these roads are breaking down to the point where they need major repairs. Some of these roads can be considered public roads just by the very nature of their use, especially ones that connect one public way to another public way. Commuters and not just property abutters predominantly use these roads. The Town has created a special revenue fund, which can be used to make improvements to private ways. Funding is provided from meals and rooms taxes.

### **Clean Water**

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This challenge involves four major pieces: expanding and constructing sewer collection systems, upgrading and maintaining existing sewer collection systems, ensuring clean drinking water by removing any contaminants and addressing municipal separate storm sewer systems (MS4) regulations. Protecting the Town's water resources is one of the immediate issues facing the community. The Town had created a Water Resources Advisory Committee, which was charged with advising Barnstable officials on the completion and implementation of its Comprehensive Water Resource Management Planning Project. The goal is to protect and restore the Town's fresh and salt-water bodies and its drinking water supplies, in compliance with the Cape Cod Commission's Cape Cod Area Wide Water Quality Management Plan Update of 2015, ("The 208 Plan"). The Town Council has already adopted several measures in July 2010 to begin addressing this issue including the adoption of a local meals tax and an increase in the local room occupancy tax. This issue is also being examined on a countywide basis to see where opportunities exist for Cape Cod communities to work collaboratively on addressing the topic. Concurrently, the Town has commissioned a sewer rate study, which will provide a roadmap for setting sewer utility rates at levels, which will allow for the continuous upgrade and maintenance of the Town's existing sewer treatment facilities.

### **Capital Program**

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The Town of Barnstable has an inventory of over \$400 million in fixed assets. This includes land, land improvements, buildings, equipment and machinery, furniture and fixtures, boats, vehicles, trailers, computers, roads, sidewalks, bridges, runways, marinas, parks, fresh water ponds and lakes, dredged waterways, beaches, water and sewer lines and other. This inventory of assets requires the Town to invest considerable funds to replace or improve the assets over time. Town departments have identified in excess of \$100 million dollars of General Fund capital needs over the next 5 years not including a comprehensive sewer expansion or private road repair program. This is more than what the Town can immediately provide.

## **FINANCIAL SUMMARIES**

### **Infrastructure Maintenance**

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Town and school infrastructure is aging. Adequate funds need to be directed to the annual maintenance and improvement of these assets. When budgets are constricted, this is one of the first reductions made. The Town must continue to find ways to augment currently allocated funds to the maintenance of infrastructure as well as identify opportunities to close facilities no longer needed. Most notably are the Town's elementary school facilities that are in need of significant renovations. Declining enrollments have allowed for the reduction of the School Department's physical plant reducing the cost of this program. The former Grade 5 building was closed and sold for \$3 million. Osterville Bay Elementary School was closed at the end of the 2007-08 school years. Cotuit, Marstons Mills, and Osterville Elementary schools were closed after the 2008-09 school year. Any lease income generated from these facilities can be used towards maintaining their condition. The \$3 million from the sale of the former Grade 5 building has been used for upgrading the HVAC system at the Barnstable Community Horace Mann Charter Public School (BCHMCPS - formerly known as Hyannis East), technology upgrades system-wide, and replacement of the track and field at the high school.

### **Technology**

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Updating technology is a main concern in the School Department. Previous technology upgrades have traditionally been performed as the facilities are renovated. The capital programs have averaged \$500,000 annually for the School Department's technology infrastructure, which includes upgrades and improvements to district telephone, video surveillance, and door entry systems. In addition, the Information Technology Division within the municipal operations budget has a financial plan that includes \$105,000 annually for hardware and software upgrades. Additional requests in capital budget for technology improvements include an animal tracking database, new voting machines, and Police Department IT equipment replacements and/or upgrades.

### **Special Education**

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The largest component within this section of the School Department budget is the cost for out-of-district residential placement services. These services can fluctuate enormously from year to year depending upon the number of students enrolled and the type of services required. One new student could easily add over \$100,000 of costs to the School Department's budget. The State Circuit Breaker Reimbursement Program provides for some financial relief. Subject to appropriation, the state's share shall equal a percentage of the prior year's approved instructional costs in excess of four times the full amount of the prior year's state average per pupil foundation budget as defined in MGL CH70 and in accordance with the Department of Elementary and Secondary Education. For FY 2020, the rate is approximately 65% reimbursement for eligible costs. Even with no changes in enrollment, a cut in the reimbursement rate can have a significant impact on a school district's budget.

### **Net School Spending Requirements**

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The Town is subject to one mandated spending requirement every year. The Commonwealth's school finance statute, Chapter 70 of the General Laws, establishes an annual "net school spending" requirement for each Massachusetts school district. Failure to comply with this requirement may result in non-approval of a municipality's tax rate, enforcement action by the Attorney General, or loss of state aid. The Town has consistently complied with the state mandated spending requirements. These are minimum spending requirements and each community determines its own level of spending so long as it meets these levels. The Town has consistently exceeded the minimum spending requirements.

## FINANCIAL SUMMARIES

### Reserves Used To Balance Operating Budgets

The Town has used a portion of its General Fund reserves on an annual basis to balance the operating budget. The Massachusetts Department of Revenue certifies the General Fund reserve every year, also known as Certified Free Cash. From this reserve, the Town Council's policy is to set aside an amount equal to 4% of the Annual Operating Budget, net of transfers, for extraordinary and unforeseen events. Any balance remaining is distributed between the School Department and Municipal Departments in accordance with a revenue sharing agreement. The use of the reserves is subject to Town Council approval. It may be used to balance annual operating budgets, capital budgets or to fund one-time expenses. The Town has historically been able to generate more reserves than what it has spent with the exception of FY 2008. This demonstrates a structurally balanced budget over the years. The generation of surplus is derived from unexpended appropriations and actual revenues out-performing budget estimates. The Town must be cautious about placing an over dependency on this funding source to pay for repeated operating costs. The current balance of \$14.6 million in the savings account is distributed in accordance with the revenue sharing agreement as follows:

	Municipal Savings	School Savings	Town Council Reserve	Total
<b>Balance</b>	<b>\$5,491,694</b>	<b>\$6,386,772</b>	<b>\$6,645,911</b>	<b>\$18,524,377</b>
<b>Used for:</b>				
FY 2022 Operating Budget	-	(950,531)	-	(950,531)
FY 2022 Employee Benefits	(550,000)	(150,000)	-	(700,000)
Prior year snow removal deficit	(326,592)	-	-	(326,592)
FY 2022 Town Council reserve	-	-	(250,000)	(250,000)
<b>Total Use of Reserves</b>	<b>(876,592)</b>	<b>(1,100,531)</b>	<b>(250,000)</b>	<b>(2,227,123)</b>
<b>Balance remaining before closing FY 2022</b>	<b>\$4,615,102</b>	<b>\$5,286,241</b>	<b>\$6,395,911</b>	<b>\$16,297,254</b>

The proposed FY 2022 budget reserves used are shown in the table above. Municipal operations will use a total of \$876,592 in reserves. The school will use a total of \$1,100,531 of reserves. The town will also transfer \$250,000 of Town Council reserves into a separate account for extraordinary and unforeseen events.

### Bond Ratings

The town continues to manage its financial affairs in a prudent manner. In FY 2021, Standard and Poor's reaffirmed the town's bond rating at AAA. This excellent bond rating has been in effect since 2007 and should continue to allow the town to receive favorable borrowing rates on future debt issues, saving thousands of dollars in interest costs on bond issues.

### Borrowing Rates

Borrowing rates are at an all-time low for the municipal bond market. This has created an opportunity for the town to "refund" or "refinance" most of its older bond issues. All bonds eligible for refunding have been refunded. The town's last bond issue of \$13.81 million in March 2021 resulted in a net interest cost of 1.32% over the life of the bond. The town could seize this opportunity, coupled with its excellent bond rating, and implement an aggressive capital improvements program that could save thousands in borrowing costs, but it would require a revenue source to repay the bonds such as an increase in taxes or the redirection of existing resources from operations to debt service.