

ALL APPROPRIATED FUNDS BUDGET SUMMARY

- All Funds Requiring Annual Appropriation

Fund	Actual FY 2019	Budget FY 2020	Budget FY 2021	Change FY20 - 21	Percent Change
General Fund	\$168,734,541	\$177,662,155	\$178,804,977	\$1,142,822	0.64%
Airport Enterprise	6,516,761	8,041,243	6,841,627	(1,199,616)	-14.92%
Golf Enterprise	3,518,271	3,876,414	3,648,381	(228,033)	-5.88%
HYCC Enterprise	3,226,255	3,491,131	3,352,395	(138,736)	-3.97%
Marina Enterprise	764,738	832,780	787,977	(44,803)	-5.38%
PEG Enterprise	841,358	877,860	841,030	(36,830)	-4.20%
Sandy Neck Enterprise	1,013,385	996,459	961,288	(35,171)	-3.53%
Solid Waste Enterprise	3,460,467	3,419,883	3,577,403	157,520	4.61%
Water Pollution Control Enterprise	4,323,148	4,816,380	4,590,439	(225,941)	-4.69%
Water Supply Enterprise	6,953,908	7,685,015	7,865,088	180,073	2.34%
Total All Budgeted Funds	\$199,352,832	\$211,699,320	\$211,270,605	(\$428,715)	-0.20%
All Funds Net Of Transfers	\$187,203,413	\$199,187,475	\$197,710,623	(\$1,476,852)	-0.74%
Full-time Equivalent Employees	1,320.25	1,330.79	1,323.79	(7.00)	

The Town of Barnstable's total FY 2021 proposed operating budget for all appropriated funds is \$211,270,605, which is a decrease from the approved FY 2020 budget by \$428,715 (-0.20%). 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 2021 budget decrease of \$1,476,852 (-0.74%). Transfers are increasing faster than the operating budget itself because of the financial support needed for the Hyannis Youth Center and Golf Course operations. Furthermore, the overall budget shows a net decrease of (7) full-time equivalent (FTE) positions consisting of the elimination of positions and the deferment of replacing vacant positions.

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** budget is increasing \$1.14 million in FY 2021 (0.64%). Fixed costs excluding transfers are down \$628,152 (-1.20%) mostly due a significant drop in debt service cost. Municipal operations are decreasing \$943,472 (-2.29%), all education expenditures are increasing \$1,718,645 (2.05%), and total fixed costs are increasing \$463,689 (0.73%). Major factors contributing to the increase in the overall budget are contractual labor obligations, the Commonwealth Charter School Assessment, retiree health insurance benefits, Enterprise Fund financial support, technology requirements, and local school operations.

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The **Airport Enterprise Fund** budget is decreasing in FY 2021 by (-14.92%). Significant budget reductions in both the special provision line item depreciation and jet fuel purchases for resale are the main factors to the overall budget reduction.

The **Golf Course Enterprise Fund** budget is decreasing in FY 2021 by (-5.88%). The elimination of a vacant Division Assistant position (1), a decrease in debt service, and reductions in the budget for temporary positions attributes most to the decrease.

The **HYCC Enterprise Fund** budget is decreasing in FY 2021 by (-3.97%). Delayed hiring of the Rink Supervisor, utility savings through efficiencies, and a move to in-house maintenance attributes most to the decrease.

The **Marina Enterprise Fund** budget is decreasing in FY 2021 by (-5.38%) mainly due to a capital outlay cost in FY 2020 for a new vehicle purchase not being repeated.

The **PEG Enterprise Fund** budget is decreasing in FY 2021 by (-4.20%) mainly due to the elimination of funds previously provided in FY 2020 budget to support a temporary position.

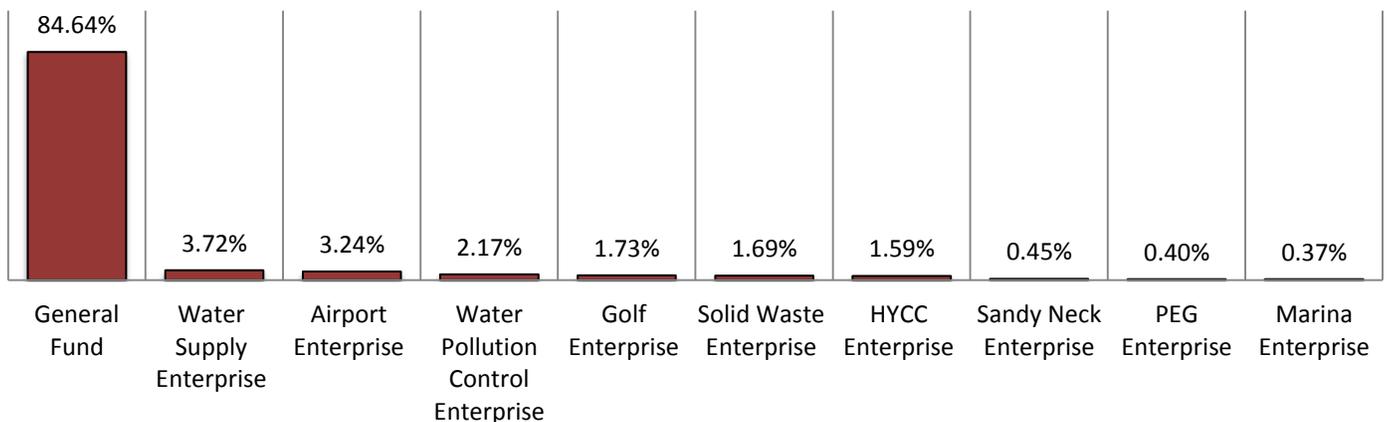
The **Sandy Neck Enterprise Fund** budget is decreasing in FY 2021 by (-3.53%). This budget had seen a significant budget reduction in FY 2020, and that most of the budget reduction in FY 2021 is due to further reductions in one-time capital outlay costs for emergency sand nourishment

The **Solid Waste Enterprise Fund** budget is increasing in FY 2021 by (4.61%) because of a significant increase for disposal cost; however, this has been mitigated by the elimination of the Packer Service program within the operations.

The **Water Pollution Control Enterprise Fund** budget is decreasing in FY 2021 by (-4.69%). Various budget line items have been reduced in the proposed fiscal year budget. In addition, capital outlay costs in FY 2020 budget to purchase a replacement vehicle are not repeated.

The **Water Enterprise Fund** budget is increasing in FY 2021 by (2.34%) mainly due to the additional cost to operate the new Maher Filtration Plant.

Distribution of All Appropriated Funds



The General Fund comprises 85% of all spending for the funds requiring annual appropriation. Water Supply Enterprise Fund is the largest Enterprise Fund comprising 3.72% of all spending.

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POSITION SUMMARY FOR ALL APPROPRIATED FUNDS

DEPARTMENT	FY11 FTE's	FY12 FTE's	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	Chg
Town Council	2.00	2.00	2.00	2.00	2.00	1.40	1.40	1.40	1.40	1.40	1.40	-
Town Manager	8.50	8.50	8.50	8.50	8.50	8.50	10.50	9.75	9.75	9.85	11.60	1.75
Office Administration	4.50	4.50	4.50	4.50	4.50	4.50	4.50	3.50	3.50	3.50	3.50	-
Asset Management	-	-	-	-	-	-	2.00	2.00	2.00	2.00	2.00	-
Communication	-	-	-	-	-	-	-	-	-	-	1.60	1.60
PEG Enterprise Fund	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.25	4.25	4.35	4.50	0.15
Administrative Services Department	60.30	60.30	60.30	60.50	60.60	60.60	58.30	57.55	56.55	56.80	56.60	(0.20)
Finance	36.75	36.75	36.75	36.75	37.85	37.85	35.50	35.75	34.75	34.50	34.50	-
Legal	4.55	4.55	4.55	4.75	4.75	4.75	4.80	4.80	4.80	4.80	4.60	(0.20)
Human Resources	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.50	8.50	-
Information Technology	11.00	11.00	11.00	11.00	10.00	10.00	10.00	9.00	9.00	9.00	9.00	-
Marine & Environmental Affairs Department	14.35	13.80	13.85	14.65	15.90	15.85	16.65	17.30	17.00	16.90	16.90	-
Natural Resources	6.70	6.85	6.85	6.85	6.97	6.85	7.55	8.20	8.00	8.00	8.00	-
Harbormaster	3.50	2.80	2.80	3.60	3.73	3.60	3.70	3.60	3.85	3.75	3.75	-
Marina Enterprise Fund	1.45	1.45	1.45	1.45	1.45	1.65	1.65	1.65	1.30	1.30	1.30	-
Sandy Neck Enterprise Fund	2.70	2.70	2.75	2.75	3.75	3.75	3.75	3.85	3.85	3.85	3.85	-
Community Services Department	42.90	39.40	39.30	39.25	39.98	41.43	49.65	50.35	51.40	52.30	49.55	(2.75)
Recreation	7.35	8.30	7.70	7.70	7.40	7.40	8.40	7.60	7.60	7.25	8.45	1.20
Senior Services	15.85	6.35	6.35	6.30	6.33	6.53	9.75	9.70	10.75	10.75	11.05	0.30
Communications & Public Information	-	-	-	-	-	-	-	3.45	3.35	3.25	-	(3.25)
Golf Enterprise Fund	10.20	15.85	15.75	15.75	15.75	17.00	17.00	17.10	17.10	17.10	16.10	(1.00)
HYCC Enterprise Fund	9.50	8.90	9.50	9.50	10.50	10.50	10.50	12.50	12.60	13.95	13.95	-
Planning & Development Department	18.10	17.45	17.80	18.80	17.30	17.30	17.15	16.50	19.00	19.00	19.50	0.50
Administration	2.50	2.50	2.50	3.00	2.50	2.50	2.50	2.50	4.00	3.50	3.50	-
Comprehensive Planning	2.00	1.50	1.00	1.00	1.00	1.00	0.75	1.00	1.00	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	1.00	-
Regulatory Review	3.35	3.00	3.50	3.50	3.50	3.50	3.75	4.00	4.50	4.75	5.25	0.50
Economic Development	1.65	1.65	1.65	2.65	2.65	2.65	2.50	2.00	3.00	3.00	3.00	-
Parking Program	1.75	1.95	2.30	2.30	2.65	2.65	2.65	2.00	1.50	2.00	2.00	-
Conservation	4.00	4.00	4.00	4.00	3.50	3.50	3.50	3.50	3.50	3.50	3.50	-
Land Management	0.85	0.85	0.85	0.35	0.50	0.50	0.50	0.50	0.50	0.50	0.50	-
Traffic & Parking Management	1.00	1.00	1.00	1.00	-	-	-	-	-	-	-	-

FINANCIAL SUMMARIES

POSITION SUMMARY FOR ALL APPROPRIATED FUNDS

DEPARTMENT	FY11 FTE's	FY12 FTE's	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	Chg
Police Department	126.26	124.25	125.75	125.75	130.75	132.75	132.75	141.75	144.80	145.80	141.80	(4.00)
Administrative & Investigative Services	34.00	22.50	24.00	23.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	-
Field Services	92.26	101.75	101.75	102.75	106.75	108.75	108.75	117.75	120.80	121.80	117.80	(4.00)
Public Works Department	115.50	115.75	116.35	116.33	116.33	118.33	121.25	120.95	119.95	122.95	119.25	(3.70)
Administration & Tech Support	15.50	15.50	12.95	12.93	12.93	12.93	12.00	11.50	11.50	11.50	10.20	(1.30)
Highway	35.50	35.50	35.50	35.50	35.50	35.50	37.50	37.70	37.70	37.70	37.00	(0.70)
Structures & Grounds	33.80	33.80	34.10	34.10	34.10	35.10	36.50	36.50	35.50	38.50	38.50	-
Solid Waste Enterprise Fund	15.10	15.10	15.75	15.75	15.75	16.75	16.95	16.95	16.95	16.95	15.95	(1.00)
Water Pollution Control Enterprise Fund	14.10	14.10	15.15	15.15	15.15	15.15	15.35	15.35	15.35	15.35	15.35	-
Water Supply Enterprise Fund	1.50	1.75	2.90	2.90	2.90	2.90	2.95	2.95	2.95	2.95	2.25	(0.70)
Inspectional Services Department	23.30	23.90	24.40	24.88	24.88	24.40	24.65	26.65	26.75	26.75	27.55	0.80
Building Services	12.15	12.50	12.50	12.50	12.50	12.00	11.50	13.50	13.50	13.50	14.50	1.00
Health Services	11.15	11.40	11.90	12.38	12.38	12.40	13.15	13.15	13.25	13.25	13.05	(0.20)
Licensing Department	2.20	2.55	2.90	2.90	2.45	2.45	2.30	2.60	1.75	1.75	1.75	-
Airport Enterprise Fund	24.60	24.60	25.30	25.50	25.50	25.00	23.00	23.00	23.00	23.00	23.00	-
SUBTOTAL GENERAL FUND	354.86	344.05	343.90	346.31	349.44	351.30	358.45	370.20	374.00	377.70	372.65	(5.05)
SUBTOTAL ENTERPRISE FUNDS	83.15	88.45	92.55	92.75	94.75	96.70	95.15	97.60	97.35	98.80	96.25	(2.55)
TOTAL MUNICIPAL OPERATIONS	438.01	432.50	436.45	439.06	444.19	448.00	453.60	467.80	471.35	476.50	468.90	(7.60)
-	-	-	-	-	-	-	-	-	-	-	-	-
Schools	812.58	813.03	815.53	809.23	830.35	834.15	840.40	841.70	848.90	854.29	854.89	0.60
Administration (restated for school consolidation)	6.00	6.00	6.00	6.00	7.00	6.80	6.80	6.80	6.30	11.30	11.30	-
Instructional Services	686.20	686.03	638.90	634.60	654.72	680.90	686.45	687.75	695.45	743.09	743.69	0.60
Health Services	16.50	14.90	14.93	13.93	13.93	16.20	16.20	16.20	16.20	16.00	16.00	-
Transportation	21.00	21.00	24.00	24.00	24.00	20.50	20.50	20.50	20.50	3.00	3.00	-
Food Services	13.38	15.00	13.00	13.00	13.00	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	3.00	-
Other Student Services	7.60	7.60	48.46	46.46	46.46	40.90	41.40	41.40	41.40	15.25	15.25	-
Maintenance of Plant	51.90	52.50	59.24	59.24	59.24	53.45	53.65	53.65	53.65	55.25	55.25	-
Network & Technology	7.00	7.00	8.00	9.00	9.00	11.40	11.40	11.40	11.40	5.40	5.40	-
TOTAL ALL DEPARTMENTS	1,250.59	1,245.53	1,251.98	1,248.29	1,274.54	1,282.15	1,294.00	1,309.50	1,320.25	1,330.79	1,323.79	(7.00)

Total full-time equivalents are decreasing by (-7.00) positions, (-2.55) in the Enterprise Funds, (-5.05) for the General Fund, and (-0.60) for local schools.

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FINANCIAL SUMMARIES

CONSOLIDATED RESOURCE/APPROPRIATION SUMMARY

	General Fund FY 2021 Budget	Solid Waste Fund FY 2021 Budget	Water Pollution Fund FY 2021 Budget	Water Supply Fund FY 2021 Budget	Marina Fund FY 2021 Budget	Sandy Neck Fund FY 2021 Budget	Airport Fund FY 2021 Budget
RESOURCES:							
Property Taxes	\$ 132,026,068	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	8,597,000	-	-	-	-	-	-
Intergovernmental	18,441,435	-	-	-	-	-	1,332,500
Fines & Penalties	1,256,000	-	60,000	36,900	-	-	-
Fees, Licenses, Permits	2,692,785	-	9,180	310,100	528,750	416,000	1,725,352
Charges for Services	1,845,100	3,010,675	4,292,459	6,266,771	10,000	169,455	4,662,758
Interest and Other	1,567,500	71,050	228,800	487,500	10,000	95,000	453,517
Interfund Transfers	10,508,371	-	-	500,000	84,031	-	-
Borrowing Authorizations	-	-	-	1,400,000	-	-	-
TOTAL RESOURCES	\$ 176,934,259	\$ 3,081,725	\$ 4,590,439	\$ 9,001,271	\$ 632,781	\$ 680,455	\$ 8,174,127
OPERATING EXPENDITURES:							
Town Council	\$ 286,659	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town Manager	873,142	-	-	-	-	-	-
Administrative Services	6,239,787	-	-	-	-	-	-
Planning & Development	2,086,289	-	-	-	-	-	-
Police	14,808,837	-	-	-	-	-	-
Licensing Department	163,646	-	-	-	-	-	-
Inspectional Services	2,164,880	-	-	-	-	-	-
Public Works	10,103,252	3,172,035	3,035,034	5,182,617	-	-	-
Marine & Environmental Affairs	1,146,965	-	-	-	375,471	754,500	-
Community Services	2,389,106	-	-	-	-	-	-
Local School Operations	74,196,256	-	-	-	-	-	-
Airport Operations	-	-	-	-	-	-	5,921,810
Subtotal Operations	\$ 114,458,818	\$ 3,172,035	\$ 3,035,034	\$ 5,182,617	\$ 375,471	\$ 754,500	\$ 5,921,810
OTHER REQUIREMENTS:							
Debt Service	\$ 6,567,324	\$ 63,395	\$ 1,104,580	\$ 2,489,734	\$ 341,544	\$ 90,181	\$ 228,450
Employee Benefits	26,584,153	221,007	218,405	84,287	25,343	59,376	334,432
Property, Casualty & Liability Ins.	1,910,000	22,692	51,425	21,595	8,695	7,230	163,667
State, County & Local Assessments	14,178,791	-	-	-	-	-	-
Library & Tourism Grants	2,026,691	-	-	-	-	-	-
Other Fixed Costs	422,000	-	-	-	-	-	-
Snow & Ice Removal	-	-	-	-	-	-	-
Reserve For Abatements & Exemptions	1,000,000	-	-	-	-	-	-
Capital Program	-	100,000	-	1,550,000	-	-	1,700,000
Subtotal Other Requirements	\$ 52,688,959	\$ 407,094	\$ 1,374,410	\$ 4,145,616	\$ 375,582	\$ 156,787	\$ 2,426,549
Interfund Transfers	\$ 12,657,200	\$ 98,274	\$ 180,995	\$ 86,855	\$ 36,924	\$ 50,001	\$ 193,268
Grand Total Expenditures	\$ 179,804,977	\$ 3,677,403	\$ 4,590,439	\$ 9,415,088	\$ 787,977	\$ 961,288	\$ 8,541,627
Excess (Deficiency) Cash Basis	\$ (2,870,718)	\$ (595,678)	\$ -	\$ (413,817)	\$ (155,196)	\$ (280,833)	\$ (367,500)
Beginning Balance - Certified Free Cash	14,688,744	2,294,760	8,734,747	1,274,703	861,350	909,529	2,761,211
Projected FY 2020 Excess (Deficiency)	1,579,855	(68,738)	102,543	235,403	(143,310)	(166,164)	(317,592)
Projected Ending Balance - Certified Free Cash	\$ 13,397,881	\$ 1,630,344	\$ 8,837,290	\$ 1,096,290	\$ 562,844	\$ 462,532	\$ 2,076,119

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CONSOLIDATED RESOURCE/APPROPRIATION SUMMARY

	Golf Fund FY 2021 Budget	HYCC Fund FY 2021 Budget	PEG Fund FY 2020 Budget	Capital Projects Fund	Total FY 2021 Budget	Total FY 2020 Budget	Change FY20 - 21	Percent Change
RESOURCES:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 132,026,068	\$ 128,255,506	\$ 3,770,562	2.94%
Other Taxes	-	-	-	-	8,597,000	9,223,377	(626,377)	-6.79%
Intergovernmental	-	-	-	-	19,773,935	22,133,181	(2,359,246)	-10.66%
Fines & Penalties	-	-	-	-	1,352,900	1,605,522	(252,622)	-15.73%
Fees, Licenses, Permits	-	393,600	798,000	-	6,873,767	7,639,450	(765,683)	-10.02%
Charges for Services	2,815,464	404,200	-	-	23,476,882	25,851,999	(2,375,117)	-9.19%
Interest and Other	10,000	44,000	25,000	-	2,992,367	3,124,002	(131,635)	-4.21%
Interfund Transfers	822,917	2,510,595	-	4,326,115	18,752,029	21,684,582	(2,932,553)	-13.52%
Borrowing Authorizations	-	756,000	-	3,786,000	5,942,000	21,451,000	(15,509,000)	-72.30%
TOTAL RESOURCES	\$ 3,648,381	\$ 4,108,395	\$ 823,000	\$ 8,112,115	\$ 219,786,949	\$ 240,968,619	\$ (21,181,671)	-8.79%
OPERATING EXPENDITURES:								
Town Council	\$ -	\$ -	\$ -	\$ -	\$ 286,659	\$ 268,987	\$ 17,672	6.57%
Town Manager	-	-	-	-	873,142	769,251	103,891	13.51%
Administrative Services	-	-	-	-	6,239,787	6,322,843	(83,056)	-1.31%
Planning & Development	-	-	-	-	2,086,289	2,085,304	985	0.05%
Police	-	-	-	-	14,808,837	15,409,467	(600,630)	-3.90%
Licensing Department	-	-	-	-	163,646	165,398	(1,752)	-1.06%
Inspectional Services	-	-	-	-	2,164,880	2,140,557	24,323	1.14%
Public Works	-	-	-	-	21,492,938	21,431,923	61,015	0.28%
Marine & Environmental Affairs	-	-	-	-	2,276,935	2,474,323	(197,388)	-7.98%
Community Services	2,732,733	1,900,335	758,483	-	7,780,657	8,287,419	(506,762)	-6.11%
Local School Operations	-	-	-	-	74,196,256	72,573,651	1,622,605	2.24%
Airport Operations	-	-	-	-	5,921,810	7,040,847	(1,119,037)	-15.89%
Subtotal Operations	\$ 2,732,733	\$ 1,900,335	\$ 758,483	\$ -	\$ 138,291,836	\$ 138,969,970	\$ (678,134)	-0.49%
OTHER REQUIREMENTS:								
Debt Service	\$ 441,588	\$ 1,119,137	\$ -	\$ -	\$ 12,445,933	13,021,099	\$ (575,166)	-4.42%
Employee Benefits	276,346	160,088	59,954	-	28,023,391	28,333,648	(310,257)	-1.10%
Property, Casualty & Liability Ins.	20,089	93,995	1,849	-	2,301,237	2,250,957	50,280	2.23%
State, County & Local Assessments	-	-	-	-	14,178,791	13,918,850	259,941	1.87%
Library & Tourism Grants	-	-	-	-	2,026,691	2,115,460	(88,769)	-4.20%
Other Fixed Costs	-	-	-	-	422,000	331,000	91,000	27.49%
Snow & Ice Removal	-	-	-	-	-	225,144	(225,144)	-100.00%
Reserve For Abatements & Exemptions	-	-	-	-	1,000,000	1,000,000	-	0.00%
Capital Program	-	756,000	-	8,112,115	12,218,115	34,402,000	(22,183,885)	-64.48%
Subtotal Other Requirements	\$ 738,023	\$ 2,129,220	\$ 61,803	\$ 8,112,115	\$ 72,616,158	\$ 95,598,158	\$ (22,982,000)	-24.04%
Interfund Transfers	\$ 177,625	\$ 78,840	\$ 20,744	\$ -	\$ 13,580,726	\$ 12,533,192	\$ 1,047,534	8.36%
Grand Total Expenditures	\$ 3,648,381	\$ 4,108,395	\$ 841,030	\$ 8,112,115	\$ 224,488,720	\$ 247,101,320	\$ (22,612,600)	-9.15%
Excess (Deficiency) Cash Basis	\$ -	\$ -	\$ (18,030)	\$ -	\$ (4,701,772)	\$ (6,132,701)	\$ 1,430,929	-23.33%
Beginning Balance - Certified Free Cash	666,343	593,821	2,324,141	-	35,109,349	41,242,050	(6,132,701)	
Projected FY 2020 Excess (Deficiency)	(658,933)	(319,633)	148,583	-	392,015	-	-	
Projected Ending Balance - Certified Free Cash	\$ 7,410	\$ 274,188	\$ 2,454,694	\$ -	\$ 30,799,592	\$ 35,109,349	\$ (4,701,772)	

The total consolidated operations budget including other requirements and capital programs is decreasing \$22,612,600 (-9.15%). The majority of the decrease has to do with a significant year-over-year reduction in the capital improvements program. The total decrease in the capital program budget is \$22,183,885 (-64.48%). Excluding the capital program, the consolidated budget is decreasing by \$428,715 (-0.20%). Other Requirements excluding the capital program are decreasing \$798,115 (-1.32%) and operations are decreasing \$678,134 (-0.49%).

FINANCIAL SUMMARIES

CHANGE IN FUND BALANCE

- All Funds Requiring Annual Appropriation

Fund	Certified Free Cash Beginning Balance	FY 2020 Projected Excess/ (Deficiency)	FY 2021 Resources	FY 2021 Expenditures	Excess/ (Deficiency)	Projected Certified Free Cash Ending Balance	Percent Change
General Fund	\$14,688,744	\$1,579,855	\$175,934,259	\$178,804,977	(2,870,718)	13,397,881	91.21%
Airport Enterprise Fund	2,761,211	(317,592)	8,174,127	8,541,627	(367,500)	2,076,119	75.19%
Golf Enterprise Fund	666,343	(658,933)	3,648,381	3,648,381	-	7,410	1.11%
HYCC Enterprise Fund	593,821	(319,633)	4,108,395	4,108,395	-	274,188	46.17%
Marina Enterprise Fund	861,350	(143,310)	632,781	787,977	(155,196)	562,844	65.34%
PEG Enterprise Fund	2,324,141	148,583	823,000	841,030	(18,030)	2,454,694	105.62%
Sandy Neck Enterprise Fund	909,529	(166,164)	680,455	961,288	(280,833)	462,532	50.85%
Solid Waste Enterprise Fund	2,294,760	(68,738)	3,081,725	3,677,403	(595,678)	1,630,344	71.05%
Water Pollution Control Enterprise Fund	8,734,747	102,543	4,590,439	4,590,439	-	8,837,290	101.17%
Water Supply Enterprise Fund	1,274,703	235,403	9,001,271	9,415,088	(413,817)	1,096,290	86.00%
Totals	\$35,109,349	\$392,015	\$210,674,834	\$215,376,605	(\$4,701,772)	\$30,799,592	87.72%

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 \$2.8 million of General Fund reserves will be used to fund the FY 2021 operating budget. Including the FY 2020, projected excess will leave a reserve of \$13.4 million, which represents about 7.5% of General Fund expenditures. The reserve will be used to fund the proposed FY 2021 budget for employee benefits (\$310,000), unemployment insurance (\$300,000), Town Council reserve fund (\$250,000), municipal operations (\$76,547), other fixed costs (\$52,111), local School operations (\$950,531), and Enterprise Fund financial support of \$931,537.

The **Airport Enterprise Fund** will use \$367,500 of reserves for the FY 2021 capital budget. The remaining reserve balance represents 27.51% of the annual operating budget.

The **Golf Course Enterprise Fund** will receive \$822,917 in General Fund subsidy. No direct Enterprise Fund reserves will be used to balance the budget. The elimination of (1) position, a one-time reimbursement charge in FY 2020 not being repeated, and significant reductions to various budget line items has helped cover the operations deficit position. Current reserves represent 18% of the annual budget.

The **Hyannis Youth & Community Center Enterprise Fund** will receive \$1,391,458 in General Fund Subsidy. No direct Enterprise Fund reserves will be used to balance the fiscal year 2021 operating budget. Current reserves represent 14% of the annual operating budget. 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 \$155,196 of reserves to balance the operating budget, which includes the annual \$20,000 for dock replacements. The remaining balance in the reserve represents approximately 89% of the operating budget.

The **Public, Guidance, Government Access Channel Enterprise Fund** will use \$18,030 of reserves to balance the fiscal year 2021 operating budget. The remaining reserve balance represents 274% of the annual operating budget.

The **Sandy Neck Enterprise Fund** will use \$280,833 of reserves to balance the fiscal year 2021 operating budget. Significant budget reduction had been made to this budget in FY 2020. The remaining balance in the reserves represents 65% of the annual operating budget.

FINANCIAL SUMMARIES

The **Solid Waste Enterprise Fund** will use \$595,678 of its reserves to balance its FY 2021 operating and capital budgets. The FY 2021 operating budget will use \$495,678 to cover most of the cost associated with the recycling program to dispose of recycling materials. The remaining \$100,000 will be used to replace a large weight scale at the facility. The remaining reserve balance represents 46% of the FY 2021 operating budget.

The **Water Pollution Control Enterprise Fund** will not use any reserves in FY 2021 to balance the budget. The existing reserve balance is 190% of the FY 2021 operating budget.

The **Water Enterprise Fund** will use \$413,817 of reserves to balance its FY 2021 operating and capital budgets. This includes \$150,000 for the upgrades to well, pump stations, and treatment plant. The remaining balance will be used to cover the operating budget shortfall due to the environmental costs, which have had a significant cost impact on operations. A transfer of \$500,000 from the Comprehensive Water Management Stabilization Fund will provide funding for this operation. With the need to purchase water from other communities and the new Maher Filtration Plant operations, we can expect rate increases in the future to provide the necessary resources to run this operation and restore the reserve balance to 25% of the annual operating budget.

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, 2013	July 1, 2014	July 1, 2015	July 1, 2016	July 1, 2017	July 1, 2018	July 1, 2019
General Fund	\$ 11,095,664	\$ 13,370,039	\$ 13,949,203	\$ 13,131,098	\$ 16,197,155	\$ 12,643,236	\$ 14,688,744
Airport Enterprise Fund	2,996,203	2,563,977	977,186	2,793,657	2,386,672	3,525,181	2,761,211
Golf Enterprise Fund	387,901	500,742	638,274	733,441	723,798	684,755	666,343
HYCC Enterprise Fund	222,277	313,535	318,809	502,380	496,529	634,810	593,821
Marinas Enterprise Fund	570,096	714,427	661,356	774,588	809,462	851,171	861,350
PEG Enterprise Fund*	1,463,397	1,572,908	1,704,942	1,937,915	2,149,696	2,328,719	2,324,141
Sandy Neck Enterprise Fund	611,448	569,512	478,853	714,332	943,846	895,176	909,529
Solid Waste Enterprise Fund	3,428,957	4,010,757	3,489,420	2,409,841	2,179,508	1,881,943	2,294,760
Water Pollution Control Enterprise Fund	12,070,153	14,838,692	7,611,524	8,661,669	8,797,951	9,230,479	8,734,747
Water Supply Enterprise Fund	2,347,933	1,827,720	3,336,150	3,257,325	1,249,454	2,157,029	1,274,703
Totals	\$ 35,194,029	\$ 40,282,309	\$ 33,165,717	\$ 34,916,246	\$ 35,934,071	\$ 34,832,499	\$ 35,109,349
Sewer Construction & Private Way Improvements Fund	\$ 7,751,788	\$ 10,044,371	\$ 12,240,570	\$ 14,000,808	\$ 15,394,673	\$ 20,251,702	

*FY18 was the first year of operations for the PEG enterprise fund so it did not have its surplus certified on July 1, 2017. This represents the fund balance brought forward from the special revenue fund where it was previously accounted for.

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 \$20,251,702. 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 2019	Projected FY 2020	Approved FY 2020	Proposed FY 2021	Change FY20 - 21	Percent Change
Taxes	\$ 25,986,288	\$ 28,061,774	\$ 30,760,251	\$ 31,702,940	\$ 942,690	3.06%
Intergovernmental	546,468	399,072	323,505	323,505	-	0.00%
Fines, Forfeitures, Penalties	1,920,658	2,412,706	1,534,000	1,256,000	(278,000)	-18.12%
Fees, Licenses, Permits	3,430,470	3,238,791	3,086,600	2,467,785	(618,815)	-20.05%
Charges for Services	2,197,856	1,527,855	2,081,500	1,845,100	(236,400)	-11.36%
Interest and Other	1,614,994	1,617,502	1,122,678	997,500	(125,178)	-11.15%
Special Revenue Funds	619,670	808,470	808,470	669,660	(138,810)	-17.17%
Enterprise Funds	899,009	922,831	922,831	923,525	694	0.08%
Reserves	1,473,066	-	566,200	76,547	(489,653)	-86.48%
Total Sources of Funding	\$ 38,688,479	\$ 38,989,001	\$ 41,206,034	\$ 40,262,562	\$ (943,472)	-2.29%

Municipal Department	Actual FY 2019	Projected FY 2020	Approved FY 2020	Proposed FY 2021	Change FY20 - 21	Percent Change
Police	\$ 14,442,202	\$ 14,914,273	\$ 15,409,467	\$ 14,808,837	\$ (600,630)	-3.90%
Public Works	9,809,767	9,165,421	10,205,853	10,103,252	(102,601)	-1.01%
Administrative Services	5,803,807	6,073,810	6,322,843	6,239,787	(83,056)	-1.31%
Community Services	2,527,621	2,501,012	2,569,427	2,389,106	(180,321)	-7.02%
Marine & Environmental Affairs	1,159,080	1,173,507	1,268,947	1,146,965	(121,982)	-9.61%
Inspectional Services	2,008,744	2,044,812	2,140,557	2,164,880	24,323	1.14%
Planning & Development	1,850,054	1,958,423	2,085,304	2,086,289	985	0.05%
Town Manager	666,228	736,273	769,251	873,142	103,891	13.51%
Town Council	268,073	262,298	268,987	286,659	17,672	6.57%
Licensing Department	152,903	159,172	165,398	163,646	(1,752)	-1.06%
Total Appropriated Expenditures	\$ 38,688,479	\$ 38,989,001	\$ 41,206,034	\$ 40,262,562	\$ (943,472)	-2.29%

Full-Time Equivalent Employees	374.00	377.70	372.65	(5.05)
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The town has implemented a budget reduction policy in the proposed FY 2021 budget as indicated by six out of ten departments are proposing a budget decrease. In percentage terms, Marine & Environmental Affairs (MEA) represents the largest budget decrease (-9.61%) as one-time costs are not being repeated in FY 2021. Community Services is the second largest percentage decrease (-7.02%) due to the relocation of the Communications Division. This coincides with the largest percentage budget increase, the Town Manager's Office (13.51%) due to the creation a new Communications program. This new program includes adding (1) position to the proposed budget and transferring (1) position from Community Services Department previous Communications Division to support it.

This proposed budget includes several large cost increases in the areas of technology that includes annual software licenses agreements, hardware maintenance, and cellular phone service. This budget also includes monies to support employee advancement through the Suffolk Master of Public Administration (MPA) program. Public Works will receive monies for estuary and pond monitoring throughout town. Human Resources will receive monies for drug testing and licensing monitoring.

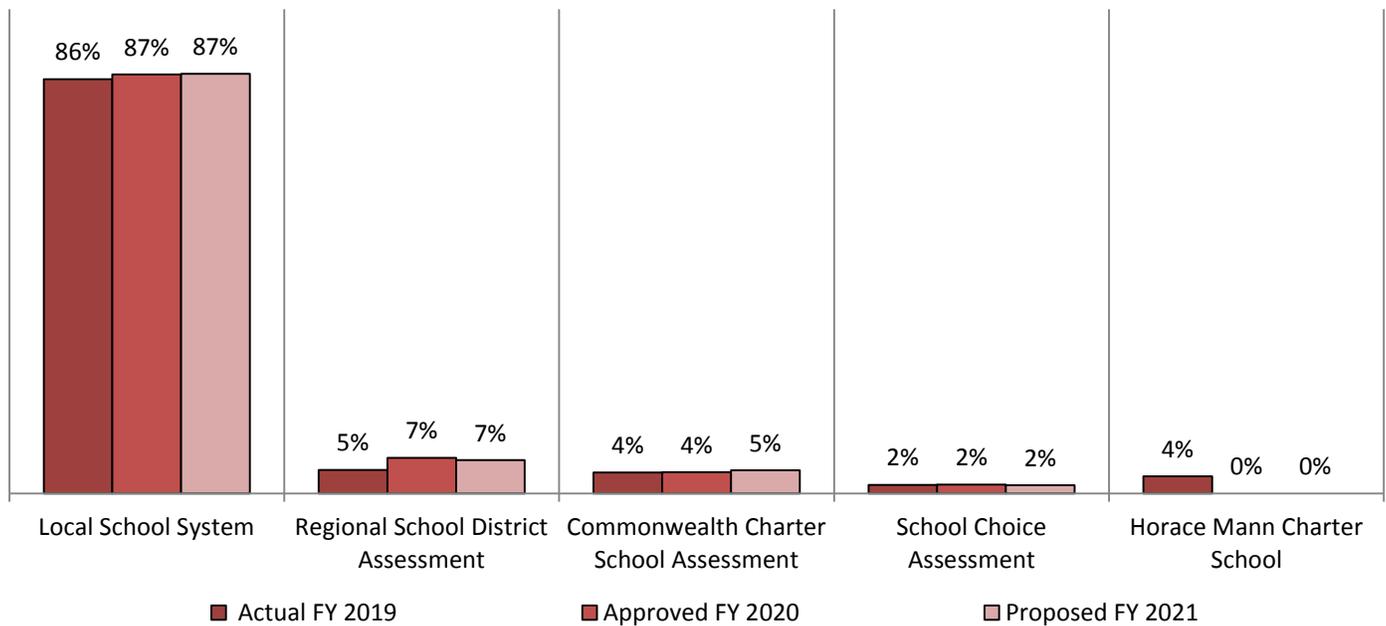
Property taxes used to fund these operations will increase \$942,690 (3.06%) as \$76,547 of reserves will be used in the proposed budget to cover municipal operations. Taxes provide 78% of the funding for this area of the General Fund budget. .

EDUCATION BUDGET AND FUNDING SUMMARY

Funding Category	Actual FY 2019	Projected FY 2020	Approved FY 2020	Proposed FY 2021	Change FY20 - 21	Percent Change
Taxes	\$ 61,008,512	\$ 67,974,767	\$ 67,661,270	\$ 69,359,035	\$ 1,697,765	2.51%
Intergovernmental	13,755,342	15,373,873	15,373,873	15,044,222	(329,651)	-2.14%
Fees, Licenses, Permits	225,000	225,000	225,000	225,000	-	0.00%
Interest and Other	25,673	-	-	-	-	0.00%
School Savings Account	800,686	-	600,000	950,531	350,531	58.42%
Total Sources of Funding	\$ 75,815,213	\$ 83,573,640	\$ 83,860,143	\$ 85,578,788	\$ 1,718,645	2.05%

Expenditure Category	Actual FY 2019	Projected FY 2020	Approved FY 2020	Proposed FY 2021	Change FY20 - 21	Percent Change
Local School System	\$ 64,886,933	\$ 72,325,000	\$ 72,573,651	\$ 74,196,256	\$ 1,622,605	2.24%
Regional School District Assessment	3,682,234	6,119,570	6,119,570	5,856,271	(263,299)	-4.30%
Commonwealth Charter School Assessment	3,256,299	3,664,363	3,664,363	4,095,060	430,697	11.75%
School Choice Assessment	1,318,885	1,464,707	1,502,559	1,431,201	(71,358)	-4.75%
Horace Mann Charter School	2,670,862	-	-	-	-	0.00%
Total Appropriation	\$ 75,815,213	\$ 83,573,640	\$ 83,860,143	\$ 85,578,788	\$ 1,718,645	2.05%

Distribution of All Education Expenditures



The regional school assessment has grown from 5% of all expenditures on education to 7% due to the technical high school's construction project. The Horace Mann Charter School was combined with the local school system in FY 2020, as the charter for the school was not renewed. All General Fund expenditures on education for Barnstable students attending schools outside of the local school district \$11,382,532 or 13% of the entire education budget. This side of the budget has increased 49% from FY 2018, which compared to the local school is 18%. Tax support will increase \$1.7 million in FY 2021 to fund these expenditures. Taxes support 81% of the budget. Chapter 70 state aid is anticipated to remain level. Reserves of \$950,531 will be used in FY 2021 to balance the budget.

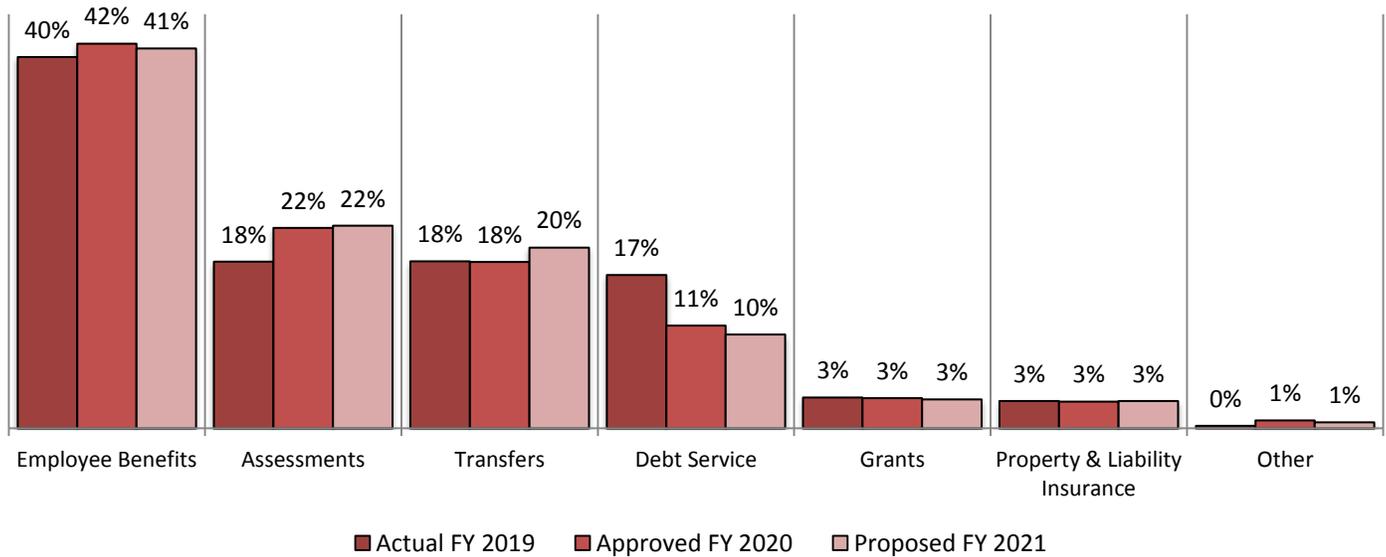
FINANCIAL SUMMARIES

OTHER REQUIREMENTS AND FUNDING SUMMARY

Other Requirements Funding Category	Actual FY 2019	Projected FY 2020	Approved FY 2020	Proposed FY 2021	Change FY20 - 21	Percent Change
Taxes	\$ 42,998,738	\$ 48,207,690	\$ 49,343,655	\$ 49,943,625	\$ 599,970	1.22%
Intergovernmental	5,953,520	3,975,553	3,975,553	3,073,708	(901,845)	-22.68%
Interest and Other	1,283,615	598,915	495,000	570,000	75,000	15.15%
Special Revenue Funds	112,183	112,330	112,330	97,540	(14,790)	-13.17%
Enterprise Funds	1,927,190	2,010,440	2,010,440	2,020,322	9,882	0.49%
Trust Funds	5,927,329	6,585,492	6,585,492	6,797,324	211,832	3.22%
Reserves	1,509,000	1,360,000	1,360,000	1,843,640	483,640	35.56%
Total Sources of Funding	\$ 59,711,575	\$ 62,850,420	\$ 63,882,470	\$ 64,346,159	\$ 463,689	0.73%
Expenditure Category						
Retirement Assessments	9,308,023	10,364,345	10,364,345	10,602,208	\$ 237,863	2.30%
OPEB Contribution	500,000	500,000	550,000	600,000	50,000	9.09%
Health Insurance for Active Employees	7,539,428	7,800,000	8,362,536	7,993,371	(369,165)	-4.41%
Retiree Health & Sick Benefits	4,074,804	4,646,884	4,646,884	4,950,958	304,074	6.54%
Workers' Compensation & Unemployment	1,511,171	1,530,250	1,600,000	1,200,000	(400,000)	-25.00%
Medicare & Life Insurance	1,177,496	1,186,000	1,190,400	1,237,616	47,216	3.97%
Total Employee Benefits	\$ 24,110,922	\$ 26,027,479	\$ 26,714,165	\$ 26,584,153	\$ (130,012)	-0.49%
Debt Service, Grants, Assessments & Other						
Debt Service	9,970,663	7,152,492	7,152,492	6,567,324	\$ (585,168)	-8.18%
Library Grants	1,882,000	1,938,460	1,938,460	1,899,691	(38,769)	-2.00%
Tourism Grant	122,930	177,000	177,000	127,000	(50,000)	-28.25%
Property & Liability Insurance	1,780,057	1,865,000	1,860,000	1,910,000	50,000	2.69%
Celebrations	123,187	120,000	120,000	120,000	-	0.00%
Lombard Trust Rent	52,000	52,000	52,000	52,000	-	0.00%
Veterans' District Assessment & Benefit Payments	319,129	380,632	400,000	400,000	-	0.00%
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 Assessments	1,141,793	1,092,976	1,092,976	1,215,102	122,126	11.17%
Mosquito Control	393,962	423,497	423,497	458,888	35,391	8.36%
Air Pollution Control Districts	21,684	21,758	21,758	22,201	443	2.04%
Regional School District Assessment	3,682,234	6,119,570	6,119,570	5,856,271	(263,299)	-4.30%
Commonwealth Charter School Assessment	3,256,299	3,664,363	3,664,363	4,095,060	430,697	11.75%
School Choice Assessment	1,318,885	1,464,707	1,502,559	1,431,201	(71,358)	-4.75%
RMV Non-renewal Surcharge	55,540	69,020	69,020	66,040	(2,980)	-4.32%
Cape Cod Regional Transit Authority	579,019	593,494	593,494	608,331	14,837	2.50%
Special Education Assessment	36,912	15,843	15,843	9,927	(5,916)	-37.34%
Snow & Ice Deficit	-	-	225,144	-	(225,144)	-100.00%
Town Council Reserve Fund	-	91,000	159,000	250,000	91,000	57.23%
Total Debt Service, Grants, Assessments & Other	\$ 24,752,064	\$ 25,257,582	\$ 25,602,946	\$ 25,104,806	\$ (498,140)	-1.95%
Subtotal Before Transfers	\$ 48,862,986	\$ 51,285,061	\$ 52,317,111	\$ 51,688,959	\$ (628,152)	-1.20%
Transfer to Capital Trust Fund	\$ 9,517,045	\$ 10,191,521	\$ 10,191,521	\$ 10,442,825	\$ 251,304	2.47%
Transfer to Capital Projects Funds	165,000	-	-	-	-	0.00%
Transfers to Enterprise Funds	1,166,544	1,373,838	1,373,838	2,214,375	840,537	61.18%
Total Transfers	\$ 10,848,589	\$ 11,565,359	\$ 11,565,359	\$ 12,657,200	\$ 1,091,841	9.44%
Grand Total Other Requirements	\$ 59,711,575	\$ 62,850,420	\$ 63,882,470	\$ 64,346,159	\$ 463,689	0.73%

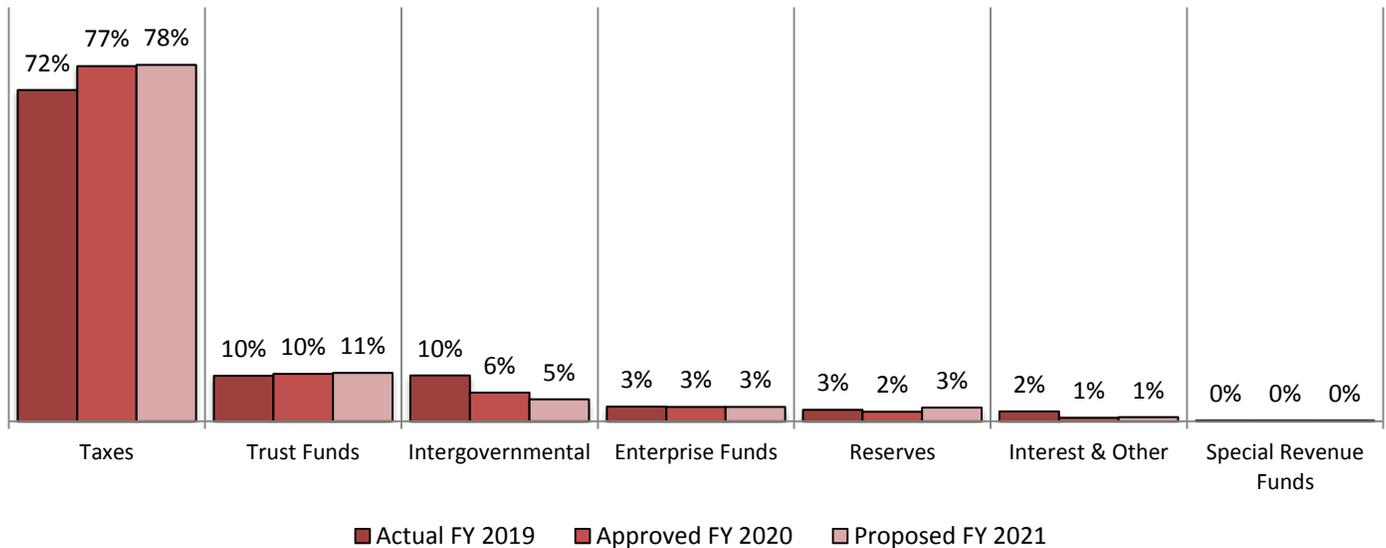
FINANCIAL SUMMARIES

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.

3 Year Comparison of Funding Sources for Other Requirements



Taxes have provided most of the additional funding needed for the growth in spending in this area of the budget. The drop in intergovernmental aid from FY 2019 to FY 2020 is the result of Massachusetts School Building Authority (MSBA) reimbursements used to pay debt service on school buildings has expired along with the debt payments. 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. Funding from reserves for this area of the budget will decline, as there is no carryover for snow & ice deficit.

FINANCIAL SUMMARIES

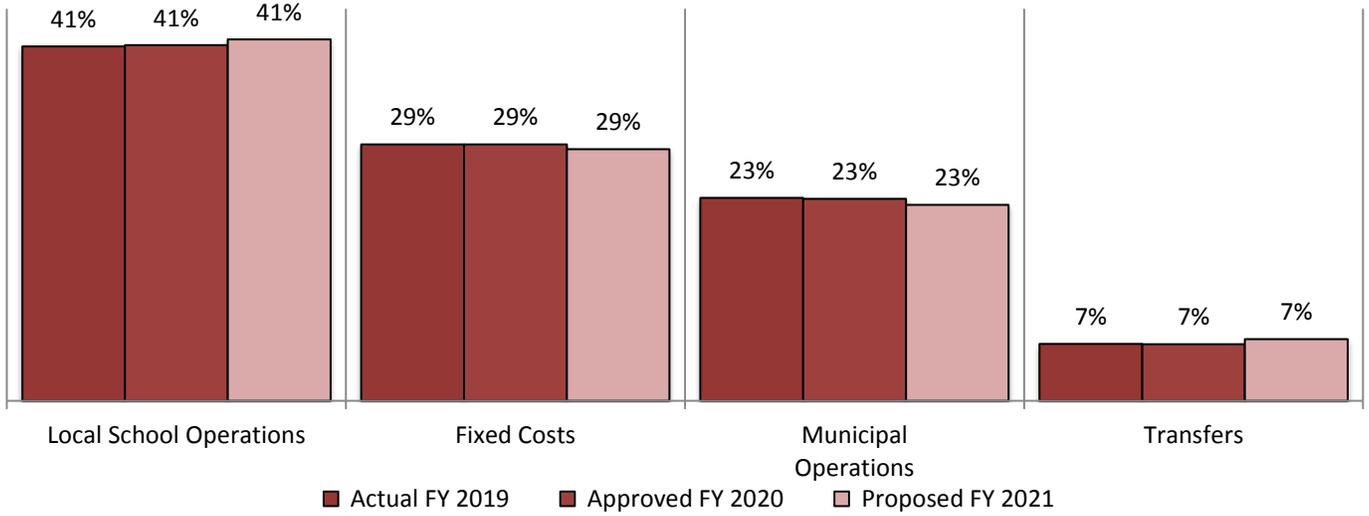
GENERAL FUND BUDGET SUMMARY

Funding Category	Actual FY 2019	Projected FY 2020	Approved FY 2020	Proposed FY 2021	Change FY20 - 21	Percent Change
Taxes	\$ 131,402,046	\$ 135,935,446	\$ 136,478,883	\$ 139,623,068	\$ 3,144,185	2.30%
Intergovernmental	20,255,330	19,748,498	19,672,931	18,441,435	(1,231,496)	-6.26%
Fines & Penalties	1,920,658	2,412,706	1,534,000	1,256,000	(278,000)	-18.12%
Fees, Licenses, Permits	3,655,470	3,463,791	3,311,600	2,692,785	(618,815)	-18.69%
Charges for Services	2,197,856	1,527,855	2,081,500	1,845,100	(236,400)	-11.36%
Interest and Other	2,924,282	2,216,417	1,617,678	1,567,500	(50,178)	-3.10%
Special Revenue Funds	731,853	920,800	920,800	767,200	(153,600)	-16.68%
Enterprise Funds	2,826,199	2,933,271	2,933,271	2,943,847	10,576	0.36%
Trust Funds	5,927,329	6,585,492	6,585,492	6,797,324	211,832	3.22%
Total Sources of Funding	\$ 171,841,023	\$ 175,744,276	\$ 175,136,155	\$ 175,934,259	\$ 798,104	0.46%
Expenditure Category						
Municipal Operations	\$ 38,688,479	\$ 38,989,001	\$ 41,206,034	\$ 40,262,562	\$ (943,472)	-2.29%
Local School Operatons	70,334,487	72,325,000	72,573,651	74,196,256	1,622,605	2.24%
Fixed Costs Excluding Transfers	48,862,986	51,285,061	52,317,111	51,688,959	(628,152)	-1.20%
Transfers	10,848,589	11,565,359	11,565,359	12,657,200	1,091,841	9.44%
Total Appropriation	\$ 168,734,541	\$ 174,164,421	\$ 177,662,155	\$ 178,804,977	\$ 1,142,822	0.64%
Excess (Deficiency)	\$ 3,106,482	\$ 1,579,855	\$ (2,526,000)	\$ (2,870,718)	\$ (344,718)	
Beginning - Certified Free Cash	<u>14,108,262</u>		<u>17,214,744</u>	<u>14,688,744</u>		
Projected FY 2020 Excess (Deficiency)				<u>1,579,855</u>		
Ending Projected Certified Free Cash	<u>\$ 17,214,744</u>		<u>\$ 14,688,744</u>	<u>\$ 13,397,881</u>		
Full-time Equivalent Employees	<u>1,222.90</u>		<u>1,231.99</u>	<u>1,227.54</u>	<u>(4.45)</u>	

The total General Fund proposed FY 2021 budget is increasing \$1.1 million (0.64%) from the approved FY 2020 budget. Total resources used to balance the budget are increasing \$798,104 (0.46%) because of an increased use of reserves to balance the budget. Taxes provide 78% 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 only growth in sources of funding in FY 2021, aside from trust fund transfers, at 2.30% consistent with proposition 2 ½. Intergovernmental aid is the second largest funding source at 10.31% of the total sources of funding for the General Fund budget. This category is anticipated to decrease \$1.2 million (-6.26%) in FY 2021 because of the expired MSBA state funding for debt service on the local schools construction projects. All other sources, including reserves, comprise 11.60% of the total sources of funding used to balance the budget.

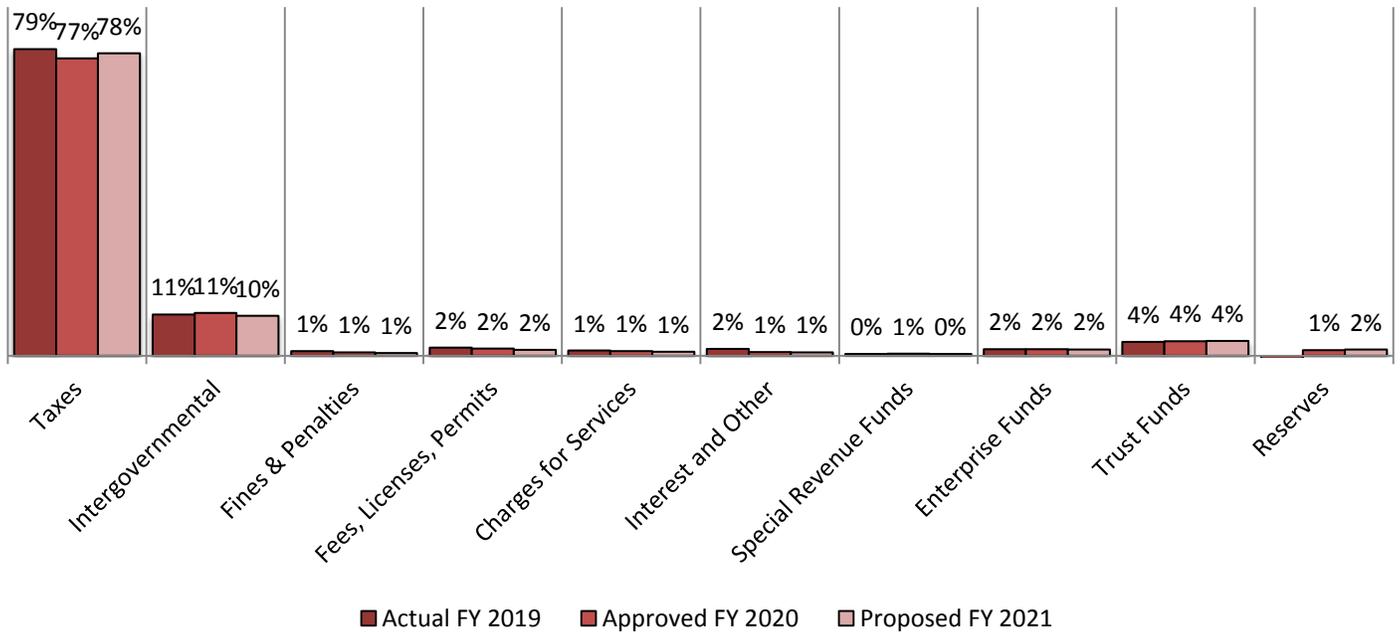
FINANCIAL SUMMARIES

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 Golf Course and HYCC Enterprise Funds.

3 Year Comparison General Fund Resources

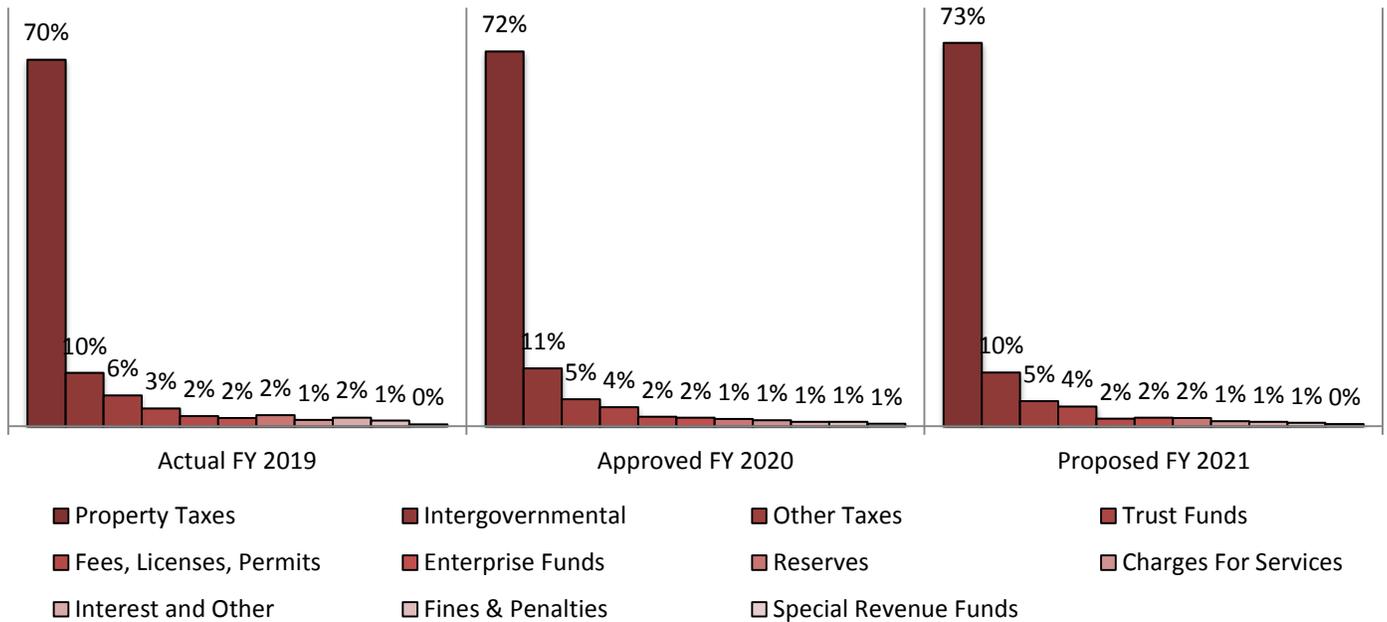


Taxes include property, motor vehicle and boat excise and local hotel/motel rooms tax. These sources of funding provide 78% of all General Fund operations. Intergovernmental revenue provides 11% of the funding. Reserves provide less than 2%.

FINANCIAL SUMMARIES

GENERAL FUND REVENUE SUMMARY

Funding Category	Actual FY 2019	Projected FY 2020	Budget FY 2020	Budget FY 2021	Change FY20 - 21	Percent Change
Tax Levy	\$ 122,313,307	\$ 128,000,000	\$ 128,255,506	\$ 132,026,068	\$ 3,770,562	2.94%
Reserved for Abatements and Exemptions	(1,169,281)	(1,136,854)	(1,000,000)	(1,000,000)	-	0.00%
Property Taxes Available for Operations	\$ 121,144,026	\$ 126,863,146	\$ 127,255,506	\$ 131,026,068	\$ 3,770,562	2.96%
Other Taxes:						
Motor Vehicle Excise Tax	\$ 8,074,470	\$ 7,100,000	\$ 7,131,377	\$ 7,000,000	\$ (131,377)	-1.84%
Boat Excise Tax	115,691	140,000	110,000	115,000	5,000	4.55%
Motel/Hotel Excise Tax	2,035,044	1,800,000	1,950,000	1,450,000	(500,000)	-25.64%
Payments in Lieu of Tax	32,815	32,300	32,000	32,000	-	0.00%
Total Other Taxes	\$ 10,258,020	\$ 9,072,300	\$ 9,223,377	\$ 8,597,000	\$ (626,377)	-6.79%
Other Resources:						
Intergovernmental	\$ 20,255,330	\$ 19,748,498	\$ 19,672,931	\$ 18,441,435	\$ (1,231,496)	-6.26%
Fines & Penalties	1,920,658	2,412,706	1,534,000	1,256,000	(278,000)	-18.12%
Fees, Licenses, Permits	3,655,470	3,463,791	3,311,600	2,692,785	(618,815)	-18.69%
Charges For Services	2,197,856	1,527,855	2,081,500	1,845,100	(236,400)	-11.36%
Interest and Other	2,924,282	2,216,417	1,617,678	1,567,500	(50,178)	-3.10%
Special Revenue Funds	731,853	920,800	920,800	767,200	(153,600)	-16.68%
Enterprise Funds	2,826,199	2,933,271	2,933,271	2,943,847	10,576	0.36%
Trust Funds	5,927,329	6,585,492	6,585,492	6,797,324	211,832	3.22%
Reserves	3,679,472	1,360,000	2,526,200	2,870,718	344,519	13.64%
Total Other Resources	\$ 44,118,449	\$ 41,168,830	\$ 41,183,472	\$ 39,181,909	\$ (2,001,563)	-4.86%
Total General Fund Resources	\$ 175,520,495	\$ 177,104,276	\$ 177,662,355	\$ 178,804,977	\$ 1,142,622	0.64%



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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 2021 to balance the operating or capital budgets. The formula used to calculate the projected tax levy for FY 2021 is as follows:

FY 2020 Base Levy	\$ 125,537,222
Prop 2½ allowable increase (2.5% of base)	3,138,431
Estimated new property tax growth	750,000
Cape Cod Commission environmental tax	628,701
Debt exclusions	1,971,714
Less reserve for abatements & exemptions	(1,000,000)
FY 2021 Tax Levy available for operations	\$ 131,026,068

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 2021 a provision of \$1,000,000 is being set aside, reducing the available property taxes to fund operations by this amount.

	Projected Tax Levy - Stated in Millions				
	2021P	2022P	2023P	2024P	2025P
Base levy from prior year	\$125.54	\$129.43	\$133.36	\$137.35	\$141.38
Prop. 2½ increase	3.14	3.24	3.33	3.43	3.53
Estimated new growth	0.75	0.70	0.65	0.60	0.55
Less reserve for abatements & exemptions	(1.00)	(1.00)	(1.00)	(1.00)	(1.00)
New base	128.43	132.36	136.35	140.38	144.46
Voter Approved Add-ons:					
CCC Environmental Tax	0.63	0.64	0.66	0.68	0.69
Debt exclusions*	1.97	1.97	1.92	1.86	1.81
Maximum allowable levy	\$131.03	\$134.98	\$138.92	\$142.92	\$146.96
Percent Change From Previous Year		3.01%	2.92%	2.88%	2.83%

* All approved debt exclusions are for school construction projects.

The projected tax levy for the next five years is estimated to grow from \$131 million to \$147 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 \$700,000 per year, approximately. The Cape Cod Commission assessment is projected to increase 2.5 percent per year. A recently approved

FINANCIAL SUMMARIES

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.

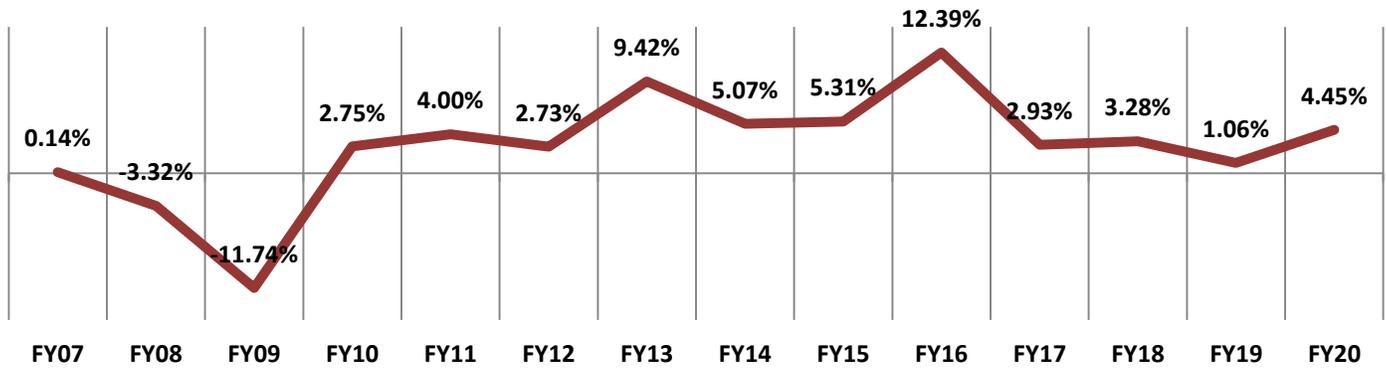
Motor Vehicle Excise Tax

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 signifying a recovery has occurred. However, this revenue source may have maxed out its potential due to the tremendous growth over the ten years.

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Motor Vehicle Excise Tax - Actual vs Projected

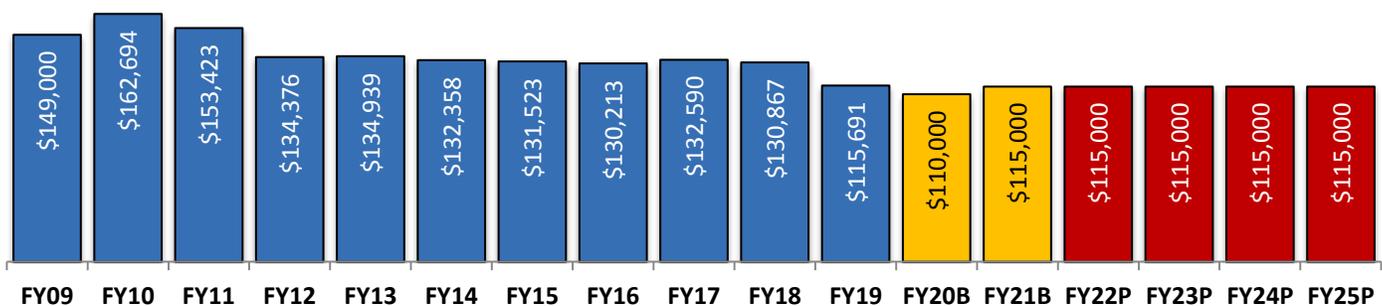


The blue bars represent the past eleven years of actual revenue collections, and yellow bars are FY 2020 and FY 2021 budgets. The town takes a conservative approach when budgeting for this source of revenue, which explains the budget figure being much lower than actuals. As per the National Automobile 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 2018 at \$8 million to date. FY 2009 and FY 2010 saw significant drops 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 2021 budget was conservatively projected. This category of revenue is projected to decline on average over the next five years 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 2020 and FY 2021 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.

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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 2020 and FY 2021 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, however, projected years indicate this trend may reverse over the next five years.

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

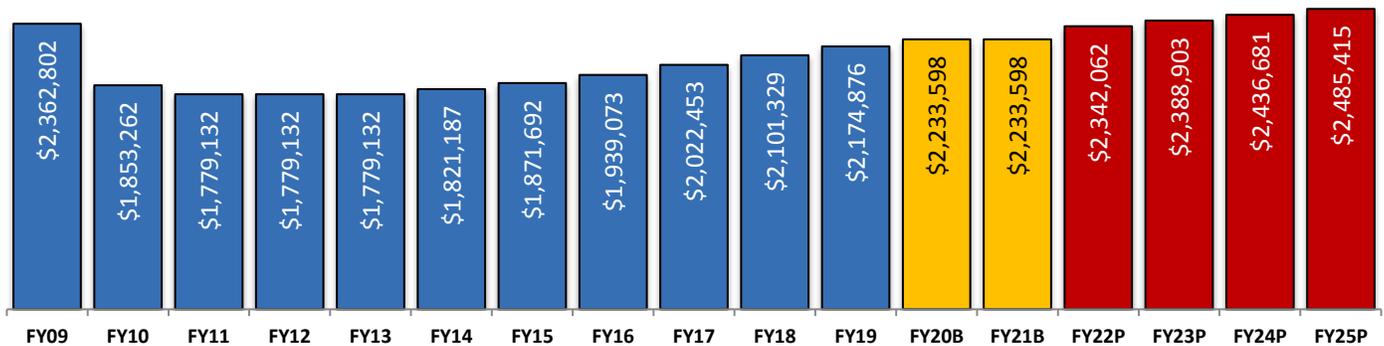
Chapter 70 Aid for Education - Actual vs Projected



The blue bars represent the past eleven years of actual revenue collections, yellow bars are FY 2020 and FY 2021 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 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



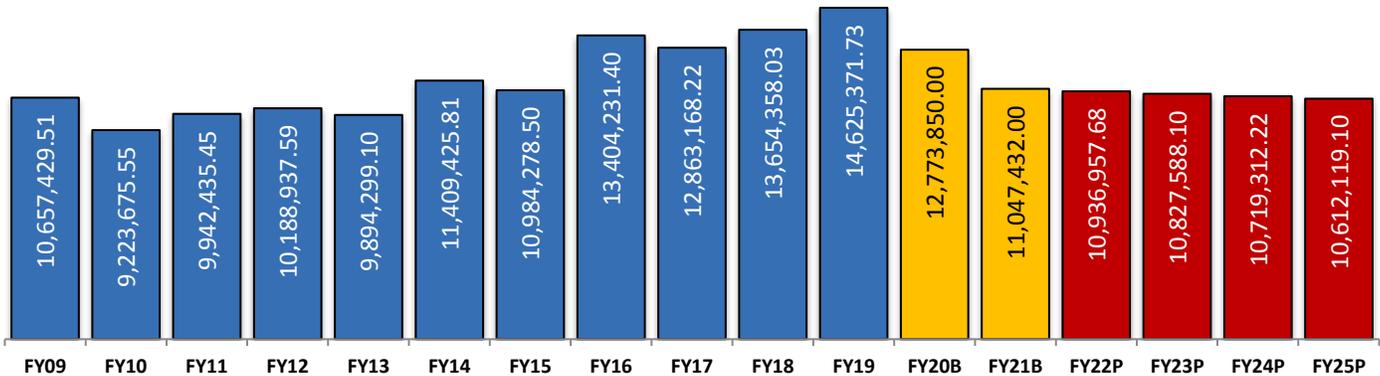
The blue bars represent the past eleven years of actual revenue collections, yellow bars are FY 2020 and FY 2021 budgets. The town was experiencing a steady decline in this revenue category from FY 2010 to FY 2013. FY 2014 to FY 2017 saw slight increases, and future projections include a 1.5% growth 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.

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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 for FY 2009 through FY 2019 as well as the yellow bars for FY 2020 and FY 2021 budgets. The projected amounts represented by the red bars for FY 2022 through FY 2025.

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 \$2,870,718 in General Fund reserves to balance the FY 2021 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, most 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	Used For:		Generated	Ending
	Balance	Operations	Capital		Balance
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

FINANCIAL SUMMARIES

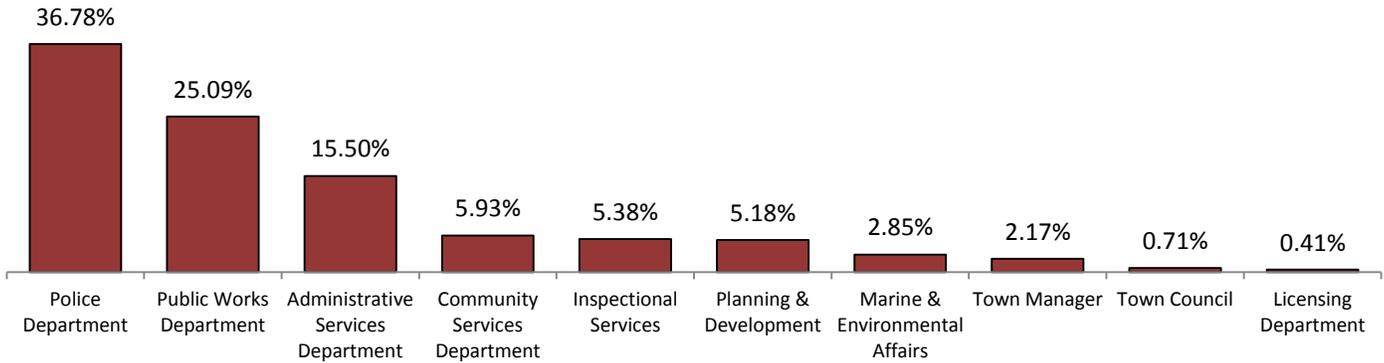
GENERAL FUND EXPENDITURE SUMMARY

Municipal Operations:	Actual FY 2019	Projected FY 2020	Approved FY 2020	Proposed FY 2021	Change FY20 - 21	Percent Change
Police Department	\$ 14,442,202	\$ 14,914,273	\$ 15,409,467	\$ 14,808,837	\$ (600,630)	-3.90%
Public Works Department	9,809,767	9,165,421	10,205,853	10,103,252	(102,601)	-1.01%
Administrative Services Department	5,803,807	6,073,810	6,322,843	6,239,787	(83,056)	-1.31%
Community Services Department	2,527,621	2,501,012	2,569,427	2,389,106	(180,321)	-7.02%
Inspectional Services	2,008,744	2,044,812	2,140,557	2,164,880	24,323	1.14%
Planning & Development	1,850,054	1,958,423	2,085,304	2,086,289	985	0.05%
Marine & Environmental Affairs	1,159,080	1,173,507	1,268,947	1,146,965	(121,982)	-9.61%
Town Manager	666,228	736,273	769,251	873,142	103,891	13.51%
Town Council	268,073	262,298	268,987	286,659	17,672	6.57%
Licensing Department	152,903	159,172	165,398	163,646	(1,752)	-1.06%
Total Municipal Operations	\$ 38,688,479	\$ 38,989,001	\$ 41,206,034	\$ 40,262,562	\$ (943,472)	-2.29%
All Education:						
Local School System	\$ 70,334,487	\$ 72,325,000	\$ 72,573,651	\$ 74,196,256	\$ 1,622,605	2.24%
Regional School District	3,682,234	6,119,570	6,119,570	5,856,271	(263,299)	-4.30%
Commonwealth Charter Schools	3,256,299	3,664,363	3,664,363	4,095,060	430,697	11.75%
School Choice	1,318,885	1,464,707	1,502,559	1,431,201	(71,358)	-4.75%
Total All Education	\$ 78,591,905	\$ 83,573,640	\$ 83,860,143	\$ 85,578,788	\$ 1,718,645	2.05%
Other Requirements Costs:						
Employee Benefits	\$ 24,110,922	\$ 26,027,479	\$ 26,714,165	\$ 26,584,153	\$ (130,012)	-0.49%
State & County Assessments	2,563,809	2,612,990	2,632,358	2,796,259	163,901	6.23%
Debt Service	9,970,663	7,152,492	7,152,492	6,567,324	(585,168)	-8.18%
Grants	2,004,930	2,115,460	2,115,460	2,026,691	(88,769)	-4.20%
Property & Liability Insurance	1,780,057	1,865,000	1,860,000	1,910,000	50,000	2.69%
Snow & Ice Removal Deficit	-	-	225,144	-	(225,144)	-100.00%
Town Council Reserve Fund	-	91,000	159,000	250,000	91,000	57.23%
Celebrations, Rent & Other	175,187	172,000	172,000	172,000	-	0.00%
Total Other Requirements	\$ 40,605,568	\$ 40,036,421	\$ 41,030,619	\$ 40,306,427	\$ (724,192)	-1.77%
Total General Fund Before Transfers	\$ 157,885,952	\$ 162,599,062	\$ 166,096,796	\$ 166,147,777	\$ 50,981	0.03%
Transfers to Other Funds	10,848,589	11,565,359	11,565,359	12,657,200	1,091,841	9.44%
Grand Total General Fund	\$ 168,734,541	\$ 174,164,421	\$ 177,662,155	\$ 178,804,977	\$ 1,142,822	0.64%

The municipal operations budget is decreasing \$943,472 (-2.29%). 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 \$1,718,645 (2.05%). Local school operations are increasing \$1,622,605 (2.24%) while assessments from other districts are increasing \$96,040 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 decreasing \$724,192 (-1.77%). Most of the decrease in Other Requirements is due to debt service and no carryover for snow & ice deficits. Employee benefits are remaining level funded and Transfers to Other Funds are increasing by \$1,091,841 (9.44%). The large increase in transfer is the result of needed financial support for the Hyannis Youth Center and Golf Course Enterprise Funds.

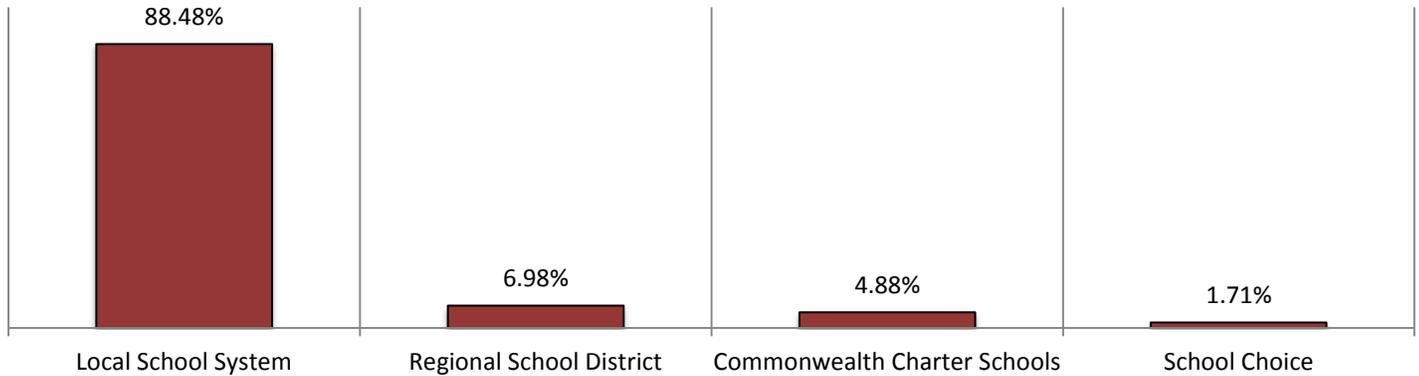
FINANCIAL SUMMARIES

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 15.50% and includes the Finance (including the two elected offices of Town Clerk and Town Collector), 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.

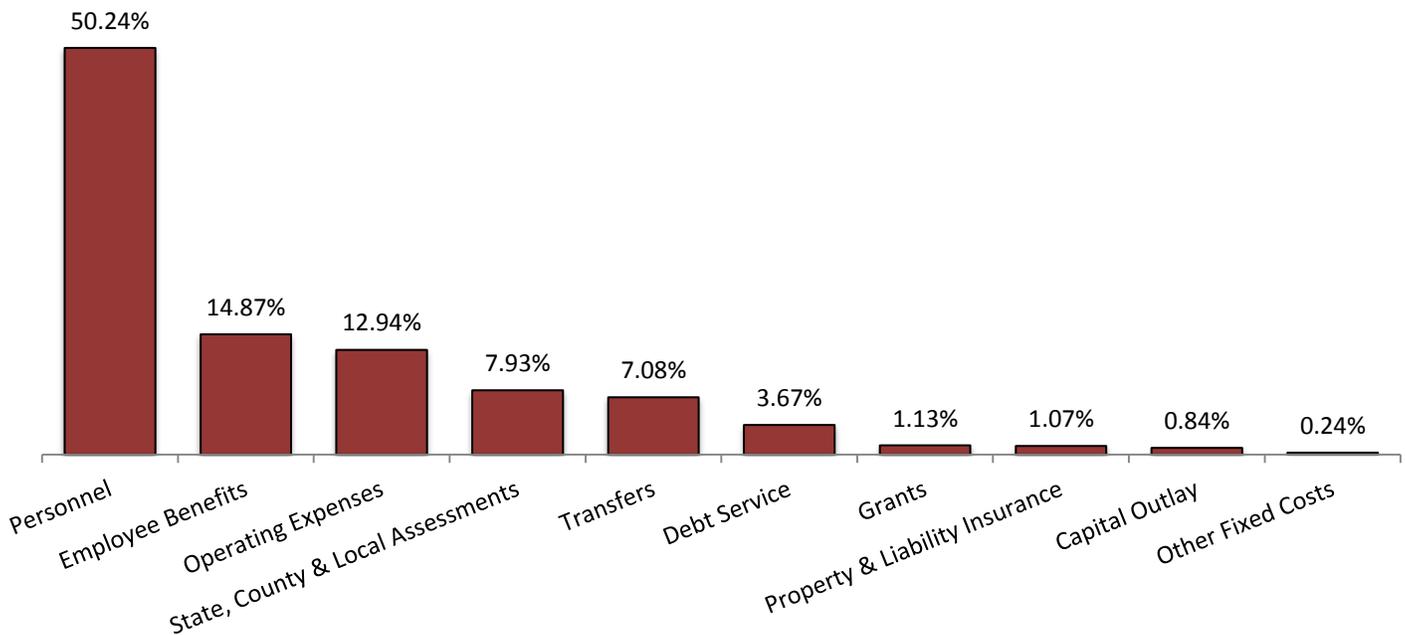
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General Fund Budget by Major Expenditure Category

Expenditure Category	Actual FY 2019	Projected FY 2020	Approved FY 2020	Proposed FY 2021	Change FY20 - 21	Percent Change
Personnel	\$ 82,656,745	\$ 87,930,330	\$ 88,881,726	\$ 89,823,861	\$ 942,135	1.06%
Employee Benefits	24,110,922	26,027,479	26,714,165	26,584,153	(130,012)	-0.49%
State, County & Other Local Assessments	10,821,227	13,861,630	13,918,850	14,178,791	259,941	1.87%
Transfers	10,848,589	11,565,359	11,565,359	12,657,200	1,091,841	9.44%
Debt Service	9,970,663	7,152,492	7,152,492	6,567,324	(585,168)	-8.18%
Operating Expenses	24,880,783	22,043,136	23,304,759	23,134,242	(170,517)	-0.73%
Grants	2,004,930	2,115,460	2,115,460	2,026,691	(88,769)	-4.20%
Property & Liability Insurance	1,780,057	1,865,000	1,860,000	1,910,000	50,000	2.69%
Capital Outlay	1,485,438	1,340,535	1,593,200	1,500,715	(92,485)	-5.80%
Other Fixed Costs	175,187	263,000	556,144	422,000	(134,144)	-24.12%
Total Expenditures	\$ 168,734,541	\$ 174,164,421	\$ 177,662,155	\$ 178,804,977	\$ 1,142,822	0.64%

Personnel costs and the associated employee benefits account for \$812,000 of the proposed FY 2021 General Fund budget change. This includes a net decrease of (4.45) fte's in the municipal and local school operations. Operating expenses are decreasing \$170,517, debt service is decreasing \$585,168, and assessments are increasing \$259,941.

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

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

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

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 2021 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

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

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

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.

Salaries

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.

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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

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

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

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.

Utilities and Fuel

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

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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 Barnstable Municipal 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

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

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 establishment of a 50% betterment assessment, 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

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.

Infrastructure Maintenance

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

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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

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

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 2019, the rate is approximately 75% 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

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.

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

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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
Beginning Fiscal Year Balance	\$ 3,035,013	\$ 4,552,519	\$ 7,101,212	\$ 14,688,744
Used for:				
FY 2021 Operating Budget	(1,060,187)	(950,531)	-	(2,010,718)
FY 2021 Employee Benefits	(460,000)	(150,000)	-	(610,000)
FY 2021 Town Council reserve	-	-	(250,000)	(250,000)
Balance remaining before closing FY 2021	\$ 1,514,826	\$ 3,451,988	\$ 6,851,212	\$ 11,818,026

The FY 2021 budget reserves used are shown in the table above. Municipal operations will use a total of \$1,520,187 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 2020, 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 \$12.1 million in February 2020 resulted in a net interest cost of 1.67% 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.