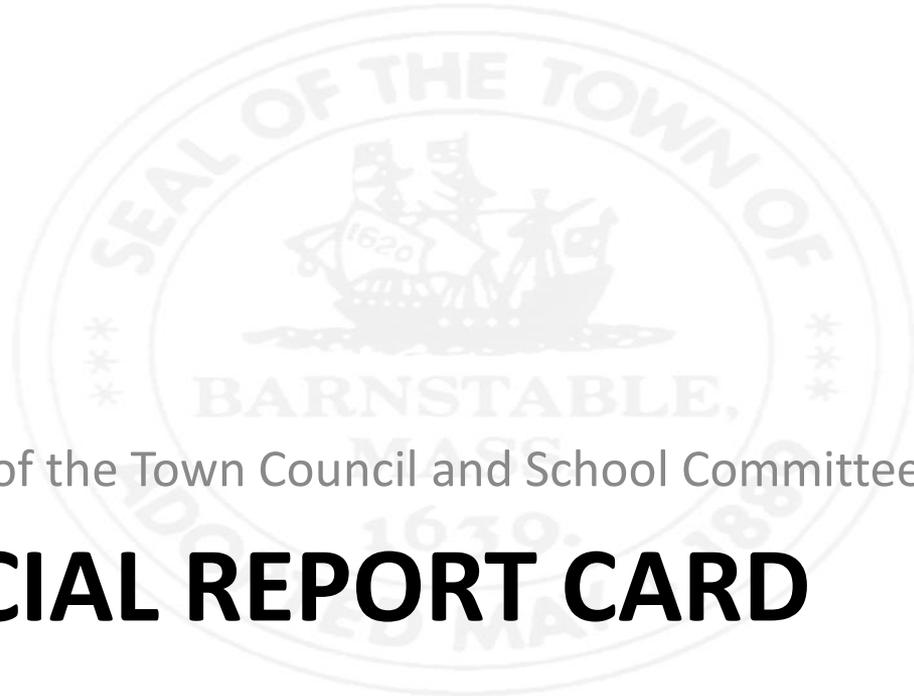


Update on the Financial Condition of the Town

Joint Meeting of the Town Council and School
Committee

October 21, 2021



Joint Meeting of the Town Council and School Committee

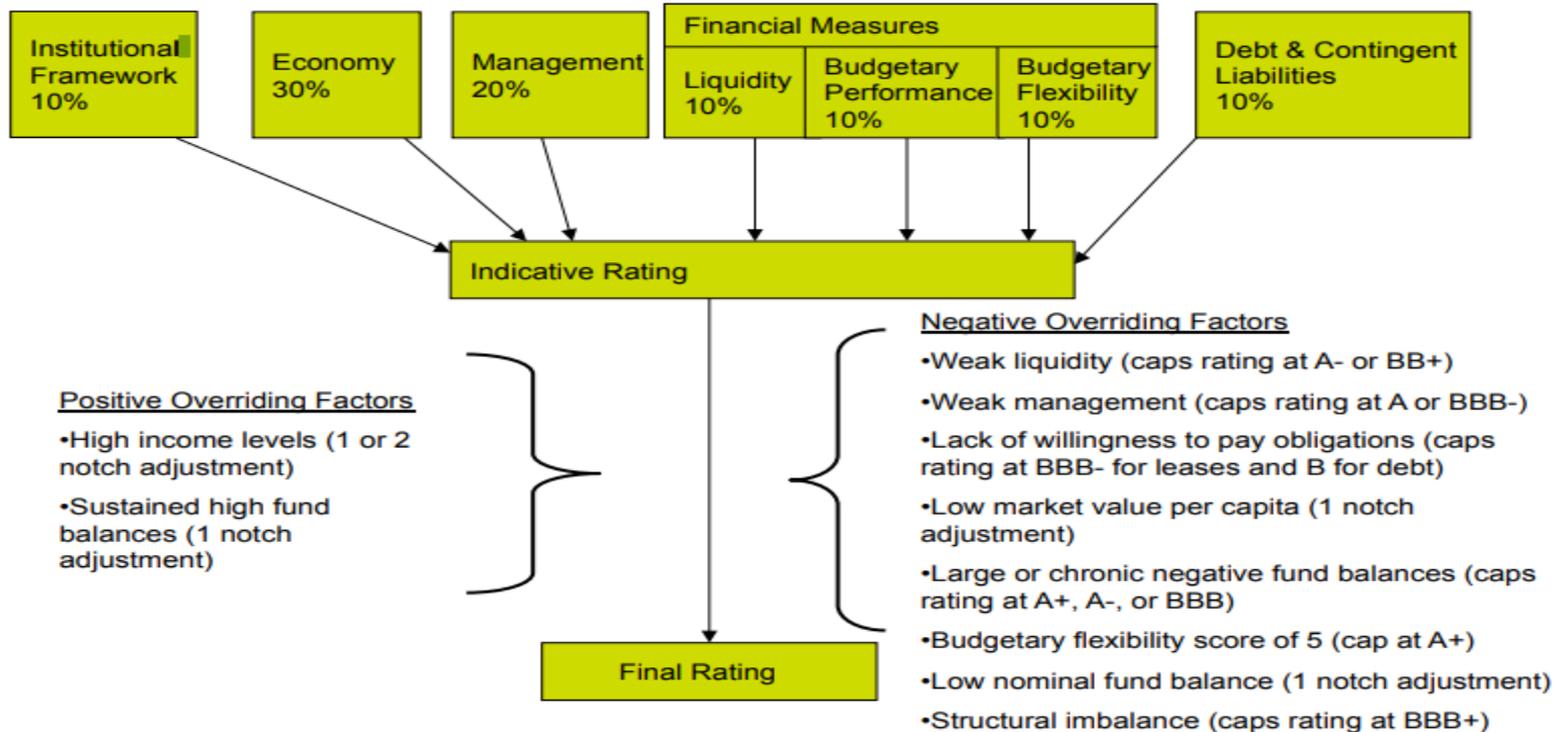
FINANCIAL REPORT CARD

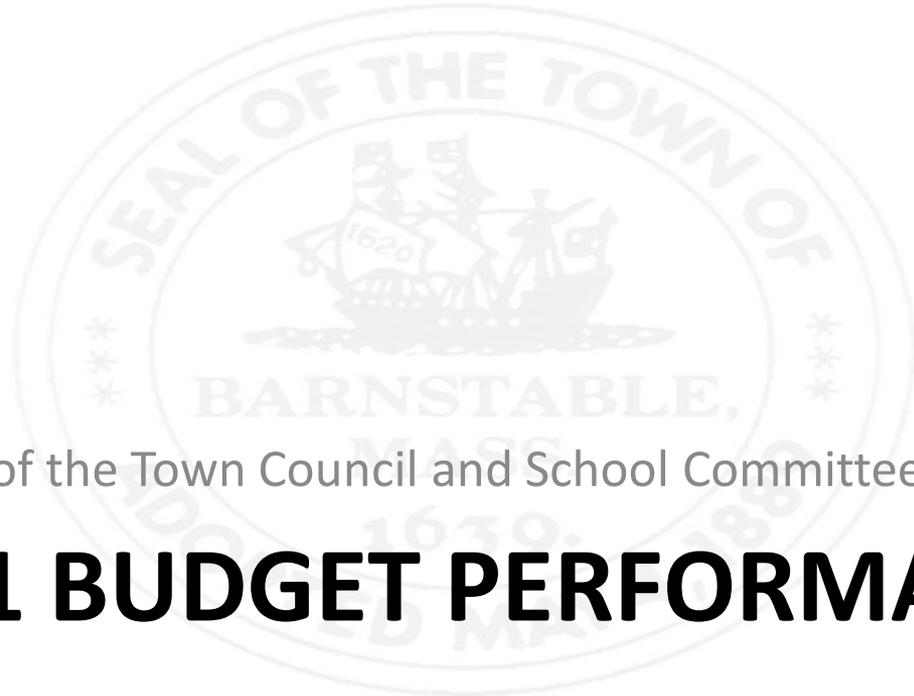
March 2021 Credit Rating

AAA With a Stable Outlook

- Very Strong Economy
- Very Strong Management
- Very Strong Budget Flexibility and Strong Budgetary Performance
- Very Strong Liquidity
- Strong debt-and-contingent-liability profile
- Strong institutional framework

Standard & Poor's Analytical Framework





Joint Meeting of the Town Council and School Committee

FY 2021 BUDGET PERFORMANCE

FY21 General Fund Revenue

			Variance
			Favorable
	Budget	Actual	(Unfavorable)
Property taxes	\$ 130,270,344	\$ 133,404,826	\$ 3,134,482
Excise taxes	7,115,000	8,136,255	1,021,255
Hotel/Motel tax	1,450,000	1,195,413	(254,587)
Charges for services	1,845,100	2,426,946	581,846
Fines and penalties	1,226,000	1,916,852	690,852
Fees and rentals	854,200	1,235,101	380,901
Licenses and permits	1,613,585	2,637,350	1,023,765
Intergovernmental	17,290,903	17,925,291	634,388
Department and other	958,500	963,875	5,375
Special assessments	111,000	298,196	187,196
Investment income	460,000	518,539	58,539
Gifts and contributions	-	-	-
Total Revenues	163,194,632	170,658,643	7,464,011

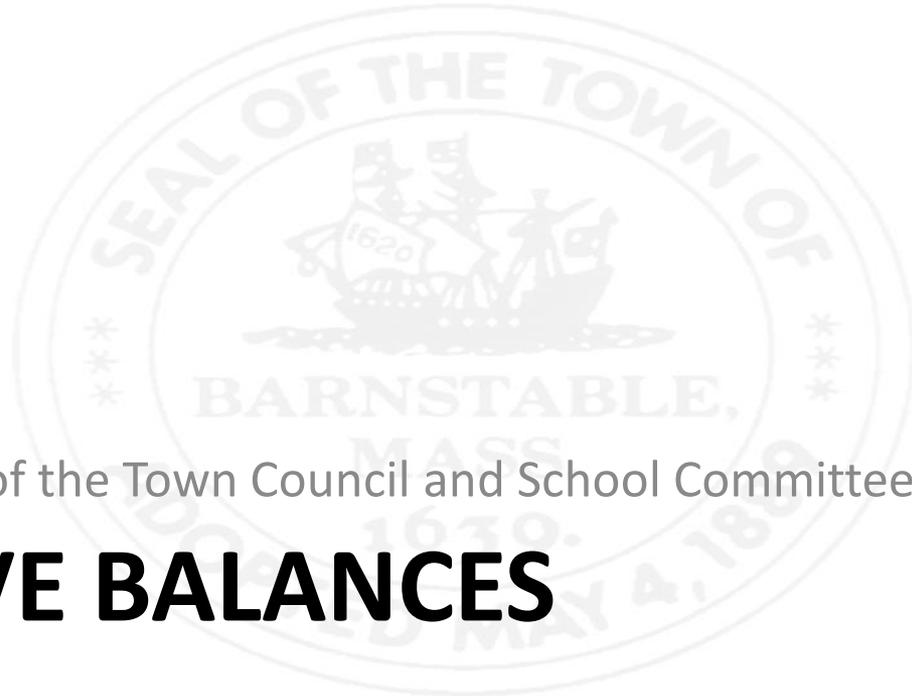
Includes \$5.2 million collected in property taxes owed prior to the FY21 levy.

FY21 General Fund Expenditures

			Variance
			Favorable
	Budget	Actual	(Unfavorable)
Town Council	286,659	273,926	12,733
Town Manager	873,142	838,496	34,646
Education	71,405,234	70,398,912	1,006,322
Administrative Services	6,324,787	6,186,458	138,329
Planning & Development	2,086,289	1,962,216	124,072
Police	14,846,563	14,786,428	60,135
Licensing	189,586	154,254	35,332
Inspectional Services	2,254,880	2,114,656	140,224
Public Works	8,867,532	8,575,110	292,423
Snow and Ice Removal	975,000	1,316,107	(341,107)
Marine & Environmental Services	1,170,835	1,106,507	64,328
Community Services	2,389,106	2,163,548	225,557
Other Requirements	50,589,488	49,207,478	1,382,010
Total Expenditures	162,259,100	159,084,096	3,175,004

FY21 Enterprise Fund Budget Performance

Enterprise Fund	Surplus Used To Balance Budget	Actual Surplus Generated	Favorable Variance
Airport	\$ (499,800)	\$ 4,747,331	\$ 5,247,131
Golf	\$ (37,000)	\$ 1,558,624	\$ 1,595,624
Solid Waste	\$ (1,044,631)	\$ 217,306	\$ 1,261,937
Sewer	\$ -	\$ 874,401	\$ 874,401
Water	\$ (483,393)	\$ 1,411,986	\$ 1,895,379
Marinas	\$ (155,196)	\$ 161,140	\$ 316,335
Sandy Neck	\$ (280,833)	\$ 296,782	\$ 577,614
Hyannis Youth & Comm. Ctr.	\$ -	\$ 109,852	\$ 109,852
Public, Education & Govt. TV	\$ (18,030)	\$ 289,703	\$ 307,734



Joint Meeting of the Town Council and School Committee

RESERVE BALANCES

Certified Free Cash as of July 1

Fund	2020	2021	Change
HYCC Enterprise	\$ 724,944	\$ 663,490	\$ (61,454)
Sandy Neck Enterprise	\$ 705,282	\$ 929,558	\$ 224,276
Marina Enterprise	\$ 834,302	\$ 1,134,781	\$ 300,479
Solid Waste Enterprise	\$ 1,284,194	\$ 1,481,144	\$ 196,950
Water Enterprise	\$ 622,194	\$ 1,292,886	\$ 670,692
Golf Enterprise	\$ 433,134	\$ 1,901,994	\$ 1,468,860
PEG Access Channel Enterprise	\$ 2,685,352	\$ 2,883,500	\$ 198,148
Airport Enterprise	\$ 3,885,899	\$ 6,240,318	\$ 2,354,419
Sewer Enterprise	\$ 9,942,322	\$ 9,870,222	\$ (72,100)
General Fund	\$ 18,524,377	\$ 24,427,135	\$ 5,902,758

History Of General Fund Free Cash Used & Generated

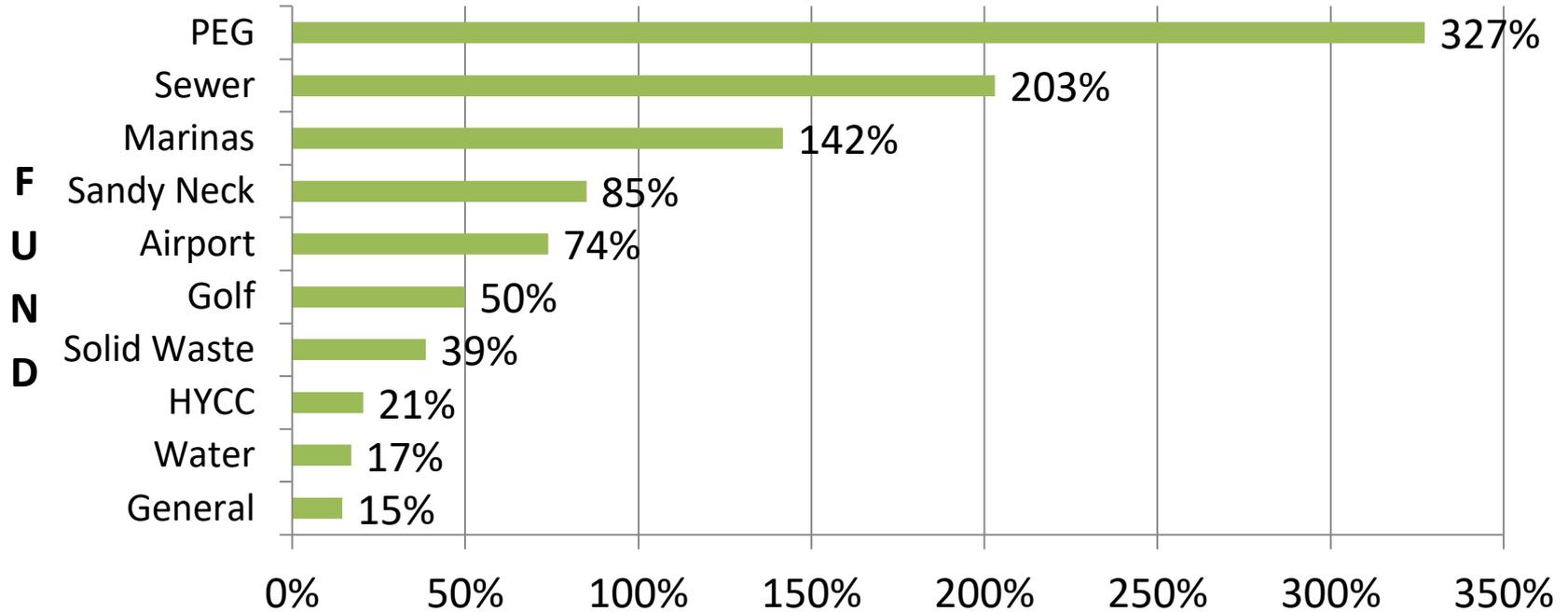
	Beginning	Used For:			Ending
<u>Certification Date:</u>	Balance	Operations	Capital	Generated	Balance
July 1, 2012	12,320,185	(687,330)	-	5,639,538	17,272,393
July 1, 2013	17,272,393	(3,579,836)	(7,000,000)	4,403,107	11,095,664
July 1, 2014	11,095,664	(3,585,000)	(591,993)	6,451,368	13,370,039
July 1, 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)	4,752,407	14,688,744
July 1, 2020	14,688,744	(2,870,726)	(233,554)	6,939,912	18,524,376
July 1, 2021	18,524,376	(2,227,123)	(2,359,460)	10,489,342	24,427,135
	Average	(2,838,439)	(2,009,687)	6,058,821	

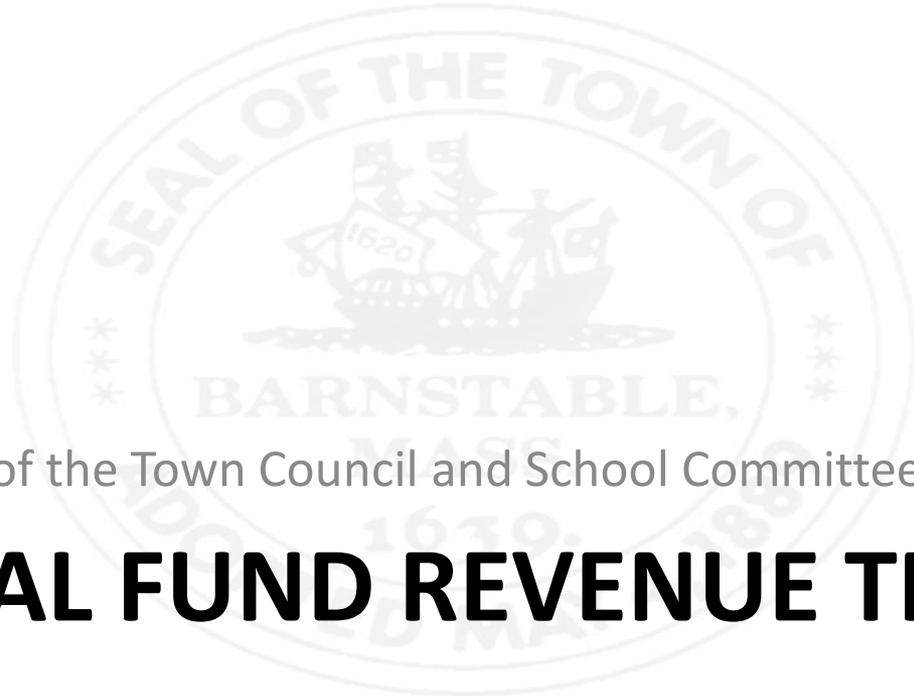
Savings Accounts

	Total	Council Reserve	Municipal Savings	School Savings
Balance on July 1, 2020	\$ 18,524,376	\$ 6,645,911	\$ 5,491,694	\$ 6,386,771
FY22 Operating Budget	(2,227,123)	(250,000)	(876,592)	(1,100,531)
FY22 Capital Program	(2,359,460)	-	(935,960)	(1,423,500)
FY21 Returned Appropriations	2,134,101	-	1,127,779	1,006,322
FY21 Returned Appropriations - Fixed Costs	1,382,010	-	552,804	829,206
FY21 Net Excess Revenue Earned	6,973,230	321,254	2,660,790	3,991,186
Balance on July 1, 2021	<u>\$ 24,427,135</u>	<u>\$ 6,717,165</u>	<u>\$ 8,020,516</u>	<u>\$ 9,689,454</u>

- Town Council reserve of \$6.7 million equals 4% of the FY 2022 operating budget; net of transfers.
- Use of savings accounts are subject to Town Council appropriation.

Reserves as a Percentage of the FY22 Operating Budget



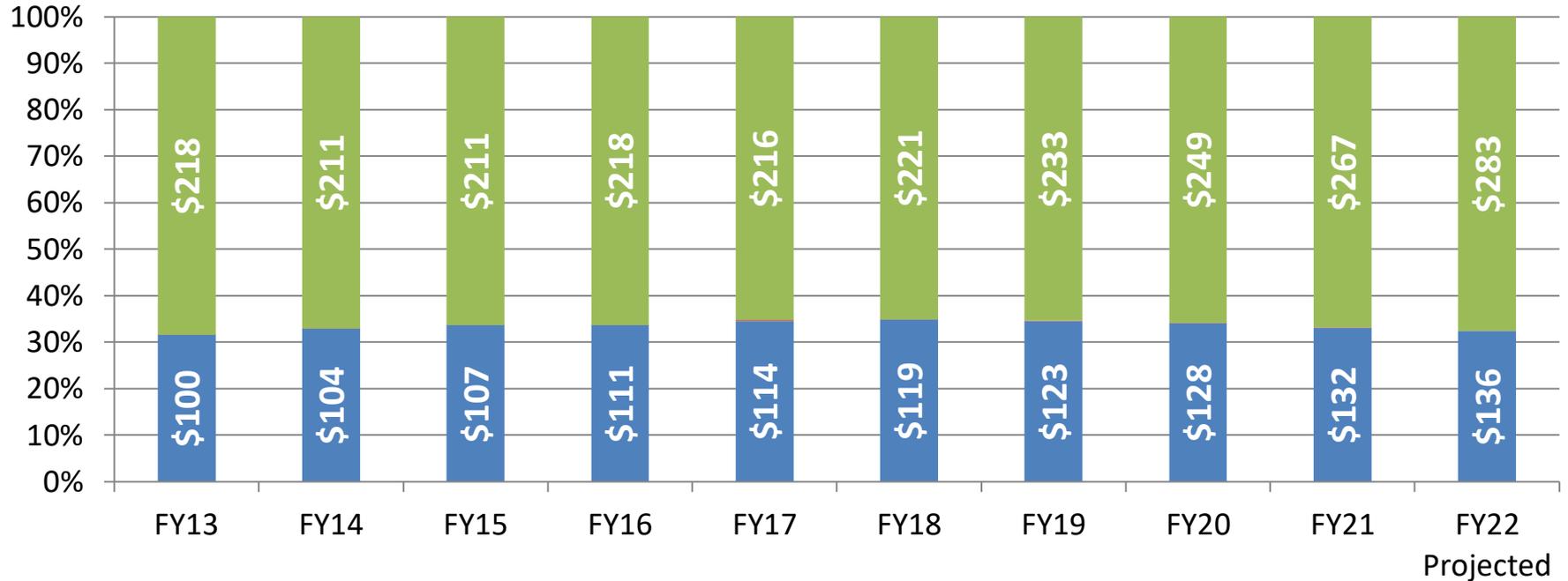


Joint Meeting of the Town Council and School Committee

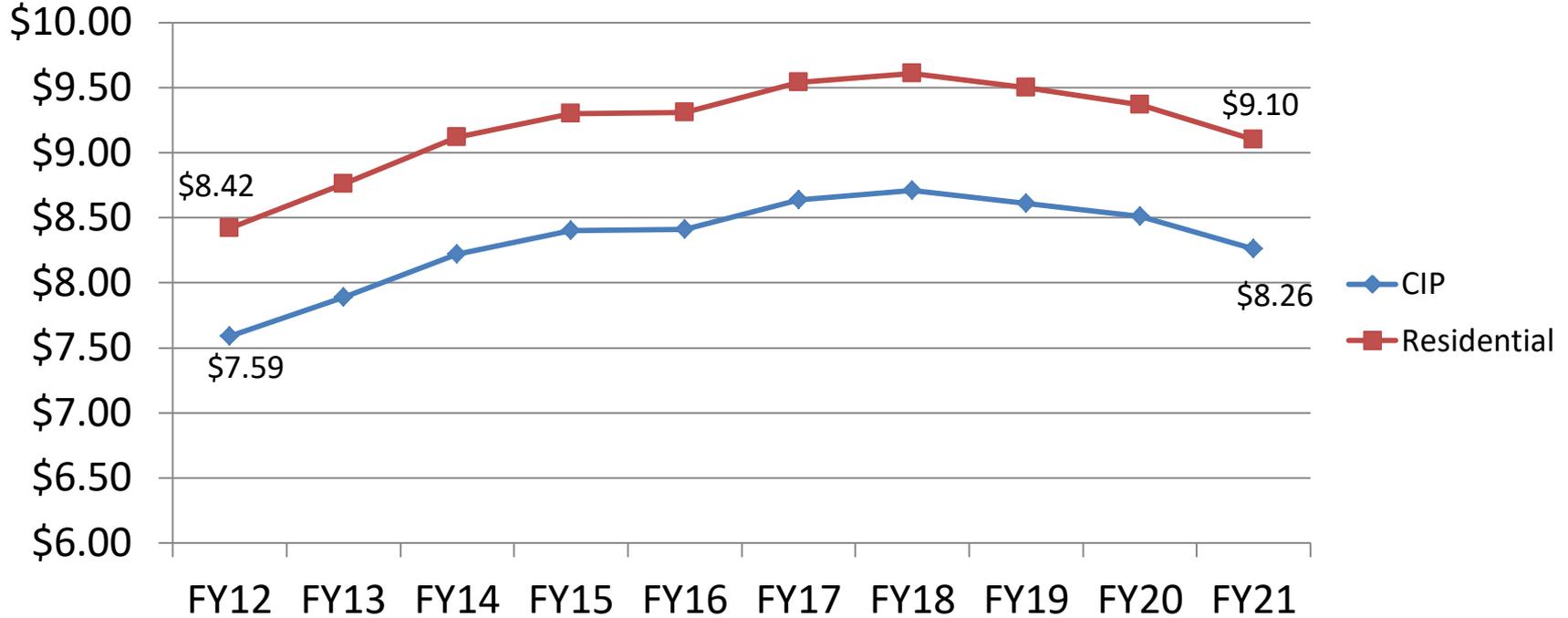
GENERAL FUND REVENUE TRENDS

Tax Levy Growth & Override Capacity

■ Tax Levy ■ Override Capacity



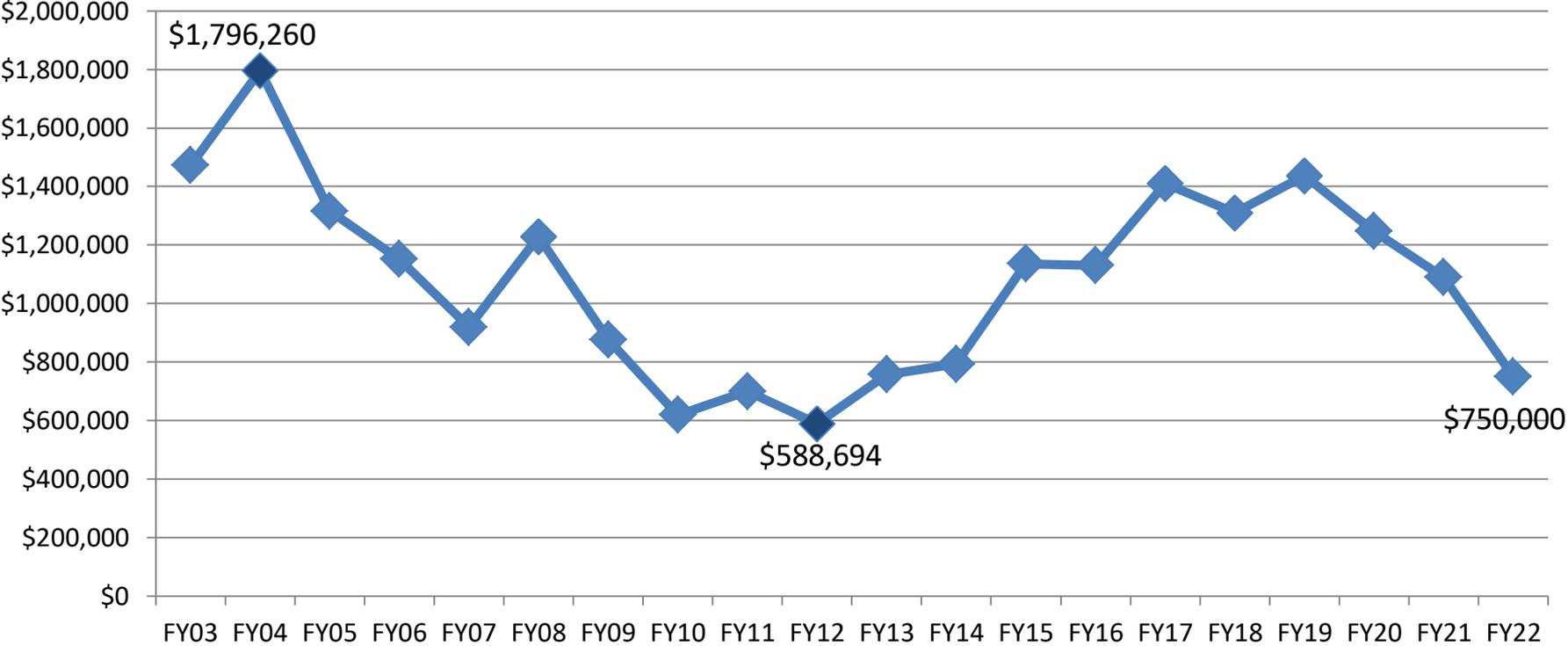
History of Tax Rates



FY22 Projected Largest Taxpayers

Name	Property Description	FY 2022 Preliminary Assessed Value	% of Total AV
Eversource	Utility	\$ 171,556,860	1.03 %
Mayflower Cape Cod LLC	Shopping Center	136,889,700	0.82
National Grid (Colonial Gas)	Utility	64,316,360	0.39
Festival of Hyannis LLC	Shopping Center	41,348,700	0.25
OCW Retail Hyannis LLC	Shopping Center	38,245,700	0.23
GS Barnstable Landowner LLC	Apartments	37,419,300	0.23
Oyster Harbors Club Inc.	Golf Club/Land	28,157,500	0.17
Indian Point Family Partnership	Various Residential	27,752,300	0.17
Cape Cod Five Cents Savings Bank	Bank	26,109,100	0.16
Wianno Club	Golf Club/Land	24,398,200	0.15
	Total	\$ 596,193,720	3.59 %

New Property Tax Growth

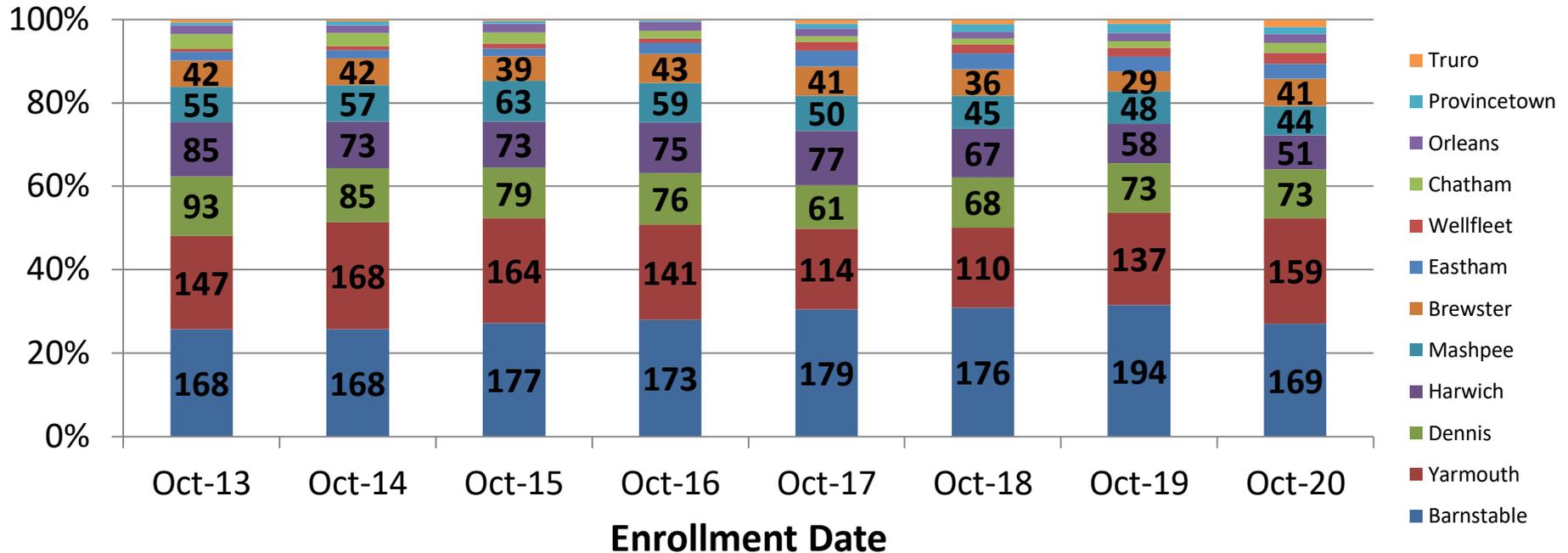


Property Tax Debt Exclusions

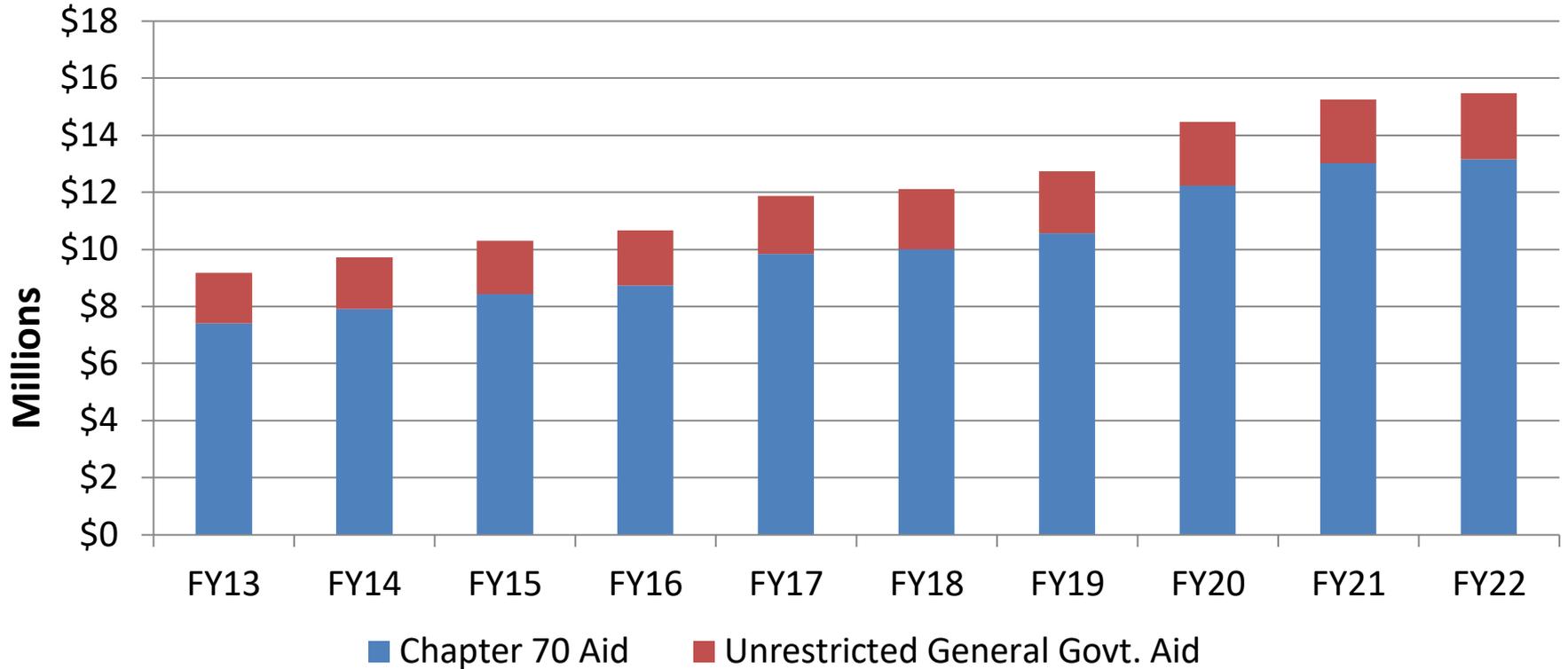
Fiscal Year	Local School Bond Payments	Less: MSBA Funding	Cape Cod Regional Tech HS	Net Amount Added to Tax Levy
FY15	\$4,804,578	(\$3,509,126)		\$1,295,452
FY16	\$4,465,003	(\$3,018,762)		\$1,446,241
FY17	\$4,420,853	(\$3,018,756)		\$1,402,097
FY18	\$4,367,653	(\$3,018,750)		\$1,348,903
FY19	\$4,318,972	(\$3,018,706)		\$1,300,266
FY20	\$832,000	(\$859,779)	\$2,387,036	\$2,359,257
FY21			\$1,971,714	\$1,971,714
FY22			\$1,688,805	\$1,688,805

CCRTHS Student Enrollment History

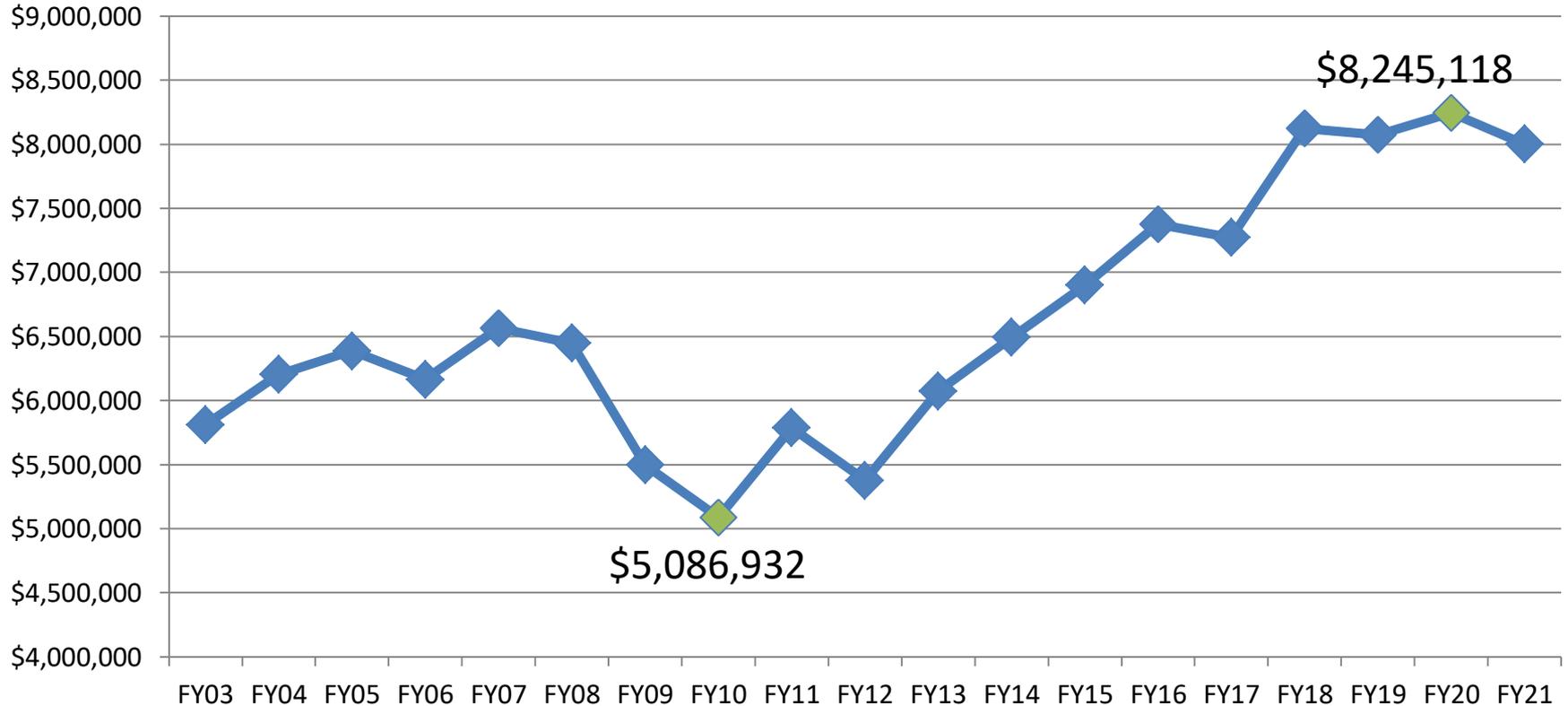
(Basis for Allocation of Debt Exclusion)



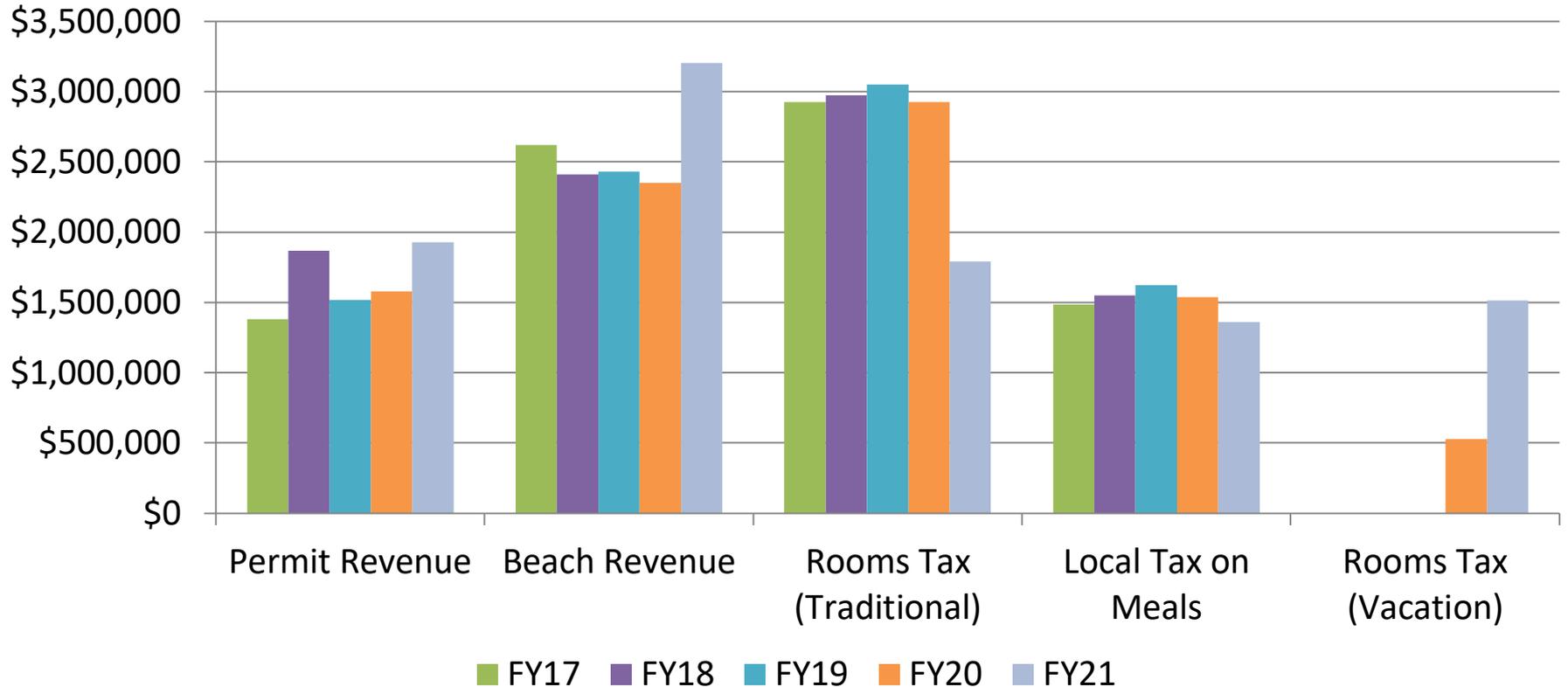
General Fund State Aid

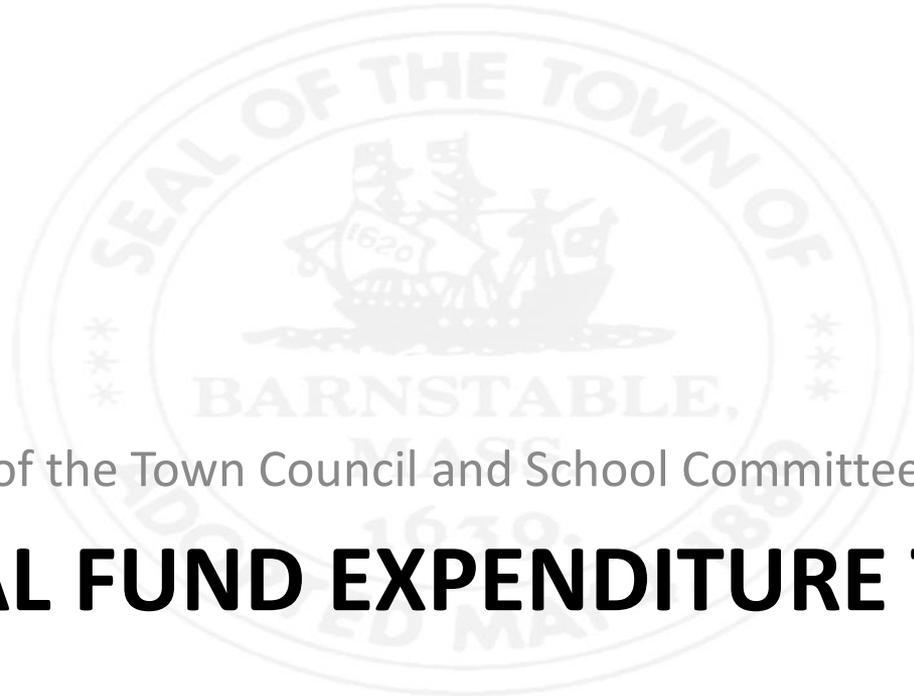


Motor Vehicle Excise Tax



Other Major Local Revenue

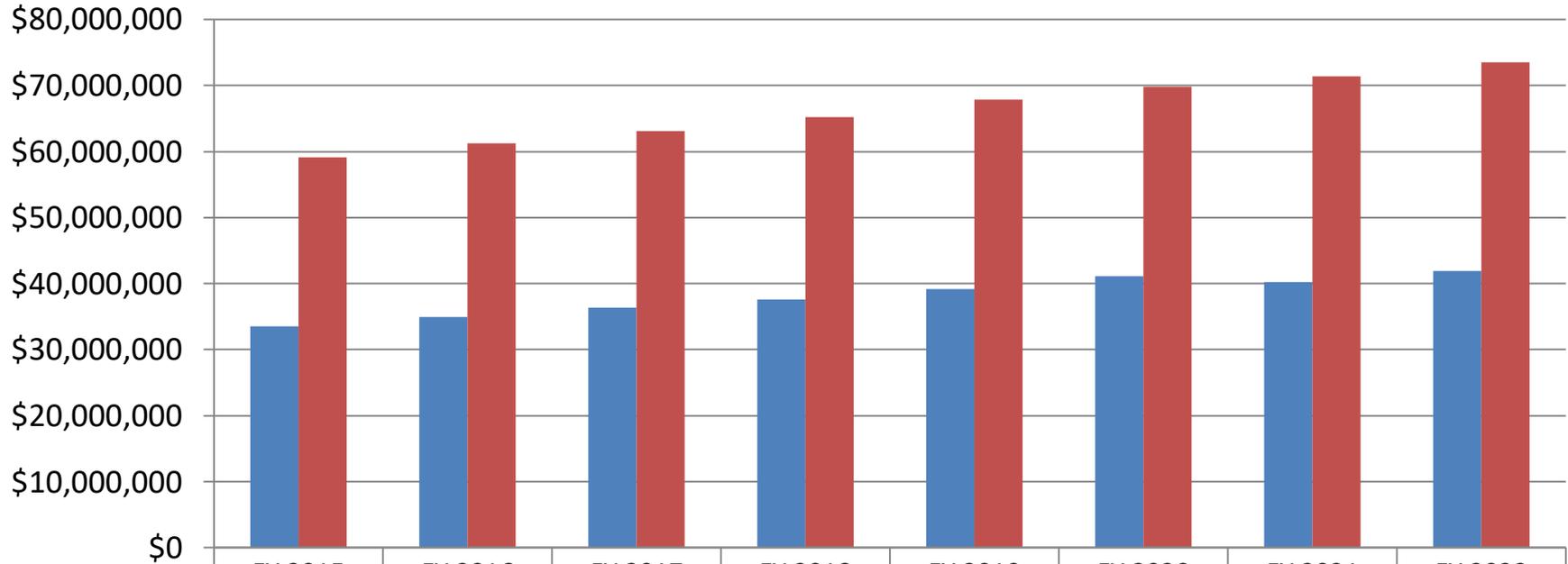




Joint Meeting of the Town Council and School Committee

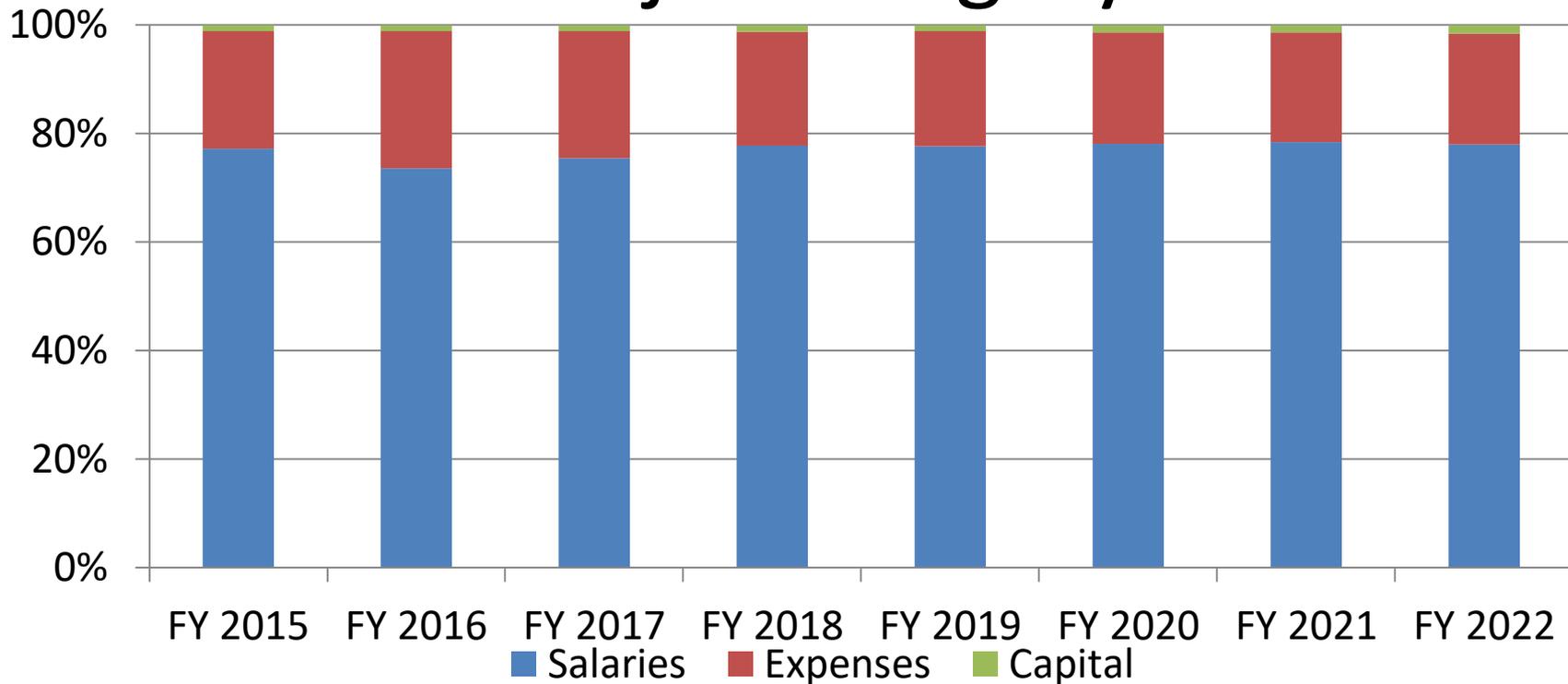
GENERAL FUND EXPENDITURE TRENDS

General Fund Operations Budget Trend

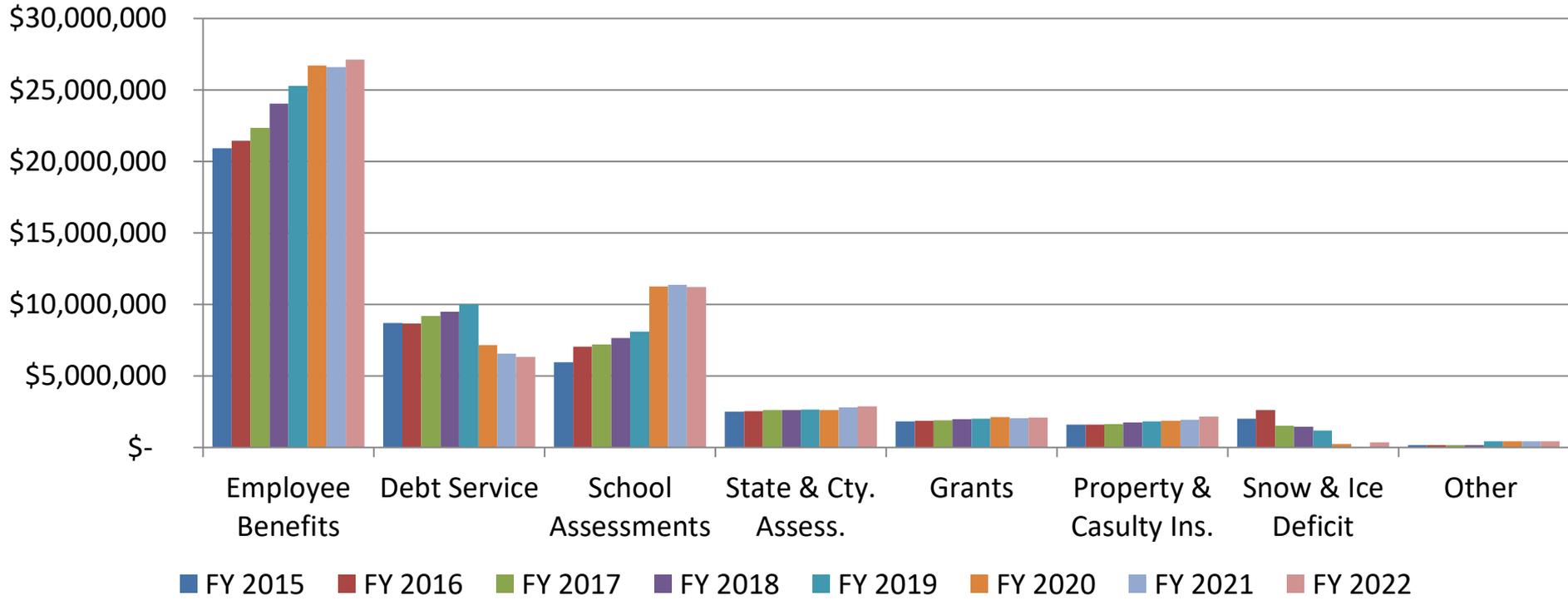


■ Municipal Operations	\$33,490,427	\$34,956,061	\$36,393,607	\$37,589,206	\$39,199,293	\$41,077,934	\$40,262,562	\$41,922,178
■ School Operations	\$59,163,360	\$61,209,487	\$63,119,885	\$65,216,084	\$67,860,308	\$69,802,978	\$71,405,234	\$73,520,899

General Fund Operating Budgets By Major Category



Budget History - Fixed Costs



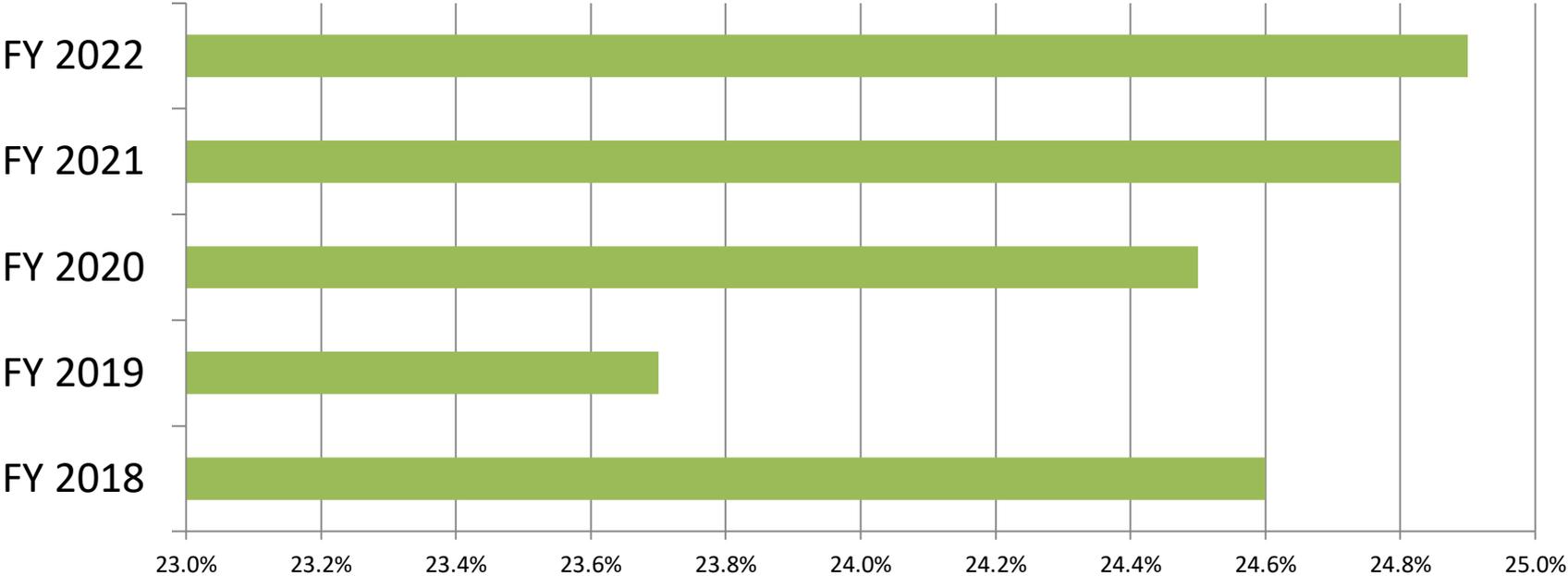


Joint Meeting of the Town Council and School Committee

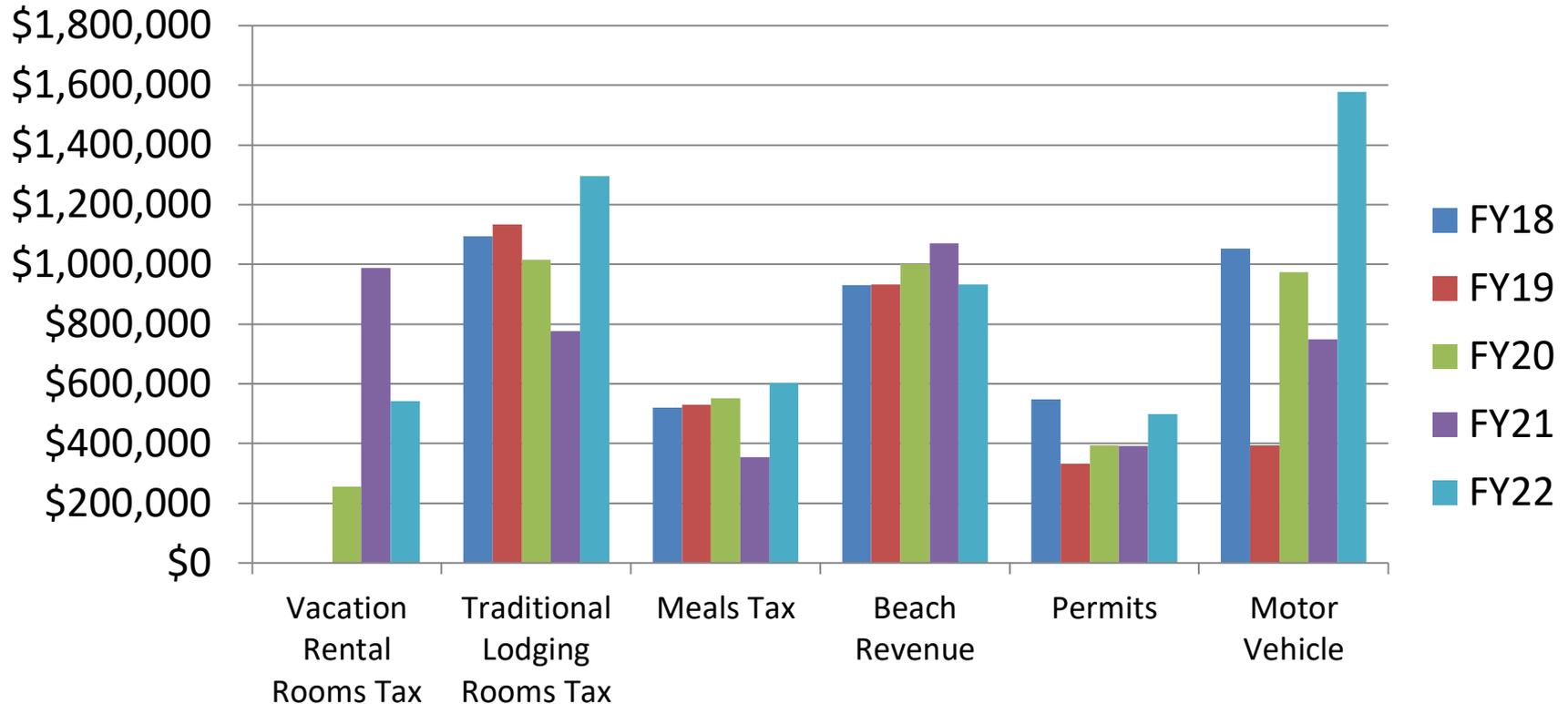
FY 2022 BUDGET PERFORMANCE 3 MONTHS ENDING SEPTEMBER 30

Property Tax Collections as of September 30

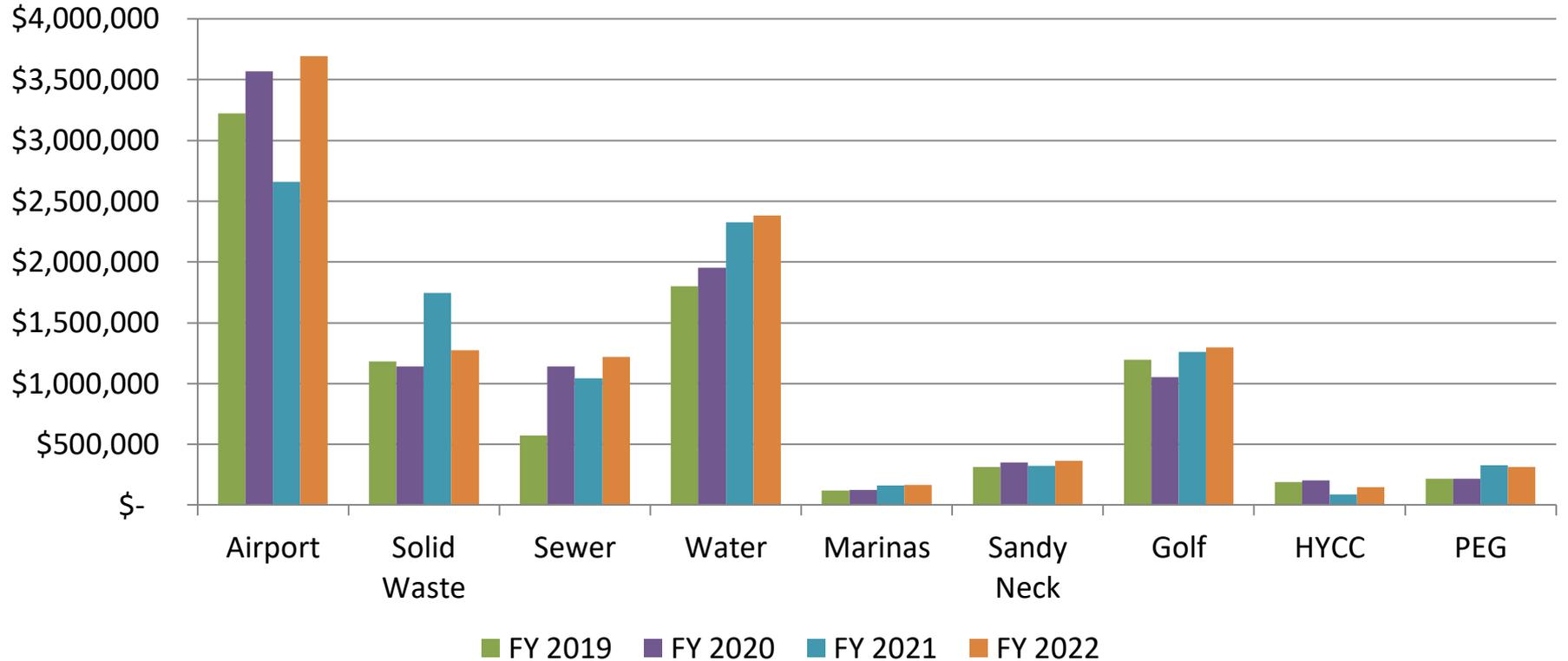
Percent collected



Other Revenue Trends as of September 30

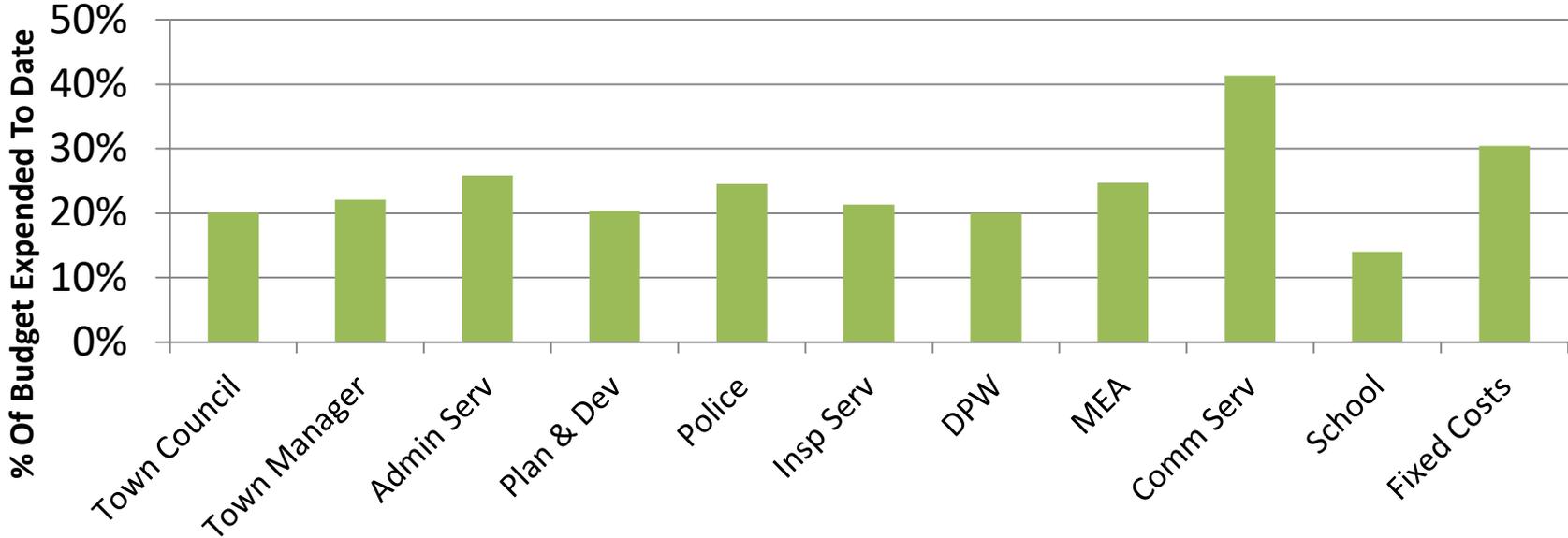


Enterprise Fund Revenue as of September 30



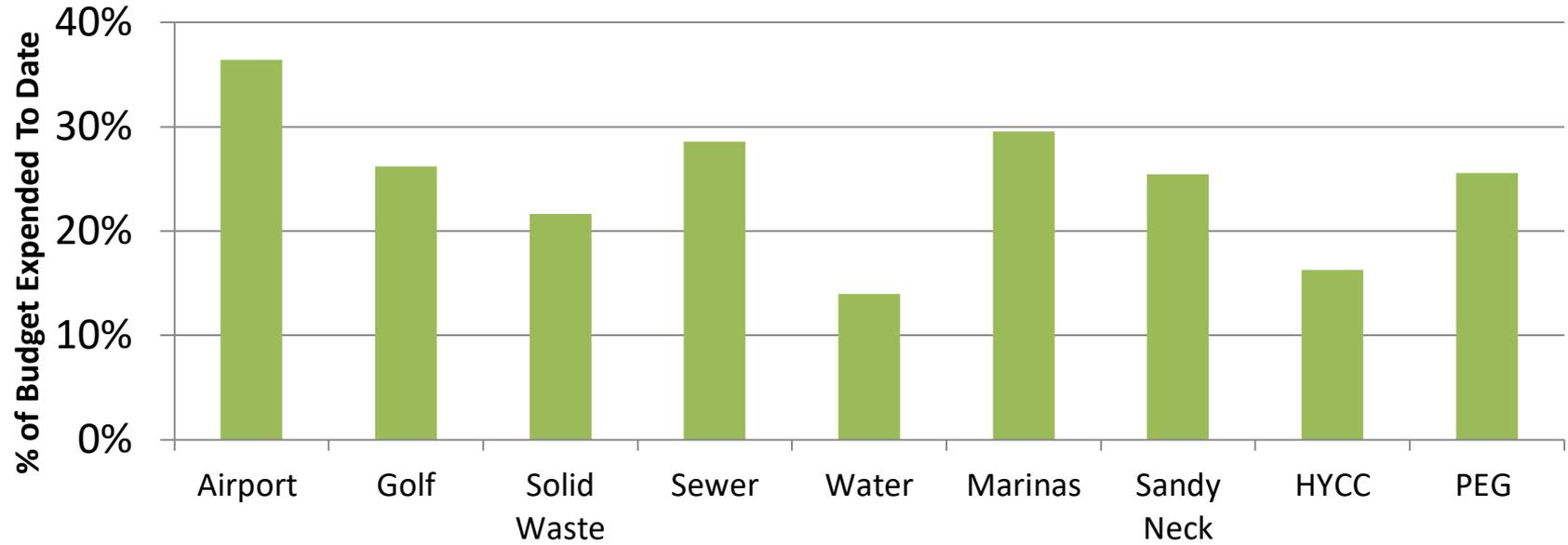
FY 2022 General Fund Operating Budget

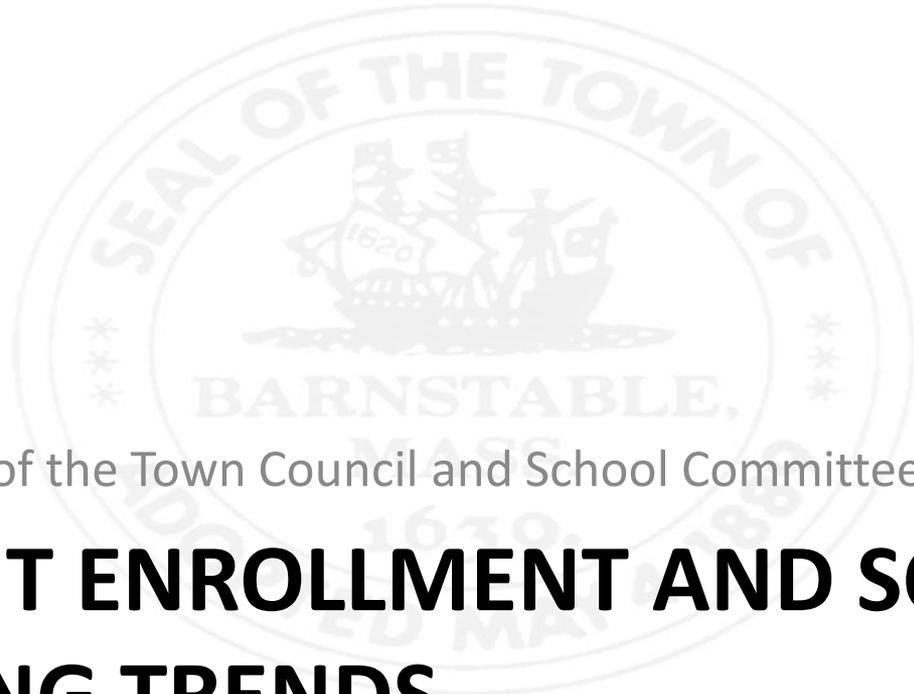
As Of September 30



FY 2022 Enterprise Fund Operating Budgets

As Of September 30

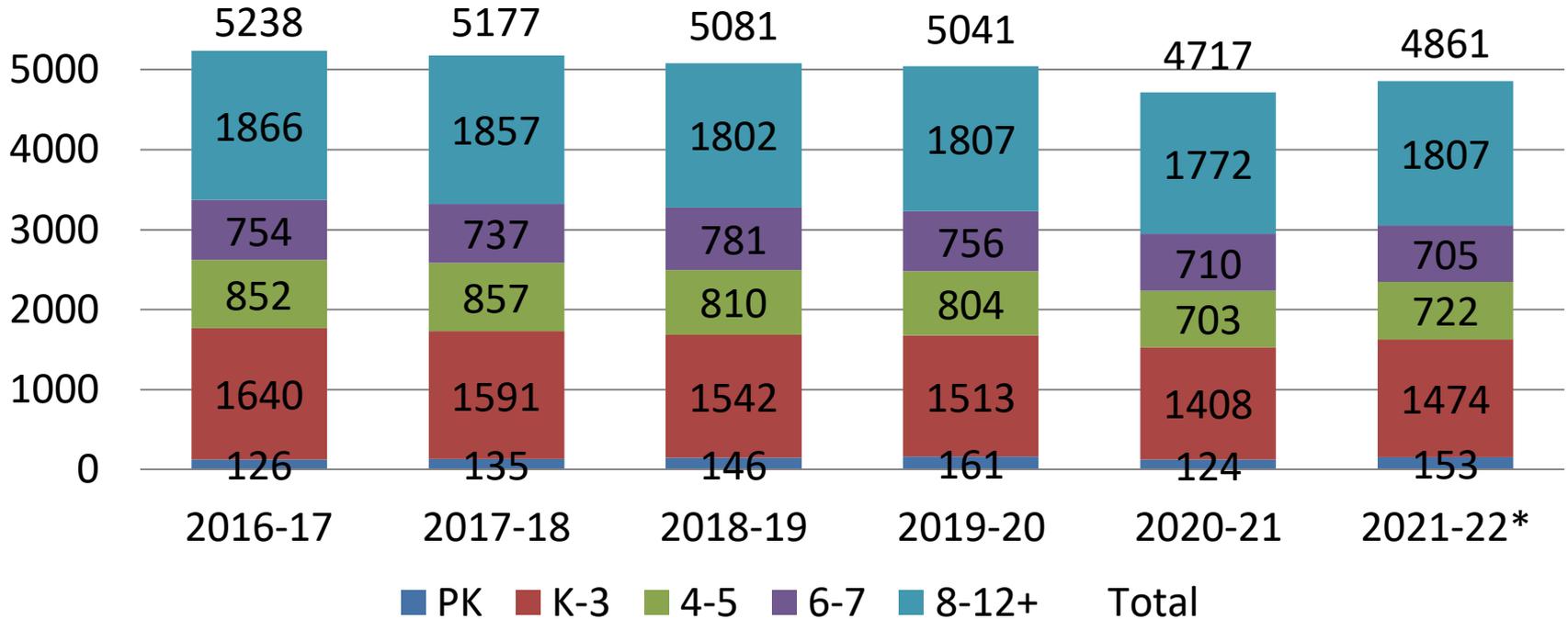




Joint Meeting of the Town Council and School Committee

STUDENT ENROLLMENT AND SCHOOL SPENDING TRENDS

Barnstable Enrollment



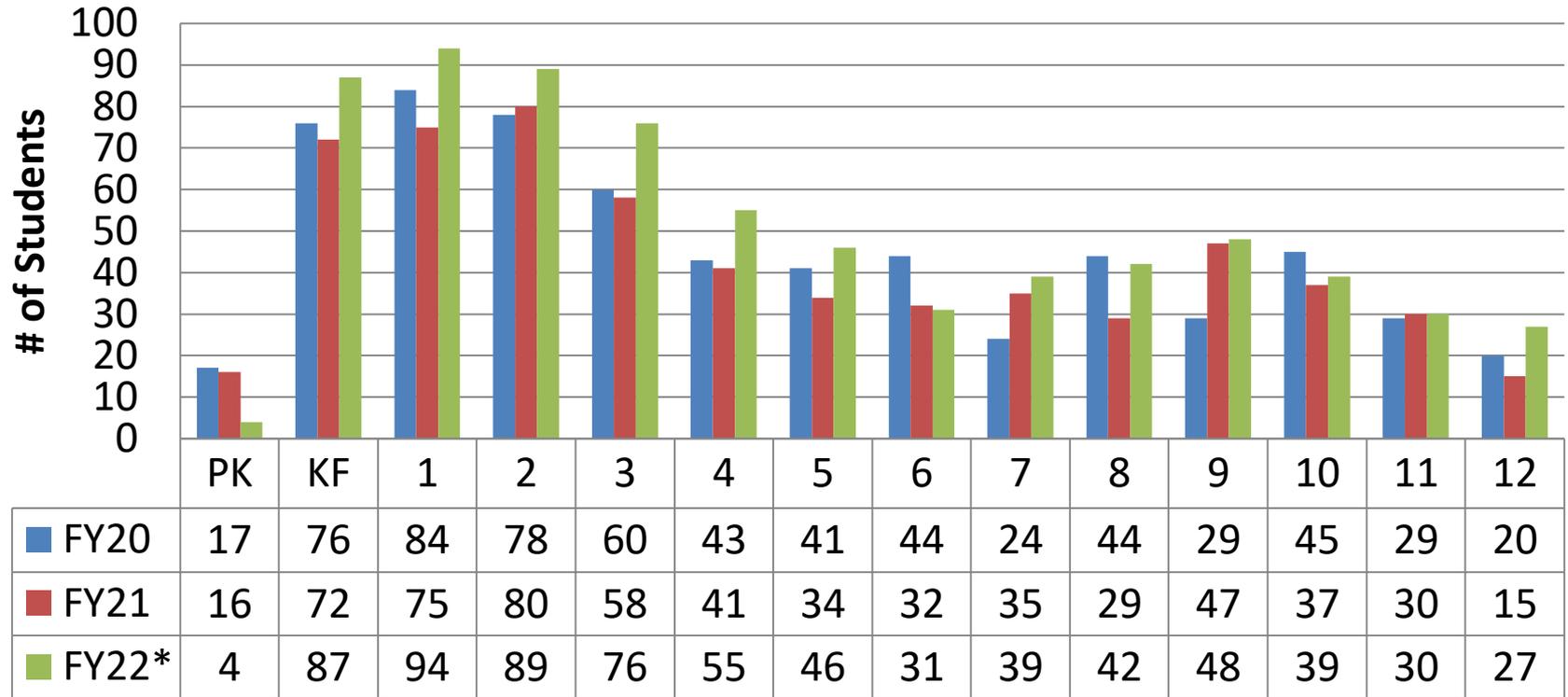
*Preliminary Enrollment 10/18/21

Barnstable Enrollment / Forecast



Year	PK	K	1	2	3	4	5	6	7	8	9	10	11	12	SP	Total
2016-17	126	387	399	432	422	446	406	357	397	377	380	372	393	334	10	5238
2017-18	135	399	376	394	422	424	433	378	359	391	369	356	383	345	13	5177
2018-19	146	373	401	368	400	414	396	399	382	362	341	362	361	362	14	5081
2019-20	161	343	387	405	378	394	410	375	381	406	332	338	367	351	13	5041
2020-21	124	328	342	359	379	340	363	360	350	389	356	337	334	345	11	4717
2021-22	146	363	383	351	386	402	360	361	390	388	368	367	330	317	10	4922
2021-22	153	366	376	357	375	371	351	340	365	379	377	352	340	335	24	4861
2022-23	149	359	374	381	353	382	388	343	361	403	362	356	377	301	10	4898
2023-24	149	364	370	371	382	349	368	369	342	374	376	350	366	344	10	4885
2024-25	146	362	376	368	373	378	336	350	368	354	349	364	360	334	10	4828
2025-26	147	362	373	373	369	369	364	320	350	381	331	338	374	328	10	4789

English Learners FY20-FY22



*As of September 30, 2021

FY21 Financial Summary

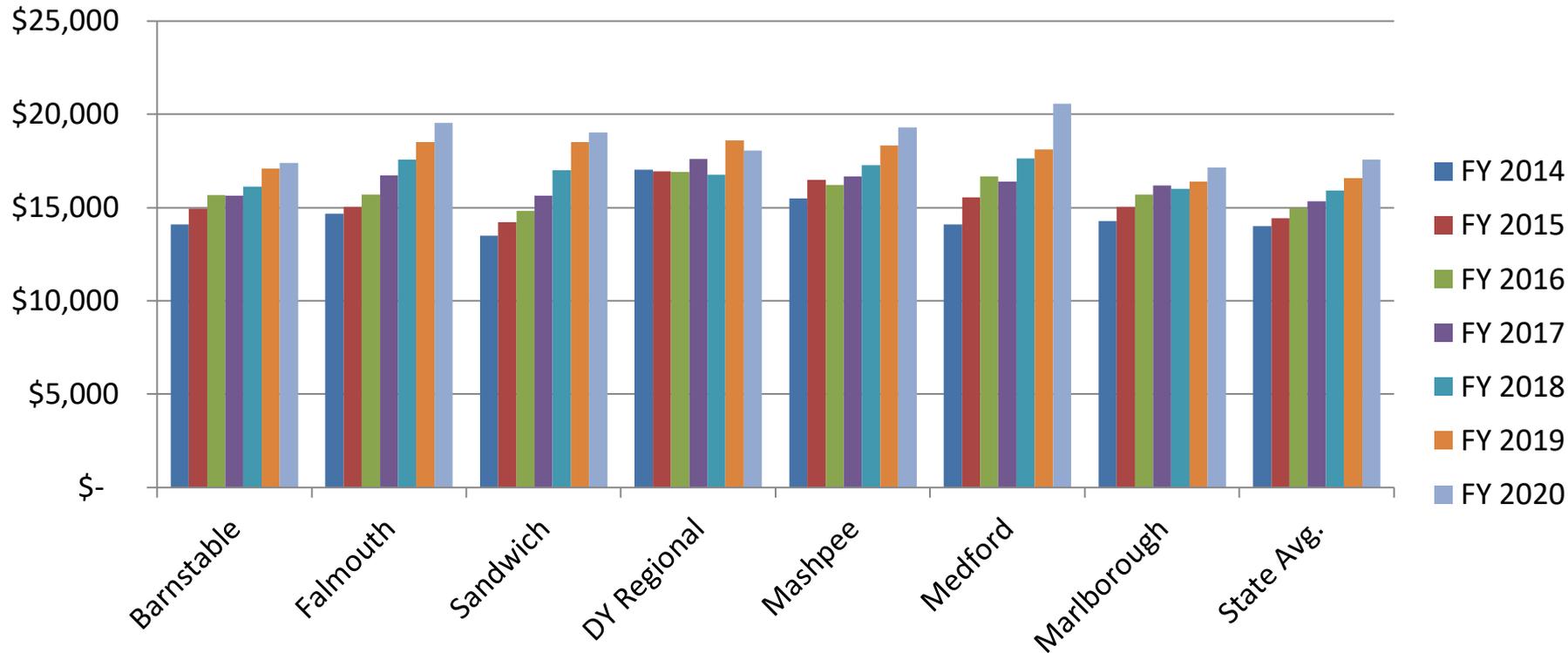
- General Fund Surplus \$1,006,322 98.6% Pct. Used
 - Replenishes FY21 Savings account usage (\$950,531)
 - 16/18 Cost Centers close with a positive balance
 - Superintendent (\$519,338) Long-term Substitutes & Employee Separation Costs
 - ELL (\$2,066.10) Translators
- Surplus Generators
 - Utilization of Federal / State COVID Funding
 - \$1,157,400 COVID Reopening Grant
 - \$776,984 ESSER 1
 - \$1,034,252 Town COVID Relief Fund
 - \$224,984 Technology Essential Grant

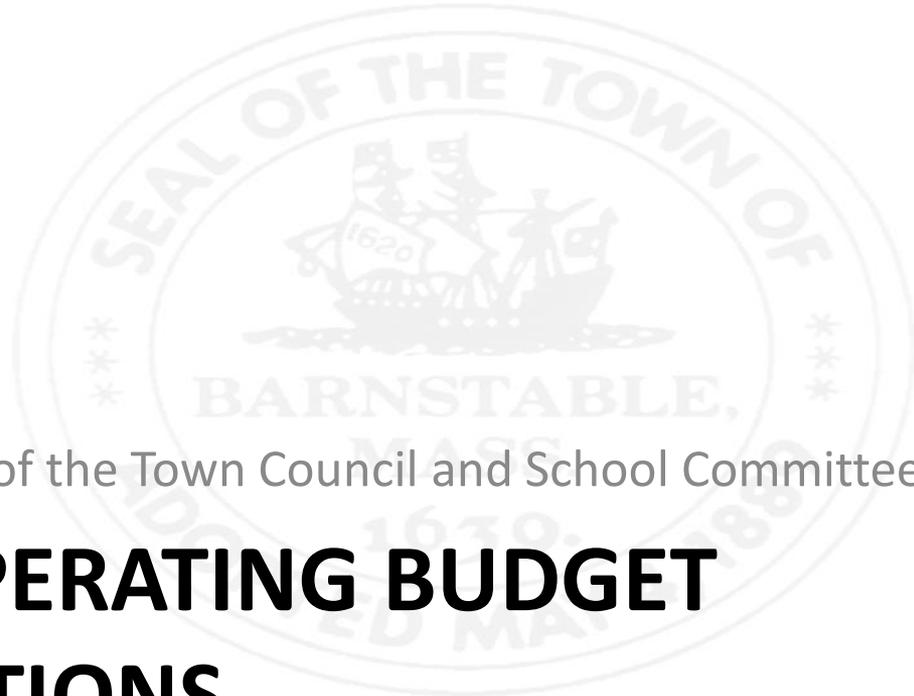
FY21 Financial Summary

- Surplus Generators (continued)
 - Unfilled positions / Turnover (offset by substitutes)
 - Athletics \$102,753, reduced seasons
 - Transportation \$330,436, diesel and contracted services
 - Photocopy and Computer Supplies \$108,899
 - Paraprofessional wage calculation

In District Per Pupil Expenditure Comparison

Source: <https://www.doe.mass.edu/finance/statistics/>





Joint Meeting of the Town Council and School Committee

FY23 OPERATING BUDGET PROJECTIONS

General Fund Revenue Projections

- Base property tax levy will increase 2.5% per year \approx \$3.3 million
 - All new property tax growth will be directed to capital program (\$750,000 estimated for FY 2023)
- Motor Vehicle Excise tax receipts will level off to around \$8 million per year
- State aid is projected to grow 2.5% - 3% per year
- Rooms and meals tax revenue will recover to pre-pandemic levels
- Permitting and waterside revenue will continue to perform well

Expenditure Drivers

- Labor contracts projected to increase 2-3% per year (steps and colas)
- Employee benefit costs increases will be minimal for FY23 and rise 5% to 7% per year thereafter
- Continued growth in High Needs student populations as a percentage of overall student population
- Utility and fuel budgets will trend with inflation rates
- Coastal resilience will become a larger factor in the development of our future capital and operating budgets
 - Will also affect property & casualty insurance rates

Results:

- A manageable decrease in General Fund reserves to address operating budgets over the next 5 years

General Fund Revenue Growth

	BUDGET	PROJECTED	CHANGE	
	FY 2022	FY 2023	\$	%
TOTAL PROPERTY TAXES	134,834,247	138,944,133	4,109,886	3.05%
TOTAL OTHER TAXES	8,777,804	9,412,000	634,196	7.22%
TOTAL STATE AID	16,665,713	17,042,000	376,287	2.26%
TOTAL CHARGES FOR SERVICES	1,833,500	2,078,500	245,000	13.36%
TOTAL FEES	856,700	948,500	91,800	10.72%
TOTAL FINES & PENALTIES	1,234,000	1,392,000	158,000	12.80%
TOTAL LICENSES	363,239	447,050	83,811	23.07%
TOTAL OTHER REVENUE	1,650,936	1,626,500	(24,436)	-1.48%
TOTAL PERMITS	1,415,345	1,537,200	121,855	8.61%
TOTAL SPECIAL ASSESSMENTS	111,000	236,000	125,000	112.61%
TOTAL TRANSFERS IN	12,650,995	13,242,680	591,685	4.68%
GRAND TOTAL REVENUE	180,393,479	186,906,563	6,513,084	3.61%

General Fund Revenue Allocation

	BUDGET	PROJECTED	CHANGE	
	FY 2022	FY 2023	\$	%
TOTAL SCHOOL ASSESSMENTS	11,221,320	11,781,515	560,195	4.99%
TOTAL EMPLOYEE BENEFITS	27,128,304	27,725,446	597,142	2.20%
TOTAL OTHER FIXED COSTS	11,293,720	12,070,455	776,735	6.88%
TOTAL STATE & COUNTY ASSESSMENTS	2,842,703	2,907,982	65,279	2.30%
TOTAL TRANSFERS	12,464,354	13,490,426	1,026,072	8.23%
TOTAL FIXED COSTS	64,950,401	67,975,824	3,025,423	4.66%
NET RESOURCES AVAILABLE FOR OPERATIONS	\$ 115,443,077	\$ 118,930,739	\$ 3,487,662	3.02%
	FY 2022 Base	FY 2023 Net Growth	FY 2023 Allocation	
Municipal Operations	\$ 41,922,178	\$ 1,395,065	\$ 43,317,243	
School Operations	\$ 73,520,899	\$ 2,092,597	\$ 75,613,496	
	\$ 115,443,077	\$ 3,487,662	\$ 118,930,739	



Questions?