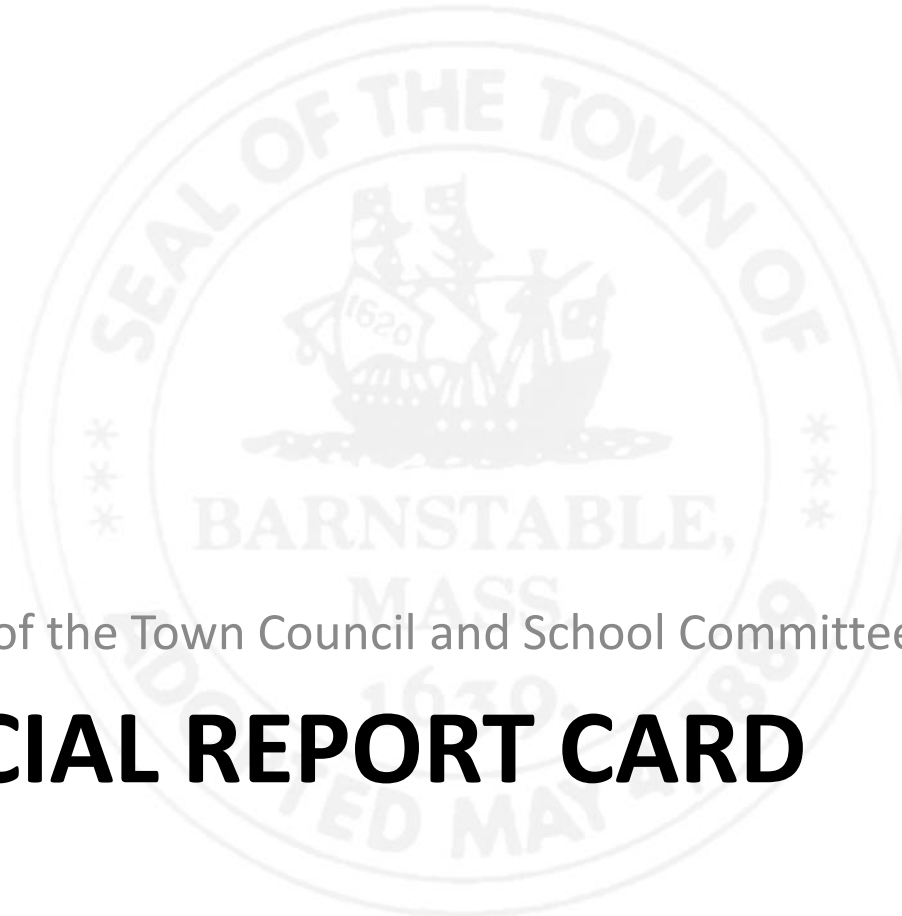


Update on the Financial Condition of the Town

Joint Meeting of the Town Council and
School Committee

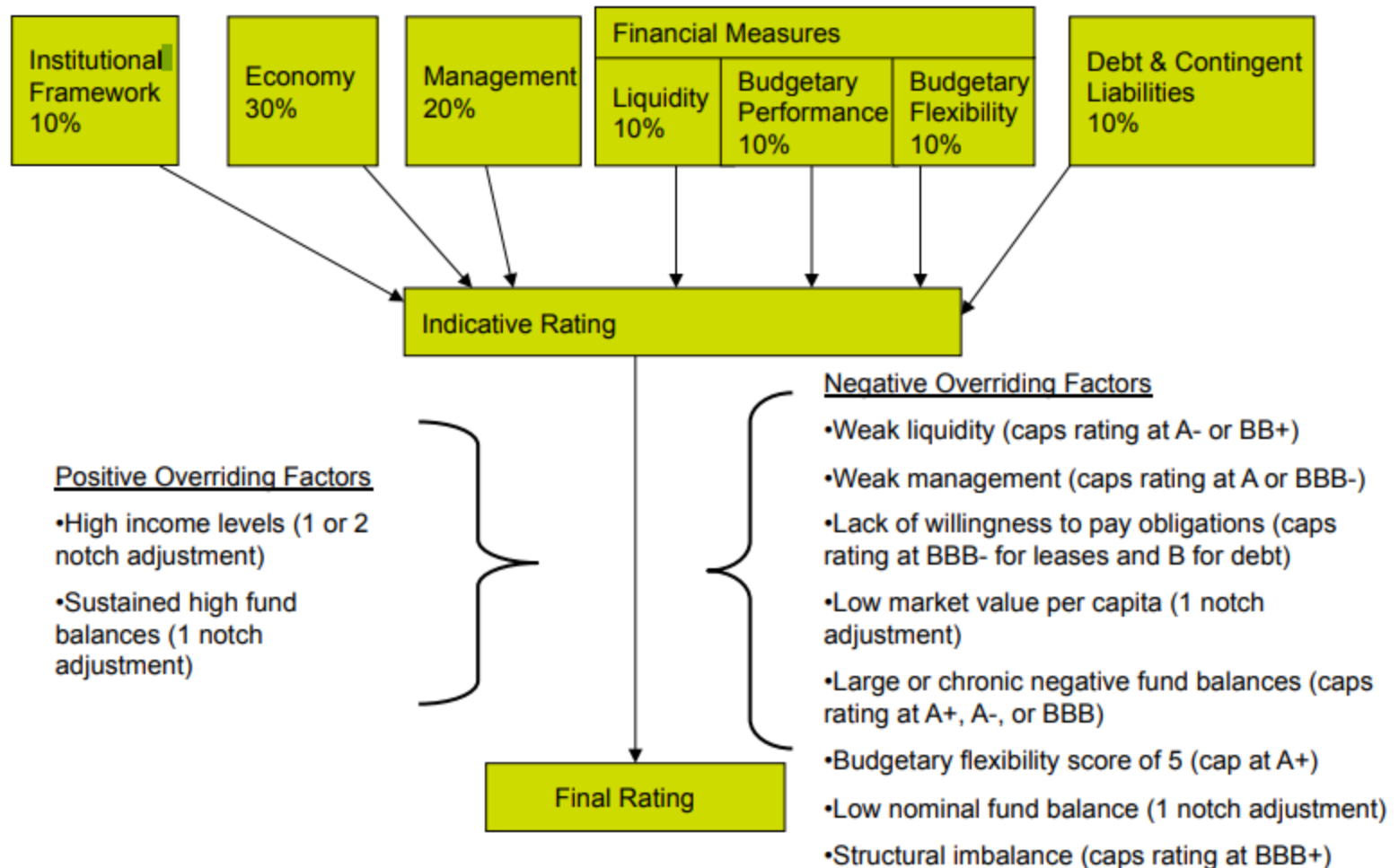
January 21, 2021



Joint Meeting of the Town Council and School Committee

FINANCIAL REPORT CARD

Standard & Poor's Analytical Framework

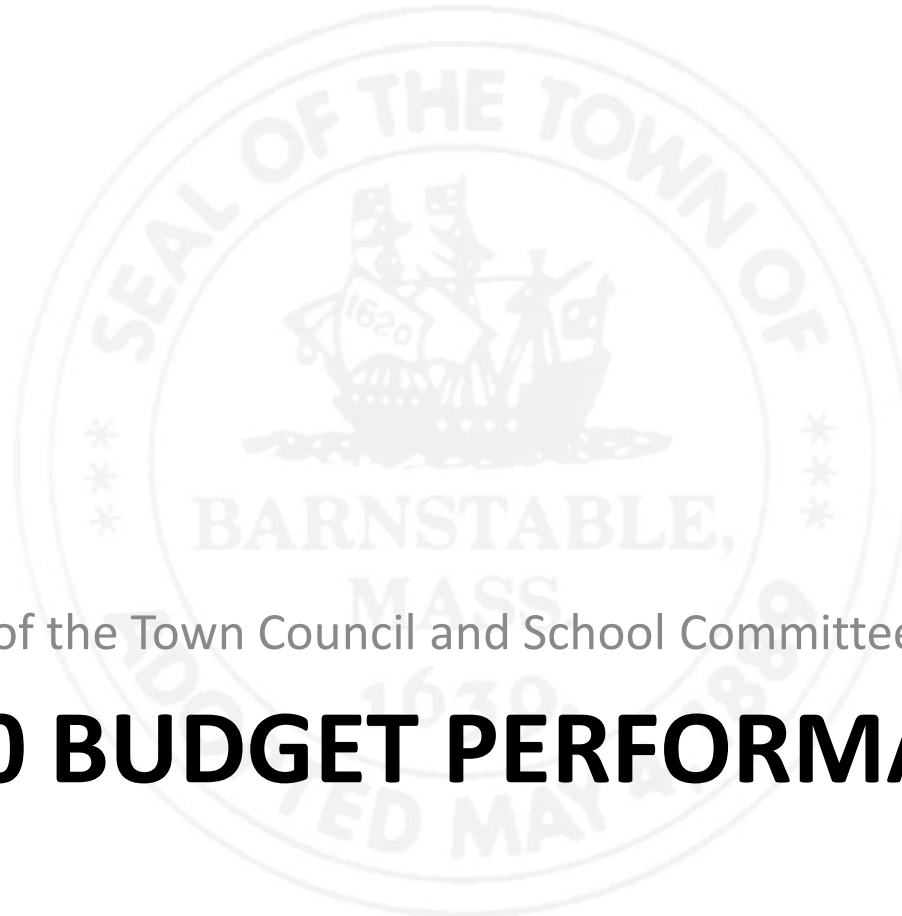


February 2020 Credit Rating AAA With a Stable Outlook

- Very Strong Economy (30%)
- Very Strong Management (20%)
- Very Strong Budget Flexibility and Strong Budgetary Performance (20%)
- Very Strong Liquidity (10%)
- Strong debt-and-contingent-liability profile (10%)
- Strong institutional framework (10%)

FY20 Comprehensive Annual Financial Report Highlights

- Unqualified or “clean” auditor’s opinion received
- Change in Net Position increased \$26 million
- Unassigned fund balance increased by \$5.4 million
- Governmental type fund balances increased \$10 million
- \$32 million invested in capital assets
- Share of County pension liability - \$117 million
- Other post-employment benefits liability - \$210 million
- Share of MTRS liability - \$147 million



Joint Meeting of the Town Council and School Committee

FY 2020 BUDGET PERFORMANCE

FY20 General Fund Revenue

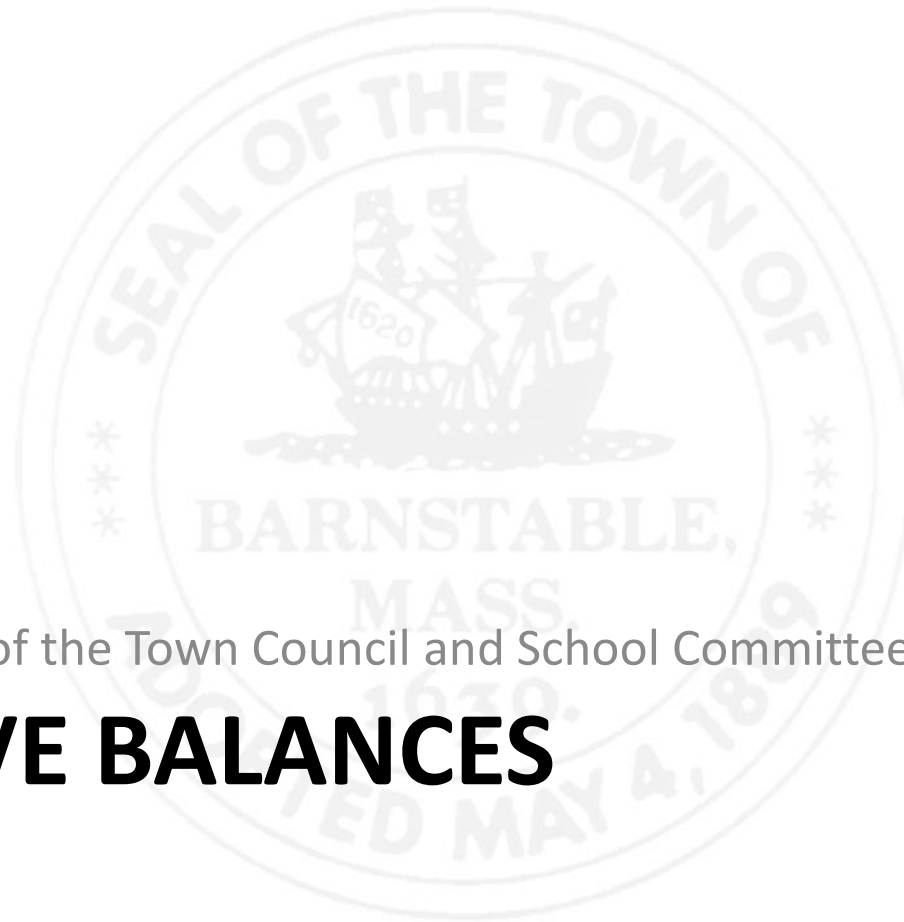
				Variance
				Favorable
	Budget	Actual		(Unfavorable)
Property taxes	\$ 127,255,503	\$ 127,629,338		\$ 373,835
Excise taxes	7,241,377	8,392,764		1,151,387
Hotel/Motel tax	1,950,000	1,950,148		148
Charges for services	2,081,500	2,128,463		46,963
Fines and penalties	1,534,000	1,811,954		277,954
Fees and rentals	1,038,200	1,139,526		101,326
Licenses and permits	2,200,400	2,356,368		155,968
Intergovernmental	17,127,258	17,053,399		(73,859)
Department and other	886,678	1,050,712		164,034
Special assessments	211,000	234,888		23,888
Investment income	400,000	907,966		507,966
Total Revenue	\$ 161,925,916	\$ 164,655,526		\$ 2,729,610

FY20 General Fund Expenditures

			Variance
			Favorable
	Budget	Actual	(Unfavorable)
Town Council	\$ 268,987	\$ 267,497	\$ 1,490
Town Manager	769,451	742,358	27,093
Education	69,802,978	68,897,953	905,025
Administrative Services	6,322,843	6,086,795	236,048
Planning & Development	2,085,304	1,971,244	114,060
Police	15,447,848	14,963,360	484,488
Licensing	165,398	159,801	5,597
Inspectional Services	2,140,557	2,067,891	72,666
Public Works	9,230,853	8,695,265	535,588
Snow and Ice Removal	975,000	432,077	542,923
Marine & Environmental S	1,268,947	1,169,609	99,338
Community Services	2,569,427	2,384,796	184,631
Other Requirements	50,467,108	49,432,226	1,034,882
Total Expenditures	\$ 161,514,701	\$ 157,270,873	\$ 4,243,828

FY20 Enterprise Fund Budget Performance

Enterprise Fund	Budgeted Surplus Used	Actual Surplus Generated (Used)	Variance Favorable (Unfavorable)
Airport	\$ -	\$ 723,807	\$ 723,807
Golf	\$ (150,016)	\$ (417,107)	\$ (267,091)
Solid Waste	\$ (515,383)	\$ (49,113)	\$ 466,270
Sewer	\$ -	\$ 830,609	\$ 830,609
Water	\$ (1,120,000)	\$ (604,346)	\$ 515,654
Marinas	\$ (39,449)	\$ 84,819	\$ 124,268
Sandy Neck	\$ (39,404)	\$ (27,156)	\$ 12,248
Hyannis Youth & Comm. Ctr.	\$ (132,841)	\$ (12,832)	\$ 120,009
Public, Education & Govt. TV	\$ (39,860)	\$ 187,058	\$ 226,918



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RESERVE BALANCES

Certified Free Cash

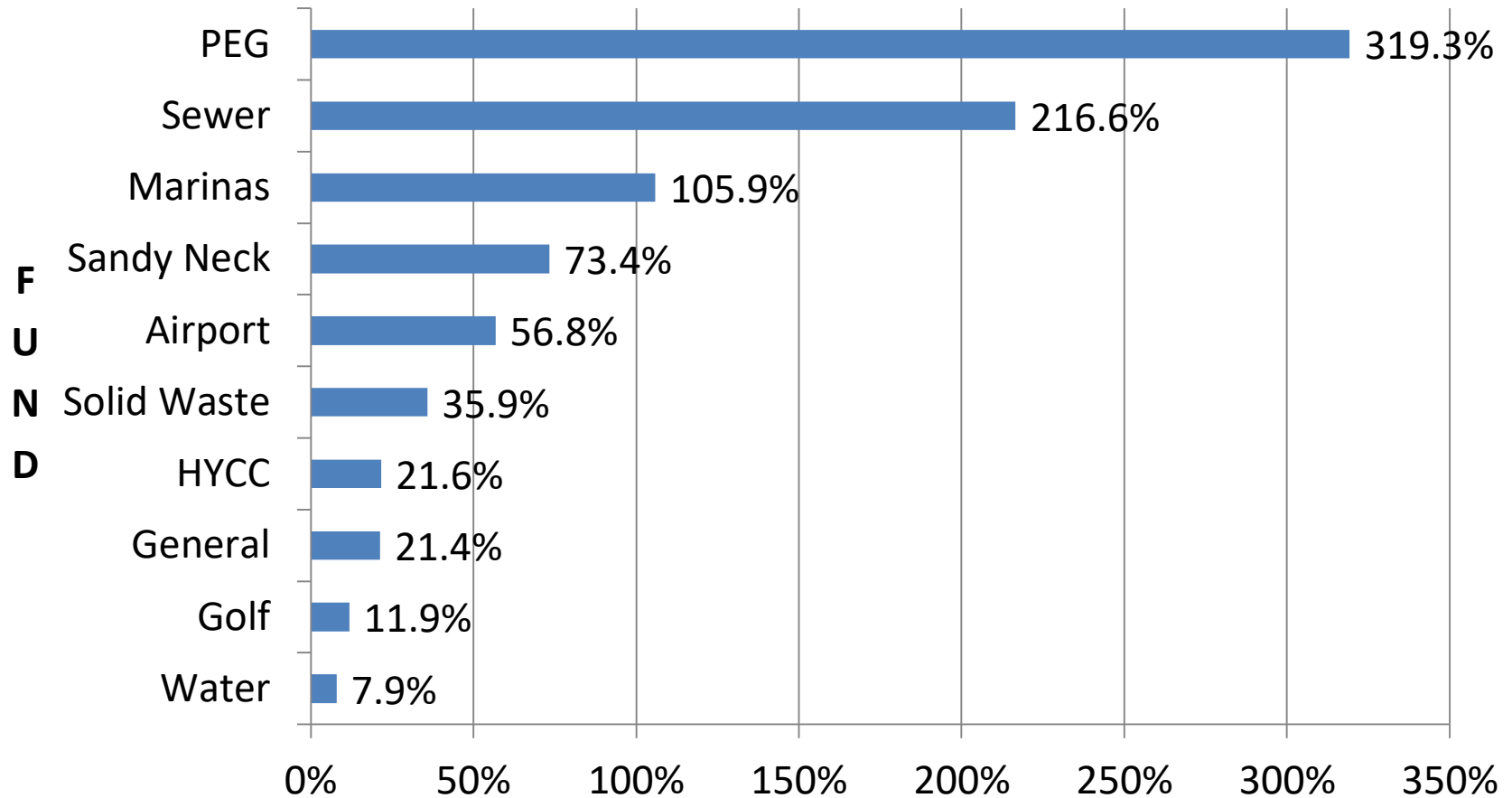
As Of June 30, 2020

Fund	Amount
Golf	\$ 433,134
Water	\$ 622,194
Sandy Neck	\$ 705,282
Hyannis Youth & Community Center	\$ 724,944
Marinas	\$ 834,302
Solid Waste	\$ 1,284,194
Public, Education & Govt. Access Channels	\$ 2,685,352
Airport	\$ 3,885,899
Sewer	\$ 9,942,322
General	\$ 18,524,376
Total	\$ 39,641,999

History Of Free Cash Used & Generated

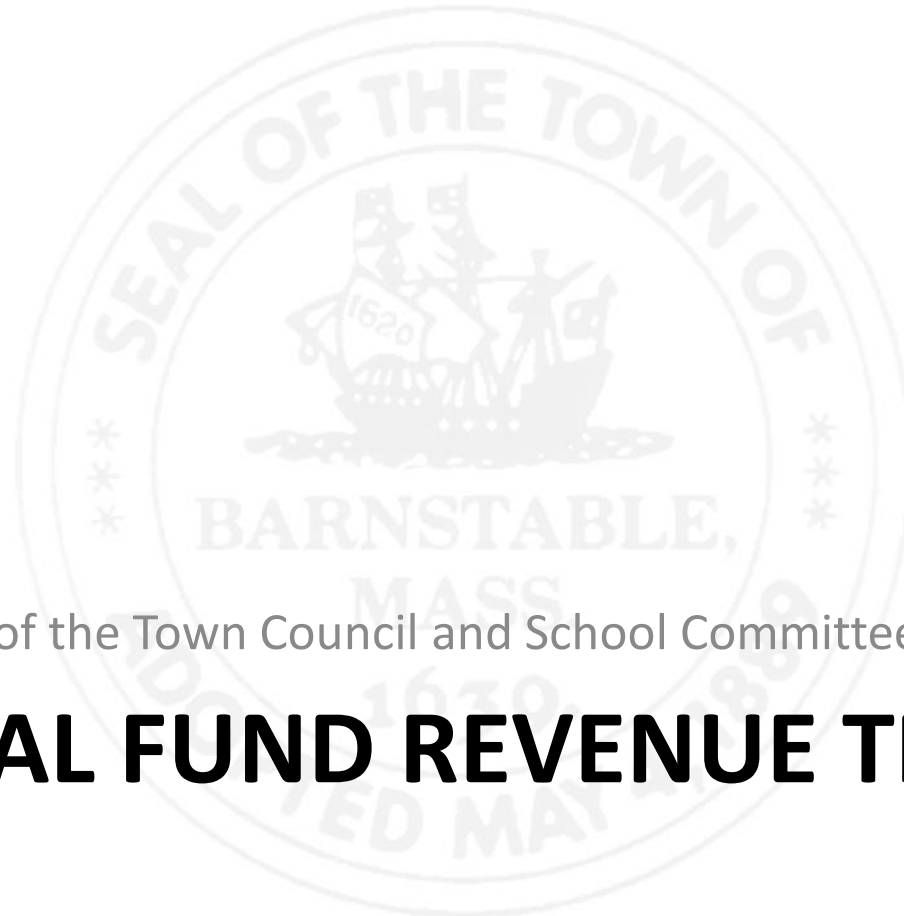
<u>Certification Date:</u>	<u>Beginning</u>	<u>Used For:</u>		<u>Generated</u>	<u>Ending</u>
	<u>Balance</u>	<u>Operations</u>	<u>Capital</u>		<u>Balance</u>
July 1, 2011	10,746,572	(1,195,000)	(2,000,000)	4,768,613	12,320,185
July 1, 2012	12,320,185	(687,330)	-	5,639,538	17,272,393
July 1, 2013	17,272,393	(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 2, 2020	14,688,744	(2,870,726)	(233,554)	6,939,912	18,524,376
	Average	(2,924,930)	(1,535,371)	4,946,680	

Reserves as a Percentage of Operating Budget



Largest Trust Funds

Fund	Purpose	Balance June 30, 2020
Cobb	Education	\$ 11,069,285
Kirkman	Cemeteries and Libraries	\$ 6,096,403
OPEB	Retirees Health Insurance	\$ 5,755,361
Cemetery Perpetual Care	Cemeteries	\$ 3,385,231
Affordable Housing & Economic Development	Affordable Housing & Economic Development	\$ 2,550,646
Pension Stabilization	Offset unfunded pension liability	\$ 1,760,302
Lombard	Assistance for the community's poor	\$ 517,041

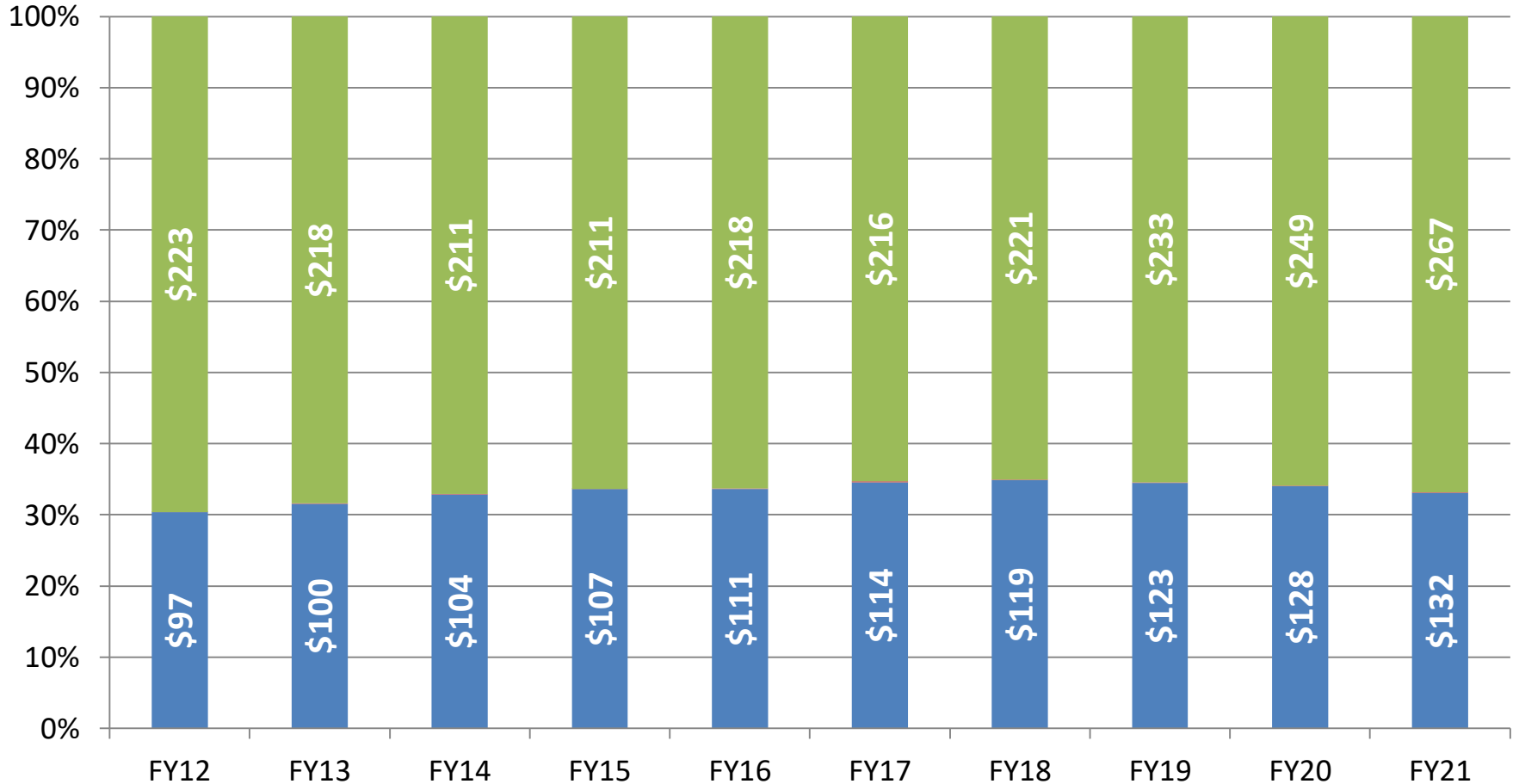


Joint Meeting of the Town Council and School Committee

GENERAL FUND REVENUE TRENDS

Tax Levy Growth & Override Capacity

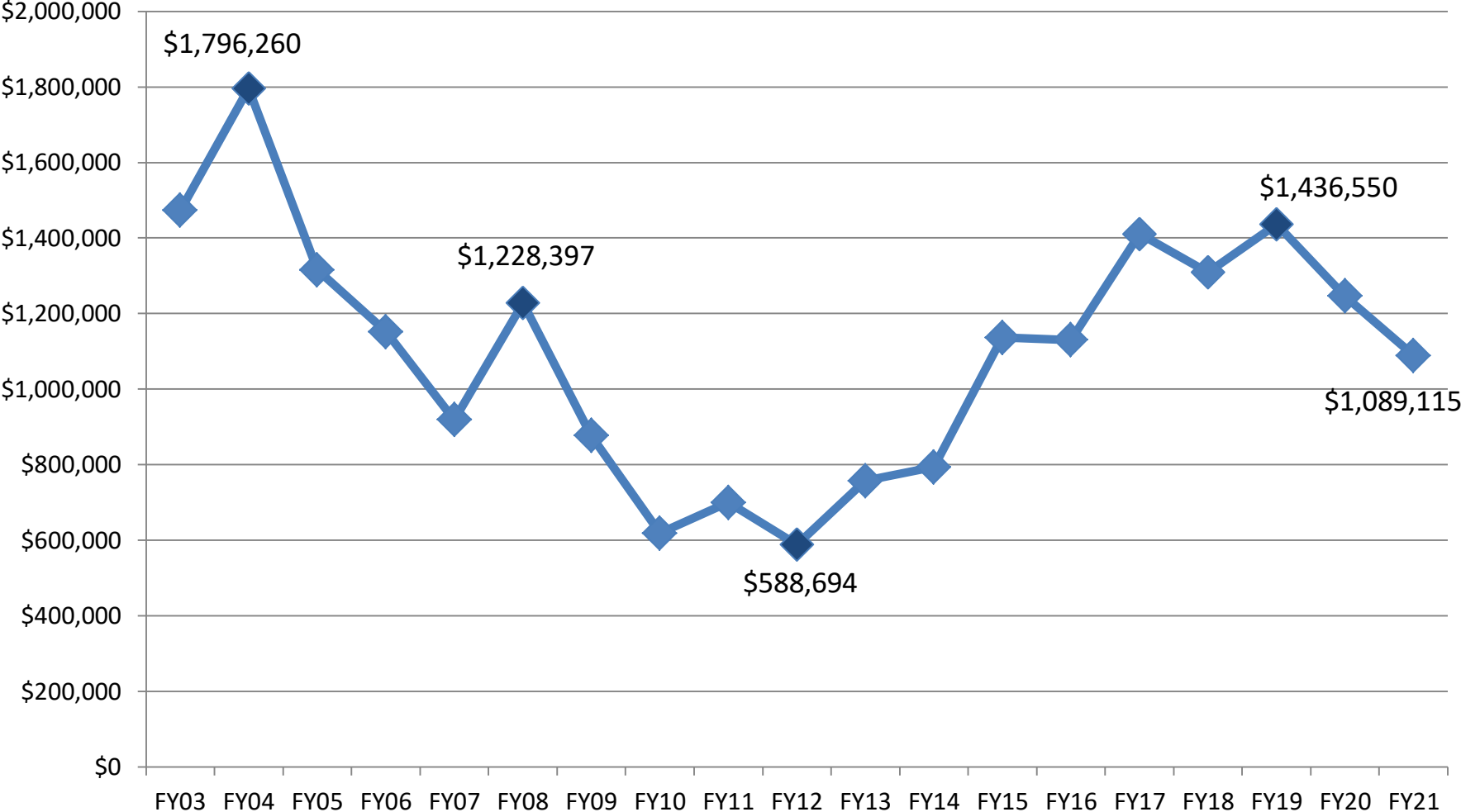
■ Tax Levy ■ Override Capacity



Largest Taxpayers

Name	Property Description	FY 2021 Assessed Value	% of Total AV
Eversource	Utility	\$ 167,822,890	1.05 %
Mayflower Cape Cod LLC	Shopping Center	137,383,760	0.86
National Grid (Colonial Gas)	Utility	54,126,800	0.34
Festival of Hyannis LLC	Shopping Center	41,961,900	0.26
OCW Retail Hyannis LLC	Shopping Center	38,095,900	0.24
GS Barnstable Landowner LLC	Apartments	36,095,900	0.23
Oyster Harbors Club Inc.	Country Club/Land	29,875,940	0.19
Cape Cod Five Cents Savings Bank	Bank	28,420,200	0.18
Indian Point Family Partnership	Various Residential	25,607,500	0.16
Wianno Club	Country Club/Land	23,802,100	0.15
	Total	\$ 583,887,490	3.65 %

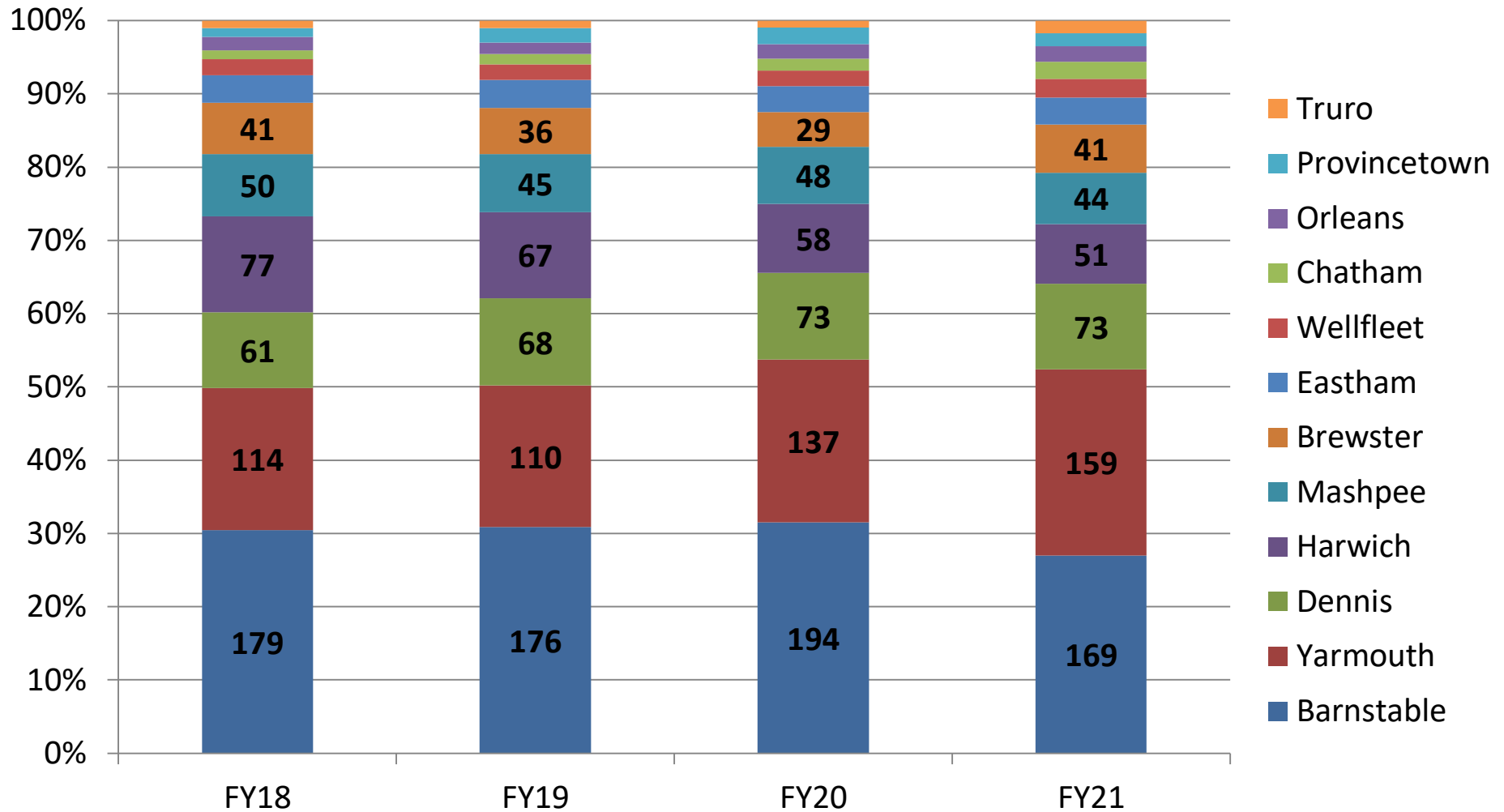
New Property Tax Growth



Property Tax Debt Exclusions

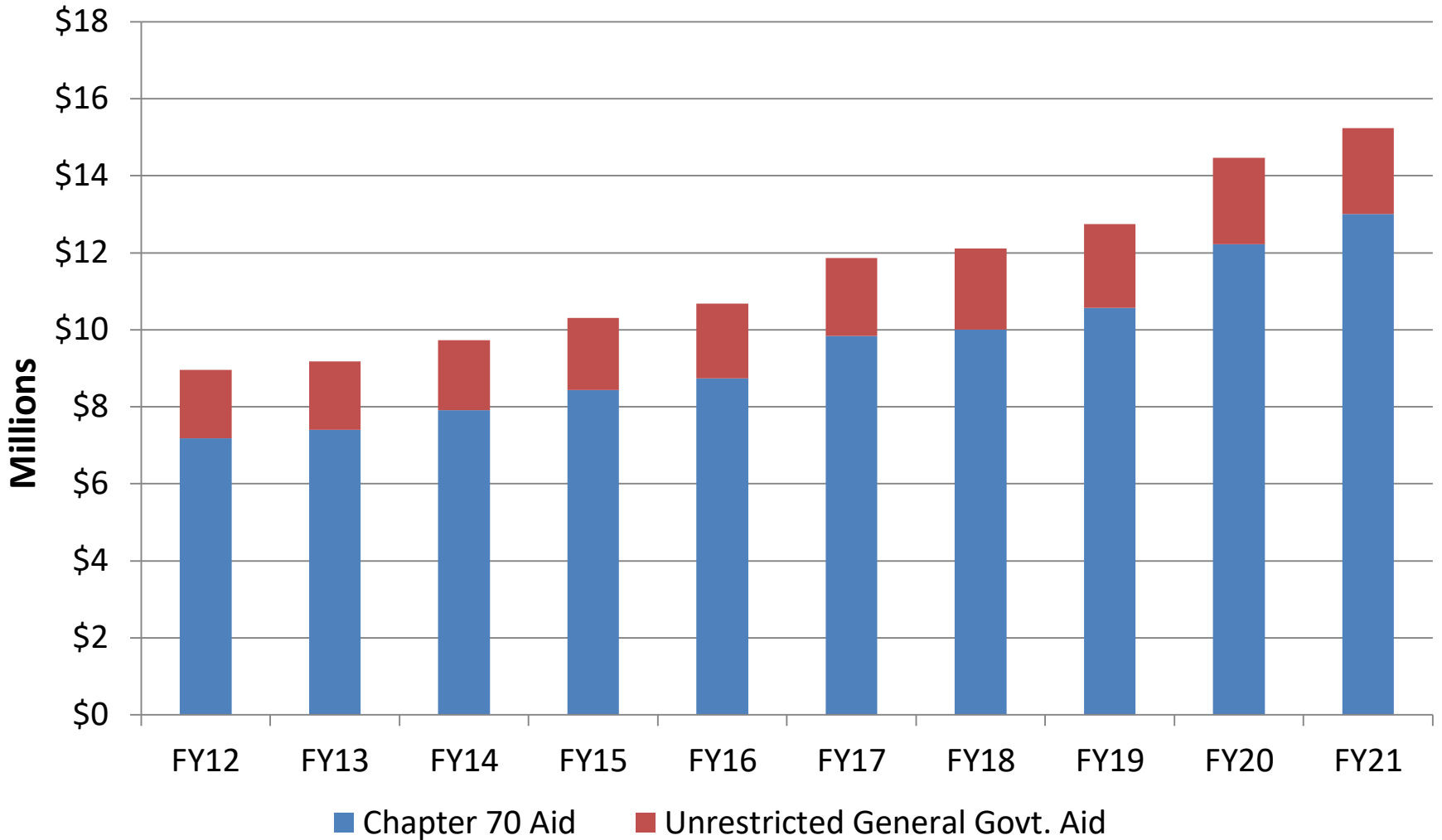
Fiscal Year	Local School Bond Payments	Less: MSBA Funding	Cape Cod Regional Tech HS	Net Amount Added to Tax Levy
FY15	\$4,804,578	(\$3,509,126)		\$1,295,452
FY16	\$4,465,003	(\$3,018,762)		\$1,446,241
FY17	\$4,420,853	(\$3,018,756)		\$1,402,097
FY18	\$4,367,653	(\$3,018,750)		\$1,348,903
FY19	\$4,318,972	(\$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	Projected		\$1,688,805	\$1,688,805

CCRTHS Student Enrollment History

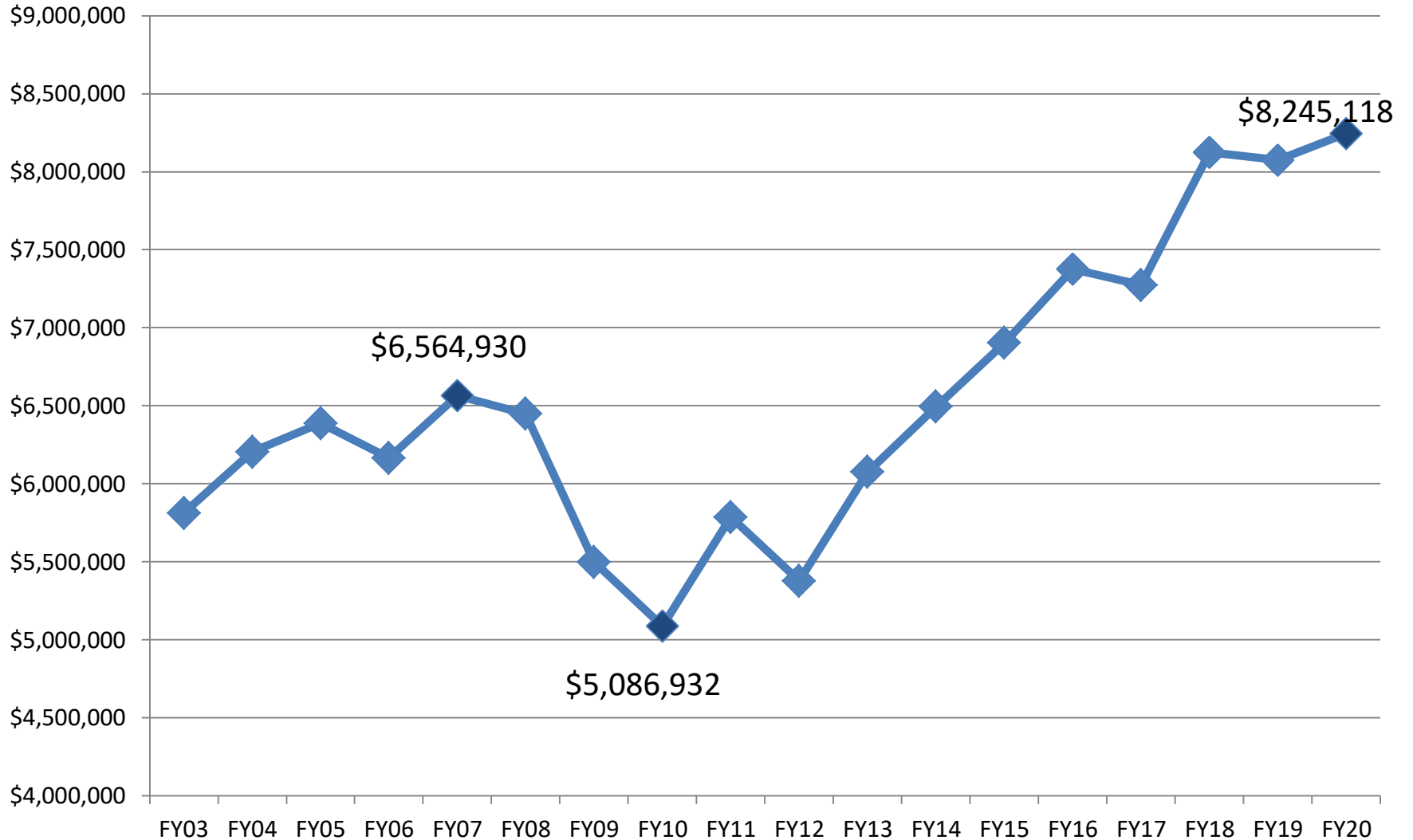


Annual assessment for CCRTHS construction based on percentage of enrollment.

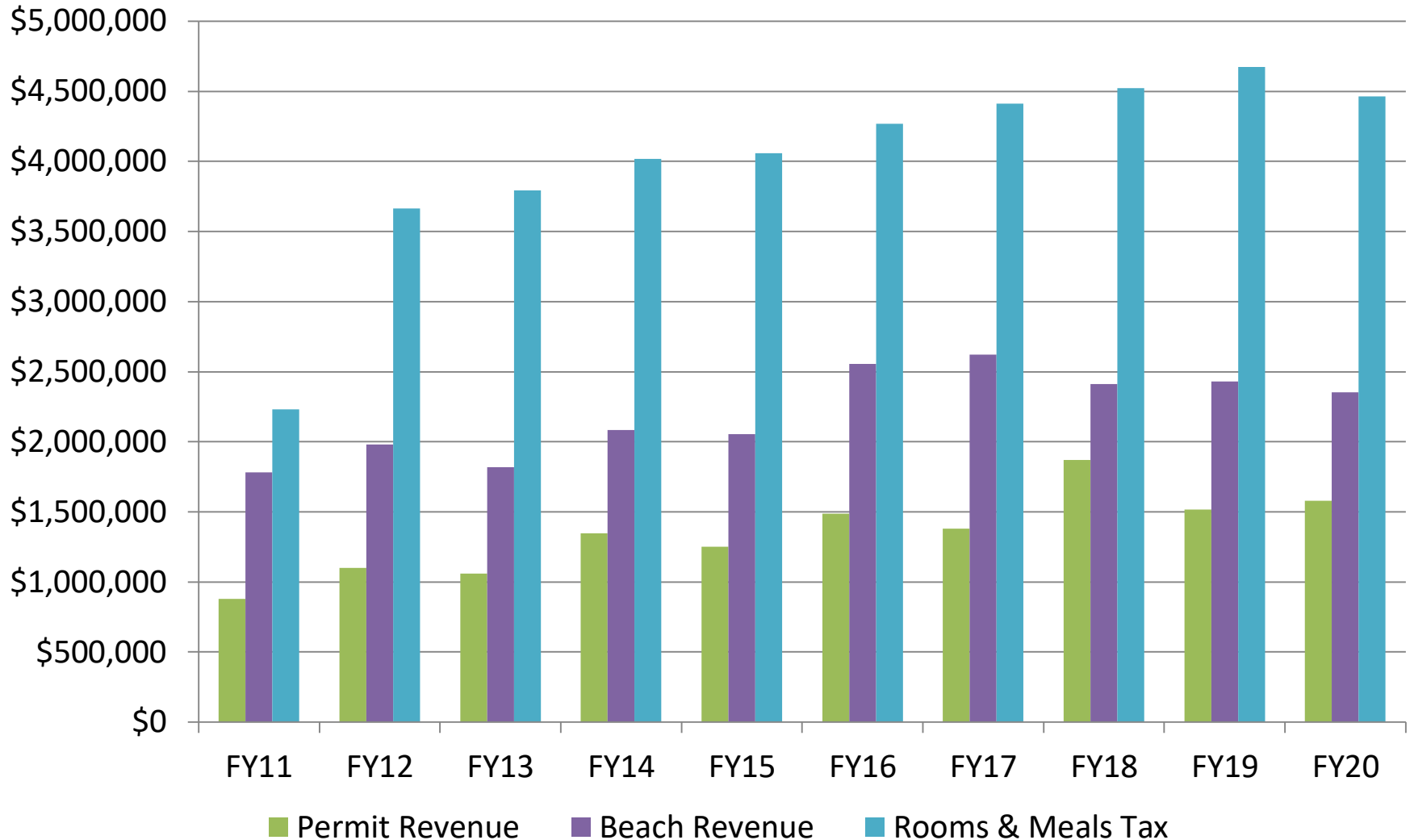
General Fund State Aid

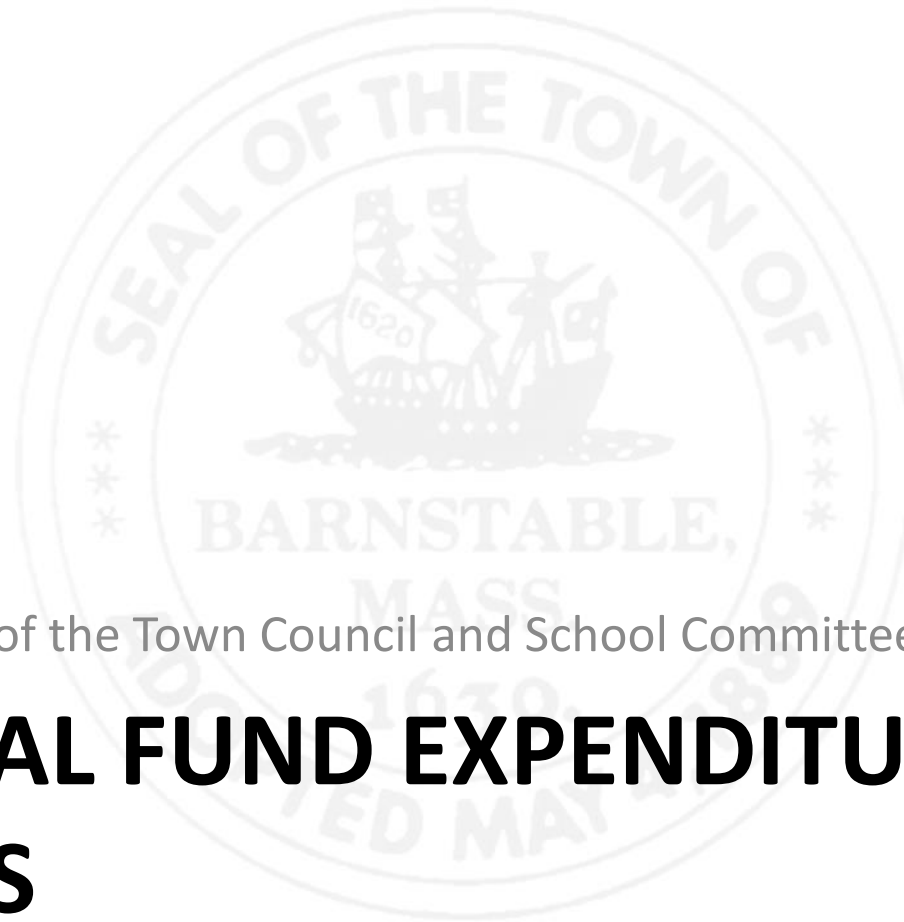


Motor Vehicle Excise Tax



Other Major Local Revenue

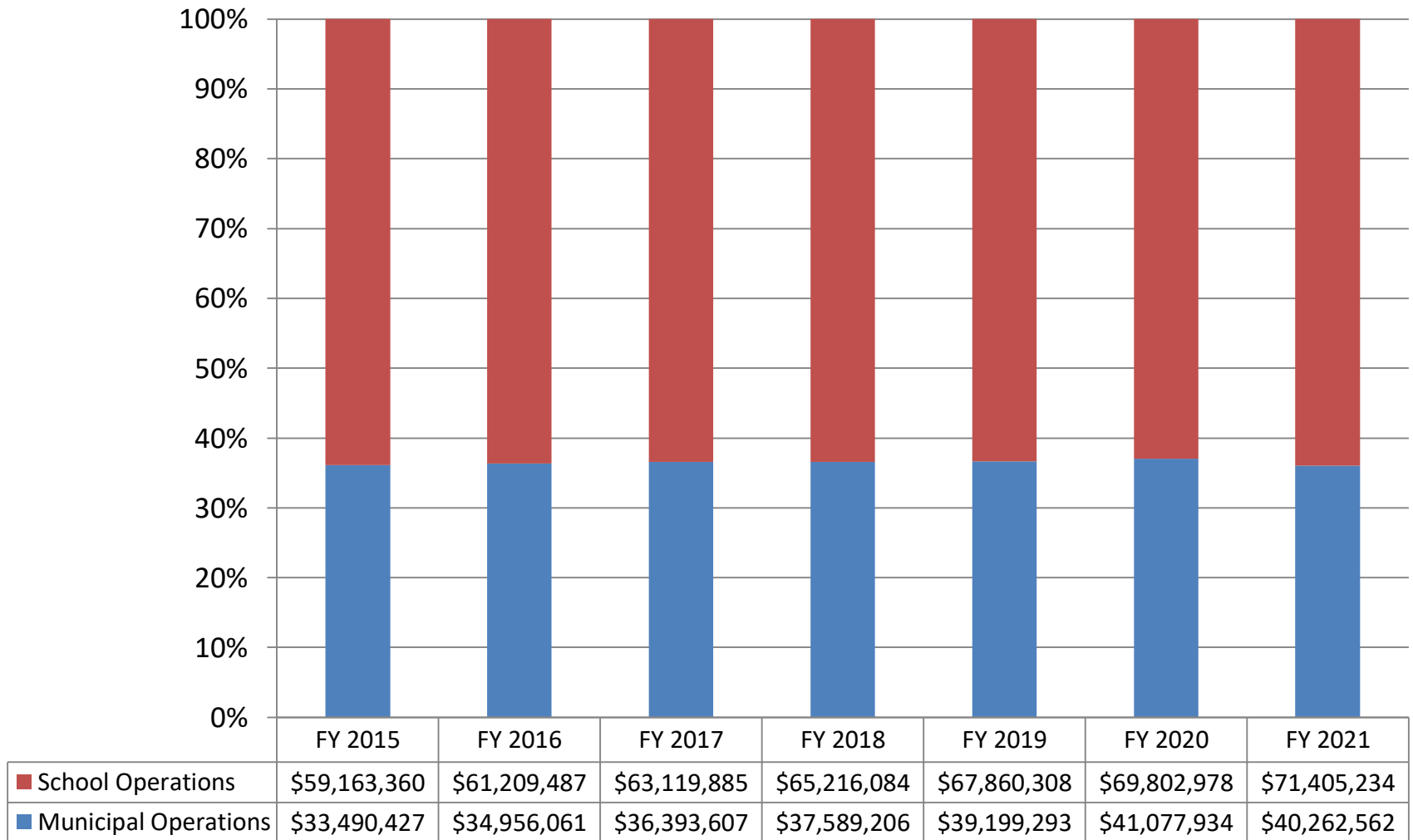




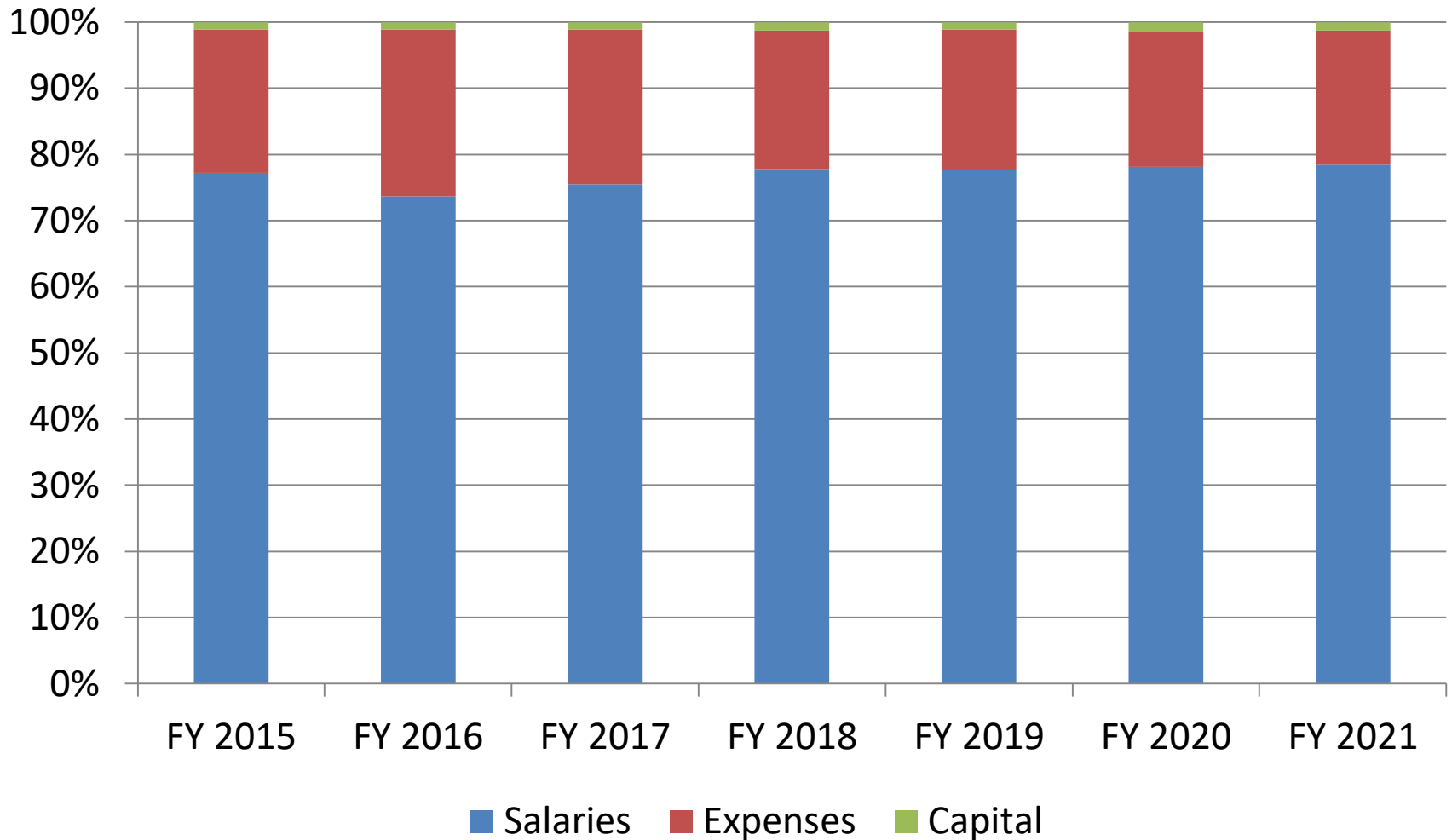
Joint Meeting of the Town Council and School Committee

GENERAL FUND EXPENDITURE TRENDS

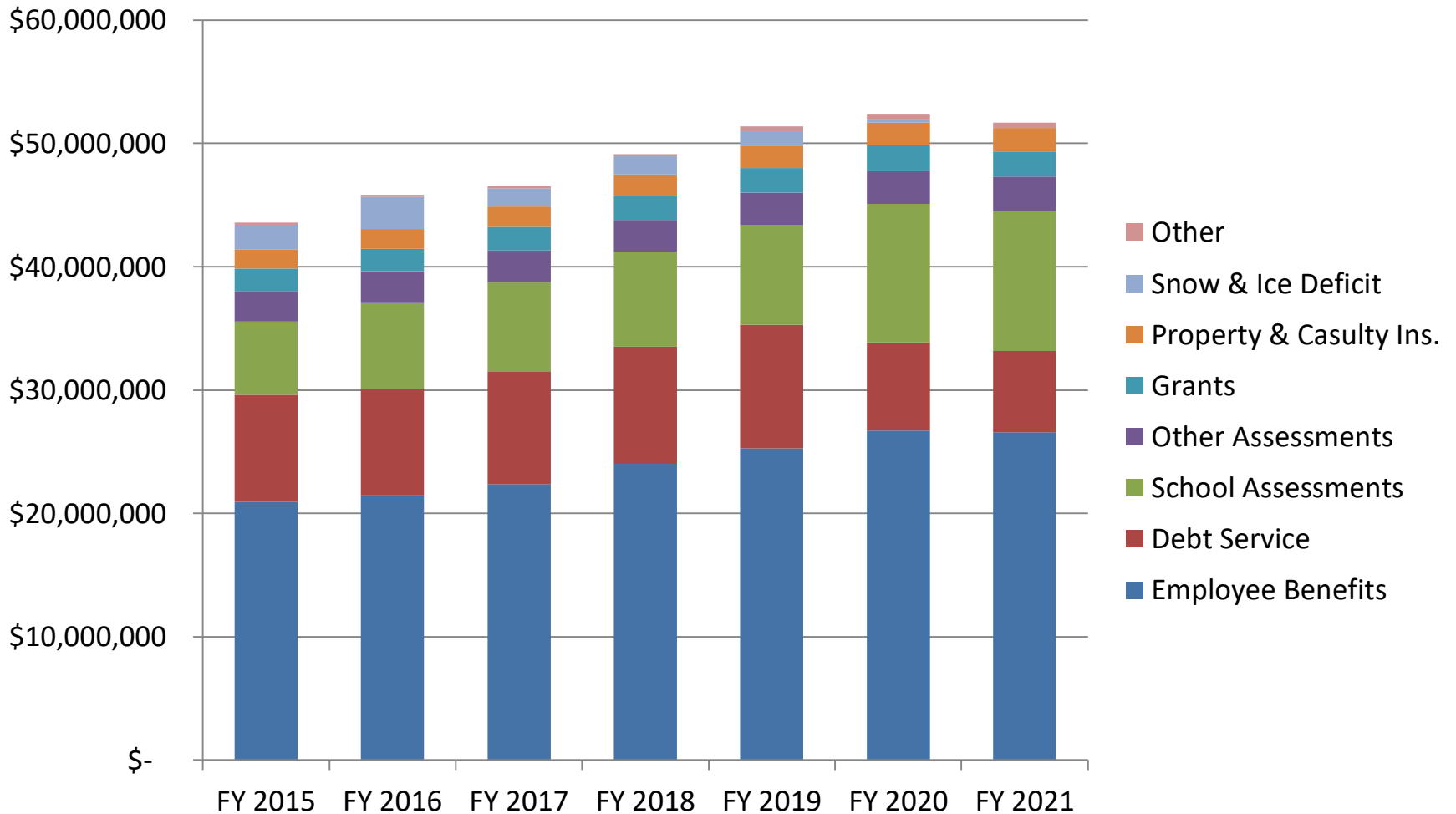
Operating Budget Allocation

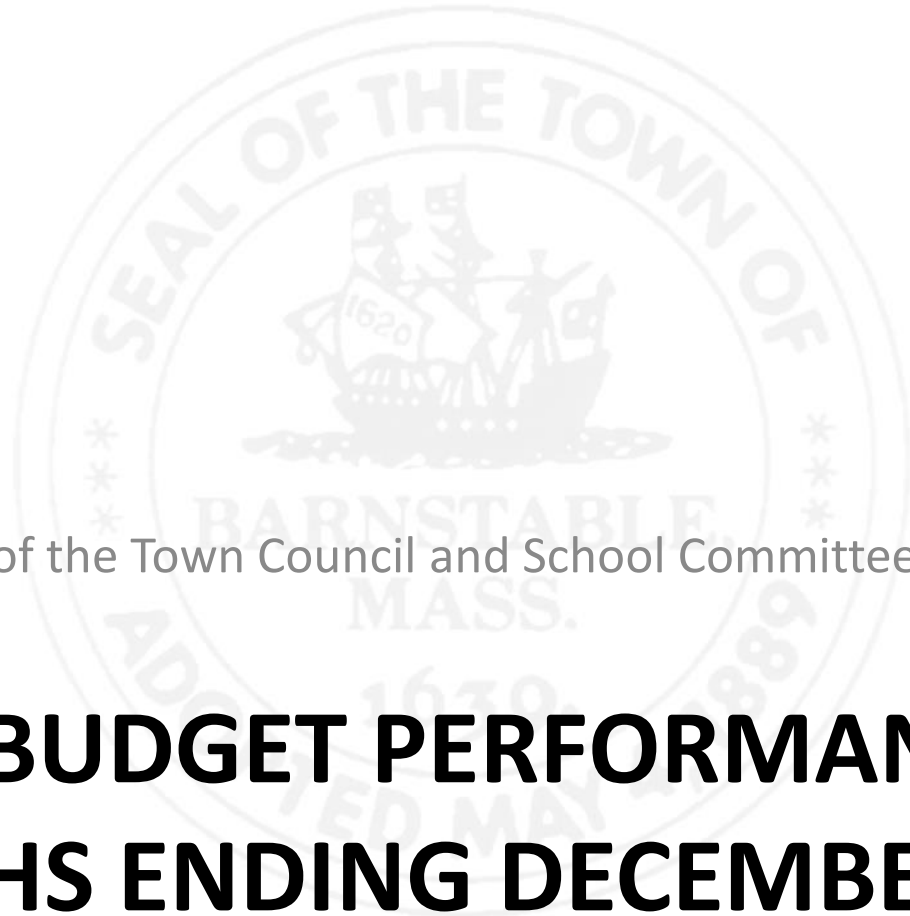


General Fund Operating Budgets By Major Category



Budget History - Fixed Costs



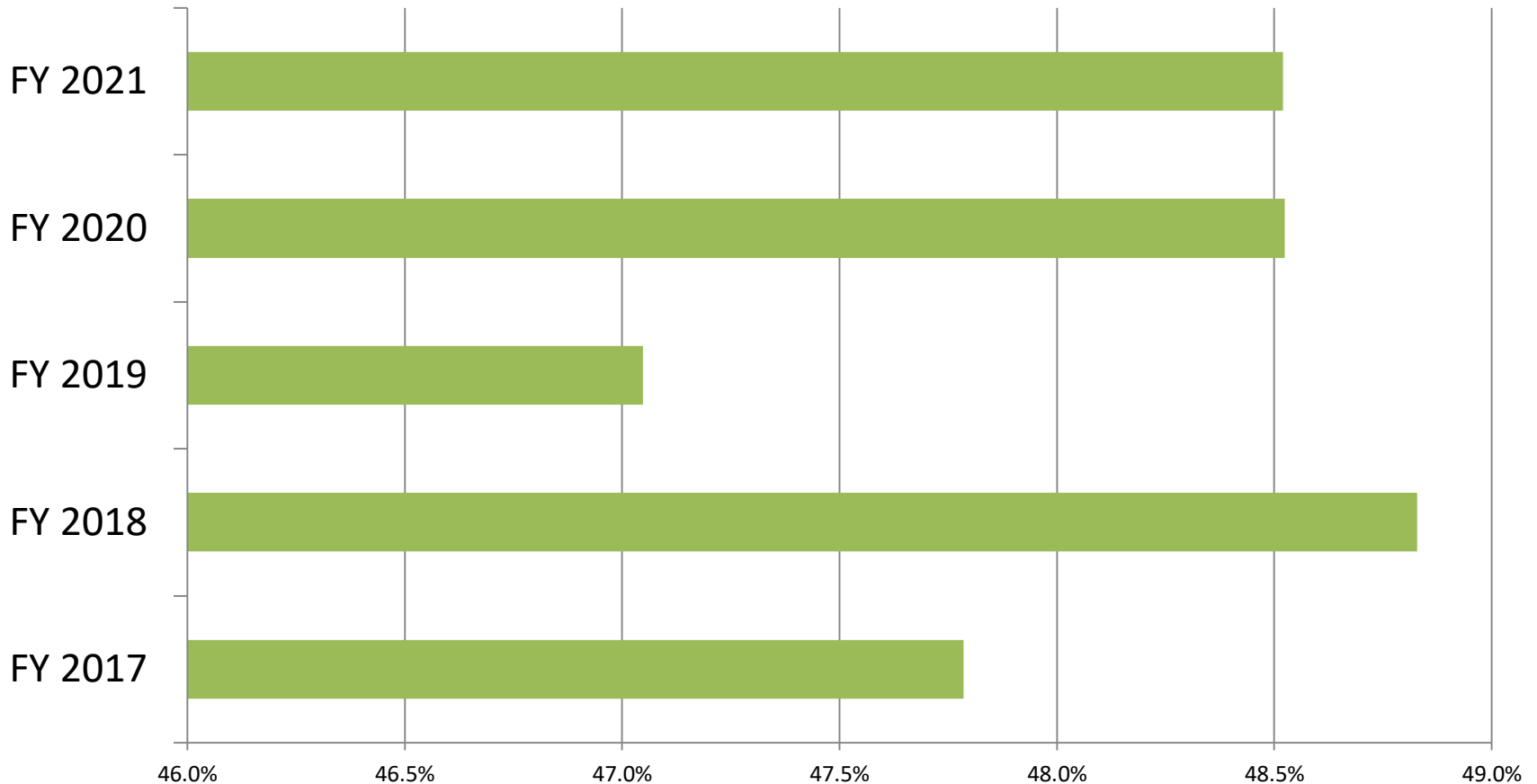


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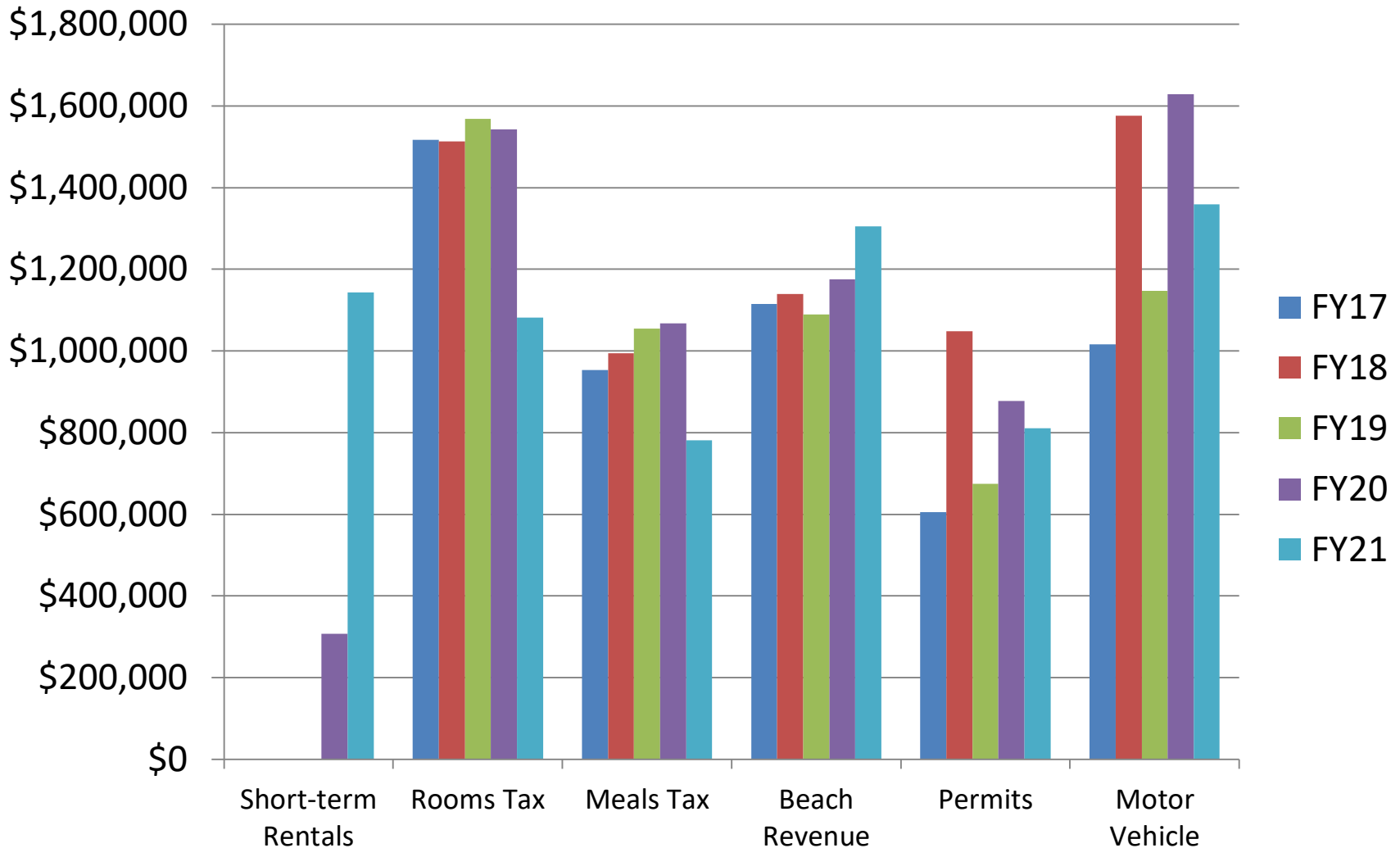
FY 2021 BUDGET PERFORMANCE 6 MONTHS ENDING DECEMBER 31

Property Tax Collections – 6 Months

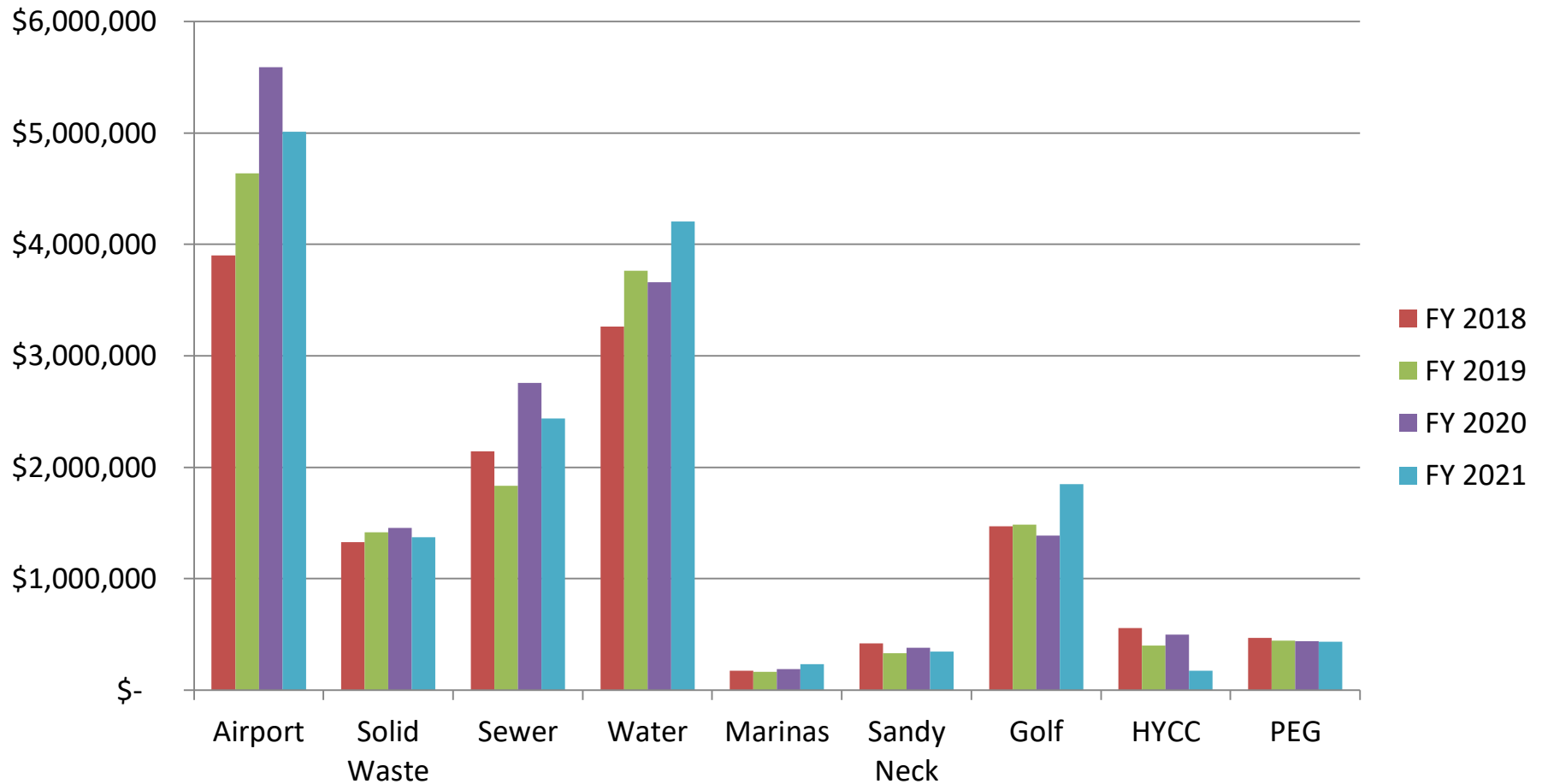
Percent collected



Other General Fund Revenue As Of December 31

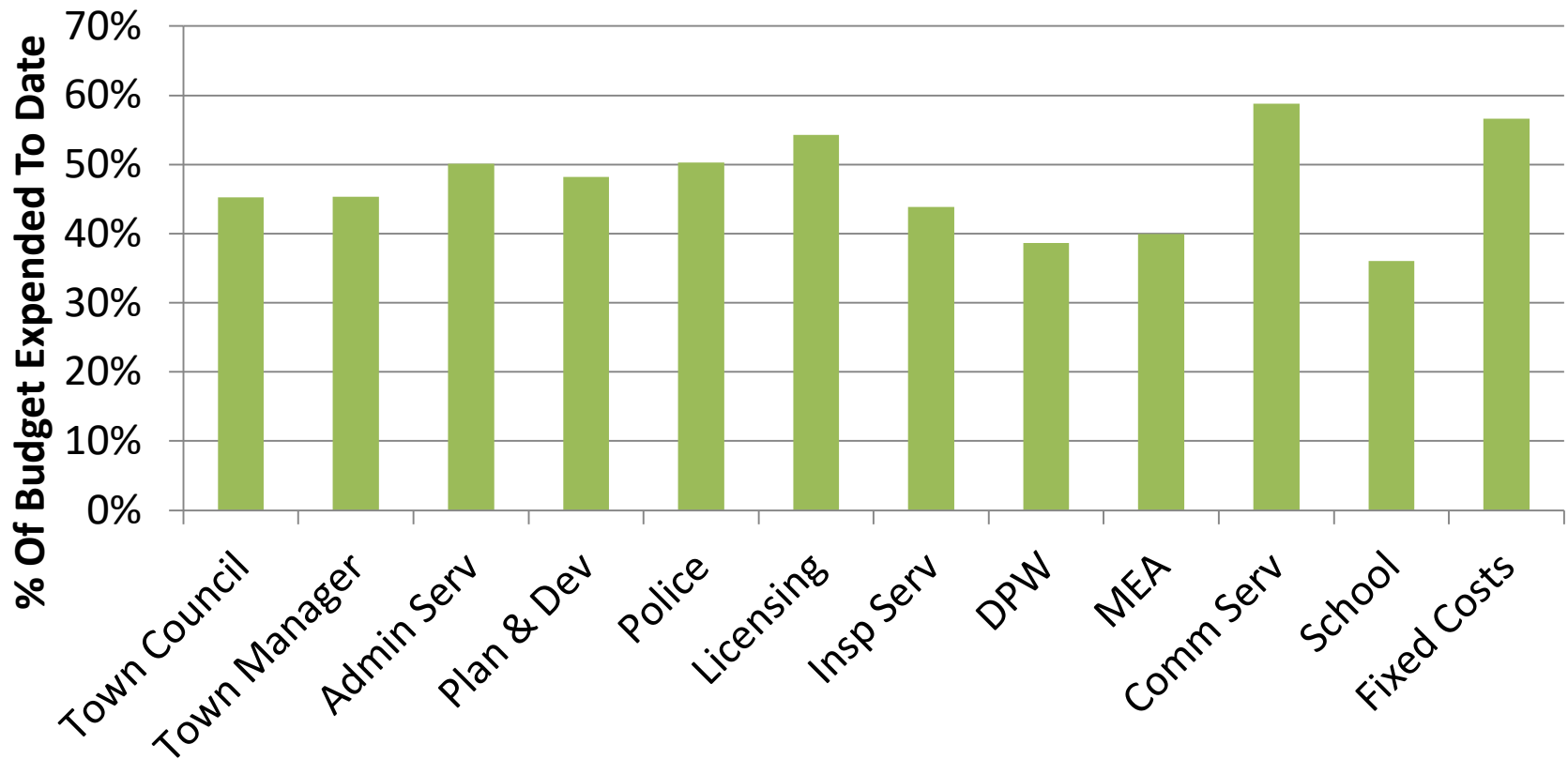


Enterprise Fund Revenue As Of December 31



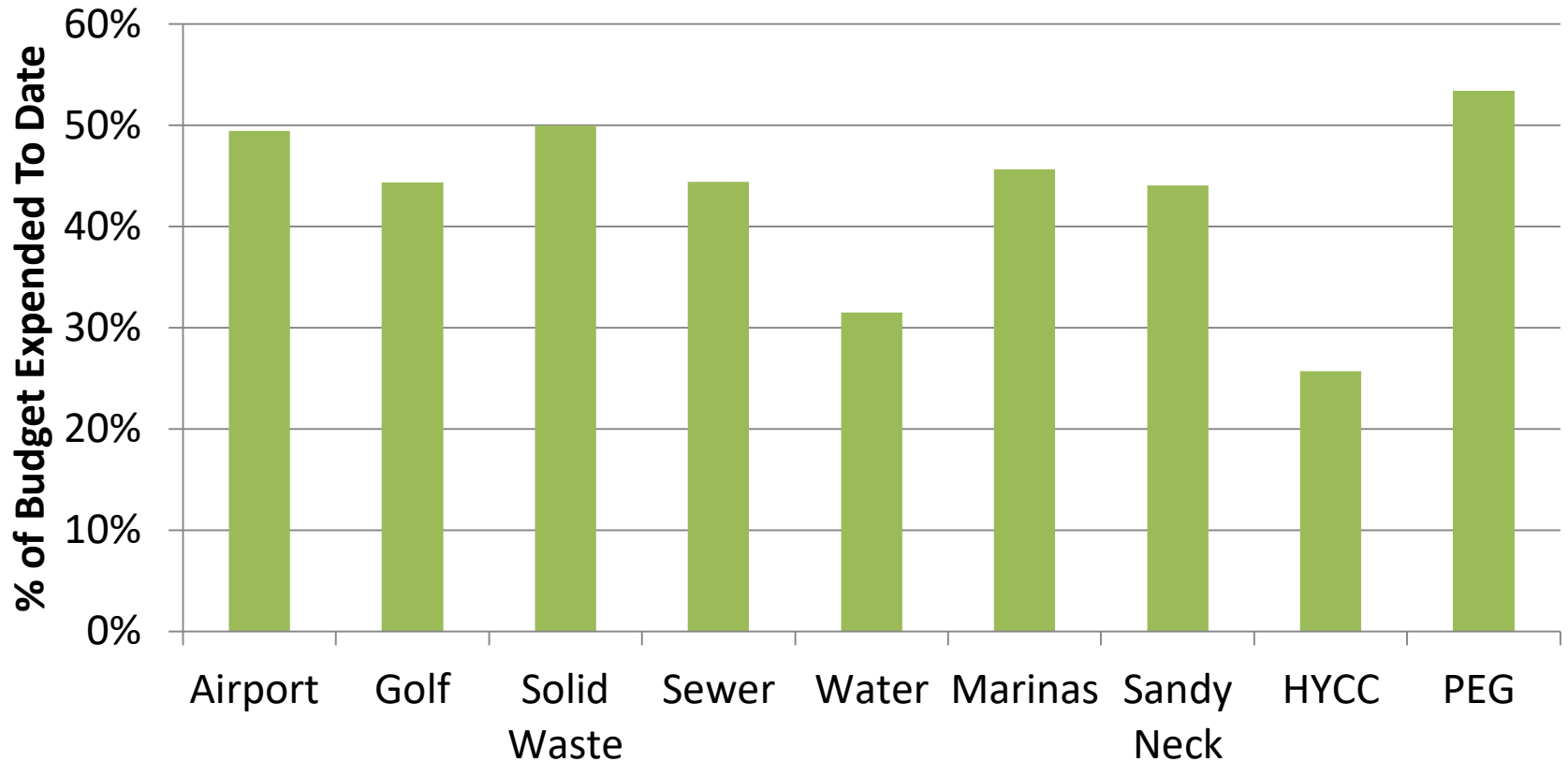
FY 2021 General Fund Operating Budget

As Of December 31



FY 2021 Enterprise Fund Operating Budgets

As Of December 31



COVID Grants Awarded To Date

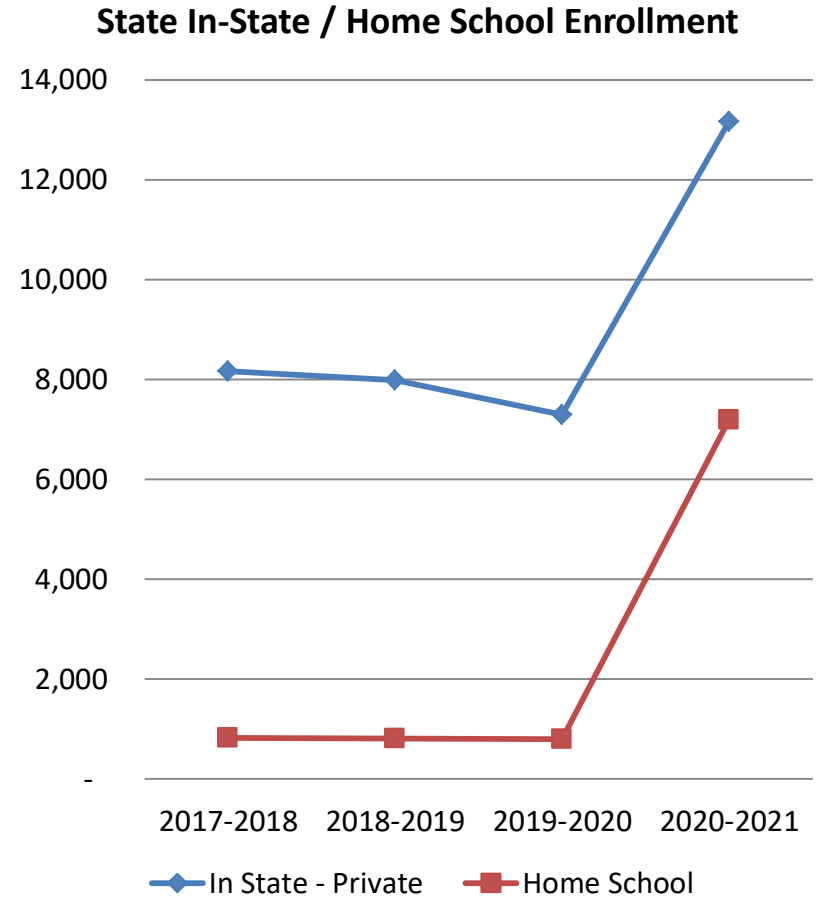
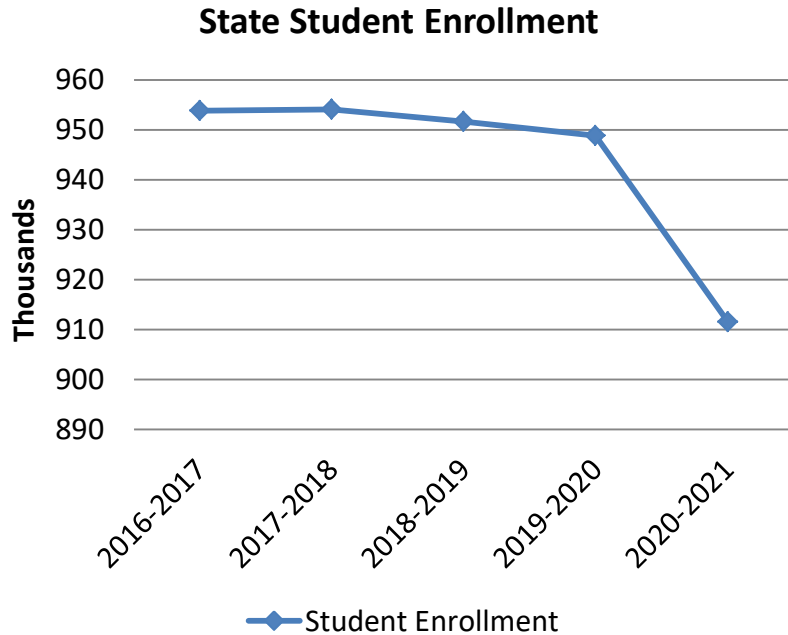
Agency	Amount	Spent/Committed To Date	Purpose
Federal Aviation Administration	\$17,561,406	\$1,359,190	Any operating or capital expense associated with operating the airport.
Housing & Urban Development	\$682,259	\$ 140,000	Childcare, food security, small business support, housing assistance, economic development
Barnstable County – pass through from USEDA	\$34,022	\$34,022	Public Health staffing
US Dept, of Justice	\$74,598	\$74,598	Police staffing & equipment
Elementary and Secondary School Emergency Relief Fund	\$776,984	\$776,984	Classroom equipment, Chromebooks
Coronavirus Relief Fund School Program	\$1,157,400	\$933,000	Technology, classroom equipment, temporary staffing
Coronavirus Relief Fund Municipal Program	\$3,919,936	\$1,787,966	PPE, remote workforce, testing, staffing, signage, social distance measures, cleaning/disinfecting buildings



Joint Meeting of the Town Council and School Committee

STUDENT ENROLLMENT AND SCHOOL SPENDING TRENDS

Massachusetts Student Enrollment

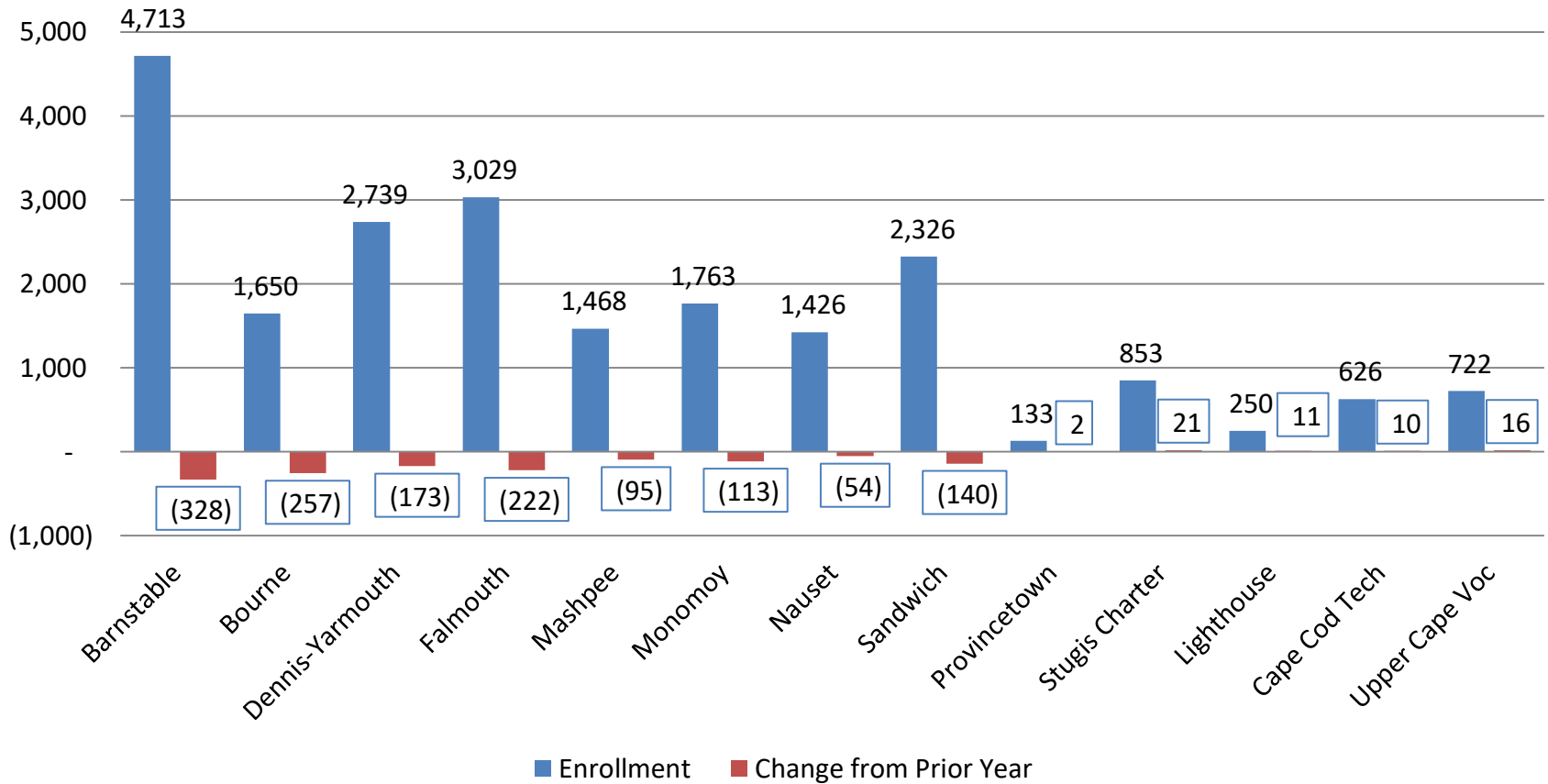


Source: <https://profiles.doe.mass.edu/statereport/enrollmentbygrade.aspx>

- Loss of 37,000 students statewide in 2020-2021

Cape Cod Enrollment

Cape Cod Districts SY20/21 – Enrollment Changes



Barnstable Students - Public School Enrollment

District	2014	2015	2016	2017	2018	2019	2020	2021
Barnstable	5,194	5,224	5,204	5,238	5,177	5,081	5,041	4,713
Regional Technical HS	168	168	177	173	179	177	194	169
Commonwealth Charter	212	228	234	223	222	241	267	301
Net School Choice Send (Receive)	(5)	48	53	54	118	130	132	137*
Total	5,569	5,668	5,668	5,668	5,696	5,629	5,634	5,320

Sources:

<http://profiles.doe.mass.edu/>

<http://www.doe.mass.edu/finance/chapter70/>

<http://www.doe.mass.edu/charter/finance/tuition/>

<http://www.doe.mass.edu/finance/schoolchoice/>

Barnstable Students Enrollment Change

Barnstable	
Enrollment 2019-2020	5,041
Private Schools	(96)
Home School	(133)
Other Public Schools	(14)
Other	(85)
Enrollment 2020-2021	4,713

In the Town of Barnstable our students have transferred to private schools and homeschooling consistent with state trends. Some highlights from our reporting are as follows:

- Residents attending private schools increased by 96 students. The largest increases are represented below.
 - Cape Cod Academy: +53 students
 - St. John Paul High School: +20 students
 - Academy of Early Learning: +10 students
- Residents opting for homeschooling has increased 100% over last year:
 - 91 students in FY20
 - 224 students as of October 9, 2020

Sources:

<http://profiles.doe.mass.edu/>

<http://www.doe.mass.edu/finance/chapter70/>

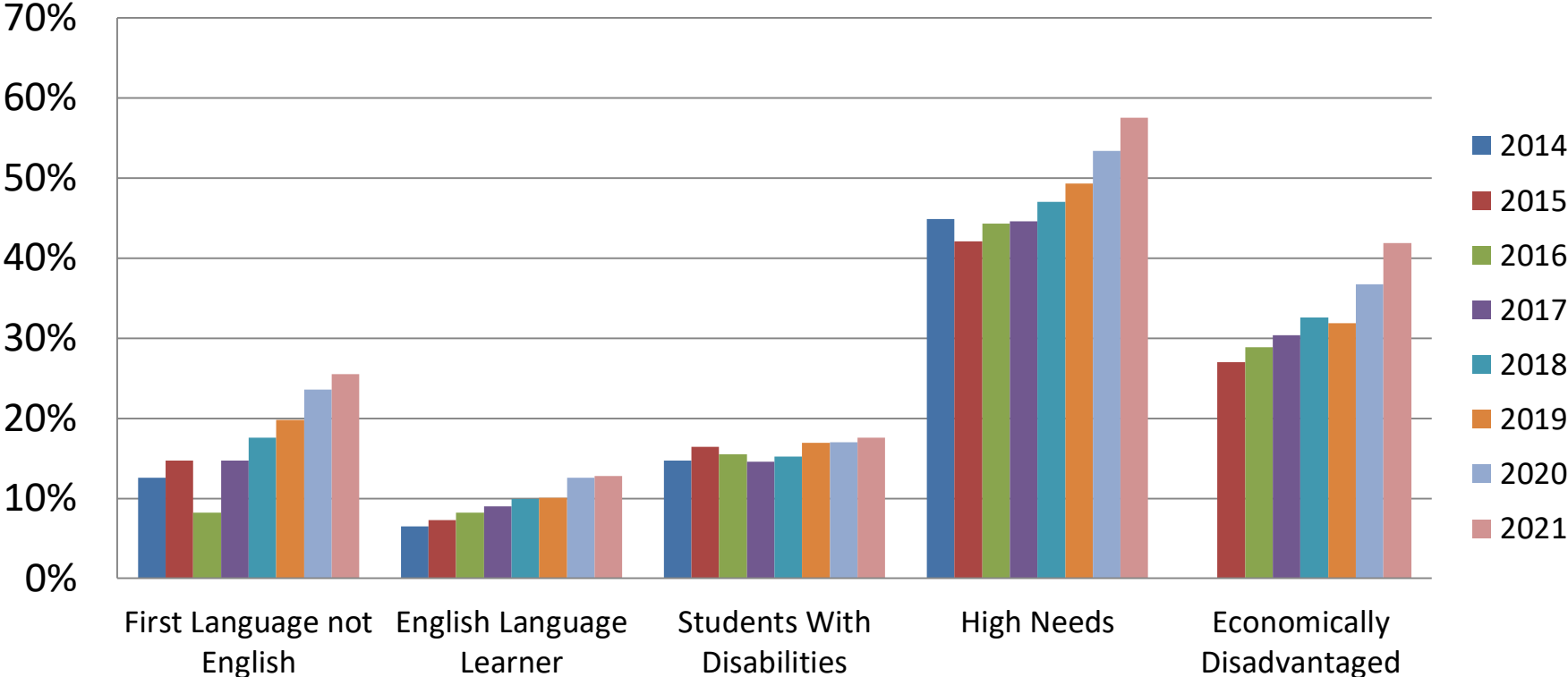
<http://www.doe.mass.edu/charter/finance/tuition/>

<http://www.doe.mass.edu/finance/schoolchoice/>

Barnstable School Enrollment Trends

Subgroups

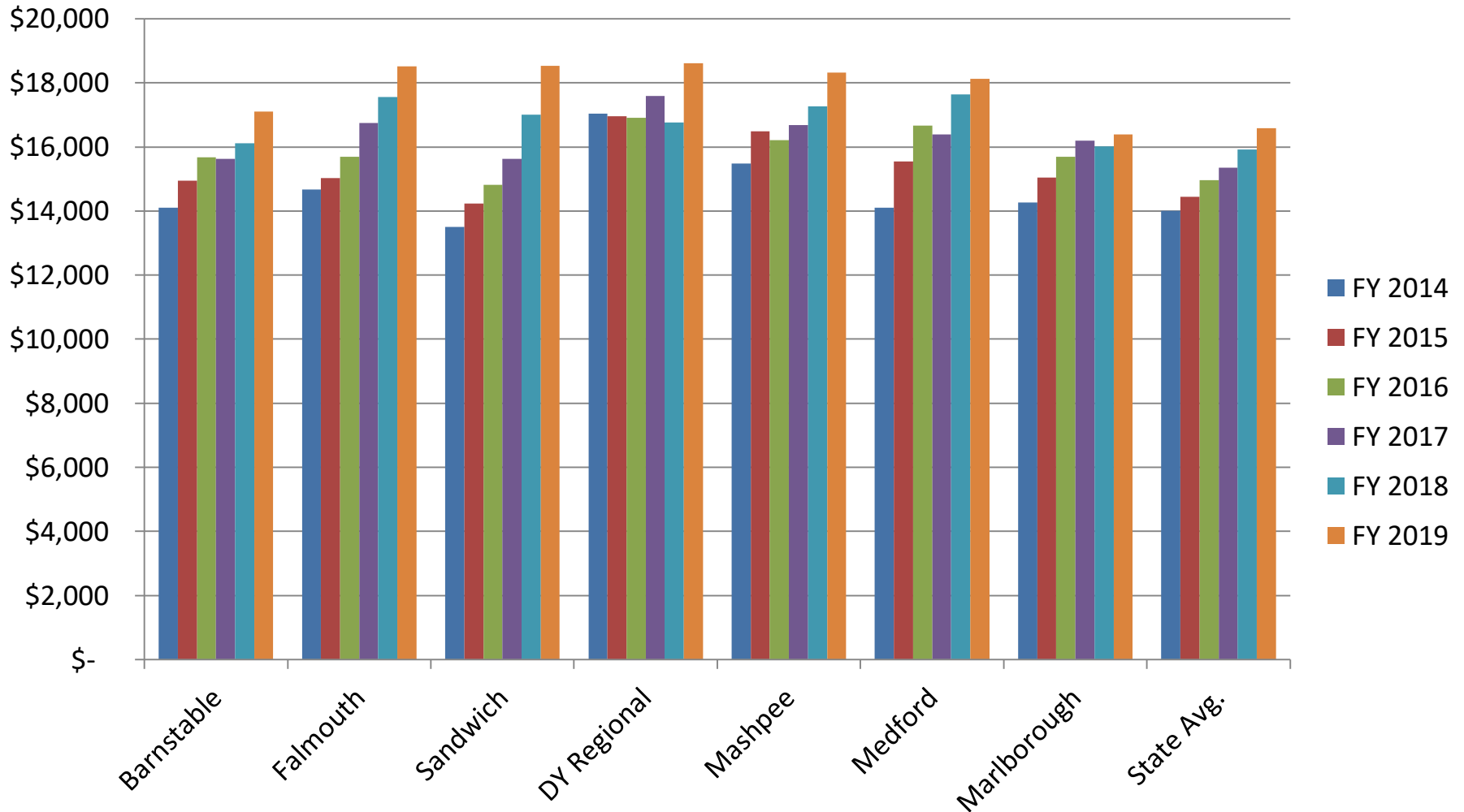
Barnstable Subgroups Percent of Enrollment

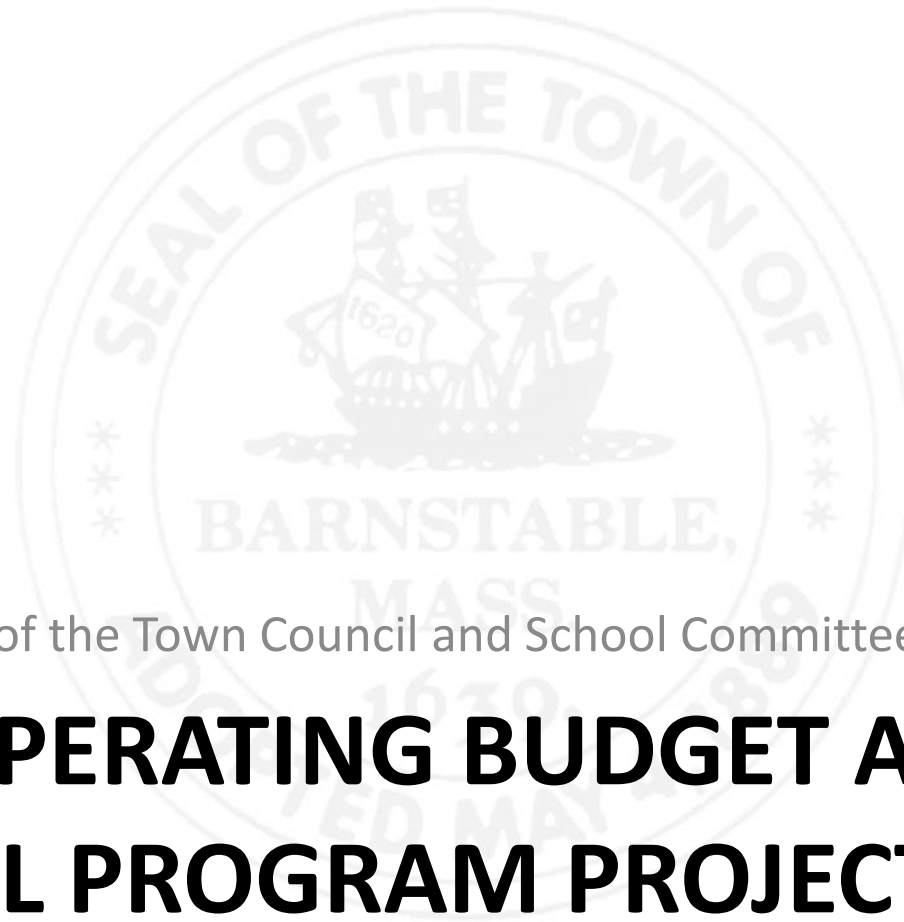


Source: <https://profiles.doe.mass.edu/profiles/student>.

In District Per Pupil Expenditure Comparison

Source: www.doe.mass.edu/finance/statistics/ppx15-19





Joint Meeting of the Town Council and School Committee

FY22 OPERATING BUDGET AND CAPITAL PROGRAM PROJECTIONS

General Fund Revenue Growth

	FY 2021	FY 2022	\$ Change	% Change
Property taxes	130,270,344	134,842,111	4,571,767	3.51%
Other taxes	8,597,000	8,847,000	250,000	2.91%
State aid	17,040,905	17,040,905	0	0.00%
All other	20,665,571	20,693,994	28,423	0.14%
Total	176,573,819	181,424,009	4,850,190	2.75%

General Fund Fixed Costs

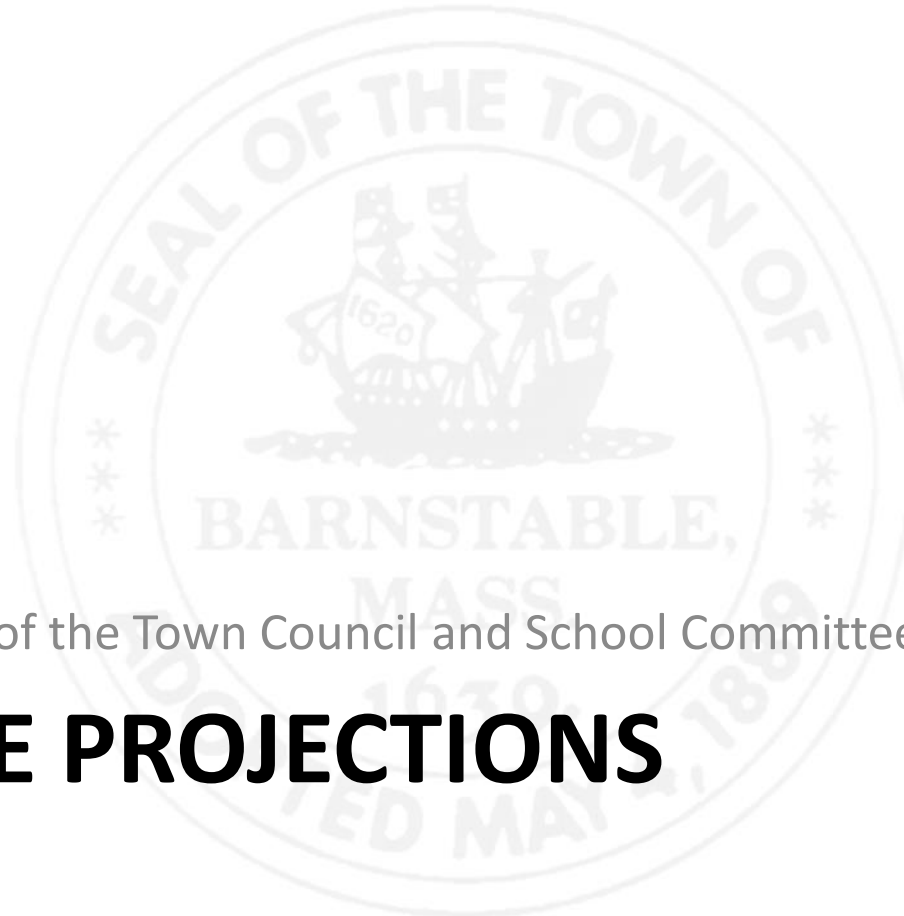
	FY 2021	FY 2022	\$ Change	% Change
School Assessments	11,952,408	12,084,362	131,954	1.10%
Employee Benefits	26,584,153	27,668,575	1,084,422	4.08%
Debt Service	6,567,324	6,723,455	156,131	2.38%
Other Fixed Costs	19,802,137	19,963,710	161,573	0.82%
Total	64,906,022	66,440,102	1,534,080	2.36%

Preliminary Revenue Allocation

	FY 2021	FY 2022	Change	
Revenue Growth	176,573,819	181,424,009	4,850,190	2.75%
Allocated to Fixed Costs	(64,906,022)	(66,440,102)	(1,534,080)	2.36%
Balance Available For Operations	111,667,797	114,983,907	3,316,110	2.97%
Municipal Operations	40,262,564	41,463,008	1,200,444	2.98%
School Operations	71,405,233	73,520,899	2,115,666	2.96%

Capital Program Submissions & Funding

- Submission for FY22-FY26 total \$469 million
 - Includes \$141 million for the CWMP
- A total of \$140 has been funded in past 5 years
- Projections
 - Capital Trust Fund - \$147 million over 10 years
 - Sewer Construction Fund - \$3 – \$3.5 million available per year with existing resources
 - Enterprise Funds - will largely depend upon rate increase



Joint Meeting of the Town Council and School Committee

FUTURE PROJECTIONS

Revenue Projections

- Expect a reduction in new property tax growth for FY 2022; a minimum of \$1 million per year thereafter
- Motor Vehicle Excise tax receipts will level off to around \$8 million per year
- State aid is projected to grow 3% per year
- Rooms and meals tax revenue will recover post pandemic
- Permitting and waterside revenue will continue to perform well
- Interest rates will hold steady

Expenditure Drivers

- Labor contracts projected to increase 2-3% per year
- Employee benefit costs will be rise 5% to 7% per year
- 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



Questions?