

# Town of Barnstable, Massachusetts



## Financial Overview Report

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*For The Fiscal Year Beginning July 1, 2015*

This financial overview is intended for the residents, prospective residents, and business owners, of the Town of Barnstable, which includes the villages of Barnstable, Centerville, Cotuit, Hyannis, Marstons Mills, Osterville, and West Barnstable. All the information contained here is from fiscal year 2016 (FY16), which started July 1, 2015 and runs through June 30, 2016. The goal of this overview is to give the reader concise information as to how the town operates by taking several hundred pages of budgeting detail and condensing it to just several pages of information. This leaves out a considerable amount of data, but for those of you who want to dig deeper, the complete FY16 budget is available through the Town of Barnstable website. In addition to the budget, the website includes financial information for the last five years (all of which has been audited by an independent accounting firm), as well as financial forecasts for the next ten years. Visit [www.townofbarnstable.us/Finance/](http://www.townofbarnstable.us/Finance/) to learn more.

***Prepared by:***  
***Comprehensive Financial Advisory Committee (CFAC)***



# GFOA AWARDS



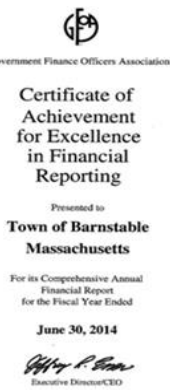
The Town has received the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award for 14 consecutive years and the Certificate of Excellence in Financial Reporting for 13 consecutive years. The GFOA established these award programs to encourage and assist state and local governments to prepare budget documents and comprehensive annual financial reports of the very highest quality that evidence the spirit of transparency and full disclosure and then to recognize individual governments that succeed in achieving those goals.



# AAA Bond Rating

The Town’s most recent bond rating from Standard and Poor’s was AAA, which is the highest possible rating assigned to bonds by the credit rating agencies. This means the Town can borrow money at favorable rates saving significant money in interest costs on its capital program. S&P cited the following reasons for their AAA rating of the Town:

- A very strong economy, which participates in the strong Boston metropolitan statistical area;
- Very strong budgetary flexibility, with available reserves in excess of 15% of general fund expenditures for the most recent three audited years;
- Strong budgetary performance and stable and consistent revenue profile;
- Very strong liquidity, providing very strong cash levels to cover both debt service and expenditures;
- Very strong management practices and policies that we believe are embedded and sustainable; and
- Strong debt and contingent liabilities, albeit large pension and other postemployment benefits (OPEB) liabilities.

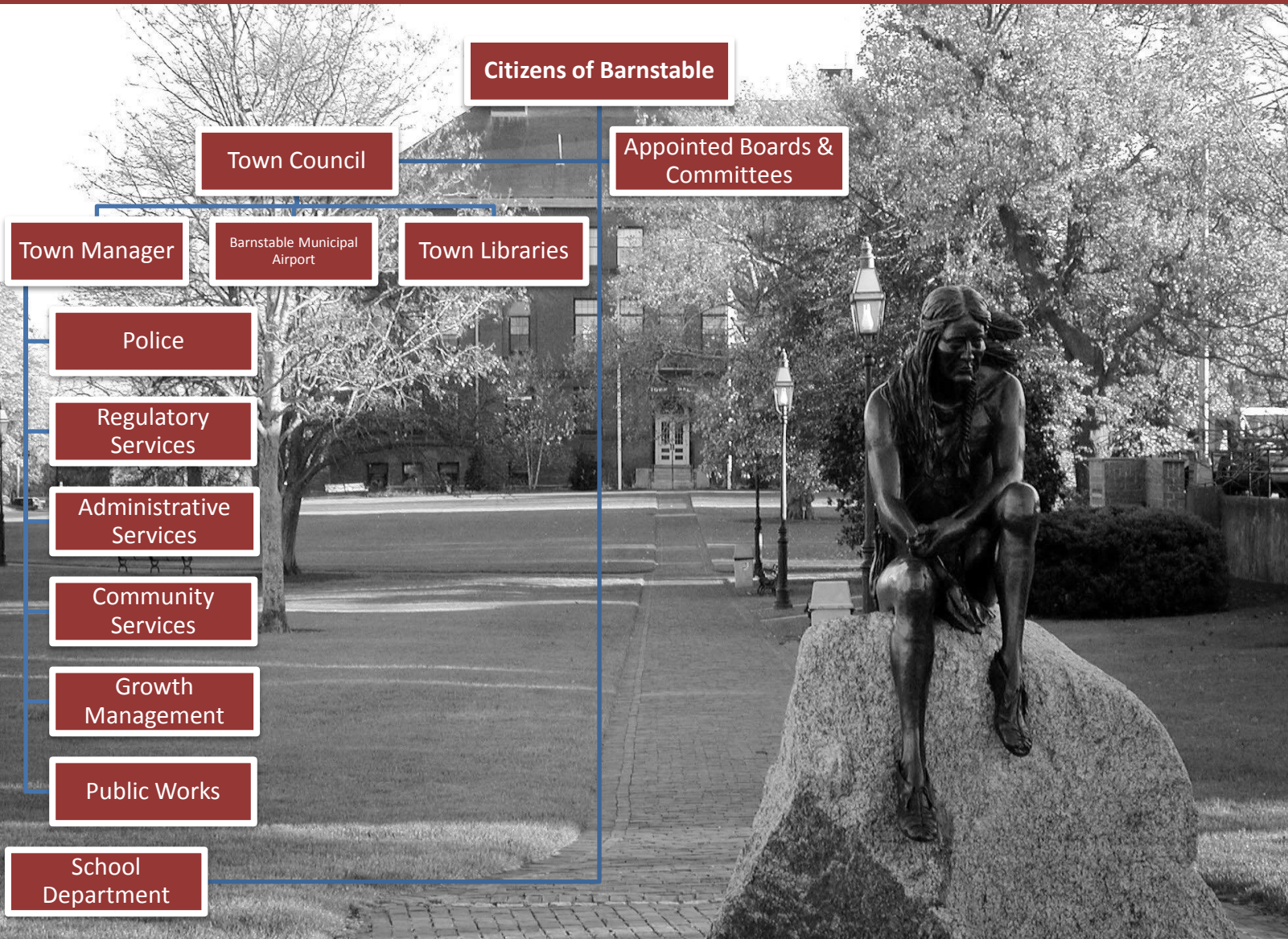


Barnstable is one of only seven communities in the state to receive both awards.

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# Government Structure



## SUMMARY

The Town of Barnstable is governed by a Council-Manager form of government, in accordance with its Home Rule Charter that was adopted in 1989. Administrative authority of the Town is vested in the Town Manager subject to legislative decisions of a 13-member Town Council. Council terms are staggered four-year terms from thirteen precincts on a nonpartisan basis. The Town Manager supervises and directs the administration of all municipal departments with the exception of the School Department and the Barnstable Municipal Airport.

An elected School Committee consisting of five persons, and a Superintendent appointed by the School Committee governs the School Department. A seven member Airport Commission appointed by the Town Council governs Barnstable's Municipal Airport. An Airport Manager, appointed by the Airport Commission, is responsible for administration and day-to-day operations of the airport. The Town Council is also the appointing authority to over 40 boards and committees with approximately 291 seats.

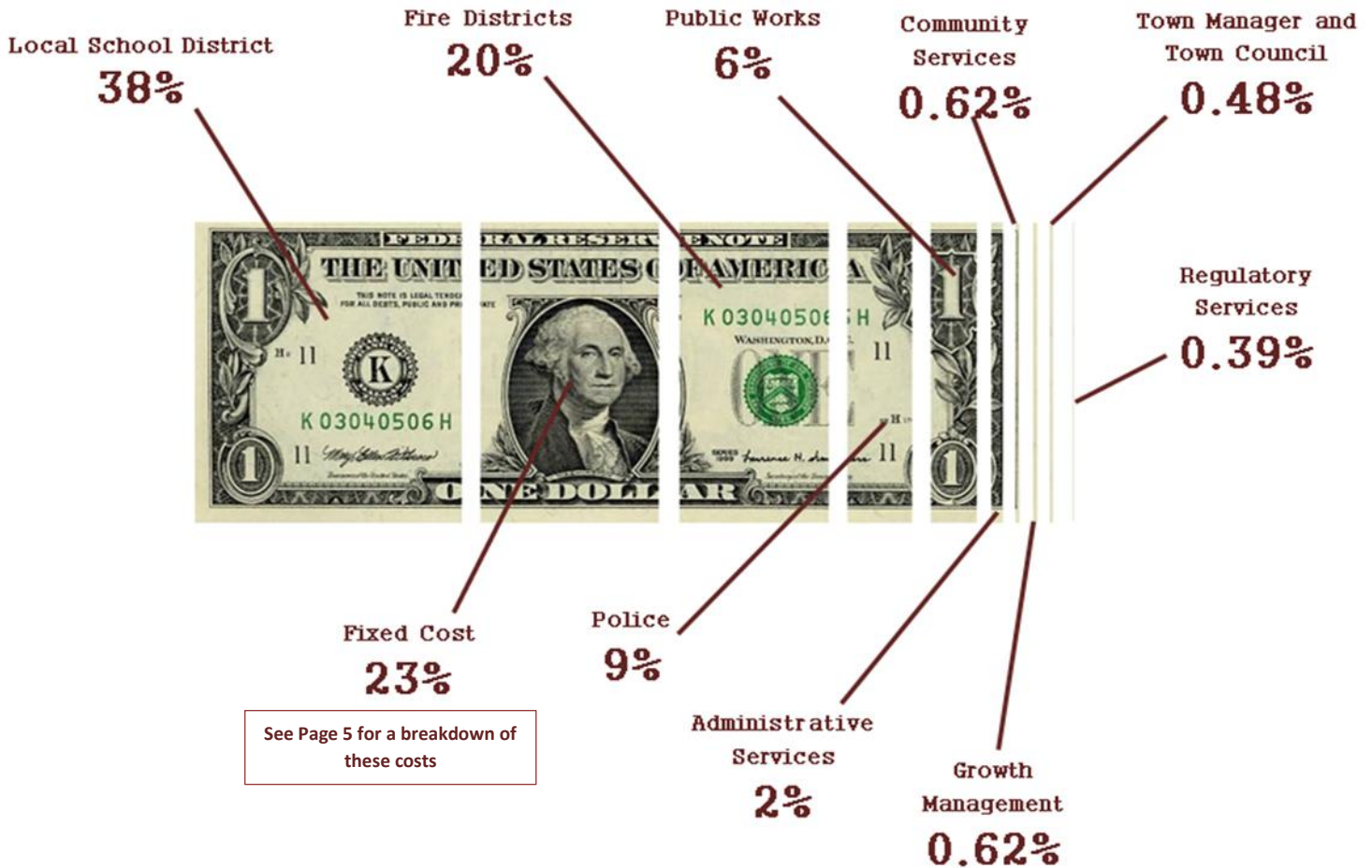
# Property Taxes

By Law, Proposition 2½ limits property tax levy increases to 2½ percent year-over-year, plus amounts related to newly developed property. The levy limit applies to the total amount of property taxes to be raised by the Town, and does not apply to an individual tax bill. Although, many important expenses (such as health care) are increasing by more than 2½ percent per year, the Town has been able to manage the overall budget and remain within the prescribed limit. The single tax rate for the Town in FY15 was \$8.40 per \$1,000 in valuation. This single rate is before any exemptions or shifts among



various property types. The Town Council adopted a 20% residential exemption in FY15, which resulted in the residential tax rate increasing to \$9.30. Qualifying homeowners whose primary residence is in Barnstable receive a reduction in their assessed taxable value of \$87,192. The tax reduction is valued at \$811. The median price of a home in FY15 was \$309,100 town-wide, which would result in a town tax bill of \$2,596. This does not include the Fire District tax which would vary depending upon which district the property was located within. There are a total of 20,802 single-family homes. There are also several thousand condominiums and multi-family properties.

## PROPERTY TAX ALLOCATION



# Fire and Water Districts

The Town's five Fire Districts are independent government agencies. Each district was created through special acts of the state legislature between 1895 and 1949. The Fire Districts have the authority to levy and collect their own taxes, which is done in partnership with the Town of Barnstable's tax office. This is why there are separate line items for Fire Districts and town taxes on real estate property tax bills. Elected boards govern these districts. Policy and budgets are set at annual spring meetings, which are open to any voting resident of the district.

The five Fire Districts are: Barnstable, Centerville-Osterville-Marstons Mills (COMM), Cotuit, Hyannis, and West Barnstable. Four of the five districts also manage their own water supply operations. The one exception is Hyannis, which manages its water through the Water Supply Division, which is part of Town government. The Water Departments bill their customers directly. In addition to the property taxes levied by the Town of \$106,676,485 the total property taxes levied by the 5 districts total \$26,035,436; or 20% of the total property taxes levied.

**West B. FD**  
**Tax Rate \$2.66**  
**Tax Levy - \$1,468,780**

**Cotuit FD**  
**Tax Rate - \$2.22**  
**Tax Levy - \$2,886,739**

**Barnstable FD**  
**Tax Rate - \$2.81**  
**Tax Levy - \$3,273,149**

**Hyannis FD**  
**Tax Rates:**  
**\$3.60 Commercial**  
**\$2.27 Residential**  
**Tax Levy - \$8,109,789**

**COMM FD**  
**Tax Rate - \$1.55**  
**Tax Levy - \$10,296,979**

**\$26,035,436**  
**Combined Fire**  
**District Tax Levies**  
**20% of Total Property**  
**Taxes Levied**

**\$106,676,485**  
**Town of Barnstable**  
**Tax Levy**

**80% of Total Property**  
**Taxes Levied**

**Tax Rates:**  
**\$8.40 Commercial**  
**\$9.30 Residential**

# General Fund Resources - \$149M 3.41%



**73% PROPERTY TAXES**



**12% STATE AID**



**7% LOCAL RECEIPTS**



**5% OTHER TAXES**



**3% RESERVES**

So where do the millions of dollars come from to provide the Town's services? Property taxes comprise 73% of all General Fund revenue and assistance from the state makes up 12%. Local receipts (fees, licenses, permits, etc.) provide 7%, other taxes (motor vehicle excise, boat excise, room tax) provide 5%, and transfers from reserves make up the final 3%. This past year the majority of the transfer was used to fund the FY15 snow and ice removal deficit.

	Budget FY 2015	Budget FY 2016	Change FY15 - 16	Percent Change
Tax Levy	106,676,485	110,479,501	3,803,016	3.56%
Reserved for Abatements and Exemptions	(1,869,334)	(1,750,000)	119,334	-6.38%
Property Taxes Available for Operations	104,807,151	108,729,501	3,922,350	3.74%
State Aid	17,744,627	17,291,502	(453,125)	-2.55%
Fines & Penalties	1,158,500	1,300,000	141,500	12.21%
Fees, Licenses, Permits	2,993,355	3,099,600	106,245	3.55%
Charges For Services	1,740,160	1,750,000	9,840	0.57%
Interest and Other	1,012,650	1,449,747	437,097	43.16%
Special Revenue Funds	610,376	640,053	29,677	4.86%
Enterprise Funds	2,371,386	2,409,351	37,965	1.60%
Trust Funds	290,000	280,000	(10,000)	-3.45%
<b>Total Local Receipts</b>	<b>10,176,427</b>	<b>10,928,751</b>	<b>752,324</b>	<b>7.39%</b>
Motor Vehicle Excise Tax	5,486,717	6,309,864	823,147	15.00%
Boat Excise Tax	135,000	130,000	(5,000)	-3.70%
Motel/Hotel Excise Tax	1,641,250	1,790,000	148,750	9.06%
Payments in Lieu of Tax	25,000	28,000	3,000	12.00%
<b>Total Other Taxes</b>	<b>7,287,967</b>	<b>8,257,864</b>	<b>969,897</b>	<b>13.31%</b>
General Fund Reserves	4,322,689	4,048,160	(274,529)	-6.35%
<b>Grand Total</b>	<b>\$ 144,338,861</b>	<b>\$ 149,255,778</b>	<b>\$ 4,916,918</b>	<b>3.41%</b>

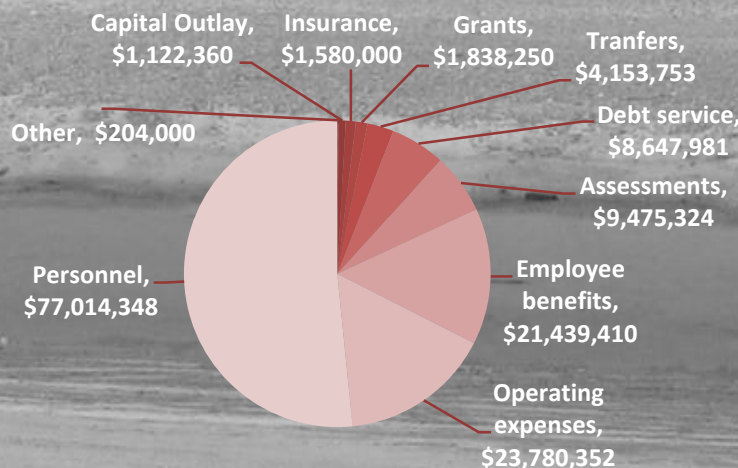
# General Fund Budget - \$149M

↑ 3.41%

	APPROVED		CHANGE FY15 - 16	
	FY 2015	FY 2016	\$	%
<b>Municipal Operations:</b>				
Police Department	\$ 12,441,808	\$ 13,192,241	\$ 750,433	6.03%
Public Works Department	10,575,029	11,493,377	918,348	8.68%
Administrative Services Department	5,490,179	5,739,396	249,218	4.54%
Community Services Department	2,745,204	2,857,738	112,534	4.10%
Regulatory Services Department	2,536,326	2,632,848	96,522	3.81%
Growth Management Department	859,897	904,585	44,688	5.20%
Town Manager	579,800	596,116	16,316	2.81%
Town Council	281,251	250,759	(30,492)	-10.84%
<b>Total Municipal Operations</b>	<b>35,509,494</b>	<b>37,667,060</b>	<b>2,157,566</b>	<b>6.08%</b>
<b>Education:</b>				
Local School System	62,070,109	64,250,000	2,179,891	3.51%
Regional School District	2,830,850	3,195,407	364,557	12.88%
Commonwealth Charter Schools	2,644,118	2,863,624	219,506	8.30%
School Choice	687,132	895,151	208,019	30.27%
<b>Total Education</b>	<b>68,232,209</b>	<b>71,204,182</b>	<b>2,971,973</b>	<b>4.36%</b>
<b>Fixed Costs:</b>				
Employee Benefits	20,916,506	21,439,410	522,904	2.50%
Debt Service	8,678,407	8,647,981	(30,426)	-0.35%
State & County Assessments	2,499,989	2,521,142	21,153	0.85%
Grants	1,794,753	1,838,250	43,497	2.42%
Property & Liability Insurance	1,570,000	1,580,000	10,000	0.64%
Celebrations, Rent & Other	177,570	204,000	26,430	14.88%
<b>Total Other Requirements</b>	<b>35,637,225</b>	<b>36,230,783</b>	<b>593,558</b>	<b>1.67%</b>
<b>Total General Fund Before Transfers</b>	<b>139,378,928</b>	<b>145,102,025</b>	<b>5,723,097</b>	<b>4.11%</b>
Transfers to Other Funds	4,959,932	4,153,753	(806,179)	-16.25%
<b>Grand Total General Fund</b>	<b>\$144,338,860</b>	<b>\$149,255,778</b>	<b>\$4,916,918</b>	<b>3.41%</b>

The General Fund is the largest source of funding and covers everything from police, to road repair, senior services, conservation, legal, information technology, and administration. There are too many services to list here, but for the purposes of this overview, it is important to note that the General Fund is part of the annual budget process. This is where all property taxes are credited. The General Fund in FY16 is budgeted at \$149M (M = million). The approved current budget is 3.41% higher than the previous year.

FY16 Budget By Major Expense Category

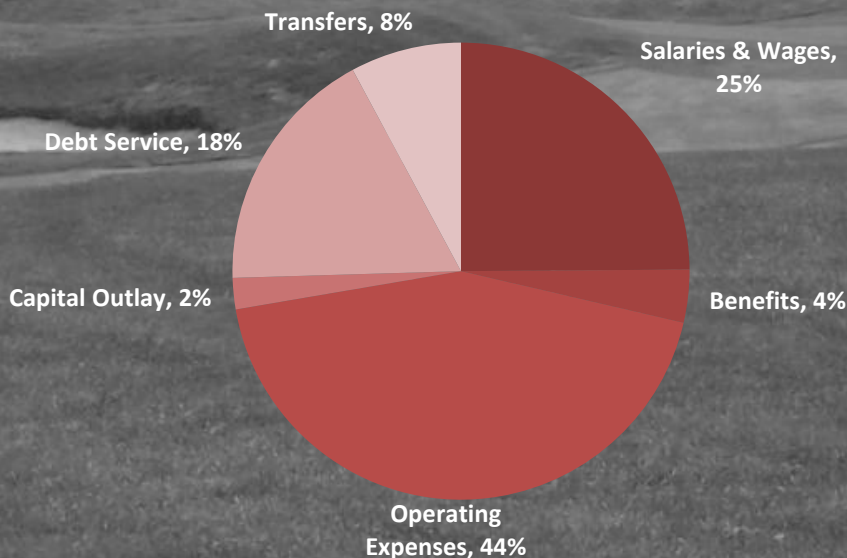


# Enterprise Fund Budgets - \$28M ↑ 6.58%

Fund	APPROVED	APPROVED	Change	
	FY 2015	FY 2016	\$	%
Airport Enterprise	\$ 7,313,808	\$ 7,915,852	\$ 602,044	8.23%
Water Pollution Control Enterprise	\$ 4,410,053	\$ 4,463,158	\$ 53,105	1.20%
Water Supply Enterprise	\$ 4,021,468	\$ 4,389,768	\$ 368,300	9.16%
Solid Waste Enterprise	\$ 3,077,550	\$ 3,362,811	\$ 285,261	9.27%
Golf Enterprise	\$ 3,036,657	\$ 3,242,906	\$ 206,249	6.79%
HYCC Enterprise	\$ 3,172,059	\$ 3,185,270	\$ 13,211	0.42%
Marina Enterprise	\$ 684,713	\$ 873,731	\$ 189,018	27.61%
Sandy Neck Enterprise	\$ 835,195	\$ 865,717	\$ 30,522	3.65%
<b>Total All Budgeted Funds</b>	<b>\$ 26,551,503</b>	<b>\$ 28,299,212</b>	<b>\$ 1,747,709</b>	<b>6.58%</b>

Similar to the General Fund, these funds all require annual appropriation by the Town Council. They are unique in that the goal of each fund is to be self-sustaining, which means the fees collected from their users should be sufficient to cover the costs of delivering the services. However, notwithstanding the goal of self-sufficiency, the funds can be subsidized from the General Fund. There are eight Enterprise Funds.

## Distribution of Enterprise Fund Budgets





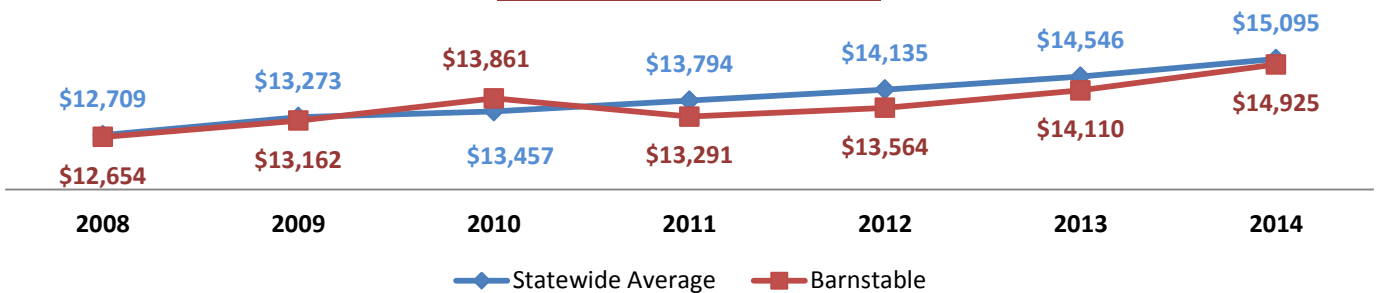
# Public Education Overview

Barnstable High graduated 372 students in 2014-2015, and of these, 290, or 78% went on to attend a college or university.

Further information about the schools is available on the Town's website, or by visiting the website of the Massachusetts Department of Elementary and Secondary Education ([www.doe.mass.edu](http://www.doe.mass.edu)).

School	Grades	Enrollment
Barnstable High School	8 to 12	1911
Barnstable Intermediate School (BIS)	6 and 7	751
Barnstable United Elementary	4 and 5	772
Centerville Elementary	K to 3	427
Hyannis West Elementary	K to 3	355
West Barnstable Elementary	K to 3	267
West Villages Elementary	K to 3	450
Horace Mann Charter	K to 3	291
Sturgis Charter Public School	9 to 12	806
Cape Cod Tech High School	9 to 12	168

## Cost Per Student



Source: Massachusetts Department of Elementary and Secondary Education (DESE). (2015). *Per Pupil Expenditures Report: 2009,2010,2011,2012,2013,2014* [Data file] visited June 23, 2015 available from [http://profiles.doe.mass.edu/state\\_report/ppx.aspx](http://profiles.doe.mass.edu/state_report/ppx.aspx)

# Capital Improvement Program (CIP)

The Town will raise money to finance some of its capital projects by selling municipal bonds. The Town is making strides in FY16 to improve its own assets by investing \$27.4M in capital projects. As an example, the Town invests \$3.25 million annually in the public road infrastructure. Approved projects for FY16 are divided as follows: \$15.2M for the General Fund projects and \$12.2M for Enterprise Fund projects. A complete list of projects can be found on the Town's website, but for the purposes of this overview, here's a sample of some of the projects.

General Fund Program	Cost	Funding Source		
		Reserves	Bonds	Grants
School Modular Classroom Construction	\$3,720,000		\$3,720,000	
BIS Façade & Roof Improvement	\$3,353,000		\$3,353,000	
Public Road Maintenance	\$3,250,000	\$3,250,000		
Town Hall Heating System	\$939,000		\$939,000	
Police Facility Improvements	\$355,000		\$355,000	
Hamblin Pond Alum Treatment	\$300,000		\$300,000	
<b>Enterprise Fund Program</b>				
Airport Runway	\$3,800,000	\$190,000		\$3,610,000
Airport Snow Equipment & Dump Truck	\$1,075,000	\$53,750		\$1,021,350
Water Pipe Replacements	\$1,050,000	\$150,000	\$900,000	
WPC Facility Clarifier Upgrades	\$1,000,000		\$1,000,000	
Prince Cove Marina Bulkhead	\$570,000		\$570,000	
Golf Facility Improvements	\$314,000		\$314,000	
Solid Waste Loader	\$280,000	\$280,000		

The capital projects identified by the Town departments in this year's CIP process represents a total of \$52,291,736 for FY16, and a combined total of \$115,634,507 over a five-year period. Of the \$115 million, approximately \$43 million represents enterprise funds and \$73 million are general fund requests.

	Enterprise Funds	General Fund	Total
FY 2016	\$13,967,937	\$38,323,799	\$52,291,736
FY 2017	\$13,751,095	\$13,181,692	\$26,932,787
FY 2018	\$2,659,745	\$7,964,838	\$10,624,583
FY 2019	\$8,100,000	\$7,597,462	\$15,697,462
FY 2020	\$4,509,067	\$5,578,872	\$10,087,939
<b>Totals</b>	<b>\$42,987,844</b>	<b>\$72,646,663</b>	<b>\$115,634,507</b>

# Other Statistics

## Top 5 Taxpayers

Owner	Property Type	Assessed Value	% of Total Town Value
Mayflower Cape Cod LLC	Shopping Mall	\$97,619,200	0.77%
NSTAR	Utility	\$96,277,150	0.76%
National Grid	Utility	\$36,136,260	0.28%
Verizon	Utility	\$27,617,640	0.22%
Individual	Residential	\$24,730,900	0.19%

## Top 5 Employers

Name	Function	Employees
Cape Cod Healthcare	Hospital	2548
Town of Barnstable	Municipal Government	1207
Cape Cod Community College	Higher Education	582
Cape Air/Nantucket Air	Airline	306
Barnstable County	County Government	233

## Barnstable's Tax Base

Barnstable has one of the largest tax bases in the Commonwealth. Total property valuation for fiscal year 2015 was \$12.6 billion which placed the Town in 6<sup>th</sup> place overall. Under Proposition 2 ½ the Town's maximum tax levy could be as high as 2.5% of the total property valuation; or \$315,000,000. The fiscal year 2015 tax levy was \$106,676,485 resulting in Barnstable taxing at 34% of its levy capacity. The additional taxing capacity can only be accessed through voter approved tax levy overrides.

Barnstable's commercial property tax base in fiscal year 2015 was \$1.2 billion making it the 11th largest commercial tax base in the Commonwealth. Most of the commercial tax base is located in the village of Hyannis which makes it the commercial hub of Cape Cod.

The Town receives dozens of grants every year. Some are to offset operating expenses (mainly in the School Department) and many are for capital improvements.

### Largest Grants Received in FY15

Amount	Purpose
\$4.5 million	Airport Improvement Program
\$2 million	Chapter 90 Public Roads
\$1.5 million	Title I Education Grant
\$1 million	(IDEA) Federal Special Education

The Town has several Trust Funds that are available to assist the Town's needy population, education, conservation, cemeteries and libraries.

### Largest Trust Funds - Balance on June 30, 2015

Name	Amount	Purpose
Cobb Trust Fund	\$8.4 million	Education
Kirkman	\$5.2 million	Cemeteries & Libraries
Pension Trust Fund	\$2.5 million	Employee Pensions
Cemetery Perpetual Care	\$2.4 million	Cemeteries
OPEB Trust Fund	\$2.1 million	Employee Health insurance

## Coming in FY16

### Barnstable Open Budget:

Open Budget is part of the Town's commitment to improving transparency by providing a guided view through complex financial information.

The internet site will provide a guided view through the Town's budget and provide a transparent look at how public funds are allocated. The charts, graphs, and tables will be highly interactive.

## BARNSTABLE HAS MAJOR RECREATION AREAS

- 12 COASTAL AND 6 FRESHWATER BEACHES
- 2 MUNICIPAL GOLF COURSES
- HYANNIS YOUTH & COMMUNITY CENTER INCLUDING 2 ICE RINKS
- 1400 ACRE WEST BARNSTABLE CONSERVATION AREA WITH HIKING AND BIKING TRAILS
- 4 TOWN MARINAS & 2500 MOORINGS
- OVER 80 PUBLIC ACCESS WAYS TO WATER
- 5 TENNIS COURTS & 6 BALL FIELDS

## BARNSTABLE IS A REGIONAL TRANSPORTATION CENTER

- BARNSTABLE MUNICIPAL AIRPORT
- MARSTONS MILLS AIRFIELD
- STEAMSHIP AUTHORITY (FERRY SERVICE TO ISLANDS)
- CAPE COD REGIONAL TRANSPORTATION AUTHORITY (BUS SERVICE)
- SUMMER TRAIN TO BOSTON (OPERATED BY MBTA)

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## COMMITTEE MEMBERS

Laura Cronin, Chair  
Robert Ciolek, Vice Chair  
Cynthia Crossman  
Ralph Krau  
Joseph Mladinich  
Gregory Plunkett  
John Schoenherr  
Lillian Woo

CFAC's charge is to provide the Town Council and Town Manager financial advice on the annual operating and capital budgets as well as advice on matters of long-range financial planning. CFAC does not prepare or propose annual operating and capital budgets.

**MEDIAN HOUSEHOLD INCOME \$60,135**  
U.S Census Bureau

**YEAR ROUND POPULATION OF 44,529**  
SEASONAL – 130,000 EST.

**UNEMPLOYMENT RATE – JULY 2015 4.7%**  
U.S. Bureau of Labor Statistics

Contact: [CFAC@town.barnstable.ma.us](mailto:CFAC@town.barnstable.ma.us)