

TOWN OF BARNSTABLE FIVE YEAR FINANCIAL FORECAST

Fiscal Years 2025 Through 2029

In order to assist town leaders with their strategic planning process, this document provides an in-depth look at the Town's current financial condition, revenue and expenditure trends over the past ten years and projections for the next five years.

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SECTION I – INTRODUCTION & FUND SUMMARIES

Long-term financial forecasting allows the town to consider its financial future beyond the current and immediate subsequent fiscal year. This offers the opportunity for better management of the community's fiscal health as long-term imbalances can be identified and strategies to counteract them can be developed. This strategic process can vary significantly between communities during the annual budget process.

As with any long-range forecast, this document should not be interpreted as a spending plan for the next five years. Decisions regarding the allocation of resources and spending priorities can change from year to year. Any adjustments to priorities should consider key financial data. Additionally, the town needs to consider the impacts of these decisions on the town's financial position. Decisions made locally and at the State level in the next six months could substantially influence revenue and expense levels. Additionally, we are currently experiencing inflation levels that have not been seen in decades and the Federal Reserve is reacting with measures to reduce inflation. Many economists believe that the measures will lead to a recession and higher unemployment.

The focus of the Five-Year Forecast should not be centered on the accuracy of the numbers provided herein but rather on the trends illustrated. Furthermore, consideration is taken into account on how this report can be connected to the town's other planning documents such as, the annual Operating Budget, Capital Improvement Plan, and the Town Council's Strategic Plan. These plans are all interconnected, and the Five-Year Forecast is as good a place to start when juxtaposed with the other documents.

GENERAL FUND SUMMARY

The General Fund is the main operating fund of the town. It is used to account for financial resources except those required to be accounted for in other funds, i.e. Enterprise Funds, Revolving Funds, and Special Revenue Funds. It is used by the town for recording property taxes and is the central focus of this forecast.

The forecast projects out the cost of current staffing levels and services over the next five years incorporating multiple assumptions on the growth rate in employee salaries and benefits as well as the growth rate for utilities and assessments received from other entities. The resources to cover these costs include the property tax levy, State aid and local receipts. Multiple assumptions are made to project the growth in these three categories of revenue. The difference between the projected revenue and expenditures is referred to as the General Fund surplus or shortfall. Neither new services nor the expansion of existing services, or reduced services has been incorporated into this forecast. The forecast assumes if new services are necessary, then it will require a corresponding cost reduction to an existing service, or a new funding source must be identified. The one exception to this is the full implementation of the projects listed under the Town's Comprehensive Wastewater Management Plan for fiscal years 2025 through 2029.

Budget forecasts from year to year may project a budget shortfall or surplus. When developing the operating budget strategic managed use of reserves provide a tool to achieve community goals or mitigate short-term external budget factors. It has been our experience that the use of reserves has been replenished by the generation of a surplus when the previous fiscal year is closed.

Surplus is generated from two sources; returned appropriations and actual revenues exceeding budget estimates.

| | FY2024 | FY2025 | FY2026 | FY2027 | FY2028 | FY2029 |
|---|--------------------|--------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| General Fund | | | | | | |
| Revenues | | | | | | |
| Property Tax Levy | 145,242,793 | 150,454,000 | 155,428,492 | 160,478,837 | 165,556,085 | 170,709,377 |
| State Aid Cherry Sheet | 30,436,749 | 30,426,539 | 31,350,705 | 32,277,925 | 33,038,273 | 33,676,824 |
| Local Receipts | 18,757,809 | 23,208,268 | 24,187,461 | 25,222,650 | 26,318,013 | 27,478,100 |
| Available Funds/Other Financing Sources | 1,222,140 | 7,251,238 | 5,629,356 | 4,135,052 | 3,140,748 | 2,156,445 |
| Total General Fund Revenues | 195,659,491 | 211,340,045 | 216,596,013 | 222,114,464 | 228,053,119 | 234,020,746 |
| Total Revenue Percentage Change | 6.5% | 8.0% | 2.5% | 2.5% | 2.7% | 2.6% |
| Expenditures | | | | | | |
| Town Council | 261,329 | 264,092 | 267,274 | 270,194 | 273,200 | 275,272 |
| Town Manager | 1,535,532 | 1,575,299 | 1,705,432 | 1,754,512 | 1,805,361 | 1,854,161 |
| Administrative Services | 7,530,724 | 8,205,658 | 8,156,927 | 8,343,261 | 7,633,795 | 7,787,240 |
| Planning & Development | 2,327,810 | 2,394,019 | 2,501,784 | 2,570,238 | 2,636,796 | 2,695,965 |
| Police | 17,097,520 | 18,709,328 | 19,205,368 | 19,875,647 | 20,544,690 | 21,103,841 |
| Inspectional Services | 2,460,964 | 2,584,392 | 2,592,954 | 2,679,924 | 2,762,068 | 2,835,501 |
| Education | 87,795,582 | 94,168,059 | 97,291,765 | 100,541,385 | 103,921,107 | 107,484,575 |
| Public Works | 11,142,056 | 11,384,511 | 11,729,808 | 12,016,722 | 12,646,488 | 12,886,530 |
| Marine & Environmental Services | 1,459,889 | 1,638,527 | 1,641,329 | 1,687,003 | 1,732,945 | 1,768,231 |
| Community Services | 2,590,647 | 2,887,734 | 2,938,844 | 2,995,173 | 3,051,316 | 3,096,848 |
| Debt Service | 7,249,889 | 7,249,510 | 7,507,377 | 6,823,176 | 7,750,626 | 7,711,952 |
| Risk Management | 3,800,000 | 3,900,000 | 3,954,000 | 4,009,080 | 4,065,262 | 4,122,567 |
| Employee Benefits | 24,233,896 | 28,118,151 | 29,082,240 | 30,080,673 | 31,114,697 | 32,185,606 |
| Reserves and Miscellaneous | 11,755,766 | 13,058,869 | 14,136,501 | 15,240,130 | 15,620,407 | 16,009,247 |
| State Assessments | 14,404,205 | 15,181,513 | 15,658,919 | 16,153,154 | 16,664,883 | 17,194,800 |
| Other Amounts Raised | 1,943,954 | 2,087,545 | 2,027,273 | 2,087,614 | 2,148,583 | 2,210,622 |
| Other Financing Uses | 1,436,994 | 1,661,994 | 1,436,994 | 1,436,994 | 1,436,994 | 1,436,994 |
| Offset for Enterprise Indirect Costs | (3,367,266) | (3,729,155) | (3,477,294) | (3,604,793) | (3,737,942) | (3,877,018) |
| Total General Fund Expenditures | 195,659,491 | 211,340,045 | 218,357,494 | 224,960,086 | 232,071,277 | 238,782,934 |
| General Fund Surplus/(Shortfall) \$ | (0) \$ | (0) \$ | (1,761,481) \$ | (2,845,622) \$ | (4,018,158) \$ | (4,762,187) \$ |
| Total Expenditures Percentage Change | 6.1% | 8.0% | 3.3% | 3.0% | 3.2% | 2.9% |

The following table compares the use and generation of surplus over the past ten years as well as certified free cash. On average, the annual amount of surplus generated can cover the budget shortfalls projected for the General Fund. As the table below illustrates, the town has generated about \$21.6 million more in surplus than what was used over the past ten years resulting in an increase in reserves from \$11.1 million to \$32.7 million. On average, the town has generated \$6.8 million of surplus per year. Much of the surplus generated over the past ten years has been used to augment the capital program, fund snow and ice removal operating budget deficits, and cover one-time cost. The town has limited the amount of surplus used to finance recurring operating expenses.

| Certification Date: | Beginning Balance | Used For: | | Generated | Ending Balance |
|---------------------|-------------------|---------------------|---------------------|-------------------|----------------|
| | | Operations | Capital | | |
| July 1, 2014 | 11,095,664 | (3,585,000) | (591,993) | 6,451,368 | 13,370,039 |
| July 1, 2015 | 13,370,039 | (4,104,926) | (1,037,689) | 5,721,779 | 13,949,203 |
| July 1, 2016 | 13,949,203 | (2,726,877) | (4,000,000) | 5,908,772 | 13,131,098 |
| July 1, 2017 | 13,131,098 | (2,572,316) | (350,000) | 5,988,373 | 16,197,155 |
| July 1, 2018 | 16,197,155 | (3,587,352) | (4,260,175) | 4,293,608 | 12,643,236 |
| July 1, 2019 | 12,643,236 | (2,442,899) | (264,000) | 4,752,407 | 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 |
| July 1, 2022 | 24,427,135 | (1,050,000) | (4,086,306) | 7,478,398 | 26,769,227 |
| July 1, 2023 | 26,769,227 | (250,000) | (4,090,251) | 10,293,456 | 32,722,432 |
| Total | | (25,417,219) | (21,273,428) | 68,317,415 | |
| Average | | (2,541,722) | (2,127,343) | 6,831,741 | |

General Fund revenue for the fiscal year ending June 30, 2023, performed very well. Within the fiscal year, property tax collections were 97% of the committed levy amount, collections for motor vehicle excise were \$1.1 million above the budget amount, rooms excise tax came in at \$566,000 above the budget estimate, and other local receipts were \$3 million above the budget estimate. Combined with unexpended appropriations of \$3.7 million the General Fund generated \$12.4 million of surplus in fiscal year 2023.

The General Fund surplus was last certified by the state Division of Local Services as of July 1, 2023, at \$32,722,432. This represents 16% of the FY 2024 operating budget. Fund balance policy recommendations set an acceptable range between 8% and 16% of the operating budget, depending upon a community's revenue and expense volatility, susceptibility to natural disasters, immediate capital needs, and exposure to State and Federal Aid cuts. The Town Council's current reserve policy is 4% of the operating budget or \$7.4 million.

Property taxes comprise a significant portion of the town's resources accounting for over 72% of all General Fund resources. This is a more stable revenue source than other types of taxes, which are more directly tied to the economy such as, motor vehicle, rooms, and meal excise taxes. During periods of economic downturns, the town's cash flow from property taxes may be impacted, but the ultimate collection of taxes are nearly certain as unpaid taxes are liened and collected upon the sale or refinancing of the property. Only in the rare instance of a town foreclosure are property taxes not paid in full. The other 28% of the General Fund's resources are more susceptible to economic swings as they depend upon activity levels and State and Federal legislative action. In periods of economic downturns, the town is in a more favorable position than many other communities due to it receiving a smaller percentage of its General Fund revenue in the form of state aid at 15%.

The town has enhanced its General Fund revenue over the past few years with the adoption of local taxing authority and the creation of new resources. The July 15, 2010 Town Council hearing approved an increase in the local room's tax from 4% to 6% as well as adding a local meals tax of 0.75%. These were dedicated to the town's largest capital needs for a Sewer Construction and Private Way Improvement Fund in FY 2011. Resources have recently been expanded in FY 2020 to include a new short-term rental tax with 100% being dedicated to the Comprehensive Management of Water and Wastewater Stabilization Fund.

The town's financial condition has been strong, having consistently generated a General Fund surplus over the last several years. The town should continue to consider using most of the surplus it generates for the capital program or one-time charges as any excessive reliance on it to cover recurring operating costs runs the risk of creating an unsustainable operating budget. This forecast demonstrates how current General Fund operations are projected to perform over the next five years if spending levels and revenues perform within the assumptions used.

This forecast projects a cumulative General Fund shortfall of \$13.3 million over the next five years. Despite continued revenue growth projected forward, the town continues to face challenges related to the funding for infrastructure, comprehensive wastewater management, rising benefit costs, and unfunded long-term liabilities.

Capital Improvement Plan submissions for the next five years total \$866 million. This includes \$263 million for General Fund projects, \$432 million for the Comprehensive Wastewater Management Plan (CWMP) and \$171 million for the town's enterprise operations. This amount is well beyond what the town's current revenue structure can finance. Rates charged by the enterprise operations will need to be increased to address their respective capital improvements. Resources dedicated to the CWMP are insufficient to fully address the list of CWMP projects. An additional General Fund contribution will be necessary in order to implement all CWMP

projects listed for the next 5 years. This forecast indicates the need for a property tax increase beginning in fiscal year 2028 to fully implement the CWMP projects listed for fiscal years 2025 through 2029. The General Fund capital projects are financed through the Capital Trust Fund (CTF) and this projection includes an increase in funding for the capital program of approximately \$1 million per year. Even with this additional funding commitment resources for the capital program are insufficient to address the entire list over the next five years.

Forecast Schedule – FY 2025 through FY 2029 – General Fund Revenue Sources

Property Taxes

| | FY2024 Budget | FY2025 Projected | FY2026 Projected | FY2027 Projected | FY2028 Projected | FY2029 Projected |
|---|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| LEVY LIMIT | | | | | | |
| Prior Year Tax Levy Limit | 138,361,596 | 143,603,769 | 148,193,863 | 153,198,710 | 158,278,678 | 163,385,645 |
| Proposition 2.5% Increase | 3,459,040 | 3,590,094 | 3,704,847 | 3,829,968 | 3,956,967 | 4,084,641 |
| New Growth | 1,783,133 | 1,000,000 | 1,300,000 | 1,250,000 | 1,150,000 | 1,050,000 |
| SUB-TOTAL Levy Limit | 143,603,769 | 148,193,863 | 153,198,710 | 158,278,678 | 163,385,645 | 168,520,288 |
| Debt Exclusion for Cape Cod Tech HS | 1,716,996 | 1,567,464 | 1,519,792 | 1,472,419 | 1,424,507 | 1,424,507 |
| Cape Cod Commission Assessment | 675,779 | 692,673 | 709,990 | 727,740 | 745,933 | 764,581 |
| TOTAL Maximum Allowable Tax Levy | 145,996,544 | 150,454,000 | 155,428,492 | 160,478,837 | 165,556,085 | 170,709,377 |
| <i>Year-to-year percentage change</i> | 3.6% | 3.1% | 3.3% | 3.2% | 3.2% | 3.1% |
| LEVY CEILING | | | | | | |
| Total Taxable Property Value | 24,524,518,817 | 25,015,009,193 | 25,515,309,377 | 26,025,615,565 | 26,546,127,876 | 27,077,050,434 |
| Levy Ceiling | 613,112,970 | 625,375,230 | 637,882,734 | 650,640,389 | 663,653,197 | 676,926,261 |
| <i>Override Capacity</i> | <i>469,509,201</i> | <i>477,181,367</i> | <i>484,684,024</i> | <i>492,361,711</i> | <i>500,267,552</i> | <i>508,405,973</i> |
| NEW GROWTH | | | | | | |
| Residential | 1,064,881 | 600,000 | 900,000 | 850,000 | 800,000 | 800,000 |
| Commercial (C) | 89,380 | - | - | - | - | - |
| Personal Property (P) | 628,872 | 400,000 | 400,000 | 400,000 | 350,000 | 250,000 |
| TOTAL New Growth | 1,783,133 | 1,000,000 | 1,300,000 | 1,250,000 | 1,150,000 | 1,050,000 |
| <i>Year-to-year percentage change</i> | 45.4% | (43.9%) | 30.0% | (3.8%) | (8.0%) | (8.7%) |
| DE-1 DEBT EXCLUSION | | | | | | |
| RSD Gross Excluded Debt Service | 1,716,996 | 1,567,464 | 1,519,792 | 1,472,419 | 1,424,507 | 1,424,507 |
| NET Excluded Debt Service | 1,716,996 | 1,567,464 | 1,519,792 | 1,472,419 | 1,424,507 | 1,424,508 |
| <i>Year-to-year percentage change</i> | (0.9%) | (8.7%) | (3.0%) | (3.1%) | (3.3%) | 0.0% |
| OVERLAY RESERVE | | | | | | |
| Allowance for Abatements/Exemptions | 1,307,839 | 1,436,038 | 1,359,999 | 1,404,190 | 1,448,616 | 1,493,707 |
| TOTAL Overlay Reserve | 1,307,839 | 1,436,038 | 1,359,999 | 1,404,190 | 1,448,616 | 1,493,707 |
| <i>Year-to-year percentage change</i> | (37.9%) | 9.8% | (5.3%) | 3.2% | 3.2% | 3.1% |

The average growth in the property tax levy over the forecast period is 3.2%. This includes the allowable 2.5% increase in the prior year levy limit plus, a factor for new property tax growth, currently authorized additions to the tax levy.

New property tax growth is projected at \$1.0 to \$1.3 million annually throughout the forecast which is the expected base growth however actual growth is expected to improve as the Vineyard Wind project will be coming on line and the potential for a second and third phase could contribute additional growth. The tax levy growth also includes the town's estimated share of the debt exclusion authorized to construct the new Cape Cod Technical Regional High School as well as the Cape Cod Commission assessment. Future ballot initiatives to authorize spending above current levy limits will be needed to fully fund future CWMP costs. The alternative would be to reduce the corresponding dollar amount in the operating budgets and redirect it to the CWMP.

The town's override capacity is more than 2.5 times the current and projected maximum allowable levy. Override capacity is calculated by multiplying the total taxable property value by 2.5% and subtracting the levy limit. The town has significant override capacity as a result of its large taxable property valuation. Taxable property value is expected to increase over the forecast period however at a slower rate than experienced during the pandemic. Even with this decline the town's projected override capacity is significant. The only way to access the override capacity is through a referendum presented to the voters in town.

Finally, an allowance for abatements and exemptions of \$1.4 million is provided annually for the anticipated property taxes that will not be collected due to statutory exemptions available to eligible taxpayers and abatements for corrections to assessed valuations.

State Aid and Assessments

| | FY2024 Final Est | FY2025 Projected | FY2026 Projected | FY2027 Projected | FY2028 Projected | FY2029 Projected |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| STATE AID | | | | | | |
| Chapter 70 Education Aid | 24,752,053 | 24,911,233 | 25,706,233 | 26,501,233 | 27,126,233 | 27,626,233 |
| Charter Tuition Reimbursement | 1,920,334 | 1,639,175 | 1,671,959 | 1,705,398 | 1,739,506 | 1,774,296 |
| School Choice Receiving Tuition (Offset) | 533,934 | 547,282 | 560,964 | 574,989 | 589,363 | 604,097 |
| Unrestricted General Government Aid | 2,514,611 | 2,590,019 | 2,654,769 | 2,721,139 | 2,789,167 | 2,858,896 |
| Veterans Benefits | 163,317 | 176,957 | 181,381 | 185,915 | 190,563 | 195,327 |
| Exemptions VBS and Elderly | 265,532 | 270,986 | 277,761 | 284,705 | 291,822 | 299,118 |
| State Owned Land | 184,787 | 186,662 | 191,329 | 196,112 | 201,015 | 206,040 |
| Public Libraries (offset) | 102,181 | 104,225 | 106,309 | 108,435 | 110,604 | 112,816 |
| TOTAL Cherry Sheet Receipts | 30,436,749 | 30,426,539 | 31,350,705 | 32,277,925 | 33,038,273 | 33,676,824 |
| <i>Year-to-year percentage change</i> | 24.0% | (0.0%) | 3.0% | 3.0% | 2.4% | 1.9% |
| STATE ASSESSMENTS | | | | | | |
| County Tax | 1,306,088 | 1,338,739 | 1,372,207 | 1,406,513 | 1,441,675 | 1,477,717 |
| Retired Teachers Health Insurance | 3,603,445 | 3,914,740 | 4,110,477 | 4,316,001 | 4,531,801 | 4,758,391 |
| Mosquito Control | 481,116 | 537,666 | 551,108 | 564,885 | 579,007 | 593,483 |
| Air Pollution | 24,191 | 24,796 | 25,416 | 26,051 | 26,702 | 27,370 |
| RMV Non-Renewal Surcharge | 82,340 | 88,000 | 90,200 | 92,455 | 94,766 | 97,136 |
| Regional Transit | 655,114 | 671,493 | 688,280 | 705,487 | 723,125 | 741,203 |
| Special Education | 12,214 | 31,358 | 32,142 | 32,945 | 33,769 | 34,613 |
| School Choice Sending Tuition | 1,534,227 | 1,610,997 | 1,651,272 | 1,692,554 | 1,734,868 | 1,778,239 |
| Charter School Sending Tuition | 6,705,470 | 6,963,724 | 7,137,817 | 7,316,263 | 7,499,169 | 7,686,648 |
| TOTAL Cherry Sheet Assessments | 14,404,205 | 15,181,513 | 15,658,919 | 16,153,154 | 16,664,883 | 17,194,800 |
| <i>Year-to-year percentage change</i> | 7.8% | 5.4% | 3.1% | 3.2% | 3.2% | 3.2% |
| | 2,965,619 | 3,077,714 | 3,138,567 | 3,201,183 | 3,265,603 | |
| Receipts | 30,436,749 | 30,426,539 | 31,350,705 | 32,277,925 | 33,038,273 | 33,676,824 |
| Assessments | 14,404,205 | 15,181,513 | 15,658,919 | 16,153,154 | 16,664,883 | 17,194,800 |
| TOTAL Net State Aid | 16,032,544 | 15,245,026 | 15,691,786 | 16,124,771 | 16,373,390 | 16,482,024 |
| <i>Year-to-year percentage change</i> | 43.5% | (4.9%) | 2.9% | 2.8% | 1.5% | 0.7% |

The town's total net state aid is projected to increase in the initial years of this forecast and level in the outer years. The largest category of state aid is Chapter 70 Education Aid. This is projected to increase at levels below those experienced in FY 2023 and FY 2024 as the State implemented the "Student Opportunity Act". Charter tuition reimbursements are expected to decline as the formula for this category of aid reduces the reimbursement amount over time, transitioning more of the cost of Charter School Tuition on to local communities.

Local Receipts

| BUDGET | FY2024 Budget | FY2025 Projected | FY2026 Projected | FY2027 Projected | FY2028 Projected | FY2029 Projected |
|--|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| 1. Motor Vehicle Excise | 8,030,266 | 8,557,000 | 8,826,315 | 9,104,106 | 9,390,640 | 9,686,192 |
| 2b. Room Excise | 2,100,000 | 2,150,000 | 2,200,578 | 2,252,346 | 2,305,332 | 2,359,564 |
| 2c. Other Excise-Boat | 120,000 | 120,000 | 120,000 | 120,000 | 120,000 | 120,000 |
| 3. Penalties/Interest on Taxes and Excises | 1,087,000 | 1,384,000 | 1,448,968 | 1,516,986 | 1,588,196 | 1,662,749 |
| 4. Payment In Lieu of Taxes | 32,000 | 37,000 | 37,000 | 37,000 | 37,000 | 37,000 |
| 10. Fees | 719,500 | 913,000 | 924,007 | 935,147 | 946,421 | 957,831 |
| 14. Dept. Revenue-Cemeteries | 185,000 | 190,000 | 195,278 | 200,702 | 206,277 | 212,007 |
| 15. Dept. Revenue-Recreation | 1,960,000 | 2,586,500 | 2,709,298 | 2,837,926 | 2,972,661 | 3,113,792 |
| 16. Other Departmental Revenue | 270,000 | 97,000 | 98,940 | 100,919 | 102,937 | 104,996 |
| 17. Licenses/Permits | 2,158,050 | 2,814,600 | 3,077,648 | 3,365,280 | 3,679,794 | 4,023,702 |
| 18. Special Assessments | 236,000 | 261,000 | 266,220 | 271,544 | 276,975 | 282,515 |
| 19. Fines and Forfeits | 143,000 | 241,000 | 245,820 | 250,736 | 255,751 | 260,866 |
| 20. Investment Income | 579,000 | 1,957,168 | 2,055,026 | 2,157,777 | 2,265,666 | 2,378,949 |
| 21. Medicaid Reimbursement | 352,993 | 400,000 | 452,363 | 511,581 | 578,551 | 654,288 |
| 22. Misc. Recurring | 785,000 | 1,500,000 | 1,530,000 | 1,560,600 | 1,591,812 | 1,623,648 |
| TOTAL Local Receipts-Budget | 18,757,809 | 23,208,268 | 24,187,461 | 25,222,650 | 26,318,013 | 27,478,100 |
| <i>Percent of Previous Year</i> | <i>14.2%</i> | <i>23.7%</i> | <i>4.2%</i> | <i>4.3%</i> | <i>4.3%</i> | <i>4.4%</i> |

Local receipts are projected to increase in fiscal year 2025 by 23.7% over the amount budgeted to balance the fiscal year 2025 spending plan. Most of the growth is concentrated in revisions to investment income that has had strong performance in FY 2023 and FY 2024. Motor vehicle and room excise tax as well as licenses and permits have remained strong with growth projected to continue in the 5-year projected time frame. The amount collected in these categories over the past few years has consistently been higher and has rebounded to pre-pandemic levels. After fiscal year 2025 an overall growth rate of 4.3% is projected.

Other Available Funds

| | FY2024 Projected | FY2025 Projected | FY2026 Projected | FY2027 Projected | FY2028 Projected | FY2029 Projected |
|-------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Free Cash-Appropriated | | | | | | |
| General Reserve Fund | 250,000 | 3,008,088 | 2,187,216 | 1,702,912 | 1,218,608 | 734,304 |
| Health Insurance Split Mitigation | | 3,000,000 | 2,500,000 | 1,500,000 | 1,000,000 | 500,000 |
| Snow & Ice | - | 225,000 | - | - | - | - |
| Total Free Cash Appropriated | 250,000 | 6,233,088 | 4,687,216 | 3,202,912 | 2,218,608 | 1,234,304 |

From Other Available Funds

| | | | | | | |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Stabilization Funds: | | | | | | |
| Capital Trust Fund | 13,864,146 | 16,232,962 | 17,903,010 | 19,602,037 | 20,202,010 | 21,135,892 |
| Bismore Parking Receipts | 243,640 | 243,640 | 243,640 | 243,640 | 243,640 | 243,640 |
| Wetlands Protection Fund | 45,000 | 45,000 | 45,000 | 45,000 | 45,000 | 45,000 |
| Embarkation Fees | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| Waterways Improvement Fund | 383,500 | 439,510 | 373,500 | 373,500 | 373,500 | 373,500 |
| Pension Reserve | 200,000 | 190,000 | 180,000 | 170,000 | 160,000 | 160,001 |
| Total Other Available Funds | 14,836,286 | 17,251,112 | 18,845,150 | 20,534,177 | 21,124,150 | 22,058,033 |

| | | | | | | |
|------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| TOTAL Available Funds | 15,086,286 | 23,484,200 | 23,532,366 | 23,737,089 | 23,342,758 | 23,292,337 |
|------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|

Other available funds used to balance the General Fund budget include the use of free cash (General Fund reserves), the Capital Trust Fund and certain receipts reserved for appropriation. These are listed in the table above. Free cash is used to provide for the Town Council’s budget reserve fund and a draw from the Capital Trust Fund is made each year to cover the loan payments that are part of the General Fund budget. A draw down of General Fund reserves is projected to migrate the cost of the health insurance split change along with the inclusion of School department ESSER grant funded positions over the projection time frame. Certain receipts collected by the town are credited to special revenue funds and subject to annual appropriation. These “Receipts Reserved for Appropriation” are used to offset certain costs included in the General Fund budget.

Forecast Schedule – FY 2025 through FY 2029 – General Fund Operating Expenditures

| | FY2024 Budget | FY2025 Projected | FY2026 Projected | FY2027 Projected | FY2028 Projected | FY2029 Projected | Average % Change |
|--|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| TOWN COUNCIL | | | | | | | |
| Personal Services | 233,907 | 236,670 | 239,502 | 242,422 | 245,428 | 247,500 | 1.12% |
| Expenses | 27,422 | 27,422 | 27,772 | 27,772 | 27,772 | 27,772 | 0.25% |
| Capital Outlay | - | - | - | - | - | - | |
| TOTAL Town Council | 261,329 | 264,092 | 267,274 | 270,194 | 273,200 | 275,272 | 1.03% |
| TOWN MANAGER | | | | | | | |
| Personal Services | 1,407,420 | 1,403,597 | 1,533,730 | 1,582,810 | 1,633,659 | 1,682,459 | 3.47% |
| Expenses | 128,112 | 171,702 | 171,702 | 171,702 | 171,702 | 171,702 | 5.08% |
| Capital Outlay | - | - | - | - | - | - | |
| TOTAL Town Manager | 1,535,532 | 1,575,299 | 1,705,432 | 1,754,512 | 1,805,361 | 1,854,161 | 3.68% |
| ADMINISTRATIVE SERVICES | | | | | | | |
| Personal Services | 5,332,700 | 5,706,081 | 5,790,575 | 5,976,909 | 5,267,443 | 5,420,888 | 0.10% |
| Expenses | 2,093,024 | 2,394,577 | 2,261,352 | 2,261,352 | 2,261,352 | 2,261,352 | 1.34% |
| Capital Outlay | 105,000 | 105,000 | 105,000 | 105,000 | 105,000 | 105,000 | 0.00% |
| TOTAL Administrative Services | 7,530,724 | 8,205,658 | 8,156,927 | 8,343,261 | 7,633,795 | 7,787,240 | 0.51% |
| PLANNING & DEVELOPMENT | | | | | | | |
| Personal Services | 1,862,767 | 1,935,021 | 2,042,786 | 2,111,240 | 2,177,798 | 2,236,967 | 3.59% |
| Expenses | 274,758 | 267,098 | 267,098 | 267,098 | 267,098 | 267,098 | -0.57% |
| Capital Outlay | 190,285 | 191,900 | 191,900 | 191,900 | 191,900 | 191,900 | 0.17% |
| TOTAL Planning & Development | 2,327,810 | 2,394,019 | 2,501,784 | 2,570,238 | 2,636,796 | 2,695,965 | 2.89% |
| POLICE | | | | | | | |
| Police Personal Services | 15,064,532 | 16,315,044 | 16,782,209 | 17,422,169 | 18,059,377 | 18,585,100 | 4.10% |
| Police Expenses | 1,336,540 | 1,473,747 | 1,473,747 | 1,473,747 | 1,473,747 | 1,473,747 | 1.86% |
| Police Capital Outlay | 696,448 | 920,537 | 949,412 | 979,731 | 1,011,566 | 1,044,992 | 7.37% |
| TOTAL Police | 17,097,520 | 18,709,328 | 19,205,368 | 19,875,647 | 20,544,690 | 21,103,839 | 4.10% |
| INSPECTIONAL SERVICES | | | | | | | |
| Personal Services | 2,204,968 | 2,339,396 | 2,347,958 | 2,434,928 | 2,517,072 | 2,590,505 | 3.16% |
| Expenses | 255,996 | 244,996 | 244,996 | 244,996 | 244,996 | 244,996 | -0.90% |
| Capital Outlay | - | - | - | - | - | - | |
| TOTAL Inspectional Services | 2,460,964 | 2,584,392 | 2,592,954 | 2,679,924 | 2,762,068 | 2,835,501 | 2.78% |
| EDUCATION | | | | | | | |
| Local Public School Budget | 82,814,860 | 89,375,780 | 92,466,507 | 95,680,863 | 99,023,794 | 102,500,442 | 4.16% |
| Cape Cod Tech RSD Assessment | 3,263,726 | 3,224,845 | 3,305,466 | 3,388,103 | 3,472,806 | 3,559,626 | 1.71% |
| Cape Cod Tech RSD Debt | 1,716,996 | 1,567,434 | 1,519,792 | 1,472,419 | 1,424,507 | 1,424,507 | -3.85% |
| TOTAL Education | 87,795,582 | 94,168,059 | 97,291,765 | 100,541,385 | 103,921,107 | 107,484,575 | 3.96% |
| PUBLIC WORKS | | | | | | | |
| DPW Personal Services | 6,556,468 | 6,656,923 | 6,956,858 | 7,191,282 | 7,766,332 | 7,949,327 | 3.76% |
| DPW Expenses | 2,960,588 | 3,102,588 | 3,134,950 | 3,174,180 | 3,215,371 | 3,258,622 | 1.89% |
| Snow & Ice Expenses | 975,000 | 975,000 | 975,000 | 975,000 | 975,000 | 975,000 | 0.00% |
| DPW Capital Outlay | 650,000 | 650,000 | 663,000 | 676,260 | 689,785 | 703,581 | 1.57% |
| TOTAL Public Works | 11,142,056 | 11,384,511 | 11,729,808 | 12,016,722 | 12,646,488 | 12,886,530 | 2.86% |
| MARINE & ENVIORNMENTAL AFFAIRS | | | | | | | |
| Personal Services | 1,109,474 | 1,263,962 | 1,266,764 | 1,312,438 | 1,358,380 | 1,393,666 | 4.37% |
| Expenses | 295,415 | 320,365 | 320,365 | 320,365 | 320,365 | 320,365 | 1.56% |
| Capital Outlay | 55,000 | 54,200 | 54,200 | 54,200 | 54,200 | 54,200 | -0.30% |
| TOTAL Marine & Enviornmental Services | 1,459,889 | 1,638,527 | 1,641,329 | 1,687,003 | 1,732,945 | 1,768,231 | 3.69% |

Forecast Schedule – FY 2025 through FY 2029 – General Fund Operating Expenditures

| | FY2024 Budget | FY2025 Projected | FY2026 Projected | FY2027 Projected | FY2028 Projected | FY2029 Projected | Average % Change |
|---|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| COMMUNITY SERVICES | | | | | | | |
| Personal Services | 2,344,847 | 2,556,834 | 2,606,944 | 2,662,223 | 2,717,263 | 2,761,637 | 3.18% |
| Expenses | 225,800 | 310,900 | 310,900 | 310,900 | 310,900 | 310,900 | 5.47% |
| Capital Outlay | 20,000 | 20,000 | 21,000 | 22,050 | 23,153 | 24,311 | 3.81% |
| TOTAL Community Services | 2,590,647 | 2,887,734 | 2,938,844 | 2,995,173 | 3,051,316 | 3,096,848 | 3.44% |
| DEBT SERVICE | | | | | | | |
| Long-Term - Principal | 5,166,000 | 4,405,000 | 4,339,500 | 3,887,500 | 5,023,130 | 4,984,455 | -1.72% |
| Long-Term - Interest | 2,058,886 | 1,844,511 | 1,638,896 | 1,445,371 | 1,275,866 | 1,275,866 | -10.17% |
| Short-Term - Interest | 25,003 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 0.00% |
| Debt Service Reserve (Authorized & Unissued Debt) | - | 974,999 | 1,503,981 | 1,465,306 | 1,426,630 | 1,426,631 | 25.96% |
| TOTAL Debt Service | 7,249,889 | 7,249,510 | 7,507,377 | 6,823,176 | 7,750,626 | 7,711,952 | 0.97% |
| RISK MANAGEMENT | | | | | | | |
| General Town Insurance | 2,600,000 | 2,700,000 | 2,754,000 | 2,809,080 | 2,865,262 | 2,922,567 | 2.31% |
| Unemployment Insurance | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 | 0.00% |
| Worker's Compensation (budgetary) | 900,000 | 900,000 | 900,000 | 900,000 | 900,000 | 900,000 | 0.00% |
| TOTAL Risk Management | 3,800,000 | 3,900,000 | 3,954,000 | 4,009,080 | 4,065,262 | 4,122,567 | 1.62% |
| EMPLOYEE BENEFITS | | | | | | | |
| Retirement | 12,430,911 | 12,613,092 | 12,991,485 | 13,381,230 | 13,782,667 | 14,196,147 | 2.62% |
| Health Insurance - Active Employees | 8,146,474 | 11,590,868 | 12,054,503 | 12,536,683 | 13,038,150 | 13,559,676 | 9.02% |
| Health Insurance - Retired Employees | 1,785,000 | 1,963,500 | 2,042,040 | 2,123,722 | 2,208,671 | 2,297,018 | 4.90% |
| Retirees Buybacks | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 0.00% |
| Medicare & Life Ins. | 1,371,511 | 1,450,691 | 1,494,212 | 1,539,038 | 1,585,209 | 1,632,765 | 3.42% |
| TOTAL Employee Benefits | 24,233,896 | 28,118,151 | 29,082,240 | 30,080,673 | 31,114,697 | 32,185,606 | 5.42% |
| RESERVES and MISCELLANEOUS | | | | | | | |
| Reserve Fund | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 0.00% |
| Library Grants | 2,106,908 | 2,228,650 | 2,284,366 | 2,341,475 | 2,400,012 | 2,460,012 | 3.04% |
| Tourism Grant | 127,000 | 127,000 | 127,000 | 127,000 | 127,000 | 127,000 | 0.00% |
| Celebrations | 182,285 | 185,000 | 185,000 | 185,000 | 185,000 | 185,000 | 0.29% |
| Lombard Land Lease | 52,000 | 52,000 | 54,600 | 57,330 | 60,197 | 63,207 | 3.81% |
| Stabilization Funds: | | | | | | | |
| Capital Trust | 7,870,803 | 8,999,199 | 9,974,179 | 10,973,533 | 11,247,871 | 11,529,068 | 7.26% |
| OPEB Trust (budgetary) | 750,000 | 800,000 | 850,000 | 900,000 | 950,000 | 1,000,000 | 5.59% |
| Old Kings Highway Assessment | 10,950 | 11,200 | 11,536 | 11,882 | 12,238 | 12,605 | 2.78% |
| Greenhead Fly Control District | 5,820 | 5,820 | 5,820 | 5,820 | 5,820 | 5,820 | 0.00% |
| Veterans Dist. Assessment & Benefits | 400,000 | 400,000 | 394,000 | 388,090 | 382,269 | 376,535 | -1.22% |
| TOTAL Reserves and Miscellaneous | 11,755,766 | 13,058,869 | 14,136,501 | 15,240,130 | 15,620,407 | 16,009,247 | 5.94% |
| STATE ASSESSMENTS | | | | | | | |
| TOTAL State Assessments | 14,404,205 | 15,181,513 | 15,658,919 | 16,153,154 | 16,664,883 | 17,194,800 | 3.48% |
| OTHER AMOUNTS TO BE RAISED | | | | | | | |
| Cherry Sheet Offsets | 636,115 | 651,507 | 667,274 | 683,424 | 699,967 | 716,913 | 2.36% |
| Abatements & Exemptions (Overlay) | 1,307,839 | 1,436,038 | 1,359,999 | 1,404,190 | 1,448,616 | 1,493,707 | 2.51% |
| TOTAL Other Amounts Raised | 1,943,954 | 2,087,545 | 2,027,273 | 2,087,614 | 2,148,583 | 2,210,622 | 2.49% |

Forecast Schedule – FY 2025 through FY 2029 – General Fund Operating Expenditures

| | FY2024 Budget | FY2025 Projected | FY2026 Projected | FY2027 Projected | FY2028 Projected | FY2029 Projected | Average % Change |
|--|------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| OTHER FINANCING USES | | | | | | | |
| Snow & Ice (current shortfall/prior FY deficit) | - | 225,000 | - | - | - | - | |
| Transfer to Enterprise Funds | 1,436,994 | 1,436,994 | 1,436,994 | 1,436,994 | 1,436,994 | 1,436,994 | 0.00% |
| TOTAL Other financing Uses | 1,436,994 | 1,661,994 | 1,436,994 | 1,436,994 | 1,436,994 | 1,436,994 | -0.42% |
| Offset for Indirect Costs Charged to Enterprise Funds | (3,367,266) | (3,729,155) | (3,477,294) | (3,604,793) | (3,737,942) | (3,877,018) | 2.63% |
| TOTAL GENERAL FUND | 195,659,491 | 211,340,045 | 218,357,494 | 224,960,086 | 232,071,277 | 238,782,934 | 3.89% |

The average projected increase in the overall General Fund budget is 3.89% over the forecasted period. Salaries under each department include step and lane increases for eligible employees as well as cost of living adjustments. Most pay scales for town employees include a 10-step range and employees move to the next step upon receiving a satisfactory annual review. More than one-half of the current workforce has reached step 10.

AIRPORT ENTERPRISE FUND SUMMARY

The Airport Enterprise Fund supports the operation and development of the Barnstable Municipal Airport site. The airport consists of a 35,000 sq. ft. passenger terminal, an 85 ft. air traffic control tower, and a vehicle access road, extensive parking facilities, new aircraft ramps, taxiways, an airport rescue firefighting team, maintenance building, and an aircraft fuel farm. More than 40 private tenants lease hangar space on parts of the airport property. Airline ticket counters, car rental agencies, and an art gallery/shop serve passengers.

The Airport Enterprise Fund currently operates on a full cost recovery basis requiring no General Fund subsidy. It will also reimburse the General Fund \$901,172 for indirect expenses and its share of employee benefit and insurance costs budgeted within the General Fund in FY 2024. It is expected that it will remain self-supporting going forward. As of July 1, 2023, the operation's estimated available surplus is \$13,256,059.

Factors Affecting Revenues

Airport activities are financed primarily through jet fuel sales; however, land leases and rental space are significant revenue sources as well. The recently approved new land lease for the former Capetown Plaza, now known as The Landing, generates more than \$1.2 million annually in a land lease payment. This land is owned by the Town of Barnstable and is under the control of the Airport Commissions. The current lease holder has plans to redevelop the structures on this land which should generate new growth tax dollars for the town's General Fund. Other significant factors in the generation of airport revenue are passenger traffic, enplanements, and landing fee activity. These latter items represent actual measures of airport and aviation services. Fuel sales are also a measure of the airport's competitiveness in the marketplace. The airport also receives Airport Improvement Program grants from the Federal Aviation Administration (FAA) for capital improvements. In addition, the Airport is also a recipient of an \$18 million CARES Act grant which can be used to offset any operating or capital costs associated with the airport's operation. This funding has allowed the airport operation to grow its surplus fund balance to over \$13 million at the end of fiscal year 2023.

Factors Affecting Expenses

The largest component of the airport's operating expenses is purchase of jet fuel for resale. The airport also requires extensive capital needs regarding facility improvements, vehicle replacements, and taxiway and runway reconstruction. Additionally, the airport has been working to remediate its responsibility associated with groundwater contamination. The full cost of the airport's required response is unknown to date but could have a material impact on the airport operating expenditures in the future.

Capital Program

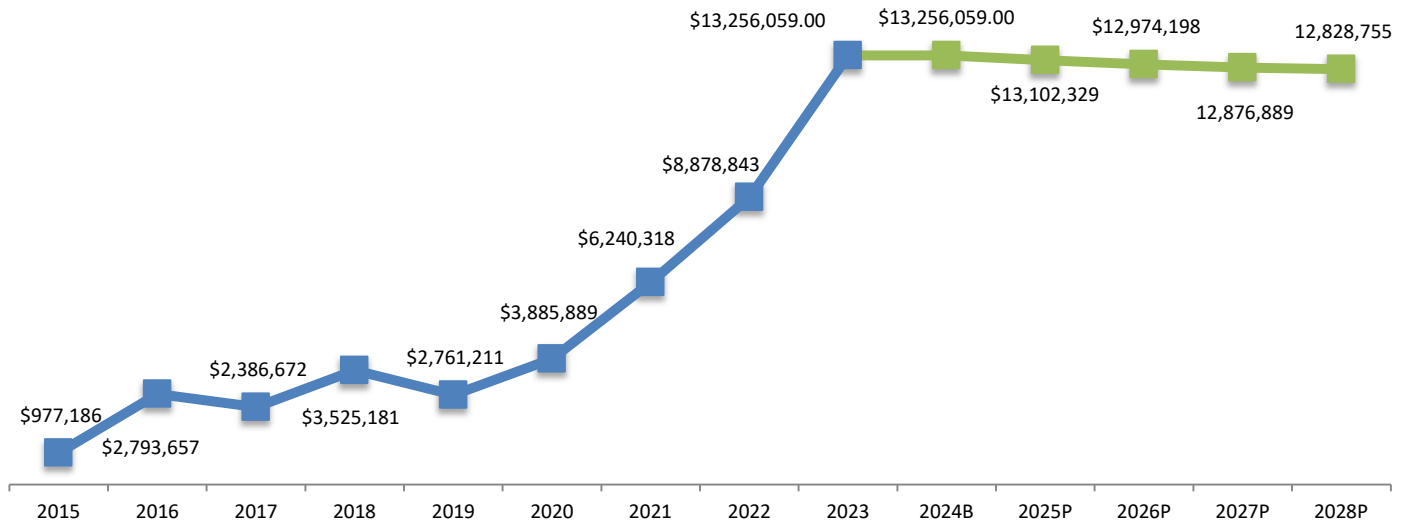
The airport participates in the federally sponsored Airport Improvements Program, which is administered by the Federal Aviation Administration (FAA). This program has an entitlement component with funding being determined by passenger volume. The airport's annual entitlement grant is approximately \$1 million, and they are eligible for FAA discretionary funds as well. The airport makes annual expenditures for required airfield rehabilitation projects using these funds. The majority of airport capital projects consist of costs being shared in a threefold manner: the Federal Aviation Administration (FAA) at 90%, the Massachusetts Aeronautics Commission (MAC) at 5%, and a local (Airport) share of 5%. Discretionary funds at the state level may become available for capital improvements. The Airport will continue to rely on federal and state grants for its infrastructure improvement projects. The airport has \$48 million in scheduled capital improvements over the next five years as illustrated on the next page.

| DEPT | PRIORITY | PROJECT TITLE | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | TOTALS |
|----------------------|----------|---|---------------------|------------------|----------------------|----------------------|---------------------|----------------------|
| BMA | 1 | HVAC Upgrades to Terminal & Tower | 2,082,400 | - | - | - | - | 2,082,400 |
| BMA | 2 | Terminal Optimization Program | 1,500,000 | - | - | - | - | 1,500,000 |
| BMA | 3 | Electric Aircraft Charging Facility | 550,000 | - | - | - | - | 550,000 |
| BMA | 4 | Replace SRE Equipment - Airport #32 (Chevy 2500HD) | - | 80,000 | - | - | - | 80,000 |
| BMA | 5 | Relocate & Extend Taxiway B | - | - | 8,800,000 | - | - | 8,800,000 |
| BMA | 6 | Terminal Upgrades - Jetway/Gate Expansion/Hold room expansion | - | - | 6,500,000 | - | - | 6,500,000 |
| BMA | 7 | Replace SRE Equipment - Airport #38 (ASV Skid Steer Plow) | - | - | 100,000 | - | - | 100,000 |
| BMA | 8 | Reconstruction and Re-Alignment of Taxiways Delta and Echo at Runway 15 | - | - | - | 12,200,000 | - | 12,200,000 |
| BMA | 9 | Acquire Easements/Acquisition for Future Construction/Runway Extension | - | - | - | 6,750,000 | 6,750,000 | 13,500,000 |
| BMA | 10 | SRE Equipment Storage Facility | - | - | - | - | 2,000,000 | 2,000,000 |
| BMA | 11 | Jet A Fuel Storage Tank | - | - | - | - | 735,000 | 735,000 |
| TOTAL AIRPORT | | | \$ 4,132,400 | \$ 80,000 | \$ 15,400,000 | \$ 18,950,000 | \$ 9,485,000 | \$ 48,047,400 |

Certified Surplus Balance

The State’s Division of Local Services certifies the amount of surplus a community has at the beginning of each fiscal year. This surplus is an unrestricted revenue source that can be used to support current-year operations and capital program or to provide a revenue source for the ensuing year’s budget.

July 1st Airport Certified Surplus - Actual and Projected



The blue line represents the past nine years of actual certified airport surplus. Certified airport surplus grew in FY23 due to the use of Cares Act funding offsetting operating expenses throughout the year. As of July 01, 2023, the airport certified surplus exceeds the approved FY23 operating budget. The green line is a projection of surplus funds through July 01, 2028. The Airport Enterprise Fund’s surplus is projected to see a small decrease year over year as a portion will be used for the projected operating and capital programs.

BARNSTABLE MUNICIPAL AIRPORT OPERATING BUDGET PROJECTION - BUDGETARY BASIS

| | FY2024 Budget | FY2025 Projected | FY2026 Projected | FY2027 Projected | FY2028 Projected | FY2029 Projected |
|---|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| AIRPORT ENTERPRISE | | | | | | |
| Enterprise Revenues | | | | | | |
| User Charges | 11,453,935 | 12,063,131 | 12,540,344 | 13,038,898 | 13,559,812 | 14,104,150 |
| Other Revenue | 520,500 | 776,462 | 791,991 | 807,830 | 823,986 | 840,465 |
| TOTAL Airport Revenue | 11,974,435 | 12,839,593 | 13,332,335 | 13,846,728 | 14,383,798 | 14,944,615 |
| Retained Earnings (surplus) | - | - | 72,020 | 48,179 | 19,271 | 19,271 |
| TOTAL Airport Enterprise Revenues-Budget | 11,974,435 | 12,839,593 | 13,404,355 | 13,894,907 | 14,403,069 | 14,963,886 |

| | | | | | | |
|--------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Enterprise Expenditures | | | | | | |
| Personal Services | 2,525,508 | 2,708,231 | 2,755,070 | 2,855,766 | 2,960,728 | 3,047,156 |
| Expenses | 8,003,665 | 8,615,169 | 9,188,747 | 9,544,482 | 9,917,235 | 10,307,833 |
| Issued Debt | 173,550 | 159,050 | 154,600 | 155,150 | 150,500 | 150,500 |
| Operating Capital Expenditures | 370,000 | 404,000 | 404,000 | 404,000 | 404,000 | 404,000 |
| Total Expenditures | 11,072,723 | 11,886,450 | 12,502,417 | 12,959,398 | 13,432,463 | 13,909,489 |
| Indirect Expenses | 901,712 | 953,143 | 983,648 | 1,015,461 | 1,048,644 | 1,083,260 |

| | | | | | | |
|---------------------------------------|---|-----|----------|----------|----------|----------|
| Enterprise Surplus/(Shortfall) | 0 | (0) | (81,710) | (79,952) | (78,038) | (28,863) |
|---------------------------------------|---|-----|----------|----------|----------|----------|

| | Fiscal Year 2024 | 2025 | 2026 | 2027 | 2028 | 2029 |
|---|---------------------|-------------|------------|------------|------------|------------|
| Retained Earnings certified as of | 7/1/2023 | 7/1/2024 | 7/1/2025 | 7/1/2026 | 7/1/2027 | 7/1/2028 |
| Airport Retained Earnings | 13,256,059 | 13,256,059 | 13,102,329 | 12,974,198 | 12,876,889 | 12,828,755 |
| Retained Earnings as % of Total Budget | 111% | 103% | 98% | 94% | 90% | 86% |

SOLID WASTE ENTERPRISE FUND SUMMARY

The Solid Waste Enterprise Fund is used to account for all revenues and expenses associated with operating the Town of Barnstable’s facility located on Flint Street in Marstons Mills. The facility operates a transfer station, recycling facility, and bulky item disposal service.

This operation has undergone some significant changes over the past few years. The town’s tipping fee per ton for waste disposal has significantly increased. The increased costs for waste disposal have resulted in transfer station stickers increasing to \$335 for residents. This is still considerably less than charges for curbside pickup offered by private haulers in town; however, fees could be approaching a price point where residents may be willing to pay more for the convenience of curbside pickup. The operation currently has around 9,200 full fee-paying customers. This operation also provides recycling services for all town residents for a charge if they don’t have a transfer station sticker. This was previously provided for free; however, significant changes in the international recycling markets have resulted in increased costs eliminating the free service. The town now pays over \$100 per ton for the disposal of recycled materials. This includes paper, plastics, and glass. There is still a market for corrugated cardboard and metals. Household hazardous waste collection is also conducted at this facility, but the General Fund pays for the disposal cost as this service is provided free to all town residents.

The Solid Waste Enterprise Fund currently operates on a full costs’ recovery basis requiring no General Fund subsidy. It will also reimburse the General Fund \$395,517 for indirect expenses and its share of employee benefit and insurance costs budgeted within the General Fund in FY 2024. It is expected that it will remain self-supporting going forward. As of July 1, 2023, the operation’s available surplus is \$1,904,664.

Factors Affecting Revenues

The Solid Waste Enterprise Fund revenues are affected by activities levels at the transfer station. The two major sources of revenue for the Enterprise Fund are the residential sticker and the tonnage fees charged for disposal of construction and demolition materials by homeowners and local small businesses. This operation has also seen a significant increase in recycling materials. Solid Waste Facility rates are reviewed annually for services provided by this facility. It is projected that revenue will need to growth by at least 5% per year across the board for this operation to cover its annual operating and capital needs as well as maintain an adequate reserve fund balance.

Factors Affecting Expenses

Expenses have been forecast to provide staffing levels for a 7-day operation. Projected wage and benefit increases range from 3% to 6%. Debt service is included for all Solid Waste related borrowings as well as capital improvement over the next five years. Tipping fee contracts have incurred significant increases due to the escalating disposal costs for recycling and solid waste. The tipping fee is the largest cost component for this operation.

Capital Program

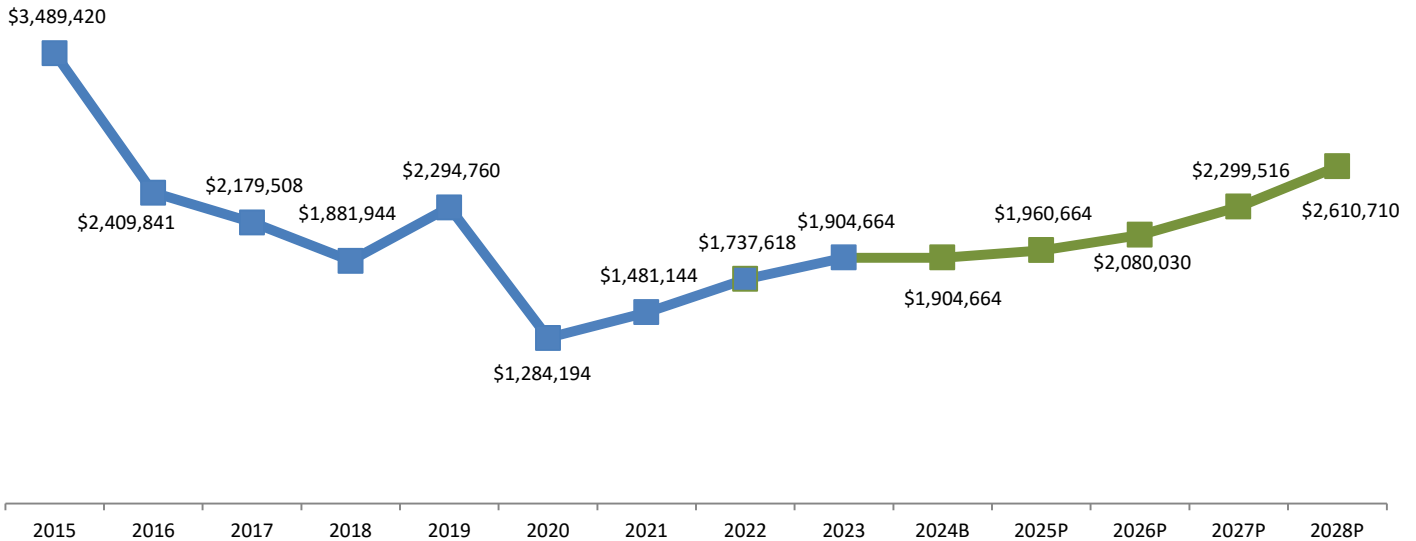
The five-year capital plan identifies approximately \$1.0 million in capital needs. Projects will be reviewed and if incorporated into the rate analysis if they move forward. Reserves may be used to offset a portion of the cost.

| DEPT | PRIORITY | PROJECT TITLE | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | TOTALS |
|-------------------|----------|---------------------------------|------------|------------|------------|-----------|-----------|--------------|
| SW | 1 | Tractor Brush-Mower replacement | 90,000 | - | - | - | - | 90,000 |
| SW | 2 | Sweeper Replacement | 50,000 | - | - | - | - | 50,000 |
| SW | 3 | Compactor Unit Replacement | 125,000 | 150,000 | 65,000 | - | - | 340,000 |
| SW | 4 | Container Replacement | 50,000 | 50,000 | 55,000 | 55,000 | 55,000 | 265,000 |
| SW | 5 | Roll-Off Truck Replacement | - | - | 275,000 | - | - | 275,000 |
| TOTAL SOLID WASTE | | | \$ 315,000 | \$ 200,000 | \$ 395,000 | \$ 55,000 | \$ 55,000 | \$ 1,020,000 |

Certified Surplus Balance

The State’s Division of Local Services certifies the amount of surplus a community has at the beginning of each fiscal year. This surplus is an unrestricted revenue source that can be used to support current-year operations or to provide a revenue source for the ensuing year’s budget.

July 1st Solid Waste Certified Surplus - Actual and Projected



The blue line represents the past nine years of actual certified surplus, and the green line is the projected amount going forward. Some surplus is expected to be used to mitigate fee increases and capital needs in the future.

SOLID WASTE ENTERPRISE FUND OPERATING BUDGET PROJECTION – BUDGETARY BASIS

| | FY2024 Budget | FY2025 Projected | FY2026 Projected | FY2027 Projected | FY2028 Projected | FY2029 Projected |
|---|---------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| SOLID WASTE ENTERPRISE | | | | | | |
| Enterprise Revenues | | | | | | |
| User Charges | 3,932,800 | 4,290,151 | 4,530,287 | 4,786,028 | 5,058,444 | 5,348,677 |
| Other Revenue | 90,000 | 140,200 | 141,604 | 143,036 | 144,497 | 145,987 |
| TOTAL Solid Waste Revenue | 4,022,800 | 4,430,351 | 4,671,891 | 4,929,064 | 5,202,941 | 5,494,664 |
| Retained Earnings | 271,022 | - | - | - | - | - |
| TOTAL Solid Waste Enterprise Revenues-Budget | 4,293,822 | 4,430,351 | 4,671,891 | 4,929,064 | 5,202,941 | 5,494,664 |
| Enterprise Expenditures | | | | | | |
| Personal Services | 1,408,598 | 1,537,337 | 1,599,928 | 1,663,284 | 1,729,316 | 1,785,676 |
| Expenses | 2,307,787 | 2,465,287 | 2,573,535 | 2,687,165 | 2,806,446 | 2,931,659 |
| Issued Debt | 31,920 | 30,800 | 29,680 | 28,840 | - | - |
| Capital Expenditures | 150,000 | - | - | - | - | - |
| Total Expenditures | 3,898,305 | 4,033,424 | 4,203,143 | 4,379,289 | 4,535,762 | 4,717,335 |
| Indirect Expenses | 395,517 | 396,927 | 413,123 | 430,034 | 447,693 | 466,135 |
| Enterprise Surplus/(Shortfall) | 0 | 0 | 55,625 | 119,741 | 219,486 | 311,194 |
| Retained Earnings as % of Total Budget | | | | | | |
| | Fiscal Year 2024 7/1/2023 | 2025 7/1/2024 | 2026 7/1/2025 | 2027 7/1/2026 | 2028 7/1/2027 | 2029 7/1/2028 |
| Solid Waste Retained Earnings | 1,904,664 | 1,904,664 | 1,960,289 | 2,080,030 | 2,299,516 | 2,610,710 |
| Retained Earnings as % of Total Budget | 47% | 43% | 42% | 42% | 44% | 48% |

WATER POLLUTION CONTROL ENTERPRISE FUND SUMMARY

This operation runs the wastewater treatment plant on Bearses Way in Hyannis, a smaller plant in Marstons Mills and a small treatment system at Red Lily Pond. The main facility in Hyannis acts as a repository for residential and commercial sewage and septage. The facility in Marstons Mills services the two school buildings and a residential housing development located adjacent to the school property. The Red Lilly Pond system services residential properties located near the pond. The system also includes 30 sewage pump stations and 55 miles of sewer lines. Close to 600 million gallons of wastewater and 12 million gallons of septage are treated every year.

This operation will experience significant changes as a result of the town's Comprehensive Wastewater Management Plan (CWMP). This plan includes the expansion of the collection system and the centralized treatment of wastewater. There has been much discussion of various funding scenarios for sewer expansion, effluent mitigation, and nitrogen management. Part of the expansion discussion includes issues of ability-to-pay and cost allocation. In the past, the federal and state governments subsidized 90% of capital costs for construction of new wastewater facilities and sewer expansion. Today, federal and state assistance is provided through the state revolving loan fund in the form of principal subsidies and low financing rates.

In July of 2010, Town Council voted to dedicate 100% of the local meals excise tax and one-third of the local rooms excise tax revenues to a sewer expansion program by filing special legislation for the creation of a Sewer Construction and Private Way Improvement Special Revenue Fund. This fund provides resources for current and future build-out of the public sewer system. The state also passed legislation in 2019 that applies the local rooms tax to vacation rentals. Revenue from this source has been dedicated to the CWMP. In addition, a new Cape & Islands Water Protection Fund was created and funded with an additional 2.75% tax on all types of lodging that will be used to subsidize sewer expansion projects. Finally, the Town Council has adopted a sewer assessment ordinance that caps the sewer assessment at \$10,000 per dwelling unit. Collectively, this new funding, along with subsidies received from the State revolving loan fund, is projected to provide more than one-half of the resources needed for the town's CWMP.

The Water Pollution Control Enterprise Fund currently operates on a full cost recovery basis requiring no General Fund subsidy. It will also reimburse the General Fund \$546,037 indirect expenses and its share of employee benefit and insurance costs budgeted within the General Fund in FY 2024. It is expected that it will remain self-supporting going forward. As of July 1, 2023, the operation's estimated available surplus is \$11,259,454.

Factors Affecting Revenues

Sewer rates charged to users of the system provide the resources necessary for the operations and capital program associated with the existing infrastructure. The cost of expanding the system is provided from other resources and is not factored into user rates. The number of customers tied into the facility can have a significant impact on revenue. The rates are set in accordance with the necessary revenue required to run the sewer operations and pay back the borrowings issued for the sewer plant improvements. The expansion of the sewer collection system will not be placed on rate payers and will be provided from sewer assessments, special revenue funds, and General Fund contributions, net of any federal and state aid. Rate increases of approximately 6% over the next 5 years are projected in order to cover projected operating and capital costs.

Factors Affecting Expenses

These operations are fixed cost intensive and require continuous maintenance and upgrades to the system. Debt service within the projection includes all sewer related borrowings for existing as well as authorized but unissued loans for maintaining existing infrastructure, and the five-year capital improvement plan. Furthermore, sludge disposal, chemicals, and electricity represent the largest operating expenses.

Capital Program

Capital plan for the Sewer Enterprise Fund is estimated at \$446 million over the next five years. This is comprised of \$15.8 million for improvements to existing facilities and \$431.8 million for the CWMP. The cost of the improvements to existing facilities will be incorporated into the user rates charges for existing customers.

Expansion of the sewer collection and treatment system will not be factored into user rate charges but provided from other funding sources including rooms and meals excise taxes, subsidies received from the State revolving loan fund, the Cape & Islands Water Protection Fund and subsidies from the General Fund. Projected future debt in the forecast illustrates the additional funding needed to fully implement the CWMP capital program over the next five years.

The town's Comprehensive Wastewater Management Plan is broken down into 3 phases over a 30-year period. Phase 1 includes the construction of main trunk lines and pump stations that run North/South and East/West which will carry the flow delivered from sewer mains installed in various neighborhoods. Smaller neighborhoods are also included in Phase 1 that will be tied into the main trunk lines and pump stations. Currently, the existing facility has the capacity to treat the additional flow from this phase. Phase 1 also includes exploring non-traditional solutions such as dredging of ponds, cranberry bog conversions, aquaculture, and permeable reactive barriers. These non-traditional initiatives will be monitored during the first phase closely for feasibility in future phases.

ENTERPRISE FUNDS

| DEPT | PRIORITY | PROJECT TITLE | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | TOTALS |
|--------------------------------------|----------|--|---------------------|---------------------|-------------------|---------------------|---------------------|----------------------|
| WPC | 1 | Pump Station Rehabilitation Program | 1,000,000 | 1,900,000 | 400,000 | 400,000 | 2,000,000 | 5,700,000 |
| WPC | 2 | Effluent Sand Bed Valve Rehabilitation | 600,000 | - | - | - | - | 600,000 |
| WPC | 3 | Sewer System Rehabilitation- Evaluation and Design | 150,000 | - | - | 850,000 | 500,000 | 1,500,000 |
| WPC | 4 | Bypass Pump | 115,000 | - | - | - | - | 115,000 |
| WPC | 5 | Downtown Hyannis Force Main Rehabilitation -- Construction | - | 7,500,000 | - | - | - | 7,500,000 |
| WPC | 6 | Tractor 259 Replacement | - | - | 100,000 | - | - | 100,000 |
| WPC | 7 | Tow Behind Generator | - | - | - | - | 150,000 | 150,000 |
| WPC | 8 | Crane Truck 246 Replacement | - | - | - | - | 165,000 | 165,000 |
| TOTAL WATER POLLUTION CONTROL | | | \$ 1,865,000 | \$ 9,400,000 | \$ 500,000 | \$ 1,250,000 | \$ 2,815,000 | \$ 15,830,000 |

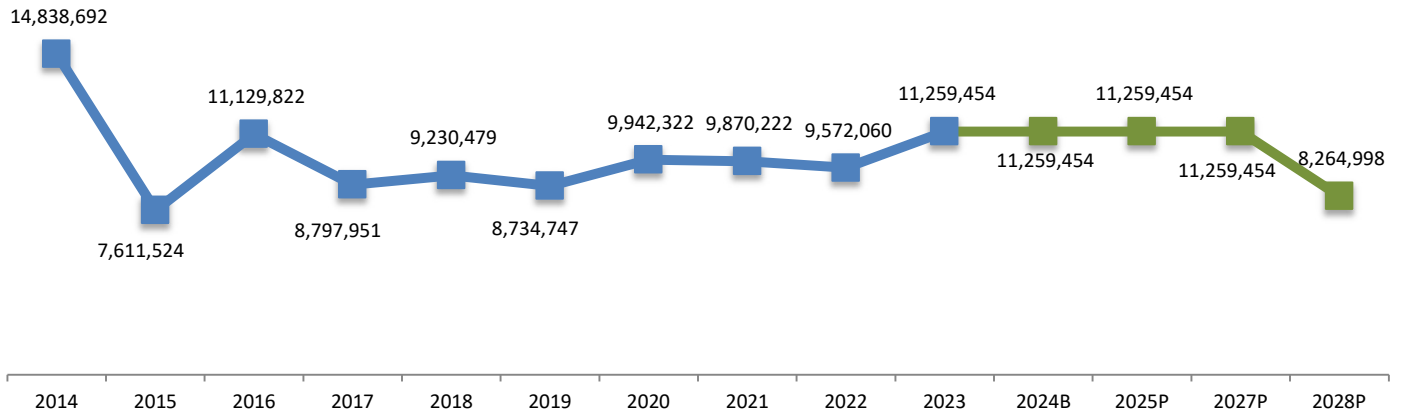
COMPREHENSIVE WASTEWATER MANAGEMENT PLAN

| DEPT | PRIORITY | PROJECT TITLE | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | TOTALS |
|--|----------|--|-----------------------|----------------------|-----------------------|----------------------|----------------------|-----------------------|
| CWMP | 1 | Nitrogen Removal Improvements and Water Pollution Control Facility Upgrade | 109,330,000 | - | 63,399,000 | - | - | 172,729,000 |
| CWMP | 2 | Rt. 28 West Sewer Expansion | 59,650,000 | - | - | - | - | 59,650,000 |
| CWMP | 3 | Long Beach Sewer Expansion | 750,000 | - | 9,000,000 | - | - | 9,750,000 |
| CWMP | 4 | Great Marsh Road Sewer Expansion – Design and Permitting | - | 2,500,000 | - | 38,000,000 | - | 40,500,000 |
| CWMP | 5 | Mill Pond Dredging | - | 5,000,000 | 150,000 | - | - | 5,150,000 |
| CWMP | 6 | South County Rd Sewer Expansion | - | 600,000 | 1,500,000 | - | 21,000,000 | 23,100,000 |
| CWMP | 7 | Phinney's Lane Neighborhoods Sewer Expansion | - | 40,000,000 | - | - | - | 40,000,000 |
| CWMP | 8 | Effluent Disposal Alternatives | - | TBD | - | TBD | - | - |
| CWMP | 9 | Warren's cove Aquaculture Project - Design and Permitting | - | TBD | - | TBD | - | - |
| CWMP | 10 | Prince Cove Sewer Expansion | - | - | 750,000 | 1,500,000 | 25,000,000 | 27,250,000 |
| CWMP | 11 | Huckins Neck Rd Sewer Expansion | - | - | 300,000 | 700,000 | - | 1,000,000 |
| CWMP | 12 | Long Pond Area Sewer Expansion | - | - | 38,000,000 | - | - | 38,000,000 |
| CWMP | 13 | Old Yarmouth Rd Sewer Expansion | - | - | - | 12,750,000 | - | 12,750,000 |
| CWMP | 14 | Osterville Woods Sewer Expansion - Design and Survey | - | - | - | 600,000 | 1,400,000 | 2,000,000 |
| TOTAL COMPREHENSIVE WASTEWATER MANAGEMENT | | | \$ 169,730,000 | \$ 48,100,000 | \$ 113,099,000 | \$ 53,550,000 | \$ 47,400,000 | \$ 431,879,000 |

Certified Surplus Balance

The State's Division of Local Services certifies the amount of surplus a community has at the beginning of each fiscal year. This surplus is an unrestricted revenue source that can be used to support current-year operations or to provide a revenue source for the ensuing year's budget.

July 1st Water Pollution Control Certified Surplus - Actual and Projected



The blue line represents the past ten years of actual certified surplus, and the green line is projected. Some surplus is anticipated to be used to mitigate user rate impacts. Debt service costs are projected to increase significantly due to loans issued for facility improvements in the future.

WATER POLLUTION CONTROL ENTERPRISE FUND OPERATING BUDGET PROJECTION – BUDGETARY BASIS

| | FY2024 Budget | FY2025 Projected | FY2026 Projected | FY2027 Projected | FY2028 Projected | FY2029 Projected |
|---|------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| SEWER ENTERPRISE | | | | | | |
| Enterprise Revenues | | | | | | |
| User Charges | 5,506,415 | 5,894,315 | 6,290,166 | 6,736,843 | 7,250,394 | 7,794,760 |
| Other Revenue | 110,000 | 185,263 | 185,263 | 185,263 | 185,263 | 185,263 |
| TOTAL Sewer Revenue | 5,616,415 | 6,079,578 | 6,475,429 | 6,922,106 | 7,435,657 | 7,980,023 |
| Retained Earnings | - | - | - | - | - | 1 |
| Sewer Construction & Private Way Improvement Fund | 3,098,288 | 1,216,389 | 1,593,694 | 3,836,558 | 5,792,371 | 7,689,688 |
| Sewer Assessments (CWMP) | - | 45,648 | 50,213 | 55,234 | 60,757 | 66,833 |
| Capital Trust Fund (CWMP) | - | 4,250,000 | 5,000,000 | 5,750,000 | 5,750,000 | 5,750,000 |
| TOTAL Sewer Enterprise Revenues-Budget | 8,714,703 | 11,591,615 | 13,119,336 | 16,563,898 | 19,038,786 | 21,486,546 |

| | | | | | | |
|---|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Enterprise Expenditures | | | | | | |
| Personal Services - Sewer Operations | 1,449,498 | 1,439,574 | 1,509,038 | 1,574,798 | 1,643,585 | 1,694,779 |
| Expenses - Sewer Operations | 2,251,860 | 2,358,810 | 2,424,328 | 2,493,023 | 2,565,052 | 2,640,581 |
| Issued Debt - Sewer Operations | 1,248,416 | 1,631,802 | 1,310,638 | 1,288,268 | 1,277,308 | 1,277,472 |
| Authorized & Unissued Debt - Sewer Operations | 40,992 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Operating Capital Expenditures - Sewer Operations | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 |
| Subtotal Sewer Operations | 5,140,766 | 5,630,186 | 5,444,004 | 5,556,089 | 5,685,945 | 5,812,832 |
| Personal Services - CWMP | 1,650,079 | 2,241,010 | 1,788,395 | 1,876,007 | 1,967,961 | 2,034,942 |
| Expenses - CWMP | 118,862 | 135,341 | 137,245 | 139,197 | 141,198 | 143,249 |
| Issued Debt - CWMP | 881,959 | 2,674,452 | 3,995,843 | 6,228,339 | 8,460,835 | 10,693,331 |
| Operating Capital Expenditures - CWMP | 135,000 | 70,000 | 70,000 | 70,000 | 70,000 | 70,000 |
| Authorized & Unissued Debt - CWMP | 242,000 | 250,000 | 1,105,479 | 2,098,047 | 2,098,047 | 2,098,048 |
| Projected Future Debt - CWMP | - | - | - | - | 2,994,456 | 2,994,457 |
| Subtotal CWMP | 3,027,900 | 5,370,803 | 7,096,962 | 10,411,590 | 15,732,498 | 18,034,028 |
| Total Expenditures | 8,168,666 | 11,000,989 | 12,540,966 | 15,967,679 | 21,418,443 | 23,846,860 |
| Indirect Expenses | 546,037 | 590,626 | 578,370 | 596,219 | 614,799 | 634,142 |

| | | | | | | |
|---------------------------------------|------------|----------|----------|----------|--------------------|--------------------|
| Enterprise Surplus/(Shortfall) | (0) | 0 | 0 | 0 | (2,994,456) | (2,994,456) |
|---------------------------------------|------------|----------|----------|----------|--------------------|--------------------|

| Fiscal Year | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 |
|---|--------------|--------------|--------------|--------------|-------------|-------------|
| Retained Earnings certified as of | 7/1/2023 | 7/1/2024 | 7/1/2025 | 7/1/2026 | 7/1/2027 | 7/1/2028 |
| Sewer Retained Earnings | \$11,259,454 | \$11,259,454 | \$11,259,454 | \$11,259,454 | \$8,264,998 | \$5,270,542 |
| Retained Earnings as % of Total Budget | 200% | 185% | 174% | 163% | 111% | 66% |

WATER SUPPLY ENTERPRISE FUND SUMMARY

The Water Supply Enterprise Fund was created through the acquisition of the Barnstable Water Company, which provides services to residential and commercial properties within the village of Hyannis. This operation has encountered significant changes recently with the contamination of its water supply in the Mary Dunn and Maher public water supply wells. Carbon filtration systems have been installed at the Mary Dunn well field and interconnections have been constructed with adjoining water supply operators. Furthermore, an \$11 million construction project has been implemented for a carbon treatment system at the location of the Maher wellfield treatment plant. A significant portion of the Water Supply Enterprise Fund’s reserves have been accessed to make these improvements and it is projected that user fees will continue to increase in order to cover the increased costs of operations.

The town contracts with Veolia Water Contract Operations USA Inc to run its water supply operation. This is a multiyear contract with built in escalators. It is expected that this operation will continue to be operated under contract over the next five years. The next management contract proposal will be requested in early 2024, the current bidding environment may negatively impact future operating expenses. As more treatment systems are constructed, the annual operating cost of the system, including the management contract, will rise.

The Water Supply Enterprise Fund currently operates on a full cost recovery basis requiring no General Fund subsidy. It will also reimburse the General Fund \$195,258 for indirect expenses and its share of employee benefit and insurance costs budgeted within the General Fund in FY 2024. It is expected that it will remain self-supporting going forward. As of July 1, 2023, the operation’s estimated available surplus is \$4,352,767.

Factors Affecting Revenues

The rates are set in accordance with the necessary revenue required to run the water operations and pay back borrowings issued for water-related capital improvements. This forecast includes a provision for rate increases of around 7% based on the annual rate study conducted. These rate increases are necessary to help fund the operational budget increases and an infrastructure improvement program.

Factors Affecting Expenses

The management of this service is provided by an outside contractor, and it is expected to continue operating in this manner. In addition, debt service and capital project costs will continue to be major factors for operating costs. Finally, the replacement of carbon filtration equipment is costly and a major annual expense.

Capital Program

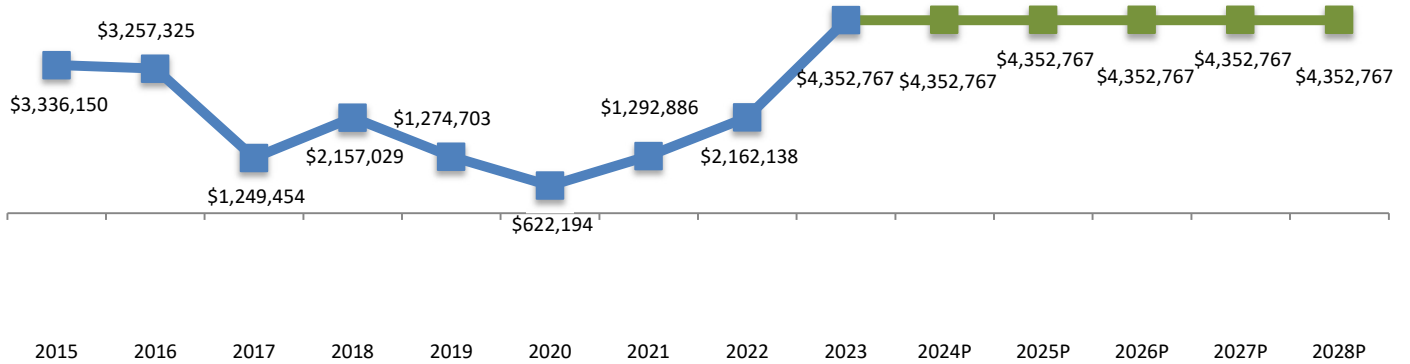
The capital improvement portion of this service has a significant impact on expenses. The five-year capital plan identifies \$72.6 million in additional capital improvements over five years. The town has created a Stabilization Fund to help address the capital needs of this operation.

| DEPT | PRIORITY | PROJECT TITLE | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | TOTALS |
|---------------------------|----------|--|----------------------|---------------------|----------------------|---------------------|---------------------|----------------------|
| WS | 1 | Pipe Replacement and Upgrade Program | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 7,500,000 |
| WS | 2 | Wells, Pump Stations, Treatment Plant Upgrades | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 1,000,000 |
| WS | 3 | Straightway Filtration Plant | 35,500,000 | - | - | - | - | 35,500,000 |
| WS | 4 | Mary Dunn Filtration Plant-Design | 2,600,000 | - | 26,000,000 | - | - | 28,600,000 |
| TOTAL WATER SUPPLY | | | \$ 39,800,000 | \$ 1,700,000 | \$ 27,700,000 | \$ 1,700,000 | \$ 1,700,000 | \$ 72,600,000 |

Certified Surplus Balance

The State’s Division of Local Services certifies the amount of surplus a community has at the beginning of each fiscal year. This certified surplus is an unrestricted revenue source that can be used to support current-year operations or to provide a revenue source for the ensuing year’s budget.

July 1st Water Supply Certified Surplus - Actual and Projected



The blue line represents the past nine years of actual certified surplus, and the green line is projected. Excess revenue that has been added to the funds surplus since FY 2020 will be redirected to support debt service costs associated with the large capital improvements proposed in the five-year capital plans outer years. No surplus is expected to be used as the stabilization fund and user rates increases will provide the resources to implement the five-year capital program and operating costs increases.

WATER SUPPLY ENTERPRISE FUND OPERATING BUDGET PROJECTION – BUDGETARY BASIS

| | FY2024 Budget | FY2025 Projected | FY2026 Projected | FY2027 Projected | FY2028 Projected | FY2029 Projected |
|---|------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| WATER ENTERPRISE | | | | | | |
| Enterprise Revenues | | | | | | |
| User Charges | 7,013,700 | 7,656,618 | 8,192,582 | 8,766,064 | 9,379,688 | 10,036,268 |
| Other Revenue | 506,000 | 606,903 | 609,863 | 612,882 | 615,962 | 619,103 |
| TOTAL Water Revenue | 7,519,700 | 8,263,521 | 8,802,445 | 9,378,946 | 9,995,650 | 10,655,371 |
| Water Stabilization Fund | 1,000,000 | 997,075 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| Capital Trust Stabilization | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 |
| TOTAL Water Enterprise Revenues-Budget | 8,559,700 | 9,300,596 | 9,842,445 | 10,418,946 | 11,035,650 | 11,695,371 |
| Enterprise Expenditures | | | | | | |
| Personal Services | 337,981 | 360,895 | 386,528 | 399,600 | 413,167 | 425,610 |
| Expenses | 4,670,089 | 4,971,429 | 5,191,060 | 5,421,171 | 5,662,276 | 5,914,913 |
| Issued Debt | 3,190,372 | 3,611,006 | 3,028,269 | 2,987,817 | 2,266,717 | 2,266,717 |
| Authorized & Unissued Debt | - | - | 583,258 | 583,258 | 583,258 | 583,258 |
| Future Projected Debt | - | - | 2,220,659 | 3,706,501 | 3,787,547 | 3,868,593 |
| Operating Capital Expenditures | 166,000 | 166,000 | 166,000 | 166,000 | 166,000 | 166,000 |
| Total Expenditures | 8,364,442 | 9,109,330 | 11,575,774 | 13,264,348 | 12,878,966 | 13,225,092 |
| Indirect Expenses | 195,258 | 191,266 | 197,145 | 203,224 | 209,513 | 216,019 |
| Enterprise Surplus/(Shortfall) | (0) | 0 | (1,930,474) | (3,048,626) | (2,052,829) | (1,745,740) |

| Fiscal Year | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 |
|---|------------|------------|------------|------------|------------|------------|
| Retained Earnings certified as of | 7/1/2023 | 7/1/2024 | 7/1/2025 | 7/1/2026 | 7/1/2027 | 7/1/2028 |
| Water Retained Earnings | 4,352,767 | 4,352,767 | 4,352,767 | 4,352,767 | 4,352,767 | 4,352,767 |
| Retained Earnings as % of Total Budget | 58% | 53% | 49% | 46% | 44% | 41% |

GOLF COURSE ENTERPRISE FUND SUMMARY

The Golf Enterprise Fund consists of two municipal courses: Olde Barnstable Fairgrounds in Marstons Mills and the Hyannis Golf Course (HGC). The purchase of the Hyannis Golf Course in FY 2005 provides the town with two municipal courses that have increased the recreational opportunities for our citizens and preserved this area as open space. The golf course management team is committed to operating and maintaining attractive and efficient public golf facilities. The following strategies have been established as a way of achieving these commitments: maximize revenue centers; develop a comprehensive junior golf program; provide members with competitive and recreational golf tournaments; cultivate a continuous volunteer assistance program; establish a sound turf management plan.

Revenue has rebounded since the pandemic. While the courses see a strong annual membership base year to year, continual competition from other courses on Cape Cod puts pressure on the program. It is projected that the combined revenue for the two golf courses will grow slightly due to increases in activity levels and rate adjustments. Fee increases or activity levels will need to increase in the neighborhood of 2% to 3% per year to cover the projected costs of operations. The golf courses' current fee structure remains competitive with surrounding courses.

In addition, the courses are transitioning from synthetic fertilizers to an organic program for turf maintenance. Maintenance costs are anticipated to increase. There will be multiple programs operating simultaneously, such as top-dressing greens every week, rolling greens almost every day, spraying of greens, tees and, potentially, fairways almost every week.

The Golf Enterprise Fund currently operates on a full cost recovery basis requiring no General Fund subsidy. It will also reimburse the General Fund \$517,432 for indirect expenses and its share of employee benefit and insurance costs budgeted within the General Fund in FY 2024. It is expected that it will remain self-supporting going forward. As of July 1, 2023, the operation's available surplus is \$2,042,172.

Factors Affecting Revenues

Each year, golf course fees are set through the town-wide user fee rate analysis. These fees are set in accordance with the necessary revenue required to run course operations with a small profit if play shows an upward trend. As growth in play is difficult to predict, fees are set assuming level utilization. If the number of rounds played or memberships increase, then the need to raise rates can be mitigated. Furthermore, increased participation by members for inside tournaments has been providing other revenue opportunities for the golf courses. Revenue also includes an annual contribution of \$290,000 from the Community Preservation Fund to pay the remaining debt service on the Hyannis course acquisition debt, which is set to expire in FY 2025.

Factors Affecting Expenses

Projected wage and benefit increases range from 3% to 6% and are included in the forecast. The golf courses are seasonal operations, and therefore, the state's minimum wage increase is anticipated to have an impact on the golf course operations for the next couple years. The costs due to a change to organic fertilizers will also contribute to the increase in cost for this operation.

Capital Program

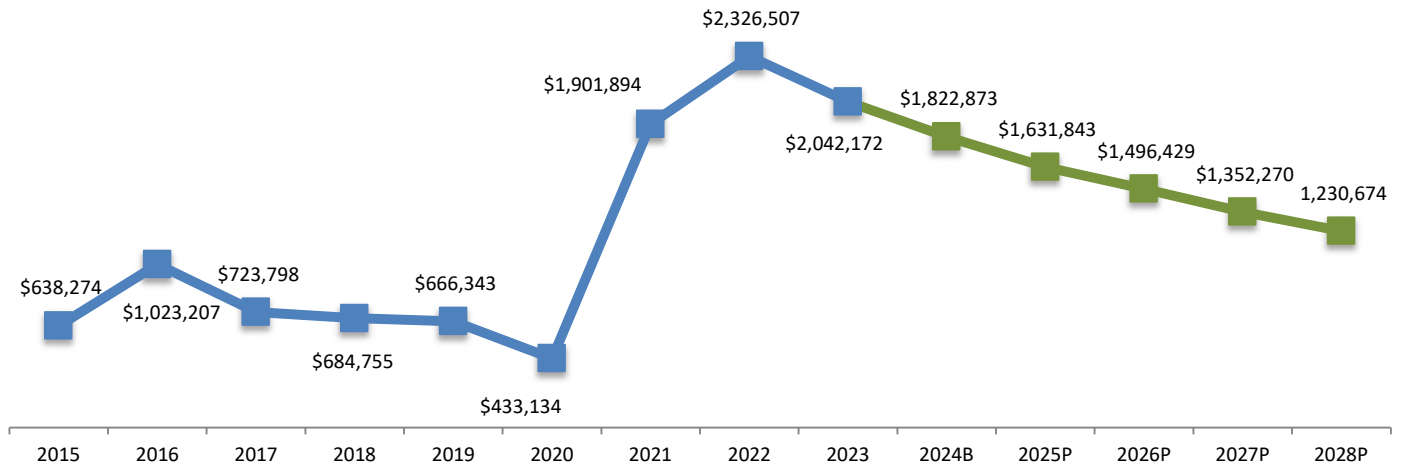
The Hyannis Golf Course's irrigation system is antiquated and in need of replacement. Failure to address this asset as well as other improvements at the course could result in a significant loss of play and corresponding revenue. An improvement project is anticipated to be submitted for those improvements. It is expected that

these improvements will enhance the rounds of play thereby generating additional revenue; however, based on the costs, it remains to be seen if the operations can support this or if it will require a contribution from another source.

Certified Surplus Balance

The State's Division of Local Services certifies the amount of surplus a community has at the beginning of each fiscal year. This certified surplus is an unrestricted revenue source that can be used to support current-year operations or to provide a revenue source for the ensuing year's budget.

July 1st Golf Courses Certified Surplus - Actual and Projected



The blue line represents the past nine years of actual certified surplus, surplus is expected to be used to balance the operating budgets over the next five years. The amounts used will help mitigate fee increases while still providing an adequate reserve level.

GOLF COURSE ENTERPRISE FUND OPERATING BUDGET PROJECTION – BUDGETARY BASIS

| | FY2024 Budget | FY2025 Projected | FY2026 Projected | FY2027 Projected | FY2028 Projected | FY2029 Projected |
|--|------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| GOLF ENTERPRISE | | | | | | |
| Enterprise Revenues | | | | | | |
| User Charges | 3,723,600 | 3,847,500 | 3,982,163 | 4,121,538 | 4,265,788 | 4,415,089 |
| Other Revenue | 20,000 | 82,500 | 85,388 | 88,377 | 91,470 | 94,671 |
| TOTAL Golf Revenue | 3,743,600 | 3,930,000 | 4,067,551 | 4,209,915 | 4,357,258 | 4,509,760 |
| Retained Earnings | 899,785 | 219,299 | - | - | - | - |
| Other available funds | 291,960 | 290,160 | - | - | - | - |
| TOTAL Golf Enterprise Revenues-Budget | 4,935,345 | 4,439,459 | 4,067,551 | 4,209,915 | 4,357,258 | 4,509,760 |

| Enterprise Expenditures | | | | | | |
|--------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Personal Services | 1,925,395 | 2,079,854 | 2,140,174 | 2,220,537 | 2,301,586 | 2,370,461 |
| Expenses | 1,283,741 | 1,303,240 | 1,333,811 | 1,365,234 | 1,397,524 | 1,430,724 |
| Issued Debt | 481,524 | 461,347 | 165,588 | 115,338 | 131,588 | 131,588 |
| Operating Capital Expenditures | 727,253 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Total Expenditures | 4,417,913 | 3,894,441 | 3,689,573 | 3,751,109 | 3,880,697 | 3,982,772 |
| Indirect Expenses | 517,432 | 545,018 | 569,008 | 594,220 | 620,720 | 648,584 |

| | | | | | | |
|---------------------------------------|------------|----------|------------------|------------------|------------------|------------------|
| Enterprise Surplus/(Shortfall) | (0) | 0 | (191,030) | (135,414) | (144,159) | (121,596) |
|---------------------------------------|------------|----------|------------------|------------------|------------------|------------------|

| | Fiscal Year 2024 | 2025 | 2026 | 2027 | 2028 | 2029 |
|---|---------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Retained Earnings certified as of | 7/1/2023 | 7/1/2024 | 7/1/2025 | 7/1/2026 | 7/1/2027 | 7/1/2028 |
| Golf Retained Earnings | 2,042,172 | 1,822,873 | 1,631,843 | 1,496,430 | 1,352,270 | 1,230,674 |
| Retained Earnings as % of Total Budget | 55% | 46% | 40% | 36% | 31% | 27% |

MARINA ENTERPRISE FUND SUMMARY

The Marina Enterprise Fund was created in FY 2006 to isolate the financial activity of the four town-owned marinas: Barnstable, Bismore, Gateway, and Prince Cove. The enterprise model allows the town to segregate all financial activity associated with operating these facilities to measure their financial self-sufficiency. The principal revenue source at all four marinas is the annual rental of docking space or slips. Town staff provide daily management for the marinas.

The Marina Enterprise Fund revenues have met expectations for the past few fiscal years due to vibrant transient activity, and most of the operation's slips are occupied. Recent years \$1.5 million of capital improvements have been approved for projects such as the dredging of Gateway Marina and the reconstruction of the Prince Cove bulkhead. Further requests include the design and construction for a new bulkhead at Bismore Marina at a current cost of \$9 million. Even with vibrant activity levels, rate increases will be necessary to repay the bonds issued for the capital improvements and a General Fund subsidy will likely be necessary to mitigate rate increases.

The Marina Enterprise Fund covers all of its direct operating expenses; excluding some debt service and will pay the General Fund \$91,712 for indirect expenses and its share of employee benefit and insurance costs budgeted within the General Fund in FY 2024. It receives roughly \$45,000 from the General Fund to assist in paying back the bond issued for the Barnstable Harbor Bulkhead repairs. It also receives \$30,000 from the General Fund to cover its cost for maintaining and monitoring the Bismore Park area including the comfort station located there. As of July 1, 2023, the operation has a certified surplus of \$1,472,442. This projection identifies an enterprise fund shortfall beginning in FY 2027 of \$815,627 due to the anticipated capital improvement debt service. The amount of the shortfall in future years may change as project scope and timing of the project are developed. It is anticipated that a combination of user fee increases, enterprise fund surplus and general fund subsidy will be used to close this gap.

Factors Affecting Revenues

The rates are set in accordance with the necessary revenue required to run the marina operations including all capital improvements. The possibility of expanding the number of slips would allow for additional revenue sources in this area. The marinas have a waiting list for slip space, so vacancy rates are not a significant factor in calculating revenues. Marina revenue is also affected by weather patterns throughout the season. Absent another funding source, a significant rate increase would be needed to generate enough revenue to implement the Bismore Park Bulkhead capital project.

Factors Affecting Expenses

A loan of \$1,250,000 was issued in FY 2011 to repair the Barnstable Harbor Bulkhead, which is set to expire in FY 2030. The General Fund will repay \$725,000 of the loan and the Marina Enterprise Fund will repay the remaining \$525,000. The annual debt payments are included in the projection. This debt service could be used to help offset the debt service of the anticipated Bulkhead project in the outer years.

Salaries and benefits are projected to increase 3% to 6% per year. In addition, the state's minimum wage increase will affect costs for this operation for the next couple of years.

Capital Program

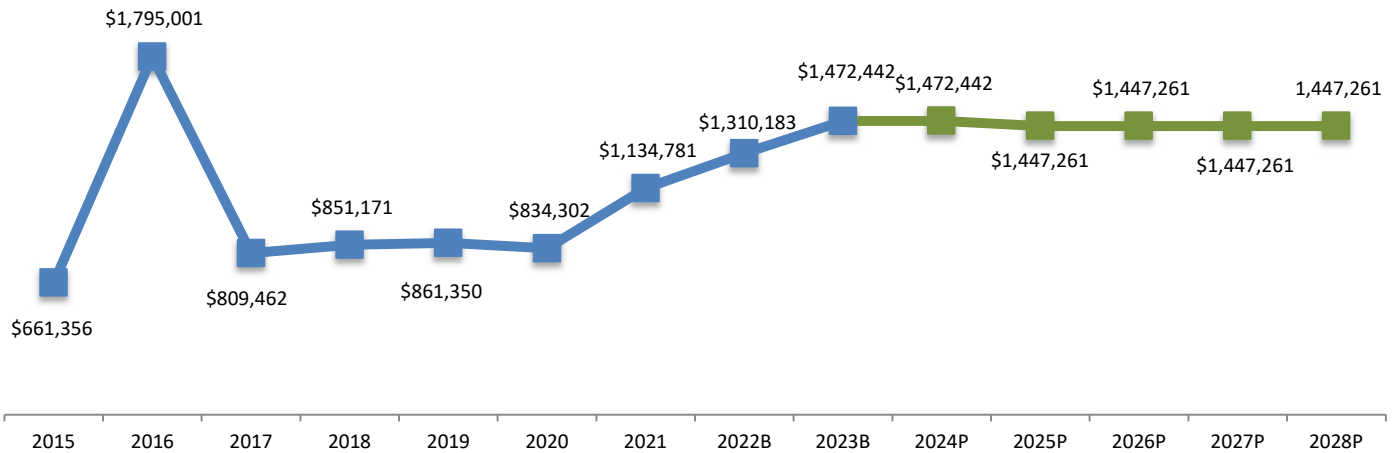
| DEPT | PRIORITY | PROJECT TITLE | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | TOTALS |
|---------------------|----------|--|---------------------|---------------------|---------------------|-------------------|-------------|----------------------|
| MAR | 1 | Bismore Park Bulkhead & Marina Improvements | 9,195,000 | 410,000 | 4,100,000 | - | - | 13,705,000 |
| MAR | 2 | Prince Cove Marina Improvements - Construction | - | 819,500 | - | 670,500 | - | 1,490,000 |
| MAR | 3 | Barnstable Harbor Marina Revetment | - | - | 930,000 | - | - | 930,000 |
| TOTAL MARINA | | | \$ 9,195,000 | \$ 1,229,500 | \$ 5,030,000 | \$ 670,500 | \$ - | \$ 16,125,000 |

The Bismore Park Bulkhead Improvements project includes design and construction for the repair and replacement of existing steel bulkhead and associated capping, adjacent walkways and parking, marine structures, and all affected utilities. The bulkhead experienced a partial collapse in the 1990's and repairs were made that are now approaching the end of their useful life. The FY 2022 Capital Improvement Plan approved funds for the design and permitting. A grant was received to offset a portion of this. The construction cost is anticipated to be in excess of \$9 million. There are several grant avenues to pursue to help with the cost of this project. The Seaport Economic Council Grant, which provides grants up to a maximum of \$1.5 million. There is also the Boat Infrastructure Grant (BIG) that provides on average \$800,000 for Tier II applications. Any grant received could offset the General Fund contribution. Due to the scale of this project, further general fund support would be needed to support the required debt service to avoid unmanageable user fee increases.

Certified Surplus Balance

The State's Division of Local Services certifies the amount of surplus a community has at the beginning of each fiscal year. This certified free cash is an unrestricted revenue source that can be used to support current-year operations or to provide a revenue source for the ensuing year's budget.

July 1st Marina Certified Surplus - Actual and Projected



The blue line represents the past nine years of actual certified surplus and the green line is the projected amounts in subsequent years. Utilizing free cash to cover debt service will significantly decrease the cash balance in outer years (not reflected in above chart). An alternate funding source would be required if we are to preserve reserve funds at recommended levels (at least six-months of operating).

MARINA ENTERPRISE FUND OPERATING BUDGET PROJECTION – BUDGETARY BASIS

| | FY2024 Projected | FY2025 Projected | FY2026 Projected | FY2027 Projected | FY2028 Projected | FY2029 Projected |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| MARINA ENTERPRISE | | | | | | |
| Enterprise Revenues | | | | | | |
| User Charges | 721,468 | 751,929 | 766,968 | 782,308 | 797,954 | 813,914 |
| Other Revenue | 14,804 | 35,000 | 35,200 | 35,404 | 35,612 | 35,824 |
| TOTAL Marina Revenue | 736,272 | 786,929 | 802,168 | 817,712 | 833,566 | 849,738 |
| Retained Earnings | - | 25,181 | - | - | - | - |
| Capital Trust Stabilization Fund | 38,725 | 37,800 | 36,350 | 35,400 | 33,925 | 32,450 |
| General Fund Subsidy | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 |
| TOTAL Marina Enterprise Revenues-Budget | 804,997 | 879,910 | 868,518 | 883,112 | 897,491 | 912,188 |

| | | | | | | |
|--------------------------------|----------------|----------------|----------------|------------------|------------------|------------------|
| Enterprise Expenditures | | | | | | |
| Personal Services | 296,278 | 349,663 | 327,108 | 337,777 | 348,876 | 357,674 |
| Expenses | 137,945 | 159,867 | 164,548 | 169,395 | 174,417 | 179,622 |
| Issued Debt | 219,613 | 212,538 | 205,438 | 178,663 | 137,363 | 137,363 |
| Future Projected Debt | - | - | - | 845,940 | 826,631 | 807,321 |
| Capital Expenditures | 59,450 | 58,000 | 59,160 | 60,343 | 61,550 | 62,781 |
| Total Expenditures | 713,285 | 780,068 | 756,253 | 1,592,118 | 1,548,836 | 1,544,760 |
| Indirect Expenses | 91,712 | 99,842 | 103,169 | 106,621 | 110,202 | 113,919 |

| | | | | | | |
|---------------------------------------|------------|----------|--------------|------------------|------------------|------------------|
| Enterprise Surplus/(Shortfall) | (0) | 0 | 9,096 | (815,627) | (761,547) | (746,491) |
|---------------------------------------|------------|----------|--------------|------------------|------------------|------------------|

| | Fiscal Year 2024 7/1/2023 | 2025 7/1/2024 | 2026 7/1/2025 | 2027 7/1/2026 | 2028 7/1/2027 | 2029 7/1/2028 |
|---|---------------------------------|------------------|------------------|------------------|------------------|------------------|
| Retained Earnings certified as of | 1,472,442 | 1,447,261 | 1,447,261 | 1,447,261 | 1,447,261 | 1,447,261 |
| Marina Retained Earnings | 1,472,442 | 1,447,261 | 1,447,261 | 1,447,261 | 1,447,261 | 1,447,261 |
| Retained Earnings as % of Total Budget | 200% | 184% | 180% | 177% | 174% | 170% |

SANDY NECK ENTERPRISE FUND SUMMARY

Sandy Neck, a coastal barrier beach, is approximately six miles long, varying in width from 200 yards to one half mile. The Town of Barnstable owns this unique conservation and recreation area. The Sandy Neck Park Enterprise Fund was created in FY 2006. The activities in this operation include visitors to Bodfish Park (the recreational beach area) and off-road vehicle access to the outer portions of the beach. Town staff provide daily management of the park.

The Sandy Neck Enterprise Fund currently operates on a full costs recovery basis requiring no General Fund subsidy. It will also pay the General Fund \$151,762 for indirect expenses and its share of employee benefit and insurance costs budgeted within the General Fund in FY 2024. It is expected that it will remain self-supporting going forward. As of July 1, 2023, the operations surplus is \$1,280,728.

The projected decline in the operation’s surplus indicates this operation will need to find additional revenue sources to implement its planned capital improvements. This could be in the form of rate increases, grants, or a combination of both.

Factors Affecting Revenues

Major sources of revenue for this operation include beach sticker sales, daily parking revenue, and off-road vehicle sticker sales. Weather plays a significant role in the revenue generated at this park as well as nesting endangered shorebirds and turtles. This can affect activity levels at the off-road portion of the beach and corresponding sticker sales. Staff continue to work with state officials to mitigate the impacts while protecting these species. The projection includes an 8% average increase in overall revenue needed to implement its 5-year capital program.

Factors Affecting Expenses

Salaries and benefits are projected to increase 3% to 6% per year. Weather plays an important role in Sandy Neck’s operations. Any significant storm that causes shoreline erosion will cost the operations in terms of sand replenishment and dune repairs. Reserves need to be maintained to provide the funding necessary in the event of such an occurrence.

Capital Program

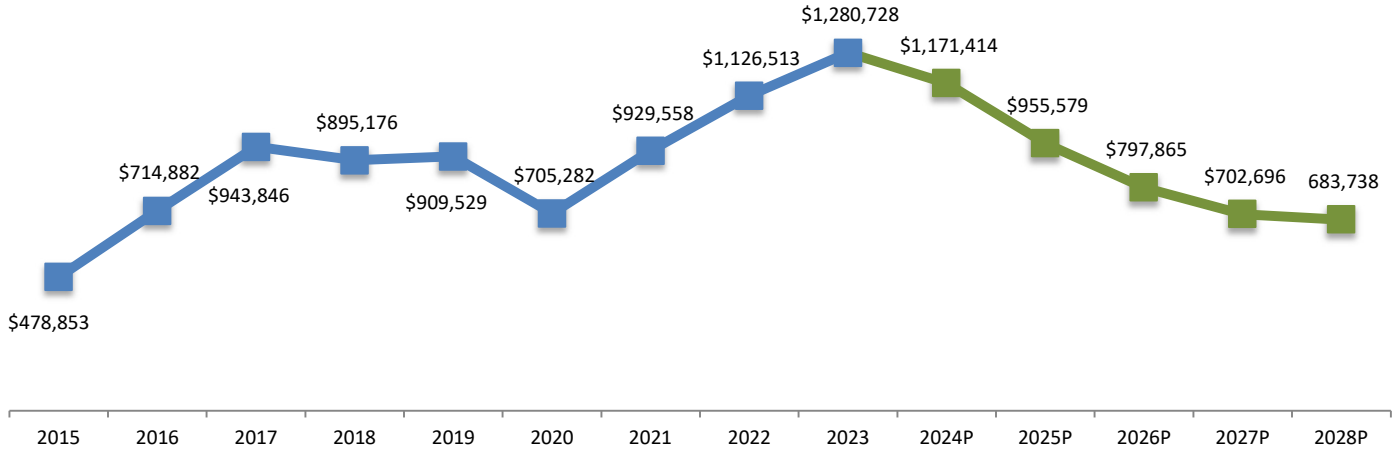
This operation is facing \$5.6 million in capital improvements over the next 5 years. The embankment in front of the main parking lot by the bathing beach area continues to be an area of major concern for this operation. Storms out of the Northeast can cause severe erosion to this embankment. A capital improvement plan for a long-term solution is being evaluated and will most likely impact fees charged by this operation in order to finance it. Without a long-term solution, the beach will continue to erode and continue to reduce the parking area and cause concern about the surviving septic system and the use of the beach itself for the public. Further, through multiple and lengthy talks with the regulatory agencies (DEP and NHESP), it has become apparent the Town should not assume recovery of lost parking spaces, due to storm damage, is guaranteed under the current regulatory framework. Additionally, the gatehouse and OVR access trail need to be moved as they are located in an area vulnerable to flooding.

| DEPT | PRIORITY | PROJECT TITLE | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | TOTALS |
|-------------------------|----------|--|-------------|---------------------|-------------|-------------|-------------|---------------------|
| SDN | 1 | Sandy Neck Beach Facility Reconfiguration - Construction | - | 5,600,000 | - | - | - | 5,600,000 |
| TOTAL SANDY NECK | | | \$ - | \$ 5,600,000 | \$ - | \$ - | \$ - | \$ 5,600,000 |

Certified Surplus Balance

The State’s Division of Local Services certifies the amount of surplus a community has at the beginning of each fiscal year. This certified surplus is an unrestricted revenue source that can be used to support current-year operations or to provide a revenue source for the ensuing year’s budget.

July 1st Sandy Neck Certified Surplus - Actual and Projected



The blue line represents the past nine years of actual certified surplus, and the green line are the projected amounts in the outer years. The use of some surplus is estimated to mitigate fee increases.

SANDY NECK ENTERPRISE FUND OPERATING BUDGET PROJECTION – BUDGETARY BASIS

| | FY2024 Projected | FY2025 Projected | FY2026 Projected | FY2027 Projected | FY2028 Projected | FY2029 Projected |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| SANDY NECK ENTERPRISE | | | | | | |
| Enterprise Revenues | | | | | | |
| User Charges | 1,102,000 | 1,130,580 | 1,239,226 | 1,329,517 | 1,426,982 | 1,532,194 |
| Other Revenue | 12,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 |
| TOTAL Sandy Neck Revenue | 1,114,000 | 1,155,580 | 1,264,226 | 1,354,517 | 1,451,982 | 1,557,194 |
| Retained Earnings | 107,737 | 109,314 | 215,835 | 157,714 | 95,169 | 18,958 |
| TOTAL Sandy Neck Enterprise Revenues-Budget | 1,221,737 | 1,264,894 | 1,480,061 | 1,512,231 | 1,547,151 | 1,576,152 |
| Enterprise Expenditures | | | | | | |
| Personal Services | 692,190 | 694,969 | 686,834 | 711,155 | 734,949 | 754,429 |
| Expenses | 239,200 | 250,200 | 252,020 | 253,932 | 255,938 | 258,045 |
| Issued Debt | 75,085 | 72,510 | 76,435 | 75,535 | 77,535 | 77,535 |
| Future Projected Debt | - | - | 210,991 | 210,991 | 210,991 | 210,991 |
| Capital Expenditures | 63,500 | 69,900 | 69,900 | 69,900 | 69,900 | 69,900 |
| Total Expenditures | 1,069,975 | 1,087,579 | 1,296,180 | 1,321,513 | 1,349,313 | 1,370,899 |
| Indirect Expenses | 151,762 | 177,315 | 183,881 | 190,718 | 197,838 | 205,253 |
| Enterprise Surplus/(Shortfall) | 0 | 0 | (0) | 0 | 0 | (0) |

| | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 |
|---|-------------|-------------|------------|------------|------------|------------|
| Fiscal Year | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 |
| Retained Earnings certified as of | 7/1/2023 | 7/1/2024 | 7/1/2025 | 7/1/2026 | 7/1/2027 | 7/1/2028 |
| Sandy Neck Retained Earnings | 1,280,728 | 1,171,414 | 955,579 | 797,865 | 702,696 | 683,738 |
| Retained Earnings as % of Total Budget | 115% | 101% | 76% | 59% | 48% | 44% |

HYANNIS YOUTH & COMMUNITY CENTER ENTERPRISE FUND SUMMARY

The facility consists of a youth center complete with multi-purpose rooms, a full-size gymnasium with a four-lane walking track, concession area, pro shop, lockers, common areas, and two ice skating rinks. The main rink has a seating capacity of 1700. Ice rink areas can also be converted for non-ice activities. The facility is operated as an Enterprise Fund in order to determine its level of self-sufficiency. The facility was constructed at a cost of approximately \$25 million with \$17.4 million financed with a bond issue and the remaining costs provided from grants and donations.

Due to the large infrastructure costs, the Enterprise Fund also receives significant support from the General Fund as it provides services to many segments of the town's population for little to no charge. The General Fund subsidy for FY 2024 is \$2,757,529. This covers all the debt service on the construction bonds and support for operating expenses. In addition, the operation pays \$319,473 to the General Fund for indirect expenses and its share of employee benefit and insurance costs budgeted within the General Fund in FY 2024.

The operation continues to be accounted for as an Enterprise Fund so that the General Fund subsidy can be easily measured and evaluated. The subsidy will continue to grow unless additional revenue can be generated. As of July 1, 2023, the operation's surplus balance is \$706,568.

Factors Affecting Revenues

The main source of revenue for this operation is the rental of ice time to multiple user groups. Major customers include youth hockey associations, camps, clinics, private ice rentals, tournaments, and leagues as well as public skating. Ice activities account for 85% of the total gross revenue at the facility. Revenue is projected to increase by 2% overall per year over the forecast period.

The facility's ability to generate revenue is subject to market conditions. Hourly rates need to be set at acceptable levels so that user groups do not go elsewhere. The facility also struggles to sell all of its available ice time as many leagues only perform during shoulder times (early morning/night) and daytime rental hours can be limited. In addition, as the activities conducted in this facility are recreational in nature, downturns in the economy or changes to social habits will affect this operation more significantly.

Factors Affecting Expenses

Salaries and benefits are projected to increase 3% to 6% annually. Operating costs are projected to increase as the facility is over ten years old. Mechanical systems are beginning to reach their useful lives and need to be replaced. This facility requires significant investment in maintenance annually. Electricity is the largest cost associated with the facility to maintain the ice.

Capital Program

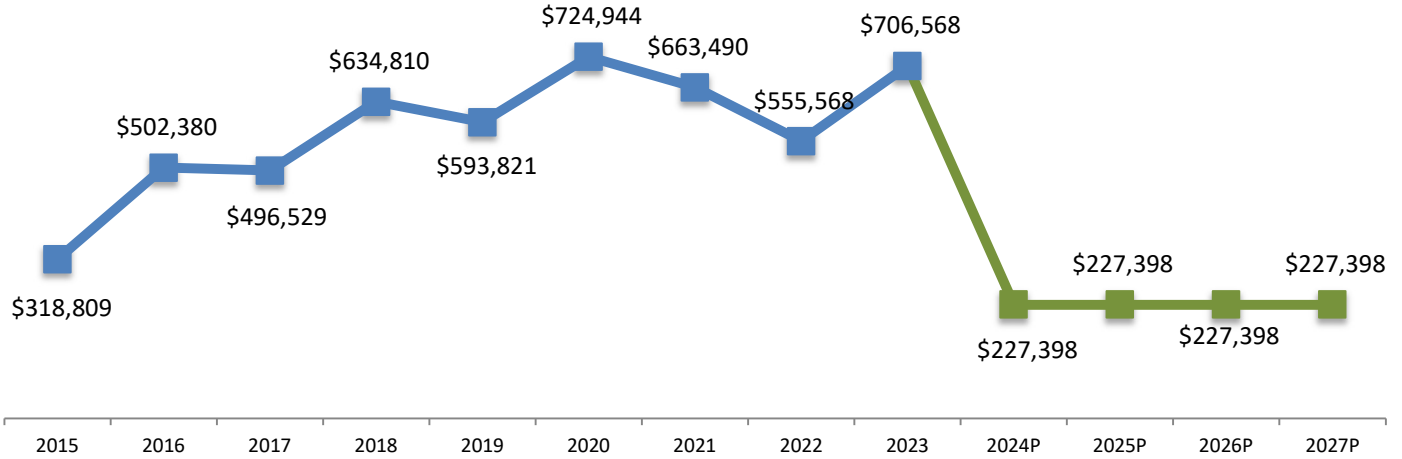
Specific elements of repair as identified by consultants is required for issues such as metal roofing, asphalt roofing, membrane roofing, flat roofing, rubber floors, and HVAC controls and systems. There will be over \$7.8 million in capital needs at the facility over the next five years.

| DEPT | PRIORITY | PROJECT TITLE | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | TOTALS |
|-------------------|----------|---------------------------------------|---------------------|---------------------|---------------------|-------------------|-------------|---------------------|
| HYCC | 1 | HYCC Facility Mechanical Improvements | 300,000 | 1,765,625 | 1,764,688 | 549,028 | - | 4,379,341 |
| HYCC | 2 | HYCC Security System | 285,059 | - | - | - | - | 285,059 |
| HYCC | 3 | HYCC Recreation Master Planning | 288,727 | - | - | - | - | 288,727 |
| HYCC | 4 | HYCC Rink Slab Replacement | 255,976 | 2,596,911 | - | - | - | 2,852,887 |
| TOTAL HYCC | | | \$ 1,129,762 | \$ 4,362,536 | \$ 1,764,688 | \$ 549,028 | \$ - | \$ 7,806,014 |

Certified Surplus Balance

The State’s Division of Local Services certifies the amount of surplus a community has at the beginning of each fiscal year. This certified surplus is an unrestricted revenue source that can be used to support current-year operations or to provide a revenue source for the ensuing year’s budget.

July 1st HYCC Certified Surplus - Actual and Projected



The blue line represents the past nine years of actual certified free cash, and the green line is the projected amount. Any surplus funds used in the next 5 years will help defray general fund subsidies.

HYANNIS YOUTH & COMMUNITY CENTER ENTERPRISE FUND OPERATING BUDGET PROJECTION – BUDGETARY BASIS

| | FY2024 Budget | FY2025 Projected | FY2026 Projected | FY2027 Projected | FY2028 Projected | FY2029 Projected |
|---|------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| HYCC ENTERPRISE | | | | | | |
| Enterprise Revenues | | | | | | |
| User Charges | 780,300 | 884,350 | 901,787 | 919,573 | 937,712 | 956,217 |
| Other Revenue | 33,321 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 |
| TOTAL HYCC Revenue | 813,621 | 959,350 | 976,787 | 994,573 | 1,012,712 | 1,031,217 |
| Retained Earnings | 412,620 | 479,170 | - | - | - | - |
| Capital Trust Stabilization Fund | 1,350,535 | 1,460,675 | 1,247,625 | 1,203,495 | 671,925 | 671,925 |
| General Fund Support | 1,406,994 | 1,406,994 | 1,406,994 | 1,406,994 | 1,406,994 | 1,406,994 |
| TOTAL HYCC Enterprise Revenues-Budget | 3,983,770 | 4,306,189 | 3,631,406 | 3,605,062 | 3,091,631 | 3,110,136 |
| Enterprise Expenditures | | | | | | |
| Personal Services | 1,336,069 | 1,386,808 | 1,396,182 | 1,454,383 | 1,512,982 | 1,557,441 |
| Expenses | 887,693 | 1,030,993 | 1,069,643 | 1,110,220 | 1,152,820 | 1,197,543 |
| Issued Debt | 1,350,535 | 1,460,675 | 1,247,625 | 1,203,495 | 671,925 | 671,925 |
| Capital Expenditures | 90,000 | 110,000 | 110,000 | 110,000 | 110,000 | 110,000 |
| Total Expenditures | 3,664,297 | 3,988,476 | 3,823,450 | 3,878,098 | 3,447,727 | 3,536,909 |
| Indirect Expenses | 319,473 | 317,713 | 330,675 | 344,212 | 358,350 | 373,119 |
| Enterprise Surplus/(Shortfall) | 0 | (0) | (522,719) | (617,248) | (714,446) | (799,892) |
| Retained Earnings as % of Total Budget | | | | | | |
| Fiscal Year | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 |
| Retained Earnings certified as of | 7/1/2023 | 7/1/2024 | 7/1/2025 | 7/1/2026 | 7/1/2027 | 7/1/2028 |
| HYCC Retained Earnings | 706,568 | 227,398 | 227,398 | 227,398 | 227,398 | 227,398 |
| Retained Earnings as % of Total Budget | 87% | 24% | 23% | 23% | 22% | 22% |

PUBLIC ACCESS CABLE TELEVISION (PEG) ENTERPRISE FUND SUMMARY

The Town of Barnstable’s government and school access Channels 18 and 22 are valuable tools that connect the residents with the day-to-day workings of Barnstable Town Government and Barnstable Public Schools. The Town receives over \$900,000 per year from its cable license agreement with Comcast Cable. In accordance with the licensing agreement, the funds are restricted for use as they relate to public, educational, and governmental programming activity. The Town currently uses these funds to operate Channels 18 and 22.

The PEG Enterprise Fund currently operates on a full costs recovery basis requiring no General Fund subsidy. It will also pay the General Fund \$101,393 for indirect expenses and its share of employee benefit and insurance costs budgeted within the General Fund in FY 2024. It is expected that it will remain self-supporting going forward. As of July 1, 2023, the surplus within this operation is \$3,416,610. There are no significant changes projected for this operation or its level of surplus funds.

Factors Affecting Revenues

Public, Educational, Governmental Enterprise Fund receives 97% of its revenue source from a cable license with Comcast. The license includes 5% of gross revenue earned within the town plus an additional \$100,000 for capital annually.

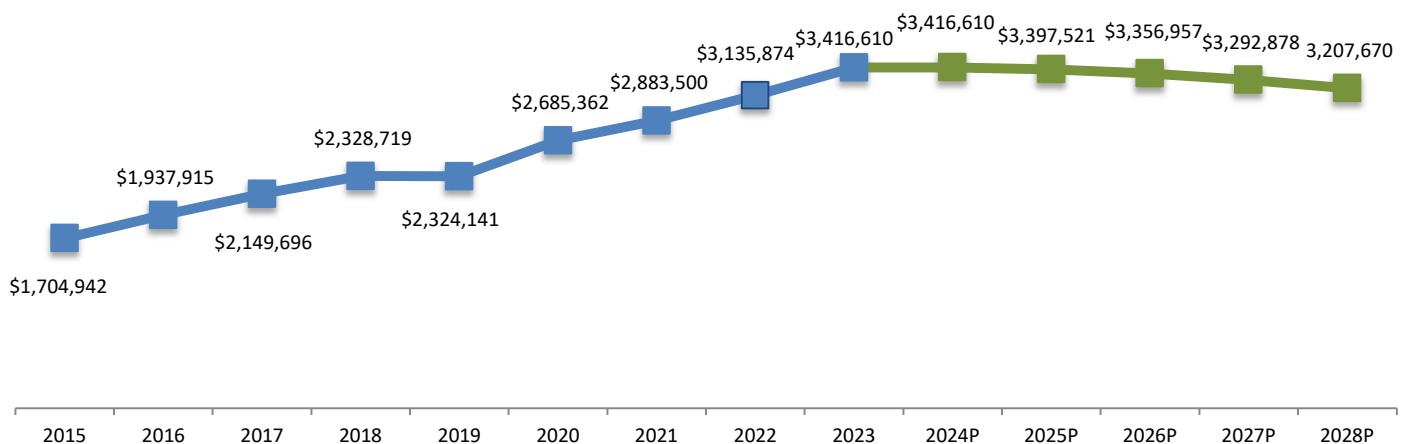
Factors Affecting Expenses

Salaries and benefits are projected to increase 3% to 6% annually. The replacement of studio equipment as well as video and recording equipment is also a major expense. In addition, the town’s fiber optic network was constructed with this funding source. The town has been unable to secure insurance policy coverage for this asset, so it is self-insured. Its reconstruction in the event of a natural or other disaster would need to be paid for from the reserve.

Certified Surplus Balance

The State’s Division of Local Services certifies the amount of surplus a community has at the beginning of each fiscal year. This certified surplus is an unrestricted revenue source that can be used to support current-year operations or to provide a revenue source for the ensuing year’s budget. Surplus is projected to decline over the forecast period as it is used for capital investments.

July 1st PEG Certified Surplus - Actual and Projected



The blue line represents the past nine years of actual certified surplus, and green line is the projected amount.

PUBLIC, EDUCATIONAL, or GOVERNMENTAL ACCESS CABLE TELEVISION (PEG) ENTERPRISE FUND OPERATING BUDGET PROJECTION – BUDGETARY BASIS

| | FY2024 Projected | FY2025 Projected | FY2026 Projected | FY2027 Projected | FY2028 Projected | FY2029 Projected |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| PEG ENTERPRISE | | | | | | |
| Enterprise Revenues | | | | | | |
| User Charges | 933,290 | 944,590 | 962,142 | 980,045 | 998,306 | 1,016,932 |
| Other Revenue | 25,000 | 50,000 | 51,000 | 52,020 | 53,060 | 54,121 |
| TOTAL PEG Revenue | 958,290 | 994,590 | 1,013,142 | 1,032,065 | 1,051,366 | 1,071,053 |
| Retained Earnings | - | - | 19,089 | 40,564 | 64,079 | 85,208 |
| TOTAL PEG Enterprise Revenues-Budget | 958,290 | 994,590 | 1,032,231 | 1,072,629 | 1,115,445 | 1,156,261 |
| Enterprise Expenditures | | | | | | |
| Personal Services | 569,119 | 601,645 | 623,626 | 646,531 | 670,402 | 690,690 |
| Expenses | 182,778 | 175,202 | 174,830 | 174,964 | 175,105 | 175,253 |
| Capital Expenditures | 105,000 | 105,000 | 115,500 | 127,050 | 139,755 | 153,731 |
| Total Expenditures | 856,897 | 881,847 | 913,956 | 948,545 | 985,262 | 1,019,674 |
| Indirect Expenses | 101,393 | 112,743 | 118,275 | 124,084 | 130,183 | 136,587 |
| Enterprise Surplus/(Shortfall) | - | - | 0 | (0) | (0) | (0) |

| | Fiscal Year Retained Earnings certified as of | 2024 7/1/2023 | 2025 7/1/2024 | 2026 7/1/2025 | 2027 7/1/2026 | 2028 7/1/2027 | 2029 7/1/2028 |
|---|--|------------------|------------------|------------------|------------------|------------------|------------------|
| PEG Retained Earnings | | 3,416,610 | 3,416,610 | 3,397,521 | 3,356,957 | 3,292,878 | 3,207,670 |
| Retained Earnings as % of Total Budget | | 357% | 344% | 335% | 325% | 313% | 299% |

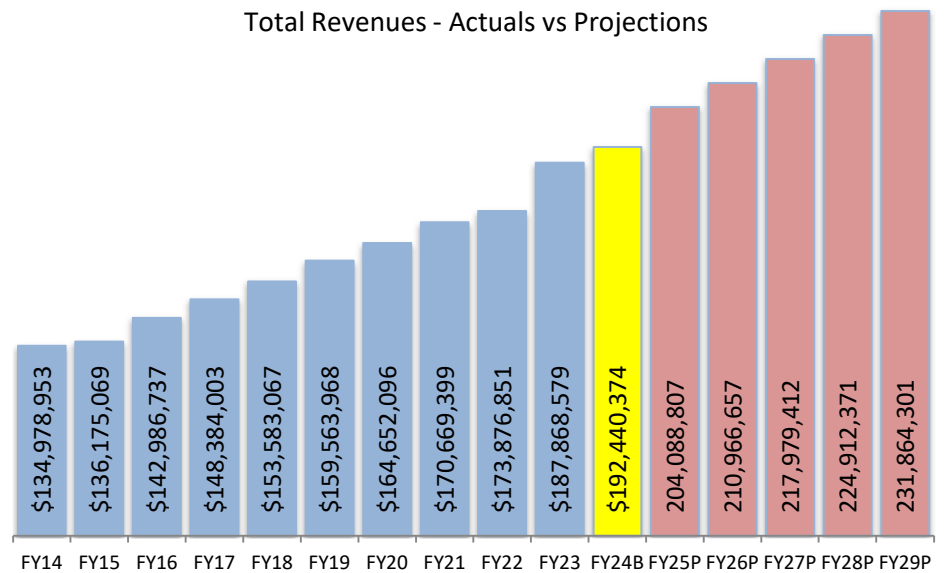
SECTION II – GENERAL FUND REVENUE SUMMARY

The forecast has been prepared using a revenue driven model. Revenue projections for the town’s General Fund were prepared for the next five years using a set of assumptions to estimate the town’s available financial resources. Major assumptions in the revenue area include:

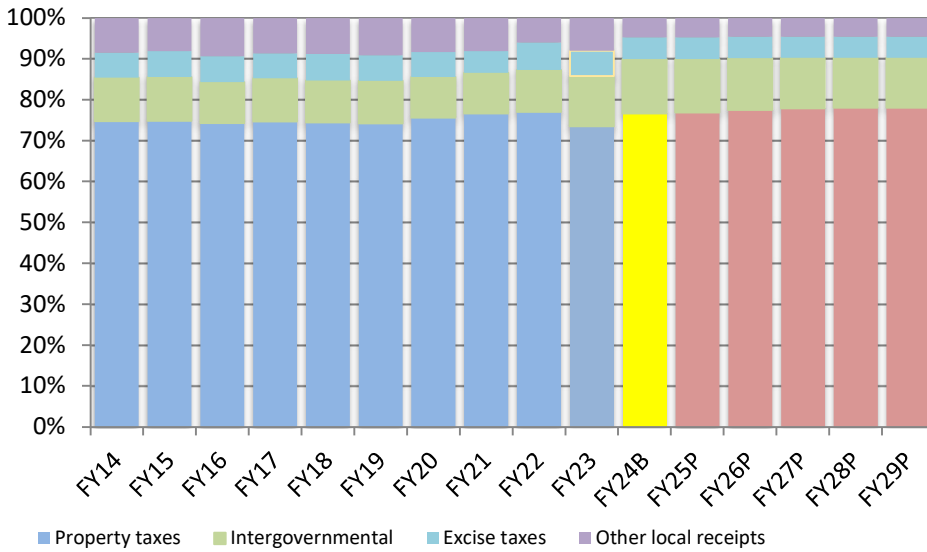
- Annually raising the tax levy by the allowable 2 ½ percent in accordance with Proposition 2 ½;
- Property taxes from new building growth are projected to grow due to increased activity and the construction of the Vineyard Wind infrastructure.
- Cape Cod Regional Technical High School approved debt exclusion will be added to the tax levy in accordance with the approved vote.
- Motor vehicle excise taxes have experienced tremendous growth since FY 2012 and reached its highest level at over \$9 million in 2022. Projections expect growth to be moderate annually over the next five years.
- Room excise tax and meals tax have rebounded to pre-pandemic levels and growth will be more moderate over the next five years.
- State Chapter 70 aid will grow as the new formula for funding this program is implemented; and,
- Local revenues will grow moderately as the economy slows and fee adjustments are put into place.

General Fund Revenue – Actuals and Projected

The blue bars represent the past ten years of actuals and yellow bar is the current year FY 2024 budget. Total General Fund revenue over the past ten years has grown from \$134 million to \$187.8 million in FY 2023 (excluding transfers and the amounts used from free cash to balance the budget). The increases from FY 2014 to FY 2024 are largely due to growth in state aid, motor vehicle taxes, and property taxes. Total General Fund revenue is projected to grow by \$33 million over the next five years from \$192 million in FY 2024 to \$231 million by FY 2029 (excluding transfers and use of free cash). Most of the increase is produced from property taxes. State aid is projected to increase largely due to changes in the Chapter 70 formula over this period. All other revenue sources are generated from excise taxes and local activities such as building permits, beach stickers, investment income, etc. Modest growth is expected in this area.



Composition of General Fund Revenue – Actuals and Projected



The blue bars represent the past eleven years of actuals and yellow bar is the current year FY 2024 budget. Property taxes currently comprise 77% of all General Fund revenue sources in the FY 2024 budget. A large increase in Chapter 70 Aid in FY 2023 increased intergovernmental aid from 10% to 13% of General Fund revenue. Correspondingly, excise taxes and other local receipts have declined to about 10% of total General Fund revenue. The composition is not projected to change much over the forecast period. Property taxes are

projected to comprise 78% of all General Fund revenue by FY 2029. Excise taxes and other local receipts are projected to grow moderately over this five-year period. Intergovernmental aid percentage will decline by 1% over the projection period. Collectively, property taxes and intergovernmental aid comprise 90% of the total General Fund revenue sources.

SECTION III – GENERAL FUND EXPENDITURE SUMMARY

General Fund expenditure projections for fixed costs, benefits, and operating expenses were made based on a variety of assumptions. The major assumptions include:

- An estimated 4% annual increase in health insurance;
- The annual commitment to the Capital Trust Fund increases \$750,000 per year plus a 2.5% increase to the previous year's base;
- County pension assessments increase 5.8% per year consistent with actuarial calculations which assume a 7.15% return on investments;
- An annual contribution into a Health Insurance Trust Fund will increase \$50,000 each year,
- State and County assessments will average a 3% increase per year;
- Other assessments are projected to increase 2.5% per year;
- Salaries will increase on average 3% to 4% a year; and
- Utility and fuel costs will increase 5% per year on average.

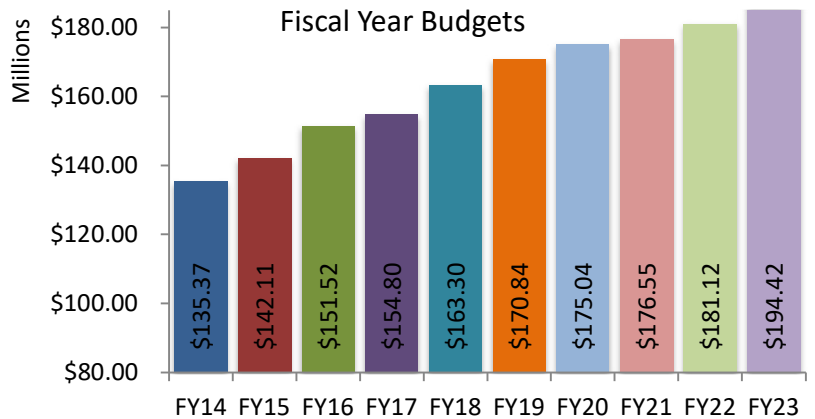
Using these assumptions, the estimated General Fund expenditures for the next five years are projected to be the following:

| Projected General Fund Expenditures - State in Millions (000,000) | | | | | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2024B | 2025P | 2026P | 2027P | 2028P | 2029P |
| Education | 87.80 | 94.17 | 97.29 | 100.54 | 103.92 | 107.48 |
| Municipal Operations | 51.64 | 54.98 | 56.13 | 57.64 | 58.59 | 59.86 |
| Employee Benefits | 24.23 | 28.12 | 29.08 | 30.08 | 31.11 | 32.19 |
| Capital Program | 15.12 | 16.25 | 17.48 | 17.80 | 19.00 | 19.24 |
| Assessments | 15.46 | 16.25 | 16.74 | 17.24 | 17.77 | 18.31 |
| Other | 3.47 | 3.87 | 3.75 | 3.86 | 3.97 | 4.09 |
| Total Expenditures: | \$197.72 | \$213.63 | \$220.47 | \$227.16 | \$234.36 | \$241.17 |
| Change From Prior Year | | 8.05% | 3.20% | 3.03% | 3.17% | 2.90% |

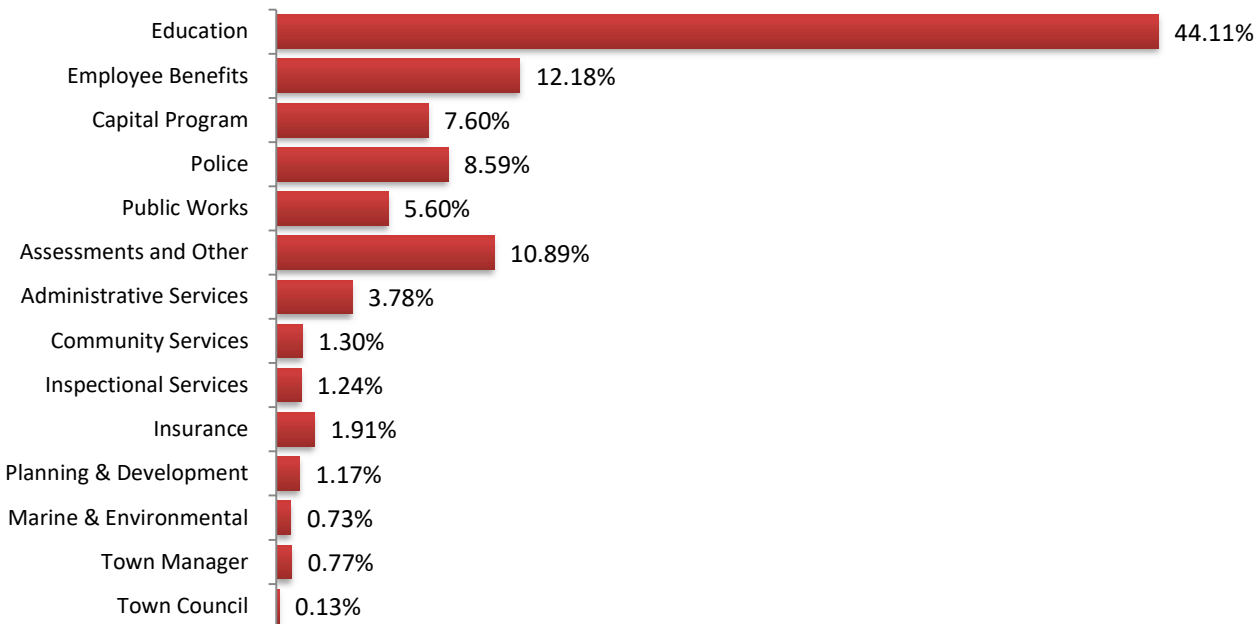
Education expenditures include the local school operations as well as assessments received from the Cape Cod Technical Regional High School. Charter school and school choice assessments are included in the assessment line above. Municipal operations include transfers from the General Fund to support certain enterprise fund operations including the Hyannis Youth and Community Center and Marina enterprise operations. Employee benefit costs are projected to increase by 5% on average over the next five years as health insurance and County pension assessments are projected to grow. The capital program includes General Fund debt service payments and transfers to the Capital Trust Fund. Assessments include all state and county assessments. Overall, the increase in total expenditure is expected to average 4.07% annually over the next five years.

General Fund Expenditure Budgets – FY 2014 TO FY 2023

The General Fund budget has grown from \$135 million in FY 2014 to \$194 million in FY 2023, or \$59 million. Education costs have grown \$18 million, municipal cost \$13 million, employee benefits by \$8 million, capital program commitments by \$13 million and all other expenditures by \$7 million.

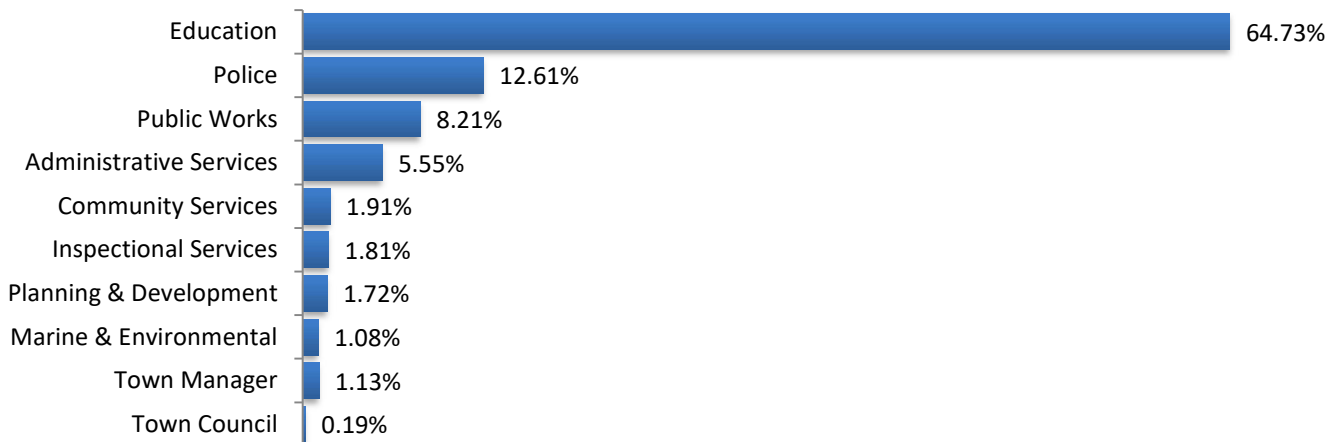


FY 2024 Approved General Fund Budget by Major Category



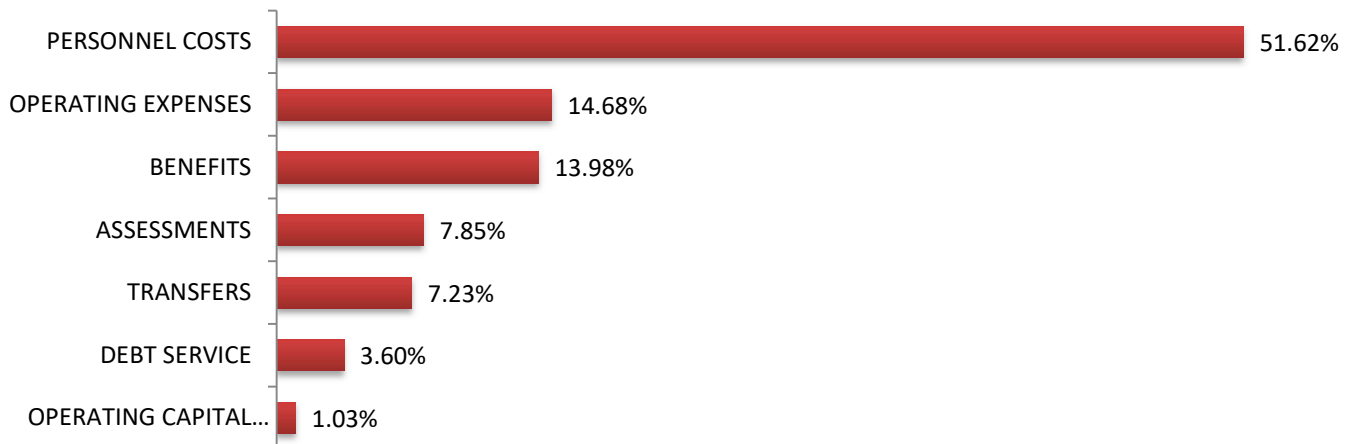
Direct expenditure on education represents the largest share of the General Fund budget at 44%. This includes the local school system and the assessments received from the Cape Cod Regional Technical High School. Commonwealth charter school and school choice assessments are included in the assessment category. Employee benefits comprise 12% of the FY 2024 budget. This category includes health insurance for active and retired employees, county retirement assessments, and Medicare taxes paid. The capital program is now the 4th largest expense area representing 7.6% of total spending. Other than education, the Police and Public Works Departments are the next largest operations representing 8.5% and 5.6% of all General Fund spending respectfully.

FY 2024 Approved General Fund Operating Budget By Department



The total operating budget, excluding fixed costs, for all departments is \$135 million. Of this amount, 64% is dedicated to the School Department. Over 84% is dedicated to the School, Police, and Public Works department combined. All other operations total 14%.

FY 2024 Approved Operating Budget By Object of Expenditure



Salaries and benefits comprise 64% of the total General Fund budget, as the town is a provider of services. Over 14.6% is comprised of operating expenses such as utilities to support those services. Nearly 7.8% is allocated to other funds and 3.6% to Debt Service. 7.85% is allocated to assessments from other entities such as regional schools and state assessments.

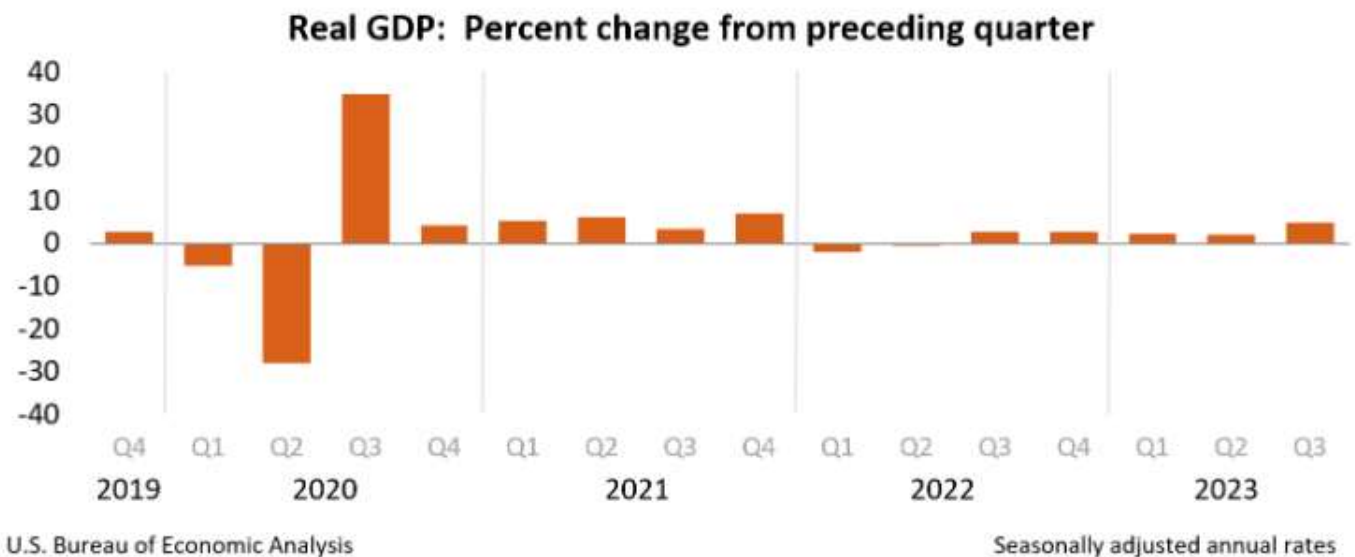
SECTION IV – ECONOMIC FACTORS

Economic factors at all levels are considered when preparing the forecast. National events will trickle down to the state level, which in turn will influence what happens locally. Usually, the local economy will be impacted 12 to 24 months subsequent to events that occur at the state and federal levels.

A. National Economic Factors

GDP

The Bureau of Economic Analysis (BEA) updates the Gross Domestic Product (GDP) each month. It describes how fast the economy is growing. The ideal growth rate is between 2-3%. This is fast enough to provide enough jobs but not to create high inflation. Gross domestic product (GDP) increased at an annual rate of 4.9 percent in the third quarter of 2023. In the second quarter, real GDP increased 2.1 percent. The increase in real GDP reflected increases in consumer spending, private inventory investment, exports, state and local government spending, federal government spending, residential fixed investment, and nonresidential fixed investment. Compared to the second quarter, the acceleration in real GDP in the third quarter primarily reflected an upturn in exports and accelerations in consumer spending and private inventory investment that were partly offset by a deceleration in nonresidential fixed investment.



Consumer Credit

National consumer credit plays a pivotal role in shaping a country's economic landscape. This financial mechanism allows individuals to make purchases beyond their immediate financial means, fostering economic growth and consumption. When consumers access credit, they can buy homes, cars, and other goods, stimulating demand and driving business activity.

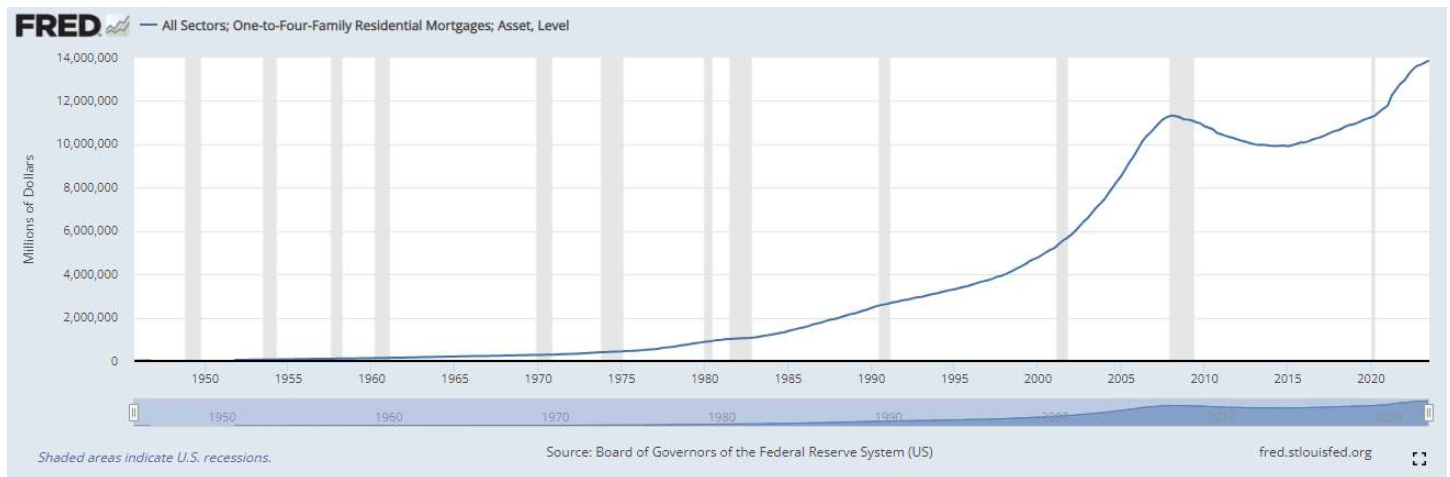
Based on [Federalreserve.gov](https://www.federalreserve.gov) consumer credit increased at a seasonally adjusted rate of 1.2% in October 2023. Revolving credit increased at an annual rate of 2.7 percent, while nonrevolving credit increased at an annual rate of 0.7 percent. Total outstanding credit as of October 2023 is \$4,968 billion dollars and increase from \$4,894

billion quarter4 2022. Commercial bank interest rates on new car loans average 7.88% for 60 months and 8.12% for 72 months. Average maturities are about the same at 65 months. Rates on personal loans are at a five year high at 12.17 % as of August 2023. Student loan debt is \$1,737 billion in August 2023, slightly lower than the March 2023 high of \$1,774 billion. Motor vehicle loans are at a record high of \$1,555 billion.

Mortgage Rates and Debt

The 30-year fixed mortgage rate currently averages 7.44% as of November 2023. The last time it was this high was in December 2000. Given the expectation of rate cuts this year from the Federal Reserve, as well as receding inflationary pressures going into 2024, mortgage rates will likely drift downward as the year unfolds. While lower mortgage rates will help potential homebuyers, there are dual challenges of low inventory and high home prices that continue to rise. Many economists believe signs are brewing for a U.S. housing bubble, but prices are projected to remain strong for a little while. There has not been a significant increase in inventory over the past ten years and the buying pool is deep. Inventory is expected to lag in demand. A big difference between today's housing market and that of the 2008 housing crash is that lending standards are tighter. Many loans backed by the government today require minimum credit scores and down payments and regulators now expect lenders to verify a borrower's ability to repay the loan.

Residential mortgage debt stands at \$13,863,537 in September 2023, the highest amount ever. While the federal funds rate does not directly impact long-term mortgage rates, it does influence short-term rates like credit cards and adjustable-rate mortgages (ARMs). Higher interest rates could trigger a slowdown in consumer spending which could impact the housing market.



Interest Rates

Even with the recent increase in the federal fund effective rate it is still low compared to the times of high inflation in the 1980s. As the Federal Reserve increases this rate the cost of borrowing rises and should lead to less consumer spending and lower inflation.



These rate increases also have an effect on bond yields. U.S. Treasury bond yields have been increasing and the rates municipalities pay on their General Obligation Bonds are impacted as they are a competitor for municipal debt. The rate that the town pays on its borrowing typically comes in at a rate similar to a 10-year Treasury bond. As these yields climb so does the town's cost to borrow.



Automotive Sales

National automotive sales were significantly impacted at the outset of the pandemic. Sales recovered in early 2021 and then slumped downwards through 2022 largely due to supply shortages. Sales have been slowly climbing through the end of 2022 and early 2023. Current sales as of November 2023 are 15.7 million, approximately 2 million units shorter than the last 10-year average. The Town's Motor Excise Tax revenue will have to be closely watched for any sign of weakness in tax revenue.



Crude Oil

As of the end of November 2023, crude oil prices were around \$76 per barrel. This is down from \$121 per barrel in June 2022. The town participates in a cooperative bid for its fuel. Most of the fuel is consumed in Public Works, Police and the School Departments. Long-term contracts are not an option due to the volatility in the market. The bid for fuel is done on an annual basis and includes a commitment by the town to buy a minimum amount for the winning vendor. If more fuel is consumed than what was included in the bid the town has to pay the going market rate on the additional amount. Since the pandemic and the war in Ukraine crude oil has risen considerably.



Consumer Sentiment Index (CSI)

This is a measurement of Americans' attitudes about current and future economic conditions. This is based on a monthly household survey of consumer opinions. The CSI consumer confidence survey for the U.S. came in at 61.3 in November 2023 compared to 56.7 a year earlier. This sentiment reached its highest at 101 in February 2000 right before the pandemic. It has been on a downward trend since then. Consumers appear as confident about economic conditions today as they were during the last recession in 2008.



B. State Economic Factors

State Revenue

State revenue for fiscal year 2022 was \$41.813 billion, which is over \$7 billion more than what was collected in 2021. Revenue collections for fiscal year 2023 totaled approximately \$39.164 billion, \$1.941 billion or 4.7% less than collections in fiscal year 2022, and \$605 million or 1.5% below the fiscal year 2023 benchmark. The decrease in fiscal year 2023 revenue collections in comparison to fiscal year 2022 is primarily driven by a decrease in capital gains tax collections relative to last year's unprecedented collections.

State Budget

The state approved a \$56 billion budget for FY 2024 an increase from \$52.7 billion FY 2023. Local aid to communities in Chapter 70 funding was increased by \$594 million or 9.9% as the budget continues to move toward full implementation of the 2019 school funding law known as the Student Opportunity Act. in the fiscal year 2024. The town realized an increase in its Chapter 70 aid of over \$6 million.

Pension Reform and Health Insurance Reform

The state has implemented reforms in both areas affecting current and future employees. While the health insurance reforms affect all active and retired employees, most of the cost savings with the recent round of pension reforms were targeted at future employees. The state's unfunded pension liability is in excess of \$146 billion and the state's OPEB liability is in excess of \$20 billion. These unfunded liabilities contribute to the state having one of the highest debt per capita ratios in the country and can have a significant impact on future state operating budgets.

C. Local Economic Factors

New Building Growth

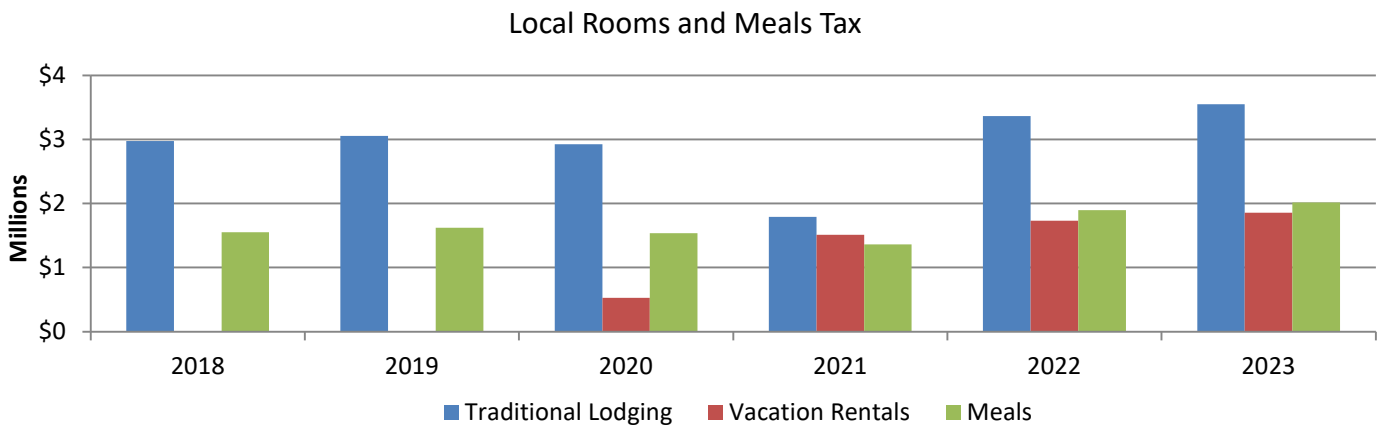
New property growth has been steady for the past few years. The town has seen new development projects in automobile centers, active adult housing, apartment complexes, and hotels. Additional property taxes generated from new growth for FY 2023 and FY 2022 was \$1.2 million each year. The town needs to generate about \$1 million in new property growth just to keep funding level services. Large projects like the development of Vineyard Wind, and redevelopment of the Kmart Plaza present a positive picture for new growth tax dollars for the town.

Employment

Based on the Bureau of Labor Statistics, Barnstable's unemployment rate as of August 2023 is 2.6%. Unemployment is currently at its lowest since the pandemic. During this same period, Barnstable's labor force has increased to 133,682. The labor force is defined as people who are willing and able to work. The size of a labor force can be indicative of the availability of jobs or cost of living in a given community. An increasing labor force can greatly contribute long-term to the local economy and the unemployment metrics.

Tourism

Local room and meals tax are a good indication of the strength of the local tourism industry. Tourism was down during the pandemic but has rebounded to better than pre-pandemic levels. Local rooms tax on vacation rentals was initiated in the middle of fiscal year 2020. Fiscal Year 2021 illustrates the impact from the pandemic.



Ordinance Development

The financial impact of any new ordinances should be closely examined to determine its potential impact on the town's finances. New ordinances can require additional staff to enforce and can prohibit or encourage new development. Ordinances regulating short-term rentals will most likely require additional cost to monitor rental properties. It can also include a funding mechanism to offset the cost.

Property Taxes

This revenue source is more stable than sales and income tax receipts. It is the main revenue source for the General Fund (72% of total revenues). Consequently, fluctuations in the town's budget are not as predisposed to economic upswings and downturns as are governments that depend upon sales and income taxes. While it is a steady and predictable resource, it has limitations under Proposition 2 ½ unlike sales and income taxes. The

one factor that is tied to the economy is the level of new property tax growth the town may achieve. It is projected that this will be around \$1 million per year providing enough funds to maintain the level of services.

Reserves

The town continues to maintain several reserves, which can be accessed to provide for the continuation of services on a short-term basis (1- 2 years) or to support the operating and capital programs.

Unfunded liabilities

The town currently faces unfunded pension and healthcare liabilities of around \$238 million. The amortization of the pension liability is expected to be completed by FY 2037. Unlike pension liability, healthcare liability is not required to be amortized within a certain time period. However, the town has taken a proactive approach and has begun to set aside funds in an OPEB trust fund. As of June 30, 2022 the trust had a balance of \$7.5 million.

Infrastructure Improvements and Expansion

The town is facing a large sewer expansion program, expected to exceed \$1 billion in total costs over 30 years (60 years based on the duration of the bonds). Town Council approved a local meals tax and increased the local room's tax; both sources are being directed to this effort. This fund generates approximately \$3.5 million per year. However, it is insufficient to address a comprehensive program. Legislation was also passed to create an additional 2.75% excise tax on traditional lodging and short-term rentals to create another funding source for this program. This fund known as the Cape Cod & Islands Water Protection Fund (CCIWP) will be shared county wide and is expected to generate approximately \$15 million per year.

Economic Development Program

The town's focused on specific activities which include promoting Hyannis' revitalization, collaboration with the Hyannis Area and Cape Cod Chambers of Commerce, the Hyannis Main Street Business Improvement District, planning and study initiatives for the Route 132 regional commercial area and corridor, Hyannis Harbor and Route 28 corridor. The Harbor Your Arts (HyA) program is a key component of the downtown Hyannis revitalization initiative and has stimulated collateral development on Pearl Street. HyA promotes arts and cultural programs and events throughout the town including performing arts, exhibits, retail space for artists through the artist shanty program, and artist live/workspace. These arts focused activities attract visitors and residents and enhance their Hyannis experience, provide market opportunities for artists and businesses, support the local creative economy, enhance business activity in Hyannis and continue to define downtown Hyannis as an arts and culture destination.

Recent amendments to Article XIV, Chapter 240, Section 128 of the Zoning Ordinance for Accessory Dwelling Units (ADUS) and Dwelling Unit proposal is to increase the number of dwelling units available for year-round rental. As mentioned in the language within Town Council Order 2021-174 on July 15, 2021, this amendment will encourage a more economic and efficient use of the Town's housing supply. Currently the high cost and limited access to housing can make it difficult for the aging in place and attraction and retention of the working class. By enabling more access to housing should attract and retain a more established workforce.

SECTION V – MAJOR OPERATING BUDGET COMPONENTS

Particular attention is given to certain areas of the revenue and expense structure contained in the operating budgets in order for this forecast to hold true. These areas include the following:

Proposition 2 ½

Property tax levy growth is limited to 2½ percent of the previous year's base levy before a factor for new building growth is added. Currently, this provides about \$3.4 million in General Fund revenue growth, an amount equivalent to 1.7% of the total General Fund budget. It is projected that the town will need to raise the tax levy by the maximum 2½ percent allowed every year as well as generate \$1 million in new property tax growth in order to maintain current services or minimize reductions thereto.

New Property Tax Growth

Additional taxes generated from new building growth are estimated to moderately increase over the forecast period. Much of the new growth has been generated from utility companies and the associated personal property tax. With limited vacant building lots available, the town will have to rely more upon targeted redevelopment of existing property to achieve this goal. The planned redevelopment of Capetown Plaza is one example of how to accomplish this.

Chapter 70 Aid For Education

A new formula was approved recently that takes into account the additional costs of providing education service to English learners and economically disadvantaged students. It also recognizes the increase in health care costs. This revised formula should provide the town with an increase in funding over the next 5 years if enrollments and demographics remain steady as projected.

Unrestricted General Government Aid

The recent passage of legislation allowing sports betting in Massachusetts may have some impact on the distribution of aid in this category. The state has increased funding in this category similar to the percentage increase in state revenue growth.

Massachusetts School Building Assistance

The Massachusetts School Building Authority provides grant assistance for certain qualifying school construction projects. The town's payments under this program ended in FY 2020. The projection does not include any additional funding from the MSBA. Funding for new projects under this program is very competitive. The new program for financing school construction is derived from the state sales tax. There are no new school projects projected in the next 5 years that would qualify for funding under this program.

Motor Vehicle Excise Tax

This is the third largest revenue source for the town's General Fund after property taxes and state aid. Changes in this category of revenue are influenced by many factors including vehicle sales volume, vehicle prices, interest rates on car loans, the increasing length offered on car loans, the increase in vehicle life spans, consumer confidence in the economy, and town population. The surge in the auto industry has translated into significant growth in this category of revenue over the past few years. The pandemic significantly impacted new car sales as monthly sales fell from 17 million to 9 million in April 2020. Total vehicle sales have ranged 17-18.5 million per month since 2016.

Other Local Receipts

This category of revenue includes the various charges for permits and fees such as beach stickers, building permits, investment income, and fees assessed for the late payment of taxes and many others. Most of the charges are set at rates to recover the cost of providing a particular service. These are reviewed and adjusted periodically to maintain a certain level of cost recovery. The total amount of revenue generated in this category is less than \$8 million annually in the General Fund or about 8% of the General Fund budget.

Fund Balance

It is estimated that the town will continue to generate some surplus in its operating budget every year from returned appropriations and actual revenue exceeding budget estimates; therefore, a portion of the town's surplus is used to provide some stability in the operating budget. In addition, reserves are used to cover the projected snow and ice removal deficit. The town has consistently generated a larger surplus than what has been used to balance the operating and capital budgets annually.

Salaries

Salaries are the single largest expense for the town. Labor contracts include a merit increase for 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 ten years of service, they are no longer eligible for merit increases. Approximately 70% of the school department's labor force and 50% of the municipal department's labor force is at the top step. Salaries also increase every year by any negotiated cost of living allowances (COLA).

Health Insurance

The Town of Barnstable belongs to a joint purchasing group known as the Cape Cod Municipal Health Group (CCMHG) for procuring health insurance for its employees. The group implemented plan design changes in FY 2018 to more closely match the Group Insurance Commission's (GIC) benchmarks. This reduced the increase in the annual cost in premiums as the changes were designed to encourage more effective utilization of health insurance. The CCMHG continues to work on ways to reduce costs; for example, mail order prescriptions, health awareness, and smoking cessation programs.

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 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 in any one year is added to the liability on the town's Statement of Net Position. The ARC exceeded the town's actual expenses in fiscal year 2021 by about \$2.7 million. Additionally, changes in assumptions resulted in a \$78 million decrease in the liability and the town's liability dropped to \$133 million. In essence, to fully fund health insurance for active and retired employees, the town would have to budget \$2.7 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. Most governments are prioritizing the amortization of their pension liabilities first and will then be able to address their OPEB liabilities more aggressively without impacting service levels.

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 (GIC). The town is assessed its share of the cost each year by the state for retired teachers. The town must pay 85% to 90% of retired teacher's health insurance premiums depending upon their retirement date. This charge is included on the town's Cherry Sheet.

Utilities and Fuel

Utilities and fuel are approximately \$5 million combined across all town budgets (General Fund and Enterprise Funds). The town has installed co-generation equipment, photovoltaic solar panels on various rooftops, wind turbines at the Water Pollution Control Facility and upgraded heating plants to make buildings more efficient. In addition, it has adopted a new fuel-efficient vehicle policy. Efforts will continue to reduce the town's reliance on fossil fuels as well to reduce costs. Large photovoltaic solar arrays have been constructed on land at the town's Solid Waste facility and Airport, which is guaranteed to provide the town with income of about \$900,000 annually. These funds have been used to balance operating budgets and enhance the capital program.

Private Roads

There is no provision included in this projection to finance the taking or improvement of private roads, or the elimination of services currently provided. The state approved the town's request to expand the use of the Sewer Construction Trust Fund for this purpose and it is now referred to as the Sewer Construction and Private Way Maintenance and Improvement Special Revenue Fund. The town could address some of its immediate needs with this funding source, which allows these funds to be used on private roads meeting certain criteria. The Comprehensive Wastewater Management Plan includes installing public sewers on many private ways. It is anticipated that these roads will be brought up to public way standards and this can present an opportunity to add the roads to the town's public way inventory.

Clean Water

This challenge involves two major pieces, expanding and constructing sewer collection systems and upgrading and maintaining existing sewer collection systems. Protecting the town's water resources is one of the most, if not the highest, priority for the community. The town has completed a Comprehensive Wastewater Management Plan (CWMP) to address this issue which includes an expansion of the public sewer system. This has been filed with the regulatory agencies.

The CWMP includes the financing plan for the proposed sewer expansion. Funding for the program began years ago with the dedication of room occupancy taxes and a local meals tax. Additionally, the Cape Cod & Islands Water Protection Fund (CCIWP) was established and a new additional tax of 2.75% on all room occupancy was created. The CCIWP principal subsidies disbursements can be allocated Cape wide and are subject to a voting process. However, these combined additional resources are not enough to fully implement the CWMP.

On July 1, 2021, the Town Council approved the sewer assessment ordinance (Town Council Order 2021-139). The sewer assessment ordinance specifies that per Residential or Commercial Sewer Unit shall be the allocated cost or Ten Thousand Dollars (\$10,000) (the "initial maximum amount"), whichever is lower. This initial maximum amount will remain in effect until June 30 of the year following the calendar year in which the first sewer assessments are made. Thereafter, the initial maximum amount may be adjusted annually as of July 1 of each year by the percentage change in the construction cost index as calculated by the Gordian Company for the immediately preceding year ending June 30, as determined by the Town Manager, subject to approval by the Town Council.

Water Supply

The Department of Public Works and the Hyannis Water Board have developed a comprehensive capital improvements program for the water operations. This includes improvements to pump stations and water filtration systems, water line replacements and upgrades, water storage facilities, water treatment facilities, and new well exploration. A water rate model has been developed to determine the necessary rate increases that will be needed to cover the cost of the capital improvements. Rate increases can be significant without additional funding to offset the projected capital program. Furthermore, the town has entered into a Host Community Agreement with Vineyard Wind Project that will provide \$16 million in payments. These payments have been dedicated to a newly created Vineyard Wind Water Stabilization Fund (Town Council 2019-074) for water infrastructure as well as help moderate water rate increases.

Special Education

The largest component within this section of the School Department budget is the cost for out-of-district residential placement services for legally mandated special education supports and services to children with severe disabilities. These services can fluctuate immensely 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 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 ($(\text{Per Pupil Cost} - (4 \times \text{State Average per Pupil Cost})) \times 75\%$) as defined in M.G.L. c.70 (Chapter 70) and in accordance with the Department of Elementary and Secondary Education. The current rate is approximately 75% of the eligible costs, as the program is not fully funded. Even with no changes in enrollment, a cut in the reimbursement rate can have a significant impact on a school district's budget. The district collaborates with the New England Center for Children who specialize in the education of students with Autism. "Partner classrooms" are currently offered up to seventh grade to twelve. The partner program has been an effective strategy to avoid costly out-of-district placements. For children who have no parents or guardians in the commonwealth, the reimbursement is 100% above the threshold rather than 75%.

Facility Maintenance

Town and school facilities are aging. Adequate funds need to be directed to the annual maintenance and improvement of these facilities. 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 facilities as well as identify opportunities to close facilities no longer needed. Opportunities identified during the pandemic include creating a remote workforce that may allow the town to reduce facilities necessary to house employees.

Most notably are the town's elementary school facilities, which 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. Osterville Bay Elementary School was closed at the end of the 07-08 school year. Cotuit, Marstons Mills, and Osterville Elementary schools were closed after the 08-09 school year. Any lease income generated from these facilities can be used towards maintaining their condition.

Technology

Updating technology is a priority in all departments. In the most recent three years, approximately \$700,000 has been invested in school technology improvements. The challenge will be to implement this as part of the School Department's annual operating budget. The Information Technology Division within the municipal operations budget has a financial plan that includes \$105,000 annually for hardware and software upgrades. COVID relief funds have provided hundreds of thousands of dollars in technology assistance to conduct remote learning and a remote workforce.

SECTION VI – BARNSTABLE TRENDS

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, freshwater 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 \$223 million of General Fund capital needs over the next five years, not including Special Revenue Funds and Enterprise Fund programs. This is more than what town resources can provide for. Appropriations for the General Fund capital program over the past ten years are illustrated in the table below. This does not include capital improvements financed with grants, Enterprise Funds, and other sources of revenue.

| Fiscal Year Ended | Operating Capital | CIP Cash | CIP Bond Financed | Total |
|----------------------|---------------------|---------------------|----------------------|----------------------|
| 2015 | \$2,107,544 | \$5,687,810 | \$4,231,500 | \$12,026,854 |
| 2016 | \$1,211,504 | \$3,956,247 | \$12,523,000 | \$17,690,751 |
| 2017 | \$1,051,392 | \$4,505,739 | \$9,503,000 | \$15,060,131 |
| 2018 | \$1,896,187 | \$4,847,363 | \$7,087,000 | \$13,830,550 |
| 2019 | \$1,650,437 | \$5,611,031 | \$8,264,740 | \$15,526,208 |
| 2020 | \$1,437,745 | \$5,017,000 | \$12,303,000 | \$18,757,745 |
| 2021 | \$2,473,754 | \$4,326,115 | \$3,786,000 | \$10,585,869 |
| 2022 | \$2,539,075 | \$6,859,825 | \$18,224,958 | \$27,653,858 |
| 2023 | \$1,638,252 | \$12,197,653 | \$41,933,633 | \$55,769,538 |
| 2024* | \$2,915,891 | \$7,590,251 | \$4,756,413 | \$15,262,555 |
| 10 Year Total | \$18,921,781 | \$60,599,034 | \$122,613,244 | \$202,134,059 |

*Budget

The town has been committing over \$3.7 million to a CIP cash program for the maintenance of the public roads program since fiscal year 2010. In the past few fiscal years, significant increases in bond financing have been needed to support school and municipal infrastructure restoration projects. From this, the town's five-year funding plan projects an annual commitment for new capital to be approximately \$16 million over the next five years. This includes \$4 million in annual cash contributions and \$11 million to \$13 million in bond financing (Does not include the Comprehensive Wastewater Management Plan (CWMP)).

Net School Spending Requirements

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.

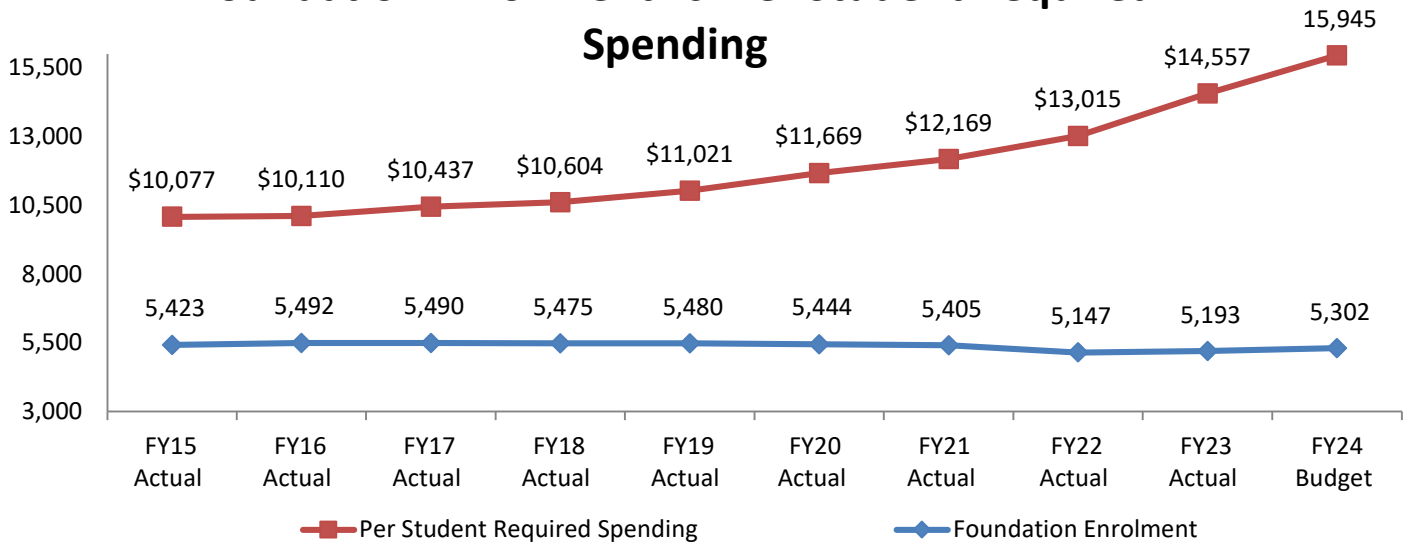
| Fiscal Year Ended | Foundation Enrollment | State Required School Spending | Per Student Required Spending | Per Student Dollar Change | Actual Net School Spending | Difference Actual vs Required | % of Required Net School Spending |
|-------------------------|-----------------------|--------------------------------|-------------------------------|---------------------------|----------------------------|-------------------------------|-----------------------------------|
| 2015 | 5,423 | \$54,648,673 | \$10,077 | \$(80) | \$67,837,819 | \$13,189,146 | 124.13% |
| 2016 | 5,492 | \$55,521,660 | \$10,110 | \$32 | \$70,297,706 | \$14,776,046 | 126.61% |
| 2017 | 5,490 | \$57,300,645 | \$10,437 | \$328 | \$72,856,261 | \$15,555,616 | 127.15% |
| 2018 | 5,475 | \$58,056,833 | \$10,604 | \$167 | \$75,058,098 | \$17,001,265 | 129.28% |
| 2019 | 5,480 | \$60,393,953 | \$11,021 | \$417 | \$77,247,056 | \$16,853,103 | 127.91% |
| 2020 | 5,444 | \$63,524,349 | \$11,669 | \$648 | \$82,229,839 | \$18,705,490 | 129.45% |
| 2021 | 5,405 | \$65,773,443 | \$12,169 | \$500 | \$84,974,723 | \$19,201,280 | 129.19% |
| 2022 | 5,147 | \$66,987,030 | \$13,015 | \$846 | \$87,477,842 | \$20,490,812 | 130.59% |
| 2023 | 5,193 | \$75,594,780 | \$14,557 | \$1,542 | \$91,875,709 | \$16,280,929 | 121.53% |
| 2024* | 5,302 | \$84,542,110 | \$15,945 | \$1,388 | \$99,190,816 | \$14,648,706 | 117.33% |
| 10 Year % Change | -2.23% | 54.7% | 58.2% | | 46.2% | | |

*Budget/Projected

Since the implementation of Education Reform in FY 1993, the actual required per student spending has increased from \$4,048 to \$15,945, or 293%. The actual required school-spending amount increased by \$42 million, from \$24.7 million to \$84.5 million, or 242%. The total required spending percentage change is much less than the percentage increase in the per student spending requirement due to an estimated 15% drop in the enrollment level over the same period. The town has consistently complied with the state mandated spending requirements.

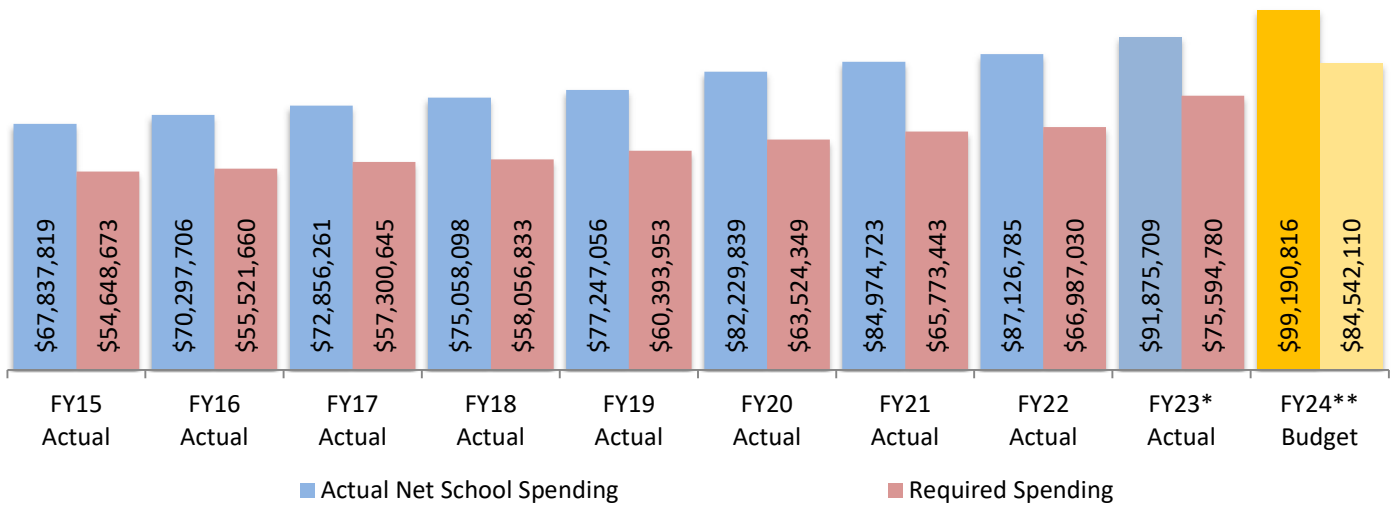
More recently, Sections 124 and 278 of the FY 2015 State Budget established the Foundation Budget Review Commission to "determine the educational programs and services necessary to achieve the commonwealth's educational goals" and to "review the way foundation budgets are calculated and to make recommendations for potential changes in those calculations as the commission deems appropriate." The Commission made recommendations to change four areas of the Foundation Budget: 1. Health Insurance, 2. Special Education, 3. English Language Learners, and 4. Low Income Students. The recommendations will result in increasing the minimum spending in each area thereby increasing the foundation budget when fully adopted. Barnstable currently spends in excess of \$14 million over the Foundation Budget.

Foundation Enrollment vs. Per Student Required Spending



Foundation enrollment has declined 2.2% from FY 2015 through FY 2024. During this same period, the required spending per student has increased 58%.

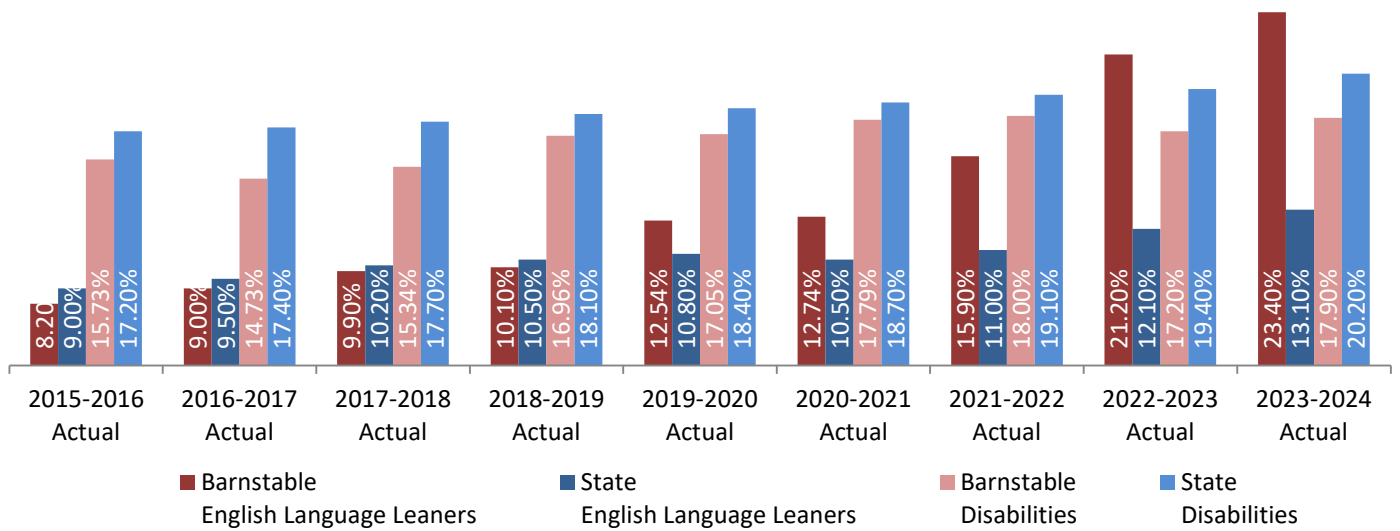
Actual Spending vs. Required Spending



* Unaudited Actual
 ** Budget/Projected

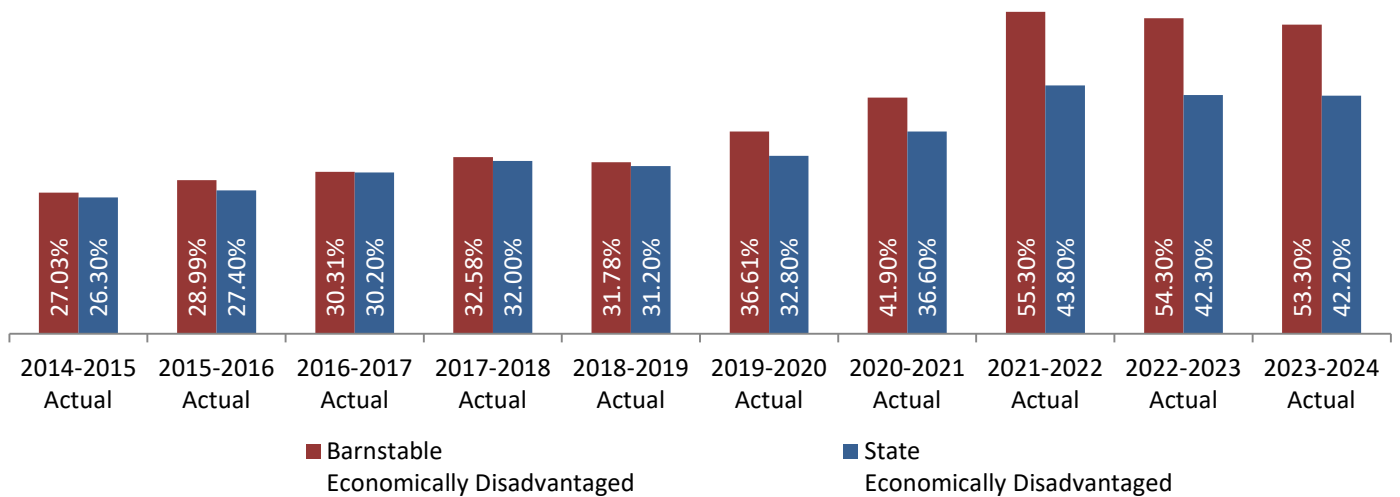
The town's actual net school spending has consistently met or exceeded the required amount. The FY 2023 actual calculations have been submitted to the Department of Elementary and Secondary Education and are pending verification through the annual audit. FY 2024 are budgeted amounts and not actuals.

English Language Learners and Disability Students as a % of Public School Students



Barnstable has seen a significant increase in English Language Learners over the past nine years as they now account for 23.4% of Public-School Students. This is compared to the state average of 13%, which the nine-year trend has steadily increased.

Economically Disadvantaged as a % of Public School Students



Barnstable’s economically disadvantaged student population has grown by 26% since 2014 while the state has seen an increase of 16%.

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 (DOR) certifies the General Fund reserve, also known as free cash, every year. From this reserve, the Town Council's policy is to set aside an amount equal to 4% of the 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 following table illustrates this activity within this reserve for the past ten years.

| Certification Date: | Beginning Balance | Used For: | | Generated | Ending Balance |
|---------------------|-------------------|---------------------|---------------------|-------------------|----------------|
| | | Operations | Capital | | |
| July 1, 2014 | 11,095,664 | (3,585,000) | (591,993) | 6,451,368 | 13,370,039 |
| July 1, 2015 | 13,370,039 | (4,104,926) | (1,037,689) | 5,721,779 | 13,949,203 |
| July 1, 2016 | 13,949,203 | (2,726,877) | (4,000,000) | 5,908,772 | 13,131,098 |
| July 1, 2017 | 13,131,098 | (2,572,316) | (350,000) | 5,988,373 | 16,197,155 |
| July 1, 2018 | 16,197,155 | (3,587,352) | (4,260,175) | 4,293,608 | 12,643,236 |
| July 1, 2019 | 12,643,236 | (2,442,899) | (264,000) | 4,752,407 | 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 |
| July 1, 2022 | 24,427,135 | (1,050,000) | (4,086,306) | 7,478,398 | 26,769,227 |
| July 1, 2023 | 26,769,227 | (250,000) | (4,090,251) | 10,293,456 | 32,722,432 |
| | Total | (25,417,219) | (21,273,428) | 68,317,415 | |
| | Average | (2,541,722) | (2,127,343) | 6,831,741 | |

The amount of reserves used to balance on-going operations as illustrated above has ranged from \$250 thousand to over \$4 million. The town has historically been able to generate more reserves than what it has used to balance operating budgets. This demonstrates a structurally balanced budget over the ten-year period. This has also allowed the town to direct an average of \$2.1 million per year to the capital program. The generation of surplus is derived from unexpended appropriations and actual revenues out-performing budget estimates. The town must be cautious about placing an over-dependency on this funding source to pay for recurring operating costs. The projected \$32.7 million in the savings account is distributed in accordance with the revenue sharing agreement as follows:

| | | | |
|----------------------|----|-------------------|------------------------|
| Municipal Savings | \$ | 11,144,799 | |
| School Savings | \$ | 13,711,752 | |
| Town Council Reserve | \$ | 7,486,570 | 4% of Operating Budget |
| | \$ | <u>32,722,432</u> | |

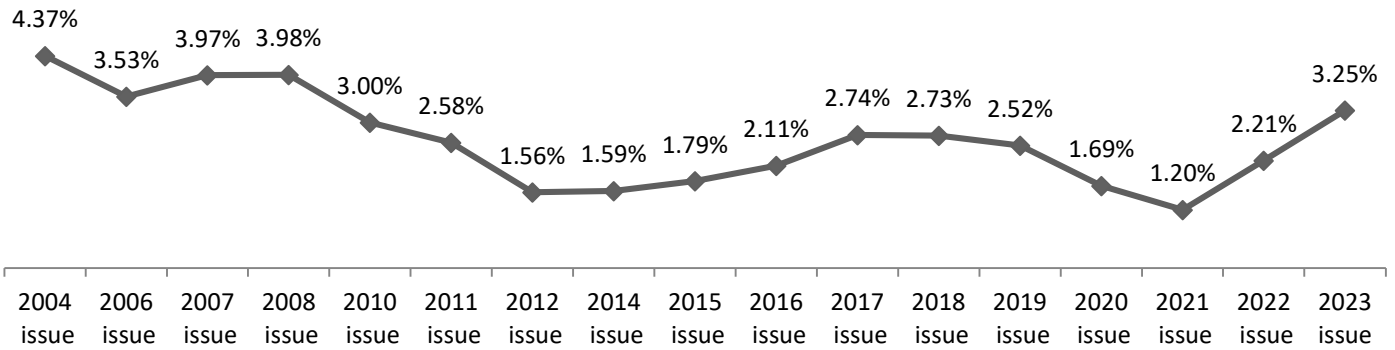
Bond Rating

The town continues to manage its financial affairs in a prudent manner. In FY 2023, 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

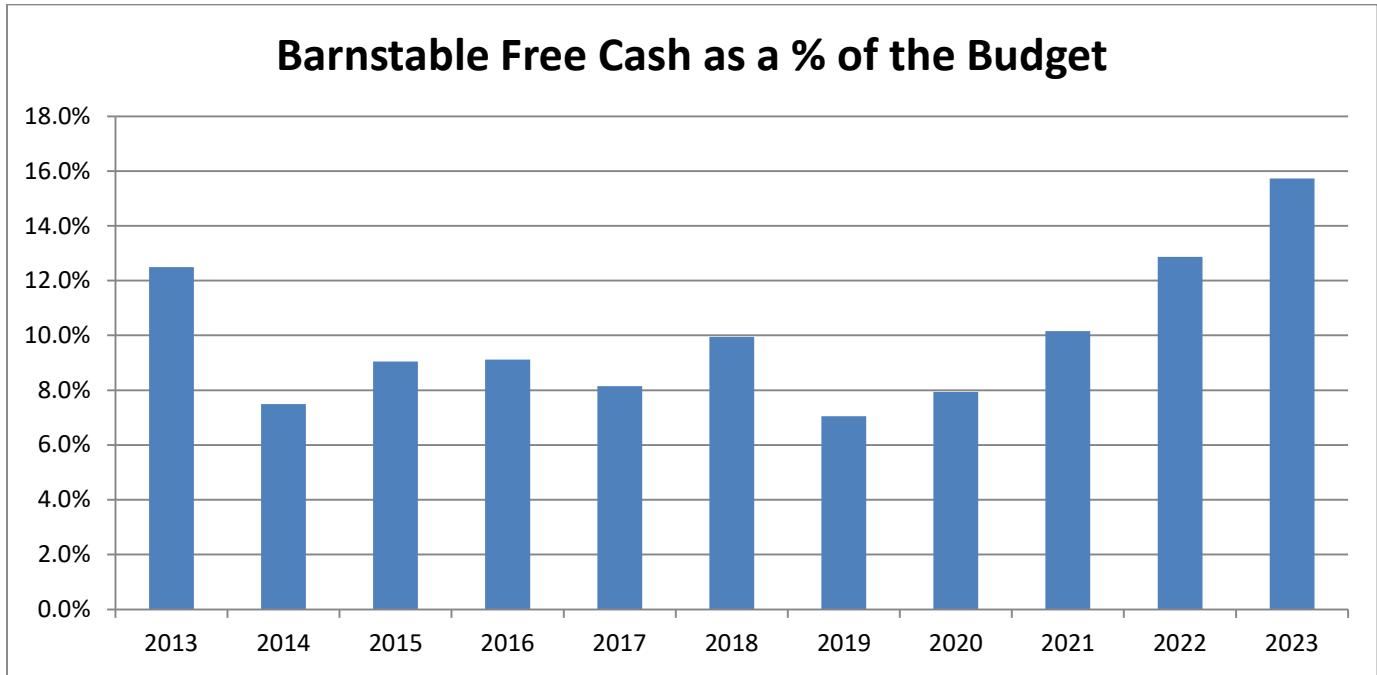
Borrowing rates have been at an all-time low for the municipal bond market. This has created an opportunity for the town to “refund” or “refinance” most of its older bond issues. All bonds eligible for refunding have been refunded. The town’s last bond issue of \$14.5 million in March 2023 resulted in a net interest cost of 3.25% over the life of the bond. Action taken at the Federal level to curb inflation will impact the town’s borrowing rates. It is expected that the town will incur a rate in excess of 4.5% on its next bond issue conducted in fiscal year 2024.

Town Borrowing Rates on Issued Debt

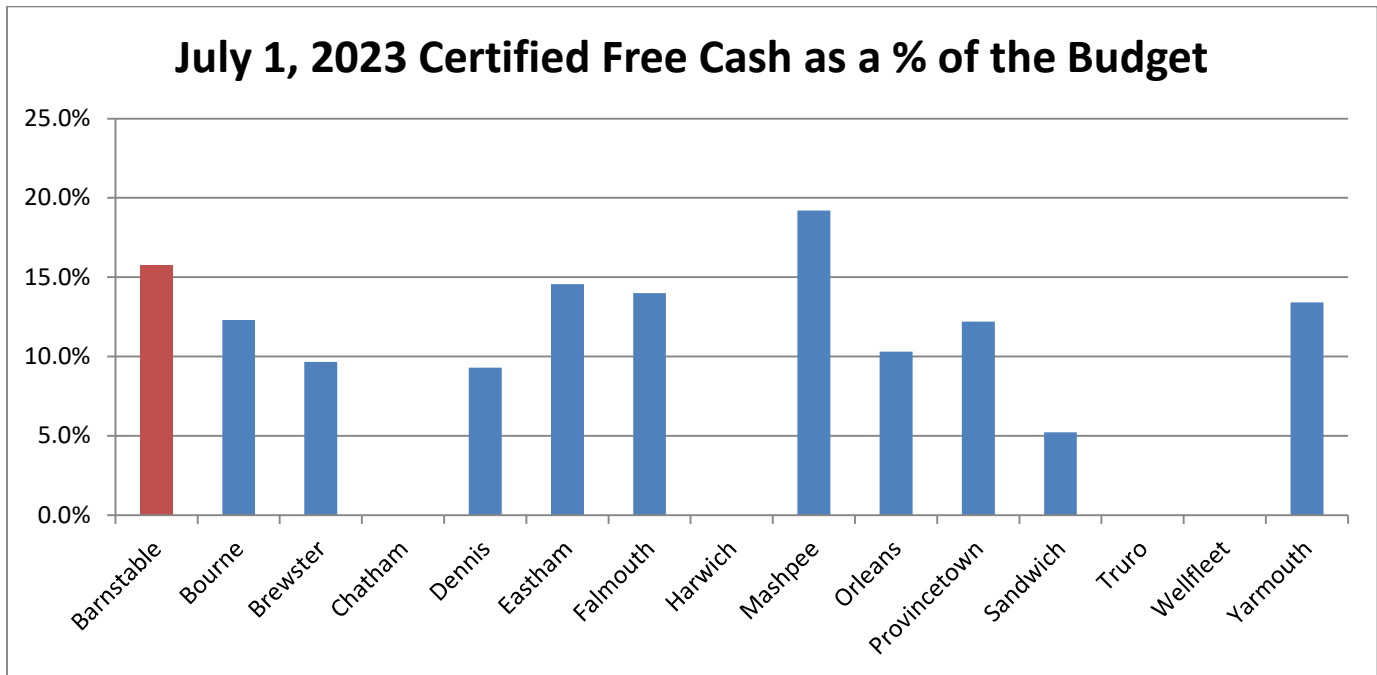


As illustrated in the chart above, the town had experienced some of the lowest bond rates from 2020-2022. Rates are currently trending upwards to rates like those experienced in 2004 through 2010.

Free Cash

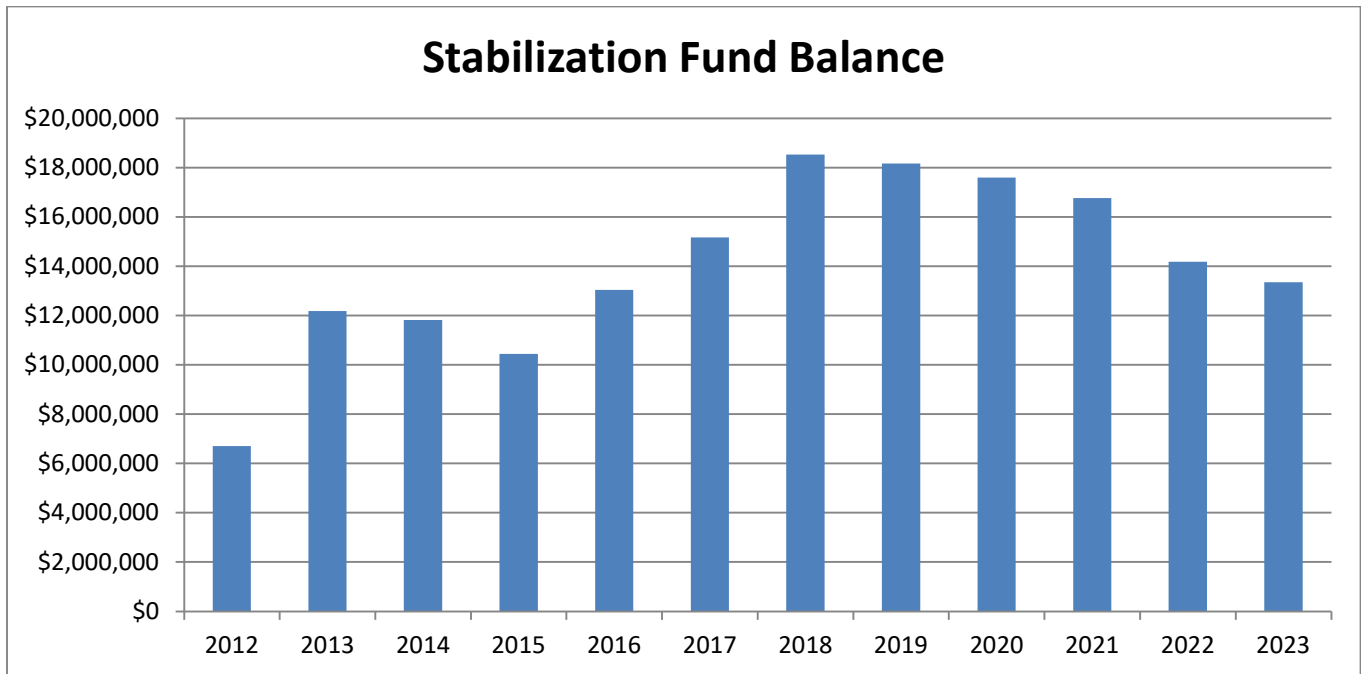


As of July 1, 2023, the town's free cash was certified at over \$32.7 million which represented 15.73% of the General Fund operating budget.

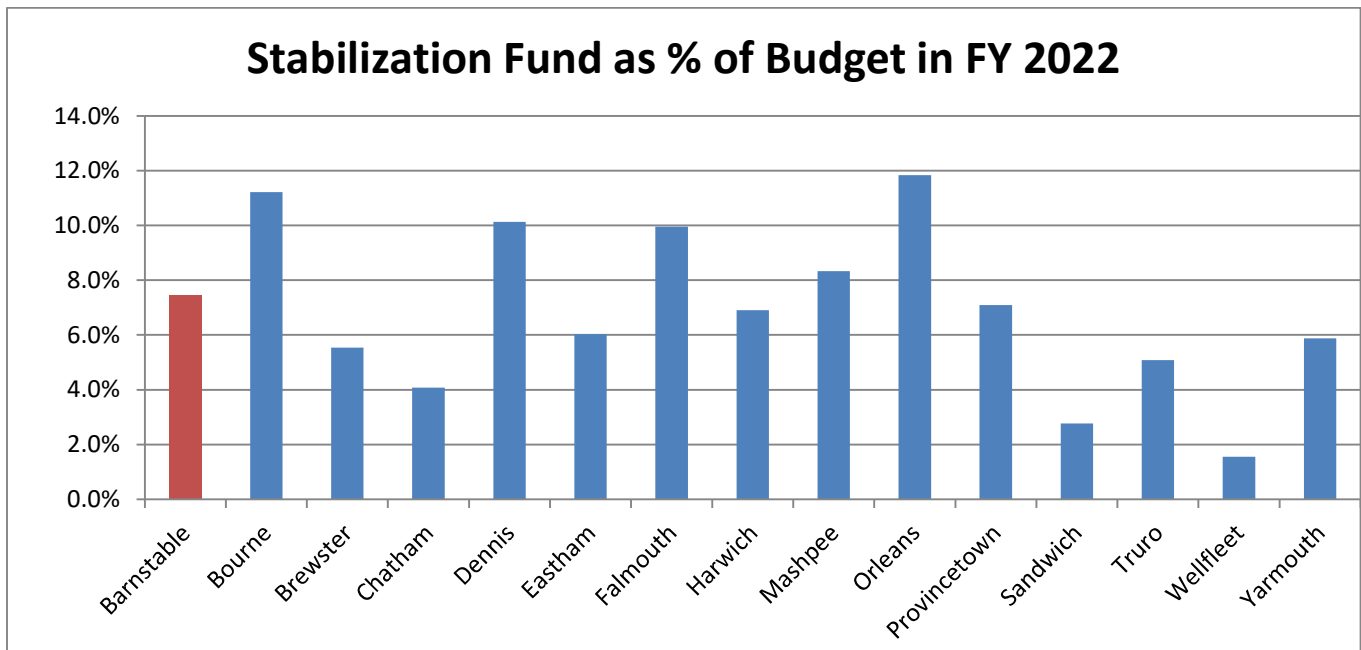


As of July 1, 2023, one Cape Cod community had a higher percentage of free cash as a percentage of their General Fund budget than Barnstable. Chatham, Harwich Truro and Wellfleet's free cash have not been certified.

Stabilization Fund

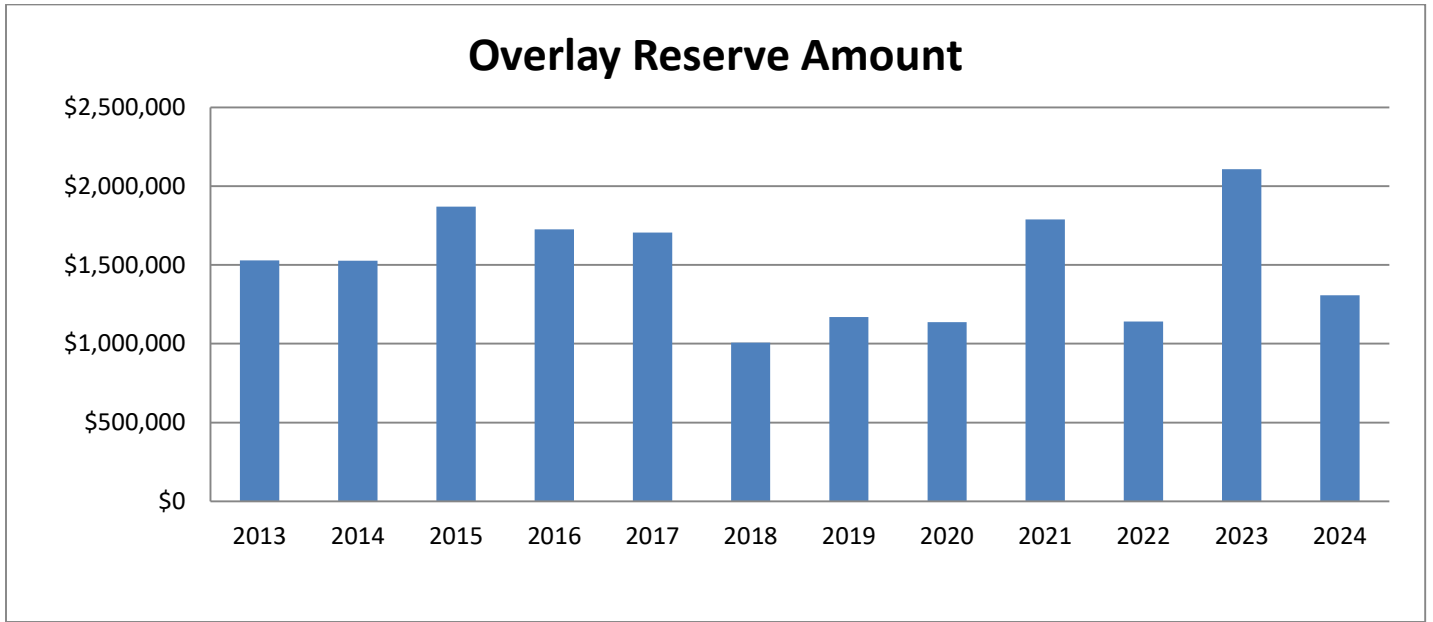


Barnstable’s Stabilization fund balance, referred to as the town’s Capital Trust Fund, was increasing from 2012 to 2018 as the town grew its investment in the capital program as capital needs continue to rise. The town has more aggressive in funding the capital program since then resulting in a reduction over the past 5 years. This trend is expected to continue as capital needs are addressed.

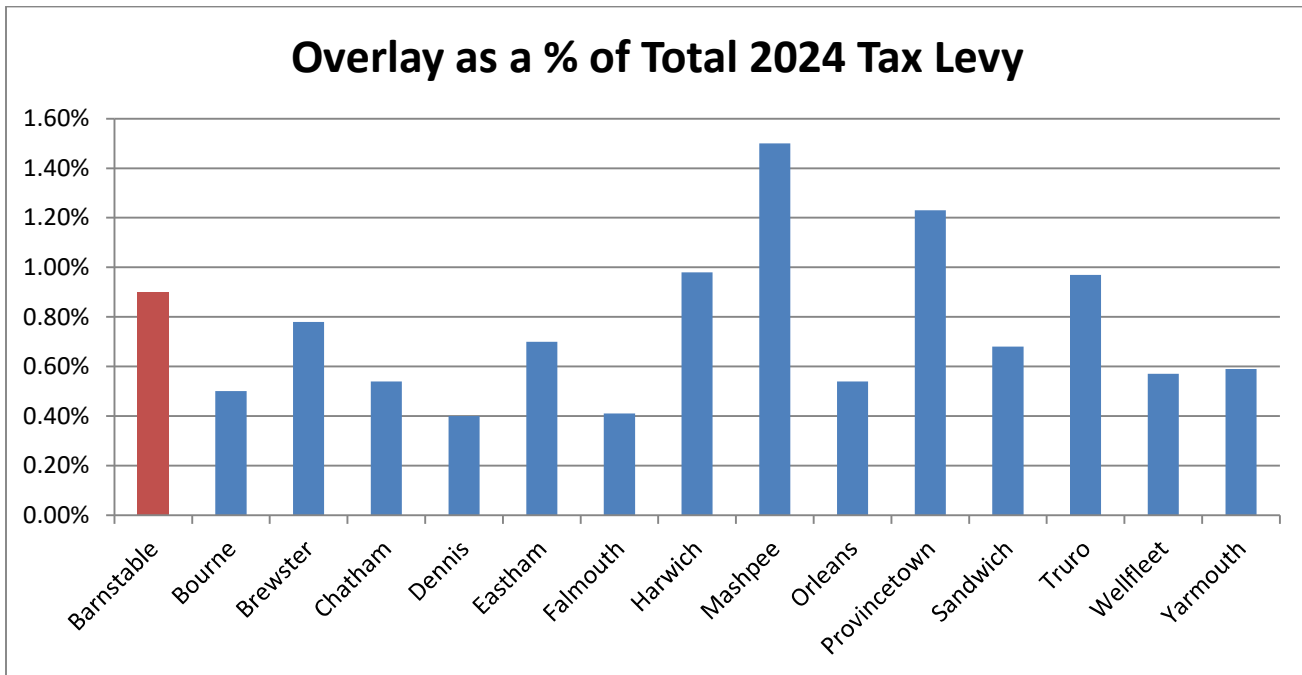


Five Cape Cod communities had a higher percentage than Barnstable as of FY 2022. Bond Rating agencies look at this fund’s balance as well as free cash when assessing reserve levels as a Stabilization Fund can be appropriated for any operating expense. Barnstable dedicates its Stabilization Fund for the capital program.

Overlay Reserve



The town has been able to reduce the amount set aside for abatements and exemptions over the past few years, making more tax dollars available for operations. Fiscal Year 2021 was a revaluation year where typically a higher reserve is established in the event there were issues with the town-wide revaluation.



Barnstable set aside 0.90% of the tax levy in 2024 for abatements and exemptions. This is a similar percentage to most Cape Cod communities.

FY2023 Average Single-Family Tax Bill



State Average Single-Family Tax Bill

\$7,059

State Average Single-Family Value

600,011

State Number of Single-Family Parcels

1,434,311

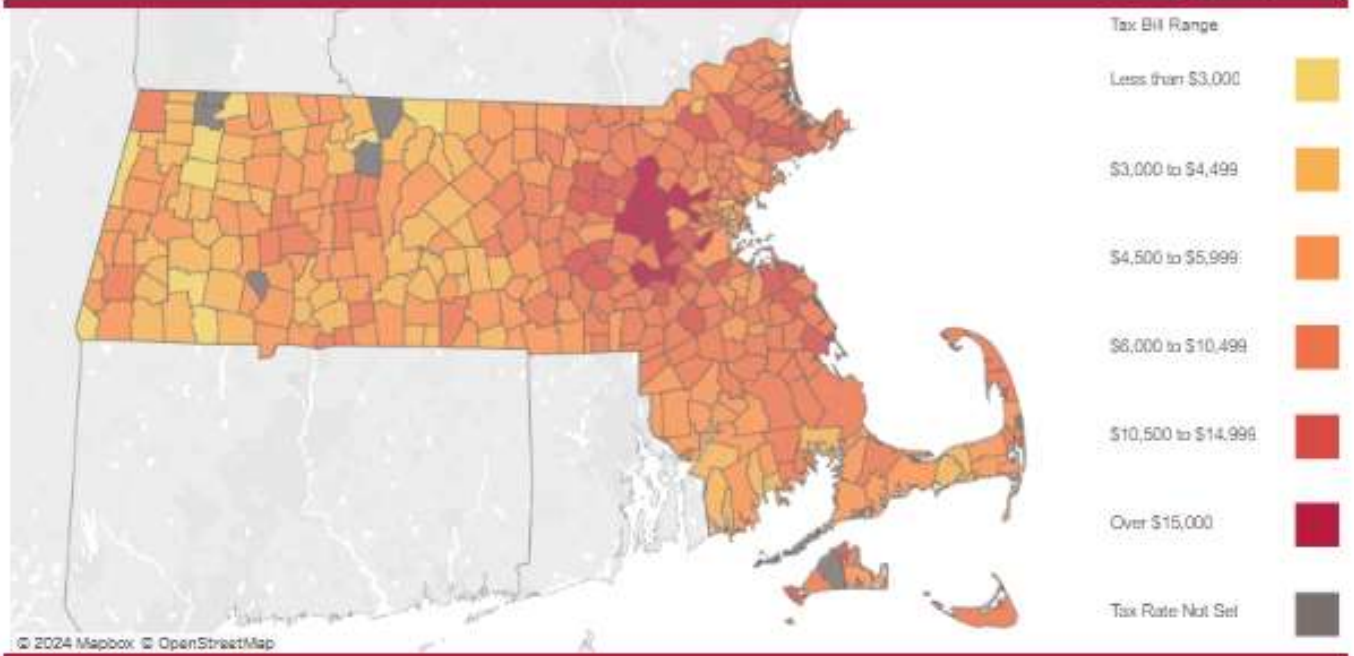
Number of Cities & Towns Included

344

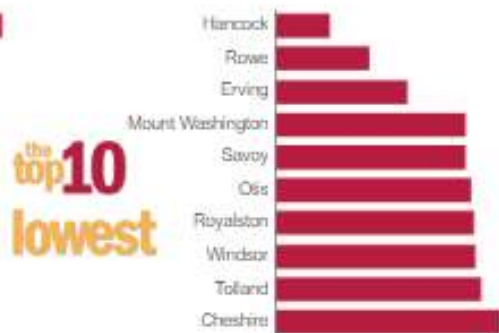
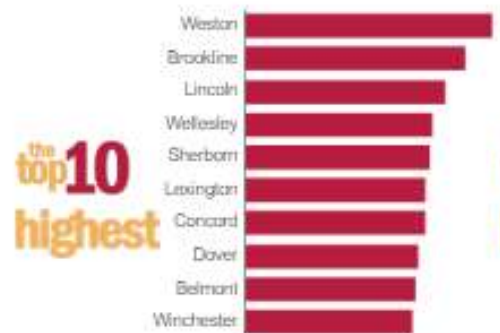
Municipality

(All)

Average Single Family Tax Bill Data



Cities/Towns with the Highest and Lowest Average Single-Family Tax Bill

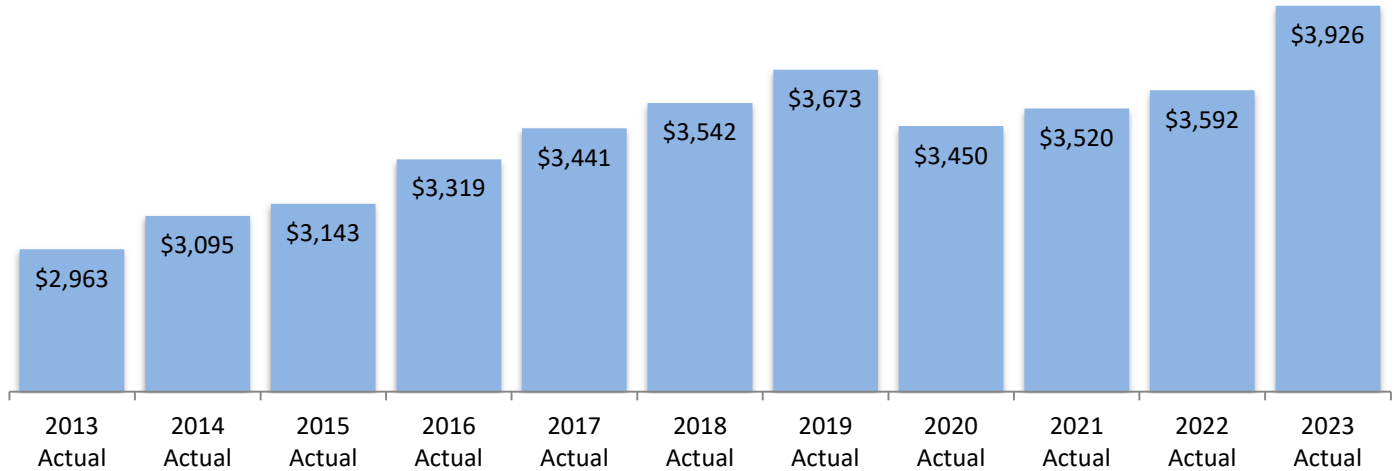


Number of Cities/Towns



Total General Fund Revenues Per Capita

The growth in the town’s General Fund revenue per capita coupled with a leveling in population reveals a history of strong revenue growth. It is also an indication of the town’s high dependency on property taxes, which is a more stable revenue source than most other types of governmental revenue.



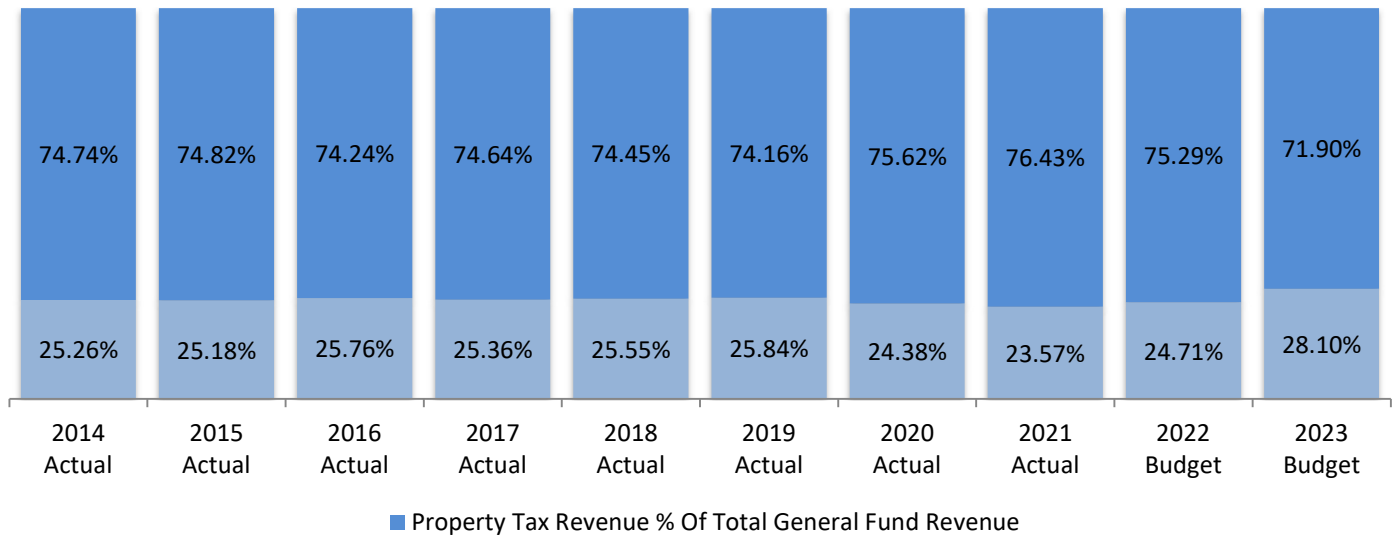
| Fiscal Year Ended | Population | Annual % Change | % Change Since 2012 | Annual GF Revenue | Annual Revenue Per Capita | Annual % Change | Cumulative % Change |
|-------------------|------------|-----------------|---------------------|-------------------|---------------------------|-----------------|---------------------|
| 2013 | 44,641 | -1.17% | n/a | \$132,277,249 | \$2,963 | 2.94% | 0.00% |
| 2014 | 44,487 | -0.34% | -0.34% | \$137,665,418 | \$3,095 | 4.43% | 4.43% |
| 2015 | 44,331 | -0.35% | -0.69% | \$139,351,569 | \$3,143 | 1.58% | 6.08% |
| 2016 | 44,155 | -0.40% | -1.09% | \$146,560,828 | \$3,319 | 5.59% | 12.02% |
| 2017 | 44,165 | 0.02% | -1.07% | \$151,968,061 | \$3,441 | 3.67% | 16.12% |
| 2018 | 44,460 | 0.67% | -0.41% | \$157,477,312 | \$3,542 | 2.94% | 19.54% |
| 2019 | 44,477 | 0.04% | -0.37% | \$163,361,327 | \$3,673 | 3.70% | 23.95% |
| 2020 | 48,916 | 9.98% | 9.58% | \$168,782,325 | \$3,450 | -6.06% | 16.45% |
| 2021 | 49,583 | 1.36% | 11.07% | \$174,550,134 | \$3,520 | 2.03% | 18.81% |
| 2022 | 49,532 | -0.10% | 10.96% | \$177,898,749 | \$3,592 | 2.02% | 21.21% |
| 2023 | 48,916 | -1.24% | 9.58% | \$192,024,646 | \$3,926 | 9.30% | 32.48% |

The General Fund's actual revenue per capita for the entire town witnessed a consistent increase annually from FY 2013 through FY 2019. However, the dynamics changed significantly in FY 2020 due to a notable population shift caused by pandemic-related migration into Barnstable. This influx diluted the per capita revenue calculations. Since 2020, we have observed a resumption of growth, marked by robust revenues in FY 2023. This growth can be attributed to factors such as increased state aid, earnings on investments, and building permits.

Property Tax Revenue as a Percentage of Total General Fund Revenue

The upward trajectory of property taxes as a percentage of total General Fund revenue underscores the town's growing reliance on this revenue source. While this reliance indicates a stable funding stream, it also poses potential challenges. A heavy dependence on property taxes can significantly impact the town's tax rate and taxing capacity, especially in the event of a substantial decline in property values. Additionally, an increase in tax delinquencies could impact the town's cash flow.

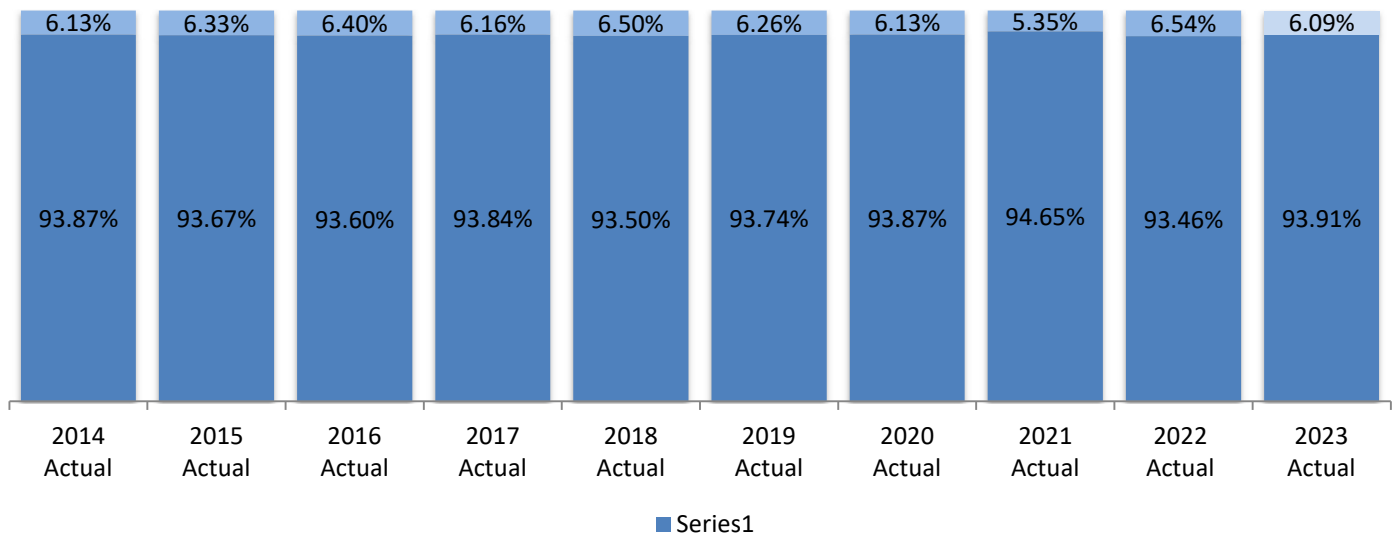
On a positive note, the recent strengthening of State Aid has contributed to a roughly 4% decrease in the Property Tax's share of the overall General Fund revenue in recent years. This diversification in revenue sources enhances budget stability and mitigates the impact of potential fluctuations in property tax revenue.



| Fiscal Year Ended | Property Tax Revenue | Annual % Change | Cumulative % Change | Percentage of Total GF Revenue |
|-------------------|----------------------|-----------------|---------------------|--------------------------------|
| 2014 | \$102,888,344 | 3.41% | 5.24% | 74.74% |
| 2015 | \$104,269,489 | 1.34% | 6.65% | 74.82% |
| 2016 | \$108,813,031 | 4.36% | 11.30% | 74.24% |
| 2017 | \$113,422,815 | 4.24% | 16.01% | 74.64% |
| 2018 | \$117,242,607 | 3.37% | 19.92% | 74.45% |
| 2019 | \$121,144,026 | 3.33% | 23.91% | 74.16% |
| 2020 | \$127,627,313 | 5.35% | 30.54% | 75.62% |
| 2021 | \$133,404,076 | 4.53% | 36.45% | 76.43% |
| 2022 | \$133,947,785 | 0.41% | 37.00% | 75.29% |
| 2023 | \$138,073,155 | 3.08% | 41.22% | 71.90% |

Excise Tax as a Percentage of Total General Fund Revenue

This category of revenue continues to be lower than the high in 2013 as a percentage of total General Fund revenue. Excise tax revenues have been averaging 6.17% of General Fund revenues over the last ten years.

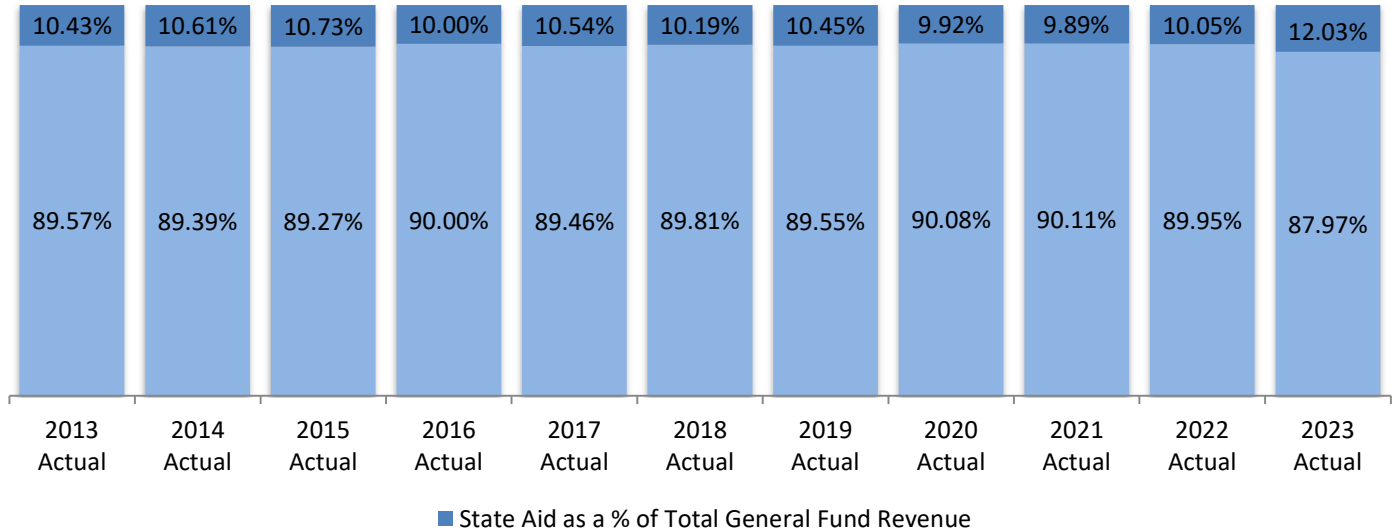


| Fiscal Year Ended | Excise Tax Revenue | Annual % Change | Cumulative % Change | Percentage of Total GF Revenue |
|-------------------|--------------------|-----------------|---------------------|--------------------------------|
| 2013 | \$10,001,473 | 8.99% | n/a | 7.56% |
| 2014 | \$8,436,344 | -15.65% | -15.65% | 6.13% |
| 2015 | \$8,826,596 | 4.63% | -11.75% | 6.33% |
| 2016 | \$9,374,450 | 6.21% | -6.27% | 6.40% |
| 2017 | \$9,356,864 | -0.19% | -6.45% | 6.16% |
| 2018 | \$10,238,279 | 9.42% | 2.37% | 6.50% |
| 2019 | \$10,225,205 | -0.13% | 2.24% | 6.26% |
| 2020 | \$10,342,912 | 1.15% | 3.41% | 6.13% |
| 2021 | \$9,331,668 | -9.78% | -6.70% | 5.35% |
| 2022 | \$11,631,858 | 24.65% | 16.30% | 6.54% |
| 2023 | \$11,685,365 | 0.46% | 16.84% | 6.09% |

Motor Excise Tax is the largest revenue source in this category. The auto industry has seen significant growth over the past few years. This revenue category can still be volatile depending on numerous factors that influence vehicle sales, restaurant sales, and hotel vacancy rates. Any movement in this revenue category is a good economic barometer and its relations to the tourism industry on Cape Cod. Future revenue estimates in this category should remain conservative to insulate from the variable nature of this category.

State Aid as a Percentage of Total General Fund Revenue

This category of revenue had become a smaller portion of total General Fund revenue over the past ten years due to limited state aid increases and an increasing property tax levy. An uptick in recent years is due to an increase in CH70 aid. This was much higher than experienced in previous years as the state has updated foundation formula, which is now more weighted high need students. CH70 state aid has increased at a much faster pace than all other components within the state aid category.

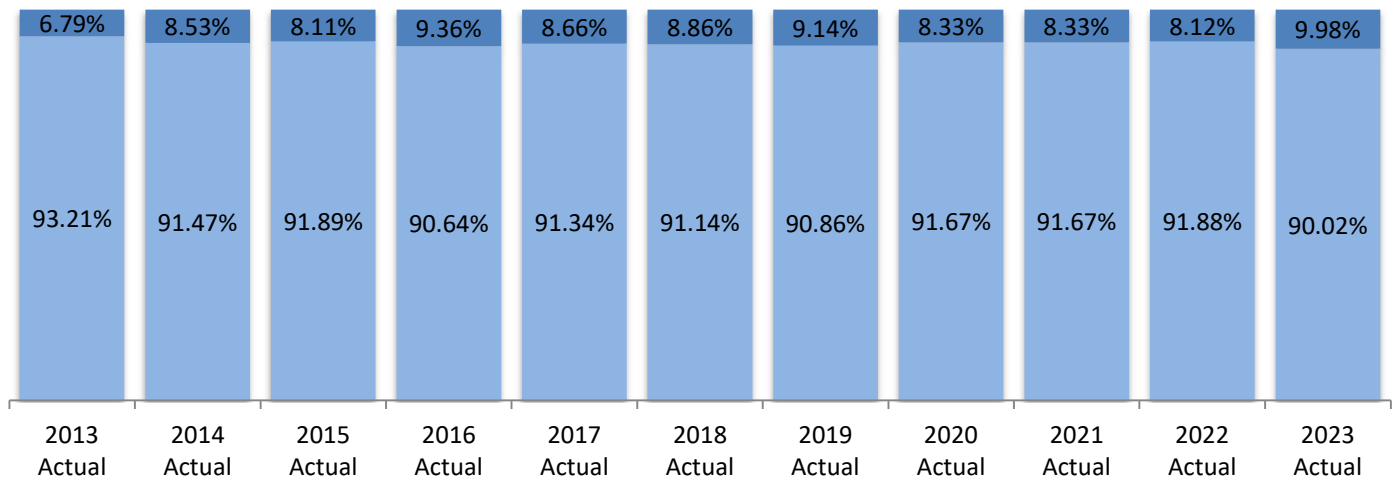


| Fiscal Year Ended | State Aid | Annual % Change | Cumulative % Change | Percentage of Total GF Revenue |
|-------------------|--------------|-----------------|---------------------|--------------------------------|
| 2013 | \$13,797,920 | 0.57% | n/a | 10.43% |
| 2014 | \$14,602,022 | 5.83% | 5.83% | 10.61% |
| 2015 | \$14,951,122 | 2.39% | 8.36% | 10.73% |
| 2016 | \$14,658,250 | -1.96% | 6.24% | 10.00% |
| 2017 | \$16,022,971 | 9.31% | 16.13% | 10.54% |
| 2018 | \$16,049,566 | 0.17% | 16.32% | 10.19% |
| 2019 | \$17,068,929 | 6.35% | 23.71% | 10.45% |
| 2020 | \$16,750,834 | -1.86% | 21.40% | 9.92% |
| 2021 | \$17,260,752 | 3.04% | 25.10% | 9.89% |
| 2022 | \$17,881,634 | 3.60% | 29.60% | 10.05% |
| 2023 | \$23,094,365 | 29.15% | 67.38% | 12.03% |

This category of revenue has declined from a high of 10.73% of total General Fund revenue in fiscal year 2015 to 9.89% in fiscal year 2021. The drop in FY 2020 budget by 1.86% is the result of the town receiving its final receipt from the Massachusetts School Building Authority (MSBA) for previous school construction projects. Chapter 70 Aid for education has increased this category to 12.03% of General Fund revenue in fiscal year 2023, the highest level in the last ten years.

Other Local Receipts as a Percentage of Total General Fund Revenue

Local receipts are comprised of permits, licenses, and charges for services, fees, fines, investment income, and other miscellaneous revenues. Any increase/decrease trend in this area is an indication of the local economy and investment market.



■ Other Revenue as a % of Total General Fund Revenue

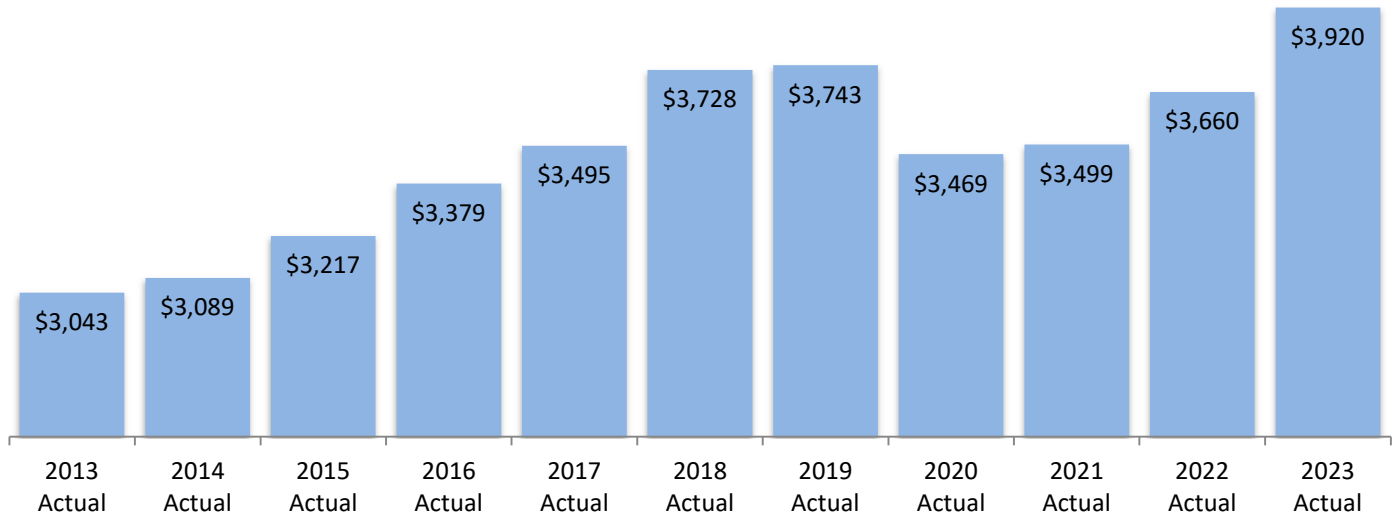
| Fiscal Year Ended | Other Local Receipts | Annual % Change | Cumulative % Change | Percentage of Total GF Revenue |
|-------------------|----------------------|-----------------|---------------------|--------------------------------|
| 2013 | \$8,982,944 | -3.93% | n/a | 6.79% |
| 2014 | \$11,738,709 | 30.68% | 30.68% | 8.53% |
| 2015 | \$11,304,362 | -3.70% | 25.84% | 8.11% |
| 2016 | \$13,715,097 | 21.33% | 52.68% | 9.36% |
| 2017 | \$13,165,410 | -4.01% | 46.56% | 8.66% |
| 2018 | \$13,946,861 | 5.94% | 55.26% | 8.86% |
| 2019 | \$14,923,167 | 7.00% | 66.13% | 9.14% |
| 2020 | \$14,061,266 | -5.78% | 56.53% | 8.33% |
| 2021 | \$14,542,883 | 3.43% | 61.89% | 8.33% |
| 2022 | \$14,437,472 | -0.80% | 60.72% | 8.12% |
| 2023 | \$19,171,760 | 32.79% | 113.42% | 9.98% |

The increase in FY 2016 is mainly contributable to building permit revenue improving, Medicaid reimbursements, and investment income. These categories combined accounted for 25% of other local receipts in FY 2016. The increase in FY 2019 was the result of Cape Cod Municipal Health Group Retiree Drug Subsidies received. Conservative budget estimates account for the -20.06% annual change.

Strong receipts in FY 2023 were largely one-time in nature from sources including Earnings on Investments, Renewable Energy Credits and Building Permits. It is not anticipated that receipts will continue at this level.

Total General Fund Expenses Per Capita

Total General Fund expenditures have seen large growth in the areas of capital investments in infrastructure, state mandatory minimum wage increases, technology replacements, and vehicle replacements. Population has remained level for most of the decade with an influx in 2020 attributable to the pandemic.

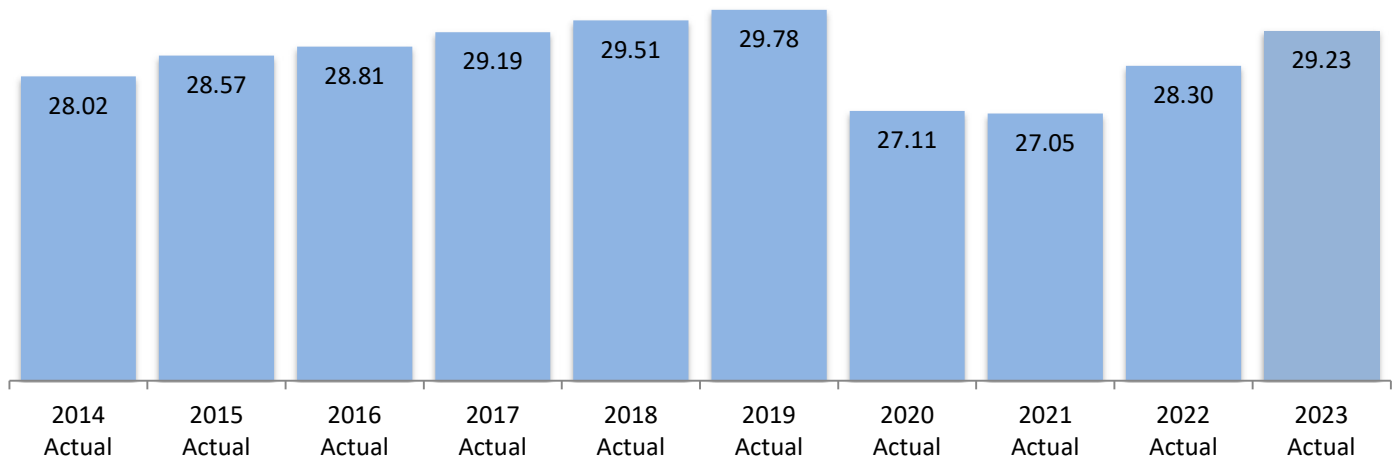


| Fiscal Year Ended | Total GF Expenditures | Population | Total Expenditures Per Capita | Annual % Change |
|-------------------------|-----------------------|--------------|-------------------------------|-----------------|
| 2014 | \$138,212,805 | 44,750 | \$3,089 | 1.49% |
| 2015 | \$143,466,286 | 44,591 | \$3,217 | 4.17% |
| 2016 | \$150,378,246 | 44,498 | \$3,379 | 5.04% |
| 2017 | \$155,467,686 | 44,487 | \$3,495 | 3.41% |
| 2018 | \$165,186,738 | 44,314 | \$3,728 | 6.67% |
| 2019 | \$165,932,171 | 44,331 | \$3,743 | 0.41% |
| 2020 | \$169,685,856 | 48,916 | \$3,469 | -7.32% |
| 2021 | \$173,467,956 | 49,583 | \$3,499 | 0.85% |
| 2022 | \$181,301,336 | 49,532 | \$3,660 | 4.62% |
| 2023 | \$191,744,476 | 48,916 | \$3,920 | 7.09% |
| 10 Year % Change | 38.73% | 9.31% | 26.92% | |

Per capita expenditures for the General Fund have increased from \$3,089 in FY 2014 to \$3,920 in FY 2023 budget. Expenditures have increased 38% over this period, while the population has remained level, resulting in a 31% increase in per capita spending. The large spike in FY 2018 was the result of a one-time \$4 million transfer of reserves to the Capital Improvements Plan. The Barnstable County Retirement assessment, Cape Cod Regional Technical High School assessment, and Charter School and School Choice cost increases attributed to the 1.6% annual change from FY 2019 to FY 2020. Increases in Chapter 70 aid resulted in additional expenditures beginning in FY22.

Full Time Equivalent (FTE) Employee's Per 1,000 of Population

The level population is attributed to the consistent yearly increases in full-time equivalent employees (FTE's) per capita from FY14 through FY20. A population bump in FY20 decreased the per capita calculation. The collaboration of telecommunications specialist with Hyannis Fire Department in 2019 has been the largest impact to the FTE's increase.

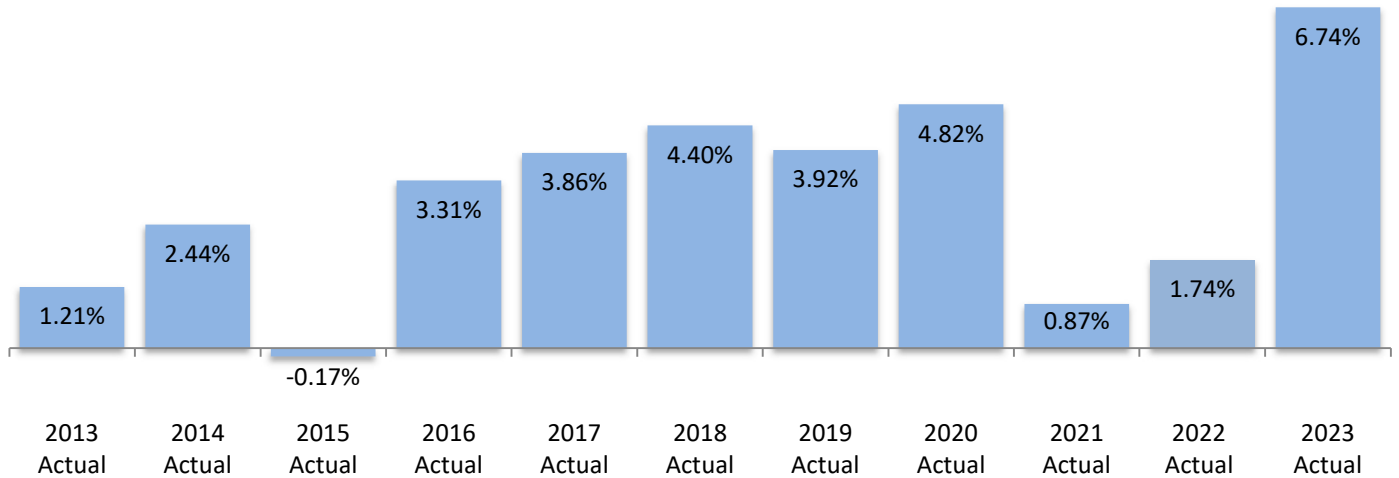


| Fiscal Year | FTE's | Population | FTE's Per 1,000 Population | Annual % Change |
|-------------------------|---------------|--------------|----------------------------|-----------------|
| 2014 | 1,254 | 44,750 | 28.02 | 0.59% |
| 2015 | 1,274 | 44,591 | 28.57 | 1.96% |
| 2016 | 1,282 | 44,498 | 28.81 | 0.84% |
| 2017 | 1,294 | 44,487 | 29.09 | 0.96% |
| 2018 | 1,308 | 44,314 | 29.52 | 1.48% |
| 2019 | 1,320 | 44,331 | 29.78 | 0.88% |
| 2020 | 1,326 | 48,916 | 27.11 | -8.96% |
| 2021 | 1,341 | 49,583 | 27.05 | -0.23% |
| 2022 | 1,402 | 49,532 | 28.30 | 4.66% |
| 2023 | 1430 | 48,916 | 29.23 | 3.28% |
| 10 Year % Change | 14.04% | 9.31% | 4.32% | |

FTE's have increased 4.32% from FY 2014 to FY 2023 budget. The larger per capita increases in 2017 and 2019 resulted from the absorption of the Adult Social Day and Building Services Revolving fund personnel into the General Fund as well as the Hyannis Fire Dispatcher Center collaboration with the Police Department. FY2022 and FY23 have seen growth in Education FTEs as a result in increased Chapter 70 State Aid.

Annual Percentage Change in Personnel Services

This category reflects the cost of salaries and benefits for all active (no retirees) General Fund employees, including the School Department. Salaries include full-time, part-time, and seasonal labor costs as well as overtime. The annual average growth rate in personnel service cost has been 3.0%.

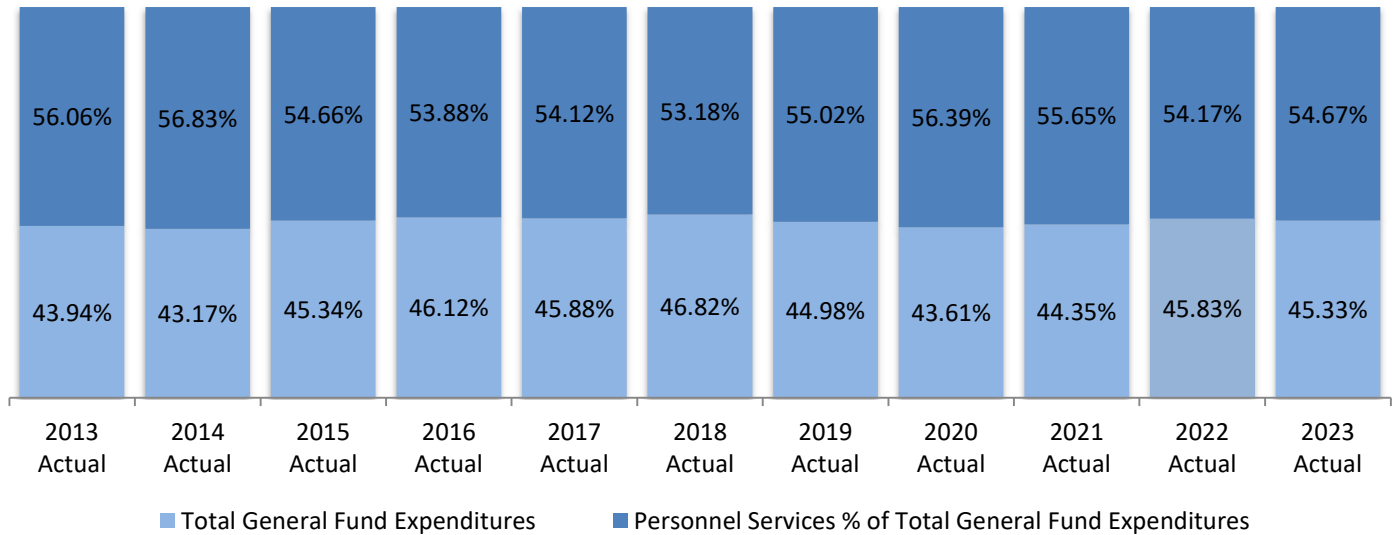


| Fiscal Year Ended | Personnel Services | Annual % Change | Cumulative % Change |
|-------------------|--------------------|-----------------|---------------------|
| 2013 | \$76,678,902 | 1.21% | n/a |
| 2014 | \$78,552,482 | 2.44% | 2.44% |
| 2015 | \$78,419,738 | -0.17% | 2.27% |
| 2016 | \$81,017,888 | 3.31% | 5.66% |
| 2017 | \$84,146,404 | 3.86% | 9.74% |
| 2018 | \$87,851,502 | 4.40% | 14.57% |
| 2019 | \$91,291,117 | 3.92% | 19.06% |
| 2020 | \$95,692,206 | 4.82% | 24.80% |
| 2021 | \$96,527,308 | 0.87% | 25.89% |
| 2022 | \$98,211,649 | 1.74% | 28.08% |
| 2023 | \$104,826,680 | 6.74% | 36.71% |

The annual increases are attributed to many factors. The economy has been strong and increased services have been required over the past few years, which has led to additional FTE's being added to the General Fund, most notably, the absorption of the Senior Services Adult (FY 2017) and Building Permits (FY 2018) revolving funds, and the collaborative dispatch center with Hyannis Fire Dept. (FY 2019). Increases in education as a result of increased Chapter 70. revenue resulted in large year over year increases in FY 2023. Other costs to be considered are Medicare and health insurance, which have seen notable increases annually for the past three years. Staff retirements also play a factor in personnel costs. The significant drop in FY 2021 is mostly attributed to turnover, vacancy savings, and retirement savings. Turnover and retirements effect both salaries and health insurance cost.

Personnel Services as a Percentage of Total General Fund Expenditures

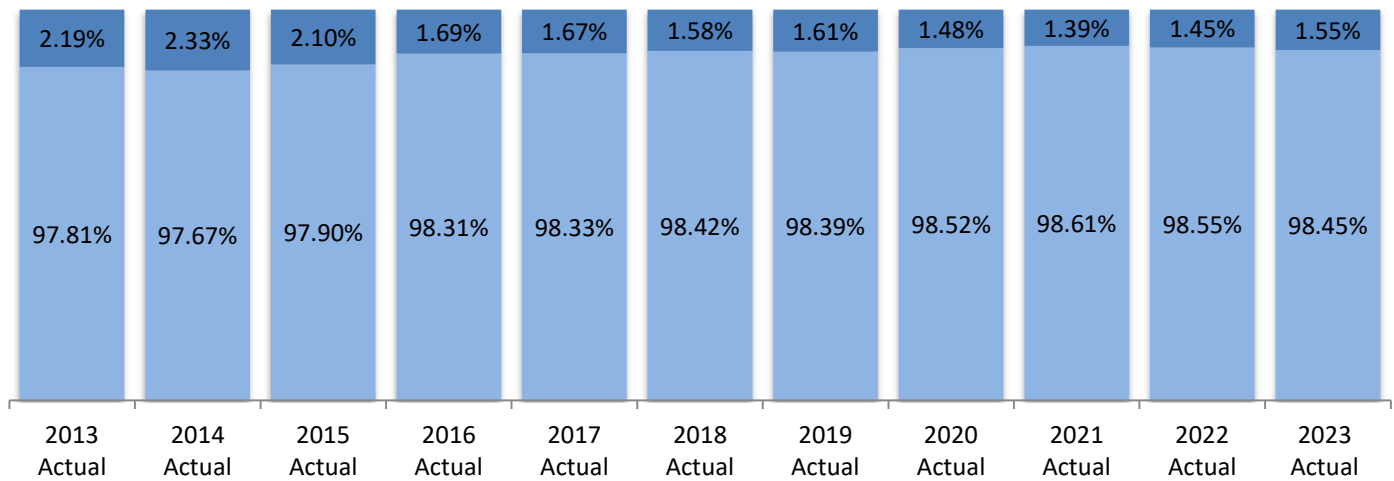
This category reflects the cost of salaries and benefits for all active (no retirees) General Fund employees, including the School Department. Salaries include full-time, part-time, and seasonal labor costs as well as overtime. The percentage of expenditures directed to personnel services has remained relatively constant over the ten-year period, but state mandatory minimum wage increases, consolidated dispatch center, and the absorption of two revolving funds have had an impact.



| Fiscal Year Ended | Personnel Services | Total GF Expenditures | Personnel Services as a % of Total GF Expenditures |
|-------------------------|--------------------|-----------------------|--|
| 2014 | \$78,552,482 | \$138,212,805 | 56.83% |
| 2015 | \$78,419,738 | \$143,466,286 | 54.66% |
| 2016 | \$81,017,888 | \$150,378,246 | 53.88% |
| 2017 | \$84,146,404 | \$155,467,686 | 54.12% |
| 2018 | \$87,851,502 | \$165,186,738 | 53.18% |
| 2019 | \$91,291,117 | \$165,932,171 | 55.02% |
| 2020 | \$95,692,206 | \$169,685,856 | 56.39% |
| 2021 | \$96,527,308 | \$173,467,956 | 55.65% |
| 2022 | \$98,211,649 | \$181,301,336 | 54.17% |
| 2023 | \$104,826,680 | \$191,744,476 | 54.67% |
| 10 Year % Change | 33.45% | 38.73% | |

General Fund Expenditures for Utility and Fuel Costs

The declining costs in gasoline, diesel fuel, natural gas and electricity; coupled with several energy efficiency upgrades installed by the town; the closing of three school facilities in FY 2010; and a drop in the consumption levels has resulted in a reduction in the costs for this area of expenditures.



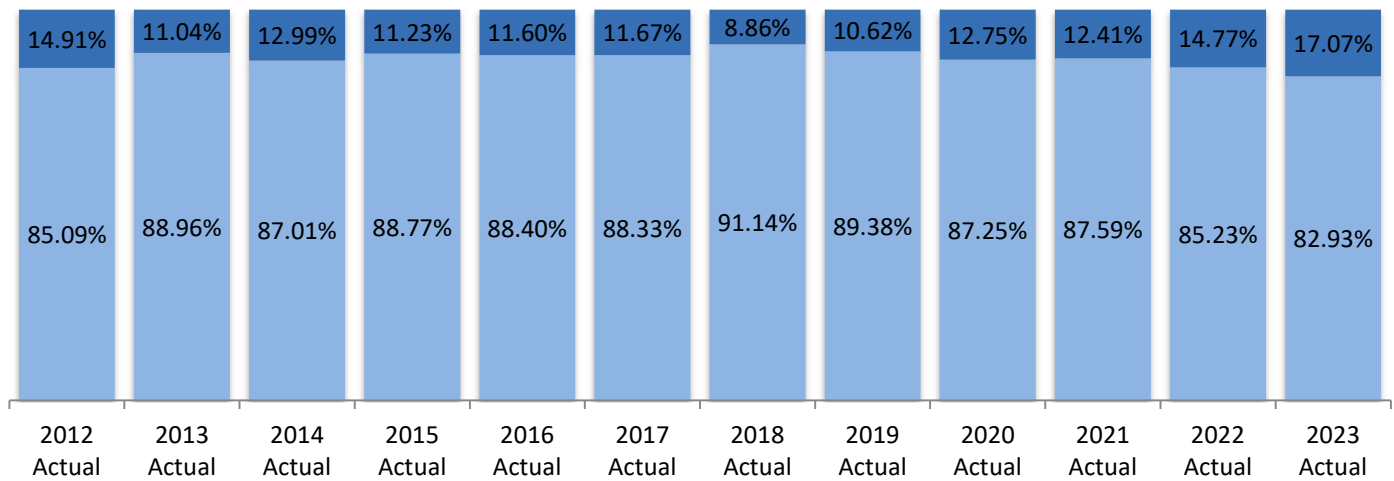
■ Utilities and Fuel Cost % of Total General Fund Expenditures

| Fiscal Year Ended | GF Utilities and Fuel | Annual % Change | % Change 2012 | Total GF Expenditures | Cumulative % Change | Total Utilities and Fuel as a % of Expenditures |
|-------------------|-----------------------|-----------------|---------------|-----------------------|---------------------|---|
| 2014 | \$3,218,648 | 7.21% | 0.00% | \$138,212,805 | 0.00% | 2.33% |
| 2015 | \$3,014,643 | -6.34% | -6.34% | \$143,466,286 | 3.80% | 2.10% |
| 2016 | \$2,538,440 | -15.80% | -21.13% | \$150,378,246 | 8.80% | 1.69% |
| 2017 | \$2,602,300 | 2.52% | -19.15% | \$155,467,686 | 12.48% | 1.67% |
| 2018 | \$2,615,412 | 0.50% | -18.74% | \$165,186,738 | 19.52% | 1.58% |
| 2019 | \$2,678,545 | 2.41% | -16.78% | \$165,932,171 | 20.06% | 1.61% |
| 2020 | \$2,511,702 | -6.23% | -21.96% | \$169,685,856 | 22.77% | 1.48% |
| 2021 | \$2,418,476 | -3.71% | -24.86% | \$173,467,956 | 25.51% | 1.39% |
| 2022 | \$2,626,753 | 20.76% | -18.39% | \$181,301,336 | 31.18% | 1.45% |
| 2023 | \$2,977,066 | 13.34% | -7.51% | \$191,744,476 | 38.73% | 1.55% |

Utility and fuel costs continue to be a smaller percent of the town's total cost. This trend has been mainly due to the closing of facilities. The increase in FY 2014 and FY 2019 are due to increases in the cost of natural gas, gasoline, and diesel fuel contracts. This cost category can be volatile as noted in the fluctuations between fiscal years. Gasoline and diesel contract prices have seen a significant jump from FY 2018 to FY 2020 at roughly 20%. FY 2022 and FY 2023 saw increases as gasoline costs surged due to a combination of factors, including increased global demand as economies recovered from the COVID-19 pandemic, supply chain disruptions, and geopolitical tensions affecting oil production. The percentage of total cost is also related to the growth rate in utility costs to the growth rate in total General Fund expenditures.

Ending Unreserved Fund Balance as a Total of General Fund Expenditures

This ratio measures the sufficiency of reserves relative to the town’s General Fund expenditures. By comparing the town’s fund balance to General fund expenditures, we can see to what extent the town can fund General Fund expenditures from reserves in the event of a revenue shortfall.



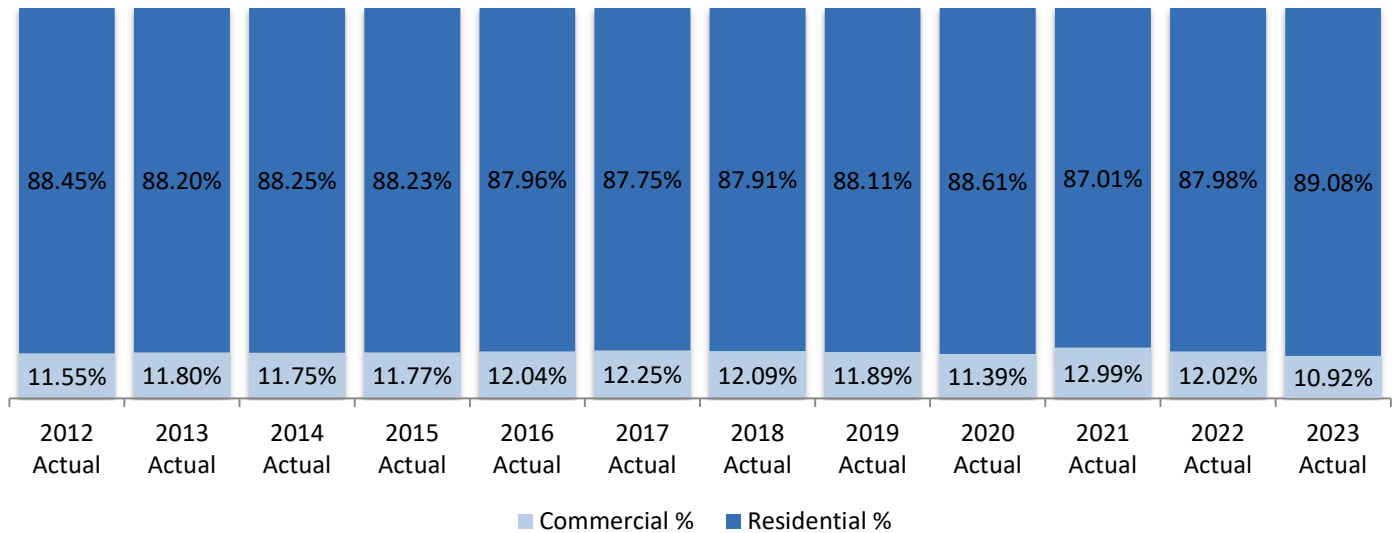
■ Ending Unreserved Fund Balance % of Total General Fund Expenditures

| Fiscal Year Ended | GF Unreserved Balance | Annual % Change | Cumulative % Change | Total GF Expenditures | Total Ending Fund Balance as a % of Expenditures |
|-------------------------|-----------------------|-----------------|---------------------|-----------------------|--|
| 2012 | \$20,883,798 | -18.98% | n/a | \$140,104,804 | 14.91% |
| 2013 | \$15,105,649 | -27.67% | -27.67% | \$136,774,306 | 11.04% |
| 2014 | \$17,956,289 | 18.87% | -14.02% | \$138,212,805 | 12.99% |
| 2015 | \$16,107,909 | -10.29% | -22.87% | \$143,466,286 | 11.23% |
| 2016 | \$17,448,453 | 8.32% | -16.45% | \$150,378,246 | 11.60% |
| 2017 | \$18,140,560 | 3.97% | -13.14% | \$155,467,686 | 11.67% |
| 2018 | \$14,642,717 | -19.28% | -29.88% | \$165,186,738 | 8.86% |
| 2019 | \$17,622,672 | 20.35% | -15.62% | \$165,932,171 | 10.62% |
| 2020 | \$21,631,756 | 22.75% | 3.58% | \$169,685,856 | 12.75% |
| 2021 | \$21,527,167 | -0.48% | 3.08% | \$173,467,956 | 12.41% |
| 2022 | \$26,769,227 | 24.35% | 28.18% | \$181,301,336 | 14.77% |
| 2023 | \$32,722,432 | 22.24% | 56.69% | \$191,744,476 | 17.07% |
| 10 Year % Change | 82.23% | | | 38.73% | |

Ending unreserved fund balance has ranged from 9% to 17% of total General Fund expenditures. Every local government should consider its unique circumstances when determining an appropriate level. A more stable revenue stream would indicate a lesser level is required. A community’s increased susceptibility to natural disasters may require a higher level. A high dependency on federal and state aid may require a higher level in the event of significant aid cuts.

Percentage of Assessed Value By Property Class

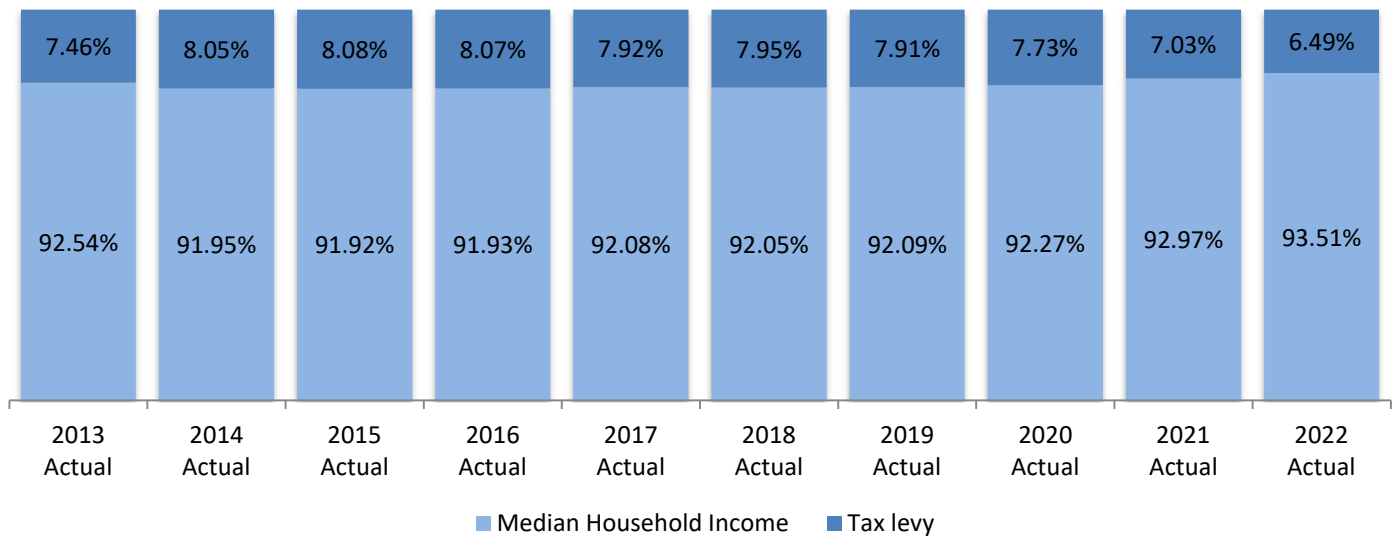
Town property has historically been residential in its composition. Over the past ten years, it has never fallen below 87% of the total town property value. Exploding residential property values from 2004 to 2007, along with most of the town’s new growth coming from this area, resulted in this class of property growing to almost 90% of the total property value. As a result, this class of property has paid a larger share of the tax levy.



| Fiscal Year | Assessed Residential Value | Assessed Commercial Industrial & Personal Prop | Total Assessed Value | Res % | CIP % |
|-------------------------|----------------------------|--|----------------------|--------|--------|
| 2012 | \$11,343,180,287 | \$1,481,935,183 | \$12,825,115,470 | 88.45% | 11.55% |
| 2013 | \$11,220,887,767 | \$1,500,525,748 | \$12,721,413,515 | 88.20% | 11.80% |
| 2014 | \$11,114,256,735 | \$1,479,843,270 | \$12,594,100,005 | 88.25% | 11.75% |
| 2015 | \$11,207,187,750 | \$1,495,595,775 | \$12,702,783,525 | 88.23% | 11.77% |
| 2016 | \$11,559,979,680 | \$1,582,911,680 | \$13,142,891,360 | 87.96% | 12.04% |
| 2017 | \$11,609,385,779 | \$1,621,008,051 | \$13,230,393,830 | 87.75% | 12.25% |
| 2018 | \$11,966,381,614 | \$1,645,933,136 | \$13,612,314,750 | 87.91% | 12.09% |
| 2019 | \$12,560,431,751 | \$1,695,384,367 | \$14,255,816,118 | 88.11% | 11.89% |
| 2020 | \$13,367,563,829 | \$1,718,011,984 | \$15,085,575,813 | 88.61% | 11.39% |
| 2021 | \$13,902,857,731 | \$2,075,642,459 | \$15,978,500,190 | 87.01% | 12.99% |
| 2022 | \$15,277,026,292 | \$2,087,471,001 | \$17,364,497,293 | 87.98% | 12.02% |
| 2023 | \$19,481,851,049 | \$2,388,980,127 | \$21,870,831,176 | 89.08% | 10.92% |
| 10 Year % Change | 75.29% | 61.43% | 73.66% | | |

Property Tax Revenue as a Percentage of Personal Income

Residential Property tax revenue is estimated to consume around 6.49% of median household income. Property tax revenue (does not include the town's fire districts) has grown by about 3.43% annually over the past ten years compared to the American Community Survey (ACS) estimated 5.15% total household income. In recent years income has grown faster in response to inflation but Tax Levies are capped at 2.5%.

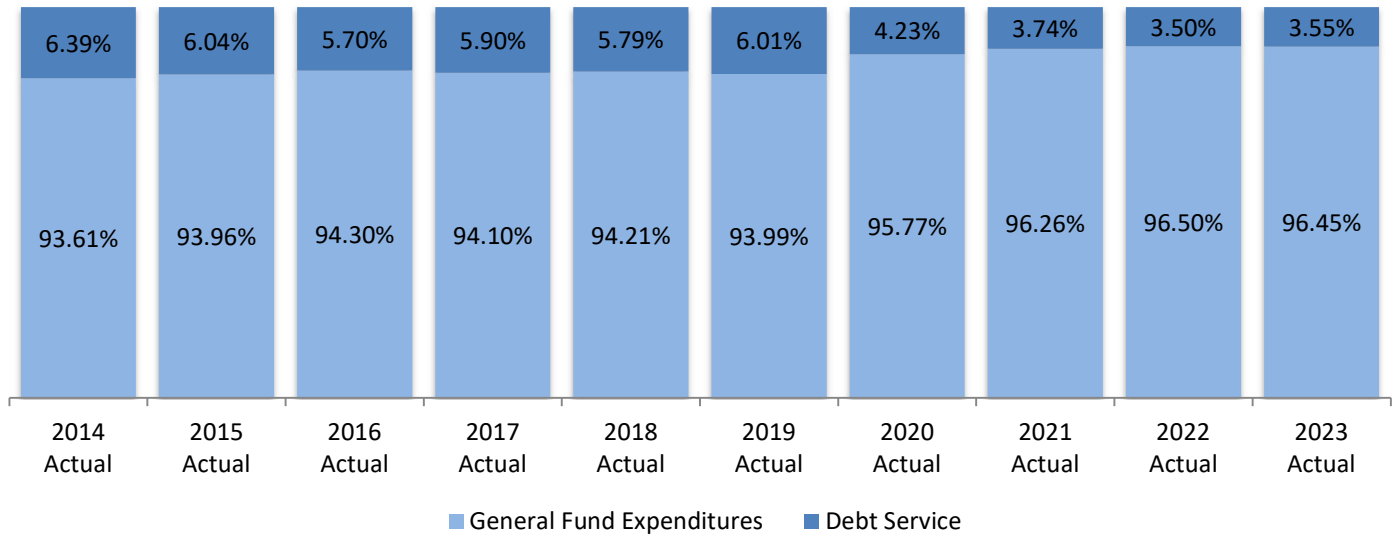


| Fiscal Year | Town Tax Levy | Residential Tax Levy | ACS Estimated Median Household Income | ACS House Holds | Total Household Income | Town Residential Tax Levy as a % of Total Household Income |
|-------------------------|---------------|----------------------|---------------------------------------|-----------------|------------------------|--|
| 2013 | \$100,386,021 | \$88,546,873 | \$60,135 | 19,729 | \$1,186,403,415 | 7.46% |
| 2014 | \$103,522,019 | \$91,357,707 | \$58,933 | 19,262 | \$1,135,167,446 | 8.05% |
| 2015 | \$106,676,486 | \$94,113,481 | \$59,711 | 19,503 | \$1,164,543,633 | 8.08% |
| 2016 | \$110,547,068 | \$97,234,780 | \$63,549 | 18,953 | \$1,204,444,197 | 8.07% |
| 2017 | \$114,248,985 | \$100,243,476 | \$66,864 | 18,919 | \$1,265,000,016 | 7.92% |
| 2018 | \$118,531,665 | \$104,195,587 | \$68,919 | 19,009 | \$1,310,081,271 | 7.95% |
| 2019 | \$122,755,924 | \$108,158,664 | \$72,733 | 18,796 | \$1,367,089,468 | 7.91% |
| 2020 | \$128,392,357 | \$113,772,075 | \$77,227 | 19060 | \$1,471,946,620 | 7.73% |
| 2021 | \$133,404,076 | \$114,913,652 | \$82,816 | 19748 | \$1,635,450,368 | 7.03% |
| 2022 | \$133,947,785 | \$119,857,320 | \$94,387 | 19574 | \$1,847,531,138 | 6.49% |
| 10 Year % Change | 33.43% | 35.36% | 56.96% | -0.79% | 55.73% | |

American Community Survey (ACS) 5 Year Estimate

General Fund Debt Service as a Percentage of Total Expenditures

This measure identifies relative spending priorities of the town such as how much is being spent on debt service versus other services like public safety or community services. Debt service expenditures have declined from 6.39% of the total fund expenditures of 3.55%. The decline is attributable to: 1) debt service costs have remained considerably low for several years as it relates to low interest rates, 2) the town has incorporated a larger cash program into its capital plan, thus reducing its need to borrow funds, 3) special revenue funds have been created to cover specific debt service costs not included in the General Fund, and 4) School construction bonds have expired.

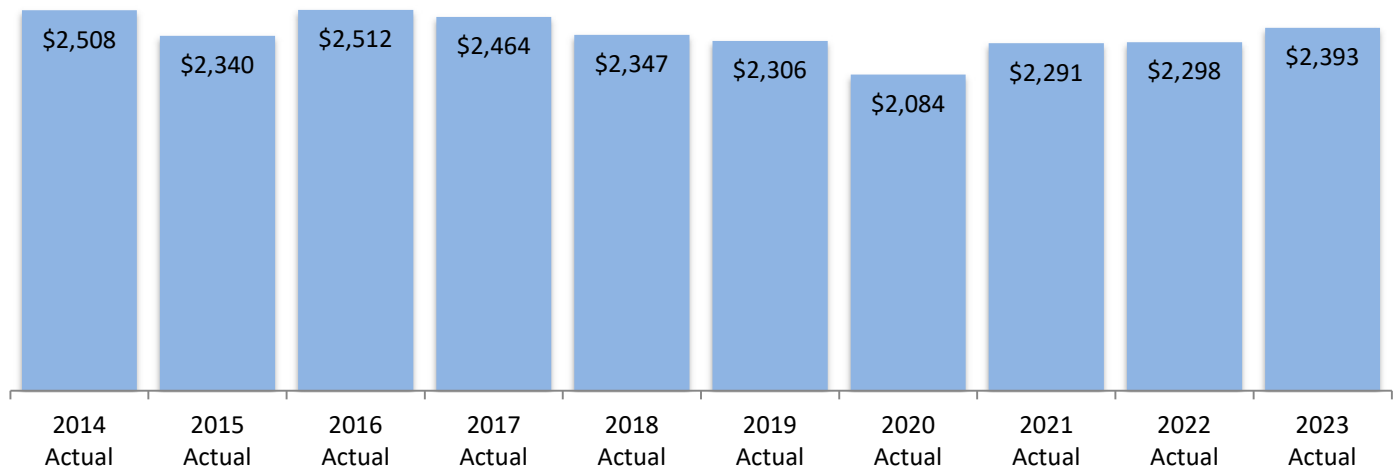


| Fiscal Year | Total GF Expenditures | GF Debt Service | Debt Service as a % of GF Expenditures |
|-------------------------|-----------------------|-----------------|--|
| 2014 | \$138,212,805 | \$8,830,555 | 6.39% |
| 2015 | \$143,466,286 | \$8,662,579 | 6.04% |
| 2016 | \$150,378,246 | \$8,564,428 | 5.70% |
| 2017 | \$155,467,686 | \$9,173,730 | 5.90% |
| 2018 | \$165,186,738 | \$9,571,800 | 5.79% |
| 2019 | \$165,932,171 | \$9,970,663 | 6.01% |
| 2020 | \$169,685,856 | \$7,176,746 | 4.23% |
| 2021 | \$173,474,499 | \$6,494,851 | 3.74% |
| 2022 | \$181,301,336 | \$6,297,626 | 3.47% |
| 2023 | \$191,744,476 | \$6,805,585 | 3.55% |
| 10 Year % Change | 38.73% | -22.93% | |

The town anticipates more bond issues in the next few years as the capital program has seen a significant increase in project costs and requests.

Debt Per Capita

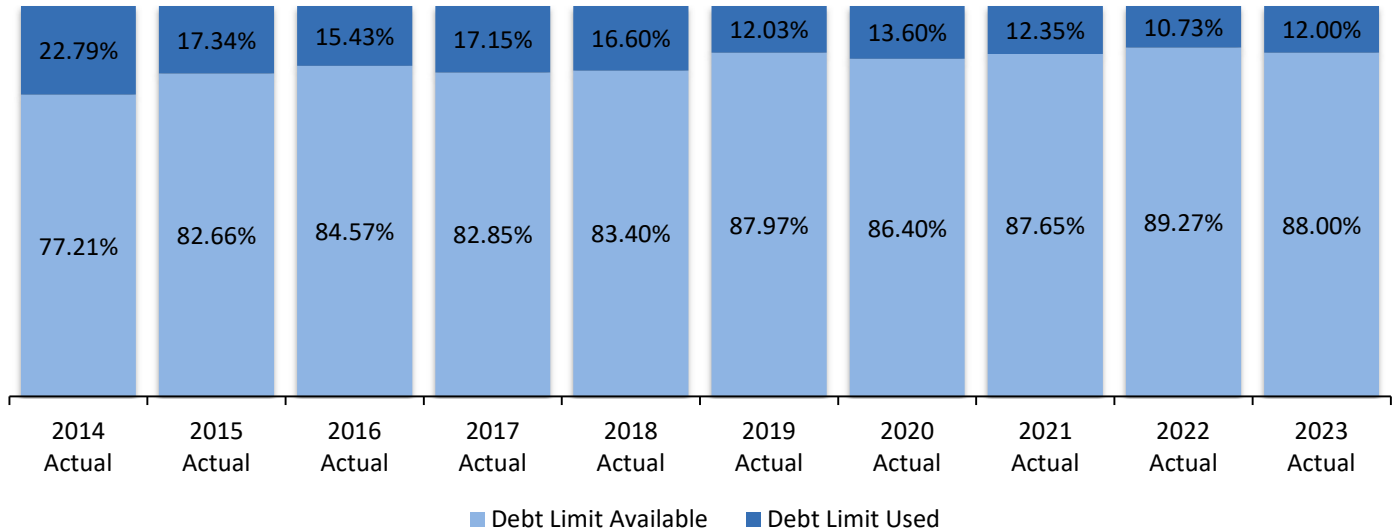
This includes all town debt as well as the self-supporting Enterprise Funds. Enterprise Fund bonds are included as general obligation bonds as a Massachusetts community and therefore constitute a pledge of its full faith and credit even if a particular fund or revenue source for repayment is identified. The town has experienced a decline in the past ten years even with the drop in population as payments on bonds have exceeded new issues and interest rates continue to remain low.



| Fiscal Year | General Obligation Bonds Outstanding | Population | Debt Per Capita |
|-------------------------|--------------------------------------|--------------|-----------------|
| 2014 | \$111,571,531 | 44,487 | \$2,508 |
| 2015 | \$103,720,936 | 44,331 | \$2,340 |
| 2016 | \$110,898,137 | 44,155 | \$2,512 |
| 2017 | \$108,801,118 | 44,165 | \$2,464 |
| 2018 | \$104,329,709 | 44,460 | \$2,347 |
| 2019 | \$102,580,020 | 44,477 | \$2,306 |
| 2020 | \$101,941,885 | 48,916 | \$2,084 |
| 2021 | \$113,603,730 | 49,583 | \$2,291 |
| 2022 | \$113,802,957 | 49,532 | \$2,298 |
| 2023 | \$117,066,539 | 48,916 | \$2,393 |
| 10 Year % Change | 4.93% | 9.96% | -4.58% |

Percentage of Total Debt Capacity Used

This is a measure of the town’s borrowing limitations that are defined by State statutes. The state mandates a city or town cannot authorize indebtedness to an amount exceeding 5% of the equalized value. The town remains well below its debt capacity limitation and has never exceeded 23% of the limitations over the past ten years. This capacity could allow a comprehensive debt financed infrastructure program to take place if adequate funding sources are identified to make the annual debt payments on new bond issues.

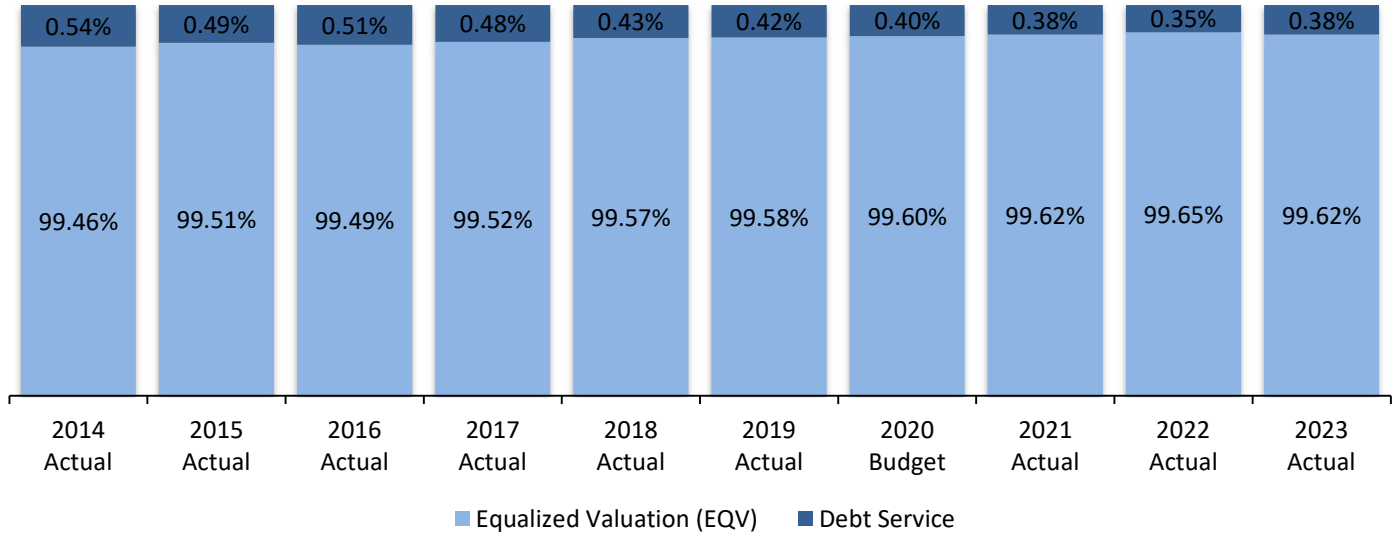


| Fiscal Year | Equalized Valuation (EV) | Debt Limit 5% of EV | Debt Subject To Debt Limit | Remaining Debt Capacity | % of Debt Limit Used |
|-------------------------|--------------------------|---------------------|----------------------------|-------------------------|----------------------|
| 2014 | \$13,476,184,100 | \$673,809,205 | \$153,576,957 | \$520,232,248 | 22.79% |
| 2015 | \$13,476,184,100 | \$673,809,205 | \$116,841,025 | \$556,968,180 | 17.34% |
| 2016 | \$13,665,091,900 | \$683,254,595 | \$105,404,962 | \$577,849,633 | 15.43% |
| 2017 | \$13,665,091,900 | \$683,254,595 | \$117,176,360 | \$566,078,235 | 17.15% |
| 2018 | \$14,932,044,600 | \$746,602,230 | \$123,967,057 | \$622,635,173 | 16.60% |
| 2019 | \$14,932,044,600 | \$746,602,230 | \$89,819,592 | \$656,782,638 | 12.03% |
| 2020 | \$16,031,008,100 | \$801,550,405 | \$109,018,212 | \$692,532,193 | 13.60% |
| 2021 | \$16,031,008,100 | \$801,550,405 | \$98,958,341 | \$702,592,064 | 12.35% |
| 2022 | \$18,221,137,000 | \$911,056,850 | \$97,790,709 | \$813,266,141 | 10.73% |
| 2023 | \$18,221,137,000 | \$911,056,850 | \$109,353,411 | \$801,703,439 | 12.00% |
| 10 Year % Change | 35.21% | 35.21% | -28.80% | 54.10% | |

The debt subject to the debt limit includes authorized and unissued borrowings. Over the past ten years, the town has used less than 23% of its total debt capacity. Consistently strong property values contribute to this low percentage.

General Fund Debt as a Percentage of Property Value

This is a measure of the community’s wealth available to support present and future revenue / taxing capacity in order to meet obligations. The town’s capacity is very strong because of the high-equalized valuation. This additional capacity can be accessed through voter approved debt exclusion overrides. The decline in this ratio is due to increasing property values and decreasing cost of debt. Also, much of the town’s debt service is being supported through special revenue funds and Enterprise Funds. The chart and graph below show debt service obligations relating to the General Fund.

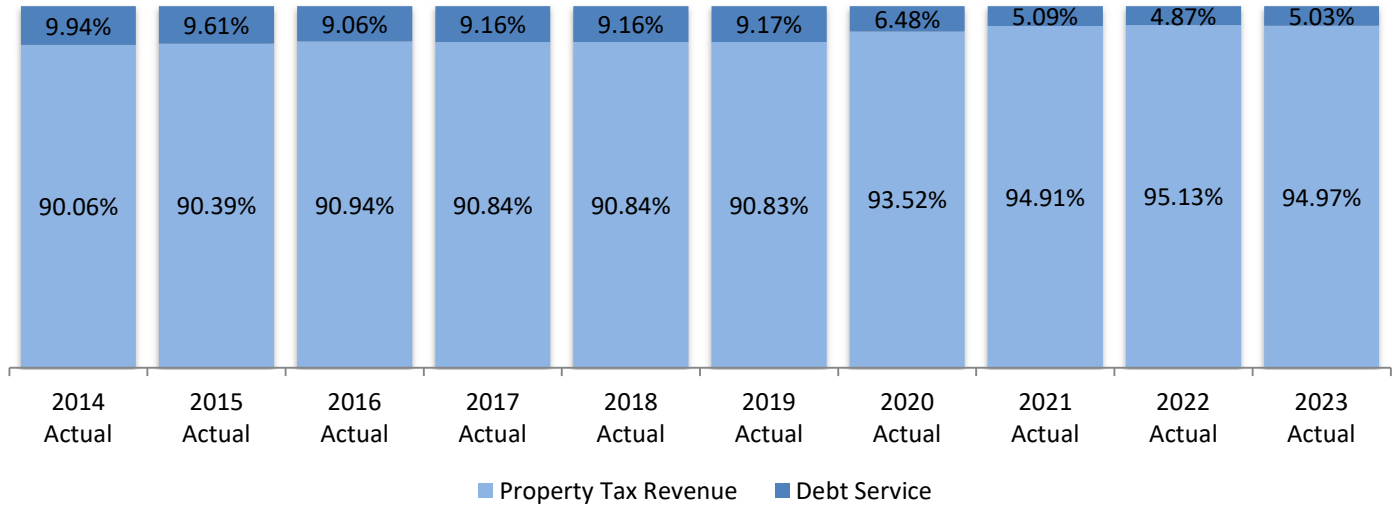


| Fiscal Year | Equalized Valuation (EQV) | GF Bonds Payable | GF Debt as a % of EV |
|-------------------------|---------------------------|------------------|----------------------|
| 2014 | \$13,476,184,100 | \$72,230,533 | 0.54% |
| 2015 | \$13,476,184,100 | \$65,400,431 | 0.49% |
| 2016 | \$13,665,091,900 | \$69,901,447 | 0.51% |
| 2017 | \$13,665,091,900 | \$64,966,055 | 0.48% |
| 2018 | \$14,932,044,600 | \$63,550,350 | 0.43% |
| 2019 | \$14,932,044,600 | \$62,232,861 | 0.42% |
| 2020 | \$16,031,008,100 | \$64,300,741 | 0.40% |
| 2021 | \$16,031,008,100 | \$60,856,954 | 0.38% |
| 2022 | \$18,221,137,000 | \$63,807,064 | 0.35% |
| 2023* | \$18,221,137,000 | \$68,807,199 | 0.38% |
| 10 Year % Change | 35.21% | -4.74% | |

The maximum percentage allowed under state law is 5%. The town has consistently been below this maximum level due to its high EQV and lower debt service cost. In the past ten years, EQV has had an average annual increase of 2.89% compared to a decrease in debt service cost.

Property Taxes Allocated to Debt Service

The declining trend is due to expiring school construction debt service as well as an effort to finance more infrastructure improvements with cash. As the school construction loans expire, the property taxes allocated to pay them cannot be redirected to new loans as the debt exclusion taxes expire as well. Because property taxes are subject to the annual Proposition 2 ½ as well as many of the future debt payments are being made through special revenue funds and Enterprise Funds, it is expected the downward trend in debt as a percentage of property taxes to continue.



| Fiscal Year Ended | Property Tax Revenue | GF Debt Service | % of Property Taxes Allocated To Debt Service |
|-------------------------|----------------------|-----------------|---|
| 2014 | \$102,888,344 | \$10,222,478 | 9.94% |
| 2015 | \$104,269,489 | \$10,021,471 | 9.61% |
| 2016 | \$108,813,031 | \$9,856,631 | 9.06% |
| 2017 | \$113,422,815 | \$10,393,258 | 9.16% |
| 2018 | \$117,242,607 | \$10,742,136 | 9.16% |
| 2019 | \$121,144,026 | \$11,105,963 | 9.17% |
| 2020 | \$127,627,313 | \$8,266,296 | 6.48% |
| 2021* | \$131,222,563 | \$6,674,280 | 5.09% |
| 2022* | \$133,947,785 | \$6,517,827 | 4.87% |
| 2023 | \$139,405,672 | \$7,018,160 | 5.03% |
| 10 Year % Change | 35.49% | -31.35% | |

This ratio has fallen from 10% in FY 2014 to 5% in FY 2023. Debt service expenditures have declined while property tax revenue has grown resulting in a smaller percentage of tax revenue being allocated to this area of the budget. Additionally, the town has incorporated a more aggressive cash financed capital program, which has also decreased the amount of tax revenue directed towards debt service. This translates to an increase in the town’s budget flexibility as a smaller percentage of revenue is dedicated to fixed loan payments.

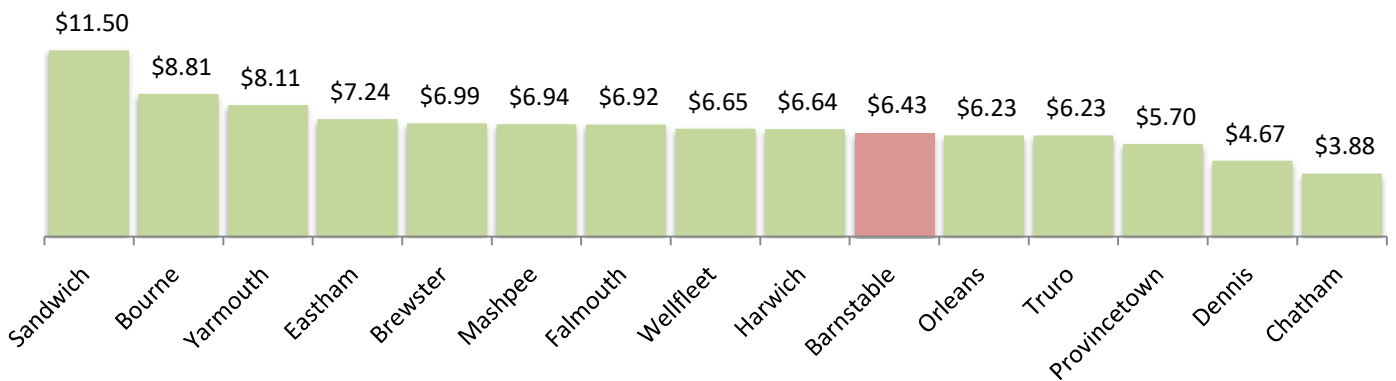
SECTION VII – BARNSTABLE VS PEER GROUPS

All data used for the peer group comparisons can be found at the Mass Data Bank website located at www.mass.gov or U.S. Census Bureau at www.census.gov.

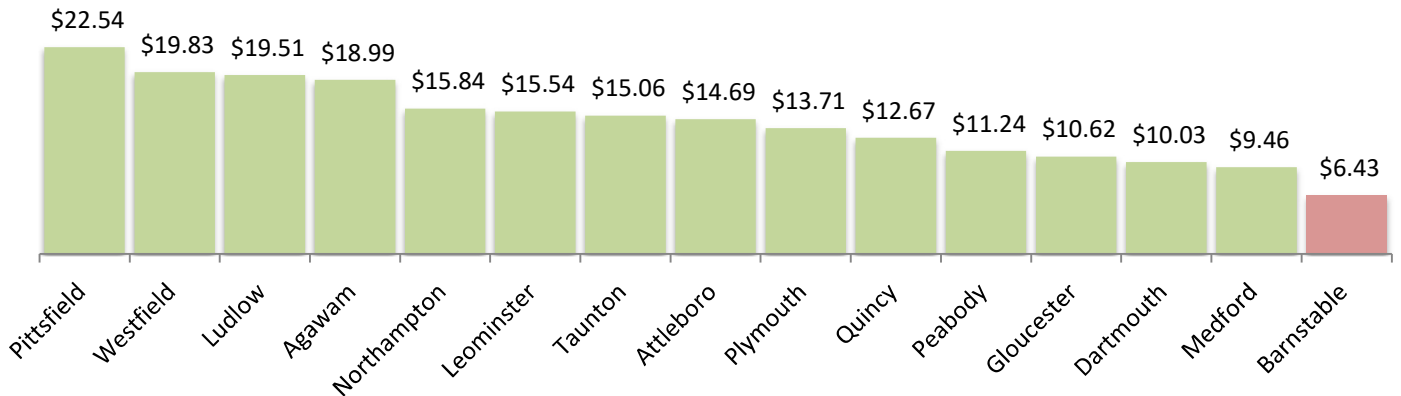
Single Tax Rates

The Town of Barnstable’s FY 2023 single tax rate is \$6.43 per \$1,000 valuation (five fire districts taxes not included). This is the rate excluding the residential exemption and/or split tax rate and is used for comparison purposes. Including the fire districts adds an average tax rate of \$2.18, or \$8.61 average total tax rate.

FY 2023 Single Tax Rates - Cape Cod Communities



FY 2023 Single Tax Rates - Barnstable Peer Group

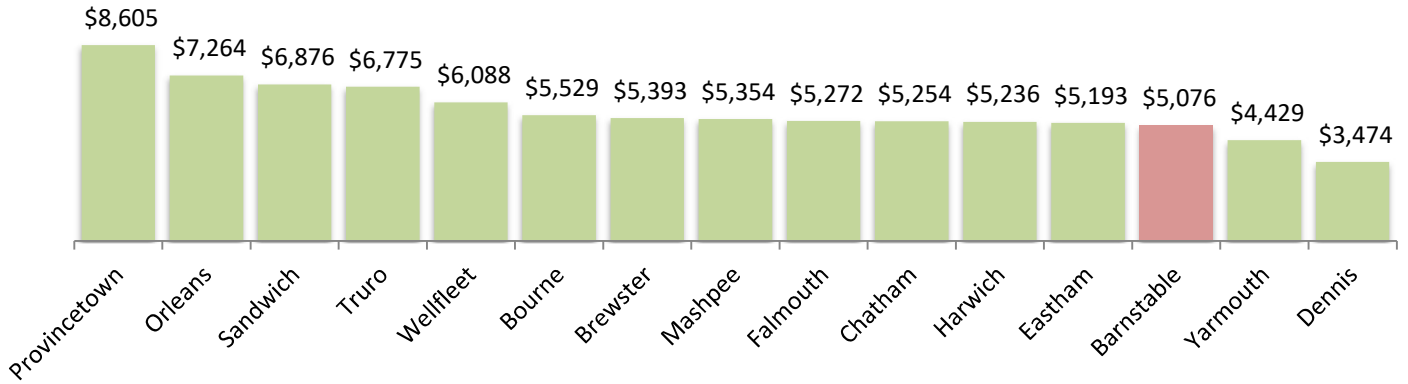


Barnstable has the tenth highest residential tax rate (excluding five fire districts) amongst Cape Cod Communities and the lowest amongst peer group Off-Cape. Property valuations and new growth have the greatest influence on a community’s tax rate, everything else being equal. Off-Cape Communities property values are significantly less than Cape Cod Communities, and thus have much higher tax rates.

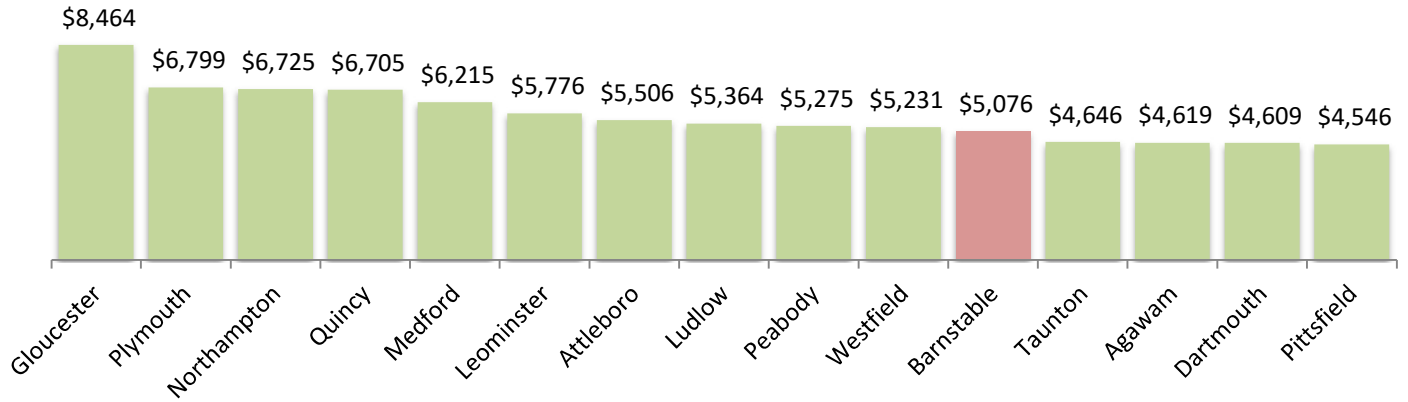
Median Residential Tax Bill

Barnstable has one of the lowest median tax bills in this community comparison at \$5,076 compared to a high \$8,076 in Provincetown.

FY 2023 Median Residential Tax Bill - Cape Cod Communities



FY 2023 Median Residential Tax Bill - Barnstable Peer Group

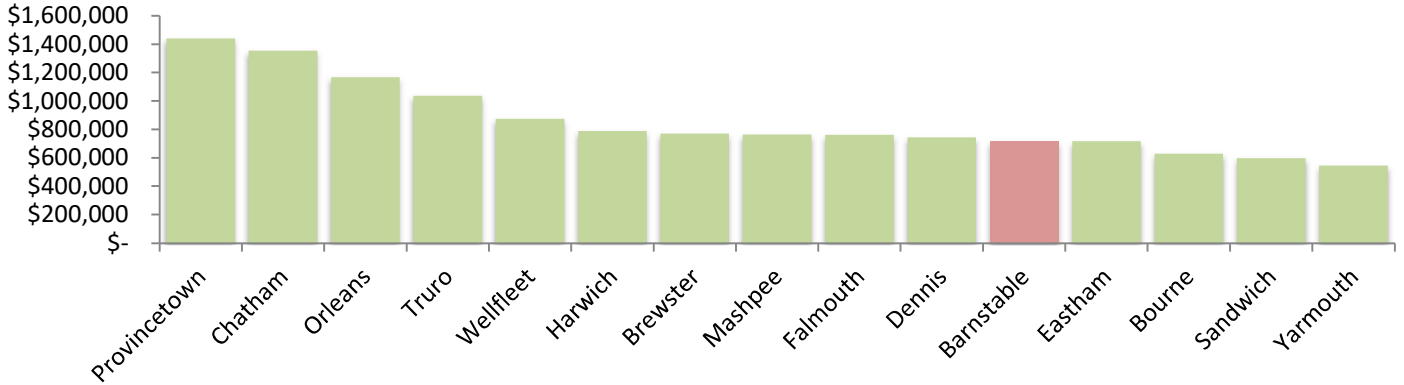


Barnstable has one of the lowest median single rate tax bills for both Cape Cod Communities and peer group Off-Cape

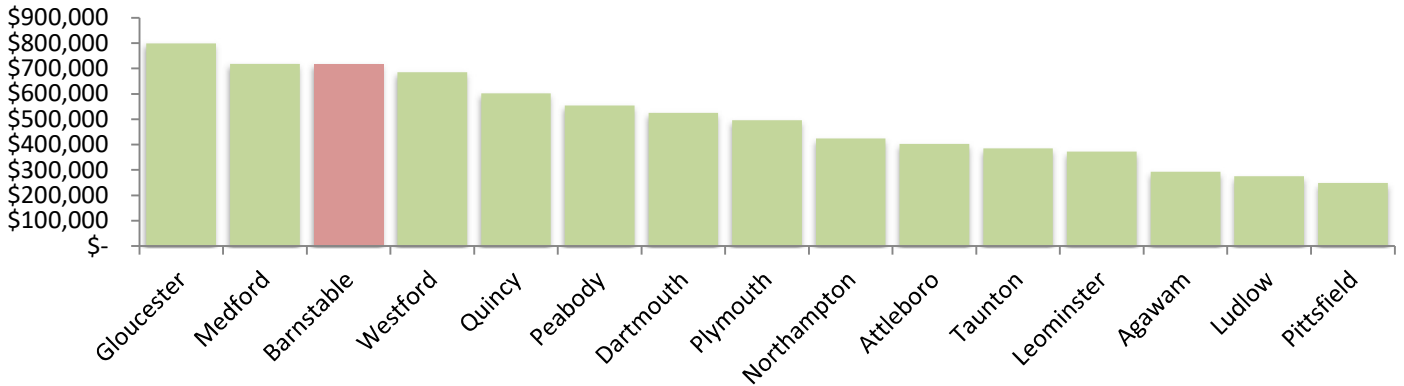
Median Residential Property Value

Property valuations can have a significant impact on both tax rates and tax bills. For example, Cape Cod communities' tax rates are lower compared to Off-Cape communities; however, median residential property valuations are much higher.

FY 2023 Median Residential Property Value - Cape Cod Communities



FY 2021 Median Residential Property Value - Barnstable Peer Group

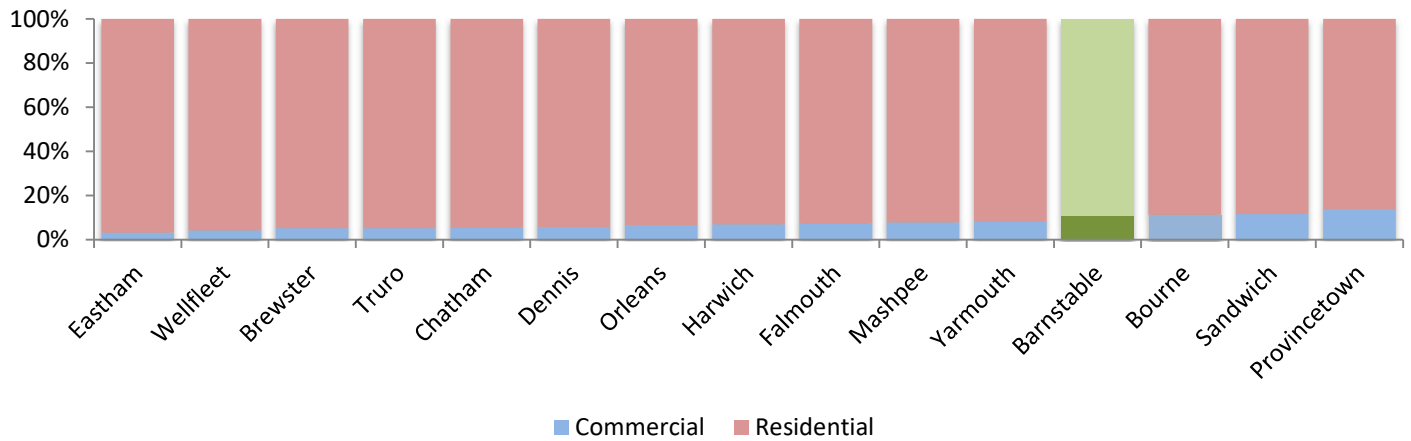


Barnstable is the fifth lowest for Cape Cod Communities and third within the peer group Off-Cape.

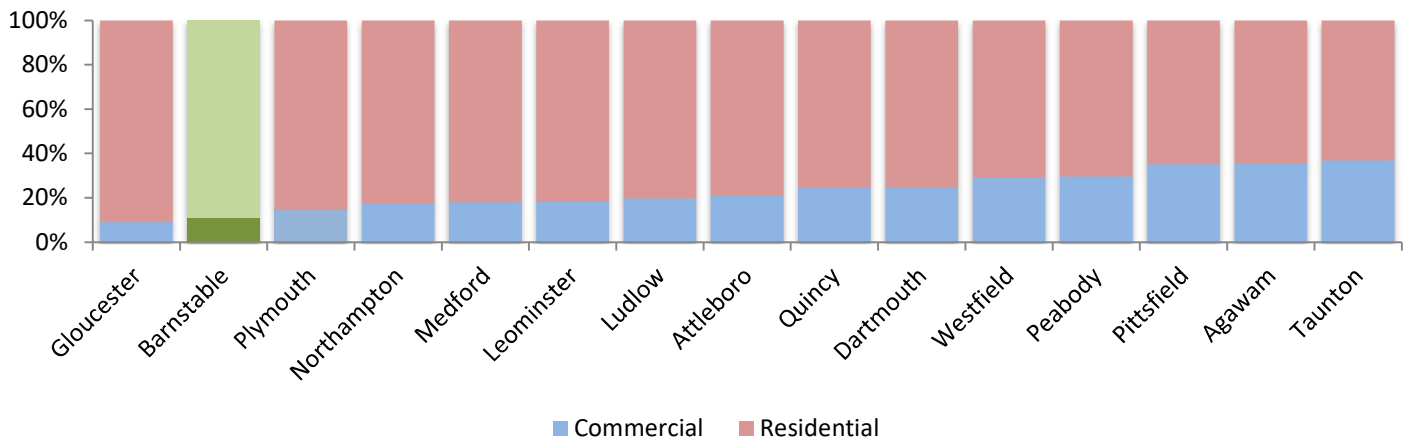
Tax Levy by Class

The property tax levy is revenue a community can raise through residential and commercial property taxes in order to support local spending on public services. Communities with a larger commercial tax base may be more inclined to adopt a Minimum Residential Factor (MRF), and thus shift a portion of the tax from residential onto commercial properties. Barnstable has not adopted the MRF policy. The peer group Off-Cape has a high commercial base, and thus 10 out of 15 have adopted the MRF policy.

FY 2023 Tax Levy By Class - Cape Cod Communities



FY 2023 Tax Levy By Class - Barnstable Peer Group

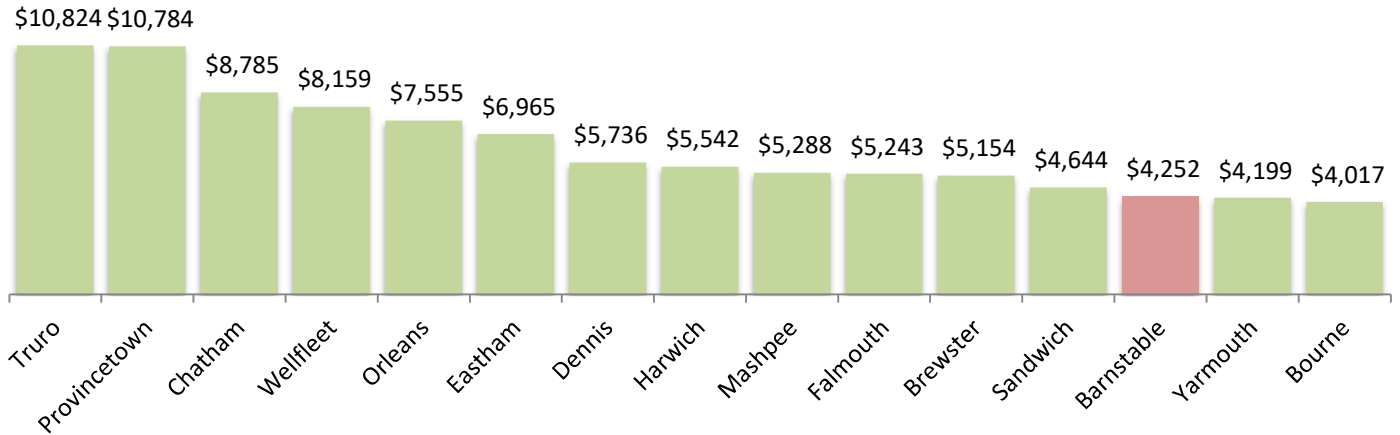


Barnstable is considered the commercial hub of Cape Cod that includes an airport, Steamship Authority ferries, the Cape Cod Mall, and Cape Cod Hospital. Barnstable has the fourth largest commercial base as a percentage of its tax levy amongst Cape Cod Communities and second lowest peer group off-Cape.

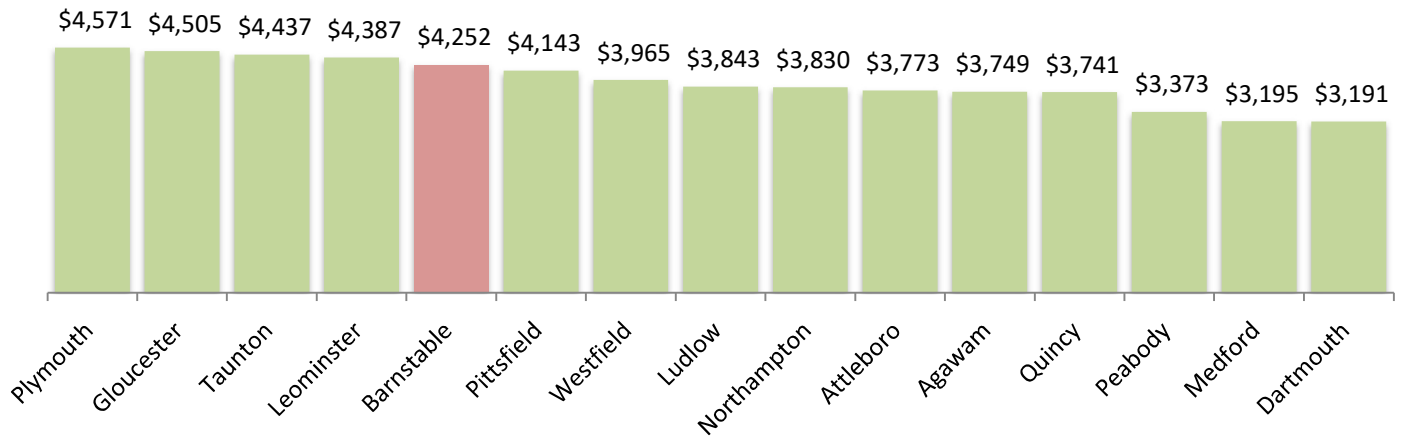
All Revenue Per Capita

Looking at the latest data available from the Division of Local Services data bank Barnstable's FY 2023, total per capita revenue shows, in an equalizing manner, how much revenue each municipality generates excluding Enterprise Funds. Since the property tax levy cap drives budgeting in Massachusetts communities, this is a key variable in comparing municipalities.

FY 2023 Total Revenue Per Capita - Cape Cod Communities



FY 2023 Total Revenue Per Capita - Barnstable Peer Group

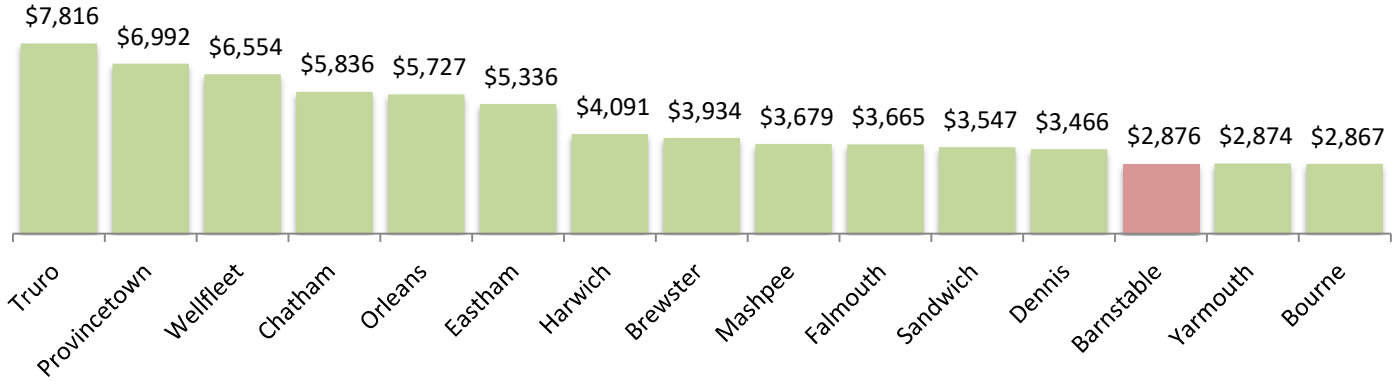


Barnstable's revenue per capita is in the lower group for all Cape communities. This does not include the tax revenue for the town's five fire districts. The Cape communities with higher per capita revenue have higher average tax bills. Compared to a peer group of off-Cape communities, Barnstable is one of the highest of the group, as are most of the Cape communities. This is because the Cape communities have a significant number of second homeowners, thus demonstrating the revenue impact from the non-resident sector.

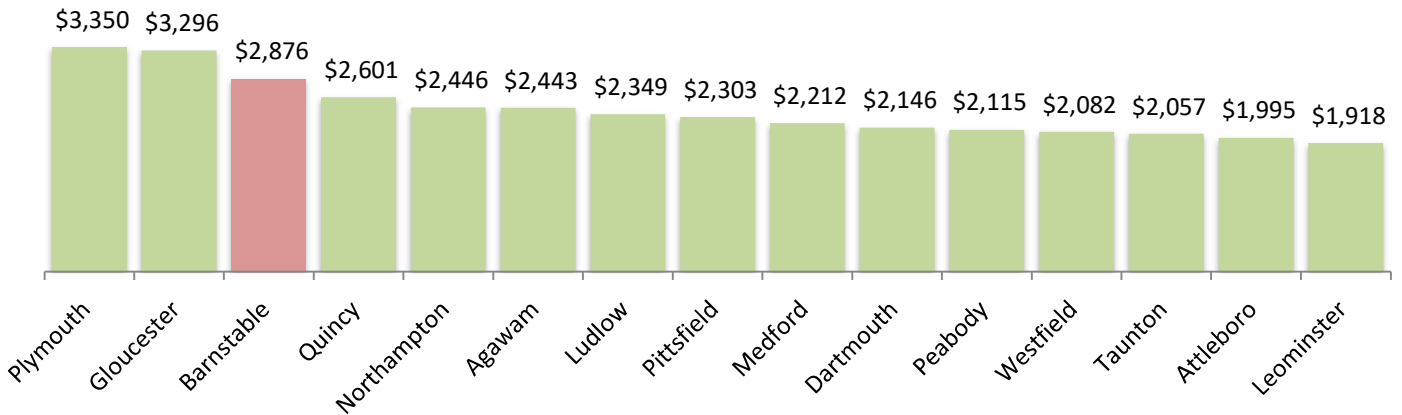
Tax Revenue Per Capita

Taxes are the primary revenue source for a majority of Massachusetts communities. This includes property taxes and excise taxes. Statewide, they account for nearly 60% of all revenue collected by communities.

FY 2023 Tax Revenue Per Capita - Cape Cod Communities



FY 2023 Tax Revenue Per Capita - Barnstable Peer Group

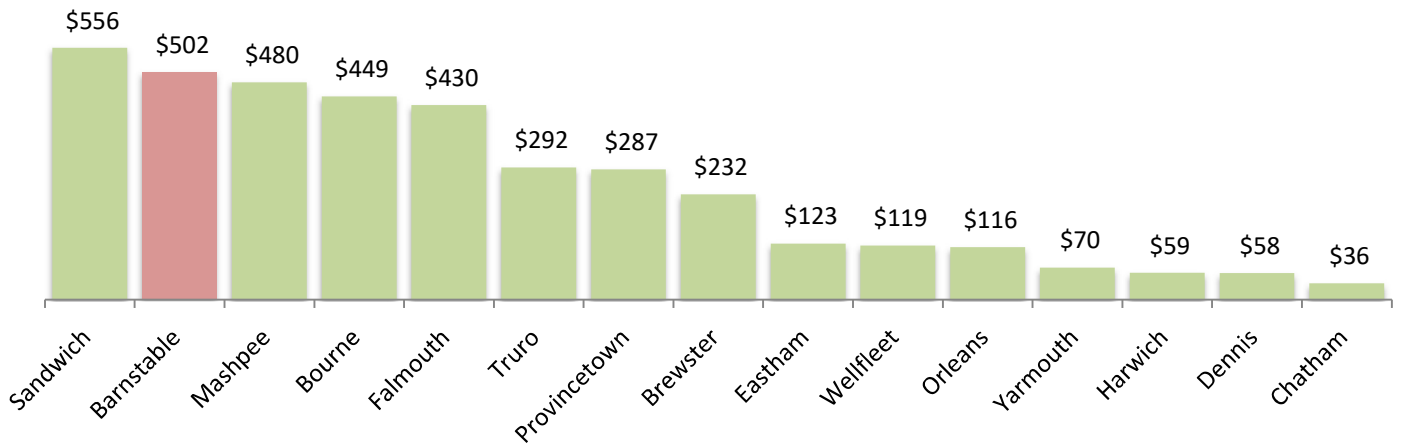


Barnstable's tax revenue per capita falls in the lower end of the Cape Cod group. This does not include the tax for the town's five fire districts. Barnstable's tax per capita is greater than most of the peer group off-Cape. This is mainly due to the limited state aid Cape Cod communities receive and second homeowners not included in the population count.

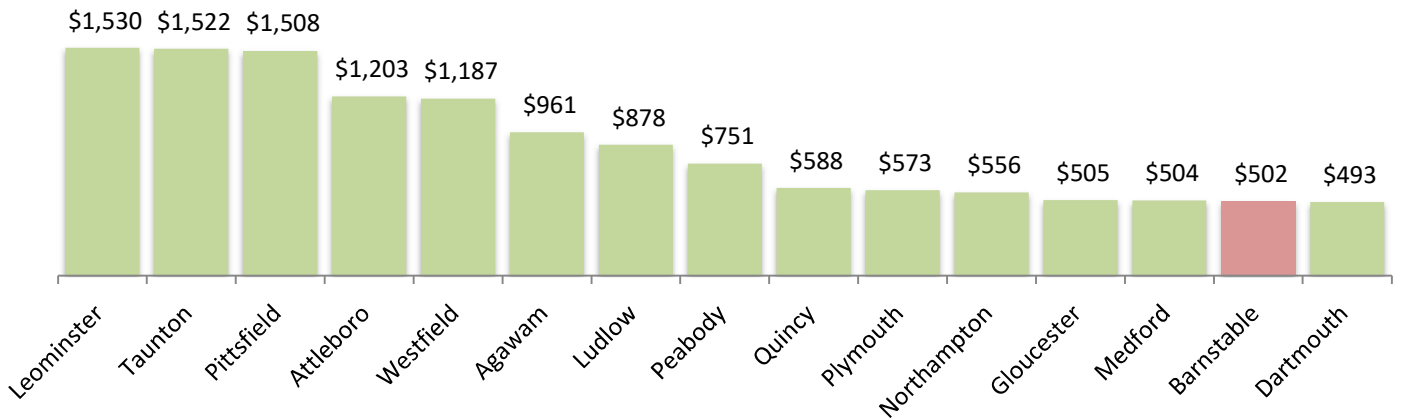
State Aid Per Capita

The State's largest local aid programs are tailored to help the municipalities that have relatively low revenue-generating abilities. Municipalities with high local aid per capita tend to be those with lower property values.

FY 2023 State Aid Per Capita - Cape Cod Communities



FY 2023 State Aid Per Capita - Barnstable Peer Group

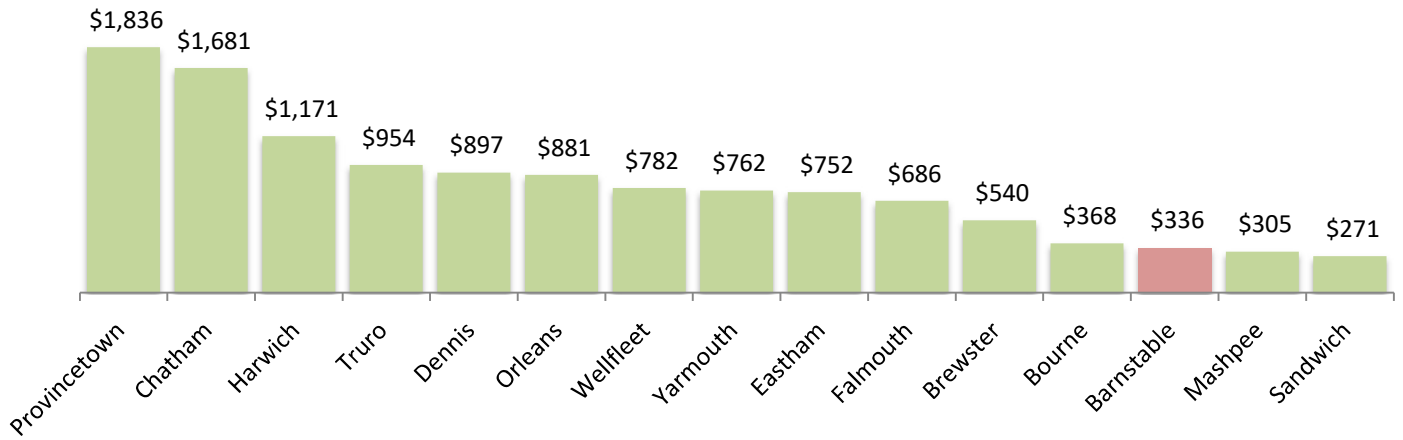


Barnstable's state aid per capita is near the high end of the group for all Cape Cod communities and is at the lowest of all communities in the Off-Cape peer group comparison.

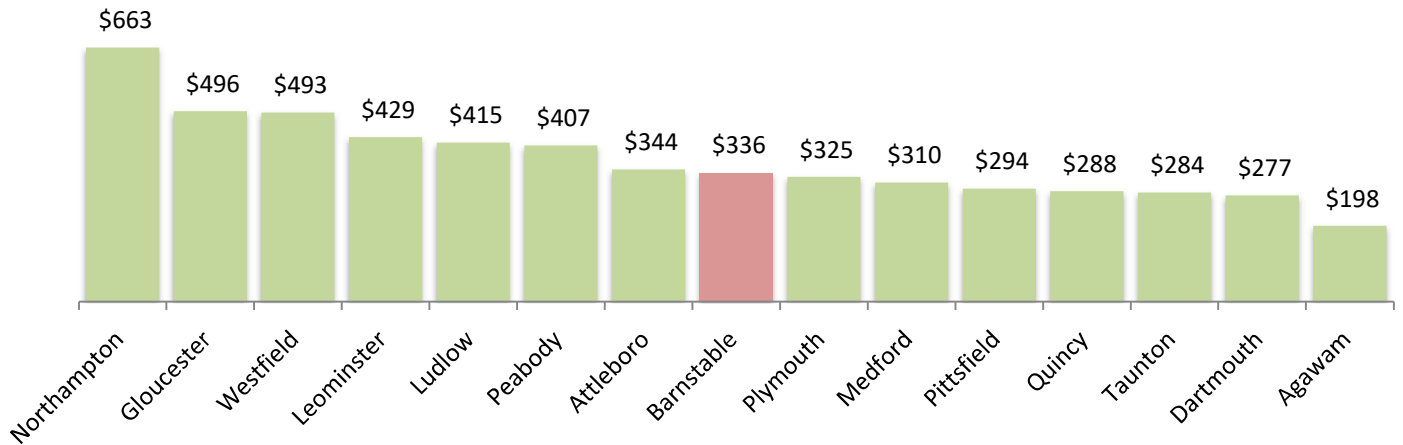
Other Local Receipts Per Capita

This category includes all other local receipts except for taxes and state aid. It includes revenue such as receipts, licenses, fines, various charges for services, and other miscellaneous sources.

FY 2023 Other Local Receipts - Cape Cod Communities



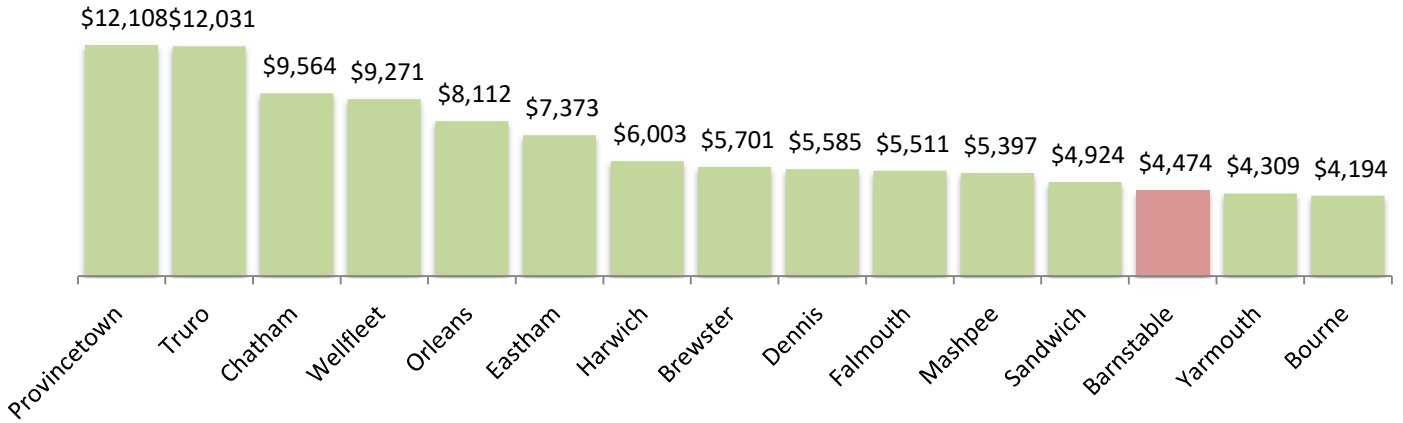
FY 2023 Local Receipts/All Other - Barnstable Peer Group



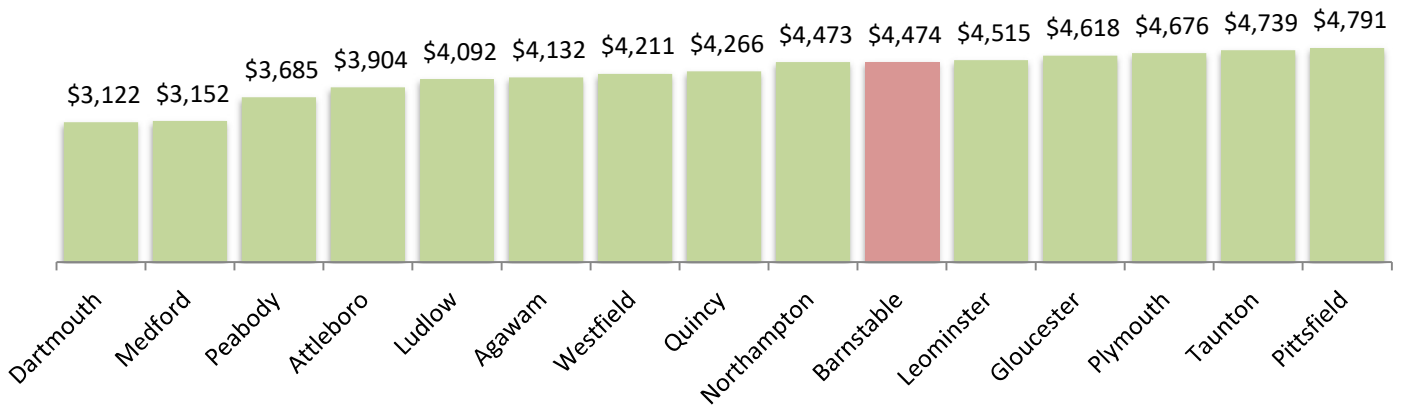
Barnstable is in the lower end for all Cape Cod communities for other local receipts per capita, but on the high end compared to the Off-Cape peer communities. Northampton have significant electric operations, which cause them to be higher than the other communities in Barnstable's peer group.

General Fund Spending Per Capita

FY 2024 General Fund Spending Per Capita- Cape Cod Communities



FY 2022 General Fund Spending Per Capita- Barnstable Peer Group



General Fund spending per capita is amongst the lowest in Cape Cod communities. Many Cape Cod communities' spending per capita is over \$5,000. This could be due to the significant population increase in the summer months that requires a higher level of spending for these communities. Including the fire districts, this would add about another \$550 to the total, placing Barnstable in the middle of all Cape communities. When compared to an off-Cape peer group, Barnstable's spending per capita is near the middle of the group.

SECTION VIII – GENERAL FUND FORECAST ASSUMPTIONS

The five-year forecast is based on a variety of assumptions regarding projected revenues and expenditures over the forecast period. The following is a summary of the assumptions used within this forecast.

A. REVENUE ASSUMPTIONS

A.1 TAX LEVY

A.1. (a) Maximum Allowable Tax Levy

The maximum allowable tax levy for a community each year is comprised of its base levy from the previous year, increased by 2.5%, consistent with the provisions of Proposition 2½, plus a factor for new property growth, plus any voter approved debt exclusions, capital exclusions, and operating overrides. Additionally, Cape Cod community taxpayers have authorized the annual tax levy to be increased by the annual assessment received from the Cape Cod Commission also known as the Cape Cod Environmental Tax.

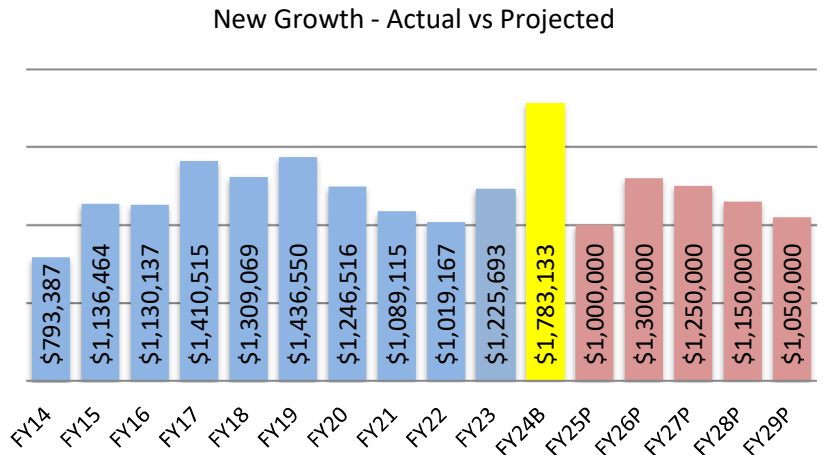
| LEVY LIMIT | FY2024 Budget | FY2025 Projected | FY2026 Projected | FY2027 Projected | FY2028 Projected | FY2029 Projected |
|---|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Prior Year Tax Levy Limit | 138,361,596 | 143,603,769 | 148,193,863 | 153,198,710 | 158,278,678 | 163,385,645 |
| Proposition 2.5% Increase | 3,459,040 | 3,590,094 | 3,704,847 | 3,829,968 | 3,956,967 | 4,084,641 |
| New Growth | 1,783,133 | 1,000,000 | 1,300,000 | 1,250,000 | 1,150,000 | 1,050,000 |
| SUB-TOTAL Levy Limit | 143,603,769 | 148,193,863 | 153,198,710 | 158,278,678 | 163,385,645 | 168,520,288 |
| Debt Exclusion for Cape Cod Tech HS | 1,716,996 | 1,567,464 | 1,519,792 | 1,472,419 | 1,424,507 | 1,424,507 |
| Cape Cod Commission Assessment | 675,779 | 692,673 | 709,990 | 727,740 | 745,933 | 764,581 |
| TOTAL Maximum Allowable Tax Levy | 145,996,544 | 150,454,000 | 155,428,492 | 160,478,837 | 165,556,085 | 170,709,377 |
| <i>Year-to-year percentage change</i> | <i>3.6%</i> | <i>3.1%</i> | <i>3.3%</i> | <i>3.2%</i> | <i>3.2%</i> | <i>3.1%</i> |

The projected tax levy for the next five years is estimated to grow from \$145 million to \$170 million. This represents about a 3% increase per year. It is expected that the Town will have to increase the base levy by 2.5% every year and a factor for new building growth will add another \$0.75 million on average. The Cape Cod Commission assessment is projected to increase 2.5% per year. The forecast also includes an estimated voter approved debt exclusions to cover debt service costs associated with the Cape Cod Regional Technical High School.

A.1. (b) New Growth

New growth is a critical component of the tax levy and is dependent on many factors such as the health of the local economy, ordinance development that may affect new development and redevelopment, as well as building permit issuance and its associated follow-up. Developable lots are diminishing every year, making it more important for the town to encourage the redevelopment of existing land in order to increase the town's new property value.

Chart on the right: The blue bars represent the past ten years of actual new property tax growth; red bars are projections. The FY 2024 new growth figure is the highest amount over the past ten years but is still lower than the high of \$1,796,260 in 2004. The town anticipates continued new growth in this area from investments such as Cape Cod Mall renovations, and Cape Vineyard Wind project. New property growth is highly conducive to economic sentiment.



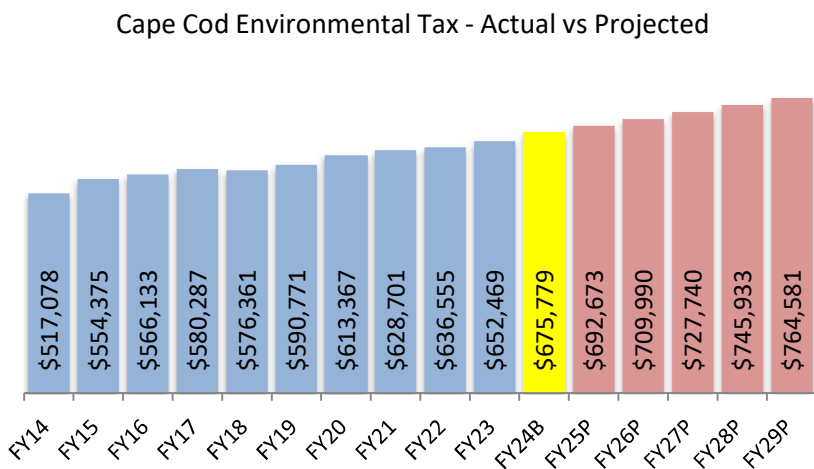
The town anticipates continued new growth in this area from investments such as Cape Cod Mall renovations, and Cape Vineyard Wind project. New property growth is highly conducive to economic sentiment.

A.2 CAPE COD ENVIRONMENTAL TAX

In addition to Proposition 2½ tax increases and in accordance with the Cape Cod Commission Act of 1990, each year an additional tax is levied on residents of the town. The “Cape Cod Environmental Tax” was endorsed by the voters and is authorized by Sub-section (A), Section 28B of Chapter 35 of the Massachusetts General Laws. This tax is used to finance the annual operations of the Cape Cod Commission.

The tax is the product of a formula that takes the total budget for the Cape Cod Environmental Protection Fund (CCEPF) and divides that sum by the combined county tax rate for all Cape Cod communities. This amount is then multiplied by the “weighted” tax rate for each individual Cape Cod community according to the community’s percentage of the overall equalized valuation of Cape Cod.

Chart below: The blue bars represent the past ten years of actual revenue collections; and red bars projections. This tax has steadily increased over the past ten years. The average increase per year has been 2.5%. The tax is forecasted to increase 2.5% annually indicated by the red bars; consistent with Proposition 2½. The county surplus is not expected to be available to offset assessment increases. A change in the Cape Cod Environmental Tax is dependent upon changes in the most recent tax rates for the town relative to all Cape Cod communities’ tax rates. If the town sees a higher percentage increase in its tax rate relative to other communities, its portion of the overall tax assessment may increase more than 2.5%.



A.3 DEBT EXCLUSIONS

Debt exclusions are additional taxes levied beyond the 2½-tax levy cap. The voters must first approve these taxes. Debt exclusions are repaid over a specified period and expire after a defined payback period, and thus are a temporary tax increase. The town recently approved a debt exclusion override in 2017 to fund its share of the new Cape Cod Regional Technical High School building. This project is estimated to cost \$128 million with 50% of the project being funded by the MSBA. Barnstable will be responsible for an estimated 30% of the remaining project cost balance, which is based on 180 (30%) students who live in Barnstable, out of the vocational technical high school’s 588 students.

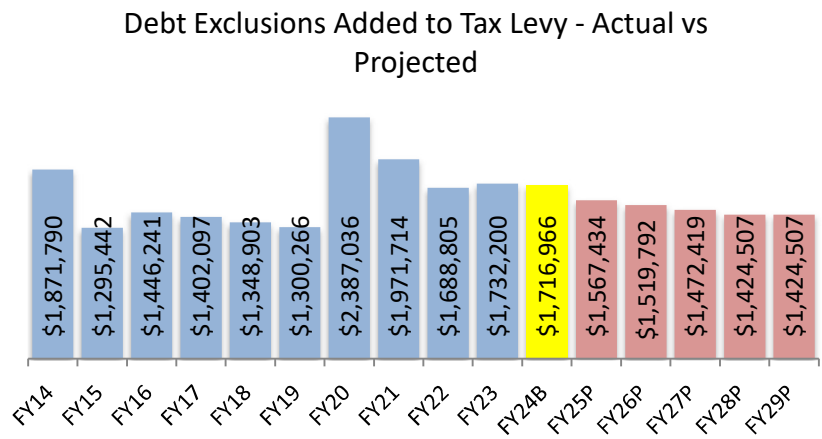


Chart on the above: The blue bars represent the past ten years of additional taxes raised for debt exclusions, and red bars projections. The amount of debt exclusions added to the tax levy has declined over the past ten years as bond payments have matured and debt has been refinanced on school construction projects. At its peak, the additional amount added to the tax levy was \$3 million in FY 2004. The red bars represent Barnstable’s share of the estimated debt service cost associated with the Cape Cod Regional Technical High School building project.

A.4 STATE AID

Aid from the Commonwealth is difficult to forecast because it is predicated on 1) the state’s political climate and 2) changes in the state economy that affect aid distributions. For the purposes of this forecast, certain aid categories have been estimated as follows:

A.4 (a) Chapter 70 Aid

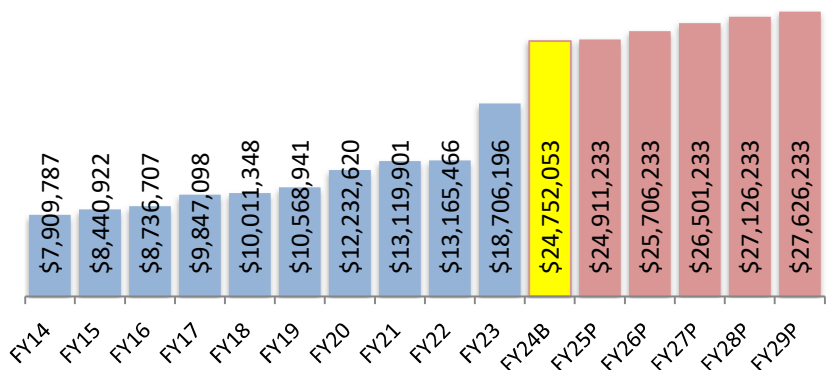
The Education Reform Act of 1993, as amended by recent budget language, continues to have a substantial impact on municipal finance and, in particular, on the level of local aid received by municipalities and regional school districts. Education Reform was undertaken in an effort to ensure both adequate funding of the Commonwealth's public schools and to bring equity to local taxation effort based on a community’s ability to pay.

The Chapter 70 formula aims to ensure that each school district has sufficient resources to provide an adequate education for all of its students, taking into account the ability of each local government’s ability to contribute. In short, the formula is designed to have an equalizing effect. The intent was that wealthier communities would be asked to contribute more from local revenues and would receive less state aid. Conversely, poorer communities would contribute less from local sources and receive a greater share of state aid. The Massachusetts State Constitution requires that total K-12 spending in each district never falls below the amount needed to provide an adequate education to its students. Lawmakers developed the "foundation budget" (See Barnstable Trends – Net School Spending Requirements) as a way to calculate this funding level. Once the total foundation budget is established, the state calculates each city and town’s ability to contribute local revenue towards the operation of its schools. Local ability to contribute varies widely based upon the incomes and property values of different cities and towns. Chapter 70 education aid is then determined by filling the gap between a district’s required local contribution and its foundation budget.

A measure of ability to pay, called the aggregate wealth model, was instituted in the FY 2007 state budget, and has been followed each year since. This new method uses updated property values and personal income data to address issues of inter-municipal equity so that communities with similar ability to pay eventually receive similar levels of state aid and pay similar local contributions. The formula relies equally on two indicators of community wealth, the Department of Revenue (DOR) equalized property valuations and personal income data from state tax returns to calculate a level of effort for each community. The level of effort is then compared to the foundation budget. If it exceeds the foundation budget, as in Barnstable’s case, then the foundation budget becomes the measure to which a target local contribution is calculated. The target local contribution for all communities is 82.5% of the foundation budget, meaning that every community should receive at least 17.5% of their foundation budget in the form of CH70 aid. For communities like Barnstable, that are contributing more than the 82.5% requirement, the formula is to reduce this excess effort over a five-year period subject to the availability of state funds. The next step is to determine how much new state aid districts will receive. The state aid target is simply 100 percent minus each district’s local contribution target, expressed as a percentage of the district’s foundation budget. The minimum aid target is 17.5%.

CH70 aid is comprised of four aid categories: foundation aid, down payment aid, growth aid, and minimum aid. To determine how much Chapter 70 aid a district receives, the prior year required local contribution is increased by the Municipal Revenue Growth Factor (MRGF) to yield a preliminary local contribution. This figure is then compared to the target local contribution and increased or decreased, depending on whether it exceeds the target local share or is below the target. If this new local contribution plus the prior year’s Chapter 70 aid is not sufficient to meet the current foundation budget, then additional foundation aid is awarded to reach the foundation budget. Down payment aid may be awarded to those districts that receive less aid than indicated by their target aid share, multiplied by their foundation budget. Movement toward this target aid amount is phased-in over several years and the amount awarded is reduced by any increase in foundation aid. Growth aid is intended to provide aid to districts with growing foundation budgets. To determine if a district qualifies for this aid, the foundation budget for the current year is compared to the prior year, with the positive difference multiplied by the target aid share. If the result exceeds the amount of the foundation aid and down-payment aid together, the difference is awarded as growth aid. Finally, minimum aid guarantees each district an increase of \$50 per pupil from all four-aid types. These four components of new aid are then added to the prior year Chapter 70 amount to yield the total new Chapter 70 award.

Chapter 70 Aid for Education - Actual vs Projected



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.

Chart on the above: The blue bars represent the past ten years of actual revenue collections; yellow bar is FY 2024 budget, and red bars projections.

A.4 (b) Unrestricted General Government Aid

The purpose of this 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. The formula is based on population and Equalized Property Valuation per capita. The formula is as follows:

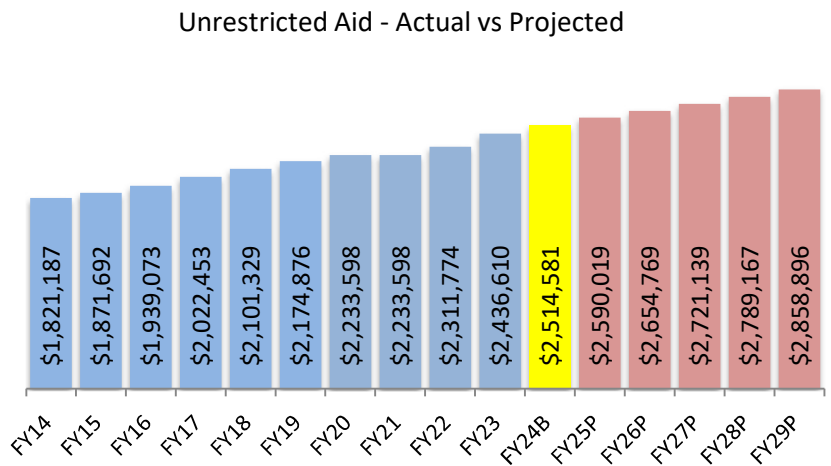
$$\text{Municipality's Aid} = (Es \div Em) * \$10 * Pm * K$$

- Es = Equalized Valuation per capita of the state
- Em = Equalized Valuation per capita of the municipality
- Pm = Population of the municipality
- K = Pro-ration factor

The pro-ration factor adjusts the formula according to the net Lottery receipts available. The formula is normally applied only to the new Lottery Aid that is the amount above or below what was estimated the previous year.

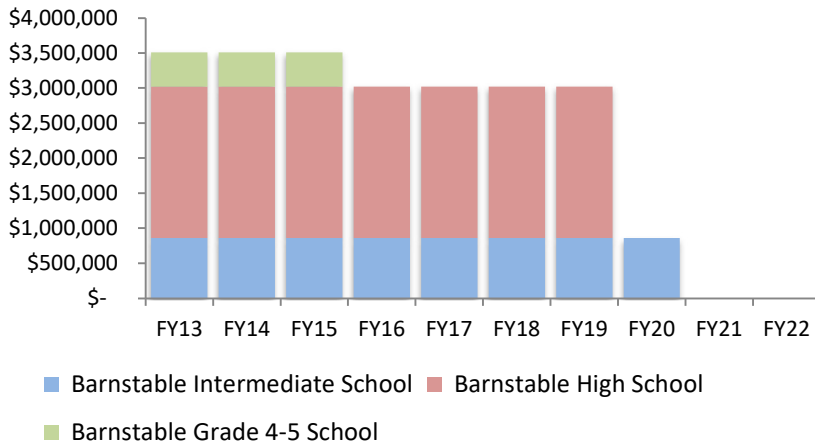
The Lottery distribution is funded through a transfer of funds and not by appropriation, although the total amount of the annual distribution is stipulated in Section 3 of the annual state budget. The Division of Local Services certifies to the Comptroller the amounts to be distributed to municipalities. Surplus lottery amounts are estimated in supplemental appropriations. Section 3 of the annual state budget stipulates that any lottery shortfall from, or excess of, the amount appropriated will be deducted from, or added to, the second quarter of the next fiscal year's distribution. Surplus lottery amounts are not included on the cherry sheet in the fiscal year as they are part of a supplemental budget approved after the adoption of the annual state budget. No surplus distributions have occurred since FY 2001.

Chart above: The blue bars represent the past ten years of actual revenue collections; yellow bar is FY 2024 budget, and red bars projections. The town has been experiencing steady increases in unrestricted state aid for the past ten years. 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, this could be offset by a new revenue sharing formula from casino gambling taxes imposed by the state.



A.4 (c) School Building Assistance

In 2004, the State Legislature created the Massachusetts School Building Authority (MSBA) as an independent public authority, charged with reforming the former school building program that had amassed \$11 billion in outstanding obligations with no clear funding source and that had built up a list of 428 projects that were waiting for state reimbursement. The MSBA assists school districts with planning and financing school construction and renovation projects. Funding to assist communities is provided from a dedicated sales tax revenue amount. The receipts are kept in a separate fund known as the School Modernization and Reconstruction Trust Fund. Prior to the creation of the MSBA, the town of Barnstable had several school construction projects for which it was



receiving annual assistance from the State to help pay off the bonds associated with the construction. The MSBA continued with funding this annual obligation and it is expected that the town will receive this assistance until the bonds expire on the last project in FY 2020. Assistance received under this program is credited to the tax levy raised for debt exclusions every year as described under Section A.3 Debt Exclusions.

School building assistance for the Grade 4-5 School ended in FY 2015, as did the corresponding debt. In FY 2019, the assistance for the High School ended and the Intermediate School assistance ended in FY 2020.

A.4 (d) Charter Tuition Assessment Reimbursement

The purpose of this aid category is to reimburse sending districts for the student tuition and the capital facilities tuition component they pay to Commonwealth charter schools. The capital facilities tuition component includes interest and principal payments, for the construction, renovation, purchase, acquisition, or improvement of school buildings and land.

Charter School Reimbursements - Actual vs Projected

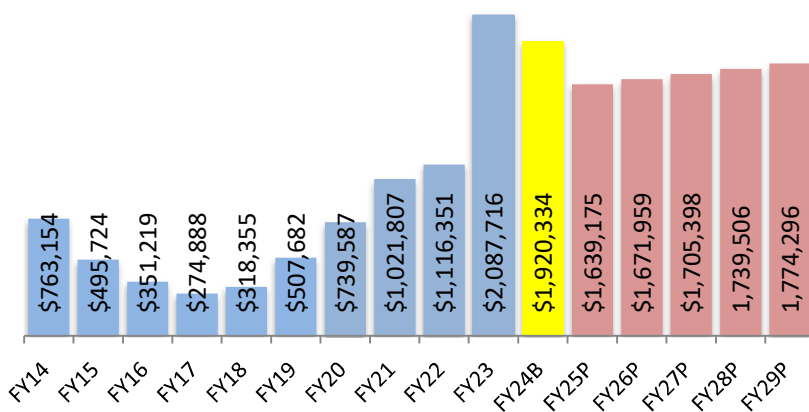


Chart on the left: Sending districts receive assistance through the charter tuition reimbursement formula in December, March, and June for those students that elect to attend a charter school. Sending districts are reimbursed a portion of the costs associated with pupils attending charter schools beginning with the second quarterly distribution. The formula reimburses communities for the annual cost increase using a three-tier basis of 100% in year 1, 60% in year 2, and 40% in year 3. When charter tuition costs stabilize, aid diminishes, shifting the financial responsibility back to the sending district.

What districts will see is that the legislation reduces the cost of the program in the short-term while committing to provide some aid in the long-term. This aid is also subject to the state appropriating sufficient funds to fully fund the aid program, which has not happened in the past couple of years.

The blue bars represent the past ten years of actual revenue collections; yellow bar is FY 2024 budget, and red bars projections. The town initially received aid under this category in FY 2000 when the Sturgis Charter School opened. Reimbursements were much higher in the initial years as grade levels were added each year and the way the reimbursement formula functioned. A significant increase for FY 2012 was received as the school expanded by adding a second campus comprised of 9th and 10th grade. Two more grade levels were added in FY 2013 and FY 2014 that resulted in higher aid levels as more Barnstable students attended the school.

A.4 (e) Police Career Incentive

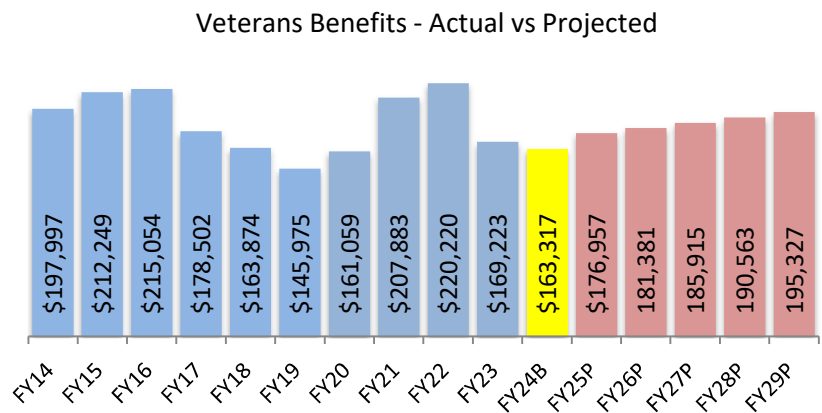
The purpose of this aid is to encourage police officers in participating communities to earn degrees in law enforcement or criminal justice and to provide educational incentives through salary increases. The state ceased to appropriate any more funds for this category of aid in FY 2012 and it is anticipated that it will not be restored.

A.4 (f) Veterans' Benefits

The purpose of this aid category is to reimburse municipalities for a portion of authorized amounts spent for veterans' financial, medical, and burial benefits. The program reimburses 75% of a municipality's costs for veterans' and their dependents' benefits. In an effort to make this program's estimates closer to the actual costs, the Department of Veterans' Services devised a new method of calculating the estimated reimbursements. Reimbursements are now paid in the year after the costs are incurred. For example, the fiscal year (FY 2022) Cherry Sheet estimates are based on 6 months of actual authorized expenditures (July 1 through December 31 of FY 2021) plus a prorated amount for the remaining 6 months of the prior fiscal year.

The Veterans' Agent and the Treasurer of each municipality shall certify the names and other information that the Commissioner of Veterans' Services may require within 30 days after the end of the month in which the expenditures were made. The Commissioner then approves and certifies to the comptroller the amounts to be reimbursed.

Chart on the right: The blue bars represent the past ten years of actual revenue collections; yellow bar is FY 2024 budget, and red bars projections. This category of aid fluctuates corresponding with expenses. Expenses are projected to remain level resulting in a level in revenue indicated by the red bars.



A.4 (g) Exemptions

The purpose of this aid category is to reimburse municipalities for property tax exemptions granted to qualifying veterans, blind persons, surviving spouses, and elderly persons. The reimbursement for each type of exemption is specified by statute. Each municipality is reimbursed for each exemption documented in a given fiscal year. The amounts of exemption granted to individuals and the amounts reimbursed to municipalities by statute are as follows:

- Surviving spouses, minor children, and elderly persons:
 - Clause 17 - \$175, full reimbursement
 - Clauses 17C, 17C½, 17D - \$175, reimbursement cannot exceed the amount reimbursed under Clause 17
- Veterans: Clause 22(a-f) - \$400 exempted, \$225 reimbursed
- Paraplegic veterans, surviving spouses: 100 percent minus \$400 reimbursed (§8A)
- Veterans, loss of one arm, foot, or eye: Clause 22A - \$750 exempted, \$575 reimbursed
- Veterans, loss of two arms, two feet, one arm and one leg, or loss of sight: Clause 22B - \$1,250 exempted, \$1,075 reimbursed
- Veterans, special adapted housing: Clause 22C - \$1,500 exempted, \$1,325 reimbursed
 - Veterans, surviving spouses of soldiers, sailors & National Guard: Clause 22D - 100 percent first 5 years, up to \$2,500 each year thereafter
 - Veterans and Surviving Spouses, 100 percent disability: Clause 22E - \$1,000 exempted, \$825 reimbursed
- Blind persons:
 - Clause 37 - \$437.50 exempted, \$87.50 reimbursed
 - Clause 37A - \$500 exempted, \$87.50 reimbursed
- Elderly persons: The state’s reimbursement remains at \$500 per individual, subject to appropriation

The Division of Local Services on a rolling basis processes claims for reimbursement. Delays in setting a tax rate due to revaluation problems can result in reimbursement claims being submitted late in the current fiscal year or early in the upcoming fiscal year. Since appropriations to reimburse property tax exemptions revert to the state's General Fund at the end of August each year, the Division of Local Services cannot process any requests after August 20th. The Division of Local Services certifies to the comptroller the amounts to be reimbursed.

Exemption Reimbursements - Actual vs Projected

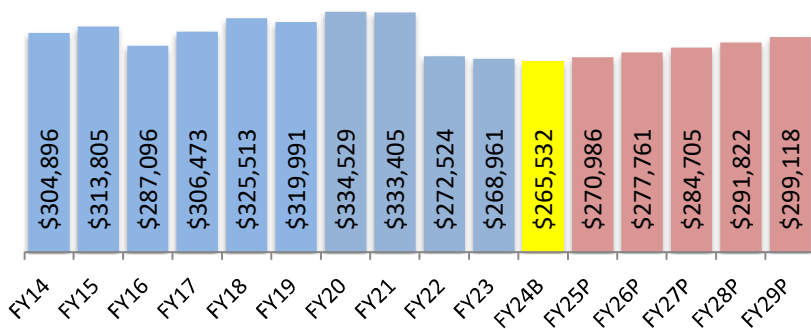


Chart on the left: The blue bars represent the past ten years of actual revenue collections, yellow bar is FY 2024, and red bars projections budget. This category of aid has been on a consistent trend over the past fiscal years. Projections for this category of aid include a slight increase per year as more property owners are expected to become eligible; particularly elderly and veterans.

A.4 (h) Payments in Lieu of Taxes (PILOT)

The purpose of this aid is to reimburse communities for forgone tax revenues due to certain types of tax-exempt state-owned land. Eligibility for reimbursement depends on land use and the state agency with jurisdiction over the property as specified in the legislation. Payment is for land only, not for buildings or any other improvements erected on or affixed to the land. Parcels of land that were exempt from property taxation before acquisition by the state are ineligible for reimbursement through this program.

The formula is based on property value and the latest three-year statewide average tax rate. The formula is as follows:

$$\text{Municipality's Aid} = \text{PV} * \text{ET} * \text{K}$$

PV = Estimated property value of eligible State-Owned Land

ET = 3 year statewide average tax rate

K = Pro-ration factor

Reimbursements for State Owned Land - Actual vs Projected



Chart on the left: The blue bars represent the past ten years of actual revenue collections; yellow bar is FY 2024 budget, and red bars projections. This aid category has been growing since FY23. Funding is subject to state appropriation, which has been unpredictable. This category of aid is projected to increase slightly over the next several years indicated by the red bars.

A.4 (i) School Transportation and Highway Aid

Several years ago, the state was providing funds for school transportation and public road improvements. These aid categories have been eliminated and this projection does not include any restoration of the aid. The town was receiving as much as \$1 million per year.

A.5 LOCAL RECEIPTS

A.5 (a) 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, change in vehicle ownership, and changes in the economy. The town receives a tax commitment from the State Department of Motor Vehicles each 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 ten years, the January commitment annual change has remained positive with the exception of FY 2021.

The auto industry has seen a tremendous amount of growth since 2008. Locally, many dealerships have made significant investments in their properties in recent years.

History of Motor Vehicle Excise Tax Revenue - Actual and Budgeted

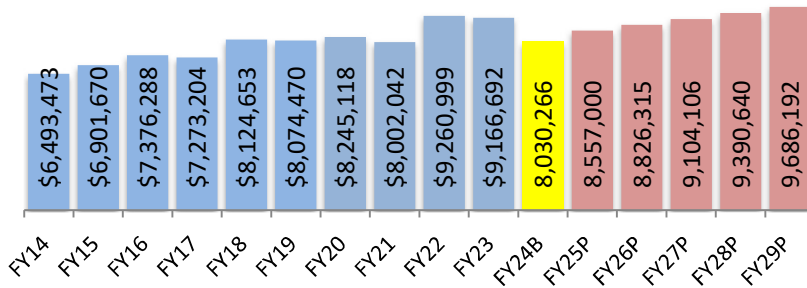


Chart on the left: The blue bars represent the past ten years of actual revenue collections, yellow bar FY 2024 budget, and red bars projections. The town takes a conservative approach when budgeting for this source of revenue, which explains the budget figure being much lower than actuals. This area of revenue has reached its highest amount in FY 2022 at \$9.2 million. The recovery began in FY 2013, which saw this area grow to over \$9 million after several years in decline.

This category of revenue is projected to grow modestly over the forecast period.

A.5 (b) 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 has been projected to remain level during the forecast period at \$120,000 per year.

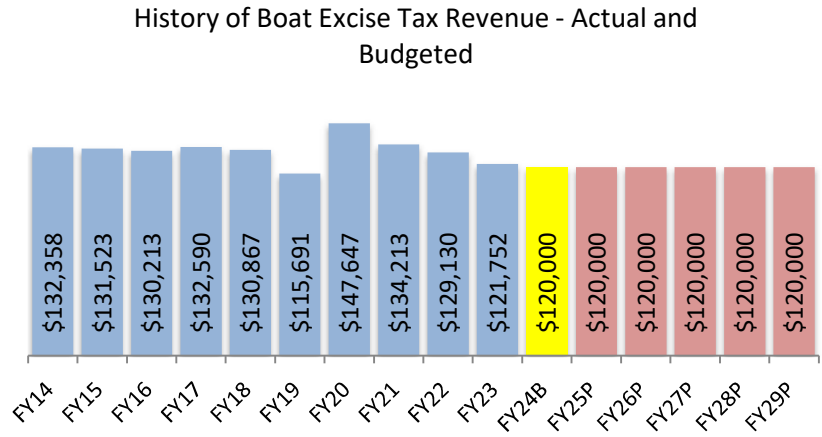


Chart on the right: The blue bars represent the past ten years of actual revenue collections and yellow bar is FY 2024 budget, the red bars represent projected revenue. As illustrated by the chart above, actual collections have ranged between \$115,000 to \$147,000 over the past ten years.

A.5 (c) Motel/Hotel 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 state signed a bill in December of 2018 that expands the hotel room tax to short-term rentals exceeding 14-days.

Motel/Hotel tax revenues depend largely on the number of room stock and occupancy from year-to-year. The recent expansion to include short-term rentals should expand the total number of room stock. In better economic times, more rooms may be occupied during the town’s tourist season, leading to potentially higher returns on the tax. Although, the closure or conversion of rental rooms reduces the number of room stock susceptible to the tax, which can lead to lower returns on the tax. Roughly, 30% of the homes in Barnstable are seasonal dwellings; therefore, the short-term rental tax will have a significant impact.

Rooms Excise Tax - Actual vs Projected

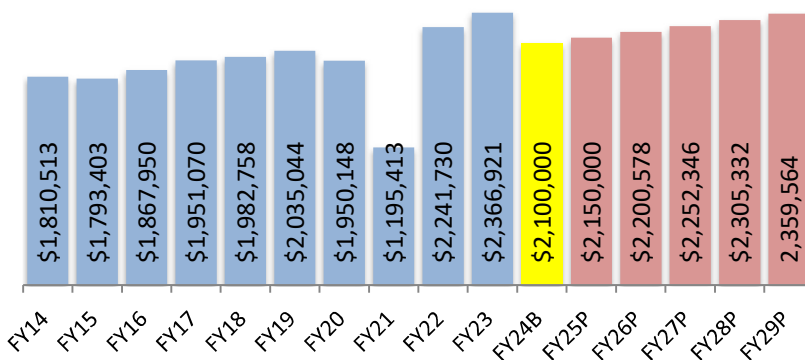


Chart on the left: The blue bars represent the past ten years of actual revenue collections; yellow bar is FY 2024 budget, and red bars projections. History has illustrated this category of revenue to remain steady. Visitors continue to come to Cape Cod.

A.5 (d) Charge for Services

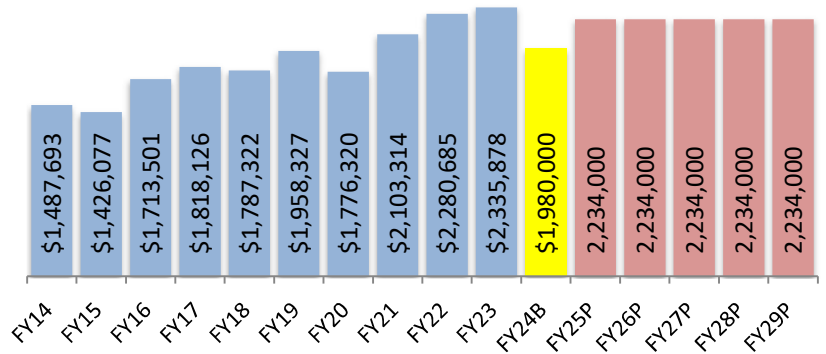
This category is mainly comprised of recreational revenues, police outside detail services and chargebacks to Enterprise Funds.

Recreational

Revenue in this area is comprised of beach stickers, parking receipts at the beaches, and charges for program participation.

Chart on the right: The blue bars represent the past ten years of actual revenue collections; yellow bar is FY 2024 budget, and red bars projections. This category of revenue has seen strong growth over the years due to increased activity levels as well as rate increases. Beach sticker sales and parking revenue are up, as people appear to be opting for more inexpensive recreation opportunities. The increase in FY 2016 was due to a \$5 beach sticker increase, which has been repeated in FY 2020. This revenue source is projected to remain steady over the next few years as beach sticker and daily parking sales provide flexible recreation opportunities, however, weather will play an influential role.

Recreation Charges for Services - Actual vs Projected



Police Outside Detail & Reimbursements

Revenue in this area is mainly derived from security services provided to the airport in accordance with TSA regulations. The Police Department bills the Airport Enterprise Fund on a monthly basis for this service. Revenue is also derived from a 10% administrative charge for all other outside detail services provided to vendors for projects like road construction.

Police Reimbursements and Outside Detail - Actual vs Projected

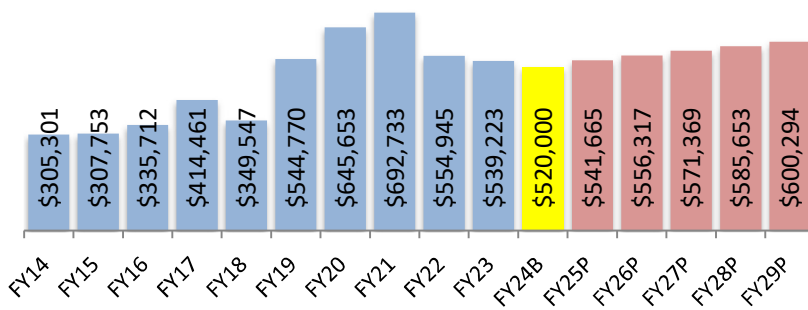


Chart on the left: The blue bars represent the actual revenue collected for the past ten years; the yellow bar is FY 2024 budget, and red bars projections. The higher levels of revenue in a fiscal year are mainly due to an increase in construction activity throughout the town that required police detail support. In addition, future revenue projections include reimbursements from Hyannis Fire Department for a shared dispatch center with the Police Department. Hyannis Fire Department reimbursements will increase in

conjunction with personnel costs. Construction activity levels are expected to increase with sewer projects. The service levels provided to the airport are also expected to continue at the same level.

Enterprise Fund Chargebacks

The town’s administrative code includes a provision under Section 241-56 (6) (j) that the rates set for Enterprise Fund operations be designed to generate sufficient revenue to support the full cost, direct and indirect, of operations. For cost efficiency reasons, administrative orderliness, and the inability to be invoiced separately, several items are budgeted and managed within the town’s General Fund operations, which subsequently must be allocated to the Enterprise Fund operations. The costs allocated to the Enterprise Fund operations include the following items:

1. Shared personnel - included in this category are the personnel located in the Town Council, Town Manager, Human Resource, Information Technology, Finance, Public Works, Community Services, and Inspectional Services operations. Personnel costs include salaries, health insurance, life insurance, Medicare tax, and county retirement.
2. Barnstable County Retirement assessments for employees within each Enterprise Fund operation.
3. Building, contents and casualty insurance, public officials’ liability insurance, and vehicle insurance.
4. Retiree’s health insurance.
5. MUNIS financial management system annual support and licensing costs.
6. Annual financial auditing fees.

Enterprise Fund Chargebacks - Actual vs Projected

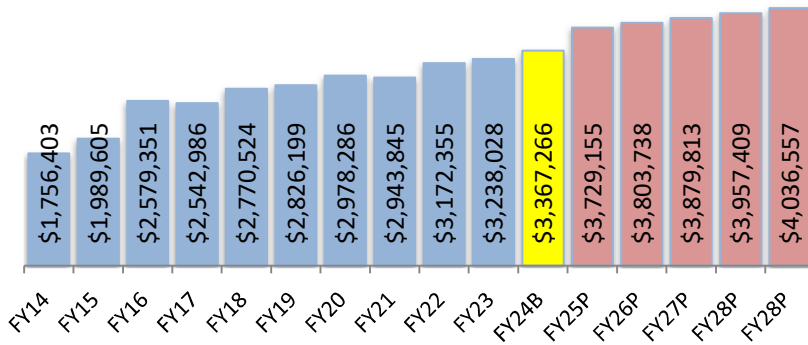


Chart on the left: The blue bars represent the actual charges collected for the past ten years, the yellow bar FY 2024 budget, and red bars projections. This area of revenue has increased over the past several years due to the size and the number of Enterprise Fund operations. For FY 2024 through 2029, this category of General Fund revenue is expected to increase approximately 2% per year. One additional Enterprise Fund has been created in FY 2018 for Public, Educational, Governmental Access Television (PEG),

and is expected to contribute to the increase in charge backs going forward. Any significant increases in the Barnstable County Retirement assessment, software licensing fees, and worker compensation greatly attribute to charge backs.

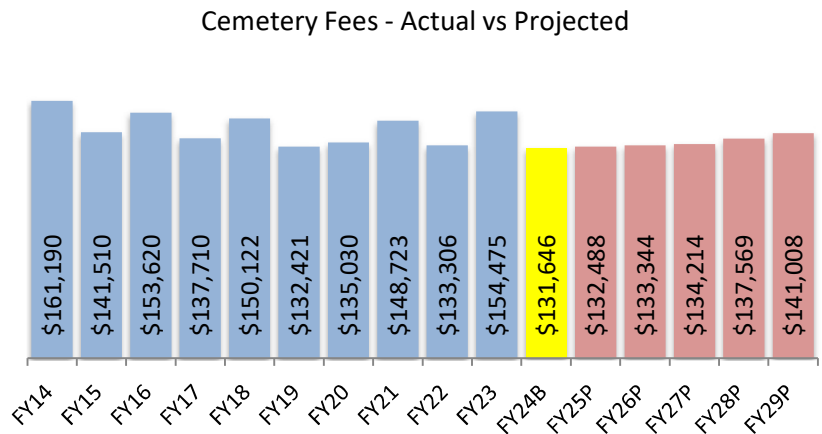
A.5 (e) Fees, Fines, Forfeitures & Penalties

This category is comprised of various fees charged by the cemetery operations, Town Clerk, Police Department, Inspectional Services, Treasurer, and Town Collector.

Cemetery

Cemetery fees include burial and administration fees, marker and monument fees, and cremation internments. The Town of Barnstable maintains and operates several active and inactive cemeteries. Active cemeteries are those in which burial lots remain available for licensing assignments to residents of the town. Inactive cemeteries are those in which no lots remain available for licensing assignment.

Chart on the right: Actual collections represented by the blue bars have fluctuated over the past several years. The yellow bar represents the FY 2024 budget, and red bars projections. The projection for FY 2024 through FY 2029 is anticipated to remain steady as represented by the red bars.



Town Clerk

The Town Clerk’s fees are mainly comprised of fees charged for vital statistics copies by the public seeking access to public records in the custody of the town of Barnstable. This revenue source also includes certificates and licenses. These categories include birth, death or marriage certificates, business certificates, and dog licenses etc.

Town Clerk Fees - Actual vs Projected

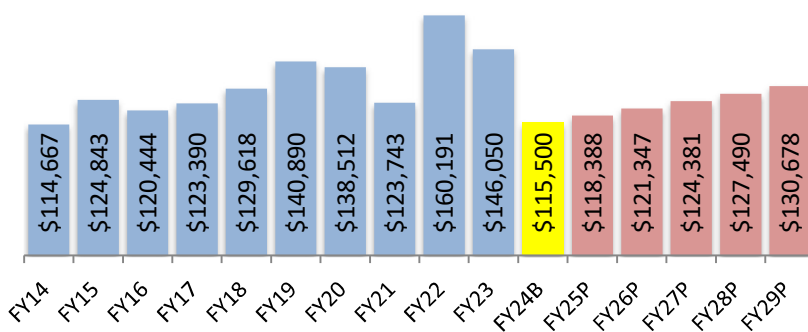


Chart on the left: The blue bars represent actual fees collected for the past ten years as well as the yellow bar for FY 2024 budget. The projected amounts for FY 2024 through FY 2029 anticipate this revenue source to increase.

Police Fees

Revenue in this category consists of alarm registration and false alarm fees as well as criminal and non-criminal violations.

Police Fees - Actual vs Projected

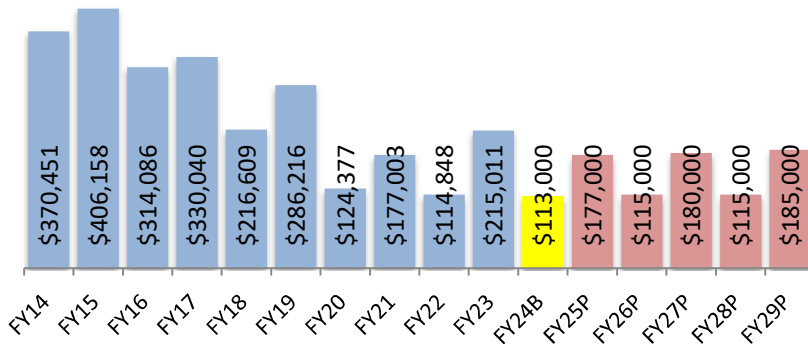


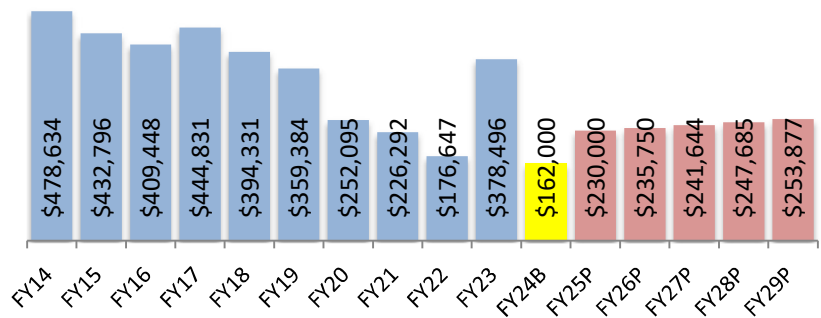
Chart on the left: The blue bars represent actual revenues for the past ten years, the yellow bar for FY 2024 budget, and red bars projections. Property owners with alarm systems must register biannually with the Police Department. Since the fee is every other year, the revenue in this category will fluctuate higher in the odd numbered years. There are no significant changes projected for this revenue.

Parking & Citations

Some of the more significant fees included in this category include rental car surcharges, non-criminal citations, and parking fines.

Chart on the right: The blue bars represent actual revenue collected for the past ten years, the yellow bar for FY 2024 budget, and red bars projections. The spike in FY 2023 is attributable to the improved collection of parking tickets including many older tickets. This category of revenue is projected to level over the life of the forecast as represented by the red bars. Improved parking fine collections coupled with the level of activity at parking lots will influence this category.

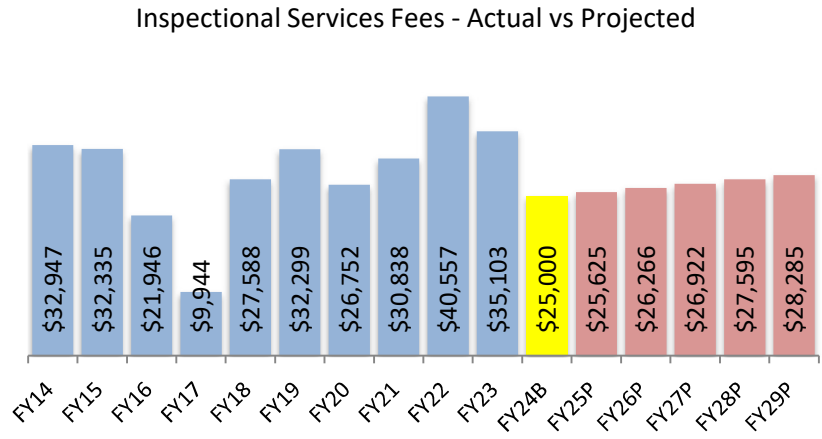
Parking & Citation Fees - Actual vs Projected



Inspectional Services

This category of fees includes building inspections and site plan review. Much of this revenue source is dependent on growth in proposed project reviews as well as residential and commercial code enforcement. The department conducts roughly 112 building inspections and 52-site plan reviews annually.

Chart on the right: The blue bars represent actual revenue collected for the past ten years, the yellow bar for FY 2024 budget, and red bars projections. This category of revenue is projected to increase slightly over the life of the forecast as shown by the red bars. Inspection fee collections should allow this category to remain within its historical average.



Treasurer and Collections

This category of revenue includes interest on the late payment of taxes, fees for municipal lien certificates and other fees associated with late tax payments.

Treasurer and Town Collector Fees - Actual vs Projected

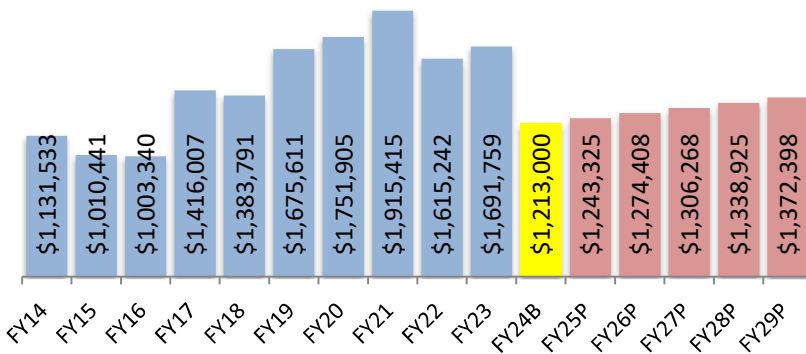


Chart on the left: The blue bars represent actual revenue collected for the past ten years, the yellow bar for FY 2024 budget, and red bars projections. Actual revenue collections in this area have increased significantly throughout the ten years. An aggressive collection policy on outstanding taxes is attributed to this as noted by the significant spike starting in FY 2021. Projections for interest on late tax payments are expected to grow due to the aggressive tax collection policy.

A.5 (f) Licenses and Permits

Fees for licenses and permits issued by the town are annually reviewed for potential increases. The Licensing and Inspectional Services generate the majority of the revenue in this category. Changes in this area will be a result of fee increases established through the annual user fee rate study process and activity levels. Major revenue includes alcohol beverage licenses and building, wiring, and plumbing permits.

Licenses & Permits - Actual vs Projected

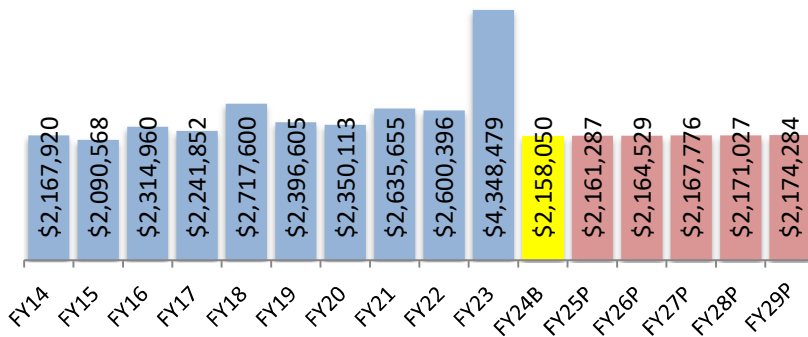
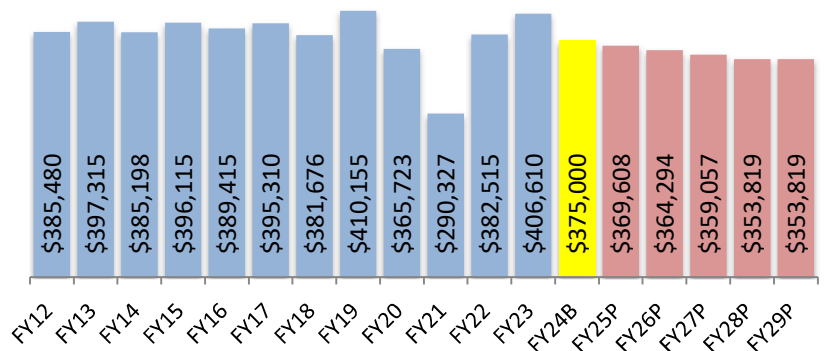


Chart on the left: blue bars represent actual revenue collected for the past ten years, the yellow bar for FY 2024 budget, and red bars projections. The spikes in FY 2018 and 2023 are mainly attributable to building related permits. Building permits are 47% higher in 2018 compared to 2017. The bump in FY2023 is attributable to a singular large construction project and not an indicator of future trends. The town has seen a very strong uptick in homeowner and commercial remodeling over the past couple of years. Revenue in this category is

projected to level over the forecast period indicated by red bars.

Chart on the right: The blue bars represent actual revenue collected for the past ten years, the yellow bar for FY 2024 budget, and red bars projections. No significant changes to the number of licenses issued are expected.

Alcohol Beverage Licenses - Actual vs Projected



Building, Gas, Wiring & Plumbing Permits - Actual vs Projected

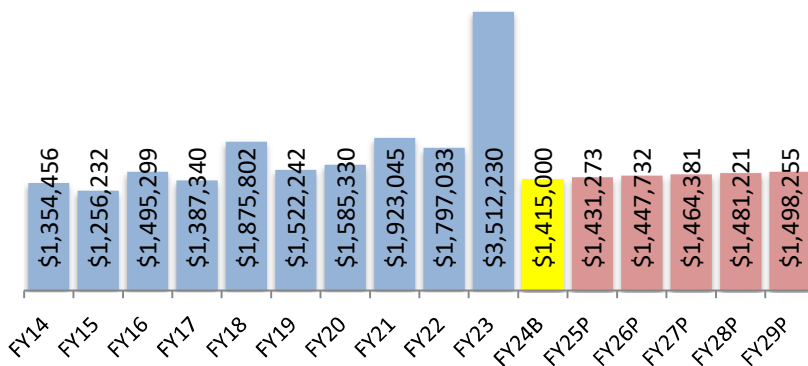


Chart on the left: The blue bars represent actual revenue collected for the past ten years, the yellow bar for FY 2024 budget, and red bars projections. The spike in revenue for FY23 one-time commercial permits. FY21 permits were higher due to the pandemic, the remote workforce has greatly influenced home renovation projects. The projection is anticipated to remain steady over the forecast period indicated by red bars.

A.5 (g) Other General Fund Revenue Sources

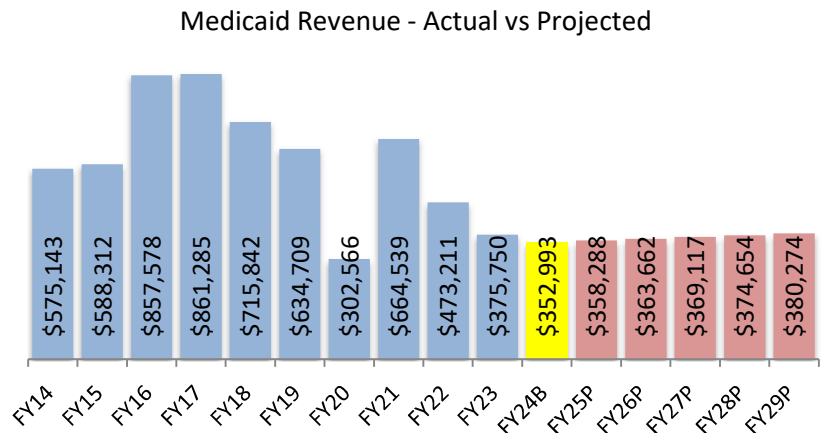
This area includes Medicaid reimbursements, investment income, special assessments, and property lease revenue.

Medicaid Reimbursements

In accordance with laws and regulations governing the Medicaid program, school systems mandated by the Individuals with Disabilities Education Act (IDEA) that provide health-related services to their special education student populations are permitted to file claims for partial federal reimbursement of both their health service and administrative support expenditures incurred in providing those services. Qualifying administrative support expenditures falls into two categories: (1) support activities associated with the delivery of health-related services; and (2) support activities that benefit a state’s Medicaid program administration generally.

As a broad overview, two functions must be performed by a school district that desires to participate in administrative activity claiming. First, designated school personnel must complete a time study. In the Commonwealth, such a time study, which tracks how school employees spend their workday, needs to be completed during each of three quarters during the school year for a period of five consecutive days during each quarter. Once the time study has been completed and the expenditure information collected, a district then (1) tabulates and summarizes the time study data to identify claimable activities performed by their staff and the amount of time spent on those activities; (2) applies certain formulas to the expenditure information; and (3) calculates the Medicaid Eligibility Factor for the district and applies it to the results of the time study and expenditure information. This process will result in the calculation of a district’s gross expenditures; the federal Medicaid agency will award partial reimbursement based on a district’s gross expenditures.

Chart on the right: The blue bars represent actual revenue collected for the past ten years, the yellow bar for FY 2024 budget, and red bars projections. This revenue had been consistent until FY 2010 when the reimbursement formulas were changed as a result of new Federal rules and eligible costs declined. Due to the significant historical fluctuations in actual reimbursements received, projections are conservatively estimated to remain level.



<https://www.mass.gov/service-details/what-is-the-school-based-medicaid-program-sbmp>

Investment Income

Investment income depends almost entirely on the timing, amount of revenue collection, expenditure disbursement, interest rates, and the investment vehicles available to the town.

Investment Income - Actual vs Projected

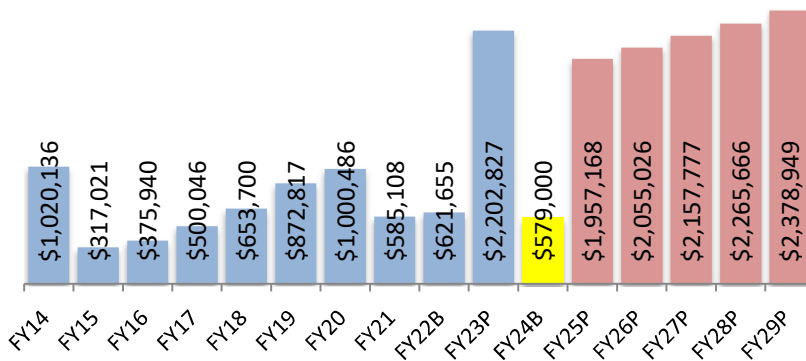


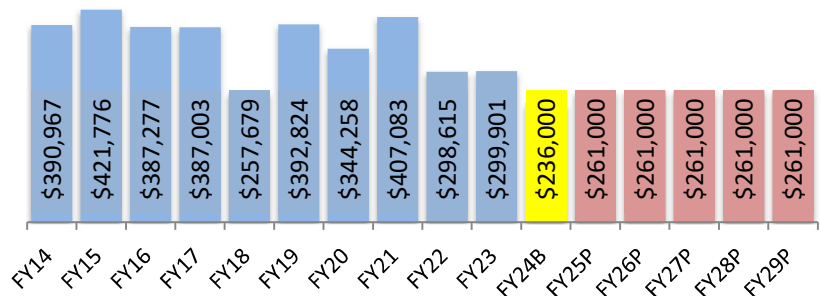
Chart on the left: The blue bars represent actual revenue collected for the past ten years, the yellow bar for FY 2024 budget, and red bars projections. Interest rates have trended significantly low for the past several years and climbed in FY 2023. This revenue source can be volatile, so it is best to budget this category conservatively. Projections are not at prior year actuals to ensure that we are not overly reliant upon this revenue source.

Special Assessments and Lease Income

The town leases several town owned properties including, but not limited to the Race Lane Farm, parking lots, Maritime Museum, Old Town Hall, YMCA and the Marstons Mills Airfield. Special assessments include assessments billed to the five fire districts for tax collection and billing services and assessments added to commercial property tax bills for owners who fail to submit an annual income and expense report to the Town Assessor.

Chart on the right: The blue bars represent actual revenue collected for the past ten years, the yellow bar for FY 2024 budget, and red bars projections. The increases in the fine for commercial properties are a result of failing to file the required income and expense report with the Town Assessor. The assessment was increased from \$50 to \$250. Future projections for this category of revenue are relatively consistent with the historical collection amounts.

Special Assessments & Lease Income - Actual vs Projected



B. EXPENDITURE ASSUMPTIONS

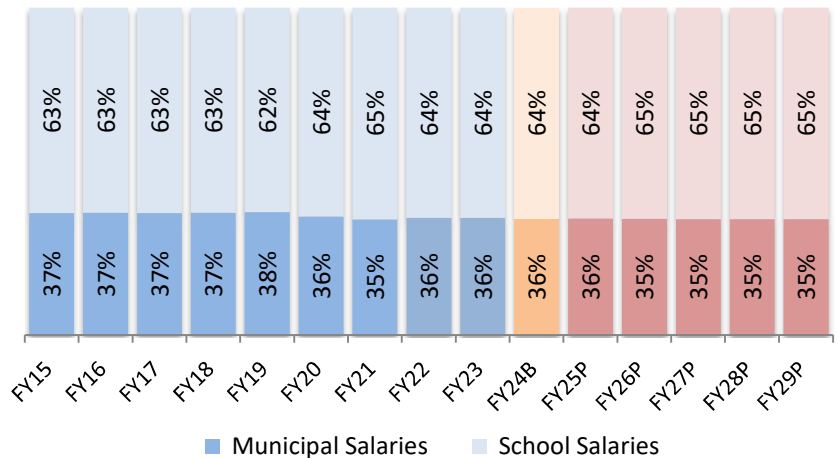
Major expenditure drivers contained within the General Fund operating budgets include labor contracts, employee benefits, utilities, fuel and any projected changes in service levels. No attempt is made in the projection to add or subtract staff in any area of the operations. The costs of current staffing levels are projected over the next ten years using a set of assumptions. As the town is a service provider, labor and the associated employee benefits are the primary cost drivers. Other expenditure drivers include special education, capital program, assessments received from other entities, and insurance to protect the town’s assets. The following assumptions for these cost areas are used in the forecast.

B.1 SALARIES

Salaries include permanent salaries and wages, overtime, seasonal and temporary wages. The projection includes an amount for contractual merit pay increases as well as any negotiated cost of living adjustments. Approximately one-third of the current workforce is eligible for a merit pay increase as many are at the top step on the pay scale. This percentage will decline over time if there is limited to no turnover in the workforce. It is more likely that this will remain the same or increase as enough of the workforce will be eligible to retire over the next ten years.

Chart to the right: Over the next five years, salaries are projected to grow from \$90 million to \$105 million. There are no projected changes to staffing levels.

Salary Costs - Actual vs Projected



B.2 EMPLOYEE BENEFITS

Employee benefits include health insurance for active and retired employees, Barnstable County retirement assessments, Medicare tax on wages, life insurance, workers’ compensation insurance, and unemployment insurance.

Employee Benefits - Actual vs Projected

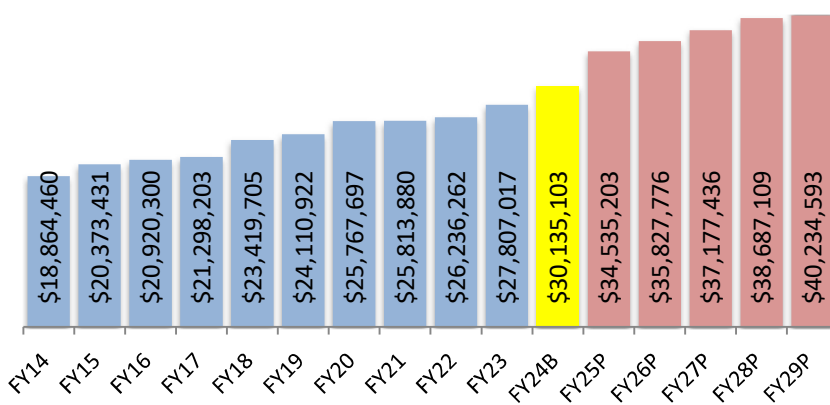


Chart to the left: The blue bars represent actual expenditures for the past ten years, the yellow bar for FY 2024 budget, and red bars projections. Expenditure in this area is expected to grow by another \$10.8 million over the next five years.

B.2 (a) Health Insurance

The town belongs to the Cape Cod Municipal Health Group, which is a joint purchase group, made up of over 50 entities. Participation in a larger group helps the town spread its health insurance risk over a larger base. Employees that work an average of 20 or more hours per week are eligible to participate in the town’s group health insurance plan. The town contributes 50% towards an employee’s annual health insurance cost for both active and retired employees. Retired teachers join the state’s health insurance group (Group Insurance Commission) upon retirement and local governments are assessed for the payments made on behalf of their teacher retirees. It is proposed to increase the contribution to 70% beginning in FY 2025. Retired teachers receive 85-90% of their health insurance paid for depending upon their retirement date. This category also includes a payment into a Health Insurance Trust Fund as the town is working towards accumulating assets to cover its unfunded liability for health insurance.

Annual % Change Health Insurance - Actual vs Projected

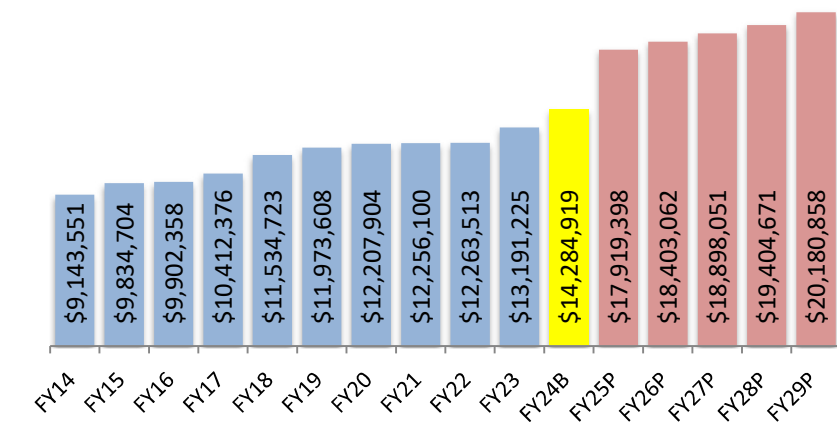
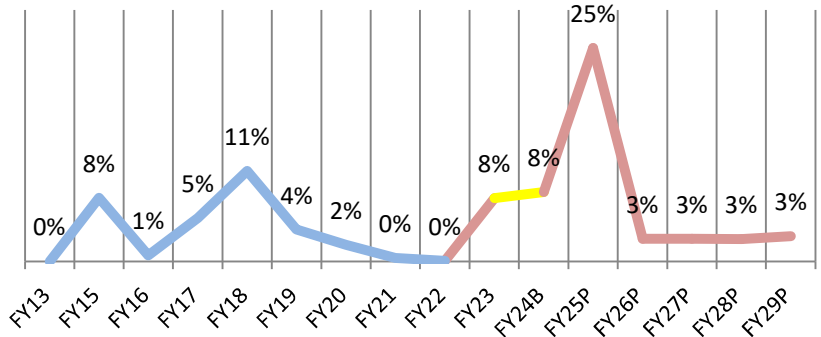


Chart to the left: The blue bars represent actual expenditures for the past ten years, the yellow bar for FY 2024 budget, and red bars projections. Over the past ten years, health insurance expenses have grown from \$9.1 million in FY 2014 to \$14.2 million in FY 2024. This cost is expected to rise over the next several years as premium increases are expected to outpace inflation and the town continues to increase its contribution to an OPEB trust fund as the town’s current unfunded health insurance liability exceeds \$200

million. Total expenditures are estimated to grow from \$13 million to over \$20 million by FY 2029. The town passed new health insurance reform legislation in FY 2012, which resulted in the reduction in actual expenditures in FY 2013.

B.2 (b) County Retirement

Non-teaching employees that work an average of 25 hours or more per week are required to participate in the Barnstable County Retirement System. Teachers are part of the Massachusetts Teachers Retirement System for which the state covers the cost.

Annual % Change County Retirement Assessments - Actual vs. Projection

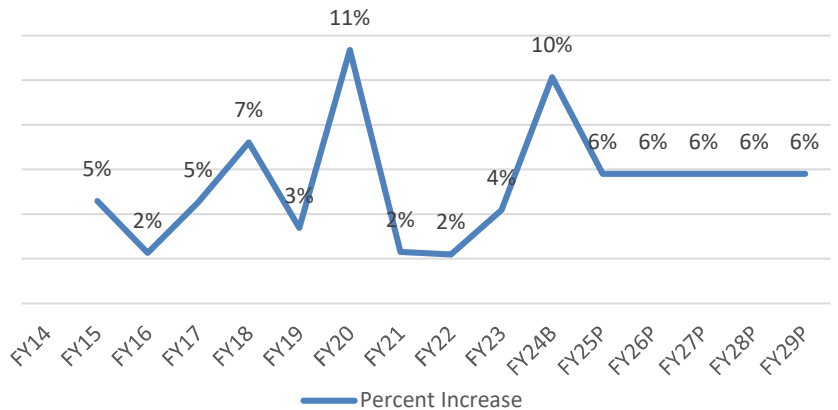
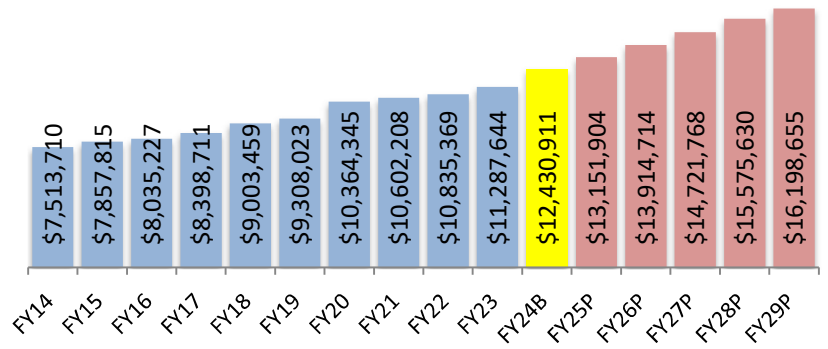


Chart to the right: The blue bars represent actual expenditures for the past ten years, the yellow bar is the FY 2024 budget, and red bars are projected amounts. County retirement assessments have increased \$4.9 million from FY 2014 to FY 2024. Assessments are impacted significantly by the rate of return earned on the assets of the system. Annual assessment increases have ranged from a low of 2% to a high of 11% over the past ten years. The Town of Barnstable represents approximately 14.7% of the system. The annual assessment includes a charge for the amortization of this obligation based on a 5.8% increase per year through fiscal year 2035. Annual assessment increases are projected to average this 5.8% appropriation over the next five years resulting in a \$3.1 million increase in the assessment amount from \$12.4 million to \$15.5 million.

County Retirement Assessments - Actual vs Projected



B.2 (c) Workers' Compensation

All employers in Massachusetts are required to insure their workforce for injuries incurred on the job. The town switched to a self-insured program in FY 2012 as a competitive market for this type of insurance was non-existent. The town issued bids and received one response, which was substantially more than previous years. A trust fund was established in FY 2012 to accumulate resources for this program and the forecast includes a projection of \$1 million per year to be credited to the trust fund.

B.2 (d) Medicare

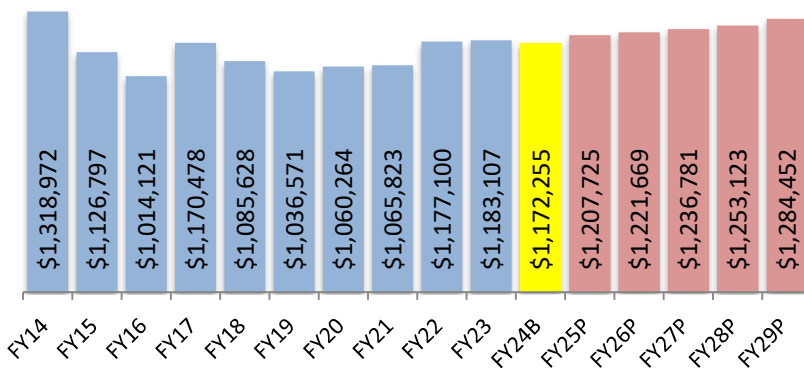
All town employees contribute to the Federal Medicare program at the rate of 1.45% of their gross wages and the town matches this charge. This cost will increase correspondingly with the increase in wages paid.

B.2 (e) Unemployment and Life Insurance

The town provides minimal life insurance coverage for employees at a cost of \$12 per year per employee if they choose to participate. This represents 50% of the cost. The employee pays the other half. The town is also self-insured for unemployment costs and the projection includes \$300,000 per year for this insurance as no significant layoffs are projected.

B.3 UTILITIES AND FUEL

Electricity Costs - Actual vs Projected



This category includes electricity, natural gas, heating oil, telephone, sewer, water, and gasoline and diesel fuel used in vehicles for both General Fund and schools.

Chart to the left: The blue bars represent actual expenditures, the yellow bar is the FY 2024 budget, and red bars are projected amounts. Electricity costs have decreased significantly due to energy efficiency upgrades, the installation of solar arrays at several facilities. In

addition, FY 2016 had warmer seasons contributing to savings. Costs are projected to increase on average 1.90% in the next five years.

Chart to the right: The blue/black bars represent actual expenditures, the yellow bar for FY 2024 budget, and red bars projections. Essentially all actively used facilities have been converted to natural gas for heating and cooling. As the chart above indicates, oil expenditures have declined over the past few years due to conversions to natural gas and the remaining facilities are being converted or will be in the near future. The cost of natural gas is projected to increase as some of the town's favorable contracts have expired. The projection uses a 2.25% increase per year. The projection does not include any new facilities or the closure of any current facilities.

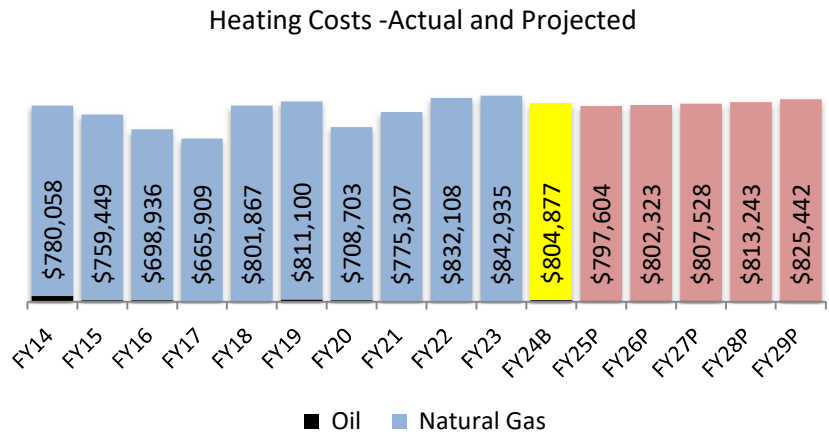


Chart to the right: The Hyannis water and sewer systems, which many town facilities are connected to, have capital program plans that may require annual rate increases. The blue bars represent actual expenditures, the yellow bar for FY 2024 budget, and red bars projections. The forecast indicated by red bars includes an annual increase of 3.5% for water and sewer.

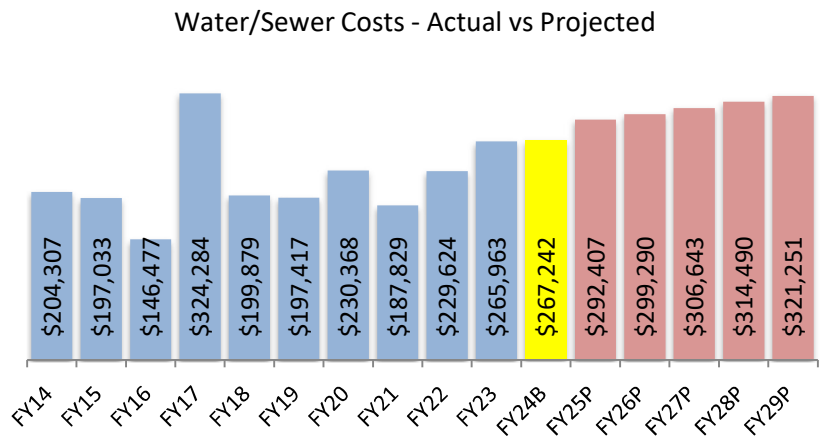
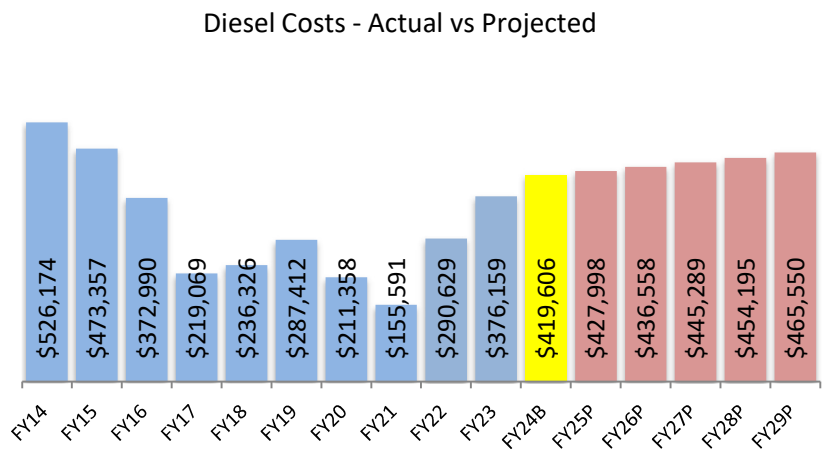


Chart to the right: The blue bars represent diesel actual expenditures, the yellow bar for FY 2024 budget, and red bars projections. The largest users of diesel fuel are the Public Works and School Departments. Fuel costs can fluctuate significantly year-over-year as noted by the graph, which the town is also a part of the Barnstable County bidding process. Prices have declined recently, however, looking ahead fuel prices are projected to increase annually over the next five years.



Gasoline Costs - Actual vs Projected

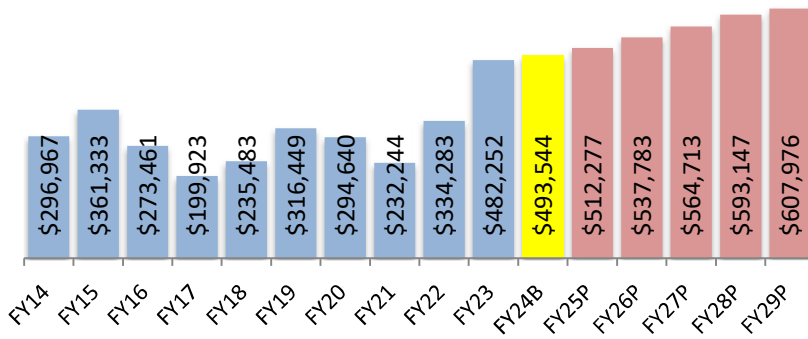


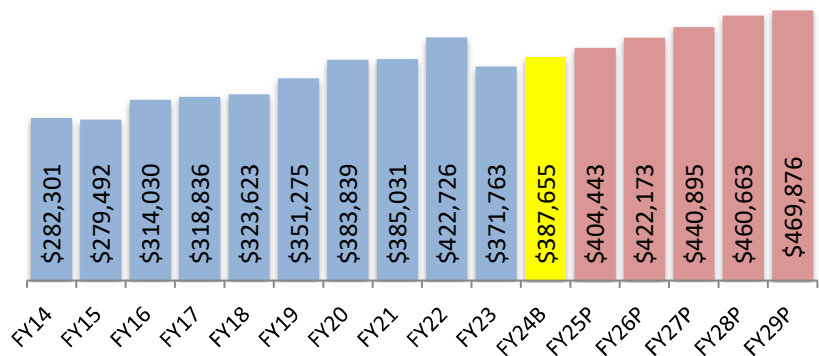
Chart to the left: The blue bars represent gasoline actual expenditures, the yellow bar for FY 2024 budget, and red bars projections. The largest users of gasoline are the Police and Public Works Departments. Fuel cost can fluctuate significant year-over-year as noted by the graph, which the town is also a part of the Barnstable County bidding process. Looking ahead fuel prices are projected to increase annually over the next five years.

B.4 COMMUNICATION AND TECHNOLOGY

This category includes telephone services, repair, & maintenance on phones, internet access, software and hardware maintenance, and equipment for both General Fund and schools.

Chart to the right: Communication cost includes things such as telephone services, repair, & maintenance on phones, internet access, and equipment. Cellular phone service is the largest component of this category, and the cost continues to grow. The blue bars represent actual expenditures, the yellow bar for FY 2024 budget, and red bars projections.

Communication Costs - Actual vs Projected



Technology - Actual vs Projected

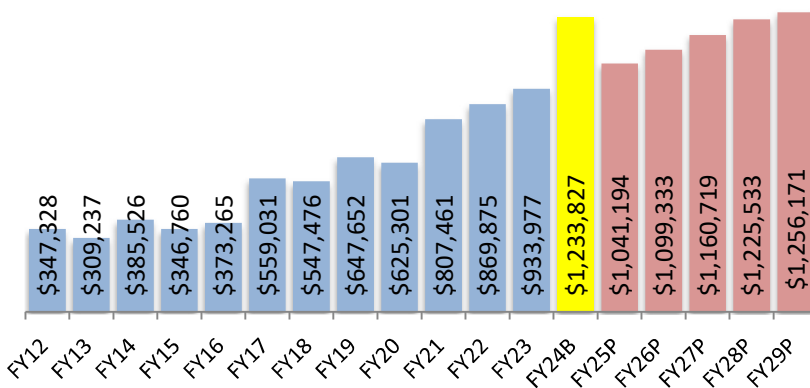


Chart to the left: Technology costs for software and hardware maintenance. Many of the maintenance requirements include the town’s accounting software programs, permitting software, training software, technical support, security and backup software. Most of the software programs require yearly cost increases. As the town moves towards more online operating solutions, it is anticipated that these costs will also correspondingly increase. FY 2024 included one-time network improvements. The blue bars represent actual expenditures, the yellow bar for FY 2024 budget, and red bars projections.

B.5 SPECIAL EDUCATION

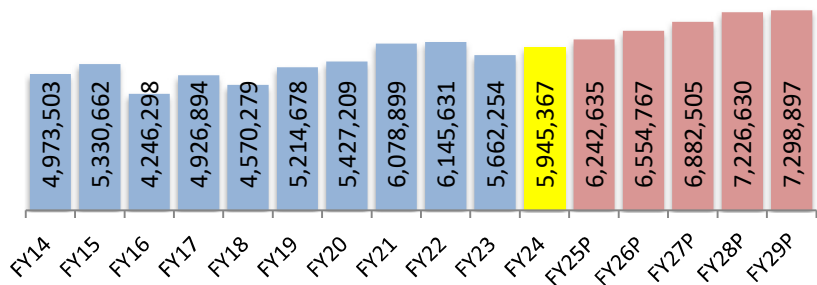
One out of every six public school students in Massachusetts have some type of disability that affects the student's ability to make effective educational progress and requires special education services. School districts are required to provide these special education services by both state and federal law. Special education services can be provided in a wide range of settings. Some students receive services in a general education classroom; in some cases, through an aide assigned to assist one or more students in that class. A student may receive services in a pullout program for a portion of the school day while spending the remainder of the day in a general education classroom, or the student may be in a substantially separate program for all or most of the day. Many districts have joined together to form educational collaborates to provide separate special education programs on a regional basis, providing for the student and for effective cost control through economies of scale. Barnstable Public Schools is part of the Cape Cod Collaborative. Students with significant disabilities may require placement in a private special school in either a day program or a residential program.

The state special education reimbursement program, commonly known as the Circuit Breaker (CB) program, was started in FY 2004 to provide additional state funding to districts for high-cost special education students. The threshold for eligibility is tied to four times the state average foundation budget per pupil as calculated under the Chapter 70 program, with the state currently paying 75% of the costs above that threshold. For children placed in a school district outside their hometown by the Department of Transitional Assistance or the Department of Children and Families, and for children who have no parents or guardians in the commonwealth, the reimbursement is 100% above the threshold rather than 75%.

Chart to the right: Total special education costs have fluctuated between \$4 million to \$6.1 million over the past ten years. This area of the budget is projected to continue to increase. This category of spending can be very unpredictable. One new student requiring residential placement services can result in significant costs. The fluctuation in costs over the past ten years has been as much as 20% in one year. For the

purpose of this forecast, special education costs eligible for the CB program are projected to increase an average of 5% per year. Standard rates for each type of service are established annually by DESE based on statewide surveys and are used to calculate the reimbursable cost for each student; this simplifies the claim process and

Special Education Expenditures Eligible for Circuit Breaker Funding - Actual vs Projected



minimizes the documentation which needs to be submitted. For students attending 766 private schools, the eligible cost for reimbursement is based on the approved tuition rate set by the state's Operational Services Division.

Distribution of Special Education Funding

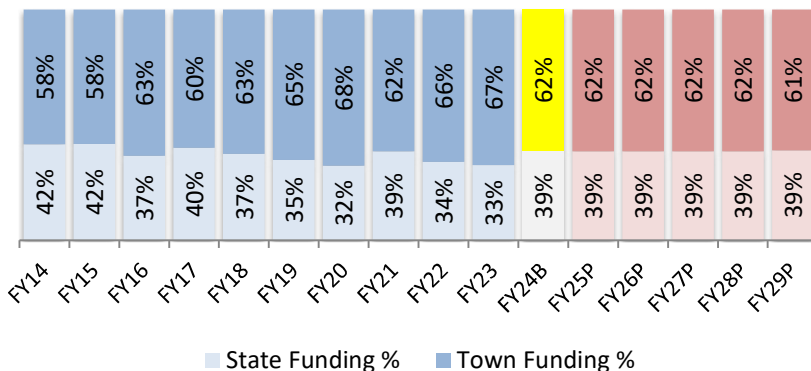


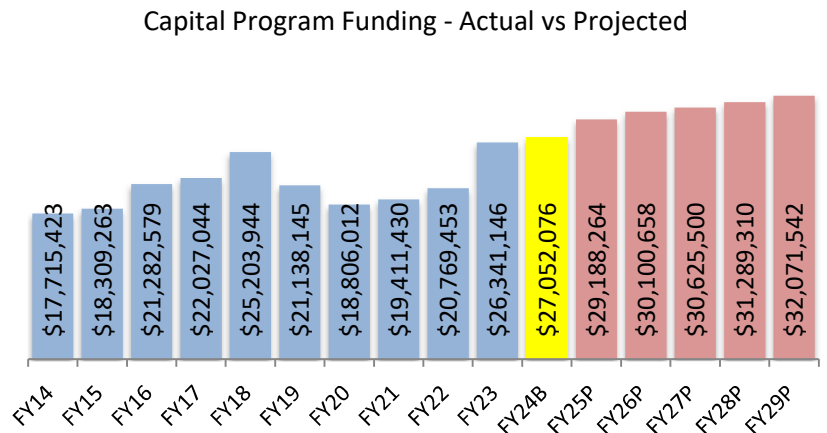
Chart to the left: Each summer, districts submit claim forms to the Department of Elementary and Secondary Education (DESE) listing the types and amounts of special education instructional services

provided to each student during the previous fiscal year. Administrative and overhead costs are not reimbursable. The charts above illustrate the actuals indicated by blue bars and projected as red bars for funding rates between the state and the town for our special education costs eligible for reimbursement under the Circuit Breaker program.

B.6 INFRASTRUCTURE FUNDING

Infrastructure funding, also referred to as the Capital Improvement Plan (CIP), consists of General Fund revenues dedicated to loan payments on bonds issued to finance capital projects as well as transfers from the General Fund into the town’s Capital Trust Fund.

Chart to the right: As indicated by the blue bars for actuals, yellow FY 2024 budget, and red bars for projected expenditures in the chart above. These funds allocated to the town’s General Fund capital program have been on the rise in conjunction with capital project requests and costs. In addition, the town has dedicated excess General Fund reserves to the capital program when available. This is illustrated by the sharp increases in FY 2016, FY 2017, FY 2018 and FY 2023. It is anticipated that any debt service costs expiring will be reinvested into the capital program. Current capital needs are in excess of \$400 million for General Fund project request.



B.7 ASSESSMENTS AND OTHER

This category of General Fund expenditures includes assessments from the regional veterans’ district and associated benefit payments, county tax, Cape Cod Commission assessments, and various assessments received from the Commonwealth of Massachusetts. This also includes funding provided to the seven village libraries, a grant to promote tourism, funding for various town celebrations, and a provision for possible funding deficits for snow and ice removal.

B.6 (a) Veterans’ District Assessments and Benefit Payments

State laws require all towns to provide certain benefits to veterans. Towns can either appoint a local Veterans’ Agent or participate in a regional program, which administers the benefit payments. The town belongs to a regional veterans’ district made up of the 15 Cape Cod communities. All participants share the administrative costs of running the district. The administrative budget is allocated based on each member’s equalized property valuation as last determined by the state. Barnstable represents 19% of the total for the group. The FY 2024 budget assessment for administration is \$116,000. In addition to the assessment, this budget provides funding for direct benefit payments made to veterans. The FY 2024 budget for direct payments is \$289,000.

Veterans Expenses - Actual vs Projected

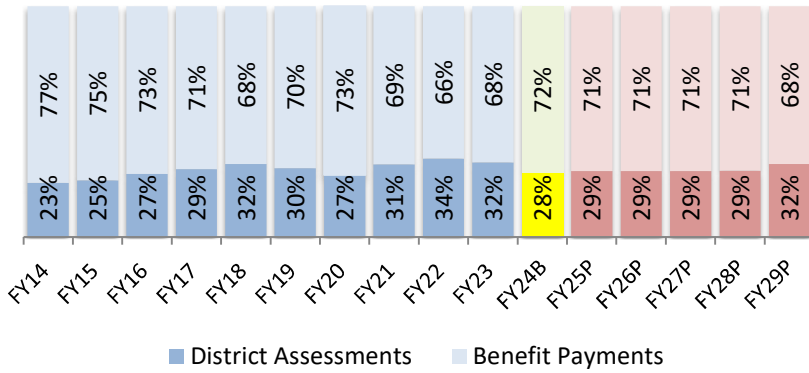


Chart to the left: A majority of the cost increase in this category is associated with benefit payments. Benefit payments have increased substantially due to continued increases in caseloads. Assessments for administration of the program as well as the benefit payments are projected to increase per year. The blue bars represent actual expenditures, the yellow bar for FY 2024 budget, and red bars projections.

B.7 (b) County Assessments

The town receives assessments from Barnstable County for operating the county government and Cape Cod Commission. The total assessment to all member towns is limited to increasing 2½ percent per year. Assessments are allocated to member towns based on equalized valuations, which could result in a member town’s assessment being more or less than 2½ percent in any given year. The portion of the assessment for funding the Cape Cod Commission is exempt from Proposition 2½ and is added to the levy limit each year.

Barnstable County Assessments - Actual vs Projected

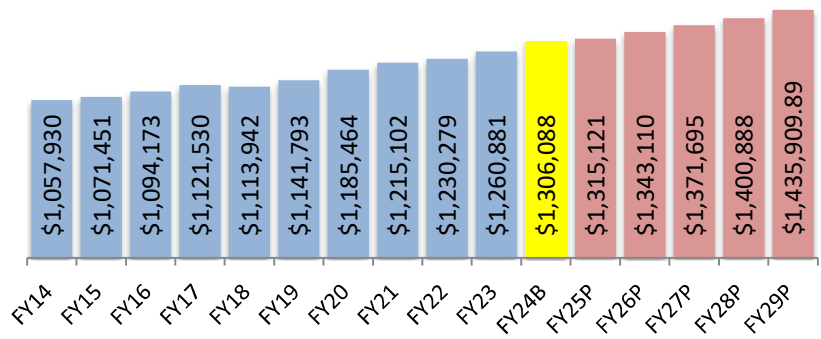
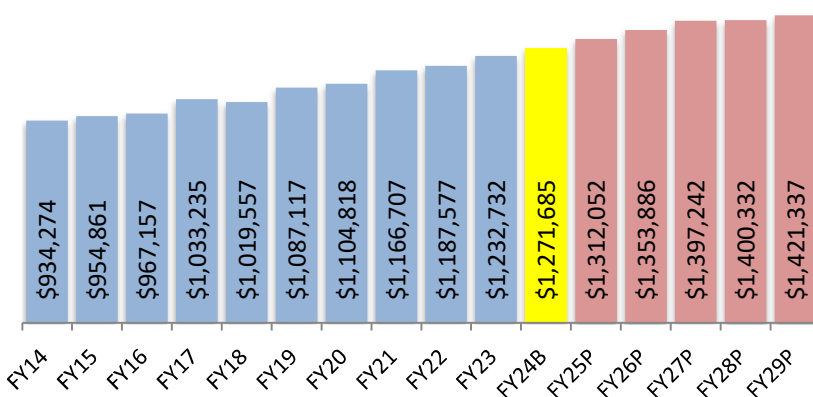


Chart to the right: The blue bars represent actual expenditures, the yellow bar for FY 2024 budget, and red bars projections. Assessments are projected to increase 2.5% per year over the forecast period. It is not anticipated that the county will have any surplus funds that could be used to lower the assessments as in past years.

B.7 (c) State Assessments

The town is assessed for several items by the state on an annual basis including mosquito control projects, air pollution control districts, non-renewal surcharges from the Registry of Motor Vehicles, special education costs for students enrolled in state hospital schools and regional transportation authorities.

Other Assessments- Actual vs Projected



Regional transportation and mosquito control projects comprise a majority of this expense category. Combined these costs have risen from \$810,000 in FY 2014 to \$1,136,000 in FY 2024, or 25%. In addition to inflationary cost increases, regional transportation costs are impacted by service levels.

Chart to the left: The blue bars represent actual expenditures, the yellow bar for FY 2024 budget, and red bars projections. The

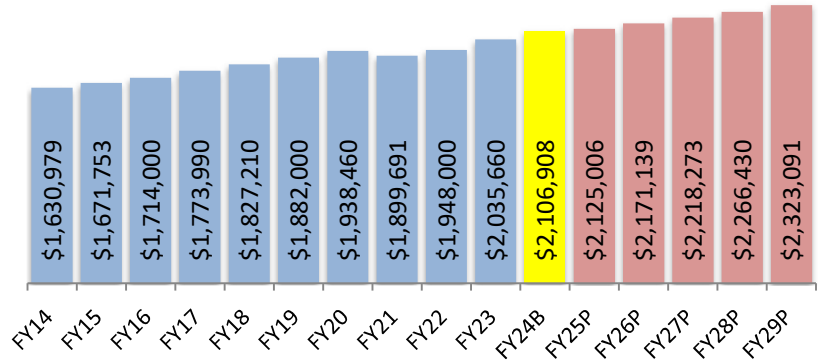
costs in this area are projected to increase per year over the forecast period. Regional transportation and mosquito control assessments comprise 92% of the costs in this area.

B.7 (d) Library Funding

The town provides funding for the seven village libraries which covers approximately one-half of the collective operating expenses of the seven libraries.

Chart to the right: Library funding has increased from \$1.63 million in FY 2014 to \$2.1 million in FY 2024. The town provided its largest increase in FY 2014 in order for the libraries to participate in the state aid to Libraries grant program without having to file a waiver and to provide funding so each library can have an annual audit conducted.

Library Funding - Actual vs Projected



B.7 (e) Tourism and Celebrations Funding

Tourism Grants Funding - Actual vs Projected

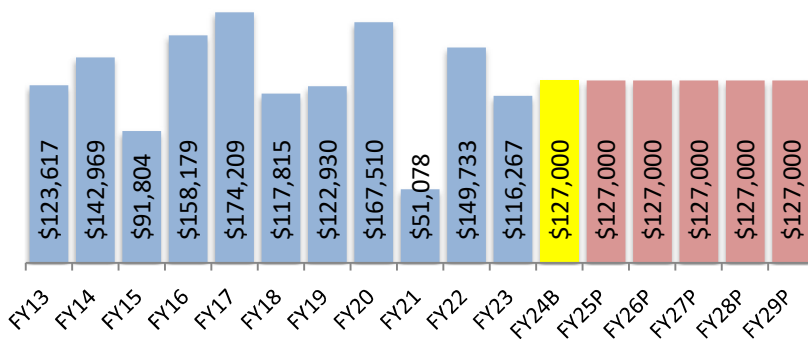
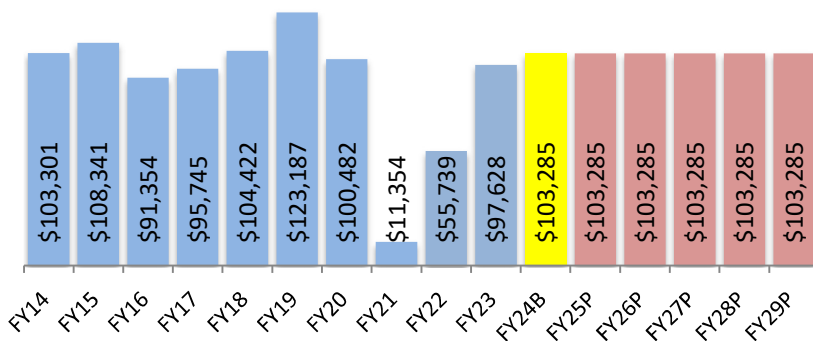


Chart to the left: Each year the town dedicates 7.5% of two-thirds of the projected rooms tax revenue to a grant for the promotion of tourism; the town’s main economy. This equates to 5% of the total rooms tax revenue. The other one-third of the room’s tax revenue is dedicated to a Sewer Construction and Private Way Maintenance and Improvements Special Revenue Fund. This grant will fluctuate correspondingly with the rooms tax revenue estimate. The town also provides funding for celebrations. Most of this

funding goes towards financing an annual 4th of July parade and fireworks.

Celebrations Funding - Actual vs Projected



Room taxes are projected to steadily decrease as the impact from the public health crisis is unknown. This may result in a decrease in the annual grant for tourism. The funding provided for celebrations is held level. A majority of this expense is allocated to the annual 4th of July parades and fireworks display.

B.7 (f) Snow and Ice Removal Deficits

State law allows cities and towns to deficit spend for snow & ice removal due to the unpredictability of events. Any deficit that occurs is included in the subsequent year's budget. This budget has been increased from \$725,000 in FY 2018 to \$975,000 in FY 2024. Any amount expended above the \$975,000 level is included in the following year's budget. Funding for the deficit is provided from the town's unreserved General Fund surplus.

SECTION IX – SPECIAL REVENUE FUNDS

SHELLFISH REVOLVING FUND SUMMARY

Pursuant to Chapter 44 § 53 E 1/2 of the General Laws a town is authorized to establish a revolving fund, which shall separately account from all other monies fees, charges, and expenditures from the department for a specific program or activity.

The purpose of the shellfish program is to educate, regulate, and manage the shellfish aquaculture industry within the town of Barnstable. Shellfish resources in the town of Barnstable have ecological, commercial, and recreational importance. Oysters, quahogs, softshell clams, mussels, and other bivalve species filter our coastal waters to remove algae and clean our waters. They also provide food for other marine animals and harvestable product for our commercial shell fishing industry.

Factors Affecting Revenues

The shellfish program generates revenue through two sources: recreational and commercial. The recreational component includes residential and non-residential sticker sales as individuals choose to harvest for personal consumption. Commercial revenue sources include aquaculture grants and commercial permits; however, these are subject to annual quotas. These latter sources are also subjected to the market for shellfish products through restaurants and grocery store demand.

Factors Affecting Expenses

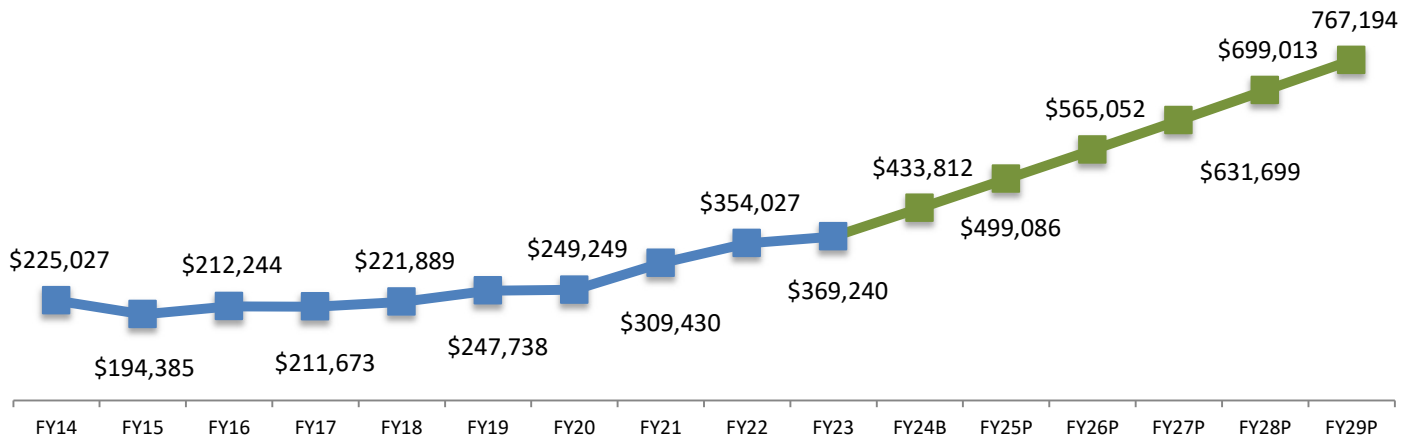
Several factors influence the cost of this program and can be volatile. Each year the program purchases shellfish seeds for cultivating. The yield during the cultivating process can be unpredictable and that during low yield periods, more seed purchases are necessary. Other costs include boat repairs, monitoring grants, enforcement, testing, and support from volunteers.

Regarding recent events due to bacteria issues in shellfish, the shellfish industry will continue to evolve as new enforcement procedures and regulations for testing shellfish come into effect. This also includes the potential use of aquaculture for water quality management.

Fund Balance

Revolving funds are not subject to the Department of Revenue (DOR) certified free cash process. However, these revolving funds are subject to an annual Town Council approved limit on the total amounts that may be expended. Furthermore, revolving funds are also limited in that no expenditure or liability shall be incurred in excess of the fund balance.

Shellfish Fund Balance - Actual vs Projected



The blue bars represent the past ten years of actual fund balance and green bars projected.

SHELLFISH REVOLVING FUND OPERATING PROJECTION – CASH BASIS

| Shellfish Revolving Fund Projected | | | | | | |
|------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2024P | 2025P | 2026P | 2027P | 2028P | 2029P |
| Fees | 195,059 | 198,310 | 201,615 | 204,975 | 208,391 | 211,934 |
| Grants | 10,394 | 10,489 | 10,587 | 10,687 | 10,790 | 10,973 |
| Total Revenues: | \$205,452 | \$208,799 | \$212,202 | \$215,662 | \$219,181 | \$222,907 |
| Change From Prior Year | 1.39% | 1.63% | 1.63% | 1.63% | 1.63% | 1.70% |
| Salaries and Wages | 110,553 | 112,727 | 114,955 | 117,238 | 119,577 | 122,088 |
| Benefits | 3,761 | 3,868 | 3,978 | 4,091 | 4,209 | 4,276 |
| Operating Expenses | 26,567 | 26,930 | 27,303 | 27,686 | 28,081 | 28,362 |
| Total Expenses: | \$140,880 | \$143,525 | \$146,236 | \$149,016 | \$151,866 | \$154,726 |
| Change From Prior Year | -24.83% | 1.88% | 1.89% | 1.90% | 1.91% | 1.88% |
| Budget Surplus (Deficit) | 64,572 | 65,274 | 65,966 | 66,646 | 67,315 | 68,181 |
| Beginning Surplus (Deficit) | \$369,240 | \$433,812 | \$499,086 | \$565,052 | \$631,699 | \$699,013 |
| Ending Surplus (Deficit) | \$433,812 | \$499,086 | \$565,052 | \$631,699 | \$699,013 | \$767,194 |

CONSUMER PROTECTION REVOLVING FUND SUMMARY

Pursuant to Chapter 44 § 53 E 1/2 of the General Laws a town is authorized to establish a revolving fund, which shall separately account from all other monies fees, charges, and expenditures from the department for a specific program or activity.

The purpose of the Consumer Protection Fund is to serve residents, visitors, and merchants while enhancing public safety and ensuring standards by inspecting for accuracy and suitability of various business devices such as, taxicab meters, industrial scales, gas stations dispensers, retail store scales. Currently, this fund services 10 communities on Cape Cod aside from Barnstable.

Factors Affecting Revenues

Revenue sources are derived from inspections, violations, and a memorandum agreement fee for outsourced services to the other 10 communities. Inspection revenues are determined by the level of business activity, devices to be inspected, and violations. A recently approved Memorandum of Agreement (MOA) with the other 10 communities includes an inflationary cost escalator that will support the longevity of the fund.

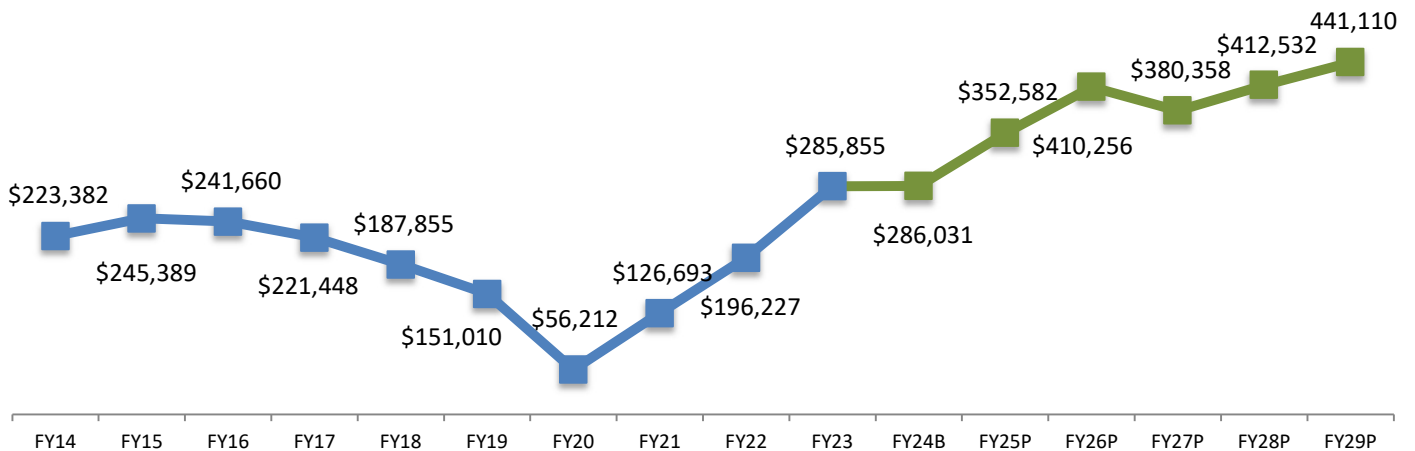
Factors Affecting Expenses

This program currently employees 4.75 full-time equivalent staff. The program also requires travel to businesses across Cape Cod, and that four vehicles will require replacement in the near future. The technology used by businesses is also specialized and constantly changing, and coupled with intensive regulations on consumer products, continuous training of personnel is needed.

Fund Balance

Revolving funds are not subject to the Department of Revenue (DOR) certified free cash process. However, these revolving funds are subject to an annual Town Council approved limit on the total amount that may be expended. Furthermore, revolving funds are also limited in that no expenditure or liability shall be incurred in excess of the fund balance.

Consumer Protection Fund Balance - Actual vs Projected



The blue bars represent the past ten years of actual fund balance and green bars projected.

CONSUMER PROTECTION REVOLVING FUND OPERATING PROJECTION – CASH BASIS

| Consumer Protection Revolving Fund Projected | | | | | | |
|--|------------------|------------------|------------------|-------------------|------------------|------------------|
| | 2024B | 2025P | 2026P | 2027P | 2028P | 2029P |
| Fees | 237,516 | 238,017 | 238,520 | 239,023 | 239,528 | 241,923 |
| Intermunicipal Agreement | 130,681 | 133,948 | 137,296 | 137,296 | 137,296 | 138,669 |
| Other | 102,989 | 101,938 | 100,898 | 99,869 | 98,850 | 97,850 |
| Total Revenues: | \$471,185 | \$473,903 | \$476,714 | \$476,189 | 475,675 | 478,442 |
| Change From Prior Year | -0.70% | 0.58% | 0.59% | -0.11% | -0.11% | 0.58% |
| Salaries and Wages | 352,124 | 362,588 | 373,366 | 384,467 | 395,901 | 401,840 |
| Benefits | 24,842 | 25,683 | 26,553 | 27,453 | 28,383 | 28,809 |
| Operating Expenses | 94,081 | 19,081 | 19,122 | 94,167 | 19,216 | 19,216 |
| Total Expenses: | \$471,010 | \$407,352 | \$419,040 | \$506,087 | \$443,501 | \$449,864 |
| Change From Prior Year | 22.39% | -13.52% | 2.87% | 20.77% | -12.37% | 1.43% |
| Budget Surplus (Deficit) | \$175 | \$66,551 | \$57,674 | (\$29,898) | \$32,174 | \$28,578 |
| Beginning Surplus (Deficit) | \$285,855 | \$286,031 | \$352,582 | \$410,256 | \$380,358 | \$412,532 |
| Ending Surplus (Deficit) | \$286,031 | \$352,582 | \$410,256 | \$380,358 | \$412,532 | \$441,110 |

SECTION X – CAPITAL IMPROVEMENTS PLAN

CAPITAL TRUST FUND ESTIMATED 5-YEAR FUNDING CAPACITY

The Capital Trust Fund (CTF) is used as a mechanism to finance the town’s General Fund capital improvements program within the limitations of Proposition 2½. Annually, the town transfers a sum of money from the General Fund into the CTF. The resources within the CTF are then used to make the annual loan payments on the bonds issued to finance the General Fund capital program. The CTF operates essentially as a debt service fund. Some of the town’s capital appropriations are financed using the reserves within the CTF as opposed to bond issues. Annually, the town reviews the projected cash flows in and out of the CTF for the prospective five-year period in order to measure the level of additional capital appropriations the fund can absorb. For example, the total current year resource commitments cannot exceed 80% of the ending trust fund balance in any fiscal year. This is because the fund cannot absorb additional resources for future capital projects.

ESTIMATED CAPITAL TRUST FUND CASH FLOW

| | FY2025 | FY2026 | FY2027 | FY2028 | FY2029 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Beginning Trust Fund Balance | \$14,876,204 | \$15,189,475 | \$14,995,182 | \$14,283,099 | \$13,421,552 |
| <u>Resources:</u> | | | | | |
| Investment Earnings | 297,524 | 303,790 | 299,904 | 285,662 | 268,431 |
| Transfer From General Fund | 16,248,709 | 17,404,927 | 18,590,050 | 19,054,801 | 19,531,171 |
| Total Current Year Resources | 16,546,233 | 17,708,717 | 18,889,954 | 19,340,463 | 19,799,602 |
| <u>Commitments:</u> | | | | | |
| Existing Debt Service Payments General Fund | (6,249,510) | (5,978,395) | (5,332,870) | (4,872,365) | (4,592,515) |
| Existing Debt Service Payments Enterprise Funds | (1,340,795) | (1,283,975) | (1,238,895) | (705,850) | (371,675) |
| Existing Debt Service | (7,590,305) | (7,262,370) | (6,571,765) | (5,578,215) | (4,964,190) |
| Auth Unissued Debt Prior Years CIP (\$14.6m) | (1,542,657) | (1,503,981) | (1,465,306) | (1,426,630) | (1,387,955) |
| Estimated Debt Service on FY25 CIP (\$12 million) | - | (1,186,659) | (1,158,632) | (1,130,606) | (1,102,580) |
| Estimated Debt Service on FY26 CIP (\$16 million) | - | - | (1,606,333) | (1,568,225) | (1,530,117) |
| Estimated Debt Service on FY27 CIP (\$16 million) | - | - | - | (1,598,333) | (1,560,717) |
| Estimated Debt Service on FY28 CIP (\$16 million) | - | - | - | - | (1,590,333) |
| Estimated Debt Service on FY29 CIP (\$16 million) | - | - | - | - | - |
| Total Estimated Debt Service | (1,542,657) | (2,690,640) | (4,230,272) | (5,723,795) | (7,171,702) |
| Commitment to the CWMP | (4,250,000) | (5,000,000) | (5,750,000) | (5,750,000) | (5,750,000) |
| Cash Program (Public Roads) | (2,850,000) | (2,950,000) | (3,050,000) | (3,150,000) | (3,250,000) |
| Cash Program | (7,100,000) | (7,950,000) | (8,800,000) | (8,900,000) | (9,000,000) |
| Total Current Year Commitments | (16,232,962) | (17,903,010) | (19,602,037) | (20,202,010) | (21,135,892) |
| Net Increase (Decrease) in Trust Fund Balance | 313,271 | (194,293) | (712,083) | (861,547) | (1,336,290) |
| Ending Trust Fund Balance | \$15,189,475 | \$14,995,182 | \$14,283,099 | \$13,421,552 | \$12,085,262 |
| Commitments as a % of Available Resources | 52% | 54% | 58% | 60% | 64% |

The table illustrates the CTF's cash flow incorporating all existing loan payments on previously authorized projects, estimated bond issues, cash uses, and estimated future funding capacity. The CTF estimated beginning fund balance as of FY 2025 is \$14,876,204. Using the assumptions listed below, the CTF annual total resource commitments for projects range from \$12 million to \$16 million.

Major Assumptions Used 5-Year Forecast:

- Investment earnings will average 2.00% per year;
- The transfer from the General Fund will increase 2.5% per year;
- Loan amortization on the authorized unissued bonds will include:
 - \$ 500,000 over 10 years,
 - \$ 11,099,657 over 15 years,
 - \$ 3,017,321 over 20 years;
- The coupon rates on the bonds are estimated to be 4.00%-4.25%;
- The FY 2025 bonds will be issued at a time so that the first loan payments will not be made until FY 2026;
- There are no estimated savings from bond refinancing included in the projection;
- The Federal government will not make any changes and the tax advantages of municipal bonds will remain intact;
- No other major changes will take place in the municipal bond market; and
- The cash funded portion of the capital program will average \$4.6 million per year.

FIVE-YEAR SUMMARY OF GENERAL FUND CAPITAL IMPROVEMENTS PLAN SUBMISSIONS

Part VI Financial Procedures: Section 6-5 Capital Improvements Plan within the town Charter requires the Town Manager to submit annually a capital improvements program to the Town Council. Below are lists of all previously approved General Fund capital projects for FY 2025 as well as a five-year summary.

A. FY 2025 CAPITAL IMPROVEMENTS PLAN SUBMISSIONS

| Council Order Number | Project Name | Reserves | Grants | Bond Issue | Other | Total |
|--------------------------------------|--|------------------|------------------|----------------|----------|------------------|
| 2024-115 | Private Road Repairs – School Street & Old Mill Road in Marstons Mills | 1,520,000 | - | - | - | 1,520,000 |
| 2024-116 | Public Roads Maintenance | 2,850,000 | 1,000,000 | - | - | 3,850,000 |
| 2024-117 | Curb Ramps & Sidewalks ADA Transition Plan | 350,000 | - | - | - | 350,000 |
| 2024-119 | Raised Crosswalks on Main St, Osterville Village | - | - | 685,000 | - | 685,000 |
| Total Infrastructure Projects | | 4,720,000 | 1,000,000 | 685,000 | - | 6,405,000 |

| | | | | | | |
|--|---|------------------|----------|------------------|---------------|------------------|
| 2024-125 | Automatic Beach Gate | 240,000 | - | - | - | 240,000 |
| 2024-126 | Town Hall Elevator Replacement - design | 250,000 | - | - | - | 250,000 |
| 2024-127 | School Admin. Building Mechanical Cooling Upgrades | - | - | 619,000 | - | 619,000 |
| 2024-128 | MEA Building Mechanical Improvements | 51,000 | - | - | - | 51,000 |
| 2024-129 | Barnstable Adult Community Center Mechanical Upgrades | 27,000 | - | - | 45,000 | 72,000 |
| 2024-130 | Old Selectmen’s Building Handicapped Ramp. | 89,000 | - | - | - | 89,000 |
| 2024-131 | Mosswood Cemetery Building Improvements | 90,300 | - | - | - | 90,300 |
| 2024-132 | Town Office Relocation Project | - | - | 618,759 | - | 618,759 |
| 2024-133 | Barnstable Police Facility Improvements | 370,000 | - | - | - | 370,000 |
| 2024-134 | MEA Exterior Restoration Project | 359,623 | - | - | - | 359,623 |
| 2024-135 | Barnstable Adult Community Center Exterior Restoration - Design | - | - | - | 48,000 | 48,000 |
| 2024-139 | Joshua’s Pond Handicap Accessibility & Beach Improv. | 305,000 | - | - | - | 305,000 |
| 2024-140 | Centerville Recreation Mechanical Improvements - design | 243,000 | - | - | - | 243,000 |
| 2024-141 | IT Network Infrastructure Upgrades | 175,000 | - | - | - | 175,000 |
| Total Municipal Facilities Projects | | 2,199,923 | - | 1,237,759 | 93,000 | 3,530,682 |

| | | | | | | |
|---------------------------------|---|----------------|----------|------------------|----------|------------------|
| 2024-120 | Channel Dredging Program | - | - | 1,750,000 | - | 1,750,000 |
| 2024-121 | Bulkhead Improvements | - | - | 580,000 | - | 580,000 |
| 2024-122 | Bay Shore Road Boat Ramp | 256,000 | - | - | - | 256,000 |
| 2024-123 | West Bay Breakwater | 50,000 | - | - | - | 50,000 |
| 2024-124 | Blish Point Construction for Long Term Solution | 150,000 | - | - | - | 150,000 |
| Total Waterways Projects | | 456,000 | - | 2,330,000 | - | 2,786,000 |

| | | | | | | |
|-------------------------------------|---|----------------|----------|----------|----------|----------------|
| 2024-118 | Monitoring and Mgt. Plan - Freshwater Ponds | 135,000 | - | - | - | 135,000 |
| Total Water Quality Projects | | 135,000 | - | - | - | 135,000 |

| | | | | | | |
|----------|--|---------|---|---------|---|---------|
| 2024-142 | Elevator Installation BCIS | - | - | 900,000 | - | 900,000 |
| 2024-143 | Playground Safety | 550,000 | - | - | - | 550,000 |
| 2024-144 | Paging System Upgrade - Hy West / Enoch Cobb | 85,000 | - | - | - | 85,000 |

| | | | | | | |
|---|--|------------------|----------|------------------|----------|------------------|
| 2024-145 | BIS Exterior Door Replacement | 344,000 | - | - | - | 344,000 |
| 2024-146 | Unit Ventilator Replacement / Chiller Swap | - | - | 3,353,700 | - | 3,353,700 |
| 2024-147 | Auditorium RTU Replacement | - | - | 650,000 | - | 650,000 |
| 2024-148 | Hyannis West Parking | 78,000 | - | - | - | 78,000 |
| 2024-149 | BHS Network Based Public Address System | - | - | 757,700 | - | 757,700 |
| 2024-150 | Hyannis West Locker Room Reno to Teaching Spaces | 160,000 | - | - | - | 160,000 |
| 2024-151 | Plumbing Fixtures Replacement K-3 | 200,000 | - | - | - | 200,000 |
| 2024-152 | BHS Bathroom Renovations | - | - | 1,110,000 | - | 1,110,000 |
| 2024-153 | BHS Roof Replacement - Design | 350,000 | - | - | - | 350,000 |
| 2024-154 | BUE Library Carpet Remove and Replace | 63,800 | - | - | - | 63,800 |
| 2024-155 | Hyannis West Bathroom Renovations | 318,000 | - | - | - | 318,000 |
| 2024-156 | Direct Digital Controls Upgrades HVAC | - | - | 1,000,000 | - | 1,000,000 |
| Total School Facilities Projects | | 2,148,800 | - | 7,771,400 | - | 9,920,200 |

| | | | | | |
|------------------------------------|------------------|------------------|-------------------|---------------|-------------------|
| Total General Fund Projects | 9,659,723 | 1,000,000 | 12,024,159 | 93,000 | 22,776,882 |
|------------------------------------|------------------|------------------|-------------------|---------------|-------------------|

B. FIVE YEAR GENERAL FUND CAPITAL IMPROVEMENTS PLAN SUMMARY

The five-year summary is categorized into the following: infrastructure, municipal facilities, water quality, and school facilities. Based on the total General Fund project costs of \$278 million over five years, infrastructure projects account for 36%, municipal facilities 26%, water quality 9%, and school facilities 28%. The annual public roads maintenance program is the largest commitment to the capital program accounting for 7% of all capital projects over the five-year period.

B.1 Infrastructure Capital Improvements Plan Summary

| PROJECT TITLE | 2025 | 2026 | 2027 | 2028 | 2029 | TOTALS |
|---|-----------|-----------|-----------|-----------|-----------|------------|
| Infrastructure | | | | | | |
| IT Network Infrastructure Upgrades | 175,000 | 150,000 | 150,000 | 150,000 | 150,000 | 775,000 |
| Centerville Recreation Field | 568,000 | - | - | - | - | 568,000 |
| Automatic Beach Gate | 240,000 | - | - | - | - | 240,000 |
| Osterville Comfort Station | 1,639,000 | - | - | - | - | 1,639,000 |
| Town Recreation Field Improvements | 760,000 | 2,985,950 | 979,000 | 440,550 | - | 5,165,500 |
| Kennedy Memorial Renovation | 2,270,000 | - | - | - | - | 2,270,000 |
| Public Roads Maintenance | 3,850,000 | 3,950,000 | 4,050,000 | 4,150,000 | 4,250,000 | 20,250,000 |
| Curb Ramps & Sidewalks ADA Transition Plan | 350,000 | 368,000 | 385,000 | 405,000 | 426,000 | 1,934,000 |
| Public Bridge Maintenance and Repairs | 340,000 | 1,389,000 | 856,000 | 827,000 | 404,000 | 3,816,000 |
| Private Road Repairs – School Street & Old Mill Road in Marstons Mills | 1,520,000 | 585,000 | - | - | - | 2,105,000 |
| Pitcher’s Way Shared Use Path (Bears’s Way to Smith Street) - Design | 390,000 | - | 3,000,000 | - | - | 3,390,000 |
| North Street Sidewalk Extension | 886,000 | - | - | - | - | 886,000 |
| Oyster Harbors Bridge Improvements – Design & Permitting | 450,000 | 3,000,000 | - | 2,000,000 | - | 5,450,000 |
| Raised Crosswalks on Main St, Osterville Village | 685,000 | - | - | - | - | 685,000 |
| Phinney’s Lane and Wequaquet Lane Sidewalk Extensions – Design and Construction | 1,710,000 | - | - | - | - | 1,710,000 |
| Main Street, Centerville Village Pedestrian Improvements – Design | 250,000 | 2,450,000 | - | - | - | 2,700,000 |
| South Street Pedestrian Improvements | 468,000 | 3,600,000 | - | - | - | 4,068,000 |
| Bismore Park Improvements | 233,000 | 991,000 | - | - | - | 1,224,000 |
| Maraspin Creek Culvert Replacements (Indian Trail and Swallow Hill Drive) | 285,000 | - | 1,900,000 | - | - | 2,185,000 |
| Craigville Beach Road Pedestrian Improvements | 200,000 | 1,500,000 | - | - | - | 1,700,000 |
| Cotuit Memorial Park Restoration | 520,434 | - | - | - | - | 520,434 |
| Concrete Guardrail Replacement | 187,425 | 196,796 | 206,636 | 216,967 | 227,815 | 1,035,639 |
| Hawes Ave. Culvert Reconstruction | - | 1,400,000 | - | - | - | 1,400,000 |
| Hyannis West End Rotary | - | 250,000 | 3,050,000 | - | - | 3,300,000 |
| West Main Street Pedestrian & Bicycle Improvements | - | 624,000 | 4,800,000 | - | - | 5,424,000 |
| West Main St & Pine St Intersection | - | 1,240,000 | - | - | - | 1,240,000 |

| PROJECT TITLE | 2025 | 2026 | 2027 | 2028 | 2029 | TOTALS |
|---|-------------------|-------------------|-------------------|-------------------|------------------|--------------------|
| Infrastructure | | | | | | |
| Marstons Mills Playground | - | 682,000 | - | - | - | 682,000 |
| Barnstable Rd Streetscape | - | 1,560,000 | 12,000,000 | - | - | 13,560,000 |
| Commerce Rd Resiliency Improvements & Culvert | - | 5,100,000 | - | - | - | 5,100,000 |
| Sidewalks on Commerce Road | - | 1,230,000 | - | - | - | 1,230,000 |
| East Bay Road and Wianno Avenue Sidewalks | - | - | 156,000 | 1,200,000 | - | 1,356,000 |
| Cotuit Playground Project | - | - | 1,153,000 | - | - | 1,153,000 |
| Stewarts Creek Restoration Study | 250,000 | - | 250,000 | 3,000,000 | - | 3,500,000 |
| Total Infrastructure Projects | 18,226,859 | 33,251,746 | 32,935,636 | 12,389,517 | 5,457,815 | 102,261,573 |

B.2 Municipal Facilities Capital Improvements Plan Summary

| PROJECT TITLE | 2025 | 2026 | 2027 | 2028 | 2029 | TOTALS |
|--|-------------------|-------------------|-------------------|----------------|-------------------|-------------------|
| Municipal Facilities | | | | | | |
| MEA Exterior Restoration Project | 359,623 | - | - | - | - | 359,623 |
| Barnstable Police Facility Improvements | 2,560,000 | 2,690,000 | - | - | - | 5,250,000 |
| MEA Storage Facility - Design | 170,000 | 1,140,000 | - | - | - | 1,310,000 |
| MEA Parking Lot Improvements | 300,000 | - | - | - | - | 300,000 |
| Barnstable Adult Community Center Exterior Restoration | 521,000 | 270,000 | - | - | - | 791,000 |
| Salt Water Beach House Improvements | 235,000 | TBD | TBD | TBD | TBD | 235,000 |
| Hathaway's Pond Bathhouse and Site Improvements | - | 2,044,734 | - | - | - | 2,044,734 |
| Hamblin Pond Bathhouse and Site Improvements | 315,000 | 1,630,000 | - | - | - | 1,945,000 |
| Community Building Security System | 243,000 | - | - | - | - | 243,000 |
| Joshua's Pond Handicap Accessibility & Beach Improv. | 305,000 | 1,670,000 | - | - | - | 1,975,000 |
| Osterville Recreation Building | - | - | - | - | 15,322,803 | 15,322,803 |
| Town Hall Elevator Replacement | 1,960,000 | - | - | - | - | 1,960,000 |
| Mosswood Cemetery Columbarium | 295,500 | - | - | - | - | 295,500 |
| School Admin. Building Mechanical Cooling Upgrades | 619,000 | - | - | - | - | 619,000 |
| MEA Building Mechanical Improvements | 144,000 | - | - | - | - | 144,000 |
| Barnstable Adult Community Center Mechanical Upgrades | 72,000 | 366,000 | - | - | - | 438,000 |
| Centerville Recreation Mechanical Improvements | 1,674,000 | 686,097 | 397,303 | 68,420 | - | 2,825,820 |
| Old Selectmen's Building Handicapped Ramp. | 89,000 | - | - | - | - | 89,000 |
| Cape Cod Airfield Hanger Repair | 105,076 | 440,000 | - | - | - | 545,076 |
| Mosswood Cemetery Building Improvements | 90,300 | 300,000 | - | - | - | 390,300 |
| Town Office Relocation Project | 618,759 | - | - | - | - | 618,759 |
| Armory Building Improvements | 3,100,000 | - | - | - | - | 3,100,000 |
| West Barnstable Railroad Depot Restoration | 896,000 | - | - | - | - | 896,000 |
| 46 Pearl Street Repairs | 393,000 | 250,900 | - | - | - | 643,900 |
| 50 Pearl Street Repairs | 471,000 | 106,346 | - | - | - | 577,346 |
| Old Jail Repairs - Design | 105,738 | 345,904 | - | - | - | 451,642 |
| Old Town Hall - JFK Museum improvements | - | 1,978,810 | - | - | - | 1,978,810 |
| Emergency Generator Implementation Plan | - | 1,033,282 | 447,325 | - | - | 1,480,607 |
| Town Hall & School Admin Security Improvements | - | 409,600 | 1,021,480 | - | - | 1,431,080 |
| U.S. Custom House Interior Building Improvements | - | 763,882 | - | - | - | 763,882 |
| Guyer Barn Improvements | - | 375,000 | - | - | - | 375,000 |
| U.S. Custom House Site Improvements | - | 223,269 | 604,785 | - | - | 828,054 |
| Town Hall Parking Lot improvements | - | 85,000 | 870,000 | - | - | 955,000 |
| Town Hall Campus Parking Garage | - | 1,242,967 | 15,289,422 | - | - | 16,532,389 |
| Burgess Bram Improvements | - | 91,070 | 641,770 | - | - | 732,840 |
| DPW 382 Falmouth Rd Facility Parking Lot Repairs | - | 460,000 | - | - | - | 460,000 |
| Structures And Grounds Parking Lot Expansion | - | - | 787,000 | - | - | 787,000 |
| DPW Administration Office Expansion | - | - | 1,970,000 | - | - | 1,970,000 |
| Old Town Hall Basement Storage | - | - | - | 634,558 | - | 634,558 |
| Total Municipal Facilities Projects | 15,641,996 | 18,602,861 | 22,029,085 | 702,978 | 15,322,803 | 72,299,723 |

B.3 Water Quality / Waterway Capital Improvements Plan Summary

| PROJECT TITLE | 2025 | 2026 | 2027 | 2028 | 2029 | TOTALS |
|---|------------------|------------------|------------------|------------------|------------------|-------------------|
| Water Quality / Waterway Improvements: | | | | | | |
| Channel Dredging Program | 1,750,000 | 2,125,000 | 2,245,000 | 1,900,000 | 2,600,000 | 10,620,000 |
| Mill Pond Fishway | - | 2,520,000 | - | - | - | 2,520,000 |
| Bulkhead Improvements | 580,000 | - | 490,000 | - | - | 1,070,000 |
| Little River Fish Passage Restoration | 245,000 | - | - | - | - | 245,000 |
| Hyannis Breakwater | - | TBD | - | TBD | - | - |
| Cotuit Town Dock Improvements | - | 1,680,000 | - | - | - | 1,680,000 |
| Bay Shore Road Boat Ramp | 256,000 | 719,000 | - | - | - | 975,000 |
| West Bay Breakwater | 50,000 | 250,000 | - | 4,900,000 | - | 5,200,000 |
| Blish Point Construction for Long Term Solution | 150,000 | - | 2,000,000 | - | - | 2,150,000 |
| Monitoring and Mgt. Plan - Freshwater Ponds | 135,000 | 405,000 | 200,000 | TBD | TBD | 740,000 |
| Ponds Solution - Permit & Implement | TBD | TBD | TBD | TBD | TBD | - |
| Total Water Quality / Waterway Projects | 3,166,000 | 7,699,000 | 4,935,000 | 6,800,000 | 2,600,000 | 25,200,000 |

B.4 School Facilities Capital Improvements Plan Summary

| PROJECT TITLE | 2025 | 2026 | 2027 | 2028 | 2029 | TOTALS |
|--|-----------|-----------|-----------|-----------|-----------|------------|
| School Improvements: | | | | | | |
| Elevator Installation BCIS | 900,000 | - | - | - | - | 900,000 |
| Playground Safety | 550,000 | - | - | - | - | 550,000 |
| Paging System Upgrade - Hy West / Enoch Cobb | 85,000 | - | - | - | - | 85,000 |
| BIS Exterior Door Replacement | 344,000 | - | - | - | - | 344,000 |
| Unit Ventilator Replacement / Chiller Swap | 3,353,700 | - | - | - | - | 3,353,700 |
| Auditorium RTU Replacement | 650,000 | - | - | - | - | 650,000 |
| Hyannis West Parking | 78,000 | - | - | - | - | 78,000 |
| BHS Network Based Public Address System | 757,700 | - | - | - | - | 757,700 |
| Hyannis West Locker Room Reno to Teaching Spaces | 160,000 | - | - | - | - | 160,000 |
| Plumbing Fixtures Replacement K-3 | 200,000 | - | - | - | - | 200,000 |
| BHS Bathroom Renovations | 1,110,000 | - | - | - | - | 1,110,000 |
| BHS Roof Replacement - Design | 350,000 | 3,500,000 | 3,600,000 | 3,700,000 | 3,800,000 | 14,950,000 |
| BUE Library Carpet Remove and Replace | 63,800 | - | - | - | - | 63,800 |
| Hyannis West Bathroom Renovations | 318,000 | - | - | - | - | 318,000 |
| Direct Digital Controls Upgrades HVAC | 1,000,000 | 850,000 | 850,000 | - | - | 2,700,000 |
| Accessibility Upgrades | - | 1,159,600 | - | - | - | 1,159,600 |
| Closed Walkway to Hyannis West | - | 195,000 | - | - | - | 195,000 |
| BHS/BIS RTU Replacement Project Phase 5 | - | 3,000,000 | 2,000,000 | 1,500,000 | - | 6,500,000 |
| Gym / Field House Windows Replacement | - | 537,800 | - | - | - | 537,800 |
| Centerville Roof Replacement (Membrane and Shingle) | - | 1,401,400 | - | - | - | 1,401,400 |
| Gym Floor Replacement - BWB | - | 70,000 | - | - | - | 70,000 |
| BUE Kitchen Hood / Make-up Air Units Replacement | - | 65,000 | - | - | - | 65,000 |
| BIS Library Carpet Remove and Replace | - | 62,700 | - | - | - | 62,700 |
| West Villages Mill and Repave Playground Blacktop | - | 96,000 | - | - | - | 96,000 |
| BWB Replace Membrane Roof | - | 500,500 | - | - | - | 500,500 |
| BUE Interior Door Replacement | - | 720,000 | - | - | - | 720,000 |
| BIS Primary / Secondary Pump Replacement | - | 62,400 | - | - | - | 62,400 |
| Hyannis West Parking Lot Mill and Repave | - | 245,700 | - | - | - | 245,700 |
| Mechanical Upgrades | - | 250,000 | 250,000 | 250,000 | - | 750,000 |
| Hyannis West Roadway Mill and Repave | - | 259,700 | - | - | - | 259,700 |
| BHS Locker Room Renovations | - | 250,000 | - | - | - | 250,000 |
| BHS Exhaust Fan Replacement / Upgrades | - | 507,600 | - | - | - | 507,600 |
| Hyannis West Masonry Repairs | - | 142,000 | - | - | - | 142,000 |
| BHS Patch Parking and Drives | - | 703,000 | - | - | - | 703,000 |
| Hy West Convert Heating System From Steam to Hot Water | - | 2,633,400 | - | - | - | 2,633,400 |
| Performing Arts Center Upgrades / Repairs | - | 1,200,000 | - | - | - | 1,200,000 |
| Generator Replacement / Co-Generator Installation | - | 1,000,000 | - | - | - | 1,000,000 |
| Window Replacement Osterville Campus | - | 750,000 | - | - | - | 750,000 |
| Maintenance Sprinkle Building | - | 123,600 | - | - | - | 123,600 |
| BHS Masonry Repair/Repoint | - | 234,000 | - | - | - | 234,000 |
| BHS Repaint/replace interior doors | - | 150,000 | - | - | - | 150,000 |
| Field House Improvements | - | 273,000 | - | - | - | 273,000 |
| BHS Replace DHW Mixing Valves | - | 78,000 | - | - | - | 78,000 |
| BIS Gym Floor | - | 114,000 | - | - | - | 114,000 |

| PROJECT TITLE | 2025 | 2026 | 2027 | 2028 | 2029 | TOTALS |
|--|------|-----------|-----------|-----------|------|-----------|
| School Improvements: | | | | | | |
| BIS Café VCT | - | 66,000 | - | - | - | 66,000 |
| BIS Exhaust Fans Replacement | - | 96,000 | - | - | - | 96,000 |
| BIS Paving Main Driveway Repair Cracks | - | 61,000 | - | - | - | 61,000 |
| BIS Replace Sidewalk | - | 69,000 | - | - | - | 69,000 |
| BUE Locker Rm Roof | - | 112,000 | - | - | - | 112,000 |
| BUE DDC Controls | - | 878,000 | - | - | - | 878,000 |
| BUE Data Cabling | - | 183,000 | - | - | - | 183,000 |
| Acoustical Ceiling in Classrooms | - | 130,000 | - | - | - | 130,000 |
| BWB Paving Repairs | - | 55,000 | - | - | - | 55,000 |
| Centerville Windows Rm 2,4,6,8 | - | 313,000 | - | - | - | 313,000 |
| Centerville Windows New Wing | - | 1,183,000 | - | - | - | 1,183,000 |
| Centerville Sprinkler Building | - | 588,000 | - | - | - | 588,000 |
| BCIS Casework | - | 100,000 | - | - | - | 100,000 |
| BCIS Sprinkler Building | - | 527,000 | - | - | - | 527,000 |
| Replace finned tube radiation throughout | - | 131,000 | - | - | - | 131,000 |
| Hy West Classroom Casework on Exterior Wall | - | 150,000 | - | - | - | 150,000 |
| WV Café AHU | - | 97,000 | - | - | - | 97,000 |
| Facility's Building Dust Collection | - | 60,000 | - | - | - | 60,000 |
| Hy West HVAC Energy Recover to Offices/Cooling | - | - | 351,000 | - | - | 351,000 |
| BHS Lintel Repair | - | - | 78,000 | - | - | 78,000 |
| BHS Acoustical Ceiling | - | - | 1,734,000 | - | - | 1,734,000 |
| BHS Kitchen Epoxy | - | - | 97,000 | - | - | 97,000 |
| BHS Gymnasium Floor and Painting | - | - | 80,000 | - | - | 80,000 |
| BHS Café Floor | - | - | 107,000 | - | - | 107,000 |
| BHS 1600s Floor | - | - | 184,000 | - | - | 184,000 |
| BHS 1300+2300 Floor | - | - | 136,000 | - | - | 136,000 |
| BHS 1500's Floor | - | - | 92,000 | - | - | 92,000 |
| BHS 1700's Floor | - | - | 384,000 | - | - | 384,000 |
| BHS Boiler Room Make up Air | - | - | 71,000 | - | - | 71,000 |
| BHS Security Hardware on Classroom Doors | - | - | 243,000 | - | - | 243,000 |
| BIS Roof Replacement | - | - | 4,410,000 | - | - | 4,410,000 |
| BIS Rubber Floor in Stairs | - | - | 80,000 | - | - | 80,000 |
| BIS Replace movable Partition in Classrooms | - | - | 200,000 | - | - | 200,000 |
| BIS Sprinklers under Exterior Overhangs | - | - | 60,000 | - | - | 60,000 |
| BUE Acoustical Ceiling Improvements | - | - | 1,080,000 | - | - | 1,080,000 |
| BUE Gym Floor Replacement | - | - | 144,000 | - | - | 144,000 |
| BUE Classroom Casework | - | - | 370,000 | - | - | 370,000 |
| BUE Power Distribution Upgrade | - | - | 666,000 | - | - | 666,000 |
| BUE Parking Mill Repave | - | - | 470,000 | - | - | 470,000 |
| BUE Roadways Mill Repave | - | - | 424,000 | - | - | 424,000 |
| BWB Bathroom Renovations | - | - | 340,000 | - | - | 340,000 |
| BWB Clock System | - | - | 98,000 | - | - | 98,000 |
| Centerville Ceiling Tiles throughout New Wing | - | - | 149,000 | - | - | 149,000 |
| Centerville Clock System | - | - | 141,000 | - | - | 141,000 |
| BCIS Ceiling tiles | - | - | 98,000 | - | - | 98,000 |
| Hy West Classroom Closets Refinish Wood | - | - | 120,000 | - | - | 120,000 |
| WV Ceiling | - | - | 414,000 | - | - | 414,000 |
| WV Paving/Restriping | - | - | 423,000 | - | - | 423,000 |
| BIS Locker Rm Reno | - | - | - | 234,000 | - | 234,000 |
| BIS Boiler/ Pump Room Efficiency Upgrades | - | - | - | 550,000 | - | 550,000 |
| BWB Closed Walkway to Modular | - | - | - | 195,000 | - | 195,000 |
| BWB Replace Flooring | - | - | - | 240,000 | - | 240,000 |
| BWB Install Sprinklers | - | - | - | 383,000 | - | 383,000 |
| BWB Fire Alarm Upgrade | - | - | - | 151,000 | - | 151,000 |
| Centerville Boiler Upgrade | - | - | - | 455,000 | - | 455,000 |
| Centerville Fire Alarm Upgrade | - | - | - | 218,000 | - | 218,000 |
| BCIS Bathroom Renovations | - | - | - | 450,000 | - | 450,000 |
| Hy West Roof Replacement | - | - | - | 1,002,000 | - | 1,002,000 |
| West Villages Gym AHU | - | - | - | 97,000 | - | 97,000 |
| West Villages Boiler Upgrade | - | - | - | 390,000 | - | 390,000 |
| ECELC Flooring Throughout | - | - | - | 98,000 | - | 98,000 |

| PROJECT TITLE | 2025 | 2026 | 2027 | 2028 | 2029 | TOTALS |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| BHS Electrical Distribution Upgrade | - | - | - | - | 4,104,000 | 4,104,000 |
| BIS Power Distribution Upgrades | - | - | - | - | 1,287,000 | 1,287,000 |
| BWB Classroom Closets | - | - | - | - | 72,000 | 72,000 |
| BWB Café and Gym Air handlers | - | - | - | - | 247,000 | 247,000 |
| BWB Boiler Conversion Steam/HW | - | - | - | - | 780,000 | 780,000 |
| BWB Kitchen Exhaust Hood | - | - | - | - | 71,000 | 71,000 |
| BCIS Clock System | - | - | - | - | 142,000 | 142,000 |
| BCIS Piping Replacement/Repairs | - | - | - | - | 219,000 | 219,000 |
| Hy West Ceiling | - | - | - | - | 262,000 | 262,000 |
| Hy West Electrical Distribution Upgrade | - | - | - | - | 1,053,000 | 1,053,000 |
| West Villages Roof replacement | - | - | - | - | 1,248,000 | 1,248,000 |
| School Projects | 9,920,200 | 25,933,400 | 19,944,000 | 9,913,000 | 13,285,000 | 78,995,600 |
| TOTAL GENERAL FUND | \$ 46,955,055 | \$ 85,487,007 | \$ 79,843,721 | \$ 29,805,495 | \$ 36,665,618 | \$ 278,756,896 |