

# CHAPTER 18

## IMPLEMENTATION, FINANCIAL INFORMATION AND CAPITAL PROGRAMMING

A Policy Document

Endorsed By STM – 27 Nov 01 – Art. 3

Prepared For  
The Local Planning Committee  
And  
Growth Policy Advisory Council  
And By  
Planning Staff

**YARMOUTH COMPREHENSIVE PLAN  
CHAPTER 18 - IMPLEMENTATION,  
FINANCIAL INFORMATION AND CAPITAL PROGRAMMING  
EXECUTIVE SUMMARY**

**PURPOSE** -Yarmouth's Implementation, Town Financial Information, and Capital Programming Chapter of the Comprehensive Plan was developed in cooperation with the Growth Policy Advisory Council, the Town Administrator and Town Treasurer, and the Planning Staff.

It includes three segments that are very straightforward and basic, Obviously its first purpose is to aid in the implementation process. Secondly, it is designed to aid in answering inquiries about the financial background of the community which are periodically received from potential residents or developers. And finally, the chapter is designed to assist in the assigning of responsibilities for the carrying out of Plan proposals and their timing, and to find if there are problems being experienced that must be addressed. This Plan Chapter can be used to serve as the basic document for these activities.

**COORDINATION WITH THE COMPREHENSIVE PLAN AND REGIONAL POLICY PLAN**

The Implementation, Financial Information, and Capital Improvement Programming Chapter is designed to serve as Chapter 18 of the Town's Comprehensive Plan. As such it will not only be a part of the Plan, but will also serve as the Town's response to the Regional Policy Plan of the County, especially when dealing with Developments of Regional Impact (DRI). Its inventory, analysis of needs, options, and plans have been tailored to the Yarmouth existing situation and as such are sensitive to them.

**HOW ARE THE LAST THREE CHAPTERS OF THE PLAN BEING ORGANIZED?**

The final three chapters in the basic Comprehensive Plan work program, Infrastructure, Inter-Governmental Coordination, and Implementation, Financial Information, and Capital Improvement Programming, look more at needs and options related to their individual subjects, then to specific project proposals many of them detailed, expensive and complicated action items, which are left for follow up studies. Therefore, they contain a number of "soft" proposals, calling for more studies or analyses of the alternatives, or for a further examination of costs or management of the "large ticket" items. Given the timing and scope of the Comprehensive Plan studies this appears to be the best way to develop detailed plans for the near future and for some of the important projects that will come up in the future.

**GOALS AND POLICIES FOR IMPLEMENTATION AND CAPITAL IMPROVEMENT PROGRAMMING**

**GOAL #1 - To identify and provide modern community and regional facilities that meet community and regional needs consistent with the goals and policies established in the Yarmouth Comprehensive Plan, the Regional Policy Plan, and the Cape-Wide Regional Infrastructure and Facilities Plan (RIF).**

**DEVELOPMENT REVIEW POLICIES**

- No. 1 - Public investments, including construction or expansion of infrastructure and facilities, including, but not limited to municipal buildings, water supply and distribution, septage collection and treatment, roads, telecommunications, and related facilities, that would enforce the traditional Town character of activity center development patterns of Yarmouth should be favorably considered.
- No. 2 - Development and redevelopment should be encouraged to locate in activity centers and other areas, where sufficient capacity exists, with regard to transportation and water resources, and where adequate infrastructure already exists, or is planned by the Comprehensive Plan and the RIF Plan.

## PART I. - IMPLEMENTATION PROCESS

### A. Listing/Timing/and Responsibilities

Each of the Comprehensive Plan chapters has a listing of "hard" and "soft" proposal, those that are facility oriented, and those that are analytical or service oriented. We have been adding to these listings slowly for each chapter as it is prepared to enhance its applicability. Those agencies that are responsible for working with the Plan proposals are listed on the chart on the opposite page. Regular contact with those boards and persons is essential for reporting on our Plan's status, the problems encountered, and progress made, and the possible adjustment or extension of the Plan. Those assignments we have discovered have not changed a great deal since the original chart was prepared in 1994. The chart essentially mentions those groups that have worked on the various subjects all along.

### B. Problems Relating to Implementation

We now have a situation where we have an extensive list of proposals for a wide-range of subjects. Although we have not tried to place a detailed price-tag on them, it is expected the costs would exceed the community's ability to finance all of them. As a result, not only would a careful look at timing be required to determine which 5 year increment had more than its reasonable share of proposals, but the possibility of spreading them out over time would be considered to make them more practical. The possibility of prioritizing these proposals should be considered. This will require good communication between Capital Budget Committee, Finance Committee, Town Administrator and Selectmen and the various committees in order to reach consensus.

### C. Coordination Between 5 and 15 Year Proposals - Extending the Target Year

There are presently several different types of planning programs underway by various town agencies. The Town's Comprehensive Plan originally had a 20 year time frame, but that has been shortened to 15 years (2016). Other planning programs are for 5 years, but many of those materials are operational in nature, not usually the concern of the long range planning program. These plans can be built upon however to form long-range chapters fairly easily. Future subjects are already being proposed for the Plan to fit our needs. It may also prove desirable to move the Plan's target year up to 2025.

### D. Adjustments Needed To The Process and To Chapter Content

The current cooperative working relationship between Planning Board (Local Planning Committee) and Growth Policy Advisory Council (GPAC) needs to be strengthened, realizing the Planning Board has many other planning responsibilities, such as day-to-day subdivision and zoning operations. This relationship has worked well in the past, as have the use of steering sub-committees working on specific subjects, with inter-locking membership from other concerned agencies. Using that steering sub-committee approach probably should be continued for the near future rather than form yet a new local planning committee with multiple members.

### E. Responsibilities of GPAC in Advancing the Plan

As we approach completion of the basic 18 chapters of the Comprehensive Plan Program it must be pointed out that some committee of the Town must assume active coordination of its proposals and of their advancement with other governmental agencies and the public. That agency should be the Growth Policy Advisory Council, who have already assumed that role in the development of the Plan over the 1995-2001 time frame. They will have to visit regularly with other concerned groups to understand how the Plan is working for them, and to learn the need for up-dating on various subjects within each, and problems, that are being experienced.

### F. Regular Updating Of The Chapters of the Comprehensive Plan

When the development of the scope of services for the Comprehensive Plan was begun in 1992 it was recognized then that plans at the municipal level can change virtually overnight. A process was set up so that Plan chapter subjects could be amended fairly easily by a majority vote at Town Meeting. The Plan Chapters "long summaries" were prepared in notebook form as well as an Executive Summary for Town Meeting. That has proven to be the case, as two of the first chapters endorsed in 1997, Recreation and Open Space and Water Resources, are up for substantial revision 4 ½ years later at Special Town Meeting in November 2001, and others should be expected as the original base documents are improved..

## CHART 1

### YARMOUTH COMPREHENSIVE PLAN ASSIGNMENT OF RESPONSIBILITIES

NO	TITLE	LEAD AGENCY	OTHER INTERESTED AGENCIES			
			1	2	3	4
1.	Introduction to Comprehensive Plan	P. Staff	LPC	GPAC		
2.	Outreach Program (Consultant)	GPAC	LPC	P.Staff		
3.	Population Study	P. Staff	GPAC	LPC		
4.	Economic Development - Inventory of Pertinent data	P. Staff	LPC	YERC	GPAC	YACOC
5.	Intergovernment Coordination (Replace by Chap.17)	P. Staff	GPAC	LPC	TA	
6.	Open Space and Recreation Plan (Consultant)	Recreation Conservation	PKD	NRD	P.Staff	R.Staff Con.Staff
7.	Coastal Resources Plan (Consultant)	P.Staff C. Staff	LPC	NRD	Con.	
8.	Land Use/Growth Management Chapter	LU/GM SSC	LPC	GPAC	R-28	
9.	Transportation Study (Consultant)	T-SSC	LPC	GPAC	R-28	YERC
10.	Economic Development -Analysis & Plan (Consultant)	YERC	P.Staff	GPAC	LPC	R-28
11.	Wetlands Chapter	Con.Ad.	NRD	P.Staff	GPAC	
12.	Water Resources Plan	P.Staff	WDS	LPC	GPAC	BOH
13.	Wildlife & Plant Habitat	Con.Ad.	NRD	P.Staff	GPAC	
14.	Affordable Housing	FHC	P.Staff	YHA	GPAC	
15.	Community Character - Scenic Vistas, Historic Preservation, Cultural Landscapes	CC - SSC	Hist, Comm	LPC	YERC	C.Ad P.Staff
16.	Infrastructure	I- SSC	LPC	R-28	RAS WAC	T.Eng P.Staff DPW-D
17.	Intergovernmental Coordination & Resources of Regional Importance	P.Staff	GPAC	LPC	T.A.	
18.	Capital Improvements Program/ Implementation	GPAC	LPC	P.Staff	T.A.	BOS

**CHART 2**  
**YARMOUTH COMPREHENSIVE PLAN**  
**ASSIGNMENT OF RESPONSIBILITIES**  
**KEY - TITLE ABBREVIATIONS**

**COMMITTEES, BOARDS, COMMISSIONS:**

BOH - Board of Health  
BOS - Board of Selectmen  
CBC - Capital Budget Committee  
CON - Conservation Commission  
GPAC - Growth Policy Advisory Council  
FHC - Fair Housing Committee  
HistC - Yarmouth Historic Commission  
LPC - Local Planning Committee (=Planning Board)  
RASWAC - Recycling and Solid Waste Advisory Council  
R-28 - Route 28 Task Force  
YERC - Economic Revitalization Committee

**STAFF, DEPARTMENTS, DIVISIONS**

P. Staff - Planning Division Staff  
TA - Town Administrator  
WD - Water Division Staff  
CD - Staff Community Development Dept. Staff  
PKD - Park Dept. Staff  
NRD - Natural Resources Dept. Staff  
Rec. Staff - Recreation Division Staff  
Con.Staff - Conservation Division Staff  
Con.Ad - Conservation Administrator  
T-Eng. - Town Engineer  
DPW -D. - Department of Public Works - Director

**OUTSIDE AGENCIES**

YACOC - Yarmouth Area Chamber of Commerce  
YHA - Yarmouth Housing Authority

**STEERING SUB-COMMITTEES ( SSC)**

LU/GM - SSC- Land Use & Growth Management Steering Sub-Committee  
T-SSC - Transportation Steering Sub-Committee  
CC-SSC - Community Character Steering Sub-Committee  
I-SSC - Infrastructure Steering Sub-Committee  
ED-SSC - Economic Development Steering Sub-Committee

## PART II. - FINANCIAL INFORMATION ABOUT YARMOUTH

### 1. INTRODUCTION

As noted in the "Purpose" of this chapter there are three major parts to it. This is the first part, and it deals with basic financial information designed to give an overview of the financial position of the Town to people inquiring about the Town, those that maybe moving here and buying homes, or those that are potential entrepreneurs.

### 2. METHODS OF FINANCING IMPROVEMENTS

Historically, the financing of the varied capital needs of local government, ranging from sidewalk repair to construction of roads, to water and sewer systems, has been met from three basic sources. 1) Internally generated revenue, 2) grants and other forms of inter-governmental contributions, and 3) the public finance or municipal bond market. The security of these investments, usually offered with municipal obligations, together with their usual tax-exempt status have made municipal issues particularly attractive to the investor.

Massachusetts cities and towns are entering a period of transition from the phenomenal gains of the last decade. The strength and resilience of the public finance market can be attributed to the integrity and ingenuity of local government units such as Yarmouth, who are now faced with the most uncertain national situation in over 60 years.

### 3. BOND RATINGS

In June of 2001 the Town offered \$8.2 million in general obligation bonds, due in 2020. The Standard and Poor rating received was very good "AA-1". It reflected Yarmouth as primarily a residential resort community with a large retiree population (25,000), strong reserves, and moderate debt ratios. These strengths were offset somewhat by a seasonal local economy. Expenditure controls and conservative budgeting practices have resulted in strong financial operations. Management has been able to maintain a low tax rate while living within Proposition 2 ½ constraints. Overall net debt per capita is moderate at \$1,887, and debt to market value is low at 2%. Almost 2/3 of the outstanding debt has been voted exempt from Proposition 2 ½ limitations.

### 4. TYPES OF BONDS

An issuer who decides to raise capital through public finance must answer a multitude of questions about potential long-term debt. There are two basic types of issues:

General Obligation - Bonds whose repayment is based upon the general credit and taxing powers of the borrowing government. G.O. Bonds comprise over 2/3 of annual state and local issuances. They are usually used to finance public buildings, roads, and schools, etc.

Revenue Bonds - are secured by an issuer's generally broad taxing power. These can be defined as obligations whose debt service requirements are payable from earnings of a public enterprise such as electric, water or waste water facilities.

Other Types of Debt - In recent years new financing techniques and credit substitution have become important tools. They may include credit substituting, letters of credit-backed debt, bond issuance, credit enhancement, and refunded bonds.

### 5. BOND OFFERINGS

After approval by a 2/3 vote of the governing body, the Town Meeting in Yarmouth, an offering is prepared by a financial institution specializing in municipal finance.

Typically "bond offerings" by a local municipality are prepared in report form about the community dealing with every thing pertinent to the issue from -

Purpose of the Borrowing? Essential or Non-Essential?

Legal Ability to Borrow

Legal Restraints Needing to be Addressed - Prop 2 ½. Debt Limits?

How will the Debt be Secured?

Structuring of the Debt

The Term of the Borrowing - Payments?

Yarmouth's offerings are handled in this manner.

**TABLE 1  
COMPARATIVE DATA  
TOWNS BETWEEN 23,000 AND 27,000 IN 2000  
FY2001 - AVERAGE SINGLE FAMILY TAX BILLS (a)**

	Name	2000 Population	FY'00 Avg. Value	FY'01 Avg. Value	Pct.Chg. Value	FY'00 Avg. Tax Bill	FY'01 Avg. Tax Bill	FY'01 Hi-Lo Rank	Pct.Chg. Tax Bill	FY'01 Tax Rate
1	Dedham	23,464	190,446	237,160	24.5	2,809	3,026	95	7.7	12.76
2	Reading	23,708	248,714	280,965	13.0	3,678	3,796	50	3.2	13.51
3	Belmont	24,194	434,768	470,242	8.2	5,356	5,577	12	4.1	11.86
4	Marshfield	24,324	183,033	192,167	5.0	2,756	3,004	97	9.0	15.63
5	Wakefield	24,804	207,947	208,513	0.3	2,838	2,928	103	3.2	14.04
6	<b>Yarmouth</b>	<b>24,807</b>	<b>125,925</b>	<b>161,622</b>	<b>28.3</b>	<b>1,645</b>	<b>1,739</b>	<b>283</b>	<b>5.7</b>	<b>10.76</b>
7	Bridgewater	25,185	185,416	187,735	1.3	2,601	2,715	124	4.4	14.46
8	Danvers	25,212	202,328	235,003	16.1	2,996	3,008	96	0.4	12.80
9	Milton	26,052	265,969	266,914	0.4	3,996	4,124	40	3.2	15.45
10	Saugus	26,078	179,353	195,512	9.0	2,079	2,151	214	3.5	11.00
11	Wellesley	26,613	535,170	607,567	13.5	5,084	5,377	15	5.8	8.85
12	Milford	26,799	195,557	182,616	17.4	2,574	2,701	126	4.9	14.79
13	State Avg.	6,349,097	185,086	206,075	11.3	2,680	2,827	-	5.5	13.72

**Valuations - Yarmouth - Table 2 (b)**

The following table shows the breakdown of the total assessed valuation for fiscal years 2001 through 1999 by classification:

CLASS	Fiscal 2001 Assessed Valuation	% of Total	Fiscal 2000 Assessed Valuation	% of Total	Fiscal 1999 Assessed Valuation	% of Total
Residential	\$2,452,391,100	85.8%	\$1,873,994,100	84.8%	\$1,851,596,300	84.8%
Open Space	519,600	0.1	564,500	0.1	377,900	0.1
Commercial	312,696,200	10.9	254,022,100	11.5	251,458,500	11.5
Industrial	19,856,500	0.6	14,579,700	0.6	14,738,800	0.6
Personal Property	74,316,109	2.6	65,700,147	3.0	64,612,461	3.0
Total	\$2,859,779,509	100.0%	\$2,208,860,547	100.0%	\$2,182,783,961	100.0%

**TAX RATES - Yarmouth Table 3 (b)**

The following shows the actual tax rates per \$1,000 of assessed valuation and the full value rate for the most recent fiscal years:

<u>Fiscal Year</u>	<u>Actual Tax Rate</u>	<u>Full Value Rate</u> ( Based on the equalized valuation in effect for each year.)
2001	\$10.76	\$11.90
2000	13.06	12.52
1999	12.62	11.96
1998	12.10	12.15
1997	12.00	11.63

**Budget Comparison - Town of Yarmouth Table 4 (b)**

The following table sets forth the budgets for fiscal years 2002-1998: (000 omitted)

<u>Department</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
General Gov.	\$4,546	\$4,147	\$3,863	\$3,737	\$3,595
Public Safety	7,738	6,828	6,579	6,271	5,677
Education	16,886	15,756	15,433	14,285	13,770
Public Works	11,553	11,025	10,122	9,363	9,156
Human Services	920	909	881	848	804
Culture & Rec.	4,686	4,326	3,888	3,318	3,048
Debt Service	<u>5,719</u>	<u>6,580</u>	<u>5,926</u>	<u>6,315</u>	<u>5,782</u>
<b>TOTAL</b>	<b>\$52,048</b>	<b>\$49,571</b>	<b>\$46,692</b>	<b>\$44,137</b>	<b>\$41,832</b>

**Revenue Anticipation Borrowing - Yarmouth - Table 5 (b)**

The Town has not had to borrow in anticipation of revenue since fiscal year 1993.

**CAPITAL EXPENDITURE PROJECTIONS - Table 6 (b)**

The Town expects to fund these projects from annual general fund revenues

<u>From General Funds(1)</u>	<u>Actual 2001</u>	<u>Recommended 2002</u>	<u>Projected 2003</u>	<u>Projected 2004</u>	<u>Projected 2005</u>	<u>Projected 2006</u>
Various Leases Purchase	\$65,000	\$26,000	\$65,000	\$65,000	\$65,000	\$65,000
Technology	44,000	65,000	50,000	50,000	50,000	50,000
Natural Resources	109,500	96,500	123,000	252,000	121,000	230,500
Recreation	0	16,300	24,000	57,000	0	422,000
Community Development	0	0	0	0	0	0
Assessors	155,000	30,000	30,000	30,000	135,000	0
Police	205,176	169,631	178,000	218,188	196,369	286,188
Engineering	30,000	150,000	690,000	700,000	705,000	730,000
Highway	250,000	315,000	430,000	287,000	363,000	250,000
Park	30,000	147,000	127,000	47,500	22,500	32,500
Cemetery	1,000	7,000	187,500	132,500	31,000	8,000
Structures	65,700	73,000	4,000	28,000	0	0
<b>TOTALS</b>	<b>\$1,100,376</b>	<b>\$1,095,431</b>	<b>\$1,908,613</b>	<b>\$1,867,188</b>	<b>\$1,688,869</b>	<b>\$2,074,188</b>

**YARMOUTH - TABLE 7 (b)**

Town expects to fund these projects from annual enterprise and offset revenues supported by user fees.

**FROM ENTERPRISE AND OFFSET FUNDS**

Septage Treatment Enterprise	\$ 0	45,000	0	0	0	0
Transfer Station Enterprise	15,000	105,000	70,000	150,000	0	0
Golf Offset	137,000	164,000	124,000	125,000	20,000	90,000
Sanitation Offset	75,000	0	60,000	200,000	100,000	125,000
Fire Reserve for Appropriation (Ambulance Fees)	193,000	464,000	352,930	370,8387	239,838	383,329
<b>TOTALS</b>	<b>\$420,000</b>	<b>\$778,000</b>	<b>\$606,930</b>	<b>\$845,838</b>	<b>\$359,838</b>	<b>\$598,329</b>

## **6. COMPARISONS WITH TOWNS OF A SIMILAR SIZE**

The September 2001 newsletter of the Mass. Dept. of Revenue - Division of Local Services - "City & Town" provides some very interesting analyses of the FY'01 Average Single Family Tax bills. The analyses are based on 339 of the 351 cities and towns in the Commonwealth. (See Table 1 on the attached page 6). For comparative purposes the 12 towns with populations between 23,000 and 27,000 in Massachusetts have been selected; six are suburban in nature, including Yarmouth, and the other 6 are more urban/commercial in nature.

For Yarmouth the FY'01 average single family tax bill was \$1,739, which ranked 283<sup>rd</sup>. An excellent rank! The tax bill in the last year had risen 5.7 %, while the average for the state was 5.5%. The reader needs to examine the table for further information.

## **7. PROPOSITION 2 ½ TAX LIMITATION**

Proposition 2 ½, which was proposed by initiative petition, was adopted by the general election of November 1980 and took effect on December 4, 1980. The law is subject to amendment or repeal by the Legislature. The legislation as subsequently amended imposes two separate limits on the tax levy of a city or town.

The primary limitation is that the tax levy can not exceed 2 ½ % of the full and fair cash value. If a town exceeds the primary limitation, it must reduce its tax levy by 15% annually until it is in compliance.

Proposition 2 ½ also limits the property tax levy amount to the prior year's levy plus 2.5% plus new growth.

## **8. EXISTING DEBT SERVICE**

As of June 15, 2001 the Town's total debt was \$51,156,577. The normal General Debt Limit was \$129,285,335 at that time. Of that amount some \$36,265,765 had been exempted from the limitations of Prop. 2 ½. This was a very favorable position for a growing suburban/ retirement/ recreation community. \$30,676,415 was outside the general debt limit, and \$16,000,000 of that was for outstanding bonds for the Yarmouth Dennis Septage Treatment Plant. There was another \$19,000,000 within the general debt limit, and \$1.4 million of anticipation loans. In FY'02 Total Debt Service will be \$7.5 million, reducing annually to \$340,000 in FY2020.

### **PART III CAPITAL BUDGET PROCESS**

- \* The Town of Yarmouth's capital budget process is now mandated by its Home Rule Charter enacted in 1997.
- \* In Section 6-4 Capital Improvements Plan, the Town Administrator is instructed to prepare a 5-year capital improvement plan designed to meet long range needs and implement the goals and objectives of the official Town Plan. The Capital Improvement Plan has to be submitted to the Board of Selectmen at least 150 days prior to Annual Town Meeting. A capital budget process has been in effect since 1980 here in Yarmouth, with the Charter now giving it official status!
- \* Section 6-5 calls for a published notice of the Capital Improvement Plan, with a public hearing coordinated by the Board of Selectmen and Finance Committee. Such a plan is prepared and published annually.
- \* Section 6-6 calls for a Capital Budget Committee of 7 voters appointed by the Finance Committee. This committee is operating annually and works with department head recommendations, as well as their own, on needed capital appropriations.
- \* Actual Capital Budget expenditures from General fund reserves were some \$1.1 million in FY'01; for this year's (FY'02) Capital Budget another \$1.1 million was authorized. This does not include Capital expenditures from Enterprise funds or projects requiring borrowing.
- \* It should be noted that now each Chapter of the Comprehensive Plan has a section on plan proposals, their implementing agency, and their general timing. That was not true for the early chapters, but they are now being expended, or will be with their first up-date. Once the Plan is adopted it should be possible to bring the Comp. Plan in general concurrence with the Capital Budget although their time frames are very different.

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### **Credits**

If there are questions, comments or suggestions please do not hesitate to contact the Yarmouth Planning Division at the Town Office Building, 1146 Route 28, South Yarmouth, MA 02664. Tel. No. (508) 398-2231 ext. 275.

Source: (a) "City and Town" - Newsletter of Division of Local Services - Mass Dept. of Resources Sept. 2001

(b) "Notice of Sale" - Town of Yarmouth, MA, General Obligation Bonds - June 6, 2001.

**YARMOUTH COMPREHENSIVE PLAN**

**CHAPTER 18**

**IMPLEMENTATION, FINANCIAL INFORMATION, AND CAPITAL  
PROGRAMMING**

**LONG SUMMARY REPORT**

**November 27, 2001**

**Prepared By:  
Planning Division of the  
Yarmouth Department of Community Development of  
the Town of Yarmouth, Massachusetts**

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**MAPS**

18-1 Map Regional Location Map

18-2 Map Massachusetts Map

**TABLE 18-1 - YARMOUTH COMPREHENSIVE PLAN SCHEDULE OF PLAN ENDORSEMENTS**

CHAPTER NO.	TITLE	TYPE OF ARTICLE	TOWN MTG. TYPE-DATE	ARTICLE NO.	ACTION
	Vision Statement	Policy <i>Amendment</i>	ATM- 27 Apr 94 ATM- 10 Apr 01	Art. 24 Art. 16	Endorsed Endorsed
1	Introduction to Comp Plan	Research			Not Presented
2	Outreach Program	Research			Not Presented
3	Population Study and Forecasts, 1995-2015	Research			Not Presented
4	Economic Development - Inventory	Research			Not Presented
5	Intergovernmental Coordination and Resources of Regional Importance	Research			Not Presented
6	Recreation and Open Space	Policy <i>Replacement</i>	ATM- 10 Apr 97 STM- 27 Nov 01	Art. 26 Art. 2	Endorsed Endorsed
7	Coastal Resources	Policy	ATM- 10Apr 97	Art. 27	Endorsed
8	Land Use/Growth Management	Policy	STM-1 Dec 98	Art. 1	Endorsed
9	Transportation Plan	Policy	ATM- 11 Apr 00	Art. 15	Endorsed
10	Economic Development, Analysis and Plan	Policy	STM- 11 Jan 00	Art. 7	Endorsed
11	Wetlands	Policy	ATM- 14 Apr 98	Art. 14	Endorsed
12	Water Resources Plan	Policy <i>Replacement</i>	STM- 29 Jul 97 STM- 27 Nov 01	Art. 2 Art. 2	Endorsed Endorsed
13	Wildlife and Plant Habitat	Policy	ATM- 14 Apr 99	Art. 14	Endorsed
14	Affordable Housing	Policy	STM- 10 Feb 98	Art. 2	Endorsed
15	Community Character Chapter - Scenic Vistas - Historic Preservation Portion	Policy Policy	ATM- 10 Apr 01 ATM- 10 Apr 01	Art. 15 Art. 15	Endorsed Endorsed
16	Infrastructure Chapter -Solid & Liquid Waste Portion	Policy	STM- 27 Nov 01	Art. 3	Endorsed
17	Intergovernmental Coordination and Resources of Regional Importance	Policy <i>Supersedes Chapter 5</i>	ATM- 10 Apr 01	Art. 16	Endorsed
18	Implementation, Financial Information, and Capital Programming	Policy	STM- 27 Nov 01	Art. 3	Endorsed
19	Community Facilities and Services - Energy Portion	Policy	STM- 27 Nov 01	Art. 4	Endorsed

# IMPLEMENTATION, FINANCIAL INFORMATION, AND CAPITAL PROGRAMMING

## INTRODUCTION

### Organization of the Comprehensive Plan

The Yarmouth Comprehensive Plan is organized so that it will be done by individual chapters about each pertinent subject. There are 18 of these in our basic work program, and 16 have been completed, with 11 endorsed by Town Meeting and the 5 others used as "reference documents." We are the only Cape town using this incremental approach. It is slower but has been surer for us! This particular chapter, numbered 18 in the work program, contains the Implementation, Financial Information and Programming element. This document is its "long summary" form. It is the last of the basic chapters of the plan. It has been preceded by such subjects as Transportation, Water Resources, and the Infrastructure Chapter now in preparation (adopted - STM- 27 Nov.01)..

### Who is preparing the Plan?

Primary guidance for the comprehensive planning program is being given by the "Local Planning Committee", which is made up of the Planning Board, with the assistance of the Growth Policy Advisory Council. Much of the technical work has been done by the planning staff, with assistance from interns and planning aides, and advice from senior department heads, consultants and the appropriate committees. The Growth Policy Advisory Council has undertaken reviewing much of this chapter because of its coordination importance.

### Presentation of the Plan Elements

You may have noticed the terms "executive summary" and "long summary" in the title pages and in the text. One of the problems in presenting any town's comprehensive plan is that it is written usually for three different groupings of people. Most want only the basics and not a lot of detail, thus we prepare "executive summaries". A second level of interest includes those looking for more basic technical and planning information, such as in this document, the "long summary". Finally, a few want to see our staff and consultants detailed and research materials. Thus we have prepared all three levels of reports for our Plan elements.

### Presenting the Comprehensive Plan

In preparing such a far-reaching and complicated plan as this, we realize there must be an extensive and continuous outreach program. In addition to required hearings, we are continuing to use television and radio whenever possible, as well as specially prepared handouts for meetings and "executive summaries" for Town Meeting action. Each of the Comprehensive Plan's Chapters is also a "stand alone" document in itself, so that it can be used separately, or as part of the overall program.

### Use of the "Long Summary" Approach

The middle level of detail described previously, or the so-called "long summary" is the support document we have used the most. This is sufficient in detail to satisfy most interested persons, and is also incorporated by reference into the Town Meeting votes on each chapter.

The "long summaries" are bound in looseleaf notebook form so that they may be added to, or amended, or even deleted, fairly easily. They are intended to be used for interested and concerned citizens and committees, and updated on a regular basis. As far as we know, we are the only Cape town using this approach.

## **IMPLEMENTATION, FINANCIAL INFORMATION, AND CAPITAL PROGRAMMING**

### **“SETTING THE SCENE”**

The availability of capital improvements and infrastructure plays a major role in determining the rate and location of development both on the Cape in general, and in particular in Yarmouth. In turn, new residences and businesses place increased demands on community infrastructure and services. Therefore, planning for capital improvements must be an integral part of the planning efforts of the Town of Yarmouth through its capital budget process and the Implementation, Financial Information, and Capital Improvements element of the Yarmouth Comprehensive Plan.

Few communities on Cape Cod have had capital improvements plans, but Yarmouth has had a capital budgeting program for over 20 years thanks to the efforts of its Town Administrator, Robert C. Lawton, Jr. That process alone does not really deal with planned expansion of some of the infrastructure uses, but some of our other Comprehensive Plan chapters do. Hence both on-going and Plan programs need to work together. There is a serious problem annually, over the limited amount of funding available for capital facilities here. We have been fortunate in Yarmouth that in most instances public investment in infrastructure and services has been consistent with community plans. In a large measure the capital budgeting process has helped to insure this.

#### **Regional Facilities**

With limited fiscal capacity, Barnstable County government has not been a primary provider of needed regional infrastructure and services. Also, due to local opposition it has proven difficult in the past to develop regionally needed, but locally unwanted facilities such as waste disposal facilities, special needs housing, or hospitals. The County could help to coordinate the siting of such facilities however. Because of the fiscal constraints on towns, the development of cost effective regional infrastructure is highly recommended. As a matter of fact, Yarmouth has two regional facilities located here already, the Barnstable/Yarmouth Transfer Station off Station Avenue and the Dennis/Yarmouth Septage Treatment Plant adjacent to it. These are described in detail in the Infrastructure Chapter.

The County does, however, own and maintain several regional facilities, including the Court House and office complexes in Barnstable and Orleans, and the County farm in Cummaquid. The county has recently closed its hospital in Bourne and is considering other potential uses. Re-location of the County Jail is also an issue, as is the location of several regional facilities on the Massachusetts Military Reservation.

#### **Town Facilities**

At the Town level, the Capital Improvements Program of the Yarmouth Comprehensive Plan represents a part of the final chapter of the Comprehensive Plan, which establishes the policies which act as a long-term guide in providing needed services. The purpose of our Capital Improvements Program is to establish where and when new capital facilities should be provided and how they could be financed. It is actually the Capital Improvements Program that provides the most specific details about the provision of infrastructure and other facilities and services.

In the future, a detailed survey of existing facilities, how they were financed, and current levels of service should also be established by the Town to provide a firm basis for the analysis of impacts of future development.

### **Eligibility for Other Programs if the Comprehensive Plan is Enacted**

It should be noted that the enabling legislation for the Cape Cod Commission authorizes towns to charge "impact fees" and/or "development agreements," or setup Districts of Critical Planning Concern (DCPC's) or use "transfer of development rights" (TDR's) once the local plan has been approved by the Town Meeting *and certified* by the Cape Cod Commission. Over the years there has been some interest in Development Agreements and TDR's, but since the Town is quite well built up not much interest in Impact Fees or DCPC's. Yarmouth is committed not only to completing its Local Comprehensive Plan, but to regularly updating it, and to add some additional subjects to it, especially so that on an as needed basis it could take advantage of those former two options.

### **On Going - Operational and Maintenance Costs**

In addition to planning, design, and construction costs, towns must also be aware of on-going operational and maintenance costs which are occurring regularly. Costs for facility maintenance, staffing, or replacement of out-dated equipment, must go through the on-going capital budgeting process, or the budgeting for annual operating costs. It is essential that this Town understands the total costs of development, in order to establish goals and policies regarding the desirability and feasibility of growth for the community. Costs for planning, design, and construction, as well as the on-going costs for maintenance of facilities and provision of services, must be weighed against revenues from taxes and state and federal reimbursements to determine if the Town can afford anticipated growth. The issues of additional costs from a huge affordable housing project in West Yarmouth are indicative of the potential impacts from development that are not budgeted.

### **Need for Capital Improvements Program**

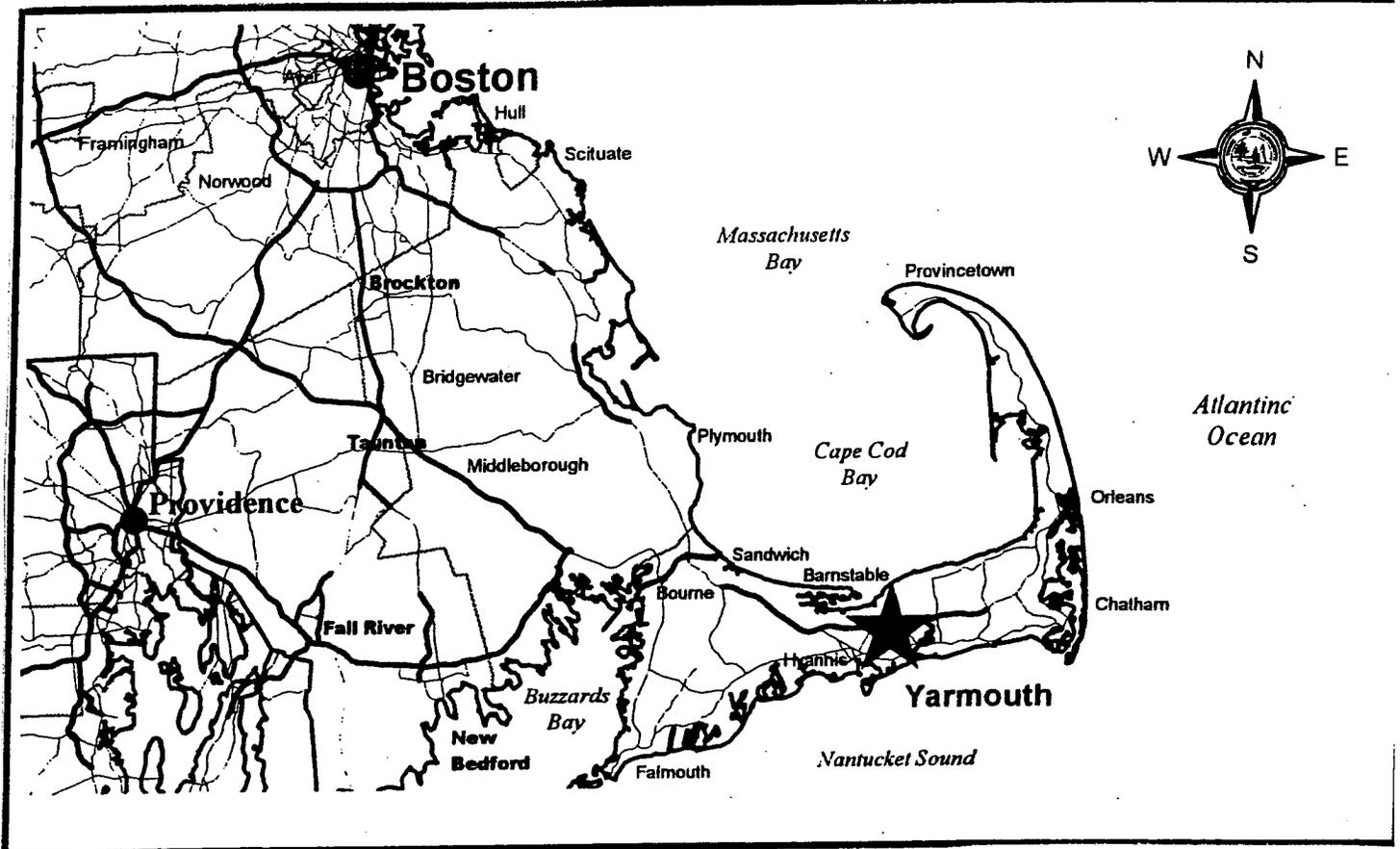
Yarmouth has had a long-standing program for the purchase of land for open space uses, dating back to the 1970's, now continued by the Land Bank Committee. But although well built up, the community continues to experience pressures for land for a variety of uses for a growing and vibrant community of 25,000. The Capital Improvements Program will be a key participant in effective growth management and fiscal analysis.

It should be noted that the emphasis of Chapter 18 is on the implementation of capital projects *over the next 15 years*, by *time increments* of approximately *5 years*, with an eye to spotting those times when a crush of projects will be severely impacting on the Town. Timing will continue to be a critical issue here. There will not be much attention paid to detailed costs estimates since the local Capital Budget process covers those for at least a 5-year period, while the cost in the second half of a 15 year time frame would be largely a matter of conjecture.

### **Delegation of Responsibilities**

The other important part of the Capital Facilities Plan will be to delegate responsibility to various agencies as "lead agencies" for the specific plan proposals. This will require a great deal of communication between all agencies, and understanding as to what a long-range plan is, and what the direction of the Town should take. Not only will this be a challenge for the operating departments, but for the Local Planning Committee (Planning Board), Growth Policy Advisory Council, the Selectmen, the Town Administrator, and Yarmouth's citizens.

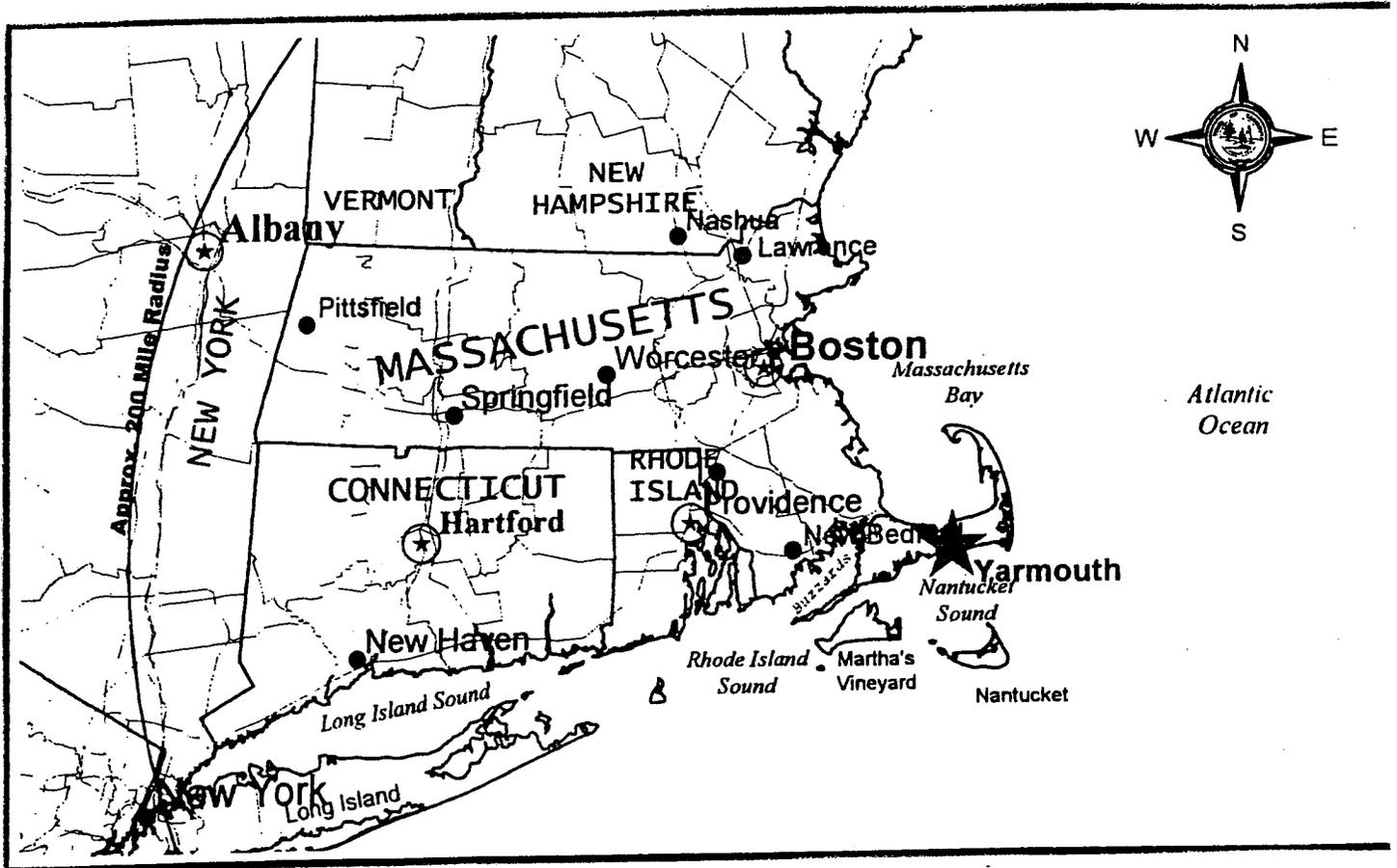
# REGIONAL LOCATION MAP



18-1 Map from Yarmouth to New York City /Albany and Portland, Maine

The importance of the Cape Cod location cannot be over-emphasized, Yarmouth lies on the Cape Cod neck, some 22 miles out into the Atlantic Ocean, on a spit of sand pushed up by the last glaciation approximately 50,000 years ago. It is both the best and worst of locations. On the one hand it is remote for some things and yet very accessible for others. Improved telecommunications have made it just that much more accessible for businesses.

# SOUTHEASTERN MASSACHUSETTS MAP



18-2 Map of Yarmouth - in southeastern New England location

While the Cape was indeed an off-beat site for years, first the construction of the two bridges over the Canal in the early 1930's, and then the construction of the inter-state highway system in the mid-1950's have made it highly accessible for tourists and retirees.

The Cape has boomed as a result. But it is a boom that has been achieved at a price traffic jams, pollution, over-crowding, noise, etc. This is a location that attracts high-tech trained business persons, especially in telecommunications and related businesses. However, that kind of businesses or industry, although dependent on rapid communication, will cause further growth and stress.

One of the main purposes of the Comprehensive Plan is to try to help deal with the dislocations related to change.

## **PURPOSE AND ORGANIZATION**

**PURPOSE** - Yarmouth's Implementation, Town Financial Information, and Capital Programming Chapter of the Comprehensive Plan was developed in cooperation with the Growth Policy Advisory Council, the Town Administrator, Town Treasurer, and the Planning Staff.

It includes three segments that are very straight forward and basic. Obviously its first purpose is to aid in the implementation process. Secondly, it is designed to aid in answering inquiries about the financial background of the community, which are periodically received from potential individual residences or developers. And finally, the chapter is designed to assist in the assigning of responsibilities for the carrying out of Plan proposals and their timing, and to find if there are problems being experienced that must be addressed. This Plan Chapter can be used to serve as the basic document for these activities.

### **HOW ARE THE LAST THREE CHAPTERS OF THE PLAN BEING ORGANIZED?**

The final three chapters in the basic Comprehensive Plan work program, Infrastructure, Inter-Governmental Coordination, and Implementation, Financial Information, and Capital Improvement Programming, look more at needs and options related to their individual subjects, than to specific project proposals, many of them detailed, expensive and complicated action items which are left for follow-up studies. Therefore, they contain a number of "soft" proposals, calling for more studies or analyses of the alternatives, or for a further examination of costs or management of the "large ticket" items. Given the timing and scope of the Comprehensive Plan studies, this appears to be the best way to develop detailed plans for the near future and for some of the important projects that will come up in the future.

## **GOALS AND POLICIES**

**CAPITAL IMPROVEMENTS PROGRAM**  
**CHAPTER 18**  
**GOALS, POLICIES, PERFORMANCE STANDARDS, AND ACTIONS**

**Goal -** To identify and provide state-of-the-art community and regional facilities that meet community and regional needs consistent with the goals and policies established in the Yarmouth Comprehensive Plan, the Regional Policy Plan, and the Cape-Wide Regional Infrastructure and Facilities (RIF) Plan.

**I. Minimum Performance Standards**

1. Approval of development and redevelopment which increases the intensity of use should be based on existing infrastructure and system capability, or on a development's ability to provide the infrastructure and services necessary to support it.
2. The provision of infrastructure and services should be consistent with the minimum performance standards in the RPP and consistent with the Town's Local Comprehensive Plan, Capital Improvements Program and the RIF Plan of the Cape Cod Commission.
3. Outside of activity centers, installation by the developer of necessary infrastructure should be timed to meet the need generated by the development. Within the Activity Center, the developer should provide a contribution of funds toward the necessary improvements.
4. Development of new infrastructure should occur only after an analysis of the impacts of this infrastructure with regard to land use, traffic, water quality, natural resources, historic preservation, and community character, as well as other applicable issue areas noted in the Regional Policy Plan, and should be consistent with the Yarmouth Comprehensive Plan and its Capital Improvements Program, and with the Regional Infrastructure and Facilities Plan of the Cape Cod Commission.
5. Privately provided infrastructure to service development and redevelopment should be consistent with the Comprehensive Plan and Regional Infrastructure and Facilities Plan and, when constructed off-site, should receive formal approval from the Town and other jurisdictional agencies, such as: the Mass Highway Department, or the Department of Environmental Protection (DEP) prior to construction.

**OTHER DEVELOPMENT REVIEW POLICIES**

1. Public investments, including construction or expansion of infrastructure and facilities, including but not limited to municipal buildings, water supply and distribution, septage collection and treatment, roads, telecommunications and related facilities that would enforce the traditional character and village development patterns of Yarmouth, should be considered to be a benefit. This would include burial of electric and telecommunications utility lines.
2. Development and redevelopment should be encouraged to locate in activity centers and areas when sufficient capacity exists with regard to transportation and water resources, and where adequate infrastructure already exists, or is planned in the Comprehensive Plan and RIF Plan.

## IMPLEMENTATION

### Commission Actions

1. The Commission should identify, through the development of a RIF Plan needed regional facilities and infrastructure including, but not limited to the following:

Water Supply	Hazardous Waste Collection
Septage Disposal	Landfills
Water & Wastewater Treatment	Waste Transfer Station
Recycling Facilities	Sludge Treatment
Mass Transit	Telecommunications
Health Care	Special Needs Housing

2. The Commission should assist Yarmouth with the preparation of the Capital Facilities Element of the Comprehensive Plan.

### Recommended Town Actions

1. The Town should contribute to the development of the Commission's RIF Plan, and to its own Comprehensive Plan, by identifying and planning for the provision of appropriate infrastructure improvements where needed.
2. The Town should update its CIP (at least every 4 years) in conjunction with infrastructure and similar activities.
3. The Town should provide incentives for locating development within activity centers, and should limit infrastructure improvements in areas where development is not encouraged according to the Comprehensive Plan.
4. The Town should establish Levels of Service for public services, infrastructure, and facilities including, but not limited to the following:

Roads	Parks & Recreation
Police & Fire	Solid Waste Disposal
Emergency Medical Service	Water Lines
Libraries	Open Space

There should be included in the Town's Comprehensive Plan and Infrastructure Plan Chapter baseline data to assess impacts and changing conditions over time due to development.

**PART I  
IMPLEMENTATION PROCESS**

**PART II  
FINANCIAL INFORMATION ABOUT YARMOUTH**

**PART III  
CAPITAL BUDGET PROCESS**

## **PART I**

### **IMPLEMENTATION PROCESS**

#### **A. Listing/Timing/and Responsibilities**

Each of the Comprehensive Plan chapters has a listing of “hard” and “soft” proposals, those that are facility-oriented and those that are analytical or service-oriented. We have been adding to these listings slowly for each chapter as it is prepared to enhance its applicability. Those agencies that are responsible for working with the Plan proposals are listed on the chart on the following page. Regular contact with those boards and persons is essential for reporting on our Plan’s status, the problems encountered, and progress made, and the possible adjustment or extension to the Plan. These assignments we have discovered, have not changed a great deal since the original chart was prepared in 1994. The chart essentially mentions those groups that have worked on the various subjects all along.

#### **B. Problems Relating to Implementation**

We now have a situation where we have an extensive list of proposals for a wide-range of subjects. Although we have not tried to place a detailed price-tag on them, it is expected the costs would exceed the community’s ability to finance all of them. As a result, not only would a careful look at timing be required to determine which 5-year increment had more than its reasonable share of proposals, but the possibility of spreading them out over time would be considered to make them more practical. The possibility of prioritizing these proposals should be considered. This will require good communication between Capital Budget Committee, Finance Committee, Town Administrator, Selectmen, and the various committees and departments in order to reach a consensus.

#### **C. Coordination Between 5 and 15 Year Proposals - Extending the Target Year**

There are presently several different types of planning programs underway by various town agencies. The Town’s Comprehensive Plan originally had a 20-year time frame, but that has been shortened to 15 years (2016). Other planning programs are for 5 years, but many of those materials are operational in nature, not usually the concern of the comprehensive plan planning program. These long range plans can be built upon however to form long-range chapters fairly easily. Future subjects are already being proposed for the Plan to fit our needs. It may also prove desirable to move the Plan’s target year up to 2025 for long-range purposes.

#### **D. Adjustments Needed To the Process and To Chapter Content**

The current cooperative working relationship between Planning Board (Local Planing Committee) and Growth Policy Advisory Council (GPAC) needs to be strengthened, realizing the Planning Board has many other planning responsibilities, such as day-to-day subdivision and zoning operations. This relationship has worked well in the past, as have the use of steering sub-committees working on specific subjects, with inter-locking membership from other concerned agencies. Using that steering sub-committee approach probably should be continued for the near future, rather than form yet a new local planning committee with multiple members.

TABLE 18-2

**YARMOUTH COMPREHENSIVE PLAN  
ASSIGNMENT OF RESPONSIBILITIES**

No.	Title	Lead Agency	Other Interested Agencies			
			1	2	3	4
1.	Introduction to Comprehensive Plan	P. Staff	LPC	GPAC		
2.	Outreach Program (Consultant)	GPAC	LPC	P.Staff		
3.	Population Study	P. Staff	GPAC	LPC		
4.	Economic Development - Inventory of Pertinent data	P. Staff	LPC	YERC	GPAC	YACOC
5.	Intergovernment Coordination (Replaced by Chap.17)	P. Staff	GPAC	LPC	TA	
6.	Open Space and Recreation Plan (Consultant)	Recreation Conservation	PKD	NRD	P.Staff	R.Staff Con.Staff
7.	Coastal Resources Plan (Consultant)	P.Staff C. Staff	LPC	NRD	Con.	
8.	Land Use/Growth Management Chapter	LU/GM SSC	LPC	GPAC	R-28	
9.	Transportation Study (Consultant)	T-SSC	LPC	GPAC	R-28	YERC
10.	Economic Development -Analysis & Plan (Consultant)	YERC	P.Staff	GPAC	LPC	R-28
11.	Wetlands Chapter	Con.Ad.	NRD	P.Staff	GPAC	
12.	Water Resources Plan	P.Staff	WDS	LPC	GPAC	BOH
13.	Wildlife & Plant Habitat	Con.Ad.	NRD	P.Staff	GPAC	
14.	Affordable Housing	FHC	P.Staff	YHA	GPAC	
15.	Community Character - Scenic Vistas, Historic Preservation, Cultural Landscapes	CC - SSC	Hist, Comm	LPC	YERC	C.Ad P.Staff
16.	Infrastructure	I- SSC	LPC	R-28	RAS WAC	T.Eng P.Staff DPW-D
17.	Intergovernmental Coordination & Resources of Regional Importance	P.Staff	GPAC	LPC	T.A.	
18.	Capital Improvements Program/ Implementation	GPAC	LPC	P.Staff	T.A.	CBC

**TABLE 18-3**  
**YARMOUTH COMPREHENSIVE PLAN**  
**ASSIGNMENT OF RESPONSIBILITIES**  
**KEY - TITLE ABBREVIATIONS**

**COMMITTEES, BOARDS, COMMISSIONS:**

BOH - Board of Health  
BOS - Board of Selectmen  
CBC - Capital Budget Committee  
CON - Conservation Commission  
GPAC - Growth Policy Advisory Council  
FHC - Fair Housing Committee  
HistC - Yarmouth Historic Commission  
LPC - Local Planning Committee (=Planning Board)  
RASWAC - Recycling and Solid Waste Advisory Council  
R-28 - Route 28 Task Force  
YERC - Economic Revitalization Committee

**STAFF, DEPARTMENTS, DIVISIONS**

P. Staff - Planning Division Staff  
TA - Town Administrator  
WD - Water Division Staff  
CD - Staff Community Development Dept.  
PKD - Park Dept. Staff  
NRD - Natural Resources Dept. Staff  
Rec. Staff - Recreation Division Staff  
Con.Ad - Conservation Administrator  
T-Eng. - Town Engineer  
DPW -D. - Department of Public Works - Director

**OUTSIDE AGENCIES**

YACOC - Yarmouth Area Chamber of Commerce  
YHA - Yarmouth Housing Authority

**STEERING SUB-COMMITTEES ( SSC)**

LU/GM - SSC- Land Use & Growth Management Steering Sub-Committee  
T-SSC - Transportation Steering Sub-Committee  
CC-SSC - Community Character Steering Sub-Committee  
I-SSC - Infrastructure Steering Sub-Committee  
ED-SSC - Economic Development Steering Sub-Committee

**E. Responsibilities of GPAC in Advancing the Plan**

As we approach completion of the basic 18 chapters of the Comprehensive Plan Program, it must be pointed out that some committees of the Town must assume active coordination of its proposals and of its advancement with other governmental agencies and the public. That agency should be the Growth Policy Advisory Council, who have already assumed that role in the development of the Plan over the 1995-2001 time frame. They will have to visit regularly with other concerned groups to understand how the Plan is working for them, and to learn the need for up-dating on various subjects within each and problems that are being experienced.

**F. Regular Updating of the Chapters of the Comprehensive Plan**

When the development of the scope of services for the Comprehensive Plan was begun in 1992 it was recognized then that plans at the municipal level can change virtually overnight. A process was set up so that Plan chapter subjects could be amended fairly easily by a majority vote at Town Meeting. The Plan Chapters "long summaries" were prepared in notebook form as well as an Executive Summary for Town Meeting. That has proven to be the case, as two of the first chapters endorsed in 1997, Recreation and Open Space and Water Resources, were up for substantial revision 4 ½ years later at Special Town Meeting in November 2001, and others should be expected as the original base documents are improved..

## PART II

### FINANCIAL INFORMATION ABOUT YARMOUTH

#### **A. Introduction**

As noted in the 'Purpose' of this chapter, there are three major parts to it. This is the first part, and it deals with basic financial information designed to give an overview of the financial position of the Town to people inquiring about the Town, those that maybe moving here and buying homes, or those that are potential entrepreneurs.

Cities and towns provide general governmental services at the local level. Municipalities were traditionally authorized to exercise only those powers granted by the State Legislature, but Massachusetts adopted a Home Rule Amendment to its Constitution in 1966, under which a city or town may exercise, by ordinance or by-law, any power which the State Legislature could confer upon it; provided, that the ordinance or by-law is consistent with the laws enacted by the State Legislature. Certain powers are excluded from home rule and may still be exercised only when authorized by State law; these powers include the power to levy taxes, the power to borrow money, and the power to enact private or civil law governing civil relationships except as an incident to the exercise of an independent municipal owner. Under the Home Rule Amendment the State Legislature may enact general laws relating to a class of two or more municipalities, but (except in limited circumstances) may enact a special law relating to a particular city or town only on request of the city or town or on recommendation of the Governor and passes by a two-thirds vote of both houses of the Legislature.

#### **A. Massachusetts Municipal Government (See Bond Offering)**

- Yarmouth, incorporated in 1639, is governed by the open town meeting form of government. It is one of 15 towns in Barnstable county.
- Massachusetts cities and towns are subject to the planning legislative power of the Commonwealth.
- As stated by the supreme judicial Court:
  - “A town is not an independent sovereignty. It is merely a subordinate agency of the State government. It is a creature of the Commonwealth from which are derived all its powers and those of its voters and officers”
- The Towns provide general governmental services for the territory within its boundaries, including police, fire protection, water, street, parks, and recreation. The Dennis/Yarmouth Regional School District provides public education in grades K-12 and the Cape Cod Regional Technical High School provides vocational education in grades 9-12.

## THE TOWN

Yarmouth incorporated in 1639, is governed by the open town meeting form of government and is located in Barnstable County.

Cities and towns may change their form of government by adopting home rule charters or amending existing charters. A town with a population of less than 12,000 population may not change to a city form of government and a town of less than 6,000 inhabitants may not change from the open town meeting form of government to a limited or representative town meeting form.

Most towns are governed by open town meetings in which any voter may participate. Others have an elected representative town meeting, often with public officers serving as ex officio members of the town meeting. Provision is usually made for a referendum on actions of the representative town meeting upon petition of a sufficient number of voters. Administrative affairs are generally managed by a board of three or more selectmen, sometimes with the assistance of a town manager or town administrator, as in Yarmouth.

At the 1997 Annual Town Meeting, Yarmouth became one of the last municipalities in the Commonwealth to adopt a "home rule charter". This codified many existing practices and roles. It gives the Town certain flexibility in its operations as well.

**Table18- 4 -POPULATION (1)**

Year	Yarmouth		Barnstable County		Massachusetts	
	Number	%Change	Number	%Change	Number	%Change
2010(Proj)	25,635	5.4	274,066	12.2%	6,690,740	2.9
2005(Proj)	24,328	(1.9)	244,257	9.9	6,505,160	2.5
2000	24,807	17.2	222,230	19.1	6,349,097	5.5
1990	21,174	14.8	186,605	26.1	6,016,425	4.09
1980	18,449	53.3	147,925	53.0	5,737,037	0.8
1970	12,033	118.6	96,656	37.5	5,689,170	10.5
1960	5,504		70,286		5,148,578	

(1) Source: U.S. Department of Commerce for actuals and estimates, Massachusetts Institute for Social & Economic Research for projections. (MISER)

### METHODS OF FINANCING IMPROVEMENTS

Historically, the financing of the varied capital needs of local government, ranging from sidewalk repair to construction of roads, to water and sewer systems, has been met from three basic sources. 1) internally generated revenue, 2) grants and other forms of inter-governmental contributions, and 3) the public finance or municipal bond market. The security of these investments, usually offered with municipal obligations, together with their tax-exempt status, have made municipal issues particularly attractive to the investor.

Massachusetts cities and towns are entering a period of transition from the phenomenal gains of the last decade. The strength and resilience of the public finance market can be attributed to the integrity and ingenuity of local government units such as Yarmouth, who are now faced with the most uncertain national situation in over 60 years.

**AUTHORIZATION OF GENERAL OBLIGATION BONDS AND NOTES**

Serial bonds and notes are authorized by a two-thirds vote of the town meeting. Refunding bonds and notes are authorized by the selectmen. Borrowing for some purposes require State administrative approval.

**BUDGETS, TAX RATES, AND STATE AID**

**Budget and Appropriation Process** (Fiscal Year Beginning 1 July)

The annual appropriations of a town are ordinarily made at the annual meeting which takes place February, March, April or May. Appropriations may also be voted at special meetings. Every town must have an appropriation, advisory or finance committee. The committee is required to submit a budget of proposed expenditures at the annual town meeting.

Water and sewer department expenditures are included in the budgets adopted by town meetings but electric and gas department funds may be appropriated by the municipal light boards. Under certain legislation any city or town which accepts the legislation may provide that the appropriation for the operating costs of any department may be offset, in whole or in part, by estimated receipts from fees charged for services provided by the department. It is assumed that this general provision does not alter the pre-existing power of an electric or gas department to appropriate its own receipts.

**Table 18-5** -Budget Comparison

The following table sets forth the budgets for fiscal years 2002-1998: For the Town of Yarmouth  
**FOR FISCAL YEAR - in \$000.**

<b>Department</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>	<b>1999</b>	<b>1998</b>
<b>General Government</b>	\$4,546	\$4,147	\$3,863	\$3,737	\$3,595
<b>Public Safety</b>	7,738	6,828	6,579	6,271	5,677
<b>Education</b>	16,886	15,756	15,433	14,285	13,770
<b>Public Works</b>	11,553	11,025	10,122	9,363	9,156
<b>Human Services</b>	920	909	881	848	804
<b>Culture &amp; Recreation</b>	4,686	4,326	3,888	3,318	3,048
<b><u>Debt Service</u></b>	<u>5719</u>	<u>6,580</u>	<u>5,926</u>	<u>6,315</u>	<u>5,782</u>
<b>Total</b>	<b>\$52,048</b>	<b>\$49,571</b>	<b>\$46,692</b>	<b>\$44,137</b>	<b>\$41,832</b>

**Table 18-6 - Federal Aid**

The following is a list of federal monies received by the Town in recent years, the amount estimated for fiscal 2001, and the amount projected for fiscal 2002:

<b><u>FISCAL YEAR</u></b>	<b><u>TOTAL FEDERAL AID</u></b>
2002 (Projected)	\$425,000
2001 (Estimated)	450,000
2000	546,768
1999	454,727
1998	488,872
1997	523,046
1996	137,239

**Table 18-7 - State Aid**

The following table sets forth the amount of State aid to the Town in recent years, the amount estimated for fiscal 2001, and a projected amount for fiscal year 2002:

<b><u>Fiscal Year</u></b>	<b><u>Total From State</u></b>
2002 (Projected)	\$2,000,000
2001 (Estimated)	2,500,000
2000	2,540,312
1999	2,977,970
1998	3,088,699
1997	2,225,997
1996	1,853,616

**Table 18-8 - Valuations**

The following shows the assessed and equalized valuations for the most recent fiscal years:

**FOR FISCAL YEAR**

	<u>2001 (3)</u>	<u>2000</u>	<u>1999</u>	<u>1998 (3)</u>	<u>1997</u>
Real Property (1)	\$2,785,463,400	\$2,143,160,400	\$2,118,171,500	\$2,102,947,300	\$2,028,493,300
Personal Property (1)	<u>\$74,316,109</u>	<u>65,700,147</u>	<u>64,612,461</u>	<u>67,092,165</u>	<u>66,122,540</u>
Total	<u>\$2,859,779,509</u>	<u>\$2,208,860,547</u>	<u>\$2,182,783,961</u>	<u>\$2,170,039,465</u>	<u>\$2,094,615,840</u>

Equalized Valuation (2)	\$2,585,706,700	\$2,303,392,500	\$2,303,392,500	\$2,161,867,200	\$2,161,867,200
Percent of Total Assessed to Equalized Valuation	110.6%	95.9%	94.8%	100.4%	96.9%

(1) As of January 1, 2000, 1999, 1998, 1997 and 1996 respectively.

(2) Based on the equalized valuation in effect for each year.

(3) Reflects revaluation.

**Table 18-8A**

The following table shows the breakdown of the total assessed valuation for fiscal years 2001 through 1999 by classification:

<u>Class</u>	<u>Fiscal 2001</u> Assessed Valuation	<u>% of</u> Total	<u>Fiscal 2000</u> Assessed Valuation	<u>% of</u> Total	<u>Fiscal 1999</u> Assessed Valuation	<u>% of</u> Total
Residential	\$2,452,391,100	85.8	\$1,873,994,100	84.8	\$1,851,596,300	84.8
Open Space	519,600	0.1	564,500	0.1	377,900	0.1
Commercial	312,696,200	10.9	254,022,100	11.5	251,458,500	11.5
Industrial	19,856,500	0.6	14,579,700	0.6	14,738,800	0.6
Personal Property	<u>74,316,109</u>	2.6	<u>65,700,147</u>	3.0	64,612,461	3.0
Total	<u>\$2,859,779,509</u>	<u>100%</u>	<u>\$2,208,860,547</u>	<u>100%</u>	<u>\$2,182,783,961</u>	<u>100%</u>

**Table 18-9** - Tax Rates

The following shows the actual tax rates per \$1,000 of assessed valuation and the full value rate for the most recent fiscal years:

<u>Fiscal Year</u>	<u>Actual Tax Rate</u>	<u>Full Value Rate (1)</u>
2001	\$10.76	\$11.90
2000	13.06	12.52
1999	12.62	11.96
1998	12.10	12.15
1997	12.00	11.63

(1) Based on the equalized valuation in effect for each year.

**PROPERTY TAXATION AND VALUATION**

**Tax Rate and Valuation - General** property is classified for the purpose of taxation according to its use. The Legislature has, in substance, created three classes of taxable property: (1) residential real property, (2) open space land, and (3) all other (commercial, industrial and personal property). Within limits, cities and towns are given the option of determining the share of the annual levy to be borne by each of the three categories. The share to be borne by residential real property must be at least 50 percent of its share of the total taxable valuation. The effective rate for open space must be at least 75 percent of the effective rate for residential real property. The share of commercial, industrial and personal property must not exceed 175 percent of their share of the total valuation. A city or town may also exempt up to 20 percent of the valuation of residential real property (where used as the taxpayer's principal residence) and up to 10 percent of the valuation of commercial real property (where occupied by certain small businesses). Property may not be classified in a city or town until the State Commissioner of Revenue certifies that all property in the city or town has been assessed at its fair cash value. Such certification must take place every three years. The Town applies the same tax rate to all property classifications.

**STATE AID**

In addition to grants for specified capital purposes (some of which are payable over the life of the bonds issued or the projects), the Commonwealth provides financial assistance to cities and towns for current purposes. Payments to cities and towns are derived primarily from a percentage of the State's personal income, sales and use, and corporate excise tax receipts, together with the new receipts from the State Lottery. A municipality's state aid entitlement is based on a number of different formulas, of which the "schools" and "lottery" formulas are the most important. Both of the major formulas tend to provide more state aid to poorer communities. None of the major local aid programs has a termination date under existing law and while a formula might indicate that a particular amount of state aid is owed, the amount of state aid actually paid is limited to the amount appropriated by the state legislature. The state annually estimates state aid, but the actual state aid payments may vary from the estimate.

In the fall of 1986, both the State Legislature (by statute,) repealed as of July 1, 1999, and the voters (by initiative petition) placed limits on the growth of state tax revenues. Although somewhat different in detail, each measure essentially limited the annual growth in state tax revenues to an average rate of growth in wages and salaries in the Commonwealth over the three previous calendar years. If not amended, the remaining law could restrict the amount of state revenues available for state aid to local communities.

Legislation was enacted in 1991 to help municipalities compensate for additional local aid reductions by the Commonwealth for fiscal year 1992. Under that law, municipalities were allowed to defer budgeting for teachers summer compensation payable by the end of the fiscal years 1992 and 1993. Municipalities that chose to defer such amounts are required to amortize the resulting budget deficiency by raising at least one fifteenth of the deferred amount in each of the fiscal years 1997 through 2011, or in accordance with a more rapid amortization schedule. **The Town of Yarmouth chose not to accept the teacher deferral.**

**COMPARISONS WITH TOWNS OF A SIMILAR SIZE**

The September 2001 Newsletter of the Mass. Dept. of Revenue - Division of Local Services - "City & Town" provides some very interesting analyses of the FY'01 Average Single Family Tax bills. The analyses are based on 339 of the 351 cities and towns in the Commonwealth. (See Table 10 on the attached page 6). For comparative purposes, the 12 towns with populations between 23,000 and 27,000 in Massachusetts have been selected; six are suburban in nature, including Yarmouth, and the other six are more urban/commercial in nature.

For Yarmouth, the FY'01 average single family tax bill was \$1,739, which ranked 283<sup>rd</sup> in Massachusetts. An excellent rank! The tax bill in the last year had risen 5.7% while the average for the state was up 5.5%. The reader needs to examine the table for further information.

**TABLE 18-10**  
**COMPARATIVE DATA**  
**TOWNS BETWEEN 23,000 AND 27,000 IN 2000**  
**FY2001 - AVERAGE SINGLE FAMILY TAX BILLS**

	<u>Name</u>	<u>2000 Population</u>	<u>FY'00 Avg.Value</u>	<u>FY'01 Avg.Value</u>	<u>% Change Value</u>	<u>FY'00 Avg. TaxBill</u>	<u>Fy'01 Avg. TaxBill</u>	<u>FY'01 Hi-Lo Rank</u>	<u>% Chg. Tax Bill</u>	<u>FY'01 Tax Rate</u>
1	Dedham	23,464	190,446	237,160	24.5	2,809	3,026	95	7.7	12.76
2	Reading	23,708	248,714	280,965	13.0	3,678	3,796	50	3.2	13.51
3	Belmont	24,194	434,768	470,242	8.2	5,356	5,577	12	4.1	11.86
4	Marshfield	24,324	183,033	192,167	5.0	2,756	3,004	97	9.0	15.63
5	Wakefield	24,804	207,947	208,513	0.3	2,838	2,928	103	3.2	14.04
6	Yarmouth	24,807	125,925	161,622	28.3	1,645	1,739	283	5.7	10.76
7	Bridgewater	25,185	185,416	187,735	1.3	2,601	2,715	124	4.4	14.46
8	Danvers	25,212	202,328	235,003	16.1	2,996	3,008	96	0.4	12.80
9	Milton	26,052	265,969	266,914	0.4	3,996	4,124	40	3.2	15.45
10	Saugus	26,078	179,353	195,512	9.0	2,079	2,151	214	3.5	11.00
11	Wellesley	26,613	535,170	607,567	13.5	5,084	5,377	15	5.8	8.85
<u>12</u>	<u>Milford</u>	<u>26,799</u>	<u>195,557</u>	<u>182,616</u>	<u>17.4</u>	<u>2,574</u>	<u>2,701</u>	<u>126</u>	<u>4.9</u>	<u>14.79</u>
13	State Avg.	6,349,297	185,086	206,075	11.3	2,680	2,827	-	5.5	13.72

### **Bond Ratings**

In June of 2001, the Town offered \$8.2 million in general obligation bonds, due in 2020. The Standard and Poor rating received was very good, "AA-1". It reflected Yarmouth as primarily a residential resort community with a large retiree population (25,000), strong reserves, and moderate debt ratios. These strengths were offset somewhat by a seasonal local economy. Expenditure controls and conservative budgeting practices have resulted in strong financial operations. Management has been able to maintain a low tax rate while living within Proposition 2 ½ constraints. Overall net debt per capita is moderate at \$1,887, and debt to market value is low at 2%. Almost 2/3 of the outstanding debt has been voted exempt from Proposition 2½ limitations.

### **Types of Bonds**

An issuer who decides to raise capital through public finance must answer a multitude of questions about potential long-term debt. There are two basic types of issues:

General Obligation - Bonds whose repayment is based upon the general credit and taxing powers of the borrowing government. G.O. Bonds comprise over 2/3 of annual state and local issuances. They are usually used to finance public buildings, roads, and schools, etc.

Revenue Bonds - are secured by an issuer's generally broad taxing power. These can be defined as obligations whose debt service requirements are payable from earnings of a public enterprise such as electric, water or waste water facilities.

Other Types of Debt - In recent years new financing techniques and credit substitution have become important tools. They may include credit substituting, letters of credit-backed debt; bond issuance, credit enhancement, and refunded bonds.

### **Bond Offerings**

After approval by a 2/3 vote of the governing body (the Town Meeting in Yarmouth), an offering is prepared by a financial institution specializing in municipal finance.

Typically "bond offerings" by a local municipality are prepared in report form about the community dealing with every thing pertinent to the issue from -

Purpose of the Borrowing? Essential or Non-Essential?

Legal Ability to Borrow

Legal Restraints Needing to be Addressed - Prop 2 ½. Debt Limits?

How will the Debt be Secured?

Structuring of the Debt

The Term of the Borrowing - Payments?

Yarmouth's offerings are handled in this manner.

### **Types of Obligations**

General Obligations. Massachusetts cities and towns are authorized to issue general obligation indebtedness of these types:

Serial Bonds and Notes. These are generally required to be payable in equal or diminishing annual principal amounts, beginning no later than the end of the next fiscal year commencing after the date of issue and ending within the terms permitted by law. Level debt service is permitted for bonds or notes issued for certain purposes, including self-supporting enterprise purposes, and certain state-aided school

projects and for those projects for which debt service has been exempted from property tax limitations. The maximum terms vary from one year to 40 years, depending on the purpose of the issue. Most of the purposes are capital projects. Bonds or notes may be made callable and redeemed prior to their maturity, and a redemption premium may be paid. Refunding bonds or notes may be issued subject to the maximum term measured from the date of the original bonds or notes. Serial bonds may be issued as "qualified bonds" with the approval of the State Emergency Finance Board, subject to such conditions and limitations (including restrictions on future indebtedness) as may be required by the Board. The State Treasurer is required to pay the debt service on qualified bonds and thereafter to withhold the amount of the debt service from state aid or other state payments: administrative costs and any loss of interest income to the State are to be assessed upon the city or town.

*Bond Anticipation Notes.* These generally must mature within two years of their original dates of issuance, but may be refunded from time to time for a period not to exceed five years from their original dates of issuance, provided that (except for notes issued for certain school projects) for each year that the notes are refunded beyond the second year they must be paid in part from revenue funds in an amount at least equal to the minimum annual payment that would have been required if the bonds had been issued at the end of the second year. The maximum term of bonds issued to refund bond anticipation notes is measured (except for certain school projects) from the date of the original issue of the notes.

*Revenue Anticipation Notes.* These are issued to meet current expenses in anticipation of taxes and other revenues. They must mature within one year but, if payable in less than one year, may be refunded from time-to-time up to one year from the original date of issue.

*Grant Anticipation Notes.* These are issued for temporary financing in anticipation of federal grants and state and county reimbursements. They must generally mature within two years but may be refunded from time to time as long as the municipality remains entitled to the grant or reimbursement.

*Revenue Bonds.* Cities and towns may issue revenue bonds for solid waste disposal facilities and for projects financed under the Commonwealth's Water Pollution Abatement or Drinking Water Revolving Loan Programs. In addition to general obligation bonds and notes, cities and towns having electric departments may issue electric revenue bonds, and notes in anticipation of such bonds, subject to the approval of the State Department of Telecommunications and Energy. The Town of Yarmouth does not have an electric department.

*Revenue Anticipation Notes.* The amount borrowed in each fiscal year by the issue of revenue anticipation notes is limited to the tax levy of the prior fiscal year, together with the net receipts in the prior fiscal year from the motor vehicle excise and certain payments made by the Commonwealth in lieu of taxes. The fiscal year ends on June 30. Notes may mature in the following fiscal year, and notes may be refunded into the following fiscal year to the extent of the uncollected, unabated current tax levy and certain other items, including revenue deficits, overlay deficits, final judgments and lawful unappropriated expenditures, which are to be added to the next tax levy, but excluding deficits arising from a failure to collect taxes of earlier years. In any event, the period from an original borrowing to its final maturity cannot exceed one year.

#### **Existing Debt Service**

As of June 15, 2001 the Town's total debt was \$51,156,577. The normal General Debt Limit was \$129,285,335 at that time. Of that amount some \$36,265,765 had been exempted from the limitations of Prop. 2 ½. This was a very favorable position for a growing suburban/ retirement/ recreation community. \$30,676,415 was outside the general debt limit, and \$16,000,000 of that was for outstanding bonds for the Yarmouth Dennis Septage Treatment Plant. There was another \$19,000,000 within the general debt

limit, and \$1.4 million of anticipation loans. In FY'02 Total Debt Service will be \$7.5 million, reducing annually to \$340,000 in FY2020.

### **Debt Limits**

**General Debt Limit.** The General Debt Limit of the Town consists of a Normal Debt Limit and a double Debt Limit. The Normal Debt Limit for the Town is 5 percent of the valuation of taxable property as last equalized by the State Department of Revenue. The Town can authorize debt up to this amount without State approval. It can authorize debt up to twice this amount (the Double Debt Limit) with the approval of the State Emergency Finance Board.

There are many categories of general obligation debt which are exempt from and do not count against the General Debt Limit. Among others, these exempt categories include revenue anticipation notes and grant anticipation notes, emergency loans, loans exempted by special laws, certain school bonds, sewer bonds, solid waste disposal facility bonds, and subject to special debt limits, bonds for water (limited to 10 per cent of equalized valuation), housing, urban renewal and economic development (subject to various debt limits), and electric and gas (subject to a separate limit equal to the General Debt Limit, including the same doubling provision). Industrial revenue bonds, electric revenue bonds, solid waste disposal revenue bonds, water pollution abatement revenue bonds, and drinking water revenue bonds are not subject to these debt limits. The General Debt Limit and the special debt limit for water bonds apply at the time the debt is authorized. The other special debt limits generally apply at the time the debt is incurred.

DEBT (1)

The following shows the direct debt to be outstanding as of June 15, 2001, including these bonds:  
General Obligation Bonds:

Within General Debt Limit (2):

Sewers & Drains	\$ 80,000	
Land Acquisition	4,484,350	
Other Buildings	272,750	
Streets, Sidewalks & Parking	4,178,000	
Architectural & Engineering Services	1,019,000	
Athletic & Recreational Facilities	1,129,000	
Other Inside General	5,000	
These Bonds	<u>7,900,000</u>	
<u>Total Within the General Debt Limit</u>		\$19,068,100

Outside General Debt Limit:

Sewers (5)	16,003,209	
Other Outside General	11,809,306	
Water	2,563,900	
These Bonds	<u>300,000</u>	
<u>Total Outstanding General Obligation Bonds</u>		<u>\$30,676,415</u>
		\$49,744,515
		(3) (4)

Temporary Loans in Anticipation of:

Revenue	\$ 0	
Bonds (6)	740,000	
Grants	<u>672,062</u>	
<u>Total Temporary Loans</u>		<u>1,412,062</u>
<u>Total Direct Debt</u>		<u>\$51,156,577</u>

(1) Principal amount only. Excludes lease and installment purchase obligations, overlapping debt and unfunded pension liability.

(2) At the present time, the normal General Debt Limit is \$129,285,335 and the Double General Debt Limit (see Debt Limits above) is \$258,570,670.

(3) Of this amount, \$36,265,765 has been exempted from the limitations of Proposition 2 ½.

(4) \$15,704,209 is self-supporting.

(5) The outstanding sewer bonds were used to fund the Yarmouth-Dennis Septage Treatment Plant. This is a regional facility with the Town of Dennis. The original authorization for this project was \$34,000,000. At the Annual Town Meeting for 2001, \$11,385,557 in authorized, but unissued debt was rescinded, resulting in the total cost of the project at \$22,614,443. An Inter-municipal Agreement has been signed with the Town of Dennis, under which Dennis is responsible for 38% of the cost of the facility after grants. The Septage Treatment Plant is operated as an enterprise fund and is currently self-sufficient. The Town voted to exempt the debt service on the bonds for this project from the limitations of Proposition 2 ½.

(6) Does not include \$6,500,000 bond anticipation notes maturing June 20, 2001 to be retired from the proceeds of these Bonds.

**Table 18- 11 Bond Debt vs. Population, Valuations and Income  
As of June 30**

	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
Amount (1)	\$46,798,344	\$48,563,424	\$47,962,299	\$44,074,640	\$44,032,281
Per Capita (2)	\$1,887	\$2,103	\$2,109	\$1,959	\$1,975
Percent of Assessed Valuation (3)	2.12%	2.22%	2.21%	2.10%	2.12%
Percent of Equalized Valuation (4)	2.03%	2.11%	2.22%	2.04%	1.95%
Amount per Capita as a Percent of Personal Income Per Capita (2)	12.54%	13.98%	14.02%	13.02%	13.13%

(1) Outstanding principal on general obligation bonds. Excludes lease and installment purchase obligations, overlapping debt and unfunded pension liability.

(2) Source: U. S. Department of Commerce, Bureau of Census - latest applicable actuals or estimates.

(3) Source: Board of Assessors-Assessed valuation as of the prior January 1.

(4) Source: Massachusetts Department of Revenue - equalized valuation in effect for that fiscal year (equalized valuations are determined for January 1 of each even-numbered year)

**Table 18-12 -Annual Debt Service (1)  
Outstanding as of 6/15/01**

<u>Fiscal Year</u>	<u>Principal (3)</u>	<u>Interest (2)</u>	<u>Current Issue Principal (4)</u>	<u>Current Issue Interest (4)</u>	<u>Total Debt Service</u>	<u>Cumulative % Principal Retired (5)</u>
2002	\$4,592,018	\$2,029,526	\$535,000	\$389,500	7,546,044	10.3%
2003	4,326,959	1,816,621	535,000	364,088	7,042,668	20.1%
2004	3,830,401	1,616,634	535,000	338,675	6,320,710	28.9%
2005	3,522,418	1,432,311	520,000	313,263	5,787,992	37.0%
2006	3,408,396	1,260,642	520,000	288,563	5,477,601	44.9%
2007	3,394,758	1,086,887	500,000	263,863	5,245,508	52.7%
2008	2,791,498	914,236	500,000	240,113	4,445,847	59.3%
2009	2,621,862	773,741	500,000	216,363	4,111,966	65.6%
2010	2,147,462	649,490	500,000	192,613	3,489,595	70.9%
2011	2,233,915	532,806	430,000	168,863	3,365,584	76.3%

<u>Fiscal Year</u>	<u>Principal (3)</u>	<u>Interest (2)</u>	<u>Current Issue Principal (4)</u>	<u>Current Issue Interest (4)</u>	<u>Total Debt Service</u>	<u>Cumulative % Principal Retired (5)</u>
2012	2,325,146	411,048	350,000	148,438	3,234,632	81.7%
2013	2,163,409	430,272	350,000	131,813	3,075,494	86.7%
2014	1,438,836	177,642	350,000	115,188	2,081,666	90.3%
2015	593,209	123,989	350,000	98,563	1,165,761	92.2%
2016	601,909	93,665	350,000	81,938	1,127,512	94.1%
2017	610,809	62,890	350,000	65,313	1,089,012	96.0%
2018	608,708	31,858	350,000	48,688	1,039,254	98.0%
2019	332,808	8,320	350,000	32,063	723,191	99.3%
2020	0	0	325,000	15,438	340,438	100.0%
	<u>\$41,544,521</u>	<u>\$13,452,578</u>	<u>\$8,200,000</u>	<u>\$3,513,346</u>	<u>\$66,710,445</u>	

(1) Excludes revenue anticipation notes, grant anticipation notes, bond anticipation notes, lease and installment purchase obligations, overlapping debt and unfunded pension liability.

(2) Interest for this issue is estimated at 4.75%

(3) Debt service on \$29,580,765 principal and \$11,362,438 interest has been exempted from the provisions of Proposition 2 ½.

(4) Principal and corresponding interest on 46,685,000 of these bonds have been exempted from the provisions of Proposition 2 ½

(5) Includes the current issue.

### **PROPOSITION 2 ½ LIMITATION**

Proposition 2 ½, which was proposed by initiative petition, was adopted by the general election of November 1980 and took effect on December 4, 1980. The law is subject to amendment or repeal by the Legislature. The legislation, as subsequently amended, imposes two separate limits on the tax levy of a city or town.

The primary limitation is that the tax levy can not exceed 2 ½ % of the full and fair cash value. If a town exceeds the primary limitation, it must reduce its tax levy by 15% annually until it is in compliance.

Proposition 2 ½ also limits the property tax levy amount to the prior year's levy, plus 2.5% new growth.

**Tax Limitations.** Chapter 580 of the acts of 1980, which was proposed by initiative petition known as "Proposition 2 ½", was adopted at the November 4, 1980 general election. If a city or town exceeds the primary limitation, it must reduce its tax levy by at least 15 percent annually until it is in compliance, provided that the reduction can be reduced in any year to not less than 7 ½ percent by majority vote of the voters, or to less than 7 ½ percent by two-thirds vote of the voters.

For cities and towns at or below the primary limit, a secondary limitation is that the tax levy cannot exceed the maximum levy limit for the preceding fiscal year as determined by the State Commissioner of Revenue, by more than 2 ½ percent subject to exceptions for property added to the tax rolls or property which has had an increase, other than as part of a general revaluation, in its assessed valuation over the prior years valuation.

This "growth" limit on the tax levy may be exceeded in any year by a majority vote of the voters, but an increase in the secondary or growth limit under this procedure does not permit a tax levy in excess of the primary limitation, since the two limitations apply independently. The applicable tax limits may also be reduced in any year by a majority vote of the voters.

The State Commissioner of Revenue may adjust any tax limit "to counterbalance the effects of extraordinary, non-recurring events which occurred during the base year".

The statute further provides that voters may exclude from the taxes subject to the tax limits and from the calculation of the maximum tax levy (a) the amount required to pay debt service on bonds and notes issued before November 4, 1980, if the exclusion is approved by a majority vote of the voters, and (b) the amount required to pay debt service on any specific subsequent issue for which similar approval is obtained. Even with other approval, the holders of the obligations for which unlimited taxes may be assessed do not have a statutory priority or security interest in the portion of the tax levy attributable to such obligations. **The Town has voted to exempt the debt service on \$29,580,765 of previously issued bonds as well as \$6,685,000 of the Bonds from the tax levy limitations of Proposition 2 ½.**

Voters may also exclude from the Proposition 2 ½ limits the amount required to pay specified capital outlay expenditures. Town meetings of a town may vote to exclude from the proposition 2 ½ limits, taxes raised in lieu of sewer or water charges to pay debt service on bonds or notes issued by the municipality (or by an independent authority, commission or district) for water or sewer purposes, provided that the municipality's sewer or water charges are reduced accordingly.

**Table 18-13 - Largest Taxpayers**

The following is a list of the ten largest taxpayers for fiscal 2001 (1):

<u>Name</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>	<u>Amount of Tax (2)</u>	<u>% of Total Levy</u>
Davenport Realty	Real Estate Developer	\$49,846,800	\$552,292	1.74%
The Cove at Yarmouth	Time Share Properties	15,144,600	167,827	0.53
Colonial Gas Co.	Utility	10,629,204	115,200	0.37
Commonwealth Electric	Utility	9,291,882	99,990	0.32
Charles Bilezikian, et al	Developer-Retail sales	8,657,450	95,841	0.30
Lloyd Tarlin et al, Trustee	Sales	8,539,700	94,644	0.30
New England Telephone	Utility	8,253,400	88,945	0.29
Kurson, Donald K. Trustee	Real Estate Developer	6,105,900	67,670	0.21
William Hemeon et al	Motels	2,985,200	32,983	0.10
<u>Fields Point Mfg. Corp.</u>	<u>Real Estate Developer</u>	<u>2,076,400</u>	<u>23,008</u>	<u>0.07</u>
<b>Total</b>		<b>\$121,530,536</b>	<b>\$1,338,400</b>	<b>4.23%</b>

(1) As of January 1, 2000. All of the largest taxpayers were current in their taxes.

(2) Includes Land Bank taxes which are raised from an additional 3% tax on real property in the Town to purchase land for conservation purposes

**Tax Levies**

**Levy - General** The principal tax of Massachusetts cities and towns is the tax on real and personal property. The amount to be levied in each year is the amount appropriated or required by law to be raised for municipal expenditures less estimated receipts from other sources and less appropriations voted from funds on hand. The total amount levied is subject to certain limits prescribed by law. As to the inclusion of debt service and final judgments, see Security and Remedies above.

The estimated receipts for a fiscal year from sources other than the property tax may not exceed the actual receipts during the preceding fiscal year from the same sources unless approved by the State Commissioner of Revenue. Excepting special funds the use of which is otherwise provided for by law, the deduction for appropriations voted from funds on hand for a fiscal year, cannot exceed the "free cash" as of the beginning of the prior fiscal year as certified by the State Director of Accounts plus up to

nine months' collections and receipts on account of earlier years' taxes after that date. Subject to certain adjustments, free cash is surplus revenue less uncollected overdue property taxes from earlier years.

Although an allowance is made in the tax levy for abatements, no reserve is generally provided for uncollectible real property taxes. Since some of the levy is inevitably not collected, this creates a cash deficiency which may or may not be offset by other items (see "Taxation to Meet Deficits" below).

**Taxation to Meet Deficits.** As noted elsewhere, overlay deficits, i.e. tax abatements in excess of the overlay included in the tax levy to cover abatements, are required to be added to the next tax levy. It is generally understood that revenue deficits, i.e. those resulting from non-property tax revenues being less than anticipated, are also required to be added to the tax levy (at least to the extent not covered by surplus revenue).

**CALCULATION OF TAX LEVIES AND LEVY LIMITS**

The following table shows the details of the calculation of the tax levies for the current and most recent fiscal years:

**Table 18-14 - Calculation of Tax Levies**

(000 omitted)

	For Fiscal Year				
<b><u>Gross Amount to be Raised:</u></b>	<b><u>2001</u></b>	<b><u>2000</u></b>	<b><u>1999</u></b>	<b><u>1998</u></b>	<b><u>1997</u></b>
Appropriations	\$53,801	\$49,519	\$46,953	\$47,075	\$42,237
Other Local Expenditures	1,544	1,679	\$1,267	1,154	1,379
State & County Charges	606	582	563	547	568
Overlay Reserve	718	678	742	770	605
<b>Total Gross Amount to be Raised</b>	<b><u>\$56,669</u></b>	<b><u>\$52,458</u></b>	<b><u>\$49,525</u></b>	<b><u>\$49,546</u></b>	<b><u>\$45,789</u></b>
<b>Less Estimated Receipts &amp; Other Revenue:</b>					
Estimated Receipts from State	\$1,681	\$1,571	\$1,412	\$1,278	\$1,094
Estimated Receipts - Local	19,384	17,740	17,008	16,982	16,496
<b>Available Fund Appropriated:</b>					
Free Cash	3,065	3,630	2,570	2,815	2,661
Other Available Funds	1,768	669	988	2,214	403
<b>Free Cash &amp; Other Revenue</b>					
Used to Reduce Tax Rate	0	0	0	0	0
<b>Total Estimated Receipts &amp; Revenue</b>	<b><u>\$25,898</u></b>	<b><u>\$23,610</u></b>	<b><u>\$21,978</u></b>	<b><u>\$23,289</u></b>	<b><u>\$20,654</u></b>
<b>Net Amount To be Raised (Tax Levy)</b>	<b><u>\$30,771</u></b>	<b><u>\$28,848</u></b>	<b><u>\$27,547</u></b>	<b><u>\$26,257</u></b>	<b><u>\$25,135</u></b>

The following shows the calculation of levy limits for the current and most recent fiscal years:

**Table 18-15****(In Thousands)  
For fiscal Year**

	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
Primary Levy Limit (1)	\$71,494	\$55,221	\$57,570	\$54,251	\$52,365
Prior Fiscal Year Levy Limit	26,615	25,568	27,686	23,878	22,852
2.5% Levy Limit	666	639	617	597	571
New Growth (2)	584	408	265	211	276
Overrides	<u>243</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>179</u>
Growth Levy Limit	28,108	26,615	28,568	24,686	23,878
Debt Exclusions	2,752	2,408	2,507	2,019	1,444
Other Adjustments	<u>201</u>	<u>196</u>	<u>183</u>	<u>179</u>	<u>184</u>
Tax Levy Limit	31,061	29,219	28,258	26,884	25,506
Tax Levy	<u>30,771</u>	<u>28,848</u>	<u>27,547</u>	<u>26,257</u>	<u>25,135</u>
Unused Levy Capacity (3)	<u>290</u>	<u>371</u>	<u>711</u>	<u>627</u>	<u>371</u>
Unused Primary Levy Capacity (4)	<u>\$43,386</u>	<u>\$28,606</u>	<u>\$29,002</u>	<u>\$29,565</u>	<u>\$28,487</u>

1) 2.5% of assessed valuation.

2) Allowed increase for new valuations - certified by the Dept. of Revenue

3) Tax Levy Limit-less Tax Levy

4) Primary Levy Limit less Growth Levy Limit

**PART III**

**CAPITAL BUDGET PROCESS**

**OVERVIEW**

- \* The Town of Yarmouth's capital budget process is now mandated by its Home Rule Charter enacted in 1997.
- \* In Section 6-4 Capital Improvements Plan, the Town Administrator is instructed to prepare a 5-year capital improvement plan designed to meet long range needs and implement the goals and objectives of the official Town Plan. The Capital Improvement Plan has to be submitted to the Board of Selectmen at least 150 days prior to Annual Town Meeting. A capital budget process has been in effect since 1980 here in Yarmouth, with the Charter now giving it official status! (See Appendix)
- \* Section 6-5 calls for a published notice of the Capital Improvement Plan, with a public hearing coordinated by the Board of Selectmen and Finance Committee. Such a plan is prepared and published annually. (See Appendix)
- \* Section 6-6 calls for a Capital Budget Committee of 7 voters appointed by the Finance Committee. This committee is operating annually and works with department head recommendations, as well as their own, on needed capital appropriations. (See Appendix)
- \* Actual Capital Budget expenditures from General fund reserves were some \$1.1 million in FY'01; for this year's (FY'02) Capital Budget another \$1.1 million was authorized. This does not include Capital expenditures from Enterprise funds or projects requiring borrowing.

**Table 18-16 - Authorized Unissued Debt and Prospective Financing**

After these Bonds are issued, the Town will have the following authorized unissued debt:

<u>Amount</u>	<u>Purpose</u>	<u>Expected Issuance of Bonds</u>
\$5,335,000	Roads	Approximately \$1,000,000 per year over 5 years
1,999,330 (1) (2)	Land Acquisition	2003
60,000	Library Plans	2003
549,350	Police Facility Planning & Construction	2001 - Exempt from Prop 21 /2
60,000	Golf Course Irrigation	2003
350,000	Drainage Easement	2003
100,000	Sewer Needs Study	2003
<u>1,539,808 (1)</u>	Landfill Capping	Rescind after grant received
<u>\$9,993,488</u>		

1) \$516,000 of the land acquisition and all of the landfill capping bonds have been exempted from the limitations of Proposition 2 ½

(2) Includes \$700,000 to be repaid from Land Bank Funds which are raised through an additional 3% in taxation on real property in the Town to purchase land for conservation purposes.

**Table 18-17 - Five Years Outstanding Debt (1) .**

	As of June 30				
<b>Long Term Indebtedness.</b>	<b>2000</b>	<b>1999</b>	<b>1998</b>	<b>1997</b>	<b>1996</b>
Within the General Debt Limit:					
Sewers & Drains	\$ 95,000	\$ 110,000	\$ 125,000	\$ 140,000	155,000
Land Acquisition	5,917,850	7,358,100	8,781,100	10,051,350	11,260,350
Other Buildings	406,650	263,000	374,800	516,750	683,550
Streets Sidewalks & Parking	5,050,000	3,595,000	4,315,000	3,780,000	2,800,000
Departmental Equipment	65,000	135,000	205,000	345,000	140,000
Architectural & Engineering Services	1,203,000	760,000	820,000	300,000	2,000
Athletic & Recreational Facilities	1,254,000	1,273,000	1,388,881	224,000	256,000
Other	10,000	15,000	20,000	25,000	30,000
<b>Total Within the General Debt Limit</b>	<b>\$14,001,500</b>	<b>\$13,509,100</b>	<b>\$16,029,781</b>	<b>\$15,382,100</b>	<b>\$15,326,900</b>
<b>Long-Term Indebtedness.</b>	<b>2000</b>	<b>1999</b>	<b>1998</b>	<b>1997</b>	<b>1996</b>
Outside the General Debt Limit					
Sewers	\$16,896,338	\$17,749,917	\$18,567,299	\$19,004,640	\$19,697,281
Other	12,781,906	13,629,757	9,080,769	4,878,250	3,668,650
Water	3,118,600	3,674,650	4,284,450	4,809,650	5,339,450
<b>Total Outside the General Debt Limit</b>	<b>32,796,844</b>	<b>35,054,324</b>	<b>31,932,518</b>	<b>28,692,540</b>	<b>28,705,381</b>
<b>Total Long Term Indebtedness</b>	<b>\$46,798,344</b>	<b>\$48,563,424</b>	<b>\$47,962,299</b>	<b>\$44,074,640</b>	<b>\$44,032,281</b>
<b>Short Term Indebtedness</b>					
Revenue Anticipation Notes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Grant Anticipation Notes	1,831,072	1,808,654	1,942,025	2,620,147	2,120,210
Bond Anticipation Notes	0	3,233,000	4,684,904	4,230,000	1,897,829
<b>Total Short Term Indebtedness</b>	<b>1,831,072</b>	<b>5,041,654</b>	<b>6,626,929</b>	<b>6,850,147</b>	<b>4,018,039</b>
<b>Total - Outstanding Indebtedness</b>	<b>\$48,629,416</b>	<b>\$53,605,078</b>	<b>\$54,589,228</b>	<b>\$50,924,787</b>	<b>48,050,320</b>

*1) Principal amount only. Excludes lease and installment purchase obligations, overlapping debt and unfunded pension liability.*

### **HOW TO DEVELOP THE LONG RANGE CAPITAL BUDGET PROCESS**

- It should be noted that now each chapter of the Comprehensive Plan has a section on plan proposals, action items, and their general timing together with their implementing agency. That was not true for the early chapters, but now such is being added, or will be with the first update of the particular chapter. Once the entire Comprehensive Plan is adopted it should be possible to gradually bring it into conformance with the Capital Budget, although their time frames are very different.
- We have developed lists of proposed capital improvements, both “hard” and “soft” for each chapter. As you might imagine such lists are fairly extensive. There is not room to publish all of them in this document, but we have included , for the readers edification, a portion of a typical list. It is expected ultimately to have a capital facilities appendix to cover the proposals and their general time frames. (See following example.)
- This process of relating long-range planning proposals (over a 15 to 25- year time frame) and the very specific fiscal year capital budget and its five-year projection is a difficult one. For planning purposes, we have indicated need for capital improvements by a 5-year time frame. This current Comprehensive Plan has used 2015/2016 as its target year. Very shortly it probably will be desirable to extend that year to 2020 or 2025. We have not tried to estimate costs beyond 5 years out, since beyond that, costing out projects becomes very ephemeral.
- Reservation of funds for capital improvements has been at about \$1.1 million level for the past five fiscal years. However, annually there are between \$2.5 and \$3.1 million in capital budget requests filed. The bond issue reports that we have used indicate the five year increase in capital funding here should read \$2.1 million at the minimum by FY`06. (See Table 18 following Capital Expenditure Projections). At this point, this appears to be a remote hope only!

- Local municipal budgets are constantly being asked to do more with less, less state, less federal reimbursements. The amount that can be raised by local property taxes is limited by Proposition 2 ½ and the increase in fees to support operations is about as great as can be supported. The possibility of supporting local capital improvements at an acceptable level appears to be rapidly diminishing. The possibility of funding the Comprehensive Plan proposals totally is dim. Perhaps we could re-define capital improvements, putting more in the operating budget for smaller items. It is, however, a dismal future that appears to lie ahead for our local towns, funding only those items that are absolutely mandatory and leaving our infrastructure and related projects to wither, die or crumble beneath us.

**Table 18-18 - Capital Expenditure Projections**

<b>From General Funds (1)</b>	<b>Actual 2001</b>	<b>Recommended 2002</b>	<b>Projected 2003</b>	<b>Projected 2004</b>	<b>Projected 2005</b>	<b>Projected 2006</b>
Various Lease Purchases	\$ 65,000	\$ 26,000	\$ 65,000	\$65,000	\$ 65,000	\$ 65,000
Technology	44,000	65,000	50,000	50,000	50,000	50,000
Natural Resources	109,500	96,500	123,000	252,000	121,000	230,500
Recreation	0	16,300	24,000	57,000	0	422,000
Community Development	0	0	0	0	0	0
Assessors	155,000	30,000	30,000	30,000	135,000	0
Police	205,176	169,631	178,113	218,188	196,369	286,188
Engineering	175,000	150,000	690,000	700,000	705,000	730,000
Highway	250,000	315,000	430,000	287,000	363,000	250,000
Park	30,000	147,000	127,000	47,500	22,500	32,500
Cemetery	1,000	7,000	187,500	132,500	31,000	8,000
Structures	<u>65,700</u>	<u>73,000</u>	<u>4,000</u>	<u>28,000</u>	<u>0</u>	<u>0</u>
	<b>\$1,100,376</b>	<b>\$1,095,431</b>	<b>\$1,908,613</b>	<b>\$1,867,188</b>	<b>\$1,688,869</b>	<b>\$2,074,188</b>

(1) Town expects to fund these projects from annual general fund revenues.

**Table 18-19 - From Enterprise and Offset Funds (1)**

**Septage Treatment**

Enterprise	\$ 0	\$ 45,000	\$ 0	\$ 0	\$ 0	\$ 0
Transfer Station Enterprise	15,000	105,000	70,000	150,000	0	0
Golf Offset	137,000	164,000	124,000	125,000	20,000	90,000
Sanitation Offset	75,000	0	60,000	200,000	100,000	125,000
Fire Reserve for Appropriation						
(Ambulance Fees)	<u>193,000</u>	<u>464,000</u>	<u>352,930</u>	<u>370,838</u>	<u>239,838</u>	<u>383,329</u>
	<b>\$420,000</b>	<b>\$778,000</b>	<b>\$606,930</b>	<b>\$845,838</b>	<b>\$359,838</b>	<b>\$598,329</b>

(1) Town expects to fund these projects from annual enterprise and offset revenues supported by user fees.

**Table 18-20 - Overlapping Debt**

The following table sets forth the portion of overlapping debt relating to the Town (1):

	<u>Outstanding</u>	<u>Authorized Unissued</u>	<u>Estimated Share of Yarmouth</u>	<u>Assessments for Operation and Debt Service Fiscal Year 2002</u>
Barnstable County (2)	\$1,178,000	\$0	8.42%	\$405,697
Dennis Yarmouth Regional School District (3)	7,255,000	800,000	61.61%	15,938,322
Cape Cod Regional Vocational Technical School District (4)	0	0	14.40%	947,380
Cape Cod Regional Transit Authority (5)	0	0	8.03%	73,938

(1) Excludes temporary loans in anticipation of revenue. Omits debt of the Commonwealth

(2) Source: Treasurer, Barnstable County. Debt is as of June 15, 2001. Authorized debt includes debt authorized by the County Commissioners under general laws and debt permitted by special enabling acts, whether or not yet voted by the County Commissioners. County expenses, including debt service on county bonds, are assessed upon the cities and towns within the County in proportion to their taxable valuation as last equalized by the State Commissioner of Revenue. Amount shown here is based on most recent equalized valuations. The assessment shown here is for fiscal 2001

(3) Source: Treasurer, Dennis~Yarmouth Regional School District. Debt is as of June 15, 2001 Towns may organize regional school districts to carry out general or specialized educational functions The debt service of regional school districts area .apportioned among the member municipalities in accordance with the agreements establishing the districts The unpaid balance of state school construction grants payable over the life of outstanding bonds was \$4,362,867 as of March 2001, Such grant payments are subject to annual appropriation by the State Legislature The authorized unissued debt is for a project in the Town of Dennis that will have no impact on the Town of Yarmouth . The other member of the District is the Town of Dennis.

(4) Source: Treasurer, Cape Cod Regional Vocational-Technical School District. Debt is as of June 15, 2001 Towns may organize regional school districts to carry out general or specialized educational functions. The debt service of regional school districts are apportioned among the member municipalities in accordance with the agreements establishing the districts. The other members of the District are the towns of Barnstable, Brewster, Chatham, Dennis, Eastham, Harwich, Orleans, Provincetown, Truro and Wellfleet.

(5) Source: Administrator, Cape Cod Regional Transit Authority. Debt is as of June 15, 2001.

**Table 18-21 - Other Data****Unemployment (1)**

Year	Yarmouth	Massachusetts	United States
2001	5.7%	3.5	4.6
2000	3.5	2.6	4.9
1999	4.0	3.2	4.5
1998	4.8	3.3	4.9
1997	5.6	4.0	5.4
1996	5.7	4.3	5.4

(1) Massachusetts Department of Employment and Training. Full year annual averages except for 2001 which is for the month indicated.

**Table 18-22 Income Levels (1)**

<u>Year</u> <u>Per Capita-</u> <u>Personal</u>	<u>Yarmouth</u>		<u>Barnstable County</u>		<u>Massachusetts</u>	
	<u>Amount</u>	<u>% change</u> <u>from</u> <u>Previous</u> <u>Census</u>	<u>Amount</u>	<u>% change</u> <u>from</u> <u>Previous</u> <u>Census</u>	<u>Amount</u>	<u>% change</u> <u>from</u> <u>previous</u> <u>Census</u>
1989	\$15,042	14.1	\$16,402	16.3	\$17,224	19.7
1987 (Est.)	13,181	10.6	14,103	13.3	14,389	15.0
1985 (Est.)	11,916	17.8	12,451	20.7	12,510	19.0
1983 (Est.)	10,113	12.7	10,316	11.5	10,517	15.6
1981 (Est.)	8,974		9,248		9,101	
Median Family Income (1989)	\$33,282		\$38,117		\$44,367	
Median Household Income (1989)	\$27,222		\$31,766		\$36,952	
%Below Poverty Level (1990)	9.5%		7.5%		8.9%	

(1) Source: U.S. Department of Commerce.

**Table 18-23 Family Income Distribution 1989 (1)**

<u>Income for Families</u>	<u>Yarmouth</u>		<u>Barnstable County</u>		<u>Massachusetts</u>	
	<u>Families</u>	<u>Percent</u>	<u>Families</u>	<u>Percent</u>	<u>Families</u>	<u>Percent</u>
Less than \$10,000	454	7.3%	3,363	6.4%	105,117	6.9
\$10,000 - \$24,999	1,719	27.3%	11,060	21.1%	245,351	16.1
\$25,000 - \$49,999	2,536	40.3%	20,580	39.2%	523,050	34.3
\$50,000 - \$74,999	1,224	19.3%	11,308	21.6%	368,323	24.1
\$75,000 - \$99,000	206	3.3%	3,363	6.4%	152,830	10.0
\$100,000-\$149,999	126	2.0%	1,974	3.3%	88,880	5.8
\$150,000 or more	34	0.5%	802	2.5%	41,587	2.8
Total	<u>6,299</u>	<u>100.0%</u>	<u>52,450</u>	<u>100.0%</u>	<u>1,525,138</u>	<u>100.0</u>

(1) Source: U.S. Department of Commerce.

**Table 18-24 -Household Income Distribution 1989 (1)**

<u>Income for Households</u>	<u>Yarmouth</u>		<u>Barnstable County</u>		<u>Massachusetts</u>	
	<u>Households</u>	<u>Percent</u>	<u>Households</u>	<u>Percent</u>	<u>Households</u>	<u>Percent</u>
Less than \$10,000	1,354	14.1%	9,660	12.4%	300,701	13.4%
10,000-24,999	2,895	30.1%	20,238	26.1%	446,162	19.9%
25,000-49,999	3,480	36.1%	27,326	35.2%	727,783	32.4%
50,000-74,999	1,468	15.3%	13,264	17.1%	441,645	19.7%
75000-99999	229	2.4%	3,978	5.1%	178,806	8.0%
100,000-149,000	144	2.5%	2,282	2.9%	102,348	4.6%
<u>150,000 or more</u>	41	0.4%	927	1.2%	46,961	2.0%
Total	<u>9,611</u>	<u>100.0%</u>	<u>77,675</u>	<u>100.0%</u>	<u>2,244,406</u>	<u>100.0%</u>

(1) Source: U.S. Department of Commerce.

**Table 18-25 - Value Distribution of Specified Owner Housing Units (1990 -1991) (1)**

<u>Units</u>	<u>Yarmouth</u>		<u>Barnstable County</u>		<u>Massachusetts</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Less than \$50,000	58	0.9%	148	0.3%	9,037	0.9%
50000-99999	369	5.5%	2,041	5.5%	99,607	9.8%
100000-149999	3,048	45.1%	18,333	36	314,160	31.0%
150000-199999	2,046	30.3%	14,879	28.9%	299,843	29.5%
2000-299999	924	13.7%	9,815	19.1%	196,500	19.4%
<u>300000 or more</u>	<u>310</u>	<u>4.5%</u>	<u>5,495</u>	<u>10.6%</u>	<u>95,677</u>	<u>9.4%</u>
Total	<u>6,755</u>	<u>100%</u>	<u>51,511</u>	<u>100%</u>	<u>1,014,824</u>	<u>100.0%</u>
Median Value	\$148,700		\$162,500		\$162,200	

(1) Source: U. S. Department of Commerce.

**Table 18 -26 Employment and Payrolls****Calendar Year Average**

	<b>1999</b>	<b>1998</b>	<b>1997</b>	<b>1996</b>	<b>1995</b>
Government	1,126	1,077	1,023	918	850
Agriculture, Forestry & Fisheries	109	92	89	80	42
Contract Construction	411	368	333	314	348
Manufacturing	168	128	120	112	96
Transportation, Communication & Utilities	925	918	966	992	950
Wholesale & Retail Trade	2,623	2,645	2,662	2,717	2,739
Finance, Insurance & Real Estate	777	776	864	838	815
Services	2,397	2,036	1,908	1,835	1,802
<u>Total Employment</u>	<u>8,536</u>	<u>8,040</u>	<u>7,965</u>	<u>7,806</u>	<u>7,642</u>
Number of Establishments	706	672	661	683	675
Annual Wage	\$27,915	\$26,698	\$25,760	\$24,630	\$22,869
Total Annual Payroll (000)	\$238,283	\$214,652	\$205,176	\$192,260	\$174,763

Source: Massachusetts Department of Employment and Training.

**Economic Development**

The voters of the Town of Yarmouth, at the request of the Yarmouth Board of Selectmen, have adopted "economic opportunity" areas in various sections of the community. These economic opportunity areas allow businesses to apply for assistance in the form of tax increment financing and low interest loans from the State of Massachusetts, to expand business as well as bring new businesses into the community. The Town has completed three such projects in the past two years. Through the TIF Program, businesses are able to expand and defer tax payments to the Town over a 10-15 year period, as well as access low interest loans from the State Office of Economic Development. Town Meetings have supported each of these three projects by unanimous votes. The three projects which have been approved to date are a Plumbing Supply business, which has expanded in the Town of Yarmouth, a new MRI Facility, which occupied an unused building, and a distributor who has moved into underutilized warehouse space in the center of the community. The Town has a full-time paid staff person, who works half time on economic development issues with an Economic Revitalization Committee made-up of citizens, business people and members of the Chamber of Commerce.

## **APPENDIX MATERIALS**

Publication date: 06-Jun-2001  
Reprinted from RatingsDirect

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Summary

**Summary: Yarmouth, MA; Tax Secured, General Obligation**

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JUN 13 2001

TOWN CLERK & TREASURER  
SOUTH YARMOUTH, MA

**Rationale**

The 'AA-' rating on Yarmouth, Mass.' GO bonds reflects:

- A primarily residential resort community with a large retiree population,
- Strong reserves, and
- Moderate debt ratios.

These strengths are somewhat offset by a seasonal local economy.

The bonds are secured by the town's full faith and credit pledge.

Yarmouth is on mid-Cape Cod, about 75 miles south of Boston. The town is primarily a residential resort community, with a portion of summer residents owning second homes or condominiums in the town. During the peak summer months, the town's population doubles to about 40,000 from about 22,800. Over the years, Yarmouth has seen its percent of seasonal homes decreasing as more retirees move into the area on a year-round basis. The town is still somewhat dependent on summer residents and vacationers to drive its economy. The tax base, with its current valuation of \$2.85 billion, has increased about 35% since 1997, and has recaptured valuation lost in the last recession. Wealth and income levels are on a par with the nation, primarily due to the high number of retirees.

Expenditure controls and conservative budgeting practices have resulted in strong financial operations. Management has been able to maintain a low tax rate while living within Proposition 2-1/2's constraints. Historically, undesignated general fund balances have been strong, ranging from 12%-18% of expenditures in recent years. Property taxes are the primary source of operating revenue, and collection rates are strong, averaging nearly 100% in recent years. Additional financial flexibility is provided by the stabilization fund, which has a current balance of \$734,000. Fiscal 2001's undesignated fund balance is expected to be about \$4.8 million, about the same as the prior year.

Overall net debt per capita is moderate, at \$1,887, but debt-to-market value is low at 2%. Debt as a percent of expenditures is moderate at 12.3%. Almost two-thirds of outstanding debt has been voted exempt from Proposition 2 1/2 limitations. This issue is being used to fund road improvements and various other small capital projects. Yarmouth uses approximately \$1 million in pay-as-you-go funding for annual capital expenditures. After this sale, the town will have approximately \$9.9 million authorized, unissued debt outstanding, primarily for road improvements. About \$8.3 million will be issued over a five-year period for these projects.

**Outlook**

The stable outlook reflects an expectation that the town will continue to manage its resources as the tax base continues to develop.

# Standard & Poor's

## **GASB 34 - Maybe this isn't such a bad thing after all...**

By now, many of you have probably heard about the Government Accounting Standards Board (GASB) "Statement 34". Some of you may have even attended a seminar or two on the subject. Most of you are probably still not clear on exactly what GASB Statement 34 will require of you and your municipality. If you are, please give me a call – you can help straighten me out!

Basically, GASB Statement 34 requires, for the first time, that governments begin including infrastructure assets in their balance sheets. After estimating the initial cost of each infrastructure asset and including that cost in the balance sheet, governments will be required to either depreciate those assets, or **manage them** using an asset management system. The GASB actually prefers that you implement an asset management system, referred to as the "modified approach" – because it better models the way we really should be dealing with our infrastructure. There are specific requirements for the implementation of the asset management system, and reporting that must be produced.

If you have attended a seminar or read an article regarding GASB 34, you've probably heard the dates of July, 2001 (or 2002 or 2003, depending on the annual revenue base of your government in 1999) as the dates by which you must be in compliance. Please be aware that you only need to include **new** infrastructure added or reconstructed beginning on those dates. You have an additional **four years** before you have to report pre-existing infrastructure – and if your revenue base was less than \$10 million in FY 1999, you are encouraged - **but not required** - to report pre-existing infrastructure.

One of the more confusing issues related to GASB 34 for me has been trying to determine which infrastructure assets must be included. There is no straightforward list. **The guideline says that only "major general infrastructure assets" must be included.** The guideline goes on to say that "major general infrastructure assets" are those which account for 10% of the total capital assets of the community when considered on a "network" basis" or 5% of the total capital assets when considered on a "sub-system" basis. It should be all clear now - right?

We've been doing some analysis to determine which infrastructure assets should be included in a "typical" municipality's balance sheet under GASB 34. There are obviously a number of variables, but it looks to us like it will be fairly typical for pavement, sidewalk and curb, water, sewer, and drainage systems to be included. While it is certainly recommended that all infrastructure be included in an asset management system, we believe signs, signals, bridges, and dams may be omitted for a lot of small and medium size municipalities we work with. If you'd like some assistance in determining which assets should be included in your community, please give us a call.

There are a number of groups working to understand how the Statement 34 requirements will effect all of us. There are a number of articles on both the APWA web-site ([www.apwa.net](http://www.apwa.net)) and [www.publicworks.com](http://www.publicworks.com). You can go to either of these sites and do a search for "GASB 34" to get a listing of references. You can also go straight to the source – the Government Accounting Standards Board itself, at [www.rutgers.edu/Accounting/raw/gasb/](http://www.rutgers.edu/Accounting/raw/gasb/). We have also been collecting a number of references at VHB – feel free to call us at (800) 927-4363.

The GASB Statement 34 requirements have given your City, Town, or County administrators a reason to pay attention to the true value of your infrastructure, and the true cost of postponing maintenance of that Infrastructure. Remember - we'll get through this latest "unfunded mandate" - and our efforts will result in some good solid information to back up Public Works funding needs.



*Gordon Daring*





**Governmental Accounting Standards Board**

## **NEWS RELEASE 3/24/00**

### **GASB Issues Interpretative Guidance on Modified Accrual Standards**

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**Norwalk, CT, March 24, 2000**—The Governmental Accounting Standards Board today issued Interpretation 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, that addresses long-standing concerns about the interpretation and application of existing modified accrual standards. The purpose of modified accrual accounting is to measure flows of current financial resources in governmental fund financial statements.

GASB Project Manager Karl Johnson explains, "This Interpretation clarifies the application of existing standards for distinguishing the portions of certain types of liabilities that should be reported as governmental fund liabilities and expenditures and those that should be reported as general long-term liabilities of the government."

GASB Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, issued in June 1999, carries forward the requirement that governmental fund financial statements be prepared using the current financial resources measurement focus and the modified accrual basis of accounting. This traditional measurement focus and basis of accounting provides useful information related to a government's fiscal accountability, as part of the new financial reporting model. The new model also provides useful information related to a government's operational accountability, including government-wide financial statements prepared on the accrual basis of accounting.

Concerns have been raised, however, about the interpretation and application of existing modified accrual standards. These concerns include a lack of comparability in the application of standards for recognition of certain fund liabilities and expenditures, the perceived subjectivity of some interpretations and applications, and the potential circularity of the criteria for recognition of revenues and expenditures.

The objective of Interpretation 6 is to improve the comparability, consistency, and objectivity of financial reporting in governmental fund financial statements by providing a common, internally consistent interpretation of standards in areas where practice differences have occurred or could occur.

The effective date of this Interpretation coincides with the effective date of Statement 34 for the reporting government. Earlier application is encouraged, provided that this Interpretation and Statement 34 are implemented simultaneously.

**news release**

## **Public Finance**

### **GASB Issues implementation guide**

The Governmental Accounting Standards Board has issued an implementation guide to help the preparers and auditors of state and local government financial statements understand and apply the provision of GASB Statement 34. The Guide is the centerpiece of the group's efforts to assist governments with the preparation of the new financial statements required by Statement 34. Issued in June 1999, the statement is one of the most comprehensive standards in the history of governmental accounting. All state and local governments will implement it in the next two to four years.

"Throughout the process of developing these important improvements in financial reporting, the board was committed to providing meaningful assistance to governments as they implement the changes." said GASB Chair Tom Allen.

The guide includes nearly 300 questions and answers developed by GASB staff with the assistance of a 36-member advisory group. It also includes more than 50 illustrative financial statement exhibits - including financial statements for a state government, a municipal government and an independent school district - 10 "how-to" exercises and the complete standards section of Statement 34. The Q&A section addresses all aspects of Statement 34 and features dozens of questions about capital assets, depreciation and the modified approach to reporting infrastructure. The exercises section offers practical step-by-step suggestions on how to comply with some requirements, including:

- calculating composite depreciation rates;
- applying group depreciation to infrastructure assets at transition and in subsequent years;
- calculating net asset balances for governmental activities;
- reporting internal service fund balances and results;
- determining major funds'
- reconciling fund financial statements to government-wide financial statements;
- indirectly determining direct-method cash flows;
- estimating historical cost using current replacement costs;
- calculating weighted average age of infrastructure assets at transition;

GASB's implementation efforts also include providing speakers for conferences and meetings, as well as development of a series of guides to government financial statements written especially for the users of the financial statement information. Publication of the first of those guides is expected early this summer.

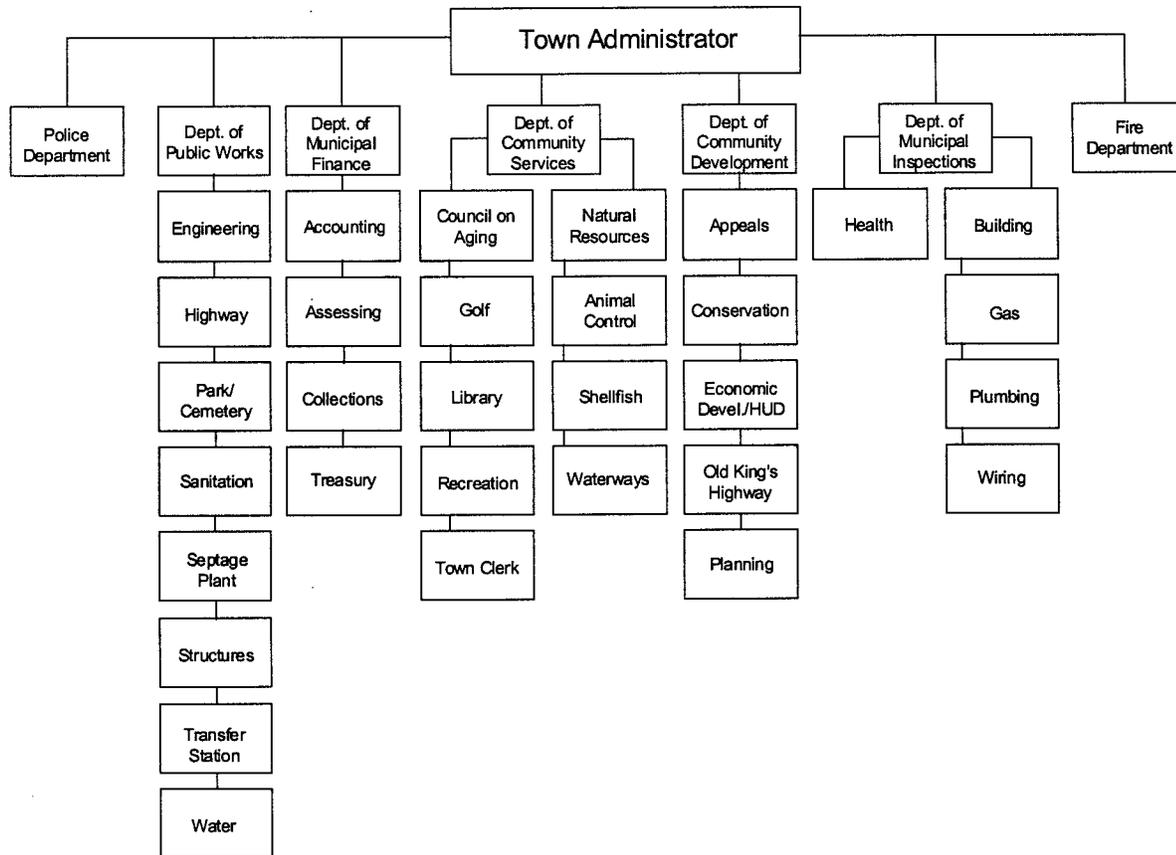
Copies of the implementation guide (GQA34) can be obtained from the CASB order department at 401 Merritt 7, P.O. Box 5116, Norwalk, CT 06856; telephone (800) 748-0659; e-mail, [gasbpubs@gasb.org](mailto:gasbpubs@gasb.org).

## YARMOUTH TOWN CHARTER

### V. YARMOUTH'S GOVERNMENTAL STRUCTURE

- In May of 1995 a new and more efficient Table of Organization for Town departments/divisions came into effect. (Note the chart below.) The seven departments report to the Town Administrator, and he to the Board of Selectmen.
- The executive branch of Yarmouth's government is headed by an elected 5 member, part-time, Board of Selectmen.

**TABLE OF ORGANIZATION FOR YARMOUTH GOVERNMENT**



In addition, there is a large group of 46 appointed, standing, and ad hoc committees that report to the Selectmen and Town Administrator. Some of these boards are also required by law. About 400 citizens are involved.

- The heart of Yarmouth's government is its "open" Town Meeting. Annual Town Meetings are held in April following the election of Selectmen and certain other positions. One or two special Town Meetings are usually held during the year as needed.
- At the 1997 Annual Town Meeting Yarmouth became one of the last municipalities in the Commonwealth to adopt a "home rule charter". This codified many existing practices and roles. It gives the Town certain flexibility in its operations as well.

## Extracts From Town Charter - Relating to Capital Improvements

### Section 2-6 - Articles Having Fiscal Implications.

2-6-1 All proposed operating expenses shall be included in a single article in the annual town meeting warrant. All proposed capital improvement expenditures shall also be included in another, single article in the annual town meeting warrant.

2-6-2 The Board of Selectmen and the Finance committee shall review and comment on all articles calling for the appropriation of funds that are to be considered at any annual or special town meeting

### Section 2-7 - Initiative.

3-4-2 The Town Administrator shall submit the names of not less than three candidates to the Board of Selectmen for department head final interviews and subsequent appointments. The group of department heads shall include those who are compensated on a salary rather than an hourly basis. The Town Administrator shall appoint all his/her compensated town personnel.

### Section 4-6 - Administrative Reorganization

4-6-1 The Town Administrator may recommend to the Board of Selectmen and implement, with the Selectmen's approval, reorganization of any department or position placed by this charter under the Town Administrator's direction or supervision, except as otherwise provided by General Laws, by-laws, or this charter.

5-2-6 The absence, without appropriate explanation, of a member from four consecutive meetings of any appointed multi-member body shall serve to vacate the office. The legitimacy of the explanation provided by the absent member shall be determined by majority vote of the multi-member board. When such a vacancy occurs, the chairperson shall advise the appointive authority forthwith, who shall fill the vacancy in a timely fashion within 90 days in accordance with the General Laws, and this charter.

### Section 6-4 - Capital Improvements Plan.

6-4-1 The Town Administrator shall prepare a five year capital improvements plan which shall be designed to deal with unmet long-range needs, and to implement the goals and objectives of the official Town plan.

6-4-2 The capital improvements plan shall include all Town activities and departments.

6-4-3 The capital improvements plan shall include:

- (a) a clear summary of its contents;
- (b) a list of all capital improvements proposed to be undertaken during the next five years, together with supporting data;
- (c) cost estimates, methods of financing, and recommended time schedules; and

- (d) the estimated annual cost of operating and maintaining the facilities or equipment to be constructed or acquired. The above information may be revised and shall be extended each year with regard to capital improvements pending or in the process of construction or acquisition.

6-4-4 The Town Administrator shall submit the capital improvements plan to the Board of Selectmen at least 150 days prior to the date of the annual town meeting. The Board of Selectmen shall act thereon within 30 days and shall then submit it to the Finance Committee which shall issue its recommendations as part of the annual Finance Committee report.

#### Section 6-5 - Notice of Public Hearing on Capital Improvements Plan.

6-5-1 The Board of Selectmen shall publish, in one or more local newspapers, the general summary of the capital improvements plan and a notice stating:

- (a) the times and places where copies of the capital improvement plan are available for inspection; and
- (b) the date, time and place when the Board of Selectmen and the Finance Committee shall conduct a joint public hearing on said plan.

#### Section 6-6 Capital Budget Committee

6-6-1 A committee of seven voters shall be appointed by the Finance Committee to be known as the Capital Budget Committee, in accordance with Article 16 of the annual town meeting held on April 7, 1981.

6-6-2 The requirements of clause 6-6-1 may be waived by a four-fifths vote of the annual meeting.