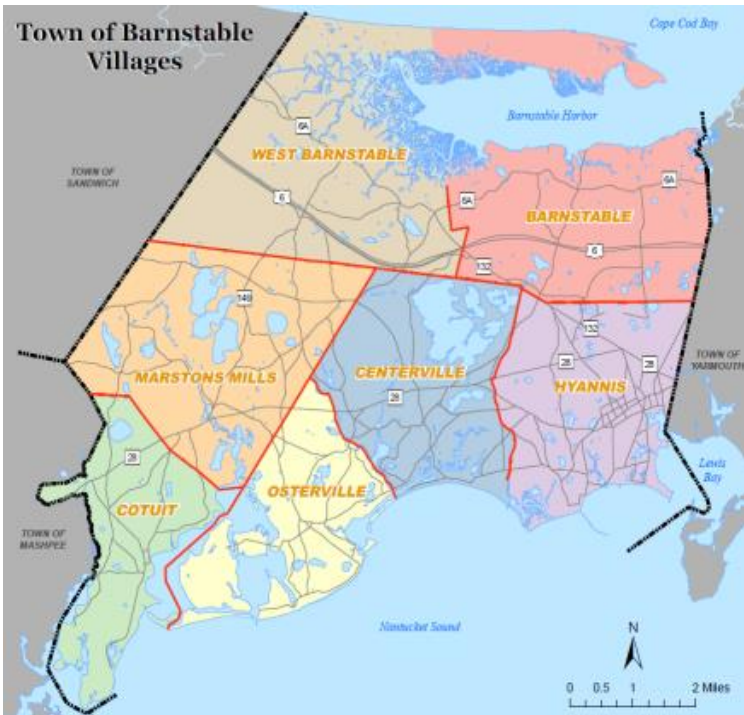




A Summary of Barnstable's Income, Spending and Investment for Fiscal Year 2025

Opening Day Oyster Season. Photo by the Communications Department.



COMMUNITY PROFILE

The Town of Barnstable is Cape Cod's largest community in land area and in population. Composed of seven unique villages, Barnstable is the commercial and transportation hub of Cape Cod.

Population: 48,922 year-round residents¹
 Estimated seasonal population: 150,000²
 Median household income: \$94,387¹
 Median home assessed value: \$575,200

¹DataCapeCod, ² 2025 Budget document.

This financial overview for Fiscal Year 2025 (July 1, 2024 to June 30, 2025) provides a summary of the Town of Barnstable's finances and operations. The complete 533-page budget document is available on the Town's website. The website also includes audited financial statements for the last several years and a five-year forecast.

More detail can be found at:

Barnstable Finance:

2025 Budget document:

Facebook:



www.townofbarnstable.us/Finance

[FY25 Operating Budget](#)

<https://www.facebook.com/townofbarnstable>

[Twitter@BarnstableMA](#)

GOVERNMENT STRUCTURE

The Town of Barnstable was incorporated on June 4, 1639, 385 years ago. Over time, villages were bought from the Wampanoag Tribe and established as part of the Town. Today, the Town is made up of seven villages: Barnstable, West Barnstable, Centerville, Cotuit, Hyannis, Marstons Mills and Osterville. The Town has 13 precincts, each represented by an elected Town Council member. The Town Council governs and sets policies for the Town. The Town Manager, who is hired by and reports to the Town Council, implements Town Council policies.

Barnstable adopted the policy of self-governance – the Home Rule Charter – granted by the State of Massachusetts in 1989, subsequently re-writing its charter to convert to the current council-manager structure. Though it was granted city status by the State, it retains the title *Town of Barnstable* as its official name. Barnstable's year-round population of 48,922 is spread over a 62.7 square mile area.

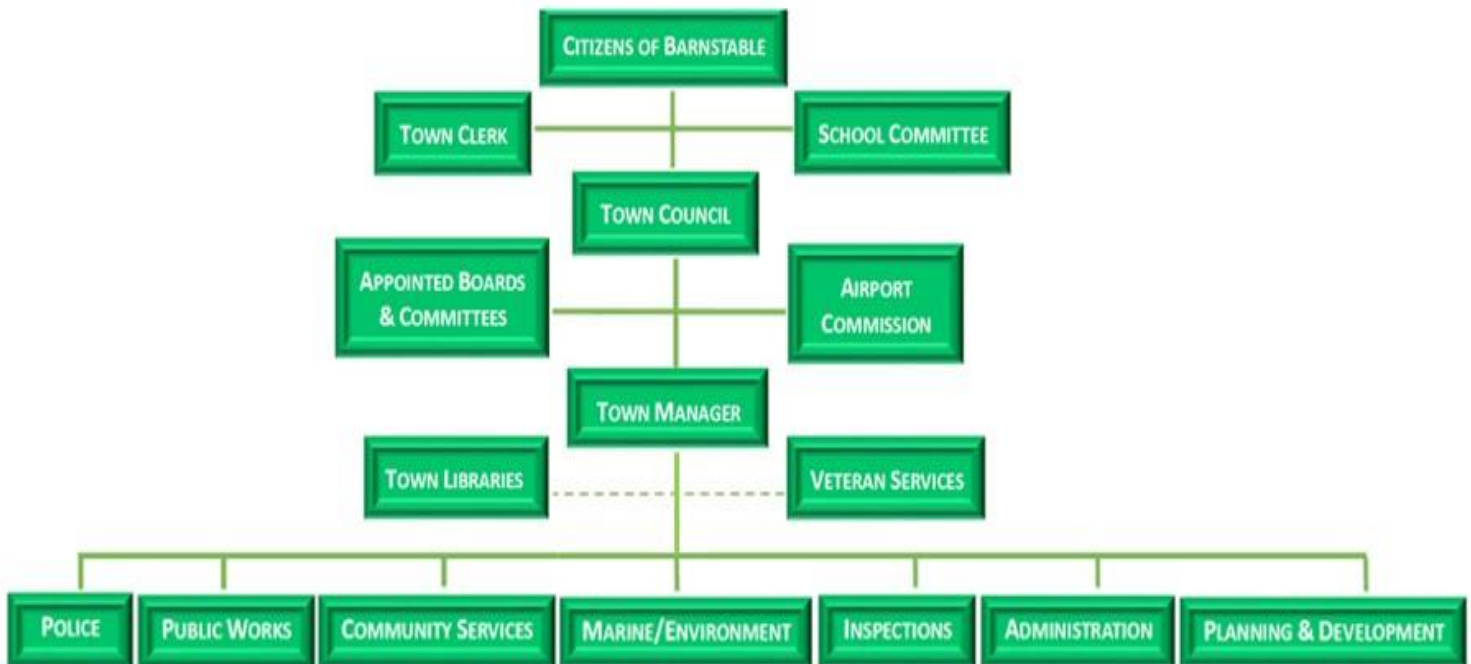
The Town's operating and capital budgets total \$501.7 million in FY 2025, which more than doubled the FY 2024 level of \$237.7 million. Of the \$501.7 million total FY 2025 budget, \$213 million represents General Fund (aka, operating) expenses, an increase of \$16 million (7.5%) over FY 2024. This increase will be funded largely via the use of reserves (\$5.5 million), property taxes (\$5.1 million) and investments and renewable energy revenues (\$2.6 million). That said, the vast majority of the Town's overall FY 2025 budget increase is the result of capital spending on sewer projects (related to CWMP), which is a federal and state government-mandated (i.e., non-discretionary) undertaking. Most of the FY 2025 funding for CWMP will come from bonds and loans at competitive rates, which are made possible because of the Town's strong financial position.

Barnstable also oversees 38 Trust Funds available for development that are valued at \$79 million as of June 30, 2024.

The Town continues to maintain its Standard & Poor's highest AAA bond rating, which results in lower borrowing costs.

Expenditures for local schools, the largest area of spending, totaled \$89.6 million in FY 2025 – vs. \$82.8 million in FY 2024 and \$76.7 million in FY 2023. The outstanding debt for Barnstable's General and Enterprise Funds stands at \$165.3 million as of June 30, 2024. Total debt payments for FY 2025 are \$18.5 million with total revenue of \$249.3 million. This results in a favorable debt to revenue ratio of 7.4%.

TOWN OF BARNSTABLE ORGANIZATIONAL CHART



GENERAL FUND REVENUES & EXPENDITURES: \$213 million

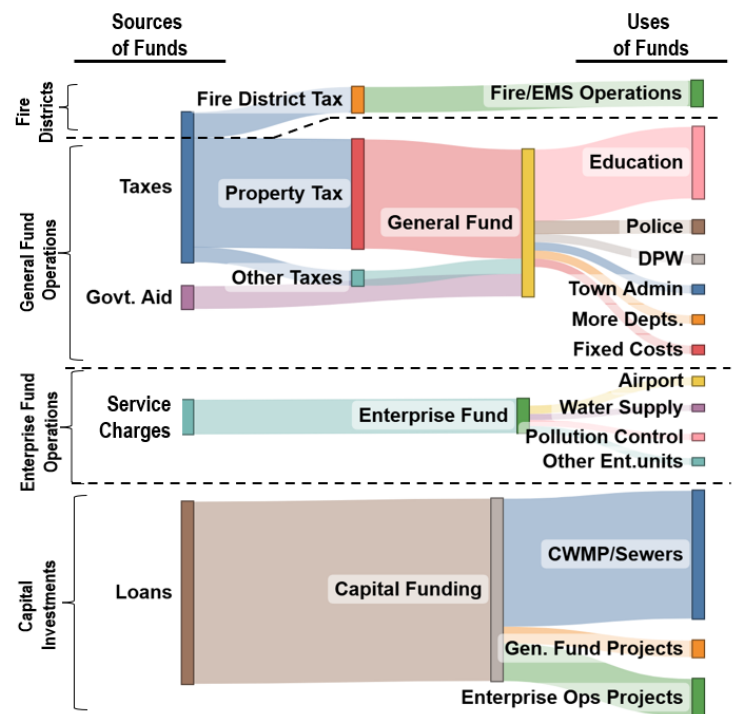
Context: Town's Financial Flows

The diagram to the right illustrates how the Town and Fire districts raise and expend funds.

The five Barnstable Fire Districts are separate from Town Government, but they provide critical services and use property taxes to fund operations, so Fire Districts are covered in the diagram and in detail on page 6 of this report.

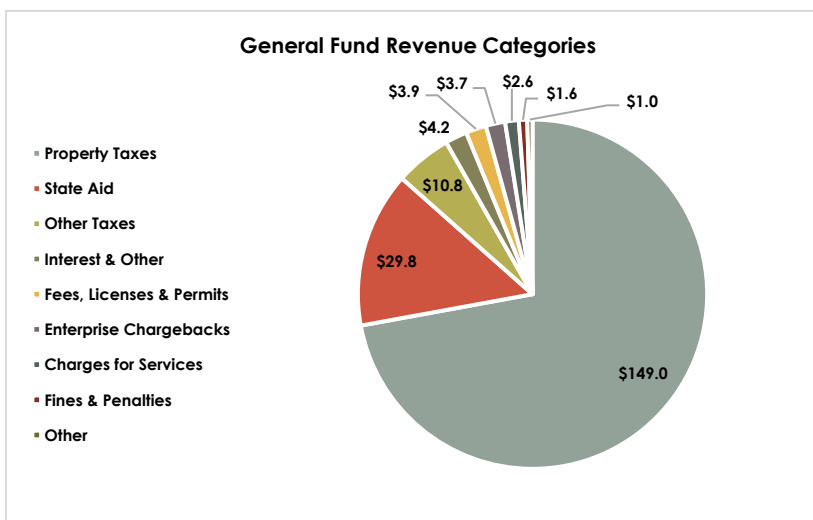
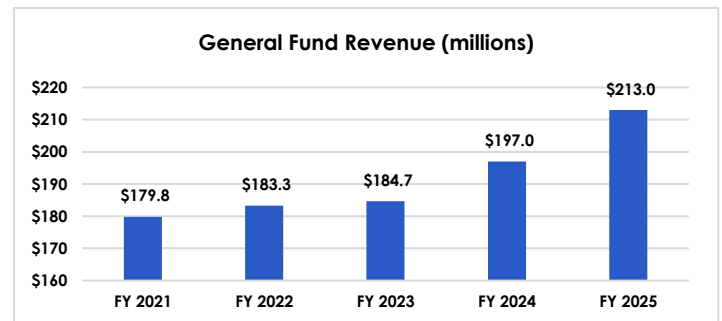
For municipal General Fund operations (e.g., Education, Police, Public Works), the Town raises money primarily from Property Taxes and Government Aid programs. Enterprise Fund operations (e.g., Airport, Water Pollution Control) are primarily self-funded by service charges they levy on their users. To fund Capital Investments (e.g., sewers, buildings, roads), the Town typically takes out loans from either the State or the municipal bond market, depending on best available interest rates and loan terms.

Town's FY 2025 Income, Spending and Investment Funds Flows (Illustrative only)



Fund Revenues

Barnstable's General Fund is used to fund government operations including administration, education, police, and public works. The majority (75%) of General Fund revenues come from property and excise taxes. The next largest source – state government aid – provides 14% of revenues (\$29.8 million) in FY 2025. The balance comes from fees, licenses, permits, fines and interest.



FY 2025 General Fund revenues are projected to total \$213 million, an increase of \$16 million, or 8.1% over FY 2024. The largest year-over-year (YoY) increases are in the use of reserves (\$5.5 million), property taxes (\$5.1 million) and investment and renewable energy revenue (\$2.6 million).

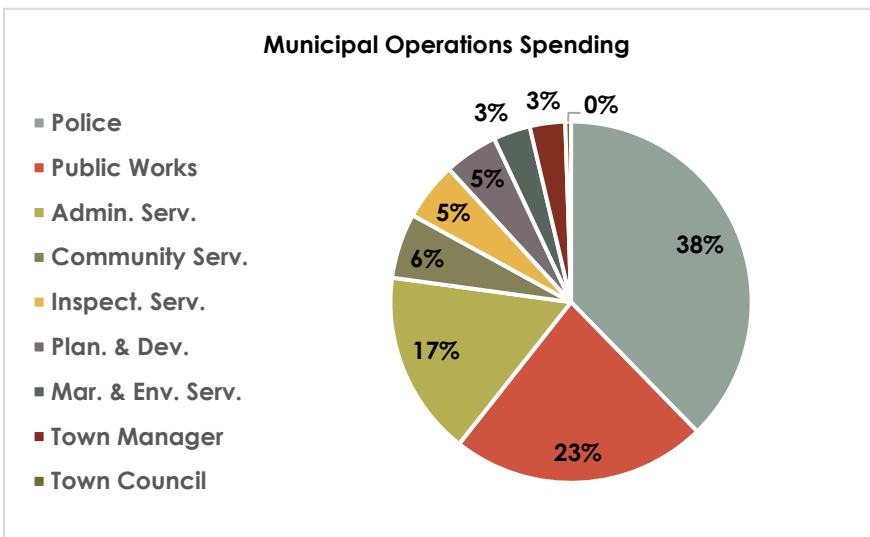
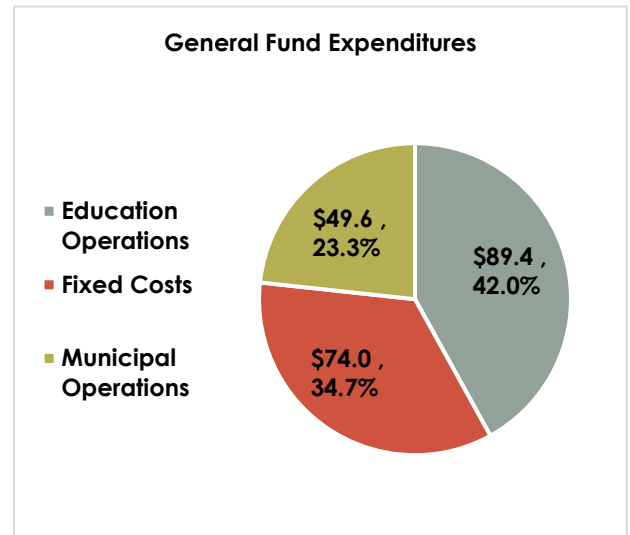
The General Fund is not funded from all the various taxes paid by property owners. For example, the General Fund does not include taxes and fees levied by Fire Districts or the 3% levy on property taxes, which goes to the Community Preservation Act Fund.

GENERAL FUND REVENUES & EXPENDITURES: \$213 million

General Fund Expenditures

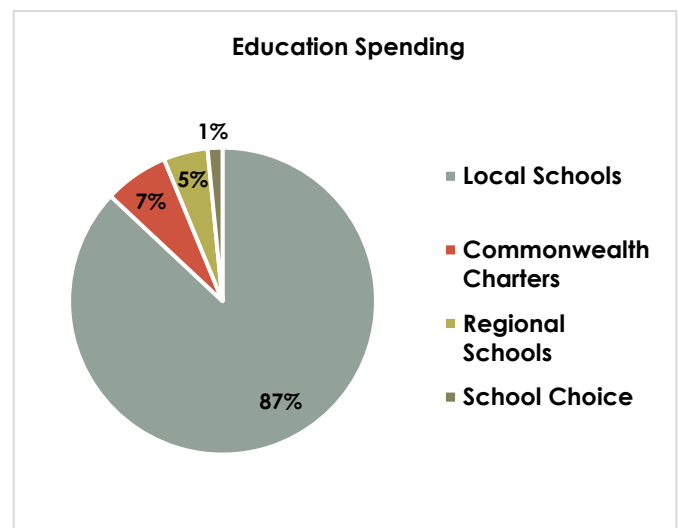
Town expenditures fall into three broad categories: Education (42%), Municipal Operations (23%) and Fixed Costs (35%).

The largest expenditure is for the local school system. The budget is \$89.4 million or 42% of the FY 2025 General Fund budget. In FY 2025, Fixed Costs represent the largest absolute growth in Town expenditures. Fixed Costs expenditures grew in FY 2025 to \$74 million, up \$6.7 million or 9% from FY 2024. Most of the growth resulted from higher employee benefit costs of \$4.2 million and an increase in funding for the capital program of \$1.1 million. The Town increased its contribution to active employee health insurance costs to 70% from 50%, and health insurance premiums grew an average of 8.8%.



Of the \$49.6 million budgeted for FY 2025 Municipal Operations, the Police Department is budgeted to spend \$18.7 million, DPW \$11.4 million, and Administrative Services (which includes the Finance, Legal, Human Resources and Information Technology) \$8.2 million. The Community Services budget is \$2.9 million, Inspectional Services is \$2.6 million, Marine & Environmental Affairs is \$1.6 million, and Planning & Development is \$2.4 million. The Town Manager and Town Council are budgeted for \$1.6 million and \$264,000, respectively.

Education spending covers the local school system, assessments for students attending the regional technical high school and Commonwealth Charter Schools, and Barnstable students participating in the School Choice program. The FY 2025 budget for local schools is \$89.4 million. The Regional School assessment is \$4.8 million, the Commonwealth Charter School assessment is \$7.0 million and the School Choice assessment is \$1.6 million.



Scan for complete budget book

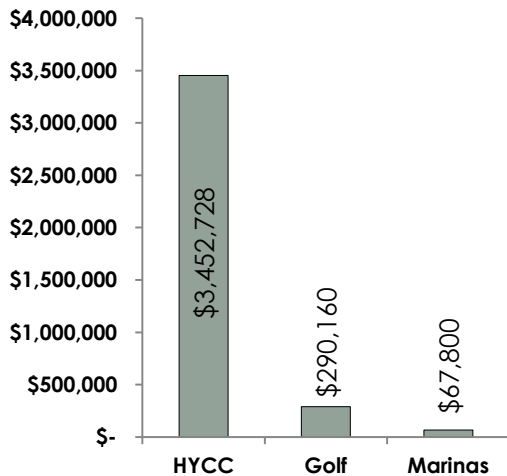
ENTERPRISE FUND BUDGETS: \$50 million

Municipalities are permitted to manage certain operations – utilities, transportation and some recreation facilities – as enterprise funds. This enables the Town of Barnstable to monitor costs, set user fees, measure subsidies, and manage investment income for each operation. The Town's nine enterprise funds are summarized in the chart below. Three operations are subsidized by the General Fund and Community Preservation Fund because user fees don't cover all of their costs: Hyannis Youth and Community Center (HYCC) Enterprise Fund¹, Golf Enterprise Fund and the Marina Enterprise Fund.

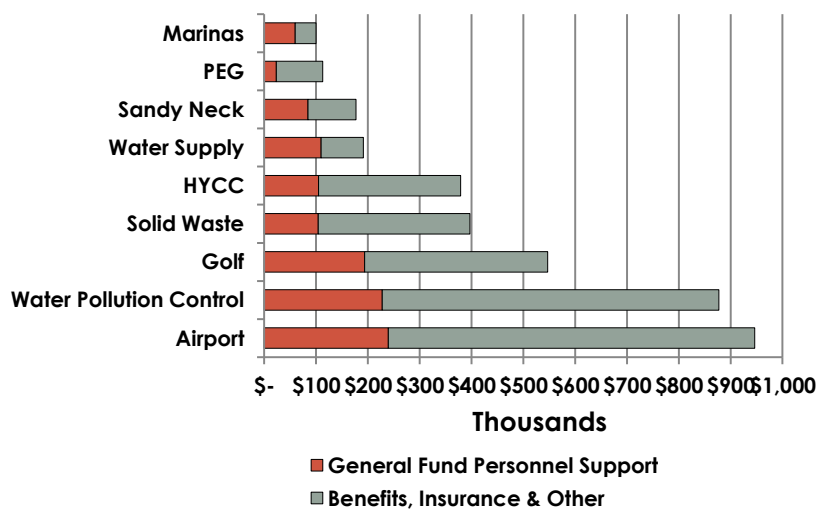
| Enterprise Funds | Approved FY 2024* | Proposed FY 2025* | \$ Change | % Change |
|---|----------------------|----------------------|---------------------|--------------|
| Airport Enterprise Fund | \$ 11,974,435 | \$ 12,839,593 | \$ 865,158 | 7.2% |
| Golf Enterprise Fund | 4,208,092 | 4,439,459 | 231,367 | 5.5% |
| HYCC Enterprise Fund | 3,993,570 | 4,306,188 | 312,618 | 7.8% |
| Marina Enterprise Fund | 804,997 | 879,909 | 74,912 | 9.3% |
| PEG Enterprise Fund | 958,290 | 994,590 | 36,300 | 3.8% |
| Sandy Neck Enterprise Fund | 1,221,738 | 1,264,894 | 43,156 | 3.5% |
| Solid Waste Enterprise Fund | 4,143,822 | 4,430,351 | 286,529 | 6.9% |
| Water Pollution Control Enterprise Fund | 8,714,703 | 11,591,615 | 2,876,912 | 33.0% |
| Water Supply Enterprise Fund | 8,559,700 | 9,300,596 | 740,896 | 8.7% |
| Total All Budgeted Funds | \$ 44,579,347 | \$ 50,047,188 | \$ 5,467,848 | 12.3% |

*This represents the direct and indirect operating costs of the Enterprise Funds. Indirect costs are budgeted in the General Fund and reimbursed by each enterprise operation.

FY 2025 General Fund & Special Revenue Fund Subsidy Received



General Fund Costs Allocated to Enterprise Funds Total = \$3.7 Million



¹ HYCC Enterprise Fund subsidy is made up of \$1.5 million for debt service, \$0.6 million for the capital program and \$1.4 million for operations.

PUBLIC EDUCATION: \$89.6 MILLION

Funding Overview. The FY 2025 funding of \$89.6 million for public schools comes from two main sources: state money (Chapter 70) and the Town contribution, which is funded primarily by property taxes. State Chapter 70 aid is \$24.9 million, making up almost 12% of the General Fund budget. The statewide system of school funding is designed to provide an adequate spending level for every school district and is tied to student enrollment. School funding levels are based on four primary factors:

1. The number of students a school district is responsible for educating.
2. Costs of education programs.
3. Demographics/learner categories.
4. An inflation factor used by the State.



For more information about Chapter 70, use the QR code

The General Fund is becoming ever more dependent on State Chapter 70 aid, which underwent formulaic changes in FY 2019 that benefited the Town. Should State Chapter 70 aid decrease meaningfully, the General Fund may face significant funding challenges.

Impacts of Student Demographics. The FY 2025 School Operating Budget is up \$4.1 million over FY 2024, yet it remains within the bounds of the revenue sharing agreement between the Town Manager and the School Superintendent, under which Schools receive 60% of General Fund revenue growth after Fixed Costs. School staffing requirements and Chapter 70 aid levels are driven largely by the town's total student enrollment plus changes in three key student demographic categories: English language learners (now 23% of students), economically disadvantaged students (53% of students), and Special Education pupils.

Forecasted total student enrollment for K-12 is essentially flat for the next few years, with 4,853 students for FY 2025. Upward trends in the English language learner and economically disadvantaged student populations and the staff skills needed to educate these student categories are major drivers of increased school staffing requests in the upcoming budget.

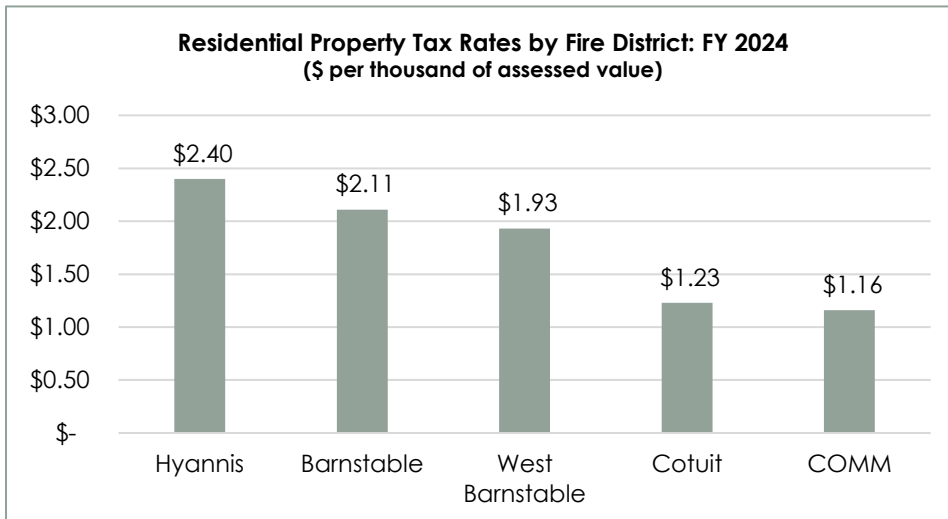
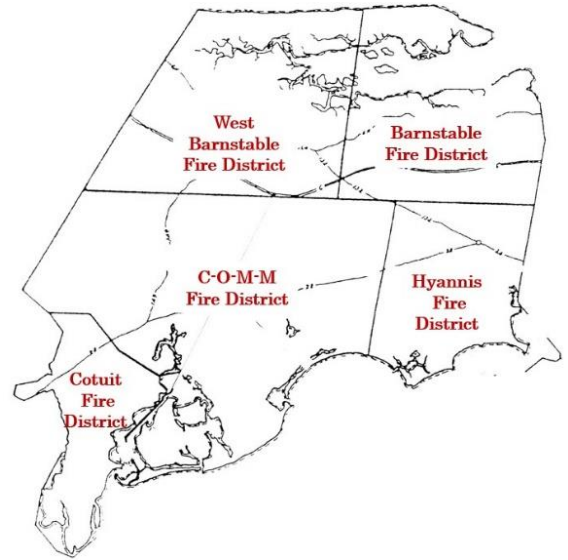
| Grade Level | Number of Students in Barnstable Schools | | | | | | | | | | | | | | | |
|--------------|--|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|----|-------|
| | PK | K | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | SP | Total |
| 2023-24 Year | 153 | 371 | 404 | 393 | 395 | 342 | 364 | 325 | 314 | 355 | 336 | 358 | 356 | 337 | 14 | 4,817 |
| 2024-25 Year | 145 | 323 | 387 | 406 | 402 | 399 | 340 | 337 | 333 | 333 | 399 | 361 | 347 | 340 | 1 | 4,853 |
| YoY Change | -8 | -48 | -17 | 13 | 7 | 57 | -24 | 12 | 19 | -22 | 63 | 3 | -9 | 3 | 13 | 36 |

Budget. The Town of Barnstable has consistently exceeded the state's annual minimum spending requirements. Actual Net School Spending (NSS) includes all local funds that were expended to comply with the state's annual net school spending requirement. Historical data are provided below.

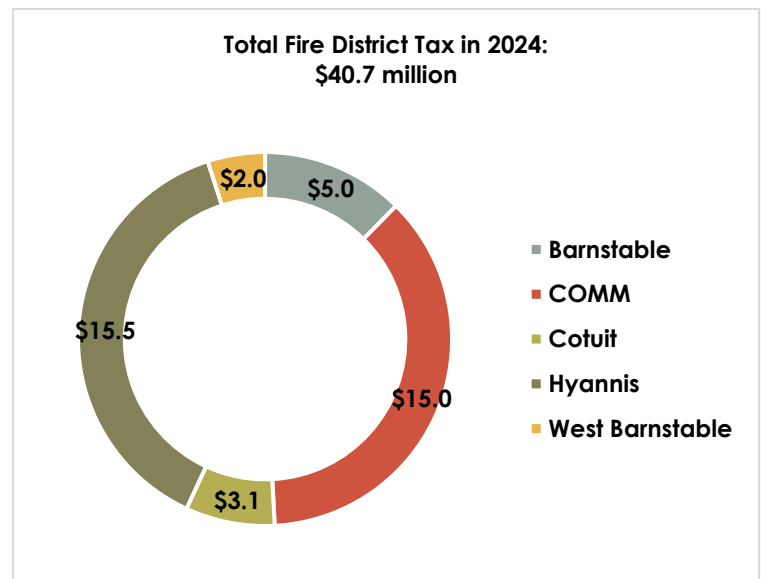
| Barnstable | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025* (*Budget) | % Change FY 2016-2025 |
|-----------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|--------------------|-----------------------|
| % of Foundation | 126.6% | 127.2% | 129.4% | 127.9% | 129.4% | 129.3% | 133.6% | 124.6% | 117.0% | 128.4% | 127.3% |
| Total \$ per Pupil | \$12,800 | \$13,271 | \$13,709 | \$14,096 | \$15,105 | \$15,736 | \$16,928 | \$18,139 | \$18,678 | \$21,519 | 68% |
| Chapter 70 \$ / Pupil | \$1,591 | \$1,794 | \$1,829 | \$1,929 | \$2,246 | \$2,407 | \$2,558 | \$3,602 | \$4,668 | \$4,768 | 199% |
| Foundation \$ / Pupil | \$10,110 | \$10,437 | \$10,594 | \$11,021 | \$11,669 | \$12,169 | \$12,675 | \$14,557 | \$15,945 | \$16,751 | 65% |

FIRE DISTRICTS

Barnstable contains five separate Fire Districts, which provide both fire protection and emergency medical services to residents. Each District sets its own tax rate and issues debt in annual meetings independent of Town government. The Fire District tax is separate from the Town's property tax but is collected on the same property tax bill as a service by the Town. Each district is governed by a Prudential Committee or Board of Commissioners. Four of the five districts also supply water, which is billed separately based on usage. In the Village of Hyannis water is supplied by the Town through its Water Supply Enterprise Fund. Water supply in West Barnstable is mostly by private wells.



Residents in every Fire District pay the same Town property tax rates. However, the rate charged by each Fire District is different. This may be seen in the chart to the left. Note that Centerville, Osterville and Marstons Mills are served by a single District (COMM). Hyannis is the only Fire District with a split rate: the Commercial/Industrial rate is \$3.83. Total taxes levied by all Fire Districts in FY 2024 were \$40.7 million, as shown in the chart below.



CAPITAL IMPROVEMENT PLAN: \$ 247.9 million

The Town Operating Budget is used to pay for government operations. A separate Capital Improvement Plan (CIP) is used to budget and pay for expenditures to acquire, upgrade, and maintain fixed physical assets. The Town's CIP uses a five-year plan to estimate costs, time schedules, methods of financing, and operating budget impacts.

Each Town department submits its suggested projects for the upcoming year as well as a five-year capital improvement plan to determine which capital projects receive funding. Each request is discussed by a CIP task force and projects are rank-ordered based on the level of need and urgency. This is then forwarded to the Town Manager for evaluation. The Town Manager then evaluates and recommends projects for Town Council approval based on available funds.

For FY 2025, the Town Manager recommended \$242.2 million be allocated to fund 60 projects, up substantially from the \$67.6 million recommended in total in FY 2024. Most of the \$180.3 million year-over-year increase is driven by CWMP (\$169.7 million in FY 2025, up from \$33.6 million in FY 2024). CWMP's transition from the planning phase in FY 2024 to the implementation phase in FY 2025 is responsible for the YoY increase. Projects recommended for the General Fund total \$22.8 million (up from \$12.3 million in FY 2024), while Enterprise Fund projects total \$49.6 million (up from \$21.7 million last year).

Approved General Fund projects include needed improvements and maintenance for the schools, roadways, waterways, and municipal facilities. These projects will support the economic growth and vitality of the Town as well as enhance the quality of life for residents.

Enterprise Funds will receive funding for 18 projects benefiting the airport, golf, Hyannis Youth and Community Center, solid waste, water supply, and water pollution control. The majority of the funding for these projects will be from new borrowing authorizations, with less than \$3 million from reserves. The largest single project is the Straightway Filtration Plant, which will cost \$35.5 million.

The \$169.7 million approved for the CWMP will be funded almost entirely through bond issues. Major CWMP projects for FY 2025 include a significant expansion of a sewer line going west on Route 28 and nitrogen removal improvements and upgrades to the Water Pollution Control Facility. Reserve funds of \$750,000 are budgeted for the design of an expanded sewer line on Long Beach Road.

Comparing last year's five-year plan to the current plan, the Town projects an increase in capital spending of 29.2% to \$866 million for FY 2025 - 2029. As has been the case in previous years and can be seen below, CWMP is the main driver of that increase. However, Enterprise Fund and General Fund spending projections have also seen sharp increases after slight declines in the previous five-year projection.

| | Five-Year Plan Comparison | | | |
|--|---------------------------|-------------------|----------------|--------|
| | FY 2024 - FY 2028 | FY 2025 - FY 2029 | Difference | % |
| Enterprise Funds | \$ 153,297,740 | \$ 171,099,977 | \$ 17,802,237 | 11.60% |
| Comprehensive Wastewater Management Plan (CWMP) | 293,350,000 | 431,879,000 | 138,529,000 | 47.20% |
| General Fund | 223,530,432 | 263,031,463 | 39,501,031 | 17.70% |
| Total Capital Improvement Plan | \$ 670,178,172 | \$ 866,010,440 | \$ 195,832,268 | 29.20% |

PROPERTY TAXES

Property taxes are the largest single source of revenue to the Town – just over 57%. Here's how they work: the Town regularly determines the value of every residential and commercial property. Sometimes it does this by having an assessor visit the property, other times it adjusts values up or down based on market conditions. It then taxes those properties using a uniform tax rate multiplied by every \$1,000 of assessed value. In FY 2024, the tax rate was \$6.65 for every \$1,000 of value. So, for example, if your property were assessed at \$100,000, you would pay property tax of \$665. It seems straightforward enough, but it can get complicated. Here are a few reasons why:

Residential Exemption. If your property is your full-time residence, the Town gives you a break on your taxes. The Town Council determines the amount of the break – it can be as low as zero or as high as 35% of the average assessed residential value. In FY 2024 the exemption was 25%. The table on the right shows how the tax break is then calculated: the 25% exemption is based on the average value of all properties in Town and that amount (last year it was \$214,313) is then subtracted from your home's value before your tax is calculated. One interesting consequence of this is that everyone – regardless of the value of their home -- gets the same savings from the residential exemption.

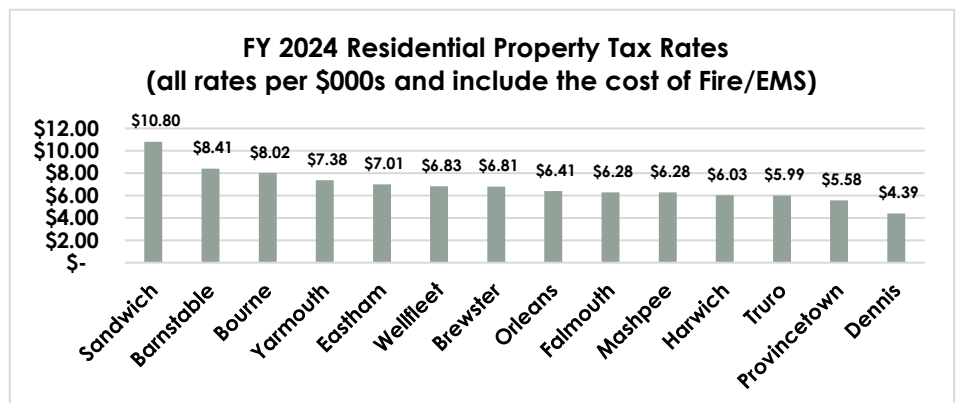
| Residential Exemption Calculation in FY 2024 | |
|--|------------------|
| Total value of all property in the Town | \$22,036,516,378 |
| Number of properties | 25,706 |
| Average value | \$857,252 |
| Residential exemption (voted by Town Council) | 25% |
| Residential tax break (25% times average value) | \$214,313 |
| <i>Example #1</i> | |
| Actual home value | \$500,000 |
| Residential tax break | \$214,313 |
| Taxable value (home value minus tax break) | \$285,687 |
| Property tax rate in FY 2024 | \$6.65 |
| Property taxes without residential exemption | \$3,325 |
| Property taxes with residential exemption | \$1,900 |
| Savings | \$1,425 |
| <i>Example #2</i> | |
| Actual home value | \$1,000,000 |
| Residential tax break | \$214,313 |
| Taxable value (home value minus tax break) | \$785,687 |
| Property tax rate in FY 2024 | \$6.65 |
| Property taxes without residential exemption | \$6,650 |
| Property taxes with residential exemption | \$5,225 |
| Savings | \$1,425 |

Proposition 2½. Back in 1980, Massachusetts voters approved Proposition 2, nicknamed (for reasons that will become clear) Proposition 2½. Proposition 2½ made several major changes to the property tax system, including two significant restrictions on how much can be collected. The first was that it imposed a **tax ceiling**: a town can't collect in taxes more than 2.5% of the total assessed value of the property in a town. The second is that it **limited increases**: total taxes on existing property can't increase more than 2.5% annually. (This doesn't apply to newly developed property, however. Big new projects such as Vineyard Wind or Capetown Plaza are exempt from that limit the first year they become taxable.)

Fire Districts. The Fire Districts in Barnstable operate independently of the Town Council. They too raise revenue from property and use the Town's tax collection system to collect their taxes. In FY 2024, the Fire Districts added an additional tax of \$1.16 to \$2.40 (see page 7) for every \$1,000 of assessed value.

Comparisons and Further Information.

The chart on the right compares Barnstable's property tax rates to other towns on Cape Cod. For even more information, please go to the Assessor's Office web page using this QR code.



COMPREHENSIVE WASTEWATER MANAGEMENT PLAN (CWMP)

As Barnstable residents drive through sewer construction detours, they often ask two questions: When am I scheduled for sewer? And how much will it cost me to hook up to the sewer?

Below are answers to those questions along with an overview of CWMP's requirements, an updated implementation schedule, and current estimated cost for CWMP.

Requirement

Barnstable's Comprehensive Wastewater Management Plan (CWMP) is required as part of the Cape Cod Area-wide Water Quality Management plan to reduce nitrogen pollution and restore water quality. It is also required by the Massachusetts Estuary Project (MEP) and the U.S. Clean Water Act. CWMP was approved by the Commonwealth of Massachusetts in 2021. CWMP is projected to take 30 years to complete.

Implementation

The 30-year plan is being implemented in ten-year phases. CWMP is currently in Phase I. This phase is 1) focusing on wastewater infrastructure with sewer expansion, 2) improving effluent disposal, 3) improving the sewer collection, 4) using non-traditional solutions such as cranberry bog conversions and inlet dredging, and 5) exploring partnering with Sandwich, Mashpee, Yarmouth, and Joint Base Cape Cod. Phase I will result in the installation of 90 miles of new sewer infrastructure and eliminate approximately 44% of the nitrogen impacting Barnstable waters.

FY2025-FY2029 CWMP planned projects include:

1. Nitrogen removal improvements and water pollution control facility upgrades
2. Sewer expansions on Route 28 West, Long Beach, South County Road, Phinney's Lane neighborhood, Prince Cove, Huckins Neck Road, Long Pond area, and Old Yarmouth Road
3. Design and permitting of Great Marsh and Osterville Woods sewer expansions
4. Mill Pond dredging
5. Design and permitting of Warren's Cove aquaculture project

Other projects planned for Phase I include 1) Route 28/Yarmouth Road intersection improvement, 2) Old Craigville Road sewer expansion, 3) Shootflying Hill sewer expansion, 4) Hyannis Avenue sewer expansion, and 5) Centerville Village sewer expansion.

Costs

It is impossible to estimate the total 30-year cost to implement CWMP because it will span decades of national and local economic cycles. The original 30-year cost estimate in 2021 was \$863 million. Since that time, costs estimates have increased to well above \$1 billion due to inflation and regulatory and technology changes. As a result, the Town now estimates the plan's costs in more manageable five-year increments.

Current estimated costs for the FY 2025 - FY 2029 projects add up to \$432 million. This new estimate is a substantial increase from the prior FY 2024 - FY 2028 five-year plan estimate of \$293 million.



Scan QR code to access the
Town's Water Quality Monitoring
Website

COMPREHENSIVE WASTEWATER MANAGEMENT PLAN (CWMP)

Financing

Barnstable is currently in a strong financial position. It has established revenue sources that will, hopefully, fund the FY 2025 - FY 2029 five-year CWMP plan from identified revenue sources.² However, CFAC remains concerned about two factors that will impact future funding for CWMP: 1) The level of economic stability and the rate of inflation will directly affect CWMP construction costs. 2) Because CWMP is an unfunded federal mandate and receives no federal funding, future five-year plans will need new sources of funding. CFAC believes that these two factors will add to the Town's continuing CWMP funding challenge.

Possible sources for financing future CWMP projects include: 1) MA Clean Water Trust (MCWT) which has an annual financing cap of \$50 million; 2) General obligation bonds; 3) Municipal Empowerment Act to increase local meals, rooms, and add a 5% surcharge on the motor vehicle excise tax; 4) Water Infrastructure Investment Fund referendum to establish 3% surcharge on real estate tax bill; 5) a debt exclusion referendum; and 6) reduction of municipal services currently funded from the operating budget.

How Much Will It Cost Me to Hook Up to the Sewer?

The property owner will be responsible for 1) sewer assessment; 2) cost to connect the sewer line to the property and to seal the onsite septic system; 3) sewer use fees once a residence is tied into the system; and 4) property taxes.

What are My Payment Options?

* ASSESSMENT (maximum of \$10,000). Property owner can 1) pay it all at once, 2) borrow from a financial institution, or 3) take out a loan from the Town at 2% above the Town's borrowing rate. Option 3 can take the form of a loan up to 30 years, billed and paid with quarterly property taxes, and secured by a lien on the property.

*CONNECTION costs will depend on the contour of the individual property and distance of the house from the road. Property owners can 1) Pay the costs all at once, 2) take out a loan, 3) borrow from the Cape Cod Aquifund, which currently offers for 0% and 2% financing for connections, 4) utilize Massachusetts State income tax credits that are available to partially offset connection costs.

When Will My Property be Sewered? The Property Look up on the Town of Barnstable website shows the scheduled dates when each property owner is scheduled to be hooked up to the sewer.

Further Information

Detailed information about CWMP and a Homeowner's Sewer Connection Guide are available at <https://barnstablewaterresources.com/>

² Revenue sources created to pay for CWMP include: 1) 100% of Barnstable local meal taxes; 2) 33 1/3% of local rooms tax on traditional lodging; 3) 100% of local rooms tax on short term rentals; 4) Cape & Islands Water Protection Fund 2.75% tax on lodging prorated by town; 5) principal subsidies and low interest loans from the MA Clean Water Trust; 6) annual allocation of \$3.5 million from General Fund property tax revenues; 7) Sewer Assessments capped at \$10,000 per dwelling; and 8) quarterly charges on properties on the sewer system.

LOOKING AHEAD

LOOKING AHEAD

CFAC believes it is crucial to analyze the financial implications of a number of major challenges facing the Barnstable Town Council and Town Manager.

- Funding the CWMP over a 30-year period requires careful financial planning. We need to explore funding mechanisms, potential grants, and debt management strategies to ensure that costs are spread equitably among residents without overwhelming our annual budget.
- Preserving our drinking water and reducing pollution in our bays and ponds must also have an affordable plan. This includes evaluating the financial impact of implementing pollution control measures and securing federal or state funding to offset local expenses.
- Major replacements and renovations to our school buildings and facilities will require careful planning, including identifying available capital and ensuring that any related debt does not negatively impact other critical town services.
- Decisions regarding Town support for additional offshore wind projects and their onshore infrastructure are political in nature. However, it's essential to understand the resulting financial responsibilities that may fall on the Town. What are the direct and indirect costs of such support?
- Creating more housing units for low- and moderate-income families, particularly those who work for the Town, requires understanding the financial implications. How will this impact Barnstable's budget in terms of potential tax incentives, zoning changes, or direct investment in affordable housing projects?
- The financial consequences of revising zoning ordinances to accommodate more worker housing must be carefully evaluated. This includes any potential strain on infrastructure and public services.
- Ensuring that Barnstable remains competitive in attracting and retaining high-quality employees is a significant budgetary concern. The Town needs to assess compensation and benefit structures and their sustainability over the long term.
- The potential taking and maintenance of certain private roads must be examined from a financial point of view.

Each of these issues must be scrutinized through a financial lens to ensure that Barnstable's fiscal health is not compromised. CFAC stands ready to provide advice to help ensure that policy decisions do not place undue strain on the Town's budget or its taxpayers.

ACCOUNTABLE & TRANSPARENT

The Town works diligently to make its financial data transparent and available so that residents and taxpayers can monitor the Town's operating budget and capital spending. The Barnstable Finance division provides an extensive number of reports on its web page at:

<https://town.barnstable.ma.us/departments/finance/>

The Town has received the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award for 20 consecutive years and the Certificate of Excellence in Financial Reporting for 19 consecutive years.

AAA BOND RATING

Since 2007 Barnstable's bonds have been rated AAA by Standard and Poor's. AAA is S&P's highest credit rating. AAA ratings allow the Town to borrow at very favorable rates, saving on interest costs. Factors cited by S&P for Barnstable's AAA rating include:

- Very strong economy and tax base, which is among the largest in the state.
- Comprehensive set of formal financial policies and practices.
- History of robust financial performance and maintenance of strong reserves and liquidity.
- Conservative budget assumptions.

TELL US WHAT YOU THINK

If you have questions or comments for CFAC, please email us at:

CFAC@town.barnstable.ma.us

Thank you.

COMMITTEE MEMBERS

Hector Guenther, Chair
Chuck McKenzie, Vice Chair
Chris Lauzon, Clerk
Tom Keane
Jeremy Shea
Jim Sproul
Lillian Woo