

Town of Barnstable Financial Overview Revenues, Expenditures, and Capital Spending for Fiscal Year 2026

The Barnstable Comprehensive Financial Advisory Committee (CFAC) has prepared this financial overview of the Town’s revenues, expenditures, and capital spending for Fiscal Year 2026 (July 1, 2025, to June 30, 2026 – abbreviated as FY2026).

The Town of Barnstable was incorporated on June 4, 1639, and granted city status by the Commonwealth of Massachusetts in 1989. Despite being a city, it has retained the official title “Town of Barnstable” and operates under a council-manager government structure with 13 precincts, each represented by an elected Town Councilor. The Town finances are efficiently and well run. Barnstable has maintained Standard & Poor’s highest bond rating of AAA for many years, which has resulted in lower borrowing costs and has helped to mitigate the impact of ever-increasing municipal expenses on its year-round population of nearly 50,000.

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Detail on the Town’s financials and budget can be found by going to this link:
<https://tobweb.town.barnstable.ma.us/Departments/Finance/>.

If you have questions or comments for CFAC, please email us at: CFAC@town.barnstable.ma.us.

Chris Lauzon, Chair
 Jim Sproul, Vice Chair
 Jeremy Shea, Clerk
 Hector Guenther

Tom Keane
 Chris King
 Frank Ward
 Lillian Woo

Summary

There are four main components to Barnstable’s municipal spending:

The General Fund. The General Fund is raised each year from taxes, fees, state aid, Enterprise Fund surpluses, and sometimes by drawing on reserves. It is then used to support on-going operations of the Town: schools, police, road repairs, and the like. The General Fund also may support the Enterprise Funds (if they require a subsidy) and also funds Capital expenditures. In FY2026 the Town’s General Fund expenditures are budgeted at \$224.4 million, a 4.9% increase from FY2025. Barnstable Public Schools (BPS), the Police Department, and Public Works had the largest dollar increases. The headcount (expressed as full-time equivalents, or FTEs; a half-time employee, for example, would be 0.5 FTE) decreased by 17.7, largely due to personnel cuts at BPS.

General Fund Expenditures						
	FY2023	FY2024	FY2025	FY2026	Change FY2025-2026	
Total FTEs	1,314.25	1,367.19	1,358.47	1,340.77	(17.70)	-1.3%
Spending (in \$000s)	\$ 198,531.3	\$ 204,300.2	\$ 213,847.7	\$ 224,418.9	10,571.2	4.9%

Enterprise Funds. The Town has nine enterprises funds (such as the airport) which operate much like a private business. They generate revenues primarily from user fees and are largely self-sufficient. If they run a deficit, the Town may subsidize them from the General Fund. Typically surpluses generated by the Funds are retained as reserves but can be used by the Town for other purposes if needed.

Enterprise Funds (\$000s)						
	FY2023	FY2024	FY2025	FY2026	Change FY2025-2026	
All Enterprise Funds						
FTEs	120.75	125.05	129.10	134.10	5.00	3.9%
Operating Revenues	36,525	\$ 47,975	\$ 49,439	\$ 51,563	2,124	0.26
Operating Expenses	37,770	\$ 37,039	\$ 50,364	\$ 52,987	2,623	0.46
Net Effect on Reserves	(1,245)	\$ 10,936	\$ (925)	\$ (1,424)	(499)	(0.20)

Capital Expenditures. While the Operating Budget refers to spending on regular, routine expenses, capital expenditures are for items that have a life longer than a year, such as a new police cruiser or a school renovation. In FY2026 capital expenditures are expected to be \$100.8 million, a large 62.6% drop from FY2025. The primary driver of this reduction in expenditures is that the Town is spending less on the Comprehensive Wastewater Management Plan (CWMP). However, capital expenditures tend to vary year by year and CFAC expects spending related to the CWMP will increase markedly in future fiscal years.

Capital Budget (\$ millions)						
Department	FY2023	FY2024	FY2025	FY2026	Change FY2025-2026	
Enterprise Funds	\$ 23.9	\$ 22.8	\$ 60.5	\$ 8.6	\$ (51.9)	-85.8%
Departments	\$ 56.5	\$ 50.2	\$ 38.9	\$ 25.9	\$ (13.0)	-33.4%
CWMP	\$ 5.3	\$ 33.5	\$ 169.7	\$ 66.3	\$ (103.4)	-60.9%
Total	\$ 85.7	\$ 106.6	\$ 269.2	\$ 100.8	\$ (168.4)	-62.6%

Fire Districts. The five Fire Districts in Barnstable provide emergency services and (except for one) drinking water. They are distinct from Barnstable’s town government, largely self-governing, and not part of the Town’s budgetary process.

CFAC discusses each of these four major components of spending in the remainder of this Overview.

General Fund Revenues: \$224.4 Million

In FY2026, the Town will raise a total of \$224.4 million for the General Fund. There are three principal sources of funds for the General Fund: (1) property taxes, (2) other taxes and fees, and (3) other resources.

General Fund Revenues (\$ millions)							
Source	FY2023	FY2024	FY2025	FY2026	Change FY2025-FY2026		
Property Tax	\$ 142.7	\$ 148.2	\$ 149.0	\$ 154.9	\$ 5.9	3.9%	
Other Taxes	\$ 12.1	\$ 11.2	\$ 11.0	\$ 11.3	\$ 0.3	3.0%	
Other Resources	\$ 59.7	\$ 46.4	\$ 53.9	\$ 58.2	\$ 4.4	8.1%	
Total Revenues	\$ 214.5	\$ 205.8	\$ 213.8	\$ 224.4	\$ 10.6	4.9%	

Property taxes

Property taxes are the largest and most stable source of revenue for the Town of Barnstable, accounting for nearly 70% of the General Fund. For FY2026, property tax revenue is projected at \$154.9 million, an increase of \$5.9 million (3.9%) over FY2025.

- **Proposition 2½.** Under Massachusetts property tax law (colloquially known as Proposition 2½), annual property tax increases on *existing* property are limited to 2.5%. However, new property is not subject to that limitation when it is first put into use.
- **Residential Exemption.** Year-round residents in Barnstable get a break from their property taxes through what is known as the Residential Exemption. The exemption (which in FY2025 was \$215,473) is currently 25% of the average assessed value of residential properties. That amount is subtracted from the assessed value of owner-occupied homes.
- **Inflationary Concerns.** Proposition 2½ caps property tax revenue growth at 2.5%. In periods of high inflation, this poses a problem since the real buying power of those dollars does not keep pace with the rising cost of municipal services. The Town has historically managed this with a combination of new growth revenues, reserves, careful expenditure controls, and local option revenues such as meals and lodging taxes.

Other Taxes

The Town also expects to collect \$11.3 million from other taxes. These include the Motor Vehicle Excise Tax (\$9.0 million), the Boat Excise Tax (\$125k), the Motel/Hotel Excise Tax (\$2.1 million) and – at \$39,000 – Payments in Lieu of Tax (voluntary payments made by non-taxable non-profits).

Other Resources

Funding for Barnstable’s FY2026 General Fund relies upon \$58.2 million from other sources. The largest is intergovernmental (\$30.7 million), which is mostly state aid for schools. Others include \$4.1 million from the nine Enterprise Funds, fines, fees, and interest. In addition, the FY2026 budget is balanced by drawing on \$8.4 million in reserves. This is not as significant of a problem as it may appear; most years actual spending is less than budgeted and the Town eventually ends up generating a surplus.

General Fund Expenditures: \$224.4 Million

General Fund Expenditures match General Fund Revenues, at \$224.4 million for FY2026 because, under state law, all municipalities are required to balance their budgets annually. The General Fund Expenditures include spending on the operating budget, enterprise funds (if any subsidies are needed), and capital expenditures. The General Fund does not support the Fire districts; they are funded and governed distinct from the Barnstable Town Government.

General Fund Expenditures (in \$000s)						
	FY2023	FY2024	FY2025	FY2026	Change FY2025-2026	
Departmental Expenditures						
Total FTEs	1,314.25	1,367.19	1,358.47	1,340.77	(17.70)	-1.3%
Town Council	\$ 249.7	\$ 260.9	\$ 264.1	\$ 269.9	\$ 5.8	2.2%
Town Manager	\$ 1,392.2	\$ 1,388.7	\$ 1,575.3	\$ 1,400.1	\$ (175.2)	-11.1%
Administrative Services	\$ 7,385.9	\$ 7,953.5	\$ 8,230.7	\$ 8,727.7	\$ 497.1	6.0%
Marine & Environmental Affairs	\$ 1,521.1	\$ 1,642.4	\$ 1,638.5	\$ 1,697.5	\$ 59.0	3.6%
Community Services	\$ 2,521.9	\$ 2,774.3	\$ 2,887.7	\$ 2,933.8	\$ 46.1	1.6%
Planning & Development	\$ 2,234.9	\$ 2,180.3	\$ 2,394.0	\$ 2,416.1	\$ 22.1	0.9%
Police Department	\$ 17,886.5	\$ 18,109.1	\$ 18,774.7	\$ 19,774.9	\$ 1,000.2	5.3%
Public Works Department	\$ 10,045.8	\$ 10,669.9	\$ 11,384.5	\$ 12,264.1	\$ 879.6	7.7%
Inspectional Services	\$ 2,489.5	\$ 2,512.1	\$ 2,584.4	\$ 2,800.2	\$ 215.8	8.3%
Barnstable Public Schools	\$ 82,181.2	\$ 88,482.0	\$ 89,375.8	\$ 93,622.7	\$ 4,246.9	4.8%
Departmental Expenditures subtotal	\$ 127,908.7	\$ 135,973.3	\$ 139,109.7	\$ 145,907.1	\$ 6,797.4	4.9%
Other Expenditures						
Non-BPS Education	\$ 11,673.8	\$ 11,901.2	\$ 13,882.2	\$ 14,883.5	\$ 1,001.3	7.2%
Other Requirements	\$ 46,141.1	\$ 45,989.5	\$ 50,419.6	\$ 53,117.4	\$ 2,697.8	5.4%
Transfers	\$ 12,807.8	\$ 10,436.2	\$ 10,436.2	\$ 10,510.9	\$ 74.7	0.7%
Other Expenditures subtotal	\$ 70,622.6	\$ 68,326.9	\$ 74,738.0	\$ 78,511.8	\$ 3,773.8	5.0%
Grand Total	\$ 198,531.3	\$ 204,300.2	\$ 213,847.7	\$ 224,418.9	\$ 10,571.2	4.9%

We discuss each of these expenditures below.

Town Council

The Town Council budget supports one FTE as well as Council-related costs.

Town Council						
	FY2023	FY2024	FY2025	FY2026	Change FY2025-2026	
Spending	\$ 249,721	\$ 260,892	\$ 264,092	\$ 269,870	\$ 5,778	2.2%
FTEs	1.00	1.00	1.00	1.00	-	0.0%

Town Manager Department

If the Town Council is the legislative branch of Barnstable's government, the Town Manager can be thought of as the executive branch, overseeing all Town governmental functions (except for the Barnstable Public Schools).

Town Manager						
	FY2023	FY2024	FY2025	FY2026	Change FY2025-2026	
Spending	\$ 1,392,243	\$ 1,388,749	\$ 1,575,299	\$ 1,400,109	\$ (175,190)	-11.1%
FTEs	13.10	13.90	11.90	10.90	(1.00)	-8.4%

Administrative Services

This department has four components: financial (which includes the elected Town Clerk), legal, human resources, and information technology.

Administrative Services						
	FY2023	FY2024	FY2025	FY2026	Change FY2025-2026	
Spending	\$ 7,385,889	\$ 7,953,506	\$ 8,230,658	\$ 8,727,745	\$ 497,087	6.0%
FTEs	59.80	58.95	59.95	60.95	1.00	1.7%

Marine And Environmental Affairs

This department includes the Harbormaster, animal control, shellfishing, and management of the Town's natural resources.

Marine And Environmental Affairs						
	FY2023	FY2024	FY2025	FY2026	Change FY2025-2026	
Spending	\$ 1,521,103	\$ 1,642,389	\$ 1,638,527	\$ 1,697,514	\$ 58,987	3.6%
FTEs	13.50	12.95	13.05	13.05	-	0.0%

Community Services

Community Services includes the Council on Aging as well as recreational services.

Community Services						
	FY2023	FY2024	FY2025	FY2026	Change FY2025-2026	
Spending	\$ 2,521,875	\$ 2,774,294	\$ 2,887,734	\$ 2,933,824	\$ 46,090	1.6%
FTEs	16.93	14.65	15.45	15.45	-	0.0%

Planning and Development

Planning and Development's overall responsibility is to develop and manage land use and infrastructure throughout the Town. It includes six areas of focus: Comprehensive Planning, Community Development, Regulatory Review, Economic Development, Parking Management, and Conservation.

Planning and Development						
	FY2023	FY2024	FY2025	FY2026	Change FY2025-2026	
Spending	\$ 2,234,927	\$ 2,180,278	\$ 2,394,019	\$ 2,416,092	\$ 22,073	0.9%
FTEs	19.50	19.50	19.00	19.00	-	0.0%

Police Department

The Police Department consists of two broad areas: the Administrative and Investigative Bureau and Field Services (which includes regular patrol shifts, lock-up oversight, and specialty units such as the marine, canine unit and the SWAT team). Although FTEs remain steady, the budget increases due to increased training and new equipment purchases.

Police Department						
	FY2023	FY2024	FY2025	FY2026	Change FY2025-2026	
Spending	\$ 17,886,488	\$ 18,109,111	\$ 18,774,709	\$ 19,774,938	\$ 1,000,229	5.3%
FTEs	147.50	146.30	147.50	147.50	-	0.0%

Department of Public Works

The DPW maintains roadways, removes snow, and otherwise oversees public infrastructure, including maintaining the Town's buildings, parks, cemeteries, marinas, recreational and community facilities.

Public Works Department						
	FY2023	FY2024	FY2025	FY2026	Change FY2025-2026	
Spending	\$ 10,045,771	\$ 10,669,948	\$ 11,384,511	\$ 12,264,117	\$ 879,606	7.7%
FTEs	89.27	90.27	89.27	90.27	1.00	1.1%

Inspectional Services

Inspectional Services permits and monitors code compliance of buildings within the Town and is also responsible for ensuring that property owners comply with zoning restrictions.

Inspectional Services						
	FY2023	FY2024	FY2025	FY2026	Change FY2025-2026	
Spending	\$ 2,489,481	\$ 2,512,101	\$ 2,584,392	\$ 2,800,182	\$ 215,790	8.3%
FTEs	27.90	27.15	27.15	27.15	-	0.0%

Barnstable Public Schools (BPS)

The BPS is governed by a separately elected School Committee which appoints the Superintendent. BPS expects enrollment this year to be 3,349 in K-8 and 1,320 in high school for a total of 4,469 – 11 fewer than in FY2025. Looking ahead, BPS expects enrollment to be relatively flat through FY2030. BPS expects to spend \$93.6 million in FY2026, a 4.8% increase from FY2025.

Barnstable Public Schools						
	FY2023	FY2024	FY2025	FY2026	Change FY2025-2026	
Spending	\$82,181,210.0	\$88,482,022.0	\$89,375,780.0	\$93,622,700.0	\$ 4,246,920	4.8%
FTEs	925.75	982.52	974.20	955.50	(18.70)	-1.9%

- Salaries and wages account for 80% of this spending. From a headcount point of view, however, the number of FTEs actually declines in FY2026 by 18.7.
- Supplies increase by \$592K and include the acquisition of new technology and curriculum materials.
- Operating/contracted services increase by \$1.4 million and include contracts for mold monitoring, SPED, and a math curriculum review as well as contractors needed to make up for hard-to-find staffing.

Although the total student population at BPS has been relatively constant, the composition of the student body has changed considerably. For example:

- The number of children identified as from economically disadvantaged or low-income families has increased markedly, from 27% in FY2015 to 53% in FY2025.
- BPS has seen significant increases in students with high needs (42% in FY2015 to 67% in FY2025), those whose first language is not English (15% to 38%), and those who are English-language learners (8% to 25%).
- While the number of children identified as special needs slightly rose from 16% in FY2015 to 18% in FY2025, the intensity of those needs has risen sharply.

Those needs require greater resources. Yet property taxes and state aid seem unable to keep up with this need. Indeed, the BPS balanced this year's budget only by using \$1.3 million in past savings. Long

term, as the school superintendent wrote in her transmittal of the FY2026 budget, “the current budget structure is not sustainable.” This will be a challenge for the Town to address.

Non-BPS Education

Barnstable is annually assessed for regional school operations as well as for school choice and charter schools attended by Barnstable residents.

Non-BPS Education Spending						
	FY2023	FY2024	FY2025	FY2026	Change FY2025-2026	
Regional school enrollment	186	193	181	194	13	7.2%
Regional school assessment	\$ 4,749,316	\$ 5,106,410	\$ 4,792,279	\$ 5,384,604	\$ 592,325	12.4%
Charter school enrollment	327	328	375	411	36	9.6%
Charter school assessment	\$ 5,385,616	\$ 5,384,510	\$ 7,455,244	\$ 7,652,592	\$ 197,348	2.6%
School Choice enrollment (net)	149	138	161	161	-	0.0%
School Choice assessment	\$ 1,538,830	\$ 1,410,264	\$ 1,634,665	\$ 1,846,289	\$ 211,624	12.9%
Total enrollment	662	659	717	766	\$ 49	6.8%
Total assessments	\$ 11,673,762	\$ 11,901,184	\$ 13,882,188	\$ 14,883,485	\$ 1,001,297	7.2%

Other Requirements

Other Requirements are sometimes incorrectly called “Fixed Costs.” These expenses include employee benefits, property and casualty insurance, and debt-service payments. None of these, of course, is truly “fixed” since these costs can rise and fall depending upon inflation, interest rates, and the number of folks employed by the Town.

Other Requirements Spending						
Department	FY2023	FY2024	FY2025	FY2026	Change FY2025-2026	
Employee Benefits	29,789,235	28,583,092	34,344,186	35,532,471	\$ 1,188,285	3.5%
State & County Assessments	4,240,810	5,125,771	3,144,767	3,248,471	\$ 103,704	3.3%
Debt Service	7,227,289	7,249,511	7,249,511	8,242,318	\$ 992,807	13.7%
Grants	2,254,904	2,355,650	2,355,650	2,407,101	\$ 51,451	2.2%
Property & Liability Insurance	2,430,634	2,300,000	2,800,000	2,800,000	\$ -	0.0%
Snow & Ice Removal	-	138,473	138,473	400,000	\$ 261,527	188.9%
Town Council Reserve	-	-	150,000	250,000	\$ 100,000	66.7%
Celebrations, Rent, Other	198,183	237,000	237,000	237,000	\$ -	0.0%
Total Other Requirements	46,141,055	45,989,497	50,419,587	53,117,361	\$ 2,697,774	5.4%

Transfers

As part of the FY2026 budget, \$10.5 million will be transferred to support capital improvements (which we discuss further on page 10).

Transfers						
	FY2023	FY2024	FY2025	FY2026	Change FY2025-2026	
Transfer to Capital Trust Fund	\$ 11,370,803	\$ 8,999,199	\$ 8,987,285	\$ 8,987,285	\$ (11,914)	-0.1%
Transfer to Capital Projects Fund	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Transfer to Enterprise Funds	\$ 1,436,994	\$ 1,436,994	\$ 1,523,639	\$ 1,523,639	\$ 86,645	6.0%
Total	\$ -	\$ 12,807,797	\$ 10,436,193	\$ 10,510,924	\$ 74,731	0.7%

Enterprise Funds: \$53.0 Million

Municipalities are allowed to manage certain operations, such as utilities, transportation and some recreation facilities, as “Enterprise Funds.” Enterprise Funds are largely self-supporting government operations that are financed and operated similarly to private business enterprises.

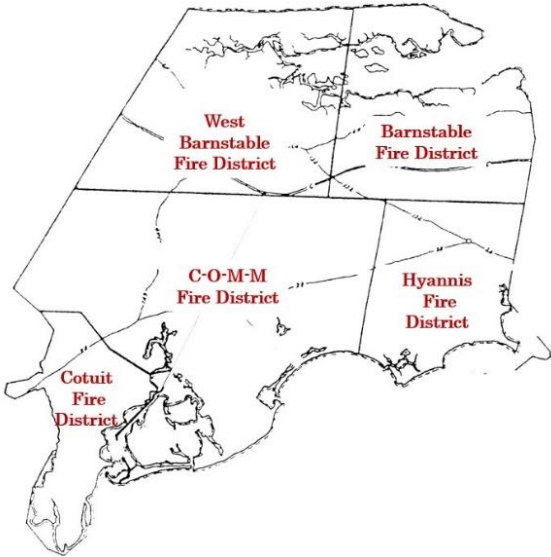
The Town of Barnstable has nine Enterprise Funds. Each Fund's finances are separate from other Town activities, allowing the Town to monitor costs, user fees, subsidies. Each Fund has reserves – often generated by earnings from each Fund’s activities – ranging from a low of \$500k (Hyannis Youth & Community Center) to a high of \$9.5 million (Water Pollution Control). The reserves can in turn be used for capital projects, balancing each Fund’s respective operating budget, or for other Town Council-approved requests.

The table below shows each Fund’s past actual and FY2026 budgeted operating revenues and expenses. Note that these figures do not include capital expenditures (which we discuss on page 10).

Enterprise Funds (\$000s)							
	FY2023	FY2024	FY2025	FY2026	Change FY2025-2026		
Airport							
Operating Revenues	\$ 9,755	\$ 14,641	\$ 12,840	\$ 13,531	\$ 691	5.4%	
Operating Expenses	\$ 9,755	\$ 10,848	\$ 12,840	\$ 13,531	\$ 691	5.4%	
Net Effect on Reserves	\$ -	\$ 3,793	\$ -	\$ -	\$ -	0.0%	
Golf Course							
Operating Revenues	\$ 3,804	\$ 4,485	\$ 4,220	\$ 4,262	\$ 42	1.0%	
Operating Expenses	\$ 3,955	\$ 4,130	\$ 4,531	\$ 4,469	\$ (63)	-1.4%	
Net Effect on Reserves	\$ (151)	\$ 355	\$ (311)	\$ (207)	\$ 105	-33.6%	
Hyannis Youth Community Ctr							
Operating Revenues	\$ 3,312	\$ 4,025	\$ 3,827	\$ 3,981	\$ 154	4.0%	
Operating Expenses	\$ 3,680	\$ 3,841	\$ 4,306	\$ 4,504	\$ 198	4.6%	
Net Effect on Reserves	\$ (368)	\$ 184	\$ (479)	\$ (523)	\$ (44)	9.1%	
Marina Operations							
Operating Revenues	\$ 797	\$ 984	\$ 855	\$ 879	\$ 24	2.8%	
Operating Expenses	\$ 862	\$ 584	\$ 880	\$ 904	\$ 24	2.7%	
Net Effect on Reserves	\$ (65)	\$ 400	\$ (25)	\$ (25)	\$ (0)	0.0%	
Public Access (Cable TV)							
Operating Revenues	\$ 963	\$ 1,129	\$ 995	\$ 987	\$ (8)	-0.8%	
Operating Expenses	\$ 963	\$ 758	\$ 995	\$ 1,104	\$ 109	11.0%	
Net Effect on Reserves	\$ -	\$ 371	\$ -	\$ (117)	\$ (117)	0.0%	
Sandy Neck Beach Park							
Operating Revenues	\$ 988	\$ 1,337	\$ 1,156	\$ 1,207	\$ 51	4.4%	
Operating Expenses	\$ 1,095	\$ 1,058	\$ 1,265	\$ 1,333	\$ 68	5.4%	
Net Effect on Reserves	\$ (107)	\$ 279	\$ (109)	\$ (126)	\$ (16)	15.0%	
Solid Waste							
Operating Revenues	\$ 3,772	\$ 4,810	\$ 4,655	\$ 4,516	\$ (140)	-3.0%	
Operating Expenses	\$ 4,326	\$ 3,926	\$ 4,655	\$ 4,942	\$ 287	6.2%	
Net Effect on Reserves	\$ (554)	\$ 884	\$ -	\$ (427)	\$ (427)	0.0%	
Water Pollution Control							
Operating Revenues	\$ 5,043	\$ 6,402	\$ 11,592	\$ 12,463	\$ 871	7.5%	
Operating Expenses	\$ 5,043	\$ 5,987	\$ 11,592	\$ 12,463	\$ 871	7.5%	
Net Effect on Reserves	\$ -	\$ 415	\$ -	\$ -	\$ -	0.0%	
Water Supply							
Operating Revenues	\$ 8,091	\$ 10,161	\$ 9,301	\$ 9,739	\$ 438	4.7%	
Operating Expenses	\$ 8,091	\$ 5,905	\$ 9,301	\$ 9,739	\$ 438	4.7%	
Net Effect on Reserves	\$ -	\$ 4,255	\$ -	\$ -	\$ -	0.0%	

Fire Districts: \$40.7 Million

Barnstable contains five Fire Districts. Each is a distinct legal entity separate from the Town of Barnstable. This kind of separation from a municipality’s government is uncommon in Massachusetts.



The Fire Districts are not part of Barnstable’s town government. Instead, each Fire District is governed by an elected Prudential Committee and/or a Board of Commissioners. Each district provides fire protection and emergency medical services to residents. Each sets its own tax rate and issues its own debt. Fire District taxes are separate from the Town’s property tax, although – as a matter of administrative convenience – Barnstable collects them on behalf of the Fire Districts on the Town’s property tax bills.

Four of five districts also supply water, which is billed separately based on usage. Water in the Village of Hyannis is supplied by the Town through its Water Supply Enterprise Fund. In West Barnstable, water is supplied primarily by private wells.

Fire District Tax Rates	
<i>(Per Thousand of Assessed Value)</i>	
Hyannis	\$ 2.40
Barnstable	\$ 2.11
West Barnstable	\$ 1.93
Cotuit	\$ 1.23
COMM	\$ 1.16
COMM stands for Centerville-Osterville-Marstons Mills.	

While property taxes are uniform across the Town, the tax rates charged by each Fire District are different. Making things more complicated, the Hyannis Fire District has a split rate, with the commercial/industrial rate set at \$3.73. Total taxes levied by all Fire Districts in FY2025 were expected to be \$43.1 million. (As of the date of this report, the FY2026 levy is not yet known.)

More information about the Fire Districts can be found at their respective websites:

- Barnstable FD: <https://www.barnstablefiredistrict.com/>
- Centerville-Osterville-Marstons Mills FD: <https://www.commfiredistrict.com/>
- Cotuit FD: <https://www.cotuitfiredistrict.org/>
- Hyannis FD: <https://hyannisfire.org/>
- West Barnstable FD: <https://wbfedems.org/>

Capital Spending: \$100.8 Million

The Town of Barnstable holds \$575 million in capital assets. The holdings of the Town are varied, from lands and machinery, bridges and docks, to historic homes visited by Martin Luther King Jr. and a 19th century horse-drawn hearse.

In order to acquire, upgrade, and maintain these physical assets, the Town has a Capital Improvement Plan (CIP) to budget and pay for expenditures. There are always items being added to the list, and under the urging of CFAC in 2023, Town departments worked to itemize their needs more comprehensively.

Capital Budget (\$ millions)						
Department	FY2023	FY2024	FY2025	FY2026	Change FY2025-2026	
Enterprise Funds	\$ 23.9	\$ 22.8	\$ 60.5	\$ 8.6	\$ (51.9)	-85.8%
Departments	\$ 56.5	\$ 50.2	\$ 38.9	\$ 25.9	\$ (13.0)	-33.4%
CWMP	\$ 5.3	\$ 33.5	\$ 169.7	\$ 66.3	\$ (103.4)	-60.9%
Total	\$ 85.7	\$ 106.6	\$ 269.2	\$ 100.8	\$ (168.4)	-62.6%

In January 2025, department heads gathered to “pitch” their projects, highlighting the potential benefits to the community should their needs get funded. Proposals were then evaluated and scored by a task force comprising senior-level managers from all departments. This year, 106 projects were put forward for funding consideration. Some of the highest-rated projects included:

- \$4.0 million for Public Roads (\$1.0 million of which was provided by the state)
- \$1.0 million for Barnstable United Elementary HVAC Equipment Replacement
- \$2.4 million for Revitalization of the John F. Kennedy Memorial
- \$1.5 million for Public Bridge Maintenance and Repairs
- \$1.8 million for HYCC Facility Mechanical Improvements

The Town Manager recommended a total of 66 projects totaling \$141.5 million. Barnstable Town Council voted in the spring to approve 57 of those projects for a total of \$100.8 million, to be funded by a mix of reserves, debt, and grants.

We list below the six largest projects, by dollar amounts. Note that some of these – such as those related to the sewer – did not go through the “pitch” process we described above.

- \$45.6 million for Phinney’s Lane Neighborhoods Sewer Expansion
- \$16.0 million for Centerville Village Sewer Expansion – South Phase
- \$4.0 million for Public Roads (\$1.0 million of which was provided by the state)
- \$3.3 million for Sewer Pump Rehabilitation
- \$3.0 million for Oyster Harbor Bridge Improvements
- \$3.0 million for Upgrades to the Performing Arts Center at Barnstable High School

Looking ahead, BPS is seeking \$122.7 million in spending to address issues across ten buildings over the next decade, with three schools (Barnstable Community Innovation School, Hyannis West Elementary, and Centerville Elementary) expected to be the biggest drivers of costs. Coupled with the Comprehensive Wastewater Management Plan projects (see page 11), the Town faces upcoming capital costs beyond the limits of normal funding, a challenge that Town will need to face in the upcoming years.

Comprehensive Wastewater Management Plan

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.

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 18 sewer expansion projects, 2) improving effluent disposal, 3) improving 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. For an update on CWMP projects, please use this link: <https://barnstablewaterresources.com/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 have increased 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 FY2026-FY2030 projects add up to \$332 million.

Financing

Barnstable is currently in a strong financial position. It has established revenue sources that will, CFAC believes, fund the FY2026-FY2030 five-year CWMP plan from identified revenue sources. 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 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.

Connecting Homes to the Sewer

Property owners are responsible for 1) the sewer assessment fee; 2) the cost to connect the sewer line to the property; and 3) sewer use fees once a residence is tied into the system:

- The **assessment fee** is a one-time charge to property owners to be connected to sewer service; it is currently capped at \$10,000. Property owners can pay it all at once or borrow the funds, including 30-year Town loans at 2% above the Town's borrowing rate.
- **Connection** costs vary depending on distance, land contours, and other factors. The Town has seen costs as low as \$4,500; the Cape Cod Aquifund (which makes available 0% and 2% low-interest loans for new connections) has seen costs from between \$6,195 to \$12,315. Property owners can pay upfront or borrow from sources such as the Aquifund. Massachusetts state tax credits are also available to partially offset connection costs.
- Sewer **user fees** will vary depending on usage, but are expected at average about \$450/year for a household.

Looking Ahead

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

- Funding for CWMP and BPS's expressed desire for new school buildings and renovations will require careful financial planning. The Town will need to explore funding options and debt management strategies to ensure that costs are minimized and spread equitably among residents.
- In September 2025, the Federal Reserve Bank chairman cautioned, "Near-term risks to inflation are tilted to the upside and risks to employment to the downside — a challenging situation. Two-sided risks mean that there is no risk-free path." Town leaders will need to continue to assess the impacts of the general economy, interest rates, and inflation levels on the Town's overall budget in their role as stewards of the Town's operations and finances. As the Town's expenses continue to increase, CFAC encourages Town leaders to consider additional sources of revenue to meet future needs.
- Preserving our drinking water and reducing pollution in our bays and ponds continue to be a priority. This will require increased pollution control measures. CFAC urges the Town to explore possible funding from the federal government and state to offset local costs.
- There is a gap between revenue and expenditures at the Barnstable Public Schools that is not sustainable in the long term and will be a challenge that the Town must address in the coming years.
- 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 as well as the availability of reasonably affordable on-Cape housing for its workers.
- About 60% of the roads in Barnstable are private. Many have argued for making some of these into public roads, but CFAC is concerned about the financial burden any potential taking and maintenance would impose on the Town.
- A developer's plans to install infrastructure associated with three offshore wind projects potentially pose major financial benefits and challenges to Barnstable. It's critical that Town leaders evaluate these short- and long-term impacts on Town revenues and expenses.
- The financial consequences of zoning and land-use policies and any revisions to them must be carefully evaluated.

CFAC believes that 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 ensure that policy decisions do not place undue strain on the Town's budget or its taxpayers.