



FUNDING UPDATE FOR THE FY 2024 TO FY 2028 COMPREHENSIVE WASTEWATER MANAGEMENT PLAN

Town Council Meeting
April 6, 2023

Summary

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- FY24 Chapter 70 Aid increasing \$6 million; 32% - largest percentage increase statewide
- FY24 General Fund net revenue growth is \$10 million; \$6MM schools/\$4MM municipal
- Approved school budget increasing \$6MM; aligned with the spirit of the Student Opportunity Act
- Municipal operations budget under development and expected to be \$2 million higher
- \$2MM remaining revenue growth directed to the CIP; more specifically the CWMP
- Increased assumption for investment earnings
- Revised borrowing strategy; more short-term financing for construction bonds and longer amortization periods on design bonds
- Submitted an application for a Congressionally Directed Spending Request for the Centerville Village Sewer Expansion Project
- **Infusion of new revenue combined with debt restructuring defers need for debt exclusion until FY 2027 projects**

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CH70 Aid - Student Opportunity Act

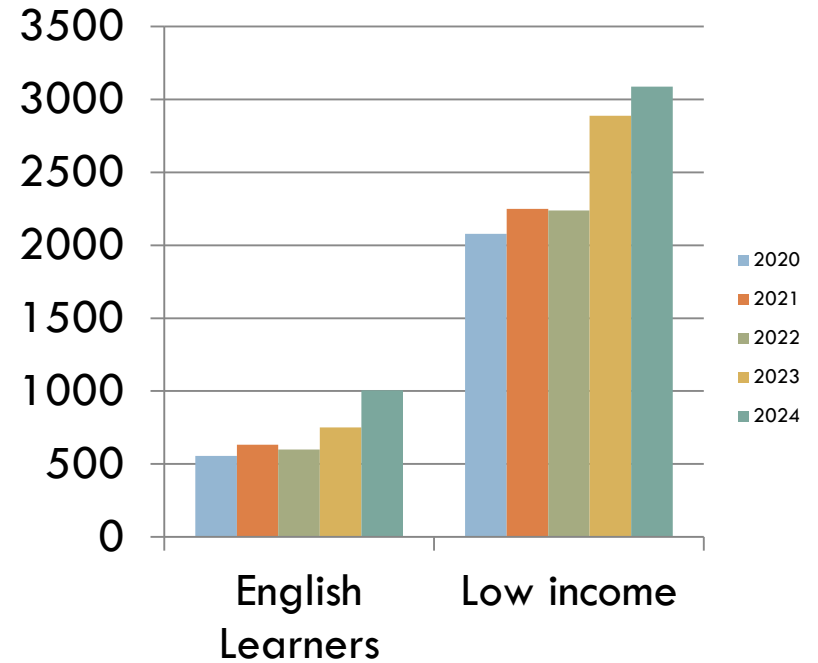
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- 6 year plan to reduce inequities and close learning gaps – FY 2021 first year of implementation
- Establishes higher foundation budget rates
 - ▣ Benefits & fixed charges
 - ▣ Guidance and psychological services
 - ▣ Special education & out of district tuition
 - ▣ English learners
 - ▣ Low-income students

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Foundation Enrollment

	2020	2021	2022	2023	2024
Pre-school	146	160	124	149	156
Full-day K	387	352	330	368	383
Elementary	2039	2035	1838	1842	1937
Junior/Middle	1253	1296	1244	1198	1179
High School	1692	1579	1621	1616	1609
Vocational	0	63	52	94	116
SPED In-district	204	202	196	199	205
SPED Tuition-out	54	53	50	50	51
EL PK-5	360	391	368	478	617
EL 6-8	88	114	97	117	172
EL HS/VOC	108	128	135	155	217
Low income	2078	2249	2239	2889	3088
Total	5444	5405	5147	5193	5302



The Foundation Budget

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- Minimum required spending to provide an adequate education
- Shared responsibility between state and local community
- Local contribution based on aggregate wealth model (property value and income)
- Local contribution increased annually by the *Municipal Revenue Growth Factor* plus a factor to close the gap to a community's contribution target

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Chapter 70 Aid Summary

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	FY23	FY24	Change	Pct Chg
Enrollment	5,193	5,302	109	2.10%
Foundation budget	75,594,780	84,542,110	8,947,330	11.84%
Required town contribution	56,888,584	59,790,057	2,901,473	5.10%
Chapter 70 aid	18,706,196	24,752,053	6,045,857	32.32%
Required net school spending (NSS)	75,594,780	84,542,110	8,947,330	11.84%
Target aid share	17.50%	17.50%		
C70 % of foundation	24.75%	29.28%		

Foundation budget per pupil went up from \$14,557 to \$15,945 (9.5%)

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FY 2023 School Spending Comparison

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School System	Foundation Budget Per Pupil	Budgeted Net School Spending	% of Foundation
Barnstable	\$14,557	\$18,139	125%
Dennis/Yarmouth	\$14,330	\$20,682	144%
Falmouth	\$13,583	\$21,683	160%
Mashpee	\$13,452	\$25,804	192%
Sandwich	\$12,089	\$20,939	173%

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Updated FY24 General Fund Budget Projection (stated in millions)

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	FY 2023	FY 2024	\$	%
Taxes	\$138.5	\$143.5	\$5.0	3.6
State Aid	23.8	29.3	5.5	23.1
Local Receipts	<u>21.7</u>	<u>24.2</u>	<u>2.5</u>	11.5
Total Revenue	\$184.0	\$197.0	\$13.0	7.0
Fixed Costs	<u>(61.8)</u>	<u>(64.8)</u>	<u>(3.0)</u>	4.9
Net Revenue Available for Operations	\$122.2	\$132.2	\$10.0	8.2
Allocated to School Operations			\$6.0	
Allocated to Municipal Operations			\$4.0	

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FY 2024 Proposed Operating Budgets

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	FY 2023	FY 2024	\$	%
School budget	\$76.8	\$82.8	\$6.0	7.8
Municipal budget	\$45.8	\$47.8	\$2.0	4.4
Remaining funds that can be directed to capital program			\$2.0	
Total net new revenue growth			\$10.0	

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Projected Program Cash Flow

Funding Update for the FY 2024 to FY 2028
Comprehensive Wastewater Management Plan

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Dedicated Resources for Funding the CWMP

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- ❑ 100% of local meals tax
- ❑ 33% of local rooms tax on traditional lodging and 100% vacation rentals
- ❑ Cape & Islands Water Protection Fund (2.75% additional tax on traditional lodging and vacation rentals)
- ❑ Sewer assessment ordinance adopted on 7/1/2021 – capped at \$10,000 per full dwelling unit
- ❑ Property tax growth of \$750,000 from new construction for the next 5 years beginning in FY 2023 – Total \$3.75 million
- ❑ **\$2 million in additional property taxes beginning in FY 2024**

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Estimated 5 Year Project Costs

PROJECT TITLE	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	TOTALS
PCW Route Sewer Expansion	30,900,000					30,900,000
Old Craigville Rd Sewer Expansion	1,500,000		18,250,000			19,750,000
Long Beach Sewer Expansion	350,000	750,000	8,500,000			9,600,000
Old Yarmouth Rd Sewer Expansion	650,000		7,950,000			8,600,000
Warren's cove Aquaculture Feasibility Study	150,000					150,000
Effluent Disposal Alternatives		TBD		TBD		-
Rt. 28 West Sewer Expansion		35,000,000				35,000,000
Nitrogen Removal improvements at WPCF		36,000,000				36,000,000
Headworks Improvements at WPCF		29,800,000				29,800,000
Phinney's Lane Sewer Expansion		32,000,000				32,000,000
Shootflying Hill Rd Sewer Expansion		900,000		9,550,000		10,450,000
Great Marsh Rd Sewer Expansion		300,000	1,200,000		15,500,000	17,000,000
Osterville woods Sewer Expansion		600,000	1,400,000		18,500,000	20,500,000
South County Rd Sewer Expansion			300,000	700,000		1,000,000
Long Pond Area Sewer Expansion				35,000,000		35,000,000
Prince Cove Sewer Expansion				400,000	1,000,000	1,400,000
Huckins Neck Rd Sewer Expansion				300,000	700,000	1,000,000
Mill Pond Dredging		50,000	5,000,000	150,000		5,200,000
TOTAL	\$ 33,550,000	\$ 135,400,000	\$ 42,600,000	\$ 46,100,000	\$ 35,700,000	\$ 293,350,000
Borrow	30,900,000	132,800,000	42,300,000	45,250,000	35,700,000	286,950,000
Cash	2,650,000	2,600,000	300,000	850,000		6,400,000
Total	33,550,000	135,400,000	42,600,000	46,100,000	35,700,000	293,350,000

Projected Loan Payments

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	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	TOTALS
Borrow	30,900,000	132,800,000	42,300,000	45,250,000	35,700,000	286,950,000
Cash	2,650,000	2,600,000	300,000	850,000		6,400,000
Total Estimated Project Costs FY24-FY28	33,550,000	135,400,000	42,600,000	46,100,000	35,700,000	293,350,000
Loan Authorization	30,900,000	132,800,000	42,300,000	45,250,000	35,700,000	286,950,000
C&I Subsidy (10%)	(3,090,000)	(13,280,000)	(4,230,000)	(4,525,000)	(3,570,000)	(28,695,000)
MCWT Principal forgiveness (3.3%)	(1,019,700)	(4,382,400)	(1,395,900)	(1,493,250)	(1,178,100)	(9,469,350)
Net loan amount	26,790,300	115,137,600	36,674,100	39,231,750	30,951,900	248,785,650
Yrs Amortized	30	30	30	30	30	
Interest Rate	2.40%	2.40%	2.40%	2.40%	2.40%	
Annual Loan Payment	\$1,068,665.91	\$4,592,842.48	\$1,462,931.00	\$1,564,955.74	\$1,234,672.26	
Cummulative New Loan Payments	\$1,068,665.91	\$5,661,508.38	\$7,124,439.38	\$8,689,395.12	\$9,924,067.38	

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CWMP Cash Flow Projection

(stated in millions)

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Fiscal Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Program resources	\$ 5.94	\$ 8.84	\$ 9.82	\$ 10.74	\$ 11.58	\$ 11.88	\$ 12.17	\$ 12.91	\$ 13.36	\$ 13.89
Commitments:										
Project management	(1.73)	(1.73)	(2.47)	(2.55)	(2.53)	(2.60)	(2.67)	(2.75)	(2.83)	(2.91)
Cash funded projects	-	(2.65)	(2.60)	(2.90)	(0.85)	-	-	-	-	-
Issued debt service	(0.64)	(0.64)	(0.63)	(0.63)	(0.62)	(0.62)	(0.62)	(0.61)	(0.60)	(0.40)
Auth. & unissued debt service	-	(0.43)	(2.39)	(2.39)	(2.39)	(2.39)	(2.39)	(2.39)	(2.39)	(2.39)
Debt service on CIP - FY24	-	-	(0.40)	(1.07)	(1.07)	(1.07)	(1.07)	(1.07)	(1.07)	(1.07)
Debt service on CIP - FY25	-	-	-	(1.73)	(4.59)	(4.59)	(4.59)	(4.59)	(4.59)	(4.59)
Debt service on CIP - FY26	-	-	-	-	(0.55)	(1.46)	(1.46)	(1.46)	(1.46)	(1.46)
Debt service on CIP - FY27	-	-	-	-	-	(0.59)	(1.56)	(1.56)	(1.56)	(1.56)
Debt service on CIP - FY28	-	-	-	-	-	-	(0.46)	(1.23)	(1.23)	(1.23)
Total commitments	(2.37)	(5.45)	(8.50)	(11.27)	(12.60)	(13.32)	(14.84)	(15.67)	(15.75)	(15.63)
Excess resources (commitments)	\$ 3.57	\$ 3.39	\$ 1.32	\$ (0.53)	\$ (1.03)	\$ (1.44)	\$ (2.67)	\$ (2.77)	\$ (2.39)	\$ (1.75)

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Events Impacting Program Financing

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- CC&IWPF subsidies
- MA state revolving loan fund (SRF) subsidies
- Future capitalization grants received by (SRF)
- Increased competition for SRF financing
- Projects listed on DEP's Intended Use Plan
- Borrowing rate on short-term & long-term financing
- Amortization period on bond issue
- Design & construction cost estimates
- Start date & completion date of projects
- Project management costs
- Local meal and room tax revenue trends
- Investment earnings on cash deposits
- Sewer assessment amount & collection rates
- New user charge revenue
- Timing of new sewer connections
- Inflation rates
- Possible future recession
- Additional future General Fund property tax contributions
- Availability of direct Federal or State grants
- Construction fatigue
- Availability of contractors to do work
- Future Town Council priority changes
- Federal & State tax law changes
- Changes in technology & regulations

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