

FY 2026 Update on the Town of Barnstable's Financial Condition

Joint Meeting of the Town Council & School Committee
December 4, 2025



Financial Report Card

- Received an unqualified opinion on the June 30, 2024 financial statements
- Single Audit - No findings or questioned costs on Federal award programs
- AAA credit rating on S&P's April 30, 2025 report
- Favorable budget variances in all funds in Fiscal Year 2025

Fund	Surplus Used To Balance Budget (millions)	Actual Surplus Generated (millions)	Favorable Variance (millions)
General	(\$15.8)	\$5.0	\$20.8
Airport	\$ -	\$3.8	\$3.8
Golf	(\$0.3)	\$0.1	\$0.4
Solid Waste	(\$0.2)	\$0.1	\$0.3
Sewer	\$ -	\$1.6	\$1.6
Water	\$ -	\$1.4	\$1.4
Marinas	\$ -	\$0.3	\$0.3
Sandy Neck	(\$0.1)	\$0.2	\$0.3
HYCC	(\$0.5)	\$0.2	\$0.3
PEG	\$ -	\$0.1	\$0.1

Certified Free Cash as of July 1

Fund	2024 (millions)	2025 (millions)	Change
HYCC Enterprise	\$0.7	\$0.5	(\$0.2)
Sandy Neck Enterprise	\$1.5	\$0.7	(\$0.8)
Marina Enterprise	\$1.8	\$1.7	(\$0.1)
Solid Waste Enterprise	\$1.9	\$1.6	(\$0.3)
Golf Enterprise	\$2.3	\$1.9	(\$0.4)
PEG Access Channel Enterprise	\$3.7	\$3.7	-
Water Enterprise	\$5.7	\$5.9	\$0.2
Sewer Enterprise	\$6.1	\$9.5	\$3.4
Airport Enterprise	\$13.0	\$15.6	\$2.6
General Fund	\$30.9	\$36.2	\$5.3

Significance of Reserves

Traditional Thinking

- Tool for one-time expenses
- Start-up funding
- Rate stabilization
- Pay future liabilities
- Short-term service stabilization

Risk Management Tool

- Cash flow risks - weekly expenses vs. quarterly tax revenue
- Revenue instability - provides softer landing
- Increase in self-insured assets/activities

Free Cash Used for FY26 General Fund Budget (Stated in Millions)

Fund	FY 2025	FY 2026	Change
Municipal Operations	\$0.4	\$1.0	\$0.6
School Operations	\$2.4	\$3.7	\$1.3
Other Requirements	\$3.3	\$3.7	\$0.4
Municipal Capital	\$6.5	\$1.5	(\$5.0)
School Capital	\$2.1	\$0.9	(\$1.2)
Total	\$14.8	\$10.8	(\$4.0)

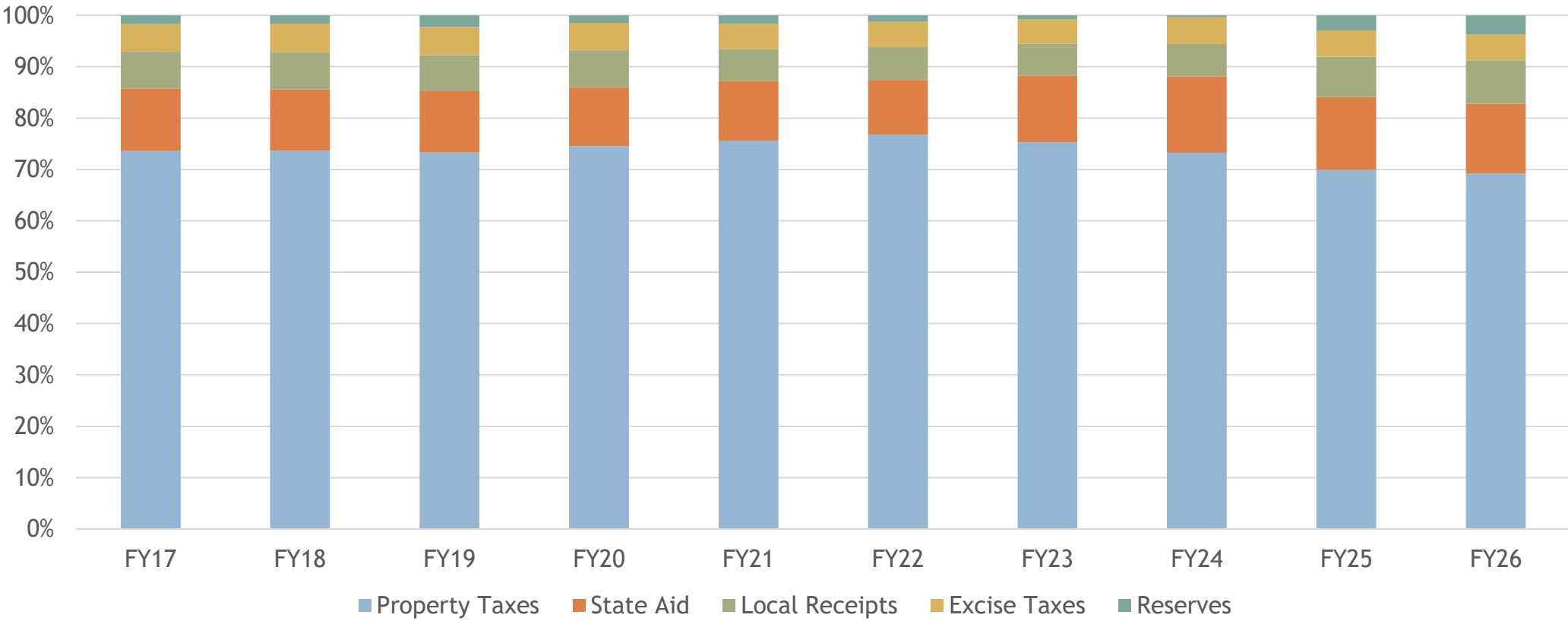
Other Reserves

Fund	Balance on June 30, 2025 (millions)	Purpose
Capital Trust	\$16.8	Capital program
Sewer Construction/Private Ways	\$23.5	CWMP & certain private ways
Comprehensive Water Management	\$10.0	Sewer and water capital
Water Supply Stabilization	\$0.8	Water capital and rate stabilization
Community Preservation Fund	\$16.2	Open space preservation/recreation, historic preservation, community housing
OPEB Trust	\$12.9	Other Post Employment Benefits
Workers' Compensation	\$5.0	Self-insured program for town

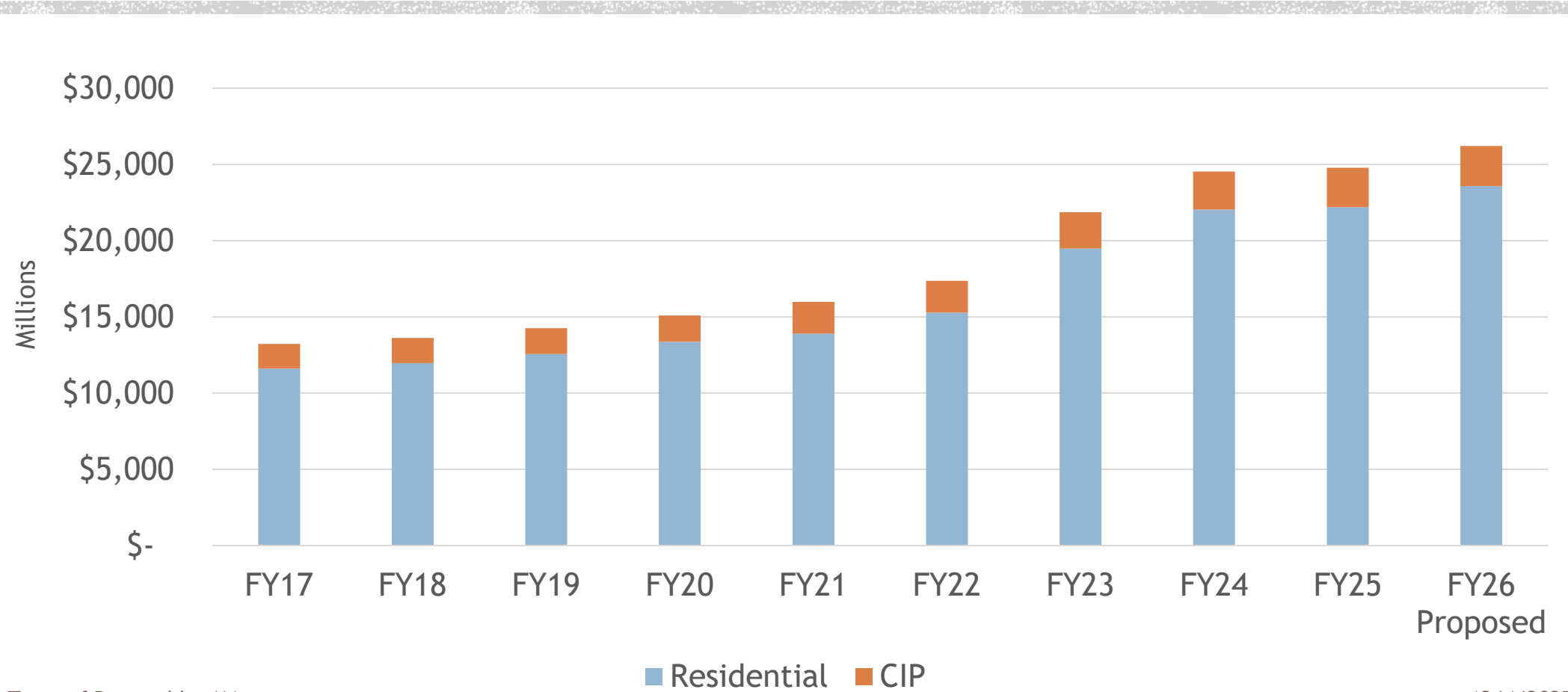


Review of Revenue Trends

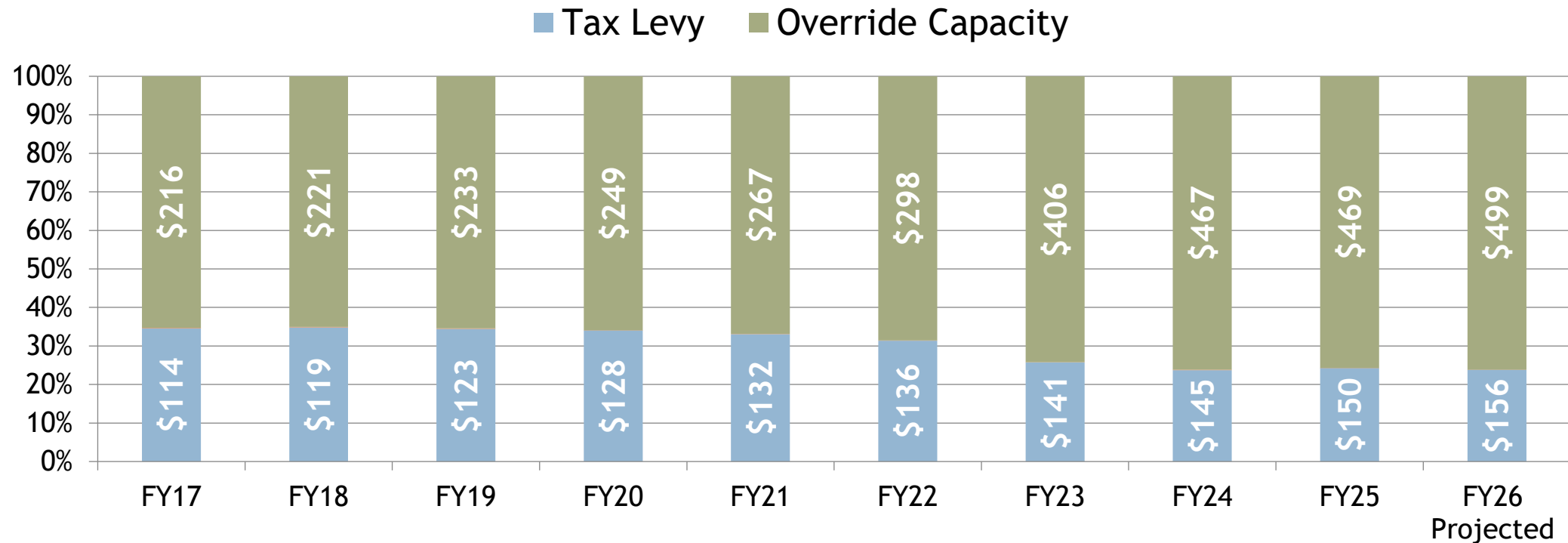
General Fund Revenue Sources



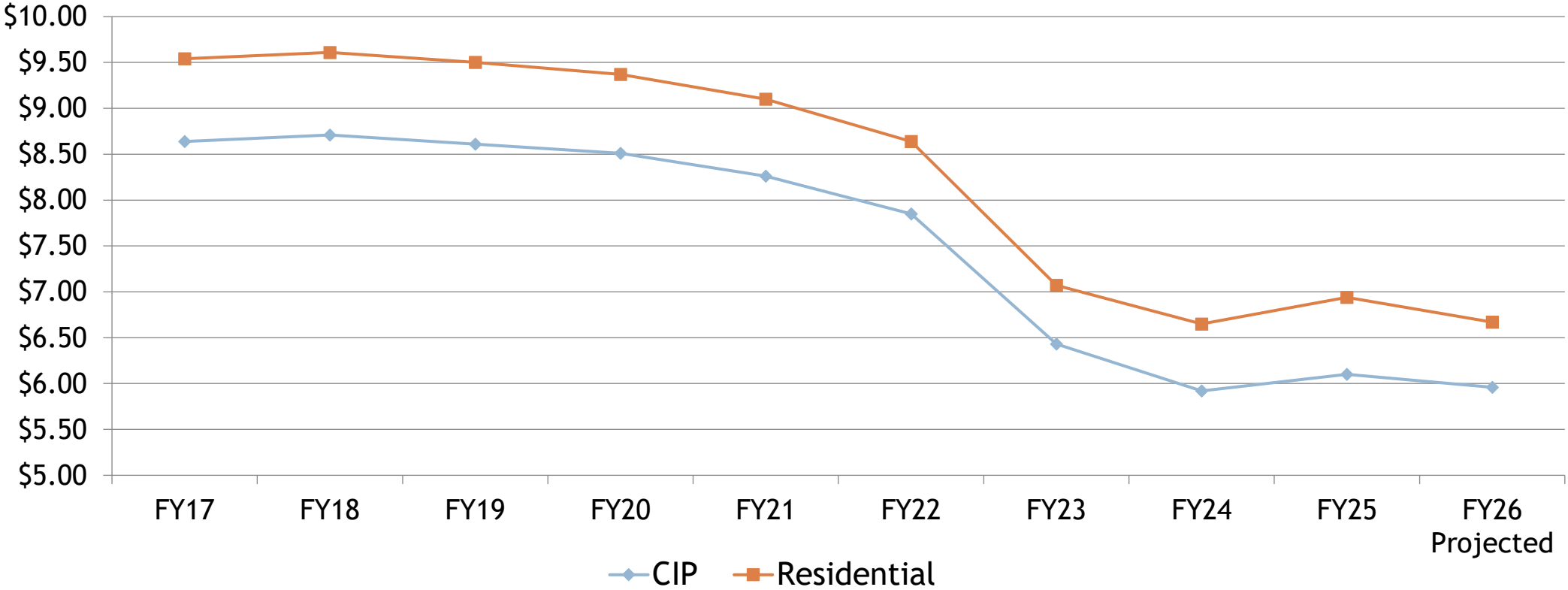
Assessed Values



Property Tax Levy & Override Capacity



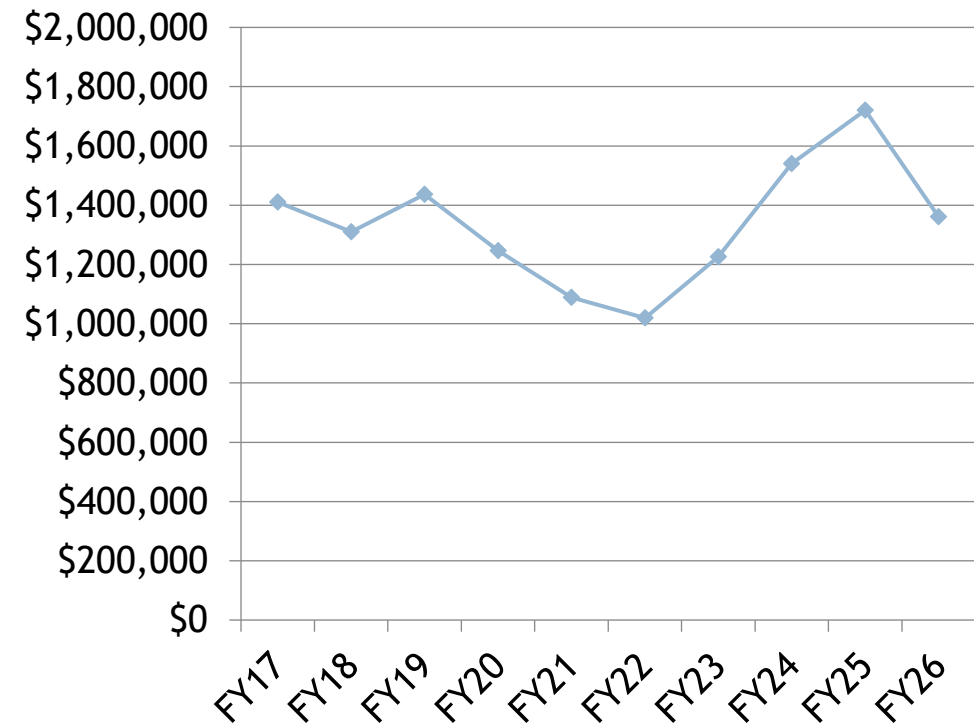
History of Tax Rates



Prop 2½ and Property Tax Levy

- 2.5% increase applies to base tax levy from previous year
- Base tax levy omits any voter approved exclusions
- Tax levy can be further increased for new property growth
- Tax levy also includes voter approved exclusions from Prop 2½
- The 2.5% increase does not apply to changes in tax bills, assessed values or tax rates

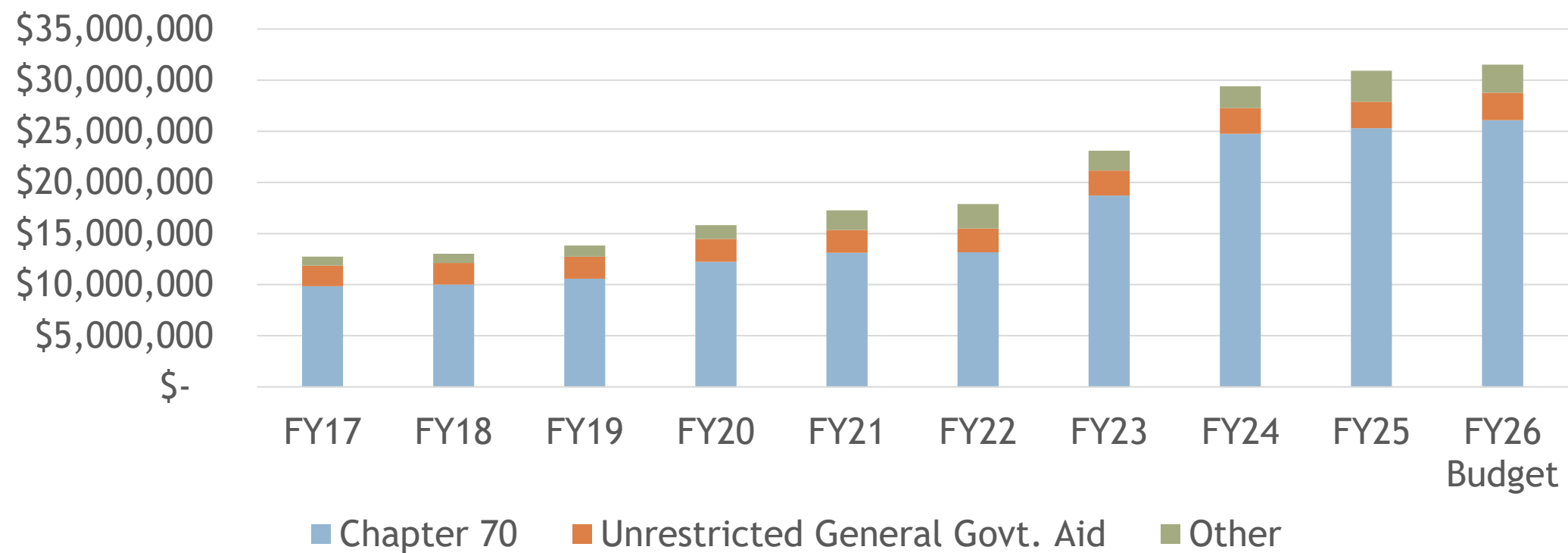
New Property Tax Growth



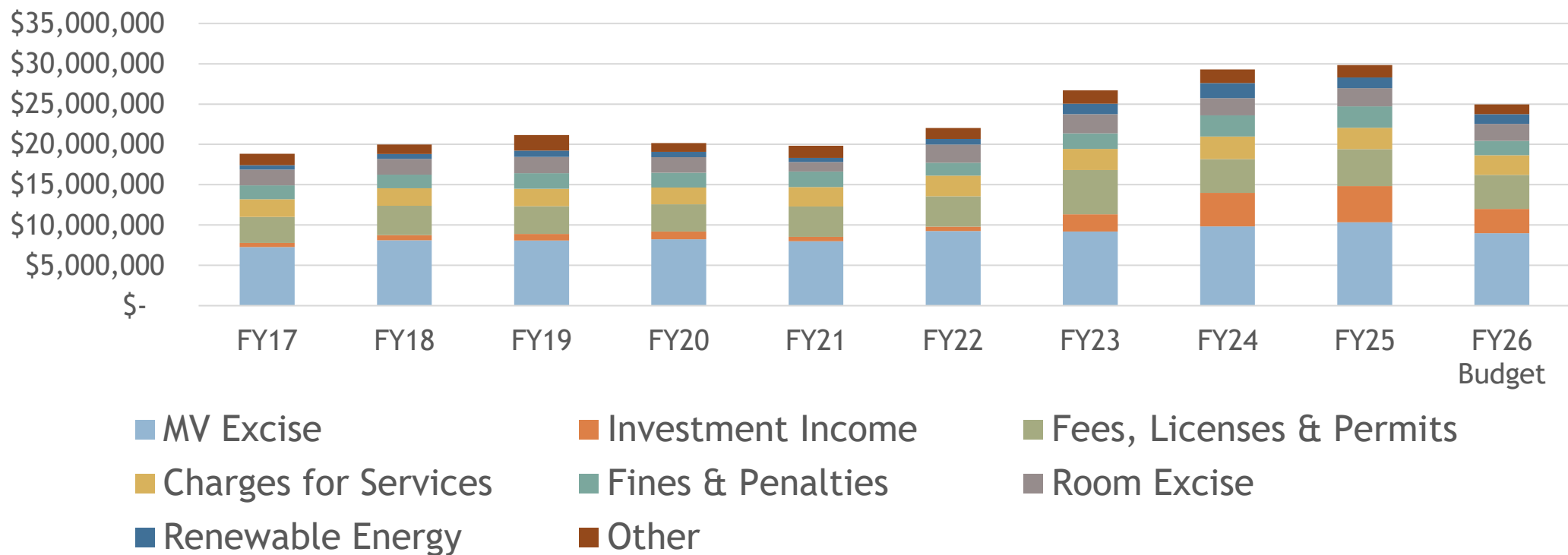
Top 10 Taxpayers

Name	Property Description	FY 2025 Assessed Value (millions)	% of Total AV
Eversource	Utility	\$211.5	0.85
Mayflower Cape Cod LLC	Shopping Mall	\$157.1	0.63
Vineyard Wind LLC	Utility	\$114.7	0.46
National Grid	Utility	\$84.6	0.34
CRP/THC Hyannis	Apartments	\$63.3	0.25
Festival of Hyannis LLC	Shopping Center	\$48.7	0.20
Capetown Plaza LLC	Shopping Center	\$46.2	0.19
Communication Way	Apartments	\$44.5	0.18
BV Southwind LLC	Shopping Center	\$41.9	0.17
New Rushy Marsh Realty LLC	Residential	\$38.2	0.15
Total		\$850.7	3.42%

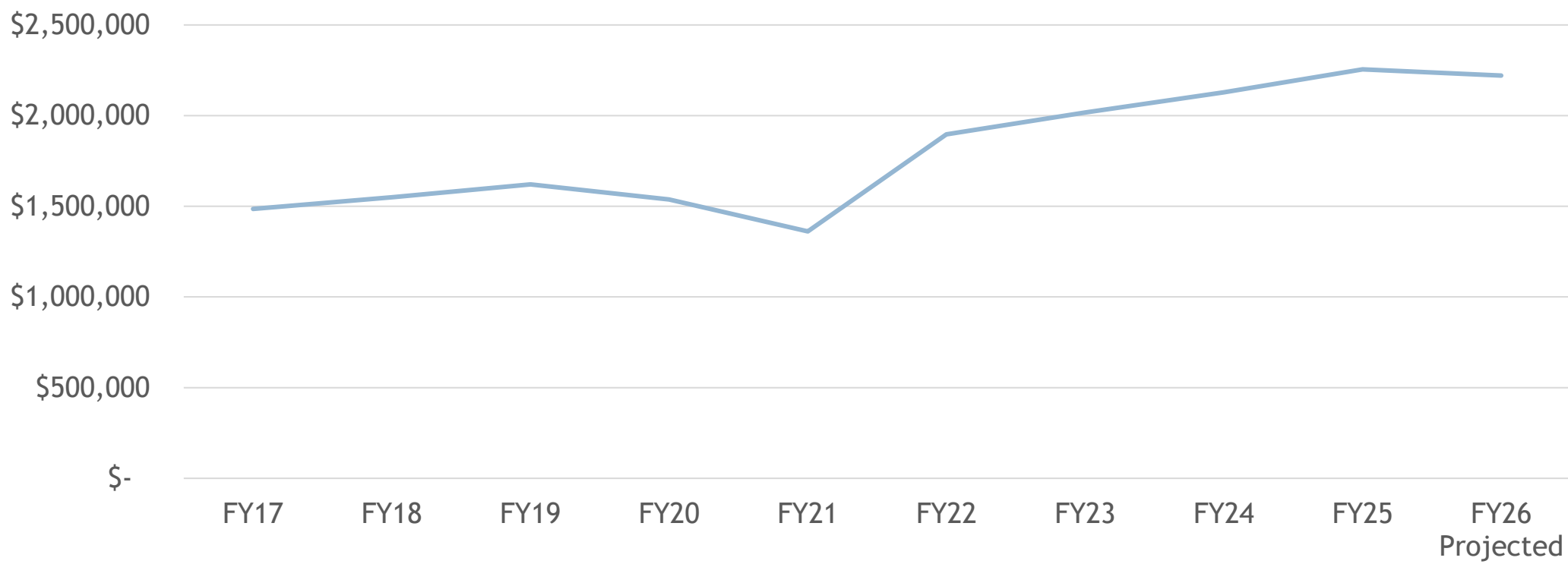
State Aid Trend



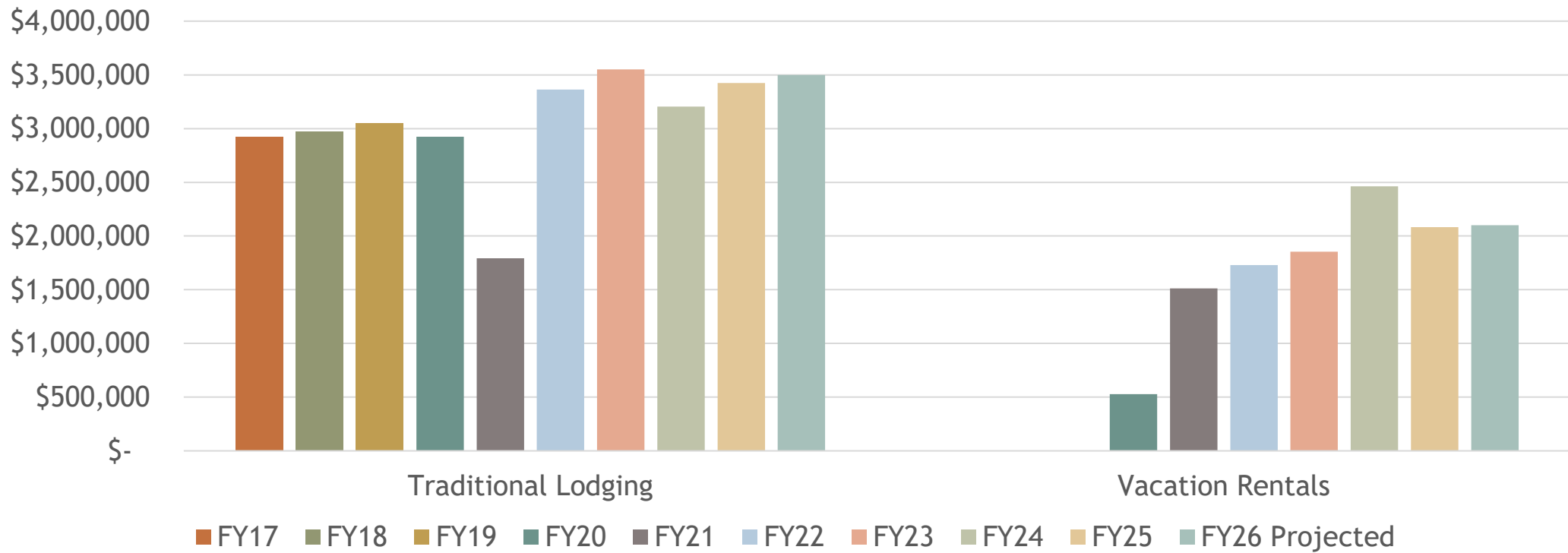
Local Receipt Trend



Meals Tax Revenue



Rooms Tax Revenue



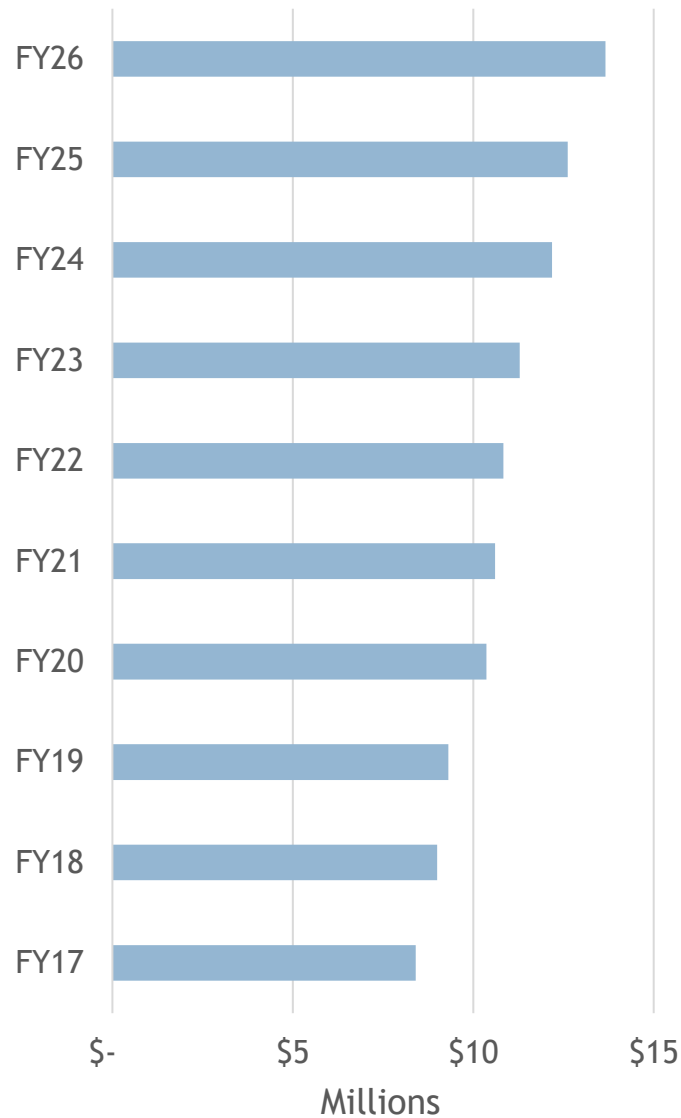


General Fund Expenditure Drivers



Salaries & Wages

- Total FY26 General Fund budget \$115MM
 - Every 1% adds \$1.15MM to the budget
 - Municipal collective bargaining agreements (CBA's) negotiated through FY26
 - School CBA's negotiated through FY27



Town of Barnstable, MA

Pension Assessment

- FY26 Actuarial Determined Contribution (ADC) - \$94.8MM; town share is \$13.7MM
- Funding schedule provides for a 6.1% increase in the ADC
- ADC is allocated based on each entity's covered payroll; town is currently 15.03%
- % change in covered payroll and investment performance can have a significant impact on the assessment
- Average increase over past 10 years has been \$562,000

Health Insurance

- Total FY26 budget is \$18MM for active and retired
- Active employees split - 70% (town share)/30% (employee share)
- Retirees 50/50
- Every 1% increase in rates can add \$180,000 to budget
- FY26 rate increase averaged 6.5% across all plans

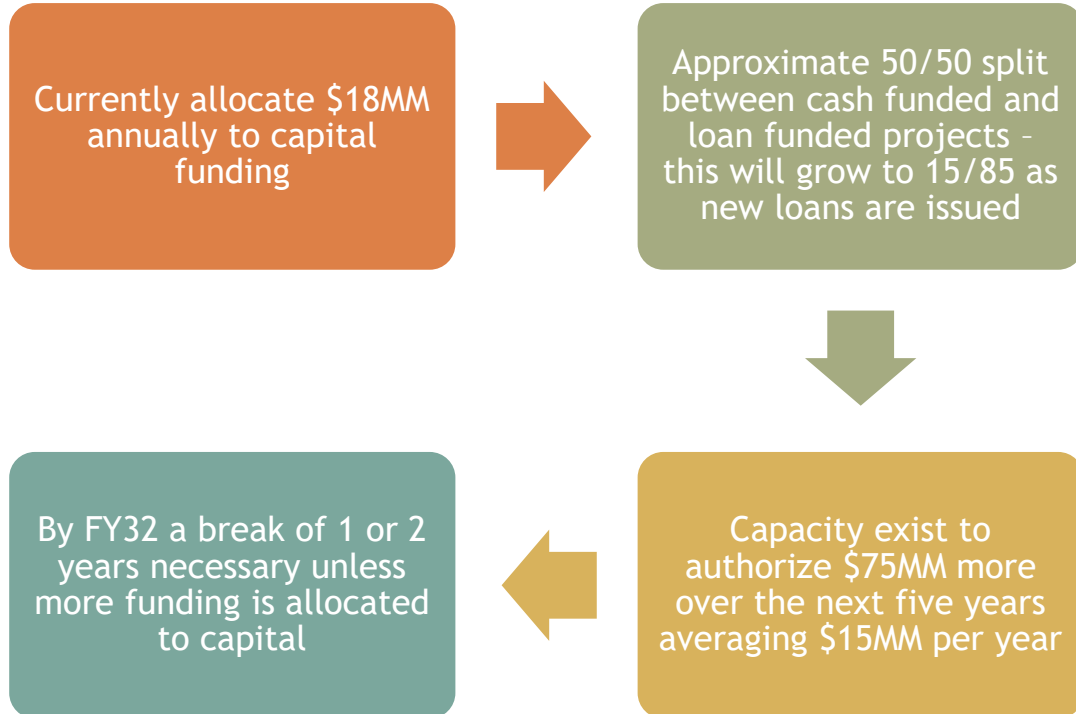
Capital Program Submissions

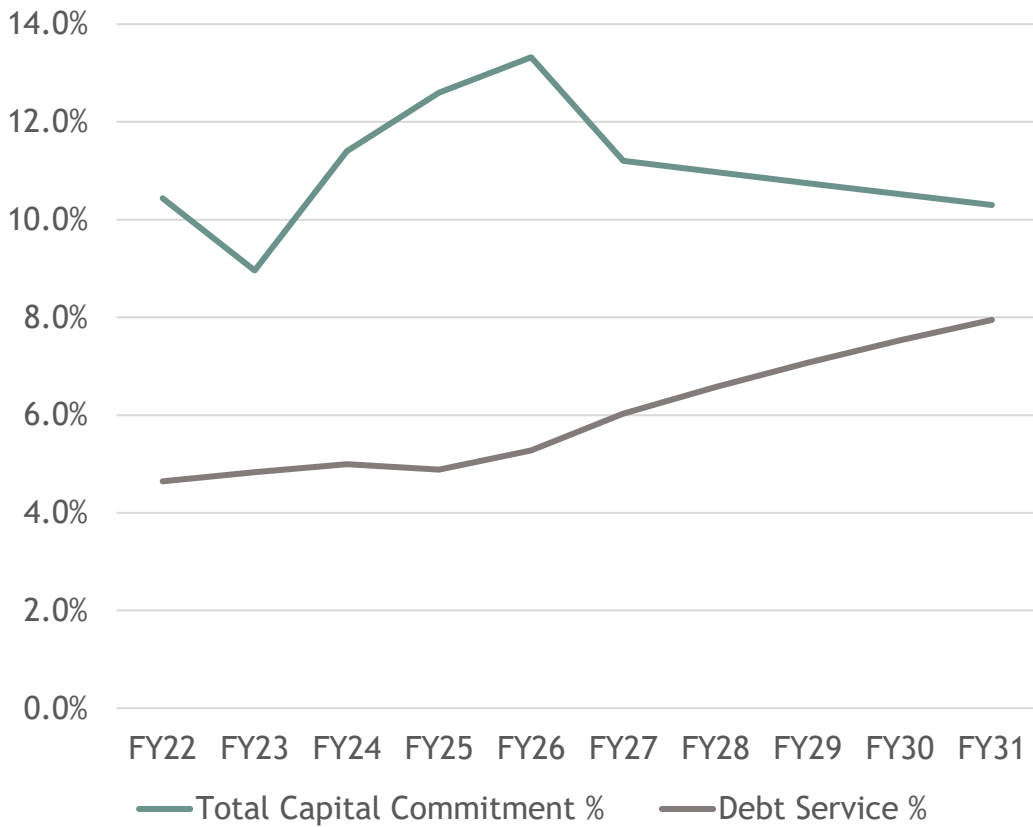
(Stated in Millions)

Fiscal Year	Enterprise Funds	General Fund	CWMP	Total
2027	\$18.9	\$90.4	\$50.7	\$160.0
2028	\$90.2	\$71.3	\$71.7	\$233.2
2029	\$20.3	\$97.5	\$82.2	\$200.0
2030	\$13.6	\$33.4	\$65.7	\$112.7
2031	\$7.2	\$33.0	\$65.0	\$105.2
Totals	\$150.2	\$325.6	\$335.3	\$811.1

General Fund Capital Program Funding Capacity

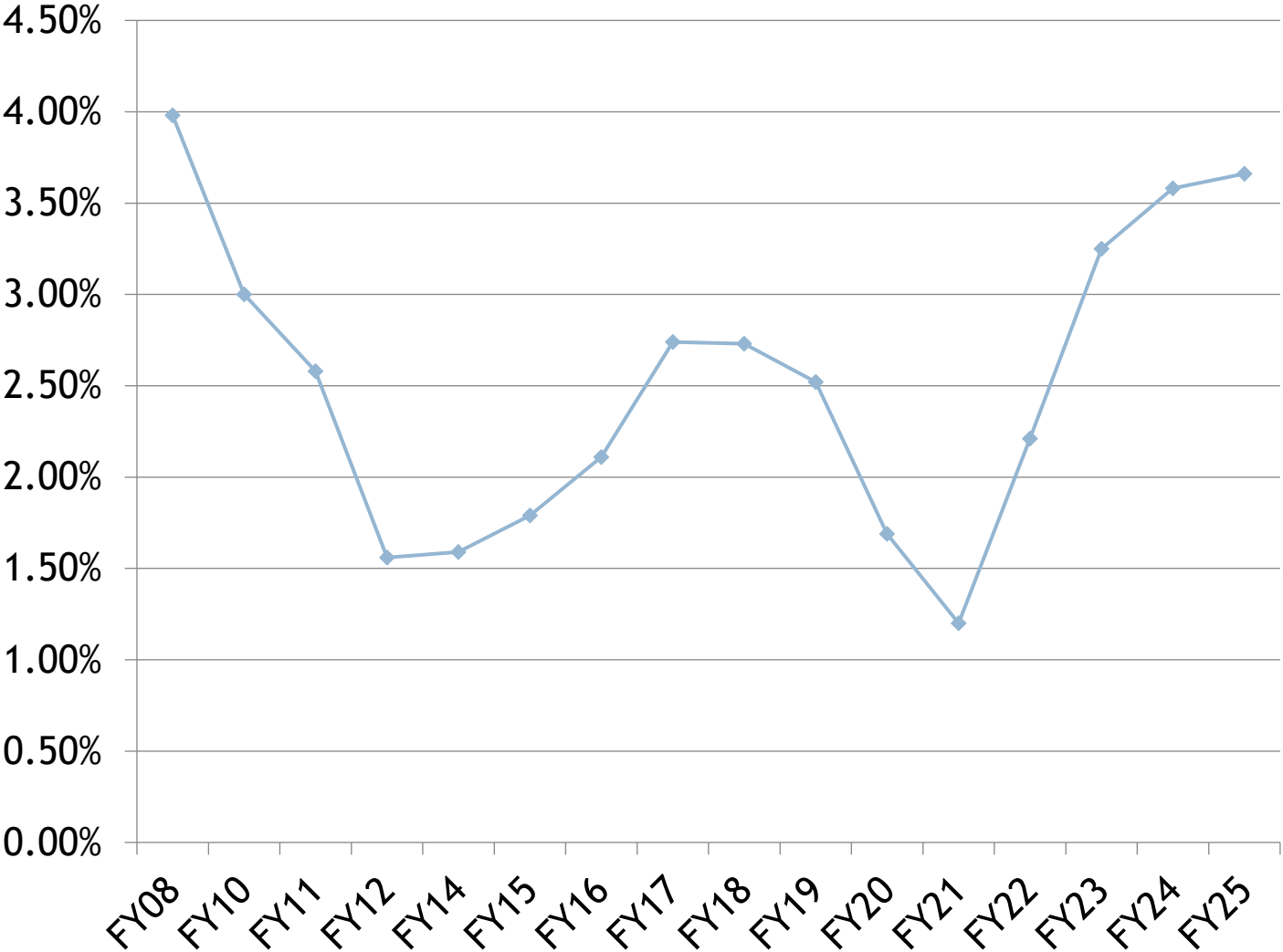
(Does not Include Enterprise and CWMP)





Capital Program as a Percentage of Tax Levy

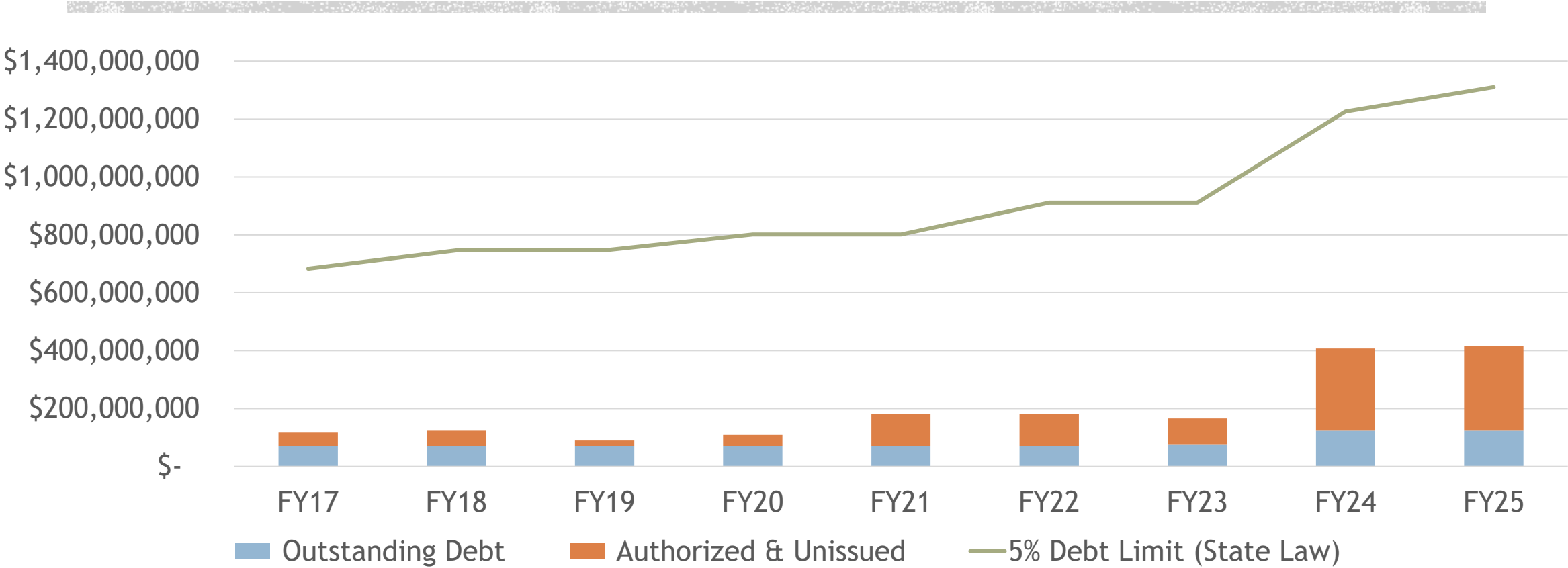
Average Interest Rate on Bond Sales



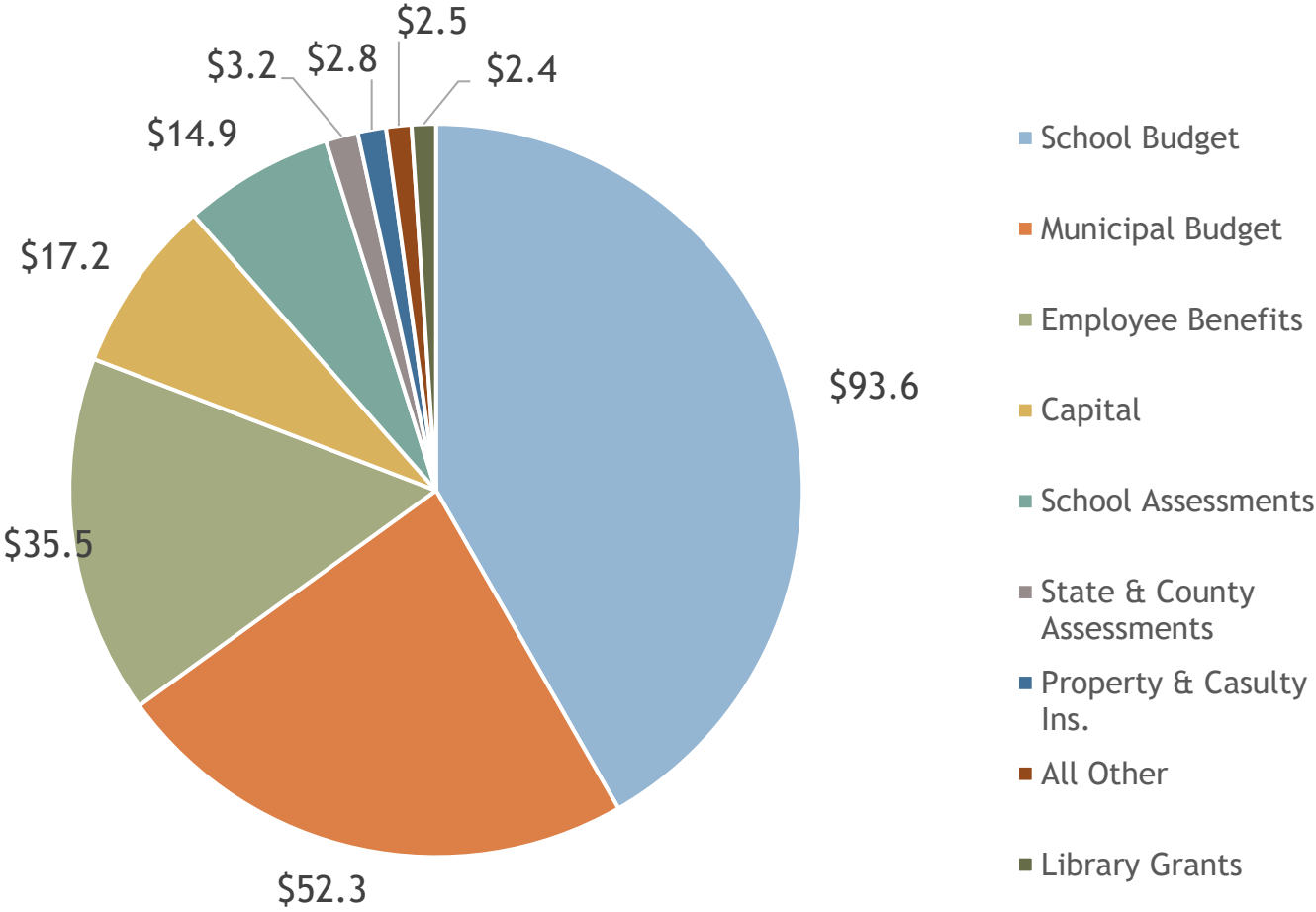
Town General Obligation Bonds

Increase in interest rate from FY21 to FY25 results in \$3 million loss in purchasing power.

Outstanding Debt



Stated in Millions



FY 2026 General Fund Expenditures by Major Category



Fiscal Year 2027 Preliminary General Fund Projection

Town of Barnstable, MA

Current General Fund Fiscal Policy

- Must be constructed within the tax limitations of Proposition 2 ½
- Net revenue growth is allocated to school and municipal operations on a 60%/40% basis
- General Fund savings (Free Cash) may be used to balance operating budgets and fund capital projects; subject to appropriation
- Surplus generated by unspent appropriations and revenue exceeding budget estimates are credited back to Municipal and School savings accounts
- An amount equal to 4% of the General Fund operating budget must be set aside in a reserve fund
- Current free cash allocation - \$12.5 million for Municipal Savings; \$14.7 million for School Savings; \$8.6 million Town Council Reserve Fund

General Fund Revenue Growth

(Stated in Thousands)

	BUDGET	BUDGET	CHANGE	
	FY 2026	FY 2027	\$	%
TOTAL PROPERTY TAXES	154,888	160,142	5,254	3.39%
TOTAL OTHER TAXES	11,226	12,140	914	8.15%
TOTAL STATE AID	31,082	31,525	443	1.43%
TOTAL CHARGES FOR SERVICES	2,449	2,578	128	5.24%
TOTAL FEES	1,203	1,209	7	0.54%
TOTAL FINES & PENALTIES	1,774	1,843	69	3.89%
TOTAL LICENSES	537	549	12	2.24%
TOTAL OTHER REVENUE	5,015	5,345	330	6.58%
TOTAL PERMITS	2,471	2,535	64	2.59%
TOTAL SPECIAL ASSESSMENTS	276	281	5	1.81%
TOTAL TRANSFERS IN	13,588	13,680	92	0.68%
GRAND TOTAL REVENUE	224,508	231,826	7,318	3.26%

General Fund Revenue Allocation

(Stated in Thousands)

	BUDGET	BUDGET	CHANGE	
	FY 2026	FY 2027	\$	%
TOTAL SCHOOL ASSESSMENTS	15,055	15,582	527	3.50%
TOTAL EMPLOYEE BENEFITS	35,532	37,286	1,754	4.94%
TOTAL OTHER COSTS	23,294	23,939	646	2.77%
TOTAL STATE & COUNTY ASSESSMENTS	3,197	3,267	70	2.19%
TOTAL OTHER REQUIREMENTS	77,077	80,074	2,997	3.89%
NET REVENUE AVAILABLE FOR OPERATING BUDGETS	147,431	151,752	4,321	2.93%
<u>OPERATING BUDGET ALLOCATIONS</u>				
TOTAL MUNICIPAL BUDGET	53,808	55,496	1,688	3.14%
SCHOOL BUDGET	93,623	96,255	2,633	2.81%
TOTAL OPERATING BUDGETS	147,431	151,752	4,321	2.93%

General Fund Historical Budget Change

FY	Municipal	School	Other Requirements	Total
FY17	0.57%	2.80%	(3.63%)	0.10%
FY18	3.08%	2.78%	7.41%	4.33%
FY19	3.82%	4.05%	3.90%	3.90%
FY20	4.79%	2.26%	2.80%	2.99%
FY21	(2.29%)	2.24%	1.73%	0.64%
FY22	4.12%	1.40%	0.07%	1.53%
FY23	4.92%	5.23%	6.13%	5.48%
FY24	3.87%	7.79%	7.07%	6.36%
FY25	5.78%	7.99%	9.89%	8.11%
FY26	5.13%	5.08%	5.35%	5.16%
Average	3.38%	4.16%	4.07%	3.86%