

Fiscal Year 2027 Proposed Operating Budget

Town of Barnstable, MA

May 28, 2026



General Fund Expenditure Summary

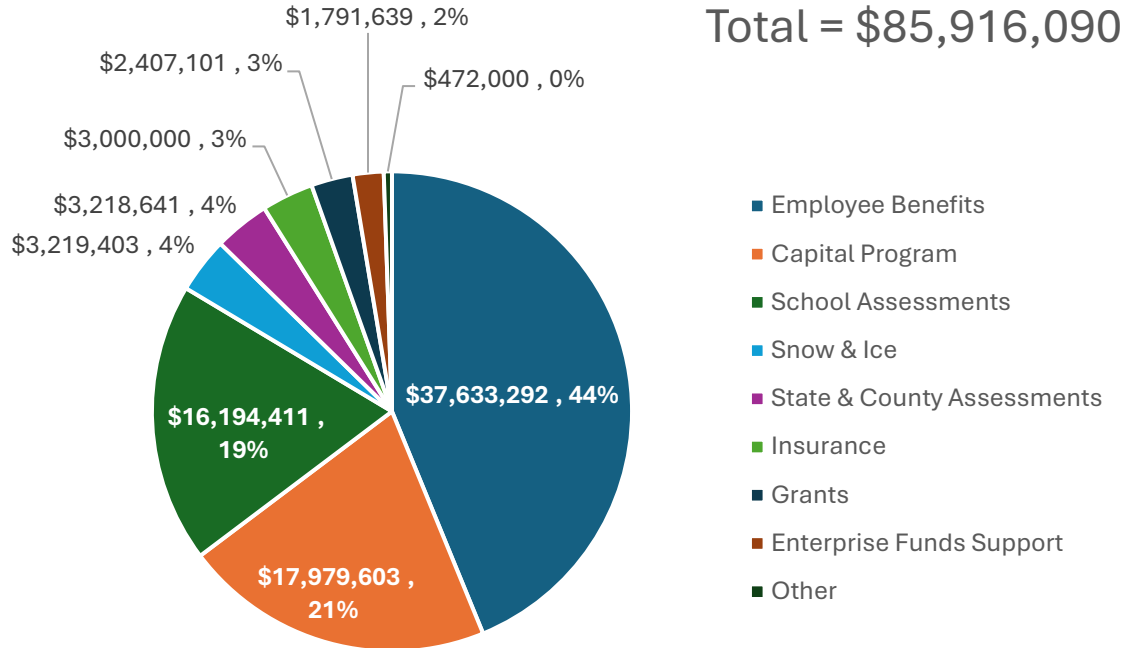
Expenditure Category	Amount	\$ Change	% Change
School Operations	\$ 96,436,131	\$ 2,813,431	3.01
Municipal Operations	54,486,043	1,113,310	2.09
Other Requirements	85,916,090	7,340,339	9.34
Allowance for Abatements & Exemptions	1,131,843	(166,734)	(12.84)
Total	\$ 237,970,107	\$ 11,100,346	4.89

General Fund Revenue Summary

Category	Amount	\$ Change	% Change
Property Taxes	\$ 161,284,657	\$ 5,264,807	3.26
State Aid	32,143,427	1,061,489	3.42
Local Receipts	33,002,442	2,869,866	9.52
General Fund Reserves	11,539,581	1,904,184	19.76
Total	\$ 237,970,107	\$ 11,100,346	4.89

Other Requirements

- 84% of this category (\$71.8 million) is comprised of employee benefits, resources dedicated to the capital program and school assessments
- Employee benefit costs are up 6% or \$2.1 million
- Resources dedicated to capital are up \$750,000
- School assessments are up \$1.1 million or 7.6%. Approximately 900 Barnstable students attend other public schools.



Primary Goals in Proposed Budget

1. Hold Tax Levy Within Proposition 2 ½
2. Preserve Core Services
3. Continue with Increase in Capital Infrastructure in a Responsible Manner
4. Maintain Financial Resiliency

Goal 1 – Hold Tax Levy Within Prop 2 1/2

- FY26 Tax Levy was \$156.1 million
- 3.34% increase

Description	Amount
FY26 base tax levy	\$ 153,887,313
Prop 2½ allowable increase (2.5% of base)	3,847,183
Estimated new property tax growth	1,300,000
Cape Cod Commission environmental tax	733,665
Debt exclusions (Cape Cod Tech HS)	<u>1,516,496</u>
FY27 Projected Tax Levy	161,284,657
Less reserve for abatements & exemptions	<u>(1,131,843)</u>
FY27 tax levy available for operations	\$ 160,152,814

Goal 2 – Preserve Core Services

- \$11.5 million of General Fund Reserves are Used to Balance the FY27 Budget:
 - \$5.1 million for operations - \$3.9 million for school and \$1.2 for municipal operations
 - \$3.2 million for conservative revenue estimates to safeguard against potential revenue contraction
 - \$3.2 million for FY26 snow & ice deficit
- Projected to Generate \$7.6 million in FY26
- Result:
 - No significant service reductions in municipal or school operations
 - \$25 million projected General Fund reserves remaining

Core Services Realignment

Position	Department	FTE	Cost (Savings)	Additional Information
Eliminate DEI Director	Town Manager	(1.00)	(\$46,737)	Position was partially funded in FY26 and never filled; savings represents FY27 cost if it was partially funded again.
Health Inspectors	Inspectional Services	2.00	\$123,000	Cost includes 9 months of funding in FY27. Paid for with fee increase approved by Town Council.
Building Inspector	Inspectional Services	1.00	\$61,500	Cost includes 9 months of funding in FY27. Paid for with fee increase approved by Town Council.
Equipment Operator	Public Works	(1.00)	(\$65,945)	In-house Packer service program replaced with contracted services.
Multiple	School	(1.00)	(\$242,675)	16.5 FTE's are eliminated and 15.5 new FTE's created for better alignment with programmatic needs.

Goal 3 – Continue Increase for Capital Funding

- General Fund contribution to the capital program grows another \$750,000 to \$18 million
 - \$8.7 million in debt service
 - \$9.3 million transferred to the Capital Trust Fund
- FY27 is the last year of the \$750,000 funding increase for the capital budget
- Future capital program increases are targeted for 2.5%



Goal 4 – Maintain Financial Resiliency

10 Year History of General Fund Surplus – Stated in Millions

Certification Date:	Beginning Balance	Used For:		Generated	Ending Balance
		Operations	Capital		
July 1, 2017	\$ 13.1	\$ (2.6)	\$ (0.4)	\$ 6.0	\$ 16.2
July 1, 2018	\$ 16.2	\$ (3.6)	\$ (4.3)	\$ 4.3	\$ 12.6
July 1, 2019	\$ 12.6	\$ (2.4)	\$ (0.3)	\$ 4.8	\$ 14.7
July 1, 2020	\$ 14.7	\$ (2.9)	\$ (0.2)	\$ 6.9	\$ 18.5
July 1, 2021	\$ 18.5	\$ (2.2)	\$ (2.4)	\$ 10.5	\$ 24.4
July 1, 2022	\$ 24.4	\$ (1.1)	\$ (4.1)	\$ 7.5	\$ 26.8
July 1, 2023	\$ 26.8	\$ (0.3)	\$ (4.1)	\$ 10.3	\$ 32.7
July 1, 2024	\$ 32.7	\$ (6.7)	\$ (9.4)	\$ 14.2	\$ 30.9
July 1, 2025	\$ 30.9	\$ (8.5)	\$ (5.7)	\$ 19.5	\$ 36.2
July 1, 2026 - Estimated	\$ 36.2	\$ (12.7)	\$ (6.0)	\$ 7.6	\$ 25.1
10 Year Average		\$ (4.3)	\$ (3.7)	\$ 9.2	

- Largest reserves in history
- Amount generated consistently exceeds amount used for operations
- Illustrates structural balance until FY27

Goal 4 – Maintain Financial Resiliency

Although the Town is using \$12.7 million to balance the FY26 and FY27 operating budgets, the actual structural budget deficit for FY27 is calculated as follows:

Reserves used to balance FY27 operating budget	(\$11.5)
Amount used for FY26 snow & ice deficit	\$3.2
Estimated reserves to be generated in FY26	<u>\$7.6</u>
Structural budget deficit	(\$0.7)

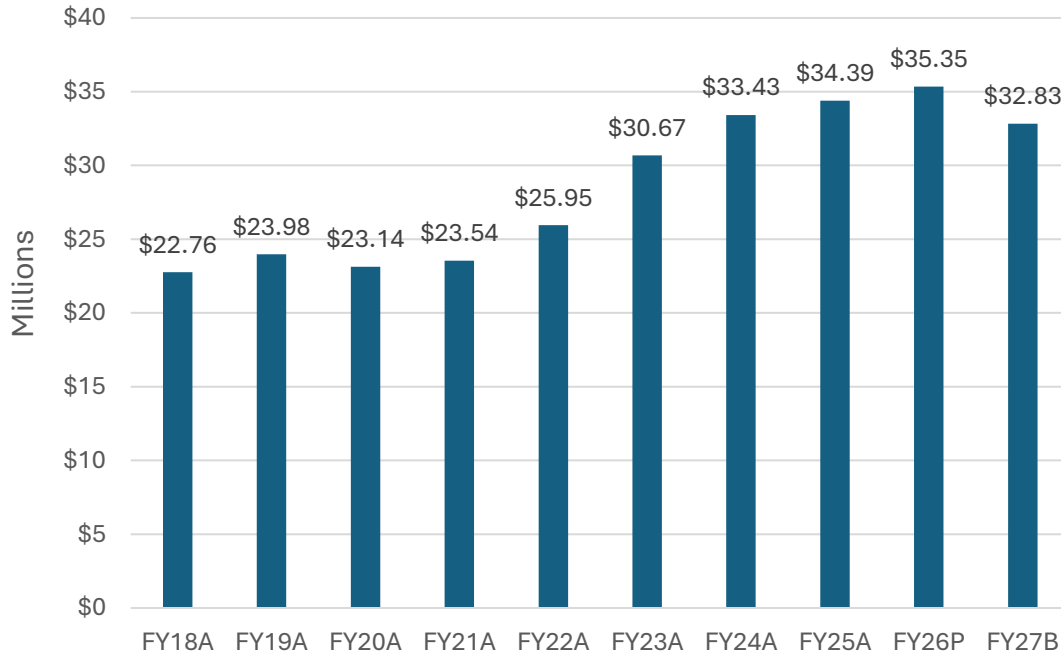
Goal 4 – Maintain Financial Resiliency

(stated in millions)

These reserves help maintain the Town’s budget flexibility and financial resiliency.

Other Reserves	July 1, 2022	July 1, 2023	July 1, 2024	July 1, 2025	Projected 2026
Water Stabilization Fund	\$0.60	\$1.50	\$1.70	\$0.80	\$0.70
Pension Trust Fund	\$1.60	\$1.50	\$1.40	\$1.30	\$1.20
Workers’ Compensation	\$4.70	\$5.00	\$5.30	\$5.60	\$5.20
Reserve for Abatements & Exemptions	\$3.50	\$4.40	\$4.80	\$5.80	\$5.70
Capital Trust Fund	\$14.20	\$13.40	\$14.80	\$16.80	\$10.60
Comprehensive Water & Wastewater Mgt. Fund	\$3.00	\$4.90	\$7.60	\$10.00	\$12.40
Other Post-Employment Benefits Trust Fund	\$7.80	\$9.30	\$11.10	\$12.90	\$15.10
Sewer Construction/ Private Way Fund	\$18.30	\$16.20	\$21.70	\$23.50	\$20.30
Total Other Reserves	\$53.8	\$56.1	\$68.4	\$76.7	\$71.3

Goal 4 - Local Receipts – Actual (A), Projected (P), Budget (B)

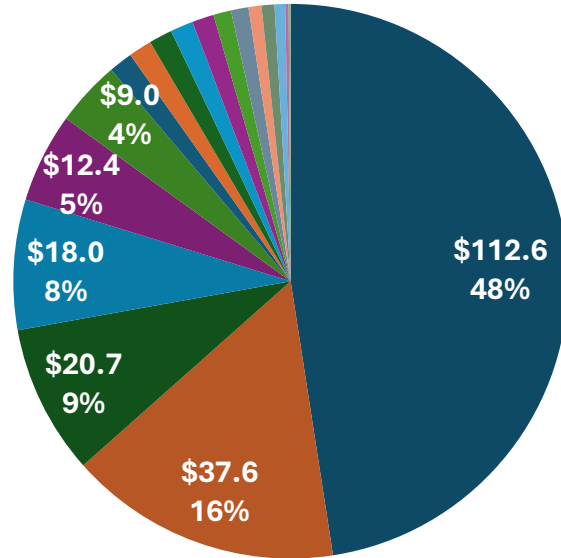


FY27 revenue estimate is \$2.6 million less than FY26 projected amount.

Could reduce amount of General Fund reserves used to balance FY27 budget but will lose protection against a possible economic slowdown.

General Fund Budget Distribution By Major Area

Total = \$237,970,107



- Education (incl. assessments)
- Police
- Public Works
- Community Services
- State & County Assessments
- Property & Casulty Ins.
- Grants
- Marine & Env. Affairs
- Other Fixed costs
- Employee Benefits
- Capital Program
- Administrative services
- Snow & Ice Removal
- Inspectional Services
- Planning & Development
- Enterprise Fund Support
- Town Manager
- Town Council

The six highlighted areas make up 90% of all General Fund spending

Enterprise Funds Budgets

(stated in millions)

Enterprise Fund	Budget FY26	Proposed FY27	\$ Change	% Change	Major Factors Affecting Change
Sewer	\$12.46	\$15.31	\$2.85	22.8%	New loans for sewer expansion and system improvements
Airport	\$13.53	\$14.81	\$1.28	9.5%	Cost of jet fuel purchased for resale
Water Supply	\$9.74	\$10.76	\$1.02	10.5%	New loans for system improvements and management contract increase
Solid Waste	\$4.94	\$4.82	(\$0.12)	-2.4%	Reduction in tipping fee contract
Golf	\$4.47	\$4.80	\$0.33	7.5%	Increase in fertilizer and labor contract obligations
HYCC	\$4.50	\$4.77	\$0.27	6.0%	New loan for building improvements and utilities
Sandy Neck	\$1.33	\$1.40	\$0.06	4.8%	labor contract obligations and seasonal wage adjustment
PEG	\$1.10	\$1.24	\$0.13	12.1%	labor contract obligations and employee benefits
Marina	\$0.90	\$0.92	\$0.01	1.4%	Additional funding for dock replacements
Totals	\$52.99	\$58.84	\$5.85	11.0%	

Enterprise Funds Budgeted Revenue (stated in millions)

Fund	Charges for Services	Investment Income	Stabilization Funds	General Fund	Reserves	Total
Airport	\$14.31	\$0.50				\$14.81
Golf	\$4.53	\$0.07			\$0.21	\$4.80
HYCC	\$1.03	\$0.12	\$1.52	\$1.76	\$0.34	\$4.77
Marinas	\$0.79	\$0.06	\$0.04	\$0.03		\$0.92
Sandy Neck	\$1.28	\$0.03			\$0.09	\$1.40
PEG	\$0.88	\$0.11			\$0.24	\$1.24
Solid Waste	\$4.55	\$0.07			\$0.21	\$4.82
Sewer	\$7.24	\$0.50	\$7.57			\$15.31
Water	\$9.57	\$0.25	\$0.94			\$10.76
Totals	\$44.18	\$1.71	\$10.06	\$1.79	\$1.10	\$58.84

The PEG fund has a structural budget concern that can be managed over time as it has a \$3.7 million reserve.

Current contract with Comcast expires in December 2029.

HYCC is a concern for the General Fund.

Enterprise Fund Reserves

FUND	JULY 1, 2025	PROJECTED 7/1/2026
Airport	\$15.60	\$13.17
Golf	\$1.92	\$1.61
HYCC	\$0.50	\$0.39
Marinas	\$1.72	\$1.73
PEG	\$3.72	\$3.62
Sandy Neck	\$0.67	\$0.70
Solid Waste	\$1.64	\$1.56
Sewer	\$9.49	\$10.24
Water	\$5.88	\$6.43
Total	\$41.14	\$39.46

- All reserves are adequate to maintain financial resiliency
- Exception is the HYCC but the General Fund is the backstop
- Reserve levels allow operations to respond to deteriorating economic conditions in a measured way
- Levels also allow for strategic reductions or rate increases if needed