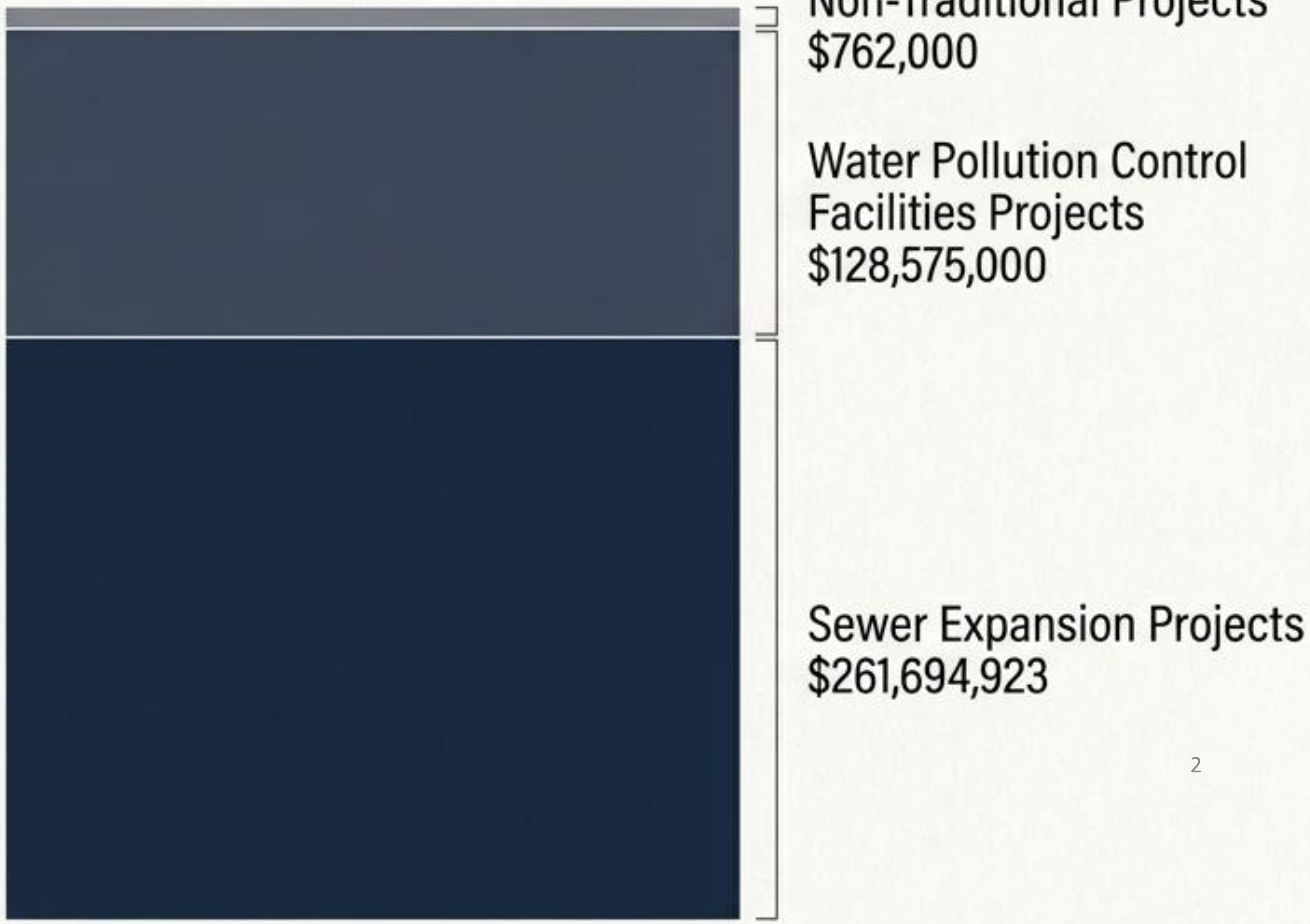
Town of Barnstable, MA

Funding the Comprehensive Wastewater Management Plan

A Comparative Financial Diagnostic of Debt Exclusion vs. WIIF

September 3, 2026



$391M+ CWMP Total Approved Appropriations

The Engine Behind the Infrastructure

Requires a dedicated staff of over 20 employees:

- Project Managers
- Designers & Engineers
- Construction Inspectors
- Communications Team

Plus outside design consultants and SRF loan administration.

Local Taxes (FY26 totals):
- Vacation Rentals ($2.61M)
- Meals Tax ($2.21M)
- Traditional Lodging 1/3 Rooms Tax ($1.19M)

Subsidies & Relief:
- Cape Cod & Islands Water Protection Fund (up to 25% subsidies)
- Flow-neutral ordinance unlocking 0% SRF financing

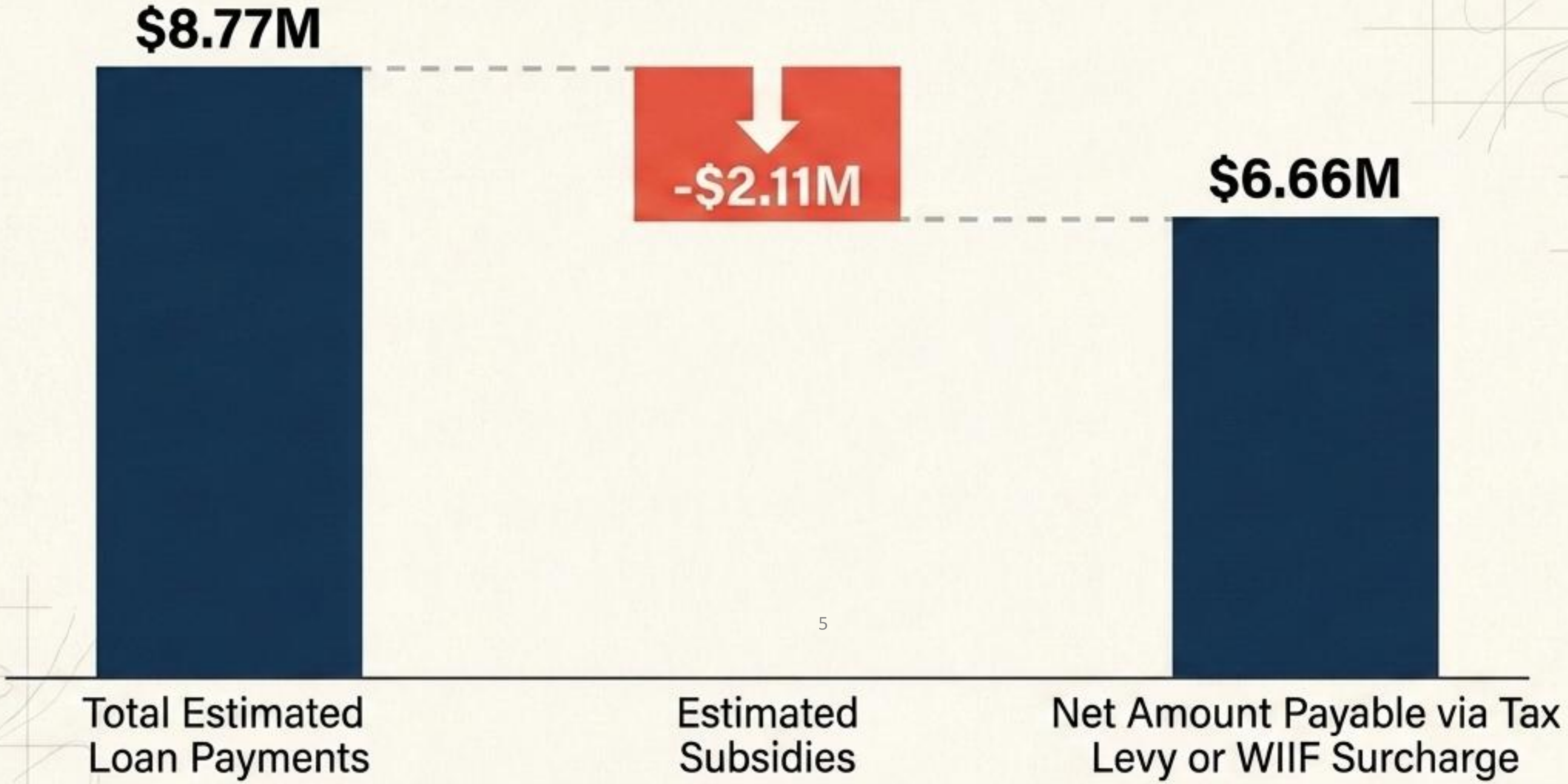
General Fund:
- $5.75M annual contribution

CWMP Funding Pool

Direct Assessments:
- Sewer assessments capped at $10,000 per dwelling unit; adjusted for inflation
- 50% of sewer use charge revenue from new connections

The Immediate Mandate (FY28–FY31)

The Financial Deduction (Annual Levy Impact)



This $6.66M annual gap could be covered via the Tax Levy (Debt Exclusion) or a Surcharge (WIIF).

Debt Exclusion
Targeted & Expiring

- Additional taxing authority used specifically to pay back loans for authorized projects.
- Added to the tax levy in the year the loan begins to be repaid.
- Completely expires when loans are paid.
- Projects still require appropriation by Town Council.

Water Infrastructure Investment Fund (WIIF)
Broad & Permanent

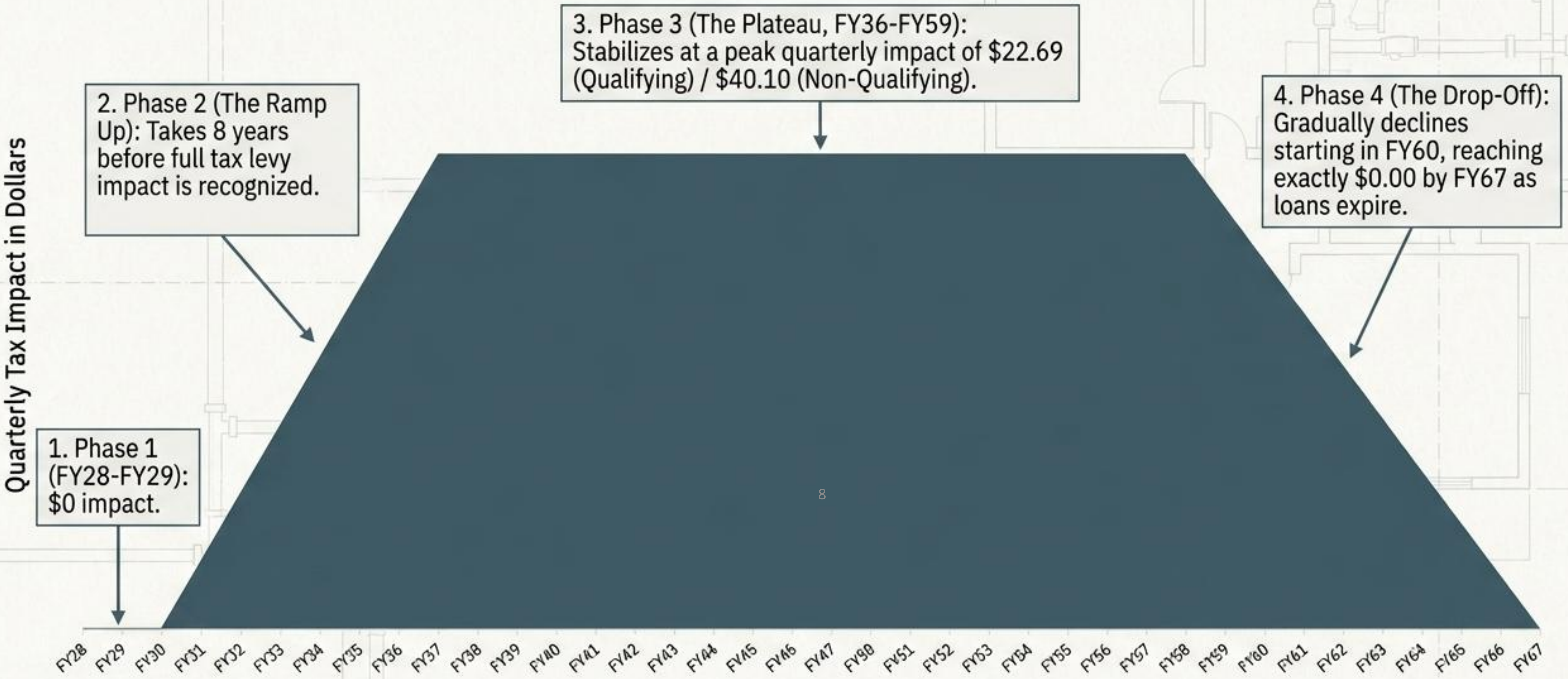
- Dedicated percentage surcharge assessed on real estate tax bills.
- Taxing authority can be used flexibly for wastewater, drinking water, and stormwater.
- Immediately increases tax bills and is permanent unless eliminated by a subsequent ballot vote.

The Strategic Goal: Determine the most sustainable path for taxpayers while securing CWMP funding and restoring operating budget capacity.

Diagnostic Matrix: Mechanics & Rules

	Debt Exclusion	WIIF
Tax Base	Applies to all taxpayers (added to general tax levy).	Applies only to real estate (personal property and large utility taxpayers do not contribute).
Surcharge Type	Adds specific loan payments to the levy.	Adds up to a 3% flat surcharge on the real estate bill.
Timeline	Gradual increase as loans are issued.	Immediately increases tax bills in the year authorized.
Ballot Constraints	Requires Town Council vote & majority electorate approval; Can be on any local/state/special election.	Requires Town Council vote & majority electorate approval; Cannot be on a special election.
Personal Property Impact	$165,000	$38,000 to $114,000 avoided

The Shape of the Burden: Debt Exclusion Lifecycle

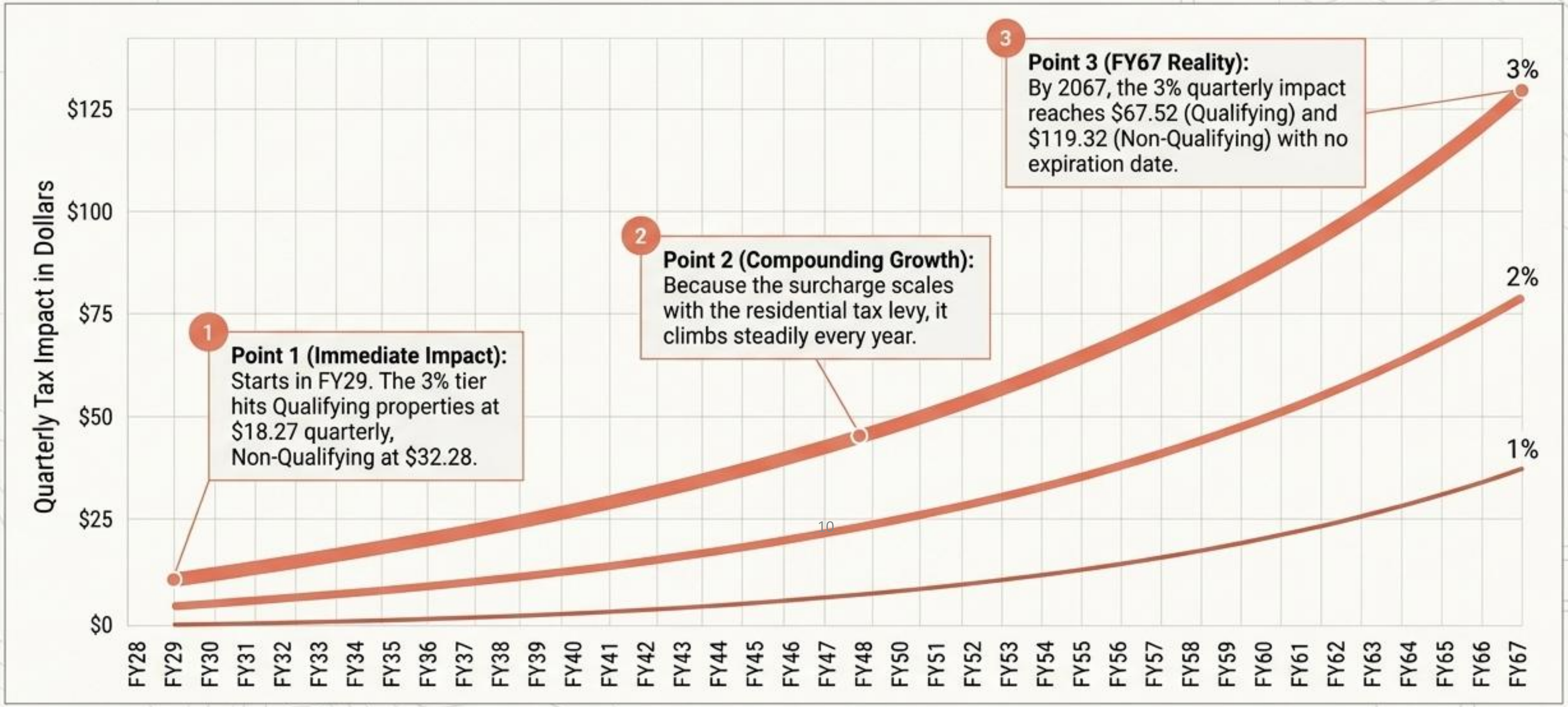


Understanding the WIIF Tiers

1% Surcharge	Generates $1,520,000 in revenue	Allows $1 million to be redirected back to the operating budget.
2% Surcharge	Generates $3,040,000 in revenue	Allows $2 million to be redirected back to the operating budget.
3% Surcharge	Generates $4,560,000 in revenue	Allows $3 million to be redirected back to the operating budget.

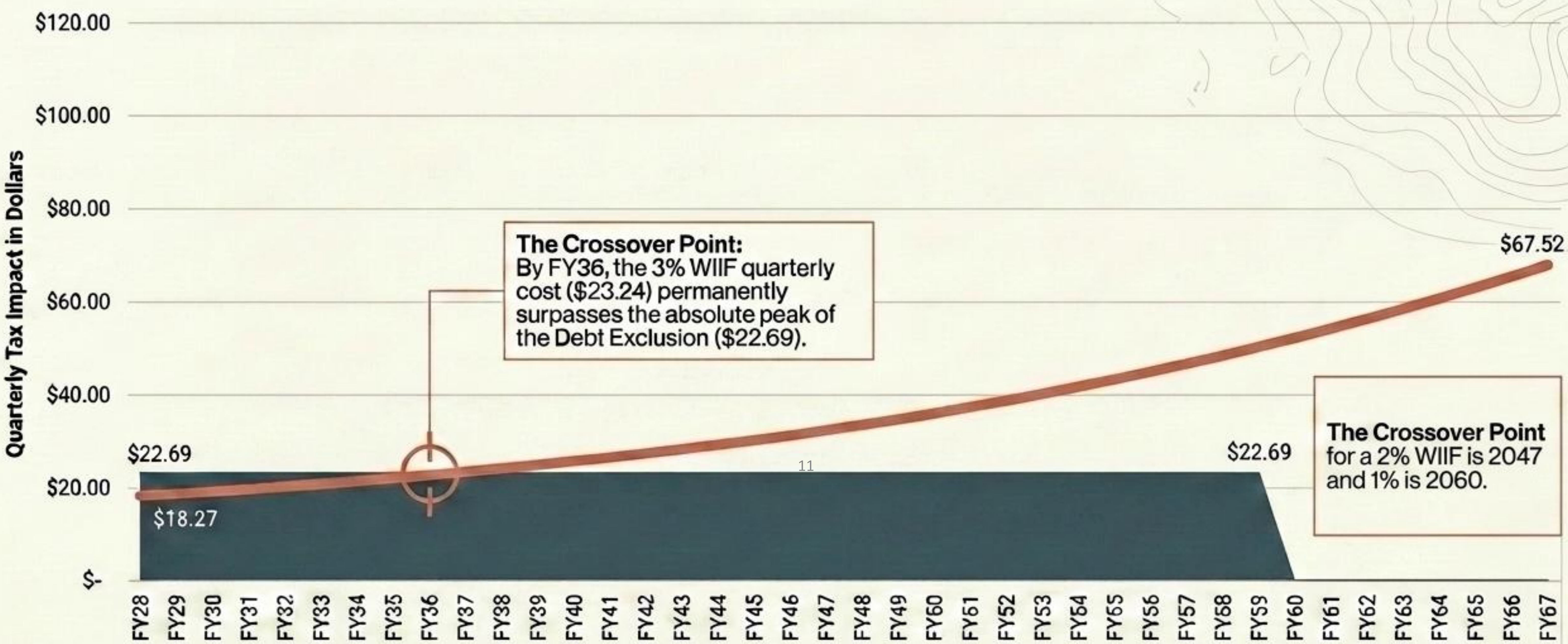
Growth Note: These baseline amounts will increase organically by an estimated 2.5% to 3% each year as the overall residential tax levy grows.

The Shape of the Burden: WIIF Escalation



Trajectory Overlay: Debt Exclusion vs. WIIF (3%) on Median Properties

While WIIF starts lower in FY29 ($18.27), its compounding nature means it eclipses Debt Exclusion entirely. Debt Exclusion ultimately drops to zero, while WIIF continues to escalate.



The Equity Divide: Qualifying vs. Non-Qualifying Burden

Debt Exclusion Peak	Q $22.59	Gap: $17.41 quarterly	NQ $40.10
WIIF 1% Late Stage (FY67)	Q $22.51	Gap: $17.26 quarterly	NQ $39.77
WIIF 2% Late Stage (FY67)	Q $45.01	Gap: $34.54 quarterly	NQ $79.55
WIIF 3% Late Stage (FY67)	$67.52	Gap: $51.80 quarterly	$119.32

The WIIF Structural Shift:

Because the WIIF grows organically, a higher burden is placed on real estate owners at the 2% and 3% levels compared to the debt exclusion model.

Strategic Offsets: The Taxpayer Relief Equation

[Proposed Surcharge]

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[Offset Levers]

Lever 1: Community Preservation Surtax

3%

Currently levied at 3%. Can be reduced to align with adopted WIIF percentage to completely offset.

Lever 2: Residential Exemption

30%

Currently at 30%. Every 1% increase saves median qualifying owners $12.50 quarterly, but costs non-qualifying owners $5.25 quarterly.

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[Net Taxpayer Reality]

Tools available to neutralize the impact regardless of the chosen path.

Beyond the Tax Bill: Broader Municipal Benefits

Both funding paths provide critical stability beyond immediate projects.

Operating Budget Relief: Redirects up to $3 million annually back to the operating budget.

Reserve Protection: Significantly reduces reliance on municipal reserves.

Service Preservation: Mitigates the need for future operating budget reductions.

Project Certainty: Solidifies CWMP funding for a minimum of 5 years.

The Town's Financial Crossroad

The Project(s)-Specific Path (Debt Exclusion)	**The Perpetual Infrastructure Path** (WIIF)
A **finite** commitment tied strictly to approved construction. Peaks by FY36 and **eventually vanishes**, but provides a **slower runway** for **immediate operating budget relief**.	An **immediate**, compounding source of **continuous funding**. Permanently more **expensive** for real estate owners, but delivers **immediate relief** to the **general operating budget**.

The mandate is clear ($251M). The mechanism is the choice.