

# Dealing with Financial Hurdles: Linking Capital Planning with Wastewater Planning



September 12, 2008

Presented By: Mark A. Milne, Finance Director  
Town of Barnstable

# Financing Alternatives

- Property taxes
  - ▣ Debt Exclusions
  - ▣ Capital Exclusions
  - ▣ Municipal Stabilization Funds
- User Fees
- Impact Fees
- Betterments
- State Revolving Fund
- Grants



MSF - [http://www.mass.gov/Ador/docs/dls/publ/igr/2004/igr04\\_201.pdf](http://www.mass.gov/Ador/docs/dls/publ/igr/2004/igr04_201.pdf)

GRANTS - <http://www.epa.gov/OWM/mab/smcomm/eparev.htm>

# Choosing Between Financing Alternatives



- Taxes vs. User Fees and Betterments
  - ▣ Who does the project benefit?
- Concept of “Intergenerational Equity”
  - ▣ Share in surplus generated
  - ▣ Share costs incurred to improve or expand

# Betterments

- Allows for the assessment of public improvements to limited and determinable areas receiving benefit or advantage
- Property owner may pay in full or elect to apportion up to 20 years. Acts of 2008 increase this to 50 years for sewers
- Interest rate charged at 5% or at a rate not to exceed 2% above rate of interest charged to the town



# Chapter 312 of the Acts of 2008

## Environmental Bond Bill



- Section 5
  - Provides subsidies from the state trust fund in the form of zero rate loans
  - Loans will be made for a ten year period (calendar years 2009 to 2019)
- Section 10
  - Municipalities may borrow and assess betterments for a term of up to 50 years
  - Short-term borrow may be extended to 5 years