



BARNSTABLE COUNTY COMMISSIONERS

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October 9, 2024

Statement Barnstable County Board of Regional Commissioners

County Commissioners Oppose Question #6 To Increase Assembly's Power to Spend from Reserves for Pet Projects, More Staff & More Pay Raises

The Barnstable County Board of Regional Commissioners opposes this ballot question for the following reasons:

- It is designed to increase the spending power of the Assembly for their pet projects, hiring more staff and pay raises.
- It by-passed the County's own Charter Review Procedures – which provide for an open, inclusive and transparent amendment review process.
- It is poorly written and provides the voters with no details on the specific sections of the Charter they wish to change.
- They want to exempt the Assembly from the state laws governing county expenditures - raising many unique legal questions and more confusion.
- Their desire to tap into the county reserves to finance multiple supplemental appropriations is bad budget policy – which will lead to a lower bond rating, increasing costs and assessments to all Cape Cod towns.

1. The Ballot Question Completely By-Passed the County's Charter Review Procedures as outlined in the Barnstable County Charter. The Charter Review process is a requirement that is to be initiated by the Assembly every five years. Here is how it's supposed to work:

The procedures specified in the Charter open the Charter review process to the broader community. It invites county leaders, towns officials such as Selectmen, municipal managers and other regional and local officials, civic groups, including the League of Women Voters, regional business leaders, and interested citizens. Everyone has a chance to participate. The Charter Review has access to legal and financial experts to examine any Charter problems and proposed remedies. These professionals assist in reviewing recommendations, assessing the impacts and drafting the appropriate language.

It is an open and transparent process. At the conclusion it provides all voters with a complete administrative record, along with a final report that is available for voters to examine. At the conclusion, informational meetings are held so voters can ask questions before voting.

Unfortunately, the Assembly did not follow the well-established procedure. With respect to Question-6, the Barnstable County Legal Counsel recommended that the Assembly's proposed changes be studied as part of a formal comprehensive Charter Review process. Counsel cited the existence of other unresolved legal questions with respect to the current charter that needed attention, suggesting a comprehensive review was long overdue. Unfortunately, these recommendations were not followed.

2. The Ballot Question Provides the Voter with Insufficient Information. The proponents have not provided the voters, including municipal officials, with the details of their proposal, including the specific provisions of the Charter that they propose to alter.

The voters deserve specific information on the provisions in the Charter document that are being altered, the origins of the changes, and an explanation as to why they are necessary. In those instances where the detailed language is not contained within the ballot question, the voters should be directed to a convenient place where they can get this information. Town officials deserve this information because each municipality pays a portion of the county budget through an annual assessment.

The voters and Select Boards also deserve access to the same information that was used to develop the language for Question 6. They are entitled to have access to the records on the Assembly deliberations, meeting minutes, transcripts, reports, letters, documentation, and testimony in support or in opposition to the changes. It is important to document the origins and reasons behind the changes.

Since the proponents are seeking more spending authority, local Select Boards and voters should know exactly how this new power will be used, and the status of the new spending plans. This should include previously discussed plans to increase the Assembly's pay, hire more staff, and any other spending plans.

It is important to note that when the Barnstable County Charter was originally drafted, the entire Charter was not printed on the ballot, but it was possible for voters to obtain access to the Charter Commission's meeting minutes, correspondence, legal recommendations and final report. Information was also made available at the county offices, local town halls, and libraries.

3. The Ballot Question Raises Unique Legal Questions. This measure is an attempt to substantially expand the Assembly's power to spend more money by exempting the body from the provisions of MGL Ch 35 s.28B. This is the state law that establishes the budgetary and appropriating authority for county executive and legislative branches in Massachusetts.

In the Commonwealth, the authority to prepare and initiate budgets and supplemental appropriations is granted to the Executive Branch. In towns, it is delegated to Select Boards, the executive branch of local towns. In cities, it rests with the Mayor. In county government, this authority rests with the County Commissioners.

However, this ballot question proposes to grant this power to both the Assembly and to the County Commissioners, and to do so by exempting the Assembly from any of the current statutory limitations that exist in MGL Ch35 s.28B.

If approved, the Barnstable County Assembly would be the only local or county legislative body in Massachusetts to be exempted from this state law and granted an executive power to initiate supplemental appropriations. We are not aware of any other county in Massachusetts that has proposed a similar measure.

The proposal is not only at odds with current state law but is inconsistent with provisions in our Charter.

For example - Article 1 s.1-4, clearly states the Charter must be consistent with state law. It says, *“the grant of powers under this charter is to be construed as broadly as is consistent with the constitution and the laws of the commonwealth.”*

Also, the proposal is inconsistent with Article 3, which says that *“the executive powers of the Cape Cod regional government shall be vested solely in the board of regional commissioners and may be exercised whether directly by such board, or through the several regional agencies under its direction and supervision.”*

Should this measure be adopted, it will clearly lead to more confusion and the need for more legal assistance to reconcile the conflicting provisions. It will certainly lead to more tension between the Assembly and the Commissioners, which is something we would prefer to avoid.

4. There Is More To This Than Meets the Eye: The proponents are suggesting that the ballot question changes are minor designed to simply “clarify” inconsistencies in the current charter. We strongly disagree.

According to the Barnstable County Legal Counsel Michele E. Randazzo in a letter written to the Assembly of Delegates and the Commissioners, *“the amendments do impact the division of powers between the executive and legislative branches of County government, in meaningful ways These amendments appear to be in response to several legal opinions from this office and ... in my opinion, these amendments will expand the Assembly’s authority to substantially amend the County’s budget from what has been proposed by the executive branch.*

Given that the changes proposed ... pertain to the respective roles of the legislative and executive branches, at least with respect to budgetary issues, you may wish to consider whether the changes proposed ... are better included as part of the comprehensive Charter review process under Section 9-4. (Letter dated October 27, 2023)

5. Numerous Supplemental Budgets is Bad Budget Policy. As Commissioners, we have no intention to return to the days when the county would pass numerous spending bills over the course of a year and deplete its reserves.

This ballot question assumes that the county should be spending more money and adopting more spending bills. However, we disagree. The county should not.

Our current practice is to properly estimate our expenditures and revenues and adopt one budget.

Supplemental appropriation should only be for unexpected expenses, emergencies, or for measures previously approved and scheduled in our capital improvement plan.

Pet projects and other spending ideas should be raised by the Assembly and discussed during the normal budget and capital spending process that is outlined in state law and followed by all other counties, without a problem.

Our approach has been praised by our peers, our auditors and our financial advisors. And it was praised by Standard and Poor's as they recently boosted our credit rating to AA+.

According to Standard and Poor's – "the increase in the rating reflects our view of Barnstable County's consistently positive financial profile, which has supported a robust build-up in available reserve levels that we expect will likely be maintained above 85% of expenditures given the county's plans to allocate reserves toward various stabilization funds.

The county's emphasis on structurally balanced finances and comprehensive planning is further demonstrated by its well-embedded formal policies. While its revenue mix is somewhat dependent on the underlying economy and in particular excise taxes on property sales, total market value has increased by 28% over the past four years given strong demand and property sale transactions."

S&P praised our "well-embedded financial practices and policies implemented over the past five years" and our "strong financial performance supporting above-average reserves".

If the voters pass this proposal, we are concerned about a rapid depletion of our Reserves - and the lost opportunity to get a AAA bond rating. An upgrade, which is clearly within our grasp, will lower the cost to borrow money for important infrastructure projects and programs and put the County on solid financial footing.

In conclusion, we urge the voters of Barnstable County to Vote No on Question 6.

Attachment 1.

Text of Ballot Question 6, as it is to appear on the November 2024 Ballot

“Do you approve of the amendments to the Barnstable County Charter summarized below?

The revisions to the Barnstable County Charter proposed by the Assembly of Delegates amend the fiscal provisions of the Charter to: codify the Assembly of Delegates’ Standing Committee on Finance and define its powers and duties; expressly authorize the Assembly of Delegates to increase, decrease, add or omit items to the annual budget proposed by the Board of Regional Commissioners; expressly authorize submission of supplemental budget requests by the Board of Regional Commissioners; and expressly authorize any member of the Assembly of Delegates, or the Board of Regional Commissioners, to introduce a request for a supplemental appropriation ordinance after the adoption of the County’s fiscal year operating budget, while requiring those ordinances to provide the specific means for defraying the appropriations therein contained.”

Attachment 2.

Part I ADMINISTRATION OF THE GOVERNMENT

Title VI COUNTIES AND COUNTY OFFICERS

Chapter 35 COUNTY TREASURERS, STATE SUPERVISION OF COUNTY ACCOUNTS AND COUNTY FINANCES

Section 28B ADVISORY BOARD FOR COUNTY EXPENDITURES; ACTION ON PROPOSED BUDGET; PUBLIC HEARING; CAPITAL IMPROVEMENT FUND

Section 28B. (a) In every county other than Suffolk and Nantucket, there shall be an advisory board on county expenditures consisting of the city manager or his designee, who must be a member of the city council or board of alderman in a Plan D or Plan E city, or the mayor or his designee, who must be a member of the city council or board of alderman in each other city, or any member of the board of selectmen of each town or any member of the town council in a town which does not have selectmen. Each city and town shall have a weighted vote based on that city or town's assessment for expenses of county government. Each city or town's weighted vote will be computed based on the most recent biennial report of the commissioner of revenue submitting the final equalization and apportionment upon the several cities and towns of the amount of property and the proportion by every one thousand dollars of

state or county tax which should be assessed upon each city and town and assessment ratios for classes of property in each city and town under section ten C of chapter fifty-eight.

Said vote shall be determined by dividing that city or town's property valuation by the total of the county property value to the nearest one hundredth in accordance with the schedule in the commissioner of revenue's most recent biennial report referenced above. Said vote shall be determined by the director of accounts and delivered in writing to the advisory board thirty calendar days after the biennial report has been accepted by the general court.

A quorum of the advisory board shall consist of that number of persons who represent a majority of the aggregate weighted vote. A majority shall be defined for the purposes of this chapter as a majority of the quorum.

(b) The advisory board on county expenditures, upon receipt of the proposed itemized budget prepared by the county commissioners, together with any supplementary material prepared by the head of each department or institution and each board or other agency, shall review the proposed budget. The advisory board may increase, decrease, alter and revise the proposed budget, provided that:—

(i) The statement of the amount to be expended for any object or purpose for which an expenditure is required to be made by law shall not be reduced below estimated expenditure of the current year unless the advisory board shall enter into its minutes a statement of the basis for the reduction.

(ii) The advisory board shall enter into its minutes a statement of the basis for any change in any statement of estimated revenues.

(iii) If the advisory board shall make any change in the proposed itemized budget, provision shall be made that the total estimated revenues, together with the amount of county tax to be levied shall equal the total estimated expenditures.

(c) Notwithstanding any other provision of law, before the final adoption of the expenditure resolution, the advisory board on county expenditures shall hold at least one public hearing to inform the residents of the county of its proposed budget and to hear testimony and argument before the adoption of the expenditure resolution. The county commissioners shall cause notice of said hearing to be posted in each city and town hall within the county at least fourteen calendar days prior to the hearing and shall also cause notice thereof to be published in a newspaper of general circulation in the county at least fourteen calendar days prior to the hearing. The notice shall include, but is not limited to, the date, time and place of the hearing, announcement of the citizen's right to provide written and oral comments and suggestions respecting the possible use of funds, a summary of the entire proposed budget, and the place where the proposed budget may be inspected or procured by any interested person during business hours.

(d) After completion of the public hearing required by subsection (c), the advisory board on county expenditures, by resolutions, may further increase, decrease, alter and revise the proposed itemized budget, subject, however, to the conditions and restrictions imposed by subsection (b). The proposed itemized budget as increased, decreased, altered and revised shall be finally adopted by an expenditure resolution by a majority vote of the advisory board as set forth in subsection (a) at a duly called meeting on or before April second and shall be the approved budget.

(e) The advisory board, prior to the submission of any proposed capital facility budget request by the county clerk to the director of accounts, or of any long range capital facilities development plan and budget request to the commissioner of capital asset management and maintenance, shall hold at least one public hearing to discuss the proposed budget request or plan. After such hearing or hearings, the advisory board, by a majority vote determined in accord with the provisions of subsection (a), may delete, add to, alter and revise any line item appearing in said budget request or plan. Said action shall be incorporated into the budget request or plan submitted to the commissioner of capital asset management and maintenance in accord with the provisions of sections seven A, seven B, seven C and seven D of chapter twenty-nine, and shall be binding upon the county.

(f) If the advisory board on county expenditures shall fail to finally adopt an expenditure resolution for the ensuing fiscal year on or before April second, the itemized budget as proposed by the county commissioners together with such changes, alterations and revisions as shall have been made by a majority vote of the advisory board on or before June first, as set forth in subsection (a), shall constitute the approved budget for the ensuing year, and the expenditure resolution shall be deemed to have been passed by the advisory board as of that date.

(g) The approved budget shall govern the expenditures of the county during the fiscal year. No expenses may be incurred in excess of those shown in the approved budget, but the budget may be from time to time amended by the preparation and submission of a proposed supplementary budget by the county commissioners to the advisory board on county expenditures. The advisory board shall, not less than fifteen calendar days, except in emergencies, nor more than thirty calendar days after such

submission to it, approve or amend any such supplementary budget as provided by subsection (a). A copy of the approved budget and any approved supplementary budget shall be transmitted to the director of accounts within fifteen days of the advisory board's action thereon.

(h) At the closing of the treasurer's books on July tenth, the balance to the credit of each appropriation shall become a part of the general unappropriated balance in the county treasury, but no appropriation voted for special, non-operating purposes, shall lapse until the work for which it has been made has been completed. Such appropriation, however, may not be carried forward for more than one extra fiscal year. Any remaining unappropriated balance thereafter, shall become a part of the general unappropriated balance in the county treasury. Written notification of such balance to be carried forward shall be submitted by the county commissioners to the county treasurer, the advisory board, and the director of accounts on or before the tenth day following the close of the fiscal year for which it was originally appropriated.

The county commissioners shall send written notification of such balance to the county treasurer, the advisory board, and the director of accounts on or before the tenth day following the close of the fiscal year. This subsection shall not apply to funds appropriated for the purposes of construction of buildings.

(i) For the purpose of creating a Capital Improvement Fund the advisory board may appropriate in any year an amount not exceeding ten per cent of the amount raised in the preceding fiscal year by assessment upon the cities and towns or of such larger amount as may be approved by a two-thirds vote. The aggregate amount in the fund at any time shall not

exceed ten per cent of the total equalized valuation of the municipalities in the county as defined in section one of chapter forty-four. Any interest shall be added to and become a part of the fund.

The treasurer shall be the custodian of said fund and may deposit the proceeds in national banks or invest the proceeds by deposit in savings banks, cooperative banks or in participation units in a combined investment fund under section thirty-eight A of chapter twenty-nine, or invest the same in such securities as are legal for the investment of funds of savings banks under the provisions of chapter one hundred and sixty-eight or in federal savings and loan associations situated in the commonwealth.

The Capital Improvement Fund may be appropriated by the county commissioners with the approval of the advisory board for any purpose authorized under sections seven and eight of chapter forty-four or for such other county purpose as is approved by a two-thirds vote of the advisory board.

(j) To create and maintain a County Stabilization Fund the advisory board may appropriate in any year an amount as may be approved by a 2/3 vote of the advisory board. Any interest shall be added to and become part of the fund.

The treasurer shall be custodian of the fund and may deposit the proceeds in national banks or invest the proceeds by deposit in savings banks, cooperative banks or in participation units in a combined investment fund under section 38A of chapter 29, or invest the proceeds in those securities as are legal for the investment of funds of savings banks under chapter 168 or in federal savings and loans associations situated in the commonwealth.

The County Stabilization Fund may be appropriated for any purpose by the county commissioners with the approval of a 2/3 vote of the advisory board.

RatingsDirect®

Summary:

Barnstable County, Massachusetts; General Obligation

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Table Of Contents

Credit Highlights

Outlook

Credit Opinion

Related Research

Summary:

Barnstable County, Massachusetts; General Obligation

Credit Profile

Barnstable Cnty GO mun purp loan bnds ser 2017 dtd 09/20/2017 due 09/20/2032

Long Term Rating

AA+/Stable

Upgraded

Credit Highlights

- S&P Global Ratings raised its long-term rating on Barnstable County, Mass.' existing general obligation (GO) debt by one notch to 'AA+' from 'AA'.
- The outlook is stable.
- The upgrade reflects the county's positive financial results resulting in a robust build-up in reserves to over 100% of expenditures, along with implementation of more comprehensive financial policies and practices.

Security

Barnstable County's full-faith-and-credit GO pledge, subject to the limitations of its charter and Chapter 59, Section 20A of Massachusetts General Law, secures its debt outstanding. Despite these limitations, which restrict member town assessments to 2.5% increases each year, we do not make a rating distinction for its limited-tax GO pledge given fungibility of resources to make debt service payments.

Credit overview

The rating reflects our view of Barnstable County's consistently positive financial profile, which has supported a robust build-up in available reserve levels that we expect will likely be maintained above 85% of expenditures given the county's plans to allocate reserves toward various stabilization funds. The county's emphasis on structurally balanced finances and comprehensive planning is further demonstrated by its well-embedded formal policies. While its revenue mix is somewhat dependent on the underlying economy and in particular excise taxes on property sales, total market value has increased by 28% over the past four years given strong demand and property sale transactions. However, we continue to view the county's retirement liabilities as a credit weakness given the size of the liabilities and weaker funding ratios.

The 'AA+' rating reflects our view of the county's:

- Robust economic metrics and strong market value growth due to the Cape Cod coastal location that has long been a draw for summer tourism and second homes;
- Well-embedded financial policies and practices with clear goals of structural balance and out-year planning;
- History of positive financial results supporting above-average reserve levels compared with commonwealth peers, which provides additional flexibility for the county to address financial impacts from severe weather events or

ongoing remediation of forever chemicals; and

- Manageable debt burden with limited additional debt plans, although sizable retirement liabilities could pressure the budget over the longer-term as the county works toward fully-funding its pension plan by 2037.

Environmental, social, and governance

Barnstable County's location encompassing Cape Cod and its coastline along the Atlantic Ocean exposes it to potential coastal flooding from sea level rise and severe weather events, consistent with our view of the coastal municipalities within the county. While this risk is primarily addressed at the local level, county officials have proactively adopted regional resiliency planning through the Cape Cod Commission, supported towns in developing Hazard Mitigation Plans, and provide resiliency model bylaws and zoning regulations. We consider the county's social and governance risks neutral in our credit-rating analysis.

Outlook

The stable outlook reflects our view of Barnstable County's broad and robust tax base, which supports financial operations and has resulted a substantial build-up in available reserves that we expect will be maintained at robust levels despite potential for reserve draws over the next two years.

Downside scenario

We could consider lowering the rating if financial performance weakens, leading to material and sustained draws on reserves.

Upside scenario

We could consider a positive rating action if the county's revenue profile were to diversify and robust reserve levels are maintained through another economic cycle, while also reducing its pension and other postemployment benefits (OPEB) liabilities.

Credit Opinion

Robust underlying economy supporting strong income and wealth metrics

Barnstable County spans 404 square miles on Cape Cod in southeastern Massachusetts. Known for its expansive coastline, numerous beaches, and recreational activities; the county is a popular resort destination with many second homes and small bed and breakfasts. The county consists of 15 communities, ranging in size from 2,000 to 44,000.

The county's median sales value has increased to \$698,000 from \$400,000 over a four-year period given strong demand coupled with limited supply. It has also seen growth in year-round population figures as it benefitted positively from in-state migration trends. While there could be some softening in the housing market similar to national expectations, we anticipate Barnstable County's favorable location and proximity to Boston will support economic resiliency.

Well-embedded financial practices and policies implemented over the past five years

We have revised our view of Barnstable County's financial management policies and practices to 'Good' from 'Standard' under our Financial Management Assessment (FMA) following implementation of new practices. Highlights include:

- Conservative budget assumptions despite volatility in excise tax revenue that can be difficult to predict, but detailed quarterly budget-to-actuals reporting provided to commissioners; the county also has general flexibility to amend its budget throughout the year.
- A comprehensive five-year capital improvement plan that identifies projects and funding sources in detail and is reviewed annually as part of the budget process given its an integral part of the budget.
- Formal but high-level investment policy that primarily follows state statutes.
- A formal debt management policy that limits debt service, net of reimbursement and offsets, to 10% of the annual budget and limits debt financing for capital projects over \$100,000 with maturity not to exceed useful life.
- Formal reserve policy that requires prior-year general fund unappropriated reserves to be maintained at minimum 10% of expenditures, with a goal of 15%; the policy also requires the stabilization fund to between 5%-20% of the current budget with replenishment provisions if stabilization funds are withdrawn.

The county does not currently complete multi-year general fund financial forecasting.

Strong financial performance supporting above-average reserves

Barnstable County provides several services to the region, including overseeing regional planning, dredging, administering federal and local grants, financing of septic systems, property deeds, and information technology, among other services. The primary revenue source is excise taxes on property sales (61%), followed by county tax assessments (13%) on its 15 towns. Under the Barnstable County charter and pursuant to state law, member town assessments can only increase by 2.5% each year; the county is further limited in its ability to raise revenues due to likely resistance from both member towns and residents. Despite these limitations, the county has maintained balanced operations and gained significant surpluses in fiscal years 2021 and 2022 as excise tax revenue outperformed budgeted figures. Given this revenue source is more dependent on economic shifts, and could slow in tandem with a broader economic slowdown, we believe officials will continue to budget and forecast conservatively.

County officials have undergone a two-year review process of its unassigned fund balance levels given the substantial growth in reserves over the past four years. The subsequent recommendations included establishing various stabilization funds and increasing dedicated annual OPEB contributions. The county has created a PFAS Stabilization fund with an initial \$7.8 million contribution; added \$6.2 million to its capital stabilization fund; and established a revenue stabilization fund that is scheduled to be funded following fiscal 2024 close out. These stabilization funds are reported as unassigned fund balance in the audit, therefore we expect the county's available reserves will remain stable.

Low debt burden and manageable debt service costs

Barnstable County has about \$18.5 million in total debt outstanding, primarily GO debt and low-to-no interest state loans associated with its septic loan program. In accordance with its CIP, the county plans to issue about \$11 million in fiscal 2025 as part of its ongoing commitment to address PFAS remediation at the former fire training center site. We

Summary: Barnstable County, Massachusetts; General Obligation

do not anticipate this additional debt would materially affect the county's debt profile given the strength and size of its tax base, very rapid amortization and affordability of debt service costs in the budget.

The county and town of Barnstable reached a legal settlement in 2017 related to the costs associated with contamination cleanup from chemicals used in fire training activities at the Barnstable County Fire and Rescue Training Academy. The settlement requires the County to pay \$2.95 million in damages to the town, which it borrowed in full from the Massachusetts Clean Water Trust (MCWT).

Pension and other postemployment benefits

In our opinion, a credit weakness is Barnstable County's large \$79.7 million pension and OPEB obligation, consistent with our view of other local governments in the commonwealth. Despite Barnstable County's historical full funding of its annual required pension contribution, weaker pension plan funding ratios and likely escalating associated costs will remain an out-year budgetary consideration. However, the county has transferred responsibility for the Sherriff's pension liability to the state, which has reduced its overall pension liability. We expect costs will continue to escalate as the systems work towards full funding (for more information see our "Pension Spotlight: Massachusetts" published June 17, 2024, on RatingsDirect).

Barnstable County participates in the following plans as of June 30, 2023:

- Barnstable County Retirement System, a cost-sharing, multiple-employer, defined-benefit pension plan: 64% funded using a 6.9% discount rate, with a proportionate share of the net pension liability of \$63 million.
- Its single-employer defined benefit OPEB plan to provide health insurance for retirees: 18% funded on a pay-as-you-go basis with a net OPEB liability of \$16.7 million.

Barnstable County, Massachusetts--key credit metrics

	Most recent	Historical information		
		2023	2022	2021
Strong economy				
Projected per capita EBI % of U.S.	137	140	139	129
Market value per capita (\$)	524,019	529,415	461,960	431,168
Population		234,159	217,714	212,461
County unemployment rate(%)		4.2		
Market value (\$000)	122,703,870	122,703,870	100,575,145	91,606,431
Ten largest taxpayers % of taxable value	0.1			
Strong budgetary performance				
Operating fund result % of expenditures		7.2	42.9	53.3
Total governmental fund result % of expenditures		5.5	26.6	32.4
Very strong budgetary flexibility				
Available reserves % of operating expenditures		119.3	145.0	98.2
Total available reserves (\$000)		32,126	28,768	19,668
Very strong liquidity				
Total government cash % of governmental fund expenditures		167	260	186

Barnstable County, Massachusetts--key credit metrics (cont.)

	Most recent	Historical information		
		2023	2022	2021
Total government cash % of governmental fund debt service		3977	4619	3010
Strong management				
Financial Management Assessment	Good			
Strong debt & long-term liabilities				
Debt service % of governmental fund expenditures		4.2	5.6	6.2
Net direct debt % of governmental fund revenue	26			
Overall net debt % of market value	0.0			
Direct debt 10-year amortization (%)	99			
Required pension contribution % of governmental fund expenditures		6.6		
OPEB actual contribution % of governmental fund expenditures		6.6		

Strong institutional framework

EBI--Effective buying income. OPEB--Other postemployment benefits. Data points and ratios may reflect analytical adjustments.

Related Research

Through The ESG Lens 3.0: The Intersection Of ESG Credit Factors And U.S. Public Finance Credit Factors, March 2, 2022

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.spglobal.com/ratings for further information. Complete ratings information is available to RatingsDirect subscribers at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.spglobal.com/ratings.

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