



The Town of Barnstable

Comprehensive Financial Advisory Committee (CFAC)

367 Main Street, Village of Hyannis, MA 02601

v. 508.862.4660 • f. 508.862.4770

www.town.barnstable.ma.us

CFAC Chair:
Hector Guenther

Members:
Tom Keane
Chris King
Christopher Lauzon
Chuck McKenzie
Jeremy Shea
James Sproul
Lillian Woo

Staff Liaison:
Mark Milne

Councilor Liaison:
Betty Ludtke

CFAC FY26 - FY30 Capital Improvement Plan Report

Prepared by:
CFAC CIP Subcommittee

James Sproul, Chair
Chuck McKenzie
Jeremy Shea

Approved: March 24, 2025

INTRODUCTION AND METHODOLOGY

In accordance with the Town of Barnstable Charter, Part VI, Section 6-5, and Chapter 241-18 of the Administrative Code, the Comprehensive Financial Advisory Committee (CFAC) offers its comments and recommendations regarding the proposed Fiscal Year 2026 (FY26) Capital Budget and FY26-30 Capital Improvement Plan (CIP or the Plan) to the Town Council, the Town Manager and Barnstable residents.

This review was conducted by the CFAC CIP Subcommittee and was approved by the full Comprehensive Financial Advisory Committee on March 24, 2025. For the past eight years, CFAC has focused its review on the final Town Capital Budget and Plan as proposed by the Town Manager.

For the past five years, CFAC members have been invited to observe the review session of the CIP Task Force, which we did again this year. The Town Administration has established a review process for capital submissions in which projects are evaluated and scored by a task force comprising senior-level managers from all departments. This task force assesses each submission based on criteria aligned with the Town Council's strategic plan that include: Public Health and Safety, Education, Economic Development, Infrastructure and Asset Protection, Environmental and Natural Resources, Quality of Life, Financing, Operating Budget Impact, Planning and Alignment with Existing Plans, and Usage and Service Demand. While this ranking does not automatically dictate funding decisions for the upcoming fiscal year, it provides an objective measure to prioritize projects relative to other submissions. Out of 247 total submissions, 106 projects were selected for detailed review and scoring, based on the proposed funding source and fiscal year.

Many top-ranking projects are recommended for funding in FY26. Projects not selected for FY26 funding may be deferred due to reasons such as the project not being ready for the construction phase, the project's cost or approach requiring further evaluation, funding being currently unavailable, or the department having requested funding in a subsequent year.

CFAC members attending this year noted that the process continued to encourage the review of synergies across departments and focused on optimizing the critical balance between delivering meaningful services and benefits to Town residents and managing costs funded by taxpayers and users.

For FY26, there were capital submissions for 106 projects totaling \$141.5 million (\$141.5M). As in prior years, the Town is only able to fund a portion of what is submitted. This year Town Manager Ells has recommended approval of \$111.6M in capital projects covering 66 of the submitted projects. These projects break down across the three major expenditure categories as follows: \$8.9M for 11 Enterprise Fund projects, \$36.7M for 48 General Fund projects and \$66.0M for seven Comprehensive Wastewater Management Plan (CWMP) projects. Of note is that the Town Manager recommendations for FY26 (66 projects costing \$111.6M) are down substantially from his FY25 recommendations (\$242.2M), due largely to a drop in CWMP-related projects (although also of note is the fact that all 7 CWMP projects with FY26 budgets were recommended, due to the ‘mandatory’ nature of the CWMP projects).

The Town's five-year plan for FY26-30 demonstrates prudent fiscal management by ensuring that all identified projects are fully funded within this period. This comprehensive approach guarantees that sufficient resources are available to cover program costs, including staff salaries and benefits, operating expenses, and debt service obligations. By aligning project timelines and funding strategies, the Town effectively manages its financial commitments while maintaining essential services. However, it is important to note that as new projects emerge beyond FY30, additional funding sources will need to be identified to sustain ongoing capital improvements. This forward-looking strategy exemplifies the Town's commitment to responsible financial planning and the continuous enhancement of community infrastructure.

The following table presents total Town department capital submissions for the past ten fiscal years, intended to provide some historical context for the FY26-30 submissions:

**10 Year History
Aggregate Capital Budget Submissions
(\$M)**

Fiscal Year	Enterprise Funds	General Fund	CWMP	Total
2021	\$19.9M	\$33.3M	\$6.0M	\$59.0M
2022	35.4	41.1	30.4	107.0
2023	23.9	56.5	5.3	85.7
2024	22.8	50.2	33.5	106.6
2025	60.5	38.9	169.7	269.2
2026	10.1	65.2	66.0	141.3
2027	43.4	100.1	60.0	203.5
2028	55.2	66.3	47.9	169.2
2029	10.2	58.6	114.9	183.7
2030	6.9M	21.6M	43.5M	72.0M

CFAC offers the following observations on the information summarized in the above table:

- For the 5-year Plan FY26-30, the CWMP continues to be the single largest expenditure category (for the 4th consecutive year) and will likely remain the dominant category for years to come.

- Interestingly, the five-year submissions decreased almost \$200M for FY26-30 vs. FY25-29(\$973M vs. \$770M), down 20.8% year-over-year, due primarily to CWMP and Enterprise Funds submissions decreasing for the current five-year plan relative to the FY25 five-year Plan.
- Of course, submissions and recommended projects are entirely different figures. As stated above, only 66 of the 120 projects submitted for FY26 were recommended by the Town Manager (at a \$111.6M cost vs. a \$141.3M submission cost).
- In addition to the above projects, three (3) additional projects with a cost of \$10.8M will be submitted to the Community Preservation Committee (CPC) for funding; these projects will be submitted separately to the Town Council after the CPC makes its funding determinations. Finally, \$1M will be funded with Chapter 90 highway funds that do not require Town Council appropriation.
- In prior reports, CFAC has expressed concern about year-over-year expenditure increases, the absolute size of projected submissions, and the Town's ability to fund them. This concern continues, and we believe additional funding sources will need to be identified going forward.

GENERAL FUNDS

Town departments identified 200 General Fund capital projects for FY26, with proposed expenditures for those projects totaling \$65.5M, broken down by functional department as follows:

• Police (4 projects)	\$3.3M (5%)
• Marine & Environmental Affairs (14 projects)	\$4.6M (7%)
• Administrative Services (4 projects)	\$0.4M (.6%)
• Community Services (21 projects)	\$11.2M (17%)
• Public Works (66 projects)	\$35.2M (54%)
• Schools (91 projects)	<u>\$10.8M (17%)</u>
• <u>Total</u>	<u>\$65.5M</u>

Of the 200 projects, 48 are recommended by the Town Manager for FY26 with a total cost of \$36.7M. It is of interest to note that only 24% of the submitted projects were recommended but they represent 56% of the submitted projects' costs. One project will be funded by Chapter 90 Highway Funds and eight will be referred to the Community Preservation Committee. We note that the number of General Fund projects is limited by available financial resources, and as a result many projects have been deferred.

The summary of rationales for FY26 General Fund projects illustrates that Barnstable is committed to maintaining and preserving its assets. Our roads, schools, buildings, natural resources, beaches, waterfronts and recreation areas attract and support the local economy, our residents and visitors. The Town of Barnstable also serves as the commercial center of Cape Cod, which places an additional burden on us to maintain our assets.

None of the General Fund projects for FY26 directly support economic development, but all of them impact it indirectly. Without the recommended General Fund investments, the Town's assets would continue to erode, which would ultimately weaken our economy and the desirability of our Town to residents and visitors. For these reasons, CFAC fully supports the FY26 General Fund capital spending plan.

Following are comments on some significant General Fund projects, organized by department, for the 5-year period FY26-30. General Fund CIP submissions totaled \$311.8M, dominated by Public Works (\$162.4M), Schools (\$66.4M), Community Services (\$42M) and Marine & Environmental Affairs (\$28.2M):

- The Channel Dredging Program comprises approximately 40% of the overall Marine & Environmental Affairs submissions (spread across the 5-year period).
- The single largest Community Services line item is the \$15.3M submission to cover construction of a new Osterville recreation center in FY29.
- Public Works had 66 submissions, with the three (3) largest are for ongoing public road maintenance (\$20.8M spread evenly over 5 years), design and construction of a new Town Hall campus parking garage (\$16.5M, most of which is dedicated to construction in FY28) and Barnstable Road Corridor improvements (\$2.1M).

Among other DPW submissions (General Fund projects submitted by Marine & Environmental Affairs, Public Works, the Police Department, Community Services and Public Works, plus Enterprise Funds

projects submitted by Water Pollution Control, Water Supply and Solid Waste), we summarize a few visibly impactful and/or financially substantial submissions (please note that due to its magnitude, the CWMP CIP submissions are addressed and summarized in a separate section of this report):

- Rising sea levels and an increase in the frequency and severity of coastal storms have seen the Cotuit Town Dock repeatedly under water in recent years. Further, studies expect the dock and the parking lot to experience ‘sunny day flooding’ during normal high tides within the next 25 years. As a result, the Marine & Environmental Affairs division plans to re-design the facility in FY26 and renovate/rebuild it in FY28, at a total cost just over \$2.5M. It should be noted that the underlying drivers of this project, global warming and rising sea levels, will impact many parts of the Cape and will likely be the cause of many future Town DPW projects.
- The bridge that connects Grand Island to ‘the mainland’ was constructed almost 80 years ago, and is the sole point of access to the Oyster Harbors Community. Despite regular maintenance to address operational deficiencies, the Oyster Harbors Bridge needs significant structural rehabilitation and repair, which the Public Works Department has proposed to handle in two steps (\$3M in FY26 and \$3M in FY28). These projects should reduce unanticipated maintenance costs now regularly incurred. It is worth noting that the Oyster Harbors Bridge is the first priority among 3 bridges that will need to be repaired/replaced in the foreseeable future.
- Many Town curb ramps and sidewalks are not compliant with ADA and Massachusetts Architectural Access Board (AAB) requirements. DPW is therefore undertaking a five-year project commencing in FY26 to bring the Town’s infrastructure into compliance, at a cost of around \$400,000/year for design, permitting and construction work.
- Out-of-date HVAC systems in a number of facilities (including Police headquarters, the Adult Community Center and the JFK Museum) require either replacement or upgrade to their heating, boiler and/or water heater equipment.
- On a similar note, structural repairs to a number of facilities (including the Hyannis Armory and the Cape Cod Airfield Hangar) are necessary to address issues including corrosion, water leaks, roof leaks and broken structural joints). Some of this work will be funded via Community Preservation Act funding.
- Many of the Town’s pump stations need rehabilitation, to maintain and/or enhance pumping capacity, to improve sewage flow, and to increase the size of site wet wells. In some cases, existing equipment is at ‘end of life’ stage and will need to be replaced.
- Some of the Town’s water supply pipes are more than 100 years old. As a result, in order to maintain the Town’s high drinking water and fire readiness protection standards (an issue many Los Angeles residents confronted as a result of recent fires), the Town is continuing its 30-year program to upgrade or replace water pipes by investing \$1.5M per year in this project from FY26 through FY30.

As suggested by the above high-level summary, many of the DPW projects included in the department’s five-year plan are designed to maintain, repair, upgrade or replace critical infrastructure that contributes directly to the quality of living enjoyed by the Town’s residents. We commend the DPW for its focus on optimizing its budget priorities, the prudent management of its budget and the delivery of critical services to Town residents. We believe its FY26-30 plan effectively balance all these factors.

SCHOOLS

The Barnstable Public School Committee (BPS) submitted 91 projects totaling \$66.4M. These projects can fall under five different categories of spending: Safety and Accessibility, Maintenance and Repairs, Energy Efficiency and Environmental Impact, Enhancing Learning Environments, and Technology and Security. Of these requests, the Town Manager has recommended 17 projects at a cost of \$10.6M. CFAC finds that these projects address the existing needs of the school's infrastructure, make essential upgrades to ensure functionality and safety, and will result in long-term savings by investing in fixes now.

While recommended projects include a number that address issues district wide, three schools made up a bulk (84%) of the BPS' CIP:

Barnstable High School (BHS): BHS project requests total \$4.6M. The biggest project is upgrades to the Performing Arts Center (PAC), the largest performance space in the district, for students, community events, and outside rentals. The facility needs new sound, lighting, and seating, allowing it to be a desirable and practical space for groups to seek out. As a revenue generating space, CFAC would like to see rental money continue to go back into maintenance of the space so larger projects in the future will be limited. Other BHS projects focus on Pathways, including the culinary program, which help prepare our students to enter directly into employment in our local community, and the athletics program, with money spent on the gym floor and locker room upgrades. Both of these areas draw students into the school and drive the retention of those who might consider going to schools elsewhere.

Barnstable Intermediate School (BIS): Three BIS projects total a combined \$2.5M. Through the upgrades to the rooftop units, a new gym floor, and replacement of the library carpets, the school's physical and student health will be improved, and costlier investments in the future will be avoided.

Barnstable United Elementary School (BUE): BUE project requests total \$1.9M, aiming to upgrade the HVAC system and ensure the building is better sealed against moisture penetration. These projects should serve to address air quality and mold issues in the building, a major concern for the community this past year.

ENTERPRISE FUNDS

Because Enterprise Funds are financially self-sufficient operations that generate their own revenue from service fees charged to external users, each Enterprise Fund's revenues and expenditures are segregated from other Town activities. Each Enterprise Fund retains and maintains its income and surplus, which enables the Town of Barnstable to monitor its direct and indirect costs.

For the 5-year period FY26-30, Enterprise Fund CIP submissions total almost \$126M, dominated by Airport (\$35.2M), Water Pollution Control (\$26.7M) and Water Supply (\$34.5M) projects.

FY26 Enterprise Fund CIP submissions totaled \$10.1M (\$1M Airport, \$200K Marina, \$3M HYCC, \$500K Golf, \$3.5M Water Pollution Control, \$1.7M Water Supply and \$300K Solid Waste). Among those submissions, Town Manager Ells has proposed \$8.9M in FY26 capital spending for 11 recommended Enterprise Fund capital projects. This is down substantially from the \$60.5M recommended in FY25, due almost entirely to a drop in cost for water supply-related projects). During the FY27-FY30 remainder of the Five-Year Plan, capital expenditures for Enterprise Funds are projected to require an additional \$115.7M.

Following are comments on some specific, meaningful Enterprise Fund projects:

- The Airport five-year submissions are dominated by a \$24M runway redesign and reconstruction slated to occur in FY27.
- Almost half of the Water Pollution Control 5-year submissions are driven by a \$13M replacement of downtown Hyannis force main pipe in FY27.
- Finally, the Water Supply five-year submission is driven by a \$26M redesign and renovation of the Mary Dunn Filtration Plant.

COMPREHENSIVE WASTEWATER MANAGEMENT PLAN (CWMP)

The Comprehensive Wastewater Management Plan (CWMP) is the Town of Barnstable’s most ambitious and financially significant infrastructure initiative ever undertaken. It is designed to address long-term environmental concerns, regulatory requirements, and economic sustainability. The program will span at least 30 years, impacting Barnstable’s drinking water safety, nitrogen reduction, and wastewater treatment infrastructure across all seven villages.

Financial Considerations and Funding Strategy:

CWMP capital costs continue to increase, reflecting inflation, regulatory adjustments, and evolving project scope. The FY26 recommended request is \$66.0M, an estimated \$103.7M (61%) decrease from FY25. Over the next four years (FY26–FY29), CWMP capital needs will total \$266M, reinforcing the necessity of proactive financial planning and adaptive resource allocation.

Funding sources include:

- State & Federal Assistance: The Town remains engaged in applying for grants, low-interest loans, and subsidies from Massachusetts State Revolving Fund (SRF) and federal infrastructure programs.
- Cape Cod & Islands Water Protection Fund Subsidies.
- Sewer assessments currently capped by the Town Council at \$10,000 per dwelling unit.
- A portion of sewer utility revenue generated from new connections to the public sewer system,
- Dedicated Local Revenues: Meals, hotel, and short-term rental taxes contribute, but may be insufficient to fully offset rising debt service obligations.
- Debt Financing & Future Tax Measures: CFAC is analyzing potential debt exclusions or a Water Infrastructure Investment Fund (WIIF) to stabilize long-term funding.

Project Phasing and Priorities:

For FY26–FY30, CWMP projects will focus on high-priority sewer expansions and treatment system upgrades, ensuring maximum environmental and financial impact. Key investments include:

Project	FY26 Budget	Total Cost	Projected Completion
Centerville Village Sewer Expansion	\$16.0M	\$16.0M	FY26

Phinney’s Lane Sewer Expansion	\$45,6M	\$45,6M	FY26
Prince Cove Sewer Expansion	\$1.0M	\$41.5M	FY30
Long Pond Centerville Sewer Expansion	\$.75M	\$40.3M	FY27
Great Marsh Road Sewer Expansion	\$2.3M	\$37.3M	FY28

Strategic prioritization is critical to balancing investment with financial sustainability, ensuring the Town meets regulatory mandates while controlling taxpayer burden.

CWMP Funding Model and Long-Term Outlook:

CFAC believes that the CWMP Funding Model provides a structured, realistic approach to tracking resources and spending through FY2061. At present, the Base Model indicates sufficient resources to meet long-term commitments for projects listed in the FY25 to FY29 fiscal years, but regular updates and adjustments will be necessary to account for economic, legislative, and inflationary changes. CFAC will continue to review and refine the model annually, ensuring fiscal stability and program feasibility over the next three decades.

Recommendations and Next Steps:

To maintain the CWMP’s long-term viability, CFAC recommends:

1. Annual Review & Adjustments to the CWMP Funding Model to reflect evolving financial conditions.
2. Expanded State & Federal Advocacy for additional grant funding and SRF loan subsidies.
3. Public Communication & Engagement regarding potential debt exclusions and funding mechanisms.
4. Strategic Cost Controls through project sequencing, leveraging offshore wind coordination, and monitoring technological advancements in wastewater treatment.

Conclusion

The CWMP remains the single largest capital investment in Barnstable’s history. CFAC supports its continued implementation but underscores the importance of strategic financial planning, public engagement, and adaptive management. By remaining proactive in financial oversight and funding model adjustments, the Town can ensure the successful execution of CWMP while maintaining fiscal responsibility to its residents.

COMMENTS ON FIVE-YEAR PLAN

CFAC believes that the Five-Year Plan is a valuable component of the Capital Plan. This section shows that over the next five years the Town can anticipate submissions totaling upwards of \$775M in capital projects. A comparison of the FY25-29 plan to the FY26-30 plan is shown in the table below:

	Five-Year Plan Comparison (\$M)			%
	FY25 - FY29	FY26 - FY30	Difference	
Enterprise Funds	\$179.4	\$125.9	(\$53.5)	(29.8%)
Comprehensive Wastewater Management Plan (CWMP)	\$464.5	\$332.3	(\$132.2)	(28.5%)
General Fund	\$329.1	\$312.0	(\$17.1)	(5.2%)
Total Capital Improvement Plan	\$973M	\$770.2M	(\$202.8)	(20.8%)

Many of the projects within the Five-Year Plan require funding for more than one year. The Plan breaks out funding required each year for each project. The projects listed under FY26 are the requests for funding by Town departments in this year's Plan in the dollar amounts presented in the table on page three (3), while the 'out years' from FY27-FY30 are shown for illustrative purposes. Projects in those out years will be reviewed in the same manner that FY26 projects were reviewed, and the estimates revised in each annual planning process to reflect then-current factors including project status, impact relative to other projects, and the effects of inflation on cost estimates.

Financing for every project depends on a number of assumptions, including:

- **Organic revenue growth**-Will we see an increase in tourism in Barnstable and, as a result, increased revenues from taxes on hotel rooms and meals?
- **Investment earnings on investable Town Assets**-Increases in interest rates over the past year will likely increase earnings on invested Town assets, but it also will likely result in higher borrowing costs for future General Obligation Bonds issues. State revolving loan rates do not change.
- **Rate increase levels**-Will there be an increase in user fees, assessments, and service charges?

It is virtually impossible to forecast these assumptions with pinpoint accuracy for one year, let alone over the five-year period covered by each Town Manager plan, so the cost estimates in the Five-Year Plan are updated every year to reflect then-current assumptions.

DEBT AND DEBT SERVICE

The Town of Barnstable has proactively managed its debt obligations to support essential infrastructure projects, notably the Comprehensive Wastewater Management Plan (CWMP). Historically, the Town's debt load has been approximately \$115 million, a relatively low figure for a municipality of its size. This conservative debt level, combined with a strong tax base and prudent financial management, has contributed to Barnstable's AAA bond rating, enabling access to low-interest rates on Town borrowings.

Projected Debt Increase

To finance the capital-intensive projects outlined in the CWMP, Barnstable's long-term debt is projected to triple over the next four years. While this increase is not expected to adversely affect the Town's bond rating, it will result in higher annual debt service payments, escalating from \$0.6 million in FY2024 to an estimated \$10.9 million by FY30.

Potential Areas for Improvement

While the Town has demonstrated prudent fiscal management, two areas warrant attention:

1. **Reliance on Future Revenue Streams:** The expectation that sewer assessments and usage fees will eventually support CWMP debt service introduces uncertainty, particularly if these revenues do not materialize as anticipated. To mitigate this risk, the Town could explore alternative funding mechanisms or accelerate the implementation of these fees to ensure a more immediate contribution to debt service obligations.
2. **Escalating Debt Service Obligations:** The projected increase in annual CWMP-related debt service from \$0.6 million in FY2024 to \$10.9 million in FY2030 represents a significant escalation. This sharp rise could strain the Town's financial resources if not carefully managed. Implementing a phased approach to project financing, seeking additional grants or subsidies, or reevaluating project timelines could help distribute the financial burden more evenly over time.

By proactively addressing these areas, Barnstable can enhance its fiscal resilience and ensure the sustainable advancement of the CWMP.

CONCLUDING COMMENTS

CFAC appreciates its continued opportunity to provide objective assessments of the proposed Town Council Capital Budget and Plan. CFAC is pleased to offer this review of the Town Manager's recommended Capital Improvement Plan for FY26. Each proposed project is critical to the future health and livability of our community.

In this report, CFAC:

- 1) Underscores Barnstable's commitment to addressing wastewater and drinking water issues with urgency. The CWMP impacts every citizen and property of the Town, and it will help keep the goal of clean water for current and future generations in the forefront of policy and planning decisions.
- 2) Explains that General Fund investments in Barnstable's assets – which maintain the usability and integrity of buildings, roads and natural resources – are essential to sustaining and promoting a healthy economy, preserving the Town's natural environment, providing ease of access to our citizens and visitors, and to comply with state and federal mandates and regulations.

- 3) Commends the use of Enterprise Funds to maximize resources through targeted, multisource financing – including low-interest loans, grants, subsidies and user fees – and to leverage these resources to ensure the efficacy of services such as sewers, waste disposal, transportation and recreation.

Through its continuing involvement with CWMP, CFAC has gained an understanding of the scope, extent and cost of water quality management in the Town of Barnstable. CFAC hopes that its review and analysis of CWMP proposals have provided useful input to Town Council and Town Management as they make capital investment and sewer installation decisions that are geared towards the greatest need and are equitable to residents, voters and taxpayers.

CFAC would like to stress the importance of a topic not directly addressed in the Capital Budget and Plan but raised in prior CFAC CIP reports: *the school's capital facility needs.* The Schools expect \$122.7M in spending to address issues across ten buildings over the next decade, with BCIS, HYW, and Centerville expected to be the biggest drivers of costs. The School Committee and district administration have presented a working plan to consolidate Grade K-3 schools Barnstable Community Innovation School (BCIS) and Hyannis West Elementary (HYW) into a new building, site to be determined. While this project is still nascent, there are a number of questions CFAC would like Town Council to consider.

First, there is a striking difference between repair costs (\$22M) and new school costs, even with Massachusetts School Building Authority (MSBA) funding (\$43.6M). Can repairs accomplish the same goals as a new build? Would consolidation be possible if one school were upgraded to the extent it could hold the combined student bodies?

Second, the argument that a new building will help BPS compete with neighboring districts requires attention. Costs of school choice are high, but attrition rates are highest after 5th (19%) and 8th (25.5%) grades. Is investment in elementary schools going to succeed in retaining students?

Third, should Town Council agree that a new school is in the best interest of the community, will the community be willing to stomach the project? This is not just a consideration of spending, with an expected increase in household taxes to average \$105 a year resulting from a debt override, but also the expected fractious debates around the placement of a new school building and repurposing of old school grounds in the most densely developed area of town. Coupled with CWMP, there are potentially two Proposition 2 ½ (Prop 2 ½) overrides on the docket in the next five years, and it is clear to CFAC that the Schools and Public Works need to strategize a game plan to best respect the interests of our community.

Whatever the answers to those questions, CFAC suggests providing resources to the BPS to help undertake their significant capital needs. While the Superintendent and Facilities Director have done a commendable job in recognizing needs and laying out a path forward, we have seen three facilities directors in five years. This turnover reflects broader challenges within the BPS facilities department, which appears to be understaffed relative to the scope of maintenance projects outlined in the CIP. Given the scale of investment required, CFAC is concerned the current structure may not provide the long-term stability needed to effectively manage and implement these projects. To that end, CFAC encourages the exploration of a more structured and sustainable approach—potentially through creating a dedicated Town entity responsible for overseeing both school and municipal facilities. A coordinated effort could not only ensure continuity in leadership but also drive efficiency in project execution, ultimately maximizing the impact of the Town's capital investments. We look forward to further discussions on

how best to support this effort in the interest of both fiscal responsibility and the long-term health of our public facilities.

The purpose of this CFAC report is to provide the Town Manager and Town Council with an independent review of capital funding needs and project priorities, and to comment on the process for prioritizing those needs. Our objectives are to:

- strengthen the planning process and differentiate capital needs and expenditures from government operating needs and expenses;
- maintain strong credit ratings and control tax rates;
- identify the most economical means of financing projects;
- focus the Community on strategic capital objectives and the Town's fiscal ability to meet those objectives;
- further public understanding and increase transparency of the process by which tax dollars are spent on capital projects; and,
- encourage careful project management and long-term planning, design and execution.

In addition, CFAC notes that:

- Tourism contributes approximately 40% of the dollars that comprise the Cape Cod economy, a percentage similar to that of the Town of Barnstable. By updating the infrastructure for drinking water, sewers and roads and by keeping our beaches pristine, the Town should continue to attract substantial tourism revenues.
- Short-term rental and other zoning regulations currently being examined and evaluated will have important implications for the Town's funding of future projects.
- The Town needs to augment its ongoing contributions to the Capital Trust Fund, particularly for long-term projects such as Comprehensive Wastewater Management and private roads. CFAC supports the Town's continuing efforts to increase the Capital Trust Fund.

CFAC-CIP Subcommittee wishes to thank Mark Milne, Town Finance Director and Gareth Markwell, Assistant Finance Director, for their advice and guidance in preparing this report.