



FISCAL YEAR 2026 PROPOSED CAPITAL BUDGET AND FY 2026 — FY 2030 CAPITAL IMPROVEMENT PLAN

Town of Barnstable
April 3, 2025

TOPICS TO COVER

1. Why Capital Planning is Important
2. Capital Planning Policies
3. Capital Program Funding Sources
4. Contents of FY 2026 Capital Budget and FY 2026 – FY 2030 Plan Document
5. CFAC Report on Review of Plan

PURPOSE OF A CAPITAL BUDGET & PLAN

Help establish priorities and assists with alignment to other plans

Decisions do not repeat every year

- Consequences of an error can be much higher and large fluctuations obscure the operating budget

Large expenditures require more scrutiny

- What's the impact on future growth of the community, future operating budgets and service levels?

Many items are financed with debt issuances

- Locks up future operating dollars decreasing budget flexibility and binds future governing boards

CAPITAL PLANNING POLICIES

§6-5 of Charter requires annual 5-year plan

- Must be submitted at least 30 days prior to operating budget
- Must be acted upon before the first day of the last month of the current fiscal year (by May 31st)

§401-37 of Town Manager Regulations require a Task Force to evaluate projects

Projects < \$50,000 will be considered as part of the operating budget

Projects => \$250,000 can be debt financed

TYPES OF FUNDING SOURCES

Targeted Grants

Cash Reserves

General Obligation Bonds

Loans From the State Revolving Fund

Community Preservation Program

MA School Building Authority

Chapter 90 Program

TARGETED GRANTS

Federal and State grant programs – most are competitive

Examples:

- Office of Coastal Zone Management for coastal resiliency projects
- Executive Office of Economic Development for dredging and Great Streets Downtown Hyannis Plan
- Executive Office of Housing & Livable Communities for Housing Works Infrastructure Program
- MA Seaport Economic Council for Bismore Park bulkhead

Airport Improvement Program is the only entitlement we currently receive

Subsidies from Cape Cod & Islands Water Protection Fund & Mass Clean Water Trust

CASH RESERVES

General Fund Free Cash and Enterprise Fund Undesignated Retained Earnings

Sewer Construction & Private Way Improvement Fund

- Credited with 100% of local meals tax and 33% of local rooms tax on traditional lodging

Comprehensive Water Management Stabilization Fund

- Credited with 100% of local rooms tax on short-term rentals

Water Supply Stabilization Fund

- Credited with payments received under Vineyard Wind HCA

Capital Trust Stabilization Fund

- General fund resources dedicated to the capital program

GENERAL OBLIGATION BONDS

- These are loans to fund major capital expenses
- Can be competitively bid or negotiated
- Projects are pooled and usually issued once a year
- Interest rates influenced by market conditions at time of issuance
- Secured by the full faith and credit of the town
- MGL CH44 §§ 7 and 8 identify purposes for which they can be issued
- Amortization periods range from 5 years to 30 years
- Annual loan payments are included in future operating budgets

STATE REVOLVING FUND

- Managed by the Massachusetts Clean Water Trust
- Federal and State funds provide capitalization for the Trust
- Department of Environmental Protection (DEP) manages project development and oversight; Trust manages flow of funds to borrowers
- Project must be listed on DEP's Intended Use Plan to be financed through the Trust and eligible for principal subsidies
- Provides 0% interim loans to fund project costs until permanent financing is conducted by the Trust
- Limit of \$50 million in financing per year per community for clean water and \$15 million per year for drinking water

COMMUNITY PRESERVATION FUND

**Funded with a 3%
surtax on all Real Estate
tax bills**

**Surtax goes into a
Special Revenue Fund**

**Funds are restricted for
Open Space/Recreation,
Historic Preservation
and Community
Housing Projects**

**Can issue General
Obligation Bonds to
finance projects and use
surtax to repay the
bonds**

**Surtax estimate for FY26
is \$4.5 million**

**State Trust Fund
provides some matching
funds on an annual
basis**

MA SCHOOL BUILDING AUTHORITY

- Dedicated revenue stream from a portion of the state's 6.25-percent sales tax
- No entitlements; competitive process
- Core Program – major renovations and new construction
- Accelerated Repair Program – for roofs, windows and boilers
 - Temporary pause in 2023; reopened in 2024; 2 BPS projects have been submitted for 2025
- Each district assigned a reimbursement rate
 - Base rate of 31% adjusted by 3 factors: 1) community income 2) community property wealth 3) Community poverty

CHAPTER 90 PROGRAM

- Dedicated funding source for capital improvements to local public ways
- Allocation based on road milage, population and employment
- Eligible project types include construction; equipment; consultant services and other
- Examples of large projects funded:
 - Sea St. Hyannis (\$5.9 million); Barnstable Village Streetscape (\$6.8 million); Marstons Mills Village Center (\$4 million)
- FY 2025 apportionment is \$1,980,780
 - FY 2025 Fair Share amendment apportionment is \$445,675
- Funds are not subject to appropriation – balance of \$5MM uncommitted

CIP DOCUMENT

PART I – PROJECT SUBMISSIONS

Fiscal Year	Enterprise Funds	General Fund	CWMP	Total
FY 26	\$ 10.1	\$ 65.2	\$ 66.1	\$ 141.4
FY 27	43.4	100.1	60.0	203.5
FY 28	55.3	66.4	47.9	169.6
FY 29	10.2	58.6	114.9	163.7
FY 30	6.9	21.7	43.5	72.1
Total	\$ 125.9	\$ 312.0	\$ 332.4	\$ 770.3

CIP DOCUMENT

PART II – REVIEW PROCESS

Departments prioritize their respective projects by importance to program operations

Taskforce meeting is held review submissions - Focus is mainly on projects requesting funding for the immediate fiscal year

Taskforce members score projects against 10 strategic priority areas focusing on requests for immediate fiscal year

Results are illustrated in table on pages 13-15 in order of highest to lowest

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PART III – STATUS OF EXISTING APPROPRIATIONS

General Fund

- 164 Active project appropriations totaling \$110 million
 - 20 projects completed with remaining funds of approximately \$780,000; remaining funds are directed towards proposed projects in FY 2026
 - 2 projects to be rescinded totaling \$4 million; these are borrowing authorizations that have yet to be borrowed

Airport Enterprise

- 19 Active project appropriations totaling \$39 million

Public Works Enterprise (Solid Waste, Sewer (including CWMP), Water)

- 83 Active project appropriations totaling \$356 million

Community Services Enterprise (HYCC and Golf)

- 10 Active projects totaling \$10 million

Marine & Environmental Affairs Enterprise (Marinas & Sandy Neck)

- 6 Active projects totaling \$7 million

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PART IV – ILLUSTRATIVE 5-YEAR FUNDING CAPACITY

General Fund – Capital Trust Fund Capacity

- Approximately \$15 million per year in new borrowing authorizations for FY26 to FY30
- \$7 - \$9 million per year in cash funded projects

Comprehensive Wastewater Management Plan

- Existing resources dedicated to program can cover costs of FY26 through FY30 projects (\$332 MM)
- General Fund contribution would need to grow to \$6.5 MM per year
- Town would need to qualify for 0% financing on SRF loans
- Sewer assessment cap would need to be raised to keep up with inflation

Enterprise Funds

- Will require rate increases of 5% to 8% per year to fully implement (solid waste, sewer, water)
- Other enterprise operations will require rate adjustments that allow for some or all financing of scheduled capital improvements; subject to remaining market competitive
- General Fund support will be required for HYCC

Debt Position Analysis – provides details of Town's outstanding obligations and limitations

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PART V – FY 2026 PROPOSED CAPITAL PROGRAM

# Projects	Category	Reserves	Borrowings	Other	Total
1	Airport	\$ 24,750	\$ 965,250		\$ 990,000
1	Golf		\$ 447,400		447,400
1	HYCC		1,820,000		1,820,000
1	Marinas	200,000			200,000
2	Water Supply	200,000	1,500,000		1,700,000
2	WPC Facility	165,000	3,300,000		3,465,000
14	General Fund Infrastructure	4,859,731	6,494,120	1,631,649	12,985,500
7	Municipal Facilities	622,418	1,822,681	138,977	2,584,076
1	Waterways			416,000	416,000
1	Water Quality	138,952		11,048	150,000
17	School Facilities & Infrastructure	852,700	9,908,100		10,760,800
7	Comp. Wastewater Mgt. Plan	4,475,000	61,600,000		66,075,000
55	Total	\$ 11,538,551	\$ 87,857,551	\$2,197,674	\$ 101,593,776

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PART V – POSSIBLE OUT-OF-CYCLE PROJECTS

Alternatively Funded Projects					
DEPT	PRIORITY	PROJECT TITLE	KIRKMAN	CPC	TOTAL
CSD	3	Centerville Recreation Field Improvements	-	588,000	\$ 588,000
CSD	4	Osterville Comfort Station	-	1,639,000	\$ 1,639,000
CSD	5	Revitalization of the John F. Kennedy Memorial	-	2,400,000	\$ 2,400,000
CSD	6	Town Recreation Field Improvements - Bay Lane Ball Field	-	760,000	\$ 760,000
CSD	10	Centerville Recreation Building Exterior Restoration	-	338,000	\$ 338,000
CSD	17	Marston's Mills Playground Project	-	684,000	\$ 684,000
DPW	7	Mosswood Cemetery Columbarium Project	295,500	-	\$ 295,500
DPW	9	Armory Building Improvements - Construction	-	3,100,000	\$ 3,100,000
TOTAL CPC MATCHED PROJECTS			295,500	9,509,000	\$ 9,804,500



FY26–FY30 Capital Improvement Plan (CIP) Report

Presented by the CFAC CIP Subcommittee
James Sproul -Chair • Chuck McKenzie •
Jeremy Shea

Presented to Town Council & Town Manager
April 3, 2025

Purpose of Today's Presentation

1

Overview of CFAC's
CIP Subcommittee
independent review of
the Town Manager's
CIP Recommendations

2

Focus areas: General
Fund, Schools, CWMP

3

Acknowledge
collaboration: CFAC
Subcommittee &
Town Staff



General Fund Highlights

- General Fund projects are essential to preserving and maintaining Town assets for residents, businesses, and visitors.
- Roads remain the largest category of General Fund and DPW submissions.
- Rising sea levels and coastal storms will require investment in docks, marinas, and waterfront infrastructure.
- Bridges will require rehabilitation and replacement.
- Aging water infrastructure (pipes and pump stations) need continuous upgrades.



Schools Capital Plan

- 91 project submissions (\$66.4M) | 17 recommended (\$10.6M)
- Focus areas: Safety & accessibility, HVAC, technology, arts & athletics
- Key Projects: BHS PAC upgrades, BIS HVAC and gym, BUE moisture mitigation
- Long-term view: K–3 school consolidation being explored

CWMP Overview

- FY26: \$66M | FY26–30: \$332M
- Goals: nitrogen reduction, water quality protection, sewer expansion
- Funding: SRF loans/grants, Water Protection Fund, taxes, user fees
- Debt service rising to \$10.9M by FY30 – continuous review and advocacy required



Key Takeaways

- Demonstrate prudent fiscal management and strategic planning
- 10 Year History - need to track submitted appropriations vs. funded appropriations
- General Fund projects protect critical Town infrastructure
- Schools CIP planning efforts addresses immediate and long-term facility needs
- CWMP is central to environmental and public health priorities



Key Takeaways

- Schools & Repair vs. New Construction: A \$22M repair estimate vs. a \$43.6M new build raises questions about cost-effectiveness and the feasibility of upgrading one school to support consolidation.
- Enrollment & Retention Impact: While a new school may enhance competitiveness with neighboring districts, attrition rates after grades 5 and 8 suggest the impact of elementary investment on retention is unclear.



Key Takeaways

- Community Readiness & Fiscal Strain: A potential debt override and debates over school placement may challenge public support, especially alongside CWMP obligations and Prop 2½ constraints.
- Call for Structural Reform: CFAC recommends supporting BPS with long-term capital planning resources and exploring a dedicated facilities entity to oversee both school and municipal infrastructure.