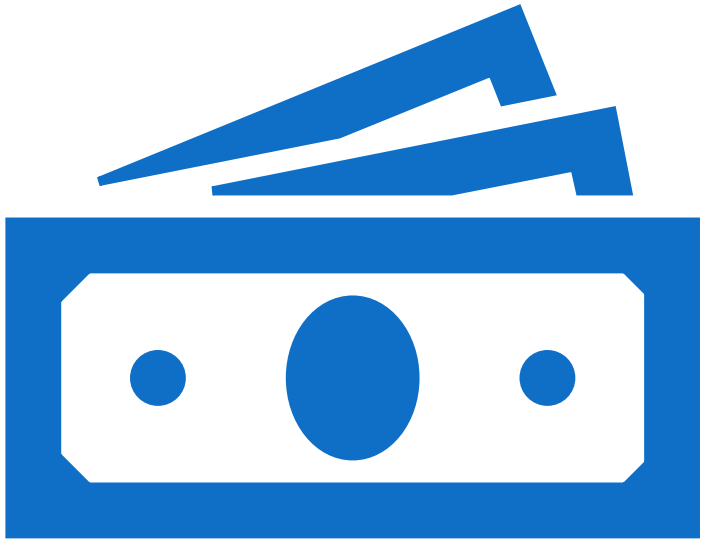
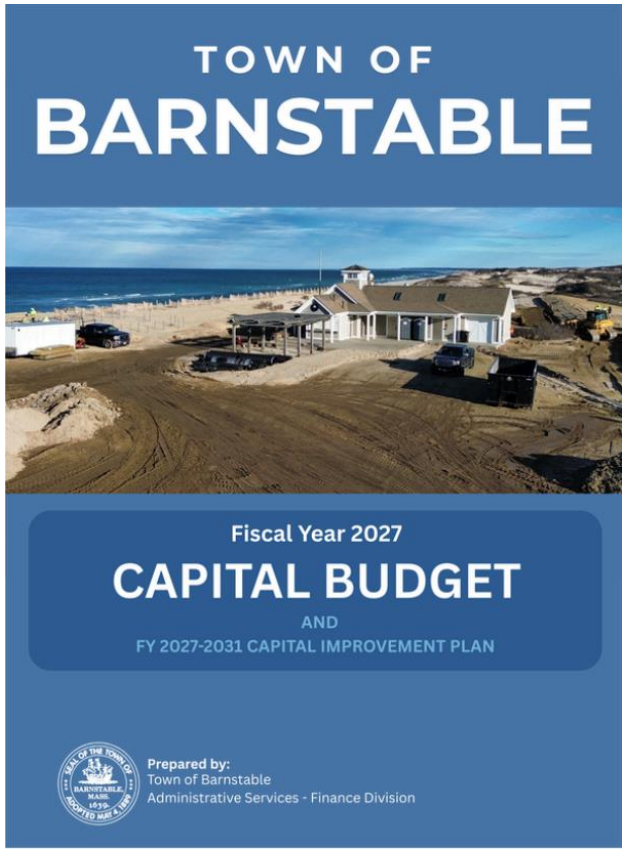
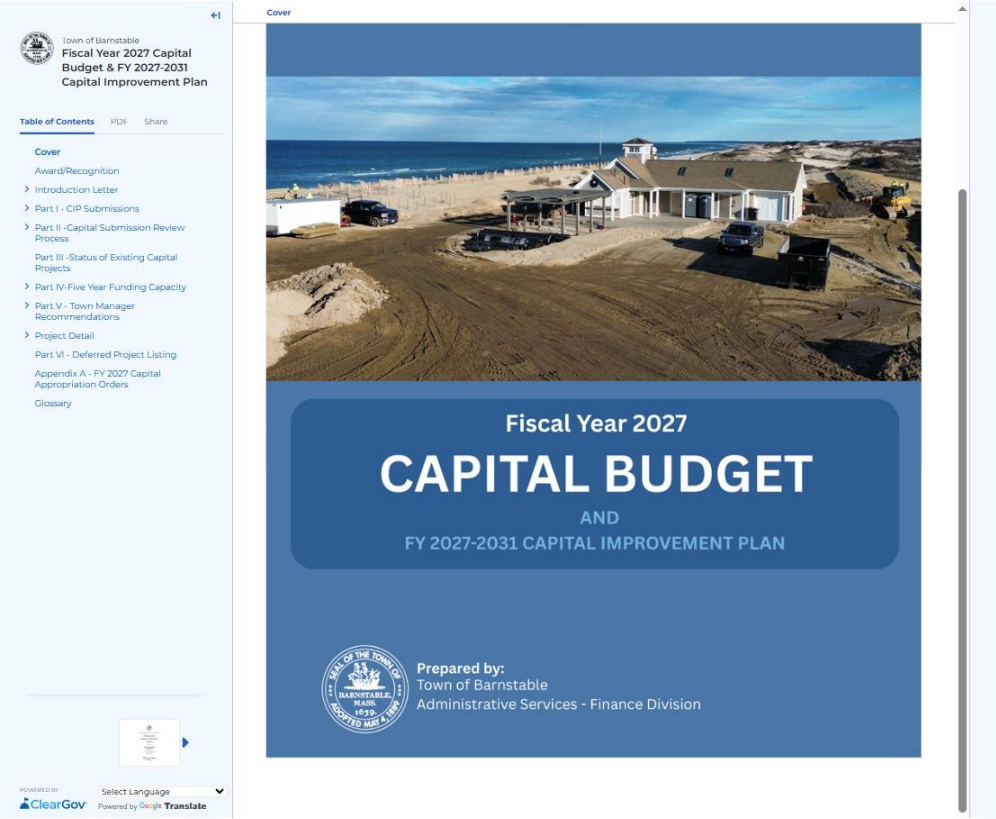


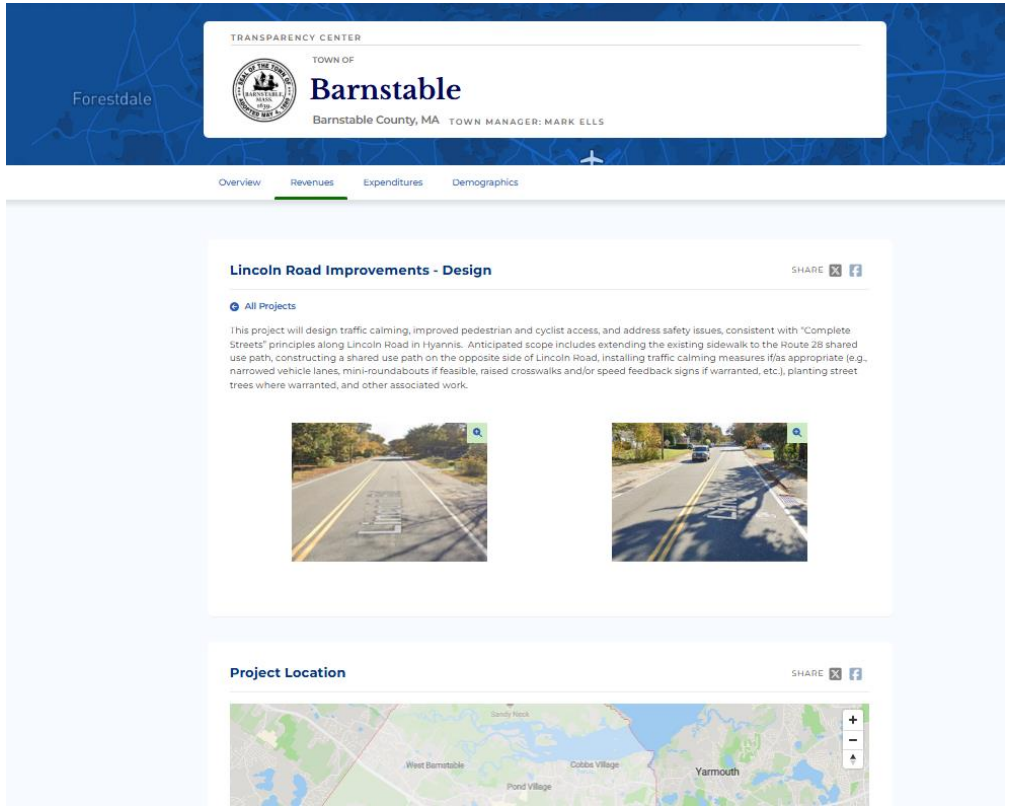


FISCAL YEAR 2027 PROPOSED CAPITAL BUDGET AND FY 2027 – FY 2031 CAPITAL IMPROVEMENT PLAN

Town of Barnstable
March 12, 2026

CHANGES FOR FY2027





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 MA Clean Water Trust

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
- 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

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 vacation 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 bond rating and 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

MA CLEAN WATER TRUST LOANS

"Trust" manages 2 Revolving Loan Funds – Water and Sewer

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 eligible for principal subsidies and financing through the Trust

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 FY27 is $4.6 million

State Trust Fund provides some matching funds on an annual basis

MA SCHOOL BUILDING AUTHORITY

Dedicated revenue stream of one penny 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 accepted into the program

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

FY 2026 apportionment is $3,151,367

- Supplemental apportionment of $864,676 received in FY26 as well

Funds are not subject to appropriation

PART I – PROJECT SUBMISSIONS

Fiscal Year	Enterprise Funds	General Fund	CWMP	Total
FY 27	$ 19.9	$ 109.9	$ 50.6	$ 180.4
FY 28	89.9	70.4	71.7	232.0
FY 29	20.2	97.5	82.2	199.9
FY 30	13.6	33.4	65.7	112.7
FY 31	6.7	33.0	65.0	104.7
Total	$ 150.3	$ 344.2	$ 335.2	$ 829.7

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 rank projects against 10 strategic priority areas focusing on requests for immediate fiscal year

Results are illustrated in Part II of the document

PART III – STATUS OF EXISTING APPROPRIATIONS

General Fund

- 181 Active project appropriations totaling $112 million
  - 7 projects completed or repurposed with remaining funds of $1,632,054; remaining funds are directed towards proposed projects in FY 2027

Airport Enterprise

- 19 Active project appropriations totaling $41 million

DPW Enterprise (Solid Waste, Sewer (including CWMP), Water)

- 84 Active project appropriations totaling $436 million

Community Services Enterprise (HYCC and Golf)

- 11 Active projects totaling $12 million

Marine & Environmental Affairs Enterprise (Marinas & Sandy Neck)

- 6 Active projects totaling $7.6 million

PART IV – ILLUSTRATIVE 5-YEAR FUNDING CAPACITY

General Fund – Capital Trust Fund Capacity

- Approximately $15 million per year in new borrowing authorizations
- $8 - $9 million per year in cash funded projects

Comprehensive Wastewater Management Plan

- Existing resources dedicated to program insufficient to cover projects beyond FY27
- Town would need to qualify for 0% financing on SRF loans
- Sewer assessments 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

PART V – FY 2027 PROPOSED CAPITAL PROGRAM

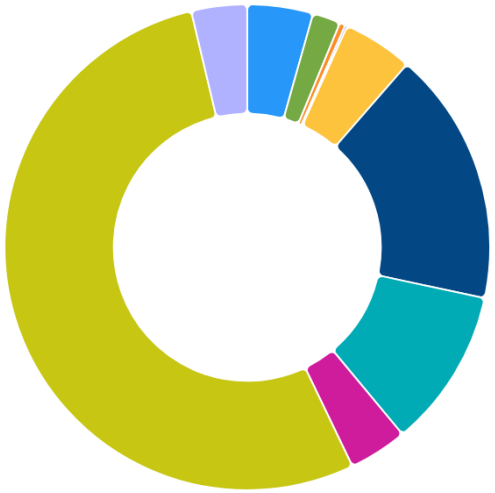
# Projects	Category	Reserves	Bonds	Grants & Other	Total
17	Airport	$ 1,353,625		$ 3,303,375	$ 4,657,000
2	Golf	398,500			398,500
2	HYCC	147,300	561,500		708,800
1	Marinas	191,000		379,000	570,000
1	Sandy Neck	72,000			72,000
4	Water Supply	450,000	3,500,000		3,950,000
5	WPC Facility	250,000	5,925,000		6,175,000
12	General Fund Infrastructure	4,265,000	1,528,000	4,465,000	10,258,000
6	Municipal Facilities		1,953,500	18,908,400	20,861,900
1	Waterways		3,775,000		3,775,000
1	Water Quality	155,000			155,000
8	School Facilities & Infrastructure	2,510,946		1,632,054	4,143,000
5	Comp. Wastewater Mgt. Plan	4,350,000	46,300,000		50,650,000
65	Total	$ 14,143,371	$ 63,543,000	$ 28,687,829	$ 106,374,200

PART V – FY2027 PROPOSED CAPITAL PROGRAM

FY27 Total Funding Requested by Source

Capital Trust Fund Reserves	$7,300,000	6.86%
Chapter 90. Aid	$4,435,000	4.17%
Community Preservation Act Fund	$338,000	0.32%
Debt	$7,818,000	7.35%
Enterprise Debt	$55,725,000	52.39%
Enterprise Reserves	$2,715,125	2.55%
Reserves	$4,128,246	3.88%
Special Revenue	$22,252,775	20.92%
Transfers	$1,632,054	1.53%
Transportation Network Receipts	$30,000	0.03%
Unknown	$0	0.00%

Budgeted Capital Costs By Department (FY2027)



AIRPORT (4%)	$4,657,000.00
COMMUNITY SERVICES DEPARTMENT (2%)	$1,983,800.00
GOLF (0%)	$398,500.00
INFORMATION TECHNOLOGY (0%)	$150,000.00
MARINE & ENVIRONMENTAL AFFAIRS (5%)	$4,962,000.00
POLICE DEPARTMENT (17%)	$18,016,400.00
PUBLIC WORKS DEPARTMENT (11%)	$11,288,500.00
SCHOOL DEPARTMENT (4%)	$4,143,000.00
WATER POLLUTION CONTROL (53%)	$56,825,000.00
WATER SUPPLY (4%)	$3,950,000.00
TOTAL	**$106,374,200.00**

PART VI –FUTURE YEARS

Limited Fiscal Capacity in the Near Term:
Debt affordability targets, levy limitations, competing capital priorities, and operating budget pressures require the Town to phase out investments over multiple years. Even high-priority needs may be sequenced to preserve financial stability.

Project Readiness:
Some projects require additional feasibility analysis, design development, cost refinement, permitting, land acquisition, or policy direction before they are ready for appropriation.

Strategic Phasing and Coordination:
Capital investments are often sequenced to align with related infrastructure work, grant cycles, or regional/state initiatives.

Operational Planning Considerations:
Projects may carry operating, staffing, or maintenance impacts that require advance planning within the Town's long-term financial forecast.

NEXT STEPS

March 26th Town Council Public Hearing

April 16th Town Council Public Hearing

May 28th Last Town Council meeting to adopt the proposed Capital Budget (Must be adopted by June 1st)

Questions