



# The Town of Barnstable

Comprehensive Financial Advisory Committee (CFAC)  
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## CFAC Committee:

### Chair:

John Schoenherr

### Members:

Robert Ciolek  
Cynthia Crossman  
Ralph Krau  
Gregory Plunkett  
Lillian Woo  
Joseph Mladinich  
Allen Fullerton  
Vacant

### Staff Liaison:

Mark Milne  
Nathan Empey

### Councilor Liaison:

John T. Norman

## MEETING MINUTES

11.27.17

6:00 PM

### Growth Management Conference Room

## Roll Call:

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- CFAC Members Present: Gregory Plunkett, Joseph Mladinich, Lillian Woo, John Schoenherr, Robert Ciolek, Ralph Krau, and Allen Fullerton
- CFAC Members Absent: Cynthia Crossman
- Councilors Present: None
- Staff Present: Mark Milne, Finance Director, Nathan Empey, Budget Analyst
- Other Present: None

## Call to Order:

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John Schoenherr called the CFAC meeting to order at 6:00 PM in the Growth Management Conference Room of Town Hall.

## Act on Minutes:

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The following minutes were approved by unanimous vote:

Minutes 11.13.17

## New Business:

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Mark M. reviewed the Fiscal Year 2018 Tax Bill Classification & Exemption with the committee. Mark M. noted this presentation is given to Town Council every year, which Council votes on a Minimum Residential Factor (MRF) of 1 policy or something else. The presentation provides an analysis of the MRF up to the maximum allowed shift of 1.75 from residential to commercial, industrial and personal property (CIP) classes. Mark M. noted a 1.5 shift factor would increase commercial taxes by \$7 for every \$1 saved by residential taxpayers. Mark M. noted Barnstable's property valuation is mostly residential, and that CIP portion is a small percentage of the tax base. The Town is expected to raise \$118 million in tax levy this fiscal year. Barnstable's current policy is a 20% residential tax exemption, from this, a median property value of \$328,000 would save \$600 in taxes due to this policy. Fifteen communities in Massachusetts have adopted the residential exemption. Mark M. noted there are 27,000 parcels in Barnstable, which 12,065 of those parcels qualify for the residential exemption as primary homeowners. The split between primary and secondary residents is 47% and 53% respectively. Mark M. noted Cambridge has one of the highest residential exemptions polices in Massachusetts. Mark M. noted it is mandatory for Town Council to vote on the Minimum Residential Factor. Slide 9 of the presentation provides examples of the different residential exemption rates. A residential exemption of 20% equates to an exemption value of \$93,227 or a total of \$1.1 billion in residential exemption value for Barnstable that is not subject to tax. Because of the residential exemption value, it causes the tax rate to go up from \$8.71 to \$9.61. Mark M. noted the breakeven point where a primary homeowner receives no benefit from the residential exemption is an assessed value of \$996,000. Slide 12 shows that a property value of \$996,000 would receive the same tax bill under both tax rates. Mark M. noted about 400 primary homeowners would be negatively affected by the residential exemption policy. This policy is designed to help property owners with lower property values save on taxes. Mark M. noted he does not anticipate any change in policy from Town Council. The Town of Barnstable residential exemption policy has been in existence for 11 years.

## Old Business:

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John S. reviewed the filtered data for tax-exempt properties, it was noted the data excludes items such as government entities, Barnstable Land Trust, and Barnstable Housing Authority. After excluding these items the data now only includes 287 parcels from the original 1,700 parcels. Mark M. noted this data has been classified into major categories. Bob C. commented the hospital represents almost 39% of the entire assessed value of tax-exempt properties. Lillian W. asked is the Cape Cod Community College removed from the list? Mark M. responded yes. John S. mentioned should we reduce this data down to top 20 or 25 parcels? Joseph M. noted the Sturgis Charter School should be removed from the list. Mark M. noted it would be difficult to get money from Sturgis Charter School. The Sturgis Charter School could argue they are saving the town money by taking students from Barnstable school system. Gregory P. asked how many students attend the Charter school? Mark M. noted about 230 students. Bob C. noted you cannot make them pay into the PILOT program, and that the hospital files every year to the state on the community benefits they provide. Bob C. also noted who has facts to the contrary on the community benefits these non-for-profits provide.

Bob C. noted that Boston simply sends a tax bill to non-for-profits on what they think the organizations should pay based on 25% of taxable value.

John S. suggested that fees could be charged for services, for example, colleges could be charged for police and ambulance services.

Joseph M. suggested we could provide an information report with comparisons on non-for-profit services.

Bob C. asked the committee what initiated discussing the PILOT program? What promoted Town Council a few months ago to look into this? Ralph K. noted the fire department had to buy a new fire truck to accommodate the hospitals height, but they received no outside funding for it. Ralph K. also noted councilors in Hyannis have been concerned with the growing non-for-profits, and that Homeless Not Helpless wants to buy 50 properties to accommodate the 500 homeless. Ralph K. noted Hyannis has all the amenities for the non-for-profits such as, bus transportation, sewers, and other services.

Bob C. noted we should do nothing unless Town Council wants us to pursue this. Ralph K. noted we could still provide a report. Joseph M. noted this report could provide the top 10 with the services they provide. Ralph K. noted we could question the non-for-profits community benefits. John S. noted he would rather the committee not put a lot of resources into this project without Town Council requesting us to pursue this. John S. noted we could provide a filtered list to Town Council and see if they want us to dig deeper. Bob C. noted we could provide an informative letter with the filtered list. Joseph M. suggested summarize the data into a table. Mark M. asked if the committee wanted to provide a community comparison to provide some context, and that Barnstable could be normal for non-for-profit inhabitants. Lillian W. noted we could create a short report for Town Council that includes options for fees or taxes. John S. noted he would draft a letter to be circulated amongst the committee.

Matters not reasonably anticipated by the chair:

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None

Discussion of topics for the next meeting:

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Review the next year's committee Meeting Schedule and invite the assessing division's director to a meeting.

Adjournment:

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CFAC's next meeting will be Monday December 11, 2017 at 6:00pm.

List of documents handed out

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1. 11.13.17 Minutes
2. Fiscal Year 2018 Tax Bill Classification & Exemptions
3. Tax Exempt Properties Filtered Data