



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:

Paula Schnepf

MEETING MINUTES

12.11.17

6:00 PM

Growth Management Conference Room

Roll Call:

- CFAC Members Present: Gregory Plunkett, Cynthia Crossman, Lillian Woo, John Schoenherr, Robert Ciolek, Ralph Krau, and Allen Fullerton
- CFAC Members Absent: Joseph Mladinich
- Councilors Present: Paula Schnepf, Precinct 12
- Staff Present: Mark Milne, Finance Director, Nathan Empey, Budget Analyst, Edward O'Neil Director of Assessing
- Other Present: None

Call to Order:

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

Act on Minutes:

The following minutes were approved by unanimous vote:

Minutes 11.27.17

New Business:

John S. introduced Paula Schnepf the new Town Council liaison to CFAC.

CFAC approved the 2018 meeting schedule.

Old Business:

Mark M. introduced the Director of Assessing, Edward O'Neil. Edward has 25 years of experience as an assessor and previously worked for the City of Medford before Barnstable.

Mark M. also noted Town Council voted last week for a Factor of 1 as well as approved the 20% Residential Exemption policy.

Edward O. noted property values are all set, and that the assessing department is in the process of organizing the tax files to be sent to the billing company.

Mark M. noted CFAC is in the middle of reviewing the list of tax-exempt properties. Edward O. responded that the assessing department tracks these properties, and that charitable organizations are required to file with the Attorney General's Office. Edward O. also noted we are seeing non-for-profits buying up properties. The City of Boston non-for-profits have large endowments. This is happening everywhere with tax-exempt properties expanding. Edward O. noted the fire districts are very concerned with the expansion of non-for-profits. Edward O. noted it was commented by the Hyannis fire district that 10% of all its activity is hospital related.

John S. noted CFAC had conducted a study and created a report in 2007 on a Pay-in-Lieu-of-Taxes (PILOT) program. This involved talking with non-for-profits in the area. CFAC has refreshed itself on this report looking at current tax-exempt properties, and has decided to send a letter to Town Council with a filtered list of 287 parcels. John S. also noted the hospital is roughly 40% of the total assessed value of tax-exempt properties. CFAC would further the study if requested by Town Council.

Bob C. asked what is the Town doing to divest itself of properties in arrears? Mark M. responded it is the Treasurer's responsibility, and that we have been categorizing the list of properties. Some 50 properties have already come in to completely payoff owed taxes. Mark M. noted the Town could sell delinquent properties to a third party at a 100% of value; however, the Town does not want to make people homeless. The Town would help find resources for elderly homeowners, and avoid penalizing tenants of secondary homeowners. Bob C. asked what about taxes owed on unbuildable parcels? Mark M. responded the Town would either auction those properties or talk with abutters to see if they are interested in purchasing.

Bob C. asked the longer a non-for-profit keeps its status over three years would they have true taxable operations? For example, maybe the hospital or Cape Cod Community College has pieces of operations that are taxable. Edward O. responded that some non-for-profits lease out properties, and that assessing tracks it through building permits. Hospitals are known for buying properties for staff. Edward O. noted the assessing department matches up filings with the Attorney General's Office and does local research to determine tax status. The Town also has inspectors who review the properties use. Ralph K. asked does the assessing department have enough staff? Edward O. responded we are evolving.

John S. Do we know the rate that non-for-profits are expanding in Barnstable? Edward O. responded we do track this data through a series of checks and balances. Much of the historical data is in pdf form.

Bob C. asked what if the non-for-profits haven't filed to the Attorney General in 5 years, why not send them a tax bill? Mark M. responded if they do not file, we could send them a warning stating they would become a

taxable entity. By sending them a tax bill first, the Town could be stuck paying refunds to tax-exempt properties.

Mark M. asked did tax-exempt properties issue come up because of the fire districts? Is there anything preventing the fire districts from implementing a PILOT program on their own? Ralph K. noted they could sponsor legislation on Beacon Hill. There are currently two bills. Mark M. responded but it still has to be voluntary.

Ralph K. commented that the Hyannis fire district experiences 6,000 runs, and that very few are fire related. Bob C. noted ambulance runs are reimbursed through insurance, and that the cost is paid for the run only. People who have no insurance would be a write off for the fire district, so it becomes a piece of a piece.

John S. opened discussion on the drafted Town Council letter. Bob C. commented the wording “study” should be changed to review. Bob C. also suggested the letter should include percentages. Ralph K. suggested instead of sending it to the whole Council, send it just to the Council president and Town Manager. Ralph K. also suggested providing a list of top-5 tax-exempt properties within the letter. Cynthia C. suggested changing to the wording “consider anew some”.

Matters not reasonably anticipated by the chair:

None

Discussion of topics for the next meeting:

Mark M. will provide an update on the Capital Improvements Plan workshop being conducted on Thursday.

Adjournment:

CFAC’s next meeting with be Monday January 8, 2018 at 6:00pm.

List of documents handed out

1. 11.27.17 Minutes
2. CFAC Drafted Meeting Schedule
3. CFAC Drafted Letter to Town Council
4. Tax Exempt Properties Filtered Data