



The Town of Barnstable

Comprehensive Financial Advisory Committee (CFAC)
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CFAC Committee:

Chair:

John Schoenherr

Members:

Robert Ciolek
Ralph Krau
Lillian Woo
Joseph Mladinich
Allen Fullerton
Hector Guenther

Staff Liaison:

Mark Milne
Nathan Empey

Councilor Liaison:

Paula Schnepf

MEETING MINUTES

10.22.18

6:00 PM

Planning & Development Conference Room

Roll Call:

- CFAC Members Present: John Schoenherr, Hector Guenther, Allen Fullerton, Lillian Woo, Ralph Krau, Robert Ciolek, and Joseph Mladinich
- CFAC Members Absent: None
- Councilors Present: Paula Schnepf
- Staff Present: Mark Milne, Director of Finance, Nathan Empey, Budget Analyst
- 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:

10.09.18

Old Business:

John S. noted that Lillian Woo would represent CFAC at the Capital Improvements Plan Workshop on December 6th.

New Business:

The committee reviewed its annual report. Ralph K. suggested the annual report should include workload indicators such as, total number of scheduled meeting hours. John S. suggested we could track this and include it in next year's annual report.

Mark M. suggested CFAC should drop the mission statement from the annual report. Hector G. thought the mission statement was a good explanation on what CFAC does. Ralph K. suggested we should leave the mission statement.

Edward O'Neil, Town Assessor reviewed with the committee town wide changes to residential and commercial properties. Edward O. noted there have been 3 to 4 properties converted to tax-exempt properties, but some properties are also converting to taxable. Bob C. asked how do owners react when their property becomes taxable, and can they take legal steps? Edward O. responded they could take legal steps.

Edward O. noted Cape Cod Savings Bank new construction project would be partially taxable on June 30th. There are also several new properties coming onto the taxable properties list. Mark M. and Edward O. noted the new property growth exceed budget in FY19. Joseph M. asked how is new growth calculated? Edward O. responded parcel by parcel, any new additions to properties. New growth was \$1.3 million last year and projected to be \$1.2 million this year.

Edward O. noted residential properties valuations for single-family homes are expected to appreciate 5% this year. The assessing department is in the process of evaluating commercial properties, and the income/expense report requests have been issued. Joseph M. what is the process to evaluate properties? Edward O. responded we use various appraisal software and regional data. Bob C. asked how responsive commercial property owners are when requesting income/expense reports? Edward O. responded about a 54% response rate. Mark M. commented assessing needs these forms to accurately value these commercial properties. Edward O. noted we can't force them to provide this information. Edward O. noted these reports had not been sent out for 2 years. Bob C. asked will properties owners that use AIRBNB have to fill out these forms? Edward O. responded not yet. Bob C. asked does assessing track these short-term rentals? Mark M. responded there is a rental registration with the Health Department, but not AIRBNB. Edward O. noted Governor Baker is amending the bill to exempt properties renting less than 14 days. John S. noted AIRBNB might have to report this income to the Internal Revenue Service. Paula S. responded maybe the 1099 form for collections by AIRBNB. Mark M. responded this could be confidential information. Ralph K. asked are we limited to the \$250 fine for commercial properties not filing an income/expense report with assessing? Mark M. responded that is a maximum fee based on state law. The state had changed the fee from \$50 to \$250.

Mark M. asked how do we check that properties are performing activities, which qualify them to be tax exempt? Edward O. responded we send out forms that are received between January and March, we also review filings with the Attorney General Office. Edward O. noted changes could include taxing partial parcel values, which we check every year by looking at building permits, board of health filings through rental registry program, and that neighbors do call-in.

Lillian W. asked are tax exempt properties revalued? Edward O. responded yes, but valuations have moved from every 3 years to 5 years. Edward O. noted that properties have to be inspected every 10 years.

Properties valuations have increased by 1% in FY17, 3.2% in FY18, and 5% in FY19. Mark M. commented that Barnstable's property value is distributed 88% residential and 12% commercial.

Ralph K. asked how do we handle the Cape Cod Wind Turbines? Mark M. responded we could tax the cables and transformers. Mark M. noted with the Cape Cod Savings Bank, Cape Plaza, and Turbines, we are seeing solid new growth in the next few years.

Paula S. asked do changes to zoning regulations have an immediate impact to taxable properties? Edward O. responded mostly over time, and that we assess based on use, it takes time for properties to change use.

Edward O. noted that foreclosures have totaled 111 properties over the last 4 years with 65 properties in 2017, and 1 property in 2018. Bob C. asked is there a trend and why is it going up? Edward O. responded he wasn't sure, but it would be interesting to see if it is clustered. John S. noted it could be more than economic reasons for the foreclosures.

Ralph K. asked what legislations do we need to get more revenue from the parking lots? Edward O. responded a study was conducted in Boston that wasn't well received, and that we could look into licensing to track these parcels. Mark M. responded that the licenses do include number of parking spots being rented.

John S. asked how do you measure how well your department is doing? Edward O. responded we measure performance by the level of accuracy, discovery of new growth, maintaining compliance with the Department of Revenue, constantly evolving, implementing a succession plan, and catching up with commercial property values. Mark M. responded the number of abatement applications could also measure performance.

Matters not reasonably anticipated by the chair:

None

Discussion of topics for the next meeting:

Meet with the airport manager and discuss their operations.

Adjournment:

CFAC's next meeting will be Tuesday November 13, 2018 at 6:00pm.

List of documents handed out

1. 10.09.18 minutes