



The Town of Barnstable
Comprehensive Financial Advisory Committee (CFAC)
367 Main Street, Village of Hyannis, MA 02601
v. 508.862.4654 • f. 508.862.4717
www.town.barnstable.ma.us
Email: cfac@town.barnstable.ma.us

CFAC Committee:

Chair:

Chris Lauzon

Members:

Vice Chair, Jim Sproul
Clerk, Jeremy Shea
Chris King
Rimas Puskorius
Frank Ward
Lillian Woo

Staff Liaison:

Mark Milne

Councilor Liaison:

Betty Ludtke

MEETING MINUTES

Comprehensive Financial Advisory Committee

12.15.2025

6:00 PM

Join Zoom Meeting: <https://townofbarnstable-us.zoom.us/j/89983533368>

PHONE: 877-853-5257

Meeting ID: 899 8353 3368

Roll Call:

Vice Chair Jim Sproul called the CFAC Zoom meeting to order at 6:00pm

- CFAC Members Present: Chris K., Frank Ward, Jim Sproul, Lillian Woo, Rimas Puskorius, and Jeremy Shea
- Roll call and quorum verified by Jeremy Shea
- CFAC Members Absent: Chris Lauzon
- Councilors Present: Betty Ludtke
- Staff Present: Finance Director-Mark Milne
- Others Present: None
- Public Comment: None

Motion to approve the minutes of December 1, 2025, made by Lillian, seconded by Chris K.

Discussion: Minor editing changes

Roll call vote by Jeremy: Chris K.-yes, Frank-yes, Jim-yes, Lillian-yes, Rimas-yes, and Jeremy-yes

Minutes approved as amended

Tax Rate Setting Hearing from 12//8/25 Town Council (TC) Meeting

Update provided by Mark Milne

- The presentation was provided to members, and is attached to these minutes
- Highlights of the presentation included:
 - * TC voted to keep a factor of 1, meaning the residential rate and the commercial industrial personal and property tax rate will remain the same despite conversing about a shift.
 - * Discussion about shifting the tax levy to equalize the higher levy increase to residential classes as opposed to the CIP values; this discussion also took place last year and could be a tool to be implemented to minimize the shift. CIP values are increasing but at a different rate
 - * Also raised in conversation was the idea of adopting a small commercial exemption; this has not been done and was last reviewed in 2006, a full presentation on this will come before TC in 2026. Small commercial exemption affects businesses with less than 10 employees and a property value assessment at or less than \$1m and would be 10% or \$100k off their assessed value. It only impacts commercial and industrial property tax classes.
 - * State law states that any year-round rental is classified as residential.
 - * Special legislation is required if a community seeks to exceed the 1.5 shift; that would shift @\$8m of the property tax levy from the residential class to the commercial, industrial and personal property classes, and that is the maximum that could be shifted.
 - * The residential exemption has now gone from 25% to 30% and those properties that qualify will see that reduction reflected in the next tax bill
 - * Split tax rate discussed
 - * There is no excess taxing capacity within our maximum allowable levy currently
 - * Pros and cons of privatizing the Enterprise Fund programs were briefly discussed; all but one (1) Enterprise programs are self-supporting requiring no General Fund support, that one (1) exception is HYCC.
- Inspectional service fee increases discussed; those rates have not changed in close to 20 years, these fee increases will allow for additional inspectional staffing which will then increase the level of service ensuring annual inspections of rental properties as well as responding to complaints. Service fees will eliminate the subsidy and increase the level of service. The proposed ordinance would also be reviewed by CFAC members.
- Also discussed was the Affordable Housing Property Tax Exemption for year-round rentals; encouraging property owners to keep the availability of year-round rentals; staff will be working on a draft for consideration by TC to vote to implement an ordinance to provide financial relief. This program would have qualifying criteria and similar to the current tax work off programs providing some financial relief. Earliest implementation would be around July 1, 2026.
- Residential exemptions would apply to Accessory Dwelling Unit's (ADU's) as they do not have to be owner occupied, however, a residential exemption would not apply to short-term rentals

Joint Meeting of the Town Council and School Committee

Update provided by Mark Milne

- Presentation on the TOB's Financial Condition was reviewed and is attached to these minutes; all this information was previously reviewed with members.
- Highlights included:
 - * FY27 budget projection
 - * Update on the financial condition with the last bond issuance
 - * Maintaining the AAA rating
 - * Current reserve levels, what reserves can be used for

* History of revenue trends

- Approximately 70% or more of General Fund (GF) revenue comes from property taxes; this revenue source is limited under Prop 2 ½. This is the largest revenue source, and it has limitations. The second largest revenue is state aid, and it is subject to the legislative process. The third largest is motor vehicle excise tax.
- TOB does have control over local receipts (housing registration fees, building permits, etc.) can be increased based on cost of service; it should be noted that this is a small percentage of the overall GF revenue
- Raising revenue is subject to legislative process, tax limitations and / or the economy
- Revenue growth has lessened since FY23 and FY24; overall revenue increases are @4% between Prop 2 ½, minimal state aid and local receipt increases

* When increases from health insurance and pension assessments consume most all the allowable increase in Prop 2 ½ there is nothing left. Adding in funding for labor contracts, inflationary costs, utilities, supplies and more, challenges arise and may lead to budget cuts to staffing levels should no new revenue source be created through the legislative process. Even looking at the Municipal Empowerment Act (MEA) which has made its way through several committees, it does provide some local tax increases (meals, rooms, motor vehicle excise surcharge, etc.), but those are subject to TC approval. Both the Superintendent and the Town Manager agreed upon a revenue sharing allocation.

* Pending health insurance premium cost increases and their implications reviewed. Every 1% increase in health insurance is almost \$200k increase in the budget.

* It is likely that the fixed costs will exceed 37% with the increases in health insurance, pension increase and the debt service, making the year challenging

- Revenue deficit reviewed
- Authorized but unissued debt, this is debt incurred for capital investment programs in future year funding
- Mark will send the Debt Management Policy to Rimas

Seasonal community designation

- The decision from the state is due by the end of December; it is anticipated that most towns on Cape Cod will be automatically qualified. TC will need to review and decide whether to accept the designation. If the decision is in favor, there is potential opportunity to increase the residential exemption from 35% to 50%
- Additional areas within the designation need to be reviewed and analyzed
- Shifting residential exemptions within this designation reviewed
- When a borrowing has been authorized and is conducted, the annual loan payments must be built into the operating budget within the limitations of Prop 2 ½; unless it goes to the voters asking voters to exclude loan payments for either one or several projects to be exempt from Prop 2 ½, similar to that of the Cape Cod Regional Tech assessment several years ago. Any debt issuance must be within the Prop 2 ½ limit unless it has been approved by the voters.

Popular Financial Plan developed by Jim and Chris K.

- The cost of printing makes this an option not to be pursued
- Jim shared a document created by Notebook LM; this is an infographic piece based on the 2026 financial overview created by CFAC. This document will be posted on the CFAC shared drive so members can provide further comments and/or suggestions.
- Video presentation – was a second option, text is drawn from the source document and will also need some adjustment
- The concept of using Notebook LM for social media purposes is very promising
- The narrative could also be set up in a podcast format
- The flexibility to provide social media content for the committee is a promising potential avenue to pursue
- There is a subscription cost, but there are other no-cost options available as well
- Jim and Chris K. will continue to work on this

Matters not reasonably anticipated by the Chair: None

Correspondence from Committee Members: None

Communications from Staff:

- The next TC next meeting is scheduled for 1/8/26
- Newly elected TC leadership remains the same
- CFAC's 1/12/2026 meeting will include leadership from either DPW or School Department speaking about their CIP projects that have made it through the task force evaluation process. Those priority rankings will be provided to members prior to that meeting
- TC strategic planning session is anticipated for 1/15/26
- The TC meeting scheduled for 1/8/2026 will include discussion on the fiscal policy update, as well as the presentation of the CWMP funding model, and alternatives to the implementation of the program and implications on the Operating budget.

Closing public comment: None

Motion duly made by Lillian, seconded by Chris K. to adjourn the meeting

Roll Call vote by Jeremy: Chris K.-yes, Frank-yes, Jim-yes, Lillian-yes, Rimas-yes, and Jeremy-yes

Meeting adjourned at 7:20pm

Respectfully submitted

Theresa M. Santos

This meeting was recorded and is available at <https://townofbarnstable.us/boardscommittees/CFAC>



2025.12.01 Minutes
CFAC Draft.pdf



FY26 Tax
Classification Hearing



FY26 Update on the
Financial Condition o