



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

11.13.17

6:00 PM

Growth Management Conference Room

Roll Call:

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

Minutes 10.23.17

New Business:

None

Old Business:

John S. reviewed with committee members the tax-exempt parcel list, which he noted most of the parcels are municipal and fire districts. Mark M. noted the list comes from our Vision system, which is coded by property type classification. Mark M. also noted there are roughly 1,700 tax-exempt properties out of 28,830 parcels in the Town of Barnstable, or less than 10% of all Town parcels. Mark M. noted tax-exempt properties account for \$1.2 billion in assessed value, which is different from market value. Mark M. noted the largest tax-exempt property on the list is the Cape Cod Hospital at \$125 million.

Gregory P. asked if there was any word on the ferry damage to the breakwater? Mark M. responded there's still confusion on who owns the breakwater, and that federal funds were used to create a portion of it. Mark M. also noted the ferry should have insurance, but who would pursue it?

John S. suggested we should reduce the data into something more workable. John S. asked what do our Town leases look like, noting the County was in the news for its leases. Mark M. responded all Town leases go through the request for proposal process. The Old Town Hall is being leased to the JFK museum. We also lease land to a horse farm, which the Town has restrictions on the use of that land for only a horse farm. Sand Neck leases land to cottages, which are privately owned. These privately own cottages bring about \$55,000 a year in revenue for the Sandy Neck enterprise fund. There is also the Lombard Trust that leases land to owners of buildings on the property, bringing \$150,000 a year in revenue to the trust. The YMCA is also on Town own land. Lillian W. asked how is revenue from the Town leases recognized? Mark M. responded the General Fund receives about \$140,000 a year, and \$300-400,000 for the trust funds, enterprise funds, and General Fund combined.

Mark M. noted the Cape Cod Hospital is the biggest consumer of utilities. John S. responded we'd need to know what resources the hospital is consuming, and not utilities. Mark M. responded probably the police and fire services, and that it would take a lot of time to measure those services. John S. asked what's the cost of service that we want compensation for? Mark M. responded we need to consider there may be a lot of fee services these non-for-profits are already paying for. John S. noted the hospital would be a complicated one because the police and fire go there often, not sure were the obligation would be.

Gregory P. asked what the East Bay Seaview avenue property of \$2.5 million is? Mark M. responded that's the Barnstable Land Trust. The land trusts purpose is to acquire open space for public use. John S. noted the Barnstable Land Trust does not consume any Town resources.

Allen F. asked is there any way to sort the list? Suggest removing entities such as fire, town, Barnstable Land Trust, and housing authority. John S. noted we could also total the assessed value. Mark M. responded that maybe we could get an understanding of what these institutions do? Lillian W. noted we could discuss these non-for-profits services and the services the Town provides to them.

Mark M. noted the assessing division reviews these tax-exempt forms annually to determine exempt eligibility. Mark M. noted we could review the PILOT 2007 report, and if we agree to eliminate charitable organizations. Mark M. noted the Barnstable Housing Authority is required by state to pay-in-lieu-of-taxes (PILOT). In addition, the Common Wealth of Massachusetts contributes in lieu of taxes on the cherry sheet. The state owns land in Barnstable with an assessed value of about \$86 million.

John S. asked could we track between years the growth in tax-exempt properties? Mark M. responded the assessing division does not track this. Mark M. noted Sturgis Charter School is expanding with the purchase of

the Wings retail building, which is a loss of \$8,000 in tax revenue to the Town. In addition, Homeless Not Helpless is also buying property in Town.

Mark M. asked the committee is there any observations in Bob C. report? Allen F. noted we could filter for the top 25 as per Bob's report indicated. Gregory P. noted when we visit the top 25 non-for-profits; we need a full portfolio to present to them on the services the Town provides.

Mark M. noted the PILOT program is not a mechanism to balance the budget. John S. responded the benefits are very hard to quantify.

Matters not reasonably anticipated by the chair:

Lillian W. noted herself and John S. presented at the Hyannis Rotary Club. They talked about CFAC's responsibilities as well as reviewed the Financial Overview Report.

Mark M. noted Town Council will meet this Thursday and that there will be a short presentation on the Residential Tax policy. John S. asked any new councilors? Mark M. responded not until the December 7th meeting.

Discussion of topics for the next meeting:

Invite the assessing division's director to a meeting and review a filtered list of the tax-exempt data.

Adjournment:

CFAC's next meeting will be Monday November 27, 2017 at 6:00pm.

List of documents handed out

1. 10.23.17 Minutes
2. FY18 Exempt Parcels Listing
3. PILOT Study Draft
4. Tax Exempt List by Owners