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**COMMONWEALTH OF MASSACHUSETTS**

**TOWN OF FALMOUTH**

**NOVEMBER ANNUAL TOWN MEETING**

**Memorial Auditorium  
Lawrence School  
Lakeview Avenue  
Falmouth, Massachusetts**

**MODERATOR: David T. Vieira**

**TOWN CLERK: Michael Palmer**

**Tuesday, November 16, 2010**

**7:00 p.m.**

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**ANNUAL TOWN MEETING**  
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## **PROCEEDINGS**

THE MODERATOR: It's seven o'clock, time to start the meeting.

I want to remind all Town Meeting Members that we're being broadcast live on FCTV, so make sure you identify yourselves each time you speak by name and precinct.

Okay, let's establish the quorum. All Town Meeting Members present please rise for the establishment of a quorum and the tellers will return a count.

[Pause.]

THE MODERATOR: In the first division, Mrs. Tashiro.

MRS. TASHIRO: 48.

THE MODERATOR: 48.

In the third division, Mr. Hampson.

MR. HAMPSON: 65.

THE MODERATOR: 65.

In the second division, Mr. Dufresne.

MR. DUFRESNE: 89.

THE MODERATOR: 89.

By a counted vote of 202, we have a quorum and I call this Town Meeting back into session.

Please rise and follow me in the Pledge of Allegiance.

[Pledge of Allegiance taken.]

THE MODERATOR: I call forward Scoba Rhodes for our invocation.

MR. RHODES: Lord, when it comes to meeting and communicating with each other, help us to be good listeners. Help us to be open-minded, putting aside our own agendas. Help us to be honest without being insensitive. Help us to be respectful, without being too formal or artificial. Help us to question and to challenge, without being harsh. Help us to be aware that this is just one moment, just one meeting. And lastly, help us to remember that you, too, are always meeting and communicating with us. Amen.

THE MODERATOR: Okay, we completed last night up to Article 12. I do have an announcement to make. Ms. Siegel, from the League of Women Voters about the Falmouth In Focus.

MS. SIEGEL: Good evening. The League of Women Voters publishes a very handy little book, called "Falmouth In Focus". Since the first edition was written in 1954 by members of the League, copies have always been donated to the Town. It is chock-full of information about the workings of various levels of our government and the many services and resources of our community. This book covers everything you could possibly want to know about Falmouth, from history, how to obtain permits, cultural events, the Commodores, to schools, land use, health and social services and the intricacies of the dump.

It is also intended as an aid in developing informed opinions on local issues.

As of last Friday, the latest edition of Falmouth In Focus is sadly no longer being printed. But it is now available to everyone on the League's website. The address is up on the screen. You can also get there by clicking on the link on the Town website, under "Visitor and Business Information".

We are grateful to the IT Department for making this possible. We also wish to thank many Town employees, agencies and organizations that helped us update this edition.

If you find inaccuracies, please contact us through the website, where you can find a button that says, "Contact Us".

In closing, I would like to remind you that the League of Women Voters enthusiastically welcomes men as members, and that we are a non-partisan national organization whose purpose is to provide responsible, informed and active participation in government.

Thank you. We hope that you'll find this to be a useful resource.

THE MODERATOR: Thank you, and thank you to the League for updating that information.

Okay, Article 13 will be our first article tonight. Mr. Chairman for the main motion.

CHAIRMAN ANDERSON: Mr. Moderator, I move Article 13 as printed.

THE MODERATOR: Article 13 as printed. This is to vote to authorize the Board of Selectmen to petition the General Court for special legislation authorizing the Town to impose a room occupancy tax on vacation rentals not currently subject to such tax.

Mr. Putnam.

CHAIRMAN PUTNAM: Good evening, ladies and gentlemen. Slide, please.

In April of 2009, you may recall that this article was before Town Meeting. The Board withdrew support, however, just prior to Town Meeting and indefinite postponement was the motion on the floor and therefore this article was not even given any consideration.

We bring it back now because we'd like you to close a loophole.

I think you'd all agree that if you have a yard sale once or twice a year, you're not a commercial enterprise. You are simply either trying to get rid of some junk or make a few bucks, or perhaps both. But if you're doing a yard sale week in, week out, all summer long, you're probably running a business. Something which might be called a Flea Market. And the same thing applies here.

This particular article, what we're asking is that we would send

a petition, a Home Rule Petition, to the statehouse, asking them to allow us to apply the room tax to short-term vacation rentals such as homes, the same way we do to hotels, bed and breakfasts, etcetera. And the reason why is because this is, technically, a loophole.

Two individuals come to Falmouth, they stay in a hotel, they pay 9.7% on the rooms tax. If they stay in a house for a week, they pay nothing. In both situations, they're getting lodging. Their accommodations have probably been cleaned before they get there; they will be cleaned for the next visitor who moves in for another week or another day, and in both cases they're enjoying all the services of the Town of Falmouth.

However, if they stay in a short term vacation rental, a house rental is usually what we're talking about, they're not paying that 9.7%. That puts our businesses, as you heard last night, our bed and breakfasts, our hotels, are put at a competitive disadvantage, because they're already charging, whether they want to or not, 9.7% more because the state has imposed a tax on them and not on these houses.

Next slide, please. There are concerns about how this will be applied. Well, first and foremost, we have to ask. If we don't ask, we won't get it.

Secondly, there's the enforcement question. It's really not for us to worry about. Right now, hotels, motels, B&B's, we don't enforce the rooms tax on those properties; the DOR does. They are businesses; they

pay their taxes quarterly to the state; the state takes our share, hands it back to us. The same thing would happen here.

These home rentals would of course become businesses. But right now, these individuals who rent their homes for week in and week out throughout the summer, they're getting income from that. In many cases they are, or they should be, getting 1099 forms, which express the fact that they're getting income and they're reporting that income, hopefully.

The enforcement aspect is not for the Town to worry about; the state will handle that for us if we ask them to. Which is why we ask you to approve this article this evening.

Questions about whether this will deal with tourism or property values are at this point premature. The state may or may not approve our home rule petition. In fact, they've denied a recent petition by the Town of Nantucket. What we're going to do is look at Nantucket's petition, find out what they did, see if we can address the concerns that the state legislature did not like about it, and submit our own.

As we do this, there will also be public hearings. As there are with every home rule petition that the Town presents to the state, we will have public hearings so that you all can present your concerns and we can make sure that this is done right and done well.

In conclusion, we ask for your support for this because, as you saw in the previous slide, if it walks like a duck, if it sounds like a duck, it

probably is a duck, and in this case, it is a loophole that is adversely affecting our businesses and potentially costing the Town money in revenue. Thank you.

THE MODERATOR: Okay, discussion on Article 13. Microphone in the back, and then Mr. Smolowitz, I'll put you on the list.

MR. MURPHY: Thank you, Mr. Moderator, I'm Dennis Murphy from North Falmouth. I'm speaking in opposition. I was surprised last night that the Finance Committee Chair explained that the Finance Committee voted to not support Articles 11, 12, and 15, all new taxes on our visitors, because there was no plan for what to do with that revenue. Article 13 is a new tax on our visitors and there's also no plan for what to do with the new revenue. I agree with their reasoning on Articles 11, 12 and 15, but I simply don't see why they're supporting this new tax.

Next slide, please. There is a significant difference between Article 13 and the other articles. The others are local options taxes, meaning there are already laws in place from the state to allow them. Article 13 would be a home rule petition, meaning that, if approved, Falmouth would be requesting a new law, specific only to Falmouth, allowing us to put the commercial tax on single family homes that rent for less than 90 days. To me, it's the equivalent of spot zoning on a state level and would be very bad for all of Falmouth.

So who has this tax? Next one, Bob. Who has this tax? No

other town in the state currently has this tax. And those are all our direct competitors for tourism.

In April, '09, Town Meeting overwhelmingly defeated this article, as you're all aware, and since then, no other towns have even passed a similar article, although several have tried.

Next slide – there we go. So who does have an article similar to this that has passed? Two towns in all of the state, both of which are lower Cape: Provincetown and Brewster. No Upper Cape towns have it, or want it, and those are our absolute direct competitors.

So this means that, if approved, Falmouth will be positioning itself as anti-visitor and anti-tourism – as the only anti-visitor or anti-tourism town on the upper Cape, and visitors and tourists will stay away. It's a huge competitive disadvantage for the Town in attracting visitors. People who stay in vacation rentals simply will not come to Falmouth to pay a tax that doesn't exist in any of our competing towns. That means fewer people in our shops, fewer people in our restaurants, fewer people buying our expensive beach passes. And also fewer people discovering our town and deciding to put down some roots here.

That means a lot less revenue for shop owners and a lot less revenue for the Town.

Even more importantly, this tax will establish Falmouth as anti-second homeowner, and Falmouth needs its second homeowners.

Approximately 7,000 of our 18,000 homes in town, according to the Assessor's Office, are second homes, and many of those second homeowners, especially lately, need to rent their house out just to be able to afford it.

This tax will cause some potential second homeowners, buyers really, to consider other towns. If Falmouth's going to make renting so difficult and expensive, while all other towns in the area are not, of course some potential buyers will cross Falmouth off their wish list. And this is bad for every single person in Falmouth, not just those that rent, because fewer buyers make selling homes even harder. With property values already significantly down over the past several years, should we really be giving our buyers a good reason to look elsewhere?

So who pays this tax? That's a big question. Both the tenants and the homeowners, actually. The tenants are the ones that actually have to pay more to come down and stay in our town, but it's the homeowners who have to deal with the paperwork and the remittance.

For the Department of Revenue to collect this tax, homes that rent will be required to register with the state as a commercial accommodation.

Next slide. And then they'll be required to fill out this form – and not just when they rent. If you rent out just once, you'll have to file this form monthly, every month, for three years. Even if you never rent again,

and even if there's no tax to remit. To me, that's a real burden on any individual that's just looking to supplement their income.

Hotels? They're set up to deal with something like this. An individual really isn't.

So I don't believe proponents of this tax have also considered unintended consequences of it. I've reviewed relevant zoning bylaws, and to me it's clear: for every residential district in Falmouth, one needs a special permit issued by the Zoning Board of Appeals to have a commercial accommodation. Remember: this law requires anyone who rents short term to register as a commercial accommodation.

So now potentially not only do homeowners have to pay this new tax, fill out that form, every month for three years, they're going to have to file with the Zoning Board of Appeals – not cheap – for a special permit. That's just to rent once.

So this will also hurt our resident homeowners, not just our second homeowners. And this past year, more than ever, people are struggling here in Falmouth just to keep their homes. If they rent out a few weeks in the summer, just to help them keep their homes, why does Falmouth – and Falmouth alone on the upper Cape – want to make it so difficult?

The Chamber of Commerce supports this tax because they say it will level the playing field – that's their words – with hotels and

motels. I say we don't live in a vacuum, and this tax will have the exact opposite effect and will put Falmouth at a huge competitive disadvantage with other towns when trying to attract visitors and buyers alike. The hotel/motel tax is a commercial tax that was never intended for single family homes. Please, don't ask the state to make Falmouth the exception to this law.

We need our visitors, we need our second home buyers and we need to let people that live here and rent keep their homes. Voting for Article 13 will chase both away and be bad for Falmouth. Please vote No, thank you.

THE MODERATOR: Okay. Mr. Smolowitz, and then – does Melissa want to be on the list as well?

MS. FLYNN: Yes, thank you very much –

THE MODERATOR: No, no, Mr. Smolowitz was next, then Ms. Flynn. Does Ms. Freitag want to be on the list? No? Okay, then I'd appreciate you not yelling at me.

Mr. Smolowitz.

MR. SMOLOWITZ: Hello? Ron Smolowitz, Precinct 8. Thank you, Mr. Moderator, I have a question, I guess it would be to the Chairman of the Selectmen. What defines vacation rental in this term? In other words, how are you going to differentiate between a vacation rental and a rental to for example to grad students for the summer, to farm

interns, to short-term farm employees? What, what, what is – what defines a vacation rental versus a short-term rental for other purposes?

THE MODERATOR: Mr. Chairman.

CHAIRMAN PUTNAM: Initially, the suggestion was 90 days, that anything less than 90 days would be considered a vacation rental. But this is one of those things that, as the Board holds hearings on this, presuming that Town Meeting approves this, that we would better define that. It may be an even shorter period of time so that someone renting for just the summer for the purpose of, like you say, interns or local help, that those folks may be exempt, as opposed to – basically what we're trying to do is capture the market, if you will. There are a lot of homes that are rented simply week by week, and in those situations, they're vacation renters who if the home was not there, if there weren't these homes available to rent, they would be staying in a hotel or a B&B.

MR. SMOLOWITZ: Thank you.

THE MODERATOR: Okay, Ms. Flynn.

MS. FLYNN: Thank you. Pat Flynn, Precinct 6. I wanted to make a couple of points about this issue, and where it is in terms of the other towns on the Cape.

There are many towns who have filed home rule petitions to the legislature requesting taxing on the vacation homes, and those petitions have gone to committee, which means they haven't gone

anywhere nor will they, and then each new legislative session – for instance, Provincetown has filed three home rule petitions for vacation rentals, and the last one went to committee, so they're going to file it again.

Since I've been retired, I have been more active in the Cape Cod Selectmen and Counselor's Association, and this is a group made up of all the selectmen on the Cape and we meet once a month. And back in August, we met with the governor, and all of the selectmen on the Cape made it very clear to the governor that the towns on the Cape would like to be able to have this option tax. Not a local option, because it has not been voted by the legislature.

And we explained to the governor that the legislature has not at all been receptive to this, for what reasons I really don't know, I haven't gone that far to check that out. But the governor seemed very receptive about it. But what he can do, obviously, would depend upon whatever influence he may have on getting the legislature to do this. But I can tell you that the Cape Cod Selectmen's Association continues to work on this.

We all know that there are many people who live in all the towns on the Cape or who own property here as second homes. And very many of these individuals do rent their homes out at various times of the year, sometimes for longer periods of time and sometimes, particularly in the summer, for short-term rentals. And the problem that this causes the

local hotels and motels and B&B's is that the people who rent those homes don't pay the tax and the people who are staying in the hotels, motels and B&B's are paying the tax. And so these owners feel that they're being disenfranchised in a way, if you will, because if there are more homes available for rental, then that means sometimes that people will go there rather than choose to stay in a B&B.

So that's really where the issue is. It's a Cape-wide issue, it's also an issue for the Islands, and we continue to work on it. So I would hope that you would pass this article.

THE MODERATOR: Mr. Flanagan.

MR. FLANAGAN: Thank you, David. John Flanagan, Precinct 1. I've owned a second home here in Falmouth for some 35 years, when I was first stationed here at Otis Air Force Base and bought a home when I was sent to Viet Nam. I kept the home over the years and use it periodically for a vacation rental so that I can maintain and carry the mortgage.

Then when I became financially secure in part that I didn't, and I got more involved in the Town of Falmouth, the Falmouth Commodores came to me and they said, "John, we know you don't use your house all the time in the summer; could you help us out because our coach needs a place to live?" I said, "Yeah, I can help that out." So I gave to the Falmouth Commodores, my wife and I, at a below, very much

below market rate, so that the Falmouth Commodores could have an outstanding coach for their team. And, as I said, I charged very much a below rental rate.

Now, if I were faced with a tax on this rental and I were faced with the paperwork that is being proposed that I would have to go through it, I'm very sorry, I would tell the Falmouth Commodores to please go someplace else.

THE MODERATOR: Right here in the center section. I've got you on the list, Ms. Lowell.

MR. PETERS: Hi, Bill Peters, Precinct 7. I would like to speak in opposition to this article. I do have a horse in this race: I'm also a realtor in the Town of Falmouth and feel that this is just what these property owners have gone through over the past four years with the devaluation of the property values and the added expenses and the increase. It seems as though we're just trying to nickel and dime this to death when there are more serious issues to deal with.

And I was hoping that I could be standing up here talking about how we could cut some expenses rather than continue to raise taxes and fees and everything to the property owners. And I just feel that this is just an unfair burden to be placed on these property owners.

THE MODERATOR: Okay, the gentleman in the back row that was standing a moment – yes, there you go.

MR. GRODEN: Thank you. My name is Ed Groden and I'm from Elizabeth Jean Drive in East Falmouth. And I feel terrible that the eight families that spent ten weeks in my house last summer didn't pay for the Town services they got while they spent plenty of money in restaurants and grocery stores and souvenir shops and buying beach passes.

I'm inclined, with the looks of this paperwork ahead of me, of taking my place off the market and not renting it to those eight families that came last year. So I would urge you to not pass this article. Thank you.

THE MODERATOR: Ms. Putnam is next on the list, then Mr. McNamara. Richard, I'll put you on the list.

MS. PUTNAM: Rebecca Putnam, Precinct 9. I actually as a real estate broker in town am speaking in favor of this tax. If we really look at it and break it down, someone who comes in, stays in a hotel for one night, pays \$13.50 in tax per night that they stay. If they stay for seven days, that's \$91.50. If someone rents a weekly rental for \$1200 for one week, they're paying \$48 in tax. And if you take ten weeks and multiply that by the \$48 per week, you end up with \$480 for the summer off of one vacation home owner.

Now, there are at least 300 rentals with possibly one office in this town. That would amount to \$144,000 that comes straight to this town in tax revenue. It doesn't go to the state; it comes directly to us if the legislature will pass it.

I think that we really need to start looking at who's going to end up paying for these services as they get more and more expensive in this town. And we have people who do come here, but I'm sorry, I don't think somebody over \$48 a week is going to be deterred from coming to Falmouth, a beautiful town with the most beaches on the entire Cape, easy access over the bridge from New York, New Jersey, Connecticut. You're looking at a town that is not going to lose people over \$48 a week. It's a very small price.

And, you know, talking about doing paperwork, most people who own second homes are probably businessmen and businesswomen. I'm sure they hire an accountant every year to do their taxes. And I'm sure an accountant can figure out a simple form that has about ten spaces on it to fill out. It's a pretty simple thing. And I really think that you need to consider what's best for this Town; that's what we're here for. Thank you.

THE MODERATOR: Mr. McNamara. And then Ms. Lowell.

MR. MCNAMARA: Thank you. Matt McNamara, Precinct 7. I think this article is actually premature. I'm suspicious that Nantucket did not get it passed because there probably isn't enough meat on the bones. If you read the article in the warrant, it says that currently there's no mechanism to collect this revenue at the state or local level at this time, and there's no plans articulated as to where the revenues would go.

We heard from our Finance Committee last night that if there

were to be new taxes, it should be earmarked for a free pass; without a mechanism for collection, it would be enforcement. And I think, finally, there's certainly no definition, as Mr. Smolowitz brought out, in terms of what is a short term vacation rental. Is it 90 days? Is it a week? Who are we cutting out?

I don't think we know enough at this point in terms of asking the state to give us a blanket opportunity to tax unless we can tell the state itself what we really want to do. Thank you.

THE MODERATOR: Okay, Ms. Lowell.

MS. LOWELL: Vicky Lowell, Precinct 1. Perhaps it's my experience in regional government, but I think this is, as Selectman Flynn hinted at, I think it's a perfect case for if we want to go ahead with this, if we're trying to do it on a regional level, it obviously would be complicated to get this through the legislature and to work out the details. And if there's a lot of interest in other towns on the Cape in pursuing this, I think working together with them and coming up with a proposal and going up there in force would be our best chance. We did it with the Cape Cod Land Bank, we did it with the Cape Cod Commission, we did it with the – well, we helped do it for the wastewater funding. I think working on this at a regional level and not trying to go it alone as Falmouth – even though I like to think of Falmouth as a leader, I think we'd make a much stronger case if we worked with other towns.

THE MODERATOR: Okay, Mr. Dick, next on the list. Then Mr. Latimer.

MR. DICK: Henry Dick, Precinct 8. I was kind of disappointed in the Chamber of Commerce. They stressed the importance of rooms in town. How many rooms do we have available? Which determines how many people we have in the shops and in the restaurants and having fun in the sun down in Falmouth.

I think we can pretty well guarantee that if we institute this, the number of rooms in Falmouth is going to undergo a very drastic drop. Let me see, I want to rent my second home or my own home for a month. Thirty-six reports over three years. Hmm, that sounds like fun. I probably, given my disorganization, would get about half of them in and spend the rest of my life in the penitentiary somewhere.

I'm a builder, or a real estate agent. Here's some nice people from Worcester; they want to have a second home on the Cape, but they're not financially really sure they can do it. Well, of course you can rent, and you can practically pay the mortgage off that rental. And oh, by the way, you have to file 36 forms in the next three years. Hello, Mashpee.

I ain't going to buy a second home in Falmouth. So there goes that job for Mike Duffany; he's not going to be building that home. Somebody over in Mashpee is.

So this is going to have a lot of devastating consequences and

I see this as much more devastating than raising the room tax, and I think people ought to be very careful about this one. Thank you.

THE MODERATOR: Okay, Mr. Latimer. Ms Hayward, I've got you on my list.

MR. LATIMER: Thank you, Mr. Moderator. Richard Latimer, Precinct 2. I don't have a horse in this race at all. I'm speaking as a Town Meeting Member. I do support the Chamber of Commerce's concern about leveling the playing field, but again, I'm not interested in that.

But I was intrigued by the claim that this should be opposed because it would reduce the demand for second homes. And we are a community that has been very concerned lately for about affordability of homes for people who live here, first homes. And anything that might actually in fact reduce the demand for second homes, people with more money than they how to use in their own communities coming down here to drive the price of our housing stock up, I don't see the problem. Thank you.

THE MODERATOR: Ms. Freitag.

MS. FREITAG: Thank you, Mr. Moderator. Am I turned – is this not – am I on now? Yes. Thank you.

A couple of concerns that I just sort of wanted to assuage, here. A reminder that a lot of these people that have these second homes that they're renting are actually renting their homes as businesses, as has

been stated by earlier people. A lot of these homeowners run their homes as LLC's and as trusts, and they already file annual reports, quarterly reports and, as a previous speaker mentioned, yes, they do have accountants who can do this for them.

We're talking about homes that are rented to the point that people are actually taking out rental riders, insurance riders on these homes. We're not talking about the home that somebody loans to a friend, rents to a friend for a week, or to somebody else for a week or two.

The very philanthropic gesture that a previous speaker mentioned would not be taxed, because – I'm not positive, but I would guess that he probably didn't take out a special rental rider for that particular occasion.

Nantucket -- I'd like to correct a comment made by somebody earlier – Nantucket's petition did not not get passed. Nantucket's petition is sitting in committee right now.

And I find it fascinating that this body a couple of times in the past couple of years has asked for us to level the playing field; so here we are trying to level the playing fields. This is a chance for us to write a petition, to craft a petition with input from the Town. All we're asking is for permission to be able to get moving with this petition so that we can indeed level the playing field so that we can generate more revenues. Revenues to do what? To pay for the services that the Town needs. Okay?

I implore you to allow us to move forward with trying to draft this petition article with the assistance of the Town, and send it off to the statehouse. Where it will probably languish in committee for a while until the whole Cape does this. But, please.

THE MODERATOR: Okay, Ms. O'Connell, next on the list.

MS. O'CONNELL: Thank you, Mr. Moderator. Maureen O'Connell, Precinct 4. I'd like to speak on behalf of the people who just simply live in a house and trying to make their mortgage on a fixed income, and trying to pay their taxes, being unemployed, move themselves and their families out of their house for a month, a week, two weeks, whatever, to try to make ends meet. To burden them with this tax and, as has been pointed out several times with the paperwork involved, I think is really the wrong road to take at this point in time. Thank you.

THE MODERATOR: Mr. Moriarty.

MR. MORIARTY: Thank you, Mr. Moderator. Dave Moriarty, Precinct 6. A lifelong resident of Falmouth. You know, if a system works well, you know, why break it? You know, Falmouth has always opened their homes to visitors. That's how many of my friends happen to pay their real estate tax, because a lot of my friends can't even afford to live in Falmouth anymore. If it wasn't for the, you know, the summer rental, the occasional tourist to come down and rent and eat in our restaurants and spend their money in our stores, you know, may of us, we wouldn't be able

to live in Falmouth anymore. I mean, this system has worked year after year, summer after summer, generation after generation. It's a perfect system, it's a great system.

You know, I seem to be having the same problem that our town is having, you know? It doesn't matter how much money I make, it's how I manage it, and I haven't been managing it well. So, hopefully the Town will start managing its money a little better and we can all survive here. Thank you.

[Applause.]

THE MODERATOR: Okay, Ms. Hayward. Okay, Folks, let's go.

Ms. Hayward, you're next on the list. And then Ms. Newton.

MS. HAYWARD: Nancy Hayward, Precinct 5. I have a very specific question and I don't know if anyone can answer this. At one point there was a Best Western motel at the harbor, and I'm sure that room tax was paid on these motel units. This is a condominium now, and people, as it seems to me, are rotating through there in the summertime.

Under the current arrangement, is that a place that is paying taxes or is not paying taxes?

THE MODERATOR: Mr. Chairman.

MR. PUTNAM: My understanding is that property that used to be the Best Western is now a timeshare, and in fact that's the focus of

Article 14. But if there are rooms available, my understanding is that it is treated as a hotel and taxes are paid on those rooms. But, again, that would be a further discussion for Article 14.

THE MODERATOR: Okay, Ms. Newton is next on my list. In the back, actually. She's actually behind you. And then Ms. Whitehead.

MS. NEWTON: Shardell Newton, Precinct 6.

I'm a little confused with Town Meeting. I listened to the bed and breakfast people last night talk about how they weren't going to add onto their bed and breakfast if they had a tax, it would be a burden to them. And tonight I listen to what I think is equality, based on the Board of Selectmen's article – and I support this article – to make it equal for everyone. I listened to one gentleman say that the tourists shop in our grocery stores and they eat in our restaurants and they go to our beaches.

It's a burden for us, too.

We shop in the same grocery stores, we eat in the same restaurants and we go to the same beaches. And if we don't start finding a way to support this town other than putting the burden on the year-round residents, we're going to be in a bigger financial jam than what Mr. Anderson told us we were in last night.

So I think we should start having equality. It was a burden for the bed and breakfast to have a tax on them. It is a burden for the

vacation people who have summer homes. But we've got to start sharing the equality across the board, here. Somebody has to continue to support this town if we want to have the level of service that we want to provide for our tourists to keep this town supported.

THE MODERATOR: Okay, Ms. Whitehead.

MS. WHITEHEAD: Hi, Lynn Whitehead, Precinct 1. I have two things. I probably would have passed that tax last night, since this town needs so much money. But there is an issue here that brings me to a question about this particular proposition here.

The scientific community has a lot of students who come in the summer. They come for two months, three months. Along with those students, which are many, from the three institutions in WHOI -- WHOI, MBL, NOAH, Fisheries -- there are people who rent their homes at a very low, low cost. Along with all these students come the scientists, and we have had several people come to our house. They do not spend any money from their own institutions that they have from nine months before. They come and have to pay their own money to come.

The students don't have a lot of money to spend, but they need a place to stay. They do not get a lot of money to come.

Now, there probably are 30, 40, 50 houses that give their homes to these kids, to the people who teach them in the summertime. Those people come to restaurants, they go to the gift shops. Even the

students don't have much money, they end up at 99, they go out places that they can afford. And I think that if these people had to pay a tax on all of these places, they, like Mr. Flanagan, would have second thoughts about it.

So, I think there are lot of people that come to this town, this wonderful town of Falmouth, who cannot afford to come if there were a tax on this, because they would not have a place to stay. So, that's my own opinion, thank you.

THE MODERATOR: Okay, Mr. Antonucci and then Ms. McCormack.

MR. ANTONUCCI: Bob Antonucci, Precinct 6, even though I'm not in the Town Report.

We left here last night talking about taxes and we're starting tonight talking about taxes. And we've all realized that the Town needs more money. However, it's very frustrating to sit here not knowing that the Town has a strategic plan that looks to the next five years on where our revenues will be and where our expenses will be.

We're piecemeal-ing this to death. We raised the taxes at the dump, the dump use went down, we lost revenue. The same thing could happen with other taxes. What we need to do is charge the Selectmen and the Finance Committee with the responsibility of developing that long-range plan that looks at revenues and expenses and come to this Town

Meeting with a balance sheet and look at all of the possible revenue-enhancing mechanisms that we have. Proposition 2½, debt exclusion, room tax, vacation tax, dump tax, all the fees that the Selectmen just raised previously this year.

Everyone's trying to do the right thing, but the discussion tonight is nickel and diming us to death and it's just filling the holes. What we need to do is repave the whole road, have a plan in place so that we don't argue every time an issue comes up. The restaurateurs argue about not raising the meals tax. The hotels argue about raising a tax on vacationers. We can't be pitting ourselves against each other. This Town is known for its good fiscal responsibility and I think we got to get back on track.

If we do that, come to a Town Meeting in April, let's look at a plan, let's look at those revenue sources and take some positive action.  
Thank you.

[Applause.]

THE MODERATOR: Ms. McCormack. Okay. Ms. McCormack. I'm in my anything new mode, so.

MS. MCCORMACK: Maureen McCormack, Precinct 3. One of the things I've heard over and over again is people say that the tourists come to our town and they use our beaches and they use our services. But what I think people are forgetting is these second home owners pay

taxes. So we're already getting taxes from the homes. We're not just not getting taxes from the people that are coming to the town. So, everyone needs to remember that, as well.

The other issue is that we don't have a definitive rule around this. A lot of people have people that live in their house as tenants, and they may be there on a 30 day tenant at will. We don't have numbers yet. People are saying 90 days, two weeks, a month. Well, what happens to that homeowner who has someone live in their house for the last three or four years; they're great renters and they're there on a monthly basis? Are they going to be subject to this tax?

So, again, it's too premature and we have to remember that the taxes are being covered by the second homeowners.

THE MODERATOR: Okay, yes, the gentleman on the way back on the mic.

MAN FROM THE FLOOR: I'd like to raise the issue of the fact that people who own those houses and rent them derive income, and how do they get their income? Because people come here because the Town pays to maintain its beaches, the Town maintains a great police department, fire department, it maintains trash removal. So, the homeowner in Falmouth who rents has a great advantage because the Town supplies him or her with great services and great facilities. And guess what? They get it for free.

So they can make some money, we can pay for the aspects that they need to make the money, but we don't derive any income from them. And I think that's unfair.

THE MODERATOR: Okay, Mr. Putnam, something new?

CHAIRMAN PUTNAM: I do, Mr. Moderator, thank you.

I just want to clarify a few things. First of all, with respect to the plan, I think we laid it out last night, that the Board has encouraged and were seeking program budgeting. We're looking for costing. Before we can come back and ask – and we may not need to ask for it, but the question was raised last night, why not just do a general property tax override? Well, before we can do that, we have to justify it. And it's not good enough for us to say, "Well, we might need a few dollars", and then throw something on the table and hope that it sticks.

We want to come back and know for sure that if we're going to ask for something like that, that we're actually going to need it.

This is not necessarily a stop-gap measure. Admittedly, the local options taxes, the additional tax that was proposed on the rooms, and the meals tax, those are stop-gap measures. Because, like I said last night, the state is not helping us, here. They're not helping us here with this, either. This may take some time to move through the legislature. But if we don't try, if we don't ask, we'll never see it happen at all.

As to some of the concerns about the length of time, Mr.

Flanagan raised some concerns, there were concerns raised about folks who might stay at WHOI, who may come for those programs for a month or two, this is why, like I said, there will be public hearings to make sure that we properly define what we're looking at.

We do not want to target the year-round renters or the month to month renters who might be here for two or three years in one spot, the actual residents who are renting to stay. We do not want to target folks, like the Commodores, who may be coming for two or three months during the summer, or the professors or the students. Like I said, what we're looking for is to fill the gap.

Right now, there are folks who come, they rent a house for a weekend because there's a wedding. Instead of those folks staying in hotel rooms, they're staying in houses, and they don't pay taxes on that. We're trying to get those folks who stay here for a week who do not pay a rooms tax if they stay in a house. That's what we're looking to do. But we're going to need your help in order to do that.

This is the first step, is to say, "Yes, we want to proceed with this," and then we'll have the public hearings to properly define what it is that we're looking to do.

THE MODERATOR: Okay. Anything new, Mr. Donahue?

MR. DONAHUE: No.

THE MODERATOR: No, okay. Mr. Dufresne, anything

new? And then I think we're ready --

MR. DUFRESNE: [No mic: ] I'd like to call the question.

THE MODERATOR: Okay, moving the question?

Mr. Herbst.

We'll take the question right after this.

MR. HERBST: Ralph Herbst, Precinct 8. Finally, tonight, we have the Selectmen agreeing with the Finance Committee. Last night, the argument to turn down the room tax was that the two of them couldn't agree. Now we've got them agreeing, so I think that means something.

When people rent their homes, they're allowed a lot of deductions on their income tax. Nobody has raised that issue here tonight. I'm surprised some accountant didn't stand up and talk about this. But you're allowed a lot of deductions when you rent, and therefore you're not paying your income tax on all of that revenue that you're bringing. So that's a benefit to the person who's renting the house.

And as far as Mr. Flanagan is concerned, if I were he, I would take the difference between what I'm renting the room for and what I could get for it, and deduct it as a charitable deduction.

[Laughter and applause.]

THE MODERATOR: Okay, are we ready? All right.

You got something new? Go ahead. And then I'm taking the vote.

MR. LATIMER: Thank you, Mr. Moderator, I'll be brief.

Richard Latimer, Precinct 2. I've got to correct myself. The gentleman across the way reminded me I do have a horse in this race: I'm a taxpayer.

I don't make any money off of my house. Now, the people that own motels, they pay taxes, too. They pay a higher rate than I do, and that's fine because they're making money off of their properties; I'm not.

But for every ten dollars we spend for a cubic yard of dredge spoils for the beach or \$20 we spend for cleaner spoils from the upland, I'm paying just the same amount as the people that rent their vacation homes, only – I'm paying the same amount of that, but I'm not getting the benefit that they're getting, because I'm not making money off the people that those sands bring into this town.

So, in fact, I do have a horse in this race and so do everyone else here who owns a house that is just a single family house and isn't making money off it. Thank you.

THE MODERATOR: Okay, the question will come on the main motion, Article 13. The main motion is as printed. This is to authorize the Board of Selectmen to petition the General Court.

All those in favor, signify by saying aye.

[Aye.]

THE MODERATOR: All those opposed, no.

[No.]

THE MODERATOR: All those in favor, signify by standing  
and the tellers will return a count.

[Pause.]

THE MODERATOR: In the third division, Mr. Hampson.

MR. HAMPSON: 39.

THE MODERATOR: 39.

In the first division, Mrs. Tashiro.

MR. TASHIRO: 32.

THE MODERATOR: 32.

And in the second division, Mr. Dufresne.

MR. DUFRESNE: 60.

THE MODERATOR: 60.

All those opposed, signify by standing and the tellers will  
return a count.

[Pause.]

THE MODERATOR: In the first division, Mrs. Tashiro.

MRS. TASHIRO: 20.

THE MODERATOR: 20.

In the second division, Mr. Dufresne.

MR. DUFRESNE: 33.

THE MODERATOR: 33.

In the third division?

MR. HAMPSON: 23.

THE MODERATOR: 23.

By a counted vote of 131 in favor and 76 opposed, the article passes.

Article 15. Article 15, the recommendation of the Finance Committee is indefinite postponement. This was held by the Board of Selectmen. Mr. Chairman of the Board of Selectmen.

CHAIRMAN PUTNAM: Mr. Moderator, the Board of Selectmen moves Article 15 as printed.

THE MODERATOR: Okay, as printed, this is to vote to accept the provisions of Massachusetts General Law Chapter 64L, Subsection 2A, to impost a local meals tax.

Mr. Chairman – or, Madame Manager.

MS. HARPER: Mr. Moderator, can everyone hear me?

FROM THE FLOOR: No.

MS. HARPER: No. Is that better?

FROM THE FLOOR: No.

MS. HARPER: No. Is it on? I'll come down.

I wasn't planning on a formal presentation this evening, but I did want to add some comments following the discussion. What I have in my folder, and I think we'll be prepared to talk with you, is the July 14<sup>th</sup> ten year multi-year budget forecasting model that was presented to the Board

of Selectmen.

This Board has made a lot of progress in the last several months, focusing on fiscal sustainability and fiscal health.

I want to just review some of the numbers we talked about last night in terms of the impact of the meals tax. If the Board's budget policy were adopted and carried through to the April Town Meeting, \$150,000 would be reserved for capital programs, and \$150,000 would be reserved and appropriated to the Stabilization Fund as part of the budget process next year.

Available of the \$600,000 estimated from the meals tax would be \$300,000 available for other purposes; it could be for further fiscal stabilization or it could be for choices of this Town Meeting.

I just want to review a few things we talked about at the last Town Meeting, and that is how successful communities are emerging from this fiscal crisis. And that is what we're in and we are recovering. There are signs of health in our community. Our Building Commissioner told me today he was turning over \$100,000, which I think is pretty tremendous, given the time of year and the nature of his business. So I think there are signs of hope.

And I want to just add that those signs, those communities that are emerging more resilient from this fiscal crisis are doing four things. They're reducing expenses. This Town Meeting reduced our Operating

Budget by \$2 million and we're sustaining those cuts.

They're supporting the employees that are left behind.

They're insuring that they have an educated labor force: educators, police officers, firefighters, public works employees.

They're also continuing to improve and deliver services in a different way than they have in the past.

And the last thing that they're doing are exploring and raising alternate revenue sources. Your Board of Selectmen I think has made some progress in terms of working towards fiscal sustainability. Your officers of the budget and your Town Manager have given you budgets that reduce those expenses, and I think it's time for Town Meeting to start making some of those same hard decisions that we're making. So I ask for your approval.

THE MODERATOR: Mr. Boyer.

MR. BOYER: Mr. Moderator, Peter Boyer, Precinct 5. I wrestled a lot last night with the question raised by the Finance Committee Chairman about identifying and reserving funds for stabilization and capital needs and the like, and I've been trying to figure out a way to make that work in this case. I believe we should pass this, but I believe that it should be with the stipulation – and I will not offer it as an amendment, but as a challenge to the Selectmen and Manager, that they find a way, either by Town Meeting or whatever mechanism will work, that this revenue be a

receipt reserved for appropriation.

What that means is that it's the collection is set aside, however much it may be, just like the waterways fund is an example of a fund where the revenue is put into a special account, and then Town Meeting votes it out. Whether or not it be for capital purposes, stabilization fund or operating expenses, then Town Meeting will have the ultimate decision-making authority about how that money is allocated.

I could not think of another way to respond to the Finance Committee Chairman, other than simply saying, "We're essentially going to earmark this for future Town Meeting decisions." Otherwise, in the normal course of events, in the normal course of doing business, that money is folded into the general fund and then disappears. Thank you.

THE MODERATOR: Mr. Dufresne.

MR. DUFRESNE: Adriane Dufresne, Precinct 2, speaking as a member of the Finance Committee. Peter Boyer makes a very clear case of why the Finance Committee voted indefinite postponement. Our feeling is that there is no process in place right now that this additional 1½ % would be committed to the Stabilization Fund, the rainy day fund, or our savings account. If we pass this tonight, it goes into the General Fund, and we've been on a spending spree for 12 years; it's time for us to really look at, if we're going to raise revenues or raise taxes on the tourist industry, it should be for us to get back so to protect our bond rating and

put some money away for some of these larger projects that are coming up in the very near future for which we are, the Town of Falmouth, is ill-prepared.

We're on the road to recovery. I believe the Selectmen and the Finance Committee has worked well. The Town Meeting has supported us. We're on to recovery. If any additional taxes are raised, they should go to Stabilization and our future. Thank you.

THE MODERATOR: Further discussion on Article 15? Mr. Dick.

MR. DICK: [No mic:] I would like to –

THE MODERATOR: With a microphone for Mr. Dick, please.

MR. DICK: Henry Dick, Precinct 8. Why does this not specify in the motion the percent that the meals tax is? This seems to be left to the discretion of the Selectmen; they could change this at any time.

THE MODERATOR: I think it's referenced in the General Law, isn't it? Yeah, it's in the General Law. The percentage is in the Massachusetts General Law 64L.

MR. DICK: Okay, thank you.

THE MODERATOR: Any further discussion? Yes, Mr. Goulart.

MR. GOULART: I think we've gotten a little bit away from what this article has done. We're talking about where the money is going.

Like this gentleman just asked, it's up to the Selectmen where the money is going. \$600,000 can help us no matter pretty much where it goes in the condition that we're in right now.

Looking at this article the way that it's written, .75 percent tax on meals. Now, I'm going to step out on a limb here and say that pretty much everybody here, or the vast majority of us, go to dinner once in a while with our husbands, wives, whomever it may be. If you're going to go out and spend – let's be realistic, they probably – round it off. A hundred dollars is easy because it makes it .7 – you know, 75 cents.

Let's just be more realistic and say two people are going to go out and you're going to have a dinner and it's going to cost you \$50. I want anybody in this room to stand up and tell me that you're going to argue about 38 cents at the end of that bill?

I don't see where this bill is going to hurt anything. Vote for it, please.

THE MODERATOR: Okay, Mr. Netto. To my left, here.

MR. NETTO: Joe Netto, Precinct 9. Mr. Chairman, can I ask why we don't have an amendment to this article? Is it possible to amend this article to place all monies that are generated by the passage of Article 15 into the Stabilization Fund?

THE MODERATOR: In order to have a vote to put money into the Stabilization Fund, we'd have to have a sum of money to put in

there.

MR. NETTO: Well, I think I'm trying to offer the amendment to Article 15, and correct me if I'm not mistaken, but if –

THE MODERATOR: I'll let Mr. Duffy answer it, because he's telling me no. Mr. Duffy.

MR. DUFFY: It's my understanding that in order to appropriate money to a specific fund, you have to have it.

MR. NETTO: So that is what Mr. Boyer was talking about earlier, then. I think that maybe we should look at this article in the April Town Meeting, looking at this tax, excuse me, because I think we're hearing more and more that we want to dedicate some funds that we receive from revenue for certain places, instead of just the General Fund.

So maybe the FinCom and the Board of Selectmen can put their heads together and deliver an article like Article 15, but with a fund designated for this tax in April. And maybe that's what I'd recommend, that we review this in April. Thank you.

THE MODERATOR: I think if we were to take any of these and want to put them, we talked last night also about a new Stabilization Fund for capital infrastructure or the existing Stabilization Fund, when Town Meeting – and this is particularly for the newer Town Meeting Members – when you come in in April, there's two parts to the budget. The last page of the budget tells us where all of the revenue's coming from

that's being assigned within the line items of the budget. And currently our Stabilization Fund is a line item. It hadn't been for years, but now it is.

And under the Municipal Relief Act of about I think four years ago or five years ago, it requires a two-thirds vote to put money into the Stabilization Fund as well as take money out of the Stabilization Fund.

So, as we get ready to come into April and we're hearing the intent of the Finance Committee and the Board of Selectmen, it's incumbent on all of you as Town Meeting Members to watch that budget when it comes out in your next warrant to see: has this commitment to putting the monies into those reserves reflected how much money came in from the revenue source, should there be any new revenue sources approved here, and where are they being designated within the line items of the budget. That's where you're going to see whether or not that commitment to the money going to those funds will happen. Okay.

Mr. Hampson, did you have your hand up?

MR. HAMPSON: Mr. Moderator, George Hampson, Precinct 5. This is another example of one group voting one way; another group voting the other, the Selectmen and the Finance Committee. And I suggest that we listen to Bob Antonucci and straighten this out at a further issue.

We're wasting a lot of time on this, by the way. A lot of this

discussion is a small, little things raising taxes, and so forth. This should be taken care of in one fell swoop and I beg you to listen to what Bob Antonucci said. Thank you.

THE MODERATOR: Mr. Herbst.

MR. HERBST: Ralph Herbst, Precinct 8. If we approve this tonight, when will it go into effect?

THE MODERATOR: January.

MR. HERBST: January 1. So then we would be deriving revenues from this from January 1 until the Spring Town Meeting, at which time we would have a surplus of money, which we could then put into the Stabilization Fund or whatever we want to do with it. So, what's wrong with that?

THE MODERATOR: Okay, ready for the main motion? The main motion of Article 15 as printed, to accept the provisions of the General Law, to impose the Local Meals Tax. All those in favor, signify by saying aye.

[Aye.]

THE MODERATOR: All those opposed, no.

[No.]

THE MODERATOR: It is the opinion of the Chair is that the ayes have it, by a majority.

[Pause.]

THE MODERATOR: Article 18. Article 18 was held by the Finance Committee. The recommendation is indefinite postponement and the Finance Committee would like to make an explanation on this. Is there anyone who would like to place a positive motion on the floor for Article 18?

Hearing none, the Chair will entertain the Chair of the Finance Committee for the main motion of indefinite postponement.

CHAIRMAN ANDERSON: Mr. Moderator, I move Article 18 as recommended.

THE MODERATOR: Okay. Article 18, the recommendation is indefinite postponement.

Mr. Chairman.

CHAIRMAN ANDERSON: We understand that the superior officer's bargaining unit has recently ratified an agreement, and have been told the Board of Selectmen has approved it. However, the Finance Committee is still recommending indefinite postponement for Article 18.

At 9:30 yesterday morning, we requested and received a faxed copy of the agreement which was signed November 5<sup>th</sup> and 9<sup>th</sup> by the Town Manager and the union representatives.

There are several provisions in this contract which appear to involve monetary commitments and concessions on behalf of both parties.

Neither the Town Accountant nor the Finance Committee Administrator

was asked to be involved in costing out any of the changes prior to or after the agreement was reached.

The Town Accountant has expressed concern that the proposed settlement may cause the Police Department to exceed the budgeted appropriation authorized by Town Meeting for Fiscal Year '11. Since the Finance Committee has had no time to evaluate any contract provisions or assess the potential cost of the agreement, we are unable to make a positive recommendation at this time.

This Article will need to be brought back at the Spring Town Meeting after we have assessed the cost impact of the contract on the Fiscal Year '11 and Fiscal Year '12 budgets.

THE MODERATOR: Okay, so we'll probably see this one come back at the April meeting.

Any discussion on Article 18? Mr. Chairman. Oh, Ms. Harper, okay.

MS. HARPER: This is a little bit of a unique circumstance. We have a settlement agreement for this fiscal year which was negotiated by the Town Manager with the Chief of Police Anthony Riello, along with the Superior Officers which does not require any appropriation within this fiscal year.

It will require appropriation within the fiscal year budget of 2012, at which time this Town Meeting would be asked to approve the

funding of the contract, which essentially would be the funding of the 2012 Operating Budget.

I do want to share with you some a little bit of an outline of what's contained in that agreement, and I know that the Police Chief would like to make some comments, as well.

First of all, it is a negotiated agreement. This Town Meeting asked the Town Manager to go back and work with our police officers to address some of the issues raised with the Quinn Bill funding. I do want to note that this negotiated settlement resolves the Quinn Bill dispute without litigation --

MR. RHODES: [No mic:] Point of order.

THE MODERATOR: Whose point of order?

MR. RHODES: [No mic:] We don't have a positive motion on the floor. The motion is [inaudible].

THE MODERATOR: Indefinite postponement, yes.

MR. RHODES: Why are we discussing this?

THE MODERATOR: I think they want to explain, since this is going to come back, what happened. Because there have been a lot of questions about this. And that's why I've allowed, you know, I allowed the main motion to be indefinite postponement because there is no positive motion. And we're being assured by the current Town Manager that there will not be a request for additional resources in this fiscal year.

So let's let her make this presentation and then we'll hold her to that commitment.

MS. HARPER: Okay, if Town Meeting is – I'll finish up, briefly.

It's a two year agreement, Fiscal Year 2011 is a zero percent increase and 2012 has a zero percent increase. It restores Quinn Bill type benefits for grandfathered incumbents, and has an educational incentive moving forward. And just in order of magnitude in Fiscal 2010, the losses to employees in this collective bargaining group as a result of the state's share of the Quinn Bill cut resulted in upwards of ten percent employee reductions in salaries in this group.

And by way of comparison, we did have a lot of employee changes and negotiated agreements related to reductions in payroll across the board this year, which in no way diminishes how difficult it was for those employee groups and for those of us that were managing those contracts, it was a very difficult year. Those employee impacts in 2010 were a one percent impact on payroll, on income, and in 2011 it was a 1.2 to two percent impact per employee.

Next slide, please. Fiscal '11 restores the level of employee pay-related benefits for these employees to 2009 levels of pay. It accepts the health insurance reform with 50 percent of the labor groups in agreement. Longevity is eliminated through this contract and reduces two

days of vacation during the term of this contract. The Fiscal '11 costs as calculated by the Police Department is 47,686 thousand dollars [sic?], which is to be funded within the Police budget appropriation.

And the last slide. What's important to me, moving forward, and again, I didn't sit at the table with this particular agreement, but I do support it, and it sets standards for future agreements, collective bargaining agreements. The cost of the contract will be funded from within the contract or within the level funded Operating Budget. And the Chief is here to talk a little bit more about that.

It does have health insurance reform, which is a key to our fiscal sustainability, which you've now heard about at two town meetings, and it sustains a zero percent COLA increases for two fiscal years.

And I'd like to introduce very briefly Anthony Riello, Police Chief.

THE MODERATOR: Chief Riello.

CHIEF RIELLO: Thank you, Mr. Moderator. Is it all right if I use your milk carton down here? Thank you. He left it here.

I understand the concerns, Folks, of the Finance Committee, Mr. Anderson and the Town Accountant. We did analyze our budget. We've figured it out and the funds that are needed this year are within the Operating Budget. And just to give you a quick synopsis of that, or how we know that, is we do have a vacant position for an employee that is no

longer with us. We also have a position that we have funds available to pay this because, ironically enough, we had an officer leave us, after about three years' service and many thousands of dollars that the Town of Falmouth invested in this officer, but he left us to go to another department. He transferred because they have the Quinn Bill. So we did lose him and we're actually going to use part of his salary to make this contract obligation.

And I think, just to reinforce what the Town Manager Heather Harper said, this – we have been negotiating this contract since last February. And if you recall, last April we were told in no uncertain terms that we were – that we should go back to the negotiating table and negotiate it, because Town Meeting was not going to entertain any discussion on the educational incentive program. And you made it very clear to us at the time.

Much, much effort has gone into making this agreement happen. And if you recall what the Town Manager just told you, this group, after, again, many sessions, has agreed to a zero percent increase in 2010, a zero percent increase in 2011.

They forgo, or for – they've foregone payment of the June payment, that's gone. It's history. That was the one that they lost last June. These are the officers that took the ten and 12½ percent pay cut immediately last June. It's gone. We're not – the Town is not paying that

back.

What, going forward – the other thing that’s important going forward, the education incentive pay, or formerly known as the Quinn, is actually going to expire. What’s happened with this agreement is the officers that are currently getting it, the Superior Officers that are getting it, are grandfathered in. No one else can get it.

Going forward, they agreed to half that benefit, for anyone coming up through, who was not originally in the Quinn Bill program. This is a win for the Town, because eventually that benefit gets phased out.

So, I think if you take – if you look at it in that respect, and you look at it as a major step forward, people say, “Well, they’re going to get a major pay increase.” No, they’re not. They gave up all those things to get what they were getting last year. So they’re back to ground zero. That’s reality. That’s what happened. They’re getting back the ten percent and the twelve and a half percent pay cut that they took. And they gave up all these other things to get it.

Not unlike what’s happening across the Commonwealth. Our labor counsel Tim Norris, has negotiated contracts, again across the Commonwealth. This is the kind of agreement that’s happening. This is what’s happening in order to move forward.

And, quite frankly, Folks, it is important -- when it does come up again in April, because it is going to be part – it is written into my 2012

budget, that we continue to fund it. It's extremely important because, you know, throughout, you know, last night, and I heard it over and over again. I've heard of unintended consequences. I've heard of, you know, building the infrastructure. Well, the infrastructure, Folks, of the Falmouth Police Department is the people. That's the resource that we need to keep plugged in. And with an agreement like this, this will happen.

And I stand before you in my salary and wage line item, and we have poured over it. I know that Gary Anderson has not and I offer to sit with you, Sir, and do the same. And I've assured Jill I wouldn't stand here before you and tell you that we have the money right now if I don't. It's just not what I do.

So, that's where we're at. I think it's important. You know, it's been mentioned, you know, that if I carry this forward I'm not hiring a police officer, and it's going to impact services. You know, Folks, we did that over the last three years as far as impacting services. Remember the Town budget was cut three million. Mine was cut over 700,000. And that has hurt.

So, moving forward, this is a good plan. I hope to be able to come before you in April with the Town and the Board of Selectmen on board with an agreement for the Federation, which are the patrol officers in the Falmouth Police Department. We again are very diligently working to craft an agreement with them as well, something that's

palatable to the Town and to the Officers, and to keep them plugged in.

You know, again, not only did we lose the one officer, he's gone; had another one today that is doing the same thing. And the reason given was, "I'm in school. There is no incentive pay here and I'm going to go someplace else." And I can't fault these people, you know, for doing it. That's what's happening. That's reality. I'm not threatening you, I'm telling you that's what's going on.

We need an educated Police Department. We need to provide a good, a good, good contract and a good working environment for these people. And I would appreciate your support. I know it's a moot issue tonight, but come April when we come before you again. And I'll entertain any questions about this agreement. I think it's a major step forward for the Town. There's concessions that are given that were given back to get what they had, and not an increase.

THE MODERATOR: Thank you very much, Chief.

CHIEF RIELLO: Okay, thank you.

THE MODERATOR: The question will come on the main motion of indefinite postponement. All those in favor, signify by saying aye.

[aye.]

THE MODERATOR: All those opposed, no.

[No.]

THE MODERATOR: The ayes have it by a majority.

Article 20, the recommendation is indefinite postponement.

This was held by Mr. McManamon.

MR. MCMANAMON: [No mic:] Release.

THE MODERATOR: He released his hold.

Mr. Chairman for the main motion of indefinite postponement.

CHAIRMAN ANDERSON: Mr. Moderator, I move Article 20 as recommended.

THE MODERATOR: Okay, Article 20, the recommendation was indefinite postponement and the individual who held it has released the hold. All those in favor, signify by saying aye.

[Aye.]

THE MODERATOR: All those opposed, no.

[None opposed.]

THE MODERATOR: The ayes have it unanimous.

Article 25. Article 25, the recommendation of the Board of Selectmen was indefinite postponement. Could we get a microphone to the left, here. This is to authorize the Board of Selectmen to appropriate the funds to replace the aging water main on Siders Pond Road and repave the street.

MR. COOPER: Doug Cooper, Precinct 1. I move Article 25 as printed and I would like to request, Mr. Moderator, that you recognize

the petitioner, Richard Foster.

THE MODERATOR: In order to have a positive motion, this is appropriation of funds, I need to know how much money, where it's coming from and where it's going to.

MR. COOPER: \$250,000.

THE MODERATOR: \$250,000.

MR. COOPER: Certified Free Cash.

THE MODERATOR: Certified Free Cash.

MR. COOPER: To be spend under the jurisdiction of the Selectmen.

THE MODERATOR: Under the jurisdiction of the Selectmen.

Okay, the petitioner. So the main motion is to appropriate \$250,000 from Certified Free Cash under the jurisdiction of the Board of Selectmen to replace the aging water main on Siders Pond Road and Repave the street.

Okay, where's the petitioner? Yes, come on down and get a mic.

MR. FOSTER: Thank you, mr. Moderator. If I may, just a word of thanks to two people who helped guide me through this process: Doug Cooper and Megan Jones. Thank you for your advice and encouragement.

This article grew out of a search for answers. As, to quote Mr.

Putnam, "If you don't ask, you'll never find out what the answer is." We wanted to know why the water on Siders Pond Road frequently comes through either yellow to dark brown during the year. The residents feel that they have a right to clean drinking water. Our mains are unlined, installed approximately 85 years ago, and produce a great deal of rust, especially during the winter months. Their age could lead to a catastrophic failure.

Seven or eight years ago, this question was raised at a time when the Town was not as financially challenged as today. At that time, residents learned that: there is no money. During the last year and a half, we have addressed this problem again because last winter the water was completely unacceptable. We feel, therefore, that we've already had one indefinite postponement, which is why I come before you tonight.

The Water Department says that they have no money. If they did, that we would not be obliged to propose this article. And if they were given the money tonight, they would change the water mains right away. They further say that the funding source is not something they get involved in; that money for these projects comes from their budget. There is no plan at present, apparently, for such projects as there is no way to fund them. This is understandable in view of recent budget cutbacks.

We applaud the DPW for its new system, which will undoubtedly be able to cost out a project like this very accurately.

However, if we wait for it, another two or three years will go by.

In the interests of financial sustainability, we need to find a way to get this underway. Some of those who are old enough remember the Penn Central merger and what a catastrophe deferred maintenance turned out to be for the New York Central Railroad. That was one of the largest bankruptcies in the history of the country at the time.

Therefore, we have proposed Article 25 as a way to accomplish this work. Dollars today may be harder to find, but we will need even more of them in the future if we continue to postpone projects like this. Therefore we urge the Town to adopt Article 25. Thank you.  
Respectfully submitted, Richard Foster.

THE MODERATOR: Okay, Mr. Putnam.

MR. PUTNAM: Thank you, Mr. Moderator. As noted last night, the Board of Selectmen did give this article serious consideration. The evidence is there in front of you. Instead of being Article 50 or 51, it is actually Article 25. We wanted to provide the petitioners the opportunity to speak their mind and to be heard.

The Board did, as I said, give this serious consideration, but at this point, as previously noted, the funds are not there.

The Board's chief concern, aside from the funding, is the simple fact that there are other projects that the DPW and the Water Department have in the pipeline, and we did not want to make this a rule

by petition, but rather the DPW to properly prioritize their projects and determine what needs to be done first and second and third, and not preempt that. They are the professionals and we have to defer to them and their expertise in this situation. Thank you.

THE MODERATOR: Okay, Mr. Jones.

MR. JONES: Dewitt Jones, Precinct 1. I have been a resident of Siders Pond Road for over 50 years and have seen the local water situation getting worse and worse every year. In 2005, I went to the Water Department and was told that they knew of the problem, and that it would be fixed in two or three years. But if anything in the last five years, it's worse.

We believe that clean drinking water is a right for the citizens of Falmouth and have submitted this article to ask the Selectmen to solve this problem.

THE MODERATOR: Okay, further discussion on Article 25.  
Mr. Herbst.

MR. HERBST: Well, these people are receiving Town water, is that correct?

THE MODERATOR: Yes.

MR. HERBST: Are you receiving an annual or semi-annual water bill, the people who live on Siders Pond Road? I assume you are. Well, okay, so if the Town can't provide you with clean drinking water and

water for the use in your home, then you shouldn't pay the bill, first of all.

Secondly, if the Town can't come up with money to provide you with decent drinking water, which is something everyone is entitled to, then it would be my recommendation that individual filter systems be placed in every one of these homes until it's fixed, and that cost be borne by the Town.

Now, how many people are on Siders Pond Road, please?

FROM THE FLOOR: 40 houses.

THE MODERATOR: Forty houses.

MR. HERBST: 40 houses. Okay. Then if Mr. Chapman could please tell us what it would cost to put in individual filter systems temporarily into these homes until we the people of Falmouth can provide these people with clean drinking water. Can Mr. Chapman hear?

THE MODERATOR: Yes, he's in the back, there. Mr. Chapman.

MR. HERBST: Thank you, Mr. Chapman. This is an outrageous situation.

MR. CHAPMAN: Thank you, Mr. Moderator. Bill Chapman, Water Superintendent. Personally I've never purchased an in-house water filtration system.

THE MODERATOR: Folks, I can't hear him. Let's quell the undercurrent.

MR. CHAPMAN: I've never purchased an in-house water filtration system, but I am aware of the fact that if you do a whole filtration system for your house, you will go through filters rather quickly. My best advice would be to put a filter on the faucet or sink that you're going to be using for your drinking water, thereby minimizing the water going through that filter, and prolonging the life of it.

As far as a cost, again, I've never purchased one nor have I looked into the cost of an individual filtration system.

THE MODERATOR: Okay. Further discussion on Article 25. Yes, Mr. Murphy. Then Ms. Peterson.

MR. MURPHY: Hello, I'm Matthew Murphy, Precinct 7. Also a member of the Finance Committee. I mean, this is Falmouth's future. I just want to make this point. When the Finance Committee recommended setting aside money for capital improvements, we have citizens with brown water. We have – a lot of the mains in this town are a hundred years old. This one's fairly new, it's 85. I mean, that's what we have. We're just on the edge of catastroph – I can't talk tonight, I'm sorry. Catastrophic failures all across the Town. Just waiting to happen. And this is why we need to set money aside. It's very expensive to repair. Thank you.

THE MODERATOR: Okay, Ms. Peterson. Matt, can you hand it to the left.

MS. PETERSON: Hi, I'm Laura Peterson, Precinct 3. I know

someone who lives off of Mill Road and I think they're connected, this problem. And it just cost \$3,000 for a filtration system to be put into the home for the water. So I don't know if anyone can comment if the Siders Lane problem is likely connected to that whole branch and if other people have complained, excuse me, from that area. Because, I mean, as you mentioned, catastrophic: I know from experience, pay now or pay later, it's always more later.

THE MODERATOR: Okay, Mr. Dick. And then Mr. Netto.

MR. DICK: I would greatly appreciate it if the head of the Department of Public Works could illuminate this situation for us and why priorities are where they are. And I would also suggest that perhaps the Water Department ought to abate these people's water bills.

THE MODERATOR: Okay. Were you looking for – I didn't hear the first part of what you said. Were you looking for a comment?

MR. DICK: [No mic:] I was looking for the Department of Public Works [inaudible].

THE MODERATOR: Okay. The question of the Department of Public Works was about the priorities of projects.

MR. DICK: [No mic:] And why is this so low?

THE MODERATOR: Okay, where is this on their radar screen and if it's low or why is it so low.

MR. CHAPMAN: Thank you, Mr. Moderator. Bill Chapman,

Water Superintendent. We're in a recession, Folks. Everybody in this building is aware of this. Our Capital Improvement Program hasn't been funded. Operating Budget is reduced. We are barely getting by.

As far as our priorities go, I've got to be honest with you: my interest is everybody in this room overall, and not a specific neighborhood, not a specific association. We have issues that affect all of us. We have a three million gallon tank that is headed for a catastrophic failure. Why? Because it was built in 1986, it's been repainted one time. The requests for funds have been ignored repeatedly, and the cost has gone now from \$200,000 for re-coating, to a million. Why? Because we haven't done it. Now it needs coating inside and outside and structural repairs.

We have situations like this all over the place within our Water Department.

I was recently criticized for asking for \$15,000 to rehab a well. The well went into a complete failure. It's unfortunate that it went into a complete failure, because when we do get it rehabbed, we're going to be lucky to get back 80 percent capacity. I didn't ask for \$15,000, I asked for \$45,000. Why? Because we have two other wells that are on their way to failing.

Folks, we nearly lost Long Pond as a source this past summer, and one of the weekends that we nearly lost that source was Road Race weekend. We've got a well that's down, we've got two more

on the way to failing. I sympathize with Siders Pond, I do. I really do. And if I could fix it, I would. The funds simply aren't there.

So, as far as an order of priorities, I need to make sure that we have water to put through those mains. It is unfortunate that the mains are the age that they are. It's unfortunate that the mains are unlined cast iron. Present construction practices, we use ductile iron and it is lined with cement, thereby reducing the tuberculation and the rusty water. It is unfortunate the situation that they have, but we have bigger issues and I don't want to discredit anybody in Siders Pond, but we have bigger issues with our infrastructure and our operations that really should be addressed that affect everyone in this room, and not a single neighborhood.

THE MODERATOR: Okay, Mr. Netto.

MR. NETTO: [No mic:] My question was answered.

THE MODERATOR: Oh, your question was answered.

Okay, Ms. Jones, and then Mr. Lynch.

MS. JONES: I'd just like to answer the question about the filter. We have people who live on our street that have to change their filter every week because the water is so terrible. I think if you all had to have water that is dark brown for your drinking, for your cooking, for your washing, you would be very upset. And so what happens is that they come and flush the hydrants from time to time, and actually they come quite a lot. And it lasts about two or three days. But I just wonder how

much it costs to do those hydrant flushings that frequently in order for us to be allowed to be able to live in our house.

THE MODERATOR: Mr Chapman.

MR. CHAPMAN: Thank you, Mr. Moderator.

Massachusetts Department of Environmental Protection suggests that a water system such as Falmouth is flushed on an annual basis or semi-annual. Falmouth doesn't do either. Why? We don't have the water. We're going to blow our permit.

Two, second reason, we don't have the personnel to do it.

So how do we address the issue on water quality issues, aesthetic issues? We do a systematic flushing based on the complaints, thereby reducing and minimizing the water that we would be wasting, thereby reducing the man hours that we would be using. We target the affected areas and we address the issues on a case by case scenario.

As far as how much it costs, it's absorbed through the operations and it is minimal compared to what we should be doing anyways.

THE MODERATOR: Okay, Ms. Lynch – Mr. Lynch. Ms. Taylor, I'll put you on the list.

MR. LYNCH: Kevin Lynch, Precinct thing [sic]. I just had a technical question. The motion is for \$250,000 in Free Cash. The front of the Town Meeting guide says there's only 194,000 or so in there, is that a

problem?

THE MODERATOR: That is what we proposed at this Town Meeting. There's 1.1 million in Certified Free Cash. Certified currently.

Mr. Pinto.

MR. PINTO: Thank you, Mr. Moderator. Greg Pinto, Precinct 3. I don't recall if it was last spring or last fall at the Town Meeting we were informed by Mr. Anderson as well as some of our selectmen that we need to have a town-wide discussion about priorities. And I started thinking to myself, "All right, well, what's the most important thing in town? The most important department in town?" Well, for me, it's a division of a department, that division we call the Water Department.

As a couple of people have pointed out, we all expect to have clean, potable water when we open that tap. Putting a filter on my kitchen sink, if I lived on Siders Pond, respectfully, doesn't do anything for the brown water I'm taking a shower in. That's disgusting, plain and simple.

So, as we start to go down the road toward financial stability, yes, our reserves are extremely important, and that should be our number one priority. After that, we really need to start thinking about what is the most important thing. If you do not have clean water that you can drink, that you can cook with, you can't live, plain and simple.

Water is the key to life. You and I are, what, 70, 80 percent water? Water is the key to life.

I have a question through you, Mr. Moderator, to Mr. Chapman, and that question simply is: would \$250,000 actually be enough money to replace these mains and take care of this problem?

THE MODERATOR: Mr. Chapman.

MR. CHAPMAN: The best cost analysis that I have available is \$257,614.13. Slightly short.

THE MODERATOR: It's actually on the Capital Plan, so.

MR. PINTO: It is on the Capital Plan.

THE MODERATOR: Yes.

MR. PINTO: Okay, well, if it's on the Capital Plan but we don't have –

THE MODERATOR: The capital.

MR. PINTO: – the money to fund the capital plan, that doesn't really do much good for the folks who live on Siders Pond Lane. And if this were Dexter's Mill Drive where I live, I'm pretty sure I'd be putting in a petitioner's article, myself. So, I'd like to see these folks have clean water.

THE MODERATOR: Okay, Ms. Taylor and then Mr. Putnam. Or, Ms. Harper, okay. Were you going to answer a question or did you have another comment to make? Were you going to address the financial? No. Okay. So, Ms. Taylor then Ms. Harper.

MS. TAYLOR: Julie Taylor, Precinct 6. I think after what we

heard from Mr. Jack at the last Town Meeting and what we've just heard from Ms. Chapman today, it's all very well for the Finance Committee to take a tough stand on raising new revenue because we haven't quite found the right place to put it, but this is not acceptable. And if we don't raise more revenue quickly, at least by April, I think we've made a big mistake.

THE MODERATOR: Okay, Ms. Harper.

MS. HARPER: We do have a five year capital plan. We prepare one every year. Last year we presented a capital plan to the voters and the voters didn't support that plan.

And the only thing I want to caution this body about is adopting a petition article as your method of capital planning. And I think that is going to erode your capital planning process even further than it already is eroded.

I'm – I wish Mr. Chapman had talked a little bit more about the process that we just went through, which is a full rate study of the water rate system, which identified an additional source of revenue for water mains, meters and fixtures. While it may not be available immediately to address this particular neighborhood, it is not the only neighborhood with unaesthetic water.

I have the deepest sympathy for the residents on this road. I know they've been suffering with this diminished water quality for some time. It is not a health risk and they are not the only neighborhood in our

community with the same types of concerns.

So, I would recommend that you direct us to go back and take a look at our capital planning program, possibly propose additional exclusions, either within Proposition 2½ or outside Proposition 2½, but I think, again, this body, as well as our policymakers, need to get behind the proposals in terms of funding these capital needs.

THE MODERATOR: Okay, Ms. Lowell.

MS. LOWELL: Vicky Lowell. I just have a question. We have water fees that we all pay and are they sufficient to fund the Water Department budget and the Capital Program? And if not, shouldn't they be raised? I mean, nobody's mentioned the –

THE MODERATOR: Mr. Chairman.

MS. LOWELL: – rates that we're paying for water and what is that paying for and what's the shortfall?

THE MODERATOR: Mr. Chairman.

MR. PUTNAM: As Ms. Harper noted, the DPW's in the middle of a rate study. They presented their initial findings to the Board several weeks ago. The Board, based on those findings, did vote to increase water rates to help fund the shortfall so that Capital projects, such as this, such as the filters for the wells, such as the water meters that we've heard so much about over the years, so that these smaller projects can be funded.

THE MODERATOR: Mr. Donahue and then Ms. Jones.

MR. DONAHUE: Mr. Moderator, through you to Mr. Chapman. And I'd like to say this as an aside. I feel like – I'm a new member, here, or relatively, a couple of years, and I feel like I've gotten kicked in the gut, here. I don't know how you other people feel; maybe you expected this. But this is – how many projects do we have or how many neighborhoods are affected like this? How bad – last spring we talked about \$60 million for the water pumping station for purification, I believe it was, or something. You know, rebuilding that.

Two hundred and fifty, sixty thousand dollars for this one neighborhood, 40 homes. How many more projects are there on this list and what's the number we're talking about?

Does anybody know? I ask you members, do any of you – raise your hand if you have a clue how much we're –

THE MODERATOR: Okay, Mr. Chapman, do you have a –

MR. DONAHUE: – these projects is?

THE MODERATOR: – an overview of how many areas are like this?

MR. CHAPMAN: My interpretation is there were two questions there. One, how many projects do we have? Approximately 20, 20 system improvement projects.

MR. DONAHUE: And what's the dollar amount on that 20

projects?

MR. CHAPMAN: I've not got that total.

MR. DONAHUE: Roughly. Give me just a ballpark.

MR. CHAPMAN: I've not got that total with me.

Approximately 20 projects, system improvement projects. Some of them are put in front Chapter 90 projects, repairing the infrastructure prior to road resurfacing. An example of that would be Falmouth Heights Road; we do have projects such as that. We do have aesthetic quality issues, such as Siders Pond; we have a similar issue in the Racing Beach area, and we address that system similarly: when we get the complaints, we go out and we do the systematic flushing, in a predetermined method.

Generally speaking, it doesn't become an issue in the summertime when the volumes are up, when the water is being used. Siders Pond, they experience their problem becomes a little intensified come this time of the year until their water volume increases.

But we do have other areas with water quality issues. And again, the unlined cast iron, which was the norm in that era for installation, that is problematic. It does create tuberculation. And, whether it be high volumes of water; whether it be fire flows, fire hydrant being used, whether it be authorized or unauthorized, or a water main break, any of those is going to cause a water disruption in the system. Generally that will settle out in a day or so.

When we go out and flush the hydrants in the Siders Pond area, or Racing Beach for that matter, it generally takes one to two days for it to settle out and then it'll be fine for a few days and then we may have to go back there again, and sometimes it lasts longer when we take care of that.

I hope that answered your question.

MR. DONAHUE: Well, here again, I'm looking for kind of a financial number. It looks to me, and here again, I don't know your business, sir, but looks like we're in for serious money here, maybe five, ten million dollars?

MR. CHAPMAN: A capital – as the Town Manager –

THE MODERATOR: Mr. Chapman.

MR. CHAPMAN: – had mentioned, a capital improvement plan is a strategic plan over a course of several years, and what that looks at is what your debt service is going to be, what you can do, what your cost analysis is going to be and how it factors into the water rates. It is something that we work on an annual basis and we do present it.

So, as far as a total dollar figure, it's going to be spread out and again we do a new capital improvement plan every single year, anyways.

THE MODERATOR: Okay, Ms. Jones. Then Mr. Smolowitz.

MS. JONES: The reason why this is a petitioner's article is

because we have not been able to get satisfaction through the normal channels. As my husband said, we have a letter from 2005, saying we're on a list and it'll be done in two years, and we can never find that list. And now we're told there's no money, so I don't know whether there's a list or whether there's no money, or whatever it is. All I know is we have terrible, terrible water, and we can't have guests come -- they bring their own water, now.

So, when you talk about losing tourists, I think if this gets worse, you won't have many tourists coming to Falmouth and looking at this kind of water supply.

THE MODERATOR: Mr. Smolowitz. You're on my list, Joe, relax.

MR. SMOLOWITZ: Ron Smolowitz, Precinct 8. If you want to learn about a big problem facing the world, just Google "Water supply issues worldwide". Some of the best authorities say that within ten years the cost of water to a homeowner will increase an order of magnitude; the rise of water costs will be more precipitous than the rise of petroleum cost. So, if you have a \$200 water bill now, it'll be a \$2000 water bill inside of ten years. And the reason is capital expenditure issues related to water quantity, which luckily we have a good quantity; but water quality, we're still sitting on top of a sole source aquifer.

Water is going to be our main issue, and the only way we're

going to raise money for it is an absolutely explosive increase in our water rates.

And just, that's the – we're going to have to confront it. That's it. We're going to have to start paying two, three thousand dollars a household for water. Per year. That's a fact of life. The water isn't going to – we have nothing else to do. We have to deal with this. I don't know how to deal with the \$250,000 now, but it's the tip of the iceberg. We're going to have to confront it.

THE MODERATOR: Mr. Hampson.

MR. HAMPSON: [No mic: Inaudible.]

THE MODERATOR: Mr. Jones.

MR. JONES: Douglas Jones, Precinct 2. I have certainly seen the water and the bad condition of it. I do resent a little bit of the sentiment that because it's a petitioner's article we should not vote in favor of it. We are still living in a democracy; where the Town Meeting exists, petitioners may make the request, and I ask the Town Meeting: we are responsible enough to make a decision based on what we think is right, not just because it's in our backyard or in someone else's back yard.

So, while it is a petitioner's article, I would encourage you: consider the point of view. Consider your issues. Make your decision about it, but don't feel threatened just because it's a petitioner's article you should vote against it.

THE MODERATOR: Okay, Mr. Patterson. Then Mr. Netto.

MR. PATTERSON: A question for you, Mr. Moderator: has the costs of the revenue anticipation bond been included in the water rate hikes, so that some of these projects could be funded more quickly?

THE MODERATOR: Has the cost of the revenue anticipation bond been?

MR. PATTERSON: Been included in the water rate increases so that some of these projects could be funded more immediately rather than postponed for many years?

THE MODERATOR: No. I mean, that was to patch the fact that you didn't get your tax bills.

Mr. Netto.

That bond was because you don't have tax bills yet. You're going to get a Christmas present from the Town this year.

[Laughter.]

THE MODERATOR: Mr. Netto. Mr. Netto. I'll put you on the list.

MR. NETTO: Joe Netto, precinct 9. Hopefully I'll just try to sum this up very quickly. First of all, what Doug Jones says I was going to start out with. This is a group of people, Falmouth taxpayers, Falmouth citizens, who have come to us in the democratic process of trying to fix a problem because the people in charge who were supposed to fix these

problems in their day to day activities haven't done it. That's the bottom line. The Water Department has not met the needs of the people that live on Siders Pond.

We have tremendous Water Department problems. We have a section of Ballymeade, they're saying that they don't have enough water pressure. We hear about Siders – I was at the Selectmen's meeting the night these people presented their petition. And the sad thing that they were told that night was they were not even in the near future. That was about a month ago when we were there.

The "not on the plan", or "wait until we come up with a capital plan" always sounds nice when we don't have the funds and let's pass more taxes. Well, there's another way to solve some of the economic problems of the Town of Falmouth, and I took an attempt to do that two nights ago. And it's interesting that the \$250,000.57, whatever it is, that could fund this article; in one night, I presented over \$600,000 of lost revenue to the Board of Selectmen. And two weeks ago this last Monday night, \$400,000 in sticker sales. \$70,000 in missing metal money which no one cares about, no one wants to do anything about, I guess. It's funny, when you present problems people look the other way. And as we know, we have the ongoing transfer station shortage of funds which has been over, this year –

THE MODERATOR: Okay –

MR. NETTO: – \$300,000. And my point being that’s more than enough in lost revenue that we’ve identified, myself and other people, working within the town. That’s factual. And I think the taxpayers deserve – that has to be looked at. Instead of, “Well, we just don’t have enough money”.

I’m going to vote for this water project. I’m going to vote for it because Mr. Anderson just said we have \$1.2 million in Certified Free Cash. The \$250,000 it’ll take to do this has been verified by the Water Department, and it’s a group of people who are lifelong residents of the Town of Falmouth, the Jones, who have come forward and said, “Will you help us solve our problems?”

And at this time know I’m going to overstep the so-called professionals and I’m going to vote that they go ahead and do this because they haven’t solved the problem with these people on this road.

And, as Mr. Pinto said, clean water is something that we all deserve.

I would hope that you would support this petitioner’s article. Thank you and I call the question.

THE MODERATOR: Mr. Putnam, quickly.

[Applause.]

THE MODERATOR: Mr. Putnam.

MR. PUTNAM: I’d like to address one of the questions that

was asked earlier was the amount of the dollar figure for the projects that are in the pipeline and for the Capital Improvement Plan that I pulled up; this is on the Town's website. For Fiscal Years '10 through '15, there's approximately \$2 million identified in Water Department projects, including \$1 million in water mains.

There's also an additional \$11 million in other Water Department projects. There's a lot of money that needs to go into the water system, Folks. I understand the concerns here this evening. But if we put this ahead of the rest, you're putting this ahead of other projects, such as maintaining the wells. And, as Mr. Chapman noted, we won't have any water if we don't prioritize the projects properly.

THE MODERATOR: Okay. Anything new, Mr. Latimer? Mr. Latimer? We'll finish this up around 9:00 and we'll take a break.

MR. LATIMER: Richard Latimer, Precinct 2; I'll be very quick.

I don't mind the fact that this is a petitioner's article so much as I do mind the fact that it had to be a petitioner's article. And by that, I mean that we are hearing that there are 20 neighborhoods. This one is 40 houses; who knows how many houses are in those other neighborhoods that have similar problems?

And at present we're hearing that, well, it's not a health issue, but I gotta say you don't feel too well when you get up in the morning, you take your morning shower and the water comes out brown. I know I

wouldn't. Or, you're making your coffee and it's already brown before you put it through the brewer. I mean --

[Laughter.]

MR. LATIMER: – that's not going to make you feel very well.

And I think that, yes, we have priorities having been set, but why hasn't this particular problem been included in those priorities and why haven't we been hearing about this from the Water Department working with the FinCom to figure out ways that we can address this problem? Because this is a serious problem.

And if it's not a health issue right now, who knows when it will be through some kind of more serious failure of these systems, of these local mains? Thank you.

THE MODERATOR: Ms. Kozens-Long, then Mr. Wilber.

MS. KOZENS-LONG: I don't mind that this is a petitioner's article, either. However, what I am concerned about is the precedent that this type of action would take at Town Meeting. I have a problem with the Board of Selectmen running the operations of the day to day operations of the Town. I have a problem with Town Meeting running the day to day operations of the Town.

I know that quarterly the Water Department has reported their priorities and what needs to be done. They don't have the funding. If you

tune into Channel 13 or you go down to the Selectmen's room, Mr. Chapman has been talking about this forever. The management has been talking about funding our Capital Improvement Plan forever. Times are tight; we don't have the money in there.

The program is there, the wants and the needs are there. My heart goes out to the people on Siders. I had a well for years; that's what my water looked like. And thankfully the Air Force paid for me to have Town water and I have a new main.

But there are mains out there that are a heck of a lot older than 80. There are mains out there that are 90, 100, there's one in Teaticket that's over 100 years old. This is a problem we need to put a lot of money in, but I don't think that this body, this legislative body should be running and making decisions for the day to day operations of the Capital Plan.

THE MODERATOR: Mr. Wilber.

MR. WILBER: Mr. Chairman and Town Meeting Members, Jude Wilber from Precinct 8. I will support this article for two reasons. I do think that 20 years of questionable water quality is enough.

And second of all, I view this as a learning experience for the Town Engineer on this project. What will we find, what will it cost to fix it, how did it all occur? These are the sort of things that we can't find out until we dig up the road and see what we got down there. I think this is

valuable information for assessing the other parts of the system that are also in jeopardy.

I would also like to say that I do support Mr. Smolowitz. Not simply because he's my boss, but because he draws attention to a major issue, and that is that water will rise in cost; whether at the rate that he indicates or not, it is a done deal. And I have to remind you that there's a precedence for this.

I worked on the Boston Harbor cleanup project, which was a really rather amazing thing, since it came in under budget and on time, as opposed to the Big Dig, which I still don't think is done, and the entire cost of the Boston Harbor Cleanup Project was shouldered by the citizens of Quincy, Chelsea and Charlestown, who initially rioted over the increase in the water bills. Ultimately they accepted the increase in the water bills and that acceptance led to a considerable amount of conservation.

So, I do think it's necessary to consider this overall perspective of water crisis in considering these individual projects. Thank you.

THE MODERATOR: Okay. Mr. Dufresne, do you have something new?

MR. DUFRESNE: Fellow Town Meeting Members, quality water is a basic necessity of life. There are 49 families on Siders Pond Road. Adrian Dufresne, by the way, speaking as a representative of

Precinct 2.

There are 49 families on Siders Pond Road that unfortunately had to resolve to a petition article for a problem that's been known for the last five years. We heard Mr. Chapman say that he sympathizes with them. The Board of Selectmen sympathizes with. I think everybody in this room should sympathize with them. I would hope that this petition article, because this is the legislative body of the Town of Falmouth, would some way find in their hearts to vote a \$250,000 project, find the money somewhere.

This is one of the things that the Finance Committee has been saying we have to build a savings account. This would be a reason for the savings account. If we have the money, this is a purpose that is necessary for the people that live on Siders Pond Road and I would ask that you support this petition article.

THE MODERATOR: Okay, Ms. Harper.

MS. HARPER: There are no easy decisions to make. I feel like we're taking maybe one step forward and possibly one step back. The idea of taking a capital project that has been identified in a Capital Plan out of sequence ahead of other capital needs and reducing your reserves by one-quarter at a time when those reserves are very much needed in order to sustain your bond rating, which would be the source of revenue you might use to fund future water projects. And I just think Town Meeting

needs to look at the big picture here, and I know you want to use your heart and I understand why you would want to do that, but please allow Town Meeting – your staff to hear your message.

We've heard the discussion, but I want you to use your head.

Thank you.

THE MODERATOR: Okay, Mr. Duffany, anything new? And then we're going to vote. Yes, go ahead.

MR. DUFFANY: Michael Duffany, Precinct 6. I know we've talked this to death. Years ago I came to the Town because I was in the same frustration of the situation over water in our neighborhood; we couldn't get it. We kept asking and it was going through the same thing: we're on the list. Town Meeting did see in its wisdom to grant us the money under the betterment in order for our neighborhood to have clean water that we have today.

And so, with that, I was going to make an amendment to this article if it's possible. I don't think it's – I think it's the main motion on the floor.

THE MODERATOR: To be done by betterment?

MR. DUFFANY: To be done by a betterment. To be done by a 60/40 betterment, so the Town will get back \$150,000. Granted it won't be tomorrow, but it'll get back \$150,000 of the money. And I believe this sort of a project is best handled through a betterment. And, again, I'm

speaking from personal experience, we were thrilled to have it.

THE MODERATOR: Okay, so we would initially have to come up with the – still appropriate the 250 from Certified Free Cash, but then add that it would be a 60/40 split –

MR. DUFFANY: Yes –

THE MODERATOR: Is that what you're saying?

MR. DUFFANY: – my betterment basically says something to the effect of see if the Town will vote to fund \$250,000 from Certified Free Cash for the purposes of Article 25 under the Betterment Act of a 60/40 split, with the Town paying the lesser. Said monies – or to take any other action in this matter. Or said money to be spent under the jurisdiction of the Board of Selectmen.

If I need to tweak it, I will, but.

THE MODERATOR: All right. Yeah, I mean, it says to appropriate funds in the article, so I would deem that it's within the scope because that's a mechanism of appropriation. So I'll take the amendment.

MR. DUFFANY: Thank you for the consideration.

THE MODERATOR: The discussion on the amendment. Mike, do you have that in writing that we could have a copy of for the clerk?

Mr. Shearer and then Mr. Donahue.

MR. SHEARER: Dan Shearer, Precinct 6. If we vote for this

amendment, every single broken water pipe, every single broken main anywhere in town, we're going to say, "Hey, you have to pay for it, or you'll have to pay part of it through a betterment." Water mains are the Town's problem; they are everybody in this town's problem, no matter where it is. We have to give homeowners clean water.

I'd like to ask the Assessing Department, and I don't expect an answer. Or I would, if I was in this case, I would ask the Assessing Department, "How are you now assessing these houses?" Because their resale value has been almost nonexistent. So maybe we shouldn't be getting taxes on these 40 some-odd houses.

This is our responsibility, and it's the responsibility of everyone here to help his neighbor and help our fellow citizens. Thank you and please vote this down and vote to spend this money now.

THE MODERATOR: Okay, Mr. Young.

MR. YOUNG: Bob Young, Precinct 5. I didn't think it was going to go so long. I want to speak in support of Mike Duffany's amendment. My first house in East Falmouth, I went to hook up to Town water and I found out that the guy to the left of me had a main, the guy to the right of me had a main; I had no main in front of my house. The Town said I could hook up, but I had to pay \$2500, which I did over a ten year betterment. So there is a precedent for this.

THE MODERATOR: Okay, any further discussion on the

amendment to include the betterment? Mr. Brodeur.

MR. BRODEUR: Paul Brodeur, Precinct 4. I just have a question on the amount. Is it 250,000, or is it Mr. Chapman's 256,000?

THE MODERATOR: The main motion is 250,000.

MR. BRODEUR: That's going to do the job?

THE MODERATOR: Mr. Chapman, do you want to address that? Can you do the job for 250? He said it was going to be \$257,614.13.

MR. CHAPMAN: Thank you, Mr. Moderator. The best cost analysis that I have is \$257,614.13.

THE MODERATOR: Okay. Well, let's get the first amendment done and then if you want to amend the number to reflect that, we can do that. The first amendment here is whether or not to make this a 60/40 split with a betterment. All those in favor of the betterment, signify by saying aye.

[Aye.]

THE MODERATOR: All those opposed, no.

[No.]

THE MODERATOR: It is the opinion of the Chair is that the No's have it on the amendment.

Any further discussion on the main motion? Ms. Szuplat.

MR. SZUPLAT: Thank you. Peggy Szuplat, Precinct 7. Ms.

Harper just referred to the capital list. I was wondering how far down that list this project is, and if it could be moved to the top of that list?

THE MODERATOR: Do we know about how far down the list it is?

MS. HARPER: I don't have the complete Capital Plan with me, but I know that it's bundled with several other capital projects and there is a plan. Just as we did several years ago, we did a \$6 million borrowing for water main improvements. This was planned as the next borrowing under that same program, and I believe it was planned in Fiscal '11 or '12. I don't have it in front of me. But that would include part of a rate analysis, an increase in the water rates to fund a series of water mains and to fund the debt service associated with that program.

Again, my recommendation would be to ask us to come back with that plan to you in the spring to fund water mains in a comprehensive way and not take one project as an exclusive project that would have an impact on the other – on the fiscal health of the Town.

THE MODERATOR: Okay, are we ready to vote on the main motion? The main motion is \$250,000 from Certified Free Cash for the purposes of Article 25. All those in favor, signify by saying aye.

[Aye.]

THE MODERATOR: All those opposed, no.

[No.]

THE MODERATOR: All those in favor, signify by standing and the tellers will return a count.

Mr. Hampson.

MR. HAMPSON: 27.

THE MODERATOR: 47? 27, 27.

In the first division, Mrs. Tashiro.

MRS. TASHIRO: 32.

THE MODERATOR: 32.

In the second division.

MR. DUFRESNE: 56.

THE MODERATOR: 56.

All those opposed, signify by standing and the tellers will return a count.

THE MODERATOR: Mr. Hampson?

MR. HAMPSON: 35.

THE MODERATOR: Second division?

MR. DUFRESNE: 38.

THE MODERATOR: 38.

First division?

MRS. TASHIRO: 22.

THE MODERATOR: 22.

By a counted vote of 115 in favor, and 95 opposed, Article 25

passes.

By call of the Chair, we'll stand in a 15 minute recess.

[Whereupon, a brief recess was taken.]

THE MODERATOR: Article 26 is a petitioner's article asking us to establish a Charter Commission. Okay, let's re-establish this quorum.

All Town Meeting Members present please rise for the establishment of the quorum and the tellers return a count.

[Pause.]

THE MODERATOR: Mr. Jones in the third division, and that includes this side of the stage up here, okay.

MR. JONES: 61.

THE MODERATOR: 61.

Second division, Mr. Dufresne.

MR. DUFRESNE: 85.

THE MODERATOR: 85.

First division?

MRS. Tashiro: 44.

THE MODERATOR: 44.

By a counted vote of 190, we have a quorum and we're back in session.

Article 26, Mr. Chairman of the Board of Selectmen for the

main motion.

CHAIRMAN PUTNAM: Mr. Moderator, the Board of Selectmen moves that this article be moved as printed.

THE MODERATOR: As recommended.

CHAIRMAN PUTNAM: As recommended, excuse me.

THE MODERATOR: Okay, as recommended. The one change you'll notice in the recommendation from the actual printing is that the Town vote to resolve to support the petitioner's effort. We're a legislative body, so when we take an action that is non-binding and expresses our thoughts and desires, it is a resolution.

When an executive body, such as the Board of Selectmen, takes a non-binding resolution that expresses their wills and desires, that's called a proclamation. So the difference in your main motion would be Article 26 as it's printed, but it would become a resolution. We the undersigned request the Town of Falmouth, etcetera, etcetera.

Mr. Stumcke.

MR. STUMCKE: Thank you, Mr. Moderator, for the opportunity to explain to the Falmouth residents the petition process we are proposing.

Next slide. This is what the petition that we're proposing. Should a commission be elected to revise the Charter of the Town of Falmouth? These required words from the state, local charter procedures

will appear on the May, 2011 ballot for all voters to approve or disapprove, provided we get the required signatures on the petition. The words “revise” has raised some concern, and we would have preferred “review”, but the state does not allow us to change the wording.

If the review results in recommended changes, we will have the legal authority to act. The sole purpose of this exercise is to let the voters, the voters decide whether to have a commission.

The response that we’ve been getting as we’ve gone around town for the person on the street is something has to be done to improve local town government. And I think this last exercise we went through just is just another indication that we really need to look at how we are doing business in Falmouth.

Next. Okay, the next slide is a comparison of a commission versus a review committee, because there’s been a lot of questions raised by the people as we’ve gone around. The commission can recommend revisions to our charter. A review committee can only make minor changes to our present charter, and such as we did back in 2004, the last review committee, we changed the Town Administrator to the Town Manager.

But, either way, either Committee or Commission, it’s up to us, the voters in town, to approve it or disapprove it, not those – the commission or the review committee.

Why is a petition needed? Well, the Town Charter, when it was originally approved back in 1990, our budget then was 43.5 mil. It's gone up two and a half percent, two and a half times, I mean, since then, to 107.9. So, a week ago I stood out in front of the East Falmouth Post Office getting signatures on the petition, and I would say at least 80 percent of the people that I interfaced with were saying, "Yes, we need to do something because Town government is not operating efficiently." So, we've got some support out there.

The next chart shows you the organization chart, which you should have received in your warrant package. Many who have held managerial positions in both the private sector and in the military think this points out that leadership – that word is key – leadership in such a flat organization is cumbersome and should be reviewed for improved efficiency and responsibility.

The federal government and the state government have a leader at their respective executive branches of government. Falmouth doesn't have that central leader who can ensure some continuity and leadership.

Next. Who should be on the commission? Oh, we would hope that many residents in town would volunteer to help shape the form of government for the next at least 20 years. You've heard tonight some of the challenges that we're facing: declining revenues due to the loss of

state aid. Other demands on our government. The biggest challenge is providing wastewater services to some areas of town. That's the big elephant in the tent.

As well as funding for potable water treatment. We came darn close on race weekend this past year to having to shut down our water supply. So, that's the smaller elephant I see.

But, infrastructure improvements. We've heard earlier that the water pipes in town are in tough shape in some places. And we can't forget supporting the school system.

Contrary to what has been in the press, and rumored around town, we have not, I repeat not determined any changes for the Charter. That's going to be up to the Charter Committee members, with input from all of us. We would hope that many ideas would be brought to the table for consideration since our basic Charter, as I said earlier, is 20 years old.

Now with the Internet, we can easily look at what other towns our size have done to reshape their government, and I've done that. I've gone to Braintree in 2005; they went to a new form of government and Barnstable in '95 has re-shaped their government. And I know there's going to be others that will – we'll be able to draw from.

What are the next steps? We need 15% of the registered voters in town to sign the petition. That's a big challenge. That's 3872 signatures, verifiable signatures. So we've got to shoot for at least 4,000.

That's what Michael Palmer is suggesting, because there are going to be some people that sign it but really aren't on the rolls. We've got to get those signatures by February 4<sup>th</sup> to have the petition placed on the ballot in May. So, if we don't get those signatures by the 4<sup>th</sup> of February, you know, we go home.

Then, prospective commission members have to take out petition papers and they need 50 signatures, and they have to have those in by the 4<sup>th</sup> of April to be put on the ballot for May of 2011.

But, again, as the bottom bullet says, it's the voters in Falmouth that are going to determine the fate of this whole thing.

This is a very ambitious schedule, and with a bar chart, but even if we get the petition signatures and it goes on the May, 2011 ballot, and we elect the commissioners, you can see the long bar, there, that's a length of time to develop any kind of changes that we would want to make to the existing Charter, because we, the voters in Falmouth, can't vote on those until May 12 of 2012. So, this is a long, drawn-out process.

What we're doing on this slide is we're asking for your help, and those at home, we're asking for their help, also. Because, as I say, it's one signature at a time to get up to the 3872. And volunteer, if you're so inclined to, once we get the required signatures, to become a commission member. And, lastly, attend the meetings. Participate. Be aware of what's going on.

And lastly, I would like to thank everyone for their support so far. We will be circulating the petition so I hope we can get most everybody to sign for the benefit of the Town of Falmouth. Falmouth's a great town and we want to keep it that way. Thank you.

THE MODERATOR: Ms. Jones.

MS. JONES: [Inaudible.]

THE MODERATOR: I don't think it's on. I don't think your mic is on.

MS. JONES: Can you hear me now?

THE MODERATOR: Yes.

MS. JONES: Megan Jones, Precinct 1. I recently saw my first Mayor For Falmouth bumper sticker, and I would like Town Meeting Members to know that turning Falmouth into a city with a mayor-council form of government will automatically abolish Town Meeting. This is something that I hope will not happen. By allowing citizens to participate in making major decisions affecting the Town, Town Meeting has served Falmouth well.

However, as we've heard, a Charter Commission has the authority to completely revise the Charter, including doing away with Town Meeting. Therefore, when candidates for the Charter Commission ask you to sign their nomination papers, those of us who support Town Meeting should make sure to ask them where they stand on maintaining Town

Meeting.

Since the Selectmen have voted to support the Charter Commission, I have assumed that they have considered the following questions which I would like to ask them through you, Mr. Moderator. State law requires the Town to cover expenses for the operation of a Charter Commission. These could be considerable, since the Commission's work will take between two to three years. Do the Selectmen have a funding source for these funds, and what is it?

In 2011, the Town Charter requires the Selectmen to appoint a Charter Review Committee. As we heard, this committee is charged with making amendments to the existing Charter, unlike the Commission, which compose revisions to the structure of Town government, thereby making the present Charter obsolete. This could make the work of a Charter Review Committee seem like re-arranging the deck chairs on the Titanic. And yet the present Charter requires that the Review Committee be appointed in 2011, and ideally early in the year so that their recommendations can come before the November, 2011 Town Meeting. This allows time for the Attorney General to review the recommendations before they go on the May ballot. So my question is: will the Selectmen appoint a Charter Review Committee in January regardless of a Charter Commission looming in the future?

THE MODERATOR: Okay, two part question: the expenses

– yes?

CHAIRMAN PUTNAM: With regard to funding, it may be a little premature to ask that question because they've not yet, as noted, collected all of the necessary signatures. Should they do that, we can provide funding through the budget process. However, I'm not sure how considerable that budget line item would be, simply because we're talking about holding public meetings and perhaps requiring copies made. It probably could be managed out of the Selectmen's budget, if necessary. But again, until they actually get the signatures, there's nothing to build a budget for.

With regards to the Charter Review Committee, the Board of Selectmen, regardless of how this process proceeds, will continue to support and lead town government in the fashion that you've all come accustomed to, if not try to make improvements in the process. The Charter Review Committee is required by the Charter and we will appoint it as required by the Charter.

It should be noted that the Review Committee does exactly that: it simply reviews the existing Charter and makes recommendations for changes, but they are minor in scope. The Charter Commission would allow us to look at and perhaps completely change, as noted, our form of government.

THE MODERATOR: Mr. Wilber.

MR. WILBER: Jude Wilber, Precinct 8, I just wanted to make a cautionary statement and then offer an amendment to the article. In times of no money, there's great sturm and dross, fingers point, accusations are made and bucks are passed. And so that highlights your present form of government in the worst possible light.

So, it has been this way in this town, now, for about three years, or more. So, I caution against a somewhat hasty and radical attempt to change an underlying factor, which is an economic pressure that we really are or have been effective in dealing with as Mister – as the Chairman of the Finance Committee has pointed out.

I also see a conflict between the recommendation of the Board of Selectmen and the wording of the proclamation, so I would like to suggest an amendment to the wording of the proclamation to bring it into line with the statement of support by the Selectmen. In the first sentence, it reads, the "Commission to develop an improved form of government for the Town of Falmouth." I would suggest that you strike "development" and "improved", and change that to "investigate alternative forms of government for the Town of Falmouth", rather than to simply go ahead and develop an arbitrarily defined improved form.

And I would also suggest a further wording change, down in the second paragraph, where it says that, "manpower and operations need restructuring." I would strike "need" and insert the word "suggests that

restructuring is needed". These are subtle but important changes because they simply remove other didactic –

THE MODERATOR: Let me get this right: the word after "operations", just take out the word "need" and put "suggests"?

MR. WILBER: Suggest that –

THE MODERATOR: That restructuring –

MR. WILBER: – restructuring is needed.

THE MODERATOR: – is needed.

MR. WILBER: This makes this a – for me, this puts this in agreement with the Board of Selectmen's support of the petitioner's efforts to study Falmouth's form of government, rather than to develop an improved form of government.

THE MODERATOR: It's all irrelevant, but okay, so the amendment right now is to change the words "develop an improved form" to "investigate alternative forms of government", and strike the word "need" and put "suggest that is needed".

FROM THE FLOOR: Restructuring.

THE MODERATOR: Restructuring. Do you have it in writing, too, for the Clerk, so we can get it in the record, here?

All right, any discussion on just the changing of the wording?

All those in favor of the amendment, signify by saying aye.

[Aye.]

THE MODERATOR: All those opposed, no.

[No.]

THE MODERATOR: It's the opinion of the Chair that the ayes have it. Now back to the main motion. Yes, we're on the main motion. I had Mr. Latimer and then Ms. Flynn. The main motion as amended.

MR. LATIMER: Richard Latimer, precinct 2. I would just like to second Megan Jones's comments. I would add a few comments to those.

I first came to Town Meeting in this hall I believe it was in the ninth grade in 1958 because it was an assignment by Colonel Toagh [sp?] who taught the Civics class – I see Mike Kenny [sp?] there, nodding in agreement – who required us to come here to see how democracy works. Democracy in action.

The Zeitgeist today is: don't trust government, we can't trust government, we're disillusioned with government. That has a lot to do with the economy and it has a lot to do with the sense that, on the national level, we can't trust our leaders. And just putting in a single leader isn't going to help that.

I think more to the point is we are gathered here today, we're not special representatives that are sent down to Washington or up to Beacon Hill. We're just citizens who are taking time out from our normal,

daily routine for a few days each year, twice a year, and we're coming here and we're all very visible in what we're doing. This is democracy at its purest level and if the voters can't trust this, how in heck are they going to trust a Town Council like Barnstable has? I mean, that is the absolute worst way to go.

What we need is we need to get more participation in government, to increase trust in government, and the best way to do that is the way we're doing it.

I see this thing as really a solution in search of a problem, and I'm going to vote against it. Thank you.

THE MODERATOR: Okay, Ms. Flynn.

MS. FLYNN: Pat Flynn, Precinct 6. I have two comments to make. And the first, again, has to do with the wording. And if you look at the second to the last sentence, when it says, "government by committees", this is not a government by committee. It is a government by a Board of Selectmen and Town Meeting. So, I think that statement is misleading to the voters to say that it is a government by committee. So I would suggest you strike the words "Government by Committees and the lack of a central leader", and substitute "The current form of government has resulted in".

THE MODERATOR: The current form of government has resulted in, okay.

MS. FLYNN: All right, and my second comment has to do with the budget, which was suggested by Megan Jones. You will definitely need a budget. When I worked in the Town of Plymouth, there were four Charter Commissions during my tenure there, and in each and every one, the Charter Commission came – actually prepared a budget. At that time, it was \$25,000 or \$30,000, I believe, to see the Charter Commission through. And that was about three years ago, so I would guess you're probably looking at somewhere in the neighborhood of \$35,000.

But I would suggest that, while you're preparing your signatures, you might also talk to some of the other towns who've recently had Charter Commissions and find out from them how much it costs and actually come prepared to present to the Selectmen a budget so that can be included in the Town Meeting, in the April Town Meeting as well. Thank you.

THE MODERATOR: Okay, the amendment to strike out the "Government by Committees, lack of a central leader", and replace "The current form of government". Discussion just on this amendment? Okay, Ms. O'Connell.

MS. O'CONNELL: Maureen O'Connell, Precinct 4. I would like to second what Selectman Flynn said, and I would ask if she would expand her amendment to include that entire sentence. I think it makes a broad value judgment. I see no evidence placed before this body that

everyone is disillusioned with the current form of government. And to place this on a petition in front of everyone says that we agree with this wording –

THE MODERATOR: No, let me very clear about this. This is nothing except for a non-binding resolution of this body. The petition is established by state statute, is the right way to do it, and the petition has the language from the state. This will go nowhere other than into the minutes of this Town Meeting.

MS. O'CONNELL: Well, then, I'd like it not to be in the minutes, if it were okay with Selectman Flynn.

THE MODERATOR: Okay.

MS. O'CONNELL: Thank you. The entire –

THE MODERATOR: Do you want to accept that as a friendly amendment? Because this is our second amendment. Do you want to strike the whole sentence, Ms. Flynn, or do you want to leave your amendment as it was? She's asking for a friendly amendment to strike the entire sentence.

MS. FLYNN: I would not oppose striking the whole sentence.

THE MODERATOR: So would that be your amendment, Ms. Flynn, now, is to strike the entire sentence?

MS. FLYNN: Yes.

THE MODERATOR: Okay, so the amendment that we're

going to vote on now is to strike the last sentence from the main motion.  
All those in favor of striking the entire last sentence, signify by saying aye.

[Aye.]

THE MODERATOR: All those opposed, no.

[No.]

THE MODERATOR: The ayes have it by a majority and we strike the last sentence. That actually made it easier for the clerk, too.

Okay, now, the main motion as amended. Any further discussion on the main motion? Hearing none, then the question will – Ms. Lichtenstein, did you – you had your hand up?

MS. LICHTENSTEIN: Lesley Lichtenstein, Precinct 8. I'd just like to second the people that said that keeping Town Meeting is a very special thing. I went to college in California. I've seen what happens in towns that have cities and have counsels and mayors. The people are not involved. Nobody's involved in election. The college, we tried to get people involved, and everybody said the same thing, "Oh, no, we have a City Council, we have a mayor, they take care of everything."

I grew up in Oak Bluffs. We had a representative – we had a regular town meeting. Everybody went to town meeting. It's the most involved way to go. We're too big in Falmouth for everybody to fit into this auditorium, but keeping a representative town meeting I think is the best way for people in Falmouth to stay involved, and I think those committees

are not a bad thing. I think those committees are a very good thing.

THE MODERATOR: Okay, Mr. Murphy.

MR. MURPHY: Thank you, Mr. Moderator. I have a couple of things to say, Folks. This is merely the ultimate petition article. We had a petition article on Mrs. Jones's road, and the democracy brought this forward. If democracy in this community thinks that our form of government is right, they'll vote for that. All's were asking, and all's these folks are asking, is that we support that.

People are watching you. Everybody in this community is watching to say, "Do you think all of us think that we know better than they do?" If we really think our form of government is good, we'll go out and tell folks that. We'll go out and preach that. We'll go out and campaign against another form of government. But please, give the voters an opportunity, and give yourselves enough credit if you in fact think that's the truth.

We've heard a couple of lines in this town meeting: We have nothing to fear except fear itself. Well, this is a key thing to fear. Yes, if the form of government changes, we might lose a job. But what would be better, to have a better form of government or a job as a Town Meeting Member? I don't know. But you know what? I'm going to ask and find out. I want to work through the process. I want to see if it's better, or not. And I think we all should give that an opportunity, as well.

I commend these folks for bringing it forward. Because debate, as we all know, is the best thing in democracy, and that's what this is about. It's about debate now and it's about the debate of our form of government. Let's get it behind us. Let's find out the naysayers and find out whether what we have is good or what we can find out around the corner might be better. But let the voters decide that. And all's we're asking is that we're going to support these folks to bring it to the voters. We'll all have an opportunity during the Commission to make some choices.

I used to have a boss that used to say to me, "Tell me one good reason why it can be done." And the good reason why this can be done is democracy, plain and simple.

I ask that you move this article and support this. And let's see what happens. If you want to get involved, which we all do. These members here all get involved. So let's get involved one way or the other, but have an open mind. Thank you very much.

THE MODERATOR: Okay.

Mr. Latimer.

MR. LATIMER: Thank you, Mr. Moderator, Richard Latimer Precinct 2 again.

I'm reading this purported proclamation or resolution, the language that we just deleted. "Government by Committees and the lack

of a central leader has resulted in many citizens becoming disillusioned with the present –

THE MODERATOR: Yes, we amended that out.

MR. LATIMER: I know we deleted that, but I'm getting back to Mr. Murphy's comment: who are these many citizens? I haven't heard this. We're being told this by people who are interested in reforming government, this form of government for whatever reason, we aren't really being that specific about it.

I can think of many reasons other than this system why people would be disillusioned. One is, we don't seem to have the money that this system can apply to solve our problems, but that's not going to be solved by a city council or a mayor. That's certainly not going to be solved that way. In fact, the decisions that would be made by a city council or a mayor are going to be a lot less democratic than the decisions we make here.

As cumbersome as it may be sometimes, you're not going to find a system that's any fairer, and if you do, it's going to be at the sacrifice – you're not going to find a system that's any more efficient except at the sacrifice of fairness.

Before we would proceed on this, I would ask that the proponents of this show us, go out first with their own petition, get people to sign a petition so that they could come to Town Meeting with signatures to show us who these people who are disillusioned are.

THE MODERATOR: Okay, let's go forward. They've got a petition circulating already.

MR. LATIMER: No, no, because we're taking the words –

THE MODERATOR: They've got the petition, Richard. If they get the signatures, it'll go on the ballot.

Ms. Flynn, come on.

MS. FLYNN: Thank you, Mr. Moderator. The whole intent of this article as it was presented to the Board of Selectmen, was to get a sense of Town Meeting, if they were interested in supporting a community dialogue, if you will, about our form of government: what's good about it, what could be – what could be improved or what could change. And the Board of Selectmen voted to support this resolution because we believe that a community dialogue is important.

When there's concern and unrest and in difficult times, sometimes people do tend to blame the current form of government as perhaps the reason that all of this is happening. That may or may not be true, but to have that conversation I think is important. And that's why the Board of Selectmen voted to support this. It's been 20 years since the Charter changed back in 1990, and maybe it is time to have that dialogue.

So, I agree with Kevin Murphy. I think we should support it and we should let the process move forward, and I've already signed the petition. So I hope you do, too.

THE MODERATOR: Mr. Palmer.

CLERK PALMER: I just want to clear up the process a little bit here and maybe simplify it. We are voting here tonight on Article 26, which is a non-binding resolution. Whether we vote for this or whether we don't vote for this, there are people in the community circulating a petition to have the Town consider electing a Charter Commission.

A question-- if they get 4,000 signatures, 15 percent of the registered voters in town, it will place a question on the ballot: Should we elect a Charter Commission? Yes or no. Then we will have commissioners on the ballot that we would need to elect at that time.

If we say "no" to elect that commission, then the rest becomes moot, we don't elect the commissioners.

But whether we vote this tonight up or down, they're moving forward with their petition. The debate will come when that Charter Commission is either elected or not elected, and they make their proposals for what form of government they think the Town should be moving for. That is where debate will come. This is a non-binding resolution. They need to get 4,000 signatures certified, place a question on the ballot and then have commissioners on the ballot to be elected before anything moves forward.

FROM THE FLOOR: Question.

THE MODERATOR: Mr. Dick, anything new? Then we're

going to—

MR. DICK: I'm opposed to this proclamation, because this proclamation, even now, still contains a value judgment on our current form of government, and I think this body should remain neutral on that value judgment. "An improved form of government for the Town of Falmouth," I think that's a value judgment.

I think it's inappropriate for this body to make such a value judgment on itself and its leadership. I think the citizens need to do that. When the citizens – when and if this commission is formed, then I will listen to what they have to say. But I think that right here, this is something that we shouldn't make, which is a value judgment on our current form of government.

THE MODERATOR: I don't want to belabor this, Mr. Dick, we did make an amendment which struck out the "develop an improved form of government", and inserted in its place "investigate alternative forms of government". I don't want to beleaguer it, but we did make that amendment.

Okay, the question will come on the main motion as amended.  
All those in favor, signify by saying aye.

[Aye.]

THE MODERATOR: All those opposed, No.

[No.]

THE MODERATOR: All those in favor, signify by standing  
and the tellers will return a count.

[Pause.]

THE MODERATOR: In the first division, Mrs. Tashiro?

MRS. TASHIRO: 32.

THE MODERATOR: 32.

Third division, Mr. Hampson?

MR. HAMPSON: 52.

THE MODERATOR: 52.

Second division, Mr. Dufresne.

MR. DUFRESNE: 66.

THE MODERATOR: 66.

All those opposed, signify by standing and the tellers return a  
count.

[Pause.]

THE MODERATOR: Third division, Mr. Hampson?

MR. HAMPSON: Seven.

THE MODERATOR: Seven.

Second division?

MR. DUFRESNE: 27.

THE MODERATOR: 27.

First division, Mrs. Tashiro?

MRS. TASHIRO: 13.

THE MODERATOR: 13.

By a counted vote of 150 in favor and 47 opposed, the resolution passes.

Okay, Article 27. In Article 27, the recommendation of the Finance Committee is indefinite postponement. This was dealing with the Town Classification Plan for police captains. Ms. Szuplat held this. Microphone for Ms. Szuplat, please.

I'm going to need a motion on the floor, so Ms. Szuplat, are you going to make a positive motion?

MS. SZUPLAT: [No mic:] No, I want to make a comment.

THE MODERATOR: You want to make a comment. Okay, so –

MS. SZUPLAT: [Inaudible.]

THE MODERATOR: Okay, Mr. Chairman, could I have the main motion on the floor as indefinite postponement and then we'll let Ms. Szuplat–

CHAIRMAN ANDERSON: Mr. Moderator, I move Article 27 as recommended.

THE MODERATOR: Okay, Article 27, the main motion is indefinite postponement. Ms. Szuplat.

MS. SZUPLAT: Hi, Peggy Szuplat, Precinct 7. When the

Town Meeting approved and adopted the Quinn Bill, that was a unanimous decision to support the Police Department, and at that time it was questioned to the Town Administrator or somebody that we would not be responsible for the state's 50 percent. And in that reassurance, this body voted unanimously as I just said to support the Police Department.

I'm wondering how we got from that wonderful vote to this situation we've had this last summer, from April to now. But, in the meantime, I would like to thank the Chief for his comments and presentation tonight, and Heather Harper's comments. But this has been a very disruptive situation and I don't think that implementation of the Quinn Bill and the Town Meeting vote was handled in a proper manner, and I just wanted to state that for the record.

THE MODERATOR: Okay, Mr. Putnam.

CHAIRMAN PUTNAM: First of all, let me apologize for the confusion, because I know there's a lot of questions and concerns swirling around this particular article and why it's here and this situation. I'd like to clarify the timeline and then Chief Riello and the Town Administrator – the Town Manager, excuse me, Heather Harper, will be able to answer questions about specifics.

But, to begin with, I guess it's fair to say that one of the things I've learned and one of the great frustrations is that there's a lot of things at the state and federal level that tie our hands. The situation with the Quinn

Bill is no different. As you all know, the officers and the sergeants, the superior officers, had contracts with the town – have contracts with the Town that actually specified that if the state did not meet its obligations that we were not on the hook, that we didn't have to.

Not so with the captains. They fall under civil service regulations, and we were informed, the Board was, by its labor counsel, that because the captains fall under civil service regulations, that the Town was responsible for their parts of the Quinn Bill, both the Town and the state.

So, in June, the Board was presented with some options to try to resolve this situation, and the Board voted against pursuing those options. We asked the Town Manager to go back to work with the captains to come up with a resolution that would address the issues without forcing the Town to pay out twice as much money as it had been accustomed to.

In August, a settlement was reached; the Board ratified that settlement, and we avoided some potential litigation. Had we not come to an agreement with the captains, the Town could have been potentially on the hook for three times what we actually owed the captains, had something gone to litigation. So, the process, the resolution that we came to was intended to avoid further litigation and further costs to the Town.

As you all know by now, in October there was that infamous

paper that I signed. Well, that didn't really do anything. And that has been clarified by our labor counsel and confirmed by the Board. What it simply did, you have on the warrant this evening this particular article that was part of the original agreement that was ratified in August. That agreement included reclassification of the captains.

What the – what happened after that point and that paper that I signed, what it did was say that the reclassification was not necessary, and that simply changing the pay of the captains would suffice. Again, labor counsel said that was fine. The Board said no problem. There was no need to sign the paper and there was no need for this particular article now at this point, but it's still on the warrant because by the time the book was printed, This situation was still unfolding.

So, that's the time line. And again I apologize for the confusion. I know I played a significant role in that, myself. Hopefully that clarifies things a little bit and, like I said, if there are questions about specifics, Chief Riello and Acting Town Manager Harper can address those. Thank you.

THE MODERATOR: Chief, did you want to speak, or?

CHIEF RIELLO: Thank you, Mr. Moderator. As Chairman Putnam said and pretty much covered it, with all the rumors and the stories that have been flying around about the captains have received thousands upon thousands of dollars in massive pay increases quite simply are false.

It's not what happened.

And, again, the time line the way Chairman Putnam put it out is what happened. They did not receive the payment in June. They did not come under the same contract obligations that the Town had with the Federation, which is the patrolmen, and as you know, the Superiors, tonight. They had a collective bargaining agreement.

The Captains served without a contract and they served the Town as salaried employees.

Once Town Meeting accepted 108 – once 108L, which is the Quinn Bill legislation, once that was accepted, then there was an obligation to pay, even though they didn't have a collective bargaining agreement.

So, but moving forward, what happened again over the summer was they – on the advice of labor counsel, the Town's labor counsel, after – and he's very experienced in matters like this, he recommended to the Town that they really needed to pay. They could not withhold, it would have worked out probably worse for the Town, and that was his experience. And that was on two occasions.

So, the payments that were received, when the settlement was reached, it was retroactive to July 1<sup>st</sup>, and so there was a retroactive payment made to July 1.

Going forward, half of the Quinn Bill's been assimilated in their pay. It's not a massive pay increase. They essentially are working for the

same money they were working for in June. If anybody has any questions about that, I'd be happy to answer it. That's probably the best way to explain it, though: there were no massive pay increases. They merely got the Quinn Bill and their educational incentive.

What has happened since, as you saw tonight with the Superior Officers, is they're getting away from the whole Quinn Bill reference, and we're talking about educational incentive. And the only reference now to the Quinn Bill is should there be any type of reimbursement to the Town. We didn't want to preclude the Town from being able to get any money if there was something coming from the state, and last year there was a few thousand dollars, so we wanted to keep that open. But essentially it was a settlement.

THE MODERATOR: Okay, the main motion is indefinite postponement; all those in favor, signify by saying aye.

[Aye.]

THE MODERATOR: All those opposed, no.

[None opposed.]

THE MODERATOR: The ayes have it unanimous.

Article 36. This was a Community Preservation Committee Article.

Madame Chairman.

CHAIRMAN SCHNEIDER: Mr. Moderator, the Community

Preservation Committee moves the Article 36 as recommended.

THE MODERATOR: As recommended. This is to appropriate the sum of \$30,000 from the Community Preservation Fund Historic Resources Reserve for the purpose of historically appropriate window restoration at the Bradley House located at 579 Woods Hole Road.

Who held this article? It was someone in the center aisle last night.

[Pause.]

THE MODERATOR: Maybe they're not with us tonight. Any discussion on the main motion of Article 36? Hearing none, then the question will come on the main motion as recommended. All those in favor, signify by saying aye.

[Aye.]

THE MODERATOR: All those opposed, no.

[None opposed.]

THE MODERATOR: The ayes have it unanimous.  
Article 37, Madame Chairman.

CHAIRMAN SCHNEIDER: Mr. Moderator, the Community Preservation Committee moves Article 37 as recommended.

THE MODERATOR: As recommended. This is to appropriate the sum of \$267,600 from the Community Preservation Fund Historic Resources Reserve for the purpose of appropriate rehabilitation of

the historic Davis House, located at 3 Water Street.

Mr. Donahue held this article. Mr. Donahue, you held this article?

MR. DONAHUE: [No mic: Inaudible.]

THE MODERATOR: No, okay. Any further discussion on Article 37?

Hearing none, then the question will come on the main motion as recommended. All those in favor, signify by saying Aye.

[Aye.]

THE MODERATOR: All those opposed, no.

[No.]

THE MODERATOR: The ayes have it by a majority.  
Article 38, Madame Chairman.

CHAIRMAN SCHNEIDER: Mr. Moderator, the Community Preservation Committee moves Article 38 as recommended.

THE MODERATOR: As recommended. This is to appropriate the sum of \$77,188 from the Community Preservation Fund Historic Resources Reserve for the purpose of historically appropriate gravestone restoration at the Woods Hole Village Cemetery located on Church Street.

The hold was released on this during the break; any further discussion on Article 38? Hearing none, then the question will come on

the main motion as recommended. All those in favor, signify by saying aye.

[Aye.]

THE MODERATOR: All those opposed, no.

[None opposed.]

THE MODERATOR: The ayes have it unanimous.

Article 40, Madame Chairman.

CHAIRMAN SCHNEIDER: Article 40, the Community Preservation Committee moves that \$64,257 will supplement the Fiscal Year '11 CPA Administrative Budget, to be used to cover the CPC's expenses associated with planning and incidental expenses for the Spring Bars Road parcel, including but not limited to wastewater planning, mapping needs, demolition, building removal, and environmental remediation as required. We move this as recommended on the screen.

THE MODERATOR: Okay, so the recommendation is a little bit different here; it talks about the two different line items, the \$61,706 from the General Budgeted Reserve and the \$2,551 from the Undesignated Fund Balance. Any discussion on Article 40?

Hearing none, then the question will come on the main motion as presented by the Chairman. All those in favor, signify by saying aye.

[Aye.]

THE MODERATOR: All those opposed, no.

[None opposed.]

THE MODERATOR: The ayes have it unanimous.

CHAIRMAN SCHNEIDER: I would just like to, also, Mr. Moderator, announce that the next time we will take proposals for Community Preservation projects will be in the late spring for next November's Town Meeting, unless they are historic preservation projects or community housing projects with time critical needs, in which case they will be due on December 7<sup>th</sup>, as we have very limited funds. Thank you very much.

THE MODERATOR: Okay, thank you, Madame Chairman.

Article 41. Article 41, Chairman of the Board of Selectmen for the main motion.

CHAIRMAN PUTNAM: The Board of Selectmen moves Article 41 as printed.

THE MODERATOR: As printed. This is to authorize the Board of Selectmen to grant an easement to the trustees of the White Sands Association Trust and to the trustees of the Nantucket Sound Nominee Trust.

Mr. Wilber.

It's going to require a two-thirds vote because it's granting an easement interest in land.

MR. WILBUR: Town Meeting Members, Jude Wilbur,

Precinct 8.

Mr. Moderator, first off I'd like to say that I promise that I will not say "It's all going to fall into the ocean" tonight. I will be contacting my state representative with regard to that information.

[Laughter.]

THE MODERATOR: For the new Town Meeting Members, he owed me that one.

MR. WILBUR: First, I'm very familiar with this site, having consulted on an adjacent property, and I've also watched the end of this peninsula for 15 years. Second, the East Falmouth peninsulas have lost more beach than all other parts of Falmouth, combined. East Falmouth has had nothing to do with this.

Third, my big – by any measure, this is not a good situation. This is obviously not a good situation for the owners.

Fourth, it is not good for the Town. Falmouth is not, quote, mitigation ready, which means that we are not qualified for federal disaster fund, faster relief funds; in the event of a major storm damage, we are on our own.

Fifth, it is not clear that FEMA will accept a Falmouth mitigation plan with sites such as this in place; that is, with houses build in V zones and A zones.

Sixth, there is no indication that the ends of the East Falmouth

peninsulas will in any way get any better.

With this as a background, I find that coastal collectives for the private coastal management to be indeed encouraging. Both the White Sands and the Nantucket Sound groups are to be applauded and encouraged. They have walked a strict ethical path since entering into this process. The owners have an inarguable right to repair this badly failing riprap.

To deny the easement would substantially decrease the protection afforded by the repair. And of course, quote, no cost to the Town, covers all.

This easement simply delivers the matter to the ConCom, which has become quite competent in dealing with coastal matters. It is proper that they condition, approve and oversee this work.

Finally I offer a precedent-setting suggestion. As this project moves forward, I would urge White Sands and Nantucket Sound and any other such collectives to seek out and work with two groups which are now interested in working to implement the recommendations of the Coastal Resources Working Group.

As an aside, I will say that the Coastal Resources Working Group will present their final report to this body at the Spring Annual Town Meeting, the first opportunity for the Town Meeting to see ten years' worth of work.

There is an organization within official Falmouth, called the Coastal Management Committee. There is an organization outside of official Falmouth called the Coastal Restoration Initiative. I can provide information on both of those to any that are interested. Both groups are interested in thinking outside of old boxes, and bringing new solutions to the mix of our coastal situation.

Personally, I see our coastal mess as a great opportunity to lead the way on a national scale in whole coastal restoration. That is, to provide a model for hundreds of small coastal towns in similar situations. Simply put, simply put, we have the mess, we have the technology, we have the people, and most importantly we have the plan. There is nowhere else in the United States coastal zone that can check off on all four of those. The question is: do we have community consensus to act?

I see that action, according to – and paced action, as specified by the Coastal Resources Working Group, means both environmental and economic regeneration for our Town. Clearly these are matters we can all agree on.

This article deserves unanimous approval. Thank you.

THE MODERATOR: Okay, any further discussion on Article 41 to grant the easement? Yes, okay, to the right. Let's do the microphone, please.

MR. NICKERSON: Brian Nickerson, Precinct 2. Will this, if

approved, will it reduce in any way public access to our coastal waters?

THE MODERATOR: Mr. Chairman.

CHAIRMAN PUTNAM: It shall not.

THE MODERATOR: Okay. Any further discussion?

Hearing none, the question will come on the main motion. All those in favor, signify by saying aye.

[Aye.]

THE MODERATOR: All those opposed, no.

[None opposed.]

THE MODERATOR: The ayes have it unanimous.

Article 42. Article 42, the recommendation of the Board of Selectmen is indefinite postponement. This is on the Hazard Mitigation Plan.

Mr. Herbst held this. Mr. Herbst, are you putting a position motion on the floor?

MR. HERBST: No.

THE MODERATOR: No. Okay, then the Chair would entertain the main motion as indefinite postponement.

[Pause.]

THE MODERATOR: Indefinite postponement. Go ahead.

MR. HERBST: I just wanted to know if this has in any way an impact on our insurance rates, our home insurance rates.

MS. HARPER: Mr. Moderator.

THE MODERATOR: Madame Manager.

MS. HARPER: The Hazard Mitigation Plan, once adopted, will be adopted by the Board of Selectmen. Town Meeting vote, it turns out, is not required, and that should happen sometime this January or early winter to have that plan before the Board of Selectmen. And it could, should the Town choose to adopt a process, have an impact on some of the flood insurance rates. So, yes, it puts us in a position to take advantage of that.

THE MODERATOR: Okay, the main motion is indefinite postponement because this plan only needs to be adopted by the Board of Selectmen and it's still being worked on.

All those in favor of indefinite postponement, signify by saying aye.

[Aye.]

THE MODERATOR: All those opposed, no.

[None opposed.]

THE MODERATOR: The ayes have it unanimous.

Article 44. Article 44, the Board of Selectmen for the main motion.

CHAIRMAN PUTNAM: Mr. Moderator, the Board of Selectmen moves indefinite postponement for Article 44. If I may explain.

THE MODERATOR: Okay, so, I'm sorry, the recommendation now is indefinite postponement, which is different from the original recommendation of as printed.

Mr. Bidwell held this; did you want to put a positive motion on the floor before we hear the explanation from the Selectmen?

MR. BIDWELL: [No mic:] No, sir, that changes it.

THE MODERATOR: That changes it for you?

MR. BIDWELL: [No mic:] Yes.

THE MODERATOR: Okay. Is there anyone who would like to put a positive motion on the floor for Article 44?

Hearing none, the Chair would entertain the indefinite postponement motion from the Board of Selectmen. Mr. Chairman for an explanation.

CHAIRMAN PUTNAM: The law as cited here in this article would actually require us to print and mail arguments in favor and against various articles – various, excuse me, ballot petitions, because it would require us to do this.

At this point, we're not prepared to proceed with this. It was originally anticipated that this would allow us for example to argue – you may all remember in November, at the state election we received those red handouts. They have, within them, all of the ballot questions and an explanation for and against. What this does, these particular acts as cited

here in this article would allow the Towns to do that. We have to adopt this language.

The problem, though, is that if we adopt it, then we're obligated to pursue it. Mailing anything to 16 or 17,000 households has a cost, and at this point we're not prepared to absorb that cost, which is why we're recommending indefinite postponement.

THE MODERATOR: Okay, any further discussion on the motion for indefinite postponement? Hearing none, then the question will come on the main motion. All those in favor, signify by saying aye.

[Aye.]

THE MODERATOR: All those opposed, no.

[None opposed.]

THE MODERATOR: The ayes have it unanimous.

Article 45. The recommendation of the Board of Selectmen was indefinite postponement. This was held by Mr. Waterbury. Mr. Waterbury, do you want to put a positive motion on the floor?

MR. WATERBURY: No.

THE MODERATOR: Hearing none, the Chair would entertain a motion of indefinite postponement from the Board of Selectmen.

CHAIRMAN PUTNAM: The Board of Selectmen moves indefinite postponement.

THE MODERATOR: Indefinite postponement, Mr. Waterbury.

MR. WATERBURY: This is an article, this bylaw we've been working on for a number of years. It's going to be a very important part of our strategy for recovering our coastal ponds.

After the warrant was printed, we discovered that it had several flaws which we could not correct by amendment, so we will be bringing it back to you in the spring. It was my intention to sort of introduce it to you tonight, but because of the time I think I won't do that.

I would encourage all of you to read it carefully in its present form. It will be coming back to you in the spring amended, and I hope we have a good and vigorous discussion of it there. Thank you.

THE MODERATOR: Okay, Thank you very much, Mr. Waterbury. Any further discussion on the motion for indefinite postponement? We'll see this in the spring. Hearing none, the question will come on the main motion. All those in favor, signify by saying aye.

[Aye.]

THE MODERATOR: All those opposed, no.

[None opposed.]

THE MODERATOR: The ayes have it unanimous.

Article 46. Mr. Chairman of the Board of Selectmen.

CHAIRMAN PUTNAM: The Board of Selectmen moves

indefinite postponement.

THE MODERATOR: Okay, indefinite postponement on Article 46. This was also held by Mr. Waterbury. He's going to release the hold. Okay. The main motion is indefinite postponement on Article 46. All those in favor, signify by saying aye.

[Aye.]

THE MODERATOR: All those opposed, no.

[None opposed.]

THE MODERATOR: The ayes have it unanimous and it's indefinitely postponed.

Article 47, held by the Board of Selectmen.

CHAIRMAN PUTNAM: Mr. Moderator, the Board of Selectmen moves Article 47 as printed.

THE MODERATOR: Okay, Article 47 as printed. This is to amend the Code of Falmouth sign section under flags. Any discussion on Article 47?

Hearing none, then the question will come on the main motion as printed. All those in favor, signify by saying aye.

[Aye.]

THE MODERATOR: All those oppose, no.

[No.]

THE MODERATOR: The ayes have it by a majority.

Article 48. This was held by Ms. Perry. MS.

PERRY: [No mic:] I release my hold.

THE MODERATOR: Okay, Ms. Perry's going to release her hold. Chairman of the Board of Selectmen for a main motion on Article 48.

CHAIRMAN PUTNAM: The Board of Selectmen moves the article as printed.

THE MODERATOR: As recommended?

CHAIRMAN PUTNAM: Excuse me, I am corrected. As recommended.

THE MODERATOR: Okay, as recommended. There's a slight change in that last sentence between the article as printed and the recommendation, the maximum continuous four month period. Any discussion on Article 48?

Hearing none, then the question will come on the main motion as recommended. All those in favor, signify by saying aye.

[Aye.]

THE MODERATOR: All those opposed, no.

[None opposed.]

THE MODERATOR: The ayes have it unanimous.

Article 49. Article 49 was – Chairman of the Board of Selectmen for the main motion.

CHAIRMAN PUTNAM: Board of Selectmen moves Article 49

as recommended.

THE MODERATOR: As recommended.

Ms. Dewees. Microphone back there. Let's do the microphone, please.

MS. DEWEES: Ann Dewees, Precinct 2. I held this for the Design Review Committee and Noah Greenberg would like to speak to it.

THE MODERATOR: Okay. Design Review Committee. Now, you all should have, hopefully, last night received a handout that had a little calculator, a little scale at the bottom. That wasn't included in the article. If you don't have one, please raise your hand and the microphone carriers do have additional copies. It's on Town of Falmouth Design Review Committee letterhead and it's got a little scale on the bottom. That's the calculator that's referenced in the main motion.

Mr. Greenberg.

MR. GREENBERG: Good evening. Noah Greenberg from the Design Review Committee. The purpose of Article 49 is –

THE MODERATOR: Can you speak a little closer to the mic?

MR. GREENBERG: The purpose of Article 49 is to correct an oversight that was in the bylaw. This is intended to extent the code to Marine Services Businesses on the water, such as Falmouth Harbor. When the paragraph was revised some years ago, any reference to businesses on the water was inadvertently left out.

And as for the amendment, the Design Review Committee proposes an amendment to this article by adding the wall or roof sign calculator as mentioned in the article, but unfortunately not included. That is simply a method by which people can simply and easily determine the length of legal signs on buildings. So that's what the issue is.

THE MODERATOR: So the amendment is to add the calculator at the bottom of the handout to the bylaw. Any discussion on adding the calculator to the bylaw?

MS. HARPER: Mr. Moderator, the calculator is simply an illustration of the mathematical suggestions in the bylaw, itself. It doesn't change the bylaw. It's just instructive.

THE MODERATOR: Okay, any further discussion on adding the calculator?

All those in favor, signify by saying aye.

[Aye.]

THE MODERATOR: All those opposed, no.

[None opposed.]

THE MODERATOR: The ayes have it; the amendment passes. Any further discussion on the main motion as recommended? Excuse me, as amended.

Mr. Murphy.

MR. MURPHY: Yes, Mr. Moderator, just one question

through you, if I may. Does this affect any current signs or is this for all new sign permits?

THE MODERATOR: Mr. Greenberg.

MR. MURPHY: Mr. Greenberg?

MR. GREENBERG: This would be for all new.

MR. MURPHY: All new signs. So that wouldn't affect any signs that are currently in place?

MR. GREENBERG: Correct.

MR. MURPHY: That's great. Okay, thank you very much.

THE MODERATOR: Okay, any further discussion on Article 49 as amended?

Hearing none, then the question will come on the main motion.

All those in favor, signify by saying aye.

[Aye.]

THE MODERATOR: All those opposed, no.

[None opposed.]

THE MODERATOR: The ayes have it unanimous.

Article 50. Mr. Chairman of the Board of Selectmen for the main motion.

CHAIRMAN PUTNAM: The Board of Selectmen moves Article 50 as printed.

THE MODERATOR: As printed. This was held by Mr.

Patrick. Oh, Mr. Boyer?

MR. BOYER: I'm sorry, what was the question?

THE MODERATOR: No, Mr. Patrick held this last night.

MR. BOYER: Oh, okay. May I proceed?

THE MODERATOR: Okay, Mr. Boyer.

MR. BOYER: Thank you, Mr. Moderator, Peter Boyer, Precinct 5. For those of you here who may have a little rusty recollection of what a betterment is, it really is an improvement on your property by virtue of a public improvement in the way in front of it. If you don't have that improvement, you don't pay a betterment.

In this case, what we're really talking about is the potential for new sewers. So if you have a new sewer in the future, and that probably won't happen until 2016 or 2017, that's when a betterment would kick in.

That's what a betterment is, the same with water, as roads, and sidewalk.

The proposal for special legislation has really four elements. The first element is the separation of a term of borrowing and term of betterment. What does that mean? The Town borrows money and receives betterment to pay it off, as we heard as a potential for the road. In fact, the Town could borrow for 50 years under current law with some provisions in it, and therefore betterment could be for 50 years.

However, borrowing for 50 years carries a terrible interest rate

to it. It's hopelessly impossible, and therefore it shouldn't happen.

Otherwise, the Town could borrow for 30 years and a matching betterment for 30 years could occur. That doesn't allow for the potential, as under the proposed plan by the Wastewater Review Committee, of extending betterments to 50 years, because it's tied to the term of borrowing.

So, the first provision of this special act proposal is to separate the two. The term for borrowing by the Town may be 30 years. Twenty years or 30 years. But the term of betterment, independently established, could be up to 50 years, depending on the useful life of the project. That's the first element.

The second element is a different method of calculating the payment of such betterments. Currently betterments are paid annually, with a fixed principal payment and a declining interest payment. The way bonds are serviced in municipalities.

The alternative proposes that in fact it be just as everyone's mortgage payment is: a fixed annual payment every year. That does two things: one, it can lower the actual annual payment. It changes the balance of interest payments in the early years and principal payments in the later years. The purpose of that is to have an exact payment every year of such a betterment.

The third element of this proposal is to allow for a new interest

rate far lower than a market rate of 2 ½ percent. That's the rate that is recommended as being the interest rate carried by the betterment payer. Currently under state law, that can be one of two alternative payments: either at a five percent rate or, if the Selectmen so decide, it can be the rate at which the Town borrowed money, plus two percent. Either one of those two could be the current legal method of calculating interest.

This proposes that it be a much lower rate than that market rate would be. That market rate is probably, for a 30 year bond, something like five percent or even higher.

The fourth element is the ability of the Town to spread the betterment payments in any particular fiscal year over the number of tax bills that are issued. But the current law says you got to pay it in the first half bill entirely. This would allow a spread if it's four now, four equal payments under the proposed tax billing program that has just been approved by Town Meeting.

Those are the four elements of the proposed special legislation.

What it's not is your approval of a central sewer system. This has nothing to do with that. This has only to do with the alternative for betterment method of payment.

It's not an approval of betterments. It's not an approval that the Town will charge betterments for any upcoming sewer project. That

remains a decision Town Meeting will make in the future, probably in 2014 under the current proposed schedule of construction potential.

So that decision is not part of this proposal.

It's not a proposed specific dollar amount of betterment. It is simply a tool for the Selectmen to use and the Town to use, with a goal of lowering the annual payment of betterments should the Town proceed.

Now, let's have the slides. I'll give you an example of this. Under current law, with a supposed principal of \$20,000 for a betterment under a sewer program, and that's the recommended proposal from the Wastewater Review Committee for planning purposes, the Selectmen, after the construction occurs, really is the body that calculates the exact dollar amount of any betterment. So that calculation won't happen probably until 2016. But in order to give you an idea of what that is, or could be, I've used the example of \$20,000.

The interest rate under current law is five percent, or maybe five percent plus two percent if the Selectmen were to say, "We want to charge more."

The term that I've used is the maximum current legal term for borrowing for sewer construction projects.

So you see that in that example, the first year payment is \$1666. Every year, that payment will decrease by about \$30, down to the 30<sup>th</sup> year when it's \$700.

Under the proposed plan, this would allow for sewer betterment payments not over 30 years, but over a maximum term of 50 years. That's subject to certain approvals and certification of the useful life of the facility, and that's an important feature of this. And in the case of that which would be a bettered apportionment, those would be essentially in a central system, the collection system. The pipes.

Clearly that lowers the annual cost, from a start-up of \$1666 to \$705. If in fact the Town ultimately decides, "Yes, we will charge betterments," and the Selectmen say, "Yes, the \$20,000 principal amount is the amount that we will use." Again, in far – well, not far distant, but distant future, in 2014 or 2016. Not today.

And so the accumulation – next slide. Under current law, at the calculations that I've proposed, you see a total cost of \$35,500. Under the proposed law, because of the lower interest rate, the cost is virtually the same. But it allows for a payment over 50 years. Will people do that? No, no. Generally, I think, unless properties are handed down from generation to generation, there won't be a 50 year holding. What that means is, whenever a property is transferred, sold to another party and a betterment is liquidated, then the remaining principal balance is paid off from the proceeds of the sale between the seller and the buyer. That all goes into the kitty available for Town servicing of the debt.

That's the proposal. It has – contains no other implications to

it. There may be those who see this as the first step in central sewers and will decide to vote no because they don't want central sewers. It's clear this is the precursor to a sewer plan, and you will be asked, if the schedule goes according to proposals, that you will start being asked to actually fund such sewer design and then demonstration projects in the coming spring, 2011 Town Meeting for the \$6 million proposed appropriation.

That will be followed in 2013 by a proposed \$9 million, and then in 2014, the first \$100 million proposal for the real construction. That's when the program really starts. This sets the stage, provides a tool for the Town to choose that it wishes to lower the annual payments of a betterment if betterments are chosen.

So, Mr. Moderator, I'm trying to stay under the bell, here. I'd be happy to try and answer any questions about the motion if there are any.

THE MODERATOR: Discussion on Article 50. Mr. Young.

MR. YOUNG: Bob Young, Precinct 5. Two questions on the proposed betterment for the so-called new sewer system or sewer plant. Are the betterments for the people in the sewered areas, or are they for everybody in the whole town? And the second question is: if the betterments are for a certain area or the whole town, it doesn't matter which, is it based on the number of bedrooms in your house; if you have a house with ten bedrooms or one bedroom, would everybody be paying the

same?

MR. BOYER: The first question is easy –

THE MODERATOR: Mr. Boyer, if I could just get the motion from Mr. Hampson.

MR. HAMPSON: Mr. Moderator, a point of order, I'd like to suggest that we finish this Town Meeting and stay beyond eleven o'clock to do that.

THE MODERATOR: Okay, the motion to suspend the rule and stay after 11:00. All those in favor, signify by saying aye.

[Aye.]

THE MODERATOR: All those opposed, no.

[No.]

THE MODERATOR: The ayes have it and I declare the two-thirds. Mr. Boyer.

MR. BOYER: The first question is easy. Yes, the betterment applies only to those who get a new sewer. Same way with New Silver Beach. It was those who received or were provided the connection to the sewer system who were obligated to pay a betterment. If you don't get a new sewer, you don't pay a betterment. There is a property tax component to the proposal that's been given, and the rough planning estimate is about a 50-50 split between property tax coverage of the cost and betterment coverage of the cost.

The second question you ask is a crucial one and a very important one. The Wastewater Plan Review Committee wrestled with the issue of what's fair for Falmouth, because there was the idea that, well, just as you point out, the one bedroom versus the ten bedroom. In 1984, when the Town adopted its unit proposal, it defined one unit, called an EDU, Equivalent Dwelling Unit, as a single family home. Two family home: two units. A restaurant, I've forgotten, with 12 tables or more, maybe two units, I've forgotten. A whole series of definitions of what constituted the unit for purposes of assessing betterments.

The current Wastewater Review Committee had some difficulties with that. That is a method proposed, one of the two methods allowed by state statute. The second method is a calculation based on frontage and depth of parcel, and no one was particularly interested in that. But there remains the question of whether or not we choose that definition of dwelling, single family residence, as one unit. And so there's a recommendation that the Committee made to the Board of Selectmen that Virginia Valiela mentioned last night about establishing a blue ribbon committee to determine what's the fairest method of defining that unit for the Town.

An interesting situation exists. For water betterments, state statute says you can either do by dwelling unit, by the frontage/depth calculation, or by assessed valuation. The statute does not allow for that

for sewer betterments. It's either dwelling unit or by the frontage calculation. We think it may be very useful to have that law for assessed value also be applicable to sewer betterments as well. That I think responds to the question that you asked, but the recommendation of the Selectmen says: establish this blue ribbon committee with the appropriate expertise in law and assessing practices to develop what we believe for Falmouth is fair, and issue a report to the Selectmen in six months.

THE MODERATOR: Okay, yes, to the left in the aisle.

Mr. ZWEIG: Good evening. My name is Ron Zweig, and I'm from Precinct 1. And I –

FROM THE FLOOR: Can't hear you.

THE MODERATOR: Speak into the mic.

MR. ZWEIG: Pardon me. Sorry about that. My name's Ron Zweig; I'm from Precinct 1, and I thought I'd just say a little bit about myself because I have a little presentation. This is my first presentation before Town Meeting.

I've been a resident and taxpayer in Falmouth for about 36 years and came here to work with MBL in 1974 and then moved to the New Alchemy Institute and worked on a National Science Foundation grant funding for nitrogen modeling research, which is very relevant to the sewer – the challenges – the water quality challenges in the estuaries in town now.

And basically my first foray into wastewater management in this Town was in 1979-80 on the original, the first central sewer system that was built at that time. And I worked it, I looked at innovative technologies and proposed those and discussed them with the engineers at that time.

And I was also somewhat thereafter I was recruited by the World Bank and I worked for 15 years on a project in – as a project analyst. Managed and participated in projects that ranged in cost from \$50 million to over a billion dollars as a manager, environmental Management specialist. My work involved economic analysis, environmental assessments, project design, in the context of local laws, regulations and policies. So, in that, I just wanted – I brought some of that experience, I've been interacting with the Committee for several months, now. And I want to say at the outset that basically I support the intent of Article 50. And with some small changes, it could be strengthened significantly.

As I just like to point out, for those of you, or probably most of you are probably familiar, but this is the basic project area that Mrs. Valiela showed you last night, and the main estuaries are these Little Pond, Great Pond, Green Pond and Bourne's Pond. These are the ones that are being targeted for the Phase One and Phase Two of the project, starting from the west and moving to the east.

So the main challenge here is to basically try and restore the water quality, eel grass and the ecological dynamics in these estuaries.

THE MODERATOR: Mr. Zweig, can we address the betterment issue that's –

MR. ZWEIG: Yeah, I'm getting to it. I –

THE MODERATOR: – the intent of the article.

MR. ZWEIG: – have to give a little background on –

FROM THE FLOOR: No, no.

MR. ZWEIG: No. Okay, all right.

THE MODERATOR: Town Meeting feels they got the background last night with a half hour presentation.

MR. ZWEIG: Okay, moving on. All right, thank you.

THE MODERATOR: So, address the betterment, please.

MR. ZWEIG: Okay, I'll address betterments. Next, please.

And next.

The main thing now is that what we have is, in terms of betterments, there's been a big change since the last time the central sewer system was built here. And that's central – at that time, it was built mostly with – with 90 percent grant money from the federal government, and that's one of the major changes, now, is that clearly the Town has to pay for it through loans and other means.

And the other aspect that has changed a lot since then is that

there's a lot of innovative and new technology that's been accepted by the state, and this is something that could basically be incorporated into Article 50.

Next slide. So, we're basically looking at the warrant Article 50, and there's proposed legislation that comes from that, and that's all based to a large extent on the state's General Laws, the Codes of Massachusetts Regulations and the DEP Guidelines.

So, from that now, and looking at Article 50 specifically, the main elements here are that there are, in terms of the clauses in it, as Peter mentioned, the interest rate they'd like to set is at 2.5 percent. And one question about that is, is that if the money is borrowed at a higher percentage, if it's available at a higher percentage under the project, where will the difference come from? How will you make up the difference if we're basically going to have the betterment set at a repayment rate of 2 ½ percent?

I also suggest that, in it, since we're making changes and this a special legislation, that the issue over inheritance and having to pay off or sale of the property and having to pay off the betterment at that time, that rather it be carried over, particularly in cases where there have been deferrals or mortgages.

So it's something that, basically, if someone were to inherit the property from a parent, they would – they could carry the betterment with

them or they could basically, the way it's saying it now is you'd have to settle it at that time. So, you may have a \$20,000 bill as if a child inherits from a parent, for the child to pay, or whoever, at that point.

So the notion is, is as we make a petition to the General Court, possibly this factor could be asked for as the other factors could be, so that the burden could be lifted from the new owner, and it could be transferred over.

The other – another element in this, too, is that we've been talking about and we've seen in the very nice and excellent summary that was prepared by the Committee and distributed to all of us, that as Peter very clearly showed it just a few minutes ago, that the betterment is like \$705 a year based on \$20,000 of betterment and a 50 year payback period at 2 ½ percent. But there's also other charges that go with that, that haven't been brought forward, and I think people need to be aware that there's also a tax portion that's \$238 plus a sewer bill that's \$482. So the actual increase for a house on the system if a betterment is applied, if things go ahead, would be over \$1400, or more than double the \$700 betterment payback. This is just a point people need to be aware of.

The next aspect, too, is that the – again, okay, the transferable to new owners. Next slide, please.

Now, in looking at it, this has been referred to in a number of settings as basically a tool box, one that you can pick and choose.

Nothing is fixed in this article to be used, and I think that's excellent. But there's another option that could be applied, and when we're looking at a \$290 million project, there may be less expensive options to go on, and I have to direct all of your attention to Dr. Chris Neil's [sp?] op ed piece today in the Falmouth Enterprise, because it looks at a lot of the different options. But the one thing the article doesn't do is it doesn't look at linking them together in terms of different alternatives that could be applied. And I think if we look at this, there is a, under Chapter 111, Section 127 B ½, there is a betterment for septic system repair, replacement or upgrade. This could be something applied across the town, and we could therefore use it. And in the project area, it could be used, basically, under the same terms as the sewer project. So we'd get better terms to people. This would help protect the environment not only in the project area but also other fresh water resources like fresh water ponds, rivers, and other things. It could be an incentive to help people move ahead.

So, in looking at this article, we should think of wastewater management and think about applying this statute as well within it, that would allow for greater flexibility and cheaper solutions. We have a very expensive project in front of us, now, that's being proposed, and there can be other options that link together in the openings, de-nitrifying septic systems, different combinations of factors that can deal with the nitrogen problems in the estuaries. And these options, these alternatives can be

much less expensive.

So the point is, is that why not have this option in Article 50, so that it would more immediately allow us to consider options besides the sewer system or combinations of options linked together?

So that is basically the points regarding the article.

And just one point on the legislative act, and also the 50 year payback period. Just one point on this.

The state has determined that the maximum useful life of a sewer system is 30 years. Now we're suggesting a betterment loan program of 50 years. If we have a 50 year program and basically the system will need to be upgraded significantly or replaced in 30 years, that means that we'll still be paying for the old system while taking on debt for the new system. So, it's something to consider in considering this Article and how this is all structured, that this factor should also be put together.

One more point, and that is – actually, could you go to the next slide. I just have one more, one more. Anyway, next. Just go to the last one, thanks.

The – currently I represent the Town of Falmouth, as you all may know, as the representative on the Cape Light Compact Board of Governors. And I'll be requesting that they – I'm in the process of organizing and requesting that they do a study on energy use in various options for wastewater management. So the energy dimension to the

energy dimension to this whole – all these systems can be looked at in terms of the more efficient way to go, as well as looking at water conservation and other aspects such as that.

So, in closing, then, we have put forward a suggestions that if a Town Meeting Member would like to propose amendments to it, there's some suggestions in this slide and I think that they've also sent to Mister – to the Moderator. Thank you.

THE MODERATOR: Okay, discussion. Mr. Boyer. I've got Mr. Boyer, then I'll go to the back. And then Ms. Peterson, I'll put you on there.

MR. BOYER: I do need to respond to several specific questions, and I think I need to go to the slide that said that – Bob, if you can find it on the betterment questions. Oh, the first one was who pays the difference from a 2 ½ percent rate? That's a valid question. You have been provided the full summary of the financial analysis in the outline and an addendum. And there is a very clear – no, I'm talking about his questions rather than my displays.

There's a clear distinction between the debt services payments that the Town would make every year based on the Town borrowing. And that may be zero percent state revolving fund money or it may be a market rate bond issue at five percent. Whatever it is, the Town pays that off over the term of the bond. And the maximum legal term is 30

years that those payments would be supplemented by whatever amount of betterment is collected each year from the people who have received new sewer lines. It would never be the full cost, or anywhere approaching that. But, over the 50 year term, that's what would be collected.

So, who pays the difference? The taxpayer. So the betterment payments, as I've suggested earlier, account for maybe 50 percent, really 45 percent, and the taxpayer portion, 55%. So the debt would be covered by tax budget payments supplemented or including those amounts collected each year from betterments. But it would never equal the amount paid for the debt service for any particular year.

Yes, very clearly the sewer betterment is not the entire cost. You can once again look in that financial proposal that itemizes all of the cost, or tries to itemize all of the cost. Remember I said what this proposed legislation does do? It doesn't say what the betterment amount will be. It doesn't say if betterments will be charged. It simply allows for the legislation to authorize the Town to calculate a different method of payment of betterments should the Town decide to proceed with them.

But yes, no question those additional costs would exist. And they are outlined in that financial presentation.

THE MODERATOR: Okay, in the back –

MR. BOYER: I can't – the final one, I'm not really certain whether it's law or simply the dictates of a bank who lends money to a

buyer who says, “You must clean the title to this property by virtue of paying off a betterment on the property.” And so, if the bank were to say – the buyer’s bank, not the seller’s, if the buyer’s bank were to say, “Sure, it’s okay to let the lien, the betterment be carried forward for the new property owner,” that would work. I don’t know that there is a law prohibiting that continuation of that lien on a particular property. I only am familiar with the buyer’s lender, buyer’s bank saying, “You’ve got to have that lien cleared so that we have a clear title.”

THE MODERATOR: Okay. In the aisle. Mr. Smolowitz, I’ll add you to the list.

We’re voting on whether or not to authorize the Board of Selectmen to petition the General Court for the betterment terms. Go ahead.

WOMAN FROM THE FLOOR: There are many people in Falmouth who question the rightness of a sewer plan. And I’m speaking for myself, but I think these things should be said. Of course, I can’t read this because the light isn’t very good.

I see the sewer plan as extremely expensive. I see the people on the shores –

THE MODERATOR: With all due respect, we’re deciding whether or not to authorize the Board of Selectmen to petition for betterment terms. I’m not going to get into a full debate of the

Comprehensive Wastewater Management Plan here –

WOMAN FROM THE FLOOR: But I would like –

[Applause, cheers.]

THE MODERATOR: There's a committee, there's meetings, there's public hearings. Is there any discussion on the terms of the petition to the legislature?

WOMAN FROM THE FLOOR: All right. I understood that is was a – if a person thought this wasn't a good proposal, that we could speak to it.

THE MODERATOR: Then speak specifically against the petition for betterment. That's what this Town Meeting is about.

WOMAN FROM THE FLOOR: And that – all right. And so I can't speak?

FROM THE FLOOR: No, no. Question. Question.

THE MODERATOR: You can speak if you speak specifically on this article. If you have a problem with the plan, go to the Planning Committee and have them change the plan.

WOMAN FROM THE FLOOR: Okay. No, my problem is with the wastewater plan, so I shouldn't.

THE MODERATOR: So you should go to the Planning Committee. This is about whether or not –

WOMAN FROM THE FLOOR: Okay.

THE MODERATOR: – to do the petition for the betterment terms.

Mr. Donahue.

MR. DONAHUE: [No mic:] Mr. Moderator, I'd like to make an amendment.

FROM THE FLOOR: Microphone.

THE MODERATOR: You need a microphone, Mr. Donahue.

MR. DONAHUE: [No mic:] Excuse me?

THE MODERATOR: You need a microphone.

MR. DONAHUE: Mr. Moderator, I'd like to make an amendment, and on the line "authorize an interest rate of 2½", I would like to have that say, "authorize an interest rate of not larger or not more than 2½%".

All the numbers that we are being asked to judge this project by is going on the 2½%. Well, let's lock the 2½% in so we know that this is the rate we're going to be charged.

If we go into a high rate of interest in the next few years, if inflation takes over, we could be talking like we were back in, what was it, the 60's? When interest rates jumped up our mortgages to seven, eight percent, do you remember that, anyone?

THE MODERATOR: Okay.

MR. DONAHUE: So, I'm just saying it cannot exceed 2½% to

be charged for the betterment.

THE MODERATOR: All right. Mr. Duffy, do you have an opinion on this? Because, I heard you talking, but I'm getting distracted by the undercurrent and getting off topic, here. So, Mr. Duffy, could you say what you were trying to tell me about this, up to?

MR. DUFFY: As Mr. Boyer was explaining, there's two permissible ways for the Selectmen, and it's their choice. They can either charge five percent or two percent above the rate it costs the Town. What Mr. Boyer's proposing is to give the Selectmen a third method, and that is 2½%.

Your amendment might complicate this matter greatly because it's taking away the option that the Board of Selectmen have. We're trying to give them more options, not confine them.

THE MODERATOR: So this petition creates the third option should it be enacted as legislation. Mr. Boyer, do you need to explain that anymore, or do we just need to vote?

FROM THE FLOOR: No, no, vote.

MR. BOYER: Well, I'm not sure it needs it –

THE MODERATOR: You're going to kill it on your own, okay.

[Laughter.]

THE MODERATOR: Anything new? Mr. Wilbur?

FROM THE FLOOR: No, no. Vote.

THE MODERATOR: Are you moving the amendment? Are you still going to move that amendment?

MR. DONAHUE: [No mic: Inaudible.]

THE MODERATOR: No, no, no, I'm asking are you going to move this amendment of up to 2½%, or are you dropping it based on the definite?

MR. DONAHUE: I would like to make it a permanent that it cannot exceed 2½% on the –

THE MODERATOR: Okay, so the question will come on the amendment to say not to exceed 2½%. All those in favor of adding that language, signify by saying aye.

[Aye.]

THE MODERATOR: All those opposed, no.

[No.]

THE MODERATOR: The no's have it. Okay.

Now the question is back on the main motion. Mr. Wilber.

MR. WILBER: I'd like to propose an amendment. That amendment is simply the wording that was proposed by Mr. Zweig in the first part of the –

THE MODERATOR: Okay, I'm going to paraphrase that the half hour conversation that I had with Mr. Zweig and Mr. Smolowitz on the telephone, that this amendment is out of order. The reason for that is that

Chapter 127B ½ of – Section 127 B 1/2 of Chapter 111 is not a true betterment. It deals with a lien on the property and a payment mechanism of which a voluntary contribution is made.

This article was about betterments. Although it looked like a betterment, based on the liens that were available, the statute is in a completely different location within the Massachusetts General Law; therefore this amendment was out of order and I thought that the last two days of back and forth conversations answered those questions. Clearly I wasn't clear enough on my conversations.

MR. WILBER: Well –

THE MODERATOR: So the amendment is out of order.

MR. WILBER: The amendment to include septic and –

THE MODERATOR: Yes. It is outside of the scope because of the Section of the General Law.

MR. WILBER: All right, thank you very much, I withdraw the amendment.

THE MODERATOR: Okay. All right, are we ready? Mr. Smolowitz?

MR. SMOLOWITZ: Ron Smolowitz, Precinct 8. I see everybody here wants to leave; that's great. But one point: because this is out of order, it demonstrates that this is not the best thing to go to request. There's no rush on this; it needs to be improved greatly so we can look at

alternatives. This is sewer only. We need to look at alternatives.

This needs to go back, there's no rush, this is a half-assed job.

Let's deal with it in the spring when we're closer to understanding what the alternatives are and what we need to ask.

[Applause.]

MR. SMOLOWITZ: We need to include septic systems. We need a host of other regulatory relief and legislative actions so that we could open estuaries, grow oysters, look at new technologies. There's a lot to do.

There's no rush at twelve – twelve o'clock at night. So I just say vote it down, move the thing. Let's vote it up, vote it down. My opinion is vote it down, let's get an approved thing and let's go back to the legislator in the spring and get it right so we could look at alternatives.

We need septic systems. We can't afford \$700 million of infrastructure that's only going to last 30 years. We don't have the borrowing capacity and it's going to ruin our entire Capital Program. We never will be able to buy another thing in this town for the next 50 years.

THE MODERATOR: Okay, the question will come on the main motion of Article 50 as printed. All those in favor, signify by saying aye.

[Aye.]

THE MODERATOR: All those opposed, no.

[No.]

THE MODERATOR: All those in favor, please stand and the tellers will return a count. In favor of the main motion as printed.

[Pause.]

THE MODERATOR: In the first division, Mrs. Tashiro. I can't hear Mrs. Tashiro. In the first division?

MRS. TASHIRO: Seven.

THE MODERATOR: Seven.

MRS. TASHIRO: No, eleven.

THE MODERATOR: Eleven.

Third division?

MR. HAMPSON: 24.

THE MODERATOR: 24.

Second division?

MR. DUFRESNE: 38.

THE MODERATOR: 38.

All those opposed, signify by standing.

[Pause.]

THE MODERATOR: In the third division, Mr. Hampson.

MR. HAMPSON: 34.

THE MODERATOR: 34.

In the second division, Mr. Dufresne.

MR. DUFRESNE: 44.

THE MODERATOR: 44.

In the first division?

MRS. TASHIRO: 36.

THE MODERATOR: 36.

By a counted vote of 73 in favor and 114 opposed, the article does not pass.

Mr. Chairman.

[Cheers, applause.]

THE MODERATOR: Okay, we've got a couple more important votes. Mr. Chairman.

CHAIRMAN ANDERSON: Mr. Moderator, the Finance Committee has discovered an error in the numbers voted last night in Article 5. This is a money article and Town Meeting rules specify that notice of reconsideration of a money article must be given within 30 minutes of the vote taken. Since we've exceeded that time limit, I move that Town Meeting suspend the reconsideration time limit rules so we may correct the dollar amounts in Article 5.

FROM THE FLOOR: So moved. So moved.

THE MODERATOR: Okay, we need this in order to balance the budget so that the tax bills can go out, but we exceeded the 30 minute rule. All those in favor of suspending the reconsideration rule on 30

minutes, signify by saying aye.

[Aye.]

THE MODERATOR: All those opposed, no.

[None opposed.]

THE MODERATOR: The ayes have it; I declare a two-thirds majority.

Mr. Chairman.

CHAIRMAN ANDERSON: Mr. Moderator, I move reconsideration of Article 5.

THE MODERATOR: Article 5, the motion to reconsider based on the new numbers. All those in favor, signify by saying aye.

[Aye.]

THE MODERATOR: All those opposed, no.

[None opposed.]

THE MODERATOR: The ayes have it by a majority.

Mr. Chairman.

CHAIRMAN ANDERSON: Mr. Moderator, I move Article 5 as approved last night with the following changes, as indicated on the board:

Waste Management Facility Org 01431, other expenses, the number should be \$291,500 to \$201,500. The next line, DPW Wastewater Utilities Org 01440 other expenses, the correct number should be \$680,670 to \$500,670. The rest of the article, the numbers are correct.

THE MODERATOR: Okay, so the total numbers are the same, it's just the individual line items, those numbers are changing. Any discussion? Hearing none, the question will come on the main motion with the changes as presented. All those in favor, signify by saying aye.

[aye.]

THE MODERATOR: All those opposed, no.

[None opposed.]

THE MODERATOR: The ayes have it unanimous.

Mr. Chairman.

CHAIRMAN ANDERSON: Mr. Moderator, I move that all articles approved in this Town Meeting be funded as voted, for a total of \$2,218,473.31.

Further, to reduce the amount voted by the Town to raise and appropriate at the April 5<sup>th</sup>, 2010 Annual Town Meeting from \$103,979,843 to \$102,621,904, and to reduce the total amount budgeted by \$1,357,939, for an amended Fiscal Year 2011 Operating Budget of \$106,547,955 by amending the budget line items as follows:

Waste Management Facility 01431, other expenses, from \$291,500 to \$201,500, a \$90,000 reduction.

Waste Water Utilities, 01440, other expenses, from \$680,670 to \$500,670, a \$180,000 reduction.

Total reduction: \$270,000 as voted in Article 5.

And to make additional adjustments as follows:

Long Term Excluded Debt, 01753, principal payment, from \$6,615,396 to \$5,790,246, an \$825,150 reduction.

Interest Payment, from \$2,657,194 to \$2,429,405, a \$227,789 reduction.

Short Term Excluded Debt, 01755 Interest Payment, from \$416,308 to \$381,308, a \$35,000 reduction.

Total reduction: \$1,087,939.

THE MODERATOR: Okay, you've all heard the main motion on the budget. Any further discussion?

All those in favor, signify by saying aye.

[Aye.]

THE MODERATOR: All those opposed, no.

[None opposed.]

THE MODERATOR: The ayes have it by the majority.

Mr. Chairman of the Board of Selectmen for notification of the next Annual Town Meeting.

CHAIRMAN PUTNAM: Mr. Moderator, the Board of Selectmen has voted to establish the date of the Spring Annual Town Meeting at April 4<sup>th</sup>, 2011.

THE MODERATOR: Okay, April 4<sup>th</sup> will be the next Town

Meeting.

Mr. CHAIRMAN.

CHAIRMAN ANDERSON: Mr. Moderator, Ladies and Gentlemen, I move the November, 2010 Town Meeting be closed.

THE MODERATOR: You've all heard the main motion to close this meeting. All those in favor, signify by saying aye.

[Aye.]

THE MODERATOR: All those opposed, no.

[None opposed.]

THE MODERATOR: The ayes have it unanimous.

[11:33 p.m., whereupon, this matter ended.]

**CERTIFICATE**

BARNSTABLE, SS

I, Carol P. Tinkham, a Court Reporter and Notary Public in and for the Commonwealth of Massachusetts, do hereby certify that:

The foregoing 213 pages comprise a true, complete, and accurate transcript to the best of my knowledge, skill, and ability of the proceedings of the Falmouth Town Meeting held on Tuesday, November 16th, 2010, commencing at 7:00 p.m.

I further certify that I am a disinterested person to these proceedings.

IN WITNESS WHEREOF, I have hereunto set my hand and notarial seal this 13rd day of December, 2010.

Carol P. Tinkham

My commission expires:  
April 21, 2017

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