

166 pages

COMMONWEALTH OF MASSACHUSETTS

TOWN OF FALMOUTH

SPECIAL TOWN MEETING

**Lawrence School
Lakeview Avenue
Falmouth, Massachusetts**

MODERATOR: David T. Vieira

TOWN CLERK: Michael Palmer

Tuesday, September 29, 2009

7:00 p.m.

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P R O C E E D I N G S

THE MODERATOR: Would all town meeting members present please come forward and take your seats. We want to establish a quorum. I want to remind all town meeting members that attendance is being published in the Falmouth Enterprise, so make sure you've checked in. Also remind all town meeting members that we're being broadcast live this evening on FCTV-13, so make sure you identify yourselves by name and precinct each time you speak.

Okay. This evening, the teller in the first division will be Mrs. Tashiro; in the second division will be Mr. Dufresne; and in the third division will be Mr. Hampson. All Town Meeting Members present please rise for the establishment of a quorum.

[Pause.]

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

MRS. TASHIRO: 46.

THE MODERATOR: 46.

In the third division, Mr. Hampson?

MR. HAMPSON: 55.

THE MODERATOR: 55.

And in the second division, Mr. Dufresne?

MR. DUFRESNE: 97.

THE MODERATOR: 97.

By a counted vote of 198 town meeting members, we have a quorum and I call the Special Town Meeting into session. Would all town meeting members present please rise for the Pledge of Allegiance.

[Pledge of Allegiance taken.]

THE MODERATOR: I'd like to recognize John Magnani, our Senior Center Director, for the invocation.

MR. MAGNANI: Please bow our heads in prayer. Oh God, Creator of us all, let each one of us here this evening recognize our differences and our similarities. Let us listen to each other thoughtfully and guide us to vote on the issues before us with an open mind. We ask you to watch over our words and our debates so that the result of our meeting will be beneficial to all of us. Amen.

THE MODERATOR: As we remain standing for a moment of silence, I'd like to recognize a member of our – former

member of our Finance Committee who's passed since our last meeting: Herb Willet, and also last evening Paul O. Lennick [sp?], the former Superintendent of Schools and the long-time chairman of our Human Services Committee has passed. During our moment of silence our thoughts and prayers are also with member George Demello who is in the hospital at this time.

[Pause.]

THE MODERATOR: Be seated. I'll remind all town meeting members to turn off their cell phones and pages, or put them on a silent mode.

At this time, I'd like to start with the dispensing of the reading of the warrant. Madame Chairman of the Board of Selectmen for the main motion.

CHAIRMAN FLYNN: I move to dispense with the reading of the warrant except for the Officer's Return.

THE MODERATOR: Okay, you've all heard the main motion to dispense with the reading of the warrant. All those in favor, signify by saying Aye.

[Aye.]

THE MODERATOR: All those opposed, No.

[None opposed.]

THE MODERATOR: The Ayes have it unanimous.

At this time, I'll read the Officers Return of the Warrant.

By virtue of this warrant, I have this day notified and summoned the inhabitants of the Town of Falmouth qualified to vote on town affairs, as said warrant directs, by posting an attested copy thereof in Town Hall and every precinct in the town. Signed by our new constable Paul Byrne, who is with us this evening in the back of the room. Welcome Mr. Byrne.

At this time, the Chair would entertain a motion to allow non-Town Meeting Members to sit up front with their respective boards and committees.

FROM THE FLOOR: So moved.

THE MODERATOR: So moved. All those in favor, signify by saying Aye.

[Aye.]

THE MODERATOR: All those opposed, No.

[No.]

THE MODERATOR: The Ayes have it.

The Chair would entertain a motion for all Town employees who are not residents of the Town to have the right to speak on any issue before this Meeting.

FROM THE FLOOR: Moved.

THE MODERATOR: So moved. All those in

favor, signify by saying Aye.

[Aye.]

THE MODERATOR: All those opposed, No.

[No.]

THE MODERATOR: The Ayes have it.

At this time, any town meeting member who was either elected or re-elected in May and was unable to join us for our first special town meeting, please rise to be sworn in by the Town Clerk.

So if you were elected or re-elected in May and you weren't here to be sworn in at our last special town meeting, please rise to be sworn in by the clerk.

Mr. Clerk.

THE CLERK: Raise your right hand and repeat after me: I, state your name, do solemnly swear and affirm that I will faithfully perform the duties of a town meeting member according to the best of my ability and agreeable to the Constitution and the laws of the Commonwealth of Massachusetts and the Bylaws of the Town of Falmouth. So help me God.

Congratulations.

THE MODERATOR: Congratulations to our new town meeting members.

[Applause.]

THE MODERATOR: You'll be getting a postcard in the mail soon for our orientation for new town meeting members. That orientation is open for anyone from town meeting members to the general public, but our orientation this year will be Tuesday, October the 20th at 7:00 p.m., and we'll be meeting at the Town Hall in the Civil Defense Room.

Madame Chairman of the Board of Selectmen for a statement.

CHAIRMAN FLYNN: I thank you, Mr. Moderator. Following the Town's receiving a judgment from Barnstable Superior Court on Friday as a result of the lawsuit filed from the architect for architectural fees, a meeting was convened on Monday with the Chairman of the Board of Selectmen, the Chairman of the Finance Committee, the Town Manager, the School Superintendent, the Chairman of the School Building Committee, the Director of Assessing and Town Counsel, and as a result of that meeting I would like to read the following joint statement:

Falmouth Town officials have established a process to evaluate and determine impacts of the recent court judgment for architectural fees related to the Falmouth High School project. The High School Building Committee will conduct two meetings this week for the purpose of evaluating the project budget and

contingency to determine the extent to which the project can accommodate these additional costs. The judgment is a project-related cost and will have no impact on the Town's current budget or any of the budget reductions associated with the articles for this town meeting. Initial reports that the judgment would result in massive layoffs for the town is inaccurate.

The Board of Selectmen have scheduled a meeting with the High School Building Committee and its attorneys for October 5th, at which time they will evaluate any potential appeals to the decision as well as mapping out a coordinated strategy for satisfying the court judgment and the completion of the high school project.

Thank you, Mr. Moderator.

THE MODERATOR: Thank you, Madame Chairman.

Okay, our first article here tonight and Article 4 are dealing with budget issues. Town meeting members received in the mail a packet of the budget that you all voted on in this forum in April, along with at that time the recommendation of the executive, that being the Town Manager and the Board of Selectmen, for the reductions. The Finance Committee was not able to make its recommendations prior to the deadline to mail the warrant because all of our revenue numbers were not certified or accepted at that

point by the state.

In my conversations with the Chairman of the Finance Committee prior to the warrant being mailed, I urged that you receive all of the information that the Finance Committee had at the time that the warrant needed to be mailed. Now, I've sat up here for 11 years and know that it's not fair when you don't have recommendations or something to look at and enough time to review the issues before town meeting. Because of circumstance, we could not have the Finance Committee vote its final recommendation and therefore I urged the Finance Committee to send to you in its entirety the budget as proposed by the executive.

Tonight, you'll have a series of green pages. Those green pages will reflect the recommendations that the Finance Committee will make tonight on the budget after they voted at their last Finance Committee Meeting last week.

So, since this is a short warrant and we're not going to use a blanket vote, we'll begin with Article 1. **Article 1**, to see if the Town will vote to appropriate such sums of money as may be deemed necessary to fund the revenue deficit incurred in Fiscal Year 2009, and to determine how the same shall be raised, or do or take any other action on this matter.

Mr. Chairman of the Finance Committee for our main motion.

CHAIRMAN ANDERSON: Mr. Moderator, I move that the Town vote to transfer and/or appropriate \$1,058,977.35 from the following: stabilization fund - \$500,000; free cash - \$300,000; line 40210-57790, insurance recovery - \$69,000; line 01300-51119, School Department prior year payroll - \$40,000; line 0130057799, School Department prior year encumbrances - \$30,000; line 01930-58002, Article 13, November '07 Capital Budget, DPW Bridges, \$31,617.37; line 01930-58006, Article 13, November '07 Capital Budget, DPW Organizational Improvement - \$14,158.98; line 01930-58018, Article 13, November '07 Capital Budget, IT Police Server - \$320.74; line 01930-58019, Article 13, November '07 Capital Budget, GIS Equipment Upgrades - \$155.76; line 01931-58017, Article 17, November '08 Capital Budget, Rec Sandwich Road Parking - \$36,000; line 01936-58030, Article 34, November '03 Capital Budget, DNR Land Management - \$2,724.50; line 01938-58002, Article 17, November '05 Capital Budget, DPW sidewalks - \$35,000; to be distributed by the Town Accountant to the appropriate accounts for the purpose of reducing the revenue deficit incurred in

Fiscal Year 2009.

THE MODERATOR: Okay, you've all heard the main motion, it's up on the overhead, it's also the first page of your green packet. Mr. Whritenour.

MR. WHRITENOUR: Good evening, ladies and gentlemen. This isn't fair: I'm left-handed; I don't know if I can speak from this side of the room.

But we are here this evening to discuss an issue that's confronting cities and towns across the state and throughout our nation, and that's in dealing with the impacts of the 2009 financial recession on town revenues. And maybe we can get the next slide up, people can follow along with a couple of the comments.

And Falmouth has been hit I think a little bit less than a lot of our area communities with an impact over a three year time frame, but looking at fiscal years '09 and '10, it's equivalent to about three percent of our overall annual budget. And I know many of the cities and towns in our area are dealing with this issue as we speak. Just this evening I know the Town of Yarmouth has the exact same town meeting to deal with these exact same issues, and that is that this recession was deeper and stronger and had a more chilling impact on some of the local revenues than we initially anticipated. And now, before we get too far into this current fiscal year, there

are budget adjustments that we need to make. And maybe we can get the next slide.

And I want to just talk for a second about when we talk about the impact on the town revenues, let's go back to our annual budget and the composition of the town's revenues. And the first thing that I want to point out that, although the economy shrank a great deal more than three percent, one of the reasons that Falmouth continues to be very strong, if you take a look at our overall composition of revenues, the areas that we are experiencing problems and that I'm going to talk about this evening are limited to these non-property tax revenues, which this is a portion, a 20 percent of this 23 percent piece of the pie, and also we have the state revenues, roughly seven percent.

Overall, the problem area is roughly 30 percent of our budget. The property taxes, which comprise 70 percent of the budget during this recession, have not been impacted and continue to be extremely strong and have buoyed the town's finances and make our town extremely stable. So, I need to point that out. But, in taking a look at those items, perhaps we can go to the next slide.

The problem areas, if you talk about what areas have been hit by the recession, first and foremost we deal with the state revenue piece. It's seven percent of our annual budget. The

reduction from '09 to fiscal year '10, they've been reduced by almost a million dollars. That is 11.77 percent down from FY '09, and if you recall, we did discuss that it was anticipated that they would go down almost \$500,000, and so what that creates is a situation the cuts, the state funding crisis was much deeper than the state thought, and there are \$537,000 of additional cuts over our original estimates.

The second piece that was hit tough by the recession is the local estimated receipts portion of the budget. Again, roughly 20 percent of our annual budget. The FY '09 collections were approximately \$2.1 million or roughly 11 percent below the actual 2008 collections that we had, and that is just a result of the chilling impact on any discretionary spending that we saw with this recession.

Now, I want to talk just a little bit about we say the local estimated receipt piece – I want to make sure everyone understands completely exactly what that is, is the local estimate receipts is comprised of 17 individual line items all in the non-property tax local revenue category. And some of the biggest examples of that, and you can see why these areas are impacted when consumer spending decreases. You're dealing with the motor vehicle excise, and with such a steep depreciation schedule

on those new vehicles, when the new vehicle sales go down, that revenue goes down quite a bit.

All of the town's user fees, water, sewer, and of the trash user fees that we have are included in that category. All of our building permit fees which, although we've kept up to speed in making those competitive, there is no building that is essentially going on in town; it's almost at a standstill. Any of the other permit fees.

Another area that we took a very big hit on with the fall of the financial markets is the investment income was, you know, very, very down last year. Now, again, a lot of this is a result of the consumer confidence being at an all time low, especially in the latter half of the fiscal year. What we saw is any discretionary spending and any of the revenues that were based on discretionary spending took a big hit last year. Now, these revenues are all very strong, and they're based on, you know, the needs of the town. They will rebound and we will see continued growth in those revenues, but it's going to take more than one year to get back to the levels that we had in 2008 and previous to that, and that's one of the reasons why it's so important to take actions now that account for what the current spending levels are.

And I want to talk a little bit when we're tracking these

local estimated receipts, you can see – you know, and this, in 2004, was another recessionary time. That was the first mini-recession that we had, and one of the key items that helped us dig our way out of that difficult recession in 2004 when we lost \$2 million just in this year alone in state aid, was the very solid growth in these local estimated receipts: '05, '06, '07, that's huge growth. And you can see in fiscal year 2008 it levels off and in 2009, you know, it was for the first year I think in memory those revenues actually went down. That's something that we don't see. These are very historic times.

Now, we tracked these revenues very closely throughout the entire last fiscal year. We initiated a spending freeze on all town departments to help mitigate impacts of this decline. The key thing, though, is that when after you set the tax rate, which we did last October, you certify they're just estimates that you're going to collect. You have to collect those sums. And if there's any amounts that were certified on the tax rate that were to be collected that weren't collected, they need to be raised in the next fiscal year.

So, as a result of those collections, the lower collections created a fiscal year 2009 revenue shortfall of just over \$1 million. And although we had a lot of spending frozen against that, it's just that bottom line where we're required to raise those

funds once we certify the previous October; it's just the way municipal finances work. So we have to raise that shortfall in the current fiscal year.

And I think more importantly for us why we have the budget reduction piece, there's, again, there's the '09 million dollars that's a shortfall, but those lower collections -- we've completely changed the way we track and monitor all of the revenues and the local estimated receipts are based now on the collections that we've previously had. They're not just estimates anymore. We're working very closely with the Department of Revenue. We're working with the Finance Committee to track and set those items. And these lower collections require lowering these estimates for the total revenue piece of about a million five for the current fiscal year. And so that's why we get into a situation of lowering the overall revenues and we need to lower the overall budget to match the revenues.

And, just to give you a summary to address this current recession, the impacts of the 2009, we have state cuts over and above what we initially estimated of 537,000. We have not just estimated receipts but the total town's revenues receipts estimated reduction of 1.5 million, and we have the prior year shortfall of 1.06, so it's a million, sixty thousand, roughly, for that shortfall.

So, the total amount over this, and this is about 3.1, 3.14 million.

And if we could take the next sheet. The sources of funds, we've got budget reductions this evening for the current fiscal year, fiscal year '10: \$2,317,000. We have the stabilization 500,000 for the prior year. Free cash for the prior year of 300,000.

And you see the series of transfers where we've taken from some of the capital lines that we no longer require to meet those needs of 259,000. There's a total funds that are tied up that we're applying to this of 3,376,000. And the difference between that and the 3,141,000 is we also have, if there's any minor bright spot, a \$235,000 reduction in the excluded debt. Now, that's the actual interest payments on some of the bonds that since we went to budget, we went to market, and the interest rates are very low. So, that's \$235,000 of savings that's going to go be applied directly to lower the tax rate.

So, that basically is a recap of just the numbers of where we stand. I don't want to take too long, but I do want to make just a couple of extra comments on our budget reduction package. I want to let you know that we've worked very closely and have closely involved all of our town departments to develop this package to meet our financial goals while at the same time limiting

the impact on local services. It was a painstaking effort and everyone's been involved and I don't think there's anyone that's been left out or cut short on that process.

The primary reductions that you're going to be asked to approve this evening meet our financial goals. They're coming mostly from other expense areas of the budget which essentially include all of the non-salary line expenditures of the town, and this includes all supplies, materials, professional services, all of the materials that assist the personnel in accomplishing the services. However, while some of the vacant positions that we have currently were impacted, we were able to meet our goals at this time with no proposed major layoffs, and that's a major piece moving into fiscal year 2011 that will give us some flexibility that I think we're definitely – we're definitely going to need.

This stabilization package that we have in front of you addresses all of the issues from fiscal year '09 and fiscal year '10 budgets. And it puts the town on solid footing or on as solid footing as we can get at this point to move forward in a responsible way.

Now, again, we've closely tracked revenues over the past year. We've instituted the spending freeze last year. Now is the appropriate time to make these adjustments while we're early in this fiscal year so that we can account for all of the changes. I call it a

new paradigm in municipal finance. Again, it's a historic change.

I want to let you know that we've worked very closely with our financial team here in town, and with the Finance Committee which we have an ongoing dialogue with, in order to make some changes that will be fundamental and permanent changes in the way we monitor and estimate revenues. This is the first time we've actually seen these revenues decline and it's a much closer process to monitor these to make sure we stay on track in the future. And there's a lot of people looking very closely at the town's revenues.

While this package here puts us on solid footing, we have to be mindful that this state hasn't climbed entirely out of the recession, and it's an ongoing process. We're very hopeful that the amounts that we have in there for state aid will not get met with additional mid-year cuts in state aid. You need to know we're looking at it very closely and if the state aid gets cut at a future time in the fiscal year we'll be back at the April Town Meeting, like we were last year, making additional cuts in the budget to make sure that we balance our expenditures with what we have for revenues.

And I just want to mention, moving forward, the last piece of the puzzle really is fiscal year '11, and that's what we're looking very closely at. This is part of a three year financial strategy

to take care of last year, make sure this year's budget balances with reasonable revenues. But more importantly, we need to go into fiscal year '11, which will be a year that we will not see significant revenue growth, not like we're used to seeing in the past.

So, it's going to be critical to keep costs in check, and the most important costs are the structural cost centers in the budget that are around the labor-related costs; that we're not going in at this town meeting and cutting employees and doing the layoffs and benefits and things, but we are going to work in the coming months we've got the final year in 2010 of our labor contracts and we're going to be engaging our labor force in a dialogue to develop creative ways of moving the budget from fiscal year '10 to '11 without having big cost of living increases and other increases in areas so that we can continue to provide the services. And so that's going to be a dialogue that's going on and we'll talk more about that in the coming months.

And that basically is the sum of my comments. It really addresses Article 1 and Article 4; they're part of the same package.

But I do think if we approve these funds and reductions this evening that we'll be in the best position that we can moving forward and that's basically it.

THE MODERATOR: Mr. Chairman.

CHAIRMAN ANDERSON: Good evening, I'm Gary Anderson, Chairman of the Finance Committee. Based on the presentation and the warrant cover memo from our Town Manager, a listener or a reader might be left with the impression that although we have some current financial issues, the near future appears somewhat positive and under control. The Finance Committee begs to differ.

Over the past three years, we have warned of the unsustainable practice of allowing expenses to grow at a rate faster than revenues. We've also warned of the risks of using one time revenues, such as Free Cash, Overlay Surplus, and Stabilization Fund to cover ongoing expenses. And we've tried to drive home the message about a critical need for cost containment through a program of performance management, efficiency and effectiveness through all town departments.

It's important to acknowledge that a significant contributor to our town's current financial difficulties has been the economic recession that's gripping the entire country. That being said, there are actions which can and should be taken when obvious signs of financial risk appear, such as an increased emphasis on revenue and expense tracking and forecasting, and bold, decisive action on cost saving measures.

The Finance Committee is frustrated and distressed that Town Meeting and the taxpayers of Falmouth have to deal with this \$3 million financial dilemma. We're frustrated by the fact that the information needed to prepare tonight's recommendations was not available on a timely basis. This left the Finance Committee and Town Meeting members with little time to review the numbers. We're very troubled that our recommendations in the warrant tonight, which are based on the Town Manager's budget strategy, are at best a short-term solution. Because no immediate remedial action was taken when the risk to fiscal year '09 local receipts revenue was identified, some big, effective alternatives were essentially taken off the table. We are not of the opinion that if our recommendations are approved tonight the town will be, as the warrant cover memo states, quote, on a sustainable footing to move forward with our program of services, unquote. Tonight's actions will not fix the problem for this year or next year or the following year.

This town has a systemic financial problem, which we've consistently warned about for three years. Simply stated: we spend more than we take in. It is a practice which is unsustainable and not properly addressed in the recommendations for Articles 1 and 4. Tonight's message from the Finance Committee is a clarion

call to all Town Meeting members, taxpayers and town leaders. Our problem is big and ongoing.

Part of our systemic problem of spending more than we take in is a structural problem with our costs which, unless resolved, will continue to plague our financial future. If you approve the adjusted fiscal year '10 budget tonight – and the Finance Committee recommends that Town Meeting do so – the town will have a balanced budget on paper and can set a tax rate for fiscal year '10, and that's a good thing. But, even with the budget reductions, unless we see a rapid and significant improvement in the economy and our revenue picture which, by the way, I don't see either of those happening any time soon, we have a continuing problem.

So, let's look deeper into the costs to clearly identify this structural problem. From fiscal year '07 to tonight's adjusted fiscal year '10 budget, in just a three year period, our town's total expenses have increased by nearly \$14 million. All of this increase in cost is driven by two areas. First is debt. The Town's debt payment account for about 34 percent of the total increase over those three years. To properly match ongoing debt service costs with an ongoing revenue source, we should not buy, build, or fund any substantial new project unless the taxpayers approve a debt or

capital exclusion. Which of course raises taxes.

The second area is employee related costs. Sixty-six percent of that \$14 million increase over three years is embedded in employee costs. The first component is benefits. Costs increases in health insurance and retirement contributions account for about 27 percent of the total increase. These costs are much more likely to increase in the near future than they are to decrease.

The next component is salaries. Increases in salaries account for about 39 percent of the total increase in expenses. The combination of cost of living adjustments, COLAS, step increases, lane changes in the school and promotions, have been averaging nearly four percent per year. The only way to fix the structural problems with employee related costs is to have fewer employees or negotiate changes in our compensation and benefits programs.

We've cut over \$2 million out of the fiscal year budget but we haven't attacked the problem. Although two-thirds of our operating costs are tied to salary and benefits, less than 30 percent of these \$2 million in cuts have come from this area. Please don't get me wrong; our department heads have made some really hard decisions on these cuts. But what's been done here is similar to rearranging the deck chairs on the Titanic: it doesn't address the problem. The reality is we're going to be back here behind the

financial 8 ball before this year is over.

We all know that property tax revenue growth is limited by Prop 2 ½, and with state aid and local receipts declining, simple math says we can't afford to continue to do business in the same way that we've done it over the past several years. We must either pass a substantial Proposition 2 ½ increase or fix the structural cost problems.

So what should we begin doing right now? First, we must tightly monitor hiring practices. Fill only those urgently needed positions which are either critical to safety or will create greater efficiencies leading to expense reductions throughout town departments. Second, we must carefully monitor the town's financial status by budgeting revenues and expenses month by month, taking into consideration the seasonal nature of many of our services. We must then track actual results against the budget every month and take quick action to identify and remedy problems. The next step is to forecast the revenues and expenses at the end of each fiscal quarter and make corrective decisions early based on those estimates to avoid crisis management.

We forecast and prepare for hurricanes; why don't we forecast and prepare for financial storms?

Third, we must quickly start a process which will

fundamentally change our salary and benefit structure to ensure taxpayers can afford town services for years to come. This is a key component of solving our financial problems.

Fourth, and this is critical also, we must begin a program of performance management and hold department heads accountable for creating efficiencies and cost reductions while maintaining or improving quality. This will help them to understand, explain and justify the cost of their services to taxpayers.

This brief list is by no means exhaustive, but there is an imperative in these actions: start now. Do not delay. The Board of Selectmen must deliver this imperative to the Town Manager with a sense of urgency in a clear, unambiguous fashion and hold him accountable. If the Selectmen do not act, they put their credibility and the confidence of the taxpayers at risk. Delays or inaction puts two of their key strategic priorities for the town in peril: financial and economic stability and leadership and public trust. But we the voters and taxpayers of Falmouth also have a role: we must emphatically state to our elected Board of Selectmen that these substantial changes must be made now to ensure good leadership and that affordable quality Town services will be delivered with efficiency and cost effectiveness well into the future. If we are not outspoken about these sorely needed changes, the

only other alternative is to increase taxes and continue the status quo.

There are tough decisions which must be made right now. It's the job of leaders to make difficult decisions. Insist that our elected officials lead, and then hold them accountable. Because, you see: our financial clock has run out of time. There can be no more delays. Our town is in critical condition. Thank you.

[Applause.]

THE MODERATOR: Discussion on Article

1. Ms. Lichtenstein. Microphone down here in the center.

MR. LICHTENSTEIN: Leslie Lichtenstein, Precinct 8.

I would like to thank the Moderator and the Chairman of the Finance Committee for their explanations of the reasons why the Finance Committee's recommendations were not given to us until tonight. However – and this is a very big however – this does not negate the problems that it causes Town Meeting.

The citizens of Falmouth have voted 243 people to come here and to make cognizant and hopefully beneficial comments about the budget and about other things. We have seen increasingly, meeting after meeting, that it always says,

“Finance Committee recommendations will be made on Town Meeting floor.” This just isn’t enough time. The citizens of Falmouth didn’t elect a rubber stamp Town Meeting. They expect town Meeting to ask hard questions and to get some answers. We can’t ask questions if we don’t get the data. I really request our Selectmen, the Finance Committee and our Town Administrator as soon as the Finance Committee has some recommendations: put them on the Town website. Even if it’s only a few days before Town Meeting, it will give us a chance to look at them and maybe make some kind of rational questions. We just don’t have the time when we’re given the information at the last minute. Thank you.

THE MODERATOR: Mr. Netto. To the left, there.

MR. NETTO: Joe Netto, Precinct 9. Mr. Moderator,

I’m sorry, but I have numerous questions on Article 1 and I just have to applaud Leslie for her, because she said many of the things that I think I was going to say and we should not ramble, but I think there’s a lot of questions here. I’ve

never seen a Town Meeting
with so few articles that I've
had so many people ask me
so many questions.

I think I've spent the last two weeks – I know I've talked to four of the selectmen, the FinCom secretary, Jill, has been tremendously helpful, and Gary Anderson. But I cannot ask any questions to answer the questions that I get asked when I go into the coffee shops or the gym and basically people just didn't understand what happened – and I don't want to dwell on that, but I have to be critical of the lack of information that we received. And to walk in here tonight and to get handed this green sheet of paper completely destroyed my faith in the process.

So I have to ask you, Mr. Moderator: one of my first questions is who is responsible for contacting the state to certify these figures, sir? Could you direct me to that person?

THE MODERATOR: Who wants to answer the question?

MR. NETTO: Who's responsible? Somebody in our town government has to be responsible.

THE MODERATOR: Mr. Whritenour.

MR. WHRITENOUR: Yeah, I'd like to answer your question. And, first of all, I mean, if anybody wants to put any responsibility, I take responsibility for dealing with the state on all of these issues, and I think that there's a misunderstanding of the process that you go through with the state to certify the tax rate. That doesn't happen until all of the numbers are finalized. And it wasn't anticipated that we would deal with the state until we complete the tax recapitulation sheet and walk in there in October to set the tax rate. That's the process.

We were asked to create a new process, to approach the state and ask for some type of preliminary certification because our revenues didn't come in where we estimated in 2009. We worked very closely with the Finance Committee and we were asked to approach the state and see if we can get an advanced certification – and not even a certification because they don't have that process. Just an advanced approval on all of the amounts that we based the Town Meeting on. Immediately we said, "Yes, no problem." We got ahold of the state. We conducted numerous conference calls with our entire financial team, and we were able to create a new process and get the state to approve these numbers prior to town meeting.

Finance Committee was uncomfortable in making their

recommendation until we heard back from the state and I went in to the state to get a response as soon as I could from them and that's what we had. So at least we have the uncharacteristic pre-approval from the state on these numbers before we even have done a tax recap sheet.

MR. NETTO: You do a great job explaining the process, Mr. Whritenour. Could it have been done earlier, that is my question. It seems to me we could have had these figures, even if we had these figures three, four days ago. As I see, for the people who I represent ask me questions, I try to find out the answers.

I'm sorry, I cannot take the answer that you gave me as the answer of being correct a process, Sir. Being done on time. It's the timeliness of it. Because now I look at this and the first line is \$500,000 out of the Stabilization Fund. Our so-called savings account.

Now I'm going to occupy this government's body, hereby asking Mr. Anderson: how much money do we have left in the Stabilization Account? Do we have a figure? This is our rainy day. After we take this half a million, which obviously we're going to vote tonight, what will be left? What is the balance, sir?

THE MODERATOR: Mr. Chairman.

CHAIRMAN ANDERSON: There's currently 1.4 million, roughly, in the Stabilization Fund. After tonight, we will have about \$900,000.

MR. NETTO: In reading the Capital Outlay Plan that Mr. Whritenour presented to the Board of Selectmen, I came across a statement that you made, sir, that our Stabilization should be five percent of our operating budget, is that correct, sir? Did I quote you correctly?

MR. WHRITENOUR: That's our long term goal.

MR. NETTO: Long term goal. So, fellow Town Meeting members, you see that we have now fallen way underneath that goal. This is the dialogue, sir, that as Leslie got up, once we have figures we can ask questions and make comments and get answers to.

I applaud Mr. Anderson for the facts and figures and the direction that he's tried to point us into. I think we all paid strict attention to what he said. Yes, this is crisis management. This is being reactionary. This is not being proactive. In hindsight, maybe all of us would have taken back a few votes in listening to you in the last three years.

That's one question. Again, I apologize.

The next question, sir, is in reviewing my Town

Meeting articles, I went back to the Special within the Annual, which was last April 9th. We were all sitting here on Tuesday night and we started the Special. And as I sat here I was somewhat appalled at my fellow Town Meeting members because if you recollect, we went through the Special with no comments. We sat here that Tuesday night and we had no comments. So we're all to blame if – we can all share in this blame; that's for sure.

I have a copy in front of me of that Special. Article 1 is to reduce FY '09 – which is Article 1 of this warrant – by \$168,139. So, Mr. Whritenour, when we were here in April with 80 days left of the fiscal budget that ended June 30th, you already had been warning us correctly that there was a shortfall in 2009 and you came up with the article and gave us a figure. Sir, did you have any idea that night that this shortfall was going to be as tremendous, ten times greater than – almost ten times greater than that figure?

THE MODERATOR: Mr. Whritenour.

MR. Whritenour: No, at that time we didn't have the full impact of, you know really, a lot of the problems with the local estimated receipts occurred in the final quarter for fiscal year 2009 that we have those local estimated receipts are heavily weighted toward the collections in that last quarter. It's all dependent – that's when all the motor vehicle commitments come in, that's when a lot

of the hotel/motel data comes in. That's when the user fees bills all go out. So, we knew at that time that there was a spending freeze on; we had to reduce the budget to meet the reductions that we knew about, and that if we had any adjustments to make as a result of any other receipts and we discussed that.

If you recall, there was the big picture that I put up on the wall of the shark in the waters, that we needed to monitor this very closely. Revenues were extremely tight. The collections were not very strong. And that if we had to make additional adjustments we'd be back in front of town meeting, and basically now's the time to do that.

MR. NETTO: So, in finishing, are we doing as Mr. Anderson suggested that we do, in tracking budgets and receipts tonight as we stand here differently than we were in April of 2009, sir?

THE MODERATOR: Yes. And I'd like to address that, that, you know, again, with the recession that's come on us, it's an historic time and it has been deeper and stronger than any of us estimated and we have made some fundamental changes in the way we're tracking expenses, the way we're tracking revenues, and we're moving forward and following those very closely. In fact, I think that all of Mr. Anderson's suggestions are

items, you know, that we've talked about at great length and I think that we have agreement moving forward that these are reasonable steps.

Some of them will be more difficult than others. The issue of gaining complete control over all of the Town's labor and labor-related costs is a very difficult puzzle to put together. It involves managing the number of employees – I think that was mentioned – and the benefits that they receive. Keep in mind, that's a key part of the budget and it really drives what the Town's services are. So, you'll see in FY '11 as we take those efforts to try to control those labor costs, that may have some impacts on your Town's services. And I know that, you know, that that's something that people will take very seriously also.

So, we do have agreement on those items and that's what we're working on doing. And we are tracking revenues, tracking expenditures very closely.

MR. NETTO: Thank you and I appreciate the time.

THE MODERATOR: Okay, Mr. Herbst I had next.

MR. HERBST: Ralph Herbst, Precinct 8. I'm looking at the first page of the green sheet, which summarizes where you're going to get your money. It looks like \$320.74 and \$155.76 is totally insignificant and I have no idea why would you even put that

there, with the exception of the fact that it looks like you're trying to show that every department is contributing something. I think it's just a waste of time.

I'm looking at the dates under the capital budget in which these items were appropriated, and there are four in '07, one in '08, one in '03 and one in '05, and I find it hard to believe that those monies, especially in '03 and '05, and possibly in '07 weren't already spent. And I can't understand why those would be available to balance this budget. So I wondered if you could get people that are responsible for those particular categories to comment on why those monies are still available.

You take the sidewalks in East and West Falmouth: in '05 we appropriated \$35,000 for sidewalks, and those sidewalks are still in deplorable condition. So I just don't understand how these monies are still available. But when you get to the small amounts, my recommendation: just take another \$5,000, \$10,000 out of the Stabilization Fund and don't play with those nickle, dime items, thank you.

THE MODERATOR: Does somebody want to address the closing out of the previous articles? Heather Harper.

MS. HARPER: Sure, I can talk about those. And I know we do have representatives from the various departments

here this evening. Specifically on some of the older DPW articles, those are small sums remaining in prior appropriations. If you can imagine the costs of constructing a sidewalk, \$35,000 doesn't take you far. You do have very capable, shrewd department heads who manage their budgets very wisely and they hold onto those small reserves from precious fiscal years and bundle them together in the future years' appropriations to make more of an impact on the Town's infrastructure.

These are cuts. The sidewalk budgets I do know we had some plans to make some specific improvements which will not be made. Some of those close-out articles, those small items were as the result of one of the line items that had had some minor expenditures out of them during the time frame we were pulling the budget together, and those small items just filled the gap. Those are remaining balances that will not be used and would be cleared up at the end of the fiscal year through the end of the fiscal year process. So, we're doing that now rather than doing that on June 30.

THE MODERATOR: Okay, further discussion on Article 1? Hearing none – yes, okay, over here. Ms. Cuny.

MS. CUNY: Sandra Cuny, Precinct 2. And as a member of the Recreation Committee, can I – while you're making

a clarification, the Rec Sandwich Road Parking, \$36,000, I was under the impression that the parking was included in the package deal from the CPA money. Was that separate? Okay, thank you.

THE MODERATOR: Okay, further discussion on Article 1? Go ahead.

MS. TOBEY: Linda Tobey, Precinct 4. First of all I want to thank Mr. Anderson for his enlightening talk. I really appreciate it and I'm sure it was very difficult to give that tonight, but it's something we all need to hear. And I'd like to thank the people who tightened the strings on their budgets to make the cuts that we need. However, I've been looking through it and I agree with Mr. Herbst who spoke about the \$320 item, the \$155 item. That seems silly, to include something like that. And when I look at these cutbacks, or the way we'd like to try to save, and I noticed that they're talking about bridges and sidewalks. I can't help but wonder when I look through what hasn't been cut why we still have \$14,000 worth of out of state travel expenses in this budget. Can that not be removed, any money that has not been spent for out of state travel?

[Applause.]

MS. TOBEY: Thank you.

THE MODERATOR: Go ahead, Article, 1, Mr. Chairman.

CHAIRMAN ANDERSON: The Finance Committee has spent a lot of time looking at the numbers. We did talk with the department heads. Although there may be some particular areas that some individuals may feel could be reduced, and frankly we had those discussions within our own Finance Committee, the department heads spent a lot of time themselves and went through a lot of agony to come up with these \$2 million worth of cuts. And even though we spent the time and talked with them, we decided that what we would do is go along with their recommendations rather than try to pay God, if you will, and decide that, "No, this particular budget should be reduced by this many dollars more and it should be given over here."

We are taking the hard efforts of the department heads to heart because we believe that they have done everything that they can to cut their budgets in a very difficult fashion. So we did not want to second-guess them. We certainly could have; we have that ability and that right to bring that to you, but our sense was is that they worked very hard, very diligently and have done some very difficult things, here. For that reason, we went along with their recommendations.

THE MODERATOR: Okay, Mr. Fox was next.

MR. FOX: Jim Fox, Precinct 2. The concern I have, I

heard a lot of talk about the strength of the property values and the foundation and that's where most of the revenue's coming from. Forward-looking and forecasting, what are we forecasting for next year on the changes in the assessed values for the property and the revenue that that would bring in? I think it's a pretty big number and I didn't hear anyone talk about it yet.

THE MODERATOR: Mr. Bailey, did you want to address that?

MR. BAILEY: Dave Bailey, Director of Assessing. I'm not sure I understand the question. Property values are going to be a little bit lower for the Town as a whole, this year, but that won't impact the revenue that's produced. The value of the property is just one component of the revenue picture. The tax rate will change to offset any decrease in property values.

THE MODERATOR: As the assessment goes down, the rate goes up. The total number stays around 2 ½. Mr. Fox.

MR. FOX: So, if the values are going down by ten percent, you're going to increase the taxes by ten percent to keep the revenues the same?

THE MODERATOR: That's not the way the equation works, but the concept is correct.

MR. FOX: I thought that's what I just heard.

THE MODERATOR: Mr. Bailey, do you want to go through the revenue equation?

MR. BAILEY: Well, that is it. In Massachusetts, the budget is set by Town Meeting, and that's the amount of money that the Assessing Department will bring in. So, I mean, it's up to Town Meeting how much revenue this Town produces. It's not up to the value of the property in town. If the budget were reduced by 50 percent, we wouldn't raise a hundred million dollars, we'd raise fifty million dollars, and that's just the way it is.

The tax rate reflects what's voted here at Town Meeting.

THE MODERATOR: Okay. Any further discussion on Article 1? To the left here, microphone down here.

MS. MURPHY: Thank you, Mr. Moderator. Carol Murphy, Precinct 9. I just wanted to know in light of the fact that the Superintendent of Schools has asked the FEA to take a furlough and raise money from that, has anything occurred like that in the town –

THE MODERATOR: Okay, can we hold that question for the actual budget? Because what we're doing now is we're trying to close the revenue deficit from '09. Article 4 we'll actually be talking about those cost saving items.

MS. MURPHY: Okay, very good, thank you.

THE MODERATOR: Okay. But we can bring that up then.

Mr. Stumcke was next.

MR. STUMCKE: Brian Stumcke, Precinct 4. You talk about the FY '09, how much of that is due to revenue and how much of that if any is due to people going over the various line items that we had approved back in April of '08?

THE MODERATOR: Mr. Whritenour. I would hope all of it.

MR. WHRITENOUR: Yes, this is all based on the revenue shortfall. In fact, there was a spending freeze that we instituted during fiscal year 2009 which boosted the turn backs from the Town departments, so that was one of the ways we mitigated against this revenue shortfall is by controlling the spending to the extent possible during the fiscal year so there was no appropriations deficits. It's just the estimates and the collections on revenues.

THE MODERATOR: Okay, did I see another hand in the center somewhere? Okay. Microphone down here in the front, please.

MR. STECHER: Bernie Stecher, Precinct 3. I just

want to get something clear in my own mind. The \$500,000 that's coming out of the Stabilization Fund this year, what happens next year? That's my question.

THE MODERATOR: Mr. Whritenour.

MR. WHRITENOUR: One of the items that we painstakingly worked on, again with the Finance Committee over the last several years, is when we do the Annual Operating Budget we've removed the use – if you recall, there used to be big sums of free cash in there, from time to time, Stabilization. So, we anticipate using no Stabilization or any Free Cash to support the operating budget for FY '11, or for FY '10 for that matter, and it's only being used as a one time purpose to clear up the shortfall from the previous year, in this instance.

THE MODERATOR: If I can just quickly direct your attention the back of the green packet that lists all of the revenue sources that we're going to be talking about in Article 4. So these are where the operations will come for the next fiscal year, if we vote it that way.

Any other questions on Article 1? Okay, this is – yeah, go ahead. Microphone.

MR. DONAHUE: Robert Donahue, Precinct 3. Does Town Meeting have an option of changing any of these article

numbers, and my feeling is is that if we have \$14,000 in travel expenses for out of state travel, I'd much rather take that out of state travel and put it towards sidewalks, for example, that people haven't gotten from '05. I think that's, you know, somebody said 35,000 doesn't give you much sidewalk. It must give you at least one mile, maybe two miles of sidewalk. And I think those people that have need of a sidewalk in front of their house –

THE MODERATOR: Okay, procedurally what you'd have to do is you'd have to go and make that available in Article 4 and then come back to Article 1 and change something here. That money is not available under the existing construct of the April budget.

MR. DONAHUE: Okay.

THE MODERATOR: So you'd have to make those funds available in Article 4 in order to use them for Article 1. If you knew where there were other funds in the Town that we could pay off this revenue shortfall, then we could put that in here.

MR. DONAHUE: Well, perhaps if we had gotten all of the budget figures and gotten together, we could have come up with these kind of things right now. We're kind of like you guys have all tied our hands behind our backs. It's a very nice way of doing it, and I hope you're all happy with it. Thank you.

THE MODERATOR: Okay, the question is going to come on Article 1. The question will come on Article 1. This includes a transfer from the Stabilization Fund. That requires a two-thirds vote. All those in favor of Article 1 as presented by the Finance Committee for the transfer and appropriation of \$1,058,977.35 signify by saying Aye.

[Aye.]

THE MODERATOR: All those opposed No.

[No.]

THE MODERATOR: It's the opinion that the Ayes have it by a two-thirds majority and I so declare.

Article 2. Article 2 is to see if the Town will vote to accept the provisions of Massachusetts General Law Chapter 64L, Section 2(a), to impose a local meals excise. On request of the Board of Selectmen. Mr. Chairman of the Finance Committee, the recommendation?

MR. LATIMER: Mr. Moderator, I move for reconsideration on Article 1.

THE MODERATOR: What new information do you have that wasn't available to the Town Meeting at the time of the original vote?

MR. LATIMER: The new information –

THE MODERATOR: Microphone, please. I'm having a motion for reconsideration that requires new information that was not available to Town Meeting at the time of the original vote.

MR. LATIMER: Well, you're creating a Catch-22 here, because we take more than a half hour on the budget, and then we have that new information, as the gentleman suggested about how we can take that \$14,000 out of –

THE MODERATOR: Are you serving notice of reconsideration versus moving it?

MR. LATIMER: Serving notice of reconsideration, yes.

THE MODERATOR: That's not what you said, Richard.

MR. LATIMER: I'm sorry.

THE MODERATOR: Notice has been served.

MR. LATIMER: Notice of reconsideration.

THE MODERATOR: Notice has been served for reconsideration on Article 1.

For the new town Meeting members, any financial article notice of reconsideration must be given within 30 minutes of a vote in order for a financial article to be reconsidered at a future

time. So, this wasn't a movement for reconsideration, it was notice of reconsideration Article 1.

Article 2, recommendation of the Finance Committee?

CHAIRMAN ANDERSON: Mr. Moderator, I move Article 2 as recommended.

THE MODERATOR: Okay, well, Article 2, the recommendation is indefinite postponement. Is there anyone on the floor that would like to place a positive motion on Article 2? Hearing none, then the recommendation of the Finance Committee will become the main motion: 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.

Article 3. Article 3, the Finance Committee recommendation, just the recommendation.

CHAIRMAN ANDERSON: Mr. Moderator, I move Article 3 as recommended.

THE MODERATOR: Okay, Article 3, the recommendation is indefinite postponement. Is there anyone on the floor that would like to place a positive motion? Mr. Schmidt.

MR. SCHMIDT: Mr. Moderator [Inaudible.]

THE MODERATOR: Microphone, please.

MR. SCHMIDT: Edward Schmidt, precinct 8. I move Article 3 as printed.

THE MODERATOR: Okay, Article 3 as printed. This is to see if the town will vote to amend its local room occupancy excise under Massachusetts General Law Chapter 64G, Section 3(a) to the rate of six percent.

Mr. Schmidt, you have the floor.

MR. SCHMIDT: Yes, I would like to make some comments if I may come to the podium.

Mr. Moderator, members of the Finance Committee, Members of the Board of Selectmen and fellow Town Meeting Members, I'm a little bit uncomfortable standing before you right now because I really don't like the idea of making a proposal contrary to what our hardworking Finance Committee is recommending, and they are recommending indefinite postponement. That has been supported by the Board of Selectmen as well. But I'm here because I really can't understand why they are not, frankly, more in favor of moving ahead because this article does promise an opportunity for significant revenue, and I think we need it. I'm also a little

uncomfortable because this may be the first time in my life I voted for a tax increase, much less stood up and advocated for it. So, it's not the kind of position I'm usually in.

And therefore you might ask: what is different this time? Well, I think what's different this time is the hotel room tax is not paid by you or by me or by the taxpayers in town whom we represent. It's paid by the tourists who visit Falmouth to enjoy all that the town has to offer. In my mind, it may be the least painful option before us this evening, and in fact I think it may not cause any pain at all.

There are two issues that come to my mind when I consider this tax. First of all, I ask: is it fair? Yes, I think it is, and I'll come back to that later. Second, I ask: is there a risk that the two percent tax increase will cause tourists to choose neighboring towns on the Cape instead of Falmouth? When I think of that question, and I've thought about it a lot over the past two months, I conclude that there is an extremely low likelihood that that could happen.

To understand why these visitors aren't sensitive to a two percent tax difference, I think it's important to ask ourselves why do these visitors and these tourists come to Falmouth in the first place. Is it for our 68 miles of coastline, longer than any other

town in the state of Massachusetts? Is it for the 12 miles of public access to the shoreline that our ten town-owned beaches provide? Is it for the boating, the fishing, or the bird watching? Is it because there's lots of choices of places for a family to enjoy an ice cream cone on a hot summer night? Is it for the warm sunshine? Or maybe is it for the fog? Is it for all of these reasons? Or is it because our hotel room tax is low?

Personally, I find it hard to conceive that a two percent difference in rooms tax is going to make the top ten list of anybody's reasons for choosing where to go on vacation, much less choosing a neighboring town on the Cape instead of Falmouth. I really believe Falmouth is a pearl of the Cape. We have so much to offer that neighboring towns don't. Our visitors come here for a memorable experience and they bring home photos that they can savor for a lifetime. They don't come to Falmouth because they are looking for the lowest priced vacation they can find. What we provide is extraordinary value, and I think a value is what matters most.

Let me ask you: have you ever considered a hotel room tax when you were thinking about a vacation, or are you like me, who feels taxes are taxes, you expect to pay it no matter where you choose to go?

I also ask: do you think current visitors to the Town of Falmouth really have any idea what the room tax might be? Until they're checking out of their room and, you know, and on their way home, or maybe booking a room for the following year.

Let me move to on the question of fairness. I ask the question: is it fair to ask tourists to pay a fraction more? Well, I think the answer is that it costs money to keep white sand on our 12 miles of beaches and keep them free of trash day after day. You know, if tourists rent close enough to walk to the beach, and I think most of them do, that's where the hotels and motels do tend to be, they pay nothing for this benefit. It costs money for DPW to sweep the streets downtown, and it costs money to light them up at night. How much of this do the tourists pay? Well, I think it's kind of free. It costs money for Fire and Rescue to be standing by for emergencies. It costs money to have police providing safety and security 24 hours a day. It costs money for the Town to haul away the trash that our tourists leave behind after they're gone. How much do the tourists pay for all this outstanding service provided by all of our Town departments? If it costs money to provide all these benefits and services that the tourists want, I think it's fair, very fair, to ask them to pay a little bit for them. And that's what the hotel tax is all about. It's a primary source of direct tourist revenue that

comes into the town. So I say maybe it should be called a user fee instead of a tax. But whatever you call it, I think it's a bargain, because of all the great value that a vacation in Falmouth provides.

Now, the alternative is to cut services. Now, personally I believe the surest way to drive away tourists and visitors is cut back on beach maintenance or cut back on Fire and Rescue or cut back on police services. Cut back on the DPW funding that keeps the rest room facilities on Main Street open and clean. If tourism is our town's number one business – and it is – you've got to recognize it costs money to run this business, and we need to generate more revenue if we want to maintain Falmouth as the pearl of Cape Cod and the number one choice of so many people who choose to spend their summer vacation in New England.

Let me make one last additional point. I think it's a very important point. It's my understanding that the School Department is being asked to contribute \$900,000 in cuts to close the budget gap. I ask you: is that what we want for Falmouth's children, to be cutting the budgets for the schools they attend and the teachers that teach them? Just as we compete for tourists today, children growing up in Falmouth will be competing with the children of all these same tourists in the future, competing for the chance to attend the best colleges and later find the best paying

jobs. So I think the more revenue we generate through the hotel room tax, the less money we'll have to cut from elsewhere, including the school budget. I think that's good for our children, it's good for their teachers, and I think that's good for the Town of Falmouth.

So, when our Town Moderator calls for the vote on this motion, I ask you to join with me, speak out strongly, and say "Aye".

Thank you very much.

[Applause.]

THE MODERATOR: Article 3. Mr. Chairman.

CHAIRMAN ANDERSON: The Finance Committee considered this particular article and the concern was it is not just the tourists that pay it, number one. Many of us have relatives that come into town and stay in hotels or motels. So it is not just the tourists.

However, we also concluded that this article – this is a local option tax and is something that can be considered by the Town at any town meeting. It was our sense that it likely will and probably should come up, and whether that is at this coming Spring Town Meeting or at another Town Meeting.

We did a little research. There are 351 towns or cities within the Commonwealth. As of today – excuse me, as of

yesterday, 35 towns had adopted this additional or incremental tax on the hotel/motels. None of the towns on the Cape have done so.

The question is: does Falmouth want to be the first? Maybe we do. I present that only for information.

It will be up to Town Meeting. I would ask Mr. Whritenour if he can give us an estimate of what the hotel/motel tax would mean. It is an incremental 2 percent tax. The current hotel/motel tax I believe it's either 9.6 or 9.7 percent, of which the Town gets four percent. The local option would give us an additional two percent, but it would make the total tax either 11.6 percent or 11.7 percent.

THE MODERATOR: Mr. Whritenour.

MR. WHRITENOUR: Yes, I did prepare a slide on the local options in case some questions came up on them, and just to let you know, I think maybe the next slide would be better. The two percent on hotels is estimated at \$331,000 of additional revenue per year. Now, those figures have been seasonally adjusted and if adopted at this Town Meeting would apply to one-half of the year and that revenue for Fiscal Year 2010 would be \$135,000. So next year would be 331, but for the remainder of this year we estimate 135.

THE MODERATOR: Okay, Mr. Murphy was next on my list. Mr. Herbst, you're on the list.

MR. MURPHY: Thank you, Mr. Moderator. For those of you who don't know me, my name is Kevin Murphy. I'm in from Precinct 5. I agree with some of the things that the wonderful speaker spoke about before I got up here today, and that is about how beautiful Falmouth is. But I disagree with some other things, the shortsightedness of putting forward this particular article at this particular time. May I tell you and I remind you all that our economy is based and the engine that drives our economy in this community, whether we like it or not, is tourism.

This town and this Town Meeting has always had an issue of fairness. By imposing this tax strictly on hotels – and, I might add, we had a way to bring the playing field even last Spring, and that was the implementation of a short term rental tax. Did you know, folks, that if you run a B & B and you have three rooms or less, you don't pay a rooms tax? Is that fair for the person who has four rooms and pays a room tax? It would cost you ten percent more to stay in a hotel instead of staying at a B & B and a rental property. We're not just talking about the income that this Town would get, we're talking about the jobs, the potential that we could lose.

Now, you know, I'm in the restaurant business and I consider myself a marketeer. And I put together two ads that I would like to show you folks. One add that I'd like to be able to see run this year. Because I've got to tell you that my friends in the restaurant business and the hotel/motel business didn't go up on their pricing this past year, they went down. And they went down to be able to save their businesses. They went down to be able to continue to employ people in this town. We talked about education, folks. What are we going to teach our kids? Are we going to teach them, "You know what? When you're out of money, just go up. Just ask people for more"? Well, that's not the time we're in, right now. We're in tough economic times. You know, I get really ticked off when I see, "Let's put up taxes during this period of time."

If I know any business man in this town that is only off less than ten percent, he's doing a good job right now. He's being able to keep his business alive, because Falmouth and the economy here, the economy in the state and the economy in this country, will come back. But we need to make sure that we're positioned to come back. This room's tax right now is not a good time, and it's unfair, because it puts our hotels in an unfair position.

You know, we're going to continue to drive those hotels out of business. They'll continue to become timeshares, because

they don't pay this meal – this rooms tax. Think about this, folks, shortsightedness. \$350,000 that you'd get, but potentially what would happen to this business?

Try to do it on volume. Most hotels – I don't know many, with the exception of a couple of weekends this summer, had full occupancy. You know, you try to fill rooms. And I agree that sometimes, just sometimes, you don't know what you're paying for that rooms tax. I went to Boston a week ago and I was a little upset when I saw the Convention Tax on my bill. So the next time I might stay in Cambridge if I go there, because that was an added tax. They were taking advantage of me. And you know what? Those folks who come here as tourist, they become our neighbors. Take a look around, how many of you came here as a tourist, discovered Falmouth, saw how beautiful it was?

I have two slides that I'd like to show you. And one slide is the way I'd like Falmouth to be. I'd like Falmouth to be able to say, "Come to Falmouth, we have the lowest meals and rooms tax on Cape Cod." But you know, if we go up on our taxes, the other slide that will be up there is the one from the Hyannis Chamber of Commerce, that says, "Come to Hyannis, the lowest rooms and meals tax on Cape Cod."

You know what, folks, my friend Bill Zammer's not selling a great meal for \$25 right now. I didn't keep my prices lower this year than the year before because we had the ultimate generosity. We're all trying to make it through this economy. Going up on taxes right now is shortsighted. We have to be able to cut our budgets and move forward. You know what? Now is the time to do that. I thank you and I hope that you vote this down at this time. Please, allow these folks to be able to compete in this marketplace. Thank you.

[Applause.]

THE MODERATOR: Mr. Herbst, you're next.

MR. HERBST: Ralph Herbst, precinct 8. Mr. Schmidt forgot to mention our fabulous new bike path, also the additional police expenses because of the additional police officers that are required in the summer.

I find it really hard to believe that the Selectmen and the Finance Committee didn't put more credibility with increasing revenues in this situation, but the Finance Chairman in his very eloquent presentation earlier, said, "Don't wait. Don't wait. We can't wait. We gotta fix things now." Fifteen minutes later, he says, "Well, maybe we'll consider this next spring, or later." No, wrong, can't do that. In my opinion, this makes all the sense in the

world, it's a tax that we don't pay but it's a tax that people who come and enjoy what we provide. I say vote for this.

THE MODERATOR: Mr. Bidwell, you're next on the list. Mr. Donahue, you're on my list.

MR. BIDWELL: Good evening, Mr. Moderator and fellow Town Meeting members. I wish to reiterate what Mr. Murphy has shared with you. This tax is an unfair tax currently as it is administered by the Town and in our state. We need to be clear we are not talking about a four percent tax on our accommodations. It is strictly hotel/motel and it is actually 9.7 percent tax. It is not simply four. Each visitor pays nearly ten percent currently, okay? We are returned four percent, but the total tax is nearly ten. It'll then go to nearly 12 percent.

I also want to say that a significant number of our visitors are not the individual traveler, but are group travelers that come through Falmouth. And that's a key word, which is they come through Falmouth. They are value conscious and they are absolutely coming to Falmouth for a brief time. For instance, the Island Queen to make their way to the Vineyard. But I can promise you they are not staying in Falmouth and they are not dining in Falmouth. They are returning to the towns of Hyannis, Yarmouth and other locations which are more affordable.

I know that our tourism businesses are holding their rates this year. They are holding their rates next year. We are doing everything we can to stay in business as a community, as a tourism community. But again, this tax is unfair because it is not applied across the board to all of our lodging establishments. That includes our short term rentals and our timeshares. So only those visitors who choose to stay in a B & B, a hotel or a motel, are going to pay this tax. All of our visitors, and there's a significant number who stay in our vacation rentals and in the timeshare properties, do not pay this tax.

I urge you not to increase a tax that only a portion of our visitors are paying. Thank you.

THE MODERATOR: Ms. Siegel, you are next on my list.

MR. SIEGEL: Debra Siegel, Precinct 6. I'm speaking in support of Mr. Schmidt's motion. And I'd like to make a couple of points. It is a fallacy that tourism is what drives our economy. I believe it was the Cape Cod Commission this year, although I'm not positive about that, that did a study on this and, as we've known for a long time, the biggest employers in Falmouth are science institutions and the hospitals. So, let's stop using that as an emotional backlash.

Falmouth is not Hyannis. People are not going to choose to go to Hyannis if they want to come to Falmouth.

I don't believe for a minute that anybody is going to not stay here because of a two dollar increase on a hotel room. I don't think any of us in this room would do that when we go anywhere else, and I think to suggest otherwise is leading us astray, thank you.

THE MODERATOR: Mr. Latimer.

MR. LATIMER: Yeah, Rich Latimer, precinct 5. Mr. Murphy referred to how he felt ripped off because he noticed he had to pay a little extra on a hotel bill or something, a Convention Tax. I'm sure he didn't think about the fact that that money went to the City of Boston, helped to pay for the police protection that he enjoyed while he was up there, the fire protection in case something happened in his hotel room, and all the other amenities, like maybe he wanted to take a walk in beautiful Boston garden, which is well – excuse me, the Boston Public Gardens, or the Boston Common, which are well maintained. What a statement like Mr. Murphy's reveals is he's basically coming from anti-tax ideology. I'm sorry, but there's no other way to put it.

And, for example, we heard Mr. Anderson talk about the fact that we're going to have to really start tightening up. And

he said, by the way, “Or, we’re going to have to raise taxes,” as if that’s an alternative. I’d suggest it’s probable we’re going to have to do both. But, when he talked about tightening up, he’s talking about, “Well, let’s take this job away or let’s take that salary away from our town residents who work for the Town. Or let’s take those benefits away. Let’s tighten up, let’s make them pay.” Because that’s what we’re going to have to do probably, anyway. Plus raise property taxes.

But here’s a chance where we can raise taxes by getting the money from people who visit here to pay and, as Mr. Schmidt has said, those people enjoy the police protection and all the other benefits that our public servants provide in this town, just the way Mr. Murphy – whether he knows it or not – was protected by the Boston Police Department, Fire Department and everybody else that that Convention Tax paid. Thank you.

THE MODERATOR: Mr. Donahue was next on my list.

MR. DONAHUE: My question, Mr. Moderator, is: \$135,000, how many salaries is that? Two? Three? Five? Three hundred-odd thousand, how many salaries is that? We’re in tough economic times and we have an opportunity to get a stream of revenue from a very simple source, without having to go to the town

as a whole for taxes. And, as far as the other bed and breakfasts and other establishments in town that are getting a free ride, here again, maybe if the Selectmen put a little iron in their belt and got up and took care of these inadequacies, we wouldn't have this discussion that one industry is feeling that they're getting the better deal than the other industry. It should all be even. And if it was even, we'd probably get that 300,000, maybe up to half a million. Half a million dollars, folks, is a lot of money. Just a thought.

THE MODERATOR: Mr. Anderson. Mr. Pierce, you're on my list.

MR. ANDERSON: Just a point of clarification to Mr. Herbst's comments. My comments and my presentation, the "don't delay, start now", referred to making changes in how our Town is managed and run. My comments with respect to the tax on this particular article set forth by the positive motion by Mr. Schmidt, I was – we have been focusing on and I have been attempting to emulate our esteemed state senator, Therese Murray, who is the president of the senate, who when she was looking at the budget for the Commonwealth as quoted as saying, "reform before revenue", and that was my approach.

THE MODERATOR: Mr. Zavala, next on the list.

Microphone down here for Mr. Zavala. Is there a stand? There's one right here without a podium, if you want. Either way.

MR. ZAVALA: Mr. Moderator, I'm Jay Zavala from precinct 8. I'm also the President of the Falmouth Chamber of Commerce. First, I think it's important to thank all of our town employees for their contribution in keeping Falmouth a great community we all call home.

Tourism is a highly competitive industry. It is suggested that visitors are not concerned about rooms tax. I submit, based on the inquiries received at the Falmouth Chamber of Commerce every day, all season long, that they are very, very much concerned. Most visitors to Falmouth are average breadwinners, many with families. In today's economy, they are focused and concerned about every aspect of cost and will drive further, mindless of fuel cost, to find it. Those who book in group numbers are even more mindful of rooms tax. Volume accommodations are all about numbers and our hoteliers here in Falmouth work hard and spend a great deal of money to bring these to our town.

Not all visitors are tourists. Many are guests of Falmouth residents. They, too, care about costs, all costs. This is

not about our children and their children. It is not about them. It's about us.

There are more points to be made, I'm sure, but my point today is that tax increases should be the last resort of this resort town. Fiscal discipline and creating more revenue streams should be the first. The Falmouth Chamber of Commerce and its members are dedicated to keeping Falmouth citizens, young and old, from having to cross the bridge in pursuit of jobs and affordability. We cannot tax our way out of this. Thank you.

THE MODERATOR: Mr. Pierce in the center aisle.

MR. PIERCE: Thank you. Justin Pierce, precinct 9. As a chef and a local caterer here in this area, I would just like to say I'm against this. I think that this brings people into this community, whether it's 250 people or 50 people overnight, they bring it in and we get it done, and I just think it's a bad timing on this. I think it should be revisited and, you know, God bless to all the people that put their hours in this restaurant business. I know there's a lot here around that say, "Hey, what's this all about?" but let me tell you, when you're up late at night cooking, you know, a piece of chicken or a piece of lobster for somebody that's from Maryland, it's a good thing. Thank you.

THE MODERATOR: Okay, Mr. Maclone, next on the list. I'll add you to the list.

MR. MACLONE: Thank you. Mr. Moderator, Richard Maclone, precinct 4. I would have to agree with our friends from the Chamber of Commerce. All you have to do is look around and look at the empty stores. Look at all the places that have gone out of business, all the people who used to employ people in this town, it starts and it doesn't start.

When you – now, I do agree with the first speaker, we do have a beautiful town. And there is a competition. And I believe that competition is something we have to fight for, and we want to bring these tourists to Falmouth. Because it's not just the rooms. It's the restaurants, it's all our little shops downtown, it's the Island Queen, it's every place that these tourists spend money. And one thing he did mention is that, "Gee, I don't think it's going to make a difference on two percent," but the first thing a tourist sees when they go over the bridge is they get greeted with a 20 cent bridge tax on their every gallon of gasoline. So, they're looking at all our gasoline prices and say, "Boy, everything's expensive around here."

And then, as they see, our esteemed governor just jacked up the sales tax. So now, they're saying, "Oh, gee, Massachusetts is pretty expensive."

Now we're paying the highest sales tax in the northeast region, and then we go and we'll go on and find that these people are just getting inundated with more taxes. And they may not catch it the first time. They may not ask, "What is your room tax?" But when they're spending \$200, \$250 a night for these hotel rooms, or whatever it is, and then they see – they look at the tax on the end of it and they say, "Look at the tax we paid. We paid \$100 in sales tax for a few nights – or, a room tax." We may not catch them the first time, but next year when they're planning their vacation, they're going to say, "Remember what we paid over in Falmouth? Let's look at Yarmouth, let's look at Hyannis. Let's look down Cape. Let's go to New Hampshire; they're real friendly."

So, I mean, I think that if we want to shoot ourselves in the foot for two percent on the sales tax and hurt all the other businesses connected with these hotels, you know, you can go for it, but for me and mine, we're going to vote against this one. Thank you, Mr. Moderator.

THE MODERATOR: Mr. Putnam.

MR. PUTNAM: Thank you, Mr. Moderator, Brent Putnam, precinct 9. Mr. Schmidt made a very eloquent argument, but I'm going to argue against increasing the taxes at this time, and very briefly.

We've seen the numbers, we've heard the issues. The reality – and I'd like to recognize Ms. Tobey for saying something about the out of state travel, because there's fat in the budget, ladies and gentlemen, and you don't go on a diet by eating more. If we are going to follow the advice that the FinCom gave us tonight, the advice that the other alternative is to increase taxes and proceed with the status quo, we're not going to be able to make a change to the status quo if we continue to look at increasing revenues.

I agree with Mr. Zavala, it needs to be a last resort. But in the meantime, we're not going to cut things, like the out of state travel, unless we are forced to do so. Increasing revenues takes that off the table, and it makes it so much easier to leave the sacred cows in the budget. Thank you.

THE MODERATOR: Okay, Mr. Patrick.

Representative Patrick.

[Applause.]

MR. PATRICK: Thank you, Mr. Moderator. Matthew Patrick, precinct 7. I am not speaking for or against this amendment, but I do want to inform the Town Meeting members that there is a bill moving through the House that was filed by Cleon Turner that would fix the inequities in the current room tax formula

to include some of the rooms that are not taxed now. And it has a good chance of moving and become law. Representative Madden informed me that it may become part of the Municipal Relief Package.

THE MODERATOR: Okay, Ms. Davis is next on my list. And then we're going to come down front.

MS. DAVIS: Linda Davis, precinct 4. Mr. Moderator, I am opposed to this article. Certainly for many of the reasons that have been previously mentioned, but most of all because it appears to be a quick fix for some fundamental problems that we have in the way this town does its business. And I would like to respond to Mr. Anderson, if I may.

I listened very intently to what Mr. Anderson said, and he summed up in his presentation a request from us, the people of Falmouth and Town Meeting members to convey to our Selectmen the urgency in investigating and redeveloping the way we do business. That we need to make some fundamental structural changes so that we don't come to Town Meeting every year with some quick fix for a problem. He mentioned the need to look at our hiring practices, the way in which we fix and forecast our budget. Our fixed salaries, our benefit and structural issues, and most of all, how we implement performance management program.

So I'm going to stand here and I'm going to take his advice, and I'm going to say to the Selectmen as a group, and as individuals: Mr. Mustafa, Mr. Carey, Mr. Putnam, Ms. Flynn, and Ms. Freitag, would you please begin to develop the process, work with our managers on restructuring our financial component of our town, of working towards making these structural changes so that, come Spring, you could report to us on the improvements and changes you are making? Because this is fundamental. We are facing bad times, we cannot just put a band-aid on what is happening. We need to look closely at how we do business.

Thank you.

[Applause.]

THE MODERATOR: Okay, down here.

MS. DAVIS: Excuse me, I just have to finish. And in case – I know how busy the Selectmen are, but in case they need a reminder about how important this issue is and how they need to look at it and begin to work with the Manager and set a program and a schedule of meetings and so forth, ask yourselves this question: when there is an item on the Selectmen's agenda that deals with weddings and dogs, ask yourself, "Is there something more important I can do for my Town?" Thank you.

THE MODERATOR: Okay. All right. Let's – I've got a list, here, of speakers on this article –

[Applause.]

THE MODERATOR: Let's go. Let's go. Folks, this is not a Selectmen's Meeting, this is Town Meeting, so let's focus on this. I think the Selectmen hear the comments; you're more than welcome to go next Monday night, make some more, but let's focus on this issue right now.

Article 3, go ahead.

MR. KELLEY: Thank you, Mr. Moderator, my name is Milton Kelley, precinct 3, and for the last almost 40 years I have been the manager of Green Harbor Waterfront Lodging –

THE MODERATOR: We're having trouble hearing you.

MR. KELLEY: I have been, for almost 40 years, the manager of Green Harbor Waterfront Lodging on Acapesket Road. The two percent increase in the rooms taxes is really a misnomer. It's really a 50 percent increase on the Town's share. It might be two percent, but it's 50 percent more than what has been paid in the past.

And, I beg to differ with many of the speakers that have spoken before. Obviously they have not had to negotiate contracts

with bus groups, small groups that come, because two percent is a lot to these groups.

I try – we have a small contract with Virgin Airlines to bring people over. They stay with us for a few days at a time. I tried to go up \$2 on my room rate last year with them; it didn't happen; they would go someplace else.

We are not a big place. Basically my wife, my son and I and one person in the office in the summertime. I get the phone calls. I get the people that say, "Your tax is what?" We're talking right now 9.7%. If we implement this, it's going to be up to 11.7%. We're getting up there into the city range of taxes on rooms.

The other thing is the first speaker answered his own question, he said he couldn't understand why he was going for this tax, well, he answered it himself, it's because he's not paying it. It was an obvious answer.

He mentioned trash to haul away. I don't know of a hotel or motel in Falmouth that doesn't have a dumpster and pays for their own trash to be hauled away. Take very little of those services.

And the other thing is right now a number of us have contracts that have been negotiated already and include the 9.7% tax. It would be very, very difficult for us at this time to change that

contract. Little places like myself will end up, at least until next year, eating this two percent ourselves.

It's not easy, it has not been an easy year, and I would implore you to vote down this amendment and go with indefinite postponement. At least give us a warning. Next month would be very hard to implement putting this tax into place. Thank you very much.

THE MODERATOR: Ms. Flynn.

FROM THE FLOOR: Question. Question.

THE MODERATOR: Ms. Flynn.

FROM THE FLOOR: Question.

THE MODERATOR: I've got two more on my list. Ms. Flynn.

MS. FLYNN: Thank you. Pat Flynn, precinct 5, Chairman of the Board of Selectmen. I'll be very brief. I want you to know we appreciate very much the comments you have made tonight. I hope you notice that the Board of Selectmen did not recommend this article, and the reason for that was we were concentrating all of our efforts on reducing spending. And while we appreciate the legislature giving us the opportunity to do this, in the present situation at this time we saw it as sort of one shot across the bow and not really sufficient to deal with the structural problems

we have with our revenue, as has been so eloquently stated tonight.

So, as we move forward into the budget process for 2011, we are not only going to be looking at reducing spending, but we are going to be looking at the revenues and what that is going to mean to us, not only in 2011, but beyond. Thank you, Mr.

Moderator.

THE MODERATOR: Okay, my last speaker on the list was Mr. Murphy.

MR. MURPHY: Thank you, Mr. Moderator, Carey Murphy, precinct 7, member of the Board of Selectmen. And I am speaking for myself and I just want to respond to Ms. Davis and Mr. Anderson that yes, we will pick up that challenge and make this government efficient and more effective. But I would ask some of the people in this audience and some people watching tonight to join us, and that's members of the School Committee and that's members of the Police Department and the Fire Department, parents who have children in the schools, the legislative delegation both on the House and Senate side.

This is a difficult way to construct a budget to respond to some of these things that we are faced with today, and the delivery of services, you know, we can cut some services, we can

cut some payroll, we can cut people from positions, but there are consequences to that and I think that people really need to look and think very hard before we do that. I'm not saying that we can't do that, but I think that there are consequences to that.

I think there are some advantages and some efficiencies to look at regionalization. It's a cry that's been state-wide. It's something that in the county that we've looked at, but it needs to come to a fruition here in Falmouth.

Privatization. When we talked about the waste transfer station, please don't yell at me, but we're not going to change it, Joe, don't jump up and put your hand up, but I think there are some advantages and there are some disadvantages to privatization, but I think this town, the Finance Committee and the administration really need to take a hard look at it.

I think on this issue of taxes and the short room rental tax and taxes to the hotel, I think it's more symbolic in a way because when you go to the gas pump, you see an increase in the price, you see an increase in the taxes. The people that sit at their homes at their coffee – at their dining room table and have to write those checks for all of the taxes and all of the things that go on, I think that it's more symbolic that we do not raise this tax at this point and that we make efficiencies in our government. But I would

ask everyone in this room to join us. I would ask all of the department heads to join us, which they have done, and sacrificed. We're in this together. It's just not challenging the members of the Board of Selectmen to tell the administration to make the efficient cuts.

We are in a financial meltdown of the consequences that we haven't seen in quite a while. Unemployment quite frankly hasn't peaked yet. We have jobs leaving, we have people leaving the state in record numbers. There is a fundamental way that we need to structure state government, federal government and more importantly the government that we have here.

So I would ask everybody to join us when we do this. All members of the Board of Selectmen will rise to this challenge. The administration will rise to this challenge. The Finance Committee members will rise to this challenge. And I say let's have a new day in Falmouth and let's really take an opportunity to take a look at how government is run in the Town of Falmouth. Thank you.

THE MODERATOR: Is it something new, Mr. Garcia?

And then we're going to vote on this.

Microphone for Mr. Garcia. And then we're going to take a vote.

MR. GARCIA: Thank you. Thank you, Mr.

Moderator, Ron Garcia, precinct 7. I'm standing to speak against the amendment on this article. On the surface, it sounds insignificant to increase the taxes by two percent. Looking at it a different way, it's really a 20 percent increase.

However, the issue I really want to make is we're forgetting the owners of the hotels, motels, the B & B's. Those are the folks that are going to be impacted. We can say it's only tourists, but quite frankly it's the owners of the property that will feel the brunt of this. And keep in mind these are the folks that are paying taxes, some significant taxes that go to the Town of Falmouth.

So, again, I would urge you to vote against the amendment that has been made. Thank you.

THE MODERATOR: Okay, this is the main motion, Article 3, to increase the local room occupancy excise to a rate of six percent. 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 that the No's have it by a majority.

Article 4.

Article 4, to see if the Town will vote to adjust the Fiscal Year 2010 Operating Budget to amend the appropriations voted in Article 18 at the April, 2009 Annual Town Meeting.

Do we need to do it, need a break? No. Okay. Mr. Chairman.

CHAIRMAN ANDERSON: Mr. Moderator, I move that the Town vote to reduce the Fiscal Year 2010 Operating Budget from the previously approved total of \$107,569,142 to \$105,252,015 by amending the budget line items as follows. And I would ask that we incorporate into the motion by reference the last column on the right hand side of the green budget handout, pages 1 through seven. And to reduce the amount voted by the Town to raise and appropriate at the April 6, 2009 Annual Town Meeting from \$103,715,184 to \$101,455,057, reduce the appropriation of \$57,000 from the Mass. Technical Collaborative Wind Grant to zero dollars, and further to reduce the total amount budgeted by \$2,317,127 for an amended Fiscal Year 2010 Operating Budget of \$105,252,015.

THE MODERATOR: Okay, so the main motion is what you have on the first page of the green packet. What we'll do is we'll do this like we do the regular annual budget. We'll go

through the reductions here, which is the second to last column. The last column would be the total, the new total. So the reductions will be the second to the last column, the recommendation of the Finance Committee under Fiscal Year '10. Okay.

So let's start off with the first Department, Town Meeting. Town Moderator. Selectmen/Administrator.

FROM THE FLOOR: Hold, hold.

THE MODERATOR: No, there's no hold. We're just going to go as we do with the Annual Budget, so just – Mr. Netto.

We do holds on a blanket vote.

MR. NETTO: Joe Netto, precinct 9. A little confused at the procedure, I'm sorry, I thought – we're going to take these by departments, then?

THE MODERATOR: Yes.

MR. NETTO: Okay. All right, ladies and – I think after the last discussion, I think it's time that now we have to start doing what we've all agreed to, the rhetoric that we've heard all night, and that was very easy. Now it's fish or cut bait. I'm going to hold the Out of state travel, which would be line 16 of this budget. Here's where it gets confusing, because what's left there, we don't know. But if you would give me some latitude, Mr. Moderator,

because to do this effectively I think we have to look at just not one line item, but the budget.

I would be holding, if permissible, I would be holding every out of state travel of the four departments of DPW, Fire, Police and the Town Manager. Not because I look at that as a frill. No, it isn't. This is an educational experience. These department heads go to these meetings and there's information that's obviously learned. I did spend 37 years as a public school teacher; it would be hypocritical for me to get up here and speak negatively about education. But the point is now we have to start judging what there's only one dollar on the table and many people want it.

And, case in point, go to line 128 of Natural Resources, because I want to give you an example of how you have to make decisions now. One twenty-eight under the Natural Resources is a reduction of \$3,000 for the propagation of shellfish, and I would rather see that removed. And that money's made up because we're not going to take monies off without finding a source to make them up. And my argument is this: the propagation of shellfish, folks, I'm sorry, puts food on the taxpayer's table of the people of Falmouth. These are the decisions that we have now got to ask and each and every one of us. I'm sorry, I'm not being sarcastic, I'm not being philosophical. I will quote the late George Souza, a personal friend

of mine, who's a shellfish warden who told me years ago – and these are old figures – “Joe, for every dollar that I spend propagating shellfish reaps \$20.” It was a 20 to 1. You'd run to Mohegan Sun the next day with those odds.

And in memory of him I'll get up here and defend the propagation of shellfish. I've even seen our selectman Mr. Murphy down there raking quahogs at Harrington Street. So you too would enjoy this, sir.

The rest of decisions that we have to make, I'll will not support any out of state travel. You will hear all kinds of arguments by speakers from the stage: contractual, the Town benefits. Yes, I will agree with all of those. But I will ask you to make that decision to wait. I will cut whatever that figure is, because also we obviously know money's been spent from this line item. I don't know if there's been any money spent from DPW, Police or Fire, but it's time that we now start following Mr. Anderson's rhetoric and start doing the job that the people of our precincts in the Town of Falmouth elected us for. And this is one that I've got personal feedback by many people. And I'm sorry, I cannot support this.

That's my motion. It would be to remove the total figure of Out of state travel from those budgets that have it. Thank you.

THE MODERATOR: Okay. All right, discussion on removing the line items of Out of state travel. Mr. Netto, you have a question.

MR. NETTO: And obviously those funds would reinstate – I think that’s the correct word – and any funds from these cuts to reinstate the \$3,000 in line 128 for the propagation of shellfish.

THE MODERATOR: Well, let’s vote on the reduction and if we get the reduction, then we can do the appropriate increase. And Jill’s going to sharpen her pencil for this one. Okay, discussion on reducing Out of state travel line items. I’m going to take this as one discussion and one vote versus going and finding each one. The Finance Committee will find all those numbers and add them up.

Mr. Latimer and then Mr. Anderson.

MR. LATIMER: Rich Latimer, precinct 2. I agree with Joe Netto on this one. I think a question, though, that we should be asking on all of these travel items is how directly it is going to be related to actually improving the ability of the public employee to deliver the public service. And I’m talking about directly. I’m not talking about, “Well, this is going to be good for the resume or it’s going to, you know, give some general background knowledge.” I

could see maybe firemen and policemen going to some kind of training program where what they will learn will directly affect their ability to serve us. But just simply going to have to some academic discussion about municipal management, I'm not sure really does us any good as a Town as opposed to being simply a resume builder.

I will say this, that a lot of that kind of stuff, I see this now – I do it, myself, as a lawyer: instead of going to a seminar someplace, we do it online. We do these seminars online. We sit in our own office; we have the telephone and the computer and we get that kind of knowledge online without spending a lot of airfare and other travel expense.

So, I think the critical question here is how much of any one of these is directly related to providing a service to this Town that's immediate, and I think that's a fair question to ask of all of these items.

THE MODERATOR: Mr. Anderson.

MR. ANDERSON: Mr. Netto touched on two very important points, one of which is that some of the out of state travel may be contractual, and I don't know if Chief Riello or Chief Brodeur are aware or perhaps Mr. Whritenour can help us out

there, but some of it may be contractual, which we may not then be able to unilaterally modify it.

Secondly, the information that we have, unfortunately we do not have a real time system, so there may be some bills that have been submitted for travel that haven't been entered into the system or in the current – or in the process, and so to know what the precise number is this evening is very difficult, if not impossible.

I would just caution Town Meeting to give consideration to those items, thank you.

THE MODERATOR: Anybody want to address – Mr. Whritenour.

MR. WHRITENOUR: What I would recommend is you go department by department and if there's a line, let's talk about that line and ask the question, and then if you want to make, you know, the decrease, it should be based on – and I know the Town Accountant's here and the department heads. We need to make sure that there are adequate sums that are remaining in those accounts that can be reduced. And I think what I'd like to recommend is that you start – we are on the Selectmen/Administrator, line item 16, the original approved budget was \$8,100, and there's a recommended reduction of \$2,000. Now, I know that there are outstanding bills on that account of

approximately \$2,500, which would leave a total amount left in that account of \$5,600, which is \$3,600 above the cut. So you could, if you wanted on that one, just take action independently, you could reduce that an additional \$3600 and, you know, take them one at a time, and if there's amounts in it and you want to cut it, then let's address it and cut it.

THE MODERATOR: Okay, so let's look at whether we want to reduce Selectmen/Manager line item 16 Out of state travel, reduce by \$5,600. All those in favor of that reduction, 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. This is to reduce line item 16 by \$5,600.

[Pause.]

THE MODERATOR: Okay, hold up, folks. I'm getting some legal advice that they don't like the way I'm doing this. So everybody come back down, sit down for a second.

Mr. Netto, your motion as we submitted it to the record was to reduce all of the Out of state travel as a group. Would you

withdraw that amendment and submit an amendment to the floor to reduce that line item by 5,600 so that the record is accurate?

MR. NETTO: Yes, I would, sir. And I thank you, Mr. Whritenour, for that fiscal editor. Thank you very much. Yes, I do, thank you.

THE MODERATOR: Okay, so the new motion on the floor by Mr. Netto is to reduce line item 16 by \$5,600. All those in favor of the reduction, signify by standing and the tellers will return a count.

[Pause.]

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

MRS. TASHIRO: 29.

THE MODERATOR: 29.

In the second division, Mr. Dufresne.

MR. DUFRESNE: 42.

THE MODERATOR: 42.

In the third division, Mr. Hampson.

MR. HAMPSON: 43.

THE MODERATOR: 43.

All those opposed to the reduction signify by standing and the tellers will return the court.

[Pause.]

THE MODERATOR: Mr. Hampson in the third division.

MR. HAMPSON: 14.

THE MODERATOR: 14.

Mrs. Tashiro in the first division.

MRS. TASHIRO: 19.

THE MODERATOR: 19.

Mr. Dufresne in the second division.

MR. DUFRESNE: 41.

THE MODERATOR: 41?

By a counted vote of 114 in favor and 74 opposed, we will reduce line 16 by \$5,600.

MR. MURPHY: Point of order.

THE MODERATOR: Yes. Mr. Murphy with a microphone, please.

MR. MURPHY: Matthew Murphy, precinct 7. I'm not really sure what's going on. We haven't finished debating. It seems we're going to make the cuts and then debate them? I'm not sure where we are in this process.

THE MODERATOR: We are on the Selectmen/Manager's line item budget. We had a motion and some discussion and decided that we'll use the smaller number

rather than wiping them all at the same time, so that we can get the explanation line item by line item.

MR. MURPHY: Did we finish the discussion on why we want to do this?

THE MODERATOR: I don't know. No one had their hand up and –

MR. MURPHY: Oh, I'm sorry, I did. Maybe you didn't see me.

THE MODERATOR: Oh, yeah. Sorry. Sorry, Matt.

MR. MURPHY: Damn.

THE MODERATOR: Wave, next time.

Any further discussion on Selectmen/Manager? Ms.
Siegal.

MS. SIEGAL: I have a question about line 14, Chamber of Commerce, and it's not that I have it in for the Chamber of Commerce, however there is no reduction made in that item. It's not even a Town department, so I'm curious as to what that \$14,000 is for, and given the reductions in all the other very important Town departments, why was there absolutely no similar percentage reduction made in the Chamber of Commerce? Through you, Mr. Moderator.

THE MODERATOR: Mr. Whritenour.

MR. WHRITENOUR: The \$14,000 is an annual sum that goes to the Chamber for assistance with tourism in publishing the Falmouth Tourism Book, and those funds have been expended – those are paid out at the beginning of the fiscal year so there's no money left in that appropriation.

THE MODERATOR: Mr. Johnson.

MR. JOHNSON: Leonard Johnson. I'd like to know why are there are reductions in salaries in some lines for some departments and not in others. It seems to me it ought to be across the board.

THE MODERATOR: Mr. Chairman.

CHAIRMAN ANDERSON: In certain of the departments, for example the Police Department and I believe the Fire Department, there were a couple of positions that were unfilled and so those salaries were reduced from those particular budgets. That was the reason you would see that in certain line items.

THE MODERATOR: Okay. Further discussion on Selectmen/Administrator? Ms. Murphy.

MS. MURPHY: Carol Murphy, precinct 9. I just have a question on the salary and wages. Given the fact, again, that the school department has taken a cut with encouraging the FEA to

take a pay cut in the furloughs, I would think that the administrator and the Town Administrator and the Assistant Administrator could lead the way by taking an effort and taking a salary cut themselves.

THE MODERATOR: Any further discussion on Selectmen/Administrator?

Okay, Finance Committee. Finance Committee Reserve Fund. Town Account. The Assessing Department. Town Treasurer. Yes.

MR. GOULART: Mr. Moderator, Richard Goulart, precinct 9. I just have a quick comment, and I believe this goes back to what someone said earlier about us having this information a little earlier. We're looking at this budget line item by line item; in almost every department, I see something that says, "Other expenses"; it might just as well say "miscellaneous" the way we're looking at it on this report. I know you can't do anything about it tonight, but when I look at the Town Treasurer's Office, I'll look at \$179,000 in salaries and wages and Other expenses of \$196,000. I think we need a better explanation in the future of what other expenses may be. I mean, it seems like it entails quite a bit.

THE MODERATOR: No, I understand that. I started a practice, you may remember, in April, meeting with the Finance

Committee leading up to the April town Meeting that the budget in its entirety from our accounting system that they use to prepare the budget be posted on the website. The document is hundreds of pages. And it is available. This actual budget is still up – I checked this week. It's still up there from this April's Town Meeting.

As we come into the next April round for an annual budgeting, you will get a budget in your warrant booklet equivalent to this, and then the entire budget with the breakdown will be listed, again, on the website. That seems to be the only way we can go. We can't produce that amount of paper and mail it. I know not everyone has access to computers or has the Internet at home. For those of you that don't, I would urge that you go to the Falmouth Public Library, the Reference Department. They're really great over there or any of the satellite libraries, and they'll be able to get you online, show you where that is and open up the file for you so that you can review it in more detail if you don't have Internet access at home. But that's a practice that we began for this April meeting. So this budget, the details of the original budget are on there. The reductions are up for question tonight.

Okay. Yes, Mr. Donahue. With the microphone, please, Mr. Donahue.

MR. DONAHUE: Mr. Moderator, in these Other expenses, all the way down the line, is travel part of Other expenses and we just don't see it? Or other, you know?

THE MODERATOR: Some of them include travel that's not considered out of state travel.

MR. DONAHUE: Okay, can you fill me in on that –

THE MODERATOR: You'll notice that the Out of state travel is a separate pull out and a separate budget category for each department.

MR. DONAHUE: So, theoretically here in Town Treasurer "Other expenses", there could be ten, twenty thousand, thirty thousand dollars in interstate travel expenses that we just aren't aware of?

THE MODERATOR: We'll see what's in that line item.

MR. DONAHUE: Well, no, I'm asking this kind of rhetorically because every – if we go through every Other expense, we'll be here until next Thursday, I expect.

THE MODERATOR: That's why the Finance Committee meets every week as a group that you all endorse after I make the appointments, so that they can spend hour after hour, week after week, month after month to go through those hundreds

of pages, and then prepare its summary form for you with access to the details of all of the work they have done.

So, that's correct, that's why we do not go through every single individual line item or line in the budget. We go through these line item categories as the legislative body. If we feel the Finance Committee's not doing their job, then, you know, let me know that so that when I'm making my appointments we can do something about it. But I think they're doing a good job.

MR. DONAHUE: Okay, I'm just trying to be fair to the committees that do have out of state travel and if there's a group Town department that has interstate travel and that's a large sum of money, I would like the Finance Committee Chairman to say in that department we have, you know –

THE MODERATOR: We have an answer for you and we've got the book.

MR. DONAHUE: – there's a large – well, I think can we do it just as we go down the line and —

FROM THE FLOOR: No, no, no.

THE MODERATOR: Mr. Chairman.

MR. DONAHUE: Thank you.

CHAIRMAN ANDERSON: There are four departments that have out of state travel in them: Police, Fire,

DPW, and the Selectmen. The Selectmen – all of the out of state travel from all of the other departments was consolidated into the Selectmen/Administration budget so that Mr. Whritenour could evaluate it, look at it and approve it. So there are only four departments that have out of state travel, and you will find those noted on the green sheets; they are an asterisk line item.

THE MODERATOR: But we're talking about interstate travel – within the state, intrastate travel. Yes, let's do it.

I want you to have the actual number. This is transparency. We've got the number, we're going to give you the number.

CHAIRMAN ANDERSON: My apologies. I thought you were talking about inter-state travel. If you were talking about intra-state travel, within the state, the budgeted number is \$26,415, and that is embedded in the various line items of Other expense in the departments.

THE MODERATOR: So that's the sum total of intrastate travel in this budget. For all of the departments the intrastate is twenty-six thousand and the change.

Mr. Antonucci.

MR. ANTONUCCI: Bob Antonucci, precinct 6. This is probably the most frustrating experience that I had, except being on the High School Building Committee.

[Laughter.]

MR. ANTONUCCI: But this is unusual this year because of the economy and the state funding, and I know we're arguing about insignificant amounts tonight, but they are significant to a lot of people.

The out of state travel is always listed separately. It's been like that for the last 30 or 40 years. Travel within the state is necessary. We have some departments that have to travel for licensing requirements; we pay for that. So I think we have to rely on the Finance Committee and the Selectmen and their recommendations for this mid-year budget analysis and approval.

So I would hope that, as we go through the budget, we trust the Finance Committee's recommendations and we move forward. If this was the April meeting, we could debate every line item and discuss it. We're already three months into the fiscal year and I think the cuts that they've proposed will get us through next June.

We all have special interests, we all have concerns about the budget. It's a real tough time. But I think we will be here

until midnight unless we move this along, and rely on the work that they've done because they've really done a good job.

[Applause.]

THE MODERATOR: Mr. Dufresne.

MR. DUFRESNE: Adrian Dufresne speaking as a member of the Finance Committee. The Finance Committee approved along with the various department heads that these cuts, at the least the question of the six or seven departments that I reviewed, the cuts that were made were agreed to by all that particular department. And our objective here tonight is to pass this so that we can set a tax rate and move on, get the tax bills out. If we have to go through all of this, that means that the members of the Finance Committee sitting here in front of me have spent not only hours, but time off on days going into town and talking with the various department heads and saying, "Is this in any way going to hamper or detract from your services that you perform in your department?"

I urge you to take the Finance Committee's recommendations on the overall cuts that were agreed to by both the Administrator, the Board of Selectman and the Members of the Finance Committee, and some of us very reluctantly agreed to these cuts. I personally voted several times with exception that

next year, granted I will not vote for these kinds of cuts unless we get a better explanation from the management sitting behind me.

I urge you to move on with this article, make the inquiries that you feel are strong enough to be substantiated, but let's move on with this article and let's get this article passed so that we can get the tax rate set and the tax bills out.

Thank you for listening to me and hopefully we'll do our job as Town Meeting members and move on.

THE MODERATOR: Okay. The next section is Town Collector. Legal Department. Ms. Putnam. Microphone out here on the left.

MS. PUTNAM: Good evening, Mr. Moderator, Rebecca Putnam, precinct 9. I just have a question on Special Counsel for \$50,000. I noticed the two crosses next to that and I looked up what that means on the back of the page and that means special projects. I'm curious as to what those special projects are through you, Mr. Moderator.

THE MODERATOR: Okay, the designation of a special counsel as a special project. Whoever wants to answer it; I don't really care.

MR. DUFFY: This is the budget that's used to pay for labor counsel and cable T.V. counsel, neither of which our office

handles. There are other special projects right now that would be using this budget. For example, the School Budget is taken care of by the school. The Wastewater Treatment Plant, there's a special budget for that; it's not here. It's labor counsel and cable T.V., okay?

MS. PUTNAM: Thank you very much for the explanation.

THE MODERATOR: Okay, Personnel Office. Yes, Ms. Murphy.

MS. MURPHY: Carol Murphy, precinct 9. I have a question under the Personnel Office, and it falls under Other Expenses and I have a detail sheet that communication, it says advertising vacancy; vacancy for what? On a detail sheet; Detailed Budget Request Sheet for the Town of Falmouth. Can anybody answer that? It's for – the request was for \$8,000 and I don't understand what that's for if we're sort of in a hiring moratorium.

THE MODERATOR: Can you refer to the line item number if you have it in front of you?

MS. MURPHY: It's on page 8 and it's down number 52343.

THE MODERATOR: All right, someone from the Personnel Office want to answer this? Mr. Whritenour.

MR. WHRITENOUR: The advertising for vacancies, we still – I mean, you cannot have a complete, 100 percent moratorium on all hiring. There are positions that have to be filled and they have to be advertised. There's a fair and open system for all of these municipal jobs, so we have to have funds in there for advertising for vacancies. They're all publicly advertised and open.

MS. MURPHY: I understand that, but there's \$8,000 dedicated to that out of the other expenses, out of \$28,872, there are \$8,000 dedicated to that?

MR. WHRITENOUR: That's correct, and it could be a much higher number, as well. The Personnel Department I think does a great job in holding the advertizing costs down, but these are all public jobs and we have to advertise them.

MS. MURPHY: I don't understand. What jobs are being advertised for at the tune of \$8,000 per year?

THE MODERATOR: Well again, this is a budget, so this is a projection –

MS. MURPHY: Yes, it is a budget, yes.

THE MODERATOR: – that has positions open that are mandatory –

MS. MURPHY: Yes. I –

THE MODERATOR: – that we post –

MS. MURPHY: Yes, I understand, Mr. Moderator.

THE MODERATOR: – that we will pull from that.

MS. MURPHY: But I just wanted to know what's an average cost of advertising for a position at \$8,000 per year?

THE MODERATOR: Personnel Director here? What are you paying for ads? The Enterprise is here; what do you guys charge for an ad?

[Laughter.]

THE MODERATOR: Where's the Personnel Director?

PERSONNEL DIRECTOR: Right here. Hi, could you repeat the question?

THE MODERATOR: How much are you paying for advertising of open positions?

PERSONNEL DIRECTOR: Approximately 8,000.

[Laughter.]

THE MODERATOR: Per posting, I think is what we're looking for.

PERSONNEL DIRECTOR: I'm sorry, say that again?

THE MODERATOR: When a position opens publicly and you have to go and advertise, about what does it cost you to advertise per position?

PERSONNEL DIRECTOR: I would guess slightly – depending on the paper, depending on whether it's a Cape Cod Times, the Falmouth, whether it's municipal association we belong to, hundreds, 500.

MS. MURPHY: That's – that's – okay, and – and, you know, considering –

PERSONNEL DIRECTOR: Could you just speak up just a bit?

MS. MURPHY: – how many – I was just wondering how many jobs were vacant in '09 that needed almost, you know, \$10,000 worth of advertising.

MR. WHRITENOUR: I don't have that number on exactly how many jobs in '09 were advertised, but it was – you'd be startled. It's a very large number. There are a lot of positions, they require advertising and when we have situations with a department head level position, you know, we need to recruit beyond just the Town of Falmouth. There's costs with professional publications and, you know, that line item is always extremely tight.

MS. MURPHY: I simply still don't understand why \$8,000 out of 28 is needed.

THE MODERATOR: Okay, all right, do you have a recommendation to change the total number of Other Expenses? Line 49.

MS. MURPHY: Yes.

THE MODERATOR: By what amount?

MS. MURPHY: \$5,000. 21,872.

THE MODERATOR: All right. So, there's an amendment here to reduce line 49, Other Expenses of the Personnel Office, to reduce it by an additional \$5,000. So the total reduction would be \$7,000. It's an additional \$5,000 reduction. Any discussion on the amendment to reduce an additional five? If you can grab the mic over there, it would be good, Mr. Lewis.

MR. LEWIS: Gardiner Lewis, precinct 6. I swore I wouldn't get up, but here I are.

FROM THE FLOOR: Can't hear you.

THE MODERATOR: Just have to lean in a little.

MR. LEWIS: We can go through this line by line and change all the lines we want, but if you look at line 23, back on page one, it's the Reserve Fund for the Finance Committee. When a department runs out of their advertising budget, they're going to come to us for a transfer. That's why we try and have intelligent numbers in the budget.

[Applause.]

THE MODERATOR: Okay, let's vote on the reduction of line 49. All those in favor of the reduction to line 49, signify by saying Aye.

[Aye.]

THE MODERATOR: All those opposed, no.

[No.]

THE MODERATOR: It's the opinion of the chair that the No's have it.

Information Technology. GIS. Affirmative Action. Town Clerk. Elections. Conservation Commission. Planning Department. Zoning Board of Appeals. Town Insurance. Facilities Maintenance. Police Department.

Mr. Netto. Microphone for Mr. Netto.

MR. NETTO: Now we're into the dilemma of – because we have the money for the motion that I made, the \$3600 additional dollars, when we get to propagation of shellfish obviously we now have a balance of \$600. Correct, Mr. Anderson, if my math is correct? We needed \$3,000, we got a surplus of – we got 36. So now we're 600 to the good.

And I, folks, do not want to micromanage this budget.

[Laughter.]

MR. NETTO: No. I think I'm representing the feeling of Main Street. That's correct. That's what we're talking about. And I'll cut right to the chase: that's exactly why we passed that. But what's good for the goose is good for the gander. And I will again, and this will now come and I'll let Mr. Anderson decide if we have a problem of too much money. And it'll be insignificant.

I don't know what the total, 14,000, but I think if this is the police chief, I would like to hear from the police chief, obviously. We know that other monies were spent. But, again, to the Board of Selectmen and to these four department heads: people in the Town of Falmouth and these people here are making tough decisions. I'm sure we're going to hear a great justification from the police, the fire and the DPW. But again, remember why you supported the first one and Chief Riello, if you have any extra money to spare, the taxpayers of the town of Falmouth would be welcome for it. Thank you, sir.

THE MODERATOR: Okay. Is there a specific question?

MR. NETTO: The specific question would come from are there any monies left? I don't know who has the accounting. Does Mr. --

THE MODERATOR: So you want to know how much money has been expended out of that line already.

MR. NETTO: Is that what you told me we have to have to have a correct motion?

THE MODERATOR: Okay. I just need you to ask --

MR. NETTO: I'm sorry.

THE MODERATOR: So you want to know how much was spent out of the Out of state travel in the Police Department. Do we have that figure? Nothing -- as of the 19th, nothing has been expended, is that still accurate, Chief? Let's get a microphone for the chief, please.

CHIEF RIELLO: The bulk of that out of state travel account actually is used for supervisory command level training at Roger Williams University, and that's for our sergeants and captains. And we were able to cut that because we have a sergeant's position that we're not going to fill. They are required -- that's tuition for the program, the two week in-house program at Roger Williams, and it's the only game in town. It's the one that's sanctioned and affiliated with the New England Chief's Association.

The same training up in Boston would cost us double. Roger Williams is about \$2100. The same up in Boston is about \$4500. We have committed one sergeant, because we have a

new sergeant that needs the two week training. No money has been expended at this time for that.

Or, and I'm not sure what we spent over the last couple of months, you know, at Roger Williams. There was two day courses that we send folks to, and that's where the bulk of it goes. We also do our motorcycle officer training, and that's conducted in the State of New Hampshire, where we lease our motorcycles from. So, any expense that's attributed to that training, and it's certainly not transportation because we let them use a department vehicle. But we do reimburse, obviously, gas expenses and training expenses and housing and lodging and food. And that all comes from that Out of state travel.

THE MODERATOR: Okay, Mr. Netto.

MR. NETTO: Mr. Moderator, I think then what the discussion has led us to is something maybe of semantics, and I think this came from the discussion of all these other expenses. We don't want a document in front of us, you know, that's 100 pages long, but if I may take this time, I think what we need to do is maybe rename this expenditure of funds. And I think that that's what maybe some of my fellow town meeting members have – you know, some of this is descriptive and other line items aren't as descriptive.

I will not make a motion for this Police budget after hearing the Chief make that explanation, and that's not a blanket, that's just – I think once what we see written in front of us and the explanation are a little different. Thank you.

THE MODERATOR: Okay, other discussion on Police Department? Ms. Putnam. Yeah, I'll put you on the list, Richard.

MS. PUTNAM: Again, Rebecca Putnam, precinct 9. Through you, Mr. Moderator, to the Chief, I am wondering, because I think we had discussed earlier that we were not going to cut any monies that would affect safety in our community. I would like to know the reasoning behind cutting \$25,000 towards drug investigation expenses and if this is something that we do need in this community to keep that monies in place.

THE MODERATOR: Chief.

CHIEF RIELLO: Yes, Ma'am, I couldn't agree with you more. And with all of the cuts that we had to make at the Police Department, the total over 219,000 this second go-around, I've not compromised safety. The reason we were able to look at that amount and zero it out is because we also have a forfeiture account which is called the Law Enforcement Trust Account. It's not part of our operating budget. It's governed by federal regulations and state regulations and it's a separate account that

we have. And all forfeitures that we get from drug raids, be it cash or vehicles or that type of thing, that gets inserted into that account, and at this time we have a balance in that account of close to \$60,000. And we can use that to augment our drug investigations and anything related, you know, to that type of work.

So, I feel for this year that, you know, we have not compromised that. If we did not have that money available, then I would not cut that. I wouldn't cut it a nickle because, quite frankly, we know that drugs are a major issue in this town and we've probably served over 15 search warrants already this year.

And, one thing I have found that's different in Falmouth is generally we usually do end up with quite a bit of money from these forfeitures and these drugs raids because it's a very lucrative business. Really, it is.

THE MODERATOR: Keep it up, Chief, we'll need some of that –

CHIEF RIELLO: Maybe we could tax that if you want.

THE MODERATOR: Mr. Anderson – or, Ms. Putnam, you still have comments.

MR. PUTNAM: I'm sorry, I don't mean to interrupt, but I would like to make an adjustment and I would like to appropriate

that \$5,600 that we cut from the administrative Out of state travel and appropriate that towards drug investigation expenses.

THE MODERATOR: Okay. This is taking the \$5,600 that we just found in the other budget and inserting it to line item 103, Drug investigation expense. All those in favor of the addition, signify by saying Aye.

[Aye.]

THE MODERATOR: All those opposed, No.

[No.]

THE MODERATOR: It's the opinion of the chair that the No's have it by a majority.

Mr. Anderson, you're next on my list.

MR. ANDERSON: I wish to call attention to line item 100 in the Police budget. One of the key issues that the Finance Committee deliberated for a considerable period amount of time was the Quinn Bill issue within the Police Department. As you may know, part of the state aid cuts to Falmouth was the state's reimbursement of their portion of the Quinn Bill. Both the Town's portion and the state's portion – and they're roughly 50-50 – are included in the Police Department's budget. At the end of the fiscal year, the State normally reimburses the Town for its 50 percent

share. Since the state has cut that from their budget, there is no revenue offset for this expense.

It was requested of the Town Manager to leave the State's portion of the Quinn bill incentive in the budget if the Chief could find other cuts in his budget, which he did.

The contract provision between the Town and the unions which governs this educational incentive pay specifically states in part that, quote, "In the event the Commonwealth defaults on its contribution or otherwise fails or refuses to pay in whole or in part, the Town shall be responsible only for its half of the Quinn Bill stipend. In such case, the June payment will be reduced or eliminated to reflect the shortage."

The Finance Committee contacted the Town Managers in Sandwich and Mashpee and the Finance Committee in Bourne to see how they were handling the issue confronting about two-thirds of the communities in the Commonwealth which offer the Quinn Bill incentive. Sandwich does not have a clearly stated provision in its contract like Falmouth does regarding the state's default on its portion. Because of this, the Town Manager said that Sandwich is likely to pay the State's portion.

The Town of Mashpee has roughly the same provision in its contract as Falmouth does regarding the State defaulting.

They have opted not to pay the State's portion. The Mashpee Patrol Officer's union has sued the Town to have them pay. The Mashpee Town Manager has said she hopes the issue will be decided by December or January.

Bourne is undecided what it will do, but the Selectmen will be taking up the issue shortly.

The Finance Committee invited Chief Riello and his command staff to attend our meeting last Tuesday the 22nd. They answered the Committee's questions fully and indicated that they had made cuts exceeding the \$200,000 that were requested by the Town Manager, but left the Quinn Bill portion intact. They stated that one of the two unions affected had signed a letter indicating that if the Town were to pay the State's portion for fiscal year '10, they agreed that action would not be precedent-setting for the future. That was one of the concerns for the Finance Committee.

After much deliberation, the Finance Committee decided to leave the State portion of the Quinn Bill in the Police Department's budget for now. Our rationale was that the December payment is the Town's portion which is not in dispute. The State portion is not due to be paid until June, 2010. Our sense was that we can deal with this issue at the Special Town Meeting in April if necessary. The Mashpee lawsuit may be resolved by that time and

may provide some helpful information. Also, other towns similarly situated may provide guidance.

We suggest that the Town Manager and the Board of Selectmen and Town Meeting take no action on this issue until more information becomes available. Neither the Town nor the eligible officers currently are affected in any negative fashion by this action.

THE MODERATOR: Okay, Mr. Stumcke and then Mr. Latimer. No, Mr. Stumcke? Okay, Mr. Latimer. Then Mr. Stecher. Answered, okay.

MR. LATIMER: Thank you, Rich Latimer, precinct 2. Chief Riello and Mr. Anderson have made two very important points that I just want to highlight that questions like this aren't always that simple. As I suggested earlier, when we look at a question like this, yeah, sometimes you see out of state travel; that could be a junket and we certainly don't want to be paying for people to go on junkets. But Chief Riello said he's talking about getting police officers the training that helps them do their job better, and that is certainly something we want to be encouraging. And as Mr. Anderson said, sometimes this issue is really determined by what already negotiated contracts require.

So, I think when we see this as Joe Netto suggested may be a little bit different kind of language other than just simply out of state travel, the average taxpayer looks at that and says, “What, we’re paying for some people to go to Las Vegas? I don’t think so.” But, you know, if it’s something legitimate, maybe some words could be put in there to just make it a little clearer. Thank you.

THE MODERATOR: Okay, further discussion on the Police Department? Fire Department. Mr. Netto. I think he’s going to ask you, Chief, what’s in there, so, let’s get the Chief –

MR. NETTO: And I’m sure he has the answer. Chief.

THE MODERATOR: All right, could we have a mic for the Chief? What’s your out of state travel entail?

CHIEF BRODEUR: Mr. Moderator, Town Meeting Members, the Falmouth Fire Department for the last 13 years on their out of state travel, the Chief stays in town where he belongs, and the future of the Fire Department, that’s the people that are coming up in the ranks, have been afforded the opportunity to go for training out of state. That’s the National Fire Academy in Emmitsburg, Maryland. That’s to Norfolk, Virginia, for hazardous waste technician training. And it’s also used by other people to go out of state to look at the New York State Fire Chief’s convention in

June, which saved us approximately \$300,000 on our last two pumps.

So the Town is recognizing, out of our out of state travel, I would say in guess-timation of about four to five hundred thousand dollars a year. I cut a thousand dollars this year. I started with three thousand and went down to two thousand. I think I have earmarked now about \$1400 for this fiscal year.

I feel that the future of the Fire Department is the people coming up because they're going to be using the equipment and they're going to be professional to carry this department out for the next 25 years, to the next level of the next step of the future generation. I was asked to cut \$200,000 out of this budget; I did. The next cuts, if I can't make it through 2010 because I'm riding a double-edged razor right now, is people that are working today will not be working at the end of 2010. Your neighbors, the people that work with me, members of my team, and they also pay mortgages, buy food in town, and bring their relatives to stay in the bed and breakfasts and the hotels.

So I think to nickel, dime – I think the point to nickel dime a thousand dollars out of \$3,000 is ridiculous when I gave you a 3.3 percent cut on 2010's budget. And I'm losing two people that it's taken this Department 13 years to get six. And I could

conceivably lose those six before we step into 2011. I'm not afraid to say where this department's headed. I've been working on this budget and cuts since January. If anybody in here thinks the recession is over, then Happy New Year by 2013, kick it up another, 2014. And that's the end of calendar 2014. That's reality.

This budget is a sound budget from the Fire Department. I don't know if you want to cut it anymore. But that's reality.

Now, the next question that comes up, and nobody wants to answer, is other expenses. The majority of my budget is salary and wages and collective bargaining agreement issues. The rest is maintaining five structures considered the Fire Department in this town. Equates to fuel oil, electricity, natural gas, office equipment maintenance, apparatus maintenance, fire alarm. We're one of two departments in this county that has a municipal fire alarm system. We've had a wire system in this town since 1903. And we went wireless in 1989.

Also, apparatus testing, certifying all our apparatus and ground ladders annually, for safety of the firefighters. Contractual services, elevator in the new station. Doesn't come out of Facility Maintenance, it comes out of contractual services. There's an

example. Printing, telephone, postage, advertising when we go out for bids and specs.

What we don't use, we turn back to the General Fund. 2009 we turned back \$271,000 out of our budget to the General Fund. If you want to know how much money we've been spending, I can tell you, call me up any time, I got it in my head.

Also, communication fire alarm, repair of our computers, paramedic program is Cape and Islands EMS system. Our share, Town's share to the county. Office supplies, ambulance office supplies. Scuba equipment: we have a dive team. Ambulance medical equipment: drugs are going up. Not only street drugs are going up, but regular drugs that are legal are going up, the ones we administer in the ambulance.

Hose and appurtenance repair. Mechanics supplies. Housekeeping supplies. Marine gasoline, diesel fuel, medical surgical supplies, clothing – which is a collective bargaining agreement – and fire supplies. That's what other expenses are, and if you look at the budget that we have for other expenses, I believe we're sitting on \$501,000. Not bad for what we're running.

So I think, to get back to my out of state travel, I think we should leave it alone. Thank you.

[Applause.]

THE MODERATOR: Okay. Further discussion on Fire Department? Building Department. Emergency Preparedness. Natural resources. Harbormaster/Waterways. Mr. Netto.

FROM THE FLOOR: Oh, come on. Come on.

MR. NETTO: I'm sorry, Folks, but I think we have to put the money back in. Correct, Mr. Vieira?

THE MODERATOR: Either that, or I'm going to ask Mr. Whritenour for a recommendation to reduce revenue projection.

MR. NETTO: Okay then, I would like to amend line item 128 instead of \$3,000 to be zero. And thank you for your patience. I appreciate it.

THE MODERATOR: You want it to be zero? Oh, oh, the cut to be zero. Okay. Okay. So the amendment is to remove the \$3,000 so that the cut becomes zero. Okay. 128, any discussion on that? All those in favor signify by saying Aye – oh, oh, oh, Mrs. O'Gorman?

MRS. O'GORMAN: Grace O'Gorman, precinct 4. I normally don't say anything, but you know we're looking at what Mr. Anderson said: we have to stand firm, make cuts, everybody's going to get hit. Now, we're taking money out of Peter's pocket and sticking it in Paul's pocket and I think that's probably what the big

problem is. People have their pet things they want to save. I love George Souza too, you know, but why are we taking money away from certain places just to save somebody else over here? I believe this is what has happened for the last number of years. Thank you.

THE MODERATOR: Okay, further discussion on line 128? Mr. Latimer.

MR. LATIMER: Rich Latimer, Precinct 2. This isn't taking money away from anybody. It's putting shellfish in the ground that you and I and everybody else in this town, if we get a license from the Town, can go get those shellfish next year; for \$3,000, like Joe Netto said, that will be like \$60,000 worth of shellfish; that's an investment. Thank you.

THE MODERATOR: Let's vote on this. This is to strike the reduction so that the budget for line item 128 would be \$28,100. 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: 22.

THE MODERATOR: 22.

In the third division, Mr. Hampson.

MR. HAMPSON: 21.

THE MODERATOR: 21.

In the second division, Mr. Dufresne.

MR. DUFRESNE: 28.

THE MODERATOR: 28.

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

[Pause.]

THE MODERATOR: In the third division Mr.
Hampson.

MR. HAMPSON: 30.

THE MODERATOR: 30.

In the first division, Mrs. Tashiro.

MRS. TASHIRO: 23.

THE MODERATOR: 23.

And in the second division, Mr. Dufresne.

MR. DUFRESNE: 56.

THE MODERATOR: 56.

By a counted vote of 71 in favor and 109 opposed, the amendment does not pass.

Any further discussion on Natural Resources?

Harbormaster/Waterways. School Department. Mr. Johnson. Microphone to the right.

MR. JOHNSON: Leonard Johnson, precinct 5. Returning to my previous question. I understand I think from reading in the newspaper that this actually does represent a furlough which involves reduction in salary for members of the School Department; is that correct?

THE MODERATOR: Mr. Dupuis, do you want to address that? Right behind you.

MR. DUPUIS: Hi, I'm Mark Dupuis, Superintendent of Schools. That is correct. As was reported in the paper, we have a tentative agreement in place for all School Department employees for a one day furlough.

THE MODERATOR: Okay. Further discussion on the School Department?

Upper Cape Vocational School. DPW Administration/Engineering. DPW Highway Division. DPW Snow and Ice Control. Street Lighting. Vehicle Gasoline. Waste Management Facility. Solid Waste Collection. DPW Wastewater

Utilities. DPW Water Utilities. DPW Tree Warden. Health Inspection. Clinics and Nurses. Council On Aging. Veterans Services. Commission On Disabilities. Human Services. Falmouth Public Library. Cape Cod Regional Library. West Falmouth Library. Woods Hole Library. The Recreation Department. The Beach Department. The Bikeways Committee. Long Term Excluded Debt. Long Term Unexcluded Debt. Short Term Excluded Debt. Ms. Lichtenstein.

MS. LICHTENSTEIN: Leslie Lichtenstein, precinct 8.

I have a question. Many Town Meeting members received a printout of the change between the '06 and the '09 budget showing the difference in the amount of interest paid on our debt. I have two questions. One is: our rainy day fund is now below one million. What does this do for our bonding rate and our ability to borrow? What does that mean when a borrowing entity looks at Falmouth when we want to do bonding? And second, why do we seem to have such a sudden increase in the amount of debt and now all of a sudden it shows lower interest? I mean, like, we'd all like to pay less interest on our loans; exactly how is the Town accommodating this? Thank you.

THE MODERATOR: Mr. Whritenour.

MR. WHRITENOUR: Thank you for the question.

The Town has recently had its bond rating updated. We have a very high bond rating; it's a double A plus. That is one notch short of a perfect triple A. By keeping control of the expenditures like we have in this budget reduction package down to the levels of revenues that we have even in this changing environment, we will continue to keep the bond rating strong.

I want to make that perfectly clear what exactly is happening here is we are adjusting the budget to the reality of the revenues moving forward. This action this evening will reflect extremely positively on our bond rating. And we still maintain the long-term goal of reaching that triple A. And I think the Town's financial systems that are in place are extremely high quality and the bond rating does attest to that, and I know everyone's frustrated that we have to come back and reduce budgets if the revenues aren't performing as we had hoped. But that's part of the system that we do monitor things extremely closely and we work very closely with the bond rating agencies for that purpose.

We have the debt increases that we've seen in recent years, one of the largest projects that we've added on is the high school project that we continue to ramp into. It is a planned expense. We have some additional projects that we've taken on in

recent years. And every one of the major projects we've taken on has been specifically voted to be exempted from the provisions of Proposition 2 ½, and it's much needed infrastructure for our community and it doesn't impact the budget in a negative way.

Now, the reason that we're able to reduce the budget numbers for the short term excluded debt is because one of the few bright spots in this terrible economy is that interest rates are down and we're able to borrow those funds for far less than we anticipated a year ago when we established the budget figures. So that translates into the ability to reduce the amount that we're raising in that amount which will directly reduce the tax rate.

THE MODERATOR: Okay. Short Term Unexcluded Debt. Retirement. Unemployment.

MR. JOHNSON: Stabilization.

THE MODERATOR: Oh – Stabilization, there is no number there.

MR. JOHNSON: That's the point.

THE MODERATOR: Okay.

[Laughter.]

MR. JOHNSON: Leonard Johnson, precinct 5. We have spent the band-aid approach has depleted our free Cash and we've depleted the Stabilization Fund. I would hope that in the

budget that we look at in April that we start putting money back into the Stabilization Fund. It's not prudent to spend your reserves to zero.

THE MODERATOR: Okay. Anything else on Stabilization? Retirement. Oh – Ms. Lichtenstein. Is it Stabilization or Retirement?

MS. LICHTENSTEIN: Stabilization.

THE MODERATOR: Okay. Microphone. If you could stand so she knows where to go so we can get this meeting rolling here.

MS. LICHTENSTEIN: We cut \$5600 earlier this evening; we have to put it somewhere.

THE MODERATOR: There's two ways to do this. You can either put it somewhere or you can reduce the revenue projection --

MS. LICHTENSTEIN: I move that we put it in the Stabilization Fund. It's time we started putting something back in the piggy bank instead of taking it all out.

THE MODERATOR: Okay. So, \$3,600, there's a motion to put it into Stabilization?

No, there was already two there, so you had the new, quote, new money, is \$3600 of the \$5600. That's why Joe was going to put \$3,000 for shellfish.

No, you don't have 600 because we didn't put the money into the shellfish line.

Did I have somebody asking a question over here? I was getting a distraction from the Board; does anyone want to talk to me? No. Okay.

Is there any further discussion on adding that amount into Stabilization? This requires a two-thirds vote because it's to put money into Stabilization. All those in favor, 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 by a two-thirds majority and I so declare.

Any further discussion on Stabilization? Retirement. Yes.

MR. MURPHY: Bill Murphy, precinct 3. Mr. Moderator through you, do we have any surprises coming down the

pike as far as our Retirement program? Have we funded this thing or do we have any problems coming down?

THE MODERATOR: Mr. Whritenour.

MR. WHRITENOUR: We are going to see increases in the Retirement system appropriation probably in the \$300,000 range over the next several years. The big news with Retirement is that, thank God, the financial markets have shown tremendous resilience in picking up a great deal of the losses, although even with the stock markets down, you know, 30, 35 percent, because of our investments the retirement system only lost in the 12 percent range and we're rapidly gaining that back. So, no, I do not anticipate any terrible surprises there.

THE MODERATOR: Any further discussion on Retirement? Unemployment. Health Insurance. Life Insurance. Medicare Benefits. Other Employees Benefits. Court Judgments.

Yes, Mr. Herbst.

MR. HERBST: Ralph Herbst, precinct 8. Obviously everybody's aware of the recent court judgment concerning the school situation. Could you please tell us, is the Town self-insured in this matter, and if not then where will the money come from should we have to pay the architect?

CHAIRMAN FLYNN: Mr. Moderator.

THE MODERATOR: Madame Chairman.

CHAIRMAN FLYNN: The Town is not self insured on this matter. And, as I made a statement at the very beginning of Town Meeting, the Town officials that include the Finance Committee Chairman, the Chair of the Board of Selectmen, the School Superintendent, the Chair of the School Building Committee, the Town Counsel, the Director of Assessing, we are looking at our options and we are working to develop a strategy for how we're going to deal with this. This process will be transparent; I stated that at the Selectmen's meeting last night.

The School building Committee is meeting this week. We have determined that these costs – the costs related to this judgment are in fact project-related costs, but the Board of Selectmen will be meeting with the School Building Committee on Monday with their attorneys and we're going to be looking at all of our options, not only in terms of whether an appeal might be appropriate or not, but how if we choose to pay this judgment, how we will do it. And we will keep you informed all along the way of what our strategies are in relation to realizing our responsibility on this.

THE MODERATOR: All set with the legal questions?
Go ahead, microphone down here.

MR. YOUNG: Bob Young, precinct 5. It is now my question to either Bob Whritenour or Mr. Duffy through you, Mr. Moderator, when we had gone over legal Department expenses, Mrs. Putnam asked about the special counsel and that was 50,000. Are there extra legal expenses because of this school judgment from our outside counsels that are not included in this as it could be a surprise from this judgment aside from the \$2 million settlement?

THE MODERATOR: Mr. Duffy.

MR. DUFFY: All of the legal costs associated with the ARCAD lawsuit are handled through the high school project budget. There's nothing here before you tonight about it.

THE MODERATOR: All right, any questions about the revenue, the last page of the budget? Hearing none, then the motion will come on the reductions to the budget as amended. 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 5. Article 5, to see if the Selectmen will appoint an Independent Auditor to audit the DPW For waste, fraud and abuse not exclusive of the 1.9 million dollar debt exclusion of 2008.

The recommendation of the Board of Selectmen is Indefinite Postponement.

Positive motion? Mr. Finneran, you have the floor.

Place a positive motion as printed?

MR. FINNERAN: Thank you, Mr. Moderator. Ladies and gentlemen, Town Meeting members, Article 5 is as written to see if the Selectmen will appoint an independent auditor for the DPW for waste, fraud and abuse not exclusive of the \$1.9 million debt exclusion of 2008.

First off, I not only think that this department should be audited, I think most departments should. I mean, this Town is a hundred million dollar corporation.

FROM THE FLOOR: Point of order, Mr. Moderator, is there a motion?

THE MODERATOR: Yes, as printed, yes.

MR. FINNERAN: This Town's a hundred million dollar corporation. I mean, to audit a \$30 million division of any corporation shouldn't even raise an eyebrow. It should be common practice. It should be policy. And further, above and beyond that, this Town doesn't even have a town-wide purchasing order system, which obviously they should have.

Can I have the next slide, please. Obviously everybody knows what that is. At the end of last year, the Selectmen debated whether to audit the high school. And the debate lasted a while, but they determined that the fact that it was in litigation that –

MR. MURPHY: Mr. Moderator, point of order. This is not about the high school, it's about the DPW

THE MODERATOR: Yeah, that's –

MR. FINNERAN: Okay. Well, that's too bad, it should have been done.

Okay. All right. Pretty much anything you know about or at least voters, taxpayers or whatever, people in town, what they know about this they probably read in the Enterprise, and basically the editorial in the Enterprise was wrong in every detail. I mean, he started with a list of complaints that I supposedly had about the DPW. I've never met the man and he's never spoken with me. I never said anything about, "What's maroon and sleeps four?" I mean, obviously if there is a truck out there or Town workers out there that are sleeping on the job or whatever, it's not their fault; it's the fault of their superiors.

They also mentioned the fact that if I was aware of the Matrics study. Yes, I have, actually, I have my notes written on the back of the conclusions. Also it said that this petition was submitted with ten signatures. That's totally incorrect. I actually submitted 138 signatures, 137 which were verified. There was actually one sheet left behind that was almost completely full, so it would have been closer to 200. I mean, the window to get one of these petitions is only 48 hours, so that's a fairly difficult process.

Next slide, please. This is the recommendation that – or what became of the recommendation after it was edited by the Board of Selectmen. I believe this was written by Ms. Harper, or that's what I was told, anyway. It says that the Town annually engages an independent auditor to conduct an audit, which is true. It's simply a process audit. It's basically like balancing your checkbook. It doesn't investigate very deeply.

It says also that the Town may study and evaluate internal systems of all divisions. It says "may", or they may not. I mean, if this passes, then they will, and this is as good a way to do it as any.

It says further that if I found anything wrong, that I should report it to the – concerns to the Town, the Police

Department, the Inspector General. I believe that's what I'm doing in putting this petitioner article in, I'm reporting it to the Town.

The – also it mentions that I didn't mention a funding source. The DPW has, if anybody's noticed recently, they've pinstriped three or four of their vehicles, with plans to pinstripe all of them. If those plans were cancelled, that would go a long way to paying for this audit. And the audit that is conducted every year, the process audit, this audit, it is my understanding – I just acquired it. I actually haven't read through it, but it's my understanding that for the past number of years this audit has recommended audits in the Town for waste, fraud and abuse. So, this petition not only comes from myself and the well over 100 other residents and taxpayers, it's also recommended in this audit.

Next page, please, my next slide. Another thing I found confusing: I've been to many of the Solid Waste Advisory Committee meetings, especially when the issue of privatizing or giving away the dump was there. In the time I was there, I saw two, maybe three sets of books for the dump and the transfer station and such. One of these sets of books had charged to the dump like a third of the Affirmative Action budget. And it came up with a loss of 249,000 on that particular one.

Another one of the budgets had the loss at only 79,000. I want to know how you've got a budget that's losing somewhere between 79 and 249,000 dollars and you're supposed to take another \$249,000 out of it. That doesn't really seem to make any sense to me.

Next slide, please. There's a water tower we discussed last night. Built by the DPW and obviously built incorrectly. At one of the many meetings at the Solid Waste Advisory Committee, Mr. Jack told us that one of the worst mistakes he made in his professional life was allowing the residents of Falmouth to choose the color of that tower.

MR. MURPHY: Point of order, Mr. Moderator. Could you call the question?

THE MODERATOR: No, we're not going to call the question. Let's let his presentation go. This is a petitioner. Let's let him make the petition and then we'll have discussion if there's any and we'll vote. Mr. Finneran has the floor.

MR. FINNERAN: Anyway, Mr. Jack said that the worst mistake of his professional life was allowing the residents of Falmouth to choose the color of that water tower. I beg to differ with him. Last night, Mr. Jack said, relative to the water tower and its construction that the cost of perfection was too high. I think you

can put legs on the tower easier than you can put legs on that excuse. The tower was built too low.

That's what we get with a \$5 million investment. We have a \$500 million investment coming up with sewage treatment and such through the same department. If that's what we get for five million, I'd be scared at what we get for five hundred million.

Next slide, please. And the DPW debt exclusion was voted in last year. I suggest that anyone that's not been to that building, or anyone in the public who's not been to that building, that they should go down and tour the offices upstairs. They're quite lavish digs. I don't know if that was in the budget or not.

Next slide, please. In the debt exclusion last year, there was money to fix the dump, the Waste Management Facility or whatever. As you can see by these posters – pictures, there's a serious problem with erosion. The place is falling apart. You can see the walls are starting to tip over. They have to occasionally push them back in with a bucket loader.

That \$200,000 was supposed to be spent on that dump. This is the same dump that Mr. Jack told us can make money in a heartbeat. I haven't seen any work done on the dump. I don't know where the \$200,000 went. And I don't see any money

being made. Period. That's it. It's not happening. And I'd like to know where the money went.

Next slide, please. That is the bottom of the budget sheet we had. I mean, with the 2.2 million, whatever we cut. If we get through it tonight, we'll have a balance of zero and then of course, as I noted there, we're back two million in the hole from the high school. Although it does come from different places.

Um –

THE MODERATOR: Okay, are we ready to open up –

MR. FINNERAN: If we're going to be back here again – obviously we are – we're going to be hacking and slashing and cutting budgets. Maybe cutting budgets that don't deserve to be cut when there's money out there that's being wasted; it's not only my opinion, it's not only the opinion of the petitioners, but it was the conclusion of the audit. And I just think this should be done. We've got to get a handle on what's going on with the money here and obviously we have some problems. This is the best way to find out the problems, and it's the best way to start on a solution and I think that if we don't, we're just kidding ourselves and kicking the can further down the road. Thank you very much.

THE MODERATOR: Okay, discussion on Article 5.
Mr. McConnarty. Microphone in the back, there.

MR. MCCONNARTY: Good evening, Peter

McConnarty, acting Town Engineer. I do not have any comments on the last presentation. I would say that the DPW, if there is an audit and it is approved by Town Meeting, DPW is all for it, to do that. The one request we do have, though, if it is approved, if the funding source can be brought from outside sources other than Town funds, as we can see tonight what we're going through.

One question I did want to bring up is the Waste Management Facility. The Waste Management Facility is still on contract and it is still under for reconstruction. We've been working out there in the last month, and in the coming months you'll be seeing the DPW out there working to do some repairs.

It's not as easy just to have the town, and it's not just the town's decision to go in and do repairs at the Waste Management Facility. What happens is we're working with the design engineer who is the liaison for the Town with Massachusetts Department of Environmental Protection. We have to go through that designer as our liaison with the DEP to work with erosion control and to work with other areas up there that are going to be adjusted. So you will be seeing some areas up there that will be worked on in the coming year.

Other than that, I don't have any comments for the rest of the presentation. Thank you.

THE MODERATOR: Okay. Anything else on Article 5? Okay, 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 opposed, No.

[No.]

THE MODERATOR: It's the opinion of the Chair that the No's have it by a majority.

Article 6, Mr. Chairman.

CHAIRMAN ANDERSON: Mr. Moderator, I move that all articles approved at this Town Meeting be funded as voted, for a total of \$1,058,977.35, and further to reduce the fiscal year 2010 Operating Budget by \$2,317,127.00.

THE MODERATOR: Okay, you've all heard the main motion to reduce the budget by \$2,317,127.00 for a new total sum of \$1,058,977.35. All those in favor, signify by saying Aye.

[Aye.]

THE MODERATOR: All those opposed No.

[None opposed.]

THE MODERATOR: The Ayes have it unanimous.

I want to remind all Town Meeting members that our next Annual Town Meeting will be November the 9th.

Mr. Chairman.

CHAIRMAN ANDERSON: Mr. Moderator, I move the September, 2009 Special 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 and we are dissolved.

[Whereupon, this matter ended.]

C E R T I F I C A T E

COMMONWEALTH OF MASSACHUSETTS

COUNTY OF BARNSTABLE, SS

I, Carol P. Tinkham, a Professional Court Reporter and Notary Public in and for the Commonwealth of Massachusetts, do hereby certify that the foregoing transcription pages 1 through 165, is a true and accurate record, to the best of my ability, of the September 29, 2009 Special Town Meeting of the Town of Falmouth, Massachusetts.

Carol P. Tinkham, Notary Public
My Commission Expires:
May 14th, 2010

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