<u>TOWN OF FALMOUTH</u>
<u>SELECT BOARD</u>
AGENDA
MONDAY, APRIL 27, 2026 – 6:30 P.M.
OLD SILVER/SURF DRIVE PROGRAM ROOM
SENIOR CENTER
780 MAIN STREET, FALMOUTH, MA 02540

The Select Board may discuss and vote appropriate action on any item listed on this Agenda unless a different disposition is noted. At the discretion of the Chair, agenda items may be taken out of order.

Present: Robert P. Mascali, Chair; Heather M. H. Goldstone, Vice Chair; Douglas C. Brown; Colin W. Reed; Jack Richardson
Others present: Mike Renshaw, Town Manager; Peter Johnson-Staub, Assistant Town Manager; Maura O'Keefe, Town Counsel

1. OPEN SESSION

<u>Call to Order:</u> By Chair Robert P. Mascali at 6:30 p.m.

<u>Pledge of Allegiance</u>: Led by Select Board

<u>Recognition:</u> Mr. Mascali recognized and congratulated the Friends of the Falmouth Bikeway for a wonderful celebration on Saturday. Also, he recognized the Falmouth Cultural Council which recently held its annual grant award discussion.

Dr. Goldstone recognized the Falmouth High School's Regal Seagull's robotics team which will be going to the Worlds competition shortly.

<u>Announcements:</u> Mr. Mascali announced that there will be a roll out of trash bins coming in May. There will be further forums and there is information on the Town website.

Dr. Goldstone noted that there is a conference tomorrow and Wednesday at Falmouth High School called Big Blue and Green Tomorrow.

<u>Town Manager's Report:</u> Mr. Renshaw stated that the Commonwealth Energy Facility Sighting Board released a notice that the NStar electric company, d/b/a Eversource, has requested that the Energy Facility Sighting Board grant individual and comprehensive exemptions from the Town's Zoning Bylaw to replace the existing Falmouth tap switching station located at 228 and 280 Sam Turner Road in Falmouth with a new transmission and distribution substation. The project description and map are included in the notice, and this will be placed on the website. The Sighting Board will conduct a public comment hearing with both in person and remote participation options on Thursday, May 14, 2026 at 6:00 PM at the Lawrence School Auditorium. Written comments should be submitted by Friday May 29th.

Mr. Renshaw stated that the RFP for the all-inclusive multi-generational play space project off Palmer Ave at Goodwill Park closes on May 15th. This afternoon, he and the Assistant Manager attended the Juneteenth planning celebration. On Saturday, May 16th at 7:00 AM the Opal Lee 2 ½ mile walk will occur starting at Town Hall. This will also be a guided tour. The Town's Juneteenth celebration will be held on Friday, June 19th from 1:00PM-4:00 PM at St. Barnabas Church. Lastly, he thanked Peter McConarty, his staff, Lawrence Lynch as the contractor, and Eversource for their assistance on the Surf Drive parking lot improvements.

Public Comment:

Barbara Schneider thanked the Town for believing in the experiment of a dog park. There was only one in southeastern Massachusetts when the Town was approached on this and now almost every town on the Cape has one. She also thanked everyone who has supported and helped the dog park over the last 17 years. She handed off the keys for the project to a new group of people.

2. CONSENT AGENDA

a. Licenses

1) Consider a vote to approve applications to renew Seasonal Common Victualler Licenses, pending issuance of 2026 Food Service Establishments Permits, and the following licenses renewing for the period of 5/1/2026 through 4/30/2027:

SEASONAL COMMON VICTUALLER LICENSES – *pending issuance of 2026 Food Establishment Permits by the Health Department*
Eulinda's, 634 Route 28-A
Jim's Clam Shack, 227 Clinton Avenue
The Village Café of West Falmouth, 641 West Falmouth Highway
SECOND-HAND DEALER LICENSES
Blooming Resale, 557 North Falmouth Highway, Bld. B
Boutique on the Buy Way, 47 North Main Street
Cape Cod Gold & Silver, 425 Main Street
Capstan Yachts, 56 Scranton Avenue
Coast Goldworks, LLC, 261-C Main Street
Divine Consignments, 419 Palmer Avenue
Falmouth Stamp & Coin, 11 Town Hall Square
Flying Bridge Marina, 250 Scranton Avenue
Hand in Hand Thrift Shop, 141 Sandwich Road
Hannoush Jewelers, 352 Main Street
Home Again, 93 East Falmouth Highway
St. Vincent de Paul Thrift Shop, 18A Davisville Road
The Curator, 17 Walker Street
The Gilded Oyster, 155 Main Street
Trendy Tots, 426 Main Street
LODGING HOUSE LICENSES
Frederick William House, 594 Palmer Avenue
Heights House, 25 Harbor Avenue
Inn on the Sound, 313 Grand Avenue
Inn on the Square, 40 North Main Street

Woods Hole Inn, 6 Luscombe Avenue
Woods Hole Passage, 186 Woods Hole Road
POOL TABLE LICENSES
AMVETS, 336 Palmer Avenue
Grumpy's Pub, 29 Locust Street
Pier 37 Boathouse, 88 Scranton Avenue
Trade Center Bowl, 89 Spring Bars Road
BOWLING ALLEY LICENSES
Timber, 23 Town Hall Square
Trade Center Bowl, 89 Spring Bars Road
MOVIE THEATER LICENSE
Falmouth Cinema Pub, 137 Teaticket Highway

2) Consider a vote to approve the application by Falmouth Beach Hotel Realty Trust, LLC, Beach Breeze Inn, 321 Shore Street to renew its Lodging House License pending approval of the 2026 Certificate of Inspection due to active construction. A request is also being made to change the license name from Beach Breeze Inn to Shore Haven Inn.

Motion by Mr. Richardson: To approve the Consent Agenda, as presented. Second: Mr. Reed.
Vote: Yes – 5 No – 0

3. BUSINESS

a. 6:40 PM - Presentation and discussion of the operating, capital and debt forecast models (90 minutes)

Mr. Reed reviewed his memo to the Board. He explained that the Board ends up spending a very short time in discussing a very large budget. As a group, the Board is given 15 days per the charter to review the budget and ask questions. After that, it is given less than 120 minutes of meeting time to discuss the budget. The Board is given 15 minutes to talk about the policy for the year ahead, 20 minutes to receive the budget presentation, and 15 minutes to discuss and consider voting to transmit it to the Finance Committee. He thanked the finance team and Town management for putting together these models. He noted that this is exactly what towns like Lexington, MA did not do. They did not fully operationalize this before making their final decisions. It is essential for public trust in the Board moving forward to acknowledge the uncertainty and risk involved in the budget process. He believes that what has been missing is the tax burden rate on the median household and their ability to incur what is being forecasted. It is unclear if the Town staff, emergency personnel, teachers, science and tech workers, healthcare workers, and traveling tourism sector can absorb these forecasted tax hits. The Town needs to figure out a maximum taxable burden and maximum override capacity over time, and start linking the capital and operational impacts. He explained that his memo points to Lexington, MA, which approved a $600M school and then had to cut over 100 staff to meet its budget shortfall in the short term. This was a failure in aligning capital decisions, operating budgets, and tax burdens. Falmouth must decide if it is going to avoid tax increases and cut services, or maintain services and raise revenue with tax overrides, economic growth, and raising fees. There may also be a hybrid model that moderates the overrides, slows down capital, and adds efficiencies. He believes the Town needs a 20 or 30 year financial and tax model outlook so that it can see tax impacts ahead in order to potentially impose budgetary constraints or force reprioritization. The Town has an operating deficit which is only going to get larger.

Finance Director Laura Sitrin presented on Operating and Debt Forecasts. The methodology is to take the current budget and group it into broad categories of similar items (i.e. wages and salaries, benefits, operating expenses that have historically increased by similar amounts). Then, a percentage increase factor (inflation factor) is added to each category based on several years of history, general knowledge, and economic factors. For revenues, standard broad categories are used. Total revenues minus total expenditures in each year equals the surplus or (deficit). The proposed forecast allows for inflation factors to change by category. It also allows a general reduction in expenditures to be added in or to show the impact of any operating override.

Free Cash is generated annually and certified by the Department of Revenue each year in September. It derives primarily from cash receipts that are higher than budgeted and actual expenditures that are lower than budgeted. Falmouth funds much of its annual capital budget with certified free cash. The Free Cash Funded CIP Forecast takes the 10-year CIP as of November 2025, removes projects that would need to be funded with debt, and assumes most of the rest will have to be funded with certified free cash.

The recommendation is that $5M in free cash be held for emergencies that come up at April Town Meeting. If there are no emergencies, this can be held as free cash or placed into stabilization funds. Most free cash comes from revenues coming in higher than what was budgeted and expenditures coming in lower than budgeted.

There was discussion regarding the operating budget projection as of March 2026. Dr. Goldstone stated that she would like to see the data on what an operating override in FY28 paired with a 10% residential tax exemption would look like. Thus, instead of having a residential tax exemption which would be revenue neutral, it would be paired with an override tax rate increase of some sort which offers the opportunity to increase Town revenues while still providing a reduced tax burden for most of the residents. There was discussion regarding potential ways to move new growth through policy.

The Board discussed the debt projections as of April 2026. All debt is currently projected using level principal. Potential future projects and their debt layouts were discussed.

Mr. Reed suggested that the Board consider a sequence of overrides and/or a multiyear tax roadmap. Mr. Richardson suggested reviewing potential percent cuts in either capital projects or departments, if it comes to that.

The Board reviewed the tax impacts for potential overrides. Items that may impact the budget include the economy being in flux and a possible recession, unstable markets leading to lower interest income and tightened wallets, unstable political environments affecting fuel and other costs, increasing storms affecting infrastructure and other assets as well as putting a burden on the operating budget, and the costs and needs of an aging population.

Mary Harris, Precinct 5, noted that there have been several studies done over the years which projected the demographic trends for the Town. There does not seem to be any coordination with those studies to show if the Town will be losing population.

Mr. Renshaw reviewed things that could be considered moving forward such as setting expectations for budget increases over the next five years with departments, bargaining units, and schools. Also, the timing of tax relief programs and the need for overrides, enterprise funds, petitioning the state for relief on pension contributions, consolidation/sale of town-owned properties, and an increased cost share for retiree health insurance (non-Medicare plans only). Also, policy changes that impact Town costs, such as Town waste collection for multi-unit properties, private road maintenance, stormwater, and snow removal policies. Other potential considerations include using the Strategic Plan to evaluate priorities and crafting a strong cohesive message; considering the Town's Free Cash Policy, such as targeting $5M in an unspent balance after capital allocations, with the remaining free cash set aside for critical needs following April Town Meeting; consideration of projects being deferred in the FY28-FY35 timeframe; possible rate increases for water, sewer, etc.; a Wastewater Improvement Fund; the use of Capital and Debt Stabilization Funds; and citizen involvement in this process, such as through a community forum.

Joe Netto, Precinct 9, noted that the Select Board does not raise taxes; Town Meeting does. He would have liked to have seen more Town Meeting members present at this meeting. There is no room for “wants” in the next five years of the Town’s budget. Raising the rates on water and sewer is simply another way to tax the taxpayer. At some point, the Board will have to learn how to say “no” as there will not be anyway to make everyone happy.

Mr. Reed stated that the Town needs to consider who it wants to live and stay in the Town. The numbers presented tonight have not calculated the tax burden on the median household the tax burden for 5-6 key sectors in order to understand the maximum acceptable annual tax increase for the median household. The Board needs to consider what is realistic in the override capacity over the next 20 years. Falmouth has always been the workforce of the Cape and a year round community. Falmouth has kept its taxes lower than other towns in order to take care of its people. He stated that he would like to review a tax burden analysis at a future meeting.

Dr. Goldstone stated that the Board needs to consider that what makes the Town successful at its core is having people to actually want to be here. Noe one will want to be here if there are no beaches or crumbling stairs to the non-existent beaches, decrepit buildings, or poor schools. In the end, the Town will need to strike a balance of making Falmouth a livable, desirable community, with what affordability means in terms of cutting services. The median house price has increased 20% over the past four years.

Mr. Brown stated that he would like the Board to review the Capital Improvement Plan, as the largest responsibility is to find ways streamline operations, and reduce overall expenses.

Mr. Mascali noted that he believes the Board needs to have more than one meeting every two weeks in order to deal with these things moving forward.

b. 8:10 PM - Discuss revisions to the fee waiver policy (20 minutes)

Mr. Renshaw stated that the current Fee Waiver Policy was adopted by the Select Board on February 11, 2016, and has not been amended to date. Included in the meeting packet are reports showing the special events fees charged and waived for calendar years 2024, 2025, and 2026 to date. The total value of fees waived for 2025 was $11,537. Staff will process any amendments that are directed and bring the item back for formal adoption at a later date.

Mr. Richardson stated that he believes the policy could be amended to be more strategic and action focused as it is currently a bit vague. He stated that he believes the Board should stop considering full fee waivers. A partial fee waiver could be considered for a nonprofit or charitable event as appropriate, but the fiscal realities currently do not allow the Town to be in a position to give out full fee waivers.

Dr. Goldstone noted that the amount that is given up in revenue through the waivers is fairly small. However, the Town needs to start making many nips and tucks to try to make ends meet over the coming years. She is concerned with setting a policy that makes exemptions 50% of the time, because the application process for waivers comes with an administrative burden. Waivers should be for truly exceptional circumstances, not 50% of all special events. The Board could consider implementing default reduced fees for certain types of events. The policy should be clear that waivers are a truly rare thing and not the general rule.

Mr. Brown stated that many events are free to the public, run by volunteers, and improve people's quality of life. The wording of the policy could be changed to create more efficiencies, but he is not opposed to waiving the fees for approximately 50% of free events that improve the quality of life to the Township. The policy should state that there is no fee associated with these events, instead of creating a waiver that has to be processed.

Mr. Mascali suggested that all of the fees should be considered, with exceptional cases brought to the Select Board or Town Manager for review.

Dr. Goldstone asked if the currently set fees cover the staffing costs in processing the applications. Mr. Renshaw stated that they do not.

4. MINUTES

a. Review and consider a vote to approve minutes of meetings: April 6, 2026; April 7, 2026; and April 13, 2026

Motion by Mr. Reed: To approve the April 6, 2026; April 7, 2026; and April 13, 2026, meeting minutes, as presented. Second: Mr. Richardson.
Vote: Yes – 5 No - 0

5. SELECT BOARD REPORTS:

Mr. Richardson stated that he attended a tour of a Green ADU with a compostable toilet, as an intersect of housing policy and wastewater policy. This could be something to consider in the areas of Town that will never be able to be sewered. He stated that he looks forward to collaborating with partners across the Cape and Islands for these types of solutions. The project had a quick turnaround time and not much maintenance associated with it.

Dr. Goldstone stated that she attended the Coastal Conference where there was discussion regarding a Strategic Retreat & Relocation Program. There has been one public webinar on this and there will be other community forums.

Mr. Brown stated that he attended the DOT meeting regarding the northbound intersection of Route 28 and Route 151. He was informed that there has been an informal survey of residents in that area regarding potential improvement ideas.

Mr. Mascali noted that he attended the Falmouth Chamber of Commerce Business After Hours event, hosted by the Steamship Authority. He looks forward to more conversation between the Steamship Authority and the community. He also attended the Cape Cod Chamber of Commerce legislative breakfast and heard Mr. Renshaw present as a panelist.

Mr. Richardson asked for future agenda items regarding a review of the 10 year spending for consultant fees. He would also like to discuss a letter from the Board to the legislators and Governor regarding 40B.

6. FUTURE AGENDA ITEMS

- LGBTQ+ Sanctuary Town
- Discuss walkability improvements
- Discuss current Town website functionality and potential redesign
- Discuss 10-year spending on consultant fees
- Long-range financial planning discussion
- Discuss petitioning the State Legislature for changes to Chapter 40B law
- Discuss the need for a municipal building inventory and review of current/planned uses
- Discuss adding a third monthly Select Board workshop meeting targeting specific topics
- Meeting with new Steamship Authority General Manager Alex Kryska
- After action on winter storm
- After action on crisis communications--storm and school safety, communications officer

7. ADJOURN

Motion by Mr. Reed: To adjourn at 9:25pm. Second: Mr. Richardson.
Vote: Yes – 5 No - 0

Respectfully submitted,
Kristan Patenaude, Recording Secretary