

**TOWN OF FALMOUTH**  
**SELECT BOARD**  
**AGENDA**  
**WEDNESDAY, MARCH 5, 2025 – 7:00 P.M.**  
**SELECT BOARD MEETING ROOM**  
**TOWN HALL**  
**59 TOWN HALL SQUARE, FALMOUTH, MA 02540**

**To be Aired on FCTV Public Channel #6**

*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.*

**7:00 p.m. OPEN SESSION**

1. Consider and vote recommendation to assess a betterment for the Great Pond Phase 1 Sewer Project under Article 15 of the April 2025 Annual Town Meeting including determination of the percent of applicable project costs to be recovered from abutters in accordance with Massachusetts General Laws c. 83 section 23.

**7:55 p.m. ADJOURN**

Nancy Robbins Taylor, Chair  
Select Board



## AGENDA ITEM SUMMARY SHEET

**ITEM NUMBER:** Open Session #1

**ITEM TITLE:** Consider and vote recommendation to assess a betterment for the Great Pond Phase 1 Sewer Project under Article 15 of the April 2025 Annual Town Meeting

**MEETING DATE:** 3/5/2025

**WORK SESSION**  **REGULAR MEETING**  **PUBLIC HEARING**

**SUBMITTED BY:** Peter Johnson-Staub, Assistant Town Manager

**ATTACHMENTS:** Article 15 Recommendation

---

### PURPOSE:

The Select Board is asked to vote a recommendation to be submitted to Town Meeting with respect to assessing betterments to the Great Pond Phase 1 Sewer article.

### BACKGROUND/SUMMARY:

- It came to our attention last week that we had neglected to address the assessment of betterments in the town meeting article for the Great Pond Phase 1 Sewer project.
- A Town Meeting vote is required to assess betterments and bond counsel has confirmed that the betterment authorization can be included within the recommendation of Article 15 as written.
- Betterments are an important component of the funding plan for this large project.
- In order to be able to inform voters how the project will be paid and what the tax implications are, we recommend the Select Board submit to Town Meeting a recommendation with respect to the apportionment of the project costs with 70% to be paid by properties within the sewer service area and 30% paid by the Town – i.e. taxpayers.
- The Town has assessed betterments at 70% of project costs to abutters of the project for the Little Pond Sewer Service Area and New Silver Beach Sewer Service Area.
- There are several steps required to assess betterments

- Town Meeting votes to authorize betterments for the project including an apportionment of costs
- Select Board adopts a betterment policy (after Town Meeting authorizes betterments)
  - Method for allocating costs among abutters – e.g. frontage rate or uniform unit cost per sewer equivalent unit
- Select Board issues an order of assessment:
  - area to be assessed (plan and list),
  - cost of project after bid awarded,
  - apportionment of cost (70% abutters, 30% general fund)
  - repayment period (30 years)
- With or without betterments, the debt for this project can be paid without increasing the tax burden provided the Town receives 0% loans from the State Revolving Fund and a 25% subsidy from the Cape and Islands Water Protection Fund.
- The debt resulting from this project will be offset by a decline in existing exempt debt. The Town has deposited funds into the debt and capital stabilization fund that can be drawn down for the one year when the debt is anticipated to increase above current levels.
- However, the Town has identified over \$700 million in capital needs over the next 10 years and these projects cannot all be undertaken with a tax increase. It is essential to maximize all non-tax resources in order to minimize the tax impact of future projects.
- The recommendation for article 15 is proposed to be from both the Finance Committee and Select Board. The borrowing authorization has been recommended by the Finance Committee and we propose the Select Board recommend the betterment assessment. This approach was generated through a dialog with the chairs of the Finance Committee and Select Board on March 3<sup>rd</sup>.
- The Town Meeting recommendation enclosed has been approved by bond counsel. It has been drafted to provide the Select Board some flexibility to determine what portions of the project will be subject to the betterments so the Board will have some ability to adjust the dollar amount of the final betterments paid by property owners after the project bids have been received and the costs are known.
- Finance Director Laura Sitrin will have a brief presentation addressing the financial implications of the project.

**DEPARTMENT RECOMMENDATION:**

The Town Manager recommends the Select Board submit to Town Meeting a recommendation to adopt a betterment apportionment whereby 70% of the project cost is paid by the abutters to the sewer system and 30% by the Town (i.e. taxpayers). This recommendation is based on the precedent set by the two prior sewer projects: Little Pond and New Silver Beach. The properties connected to the sewer benefit by having a low-maintenance reliable wastewater disposal system which leaves their properties unencumbered by septic tanks and leaching fields. The revenue generated by the betterments will allow the Town to reduce the tax impact of future projects.

Motion: I move the Select Board submit to Town Meeting the recommendation for Article 15 as presented.

**OPTIONS:**

- 1) approve the Article 15 recommendation as presented;
- 2) approve the Article 15 recommendation with amendments;

3) take no action;

**BUDGET INFORMATION:** Applicable:  Not Applicable:  Budgeted: Yes  No

Fund	Dept.	Acct No.	Budget	Balance	Requested	Remaining

**FINANCE DIRECTOR COMMENTS (IF APPLICABLE):**

**TOWN MANAGER COMMENTS:**

\_\_\_\_\_  
**Town Manager**

3/5/2025

**Date**

**ARTICLE 15:** To see if the Town will vote to appropriate a sum of money to fund the engineering, design and construction of the wastewater collection system for the northeastern part of the Maravista peninsula and the Teaticket Path peninsula, the pump stations and force main to convey the wastewater to the Town's Main Wastewater Treatment Facility, and the rehabilitation of the Town's existing northernmost open sand beds for discharge of treated wastewater (Great Pond Phase 1 Sewer Project), including, without limitation, all costs incidental and related thereto, to determine whether this amount shall be raised by borrowing or otherwise, and by whom expended. Or do or take any other action on the matter. On request of the Select Board.

**RECOMMENDATION (Finance Committee):** That the sum of \$60,000,000 is appropriated to pay the engineering, design and construction of the Great Pond Phase 1 Sewer Project and to include the sewer lines, the pump stations, the force main to convey the wastewater to the Town's main wastewater treatment facility, and the rehabilitation of the Town's existing northernmost open sand beds for discharge of treated wastewater, including, without limitation, all costs incidental and related thereto. To meet this appropriation, the Treasurer, with the approval of the Select Board, is authorized to borrow \$60,000,000 and issue bonds or notes therefor under G.L. c. 44, or pursuant to any other enabling authority. Seventy (70%) percent of the cost of the project shall be recovered from abutters in accordance with Massachusetts General Laws c.83, s. 23 (the Betterment Act) and (30%) thirty percent of the project and all other related costs of the project shall be paid by the Town, or as may be determined by the Select Board consistent with the law. All or any portion of the amount authorized to be borrowed for this project may be obtained through the Massachusetts Clean Water Trust, and the Treasurer and Select Board are each authorized to execute and deliver all necessary agreements as may be required in connection therewith. No sums shall be borrowed or expended hereunder unless and until Town shall have voted to exclude the amounts required to repay any borrowing authorized by this vote from the limitations of G.L. c. 59, §21C (also known as Proposition 2½), that any bonds or notes issued pursuant to this vote shall be general obligation bonds of the Town.

**EXPLANATION:** The Finance Committee recommends approval of the borrowing and defers to the Select Board on the Betterments. The Select Board recommends approval of the betterment apportionment with seventy (70%) percent of the cost related to the project be collected from abutters and the remaining cost to be paid by the Town. The Town began the design and permitting of the Great Pond Phase 1 sewer project in 2024, using funds appropriated under Article 6 of the November 2023 Town Meeting. The Great Pond Phase 1 sewer project is the first of two phases of sewerage planned to reduce nitrogen load to Great Pond, as planned in the Town's approved Great Pond Targeted Watershed Management Plan. The project involves collecting wastewater from the northeastern portion of the Maravista peninsula and from the Teaticket Path peninsula, conveying it to the main wastewater treatment facility for treatment, and discharging the treated wastewater to existing sand beds. This increased discharge is intended to be short-term, until the Town achieves its long-term plan for treated wastewater discharge: an outfall off the south coast of Falmouth.

The Town expects to qualify for a zero percent (0%) State Revolving Fund (SRF) loan for \$55,680,000 of the total \$60,000,000 needed for this project plus a potential principal forgiveness of 25% amortized over the life of the loan. Betterments paid by property owners in the new sewer service area will go toward reducing the debt. The Select Board has the authority to apply the betterments after all project costs are committed and a public hearing is held. The Town intends to pay for this project with no increase in the property tax levy.

Approval of this Article requires a 2/3 Town Meeting vote.

# Projected Debt, Great Pond Phase 1 Project & Betterments



Select Board - March 5, 2025

# Presentation Overview

- ▶ General Overview
- ▶ Debt Projections From Fall 2024 10-Year Capital Improvement Plan
- ▶ Great Pond Phase 1 Sewering Project \$60M
- ▶ Betterments-Great Pond Phase 1

# General Overview

- Town warrant for April 7 includes Article 15  
- approval to borrow \$60M for Great Pond Phase 1 sewerage project and apportion costs between the Town and abutters (betterments)

# Current and Future Debt Projections

It's critical to understand our current outstanding debt commitments and our projected future needs based on the Fall 2025 10-year Capital Improvement Plan before decisions are recommended or made regarding the issuance of new debt and potential betterments associated with the Great Pond Phase 1 sewerage project.

## Town of Falmouth, Massachusetts

Fiscal Year	Total NonExempt & Exempt Debt Service	<u>TASA 1 - Sewer Construction</u>	TASA 1-Sewer Construction	<b>Betterment Revenues (Negatives reduce Debt Service)</b>	Sum of Total and (Over) Under		
		\$55.68M - MCWT	\$4.602M - non-MCWT		Projected Debt Service	FY2025 Total Debt Service	Use of Stabilization
2025	13,316,828						
2026	12,294,861	0			12,294,861	863,518	
2027	13,733,141	0	257,464		13,990,605	(832,226)	(832,226)
2028	11,630,476	1,602,500	257,464	(1,099,975)	12,390,465	767,914	
2029	11,211,532	1,507,255	257,464	(1,099,975)	11,876,276	1,282,103	
2030	10,377,803	1,473,225	257,464	(1,099,975)	11,008,517	2,149,862	
2031	9,997,273	1,470,435	257,464	(1,099,975)	10,625,197	2,533,182	
2032	9,879,683	1,467,645	257,464	(1,099,975)	10,504,817	2,653,562	
2033	8,794,431	1,464,855	257,464	(1,099,975)	9,416,775	3,741,604	
2034	8,726,349	1,462,065	257,464	(1,099,975)	9,345,903	3,812,476	
2035	8,459,861	1,459,275	257,464	(1,099,975)	9,076,625	4,081,754	

# Projected Debt Based on 10-Year CIP as of November 2024

Town of Falmouth		
Projected Debt Issuances From November 2025 CIP		
For Fiscal Years 2026-2033		
	<b>Principal Only</b>	<b>Annual</b>
Schools	149,690,132	4,989,671
Public Works	3,000,000	100,000
Wastewater	265,500,000	8,850,000
Library	6,000,000	200,000
Fire	13,950,000	465,000
Police	28,000,000	933,333
Marine Environmental Services	18,059,000	601,967
Recreation	2,600,000	86,667
<b>Total</b>	<b>486,799,132</b>	<b>16,226,638</b>
Interest Assumed at 5%	365,099,349	
<b>Total Principal and Interest</b>	<b>851,898,481</b>	
FY2026 Potential Debt Approvals	12,688,150	
FY2027 Potential Debt Approvals	69,143,782	
Potential to Be Approved Before \$60M Great Pond Phase 1 Long-Term Bonds are issued:	81,831,932	

# Great Pond Phase 1 Sewering Project

- ▶ The Great Pond Phase 1 sewer project is the first phase of sewerage planned to reduce nitrogen load to Great Pond, as planned in the Town's approved Great Pond Targeted Watershed Management Plan.
- ▶ The project involves collecting wastewater from the northeastern portion of the Maravista peninsula and from the Teaticket Path peninsula, conveying it to the main wastewater treatment facility for treatment and discharge.

# Great Pond Phase 1 - continued

- ▶ Article 15 requests Town Meeting approve the issuance of \$60M in bonds for the construction of Phase 1, which is expected to take 2 years and is anticipated to begin in 2025.
- ▶ Article 15 as proposed also requests Town Meeting to approve special assessments (betterments) to the property owners to be connected to the new sewer system and therefore benefit from the project.

# Betterments

- ▶ Betterments are a method of allocating the cost of providing public improvements equitably among those parcels of real estate that receive the benefit - either directly or indirectly - from those improvements.
- ▶ Benefit can be individual or general in nature. Individual benefits are those where a property benefits directly from the improvement. Sewer service and any realized increase in property value is an example of an individual benefit.
- ▶ General benefits include an increased level of environmental health, public health or availability of infrastructure throughout the community project area, and a general increase in property values as a result.
- ▶ The special assessment of betterments revenue will be restricted so that it can only be used to pay debt service on the project.

# Betterments Process

- ▶ Select Board Recommends a betterment on the project and apportionment percentage to Town Meeting for approval.
- ▶ Select Board will determine the method of betterment apportionment (i.e. Sewer Equivalent Units vs. frontage) and what project costs are excluded from application of betterments (e.g. discharge bed rehabilitation, a portion of the largest lift station and force main cost, police details)
- ▶ After the bids are opened, the Select Board will set a not-to-exceed initial estimated betterment value. The final assessed cost of betterment cannot, by law, be higher than the initial estimated value - but it can be less.
- ▶ Final betterment costs will be calculated once the project is complete and all costs are known. The Select Board will then order the assessment and send to the assessor's office to initiate the repayment process.

# Preliminary Betterment Projection

- ▶ Disclaimer: This is a very preliminary projection based on general information to date. The breakdown of costs is not known and the determination of a SEU (sewer equivalent unit) has not been done. Decisions will have to be made in the future by the Select Board as to what defines an SEU (examples would be residential unit, multi-family, commercial etc.)
- ▶ Our preliminary indication is that the assessment per SEU will be somewhere in the range of \$35,000 to \$45,000. We are roughly estimating that there will be about 820 SEUs. The assessment could be paid over 30 years resulting in a rough cost of \$1,300 a year to the SEU. This would generate approximately \$1,100,000 per year, which would be used to offset a portion of annual debt service on the \$60M borrowing.