

Town of Hampden

FINANCE & ADMINISTRATION COMMITTEE MEETING

Tuesday April 16th, 2019

6:00 P.M.

Hampden Town Office

AGENDA

1. Approval of Minutes
 - a. April 1st, 2019
2. Review & Sign Warrants
3. Unfinished Business
 - a. Discussion and signing of Borrowing Ordinance for CWSRF loan documents, prepared by Eaton Peabody, the Town's Bond Counsel, to fund – *Requested by Manager Chandler*
 - b. Recommendation for referral to Council for authorization of award of a Bond Anticipation Note (BAN) to Key Bank, by accepting the proposed rate and terms for \$2,500,000 at 2.55% associated with the BAN documents as prepared and presented by Eaton Peabody, the Town's Bond Counsel – *Requested by Manager Chandler*
 - c. Discussion of anticipated signing of Bond Anticipation Note loan documents, following Council's selection of Key Bank for the BAN, to fund the following voter approved projects – *Requested by Manager Chandler*
 - i. Route 1A Road Reconstruction match - \$1,200,000
 - ii. Route 1A & Western Avenue Reconstruction - \$350,000
 - iii. Hampden Business Park Fire Suppression Water Line - \$500,000
 - iv. Sawyer Road Bridge - \$300,000
 - v. Manning Mill Bridge - \$150,000
4. New Business
 - a. Recommend appointment of David Caliendo to the Edythe Dyer Library Board of Trustees – *Requested by Town Clerk Scott*
 - b. Service Fees – Recommendation regarding abatement requests based on 2% revenue threshold
 - i. Community Housing of Maine, requested abatement \$2,160.87
 - ii. New Communities, requested abatement \$5,963.17
 - iii. OHI George Street, requested abatement \$1,687.86
 - iv. OHI Patterson Road, requested abatement \$1,714.88
 - v. Penquis Mental Health Services, requested abatement \$2,080.09

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- vi. Acadia Hospital Corp./Aspenledge, requested abatement
\$13,606.87

 - c. Recommend referral to Council for authorization of the expenditure of
\$4,539.00 from the Computer Reserve account (3-711-00) for installation
of a new Network Server for Trio – *Requested by Manager Chandler*

 - d. Council recognition of emergency personnel – *Mayor McPike*
- 5. Manager's Items

 - 6. Public Comment

 - 7. Committee Member Comments

 - 8. Adjournment

FINANCE & ADMINISTRATION COMMITTEE MEETING

Monday April 1st, 2019
6:00 P.M.
Hampden Town Office

MINUTES

Attending:

Councilor Wright, Chair

Mayor McPike

Councilor Ryder

Councilor Marble

Councilor Jarvi

Councilor McAvoy

Councilor Wilde (arriving at 6:15)

Town Manager Jim Chandler

Town Clerk Paula Scott

Rec Director Shelley Abbot

1. Approval of Minutes

- a. **March 18th, 2019** - *Councilor Marble made a motion, seconded by Councilor McAvoy, to approve the March 18th minutes. Unanimous, 6-0.*

2. **Review & Sign Warrants** – *Committee members reviewed and signed the disbursement warrants.*

3. Unfinished Business

- a. **Council rules review – standing item** – *Chairperson Wright noted that this item is on the Council agenda for sub committee appointment.*
- b. **Recommend Council abate the 2018 real estate taxes in the amount of \$1,118.72 assessed to the Estate of George Hand, further identified as Map 38 Lot 001** – *Councilor Marble made motion, seconded by Mayor McPike, to abate the 2018 real estate taxes assessed to the Estate of George Hand in the amount of \$1,118.72. Unanimous, 6-0.*
- c. **Recommend Council abate the 2017 real estate taxes in the amount of \$1,110.20 assessed to the Estate of George Hand, further identified as Map 38 Lot 001** – *Mayor McPike made a motion, seconded by Councilor Marble, to abate the 2017 real estate taxes assessed to the Estate of George Hand in the amount of \$1,110.20. Unanimous, 6-0.*

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Agenda
March 4th, 2019

4. New Business

- a. **Discussion regarding a potential Sewer rate increase and public hearing** – *Manager Chandler informed members that the City of Bangor will be increasing rates by 3.5%. Additionally, upcoming borrowing for sewer projects may also contribute to an increase in our rates. This is just notification that this information will be solidified and brought back to Council on the 16th for possible referral to public hearing for a rate increase.*

- 5. Manager's Items** – *In conjunction with discussion on potential sewer rate increase above, Manager Chandler discussed with committee members information on loans ready to retire, and repayment of future debt service with regard to tax payers vs. rate payers.*

- 6. Public Comment - None**

7. Committee Member Comments

Mayor McPike – Stated that if needed in an emergency situation, we could forego a year of paying the \$100,000 annual payment to the General Fund from the Sewer Fund

Councilor Ryder – No comment

Councilor Wilde – Apologized for being late

Councilor Marble – No comment

Councilor Wright – Commented on the process by which items are added to the agenda

Councilor McAvoy – Commented with exception to points made by Councilor Wright

- 8. Adjournment** – *With no other business, the meeting adjourned at 6:40 p.m.*

Respectfully Submitted,



*Paula A. Scott, CCM
Town Clerk*



MEMORANDUM

106 Western Avenue
Hampden, Maine 04444
Office: 207-862-3034
Facsimile: 207-862-5067

TO: Finance & Administration Committee
FROM: Jim Chandler, Town Manager-Treasurer *JNC*
COPY: Sean Currier, Public Works Director
DATE: April 16, 2019
RE: Capital Projects Financing – Clean Water State Revolving Fund Borrowing

This memorandum requests Council execute the CWSRF Loan Documents (to be presented at the Finance – Administration Committee Meeting on Tuesday, April 16, 2019) by Dan Pittman, Bond Counsel for Eaton Peabody – for the financing of Capital Sewer Projects described below.

Background

The Town received voter support with the passage of two different referendums, in June 2018 and November 2018 totaling \$2,113,400 in capital sewer projects, as listed below:

2019 CWSRF Note Projects	Authorized Funds
<i>Route 1A Sewer Reconstruction</i>	\$ 924,000
<i>Grist Mill Bridge Sewer</i>	\$ 435,400
<i>Western Avenue – Dewey Street Sewer (Not Part of this Borrowing)</i>	\$ 754,000

Fiscal Impacts

The Town utilized the services of Dan Pittman, our Bond Counsel with Eaton Peabody, to coordinate the interim construction financing of two of these projects directly with the Maine Municipal Bond Bank, and as noted above – only \$ 1,359,400 will be borrowed at this time.

The terms offered through the Maine Municipal Bond Bank allow for the Town to access the funds as needed, and interest charge of 1.01% for the funds borrowed and is due on April 2, 2020; however, the loan program allows for two extensions, so the proceeds will carry until the entire amount borrowed is converted to a fixed loan upon substantial completion of the project work.

Staff Recommendation

Staff recommends Council authorize the Town Manager to execute the Loan Documents necessary for establishing the account(s) needed to access these funds, as needed, for construction of the above sewer projects.



MEMORANDUM

Item 3. b.

106 Western Avenue
Hampden, Maine 04444

Office: 207-862-3034
Facsimile: 207-862-5067

TO: Finance & Administration Committee & Town Council
FROM: Jim Chandler, Town Manager-Treasurer *JNC*
COPY: Sean Currier, Public Works Director
DATE: April 16, 2019
RE: Capital Projects Financing – Bond Anticipation Note Selection

This memorandum requests Council approve the award of the Bond Anticipation Solicitation for the financing of Capital Projects described below.

Background

The Town received voter support with the passage of three different referendums, in November 2016, June 2018 and November 2018 totaling \$2,500,000 in capital projects, as listed below:

2019 Bond Anticipation Note Projects	Authorized Funds
<i>Route 1A Reconstruction</i>	\$ 1,200,000
<i>Hampden Business & Commerce Park Fire Suppression Water Line</i>	\$ 500,000
<i>Western Avenue - Rt1A Main Road Intersection & Signal Reconstruction</i>	\$ 350,000
<i>Sawyer Road Bridge Repairs</i>	\$ 300,000
<i>Manning Mill Bridge Repairs</i>	\$ 150,000

Fiscal Impacts

The Town utilized the services of our Bond Counsel, Dan Pittman with Eaton Peabody, to coordinate the solicitation of a Bond Anticipation Note (BAN) for the financing and received five bids for this service:

Bond Anticipation Note Proposals

Release of General Obligation Bonds totaling \$2,500,00

Amounts taken "as-needed" beginning April 23, 2019 and maturing on November 22, 2021

Institution	Received	% APR	Maximum Total Interest Expense
The First	3/18/2019	2.92	\$ 191,422.00
Machias Savings	3/26/2019	2.59	\$ 167,463.01
Key Bank	3/28/2019	2.55	\$ 164,879.04
Camden National	3/29/2019	3.59	\$ 235,347.02
Katahdin Trust	4/1/2019	2.88	\$ 188,800.01

The terms offered by Key Bank allow for access to the funds as needed, and the total interest charge for the entire amount – if borrowed on April 23, 2018 and not repaid until November 22, 2021 is \$ 164879.04. The actual borrowing costs will be less since the projects will not need funds until later this year and will be completed and settled with pre-payment of long-term bond funds through the Maine Municipal Bond Bank.

Staff Recommendation

Key Bank submitted the best terms, and Staff recommends Council authorize the Town Manager to execute the Loan Documents necessary for establishing the account needed to access these funds, as needed, for construction of the above projects.



MEMORANDUM

Item 3. c.

106 Western Avenue
Hampden, Maine 04444

Office: 207-862-3034
Facsimile: 207-862-5067

TO: Finance & Administration Committee
FROM: Jim Chandler, Town Manager-Treasurer *JNC*
COPY: Sean Currier, Public Works Director
DATE: April 16, 2019
RE: Capital Projects Financing – General Obligation Project Borrowing

This memorandum requests Council execute the Bond Anticipation Note (BAN) Loan Documents (to be presented for signature after the Council Meeting on Tuesday, April 16, 2019) by Dan Pittman, Bond Counsel for Eaton Peabody – for the financing of Capital Projects described below. The delay is required to allow for official selection of Key Bank as the institution awarded the BAN at the Council Meeting following this Committee Meeting.

Background

The Town received voter support with the passage of three different referendums, in November 2016, June 2018 and November 2018 totaling \$2,500,000 in capital projects, as listed below:

2019 Bond Anticipation Note Projects	Authorized Funds
<i>Route 1A Reconstruction</i>	\$ 1,200,000
<i>Hampden Business & Commerce Park Fire Suppression Water Line</i>	\$ 500,000
<i>Western Avenue - Rt1A Main Road Intersection & Signal Reconstruction</i>	\$ 350,000
<i>Sawyer Road Bridge Repairs</i>	\$ 300,000
<i>Manning Mill Bridge Repairs</i>	\$ 150,000

Fiscal Impacts

The Town utilized the services of Dan Pittman, our Bond Counsel with Eaton Peabody, to coordinate the interim construction financing of these projects with Key Bank.

The terms offered by Key Bank allow for access to the funds as needed, and the total interest charge for the entire amount – if borrowed on April 23, 2018 and not repaid until November 22, 2021 is \$ 164,879.04. The actual borrowing costs will be less since the projects will not need funds until later this year and will be completed and settled with pre-payment of long-term bond funds through the Maine Municipal Bond Bank.

Staff Recommendation

Staff recommends Council execute the Loan Documents necessary for establishing the account needed to access these funds, as needed, for construction of the above projects after the Council officially awards the BAN to Key Bank.



Check One: Initial Application
 Reappointment Application

4-a

TOWN OF HAMPDEN
APPLICATION FOR TOWN BOARDS AND COMMITTEES

NAME: DAVID CALIENDO

ADDRESS: 28 CAWAAN ROAD, HAMPDEN 07444
LAST FIRST MI
STREET TOWN ZIP

MAILING ADDRESS (if different): _____

TELEPHONE: (207) 745-7295
HOME WORK

EMAIL: DAVID@BANGORREALESTATE.BIZ

OCCUPATION: REAL ESTATE BROKER

BOARD OR COMMITTEE PREFERENCE:

FIRST CHOICE: DYER LIBRARY

SECOND CHOICE (OPTIONAL): _____

How would your experience, education and/or occupation be a benefit to this board or committee? _____

I WAS ASKED TO PARTICIPATE

Are there any issues you feel this board or committee should address, or should continue to address? _____

3 YEAR

BOARD OF ASSESSMENT REVIEW
PERSONNEL APPEALS BOARD
LURA HOIT MEMORIAL POOL
HARBOR COMMITTEE

DYER LIBRARY
RECREATION COMMITTEE
BOARD OF APPEALS
HISTORIC PRESERVATION COMMISSION

5 YEAR
PLANNING BOARD

FOR TOWN USE ONLY		Date Application Received: <u>2/11/19</u>
COUNCIL COMMITTEE ACTION: <u>Services, Finance + Admin</u>	DATE: <u>4/8/19</u>	<u>4/16/19</u>
COUNCIL ACTION: <u>Council</u>	DATE: <u>4/16/19</u>	
<input checked="" type="checkbox"/> NEW APPT	<input type="checkbox"/> REAPPOINTMENT	DATE APPOINTMENT EXPIRES: _____

Rev. 02/16/2017

Paula Scott | TOWN OF HAMPDEN

PROPERTIES SUBJECTED TO SERVICE CHARGES

Property Owner	FY19			Notes
	Amount Invoiced	Amount Paid	Difference (Abatement)	
Community Housing of Maine 177 Canaan Road (Map 5 Lot27-A)	\$ 2,513.95	\$ 353.08	\$ 2,160.87	Paid 03/25/19
New Communities 1282 Kennebec Road (Map 1 Lot 23-A)	\$ 6,286.94	\$ 323.77	\$ 5,963.17	Paid 03/18/19
OHI George Street 35 George Street (Map 23 Lot 70-C)	\$ 2,531.84	\$ 843.98	\$ 1,687.86	Paid 02/26/19
OHI Patterson Road 143 Patterson Road (Map 5 Lot 39)	\$ 1,938.78	\$ 223.90	\$ 1,714.88	Paid 02/26/19
Penquis Mental Health Services 1012 Carmel Road North (Map 1 Lot 31-A)	\$ 2,324.06	\$ 243.97	\$ 2,080.09	Paid 03/04/19
The Housing Foundation 113 Western Avenue (Map 31 Lot 8)	\$ 7,113.00	\$ 7,113.00	\$ -	Paid 9/18/18
Acadia Hospital Corp/Aspenledge	N/A			
	\$ 22,708.57	\$ 9,101.70	\$ 13,606.87	

TOWN OF HAMPDEN

SERVICE CHARGE ORDINANCE

Sec. 1. Authority. This Ordinance is enacted pursuant to 30-A M.R.S.A. § 3001 and 36 M.R.S.A. § 652(1)(L).

Sec. 2. Purpose. The purpose of this Ordinance is to establish an annual service charge to recover the cost of providing municipal services, other than education and general assistance, to owners and/or occupants of certain institutional and organizational real property which is otherwise exempt from state or municipal taxation.

Sec. 3. Creation of Service Charge. An annual service charge is hereby established, effective with the municipal fiscal year commencing on July 1, 1992. The service charge shall be levied by the municipal officers against all residential property owned by an organization or institution if the property is otherwise totally exempt from property taxation and is used to provide rental income. The service charge shall not apply to student housing or parsonages.

Sec. 4. Calculation of Service Charge. The service charge shall be calculated according to the actual cost of providing municipal services to the property in question and the persons who use that property. Municipal services shall include, without limitation, the following: fire protection, police protection, road maintenance and construction, traffic control, snow and ice removal, sewer service, sanitation services, and any other services. For the purpose of this Ordinance, municipal services shall not include education and general assistance. The service charge for each property shall be determined in accordance with the following formula:

$$\frac{B}{V} \times JV = SC$$

where:

B = Budget for the current fiscal year for municipal services, except education and general assistance

V = Total taxable valuation of municipality for the current fiscal year

JV = Just Value of property in question

SC = Service Charge of property in question.

The Assessor shall provide the municipal officers with the following information at the time of the annual tax commitment: (1) list of property to which a service charge is applicable under this ordinance, (2) total taxable valuation of the municipality for the current fiscal year, and (3) the just value of the properties in question. The Town Manager shall provide the municipal officers with the amount of the budget for municipal services for the current fiscal year, along with a proposed service charge for each property based on the foregoing formula.

Sec. 5. Levy of Service Charge. The municipal officers shall levy the annual service charge on the tax exempt property subject to a service charge under this Ordinance, and shall establish a due date for payment of the same. The Treasurer shall send a statement to every affected property owner setting forth the amount of the service charge levied on the subject property.

Sec. 6. Limitation on Service Charges. The total service charges levied by the municipal officers under this Ordinance against any institution or organization shall not exceed 2% of the gross annual revenues of that institution or organization. Provided, however, that in order to qualify for the foregoing limitation, the institution or organization shall file with the municipal officers an audit of the revenues of the institution or organization for its last fiscal year for which ended immediately prior to the municipal fiscal year for which the service charge was levied. The municipal officers shall abate the service charge amount that is in excess of 2% of the gross annual revenues.

Sec. 7. Collection. Unpaid service charges shall be collected in any manner available to the municipality, including, without limitation, the procedure provided in 38 M.R.S.A. § 1208, as may be amended from time to time.

Sec. 8. Use of Revenues. Revenues accrued from service charges shall be used, as much as possible, to fund the cost of providing the municipal services which were considered in calculating the service charges.

Sec. 9. Appeals. Any institution or organization may challenge the decision of the municipal officers to levy a particular service charge or the amount of a particular service charge by filing an appeal with the Board of Assessment Review. Such appeals shall be filed in writing with the Town Clerk within 60 days of the date on which notice is provided to the institution or organization by the Treasurer under Sec. 5 above indicating the amount of the service charge levied by the municipal officers. The Board of Assessment Review shall conduct a public hearing on the appeal and shall issue a written decision thereon within 60 days of the date that the appeal was filed with the Town Clerk. Failure to issue a decision on an appeal within 60 days of the date the application was filed shall be deemed to

be a denial thereof. The appeal shall be processed in accordance with all applicable laws or ordinances, and such rules of procedure as may be established by or for the Board of Assessment Review. Any decision by the Board may be appealed to Superior Court by an aggrieved party pursuant to Rule 80B of the Maine Rules of Civil Procedure.

Sec. 10. Severability. Should any provisions of this Ordinance be declared invalid by the Courts, such decision shall not invalidate any other provision of this Ordinance.

Adopted By Hampden Town Council: 5/18/92



MEMORANDUM

Item 4. c.

106 Western Avenue
Hampden, Maine 04444
Office: 207-862-3034
Facsimile: 207-862-5067

TO: Finance & Administration Committee & Town Council
FROM: Jim Chandler, Town Manager-Treasurer *JNC*
COPY: Kyle Severance, GIS Technician
DATE: April 16, 2019
RE: Computer Reserve Request – Trio Network Server Replacement

This memorandum requests approval of the expenditure of Computer Reserve Funds, as described below.

Background

The Town's primary Enterprise Resource Program (ERP) software is a Harris product commonly known as Trio. The Trio software is the "life-blood" of the Town's electronic database, used for managing all financial, accounts payable, payroll, human resource, real estate development, assessing, tax collections, planning and code enforcement functions.

The Trio software is transitioning from an original DOS-based program to a Web-based version; however, this transition requires an interim step and a Network Server capable of hosting a special-purpose Structured Query Language (SQL) application for facilitating the relational database management system (RDBMS) needed for Trio. The Server is the "heart" of the Network. The Town's IT staff and former contractor (former because the IT Technician terminated their services late last year) have been unsuccessful in configuring the present Network Server to accept the SQL application.

The urgency for immediate action stems from the discovery that our Trio software, data and existing Network Server is currently operating at less than full capacity; and, is incapable of being upgraded due to previous installation errors. This situation endangers our Network's operational resiliency and places our existing data at risk of a catastrophic failure. The Town already experienced a loss of data, and further attempts to reinstall any Microsoft Operating Systems out a complete reformatting of the hard drive poses additional risks.

My experience in managing Information Technology systems and similar upgrades in prior positions led to significant experience working with a variety of technology consulting firms. My recommendation is for Hampden to work with a Maine-based firm: Oak Leaf Systems of Aroostook County. This firm has managed the technology service requirements for the Cities of Caribou and Presque Isle, and numerous other public and private sector clients. They are uniquely situated to offer extremely competent, cost-effective services, and have demonstrated successful transitions of the new Trio SQL platforms exactly like we need.

Fiscal Impacts

Costs of repairing the existing server while maintaining data integrity and operational capabilities is not realistically measurable. Oak Leaf has submitted a proposal for replacing and upgrading a new Network

Server dedicated to the Trio program, capable of eventually hosting the SQL application and the Town's ERP data files until the existing server may be rebuilt and placed back into service as a file server. This will have a significant positive impact on the Town's network efficiency and resiliency, and again this is extremely valuable – but almost without a realistic value in dollars.

The Town needs to aggressively move forward with data resiliency measures, including the purchase of this recommended TrioSQL server – followed by additional consultant services for the backup, and migration of existing data – most likely at the beginning of the new FY-2020 fiscal year. This is the preferred timeline of Finance Director Tammy Ewing, and additional funds will be requested in the coming months to accomplish this critically important Trio software upgrade and data migration.

Following several internal meetings and discussion with outside consultants, this course of action is recommended by staff, and has the following immediate (Un-Audited) fiscal impact:

Computer Reserve Acct 3-711-00	Amount	Comments
Beginning Trio Balance for 3-711-00	\$ 50,352.28	April 11, 2019
Beginning Unencumbered Balance	\$ 47,511.49	April 11, 2019
Encumbered Funds for SQL Migration	\$ 2,749.95	Council Action – July 18, 2018
Oak Leaf Proposal (attached)	\$ 4,039.00	
Contingency	\$ 500.00	
Remaining Encumbered Balance	307.92	November 19, 2018
Remaining Available Balance	\$ 42,972.49	

Staff Recommendation

Staff recommends the Finance & Administration Committee refer this to Council for approval of the expenditure of \$ 4,539.00 in Computer Reserve funds for the purchase and installation of a new Trio Network Server from Oak Leaf Systems.

Oak Leaf Systems, Inc.



Proposal for Professional Computer Networking Services

Introduction

The Town of Hampden is interested in adding a Trio server to their network in preparation for migrating to Trio SQL. The current server is unable to provide baseline services required for the SQL server application installation. Moving Trio off to a separate server is a sensible alternative, and will provide a stable working platform for several years.

General Description of Services

Oak Leaf Systems will provide professional consulting services to install a new HP Enterprise rack-mount server. The server will be prepared with Windows Server 2016 Standard w/GUI, all current service packs/hot fixes, and will have all necessary prerequisites installed upon delivery. We will also work with Trio on the Town's behalf to insure a smooth and complete installation of Trio onto the server.

Scope of Services

We will provide professional network services to perform the following tasks:

1. Build a new HP Enterprise server (Specifications below)
2. Install all operating system hotfixes/patches
3. Work with Trio to fully install TrioSQL
4. Deliver and setup server on-site (mount, set IP, join domain)

Description	Quantity	Cost
HPE Server	1	\$2290
Windows Server 2016 Std.	1	\$749
Labor (inc. delivery and installation)	1	\$1000
Total		\$4039

Terms

We will invoice the project at 50% upon commencement, and 50% upon completion.

Schedule

We expect the duration of this project to be 2-4 weeks from commencement.

Server Specifications

HP Enterprise Server
Xeon E02124 CPU (4 core, 4.3GHz)
32GB RAM
2x 1TB 10K Server Grade Hard Drives (mirrored)