

FINANCE & ADMINISTRATION COMMITTEE MEETING

Monday, April 3, 2017

6:00 p.m.

Hampden Town Office

1. Meeting Minutes

- a. March 20, 2017

2. Review & Sign Warrants

3. Old Business

- a. Service Fees – Abatement requests based on 2% revenue threshold
– *Kelly Karter, Tax Assessor*

Community Housing of Maine, requested abatement \$1,794.62
OHI George Street, requested abatement \$1,265.83
OHI Patterson Road, requested abatement \$1,453.99
Penquis Mental Health Services, requested abatement \$1,744.6
The Housing Foundation, requested abatement \$15,606.11

4. New Business

- a. Executive Session – Pursuant to 1 M.R.S.A. – Consultation with Town Attorney regarding legal rights and duties under the Town Charter
- b. Aimee Smith – Reappointment to the Board of Assessment Review
- c. Request for authorization for the expenditure of up to \$1,200.00 from the Municipal Building Reserve Account (3-702-00) for the purpose of paying for the CAT 5 overspeed rupture valve test on the Municipal Building elevator – *referral from Infrastructure Committee*
- d. Request for authorization for the expenditure of \$3,725.39 from the IT Reserve Account (3-711-00) for the purpose of purchasing a police cruiser Toughbook laptop and docking station – *requested by IT Specialist Kyle Severance*

- e. Krista McBean abatement request for years 2015/2016 and 2014/2015 in the amount of \$945.00 each year – *recommended by Kelly Karter, Tax Assessor*
- f. Presentation regarding revaluation of the Town of Hampden – *Kelly Karter, Tax Assessor*
- g. Committee discussion and position on LD 26, An Act to Lower the Maine Motor Vehicle Excise Tax
- h. Committee discussion and position on LD 707, An Act to Base the Motor Vehicle Excise Tax on the Purchase Price of the Motor Vehicle
- i. Request for rescission of Order 2015-02, Order Establishing Eligibility for Town Issued License Plates, Procedures and Hours of Operation – *Requested by Barbara Geaghan, Motor Vehicle Agent*
- j. Committee discussion and recommendation regarding the MRC Put Option for the sale of PERC ownership interests
- k. Proposed Memorandum of Understanding with MRC and Fiberight for potential Town contribution of up to \$167,000 toward Coldbrook Road infrastructure costs – *referral by Infrastructure Committee*
- l. Update on the March 27th meeting with the RSU, other Town's within the RSU and State Representatives

5. Public Comment

6. Committee Member Comments

7. Adjournment

FINANCE & ADMINISTRATION COMMITTEE MEETING

Monday, March 20th, 2017

MINUTES – DRAFT

Attending:

Councilor Stephen Wilde, Chair
Mayor David Ryder
Councilor Mark Cormier
Councilor Dennis Marble
Councilor Terry McAvoy
Councilor Ivan McPike
Councilor Greg Sirois

Town Manager Angus Jennings
Resident James Davitt
Resident Thomas Dorrity
Resident Lindsay Harmon
Resident Cindy Mitchell
Residents Kathryn & David King

Chairman Wilde called the meeting to order at 6:15 p.m.

1. Meeting Minutes

- a. **March 6, 2017 – Motion by Councilor McAvoy seconded by Councilor Marble to approve the meeting minutes. Motion passed 7-0.**

2. Review & Sign Warrants – Warrants were reviewed and signed.

3. Old Business

4. New Business

- a. **Request for authorization for the expenditure of \$2,425.00 from the Municipal Building Reserve Account for the purpose of replacing lighting at the Town Office; request for authorization for the expenditure of \$123.10 from the Municipal Building Reserve Account for the purpose of paying for a service call for the municipal building generator – total requested: \$2,548.10 – requested by DPW Director Currier – Motion by Councilor Marble seconded by Councilor Sirois to recommend Council authorization of \$2,548.10 from the Municipal Building Reserve Account for the purpose of replacing lighting at the Town Office and paying for a service call for the municipal building generator. Motion passed 7-0.**

- b. Request for authorization for the expenditure of \$25,451.15 from the Personnel Reserve Account for the purpose of offsetting costs associated with payroll expenses in Administration and Elections – *Manager Jennings summarized his memo in the packet. Motion by Councilor McPike seconded by Councilor Sirois to recommend Council authorization of \$25,451.15 from the Personnel Reserve Account for the purpose of offsetting costs associated with payroll expenses in Administration and Elections. Motion passed 7-0.***
- c. Contract award for the CCTV and Cleaning of Sanitary and Storm Sewer Systems Bid – *recommended by DPW Director Currier – Motion by Councilor Marble seconded by Councilor Sirois to recommend Council award the bid for Closed Circuit TV Review and Cleaning to Ted Berry Company. Motion passed 7-0.***
- d. Request for authorization for the expenditure of \$14,643.95 from the Conservation/Recreation Account for the purpose of funding eligible projects – *referral from Services Committee – Councilor Marble summarized the recommendation of the Services Committee. Motion by Councilor Marble seconded by Councilor McAvoy to recommend Council authorization of \$14,643.95 from the Conservation / Recreation Account for the purposes specified in Manager Jennings' memo in the meeting packet. Motion passed 7-0.***
- e. Request for authorization for the expenditure of \$2,000.00 from snowmobile registration fees to Goodwill Riders Snowmobile Club – *referral from Services Committee – Councilor Marble summarized the recommendation of the Services Committee. Motion by Councilor Marble seconded by Councilor Sirois to recommend Council authorization of \$2,000.00 to the Goodwill Riders Snowmobile Club from snowmobile registration revenues to offset their trails maintenance costs. Motion passed 6-1 with Councilor McAvoy opposed.***
- f. Committee consideration and recommendation to Council, the appointment of an Interim Director to the RSU 22 Board of Directors from the following candidates:**

 - a. James Davitt**
 - b. Thomas Dorrity**
 - c. Lindsay Harmon**
 - d. Cindy Mitchell**

Prior to the beginning of Committee interviews, candidate Cindy Mitchell withdrew her application for appointment. She noted that she

had put in her name in case help was needed but, because she felt there were three other qualified candidates, she would withdraw. The Committee proceeded to interview, in order, residents James Davitt, Thomas Dorrity, and Lindsay Harmon regarding their interest in serving on the School Board; their positions on various issues; and whether they would intend to run for the full Board term once the interim appointment was up. During public comment, residents David King and Kathryn King offered remarks.

There was a motion by Councilor McPike seconded by Councilor McAvoy to recommend Council interim appointment of Thomas Dorrity to the RSU-22 Board of Directors. The motion passed 5-2 with Councilors Marble and Sirois opposed. There was a motion by Councilor Sirois seconded by Councilor Marble to recommend Council interim appointment of Lindsay Harmon to the RSU-22 Board of Directors. The motion failed 3-4 with Councilors McPike, Cormier, McAvoy, and Mayor Ryder opposed. The Committee recommended Thomas Dorrity for interim appointment.

- g. Designation of representatives for the March 27th meeting with the RSU, other Town's within the RSU, and State representatives; and review of topics to be discussed – The Committee designated Councilor Wilde, as Chairman of the Finance Committee, and Councilor McPike, as a former RSU-22 Board member, to represent the Council at the upcoming meeting.**

5. Public Comment – None.

6. Committee Member Comments – None.

7. Adjournment

There being no further business, the meeting was adjourned at 7:04 p.m.

Respectfully submitted –
Angus Jennings, Town Manager

Town of Hampden
106 Western Avenue
Hampden, Maine 04444



Phone: (207) 862-4500
Fax: (207) 862-5067

To: Angus Jennings, Town Manager; Paula Scott, Town Clerk; Council Members
From: Kelly Karter, Assessor
Date: March 30, 2017
Re: Service Fee Property Identification and Calculations

As you all know, annually I must identify and calculate Service Fees per the Town of Hampden Service Charge Ordinance. The properties subject to this fee are tax exempt and residential in nature. In order to identify the property, I check the exemption listing from the tax commitment roles and highlight any possible property. I then review the Exempt Application to identify the type and use of the property. There are guidelines for granting exemptions and case law that has filled in some of the gray areas of the law. I have attached Bulletin No. 5 as well as the application I use for exemption.

Once the property has been identified as above, I take the total original municipal budget (no school funding included) and deduct the General Assistance budgeted amount. This gives the amount of funding, defined by the ordinance that can be used in calculating the Service Charges. I then take the amount of funding (this year it was \$7,617,880) and divide it by the total valuation (this year it was \$646,097,160) to generate a mil rate that does not include education and general assistance. The current mil rate applied to the service charge properties is \$11.79 per thousand in valuation. The total valuation of the property is used and the above mil rate applied to get the total of the service charge.

This Service Charge Bill is then sent to the Manager and forwarded on to the Council for approval. After approval, the bills are mailed to the entities identified. Once they receive the bill, they have the option of submitting their audited financials and receive/request an abatement of anything over 2% of their gross annual revenue for the property.

Per the Ordinance, the abatements must be issued by the Council. If there is an "Abatement Request based on the Applicability of the Charge" it must be sent to the Board of Assessment Review for determination of the validity of the request.



MAINE REVENUE SERVICES PROPERTY TAX DIVISION PROPERTY TAX BULLETIN NO. 5

TAX EXEMPTIONS FOR BENEVOLENT AND CHARITABLE INSTITUTIONS

REFERENCE: 36 M.R.S. § 652(1), paragraphs A, B and C
July 14, 2016; replaces August 1, 1980 revision

Maine law, under 36 M.R.S. § 652, provides property tax exemptions for certain property of institutions and organizations. The parameters of the exemption have largely been shaped by case law. This bulletin explains the exemption for institutions incorporated by the State of Maine for benevolent and charitable purposes and is designed to assist the local assessor in determining the exempt status of property of benevolent and charitable institutions.

The statute addresses several key requirements for exemption qualification. To qualify for the property tax exemption a benevolent and charitable institution must satisfy the legal tests of ownership, occupancy or use, and Maine incorporation.

1. Legal tests for qualification.

A. Ownership. An institution must own the property for which it requests an exemption. Ownership of the property by the institution is essential to the exemption and such ownership must be exclusively charitable. A property deed will show ownership.

B. Occupancy or use. Generally, property owned by the institution must be occupied by the institution or used solely for its own purposes.

(1) Occupancy. The word occupancy is used in its natural sense to mean an actual occupation; the institution must possess and hold the property. Occupancy is not synonymous with used or appropriated. Qualifying occupation that entitles the institution to an exemption requires possession or holding of that property for the charitable purposes for which the institution is incorporated. Ownership of the property must be concurrent with occupancy for an institution to qualify for a property tax exemption. Case law indicates that the courts will consider the extent of the use and the nature of the occupation. Possession of a building with a plan and purpose for future benevolent and charitable use may not be sufficient to qualify for the exemption.

a. Property leased to a benevolent and charitable institution. An exception to the occupancy or use requirement exists. A benevolent and charitable institution that owns property and leases that property to another exempt institution under 36 M.R.S. § 652 is eligible for an exemption. If there is an existing lease, the agreement will show occupancy by a qualifying institution. The institution is not entitled to the exemption with respect to property owned by it, but not occupied by it, unless occupancy is by another qualifying benevolent and charitable institution.

b. **Property temporarily rented.** If a benevolent and charitable institution rents space to an entity that is not a benevolent and charitable institution, but the rental is temporary, occasional and doesn't interfere with the operation and use of that space by the owner, the exemption is not void.

(2) **Use.** The exemption for benevolent and charitable institutions has been construed by the courts as applying only to property used for the purpose for which the institution was created. All profits of the institution must be used exclusively for the purposes for which it is organized. Property held by the institution must be dedicated to the public, instead of private advantage or gain, and must be devoted to public use. An exception to the use rule exists in the situation where an institution occasionally uses a part of its property for purposes other than that for which it was incorporated. *City of Lewiston v. All Maine Fair Association*, 21 A.2d 625.

C. **Incorporated by the State of Maine.** 36 M.R.S. § 652(1)(A) requires a benevolent and charitable institution be "incorporated by this State" to be eligible for an exemption. The Maine Nonprofit Corporation Act, 13-B M.R.S., provides the vehicle for organizing, registering and filing the Articles of Incorporation with the Secretary of State. An institution requesting exemption from property tax could possibly be organized and receive its charter pursuant to the Maine Business Corporation Act, 13-C M.R.S. or by special act of the Legislature. Organizing as a for-profit business, however, ordinarily means that an institution is not "organized and conducted exclusively for benevolent and charitable purposes." Failure to incorporate in this state prohibits exemption from the property tax.

D. **Profit.** Directors, trustees, officers, and employees of a benevolent and charitable institution must not receive a portion of the institution's profit. 36 M.R.S. § 652(1)(C)(2).

E. **Report filed with assessor.** An entity claiming an exemption for benevolent and charitable institutions must file, on request, a report detailing the institution's preceding fiscal year. A copy of the financial statement of the institution requesting exemption will normally satisfy this requirement.

2. **Maine case law.** The following summaries relate to Maine Supreme Court cases pertaining to exemptions based upon the provisions of the benevolent and charitable institution exemption. The cases cited are included to assist the local assessor in making a decision to grant exempt status to property based upon benevolent and charitable reasons.

A. **Francis Small Heritage Trust v. Limington (2014) 98 A.3d 1012.**

(1) The plaintiff land trust is organized and conducted exclusively for benevolent and charitable purposes. It operates its "properties in the manner of a state park" and, therefore provides a benefit to the public that would otherwise be undertaken by the government.

(2) The Farm and Open Space Tax law and the benevolent and charitable exemption are not mutually exclusive. There is some overlap between the two benefits and neither preempts the use of the other.

B. **Cushing Nature and Preservation Center v. Cushing (2001) 785 A.2d 342.**

(1) The plaintiff did not allow clamming on its property, which the lower court declared a disqualification for the charitable exemption. The Supreme Court ruled that, when the use of

property is charitable, “the owner need not allow all public uses in order to qualify for an exemption.”

C. Salvation Army v. Standish (1998) 709 A.2d 727.

(1) Salvation Army qualified as benevolent and charitable organization entitled to exemption even though its purpose and mission was religious.

(2) Allowing Salvation Army officers to use buildings at summer camp for inexpensive vacation lodging constituted nothing more than compensations for the services the officers had performed on behalf of the charitable organization.

D. Lewiston v. Marcotte Congregate Housing (1996) 673 A.2d 209.

(1) A benevolent and charitable exemption applies only to property which is owned and *occupied or used* by the organization *solely* for its own purposes. Ownership by an organization with a charitable purpose alone without occupancy or use is not enough to claim exemption.

(2) Portion of building owned by nonprofit corporation which was leased to private physicians and residents paying full market rental value rendered the entire property subject to taxation.

E. Episcopal Camp Foundation v. Hope (1995) 666 A.2d 108.

(1) Purpose of church camp was benevolent and charitable, thus church camp was exempt from real property taxes.

F. Pentecostal Assembly of Bangor v. Maidlow (1980) 414 A.2d 891.

(1) Independent local church organized as a corporation in 1950 pursuant to the provisions of Chapter 53, Revised Statutes 1944.

(2) Plaintiff contended that the property (real) should be exempt as “real estate owned and occupied or used solely by a benevolent and charitable institution” within the meaning of 36 M.R.S. § 652(1)(A).

(3) Even if some activities of the Pentecostal Assembly may be properly classified as benevolent and charitable, it does not meet the condition for exemption prescribed by the quoted subsection,

“Any corporation claiming exemption under paragraph A (section 652) shall be organized and conducted exclusively for benevolent and charitable purposes.”

(4) The Pentecostal Assembly was organized as a church in 1950 and is still conducted primarily as a church.

(5) It is well settled that for purposes of exemption from property taxation, religious purposes are not to be equated with benevolent and charitable purposes.

G. Nature Conservancy of Pine Tree State v. Bristol (1978) 385 A.2d 39.

(1) Property used solely for a charitable institution's own purposes where the grantors attempt to reserve private rights of use without the accompanying burden of paying property taxes has the effect of denying the exemption. The grantor(s) may not retain any private privilege or benefit in terms of use; otherwise the exempt status is defeated.

(2) Charitable institution was subject to grantor private entity's custodial control of the use of donated premises, notwithstanding that such control was to be harmonious with charitable institution purpose, was inconsistent with the "sole use" condition for tax exemption.

(3) Land held in its natural state does not become tax exempt by transfer to a charitable institution where the grantor retains the rights to access, passage or custodianship.

H. Maine Medical Center v. Lucci (1974) 317 A.2d 1.

(1) The use of property must be reasonable to the major purpose for which a benevolent and charitable institution is incorporated and the use not oriented toward pecuniary profit but, rather, toward providing necessary services and facilities will permit exemption from taxation.

(2) The fact that the medical center charged a variety of parking fees to staff, employees, patients and patients' visitors did not defeat rights to tax exemption where dominant purpose of parking lot and garage was eleemosynary (relating or devoted to charity or alms).

I. Holbrook Island Sanctuary v. Brooksville (1965) 214 A.2d 660.

(1) In the above case, the court held that "benevolent," relating to benevolent and charitable institutions, is synonymous with "charitable" and defines and limits the nature of charity intended.

(2) The motive of donor who gave the property to the intended benevolent and charitable institution was not material in determining whether the property was tax exempt.

J. Green Acre Baha'i Institute v. Eliot (1963) 193 A.2d 564.

(1) Missionary societies possess the attributes of benevolent and charitable institutions for property tax exemptions.

(2) Exemption of property of benevolent and charitable institutions from taxation is not defeated by the fact that use of property by a charitable institution for its own purposes is seasonal.

K. Green Acre Baha'i Institute v. Eliot (1954) 110 A.2d 581.

The court established a four-part test to determine exemption eligibility. A benevolent and charitable institution:

(1) Must be organized and conduct operations purely for benevolent and charitable purposes in good faith;

- (2) Must not have a profit motive;
- (3) Must not have pretense to avoid taxation;
- (4) May generate revenue only incidental to its benevolent and charitable purpose.

L. Osteopathic Hospital of Maine v. Portland (1942) 26 A.2d 641.

(1) The actual appropriation of property of benevolent and charitable institutions for purposes for which institution was incorporated, and not a physical use on exact date of assessment, controls in determining whether property is exempt from taxation.

M. Calais Hospital v. Calais (1942) 24 A.2d 489.

(1) The hospital, a charitable institution, permitted the use of a room in the hospital by the treasurer and manager as his headquarters in connection with service to the institution, and in addition to carrying on private medical practice did not interfere with the general use and occupation of the building – so as to exclude room from exemption from taxation where use of room was for mutual convenience of hospital and physician.

N. Camp Emoh Associates v. Lyman (1933) 166 A. 59.

(1) A benevolent and charitable corporation under the laws of this state, whose members are nonresidents and whose clerk is the only officer residing in this state, is not thereby deprived of the right of exemption.

(2) Property of a benevolent and charitable institution is exempt from taxation when occupied or used for its own purposes.

(3) Immunity of property of benevolent and charitable institution from taxation depends on such exclusive occupation as contributes immediately to promotion of benevolence and charity.

(4) Property of a benevolent and charitable institution need not be in actual use on day of assessment to be exempt from taxation.

3. Proof of entitlement for property tax exemption.

The statute is vague on what constitutes proof of entitlement for property tax exemption for benevolent and charitable institutions. The attached “Application for Exemption from Local Taxation” is a sample document that an assessor may use or adapt to have proof on record that a benevolent and charitable organization has been granted a property tax exemption for the purposes stated. Each application should be reviewed annually.

A local assessor may also require copies of the entity’s Articles of Incorporation, property deed, and bylaws along with an exemption application.

NOTE: This bulletin is intended solely as advice to assist persons in determining, exercising or complying with their legal rights, duties or privileges. If further information is needed, contact the Property Tax Division of Maine Revenue Services.

**MAINE REVENUE SERVICES
PROPERTY TAX DIVISION
PO BOX 9106
AUGUSTA, MAINE 04332-9106
TEL: (207) 624-5600**

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(Published under Appropriation No. 1037.1)

APPLICATION FOR EXEMPTION FROM LOCAL TAXATION

Property of Institutions and Organizations

Pursuant to 36 M.R.S. § 652

Attach copies of Articles of Incorporation, bylaws and property deed if not on file with the assessor.

1. To the assessor(s) of _____, Maine.

2. Pursuant to 36 M.R.S. § 652, the undersigned requests exemption from the property tax for the below described real estate/personal property.

3. Institution or organization
NAME: _____
ADDRESS: _____

4. Location of real estate or personal property.
MAP: _____ LOT: _____

5. The real estate and personal property is owned, occupied or used solely for the following purposes:

6. Person filing application.
NAME: _____ TITLE: _____
SIGNATURE: _____ DATE: _____
TELEPHONE: _____ EMAIL: _____

Check List for Assessor

Property of Institutions and Organizations

Pursuant to 36 M.R.S. § 652

1. Incorporated by State of Maine _____
(Attach copy of incorporation as filed with state)

2. Property owned by this organization _____
(Attach copy of deed)

3. Property occupied by this organization _____
or other exempt organization _____
(Attach copy of lease agreement)

4. Property used for incorporated purposes _____
(Attach copy of bylaws)

5. Financial report for preceding year _____
(Attach copy of financial report)

Town of Hampden
 106 Western Avenue
 Hampden, Maine 04444



Phone: (207) 862-3034
 Fax: (207) 862-5067
 Email: townmanager@hampdenmaine.gov

TO: Finance Committee and Town Council
 FROM: Angus Jennings, Town Manager
 DATE: February 28, 2017
 RE: Service Charge Abatement Requests

In its October 17, 2016 meeting the Town Council approved the amount of Service Charges imposed pursuant to the Service Charge Ordinance. Charges were assessed to the seven properties identified at that time, in the approved amounts. To date, five of the assessed properties have sent payment, though each amount was less than the assessed amount, with the balance requested to be abated. Funds assessed and received to date are summarized as follows:

Properties Subject to Service Charge				
As of: 2/28/2017				
Property Owner	FY17			
	Amount Invoiced	Amount received	Difference (requested abatement)	Notes
Community Housing of Maine 177 Canaan Road (Map 5 Lot 27-A)	\$ 2,145.78	\$ 351.16	\$ (1,794.62)	
Medical Care Development, DBA Hampden Meadows 1282 Kennebec Road (Map 1 Lot 23-A)	\$ 5,386.85	n/a		Appeal filed 11/28/16
OHI George Street 35 George Street (Map 23 Lot 70-C)	\$ 2,139.36	\$ 873.53	\$ (1,265.83)	
OHI Patterson Road 143 Patterson Road (Map 5 Lot 39)	\$ 1,662.39	\$ 208.40	\$ (1,453.99)	
Penquis Mental Health Services 1012 Carmel Road North (Map 1 Lot 31-A)	\$ 1,992.51	\$ 247.88	\$ (1,744.63)	
The Housing Foundation 113 Western Ave (Map 31 Lot 8)	\$ 22,507.11	\$ 6,901.00	\$ (15,606.11)	
Acadia Hospital Corp/Aspenledge	\$ 4,008.60	n/a		Appeal filed 12/7/16
	\$ 39,842.60	\$ 8,581.97	\$ (21,865.18)	

Under the Service Charge Ordinance Sec. 6, "the municipal officers shall abate the service charge amount that is in excess of 2% of gross annual revenue."

A question arose regarding whether the 2% figure in the Ordinance referred to revenues of the property owner, or of the property itself. It is the latter. In other words, a showing

that the assessed charge exceeds 2% of the gross revenue derived from the property in question should be considered adequate to support an abatement.

It is recommended that the Council take action on each of the five pending requests for abatement.

The sixth and seventh properties have separately filed appeals with the Board of Assessment Review challenging the validity of the Ordinance as applied to those properties. Those appeals processes are proceeding.

Jim Gwilym

From: Angus Jennings <townmanager@hampdenmaine.gov>
Sent: Tuesday, November 15, 2016 2:42 PM
To: Jim Gwilym
Subject: Re: Service charge on 177 Canaan Rd. MAP 5 / LOT 27 A

Jim,

The ordinance has not changed, and the 2% cap is still in effect. Upon receipt of payment of \$351.16, we'll bring forward the payment and the excerpt of the audited financial statement in order for the Council to formally approve an abatement on the basis of the 2% cap. We'll probably hold off until we receive payment (and/or abatement requests) from all seven property owners affected by this ordinance, so their vote may not occur until early 2017. From what you have submitted it appears that the \$351.16 will satisfy the requirement of the ordinance.

Feel free to call me with any questions.

Thanks,
Angus

On Tue, Nov 15, 2016 at 2:33 PM, Jim Gwilym <jim@chomhousing.org> wrote:

Dear Mr. Jennings,

I received a bill for this year in the amount of \$2,145.78. As with last year, I'm wondering if the 2% cap is in play again. Attached are our audited financial statements. Our Canaan Road property appears on page 30, and shows gross revenue of \$17,558. A calculated tax at 2% of that would come to \$351.16.

If you'd like any additional information about us, or this project, please let me know. We're a lean operation with a staff of 9 people and we can provide housing for more people with special needs by virtue of the fact that we are generally exempt from taxes. Every dollar counts to us, so if there's anything you can do, we would greatly appreciate it.

Thank you,

Jim

From: Angus Jennings [mailto:townmanager@hampdenmaine.gov]
Sent: Thursday, November 12, 2015 8:02 AM
To: Jim Gwilym <jim@chomhousing.org>
Subject: Re: Service charge on 177 Canaan Rd.

Town of Hampden
----- Receipt -----

THANK YOU VETERANS

11/22/16 10:42 AM ID:CH3 #8537-1
TYPE----- REF--- AMOUNT
ADMIN-MISC 351.167

Paid By: COMM HOUSING OF ME
Remaining Balance: 0.00
Have you licensed your dog?
Check : 351.16
21203 - 351.16

COMMUNITY HOUSING OF MAINE, INC. GENERAL CHECKING
PORTLAND, MAINE 04101
Town of Hampden

11/15/2016

351.16

21203

351.16

SECURITY FEATURES: CHECK FOR A LOCK WHICH TIGHTENS

MEMO: Three Hampden City, Grafton and Jefferson Town of Hampden
108 Western Avenue
Hampden, ME 04444

CHOM
COMMUNITY HOUSING OF MAINE, INC.
GENERAL CHECKING
ONE CITY CENTER, 4TH FLOOR
PORTLAND, MAINE 04101

572452112

11/15/2016

PAY TO THE ORDER OF: Town of Hampden

\$ 351.16

DOLLARS

⑆021203⑆ ⑆21276450⑆ 0291 85908⑆

Security Features included. Details on back.

Everything is Possible.



voice 207/848-5804 | fax 207/848-7978 | TTY/TTD 207/848-5804 | ohimaine.org | facebook.com/OHIMaine

25 Freedom Parkway | Hermon, Maine 04401

November 8, 2016

Angus Jennings, Town Manager and Town Treasurer
Town of Hampden
106 Western Avenue
Hampden, Maine 04444

Town of Hampden
RECEIVED

NOV 14 2016

Office of the
Town Manager

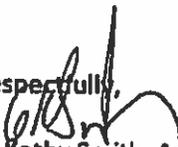
RE: OHI FY 16 SERVICE CHARGES: 35 GEORGE STREET AND 143 PATTERSON ROAD

Dear Mr. Jennings:

Enclosed you will find the financial information on these two properties for our fiscal year ending June 30, 2016. We have calculated our service fees to be \$873.53 and \$208.40 respectively which is based on 2% of gross income for each location. I have enclosed a check for these two properties in the amount of \$1081.93.

Should you need additional information please feel free to contact me at your earliest convenience.

Respectfully,


G. Kathy Smith, Assistant CEO
OHI

OHI inspires people to recognize possibilities and lead meaningful lives.

OHI
SUMMARY OF PROFIT & LOSS
35 GEORGE STREET
For the Twelve Months Ending Thursday, June 30, 2016

		<u>ACTUAL YTD</u> <u>2016</u>
INCOME		
4010	GRANT REVENUE	57,260.00
4020-+4055-+4056-+...	SSA/SSI INCOME	33,218.00
4100	USDA INCOME - FOOD STAMPS	3,200.30
	TOTAL INCOME	<u>43,678.30</u> 2% 813.53
OCCUPANCY COSTS		
5581	DEPRECIATION - BUILDING	8,819.48
5588	INTEREST EXPENSE - MORTGAGE	4,795.17
5410	FOOD	17,574.04
5105	FIDUCIARY FEES	405.00
5415	ELECTRICITY	2,388.51
5420	HEAT	1,575.79
5430-+5438-+5439	BUILDING MAINTENANCE SUPPLIES	1,988.87
6041	SALARY - MAINTENANCE	800.89
5431-+5437	GROUNDS MAINTENANCE	920.02
5435	WATER & SEWER	3,548.84
5440	EQUIP PURCHASE MINOR	1,087.54
5445	EQUIP REPAIR & MAINT	109.08
5455	TELEPHONE	388.34
5485	LINEN / BEDDING	382.27
5573	INSURANCE - FIRE	988.70
	TOTAL OCCUPANCY COSTS	<u>45,734.42</u>
	INCOME OVER (UNDER) EXPENSES	<u>(2,056.12)</u>

OHI
SUMMARY OF PROFIT & LOSS
143 PATTERSON RD
For the Twelve Months Ending Thursday, June 30, 2016

		<u>ACTUAL YTD</u>	
		2016	
INCOME			
4010	GRANT REVENUE	\$1,898.00	
4020-+4055-+4058-+...	SSA/SSI INCOME	8,244.00	
4100	USDA INCOME - FOOD STAMPS	280.28	
	TOTAL INCOME	<u>10,420.28</u>	29% 208,40
OCCUPANCY COSTS			
5581	DEPRECIATION - BUILDING	8,104.38	
5588	INTEREST EXPENSE - MORTGAGE	3,308.87	
5410	FOOD	3,314.21	
5105	FIDUCIARY FEES	90.00	
5415	ELECTRICITY	1,372.94	
5420	HEAT	1,442.12	
5430-+5438-+5439	BUILDING MAINTENANCE SUPPLIES	388.00	
5041	SALARY - MAINTENANCE	42.16	
5431-+5437	GROUNDS MAINTENANCE	350.00	
5435	WATER & SEWER	45.00	
5440	EQUIP PURCHASE MINOR	34.88	
5445	EQUIP REPAIR & MAINT	318.00	
5455	TELEPHONE	388.34	
5573	INSURANCE - FIRE	528.05	
	TOTAL OCCUPANCY COSTS	<u>17,707.71</u>	
	INCOME OVER (UNDER) EXPENSES	<u>(7,287.45)</u>	

OUR REF. NUMBER	YOUR INVOICE NUMBER	INVOICE DATE	INVOICE AMOUNT	AMOUNT PAID	DISCOUNT TAKEN	NET CHECK AMOUNT
183143	PATTERSON/GEORG	1/10/2016	1,081.93	1,081.93	0.00	1,081.93

213692

OHI
 One Hundred and Ninety
 One Dollars and No/100ths

THE TOWN OF HAMPTDEN
 ORDER TO THE WESTERN BANK
 OF HAMPTDEN, MS 38944

PAID TO THE ORDER OF
 ONE THOUSAND EIGHTY ONE AND 00/100 DOLLARS

DATE: 1/10/2016
 CHECK NUMBER: 213692
 CHECK AMOUNT: 1,081.93

AUTHORIZED SIGNATURE: *George Patterson*

THE CASE OF THIS INSTRUMENT CONTAINS A COLORED BACKGROUND AND A SECURITY VOID

⑆ 213692⑆ ⑆ 211274382⑆ 2010014889⑆

Penquis Mental Health Association

572 Bangor Road, Dover-Foxcroft, Maine 04426

Richard Brown, CEO

Phone: (207) 564-2464

Fax: (207) 564-2404

December 13, 2016

Town of Hampden
RECEIVED

DEC 20 2016

Office of the
Town Manager

Angus Jennings
Town Manager & Town Treasurer
Town of Hampden
106 Western Avenue
Hampden, Maine 04444

Dear Manager Jennings:

The services fee charges for Penquis Mental Health for the 2016-2017 Hampden budget year should be based upon 2% of the gross annual revenue. Enclosed is the financial statement for the property at 1021 Carmel Road North for the period July 1, 2015 to June 30, 2016. Enclosed also is a check in the amount of \$247.88 representing 2% of the annual gross revenue for 1021 Carmel Road North.

Sincerely,



M. Dale Shaw

Chief Financial Officer

**PENQUIS MENTAL HEALTH
INCOME STATEMENT FOR CARMEL RD.
JULY 1, 2015 - JUNE 30, 2016**

SERVICE FEE

REVENUE

RENTAL INCOME

\$ 12,393.91

\$ 247.88

EXPENSES:

DEPRECIATION

\$ 5,093.00

INTEREST

\$ 6,218.38

INSURANCE

\$ 821.15

TAXES

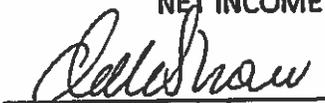
\$ 261.38

TOTAL EXPENSES

\$ 12,393.91

NET INCOME

\$ -



Dale Shaw

Chief Financial Officer

PENQUIS MENTAL HEALTH ASSOCIATION

3019

HAFTON	TOWN OF HAMPDEN	0000000000001765	12/14/2016	3819	
CARREL RD SERVICE FE	12/13/2016	\$247.88	\$247.88	\$0.00	\$247.88

\$247.88	\$247.88	\$0.00	\$247.88
----------	----------	--------	----------

PENQUIS MENTAL HEALTH ASSOCIATION

572 BANGOR ROAD
DOVER-FOXCROFT, ME 04428

BANGOR SAVINGS BANK

BANGOR ME 04401

52-74382112

3819

3819

12/14/2016

\$247.88

DATE

AMOUNT

Two Hundred Forty Seven Dollars And 88 Cents

PAY
TO THE
ORDER
OF:

TOWN OF HAMPDEN
106 WESTERN AVE.
HAMPDEN ME 04444



AUTHORIZED SIGNATURE

ME

Security features included. Details on back.

⑈003819⑈ ⑆211274382⑆ 0580700934⑈

THE HOUSING FOUNDATION – HAMPDEN

NOTES TO FINANCIAL STATEMENTS
(Continued)

JUNE 30, 2016

Town of Hampden
RECEIVED

OCT 17 2016

Office of the
Town Manager

NOTE 5: HUD RESTRICTED DEPOSITS (Continued)

Tax and Insurance Escrow

The Project makes monthly escrow deposits to a financial institution to fund future expected tax assessments and insurance premiums.

All of the reserves noted above are held in separate accounts and generally are not available for operating purposes.

NOTE 6: RESIDUAL RECEIPTS RESERVE

Use of the residual receipts reserve is contingent upon HUD's prior written approval.

NOTE 7: RELATED PARTY TRANSACTIONS

The Project has entered into a management contract with The Housing Foundation - M & D II, a related party. Management fees are limited to \$56 per unit per month. For the years ended June 30, 2016 and 2015, management fees were \$20,160 and \$19,500, respectively.

An informal maintenance agreement with The Housing Foundation - M & D II has also been executed causing maintenance work, cleaning and material reimbursements as well as vehicle operation and maintenance to be paid on an as needed basis. During the years ended June 30, 2016 and 2015, \$25,142 and \$24,151 of expenses were incurred for such services, respectively.

During the years ended June 30, 2016 and 2015, the Project was charged \$23,895 and \$22,275, respectively, by The Housing Foundation - M & D II for office support and office rent. The allocation of these charges was based on a time study performed by M & D II. The Project was also charged by M & D-II \$3,807 and \$3,886 for the years ended June 30, 2016 and 2015, respectively, for computer, copier and miscellaneous administrative fees. Computer, copier and miscellaneous administrative fees are prorated based on the number of housing units managed.

During the years ended June 30, 2016 and 2015, the Project was charged \$20,544 and \$19,780, respectively, from The Housing Foundation – M & D II for the Project's Tenant Service Coordinator.

NOTE 8: PAYMENT IN LIEU OF TAXES (P.I.L.O.T.)

By reason of a decision of the Maine Supreme Judicial Court in 1987, The Housing Foundation - Hampden, which is financed under Section 223(f) of HUD's program, is exempt from real estate taxation. Although State law permits the imposition of a service fee, also known as a payment in lieu of taxes (P.I.L.O.T.), State law currently limits the amount of such service fee to 2% of gross rent revenues. Thus, for the years ended June 30, 2016 and 2015, the service fee was \$6,901 and 6,818, respectively.

Walker & Dunlop, LLC

Memo 1 Parcel #2413

CHECK NO 000013352 52-153/112

Memo 2

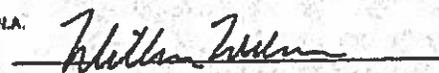
Date 10/13/2016

*****\$6,901.00

Six Thousand Nine Hundred One And NO/100 Dollars

Pay To Town of Hampden
106 Western Avenue
Hampden ME, 04444

SMB
Bank of America, N.A.



⑈000013352⑈ ⑆011201539⑆ 2220077053⑈

RUB OR BREATHE ON THE PINK LOCK & KEY ICONS—COLOR WILL FADE AND THEN REAPPEAR ON AN AUTHENTIC CHECK—IF COLOR DOES NOT FADE DO NOT ACCEPT

Loan Number	Invoice Number	Invoice Date	Parcel Number	Policy Number
301090334:0			PILOT - Roe Village,	Town of Hampden RECEIVED OCT 17 2016 Office of the Town Manager

Comment:

Town of Hampden
106 Western Avenue
Hampden ME, 04444

For Office Use Only

Batch	Source	File	Delivery	Backup	Add	Com
8047	15	A	US	Y	REG	N

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 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.

Accepted By Hampden Town Council: 5/18/12

EXECUTIVE SESSION STATUTES

The eight subjects permitted to be discussed in Executive Session are as follows:

- | | |
|--|------------------------|
| PERSONNEL MATTERS: | 1 M.R.S.A. § 405(6)(A) |
| SCHOOL STUDENT SUSPENSIONS/EXPULSIONS: | 1 M.R.S.A. § 405(6)(B) |
| REAL ESTATE; ECONOMIC DEVELOPMENT: | 1 M.R.S.A. § 405(6)(C) |
| LABOR CONTRACTS/NEGOTIATIONS: | 1 M.R.S.A. § 405(6)(D) |
| ATTORNEY-CLIENT CONSULTATIONS: | 1 M.R.S.A. § 405(6)(E) |
| CONFIDENTIAL RECORDS: | 1 M.R.S.A. § 405(6)(F) |
| EMPLOYMENT EXAMINATIONS: | 1 M.R.S.A. § 405(6)(G) |
| CODE ENFORCEMENT CONSULTATIONS: | 1 M.R.S.A. § 405(6)(H) |



Check One: Initial Application Reappointment Application

TOWN OF HAMPDEN APPLICATION FOR TOWN BOARDS AND COMMITTEES

NAME: SMITH LAST AIMEE FIRST E. MI

ADDRESS: 51 SUNSET AVE STREET HAMPDEN TOWN 04444 ZIP

MAILING ADDRESS (if different):

TELEPHONE: 207-951-0912 HOME 207 866 5500 WORK

EMAIL: asmithegriffinandjordan.com

OCCUPATION: Paralegal in Real Estate

BOARD OR COMMITTEE PREFERENCE: FIRST CHOICE: Board of Assessment Appeals Review

SECOND CHOICE (OPTIONAL):

How would your experience, education and/or occupation be a benefit to this board or committee? Previous Board member and I work in real estate.

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

MAR 28 2017

FOR TOWN USE ONLY Date Application Received: COUNCIL COMMITTEE ACTION: Finance + Administration DATE: 4/3/17 COUNCIL ACTION: DATE: NEW APPT X REAPPOINTMENT DATE APPOINTMENT EXPIRES:

----- Forwarded message -----

From: Kelly Ray <kray@stanleyelevator.com>

Date: Wed, Mar 22, 2017 at 10:47 AM

Subject: Elevator Safety Inspection Violation

To: "adminasst@hampdenmaine.gov" <adminasst@hampdenmaine.gov>

Cc: Ken Sandhage <KSandhage@stanleyelevator.com>

Hi Rosemary,

Attached is our quote to perform the CAT 5 overspeed rupture valve test that was cited as a violation on your recent elevator safety inspection. Your return of an authorized copy is required in order for us to schedule the test.

Please take note – when you receive the actual report from the state inspector, forward it to the state along with your annual application and fee of \$70. Do not wait for the test to be performed. Once we have completed the test, we'll send a sign off to the state alerting them all is taken care of and as long as they have your paperwork in hand, the certificate of operation will be released directly to you.

Please let me know if you have any questions. Thank you.

Regards,

Kelly Ray

Stanley Elevator Company, Inc.

kray@stanleyelevator.com

PH: 800-258-1016

Fax: 603-882-8818

March 22, 2017

Hampden Fire Station
106 Western Avenue
Hampden, ME 04444

Proposal No.: KES032217
Account No.: 4729
State No.: EL-36086

Attention: Rosemary

Re: *Hampden Fire Station Elevator
Perform CAT 5 Overspeed Rupture Valve Test*

Stanley Elevator Company, Inc. offers you our proposal to complete the following work for the sum of **One Thousand Two Hundred and 00/100 Dollars (\$1,200.00)**.

The recent state elevator safety inspection report listed the following violation:

- *Perform a Full Load CAT 5 Overspeed Valve Test*

Beginning in 2016, the completion of the above test is being enforced by the state for hydraulic units that employ a rupture valve. A rupture valve is designed to stop the elevator in the event of an overspeed condition caused by a broken supply line or an abnormally high rate of oil flow between the rupture valve and the power unit. NOTE: The rupture valve will not stop the car from overspeeding due to underground cylinder leaks and is not a substitute for cylinder replacement or other safety devices.

The test will be completed by a team and they will require an additional truck to transport test weights to the site which are equal to the capacity of the elevator. The weights will be loaded on the elevator in order to test the rupture valve under a "full load" condition. Following the test, and if all works correctly, Stanley will forward a sign off to the state which will indicate to the state that the violation has been addressed and the certificate should be released.

The Customer agrees that when Stanley is employed in the performance of required or authorized inspections and tests, such tests may impose substantially greater strains on the equipment than those experienced during normal operation and, therefore, it is agreed that Stanley shall not be liable for loss or damage to persons or property resulting from or arising out of the performance of these tests.



The price of this work as detailed herein shall be payable net thirty (30) days; upon presentation of invoice.

All work is based on normal working hours of the elevator trade and no overtime hours are considered.

No other work except as itemized above is intended or implied. A returned copy of this proposal and/or your purchase order properly signed and dated will be our authorization to order appropriate materials.

We need the following information to properly notify you of our anticipated work schedule.

Contact Name _____ Telephone _____

E-mail _____

*** Please direct any questions or areas of concern to the undersigned ***

This proposal and acceptance when signed by the Customer and approved by an authorized representative of the Company, including the terms and conditions set forth in detail on the last page hereof, which terms and conditions are incorporated herein and expressly made a part hereof, constitutes the entire agreement between the parties. There are no representations or agreements, written or verbal between the parties other than those contained herein. This Agreement is not binding upon Stanley Elevator Company, Inc. until approved by one of its authorized representatives.

Customers Company/Organization Name

Stanley Elevator Company, Inc

BY: _____
Authorized Customer Signature

BY: _____
Kenneth Sandhage
Stanley North Manager
ksandhage@stanleyelevator.com

BY _____
Printed Name Title

APPROVED for Stanley Elevator Company, Inc.:

BY _____

Date _____

Date _____

TERMS AND CONDITIONS

Tax Payments

In addition to the amount set forth herein, the Customer agrees to pay any tax based upon the transfer, use, ownership or possession of the Elevator or accessory equipment, whether such tax is imposed by existing law or take effect during the terms of this proposal and acceptance

Company Performance And Overtime

The Company will do all work on the Elevator in a good and workmanlike manner and will perform it during its regular working hours of regular working days unless otherwise agreed to in writing; In the absence of such an agreement, all work done at overtime at the Customer's request shall be billed to the Customer at the overtime rate then and there existing.

Exclusive Control

The Company shall not be responsible for any damage, malfunction, or failure of any of the component parts of the Elevator or accessory equipment as a result of the repair work done under this agreement unless such parts or service shall have been supplied exclusively by the Company.

Safe Place

It is understood that the workman of the Company shall be given a safe place in which to work. The Company reserves the right to discontinue all work in the building whenever, in its opinion, this provision is violated.

Title to Repair Part

The machinery, implements and apparatus furnished under this proposal and acceptance shall remain personal property, and the Company shall retain title thereto until final payment is made. The Company further retains the right to retake possession of the same or any part thereof at the cost of the customer if default is made in any of the payments, without regard to the manner of attachment to the realty, the acceptance of notes or the sale, mortgage or lease of the premises. It shall be the duty of the Customer to inform any party in interest of this provision.

Payments

Payments shall be made as follows: net cash within 30 days on completion if the work is completed within a thirty-day period. If the work is not completed within a thirty-day ninety-five percent of the value of the materials delivered to the job site plus the labor performed, either at the Company proper or at the building, as invoiced; the remaining five percent becomes due when the work is completed. The Company reserves the right to discontinue work under this proposal and acceptance at any time until payments have been made as agreed and the Company has assurance satisfactory to it that the subsequent payments will be made as they fall due.

Salvage

All salvage material becomes the property of the Company on its removal from its existing place.

Accident Responsibility

The Company assumes no liability for injuries or damage to persons or property except those caused by its negligent acts or omissions. This proposal and acceptance shall not serve to relieve the Customer of his or its liability for any injuries or damages to persons or property in, on or about the Elevator. The Company shall not be liable for any loss, damage, or delay caused by strikes, lockouts, fire, explosion, theft, floods, riot, civil commotion, war, malicious mischief, act of God, or by any cause beyond its reasonable control, and in any event shall not be liable for consequential damages.

Acceptance

This proposal is submitted for acceptance within thirty days from date noted on page 1 and thereafter subject to change without notice.

Recovery

In the event Stanley retains a third party to enforce, construe or defend any of the terms and conditions of this Agreement or to collect monies due hereunder, either with or without litigation, the Customer agrees to pay all collection costs and/or attorney's fees incurred by Stanley Elevator Company, Inc.

Current Account Status

G 3-702-00 RESERVE ACCT / MUNIC BLD

-15,521.93 = Beg Bal
0.00 = Adjust

-16,471.69 = YTD Net
0.00 = YTD Enc

-31,993.62 = Balance

Per	Jrnl	Check	Date	Vendor-----	Description-----	RCB / Type	Debits	Credits
08	0151	1818	08/24/16	00392 P D Q DOOR C	BUILDING MATERIAL	R AP	1,000.00	0.00
09	0222	1825	09/14/16	00141 E.J.PRESCOTT	BLDG DRAINAGE SUPPLIES	R AP	840.72	0.00
10	0298		10/06/16		10/06/2016 C/R	R CR	0.00	20,000.00
11	0393	1834	11/16/16	00392 P D Q DOOR C	COUNTER SHUTTER DOOR	R AP	129.00	0.00
11	0393	1834	11/16/16	00392 P D Q DOOR C	HPD GARAGE DOOR MOTOR	R AP	158.00	0.00
11	0424	1837	11/23/16	00271 LAWSON'S LOC	LEVERSET	R AP	288.00	0.00
02	0622	1844	02/08/17	00382 PENOBSCOT TE	BOILER ROOM OIL LINE/VALV	R AP	195.83	0.00
02	0622	1842	02/08/17	00392 P D Q DOOR C	BROKEN TORSION SPRING	R AP	481.00	0.00
03	0677	1847	03/01/17	00382 PENOBSCOT TE	BOILER REPAIR	R AP	435.76	0.00
Totals-							3,528.31	20,000.00

Monthly Summary

Month	--Regular Entries--		--Balance Entries--	
	Debits	Credits	Debits	Credits
August	1,000.00	0.00	0.00	0.00
September	840.72	0.00	0.00	0.00
October	0.00	20,000.00	0.00	0.00
November	575.00	0.00	0.00	0.00
February	676.83	0.00	0.00	0.00
March	435.76	0.00	0.00	0.00
Totals	3,528.31	20,000.00	0.00	0.00

MEMO



To: Angus Jennings
From: Kyle Severance
Date: 03/30/2017
Re: Request to purchase police cruiser Toughbook laptop and docking station using IT Reserve account 3-711-00

Message:

Last year I replaced the three outdated police cruiser laptops due to slowness, bad ports, bad batteries, and unreliable internet connection. As a result, the officers have been able to do the vast majority of their work in the field which has greatly improved their public presence and resourcefulness.

There is a new police cruiser in operation this year and I had planned to move a laptop from the oldest cruiser to this new one. However, the mounting is different due to the different model vehicle so I would end up leaving a mount and swivel arm in the old cruiser without a computer. The new cruiser has a custom center console that does not need a mount and swivel arm. Since the oldest cruiser is still in operation and the computer gets used regularly, I recommend getting a new computer for the newest cruiser. What is needed is a laptop and docking station.

I was able to secure the same discounts the State of Maine is receiving for the winning bid on the computers they are currently purchasing for the State Troopers. Having the same standard computers as the State will help with compatibility, reliability, and the ability to maintain a regular cycle so our officers will continue to have working computers. A total of \$3,725.39 is being requested for this computer and docking station. Thank you for your consideration.

If you have questions, please let me know.

Thank you,

Kyle

Haywood Associates Incorporated
 dba TransCOR Info Technologies
 124 Jewett Street
 Georgetown, MA 01833



TransCOR
 Information Technologies

QUOTATION

Quote Number: 17-0234
 Quote Date: Mar 23, 2017
 Page: 1

Voice: (978) 352-3100
 Fax: (978) 352-9199
 FEIN: 04-3223372

Quoted To:

Hampden (ME) Police Department
 Town of Hampden
 106 Western Avenue
 Hampden, ME 04444

Customer ID	Good Thru	Payment Terms	Sales Rep
HAM01	4/22/17	Net 25 Days	RJD/BLC

Quantity	Item	Description	Unit Price	Amount
1.00	COMMENT A	ATTN: Kyle Severance E-M: gisit@hampdenmaine.gov TEL: 207-217-0072		
1.00	COMMENT M1-D	REF: Maine Dept of Public Safety Agreement #MA 18P 150805-0024 Master Agreement Terms & Conditions		
1.00	COMMENT	Quote for CF-53 Toughbook & Gamber Johnson Dock		
1.00	MISCELLANEOUS	CF-532UVZANM: Win7 (Win10 Pro COA), Intel Core i5-4310U 2.0GHz, vPro, 14.0" HD Touch, 256GB SSD, 8GB(4+4), Intel WiFi a/b/g/n/ac, TPM, Bluetooth, 4G LTE Multi Carrier (EM7355), Emissive Backlit Keyboard, Multi-drive, Toughbook Preferred	2,856.84	2,856.84
1.00	GJ-7160-0393-04	Gamber Johnson Panasonic Toughbook 53 Docking Station - No RF with Internal Power Supply (TNC), RJ45, USB 3.0 (1), USB 2.0 (3), VGA, HDMI, Serial	818.85	818.85
1.00	S & H-M	Shipping, Handling Mounts	25.90	25.90
1.00	S & H-C	Shipping & Handling Computers	23.80	23.80
			Subtotal	3,725.39
			Sales Tax	
			Freight	
			TOTAL	3,725.39

Authorized Signature _____

Rugged Computers for Tough Workers

Town of Hampden
106 Western Avenue
Hampden, Maine 04444



Phone: (207) 862-4500
Fax: (207) 862-5067

To: Angus Jennings, Town Manager; Paula Scott, Town Clerk; Council Members
From: Kelly Karter, Assessor *Kelly*
Re: Krista McBean Abatement Request
Date: March 20, 2017

A local resident Ms. McBean recently sent me a note via e-mail stating that she wanted to meet with me at the Town Office as she had a couple of new issues relating to her property at 35 Griffin Avenue.

I followed up with an e-mail that day and we met in the office on February 15th. Ms. McBean had recently refinanced her home and had a current appraisal. There was a substantial difference between the appraised value and the tax assessed value. I requested and received a copy of her appraisal.

After reviewing the appraisal and finding no big errors either in size, number of bathrooms, room count, decks, garages, etc., I requested to do a re-inspection of the property to see if there was an error on the card or were the comparables in the appraisal not true comparables. Upon review of the card I noted that the home was coded as an "A" grade, which is the highest (with "E" being the lowest). That would indicate that the home was built very well with outstanding materials and workmanship. For the time period built (1978) the home does not have any apparent flaws in construction. It is a ranch with a finished basement. The main level is 1040 square feet. This home can be described as a typical 1970's ranch style home with paneling in some portions, sheet goods for kitchen and bathroom flooring and carpeting. The kitchen and baths appear original. There was a sunroom added in the 90's and heat pumps installed last year. The original heat source was electric (again typical of the era built). There is an attached one car garage as well as several deck areas.

In the typical assessing methodology a "C" grade is often described as a typical FHA ranch, 940 square feet, three bedrooms one bathroom either on a slab or foundation. A ranch or raised ranch is considered affordable housing for the "average" middle/moderate income family.

As a result of the actual quality or grading of the property as an "A" as opposed to a "C", which it is, this property has been overvalued by \$54,000 for over 10 years. There have been no building permits taken out, nor has the property sold. It has not been reviewed since 05/25/1990 and that was an exterior only inspection. There was an inspection letter sent in 1998, but there was no response and no inspection. The schedules were factored in 2008 to adjust to market conditions, but there were no re-inspections done in conjunction with that increase. (Please see the attached documentation that provides more detail.)

Other than this "grading" error and a slightly high condition factor, there were no other discrepancies between the property card and the actual property.

I issued an abatement in the amount of \$982.80 for the current tax year, which represents the taxes on the \$54,000 that was over-valued. Per State law, "The municipal officers, either upon written application filed after one year but within 3 years after the tax commitment date stating the grounds for abatement or on their own initiative within that period may make such reasonable abatement as they consider proper to correct any illegality, error or irregularity in assessment, provided the taxpayer has complied with section 706." This essentially allows the municipal officers to make two additional abatements beyond the current tax year.

I am requesting, on behalf of the taxpayer, that the council abate the 2015/2016 and the 2014/2015 taxes in the amount of \$945.00 for each year (which is based on the then-applicable mil rate of \$17.50/thousand).

Factoring of Pricing Schedules in 2008

In 2008 the pricing schedules for the Town were factored. By saying factored, I mean that new pricing schedules were not created. The old, pre-existing schedules developed by Ben Birch were “made” to fit the market values that arose during the “boom” in values in the early 2000’s. If a developed parcel was valued at \$30,000 on the “Birch” schedules, but current sales indicated that they should be valued at \$50,000 the value line would be changed **from:**

Units	Method	Price/Unit	Total	Fctr	Infl	Value
1	Acres=Imp Site	\$30,000	\$30,000	100%		\$30,000

TO:

Units	Method	Price/Unit	Total	Fctr	Infl	Value
1	Acres=Imp Site	\$30,000	\$30,000	166%		\$49,800

Aside from this factoring I am finding that homes that were inspected in the late 70’s early 80’s may have been considered an “A” or “B” for the time period. Construction methods and materials have evolved over time. There were minimum building codes or they were non-existent during that time, depending on the community. Today State Law dictates what must be done for framing, insulation, fire safety, etc.

In the 70’s and 80’s carpeting, sheet goods flooring and plaster walls or paneling, were the normal finishes at that time. A house that had the higher end materials for that era and could possibly be graded as an “A” home regarding construction as that was the grade the last time a physical inspection was done.

The typical high end finishes you see today include, multiple custom bathrooms (some newer homes have a bathroom attached to each bedroom) and kitchens, custom high end cabinetry, tile, hardwood, concrete floors, granite countertops, large islands, recessed lighting and full insulation.

The only guide for pricing that the State of Maine puts out has not had the grading guidelines updated since the 70's. When I started assessing 24 years ago, this was the assessor's "bible", but due to the lack of keeping up with current building methods and materials, I feel a great part of it is obsolete. (I have attached that Grading Specification Sheet for your use.)

When there is no revaluation in a community, especially of this size, for many years the problems can and will compound. These items that I have listed are some of the issues that either have arisen or will potentially arise, sooner rather than later.

Section 841. Abatement by assessing authority; procedures.

A. Error or mistake. The assessors, either upon written application filed within 185 days after the date that the tax was committed stating the grounds for an abatement or on their own initiative *within* one year after tax commitment, may make such reasonable abatement as they consider proper to correct any illegality, error or irregularity in assessment, provided the taxpayer has complied with section 706.

The municipal officers, either upon written application filed *after* one year *but within* 3 years after the tax commitment date stating the grounds for abatement or on their own initiative within that period may make such reasonable abatement as they consider proper to correct any illegality, error or irregularity in assessment, provided the taxpayer has complied with section 706. The municipal officers *have no authority to grant an abatement to modify or adjust the valuation of property.*

FEB 16 2017

Office of the
Town Manager

ASSESSING PROCEDURES OUTLINE

Building Permit – The building permit application is the typical starting point for inspection of a property in regards to valuation. The permit itself is indicative that something has changed about the property and that change needs to be reflected in the valuation (whether it is up or down). Obtaining permits required by MUBEC is not always complied with. As a result of that, improvements are sometimes made that are not reflected in the value of some properties. Over time that inequity in valuation increases. It is the responsibility of the assessor to discover and list any change in a property's value. The lack of a building permit can make this more difficult, if not impossible. There were 301 permits issued from July 1, 2015 through June 30, 2016.

Unlike code enforcement, I do not get notified by the homeowner when the work on the permit is complete. If code enforcement conducts an inspection while I am in the office, I go with them to conduct my inspection. Otherwise I process the permits individually. If a project is completed by April 1st the full value will be taxed on the following bill, issued in August. If not, only what is complete on April 1st is taxable by law. These situations require more than one visit to process the permit out of my system. Some projects are underway for a number of years and these require annual inspections or follow up.

Real Estate Transfer Tax Form – These forms are filed when a property is sold. The State receives the tax and it lists the seller and buyer information as well as the sales price of a property. If a property sells for substantially more than the assessed value, this will typically generate a re-inspection request. Some homeowners cooperate, some don't! I also use any other public record available to update the most current condition/improvements or lack of improvements to keep as many properties as possible up to date. This also helps us to maintain our certified ratio of 100%.

Deeds – Deeds are filed for transfer of ownership, creation of trusts, boundary line agreements, easements, personal representative appointments, divorces, and many other situations. Each month the Penobscot County Registry of Deeds sends all of the property transfer deeds, mortgage deeds and recorded town liens to our office. The mortgages are recorded in the Real Estate file and passed on to the sewer clerk and the tax collector for their recording. The deeds are processed and change of ownership forms are provided to the sewer clerk and the tax collector for updating of their contact information. Any divisions of property are mapped out by me (on map draw software) and filed along with a copy of the deed for our GIS Mapping company. I create new cards, assign map and lot numbers and account numbers in regards to property divisions. We receive approximately 50-100 documents monthly from the registry.

State Turn Around Document – This document is sent to the assessor's office in each town/township/city annually in August or September. The most recently submitted Turn Around Document listed 205 real estate sales that took place in Hampden between July 1, 2015 and June 30, 2016. I fill the form out with the assessed value, acreage, map and lot, as well as

any special circumstances that may have impacted the sales price (such as estate sale, foreclosure, relative, rent to own, etc.). Once the State reviews this information a Field Representative will make an appointment to visit the assessor's office to review the records. They will verify the information provided on the Turn Around Form; they may check Homestead Exemption Applications, Veteran Exemption Applications or Business Equipment Tax Exemption Applications to ensure that these tax programs are administered appropriately. If the State finds that exemptions were given in error they may withhold any reimbursement that the Town was entitled to. It is important to review this information annually.

Personal Property Tax Request (706) – Annually assessor's request, typically from businesses, that they report their personal property for the purposes of taxation. A request form is mailed to each identified probable holder of taxable personal property at the end of February or the beginning of March each year. There are currently over 250 active personal property accounts. Along with the request is an application form as well as a BETE form. The personal property tax returns are due by May 1st, but an extension may be granted upon request. These forms take quite a bit of time to process as some companies report in excess of 100 items that need to be cross checked with the previous years' listing. The account is then updated with additions and deletions as indicated. The BETE form must be reviewed as explained below.

BETE – Business Equipment Tax Exemption program was put in place for the tax year beginning 04/01/08. It is a 100% property tax exemption program for eligible property that would have been first subject to tax in Maine on or after 4/1/08. An application needs to be filed annually (and is sent with the Personal Property Declaration Request) in order to qualify for the exemption. Most business equipment is eligible, but there are exceptions such as, office furniture, telecommunications equipment, gambling machines and property located at a retail sales facility. Each application submitted needs to be reviewed and either approved and signed or denied with the mailing of a certified letter. We currently have 37 qualifying properties and the current valuation of the exempt property is \$8,380,000. The State reimburses the community 50% of the taxes they would have received, or in Hampden's case, 76,258.00.

BETR – Business Equipment Tax Reimbursement is available for certain equipment that was placed in service in Maine after April 1, 1995 or before April 1, 2007. The filing entity typically will identify what items they will be applying for reimbursement on. Between August 1 and December 31st each year the qualifying party will contact the assessor's office to get a form (801A and 801B) generated and signed by the assessor for submittal to the State of Maine for their reimbursement. They also must show proof of having paid the taxes on the qualifying property along with the 801 form.

Homestead Exemption - The Homestead Exemption is partially funded by the State and partially funded by the Town. Last year (2016/2017) the exemption amount went from \$10,000 to \$15,000 per qualifying applicant/property. The upcoming year brings another increase to \$20,000 per qualifying applicant/property. You can only declare your Homestead Exemption in one municipality. In order to qualify you must fill out an application by April 1 for the upcoming tax bill and answer the questions in the affirmative. You must have owned a home in the State

of Maine for one year on April 1 in order to qualify. We currently have 1819 homestead exemptions granted for the April 1, 2016 tax year (August 2016 billing). We process over 200 applications each year. When a property is sold that is currently receiving a Homestead we have to remove the exemption and pull the application from the active files and refile it in the inactive. When a copy of the tax bill is sent by the collector to new owners a Homestead application is included. We encourage new owners to submit the application even if they will not qualify for a year. We hold it and review the applications and apply the exemption once they qualify.

Veteran Exemption – The Veteran Exemption is available to Veterans that have served during a federally recognized war period, attained the age of 62 and have been honorable discharged from the service. The exemption is also available to veterans that are receiving 100% service related disability and submit the proper documentation from the Veteran’s Administration. The veteran must submit an application along with a copy of the DD214 (discharge paperwork) prior to April 1st in order to qualify for the upcoming tax year. This application only needs to be filed once. These applications are reviewed annually for updating. If a veteran has passed away a new application for widow/widower is mailed to the surviving spouse and attached to the veteran’s paperwork in our file. The disability eligible veterans need to be verified through review of their VA letter and expiration date. Those that have expired will be sent a request to submit an updated verification letter. The majority of Veteran Exemptions are \$6000.00, but we do have two for \$50,000. We currently have 208 qualifying veteran exemptions. These applications are the only confidential information in the assessor’s office. They are not available for public inspection per State Law.

Blind Exemption – The Blind Exemption is not as common as the other exemptions. We currently have two qualifying exemptions in this category. The exemption is \$4,000 and an application along with a letter from an optometrist must be submitted, again, prior to April 1st of the qualifying year.

Tree Growth – The Maine Tree Growth Tax Law provides for the valuation of land that has been classified as forest land on the basis of productivity value, rather than on just value. The applicant’s land must be 10 acres or more of undeveloped land suitable for the production of wood. A Forest Management and Harvest Plan must be developed by a forester and submitted with the application. The “Management Plan” must be updated every ten years. The value of the land is set by the State of Maine, by county, annually. We currently have 29 parcels, consisting of 825 acres, enrolled in the Tree Growth Program. These applications are monitored annually to notify landowners of “Management Plan” updates as needed. If land in Tree Growth is sold the new owner must file a “Management Plan” within one year from the date of purchase or the parcel can be withdrawn, by the assessor, and a penalty (per State Law) assessed. There are a number of scenarios that could trigger withdrawal by the assessor and the owner may also withdraw from the program at any time and pay a penalty.

Farm Land – In the Farmland Tax Law program, the property owner is required to have at least five contiguous acres in their tract of land. The land must be used for farming, agriculture or

horticulture and can include woodland and wasteland. Additionally, the tract must contribute at least \$2,000 gross income from farming activities each year. We currently have 29 parcels consisting of 443 acres enrolled in the Farmland Program. The Farmland program also provides for the Tree Growth classification with a lesser Farmland Penalty if withdrawn.

Open Space – There is no minimum acreage requirement with this program. However, minimum areas and setbacks must be excluded from classification. The tract must be preserved or restricted in use to provide a public benefit. Benefits recognized include public recreation, scenic resources, game management and wildlife habitat. The municipal assessor is responsible for determining the value placed on open space land. In the determination of that value, the assessor must consider the sale price that a particular open space parcel would command in the open market if it were to remain in the particular category or categories of open space land for which it qualifies. If an assessor is unable to determine the value of a parcel of open space land based on the valuation method above, the assessor may use the alternative valuation method. Using this method, the assessor reduces the fair market value of an open space land parcel by the cumulative percentage reduction for which the land is eligible according to certain categories. Those categories are as follows:

- ☑ Ordinary Open Space - 20% reduction
- ☑ Permanently Protected - 30% reduction
- ☑ Forever Wild - 20% reduction
- ☑ Public Access - 25% reduction

We only have one parcel currently enrolled in Open Space.

TAX RELIEF

The following exemptions provide for local property tax relief. Applications are available at your town office or by contacting the Property Tax Division at 207-287-2013.

Veterans. A person must be a ME resident, 62 years or older and have served on active duty during a recognized war period or, be receiving 100% disability compensation for service connected injury.

Homestead. A person must be a ME resident and have owned and resided in that homestead for at least 12 months prior to date of application.

Blind. A person determined to be legally blind by a medical doctor.

Business Equipment Tax Exemption. For businesses that own qualified equipment placed in service after April 1, 2007.

The following Current Use Programs provide for a reduced valuation; however a penalty is assessed upon withdrawal from the program. Applications are available at your town office or by contacting the Property Tax Division at 207-287-2013.

Tree Growth. A parcel of land with at least 10 forested acres which are harvested for commercial purposes.

Farm Land. Property must have a minimum of 5 acres and produce an income from agricultural use.

Open Space. No minimum acreage but the parcel must be undeveloped and provide a public benefit.

Working Waterfront. No minimum acreage but the parcel must be providing access to or in support of the conduct of commercial fishing activities.

The following programs provide for property tax relief as a reimbursement. Please contact the Income Tax Division at 207-626-8465.

Maine Residents Property Tax & Rent Refund. Eligible Maine residents can receive a partial refund of property taxes and/or rent paid on their primary residence.

Business Equipment Tax Reimbursement. Eligible Maine Businesses may receive a rebate of property tax paid on eligible equipment.

FREQUENTLY ASKED QUESTIONS

If we have a revaluation, will my taxes go up?

Not necessarily. A town will raise exactly what they vote to appropriate. A revaluation will not raise any more or any less than that amount.

But what if my taxes do increase?

If you see an increase in your individual tax bill, then most likely you were paying less than your fair share of the overall tax burden the year before. Some tax bills may even decrease.

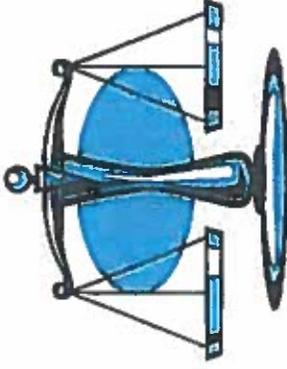
Will we lose Education Funding?

Unlikely. Both the education funding and revenue sharing are based on the town's equalized valuation (state valuation) which is determined by the Maine Revenue Services. A revaluation only solidifies the base for your state valuation.

Do I have to let them into my home?

No. You have a right to deny entrance. However, in the inspection process of the revaluation, the more information made available, the more fair and equalized will be your assessment. It is very important that the inspector review not only the quality of your construction, but also any deterioration or negative influences.

REVALUATIONS



Understanding the Process And the Myths

Maine Revenue Services
Property Tax Division
PO Box 9106
51 Commerce Drive
Augusta, Maine 04332-9106

Tel: 207-624-5600

E-Mail: prop.tax@maine.gov

www.maine.gov/revenue/propertytax

The municipal assessor(s) are the legal officials who validate the valuations for tax purposes.

After the revaluation. Once the taxable values are established, the municipal officials will set a tax rate (mil rate). This is done by dividing the town's net appropriations (as voted) by the town's taxable value.

Each year, the municipal assessor(s) should review the assessment records, make updates for new construction and land splits and monitor sales activity.

Some towns may hire a part time agent or a full time assessor to maintain the records. This will depend on the needs of the town and how much money the voters want to spend.

In 1975, Maine's Property Tax Law added language that required a town to maintain valuations equitably to at least 70%. This allowed a taxpayer to understand their own valuation and relate it to other property values within the town. *Myth:* If a town's assessment ratio falls below 70%, then the State will step in and order a revaluation. This is not true.

Appeal. A taxpayer has the right to legally appeal their tax assessment if they feel that it is unfair or unjust. The first advice, however, is to visit the local assessor(s) and discuss your concerns.



have a revaluation may be due to the lack of an inventory of parcels and building components or due to a change in market value.

During a revaluation. Ordinarily, if a professional firm is hired, they will have a crew that will visit every property within the town and record data such as land acreage and building components including age, dimensions, quality of construction.



Land data will also be collected based on the acreage, topography, improvements, restrictions and covenants.

The firm will review local sales that are considered "arms length" transactions and start creating pricing schedules for land and buildings.

As a result, all properties will have an assessed value for tax purposes typically based on current cost of construction and local market sales.

The information collected and the ownership of the property will reflect the status on April 1st.

In most revaluations, the taxpayer will have the opportunity to review their new assessment and ask the professional firm specific questions. The municipality may hold informational meetings as the revaluation progresses.

A Revaluation is a process which creates a solid base of inventory for tax purposes. The Maine Constitution states that *all taxes upon real and personal estate, assessed by authority of this State, shall be apportioned and assessed equally according to the just value thereof.*

In order to apportion the tax burden equally, the assessor(s) must establish assessed valuations in accordance with just value. Just value is synonymous with market value.

Each year a town votes to raise a certain amount of money in order to provide and pay for local services, such as education, administration, plowing, etc. Some of the town's revenue comes from the State such as Revenue Sharing, reimbursement for tree growth tax loss and education subsidy. Other revenue may come from local service fees or excise tax.

There are several methods in performing a revaluation. A town may opt to make in-house adjustments at little or no administrative cost. There are also professional firms certified to do the job. A thorough revaluation by a professional firm would require a town vote in order to appropriate the money to pay for the process.

A town votes to pay for a revaluation because they recognize the need to equalize the valuations so that no one taxpayer pays more or less than their fair share of the tax burden. The need to

Memorandum

To: Administration and Finance Committee
CC: Angus Jennings, Town Manager
From: Barbara Geaghan, Tax Collector & Motor Vehicle Agent
Date: 3/30/2017
Re: LD 26 and LD 707

Town of Hampden
RECEIVED
MAR 30 2017
Office of the
Town Manager

LD 26: This proposal would drop excise tax by 10% per year, over the next five years.

I have attached documents showing the amount of excise collected at the current rate, and at the proposed 5 year rate. This illustrates that, in the fifth year, excise revenues would be reduced by \$886,000.

The Town of Hampden's current mil rate is 18.2. One mil equates to \$182,000.00 that needs to be raised by real estate and personal property tax bills. The proposed excise tax changes, holding all other expenses and revenues constant, would mean the mil rate will increase by 4.82 per thousand in valuation.

LD 707: This proposal would base excise tax on purchase price. I am unable to find clarity in the proposal. Does it mean that if you receive a vehicle as a gift, you pay nothing for excise tax? Or .06¢ for a vehicle bill of sale that states purchase price was \$1.00?

I have reviewed these proposals with Manager Jennings and we are concerned about how their passage would affect Hampden. If the Committee is in agreement, we would submit comments to next week's public hearing in opposition to these proposals.

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

An Act To Lower the Maine Motor Vehicle Excise Tax

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 36 MRSA §1482, sub-§1, ¶C, as amended by PL 2013, c. 263, §1, is further amended to read:

C. For the privilege of operating a motor vehicle or camper trailer on the public ways, each motor vehicle, other than a stock race car, or each camper trailer to be so operated is subject to excise tax as follows, except as specified in subparagraph (3), (4) or (5): a sum equal to 24 mills on each dollar of the maker's list price for the first or current year of model, 17 1/2 mills for the 2nd year, 13 1/2 mills for the 3rd year, 10 mills for the 4th year, 6 1/2 mills for the 5th year and 4 mills for the 6th and succeeding years. For registration years beginning on or after January 1, 2018, the mill rates specified in this paragraph are reduced as provided in paragraph E. The minimum tax is \$5 for a motor vehicle other than a bicycle with motor attached, \$2.50 for a bicycle with motor attached, \$15 for a camper trailer other than a tent trailer and \$5 for a tent trailer. The excise tax on a stock race car is \$5.

- (1) On new registrations of automobiles, trucks and truck tractors, the excise tax payment must be made prior to registration and is for a one-year period from the date of registration.
- (2) Vehicles registered under the International Registration Plan are subject to an excise tax determined on a monthly proration basis if their registration period is less than 12 months.
- (3) For commercial vehicles manufactured in model year 1996 and after, the amount of excise tax due for trucks or truck tractors registered for more than 26,000 pounds and for Class A special mobile equipment, as defined in Title 29-A, section 101, subsection 70, is based on the purchase price in the original year of title rather than on the list price. Verification of purchase price for the application of excise tax is determined by the initial bill of sale or the state sales tax document provided at point of purchase. The initial bill of sale is that issued by the dealer to the initial purchaser of a new vehicle.
- (4) For buses manufactured in model year 2006 and after, the amount of excise tax due is based on the purchase price in the original year of title rather than on the list price. Verification of purchase price for the application of excise tax is determined by the initial bill of sale or the state sales tax document provided at point of purchase. The initial bill of sale is that issued by the dealer to the initial purchaser of a new vehicle.
- (5) For trucks or truck tractors registered for more than 26,000 pounds that have been reconstructed using a prepackaged kit that may include a frame, front axle or body but does not include a power train or engine and for which a new certificate of title is required to be issued, the amount of excise tax due is based on the maker's list price of the prepackaged kit.

For motor vehicles being registered pursuant to Title 29-A, section 405, subsection 1, paragraph C, the excise tax must be prorated for the number of months in the registration.

Sec. 2. 36 MRSA §1482, sub-§1, ¶E is enacted to read:

E. For registration years beginning on or after January 1, 2018, the mill rates specified in paragraph C are reduced as follows:

(1) For registration years beginning in 2018, the mill rates specified in paragraph C are reduced by 10%;

(2) For registration years beginning in 2019, the mill rates specified in paragraph C are reduced by 20%;

(3) For registration years beginning in 2020, the mill rates specified in paragraph C are reduced by 30%;

(4) For registration years beginning in 2021, the mill rates specified in paragraph C are reduced by 40%; and

(5) For registration years beginning on or after January 1, 2022, the mill rates specified in paragraph C are reduced by 50%.

SUMMARY

This bill reduces motor vehicle excise tax mill rates by 10% each year beginning with 2018 registration years until the rates reach 50% of the current rates in 2022 and subsequent years.

Excise Rate Comparison

The excise tax estimates are based on New Registrations, Re Registrations, New Reg Transfers, and Re Reg Transfers completed between the dates of 01/01/2016 and 12/31/2016.

	Current	Proposed	Vehicle Count	Proposed Rate
Mil Year 1:	395,516.83	410,494.02	538	.024
Mil Year 2:	341,066.76	343,134.12	571	.0175
Mil Year 3:	269,554.06	270,111.09	590	.0135
Mil Year 4:	170,002.46	171,822.50	521	.01
Mil Year 5:	96,066.36	88,823.41	455	.006
Mil Year 6:	453,328.00	455,233.02	4,313	.004
Total Excise:	1,725,534.47	1,739,618.16	6,988	

Excise Rate Comparison

The excise tax estimates are based on New Registrations, Re Registrations, New Reg Transfers, and Re Reg Transfers completed between the dates of 01/01/2016 and 12/31/2016.

	Current	Proposed	Vehicle Count	Proposed Rate
Mil Year 1:	395,516.83	181,281.91	538	.012
Mil Year 2:	341,066.76	166,738.36	571	.00865
Mil Year 3:	269,554.06	132,921.20	590	.00675
Mil Year 4:	170,002.46	83,773.89	521	.005
Mil Year 5:	96,066.36	47,280.84	455	.00325
Mil Year 6:	453,328.00	226,723.09	4,313	.002
Total Excise:	1,725,534.47	838,719.29	6,988	

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

An Act To Base the Motor Vehicle Excise Tax on the Purchase Price of the Motor Vehicle

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 36 MRSA §1482, sub-§1, ¶C, as amended by PL 2013, c. 263, §1, is further amended to read:

C. For the privilege of operating a motor vehicle, including a commercial motor vehicle as defined in Title 29-A, section 101, subsection 17, paragraphs A and B and special mobile equipment as defined in Title 29-A, section 101, subsection 70, or camper trailer on the public ways, each motor vehicle, other than a stock race car, or each camper trailer to be so operated is subject to excise tax as follows, ~~except as specified in subparagraph (3), (4) or (5)~~: a sum equal to 24 mills on each dollar of the ~~maker's list~~ purchase price for the first or current year of model, 17 1/2 mills for the 2nd year, 13 1/2 mills for the 3rd year, 10 mills for the 4th year, 6 1/2 mills for the 5th year and 4 mills for the 6th and succeeding years. The minimum tax is \$5 for a motor vehicle other than a bicycle with motor attached, \$2.50 for a bicycle with motor attached, \$15 for a camper trailer other than a tent trailer and \$5 for a tent trailer. The excise tax on a stock race car is \$5.

- (1) On new registrations of automobiles, trucks and truck tractors, the excise tax payment must be made prior to registration and is for a one-year period from the date of registration.
- (2) Vehicles registered under the International Registration Plan are subject to an excise tax determined on a monthly proration basis if their registration period is less than 12 months.
- (3) ~~For commercial vehicles manufactured in model year 1996 and after, the amount of excise tax due for trucks or truck tractors registered for more than 26,000 pounds and for Class A special mobile equipment, as defined in Title 29-A, section 101, subsection 70, is based on the purchase price in the original year of title rather than on the list price. Verification of purchase price for the application of excise tax is determined by the initial bill of sale or the state sales tax document provided at point of purchase. The initial bill of sale is that issued by the dealer to the initial purchaser of a new vehicle.~~
- (4) ~~For buses manufactured in model year 2006 and after, the amount of excise tax due is based on the purchase price in the original year of title rather than on the list price. Verification of purchase price for the application of excise tax is determined by the initial bill of sale or the state sales tax document provided at point of purchase. The initial bill of sale is that issued by the dealer to the initial purchaser of a new vehicle.~~
- (5) ~~For trucks or truck tractors registered for more than 26,000 pounds that have been reconstructed using a prepackaged kit that may include a frame, front axle or body but does not include a power train or engine and for which a new certificate of title is required to be issued, the amount of excise tax due is based on the maker's list price of the prepackaged kit.~~

For motor vehicles being registered pursuant to Title 29-A, section 405, subsection 1, paragraph C, the excise tax must be prorated for the number of months in the registration.

Sec. 2. 36 MRSA §1482, sub-§4, as amended by PL 2013, c. 263, §2, is further amended to read:

4. Maker's list price. The maker's list price of a vehicle to be used must be obtained from sources approved by the State Tax Assessor, ~~except for a truck or truck tractor described under subsection 1, paragraph C, subparagraph (5).~~ When the maker's list price of a vehicle is not readily obtainable the State Tax Assessor shall prescribe the maker's list price to be used or the manner in which the maker's list price is determined.

A. At the time of payment of the excise tax prior to a new registration for a new passenger vehicle purchased from a motor vehicle dealer licensed in any state for the sale of new passenger vehicles, the owner shall submit the manufacturer's suggested retail price sticker, or a copy of the sticker, to the excise tax collector. In the case of rental and fleet vehicles, other documentation may be provided at the discretion of the municipal excise tax collector.

This paragraph applies only to those vehicles for which a manufacturer's suggested retail price sticker is required by the Federal Government.

SUMMARY

This bill changes the method of computing the excise tax that is levied on motor vehicles and camper trailers registered in the State.

With the exception of certain commercial motor vehicles and buses and special mobile equipment, current law requires that the excise tax be based upon the maker's list price for the motor vehicle; the excise tax on certain commercial motor vehicles and buses and special mobile equipment is based on the purchase price.

This bill requires that the excise tax for all motor vehicles and camper trailers be based upon the purchase price of the vehicle. Either the original bill of sale or the state sales tax document may be used to verify the purchase price.

Memorandum

To: Mayor Ryder & Council

CC: Angus Jennings, Town Manager

From: Barbara A Geaghan, Tax Collector and Motor Vehicle Agent

Date: 3/30/2017

Re: New Registration Policy

I would like to request that the Council vote to rescind the policy that regulates the hours that we register new vehicles.

I do believe that the policy was advisable when the Town of Hampden took on the additional task of issuing license plates. Currently, I see no reason to limit the hours for new registrations.

Thank you for your consideration

**TOWN OF HAMPDEN
IN THE TOWN COUNCIL**

Order 2015-02

Adoption: October 19, 2015

**ORDER ESTABLISHING ELIGIBILITY FOR TOWN ISSUED
LICENSE PLATES, PROCEDURES AND HOURS OF OPERATION**

ORDERED, that, beginning on November 2, 2015, the Town of Hampden shall issue motor vehicle license plates according to guidelines and training by the Maine Bureau of Motor Vehicles.

The Town of Hampden shall only process applications for license plates for documented Hampden residents.

The Town of Hampden shall issue license plates in sequential order, and will not honor requests for plate numbers that are out of rotation.

To ensure access to technical assistance from the Bureau of Motor Vehicles as needed, the Town of Hampden will only process applications for license plates received between the hours of 8:00 AM and 4:30 PM Monday through Thursday.

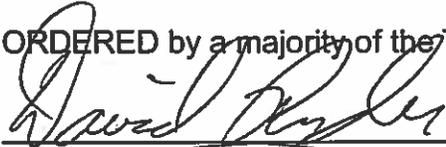
This Order shall remain in effect until rescinded by the Town Council.

Town Clerk:

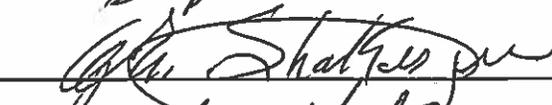


Denise Hodsdon

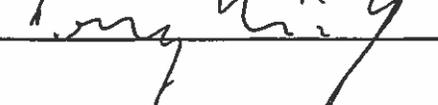
ORDERED by a majority of the Town Council:













Angus Jennings <townmanager@hampdenmaine.gov>

Equity Charter Members: Action May Be Required

1 message

Municipal Review Committee <municipal.review.committee1@gmail.com>

Tue, Feb 7, 2017 at 12:54 PM

Reply-To: glounder@mrcmaine.org

To: townmanager@hampdenmaine.gov



ATTENTION EQUITY CHARTER MEMBERS

ACTION REQUIRED

If your municipality has an ownership interest in PERC, it is known as an Equity Charter Member. As part of a recent settlement between PERC and MRC, all Equity Charter Members have an option to sell their ownership interests back to PERC. To exercise this option, known as the Put Option, action in 2017 at a town meeting or appropriate legislative body may be required.

MRC and PERC are encouraging Equity Charter Members to take advantage of the Put Option to sell the ownership interests. To determine whether your community is an Equity Charter Member and find out your portion of the \$1.5 million ownership interest, click [here](#).

A joint memo from PERC and MRC containing more information about this time sensitive issue is being mailed to Equity Charter Members today. It can also be found [here](#).

If your municipality needs to take legislative action, the MRC has prepared the following Word templates to assist you with the process:

- [Sample Town Warrant](#)
- [Town or City Form of Resolution](#)
- [Regional Association Form of Resolution](#)

THANK YOU FOR YOUR TIMELY ATTENTION TO THIS REQUEST

If you have any questions, please visit our website at www.mrcmaine.org, contact contact Greg Lounder at (207) 664-1700 or glounder@mrcmaine.org or contact a [MRC Board Member](#).

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[Like us on Facebook](#)



Town of Hampden
RECEIVED

FEB 08 2017

Office of the
Town Manager

ATTENTION

ACTION REQUIRED

Your municipality has an ownership interest in PERC and is known as an Equity Charter Member. As part of a recent settlement between PERC and MRC, all Equity Charter Members have an option to sell their ownership interests back to PERC. To exercise this option, known as the Put Option, **action at a town meeting or appropriate legislative body may be required.**

MRC and PERC are encouraging its members to move forward with this option.

To find out your portion of the \$1.5 million ownership interest and how to exercise the Put Option, please read the enclosed memo for more information.

THANK YOU FOR YOUR TIMELY ATTENTION TO THIS REQUEST



Angus Jennings <townmanager@hampdenmaine.gov>

RE: Equity Charter Members: Action May Be Required

1 message

Greg Louder <glouder@mrcmaine.org>
Reply-To: glouder@mrcmaine.org
To: Angus Jennings <townmanager@hampdenmaine.gov>

Tue, Feb 7, 2017 at 1:49 PM

Hi Angus –

The matter of disposition of the existing equity in PERC was not definitively addressed in the Joinder Agreements. Schedule B did discuss the asset being disposed of in the Partnership Agreement, which was amended to implement the terms of the settlement.

When this the matter of disposition of the LP interest arose in the settlement talks, I internally tested the legal theory that the MRC could exercise the put on behalf of all of the Equity Charter Municipalities to avoid a need to act locally, but I was advised otherwise.

In your case, it be straightforward as an council agenda item before this December, 2017, it's the March town meeting forms of government that I feel a bit bad for. I'll be at the 3 PM construction meeting today with Chip.

Hold the phone: Now, as I re-read at pg B-5 of the Joinder Agreement (item 5.), "Municipality hereby affirms its authorization of the MRC to represent its partnership interest for all purposes including, but not limited to, determining the value of PERC Partnership interest"....

I'm left wondering if we created an extra step in the case of Joining Members. I'll check

Greg

From: Angus Jennings [mailto:townmanager@hampdenmaine.gov]
Sent: Tuesday, February 07, 2017 1:13 PM
To: Greg Louder
Subject: Fwd: Equity Charter Members: Action May Be Required

Greg,

I have reviewed these materials and have a question as to whether action is needed if a municipality has signed a Joinder Agreement with MRC for post 2018. Didn't Hampden relinquish its equity in PERC to MRC by virtue of signing

the Joinder Agreement?

Thanks,

Angus

----- Forwarded message -----

From: **Municipal Review Committee** <municipal.review.committee1@gmail.com>

Date: Tue, Feb 7, 2017 at 12:54 PM

Subject: Equity Charter Members: Action May Be Required

To: townmanager@hampdenmaine.gov

█



█

**ATTENTION
EQUITY CHARTER MEMBERS**

ACTION REQUIRED

If your municipality has an ownership interest in PERC, it is known as an Equity Charter Member. As part of a recent settlement between PERC and MRC, all Equity Charter Members have an option to sell their ownership interests back to PERC. To exercise this option, known as

MEMORANDUM

TO: Equity Charter Municipalities
FROM: John Noer, President and General Partner, Penobscot Energy Recovery Company (PERC), L.P.
Greg Louder, Executive Director, Municipal Review Committee (MRC), Inc.
RE: Option to Sell Municipal Interests in PERC
DATE: 6 February 2017

Town of Hampden
RECEIVED

FEB 08 2017

Office of the
Town Manager

As you may have heard, PERC and the MRC have reached a settlement that resolves issues related to the end of their business relationship in 2018. As part of the settlement, PERC and the MRC have defined together a process by which municipalities having ownership interests in the PERC Partnership (known as Equity Charter Municipalities) have an option (the Put Option) to sell those interests back to PERC at a known price and through a defined process. Each Equity Charter Municipality is responsible for making its own decision as to whether or not to sell its ownership interests, and for providing the proper notice to the General Partner of PERC. Both PERC and the MRC encourage all Equity Charter Municipalities to take advantage of the Put Option to sell the ownership interests.

Value of the Put Option

As part of the settlement, the MRC and PERC agreed on a price of \$1.5 million that PERC would pay to buy back all of the ownership interests in the PERC Partnership held by Equity Charter Municipalities. The MRC and PERC also agreed that each Equity Charter Municipality would be able to make its own decision whether or not to sell its ownership interests by exercising the Put Option. To this end, the MRC developed Attachment A to this memorandum, which lists all Equity Charter Municipalities, shows the limited partnership share owned by each Equity Charter Municipality, and shows the share value for each Equity Charter Municipality. The share value is the amount of cash that PERC would pay to the Equity Charter Municipality to purchase the corresponding share. The share values add up to \$1.5 million and are allocated to the nearest penny among all Equity Charter Municipalities pro rata on the basis of the limited partnership ownership shares of each.

Procedure for Exercising of the Put Option

To sell your ownership interests, an Equity Charter Municipality must provide a written notice to the General Partner of PERC of its decision on or before December 15, 2017. That notice must be provided in writing and must comply with the requirements of the PERC Partnership Agreement (which can be provided on request). An Equity Charter Municipality can provide notice directly to the General Partner of PERC, or can provide a written request that the MRC provide the notice. Equity Charter Municipalities are asked to contact the MRC regarding the proper form of notice after their decision has been made.

The MRC and PERC are aware that each Equity Charter Municipality has its own methods, procedures and requirements for making decisions of this type, and that some Equity Charter Municipalities might be required or feel the need to seek approval of the decision through regular or special town meeting, town or city council meeting or other governing body authorized to act for regional associations. We

are also aware that many towns hold their annual town meetings in the spring and would need to act now (in order to avoid the need to hold a special town meeting following the annual town meeting and before the December 15, 2017 notice deadline) on the decision to exercise the Put Option, or would need to delegate decision-making authority to a board that meets regularly or to an appropriate city or town manager or other executive, rather than wait until later in the year. To help support your local decision-making process, the following materials are attached to this memorandum for adaptation as appropriate for local circumstances:

- Sample warrant article for Town meeting approval.
- Sample resolution for passage by a city or town council or regional association board or their designee, a Board of Selectmen or their designee.

Please stay in touch with the MRC and PERC as this process proceeds. In particular, please let the MRC and PERC know with emails to the MRC executive director, Greg Louder (glouder@mrcmaine.org), and to the PERC Plant Controller, Gary Stacey (gstacey@percwte.com) of the following:

- Confirmation that a warrant article on exercise of the Put Option has been submitted for a town meeting vote.
- Results of the town meeting vote.
- Scheduled date of a vote on exercise of the Put Option by a council or board, and any change in the date.
- A proper copy of the notice, if sent directly, or of instruction to the MRC to provide the proper notice to PERC on behalf of the Charter Municipality.
- Questions regarding the Put Option and the process for its exercise.
- Confirmation that the Board of Selectmen or their designee acted on behalf of the town to approve the exercise of the Put Option and has provided notice to the General Partner of PERC with a copy to the MRC.

Payment for the Put Option

The transfer of ownership interests in PERC from the Equity Charter Municipalities to PERC, and the payment for the transfer, would be completed at a financial closing anticipated to be held after December 15, 2017. The MRC will provide technical support to each Equity Charter Municipality in advance of and at the closing. At the closing, each Equity Charter Municipality would assign and convey its partnership interests back to PERC, free and clear of all liens and encumbrances, and would execute documents necessary and appropriate to carry out the terms of the purchase, in exchange for its share of payment as set forth in Attachment A. To the extent possible, all financial closings will occur on the same date for all transfers of ownership interests from all Equity Charter Municipalities that have provided proper written notice of exercise of its Put Option on or before December 15, 2017. The settlement anticipates that such closing and the associated payments will occur on or before April 30, 2018.

Alternatives to Exercise of the Put Option

Both PERC and the MRC encourage all Equity Charter Municipalities to take advantage of the Put Option to sell the ownership interests back to PERC. However, both PERC and the MRC recognize that individual Equity Municipalities may ultimately not exercise the Put Option for any number of reasons. Under the terms of the settlement, the MRC and PERC have agreed to the following terms regarding Equity Charter Municipalities that have not provided proper written notice of exercise of the Put Option on or before December 15, 2017:

- The Equity Charter Municipality can negotiate with the PERC Partnership on its own to agree on the particular terms on which it will remain on as a limited partner of the PERC partnership, provided that such terms would need to be acceptable to the General Partner of PERC in its sole discretion. The MRC will not participate in negotiations between Equity Charter Municipalities that may elect to remain with PERC and the PERC Partnership.
 - The PERC partnership can exercise an option to purchase the ownership interests in the PERC partnership of any Equity Charter Municipality that did not exercise the Put Option and has not agreed to remain on as a limited partner of PERC on terms acceptable to the General Partner of PERC (the Call Option). PERC can exercise this Call Option at any time after January 1, 2018, and before June 30, 2018, provided that the PERC Partnership (i) has already met all payment obligations set forth in the Partnership Agreement regarding payment of Performance Credits and Net Cash Flow to the MRC for the benefit of the Charter Municipalities; (ii) has already met all payment obligations associated with exercise of the Put Option; and (iii) exercises the Call Option for all Equity Charter Municipalities that did not exercise the Put Option and do not have other agreements to remain on as a limited partner of PERC. PERC intends to exercise the Call Option for any Equity Charter Municipality that does not have a waste disposal agreement with PERC for 2018 and beyond.
-
- If the PERC partnership exercises the Call Option, then the PERC partnership and each Equity Charter Municipality as to which the Call Option has been exercised shall have ten days to agree upon a value of the Partnership for the purpose of determining the Call Option price. If agreement is not reached in ten days, then each party shall appoint and pay for a qualified appraiser to make an independent determination of the Call Option price in accordance with the process set forth in the Partnership Agreement. The MRC will not participate in negotiations between Equity Charter Municipalities that may elect to work with PERC directly to determine a Call Option price.

Both PERC and the MRC encourage all Equity Charter Municipalities to exercise the Put Option on a timely basis. Under the Put Option, the Equity Charter Municipalities would receive a known payment amount for the sale of its ownership interests in PERC in a known timeframe. Equity Charter Municipalities that do not exercise the Put Option on a timely basis would either be on their own in retaining or negotiating a sale of their interests with PERC after the Put Process has been completed, or

would need to accept the costs and outcome of a Call Option process that may result in a sale price different than that agreed upon in connection with exercise of the Put Option.

We urge those municipalities that feel the need to seek town meeting approval to act quickly to add a warrant article to the regular town meeting warrant or schedule a special town meeting later in 2017 to allow for more time. Questions on the Put Option exercise process can be directed to Greg Louder, Executive Director, MRC, at 207-664-1700 or glouder@mrcmaine.org.

Attachments

- A Value of the Put Option for each Equity Charter Municipality.
 - B Town Meeting Form of Warrant.
 - C Town/City Council Form of Resolution.
 - D Regional Association Form of Resolution.
-

Attachment A					
Value of the Put Option for each Equity Charter Municipality					
	LP ownership	Share value at		LP ownership	Share value at
Equity Charter Municipality	share	1,500,000.00	Equity Charter Municipality	share	1,500,000.00
Albion	0.115200%	6,770.79	Midcoast SWD	1.232567%	72,443.15
Alton	0.053777%	3,160.70	Mid-Maine SWD	0.729280%	42,862.85
Atkinson	0.016704%	981.76	Milford	0.178976%	10,519.17
Baileyville	0.188154%	11,058.60	Millinocket	0.466113%	27,395.42
Bangor	4.324165%	254,149.36	Milo	0.196676%	11,559.48
Bar Harbor	0.848682%	49,880.61	Monson	0.032485%	1,909.28
Blue Hill/Surry	0.527452%	31,000.57	Mt. Desert area ADD	0.960269%	56,439.05
Boothbay RRDD	0.722256%	42,450.02	Newburg	0.080330%	4,721.33
Bradley	0.068282%	4,013.22	Old Town	0.772617%	45,409.95
Brewer	1.286299%	75,601.20	Orland	0.079493%	4,672.14
Brooks	0.035971%	2,114.17	Orono	0.662183%	38,919.28
Brownville	0.115223%	6,772.14	Otis	0.033372%	1,961.41
Bucksport	0.406500%	23,891.71	Palmyra	0.095658%	5,622.22
Burnham	0.082797%	4,866.33	Parkman	0.025709%	1,511.03
Carmel	0.133851%	7,866.99	Penobscot Co.	0.132932%	7,812.97
Central Penobscot	0.223590%	13,141.32	Pleasant River SWD	0.201455%	11,840.36
China	0.292066%	17,165.95	Plymouth	0.076122%	4,474.01
Clifton	0.047476%	2,790.36	Reed Pt	0.014551%	855.22
Clinton	0.391141%	22,989.00	Rockland	0.850547%	49,990.22
Dedham	0.065330%	3,839.72	Sangerville	0.070695%	4,155.04
Dover-Foxcroft	0.296503%	17,426.73	Searsport	0.207542%	12,198.12
Eddington	0.139017%	8,170.61	Stetson	0.054586%	3,208.25
Enfield	0.116763%	6,862.65	Steuben	0.076527%	4,497.81
Fairfield	0.408549%	24,012.14	Stonington	0.129296%	7,599.27
Glenburn	0.250042%	14,696.02	Thomaston Group	0.550964%	32,382.47
Gouldsboro	0.124736%	7,331.26	Thorndike	0.043315%	2,545.81
Greenbush	0.080853%	4,752.07	Troy	0.033720%	1,981.87
Guilford	0.211599%	12,436.56	Union River SWD	0.048905%	2,874.35
Hampden	0.507683%	29,838.67	Unity	0.113136%	6,649.48
Hancock	0.090230%	5,303.20	Vassalboro	0.229933%	13,514.13
Heron	0.411467%	24,183.65	Veazie	0.116191%	6,829.03
Holden	0.137542%	8,083.92	Verona	0.044567%	2,619.39
Jackson	0.016186%	951.32	Waldoboro Group	0.471227%	27,695.99
Lamoine	0.083018%	4,879.32	Waterville	1.516595%	89,136.67
Lee	0.060512%	3,556.55	Winslow	0.469420%	27,589.79
Levant	0.130044%	7,643.23	West Gardiner	0.185858%	10,923.66
Lincoln	0.599549%	35,238.02	Winthrop	0.461015%	27,095.79
Lucerne	0.033430%	1,964.82		25.521400%	1,500,000.00
Mariaville	0.019156%	1,125.88			
Mars Hill	0.151091%	8,880.25		Truncation factor	0.04%
Mattawamkeag	0.063687%	3,743.15			

David I. Ryder (Mayor, Dist. 4)
Stephen L. Wilde (1)
Dennis R. Marble (2)

TOWN OF HAMPDEN
IN THE TOWN COUNCIL

Terry McAvoy (3)
Gregory J. Sirois (A/L)
Mark S. Cormier (A/L)
Ivan P. McPike (A/L)

Resolution: 2017-01
Adoption: April 3, 2017

Authorizing the Town of Hampden to Exercise the Put Option Set Forth in the Sixth Amended and Restated Agreement of Limited Partnership of Penobscot Energy Recovery Company, Limited Partnership

RESOLVED, by the Town Council of Hampden, Maine, that:

Pursuant to Section 9.3 the Sixth Amended and Restated Agreement of Limited Partnership of Penobscot Energy Recovery Company, Limited Partnership (the "PERC Partnership Agreement"), as an Equity Charter Municipality the Town of Hampden hereby elects to exercise the Put Option described therein whereby the Town of Hampden is electing to require that the Penobscot Energy Recovery Company, Limited Partnership ("PERC") repurchase the Town of Hampden's limited partnership interest in PERC in exchange for a cash payment equal to the Town of Hampden's proportionate share of One Million Five Hundred Thousand Dollars (\$1,500,000), which represents the agreed upon aggregate value of all limited partnership interest held by the Town of Hampden and other similarly situated municipal members of the Municipal Review Committee.

NOW, THEREFORE, BE IT HEREBY VOTED AND ORDERED BY THE TOWN COUNCIL OF HAMPDEN, MAINE:

Angus Jennings, Town Manager or his designee or designees is authorized as a representative of the Town of Hampden to execute and deliver on behalf of the association such documents and to take such further actions as they may deem necessary or appropriate in order to exercise the above-described Put Option and to assign the association's limited partnership interests to PERC as contemplated thereby.

Dated this 3rd day of April, 2017, in Hampden, Maine

Town Clerk:

ORDERED by a majority of the Town Council:

Paula Scott



TOWN OF HAMPDEN

CLERK'S CERTIFICATE OF VOTE OF TOWN COUNCIL

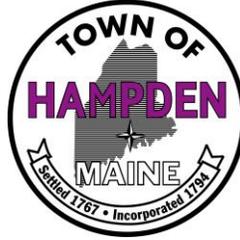
I certify that I am the duly qualified Clerk of Hampden, Maine, and that the foregoing votes were adopted by the Town Council at a meeting of said Council duly called and legally held in accordance with the laws of Maine on April 3, 2017, that the meeting was open to the public and that adequate and proper notice thereof was given in accordance with the laws of Maine, and that such votes have been entered into and become a part of the permanent records of the Town of Hampden and remain in full force and effect and have not been rescinded or amended.

VOTED: Motion by _____, seconded by _____ to approve Manager Jennings to exercise the Put Option and to assign the association's limited partnership interests to PERC – _____

Dated at Hampden, Maine
April 3, 2017

Clerk, Town of Hampden

Town of Hampden
106 Western Avenue
Hampden, Maine 04444



Phone: (207) 862-3034
Fax: (207) 862-5067
Email:
townmanager@hampdenmaine.gov

TO: Finance Committee and Town Council
FROM: Angus Jennings, Town Manager
DATE: March 30, 2017
RE: Draft Memorandum of Understanding with MRC and Fiberight

MRC and Fiberight have proposed a Memorandum of Understanding (MOU) which, if approved by the Town Council, would document terms and conditions for Town contribution of \$167,000 toward Coldbrook Road infrastructure costs. Following the recent Infrastructure Committee meeting, the enclosed MOU edits were sent to MRC.

This memo is to outline the available financing options if the Council approves the MOU.

The current balance in the Emera TIF account is \$69,773. (Up to \$5,000 of that amount has been authorized as matching funds for the broadband grant, though not all of those funds may be needed – and, up to \$2,690 could be authorized from the Dennis Paper TIF toward the broadband grant in order to make \$67,000 available from the Emera TIF). Infrastructure on Coldbrook Road is explicitly included in the Emera TIF agreement (though not in the Dennis Paper TIF) as an eligible purpose for those funds.

Two sources of funds could be made available to pay the balance. The FY18 budget could include \$100,000 in TIF expenses, for this purpose. However, because the FY17 budget does not include any TIF expenses – only those amounts due back to the companies through Credit Enhancement Agreements – this would represent a \$100,000 increase in that budget line. If the Council wishes to fund other TIF-eligible expenses in the FY18 budget, those amounts would be additional. (Holding FY17 values and mil rate constant, the maximum amount that could be raised for non-CEA TIF-eligible expense in FY18, including both Emera and Dennis Paper, is approximately \$144,000).

The second option would be to pay the balance from the Host Community Benefit (HCB) account. The current balance is \$219,238 which could increase or decrease:

- In 2012 the Council authorized \$31,600 toward the Western Ave. sidewalk project. Those funds are not yet fully expended; the project is ongoing. Due to change orders, and paperwork issues from 2012-2015 potentially affecting MDOT reimbursement of incurred Town expenses, those costs may increase).
- On the other hand, the HCB balance could *increase* – by as much as \$265,000 – if the Environmental Trust Committee and Council authorize reimbursement of eligible expenses paid from HCB from FY09 to FY17, before the Trust was reactivated. Work is ongoing to provide backup documentation of those expenses, and the Trust Committee is next scheduled to meet on May 18.

The Finance Committee will be asked to recommend to the Town Council a) whether to approve the MOU and b) if so, which financing approach is preferred.

MEMORANDUM OF UNDERSTANDING

This Memorandum is made by and among the **Town of Hampden, Maine** (the "Town"), **Municipal Review Committee, Inc.**, a Maine nonprofit corporation (the "MRC"), and **Fiberight, LLC**, a Delaware limited liability company ("Fiberight"), for the purpose of evidencing their agreement with respect to a financial contribution to be made by the Town to the construction of a 12" ductile iron pipeline and related infrastructure along the Coldbrook Road within the borders of the Town.

1. Background. Fiberight is planning to construct a waste processing facility (the "Fiberight Facility") on a project site located in the Town off Coldbrook Road (the "Project Site"). The Fiberight Facility will service the waste disposal needs of member municipalities of the MRC, including the Town. The MRC is obligated to provide certain utilities, including a water line, to serve the Project Site. The Town acknowledges that the provision of a 12" diameter water line along Coldbrook Road (the "Line Extension") is consistent with the economic development objectives of the Town, including further development along the Coldbrook Road, and that the Line Extension will further those objectives. Accordingly, the Town has agreed, subject to the conditions specified below, to contribute ~~the estimated funds toward the~~ cost of ~~increasing the service capacity of installing~~ the proposed ductile iron pipe to be laid along Coldbrook Road ~~in connection with the Line Extension from a 6" diameter pipe to a 12" diameter pipe~~ in order to ~~accommodate advance~~ the broader economic development objectives of the Town.

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~~The parties to this Agreement hereby acknowledge for themselves, their successors and assigns, that this Agreement is entered into for the exclusive purpose of memorializing the terms and conditions of a contribution by Town to further the foregoing objectives. The Town's participation in this Agreement shall not support, establish or create any precedent, policy or pattern on its part nor any expectation in MRC or Fiberight or any other party that such a contribution will be made toward this or other infrastructure in the future.~~

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2. Town Commitment. The Town agrees to contribute the amount of \$167,000 toward the estimated cost of the Line Extension (the "Town Contribution"). The Town Contribution shall be made in two installments with \$67,000 to be paid to the MRC on or before May 1, 2017 and the balance to be paid on or before November 1, 2017.

3. Conditions to Town Commitment. The commitment of the Town to make the Town Contribution is subject to the following conditions:

- a. The pipe to be laid must be a 12" ductile iron pipe and must otherwise meet applicable standards of the Hampden Water District.
- b. The MRC shall present to the Town documentation demonstrating the cost of the proposed ~~upgrade from a 6" pipe to a 12" diameter~~ pipe.

c. The MRC agrees that, in the event the Fiberight Facility is not constructed, the MRC nonetheless will proceed to construct the Line Extension and related infrastructure substantially as contemplated hereby, or in the alternative, will refund to the Town the Town Contribution. In the event that the MRC elects not to complete the Line Extension, it shall promptly refund the Town Contribution.

4. **Waiver of Cost Recovery.** In exchange for the Town Contribution, the MRC hereby waives its right to cost recovery pursuant to 65-407 C.M.R. ch. 65, §3(D) in the event that additional customers are connected to the proposed pipe extension.

5. **Recoupment of Funds.** Fiberight agrees that the Town shall be entitled to recoup from Fiberight, or its successor in interest, the Town Contribution through a ~~partial reduction in rebate of tip fees paid to the Fiberight Facility (or successor) or such other appropriate method as the Town and Fiberight may agree upon,~~ such recoupment to occur over a period not to exceed ~~three and a half (3 1/2) five (5) fifteen (15)~~ years to be measured from April 1, 2018. ~~In the event that the Fiberight Facility is not constructed or does not achieve commercial operations prove to be as a viable means of solid waste disposal for MRC member communities, MRC agrees to repay to Town all amounts contributed by Town under Paragraph 2 herein within 3 1/2 five (5) years measured from April 1, 2018, payment being made in 42 up to sixty (60) equal monthly installments.~~

6. **Additional Contributions.** The MRC agrees that it shall not be entitled to any additional contribution of funds from the Town in connection with the Line Extension other than the Town Contribution as described herein. The Town agrees that there will be no further expectation of additional benefit as a result of the Line Extension, Project Site and Fiberight Facility being located within the borders of the Town other than as described herein.

7. **Other Provisions.** Each party agrees that this Memorandum is intended to be contractually binding and hereby represents and warrants that the terms hereof are enforceable against it and that the person executing this Memorandum on its behalf is authorized to do so. This Memorandum may be modified only in a written document signed by the party against which any such modification is to be enforced.

Witness our hands and seals as of this _____ day of April, 2017.

Town of Hampden

Witness

By _____
Its

Print or type name as signed

Municipal Review Committee

Witness

By _____
Its

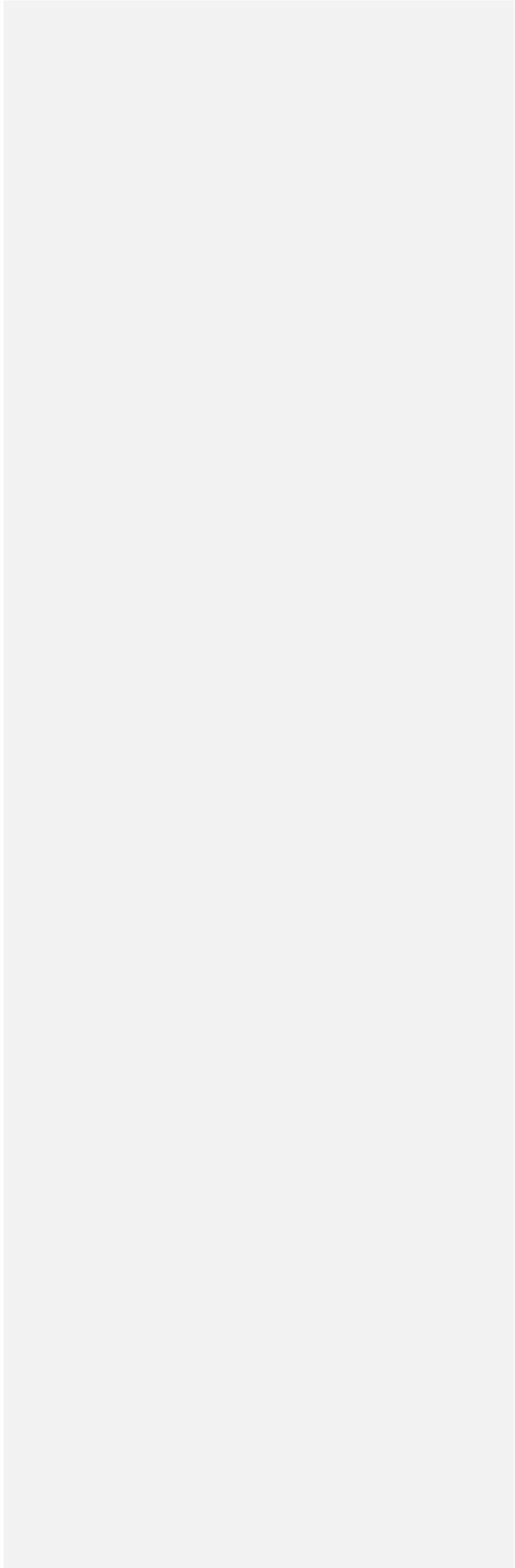
Print or type name as signed

Fiberight, LLC

Witness

By _____
Its

Print or type name as signed





Angus Jennings <townmanager@hampdenmaine.gov>

RE: Update re MOU

1 message

Greg Lounder <glounder@mrcmaine.org>
 Reply-To: glounder@mrcmaine.org
 To: Angus Jennings <townmanager@hampdenmaine.gov>

Wed, Mar 29, 2017 at 10:51 AM

Hi Angus –

I will work to get the town's questions answered by the end of this week.

Greg

From: Angus Jennings [mailto:townmanager@hampdenmaine.gov]
Sent: Wednesday, March 29, 2017 10:20 AM
To: Greg Lounder
Subject: Update re MOU

Greg,

The Council's Infrastructure Committee met on Monday night and reviewed the proposed MOU. They would like to see a couple of revisions which I reviewed with Ed Bearor yesterday; we're finalizing proposed language and will send this to you before noon today. Let me know if you'd prefer that I copy Craig or whether you and I should first review the draft edits then loop in Craig once we're (hopefully) in agreement.

As I'd expected the Councilors are split on which way to go; one member was absent Monday and the 6 in attendance appeared split (though no vote was taken). They were however unanimous in referring it to the Finance Committee for April 3, agreeing that it is properly before that Committee which will get into details such as the source of funds. Upon their referral, it would go to Council for action later that night. There is also a scenario where the April 3 discussion is continued until its next meeting April 18, if the Councilors feel that more information is needed to make a decision.

One question that came up Monday, again, is whether MRC will provide documentation to "demonstrate the need" for Town contribution. This was Item 2 in my Feb 8 memo and I know we've discussed this before, and this was part of what Ed spoke with the MRC Board about at their February Exec Session. The root of the Council's question is two-fold:

1. Which Site Capital Costs exceeded initial budgeting such that the \$5M was not adequate?
2. Based on projected combined balance as of March 31, 2018 of the Custody Account and Tip Fee Stabilization Fund, does the MRC Board have the ability to allocate funds above the \$5M Site Capital Costs "cap" from the additional projected revenue without under-funding other Reserve Funds (and therefore violating the terms of the Joinder Agreements).

This item is not reflected in the proposed MOU edits but is clearly important to them in reaching a decision.

Once I send the proposed MOU edits later today I suggest we connect by phone either this afternoon or tomorrow morning. I can be available at whatever time fits your schedule.

Thanks,

Angus

Angus Jennings
Town Manager

Town of Hampden

*106 Western Avenue
Hampden, ME 04444
(207)-862-3034
townmanager@hampdenmaine.gov*

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Town of Hampden
106 Western Avenue
Hampden, Maine 04444



Phone: (207) 862-3034
Fax: (207) 862-5067
Email:
townmanager@hampdenmaine.gov

Finance 4-1

TO: Finance Committee
FROM: Angus Jennings, Town Manager
DATE: March 30, 2017
RE: RSU-22 budget impact on Town budgeting

There is much uncertainty associated with the RSU-22 Budget for FY18. There are many proposed legislative changes to the school funding formula, and no way of knowing how this will affect Hampden. The four RSU towns and the RSU Administration have jointly communicated our concerns to our elected representatives regarding the tremendous challenges this uncertainty creates for our local budgeting process.

Under the Town Charter my proposed FY18 budget is due to the Council on May 1. It is probable that, at that time, I will not yet know the proposed RSU-22 budget.

During a recent meeting with the four towns, Superintendent Lyons stated that the Administration tries to keep their annual budget increase to 3%, and suggested that, until it is known, this would be a reasonable placeholder to carry in the Town budget.

3% would be an overall increase of \$902,000 on the \$30.1 million RSU-22 budget. Hampden's FY17 costs were \$6,308,862. A 3% increase would add \$189,266 for FY18.

In order to absorb an increase of this amount without increasing the mil rate, and holding all other expenses and revenues level, the total Town valuation would need to increase by \$10.4 million from FY17 to FY18.

The Town's total valuation increased by about \$10.1 million from FY16 to FY17, so this level of growth is not unreasonable. However, it is not realistic to expect that all other expenses and revenues will remain unchanged. County Tax will increase by \$42,000 (5.3%) next year, and there are several areas of municipal operations and infrastructure facing increasing costs. We will realize cost savings in some areas, but not enough.

As you know, from FY09 to FY16 the RSU-22 budget increased by 22% while the taxpayer funded Town budget fell by 2.2%. During that period, Town positions were lost including in the areas of Finance, Public Works and Recreation. The Town's budget did increase in FY17 due primarily to ending the use of one-time revenues (i.e. Fund Balance, which had been substantially depleted), and increasing infrastructure costs (esp. stormwater). Much of our work in FY17 has been toward remediating problems (financial, organizational) that resulted from seven years of Town budget cuts.

In this context, I do not see 3% as a satisfactory goal for RSU-22 budget increases. If the Committee agrees, I will send a letter to this effect to the Administration and Board.