

FINANCE & ADMINISTRATION COMMITTEE MEETING

Monday, June 27, 2016

6:00 p.m.

Hampden Town Office

1. Meeting Minutes – June 13th, 2016
2. Review & Sign Warrants
3. Old Business
 - a. Update on DEP/Chevron consent decree
4. New Business
 - a. Notice of 2015 Assistance to Firefighters Grant and request authorization to use \$818.00 from the Matching Grant Reserve account for turn out gear extractor and dryer
 - b. Request authorization to use up to \$9,051.00 from the Municipal Building Reserve for fuel bid under buy
 - c. Request authorization to use up to \$17,000.00 from the Personnel Reserve fund for unbudgeted personnel expenses
 - d. Authorization to engage the firm of Eaton Peabody as bond counsel and to initiate process to authorize FY17 borrowing of up to \$2,000,000 in Tax Anticipation Note
 - e. Authorization to engage the firm James W. Wadman, CPA for FY16 year-end audit and FY17 audit services
 - f. Request to authorize up to \$2,500.00 from Host Community Benefit account or to otherwise fund insurance coverage for 2016 Children's Day activities
 - g. Discuss Council goals for the 'Rain Garden' at 106 Western Avenue –
Sean Currier, DPW Director
5. Public Comment
6. Committee Member Comments

FINANCE & ADMINISTRATION COMMITTEE MEETING

Monday, June 13, 2016

MINUTES – DRAFT

Hampden Town Office

Attending:

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

*Town Manager Angus Jennings
GIS/IT Specialist Kyle Severance
DPW Director Sean Currier
CEO Myles Block
Fire Inspector Jason Lundstrom
Building Inspector Jared LeBarnes
Resident James Butler*

Chairman Sirois called the meeting to order at 6:00 p.m.

1. **Meeting Minutes – May 16th, 2016** – *There was a motion and a second to approve the May 2, 2016 minutes as written. Approved 7-0.*
2. **Review & Sign Warrants** – *Warrants were reviewed and signed by Committee members.*
3. **Old Business**
 - a. **Status of Dangerous Building Order issued by Town Council on April 19, 2016 for property located at 758 North Main Street – Lt. Lundstrom** *reported that the subject property was jacked up and is more stable than it was, but that the building owner did not seek nor receive a permit for this work. The property owner has now applied for a building permit to shore up the foundation and this included a two-page memo from Plymouth Engineering regarding what work would be needed. Lt. Lundstrom said that either a plan (drawing) stamped by an engineer would be needed, or an engineer would need to complete inspections and sign off that the work was completed according to the plan. In response to a question from the Committee, CEO Block said that the Zoning provides for work to begin within six months of issuance of a building permit, and that the work must be complete within two years.*

Mr. James Butler, the building owner, said that he would like the building permit to be issued and that he will need the Stop Work Order lifted in order to do the work. He objected to the requirement to have plans prepared, noting that plans are expensive.

Lt. Lundstrom said that it has been the department's past practice to require drawings, and that what is being required is not different from what would be required from other applicants. Mr. Butler said he would not be opposed to having Plymouth Engineering look at the work once it's complete. Councilor Marble asked what would be needed for the property to receive a Certificate of Occupancy, and noted that he would like to see progress.

Mr. Butler said he assumed that it would be less costly for Plymouth Engineering to conduct the inspections than it would be to prepare drawings. He asked whether he as the property owner could submit a foundation drawing (instead of the engineer). CEO Block said that this would not meet the requirement because Mr. Butler is not an engineer.

Chairman Sirois said that the property owner has two alternatives: the engineer can provide the drawings as part of the building permit application, or the engineer can conduct the inspections of the work. Mayor Ryder noted that, for a project such as this, inspections would be needed at several different steps of the construction process. Officer LeBarnes agreed and said that he isn't sure that inspections by the engineer would be less costly than preparation of drawings.

Motion by Councilor Sirois seconded by Councilor Wilde that the property owner must either have engineered plans (drawings) prepared as part of the building permit application or that the engineer must undertake inspections of the construction. Motion carried 6-1 (Mayor Ryder opposed).

- b. Update on DEP/Chevron consent decree** – *Manager Jennings noted the article in the recent Bangor Daily News regarding the Chevron consent decree, and said that the Town has communicated to DEP its interest in being a part of any planning process regarding how potential additional funds could be used to enhance the natural environment along the Penobscot River. GIS/IT Specialist Severance reported on his communications with DEP, and noted that it is expected that Trustees will be appointed to oversee use of funds. Councilor Marble asked whether the Town would have the opportunity to appoint a Trustee, and it was agreed that staff would look into this.*

4. New Business

- a. **Appointment of Peter Neal as Harbor Master – referral from Planning & Development Committee – Motion by Councilor McPike seconded by Councilor Wilde to recommend that the Council appoint Peter Neal as Harbor Master. Motion approved 7-0.**
- b. **Designation of one or more members of Council to participate in Town Planner interview process – Councilors McPike, Wilde and McAvoy expressed interest in participating in the interview process for the Town Planner position.**
- c. **Request for authorization to use Information Technology reserve funds in the amount of \$3,295.00 for the GIS Trimble unit – Councilor Sirois asked whether the unit requested for funding was adequate to serve the Town's needs, and GIS/IT Specialist Severance said that it was. (The requested amount is from the GIS – not the IT – reserve). Motion by Councilor Marble seconded by Councilor Cormier to recommend Council authorization of \$3,295 from the GIS Reserve account to purchase a new Trimble GPS unit.**
- d. **Storm Water workshop – Phil Ruck, P.E., Stillwater Environmental Engineering, Inc. presented a Powerpoint slide presentation to the Committee summarizing the stormwater management requirements applicable to the Town of Hampden as a designated MS4 community, and summarized the ongoing work of Town personnel to ensure compliance with the Town's MS4 permit issued by DEP. Mr. Ruck noted that a new statewide MS4 permit was recently issued by EPA for Massachusetts, and that a new permit for Maine is anticipated in the future. As part of his work as a consultant to the Town, Mr. Ruck will keep Hampden apprised regarding any new or modified requirements that may come into effect in the future. Overall, he said that the Town is doing a good job meeting its requirements, and that the recent DEP audit of the Town's stormwater permit compliance was positive. He specifically recognized the work of DPW Director Currier, GIS/IT Specialist Severance, and Code Enforcement personnel. He noted that continued work on GIS mapping will be important to compliance with current and future requirements.**

5. Public Comment – None.

6. Committee Member Comments – None.

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) 862-3034
Fax: (207) 862-5067

Memorandum

TO: Laura J. Rowley, U.S. Department of Justice
Environment and Natural Resources
Division
Environmental Enforcement Section

FROM: Angus Jennings, Town Manager
Town of Hampden, Maine

DATE: June 22, 2016

RE: Chevron Consent Decree
Case: 1:16-cv-00256-DBH

The purpose of this memorandum is to provide comment on the Chevron Consent Decree filed on May 18th, 2016. We respectfully request that if the consent decree is upheld, the Board of Trustees will seek Requests for Remediation Projects. It would be our hope that in doing so, it might afford the Town of Hampden the opportunity for input into ways in which the natural resources along the river may be improved for public use as it relates to the damages caused by the defendant. We will also be pleased to make available through this process our community's local knowledge of the Penobscot River and its natural environment. We look forward to participating.

cc: Scott Whittier, Maine DEP

4-a

**Hampden Public Safety
Fire Department**

To: Hampden Town Council
From: Jason Lundstrom- Lieutenant Hampden Fire Department
Date: June 21, 2016
Re: 2015 Assistance to Firefighters Grant Award

**Town of Hampden
RECEIVED**

JUN 21 2016

**Office of the
Town Manager**

2015 Assistance to Firefighters Grant Award Notification

The Hampden Fire Department has been notified by FEMA that we have successfully secured grant funding for a turnout gear extractor and drying system. This equipment will extract all of the carcinogenic chemicals from our firefighting gear reducing the risk of our firefighters developing cancer. The drying system will dry our turnout gear properly without degrading the protective properties of the material. **The total cost of this project is \$17196. The federal share is \$16,378. The Town of Hampdens share is \$818.** If approved by the council, the \$818 would be funded from the matching grant account. The Fire Department is looking for council approval to move forward with this project as it will be a huge asset to our operation.

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: June 23, 2016
 RE: Request for authorization of expenditure from Municipal Building Reserve

As you know, we locked in reduced pricing for heating oil and diesel last December through Maine Power Options. The term of the current agreement runs from May 1, 2016 to April 30, 2017. The new pricing was based on estimates of usage for town facilities based on amounts used in prior years.

Unfortunately, the previous agreement (for the term 7/16/15 to 4/30/16), executed in February 2015, over-estimated usage during this term. The terms of the contract provide that "If the participant's actual usage is less than 90% of the estimated usage a penalty may apply."

We were recently notified that a penalty would be levied, and we were provided two options: we would be charged a one-time penalty equal to the number of unused gallons times the price differential between prior pricing and current pricing (\$0.53 per gallon for heating oil; \$1.40 per gallon for diesel); or we would be charged the higher pricing going forward until we use the amount estimated in the Feb. 2015 agreement.

The financial cost of the penalty is the same either way; the difference is whether to pay this at once or to incur higher prices over time into the future. Because proposed FY17 budgets are based on the new, lower prices, I recommend that we pay the one-time penalty in the amount of \$6,983 (heating oil) and \$2,068 (diesel), invoices attached.

If this cost were allocated to departments that use these commodities on a proportional basis to use, it would cost as follows:

Facility	Approx. Percent of Town Use	Est. Penalty
Library	5.5%	\$383.92
Town Bldg	30.7%	\$2,142.05
Pool	36.9%	\$2,578.07
Skehan	26.9%	\$1,879.19
DPW (diesel)	100%	\$2,068.00

Because these costs were not budgeted, and because the Fuel lines in each account are already overspent for FY16, I recommend that the total amount of the penalties be absorbed by the Municipal Building Reserve. If the Council agrees, this can be approved on Monday. If not, I can develop an alternate proposal for consideration on July 5, and we will still have time to pay the invoices before they are due.

INVOICE

Customer #:	22950
Payment Terms:	NET 30
Invoice #:	126869
Invoice Date:	2016-06-14
Total Due	\$6,983.00

207-989-4367
www.cnbrown.com

TOWN OF HAMPDEN
106 WESTERN AVE
HAMPDEN, ME 04444

Make Check Payable to: CN Brown Company

Amount Enclosed: \$ _____
Remit To:
CN Brown Company
PO Box 200
South Paris, ME 04281

00000229500000126869000069830000006983009

Customer Name		Delivery/Service Address	Cust #	Invoice #	Inv Date
TOWN OF HAMPDEN			22950	126869	2016-06-14
Quantity	Item Number	Description	Unit Price	TOTAL	
		Contract Buyout	\$6,983.0000	\$6,983.00	

RECEIVED
JUN 21 2016

BY:

Acct. No. _____

DEPARTMENT HEAD SIGNATURE
DATE _____

Sub Total	\$6,983.00
Charges	\$0.00
Tax Total	\$0.00
TOTAL DUE	\$6,983.00

ACCOUNT BALANCE	\$10,154.45	TOTAL DUE	\$6,983.00
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CN Brown Company
PO Box 200
South Paris, ME 04281
207-989-4367
www.cnbrown.com

INVOICE

Customer #:	22950
Payment Terms:	NET 30
Invoice #:	126871
Invoice Date:	2016-06-14
Total Due	\$2,068.00

207-989-4367
www.cnbrown.com

TOWN OF HAMPDEN
106 WESTERN AVE
HAMPDEN, ME 04444

Make Check Payable to: CN Brown Company

Amount Enclosed: \$ _____

Remit To:
CN Brown Company
PO Box 200
South Paris, ME 04281

000022950000126871000020680000002068003

Customer Name		Delivery/Service Address		Cust #	Invoice #	Inv Date
TOWN OF HAMPDEN				22950	126871	2016-06-14
Quantity	Item Number	Description	Unit Price	TOTAL		
		Contract Buyout	\$2,068.0000	\$2,068.00		

RECEIVED
JUN 21 2016

BY:

Acct. No. _____

DEPARTMENT HEAD SIGNATURE

DATE _____

	Sub Total	\$2,068.00
	Charges	\$0.00
	Tax Total	\$0.00
ACCOUNT BALANCE	\$10,154.45	TOTAL DUE \$2,068.00

CN Brown Company
PO Box 200
South Paris, ME 04281
207-989-4367
www.cnbrown.com

Town of Hampden
106 Western Avenue
Hampden, Maine 04444



Finance 4-c
Phone: (207) 862-3034
Fax: (207) 862-5067
Email:
townmanager@hampdenmaine.gov

TO: Finance Committee and Town Council

FROM: Angus Jennings, Town Manager

DATE: June 23, 2016

RE: Request for authorization of expenditures from Personnel Reserve

Two categories of unbudgeted expenses have been incurred as a result of personnel changes this spring: funds have been committed toward a separation agreement with the Community & Economic Development Director, who resigned his position effective June 30; and, the former Town Clerk Denise Hodsdon has worked (and will work during the last week of June) select shifts in order to provide office coverage during gaps that have resulted from short-staffing in the Planning and Economic Development Offices during the period of time that the CEDD has been on paid administrative leave. This request is to authorize Personnel Reserve funding up to \$17,000.00. This amount is inclusive of the payout of accrued vacation, comp and 25% sick time to the CEDD, as required for departing employees in good standing pursuant to our Personnel Rules and Policies Ordinance. It also provides for additional office support to assist in the financial closeout of the fiscal year.

Daniel S. Pittman
dpittman@eatonpeabody.com

Eaton Peabody

Attorneys at Law

Finance 4-d

80 Exchange Street, P.O. Box 1210
Bangor, Maine 04402-1210
Phone 207-947-0111 Fax 207-942-3040
www.eatonpeabody.com

May 19, 2016

Town of Hampden
RECEIVED

MAY 24 2016

Office of the
Town Manager

Angus G. Jennings, Town Manager
Town of Hampden
106 Western Ave.
Hampden, ME 04444

Re: 2016 \$2,000,000 Tax Anticipation Note

Dear Mr. Jennings:

Thank you for choosing me and Eaton Peabody to act as bond counsel in connection with this public financing transaction. This is to confirm our agreement with regard to the terms and conditions of this representation, including our fees and the associated costs.

Based upon: (i) our current understanding of the terms, structure, size and schedule of the financing; (ii) the duties we will undertake pursuant to this letter; (iii) the time we anticipate devoting to the financing; and (iv) the responsibilities we assume, we have agreed to perform the responsibilities described below for a price of \$2,250. That fee may vary: (i) if the principal amount of the Note actually issued differs significantly from the amount stated above; (ii) if material changes in the structure of the financing occur; or (iii) if unusual or unforeseen circumstances arise which require a significant increase in our time or responsibility. If, at any time, we believe that circumstances require an adjustment of our original fee as estimated, we will consult with you. In addition, we will expect to be reimbursed for all out-of-pocket expenses, including travel costs, photocopying, deliveries, long distance telephone charges, filing fees, and other necessary office disbursements.

Let me describe the role we will serve and responsibilities we will assume as bond counsel in connection with the issuance of the Note ("Note").

Bond counsel is engaged as a recognized expert whose primary responsibility is to render an objective legal opinion with respect to the authorization and issuance of the Note. As bond counsel, we will: examine applicable law; prepare bid requests for lenders if you ask us to; prepare authorizing and operative documents; consult with the parties to the transaction prior to the issuance of the Note; review certified proceedings; and undertake such additional duties as we deem necessary to render the opinion.

Subject to the completion of proceedings to our satisfaction, we will render our opinion that:

1. The Note when authenticated by the Bank will be a valid and binding general obligation of the Issuer.
2. The interest on the Note is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; it should be noted, however, that for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted net book income (adjusted current earnings for taxable years beginning after December 31, 1989). The opinions set forth in the preceding sentence are subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986 (the "Code") that must be satisfied subsequent to the issuance of the Note in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Issuer has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Note in gross income for federal income tax purposes to be retroactive to the date of issuance of the Note.
3. The Note is a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code, and, in the case of certain financial institutions (within the meaning of Section 265(b)(5) of the Code), a deduction is allowed for 80 percent of that portion of such financial institutions' interest expense allocable to interest on the Bonds.

The opinion will be executed and delivered by us in written form on the date the Note is exchanged for its purchase price and will be based on facts and law existing as of its date. Upon delivery of the opinion, our responsibilities as bond counsel will be concluded with respect to this financing; we do not undertake (unless separately engaged) to provide continuing advice to you or any other party concerning any actions necessary to assure that interest paid on the Note will continue to be excluded from gross income for federal income tax purposes.

In rendering the opinion, we will rely upon the certified proceedings and other certifications of public officials and other persons furnished to us without undertaking to certify the same by independent investigation.

As bond counsel, we do not advocate the interests of the issuer of the Note or any other party to the transaction. We assume that the issuer will be represented by its counsel and that other parties to the transaction will retain such counsel as they deem necessary and appropriate to represent their interests in this transaction.

As bond counsel, we will not assume or undertake responsibility for the preparation of an official statement or any other disclosure document with respect to the Note, nor are we

responsible for performing an independent investigation to determine the accuracy, completeness or sufficiency of any such document.

We anticipate the following schedule for this bond closing:

- July 20 EP prepares bid letters requesting bids no later than August 8. EP sends bid letters to Town for review.
- July 25 Town comments; EP forwards bid letters to banks via e-mail. Town forwards signed bid letters via regular mail.
- July 28 EP prepares draft Notice of Meeting for publication and posting, forwards to Town for review and comment.
- August 1 Town comments on draft Notice; EP arranges for August 8th publication in the *Bangor Daily News*.
- August 5 EP forwards draft documents to Town for review and comment.
- August 8 Notice published in the *Bangor Daily News*.
- August 8 Town posts Notice of Meeting in two public places.
- August 8 Bids due; Town informs EP of winning bidder, comments on draft documents.
- August 10 EP sends final documents to Selectmen for execution.
- August 15 Selectmen meet, sign documents, return to EP.
- August 22 Closing; funds available.

If, for any reason, the financing is not consummated or is completed without the rendition of our opinion as bond counsel, we will expect to be compensated at our normal blended hourly rates for time actually spent by lawyers and paralegals, plus out-of-pocket expenses. Our fee is usually paid at closing, unless there is a substantial delay in completing the financing, in which case we will render progress invoices based on the estimated percentage of work completed.

Ordinarily we will not commence representation until we have received a signed copy of this letter. However in the event that we have commenced our work due to the exigencies of the case in reliance on your agreement to engage us, you are responsible to pay all fees and expenses earned and incurred on your behalf prior to signing this letter. All such work, all fees and expenses incurred will be subject to this engagement letter.

Town of Hampden
May 19, 2016
Page 4

Please review this letter and if you understand and agree with the terms of engagement, please return a copy of the signature page signed by an authorized person via e-mail, facsimile or mail. Please keep the original of this letter in your file as a permanent record of our agreement.

Sincerely,

Dan S. Pittman

DSP/kd
Enc.

I have read and understand this letter and agree to engage Eaton Peabody on the terms and conditions set forth therein.

Town of Hampden

DATE: _____

By: _____
Its _____, duly authorized



STANDARD TERMS AND CONDITIONS

1. SCOPE OF ENGAGEMENT

You have engaged Eaton Peabody (the "Firm") to represent you and perform the services listed in the engagement letter accompanying these Terms. One of the purposes of the engagement letter and these Terms is to provide you and this office with a clear and understandable statement of the scope and terms of your engagement of us and to foster a cooperative and professional relationship between attorney and client. These terms will apply except to the extent specifically modified in the engagement letter or other writing.

2. RATES AND CHARGES

Eaton Peabody strives to provide all legal services in an efficient and cost effective manner, and we will bill you in an amount which, in our judgment, reflects the fair value of the services rendered. Where appropriate we will bill a fixed fee amount for a discrete task. In the performance of drafting and negotiation of complex instruments and transactions it is often impossible to fix a fee for that service and we will bill based upon time and other relevant factors. All attorneys and certain other Firm personnel record their time. Each is assigned an hourly rate for a particular project. Rates may vary depending on the person working on the project and on the nature of the services required. Often, fees are based primarily on time devoted to a matter. Current hourly rates for those actively working on your project are available upon request. Rates are subject to periodic adjustment without notice. In addition to hours devoted to a matter, we may also consider, where appropriate, such factors as the nature of the services performed, any special expertise required, the size of the project, the level of responsibility assumed, special time deadlines imposed for completion of work, the result obtained and other relevant circumstances. Time charges include all work performed on a project such as conferences, telephone calls, email and other correspondence, and review and preparation of documents and travel.

In addition to fees for services, you also are responsible for payment of costs incurred by the Firm in connection with the services performed including travel expenses, photocopy and facsimile charges, filing fees and telephone charges. We reserve the right to request advance payment of any significant disbursements.

3. FIXED FEES AND ESTIMATES

Certain routine services, such as certain business entity formation, annual corporate maintenance and filings, are billed on a fixed fee basis. If applicable, those fees will be explained to you at the time of our engagement. Fixed fees normally are payable in advance.

Our engagement letter may set forth an estimate of charges to be incurred in connection with the matter described in the letter. While our estimate is a good faith projection of the range of fees likely to be incurred in rendering the described services, unforeseen contingencies may arise in connection with any matter, and there can be no assurance that our estimate will prove

accurate. The final cost may be more or less than the estimate. If at any time it appears that we will substantially exceed our fee estimate, we will consult with you and will provide a revised estimate before proceeding.

4. ADVANCES

It is our general practice to require that a retainer be paid before services are performed. The amount of the retainer required will vary from case to case but generally represents an estimate of fees likely to be incurred in the first billing period, which normally is monthly. We also reserve the right to require direct payment in advance of significant disbursements such as for engagement of outside consultants or for travel expenses. Amounts on retainer are credited against disbursements and services as they are incurred. Unless you have expressly agreed that your retainer is to be nonrefundable, any amount remaining on retainer at the conclusion of a matter will be refunded to you or credited to your account on any other pending matter as to which you have engaged us. The requirement of a retainer may be waived for existing clients with a good credit history or in other unusual circumstances.

5. ACCOUNTANT AND EXPERTS

If, in our opinion, it is advisable for you to engage an accountant, consultant or other expert, and you have not engaged such an expert we will recommend such an expert to you. If we are to engage the services of the expert on your behalf we will obtain your consent prior to engaging his or her services. You will be independently responsible for his or her charges unless other specific arrangements are made.

6. BILLING

Unless other arrangements have been made, we bill on a monthly basis. Retainer payments are applied against monthly billings. We request payment for all services and expenses within thirty days from the date of our monthly statement and reserve the right to charge a late fee for balances not paid within thirty days. While we will work diligently to perform the services as to which we have been engaged, we cannot guarantee results. Accordingly, unless your engagement letter expressly states otherwise, payment for our services is not contingent on the successful conclusion of any transaction or other matter.

7. INSURANCE

It is possible that you may have insurance policies relating to the subject of our engagement. You should provide us with copies of all applicable insurance policies and, if coverage may be available, we will, either notify the insurance company about the matter as soon as possible or urge you to do so. We do not undertake any responsibility to advise you on the existence, applicability, or availability of insurance coverage for any of the matters handled by us unless you have provided us with copies of your policies of insurance and expressly requested our advice on potential coverage under those policies. If an insurance company undertakes the payment of any portion of our statements, you will still remain responsible for any amounts not paid by the insurance company.

8. WITHDRAWAL

We reserve the right to withdraw from representing you at any time and for any reason. In addition, while we endeavor to identify conflicts of interest at the outset of an engagement, in the event a conflict is discovered or arises after our engagement, we may be required to withdraw from representing you as a matter of professional responsibility. You will remain responsible for payment of our fees up to the date of our withdrawal. In the event we withdraw, we will provide you with sufficient notice so that you will have the opportunity to employ other counsel.

9. CONFIDENTIALITY AND ATTORNEY-CLIENT PRIVILEGE

In instances in which Eaton Peabody undertakes to represent a corporation or other business entity, its professional obligations are owed to that entity and not to its shareholders, officers, directors, managers or members in their individual capacities. Any such person who feels the need for separate individual counsel is encouraged to seek such counsel from other sources.

Communications between our clients and representatives of the Firm are regarded as strictly confidential. Any such communications made in the context of the attorney-client relationship may also be legally privileged. You should be aware, however, that communications between you and this Firm, including but not limited to email communications, which are shared or otherwise made available to third parties are not privileged, and we may later be legally required to divulge such communications. In addition, conversations between us and shareholders, officers, directors, managers, members or employees of a client are not privileged as to, and may be disclosed to, other shareholders, officers, directors, managers, members or employees of that client.

10. INQUIRIES

Any attorney-client relationship is one of mutual trust and confidence. We do our best to see that our clients are satisfied not only with our services but also with the reasonableness of the fees and disbursements charged for those services. Whenever you have any questions or comments regarding our services, or the status of your file(s), or whenever any new facts or considerations come to your attention, you should contact the attorney who is principally responsible for your matter. We also encourage you to inquire about any matter relating to our fee arrangements or monthly statements that are in any way unclear or appear unsatisfactory.

11. FILE RETENTION AND DESTRUCTION

At the completion of the case or matter, we may return your file to you for safekeeping. Otherwise, your file will be retained for a reasonable time period established by Firm policy after which it will be destroyed. If you want us to keep your file for a longer period of time or if you are at all concerned that the documents and materials in your file might be destroyed over time, please request your file at the completion of the case or matter.

12. OTHER SERVICES AND FUTURE ENGAGEMENTS

We look forward to representing you in this matter and others. We are a full service law firm and offer an array of legal services. We also offer legislative, economic development and other services through our affiliate, Eaton Peabody Consulting Group. We would be happy to discuss with you how we might serve your other legal needs. Please note that although our engagement letter may apply to your representation on a particular matter, if you engage us in any other matter, the letter and these Terms will apply unless specifically modified.

13. EMAIL COMMUNICATIONS

E-mail communication is common, efficient, convenient, and cost-effective. However, the security and confidentiality of e-mail is difficult to assess and can be compromised. If you send us e-mail messages, we will assume that you have investigated and are satisfied with the security and confidentiality of the e-mail address(es) and system(s) from which you send them and that you accept the risks of harm resulting from unintended or unwanted disclosure of messages that you send to us or that we send to you using such e-mail address(es) and system(s). Therefore you and we agree that, by sending e-mail message(s) to us, you are authorizing and directing us to communicate with you by e-mail to the address(es) used by you on all matters related to the representation, including sensitive and private information and opinions.

James W. Wadman**CERTIFIED PUBLIC ACCOUNTANT**

James W. Wadman, C.P.A.
 Ronald C. Bean, C.P.A.
 Kellie M. Bowden, C.P.A.
 Wanese L. Lynch, C.P.A.
 Amy E. Atherton, C.P.A.

June 15, 2016

Town of Hampden
 106 Western Avenue
 Hampden, ME 04444

Town of Hampden
 RECEIVED
 JUN 20 2016
 Office of the
 Town Manager

We are pleased to confirm our understanding of the services we are to provide the **Town of Hampden** for the fiscal year ended June 30, 2016. We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements, of the **Town of Hampden** as of and for the fiscal year ended June 30, 2016. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the **Town of Hampden's** basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedure to **Town of Hampden's** RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Required Supplementary Information.

We have also been engaged to report on supplementary information that accompanies **Town of Hampden's** financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole:

- 1) Schedule of expenditures of federal awards (if applicable).

Audit Objectives

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph above when considered in relation to the financial statements as a whole. The objective also includes reporting on (if applicable) —

- Internal control related to the financial statements and compliance with the provisions laws, regulations, contracts and grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with Government Auditing Standards.
- Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR 200 (Uniform Guidance).

The Government Auditing Standards report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with generally accepted auditing standards generally accepted in the United States of America; the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States (if applicable); the Uniform Guidance (if applicable), and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit. Our reports will be addressed to **Town of Hampden**. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements or the Uniform Guidance compliance opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue reports, or may withdraw from this engagement.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, Government Auditing Standards do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and Governmental Auditing Standards. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal awards programs; compliance with laws, regulations, contracts and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Controls

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to Government Auditing Standards.

As required by the Uniform Guidance (if applicable), we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, Government Auditing Standards, and the Uniform Guidance.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the **Town of Hampden's** compliance with provisions of applicable laws, regulations, contracts and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to Government Auditing Standards.

The Uniform Guidance (if applicable) requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the Uniform Guidance Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of the **Town of Hampden's** major programs. The purpose of these procedures will be to express an opinion on the **Town of Hampden's** compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Other Services

We will also prepare or assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of **Town of Hampden** in conformity with U.S. generally accepted accounting principles and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under Governmental Auditing Standards and such services will not be conducted in accordance with Governmental Auditing Standards.

Management Responsibilities

Management is responsible for (1) establishing and maintaining effective internal controls, including internal controls over compliance, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations and provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities also include identifying significant vendor relationships in which the vendor has responsibility for program compliance and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings should be available for our review on June 30, 2016.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed,

the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Audit Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

We understand that for audit procedures performed at your offices, financial personnel will be present during the entire duration of our fieldwork.

At the conclusion of the engagement, we will complete (if applicable) the appropriate sections of the Data Collection Form that summarizes our audit findings. We will provide copies of our reports to management; however, it is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal clearinghouse. We will coordinate with you the electronic submission and certification. If applicable, we will provide copies of our report for you to include with the reporting package you will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audits.

We will provide copies of our reports to the Town; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of the audit firm and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to town or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of the audit firm personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release or for any additional period requested by the entity. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. The audit fee is based on anticipated continued employment and cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to the **Town of Hampden** and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

James W. Wadman, CPA

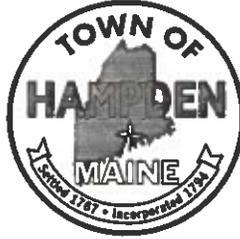
James W. Wadman, C.P.A.

RESPONSE:

This letter correctly sets forth the understanding of the **Town of Hampden**.

By: _____
Title: _____
Date: _____

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: June 24, 2016

RE: Request for authorization to fund costs for insurance for Children's Day

We have been working with the leadership of the Children's Day non-profit to determine the best approach to provide insurance coverage for the August 20 event. The Parade will be covered by our insurance (see attached), but additional commercial insurance coverage will be needed. A representative for Children's Day will attend Monday's meeting to review options for coverage. It is my understanding that out-of-pocket costs to the organization are not expected to exceed about \$2,500.00. It will be my recommendation that the Council authorize reimbursement for an agreed expense out of the Host Community Benefit fund. Though the fund is substantially depleted, there is more than enough money to cover this expense, and it is the type of expense contemplated when the HCB was established.

Alternatively, because this cost will be incurred in FY17, an amount could be added to the proposed FY17 expense budget.



Memorandum

TO: Angus Jennings, Town Manager
FROM: Paula Scott, Town Clerk
DATE: June 23, 2016
RE: Insurance coverage for Parades

In speaking with Marcus Balou, senior underwriter at MMA Risk Management regarding insurance coverage for the Children's Day, or any other parade, I was told that there are no exclusions for parade coverage under our general liability policy. Risk Management does, however, caution that in order to minimize liability exposure, there should be a broad scope of decision making by the policy holder which in this case would be the Town of Hampden.

The first thing to do is to establish rules. Suggested rules to follow (based on industry wide claims history) are as follows:

- Establish a cut off for signing up for the parade. This is important when you have to manage the rules that are implemented for parade participation.
- Route selection should be as straight and as flat as possible. This alleviates the possibility of antique vehicles rolling from stops on hills and also minimizes the potential for large floats to upturn on curves.
- Industry standards for vehicles in a parade are to follow "rules of the road". All persons riding in a parade vehicle should be seat belted. All motorized vehicles in the parade, whether pulling a float, an antique car, tractor, 4 wheeler, motorcycle, etc should provide proof of insurance. (Many homeowner policies will allow an endorsement for this type of activity if not covered under a vehicle policy.)
- No candy should be thrown from motorized vehicles or floats being pulled by vehicles *at all*. The accepted practice now is to have "walk along" participants that will walk beside the float and pass out candy. There should be no person sitting on the side of a flat bed with their legs hanging over as there have been instances of feet getting caught in wheel wells.
- Location in the line-up is very important. You do not want to put loud vehicles or bands behind animals that may spook. Crowd control is very important when it comes to animals as well, and often walkers will be near the animals to prevent anyone from coming out of the crowd to touch an animal.
- Document your rules for parade participation and make sure that all entrants receive a copy.

Finally, remember that risk management is exactly that; simply an effort to reduce the risk of exposure and that a simple, common sense approach can help to accomplish that. While you are at it, though, don't forget to have fun! After all, who doesn't love a parade?



TOWN OF HAMPDEN
DEPARTMENT OF PUBLIC WORKS

106 WESTERN AVE.
HAMPDEN, ME 04444

TEL 862-3337

FAX 862-3910

June 22, 2016

To: Angus Jennings
From: Sean Currier
Subject: Rain Garden at the municipal building

As previously discussed, the existing 'rain garden' in the front of the property located at 106 Western Avenue (Municipal Town Office) has become overgrown and unsightly.

The garden was previously put in with some donations and public volunteer work to help stormwater treatment for the municipal building. I do not believe there is any permit requirement to have the treatment in place.

Public works would like direction on making the area more presentable for the front lawn of the Town Office. If you wouldn't mind reviewing with Council or Infrastructure, please provide some direction as to extent of work requested. The first of two possible solutions would be to simply remove any rocks from the area and mow it, or the second would be to completely fill in the 3 detention areas and cover with loam and seed.

Thank you for any direction provided.

Sincerely,

Sean Currier