

FINANCE & ADMINISTRATION COMMITTEE MEETING

Tuesday, February 18, 2014

5:30 p.m.

Hampden Town Office

1. Meeting Minutes
 - a. January 21, 2014 – Revised
 - b. February 3, 2014
2. Review & Sign Warrants
3. Old Business
 - a. Penobscot Valley Refuse Disposal District – Consent Ballot & District Dissolution
4. New Business
 - a. Maine Service Centers Coalition – Request to Rejoin
 - b. Request to Use Computer Reserve Funds for Upgrade to Network Equipment
 - c. Arbitrage and Use of Proceeds Policy
5. Public Comment
6. Committee Member Comments

1a

-DRAFT-
FINANCE & ADMINISTRATION COMMITTEE MEETING MINUTES
Tuesday, January 21, 2014

Attending:

Mayor Carol Duprey	Councilor Jean Lawlis
Councilor David Ryder	Town Manager Susan Lessard
Councilor Greg Sirois	Residents
Councilor Ivan McPike	
Councilor William Shakespeare	
Councilor Tom Brann	

The meeting was opened at 6 p.m. by Mayor Duprey.

1. Review & Sign Warrants – Warrants were reviewed and signed by Committee members. Mayor Duprey asked if the Town purchased refurbished ink cartridges for its printers because they were much cheaper than new ones. The Town Manager will check on this and report back.
2. Financial Statements – December 2013 – The Town Manager presented the financial statements for the year through 12/31/2013.
3. Old Business
 - a. Town Council Rules – Review - Prior to discussion of the Rules, Councilor Brann objected to this item being on the agenda because it had not been referred to the Finance & Administration Committee by the Town Council and because he believed that discussion of the rules of the Council should take place in Council Meetings that are broadcast to the public so that more people can view the discussions and not in a Committee session which is not broadcast. Mayor Duprey had prepared some proposed rule changes that she distributed to all councilors. Discussion continued between councilors as to whether or not the rules should be discussed in Committee or in an open Council meeting. Public Comment was received from Cindy Philbrook, Western Avenue, and Lisa Carter, Western Avenue in regard to actions taken in 2011 by former Mayor Hughes to discuss/read rules for meeting conduct after being sworn in as Mayor. Review of the record indicates that Former Mayor Hughes read a set of rules for the operation of meetings after being sworn in as Mayor in 2011. These were not the Council Rules under which the Town Council operates, but a set of guidelines that she had prepared. Public Comment was also received from former Mayor Hughes who disagreed with the portrayal of her actions in 2011. The matter was tabled on a 4-3 vote of the Council (Lawlis, Brann, Shakespeare opposed).
4. Real Heroes Breakfast –
 - a. Councilor Shakespeare introduced the item for the purpose of determining whether the Committee supported the Town sponsoring a table for \$750 for this event. Councilor Sirois stated that he felt that the

Red Cross was a worthwhile organization and would be attending for his business affiliation but that since the Town had restricted funding local organizations due to budget issues that he could not support the Town funding participation. Motion by Councilor Shakespeare, seconded by Councilor Ryder not to sponsor a table at the Real Heroes Breakfast. Unanimous vote in favor. Mayor Duprey encouraged others to attend the breakfast and to support the Red Cross.

5. New Business

- a. Kids Korner Fees – Employees – The Town Manager discussed the long-term practice of Town Employees who live in Hampden being allowed to send their children to Kid's Korner at no cost with the Committee. At the present time there are two employees who utilize this benefit. Included in the packet was a memo from the Kid's Korner Director outlining the revenue cost to the Town for the benefit at the present time. The revenue loss for the two current 'spots' filled by the children of employees is approximately \$3500 per child. In consideration of the fact that the Town has now also taken on the Skehan Center and proposes to fund that operation solely from revenues, the question is whether or not the Town should continue this practice. While there are currently two – the possibility exists that more employees with young children may wish to take advantage of the benefit. Resident Janet Hughes suggested that the Committee should meet with the Acting Recreation Director to discuss this before making changes. Motion by Councilor Lawlis, seconded by Councilor Ryder to recommend that the employee discount be discontinued but that they should be allowed to enroll without going through the waiting-in-line process. Vote 2 – 5. Motion failed. Motion by Councilor Lawlis, seconded by Councilor McPike to discontinue the employee discount for Kid's Korner for employees. Mayor Duprey abstained. Vote 4-2. Further discussion of implementation will be held at a future Finance Committee meeting.

6. Public Comment – Lisa Carter, Western Avenue stated that she objects to the harassment and intimidation by Councilor Brann of the Mayor during the item on Council Rules. Further, that the public has better things to do than come to a meeting expecting to discuss an agenda item and have it be put off. Terry McAvoy stated that the employee benefit for kid's korner should be treated as taxable income. Alex King offered that the Kid's Korner employee benefit was long-standing practice and should be implemented in the next fiscal year to allow participants sufficient time to find alternate child care.

7. Committee Member comments – None

Motion by Councilor McPike, seconded by Councilor Sirois to adjourn at 6:58 p.m.
Unanimous vote in favor.

Respectfully submitted,

Susan Lessard
Town Manager

FINANCE & ADMINISTRATION COMMITTEE MINUTES

Monday, February 3, 2014

Attending:

Mayor Carol Duprey	Councilor Tom Brann
Councilor Greg Sirois	Councilor Jean Lawlis
Councilor Ivan McPike	Public Works Director Chip Swan
Councilor David Ryder	Town Manager Susan Lessard
Councilor William Shakespeare	Residents

The meeting was opened at 5:50 p.m. by Mayor Duprey.

1. Meeting Minutes
 - a. January 21, 2014 – Tabled during subsequent Council Meeting due to concern over accuracy over documentation of public comments related to Item 3a. Minutes will be amended and brought back at a future meeting.
2. Review & Sign Warrants – Warrants were reviewed and signed by members of the Finance & Administration Committee.
3. Old Business
 - a. Town Council Rules – Tabled at 1/21/2014 Meeting - This item was not removed from the table for discussion; however there was discussion about whether tabled items should appear on agendas until they had been removed from the table for discussion at a subsequent meeting.
4. New Business
 - a. Julie Johnston – Application for Reappointment to Board of Appeals – Motion by Councilor McPike, seconded by Councilor Ryder to recommend reappointment of Julie Johnson to the Board of Appeals. Unanimous vote in favor.
 - b. Attorney Attendance at Council Meetings – Mayor Duprey – Mayor Duprey discussed information provided by the Town Manager on the cost of having the Town Attorney at all Council meetings. She feels that the Town could save money by just having the attorney there when requested for specific agenda items. Councilors Lawlis, Brann, and Shakespeare feel that the Town gets value from having him in attendance at all meetings. Public comments were received from Representative Brian Duprey who said that two citizens had expressed concern over this topic so it was brought forward by his wife, Mayor Duprey. He offered that costs could be saved by limiting attorney attendance not only to meetings where a subject was to be discussed that could require legal advice – but also that the attorney could be asked to only attend the portion of the meeting which pertained to the item in question. Lisa Carter, Western Avenue, cited examples of times when the town attorney had to do research on an issue before responding to a question raised at a meeting and therefore attendance at the meeting itself was not really necessary. Janet Hughes, Old County Road stated that the presence of the Town Attorney at

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meetings could help the Town Council avoid actions that could be more costly down the road. No vote was taken but it was the consensus of the Committee that the Council should make this decision as part of the budget review process for 2014-2015.

- c. Route 1A MDOT Project – Funding – Motion by Councilor McPike, seconded by Councilor Brann to recommend to the full council the approval of the MDOT Route 1A Kennebec Road to Western Avenue road/sidewalk project with funding source of Streets and Roads Reserve. Vote 7-0.
 - d. Elm Street East Culvert Project – Infrastructure Committee Recommendation – Motion by Councilor Brann, seconded by Councilor Shakespeare to recommend to the full council the Elm Street East Culvert project with the funding source to be Public Works operating account paving budget. Vote 7-0.
- 5. Public Comment - None
 - 6. Committee Member Comments – None

The meeting was adjourned at 6:45 p.m.

Respectfully submitted,

Susan Lessard
Town Manager

3a

Penobscot Valley Refuse Disposal District

To: PVRDD Member Communities
From: Greg Louder
Date: February 3, 2014
RE: Written Consent Ballot Questions Regarding Disbursement of Funds and District
Dissolution

Please find enclosed a written consent ballot containing two questions. The approval of the Question 1 would direct a proportional distribution of all assets of the District (the \$53,190.04 recovered and placed in escrow) to the member municipalities. The approval of Question 2 would direct and declare that the District be dissolved in accordance with state law.

Presentation of these Ballot Questions comes following: 1) consideration of any utility the District may have provided in securing and affordable, long term and environmentally sound MSW disposal solution for the member communities beyond 2018, 2) consultation of the Officers of the District and 3) solicitation of input from the member municipalities.

I'd like to thank all member communities for their efforts in this matter and also thank Dan Walker of PretiFlaherty for his highly effective legal support to the PVRDD communities.

Please contact Greg Louder at 664-1700 or 1-866-254-3507 or by email at glouder@mrcmaine.org with questions.

Penobscot Valley Refuse Disposal District

WRITTEN CONSENT BALLOT

The two ballot questions below are presented to the Penobscot Valley Refuse Disposal District (PVRDD) for vote by written consent.

BALLOT QUESTION 1

Shall funds in the amount of \$53,190.04, constituting the sum of all assets held by the PVRDD for the benefit of its 28 member municipalities, be disbursed to each of the member municipality proportionately as shown on the attached spreadsheet attached hereto and made part of this ballot question?

YES NO
Circle One

(Signature)

(Date)

(Printed Name)

(Municipality)

BALLOT QUESTION 2

This Ballot Question is presented conditioned upon approval of Ballot Question 1 above.

Shall the PVRDD declare that all expenses and debts of the District are deemed paid and all of the assets of the District have been proportionally distributed in accordance with state law and further, that the PVRDD is hereby declared to be formally dissolved in accordance with state law.

YES NO
Circle One

(Signature)

(Date)

(Printed Name)

(Municipality)

Please return this ballot to the attention of Greg Lounder via email attachment to: glounder@mrcmaine.org or regular mail to: MRC, Inc., 395 State Street, Ellsworth, Maine 04605

PVRDD 2014 Allocation of Funds						
Member	Funds	Allocation factor	2012 Valuation (000's)	Pro rata share	2010 Population	Pro rata share
Atkinson	\$ 133.32	0.251%	21,300	0.235%	326	0.266%
Bangor	\$ 14,386.43	27.047%	2,456,450	27.138%	33039	26.956%
Bradley	\$ 645.32	1.213%	109,450	1.209%	1492	1.217%
Brewer	\$ 4,208.63	7.912%	732,150	8.089%	9482	7.736%
Brownville	\$ 439.30	0.826%	57,200	0.632%	1,250	1.020%
Bucksport	\$ 3,050.22	5.735%	674,500	7.452%	4924	4.017%
Clifton	\$ 416.68	0.783%	73,800	0.815%	921	0.751%
Corinna	\$ 795.58	1.496%	108,450	1.198%	2198	1.793%
Dedham	\$ 594.95	1.119%	134,180	1.482%	925	0.755%
Dexter	\$ 1,498.75	2.818%	222,450	2.458%	3895	3.178%
Dover-Foxcroft	\$ 1,809.27	3.402%	304,650	3.366%	4,213	3.437%
Eddington	\$ 961.86	1.808%	163,050	1.801%	2225	1.815%
Exeter	\$ 403.98	0.760%	56,850	0.628%	1092	0.891%
Glenburn	\$ 1,852.57	3.483%	291,250	3.218%	4594	3.748%
Greenbush	\$ 492.62	0.926%	57,550	0.636%	1491	1.216%
Guilford	\$ 702.59	1.321%	126,800	1.401%	1521	1.241%
Hampden	\$ 3,340.06	6.279%	600,850	6.638%	7,257	5.921%
Hermon	\$ 2,477.83	4.658%	443,350	4.898%	5416	4.419%
Holden	\$ 1,469.27	2.762%	272,900	3.015%	3076	2.510%
Levant	\$ 1,055.97	1.985%	148,850	1.644%	2851	2.326%
Lucerne-in-Maine	\$ 486.58	0.915%	109,777	1.213%	756	0.617%
Milo	\$ 780.85	1.468%	92,950	1.027%	2,340	1.909%
Old Town	\$ 3,152.33	5.927%	493,900	5.456%	7,840	6.397%
Orland	\$ 1,179.58	2.218%	237,150	2.620%	2225	1.815%
Orono	\$ 3,443.21	6.473%	406,650	4.493%	10,362	8.454%
Orrington	\$ 1,812.80	3.408%	341,300	3.771%	3,733	3.046%
Stetson	\$ 503.66	0.947%	82,650	0.913%	1,202	0.981%
Veazie	\$ 1,095.84	2.060%	231,250	2.555%	1,919	1.566%
Total	53,190.05	100.000%	9,051,657	100.000%	122565	100.000%
Allocation amount	\$ 53,190.04					
truncation factor						
Note: Dedham and Lucerne-in-Maine Combined Valuation and Population Allocated 55% Dedham 45% Lucerne						

MAINE SERVICE CENTERS COALITION

60 Community Drive • Augusta, Maine 04330 • (207) 623-8428

4a
(207) 623-8428

Eugene Conlogue, Vice Chair
Town of Houlton
(207) 732-7111

Phil Nadeau, Secretary
City of Lewiston
(207) 513-3121

January 22, 2014

Richard Michaud, Treasurer
City of Saco
(207) 282-4191

Ms. Susan Lessard
Town Manager
Town of Hampden
106 Western Ave
Hampden, ME 04444-1428

Dear Ms Lessard:

As we begin 2014 Legislative Session I wanted to take the opportunity to renew our invitation to the Town of Hampden and ask that you consider rejoining the Maine Service Centers Coalition and providing dues support for this organization and the many policy initiatives we are advocating. Frankly, we need your municipality's help and support now more than ever.

This biennial legislative session continues to be the most critical fiscal challenge for Service Centers in recent memory. Working with other groups we were successful in defeating many of the most harmful proposals in the original general fund budget including the total elimination of the Revenue Sharing program, the \$8 million tax shift from municipal truck excise taxes and more than \$25 million in additional local educational aid funding. Yet the 2013 general fund budget enacted last spring still contains enough gimmicks, one time revenue, cuts to municipal revenue and unfunded commitments that it truly redefines Voodoo Economics. Consider that the budget leaves municipalities more than \$170 million short of the 55% level for aid to education specified in Maine Law. The budget also leaves us \$75 million short of meeting the 5% for Revenue Sharing. The gimmicks include the burden on one study group to identify \$34 million in spending reductions. Their report was recently released and most of the recommendations are so onerous that they will attract significant bi-partisan opposition. The other study in competition for the "gimmick of the year award" was charged with finding \$40 million (already booked in the budget) in tax expenditure reductions with additional cuts to revenue sharing as the hostage. That study commission's report to the Appropriations Committee was presented as a list of possible options to consider and with no clear direction. In short, the attack on municipal revenue shows no sign of abating. A new bill was just announced to protect that \$40 million in Revenue Sharing and we need your help and dues support to fight this critical battle.

The need for municipal cooperation and your participation in the Maine Service Centers Coalition's collective efforts has never been greater. The financial challenges in both the general fund and highway fund budgets continue to spiral out of control. Very few of the current general fund budget provisions address the structural deficit in an ongoing fashion. The expiration of the temporary sales tax increases at the end of the biennium will add another \$75 million to the

(over)

structural gap. In addition, the Governor and Legislators have thus far been unable to come to grips with the rapid decline in highway fund revenue. A recent study outlined the highway fund budget would need an additional \$150 million per year for the next decade to address the critical areas of deficient bridges and highways. The study also noted that 33% of Maine's major local or state maintained highways are in either poor or mediocre condition; that 30% of Maine's bridges are structurally deficient or functionally obsolete and that the annual collective maintenance costs to Maine drivers due to the deficient roads is now in excess of \$300 million.

The Service Centers Coalition is committed to ending the attacks on Revenue Sharing and other municipal revenue sources. We are actively working with a group of organizations to restore full funding to municipalities. Our strategy includes holding every Maine Legislator accountable for every vote that impacts municipal revenue and impairs our ability to provide long overdue property tax relief to our citizens. We are committed to working with the Maine Municipal Association, the Maine School Management Association the Mayor's Coalition, and the Maine State Employees Association to protect municipal funding in order to restore local control and good government services.

Given the ongoing fiscal problems the Maine Service Centers Coalition leadership and staff will continue to need your help, support and input. For this Legislative Session, we are again relying upon Richard Trahey and his firm of Maine Governmental Relations for professional lobbying staff support. I believe that this relationship with Richard has benefited the Coalition greatly in providing us access to policy makers, sound policy advice and effective advocacy services.

The MSCC Membership Dues for 2014 would be **\$870.84**. We hope you will respond favorably by completing the attached forms to indicate your agreement to join the Maine Service Centers Coalition. Membership dues are set at twelve cents per capita based on your community's population (established by the 2000 U. S. Census) with a minimum dues payment of \$500 per community. Please be sure to note to whom we should rely upon as the principal REPRESENTATIVE and ALTERNATE for your community.

Once we have confirmation of your community's intent to join the Coalition we will invoice you accordingly. Also, please feel free to contact me directly at the Biddeford City Hall (284-9313) or by e-mail at jbubier@biddefordmaine.org.

Sincerely,



John Bubier, Chair
City of Biddeford

Enclosures (3)

MAINE SERVICE CENTERS COALITION

C/O MAINE MUNICIPAL ASSOCIATION
60 COMMUNITY DRIVE
AUGUSTA, ME 04330

Ms. Susan Lessard
Town Manager
Town of Hampden
106 Western Ave
Hampden, ME 04444-1428

DATE: January 21, 2014

DUES NOTICE: MSCC-MBR

DATE	DESCRIPTION	POPULATION	AMOUNT
01-01-14	Annual Membership Dues for 2014 [Annual dues are based on 12¢ per capita with a minimum annual dues of \$500.00.] Thank you for considering membership in the Maine Service Center Coalition.	7,257	\$870.84
		TOTAL AMOUNT DUE	\$870.84

Please make checks payable to **MAINE SERVICE CENTERS COALITION**. If you have any questions, contact Theresa Chavarie in the MMA Executive Office at 1-800-452-8786. Thank you.

MAINE SERVICE CENTERS COALITION

VOTING DELEGATES - 2014

Membership Information Sheet

MSCC REPRESENTATIVE	MSCC ALTERNATE
NAME:	NAME:
TITLE:	TITLE:
MUNICIPALITY:	MUNICIPALITY:
MAILING ADDRESS:	MAILING ADDRESS:
CITY/ST/ZIP:	CITY/ST/ZIP:
TOWN OFFICE PHONE:	TOWN OFFICE PHONE:
WORK PHONE:	WORK PHONE:
HOME PHONE:	HOME PHONE:
FAX PHONE:	FAX PHONE:
E-MAIL ADDRESS:	E-MAIL ADDRESS:

RETURN TO:

Maine Service Centers Coalition
c/o Theresa Chavarie, Manager of Member Relations
Maine Municipal Association
60 Community Drive
Augusta, Maine 04330
FAX: (207) 626-3358
E-MAIL: tchavarie@memun.org

MAINE SERVICE CENTER COALITION

**Resolution for Membership and
Appointment of Voting Delegate Representative and Alternate**

BE IT RESOLVED that the _____
(City/Town Council or Board of Selectmen)

hereby authorizes membership in the Maine Service Center Coalition for 2014 and designates:

_____,
(name) (position in municipality)

to be the appointed REPRESENTATIVE for the Maine Service Centers Coalition and is therefore authorized to vote at the Maine Service Centers Coalition business meetings.

BE IT FURTHER RESOLVED that the designated ALTERNATE is:

_____,
(name) (position in municipality)

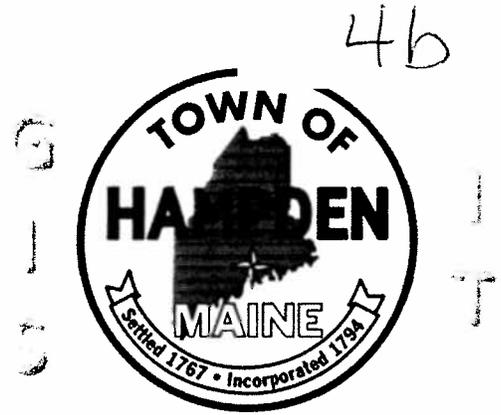
Dated

Attested To By:

Please return this Resolution as soon as possible to:

Maine Service Centers Coalition
c/o Theresa Chavarie, Manager, Member Relations
Maine Municipal Association
60 Community Drive
Augusta, Maine 04330
E-mail: tchavarie@memun.org

MEMO



To: Sue Lessard
From: Gretchen Heldmann
Date: 02/12/2014
Re: Request to spend from Tech Reserve 3-711-00

Message:

A portion of the money that has been set aside for years in the Tech Reserve is to replace the network equipment. My original estimate for upgrades to the network equipment (which was brought to you a couple months ago when you considered the request for the phone system upgrade) was not enough to cover all the network equipment components that needed to be upgraded at all of our locations. I need an additional \$1,200 out of the reserve account to cover the remaining network equipment upgrade costs. Based on what was set aside for this exact purpose in this account for the last few years, there is at least \$9,000 in that account for network equipment alone. So far you approved \$1,800 – with the additional \$1,200 I will be at \$3,000 which is a third of what is set aside for network equipment in the Tech Reserve account. Thank you for your consideration.

If you have questions, please let me know.

Thank you,

Gretchen

4c



Susan Lessard <manager>

MMBB Spring Pooled Issue

1 message

Strout, Pam <PStrout@eatonpeabody.com>

Tue, Feb 11, 2014 at 3:31 PM

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

Cc: "Pittman, Dan" <dpittman@eatonpeabody.com>

Dear Susan:

I have attached the engagement letter to be signed and the arbitrage proceeds policy to be adopted by the Town Council. Please return both to EP once executed.

Below I have listed several items we need from you regarding the Bond Issue with MMBB:

1. Attested true copy of the Ordinance adopted July 13, 2013
2. Proof of newspaper publication advertising the referendum and town council meeting (copy of the ad that appeared in the paper)
3. Copy of MMBB Application (minus all the financials)
4. List of all the Town Council members with their term expiration dates, also the Town Clerk, Town Manager and Treasurer's expiration dates or whether they are appointed yearly

Give us a call if you have any questions or concerns about the arbitrage policy, any of these materials or anything else.

Pam Strout
Administrative Assistant

Eaton Peabody
P.O. Box 1210
80 Exchange Street
Bangor, ME 04402-1210
Tele: 207.947.0111
Fax: 207.942.3040
Professional Profile | Website



The above communication is confidential and may be protected by the attorney-client privilege and/or the work product doctrine. If you believe you received this email by mistake, please notify the sender by return email as soon as possible.

2 attachments



engagement letter (01555905).PDF

349K



Arbitrage and Use of Proceeds Policy (01555904).PDF

159K

TOWN OF HAMPDEN

ARBITRAGE AND USE OF PROCEEDS POLICY

Post Issuance Compliance Policy Relating to Bonds Issued by the Town of Hampden

This policy is being adopted by the Town of Hampden (the "Town") in order to assure that:

1. The Town complies with the requirements of federal and state law and the covenants in its bond documents that apply following the issuance of Bonds by the Town. For purposes of this policy, the term "Bonds" means any obligations of the Town incurred for the purpose of borrowing money, including, without limitation, bonds, notes, and equipment lease-purchase agreements.

2. Responsibility for Post-Issuance Compliance: The Town Treasurer (the "Treasurer") is responsible for monitoring compliance with this Policy. The Treasurer may designate employees to carry out their duties under this Policy.

3. Compliance with Covenants in Bond Documents: The Treasurer shall ensure compliance with all covenants made by the Town in the Bond documents, including, but not limited to, expenditure of bond proceeds by required deadlines, financial reporting, restrictions on the use and disposition of property, restrictions on the use and investment of Bond proceeds, and arbitrage and rebate compliance.

Immediately after the closing date of each issuance of Bonds, the Treasurer shall review all documents pertinent to the issuance, and shall note and enter onto the Treasurer's calendar all deadlines described in those documents, including but not limited to all deadlines described in the Arbitrage and Use of Proceeds certificate.

4. Continuing Disclosure Compliance: The Town will comply with any applicable continuing disclosure requirements of Rule 15c2-12 under the Securities and Exchange Act of 1934, as amended, and officially interpreted from time to time and the terms of any continuing disclosure agreement or certificate entered by the Town (each, a "Continuing Disclosure Agreement"), including submission of annual financial information and operating data to the Municipal Securities Rulemaking Board or any successor thereto ("MRSB") established under the Securities and Exchange Act of 1934, as amended and notice of the occurrence of material events with respect to the Bonds.

5. Federal Tax Law Compliance: The Town will comply with the terms of each arbitrage and use of proceeds certificate or tax compliance certificate (each, an "Arbitrage and Use of Proceeds Certificate") for each issue of Bonds issued by the Town and with the applicable provisions of federal tax law. Without limitation of the foregoing, the Town shall take the following actions:

(a) Proper Use of Proceeds: The Treasurer shall ensure that bond proceeds are expended and allocated to expenditures in a manner that is consistent with the purpose for which each bond issue is undertaken, as set forth in any Arbitrage and Use of Proceeds Certificate or agreement related to each bond issue.

(b) Investment of Bond Proceeds: The Treasurer shall ensure that bond proceeds are invested in investments that are permissible under the terms of Maine law, the bond documents, and applicable federal tax laws.

(c) Arbitrage and Rebate: The Treasurer shall ensure that the Town complies with the arbitrage, rebate and yield restriction requirements of Section 148 of the Internal Revenue Code and the regulations promulgated pursuant thereto and that the Town completes all necessary arbitrage rebate calculations, payments and filings in a timely manner or confirms that the Bonds are exempt from rebate.

(d) Administration of Direct Pay Bonds: The Treasurer shall ensure the proper administration of each issue of Bonds qualifying for the payment by the Federal government of a credit equal to a percentage of interest on such Bonds, including the timely completion and filing of any forms required by the Internal Revenue Service to maintain or establish the applicable status of the Bonds for purposes of federal income taxation.

(e) Use of Bond-Financed Facilities: The Treasurer shall consult with Bond Counsel for the Town before entering into any agreement or other arrangement for the sale, lease, management or use of bond-financed property, including, but not limited to, service, vendor, and management contracts, research agreements, licenses to use bond-financed property, agreements granting special rights or entitlements to private parties or naming rights agreements. The Treasurer shall review such agreements for compliance with federal tax laws.

(f) Post-Issuance Transactions: The Treasurer shall consult with Bond Counsel for the Town before making any modifications or amendments to the bond documents for a bond issue, including, but not limited to, entering or modifying investment agreements; making any change in security for the Bonds; engaging in post-issuance credit enhancement transactions (e.g., bond insurance, letter of credit) or hedging transactions (e.g., interest rate swap, cap); terminating or appointing successor trustees; releasing any liens, or reissuing or refunding the Bonds.

(g) Remedial Action: In the event that is determined that any use of bond proceeds or bond-financed facilities is inconsistent with the character of the status for federal income tax purposes of the Bonds, the Treasurer shall consult with the Town's Bond Counsel for the purpose of determining the nature and extent of any remedial action necessary or proper for the Town to take with respect to such Bonds or bond-financed facilities. If the Town takes any action after the issuance of Bonds that causes the conditions of the private business tests or the private loan financing test to be met, then

the Town shall take timely remedial actions in accordance with the federal Treasury Regulations section 1.141-12 as necessary in order to preserve the tax-exempt status of the Bonds.

6. Record Retention: The Town shall maintain all records relating to the issuance of Bonds and the requirements of the Internal Revenue Code and the representations, certifications and covenants set forth in the Arbitrage and Use of Proceeds Certificate relating to the issuance of Bonds until the date six years after the last outstanding Bonds have been retired. If any of the Bonds are refunded by tax-exempt obligations, the Town shall maintain all records required to be retained by this section until the later of the date six years after the last outstanding Bonds have been retired or the date three years after the last refunding obligations have been retired. The records that must be retained include, but are not limited to:

- (a) basic records and documents relating to the Bonds (including any loan agreement, Arbitrage and Use of Proceeds Certificate and the opinion of Bond Counsel);
- (b) documentation evidencing the expenditure of Bond proceeds;
- (c) documentation evidencing the use of the project(s) financed by the Bonds by public and private sources (i.e., copies of management contracts, research agreements, leases, etc.);
- (d) documentation evidencing all sources of payment or security for the Bonds;
- (e) documentation pertaining to any investment of Bond proceeds (including the purchase and sale of securities, SLGS subscriptions, yield calculations for each class of investments, actual investment income received from the investment of proceeds, guaranteed investment contracts, and rebate calculations).

7. Annual Policy Review and Education: On an annual basis, or sooner if deemed necessary or appropriate by the Treasurer, the Treasurer shall review this policy and assess the Town's compliance with this Policy. The Treasurer shall make changes to this Policy as appropriate to ensure compliance with any covenants in the bond documents or the requirements of federal tax and securities law and any other applicable law. The Town will also implement a program, including appropriate instruction and education of personnel, for purposes of ensuring compliance with the terms of this Policy.

Policy adopted by Hampden Town Council on _____, 2014

TOWN COUNCIL

Town Councilor

Town Councilor