



Town of Hermon

**PUBLIC SAFETY MEETING ROOM**

August 25, 2016

Town Council Meeting

7:00 PM

**AGENDA**

\*\*\* Televised live on Cable Channel 121.111 \*\*\*

Council Meetings may be viewed live online and are archived after the meeting  
has taken place – check hermon.net for link.

\*\*\*ALL ITEMS ARE SUBJECT TO APPROPRIATE COUNCIL ACTION\*\*\*

**I. CALL TO ORDER BY CHAIRPERSON**

**II. PLEDGE OF ALLEGIANCE**

**III. ROLL CALL**

**IV. REVIEW CONSENT CALENDAR: REGULAR BUSINESS, APPOINTMENTS, SIGNATURES,  
And APPROVAL OF MINUTES:**

WARRANTS. –SIGN August 26, 2016

RESOLVES. –SIGN R16-17-09 Fire Chief Job Description

QUIT CLAIM. –SIGN M/L 006-014-000

**V. NEWS, PRESENTATIONS AND RECOGNITIONS**

- Presentation by Chair Thomas

**VI. PUBLIC ITEMS OR COMMENTS *(Items Not Already on Agenda)***

**VII. PUBLIC HEARINGS**

**VIII. COMMITTEE REPORTS**

**IX. SCHEDULED AGENDA ITEMS**



**A. OLD BUSINESS**

1. **Review** and approve changes to the Goals for the ensuing year

**B. NEW BUSINESS**

2. **Consider** approving the Economic Development Plan
3. **Consider** authorizing expenditure from the Public Safety and Town Office Reserve for new surveillance cameras
4. **Consider** contract for resident engineer and inspector for the Route 2 Sidewalk Project
5. **Consider** award of the contract for the Route 2 Sidewalk Project
6. **Consider** introducing an ordinance titled “Amendment to the Hermon Code of Ordinances, Land Uses, Schedule of Uses”
7. **Consider** approval of expenditures from the Transfer Station Reserve for paving and the new sign
8. **Consider** approving Election warrant articles for the November General elections.
9. **Consider** notifying the MRC regarding the use of the Tipping Fee Reserve for the Fiberight Development
10. **Consider** approving the 2016-2017 Tax Commitment

**C. WORKSHOPS**

**D. OTHER ITEMS (from Table Package)**

**X. APPOINTMENTS**

**XI. MANAGER STATUS REPORT:**

Town Manager Work Schedule  
High School wetlands

**XII. FINAL PUBLIC ITEMS OR COMMENT (*Items Not Already on Agenda*)**

**XIII. COUNCIL ITEMS:**

**XIV. EXECUTIVE SESSION:**



## **XV. ADJOURNMENT:**

**Explanatory note #1:** All items in the CONSENT CALENDAR are considered routine and are proposed for adoption by the Town Council with one motion without DISCUSSION or deliberation. If DISCUSSION on any item is desired, any member of the Council or public may request the removal of an item for it to be placed in the regular agenda prior to the motion to approve the Consent Agenda.

**Explanatory Note #2:** In the interest of effect decision-making: At 10:00 p.m., the Chairman shall poll the Council and Town Manager to identify remaining items which shall be carried forward to the next Regular Meeting.

**Explanatory Note #3:** A Councilor who feels the need for the Council excusing his/her absence will make the request to the Town Manager or the Town Clerk prior to the meeting.



**R16-17-09**

Be it resolved by the Hermon Town Council in town council assembled the job description for the Fire Chief position be approved as amended.

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**SIGNED** this August 25, 2016 by the Hermon Town Council:

\_\_\_\_\_  
**Donna Ellis**

\_\_\_\_\_  
**Jeanne Jacques**

\_\_\_\_\_  
**John Snyder**

\_\_\_\_\_  
**Steve Watson**

\_\_\_\_\_  
**Douglas Sinclair, Sr.**

\_\_\_\_\_  
**Steven Thomas**

\_\_\_\_\_  
**Anne Freeman**

Attest Original: \_\_\_\_\_

Motion _____	Yeas _____	Date _____
Second _____	Nays _____	

**MUNICIPAL QUITCLAIM DEED**

The **INHABITANTS OF THE MUNICIPALITY OF HERMON**, a body corporate and politic, located in Penobscot County, State of Maine, for consideration paid, release to **ROBERT LYSHON**, of Hermon, Penobscot County, State of Maine, a certain parcel of land with buildings thereon, if any, located in the municipality of Hermon, Penobscot County, State of Maine, identified as follows:

**Map/Lot 006-014-000** on the Tax Maps of the Municipality of Hermon, Maine dated 2007 on file in the Office of the Assessor at Hermon, Maine. Property identified as Map 2 Lot 18E prior to 2005.

The purpose of this deed is to release any interest the Grantor may have by virtue of undischarged tax liens filed at the Penobscot Registry as follows:

Under the name of Roger Leeman:

<b>Year</b>	<b>Book</b>	<b>Page</b>
1982	3335	108

Under the name of Peggy Mayhew:

<b>Year</b>	<b>Book</b>	<b>Page</b>
1983	3454	211
1984	3584	12
1984	3722	57
1985	3921	357

Under the name of Peggy and Frank Mayhew:

<b>Year</b>	<b>Book</b>	<b>Page</b>
1985	3921	331
1986	4097	281

The said Inhabitants of the Municipality of Hermon have caused this instrument to be signed in its corporate name by Stephen Thomas, Douglas Sinclair, Sr., Anne S. Freeman; Donna Ellis; Jeanne Jacques; John Snyder, III and Stephen Watson, its Municipal Officers duly authorized, this \_\_\_\_\_ day of August, 2016.

\_\_\_\_\_  
Stephen Thomas

\_\_\_\_\_  
Douglas Sinclair, Sr.

\_\_\_\_\_  
Anne S. Freeman

\_\_\_\_\_  
Donna Ellis

\_\_\_\_\_  
Jeanne Jacques

\_\_\_\_\_  
John Snyder, III

\_\_\_\_\_  
Stephen Watson

## MEMORANDUM

**To: Members of the Town Council**

**From: Roger Raymond, Town Manager**

**Re: Town Council Agenda August 25, 2016**

**Date: August 18, 2016**

1. **Review** and approve changes to the Goals for the ensuing year- I will be sharing the amended list of goals for Town Council approval. The only change is the Route 2/Annis Road intersection safety improvements will include both long and short term goals.
2. **Consider** approving the Economic Development Plan- Members of the Council will be asked to approve the Economic Development Plan. I have included a copy of the list of goals that is part of the plan. The entire plan will be emailed to the Council as soon as the Economic Development Committee has given final approval at there next meeting which is tentatively scheduled for August 23.
3. **Consider** authorizing expenditure from the Public Safety and Town Office Reserve for new surveillance cameras- The Town Council will be asked to authorize the Public Works Director to obtain quotes to purchase the necessary equipment to install surveillance cameras for the Public Safety Building and Town Office. Both projects were included as part of the 2016-2017 Capital Improvement Plan.
4. **Consider** contract for resident engineer and inspector for the Route 2 Sidewalk Project- The Town Council will be asked to approve the contract with Plymouth Engineer to provide resident engineering and inspection services for the Route 2 Sidewalk Project. Council approval will be conditional to MDOT approving the contract. I have included a copy of the proposal for your review.
5. **Consider** award of the contract for the Route 2 Sidewalk Project- Bids will be receive for the Project on August 26, 2016. In order to award the contract for a September start up I will be requesting the Town Council authorize award of the construction contract pending recommendation by the engineer and approval by MDOT. The successful bid must also be within the budget for the project.
6. **Consider** introducing an ordinance titled "Amendment to the Hermon Code of Ordinances, Land Uses, Schedule of Uses"- The Code Enforcement Officer and Planning Board are requesting the Town Council consider an amendment to the Land Uses Ordinance more specifically to allow existing residential use structures to continue in an commercial zone even through the use is abandoned more than twelve months as currently stated in the ordinance. The Code Enforcement Officer has presented the matter in a Memo to the Town Manager dated 8-5-2016. I have enclosed a copy of the memo for your review.

7. **Consider** approval of expenditures from the Transfer Station Reserve for paving and the new sign- Members of the Town Council will be asked to approve expenditures from the Transfer Station Reserve Account for the installation of a facility sign and paving the unloading area. The cost of the sign was \$550 while the paving of the unloading area was \$4,709.
8. Consider approving Election warrant articles for the November General elections- members of the Town Council will be asked to approve the warrant articles for the new school addition at the Hermon Elementary School for educational purposes and to the portion of the building used for recreational purposes. I will have copies of the articles for review at the meeting.
9. Consider notifying the MRC regarding the use of the Tipping Fee Reserve for the Fiberight Development Project- Now the Town has agreed to continue with PERC post 2018, protecting the funds in the tipping fee reserve the MRC currently is managing for member communities is imperative. The Town of Hermon has chosen not to continue with the MRC and Fiberight after the initial contract expires and has chosen to use approximately \$475,000 to off-set the added cost of continuing with PERC after 2018. The MRC has continued to spend down the reserve to assist Fiberight with the permitting of the new facility as well as with the development of the site. The towns that have chosen to withdraw from the MRC are concerned the tipping fee reserve will be reduced from its original estimate if the MRC is not kept accountable for the funds. Tim McCluskey will be in attendance to speak to the Town Council about this matter and to recommend the Council communicate their concerns to the MRC.
10. Consider approving the commitment for the 2016-2017 fiscal year- The assessor will present the 2016-2017 commitment for approval by the Town Council. The commitment form will be presented and reviewed at the meeting.

# 1.  
8-25-16

### TOWN COUNCIL GOALS 2016-2017

1. Develop a wage scale for all hourly and salaried employees
2. Update the 2017-2018 Capital Improvement Plan to include components of the Road and Street Improvement Plan, Economic Development Plan, Cemetery and Sewer Maintenance Plans, and the School Improvement Plan including the expansion at the Hermon Elementary School for both the School Department and Recreation Department
3. Update the Road and Street Plan including safety improvements at the intersection of Route 2
4. Adopt the Economic Development Plan and implement the goals and objectives outlined by the plan
5. Establish a Recycling Committee to study the feasibility of expanding the recycling program post PERC 2018
6. Implement the activities outlined by the 2016-2017 Capital Improvement Plan including conducting a space need evaluation for the Public Safety Building and Town Office specific to record storage for the Town Office and police office space for the Public Safety Building
7. Complete an in house revaluation of all properties including update of the tax maps and property assessment cards
8. Submit for voter approval proposed Charter changes
9. Continue to foster and maintain a good working relationship with the members of the School Board, Hermon Rescue and the Sheriff's Office
10. Continue to maintain a Public Safety Committee specifically to improve the Community Policing Program, Emergency Medical Services, and mutual aid for fire services with surrounding communities
11. Hire a new fire chief
12. Complete update of the website
13. Continue to work with the City of Bangor to amend the sewer billing process to include funds for the maintenance and upgrade of the sewer system
14. Continue to improve Jackson Beach
15. Consider addressing the wetland issue on property adjacent to the high school
16. Continue to maintain a recreation program that serves all citizen including senior citizens
17. Continue to maintain reserve accounts for all departments for capital improvements in order to minimize sharp increases in the mill rate
18. Continue to maintain a good working relationship with Ryder in order to encourage the registration of company trucks in Hermon
19. Require the Town Manager to work with department heads and key staff to develop one year and five year goals for their departments
20. Complete codification of all ordinances
21. Develop a facility maintenance plan for the upkeep of all municipal buildings and facilities including annual inspection of all facilities by the Town Manager and provide staffing to carry out the provisions of the plan
22. Obtain proposals for auditing services beginning with the 2016-2017 fiscal year and legal services beginning with the 2017-2018 fiscal year

## **Economic Development Goals-Strategic Plan 2016**

### **Administrations-**

- a. Continue to maintain an Economic Development Committee with membership from the Town Council, businesses, governmental agencies and the public
  - i. *Work as a liaison between fund raising groups and municipal government when directed*
- b. Develop a job description for the position of Economic and Community Development which is consistent with the needs of the community
- c. Continue to fund competitively the position of Economic and Community Development Director and to extend the hours to full-time status
  - i. *Use TIF funding to support DECD operations*
  - ii. *Complete cost benefit reports for Council review annually*
- d. Continue to provide training opportunities for the Economic and Community Development Director so he/she can become knowledgeable of all available Federal, State and private funding opportunities to assist with the development of business and community development activities and projects
- e. Complete a Strategic Economic Development Plan and update the plan every five years for Council review
- f. Identify and participate in regional groups that have been established to create new opportunities for economic and community development
- g. Seek assistance from representatives of State and Federal agencies that can assist financially with the development of an economic development plan
- h. Conduct survey of community concerning future interests for business attraction

### **Land Use-**

- a. Prepare a land use map that identifies all land areas that can be used for economic and community development purposes
  - i. *Distribute maps and marketing materials to real estate professionals, land owners and stakeholders locally and regionally*
- b. Identify areas that are part of a TIF district
  - i. *Cross reference mapping from TIF attorney, assessing and finance for accuracy at least annually*
- c. Identify lots that are available for business development
- d. Land use review to identify new Village Commercial, Commercial and Industrial business expansion areas
- e. Review the existing land use standards to assure the existing standards are realistic and will not be a detrimental to development
  - i. *Build consensus with land owners, planning board and Town Council if changes are required*

- f. Identify properties that might be suitable for economic development activities that are not currently zoned for economic development purposes
- g. Seek designation of Map15, Lot 034 RTP as a "Brownfield" site in order to obtain Federal funding to clean up the site and offer it for future business development
- h. Review and present a plan to change the residential "B" on Coldbrook road to Village Commercial
- i. Work to include Senior Housing opportunities in Village Commercial/RC District to access service centers and healthcare providers

### **Technology & Infrastructure-**

- a. Identify the areas of the community that are served by public water and sewer, natural gas, communications services, high speed internet, storm drainage, and three phase power
  - i. *Map the areas current inventory and record future areas for technology upgrades*
  - ii. *Bring natural gas to Coldbrook business Park*
- b. Identify areas of the community that are suitable for business development where the above noted infrastructure is not available but should be extended
- c. Attend training on technology provided by MMA and the State of Maine DECD
- d. Identify current capacity with each utility noted above and determine the need to obtain additional capacity for future economic and community projects
  - i. *Seek technology and infrastructure planning grants*
- e. Develop a plan to fund water and sewer extensions in commercial areas where none exist
  - i. *Research with Bangor Water District and Bangor Wastewater concerning costs and logistics*
  - ii. *Develop a plan to extend water and sewer along the Coldbrook road and Route 2 once the debt service is paid for by the utility bonds that expire in 2018-2019; and the new bonds are issued for extensions*
  - iii. *Seek funding from the Office of Economic and Community Development Office and Rural Development to finance utility extensions for economic development purposes*
- f. Determine the capacity that will be required to meet future economic and community development needs of Hermon in each plan update
- g. Technology Improvements for targeted locations
  - i. *Identify Business Park locations to create technology "hot spot" for wireless, fiber and communications advancements*
- h. GIS mapping of existing community infrastructure and proposed planning maps
  - i. *Purchase GIS equipment for field use and locate all new installations of technology and existing infrastructure for mapping*

## **Economic Development Incentives-**

- a. Expand the existing Business Loan Program to include business development and gap financing
  - i. *Work with Camden National on fixed asset loan program*
  - ii. *Collaborate with Camden National on real estate subsidy loan program for Council presentation*
- b. Establish a Micro-loan program and seek financing from DECD through a CDBG grant application
  - i. *Publish local banking offers for micro-loan products for Hermon businesses*
- c. Develop a spec building model to provide incubator space for new businesses
- d. Develop a town owned business park if suitable land becomes available to the Town
  - i. *Determine the acceptable level of reserve savings for future investment projects concerning land and real estate purchases*
- e. Seek grants and low interest loans made available by state, federal and non-profit agencies that provide funds for economic and community development projects
- f. Seek federal and state assistance for workforce training funds
- g. Develop relationships with qualified colleges and universities that are capable of providing research and development for new products and processing
  - i. *Determine which businesses existing in Hermon and regionally could benefit from facilitated research relationships and market the opportunity to those companies*
- h. Create Tax Incremental Financing guidelines that assist businesses to extend public utilities and infrastructure that are required for their project
  - i. *Suggest TIF thresholds to the Council that meet Hermon's development goals*
  - ii. *Manage TIF reserve by building consensus for CIP with Council and business community*
- i. Continue to provide Credit Enhancement Agreements to assist with new and expanded business projects that create jobs and new taxes.
  - i. *Suggest reimbursement rates on a sliding scale according to numbers of jobs created*
  - ii. *Suggest reimbursement rates according to total amount of real estate development investment*
- j. Provide financial incentives for developers to provide land for business development
  - i. *Create incentive plans that reimburses the Town once a property has been sold to a business owner*
  - ii. *Target investment incentives to grow inventory levels or for specific businesses needing unique logistical support (utility extension, etc.)*

- k. Continue to provide support for the permitting process with Hermon's CEO
- l. Assist entrepreneurs to locate land or lease space for development
- m. Assist entrepreneurs to find funding for business projects such as loan guarantees and low interest loans
- n. Assist with the development of business plans from interested entrepreneurs
- o. Maintain relationships with local and regional banks that provide commercial loans
- p. Provide options for high speed internet access to all businesses in Hermon
- q. Provide incentives for the Mall owner to create new opportunities for retail expansion after survey results identify a desired sector

## **Marketing-**

- a. Use the Hermon Connection to introduce businesses to the community
  - i. *Support the Hermon Connection budget with TIF dollars in exchange for guaranteed placement of business reports and articles each edition*
  - ii. *Supplement the cost of local business advertising in the Hermon Connection*
- b. Attend ribbon cutting ceremonies
  - i. *Support businesses when appropriate with ribbon purchasing, logistics and event planning with marketing when requested*
- c. Develop a webpage that will promote local businesses
  - i. *Offer links to business that connect directly from the business list to their website*
  - ii. *Showcase business anniversaries using active banners*
  - iii. *Promote local news and connectivity through the DECD Webpage*
- d. Establish and update a list of all businesses in Hermon and incorporate a professional contact system
  - i. *Research Constant Contact, or similar database for bulk mailing*
  - ii. *Communicate networking opportunities for businesses*
  - iii. *Connect and network with lenders and real estate professionals regularly using electronic messaging*
- e. Develop TV advertisements that promote the town of Hermon for business development
  - i. *Develop business/ municipal partnerships for advertising different business segments seasonally*
- f. Integrate Hermon's brand in all forms of media and marketing
- g. Update the Town's website to promote Economic Development
  - i. *Update the content manager so mobile devices realize their full potential*
- h. The Economic Development Director to visit all businesses in Hermon on an annual basis

- i. Establish a list of all commercial properties for sale
  - i. *Post regularly on Towns Website*
  - ii. *Create program with real estate brokers that includes press releases of available properties*
- j. Develop a brochure identifying the quality of life and available incentives
  - i. *Use first hand testimonials*
  - ii. *Change the message for Municipal and Business highlights*
  - iii. *Purchase native files for ease of use when updates are necessary*
  - iv. *Use updated and current software environments that can publish print and web formats*
  - v. *Distribute to Chamber of Commerce, State Office of Tourism, etc.*
- k. Develop a video with a positive message featuring the highlights of the community
- l. Obtain the services of a consultant to identify potential businesses that could be successful in Hermon
- m. Conduct a survey of local citizens to determine services or businesses that are not available that they would want the Economic Development Director to seek
- n. Introduction letter- create quick reference letter for business as part of marketing materials
  - i. *Add letter to marketing packet in front jacket or as part of introduction*
  - ii. *Update when new contacts, staff changes occur and new programs are offered*

### **Transportation / Infrastructure-**

*(Improve the quality of transportation in the community by developing a consistent neighborhood theme that the citizens will patronize ...example: "Complete Streets" program)*

- a. Continue to support the development of an annual Highway Improvement Plan and adequately fund the plan
  - i. *Attend BACTS meetings regionally*
  - ii. *Attend Road and Street Committee Meetings*
- b. Partner with the State of Maine to improve the road system in Hermon
  - i. *Use LPI and MPI programs and matching grants to leverage municipal dollars*
- c. Maintain high standards for new road construction
- d. Develop a gateway sign for the intersection of the Billings Road and Route 2
- e. Maintain and improve signs at all business parks
- f. Develop a façade program for the business parks and Village District
  - i. *Apply for CDBG grants for façade program support*
  - ii. *Use engineering design services to suggest style and items to include*

- g. Develop road policy for mixed commercial village properties that include all modes of transportation including pedestrian, bicycle and automobile.
  - i. *Consider policy similar to National Complete Streets for mixed residential and commercial subdivisions*

### **Job Creation-Workforce Development**

- a. Partner with Husson University and University of Maine for assistance with workforce training initiatives
- b. Integrate marketing efforts to showcase quality of life and residential opportunities. Alternate with business advertising for general appeal
- c. Assist business with specific skill set training needs by connecting them with information, resources and programs available from educational institutions
  - i. *Review DECD plan to include funding for job training for LMI and specific business needs*
  - ii. *Create application process and limits for job training programs*

### **Senior and Affordable Housing**

- a. Develop strategy for implementing senior and affordable housing projects for community members wishing to “age in place.”
  - i. *Hire consultant to determine need and immediacy of senior housing projects including types of programming*
- b. Increase land use areas to accept Senior housing opportunities
- c. Apply for State of Maine funding programs and tax credits to encourage private development of assisted living facilities

### **Quality of Life**

- a. Continue to assist with development of the before and after care program for Elementary and Middle School students
- b. Continue to assist with planning a Summer program for area youth at the Hermon Elementary School program site
- c. Continue to assist with community based recreational programs for residents of all ages
- d. Identify new recreational programs that will improve the quality of life for Hermon’s residents
- e. Work with and assist the Hermon Fire Department and the Hermon Rescue Service to improve the delivery of EMS to Hermon residents
- f. Support quality educational programs for Pre-K to 12<sup>th</sup> grade students
- g. Maintain membership in a road and street committee to build consensus for road projects and safety related improvements for transportation
- h. Assist with public facility projects that enhance the lives of Hermon residents when directed by the Town manager

# 3.  
8-25-16

Year	Municipal Office Reserve ACCOUNT ACTIVITY	REVENUES	EXPENSES	BALANCES	COMMENTS
2016	Balance forward 7-1-2016			\$ 19,470.00	
	Annual appropriation	\$ 8,000.00			
	Interest from reserve	\$ 200.00			
	New Flag Pole		\$ 550.00		
	Architectural Services		\$ 2,500.00		
	Camera system		\$ 1,500.00		
	Ventilation Computer Room		\$ 3,900.00		
	<b>Totals 6-30-2017</b>	\$ 8,200.00	\$ 8,450.00	\$ 19,220.00	
2017	Balance forward 7-1-2017			\$ 19,220.00	
	Annual appropriation	\$ 10,000.00			
	Interest from reserve	\$ 230.00			
	Other revenues				
		<b>Totals 6-30-2018</b>	\$ 10,230.00	\$ -	\$ 29,450.00
2018	Balance forward 7-1-2018			\$ 29,450.00	
	Annual appropriation	\$ 8,000.00			
	Interest from reserve	\$ 340.00			
	Other revenues				
		<b>Totals 6-30-2019</b>	\$ 8,340.00	\$ -	\$ 37,790.00
2019	Balance forward 7-1-2019			\$ 37,790.00	
	Annual appropriation	\$ 8,000.00			
	Interest from reserve	\$ 425.00			
	Other revenues				
		<b>Totals 6-30-2020</b>	\$ 8,425.00	\$ -	\$ 46,215.00

YEAR	Public Safety Reserve ACCOUNT ACTIVITY	REVENUES	EXPENSES	BALANCES	COMMENTS
2014	Balance forward 7-1-2014			\$ 56,500.00	
	Annual appropriation	\$ 10,000.00			
	Interest from reserve	\$ 169.00			
	<b>Totals 6-30-2015</b>	<b>\$ 10,169.00</b>	<b>\$ -</b>	<b>\$ 66,669.00</b>	
2015	Balance forward 7-1-2015			\$ 66,669.00	
	Annual appropriation	\$ 10,000.00			
	Interest from reserve	\$ 625.00			
	Camera System		\$ 3,000.00		
	Repair side door entrance from frost heave		\$ 6,800.00		
	<b>Totals 6-30-2016</b>	<b>\$ 10,625.00</b>	<b>\$ 9,800.00</b>	<b>\$ 67,494.00</b>	
2016	Balance forward 7-1-2016			\$ 67,494.00	
	Annual appropriation	\$ 10,000.00			
	Interest from reserve	\$ 725.00			
	Building sign		\$ 1,000.00		
	Architectural study for space needs		\$ 8,000.00		
	<b>Totals 6-30-2017</b>	<b>\$ 10,725.00</b>	<b>\$ 9,000.00</b>	<b>\$ 69,219.00</b>	
2017	Balance forward 7-1-2017			\$ 69,219.00	
	Annual appropriation	\$ 10,000.00			
	Interest from reserve	\$ 850.00			
	<b>Totals 6-30-2018</b>	<b>\$ 10,850.00</b>	<b>\$ -</b>	<b>\$ 80,069.00</b>	
2018	Balance forward 7-1-2018			\$ 80,069.00	
	Annual appropriation	\$ 10,000.00			
	Interest from reserve	\$ 850.00			
	<b>Totals 6-30-2018</b>	<b>\$ 10,850.00</b>	<b>\$ -</b>	<b>\$ 90,919.00</b>	

# 4.  
8-25-16



# Plymouth Engineering, Inc.

P.O. Box 46 – 30 Lower Detroit Road  
Plymouth, Maine 04969  
info@plymouthengineering.com  
tel: (207) 257-2071 fax: (207) 257-2130

## *Professional Services Agreement*

Date: August 11, 2016

Client: Town of Hermon  
PO Box 6300  
Hermon, ME 04401

Project: Hermon Sidewalks Construction Monitoring  
Project Number: 16131

Scope of Services: Services for the Project will be to monitor the activities of Contractor as a means to assist the Town’s Administrator with project pay requisitions, required submittals, and generally as on-site eyes representing the Owner to observe the work progress and quality of work. We understand that the Town of Hermon will provide office space for the Construction Monitor. Specifically, services will be as outlined below:

- The Construction Monitoring staff will be on-site full-time, so that if the Contractor is working on site, the Construction Monitor will be there also. For the purposes of this proposal, that is estimated to be forty hours per week for eighteen weeks split between fall of 2016 and spring of 2017.
- The Engineer of Record will assist the Town’s Administrator with contracting efforts by attending a pre-bid meeting, addressing Bidder questions during bidding, issuing Addenda as necessary, reviewing bids, preparing a bid tabulation and recommendation for award, coordinating award with the Town and MaineDOT, assisting with review of Contract documents, and attending a Town-administered pre-construction and utility coordination meeting.
- The Construction Monitor and Engineer of Record will attend weekly progress meetings at the Town Office with the Owner and Contractor.
- The Engineer of Record will assist the Town’s Administrator with coordination efforts an estimated four hours per week.
- Construction Monitor will, on a daily basis, observe contractor work, itemize work in a daily diary, prepare calculations of materials and work conducted.
- Construction Monitor will observe work as it relates to the project plans and project manual for conformance with the standards and design intent.
- Construction Monitor will field questions during construction from Contractor and through the Owner and Engineer of Record make interpretations of the design intent to provide Contractor.
- Once per month upon receipt of Contractor pay requisition, Construction Monitor will assist Town Administrator to divide completed work into the correct WIN number for Town’s records and reimbursement efforts.
- Construction Monitor and Engineer of Record will coordinate paving inspection work by S. W. Cole as subcontractor to Engineer during the paving duration of 10 days.

**Exceptions:** The Town of Hermon's staff Administrator will be responsible for those portions of work outlined in the Construction Administration portion of the MaineDOT LAP manual, and all paperwork preparation and submittal to MaineDOT and/or the FHWA.

**Schedule for Services:** The project is scheduled to start in September of 2016 and be completed by July 1, 2017. The actual schedule of work will depend on the Contractor, weather, seasonal changes, paving plan schedules, and progress. The construction monitoring portion of this project is estimated to require eighteen weeks of forty hours per week monitoring for a total of 720 hours. Assistance will be provided to the Town before and after construction to provide contracting assistance, final work diaries, and review as-built plans supplied by the Contractor.

**Fee for Services:** Fees will be invoiced monthly for services during the preceding month. Invoices will be separated into Engineer of Record administrative assistance time, Construction Monitor time, and reimbursable expenses. Payment is expected within thirty (30) days. Outstanding invoices will be subject to 1 1/2 % interest per month, plus all reasonable collection and legal fees.

Based on the understood scope of services above, we estimate our fees for this project to be as follows:

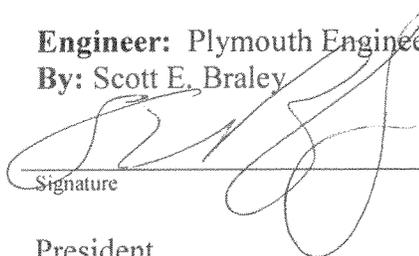
Pre-Construction Administrative Assistance:	\$ 6,600
Daily Construction Monitoring:	\$59,200
Ongoing Administrative Assistance	\$13,700
Pavement Inspector and Testing (SW Cole)	\$12,000
Project Close-out Assistance	<u>\$ 5,000</u>
Estimate Total	\$96,500

**Assumptions:** Engineer is a representative of Owner, and understands through Owner communications that full-time construction monitoring is desired to document the work completed as it relates to project plans and specifications. The above scope, schedule and fee are based on an assumed eighteen weeks of construction work at forty hours per week. Ultimate invoicing is dependent on Contractor schedule and work progress. All work will be invoiced on a time and materials basis.

Standard Terms and Conditions of Agreement attached below form part of this Agreement

**Engineer:** Plymouth Engineering, Inc.

**By:** Scott E. Braley



Signature

President

Title

**Client:** Town of Hermon

**By:** Roger Raymond

Signature

Town Manager

Title

August 11, 2016

Date

Date



---

## *Standard Terms and Conditions of Agreement*

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The CLIENT shall provide access to the site for activities necessary for the performance of the services. The ENGINEER will take precautions to minimize damage due to these activities, but shall not be held liable for any such damage.

Invoices for ENGINEER's services shall be submitted, at the ENGINEER's option, either monthly or at the completion of the project. Invoices shall be payable within 30 days after the invoice date. If the invoices are not paid within 30 days, the ENGINEER may, without waiving any claim or right against the CLIENT, and without liability whatsoever to the CLIENT, terminate the performance of the services. Retainers shall be credited on the final invoice.

Accounts unpaid 60 days after the invoice date may be subject to a monthly service charge of 1.5% on the unpaid balance (18% true annual rate), at the sole discretion of the ENGINEER. In the event any portion of an account remains unpaid 90 days after billing, the CLIENT shall pay all costs of collection, including reasonable attorney's fees.

The CLIENT shall indemnify and hold harmless the ENGINEER and all of its personnel and subcontractors from and against any and all claims, damages, losses and expenses arising out of or resulting from the performance of the services, provided that such claim, damage loss or expense is caused in whole or in part by the negligent act, omission, and/or strict liability of the CLIENT, anyone directly or indirectly employed by the CLIENT (except the ENGINEER), or anyone for whose acts any of them may be liable.

In recognition of the relative risks, rewards and benefits of the project to both the CLIENT and the ENGINEER, the CLIENT agrees that to the fullest extent permitted by law, the ENGINEER's total liability to the CLIENT for any and all injuries, claims, losses, expenses, damages or claim expenses arising out of this agreement from any cause or causes shall not exceed the fee for services. Such causes include, but are not limited to, the ENGINEER's or the ENGINEER's subcontractors, negligence, errors, omissions, strict liability, or breach of contract.

This agreement may be terminated by either the CLIENT or the ENGINEER should the other fail to perform its obligation hereunder. In the event of termination, the CLIENT shall pay the ENGINEER for all services rendered to the date of termination, all reimbursable expenses, and all reasonable expenses of termination.

All documents produced by the ENGINEER under this agreement shall remain the property of the ENGINEER and may not be used by the CLIENT for any other endeavor without written consent of the ENGINEER.

This Agreement shall be governed by the laws of the State of Maine.



# Plymouth Engineering, Inc.

P.O. Box 46 – 30 Lower Detroit Road  
Plymouth, Maine 04969  
info@plymouthengineering.com  
tel: (207) 257-2071 fax: (207) 257-2130

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## 2016 Rate Schedule

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<i>STAFFING</i>	<i>HOURLY RATE</i>
Principal-in-Charge	\$95.00
Senior Project Manager	\$80.00
Project Manager	\$75.00
Senior Engineers (Civil, Environmental, Structural)	\$75.00
Project Engineers (Civil, Environmental, Structural)	\$70.00
Junior Engineers (Civil, Environmental, Structural)	\$65.00
Registered Architect	\$80.00
Architectural Intern	\$60.00
Landscape Architect/Planner	\$75.00
Drafting Production	\$55.00
Construction Monitoring/Inspection/Administration	\$55.00 – 95.00
Clerical	\$40.00
Sub-Consultants	Cost + 10% administrative fee
Mileage	Prevailing MaineDOT Rate
Miscellaneous Reimbursable Expenses	At Cost

The hourly rates and other costs described above are effective as of July 1, 2016. All contracted work that extends beyond a rate change will be invoiced at the rates applicable at the time this Contract was executed.

All services on client's behalf related to mediation, arbitration and/or trial regarding work unrelated to Plymouth Engineering design services, including but not limited to preparation, depositions, witness and expert witness, shall be billed at 175% of the standard hourly rates.

# 5.  
8-25-16

**HERMON ROUTE 2 SIDEWALKS**  
**PIN #19414.00**  
**FINAL CONSTRUCTION COST ESTIMATE**  
**July 6, 2016**

Item #	Item Description	Approx. # of Units	Units	Unit Price	Total
201.12	Selective Clearing & Thinning	1	AC	\$5,400.00	\$5,400.00
202.12	Remove Existing Concrete	10	CY	\$975.00	\$9,750.00
202.127	Remove Existing bituminous Pavement	2,000	SY	\$25.22	\$50,440.00
202.15	Remove Manhole or Catch Basin	3	EA	\$527.68	\$1,583.04
203.2	Common Excavation (1)	3060	CY	\$17.20	\$52,632.00
203.21	Rock Excavation	300	CY	\$94.27	\$28,281.00
203.24	Common Borrow	557	CY	\$22.70	\$12,643.90
304.1	Aggregate Subbase Course - Gravel (2)	2425	CY	\$29.63	\$71,852.75
403.209	Hot Mix Asphalt 9.5 mm (Incidentals)	230	T	\$107.11	\$24,635.30
403.2104	Hot Mix Asphalt - ¾" Surface	620	T	\$107.11	\$66,408.20
403.211	Hot Mix Asphalt Shim- Variable thickness	506	T	\$113.65	\$57,506.90
403.213	Hot Mix Asphalt 12.5 mm	762	T	\$118.80	\$90,525.60
603.159	12" Culvert Pipe Option III	71.8	LF	\$54.17	\$3,889.41
603.169	15" Culvert Pipe Option III	45	LF	\$51.91	\$2,335.95
603.179	18" Culvert Pipe Option III	215	LF	\$74.65	\$16,049.75
604.131	4' Diameter Catch Basin/Drain Manhole	19	EA	\$3,300.00	\$62,700.00
605.11	12" Underdrain Type C	2197	LF	\$55.00	\$120,835.00
605.13	18" Underdrain Type C	100	LF	\$60.00	\$6,000.00
606.47	Single Wood Post	8	EA	\$200.00	\$1,600.00
606.51	Multiple Mailbox Support	3	EA	\$330.00	\$990.00
608.26	Curb Ramp Detectable Warning Field	136	SF	\$64.35	\$8,751.60
609.11	Vertical Curb Type I	2149	LF	\$33.14	\$71,217.86
609.237	Terminal Curb Type I - 7 ft	46	EA	\$264.75	\$12,178.50
609.238	Terminal Curb Type I - 8'	8	EA	\$322.79	\$2,582.32
609.2371	Terminal Curb Type I - 7 ft - Circular	13	EA	\$293.50	\$3,815.50
615.07	Loam - Plan Quantity	410	CY	\$50.00	\$20,500.00
618.13	Seeding Method Number 1 - Plan Quantity	34	UN	\$54.12	\$1,840.08
626.22	Non-Metallic Conduit	2910	LF	\$20.00	\$58,200.00
626.32	Concrete Light Bases	26	EA	\$500.00	\$13,000.00
626.38	Ground Mount Cabinet Fnd.	1	EA	\$900.00	\$900.00
627.733	4" White or Yellow Pavement Marking Line	9687	LF	\$0.63	\$6,102.81
627.75	White or Yellow Pavement & Curb Marking	1764	SF	\$0.25	\$441.00
627.77	Removing Pavement Markings	3197	SF	\$4.04	\$12,915.88
627.78	Temp. Pavement Marking Line, White or Yellow	2412	LF	\$0.30	\$723.60
634.25	Serv Pole Comp W/Cabinet & Contr	1	EA	\$10,000.00	\$10,000.00
634.315	#8 AWG Copper Wiring	6340	LF	\$2.00	\$12,680.00
634.317	#12 Copper Wiring	3170	LF	\$2.00	\$6,340.00
634.7	Ornamental Lighting	29	EA	\$2,800.00	\$81,200.00
643.6001	Ped Actuated xwalk sign & flasher	2	EA	\$14,000.00	\$28,000.00

652.33	Construction Drums	100	EA	\$48.35	\$4,835.00
652.34	Construction Cones	72	EA	\$18.04	\$1,298.88
652.35	Construction Signage	270	SF	\$14.34	\$3,871.80
652.38	Flagger	384	HR	\$21.04	\$8,079.36
659.1	Mobilization	1	LS	\$40,000.00	\$40,000.00

SUBTOTAL	\$1,095,532.99
Contingency 10%	\$109,553.30
TOTAL	\$1,205,086.28

# Ce.  
8-25-16



Memo to: Roger Raymond, Town Manger  
Members of the Hermon Town Council  
From: Annette M. Merrithew, CEO  
Date: August 5, 2016

For a few months now I have been working with the Planning Board in order to best present to you an amendment to the Code of Ordinances – Land Use- Schedule of Uses matrix concerning “grandfathered” residential uses in the Commercial and Industrial Districts.

On July 19<sup>th</sup> , the Planning Board held a public hearing concerning a proposed change in allowed uses within the Commercial and Industrial Districts. Currently under the allowed uses in the Land Use Code residential dwellings are not allowed in the commercial and industrial district, the residential dwellings existing in these 2 districts are called non-conforming or “grandfathered” and the use as residential stays with the property until the property is not used as a residential dwelling for 1 year. Below is a section of the land use code that outlines non-conforming uses.

(B) *Discontinuance.* A non-conforming use which is discontinued for a continuous period of one year shall not be resumed. The uses of land, buildings or structures shall thereafter conform to the provisions of this chapter.

There are 17 structures in the 2 districts that are either single family or residential rentals that are effected by non-conformance. Currently there is one dwelling that has gone through a foreclosure process that took over 1 ½ years so it lost it's residential status and when the property was listed for sale and interested parties called the Code Office I had to explain that it could only be used as commercial. Out of a dozen or so calls I received on this property I did not receive one call that the potential buyer wanted to use it as commercial all wanted it as a residential property. Eventually the property was purchased and the new owner asked what would be the best process for getting the residential use reinstated. That is when I started looking at all the other properties that could be affected if they became vacant and not sold within a year, and felt that in order to protect these properties, property owners, or future heirs of a property an amendment to the ordinance should be looked at.

Note: The average lot size for these 17 structures is 1/2 acre which is not conducive to any commercial or industrial use when you take into consideration building, parking, as well as well and septic in some cases, so the residential use is a far better fit.

The proposed amendment does not change the zoning district it only adds a note allowing existing residential dwellings to continue even after a long vacancy. The property can still be sold or used as a commercial or industrial at any time.

After much discussion the Planning Board did a findings of fact and voted unanimously to pass the following amendment on the Hermon Town Council for consideration.

Mailing address  
PO Box 6300  
Hermon, ME 04402-6300

Physical Address:  
333 Billings Rd  
Hermon, ME 04401

Telephone: 207 848-1010  
FAX: 207 848-3316  
email:

**Proposed amendment to the Hermon Code of Ordinance, Title XV- Chapter 154- Land Useage-  
Schedule of Uses and notes**

<b>Single – Family Dwelling</b>	P	P	P <sup>3</sup>	P	<u>N 8</u>	P	<u>N 8</u>
<b>Two-Family Dwelling</b>	P <sup>2</sup>	N	P <sup>3</sup>	P <sup>4</sup>	<u>N 8</u>	P <sup>4</sup>	N
<b>Multiple Family Dwelling</b>	N	N	P <sup>4</sup>	P <sup>4</sup>	N	S <sup>4</sup>	N

**Notes to Table of Residential Uses:**

**Additional note #8**

**#8 C District- The following seven (7) listed properties shall retain their residential use in the Commercial District regardless how long they remain vacant.**

**Map 21 Lots- 29, 31, 33**

**Map 22 Lots- 87, 88, 89, 91**

**I District- The following 10 (10) properties shall retain their residential use in the Industrial District regardless how long they remain vacant.**

**Map 8, Lots 6, 7, 11, 12, 15**

**Map 15, Lots 5, 6, 10**

**Map 22, Lots 74 & 84**

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Minutes  
HERMON PLANNING BOARD  
July 19, 2016

1. Roll Call- Meeting was called to order by Chairman Ramsay at 6:50pm
2. Consider minutes of the 06/21/2016 meeting- Motion was made by J. McCue / M. White to approve the minutes of 06/21/2016 as written - unanimous
3. Consent Agenda- It was the consensus of the Board to excuse the absence of E. Marsh and S. Andrei from the 06/21/2016 meeting

4. New Business

**Public Hearing**

- a. Review and discussion on proposed amendment to the Hermon Code of Ordinances, Title XV – Land Use, Chapter 154, subsection 154-046 Schedule of Uses and notes. ( see attached)

Public hearing was opened at 6:45pm by Chairman Ramsay -

Public in attendance: Donna Pulver

CEO Merrithew explained that she had sent out 16 notices to owners of the properties involved in this proposed change and that she had received email and calls from only 3 of the property owners and all were in favor of the proposed change.

Ms. Pulver stated that her property was included in the proposed change and that she understood the proposed change was positive but also wanted to make sure that her property would also be able to be sold as industrial as that is what it is zoned as. Chairman Ramsay stated that her property would still be considered industrial and could be sold for industrial / commercial uses or sold as residential.

Public hearing was closed at 6:55pm – Motion was made by E. Marsh / M. White to forward the proposed amendment to the Hermon Code of Ordinances, Title XV – Land Use, Chapter 154, subsection 154-046 Schedule of Uses and notes onto the Hermon Town Council for consideration - unanimous

5. Old Business- none
6. Board Comments- none
7. CEO Comments- CEO Merrithew stated that Hermon Holdings, LLC was seeking approval of a stand alone Dunkin Donuts at Hermon Plaza and that she had received the site plan from Tom Ellis showing the 2640 sq.ft. building labeled as a drive-thru / eating establishment. She stated that the original site plan had been approved in 2008 for the additional building and was labeled retail store so the use and permitting authority had changed and now was listed in the Land Use Code as needing PB Site Plan approval but if it was the consensus of the Board they could waive their review per Title XV- Land Use, Chapter 154 ss 154-020. After some discussion it was the consensus of the Board that they would like to review the site plan as they had questions about the traffic pattern

and what effect that would have on what they believe was a limited access drive originally stated to be used as a delivery truck access.

CEO Merrithew stated that a special planning board meeting could be schedule for Tuesday, July 26<sup>th</sup> at 6:30pm to meet with the developer and project engineer to discuss these concerns. Chairman Ramsay approved the scheduling of a special meeting to be held on July 26<sup>th</sup> at 6:30pm.

8. Adjourn- Meeting was adjourned at 7:15pm

If you require any assistance to fully participate in this meeting, please notify us at 848-1042 or write to the Town of Hermon P.O. Box 6300, Hermon, ME 04402-6300.



FINDINGS OF FACT

- 1) A public hearing was held July 19, 2016 at 6:30 pm to take testimony and make findings on a proposed amendment to the Hermon Code of Ordinances, Title XV – Land Useage, Chapter 154, subsection 154-046 Schedule of Uses and notes.
- 2) Notice was sent on July 06, 2016 to all property owners who's property was included in the proposed amendment. The notice included an appropriate and accurate summary of the issues to be heard. Copies of the notice were mailed to the appropriate abutters at least 13 days prior to the public hearing. Public Notice was posted in the Hermon Town Office on July 6, 2016.

The Hermon Planning Board shall make investigation of the proposed zoning amendment, including whether the requested amendment is compatible with the purpose and provisions of the Land Use Code. The Planning Board in making their finding discussed and review the following:

A. That the granting of such an amendment will not be detrimental to the public welfare or injurious to the property or improvements in such vicinity in which the property is located.

*will not*

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B. That no deed restriction or easements prohibit reclassification and / or any uses permitted under the proposed zoning on the property(s) in question.

*none*

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C. That these particular properties are more suitable for the uses permitted in the proposed zone than for the uses permitted in the present zone. ( see attached )

*yes*

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D. The request is consistent with the applicable State and Federal Laws

*yes*

---

E. The request is consistent with the applicable goals and policies of the Town of Hermon

*yes*

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Telephone: 207 848-1010  
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email:

F. The request is consistent with the Comprehensive Plan

*yes*

G. The proposed amendment will result in a development which is compatible with the surrounding properties / zoning

*will result*

Conclusion:

Based upon the forgoing Findings of Fact, Conclusions and Recommendations and Public Comments the Hermon Planning Board vote to forward the proposed amendment to the Hermon Town Council with the following recommendation.

Forward to the Hermon Town Council with the recommendation that the request

  X   be considered for passage

           not to recommend passage



David Ramsay, Chairman Hermon Planning Board

*19 July 2016*

Date



July 11, 2016

Dear Property Owner:

This is notice of a Public Hearing to be held on July 19, 2016 at 6:30pm at the Hermon Public Safety Building concerning a proposed change in allowed uses within the Commercial and Industrial Districts. Currently under the allowed uses in the Land Use Code residential dwellings are not allowed in the commercial and industrial district, the residential dwellings existing in these 2 districts are called non-conforming or “grandfathered” and the use as residential stays with the property until the property is not used as a residential dwelling for 1 year. Below is a section of the land use code that outlines non-conforming uses

(B) *Discontinuance.* A non-conforming use which is discontinued for a continuous period of one year shall not be resumed. The uses of land, buildings or structures shall thereafter conform to the provisions of this chapter.

There are currently 17 structures in the 2 districts that are either single family or residential rentals that are effected by non-conformance and because of a recent request by a residential property owner in the commercial district the Planning Board voted to review a proposal to insert wording into the Land Use Code that would protect these properties as residential even if they were vacant for extended length of time.

This public hearing is being held to give all the affected property owners an opportunity to attend and comment. Comments received will help the Planning Board make the decision as to passing this proposed change on to the Council for public hearing and vote or not.

If any of you are unable to attend but would like to send any or all comments to me via mail ( P.O. Box 6300- Hermon, Maine 04402) or email ([ceo@hermon.net](mailto:ceo@hermon.net)) please feel free to do so and they will be read into the record at the meeting on July 19, 2016.

*Annette M. Merrithew*

Annette M. Merrithew,

Code Enforcement Officer

Mailing address  
PO Box 6300  
Hermon, ME 04402-6300

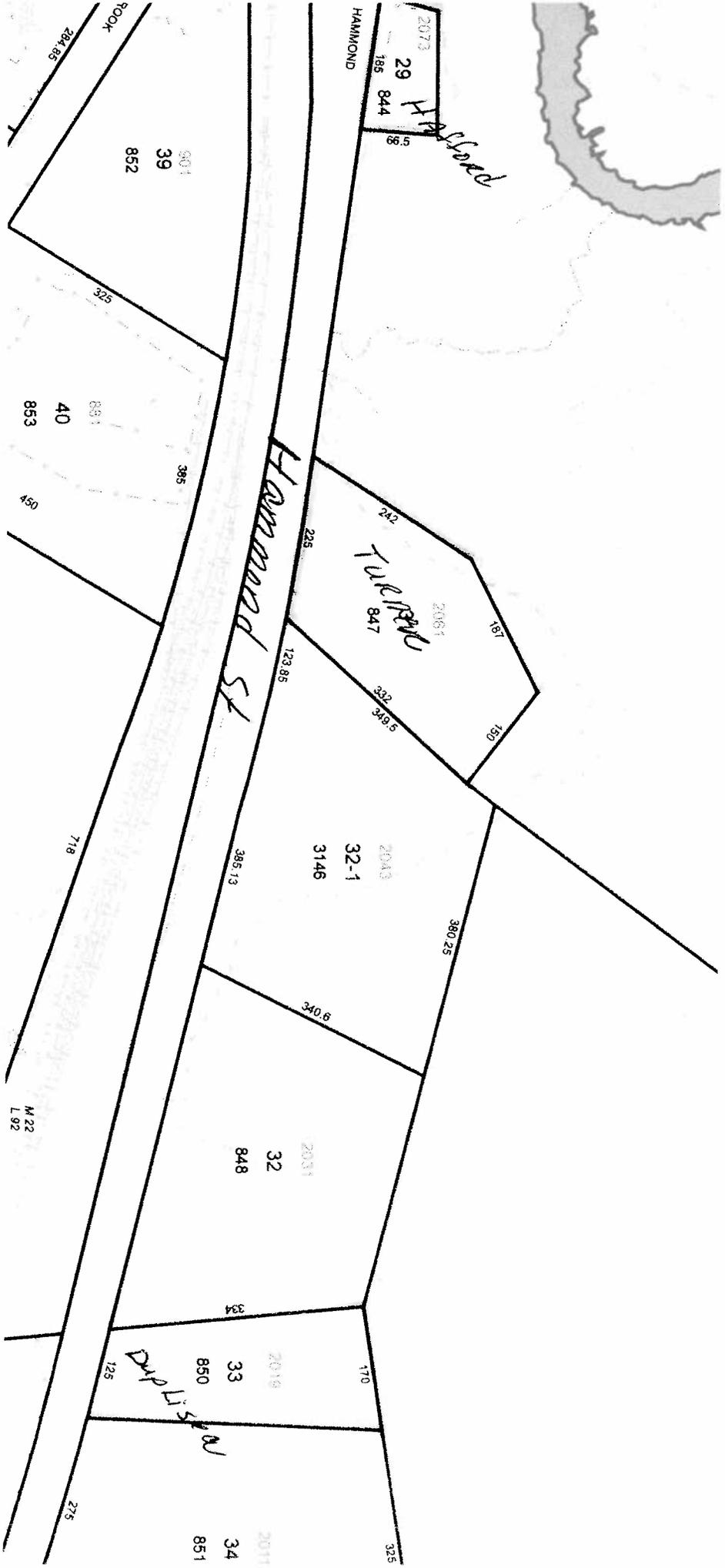
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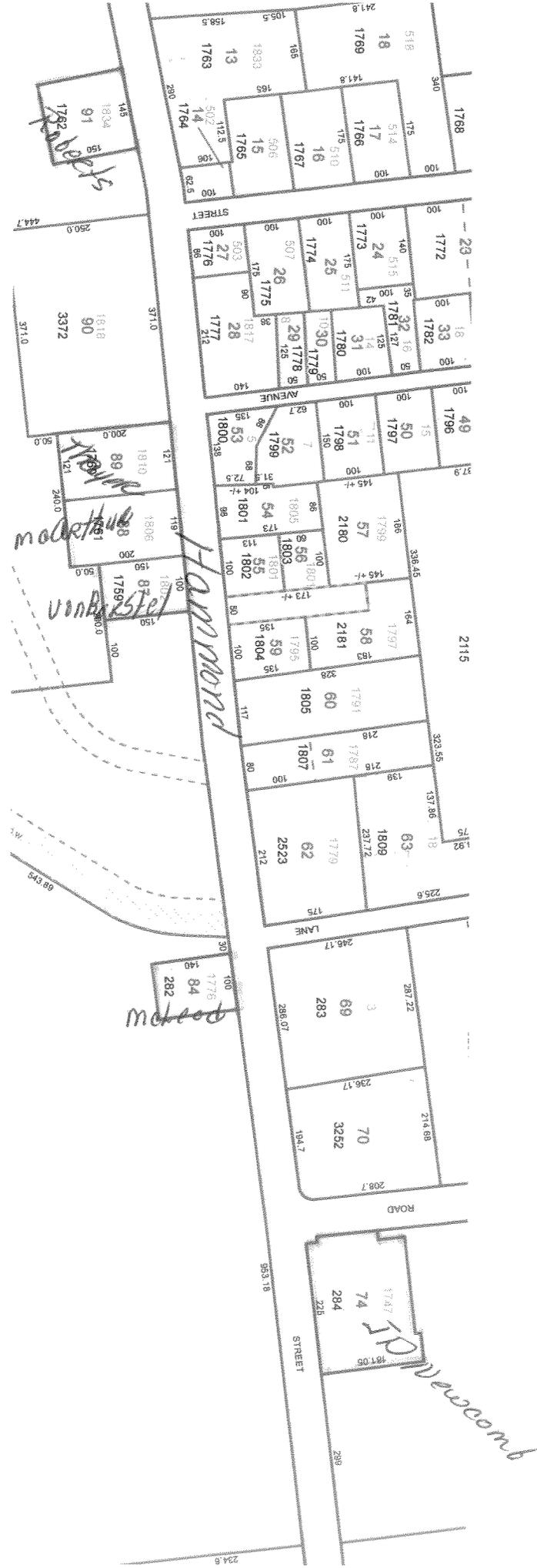




MAP 8



Map 21



Map 22

May

# 7  
8-25-16

YEAR	Transfer Station Reserve ACCOUNT ACTIVITY	REVENUES	EXPENSES	BALANCES	COMMENTS
2016	Balance forward 7-1-2016			\$ (1,632.00)	
	Annual appropriation	\$ 12,000.00			
	Install sign		\$ 800.00		
	Repair attendant building		\$ 600.00		
	Gravel and pave loading area ramp		\$ 6,000.00		
	Interest from reserve	\$ 10.00			
	<b>Totals 6-30-2017</b>	\$ 12,010.00	\$ 7,400.00	\$ 2,978.00	
2017	Balance forward 7-1-2017			\$ 2,978.00	
	Annual appropriation	\$ 6,000.00			
	Interest from reserve	\$ 25.00			
	<b>Totals 6-30-2018</b>	\$ 6,025.00	\$ -	\$ 9,003.00	
2018	Balance forward 7-1-2018			\$ 9,003.00	
	Annual appropriation	\$ 6,000.00			
	Interest from reserve	\$ 35.00			
	<b>Totals 6-30-2019</b>	\$ 6,035.00	\$ -	\$ 15,038.00	
2019	Balance forward 7-1-2019			\$ 15,038.00	
	Annual appropriation	\$ 6,000.00			
	Interest from reserve	\$ 35.00			
	<b>Totals 6-30-2020</b>	\$ 6,035.00	\$ -	\$ 21,073.00	
2020	Balance forward 7-1-2020			\$ 21,073.00	
	Annual appropriation	\$ 6,000.00			
	Interest from reserve	\$ 35.00			
	<b>Totals 6-30-2021</b>	\$ 6,035.00	\$ -	\$ 27,108.00	

# 9.  
8-25-16

**Equity Charter Municipality Assets:  
Shares of the Debt Service Reserve Fund and  
Limited Partnership Shares in the PERC Partnership**

---

The Equity Charter Municipalities own shares of the following two assets that are associated with the ongoing operation of the PERC Facility:

- The Debt Service Reserve Fund, in the amount of \$1,333,333.33, which is being held in reserve by PERC's lender. The Debt Service Reserve Fund is scheduled to be released to the MRC for distribution to the Equity Charter Municipalities after PERC has made its last debt service payment, which payment is scheduled for the end of 2017.
- Limited Partnership Shares in the PERC Partnership, of which the Equity Charter Municipalities own 25.5214 percent. Under the PERC Partnership Agreement as amended, the PERC Partnership is scheduled to be terminated as of the end of 2018.

Schedule B to the Joinder Agreements sets forth the MRC's plan for returning these assets to the Equity Charter Municipalities upon the release of the Debt Service Reserve Fund and the termination or dissolution of the PERC Partnership.

The value in the Debt Service Reserve Fund will be returned to the Equity Charter Municipalities on a timely basis after their release to the MRC net of (a) costs to secure the release of the funds; and (b) costs of the Equity Charter Municipalities associated with the termination of the PERC Partnership. The MRC has committed to identify any such costs promptly in 2018; to identify costs that are being held in reserve in anticipation of future costs and liabilities; and to release funds promptly after confirming the extent to which funds need to be reserved against costs.

Attachment A provides an interim allocation of the Debt Service Reserve Fund among the Equity Charter Municipalities for illustration purposes only. Note that the actual allocation will be determined based on the relative shares of tonnage delivered to the PERC Facility during the term of the financing (that is, from July 1998 through December 2017) and any costs that are netted from the balance. Attachment A, which accounts for the relative shares of tonnage delivered to the PERC Facility from July 1998 through October 2015, will be updated and finalized in 2018 when the final relative shares of tonnage and cost are known.

The value of the limited partnership shares in the PERC partnership will be determined in 2018 based on conditions at that time. If the PERC Facility closes, the value would depend on the salvage value of the assets of the PERC Partnership net of closure costs, which value would be distributed to the Equity Charter Municipalities in accordance with their ownership interests. Attachment B identifies the limited partnership shares in the PERC Partnership, and the relative share of all partnership interests owned by the Equity Charter Municipalities, that would form the basis for any distribution upon dissolution of the PERC Partnership.

**Attachment A**

**Allocation of Debt Service Reserve Fund Among the Equity Charter Municipalities**

Interim values as of third quarter of 2015 for illustration purposes only

Actual values will be pro rata shares of fund balance based on tons delivered through 4Q 2017

<b>Equity Charter Municipality</b>	<b>Allocated Share</b>		<b>Equity Charter Municipality</b>	<b>Allocated Share</b>
Albion	\$ 7,982.45		Midcoast SWD	\$ 54,959.53
Alton	\$ 2,632.38		Mid-Maine SWD	\$ 33,410.32
Atkinson	\$ 992.52		Milford	\$ 8,611.65
Baileyville	\$ 14,427.29		Millinocket	\$ 21,740.75
Bangor	\$ 236,507.54		Milo	\$ 10,537.21
Bar Harbor	\$ 40,003.94		Monson	\$ 1,797.38
Blue Hill/Surry	\$ 31,173.73		Mt. Desert/EMR	\$ 52,413.18
Boothbay RRDD	\$ 38,063.35		Newburg	\$ 5,320.23
Bradley	\$ 4,015.31		Old Town	\$ 34,726.86
Brewer	\$ 53,038.21		Orland	\$ 2,667.50
Brooks	\$ 2,765.92		Orono	\$ 31,020.36
Brownville	\$ 5,558.26		Otis	\$ 1,505.88
Bucksport	\$ 15,502.46		Palmyra	\$ 6,733.21
Burnham	\$ 4,988.20		Parkman	\$ 1,582.01
Carmel	\$ 8,874.62		Penobscot Co.	\$ 6,706.31
Central Penobscot	\$ 18,162.81		Pleasant River SWD	\$ 10,419.95
China	\$ 14,210.92		Plymouth	\$ 4,333.73
Clifton	\$ 3,250.22		Reed Pt	\$ 730.29
Clinton	\$ 18,453.38		Rockland	\$ 44,404.94
Dedham	\$ 3,345.30		Sangerville	\$ 4,715.89
Dover-Foxcroft	\$ 17,591.73		Searsport	\$ 7,710.60
Eddington	\$ 7,332.27		Stetson	\$ 4,614.51
Enfield	\$ 6,367.45		Steuben	\$ 4,662.65
Fairfield	\$ 28,928.13		Stonington	\$ 8,223.05
Glenburn	\$ 16,948.68		Thomaston Group	\$ 32,376.06
Gouldsboro	\$ 5,843.89		Thorndike	\$ 2,305.43
Greenbush	\$ 4,831.63		Troy	\$ 1,681.46
Guilford	\$ 10,109.96		Union River SWD	\$ 2,993.10
Hampden	\$ 27,101.60		Unity	\$ 7,145.64
Hancock	\$ 4,113.72		Vassalboro	\$ 11,733.91
Hermon	\$ 26,580.71		Veazie	\$ 5,673.16
Holden	\$ 7,328.88		Verona	\$ 2,439.21
Jackson	\$ 1,265.63		Waldoboro Group	\$ 25,412.10
Lamoine	\$ 4,731.90		Waterville etc.	\$ 73,619.08
Lee	\$ 3,250.01		Winslow	\$ 26,411.42
Levant	\$ 7,442.67		West Gardiner	\$ 8,444.19
Lincoln	\$ 29,217.36		Winthrop	\$ 22,427.20
Lucerne	\$ 2,296.14		Total	\$ 1,333,333.33
Mariaville	\$ 1,183.10			
Mars Hill	\$ 7,760.67			
Mattawamkeag	\$ 2,948.44			

**Equity Charter Municipality Assets:  
Shares of the Custody Account and the Tip Fee Stabilization Fund**

---

The Equity Charter Municipalities own shares of the following two assets that are associated with the ongoing operation of the PERC Facility:

- The Custody Account, which serves as the working capital account for receipt of Performance Credits and cash distributions paid by the PERC Partnership to the Equity Charter Municipalities, and for payment of quarterly cash rebates to the Charter Municipalities to achieve the target values for net disposal cost.
- The Tip Fee Stabilization Fund, which has been used to manage excess funds from the Custody Account in safe and conservative investments to be available for use in tip fee stabilization.

The MRC projects that the total balance of these funds as of the scheduled date for termination of the waste disposal agreements with PERC (March 31, 2018) will be on the order of \$25 million. The MRC has worked hard over the past years to identify potential applications of these funds that are both (i) fair and equitable for the Equity Charter Municipalities in whose names the funds are held; and (ii) consistent with the MRC's mission to ensure affordable, long-term, environmentally-sound disposal of MSW on behalf of its membership.

The MRC considered carefully whether to return all of these funds to the membership. There is no denying that distribution of all of the funds would provide an attractive one-time cash windfall to the Equity Charter Municipalities; however, the MRC could not identify an approach that, in the absence of a sustainable course for the PERC facility, would avoid a severe shortfall of waste disposal capacity after the PERC facility closes. The result would be rapid spikes in the cost for MSW disposal, most likely involving return to large-scale landfill disposal, the costs of which might quickly overwhelm the benefits of the windfall without providing a basis for management of the MSW generated in the region on a long-term, sustainable or affordable basis. Such a course would be in direct conflict with the MRC mission.

The MRC considered whether to use the funds as the basis either to purchase the PERC facility from the private partners or to develop a new facility that would be publicly-owned and operated. Unfortunately, despite repeated requests from the MRC, the private partners never provided a serious proposal to sell the PERC facility at a price that was within the means of the Equity Charter Municipalities. Moreover, preliminary investigations indicated that a new publicly-owned facility would require the Equity Charter Municipalities to take on significant debt to pay for construction over and above the amount of funds in reserve. MRC surveys of the Equity Charter Municipalities clearly showed an overwhelming preference to avoid taking on such debt and to avoid the responsibilities and liabilities of public ownership.

Given these choices, the MRC ultimately decided to use these funds to achieve two goals: secure a level of public control in the facility that would process the MSW; and continue to stabilize tip fees for the long-term to keep solid waste management affordable. Up to \$5.0 million of the funds will be used to purchase and develop a site in Hampden (currently under option) at which a next-generation processing facility that would serve Maine municipalities is being developed by a private entity (Fiberight). By purchasing the site in the name of the Equity Charter Municipalities that elect to stay together, the MRC can continue to exercise oversight over the Fiberight facility as it has over the PERC facility, but as landlord rather than as a limited partner, which avoids the difficulties and challenges of being limited partners in a privately-owned and controlled partnership as is the case with the Equity Charter Municipalities in the PERC Partnership. Moreover, as owner of the site, if the Fiberight facility fails, the MRC can make the site available for redevelopment as a modern transfer station, conventional single-stream processing facility, source-separated organics processing facility, or other facility that might serve the waste management needs of the region. The remaining funds would be used for tip fee stabilization, either by supplementing rebates from Fiberight or by establishing a new generation of reserve funds that insulate the municipalities from liabilities and contingencies. In the view of the MRC, this approach provides the best way to apply the funds toward a long-term, environmentally-sound method for managing MSW at an affordable cost.

A full description of the potential uses of these funds is set forth in Schedule JA-B to the Joinder Agreements. That schedule also sets forth methods of allocation to ensure that, in a continuation of the policy the MRC has followed since 1998, the funds can benefit all Charter Municipalities, but ownership and residual value of the funds remain in the names of the Equity Charter Municipalities.

Attachment A provides an interim allocation of the funds in the Custody Account and the Tip Fee Stabilization Fund among the Equity Charter Municipalities for illustration purposes only. The allocation is based on (a) a projected balance of \$25 million as of March 31, 2018 (which includes \$5.0 million for purchase and development of the Hampden site); and (b) pro rata application of the relative shares of each Equity Charter Municipality in these funds as of October 31, 2015, which is the most recent date for which an allocation was performed. Note that the actual allocation will be revised in 2018 after the deposits and distributions through 2018 are known, and after the MRC has determined which Equity Charter Municipalities will stay together as Joining Members and which will leave the MRC.

**Attachment A**

**Allocation of Tip Fee Stabilization Fund and Custody Account  
Among the Equity Charter Municipalities**

Interim shares of projected balance of \$25 M for illustration purposes only

Actual values will be revised based on deposits and distributions through 1Q 2018

<b>Equity Charter Municipality</b>	<b>Allocated Share</b>		<b>Equity Charter Municipality</b>	<b>Allocated Share</b>
Albion	\$ 132,835.28		Midcoast SWD	\$ 1,112,429.32
Alton	\$ 50,659.34		Mid-Maine SWD	\$ 625,115.81
Atkinson	\$ 17,705.58		Milford	\$ 161,727.76
Baileyville	\$ 263,268.06		Millinocket	\$ 437,157.01
Bangor	\$ 4,208,096.74		Milo	\$ 195,212.06
Bar Harbor	\$ 867,545.85		Monson	\$ 34,912.10
Blue Hill/Surry	\$ 594,699.92		Mt. Desert/EMR	\$ 1,052,608.77
Boothbay RRDD	\$ 776,121.30		Newburg	\$ 80,627.78
Bradley	\$ 69,122.21		Old Town	\$ 646,731.81
Brewer	\$ 1,079,485.90		Orland	\$ 52,045.03
Brooks	\$ 42,968.16		Orono	\$ 602,254.85
Brownville	\$ 105,474.55		Otis	\$ 29,217.98
Bucksport	\$ 317,871.56		Palmyra	\$ 104,456.68
Burnham	\$ 87,656.70		Parkman	\$ 28,975.10
Carmel	\$ 148,970.73		Penobscot Co.	\$ 126,118.65
Central Penobscot	\$ 299,112.75		Pleasant River SWD	\$ 177,916.27
China	\$ 267,727.14		Plymouth	\$ 74,163.36
Clifton	\$ 52,326.04		Reed Pt	\$ 13,656.19
Clinton	\$ 346,383.63		Rockland	\$ 810,879.16
Dedham	\$ 63,951.33		Sangerville	\$ 81,141.80
Dover-Foxcroft	\$ 314,685.98		Searsport	\$ 169,143.24
Eddington	\$ 128,171.65		Stetson	\$ 71,766.42
Enfield	\$ 114,674.39		Steuben	\$ 84,716.38
Fairfield	\$ 481,151.40		Stonington	\$ 153,740.87
Glenburn	\$ 279,850.80		Thomaston Group	\$ 571,442.53
Gouldsboro	\$ 120,653.03		Thorndike	\$ 42,244.27
Greenbush	\$ 81,930.56		Troy	\$ 30,540.64
Guilford	\$ 186,646.86		Union River SWD	\$ 51,639.20
Hampden	\$ 509,549.85		Unity	\$ 123,366.01
Hancock	\$ 83,032.27		Vassalboro	\$ 214,509.68
Hermon	\$ 454,435.70		Veazie	\$ 108,901.00
Holden	\$ 138,550.14		Verona	\$ 43,235.87
Jackson	\$ 19,069.50		Waldoboro Group	\$ 478,935.37
Lamoine	\$ 88,492.50		Waterville etc.	\$ 1,518,358.36
Lee	\$ 57,679.25		Winslow	\$ 500,569.03
Levant	\$ 130,713.06		West Gardiner	\$ 171,040.68
Lincoln	\$ 541,643.92		Winthrop	\$ 441,735.05
Lucerne	\$ 39,331.64		Total	\$ 25,000,000.00
Mariaville	\$ 20,553.84			
Mars Hill	\$ 135,807.05			
Mattawamkeag	\$ 58,161.72			