

CITY COUNCIL MEETING NOTICE AND AGENDA



Notice is hereby given that the City Council of Caribou will hold a City Council Meeting on **Monday, June 13, 2022**, in the Council Chambers located at 25 High Street, **6:00 pm**.

THE MEETING WILL BE BROADCAST ON CABLE CHANNELS 8 & 1301 AND THE CITY'S YOUTUBE CHANNEL.

1. Roll Call
2. Invocation/Inspirational Thought
3. Pledge of Allegiance
4. Public Forum (**PUBLIC COMMENTS SUBMITTED TO THE CITY CLERK PRIOR TO 4:30PM ON THE MEETING DATE WILL BE SHARED WITH THE COUNCIL DURING PUBLIC FORUM. Email dbrissette@cariboumaine.org**)
5. Minutes **Pages**
 - a. May 23, 2022 – Regular City Council meeting 02-04
6. Bid Openings, Awards, and Appointments 05
 - a. Proclamation: Amateur Radio Week June 19 – 25, 2022 05
7. Public Hearings and Possible Action Items 06-16
 - a. Public Hearing – Ordinance 5, 2022 Series “An ordinance to amend City Code and Ordinances Chapter 5 – Fire Prevention to clarify the responsibility for snow removal from the hydrants located within the City of Caribou” 06-16
8. Reports by Staff and Committees 17
 - a. Tax Acquired memo regarding Map 15 Lot 30-A 17
 - b. Tax Acquired memo regarding Map 31 Lot 157 18
 - c. Manager’s report 19-20
9. New Business, Ordinances and Resolutions 21-22
 - a. First read: Veteran’s Memorial Park Association 21-22
 - b. Janitorial RFP for Municipal Building, Police Department & Library 23
10. Old Business 24-38
 - a. Finalize Credit Enhancement Agreement with Irving Farms, Inc. 24-38
 - b. Finalize Credit Enhancement Agreement with North State Transport, LLC 39-53
 - c. Discussion on loan for capital projects approved during budget process 54
11. Reports and Discussion by Mayor and Council Members **Reports: 55-68**
12. Next Special Meeting: June 22 for a public hearing on the CDBG application for C&J Service Center
13. Next Regular Meetings: June 27, July 25, August 22
14. Executive Session(s) (May be called to discuss matters identified under MRSA, Title 1, §405.6.A)
15. Adjournment

If you are planning to attend this Public Meeting and due to a disability, need assistance in understanding or participating in the meeting, please notify the City Clerk ten or more hours in advance and we will, within reason, provide what assistance may be required.

Certificate of Mailing/Posting

The undersigned duly appointed City official for the municipality of Caribou City hereby certifies that a copy of the foregoing Notice and Agenda was posted at City Offices and on-line in accordance with City noticing procedures.

BY: _____ Danielle Brissette, City Clerk

Council Agenda Item #1: Roll Call

The Caribou City Council held a City Council Meeting on Monday, May23, 2022 at 6:00 p.m. in Council Chambers with the following members present: Mayor Smith, Deputy Mayor Boma, Councilors Morrell, Morrill, and Theriault. Councilor Willey was present via Zoom. Councilor Goughan was absent and excused.

Penny Thompson, City Manager was present at the meeting.

Department Managers Peter Baldwin (Library Director), Gary Marquis (Parks & Recreation Superintendent), and Carl Grant (Finance Director) were present at the meeting.

Melissa Lizotte of the Aroostook Republican covered the meeting, and it was broadcasted via Spectrum and YouTube.

Council Agenda Item #2: Invocation / Inspirational Thought

Mayor Smith read an invocation.

Council Agenda Item #3: Pledge of Allegiance

Mayor Smith led the Pledge of Allegiance.

Council Agenda Item #4: Public Forum

There were no comments made by the public.

Council Agenda Item #5: Minutes

a. May 9, 2022 – Regular City Council meeting

Motion made by Deputy Mayor Boma, seconded by Councilor Theriault to accept the May 9, 2022, as presented.

Roll Call Vote: C. Boma – Yes, D. Morrell – Yes, J. Morrill – Yes, J. Theriault – Yes, L. Willey – Yes, J. Smith – Yes. (So voted)

Council Agenda Item #6: Bid Openings, Awards, and Appointments

a. Appointment of City Council liaison to Citizen Airport Advisory Committee

Motion made by Deputy Mayor Boma, seconded by Councilor Morrell to appoint Councilor Theriault to be the Liaison to the Citizen Airport Advisory Committee.

Roll Call Vote: C. Boma – Yes, D. Morrell – Yes, J. Morrill – Yes, J. Theriault – Yes, L. Willey – Yes, J. Smith – Yes. (So voted)

Council Agenda Item #7: Public Hearings and Possible Action Items

There were none scheduled for discussion.

Council Agenda Item #8: Reports by Staff and Committees

a. April financials (Finance Director)

Carl Grant (Finance Director) reviewed the April Financial Report

Motion made by Councilor Morrell, seconded by Councilor Morrill to accept the April Financial Report as presented.

Roll Call Vote: C. Boma – Yes, D. Morrell – Yes, J. Morrill – Yes, J. Theriault – Yes, L. Willey – Yes, J. Smith – Yes. (So voted)

b. Interest in Tax Acquired Property (Finance Director)

Carl Grant (Finance Director) explained that there has been interest shown by the abutting landowner. It is suggested to put the property out to bid with a recommended minimum bid of \$1,500.00. He explained that there are no taxes owed on the property at this time. There was once a placard on the property for the Cochran's, which was vandalized and had to be removed.

Motion made by Councilor Morrill, seconded by Councilor Morrell to put the property out to bid for a minimum bid amount of \$1,500.00

Roll Call Vote: C. Boma – Yes, D. Morrell – Yes, J. Morrill – Yes, J. Theriault – Yes, L. Willey – Yes, J. Smith – Yes. (So voted)

c. Resolution for NBRC application (Superintendent of Parks & Recreation)

Gary Marquis (Superintendent of Parks & Recreation) explained that he is currently working on applying for a Northern Border Regional Commission grant to purchase a new groomer and drag to replace the 2015 New Holland tractor. He explained that if he is successful in receiving the grant the city would be able to purchase the new groomer and drag at no cost to the City. If he does not get the grant, then he will not be purchasing the equipment this year. He is asking for permission and support of the Council to continue with the application process.

Motion made by Councilor Boma, seconded by Councilor Theriault to authorize Gary Marquis to move forward with the application.

Roll Call Vote: C. Boma – Yes, D. Morrell – Yes, J. Morrill – Yes, J. Theriault – Yes, L. Willey – Yes, J. Smith – Yes. (So voted)

d. Manager's Report

Manager Thompson reviewed the City Manager's Report dated May 23, 2022.

Council Agenda Item #9: New Business, Ordinances and Resolutions

a. Discussion on Chapter 10 – Planning, Article II – Tax Increment Financing

Council had a brief discussion regarding Chapter 10 – Planning, Article II – TIF. They are going to plan to have an investment committee meeting to continue discussing ideas.

b. Discussion about Nylander

Council had a discussion regarding the upcoming steps to re-establish a board for the Nylander Museum. Consensus of the Council was that they are interested in looking at working towards

having working board with more direction and structure. They are planning on continuing the discussion and looking at Chapter 15 – Nylander Museum to see what they would like to do, what guidelines they would like to put into place, and what goals they would like to work to achieving.

Council Agenda Item #10: Old Business

a. Finalize Credit Enhancement Agreement with Pelletier Enterprises LLC

Mayor Smith explained that a TIF agreement was passed a few meetings ago, and the deposit has been received, which is not able to be kept.

Manager Thompson explained that the deposit goes towards any expenses that may be incurred for advertisement, legal counsel and other fees incurred from the application process.

Motion made by Councilor Morrill, seconded by Deputy Mayor Boma to authorize Penny Thompson to execute the attached Credit Enhancement Agreement on behalf of the city.

Council Agenda Item #11: Reports and Discussion by Mayor and Council Members

Councilor Morrill congratulated the rec department for the excellent job on the City-wide yard sale as well as the boating regatta down the Aroostook River. He extended a congratulations to Hunter Flynn for completing the 18-week law enforcement training and the four young men for completing their highest award that they can in Boy Scouts as Eagle Awards. Nick Staples, Colin Poitras and Ari Plante, and Chase Plourde. He also wanted to mention the tribute to David Brissette who received honors from as far away as Bangor, Fort Kent, North Lakes, and the Caribou Fire Department.

Motion made by Councilor Theriault, seconded by Deputy Mayor Boma to eliminate both the July 11th and August 8th Council Meeting.

Roll Call Vote: C. Boma – Yes, D. Morrell – Yes, J. Morrill – Yes, J. Theriault – Yes, L. Willey – Yes, J. Smith – Yes. (So voted)

Council Agenda Item #12: Next Regular Meetings: June 13, and June 27

Council Agenda Item #13: Executive Session(s) (May be called to discuss matters identified under MRSA, Title 1, §405.6)

Council did not enter executive session.

Council Agenda Item #14: Adjournment

Motion made by Councilor Morrill, seconded by Councilor Theriault to adjourn the meeting at 6:58 p.m.

Danielle M Brissette, Secretary



CARIBOU CITY COUNCIL

2022 AMATEUR RADIO WEEK PROCLAMATION

WHEREAS, the City of Caribou, Maine is home to over 50 licensed Amateur Radio Operators who repeatedly demonstrate their immense value to the citizens of this town by providing emergency communications during disasters; and

WHEREAS, these Amateur Radio Operators generously operate privately owned communications resources for the welfare and common good of Caribou’s citizenry; and

WHEREAS, these Amateur Radio Operators diligently maintain communications on a state, city and world-wide basis in preparation for emergencies anywhere on earth; and

WHEREAS, these Amateur Radio Operators always practice and refine their communication skills especially during the Annual Field Day exercises; and

WHEREAS, the unique technical nature of Amateur Radio and the equipment used allows Amateur Radio to be operated virtually anywhere; and

WHEREAS, Caribou Amateur Radio Operators continue to stand by, ready to serve and answer any and all Emergency Communications requirements; and

WHEREAS, the Annual Amateur Radio Field Day event is June 25-26, 2022; and

NOW, THEREFORE, be it resolved that the Caribou City Council, fully support and do hereby proclaim the week of June 19-25, 2022, as Amateur Radio Week in the City of Caribou.

IN WITNESS WHEREOF, we have here unto set our hands and caused to be affixed the Seal of the City of Caribou on this 13th day of June, 2022.

Mayor Jody Smith

Attest: Danielle Brissette, City Clerk
[City Seal]

**CARIBOU ADMINISTRATION
25 HIGH STREET
CARIBOU, ME. 04736**



MEMO

To: Mayor and City Council Members
From: Penny Thompson, City Manager
Date: June 13, 2022
Re: Public Hearing on Ordinance 5, 2022 Series "An ordinance to amend City Code and Ordinances Chapter 5 – Fire Prevention to clarify the responsibility for snow removal from the hydrants located within the City of Caribou"

This ordinance was introduced at the June 13, 2022 City Council meeting. The public hearing has been scheduled for tonight.

History:

During the budget process, it was noted that CUD charges the City of Caribou \$325,000 annually for hydrant fees and the PUC rules would allow a charge of \$355,000. If the CUD was required to clear the snow from the hydrants, it would most likely result in a higher charge.

As discussed at the last meeting, I contacted MMA about any potential liability on the City's part and was given this answer from Richard P. Flewelling, Senior Staff Attorney from MMA:

"My anecdotal impression is that in most municipalities, it's either the fire department or the public works department that clears snow from fire hydrants regardless of whether the hydrants are owned by the municipality or a separate water or utilities district. You might be able to gather some more direct information about this by using the MTCMA's listserv to ask your counterparts in other municipalities.

With respect to potential municipal liability for failure to clear fire hydrants of snow, I doubt there is any. Specifically, I cannot identify any exception to the general grant of immunity under the Maine Tort Claims Act (14 M.R.S. Sections 8101-8118) that would include fire hydrants rendered unusable due to snow or ice."

I also asked on the MTCMA ListServ and received many varied responses ranging from the Water District, a paid contractor, to a joint effort by the Fire Department and Public Works.

After the ordinance was introduced, the Caribou Utilities District sent additional information about this topic and I have included that in the packet. Additionally, there was an email with an inquiry from the CUD if an ordinance passed by the City Council would be enforceable on the CUD.

Suggestion Action:

Open the public hearing and gather any additional information presented. This ordinance puts the responsibility of clearing snow on the Caribou Utilities District. It is their contention that the City Council can not force them to clear the hydrants. Before passing the ordinance, you might want to inquire with outside contractors about what they would charge to clear hydrants. It might be less than the additional amount that the CUD will charge to the City of Caribou.

Ordinance Introduced by Councilor Theriault
on May 9, 2022

ORDINANCE No. 5, 2022 Series

**City of Caribou
County of Aroostook
State of Maine**

An Ordinance To Amend Chapter 5, Fire Prevention to clarify the responsibility for snow removal from the hydrants located within the City of Caribou

Short Title: An Ordinance to Amend Chapter 5, Fire Prevention

WHEREAS, the City of Caribou is a Local Unit of Government under the State of Maine; and

WHEREAS, the City of Caribou has adopted as part of its ordinances the regulations contained within Chapter 5, Fire Prevention; and

WHEREAS, it has only been assumed and not defined that the City of Caribou Public Works department would remove the snow from the hydrants located within the City of Caribou; and

WHEREAS, the Caribou City Council desires to clarify the responsibility for snow removal from the hydrants located within the City of Caribou; and

WHEREAS, the Caribou Utilities District owns and maintains the fire hydrants within the City of Caribou and the City of Caribou pays an annual lease for these hydrants as allowed by the Public Utilities Commission; and

WHEREAS, the Caribou Utilities District has on occasion, removed the snow from said hydrants, and going forward shall be responsible for the snow removal from all hydrants within the City of Caribou; and

NOW THEREFORE, the City Council of the City of Caribou, County of Aroostook, State of Maine, pursuant to the requirements of the City of Caribou Charter, Section 2.11(1), does ordain the following:

Section I. Revisions

Chapter 5 Fire Prevention, Article VII Fire Protection Equipment shall be amended as follows:

5-703 Snow Removal from Fire Hydrants

The Caribou Utilities District will remove all snow from fire hydrants within the City of Caribou after each storm as to have a path cleared in the event of a fire.

Section II. Severability

If any part of this ordinance or the application thereof to any person or circumstances shall, for any reason, be adjudged by a court of competent jurisdiction to be unconstitutional or invalid, such judgment shall not affect, impair or invalidate the remainder of this ordinance or the application thereof to other persons and circumstances, but shall be confined to its operation to the section, subdivision, sentence or part of the section and the persons and circumstances directly involved in the controversy in which such judgment shall have been rendered. It is hereby declared to be the intent of the City Council that this section would have been adopted if such invalid section, provisions, subdivision, sentence or part of a section or application had not been included.

Section III. Posting and Effective Date

This ordinance, being introduced on the 9th day of May 2022 and a public hearing being held on the 13th day of June 2022 was duly passed by the City Council of the City of Caribou, Maine, this _____ day of _____ 2022. This ordinance shall become effective thirty (30) days after adoption by the Council.

Jody Smith, Mayor

Courtney Boma, Deputy Mayor

R. Mark Goughan, Councilor

Doug Morrell, Councilor

John Morrill, Councilor

Joan Theriault, Councilor

Lou Willey, Councilor

Attest: _____
Danielle Brissette, City Clerk

Chapter 69: DETERMINATION OF FIRE PROTECTION REVENUES FOR WATER UTILITIES

SUMMARY: This rule establishes a formula for determining for ratemaking purposes the percentage of gross revenues that water utilities should derive from fire protection charges.

1. Definitions.

- A. "Fire Protection Allocation Curve" means the curve established from studies done by the Maine Water Utilities Association, as described in its Journal of March 1961, and attached to this Rule.
- B. "Peak Flow" means the peak hourly flow in gallons per minute for the utility's system. In cases where the peak hourly flow cannot be readily determined, it shall be estimated on the basis of 2 1/2 times the average daily flow in gallons per minute.
- C. "Required Fire Flow" shall be determined by the National Board of Fire Underwriters (N.B.F.U.) formula $1020 \sqrt{x} (1-.01 \sqrt{x})$ in gallons per minute, where X is the population in thousands served by the utility.
- D. "Standard Allocation Method" is the method of determining the percentage of a utility's gross revenue to be derived from public fire protection charges as determined by Section 2 of this Rule.

2. Determination of Percentage of Gross Revenue for Fire Protection Charge.

To determine the percentage of gross revenue that a water utility shall allocate to public fire protection charges, it shall first determine the fraction in which Peak Flow is the numerator and Required Fire Flow is the denominator. This fraction shall then be plotted on the Fire Protection Allocation Curve, attached as Appendix A. The applicable percentage is read at the point where the fraction determined above, as plotted on the horizontal axis of the Fire Protection Allocation Curve, intersects the vertical axis of the curve.

The allocation shall be as determined by the curve, except as follows:

- A. In no event shall the percentage at gross revenue allocated to fire protection charges be more than 30%, or less than 6%, of gross revenue, unless either (1) the utility proves to the Commission, by such studies as the Commission may require, that such extraordinary percentages are reasonable and necessary; or (2) that an allocation factor of more than 30% has been accepted by the municipality and approved by the Commission and conditions have not materially changed.
 - B. The Commission finds, on the basis of evidence presented to it, which may include the allocation factor approved by the Commission in the utility's last rate case, that a different allocation factor should be used because of an inadequate fire flow or other good cause.
3. Full Allocation Studies.
- A. As an alternative to using the Standard Allocation Method, a utility may prepare and present to the Commission for its consideration a full allocation study of its own system. Utilities are encouraged to prepare and present such studies when there are conditions on their system, such as extensive treatment facilities, that would make the application of the Standard Allocation Method unreasonable or inappropriate.
 - B. The Commission may order a utility to prepare and present to it for its consideration a full allocation study of the utility's system when it determines that application of the Standard Allocation Method would be unreasonable or inappropriate.
4. Charges for Public Fire Protection for New Extension.

Until the date of completion of its next general rate case proceeding, a utility, other than a utility that has chosen to make no new investments in new extensions pursuant to 35-A M.R.S.A. § 6106, following the effective date of its decision not to invest pursuant to that section, may bill to the municipality, or the public authority, the charge for public fire protection on a new main extension constructed in a municipally accepted public way after the effective date of the rule to which extension the first customer was connected after February 1, 1987, pursuant to the following formula:

TACR x FP

Where

TACR = Total average annual customer revenue for all customers connected directly to the extension, including public fire protection, as defined in Chapter 65, §1(F).

FP = Percentage of utility's revenue requirement for fire protection determined pursuant to Section 2, above, or as otherwise ordered by the Commission.

Hydrants on a public way shall be installed at the spacing or locations agreed upon by the utility and the municipality when the extension is constructed, but the charges shall apply whether or not any hydrants are located on the main extension.

Until such time as the way on which a hydrant is located is accepted by a municipality or the municipality accepts responsibility for a hydrant as a public hydrant, the hydrant shall be considered private fire protection and shall be billed accordingly.

Any tariff provision that conflicts with this rule shall be null and void.

5. Charges for new public hydrants on mains to which the first customer was connected on or before February 1, 1987.

Until the date of completion of its next general rate proceeding, a utility may bill to the municipality, or other public authority, the charge for public fire protection for new hydrants installed on mains to which the first customer was connected on or before February 1, 1987, pursuant to the following formula:

The formula for determining the annual charge (AC) for a non-investor owned utility is:

$$AC = CH \times [C + P + .02]$$

The formula for determining the annual charge (AC) for an investor-owned utility is:

$$AC = CH \times \left[CD + \frac{CE}{1 - (FIT - (FIT \times SIT)) + SIT} + .02 \right]$$

Where:

AC = Annual charge for a new hydrant on a main to which the first customer was connected on or before February 1, 1987.

- C = Overall cost of capital for non-investor owner utilities, expressed as a decimal. Unless otherwise approved or set by the Director of Finance or the Commission, the cost of capital shall be the average interest rate for the first 15 years of the most recent issues of the Maine Bond Bank for a serial bond, assuming equal annual principal payments.
- CH = cost of the hydrant.
- CD = Cost of debt for an investor-owned utility, weighted by the debt ratio, expressed as a decimal. Unless otherwise approved or set by the Director of Finance or the Commission, the cost of debt and the debt ratio shall be those approved in the utility's most recent rate case.
- CE = Cost of equity, weighted by the equity ratio, expressed as a decimal. Unless otherwise approved or set by the Director of Finance of the commission, the cost of equity and the equity ratio shall be those approved in the utility's most recent rate case.
- FIT = The utility's marginal federal income tax rate allowed in its most recent rate case, expressed as decimal, unless a different tax rate is approved or set by the Director of Finance or the Commission.
- P = Principal payment percentage annually, expressed as a decimal. Unless a different amount is approved or set by the Director of Finance or the Commission, the amount shall be .067 (15 years).
- SIT = The utility's marginal state income tax rate allowed in its most recent rate case, expressed as a decimal, unless a different tax rate is approved or set by the Director of Finance or the Commission.

Until such time as the way on which a hydrant is located is accepted by a municipality or the municipality accepts responsibility for the hydrant as a public hydrant, the hydrant shall be considered private fire protection and shall be billed accordingly.

Any tariff provision that conflicts with this rule shall be null and void.

6. Application.

- A. This rule will govern the rate design of all rate filings made by water utilities after the effective date of the rule, whether filed pursuant to 35-A M.R.S.A. §§307 and 309 or §§307 and 6104. Utilities will not be required by reason of this rule to file for a change of rates existing on the effective date of this rule, unless required by Commission order under 35-A M.R.S.A. §1306 after a §1303 investigation.

- B. Rates filed pursuant to 35-A M.R.S.A. §§307 and 6104 after the effective date of the rule that do not conform with the provisions of the rule shall be considered unreasonable and not take effect, unless substantiated by an acceptable allocation study for the utility's system. The Technical Analysis Division of the Commission will review all §6104 rate filings to determine compliance with this rule and shall notify the utility if there is non-compliance with the rule. After receipt of this notice, the utility shall not charge its new rates until new rates have been filed pursuant to §§307 and 6104 that are in compliance with this rule, or the Commission, after a hearing requested by the utility, finds that they are in compliance with this rule.
- C. In cases where a utility serves more than one municipality, it may allocate to each municipality served a percentage of the total public fire protection revenues that it is entitled to collect on the basis of that municipality's percentage of the total number of hydrants served by the utility.
7. The Commission, for good cause shown may waive the application of any provisions of this rule.
-

STATUTORY AUTHORITY: 35-A M.R.S.A. §§111, 301, 502, 104 and 1301.

EFFECTIVE DATE:

August 10, 1987

AMENDED:

This rule was approved by the Secretary of State on December 14, 1987 and will be effective on December 19, 1987.

EFFECTIVE DATE (ELECTRONIC CONVERSION):

May 4, 1996

NON-SUBSTANTIVE CHANGES:

March 26, 1999 - converted to MS Word.

November 9, 1999 - removal of duplicate words in Summary.

PROVIDED BY THE CARIBOU UTILITIES DISTRICT
VIA EMAIL MONDAY MAY 9, 2022 5:43 PM
(RECEIVED AFTER THE MEETING)

June 20, 2013

Austin Bleess
City Manager
25 High Street
Caribou, Maine 04736

Subject: Fire Protection Charges

Austin,

I am responding to your email of June 11, 2013 regarding the fire protection charges which the City pays to the Caribou Utilities District (CUD). As you know from previous discussions, the CUD follows Chapter 690 of the Maine Public Utilities Commission (PUC) rules, which sets the method for determining the municipal fire protection charge. This method is used by all of Maine's regulated water utilities in setting water rates. The method takes into account population and required fire flows and utilizes a curve to set the rate. The rate is capped at a maximum of 30% and a minimum of 6%, with smaller utilities at the higher end of the curve and the larger utilities near the lower end of the scale. A common misconception is that the hydrants are "rented" by the City and that the number of hydrants affects the cost. The number of hydrants is actually irrelevant in that the fire protection cost is calculated regardless of the number of hydrants. The current city fire protection charge represents an average of approximately \$150 per year per residential customer, while the average residential water bill is \$250 per year.

Currently, 30% is the rate used by the CUD in accordance with PUC rules (the actual rate from the curve is about 35%). While it may be argued that the method might not be fair and equitable in all circumstances, the PUC has applied it successfully and consistently for 36 years. For special circumstances, the PUC does allow a cost allocation study to be performed to determine if a different sharing of water expenses should be implemented among customers and the City for fire protection. Typically these communities have heavy amounts of industry requiring more private fire protection. These studies cost several tens of thousands of dollars and the costs must be borne by the taxpayers. According to the PUC's own data, when a rate allocation study is done, the results invariably indicate a 30% or more allocation for fire protection.

The District understands the current City budget circumstances and continues to strive to keep water rates as low as possible both for our ratepayers and for the City. The current CUD budget for 2013 of \$1,043,000 includes \$386,000 of debt service for various loans. This represents nearly 40% of the total budget. Unlike the City, water districts cannot fund capital improvements from reserve funds with minor exceptions. Historically, the PUC forced utilities to borrow funds for capital improvements so that the future users of the improvements would pay for those improvements including interest. Last year, the Maine Legislature amended the law to allow water

districts to set up reserve funds for capital improvements and this will be a useful tool for the future. However, all investments for past improvements must be paid off.

The Caribou Utilities District was chartered by the State of Maine to “for the purpose of supplying the City of Caribou and the inhabitants of the city or any part of the city with pure water for domestic, commercial, sanitary and municipal purposes, including the extinguishing of fires, and of supplying the City of Caribou and the inhabitants of the city or any part of the city with suitable and adequate sewerage facilities”. The Charter was originally granted in 1887 to the Caribou Water Company and later in 1945 to the Caribou Utilities District who purchased the Water Company.

As stated in section 6105 of the Public Utilities Commission (PUC) statutes, a quasi-municipal water utility, such as the CUD, may establish rates to provide for normal renewal and replacements. The mechanism for this is depreciation. Thus, depreciation is intended to provide infrastructure replacement funds, not to cover day-to-day operation, maintenance, and administration of the District. Capital costs are incurred in the year of construction, but depreciated over many years in accordance with Chapter 680 of the PUC Rules. For example, if the District spends \$100,000 on a water main replacement, it can only take a maximum depreciation credit for 1.3%, or \$1300 per year, although, water pipe is normally depreciated over 100 years at 1% per year. The cash has been spent, but only the annual depreciation amount only shows up in the expenses. Pipe installed in 1910 costing \$5 per foot is allowed a five cent per year depreciation while replacement cost in 2010 would be about \$150 per foot. The depreciation allowance does not keep pace with the higher costs of future replacement.

In 2010 the Trustees agreed to review rates every year and to adjust rates as necessary, but with smaller increases. In order to keep rates at a minimum and still provide safe drinking water within the EPA and Maine Drinking Water Rules the CUD typically does not fully fund its depreciation and contingency. Per PUC rules, the CUD is entitled to fully fund its annual depreciation and a contingency fund of 5%. This would amount to \$261,875 for depreciation and \$50,000 for contingency for an additional \$311,875 in rates if fully funded. Based on this the City fire protection rate would be about \$400,000 rather than the \$301,794 proposed.

The CUD owns and operates over 30 miles of water main along with wells and treatment plant. This infrastructure owned by the CUD is mostly buried underground and is not visible. Most of this investment is funded with borrowed funds that have to be paid back. Fire hydrants are provided to the City for fire protection along with larger capacity pipes to provide fire flows to the fire hydrants. Each hydrant costs about \$2500 each with an additional \$1000 to install, making the current value of 146 hydrants just over \$500,000. Because the water piping system is designed and constructed to provide for fire flows it is inherently more expensive than if only constructed for drinking water. This additional cost is part of the fire protection charge that the City pays to the CUD. So it is not just the availability of fire hydrants but also the extra capacity in the water piping, treatment, and pumping capacity that is included in the charge. The CUD also maintains and services the fire hydrants so they are of use by the fire department when needed.

The most recent water rate increase filed by the CUD is 2.8% or about \$27,752. Of that amount about \$24,000 of that will go toward debt service for the High Street Water Main Replacement project. That project was done in anticipation of reconstruction of High Street by the City and MDOT. The CUD strives to coordinate with the City and MDOT whenever possible in order to provide lowest construction costs with the least inconvenience to the public. The High St. Water

Project was completed in 2 weeks, while the street project will likely require about 4 months to complete.

Other than increases for debt service, the CUD has essentially been flat-funded for several years. Normal inflationary cost increases have been offset by reducing labor and other costs. Since the new wells and treatment plant went on line in 2006, the CUD has reduced its labor force by 2 persons in the water division and greatly reduced the overtime. Electrical costs and chemical costs have also been reduced considerably due to the new treatment plant. These cost reductions have allowed the District to keep rates down.

During the recent ISO (Insurance Services Office, Inc.) review of the fire department and water supply system, the District actually scored higher than the fire department. That is, the CUD facilities were not a limiting factor in the rating given for the overall score. Without adequate water supply and distribution, the Caribou ISO score would be much lower and the fire insurance rates for the City would be much higher.

The District appreciates how utility costs can impact the municipal budget. Just this week the District was informed that our electric rates would be rising by 12% at one of our plants and that the rate at the water plant would be increasing by an average of \$339 per month or about \$4000 per year. There is no negotiation on these increases. Both of these increases take effect on July 1, 2013 and were not foreseen and not budgeted. The additional costs will have to be covered by reducing costs for other line items.

In summary, the CUD believes that the current formula for assessing fire protection charges is fairly applied and that the District has continued to keep its costs as low as possible and still provide the required level of service. We feel that the fire protection rate is already discounted by about at least 30% by virtue of reducing the allowable contingency and depreciation amounts.

I hope this information meets your needs. If you have further questions, please contact me.

Alan Hitchcock
General Manager
Caribou Utilities District

**City of Caribou
Administration
MEMORANDUM**

DATE: June 13, 2022 _____

TO: Caribou City Council Members _

FROM: Carl Grant, Finance Director _____

SUBJECT: Tax Acquired Property Interest _____

Please consider this tax acquired property of interest, Map 15 Lot 30 - A, Access Highway. Mr. Amador has sent the minimum bid amount of \$700 to purchase this property. This property has been out to bid and staff is recommending this sale. Most recently this property was on the March bid list and previously advertised with no interest at that time.

Suggested Motion:

Move to accept minimum bid as presented for Map 15, Lot 30 - A.

**City of Caribou
Administration
MEMORANDUM**

DATE: June 13, 2022 _____

TO: Caribou City Council Members _

FROM: Carl Grant, Finance Director _____

SUBJECT: Tax Acquired Property Interest _____

Previous consideration was approved. However, motion didn't include Map and Lot number.

Suggested Motion:

Move to accept minimum bid of \$1,500.00 for Map 31 Lot 157, 41 Water Street to move forward with bid process.

Attached please find the tax acquired property of interest, Map 31 Lot 157, 41 Water Street. The abutting landowner has emailed the City with interest in purchasing this property. This property has not been out to bid and staff is recommending it go out to public bid with the minimum bid amount at 1,500. Most recently this property was signed with information on one of the founding families of Caribou, the Cochrans, but has been vandalized and no longer signed.

Suggested Motion:

Move to accept suggested minimum bid as presented.



City Manager's Report
June 13, 2022

Economic Projects

River Front - Powerplants	No new updates
Broadband Initiative	Consolidated reached out with information about their County build out project. Melinda from Charter / Spectrum also called to see if the City had made a decision on a broadband solution. Charter / Spectrum is still available to work on a "last mile solution" and will also work with the City on grant funding.
CDBG	DECD sent the paperwork on C&J Service Center application invitation to "the wrong address" so we lost several weeks. Luckily, Graham Warne from NMDC is working on it and the City Council will hold a public hearing at a special meeting June 22 @ 6:00 pm.
Ogren Dump Solar Project	No new updates
Events and Marketing	Thursdays on Sweden begins on June 16 with live entertainment by "Trish King Music" and the Par & Grill will be hosting in the beer garden. There were a lot of food vendors June 2 so come hungry!
Landbank	No new updates
Chapter 13 Rewrite	Work in progress
Federal American Rescue Plan Act	The County Commissioners will meet on June 14th to review the ARPA grant applications. Communities will be notified after decisions are finalized.
Blight Cleanup	Asbestos testing has been done at several tax acquired properties. Removal of buildings will start this week.
Birdseye Cleanup	No new updates
60 Access Highway	No new updates
River Front - Master Plan	No new updates
Façade Improvement Program	No new updates
Aldrich ATV/Snowmobile Storage	No new updates
Jarosz Storage - Limestone St	No new updates
Business Outreach	The City of Caribou was awarded a \$10,000 Tourism Marketing Grant from the Maine Office of Tourism. We will be working with local contractors and Jacob Pelkey from Aroostook County Tourism. More details to follow.

Other Administrative Projects

Tax Acquired Property Policy	Two properties on tonight's agenda
Nylander	No new updates
Fire Structural Work	No new updates
Fire Station Renovations	No new updates
Police Station	There will be a vote for the new station tomorrow. Our Congressionally Directed Spending request from Senator Collins' office was approved for \$2.5 million. More details to follow.
River Road	No new updates
Investment Policy	Investment Committee met and discussed the Credit Enhancement Agreement process. More information will be provided.
Trailer Park Closure	Three families remain.
Fish Hatchery Bridge	No new updates
Cable Franchise Renewal	No new updates
Airport	I have been contacted by an Aircraft mechanic that will be visiting Caribou later this summer.
Personnel Policy	No new updates
Procurement Policy	No new updates
New LED Street lights	Had several conversations about the street lights that were on the list to be illuminated. RL Todd is going out now that Versant's portion of the work has been completed.
Comp Plan Update	Great discussion about the 2024 Comprehensive Plan at the Thursday Planning Board meeting
COVID-19 Status	no new updates
Administrative Approvals	Caribou Country Club Liquor & Special Amusement License / Par & Grill Liquor & Special Amusement license approved
Personnel Changes	Kathy Adams has been hired for the Executive Office Coordinator
Age-Friendly Efforts	No new updates
Other Updates	No new updates

CARIBOU ADMINISTRATION
25 HIGH STREET
CARIBOU, ME. 04736



MEMO

To: Mayor and City Council Members
From: Penny Thompson, City Manager
Date: June 13, 2022
Re: First Read: Veteran's Memorial Park Association

On May 26, I received an email from Phil McDonough, regarding the Veterans Memorial Park Association:

As the president of the Veterans Memorial Park Association I would like to offer a donation of the Park to the City of Caribou and its citizens that have supported it over the last 13 years. Unfortunately our numbers are thinning and we can no longer function. If you would, would you present this to the Council and if they are receptive we will take care of the legal aspects of the transfer. We do have a small amount left in the treasury that we would like to establish a reserve to help support the maintenance of the grounds also. There will be two convicenses also one would be preferably not to construct anything else but if something is that it be of stone or masonry products keeping with the theme currently in place. And the other would be to maintain the grounds to the same standard that we have. Feel free to contact me if you have questions. At the time we purchased the property from the city there was no survey on file or any history at the registry of deeds. We had it surveyed and it is on file with Mr. Blackstone and I have a copy here.

Thanks and have a nice day. Phil

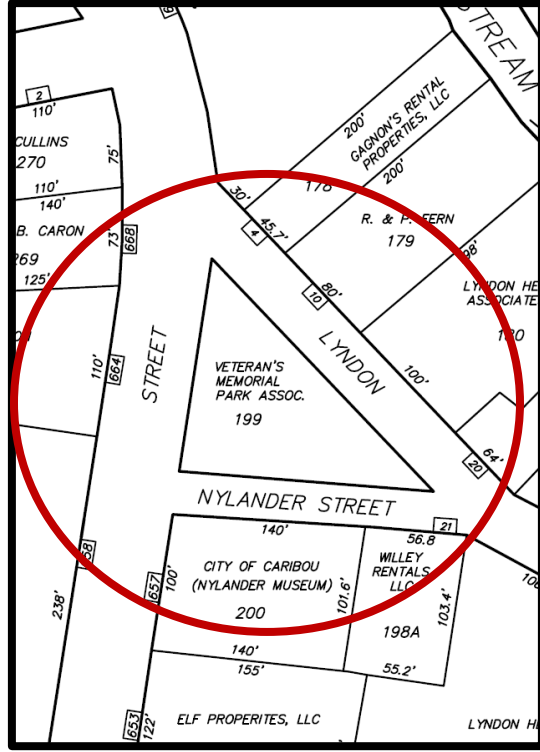
This is Map 31 Lot 199. I am enclosing the map section and a few photos from Memorial Day.

Suggestion Action:

This is just a first read and no action is needed at this time. The City Council would need to formally accept the transfer. If members of the Caribou City Council have any questions or concerns that you would like staff to research, please let me know.

Mr. McDonough has an appointment with Attorney Rick Solman on June 21, and we will receive more information about the dissolution of the Association and conveying the Veterans Memorial Park to the City of Caribou.

VETERANS MEMORIAL PARK ASSOCIATION





MEMO

To: Mayor and City Council Members
From: Penny Thompson, City Manager
Date: June 13, 2022
Re: RFP Bid results: Janitorial

A Request for Proposals (RFP) was recently advertised for janitorial services at the Caribou Municipal Building: City offices & Caribou Police Department, and Caribou Public Library. This included some items that would be done on an annual or semi-annual basis (wash walls, shampoo rugs etc).

History: The last RFP for janitorial at the City offices and Caribou Public Library was 2013. The Caribou Police Department had a part-time janitor until 2020 when William Gahagan retired. Since that time, the budget for that item was cut so that just a minimum amount was done by outside contractors, while staff did most day-to-day work in addition to their regular duties.

One bid was received prior to the deadline in March. The bid was rejected because there was not sufficient funds budgeted so the RFP was modified and placed back out for bid.

NOTE: B&P Cleaners is the current contractor for the City Office and Library and is based in Presque Isle. Honestly Clean, LLC is based in Caribou.

There were two bids received:

	B&P Cleaners	Honestly Clean, LLC
(2022 – for remaining 7 months)	\$21,070	\$27,573
(2023 – for 12 months)	\$36,120	\$47,268
(2024 – for 12 months)	\$36,120	\$49,644

Suggested action:

Please make a motion to approve the bid for B & P Cleaners for 2022 with option for 2023 and 2024.

**CARIBOU ADMINISTRATION
25 HIGH STREET
CARIBOU, ME. 04736**



MEMO

To: Mayor and City Council Members
From: Penny Thompson, City Manager
Date: June 13, 2022
Re: Finalize the Credit Enhancement Agreement with Irving Farms, Inc.

At the March 28, 2022, City Council meeting, there was an application for a credit enhancement agreement with Irving Farms, Inc. for property located at 997 Presque Isle Road which is in the RC-2 Tax Increment Financing District.

There was a vote taken to approve a CEA with Irving Farms, Inc. for property located at 997 Presque Isle Road for 15 years at 80% of the Captured Assessed Value. One stipulation was that the property owner provide a deposit of \$1,000 towards any expenses. That check was received by staff on May 6.

The application is complete. The CEA has been prepared.

After final acceptance, the application will be sent to the Maine Department of Economic and Community Development for their approval.

Suggestion Action:

Please make a motion to authorize City Manager Penny Thompson to execute the attached Credit Enhancement Agreement on behalf of the City, second and vote to approve .

CREDIT ENHANCEMENT AGREEMENT

THIS CREDIT ENHANCEMENT AGREEMENT (hereinafter “Credit Enhancement Agreement” or “Agreement”) dated as of May 10, 2022, is hereby made between the **City of Caribou**, a municipal body corporate and politic and a political subdivision of the State of Maine (hereinafter the “City”), and **Irving Farms, Inc.** with a place of business in Caribou, Maine (hereinafter the “Company”).

WITNESSETH THAT:

WHEREAS, the City has designated the RC-2 Zoning Omnibus Municipal Tax Increment Financing (TIF) District as amended (hereinafter the "District") pursuant to Title 30-A M.R.S.A. Chapter 206 by vote at a City Council Meeting duly noticed and held on November 14, 2011 and May 14, 2012, (the Vote”); and

WHEREAS, pursuant to the Vote the City adopted the Development Program and Financial Plan for the District (herein the “Development Program”); and

WHEREAS, the District and the Development Program has been reviewed and given final approval by Maine Department of Economic and Community Development on December 28, 2012; and

WHEREAS, the Development Program authorizes the execution and delivery of a credit enhancement agreement between the City and the Company; and

WHEREAS, the City and Company desire to execute and deliver a credit enhancement agreement contemplated by and described in the Development Program, with such terms and provisions not inconsistent with the Development Program; and

WHEREAS, the City designated the District, adopted the Development Program, and now desires to enter into this Agreement in order to induce the Company to complete the Project by enabling the City to contribute toward the capital cost of the Project the amounts contemplated by the Development Program and this Agreement.

NOW, THEREFORE, in consideration of the foregoing and in consideration of the mutual promises and covenants set forth herein, the parties agree as follows:

ARTICLE I DEFINITIONS

Section 1.1. Definitions.

As used in this Agreement, unless the context otherwise indicates, the following terms shall have the following meanings:

“Act” means chapter 206 of Title 30-A of the Maine Revised Statutes and regulations adopted thereunder, as amended from time to time.

“Captured Assessed Value” shall mean the amount, stated in a percentage, of Increased Assessed Value that is retained in the District with respect to each Tax Year as specified in this Agreement during the term of the District.

“Captured Assessed Value – Irving Farms Tract” shall mean the amount, stated in a percentage, of Increased Assessed Value that is retained in the District with respect to each Tax Year and which is attributable to the Irving Farms Tract as specified in this Agreement during the term of the District.

“City Cost Subaccount” means that portion of the Project Cost Account of the Development Program Fund for the District as defined in the Financial Plan Section of the Development Program and established and maintained according to Article II hereof.

“City Improvements” means the improvements described in the Development Program, as such may be approved by the City from time to time.

“Current Assessed Value” means the assessed value of the District certified by the municipal assessor as of April 1st of each year that the Development District remains in effect.

“Current Assessed Value – Irving Farms Tract” means the assessed value of the Irving Farms Tract certified by the municipal assessor as of April 1st of each year that the Development District remains in effect.

“DECD” means the Maine Department of Economic & Community Development.

“Development Program Fund” means the RC-2 Zoning Omnibus Municipal Development and Tax Increment Financing (TIF) District Program Fund described in the Financial Plan section of the Development Program and established and maintained pursuant to Article II hereof and 30-A M.R.S. § 5227(3)(A). The Development Program Fund shall consist of a Sinking Fund (as necessary) and a Project Cost Account with at least two subaccounts.

“District” means the RC-2 Zoning Omnibus Municipal Tax Increment Financing (TIF) District.

“Financial Plan” means the financial plan described in the “Financial Plan” section of the Development Program.

“Fiscal Year” means January 1 to December 31 or such other fiscal year as the City may from time to time establish.

“Irving Farms Tract” means that tract of property identified as Map 5 Lot 32

“Increased Assessed Value” means, for each Tax Year during the term of this Agreement, the amount by which the Current Assessed Value – Irving Farms Tract for such year exceeds the Original Assessed Value – Irving Farms Tract. If the Current Assessed Value – Irving Farms Tract is equal to or less than the Original Assessed Value – Irving Farms Tract in any given Tax Year, there is no Increased Assessed Value in that year.

“Irving Farms Cost Subaccount” means the portion of the Project Cost Account of the Development Program Fund set aside for the Developer contemplated in this Agreement and as described in the Financial Plan section of the Development Program and established and maintained pursuant to Article II hereof.

“Original Assessed Value – Irving Farms Tract” means \$28,213.30 the taxable assessed value of the Irving Farms Tract as of March 31, 2011 (April 1, 2010).

“Project” means the addition of potato storage and packing facilities on the Irving Farms Tract.

“Project Costs” means any costs incurred or expected to be incurred that are authorized by Title 30-A MRSA Section 5225, as may be amended.

“Property Tax” means any and all ad valorem property taxes levied, charged, or assessed against real and personal property located in the District by the City, or on its behalf.

“Sinking Fund Account” means the development sinking fund account described in the Financial Plan Section of the Development Program and established and maintained pursuant to 30-A M.R.S.A. § 5227(3)(A)(2) and Article II hereof.

“Tax Increment” means all property taxes assessed and paid to the City in any given Tax Year, in excess of any state, county or special district tax, upon the Captured Assessed Value of the property in the District.

“Tax Increment – Irving Farms Tract” means all property taxes assessed and paid to the City in any given Tax Year, in excess of any state, county or special district tax, upon the Captured Assessed Value – Irving Farms Tract.

“Tax Payment Date” means the date as determined by the City from time to time on which property taxes assessed by the City are due and payable without interest from owners of property located within the City.

“Tax Year” shall have the meaning given such term in 30-A M.R.S.A. § 5222(18), as amended, to wit: April 1 to March 31.

Section 1.2. Interpretation and Construction.

In this Agreement, unless the context otherwise requires:

(a) The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this Agreement, refer to this Agreement, and the term “hereafter” means after, and the term “heretofore” means before, the date of delivery of this Agreement.

(b) Words importing a particular gender mean and include correlative words of every other gender and words importing the singular number mean and include the plural number and vice versa.

(c) Words importing persons mean and include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public or governmental bodies, as well as any natural persons.

(d) Any headings preceding the texts of the several Articles and Sections of this Agreement, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.

(e) All approvals, consents and acceptances required to be given or made by any signatory hereto shall not be withheld unreasonably.

(f) All notices to be given hereunder shall be given in writing and, unless a certain number of days is specified, within a reasonable time.

(g) If any clause, provision or Section of this Agreement shall be ruled invalid by any court of competent jurisdiction, the invalidity of such clause, provision or Section shall not affect any of the remaining provisions hereof.

ARTICLE II
DEVELOPMENT PROGRAM FUND AND FUNDING REQUIREMENTS

Section 2.1. Creation of Development Program Fund.

The City has created and established a segregated fund in the name of the City designated as the “RC-2 Tax Increment Financing District Program Fund” (hereinafter the “Development Program Fund”) pursuant to, and in accordance with the terms and conditions of, the Development Program and 30-A M.R.S.A. § 5227(3), as amended from time to time. The Development Program Fund consists of: (i) a Project Cost Account that is pledged to and charged with the payment of Project Costs as outlined in the Financial Plan of the Development Program and as provided in 30-A M.R.S.A. § 5227(3)(A)(1); and (ii) the Sinking Fund Account (as necessary) that is pledged to and charged with the payment of municipal indebtedness as outlined in the Financial Plan of the Development Program and as provided in 30-A M.R.S.A. § 5227(3)(A)(2). The Project Cost Account shall also contain two subaccounts designated as the “City Cost Subaccount” (the City’s Project Cost subaccount) and the “Irving Farms Cost Subaccount” (the Company’s Project Cost subaccount).

The Irving Farms Cost Subaccount referred to in this Agreement shall be specific to the Irving Farms project. Other developer project cost subaccounts may be established for other projects within the District that have qualified for tax increment financing assistance.

Section 2.2. Timing for Deposits into Irving Farms Cost Subaccount.

The City shall deposit the Company Tax Increment Revenues in the Irving Farms Cost Subaccount within fifteen (15) days of each Tax Payment Date, or, if not a business day, on the next succeeding business day consistent with the terms of this Agreement.

Section 2.3. Captured Assessed Value; Deposits into Development Program Fund.

(a) Each year during the term of this Agreement, commencing with the City’s 2022 Tax Year and continuing thereafter for up to a maximum of fifteen (15) Tax Years to and including the City’s 2036 Tax Year, the City shall retain in the District one hundred percent (100%) of the Increased Assessed Value – Irving Farms Tract as Captured Assessed Value – Irving Farms Tract.

(b) Each year during this Agreement, the City shall deposit into the Development Program Fund contemporaneously with each payment of Property Taxes during the term of this Agreement an amount equal to one hundred percent (100%) of that portion of the property tax payment constituting Irving Farms’ Tax Increment Revenues. The Development Program Fund is pledged to and charged with the payment of costs in the manner and priority provided in 30-A M.R.S.A. § 5227(3)(B).

(c) The City shall allocate Company Tax Increment Revenues so deposited in the Development Program Fund between the Irving Farms Cost Subaccount of the Project Cost Account, and the City as set forth below:

Allocation of Eligible Tax Increment Reimbursement

Tax Year	Company Allocation	City Allocation
2022-2036	80% of Tax Increment – Irving Farms Tract	20% of Tax Increment – Irving Farms Tract

It is understood and agreed that the credit to the Company Reimbursement Account as specified above shall be due and payable solely from such Property Tax payments by Company.

The City shall retain one hundred percent of any City Tax Increment Revenues after Tax Year 2035 associated with the Increased Assessed Value – Irving Farms Tract; the Company is not entitled to reimbursement of any portion of these City Tax Increment Revenues.

Section 2.3. Use of Monies in the Development Program Fund.

Monies credited in the Development Program Fund contemplated in this Agreement that are allocable to and/or deposited in the Irving Farms Cost Subaccount shall be in all cases used and applied to fund fully the City’s payment obligations to Company in accordance with the terms of this Agreement.

Section 2.4. Monies Held By City

All monies actually paid by the Company to the City pursuant to this Agreement and credited to the City Cost Subaccount under the provisions hereof and the provisions of the Development Program shall be held by the City in accordance with the terms and conditions of this Agreement.

Section 2.5. Allocation of Partial Tax Payments

If in any year during the term of this Agreement, the Company fails to pay any portion of the Property Taxes assessed by the City, the Property Taxes actually paid by the Company shall be applied: (a) first to the payment of Property Taxes due on the Original Assessed Value of Company property in the District for any and all outstanding Tax Years; (b) second to payment of Property Taxes with respect to Increased Assessed Value – Irving Farms Tract for the year or years concerned (including any delinquent taxes from prior Tax Years), and (c) third, to the extent of funds remaining, to payment of the Company’s share of Tax Increment Revenues contemplated in this Agreement to the Irving Farms Cost Subaccount.

**ARTICLE III
PAYMENT OBLIGATIONS**

Section 3.1. Company Payments

Within fifteen (15) days following the payment of Property Taxes by Company on the Irving Farms Tract, or, if not a business day, on the next succeeding the Company all amounts then on deposit in the Irving Farms Cost Subaccount, exclusive of any deduction or withholding required by Federal or State law.

All payments made to Company contemplated in this Agreement shall be utilized consistent with this Agreement and the Act.

Section 3.2. Manner of Payments.

The payments provided for in this Article III shall be paid in immediately available funds directly to the Company in the manner provided hereinabove for its own use and benefit.

Section 3.3. Obligations Unconditional.

Subject to compliance with the terms and conditions of this Agreement, the Obligations of the City to make the payments described in this Agreement in accordance with the terms hereof shall be absolute and unconditional, and the City shall not suspend or discontinue any payment hereunder or terminate this Agreement for any cause, other than by court order or by reason of a final judgment by a court of competent jurisdiction that the District is invalid or otherwise illegal.

Section 3.4. Limited Obligation.

The City's obligations of payment hereunder shall be limited obligations of the City payable solely from Tax Increment Revenues attributable to the Irving Farms Tract and any earnings thereon, pledged under this Agreement. The City's obligations hereunder shall not constitute a general debt or a general obligation on the part of the City or a general obligation or charge against or pledge of the faith and credit or taxing power of the City, the State of Maine, or of any municipality or political subdivision thereof, but shall be payable solely from the Tax Increment Revenues received by the City, and any earnings thereon.

This Agreement shall not directly or indirectly or contingently obligate the City, the State of Maine, or any other municipality or political subdivision to levy or to pledge any form of taxation whatever therefore or to make any appropriation for payment due under this Agreement, excepting the City's obligation to assess property taxes upon the Project and to appropriate the Tax Increment Revenues, and earnings thereon, pledged under this Agreement.

**ARTICLE IV
FURTHER INSTRUMENTS**

The City shall, upon the reasonable request of the Company, from time to time execute and deliver such further instruments and take such further action as may be reasonable and as may be required to carry out the provisions of this Agreement; provided, however, that no such instruments or actions shall pledge the credit of the City, materially disadvantage the City, or materially change this Agreement.

**ARTICLE V
LIENS**

The City shall not create any liens, encumbrances, or other interests of any nature whatsoever, nor shall it hypothecate the Irving Farms Cost Subaccount or any funds therein or revenues resulting from investment of funds therein, other than those interests created in favor of the Company hereunder;

provided, however, nothing herein shall prohibit creation of real and personal property tax liens on the Company's property in accordance with, and entitled to the priority provided under, Maine law.

ARTICLE VI ACCESS TO BOOKS AND RECORDS.

All books, records and documents in the possession of the City relating to the District, the Development Program, the Agreement and the monies, revenues and receipts on deposit or required to be deposited into the Development Program Fund contemplated by this Agreement shall be open to inspection by the Company, its agents and employees during normal business hours upon 48 hours written notice.

ARTICLE VII DEFAULTS AND REMEDIES

Section 7.1. Events of Default.

Each of the following events shall constitute and be referred to in this Agreement as an “Event of Default”:

(a) Any failure by the City to pay any amounts due to the Company when the same shall become due and payable;

(b) Any failure by the City to credit to the Irving Farms Cost Subaccount as and when due;

(c) Any failure by the City or the Company to observe and perform in all material respects any respective covenant, condition, agreement or provision contained herein on the part of the City or the Company respectively to be observed or performed which failure is not cured within thirty (30) days following written notice thereof;

(d) If a receiver, conservator or liquidator is appointed for the Company by any court of competent jurisdiction; or if the Company should file a voluntary petition in bankruptcy or fail to have a petition in bankruptcy dismissed within a period of 90 consecutive days following its filing; or if a court of competent jurisdiction orders the winding up or liquidation of the Company.

Section 7.2. Remedies on Default.

Whenever any Event of Default referred to in Section 7.1 hereof shall have occurred and be continuing for a period of thirty (30) days after a party's receipt from the other party of written notice of an Event of Default by the party, the other party may (a) specifically enforce the performance or observance of any obligations, agreements or covenants of the defaulting party under this Agreement and any documents, instruments and agreements contemplated hereby or to enforce any rights or remedies available hereunder or (b) suspend its performance under this Agreement for so long as the Event of Default continues or remains uncured.

Section 7.3. Remedies Cumulative.

No remedy herein conferred upon or reserved to the Company or City is intended to be exclusive of any other available remedy or remedies but each and every such remedy shall be cumulative and shall be in addition to the remedy given under this Agreement or now or hereafter existing at law, in equity or by statute. Delay or omission to exercise any right or power accruing upon any default or to insist upon the strict performance of any of the covenants and agreements herein set forth or to exercise any rights or remedies upon the occurrence of a default shall not impair any such right or power or be considered or taken as a waiver or relinquishment for the future of the rights to insist upon and to enforce, from time to time and as often as may be deemed expedient, by injunction or other appropriate legal or equitable remedy, strict compliance by either party with all of the covenants and conditions hereof, or of the rights to exercise any such rights or remedies, if such default be continued or repeated.

Section 7.4. Agreement to Pay Attorney’s Fees and Expenses.

Notwithstanding the application of any other provision hereof, in the event a party should default under any of the provisions of this Agreement and the other party shall require and employ attorneys or incur other expenses or costs for the collection of payments due or to become due or for the enforcement of performance or observance of any obligation or agreement on the part of the party herein contained, the prevailing party in any litigation to enforce the provisions of this Agreement shall be entitled to be reimbursed for reasonable attorneys’ fees from the party in default.

Section 7.5. Tax Laws.

The parties acknowledge that all laws of the State now in effect or hereafter enacted with respect to taxation of property shall be applicable and that the City, by entering into this Agreement, is not excusing any non-payment of taxes by Company. Without limiting the foregoing, the City and the Company shall always be entitled to exercise all rights and remedies regarding assessment, collection and payment of taxes assessed on Company's property.

Section 7.6. Failure of Company to timely pay property taxes.

Should the Company fail to pay its assessed Property Taxes for the Irving Farms Tract for two consecutive years the City is under no further obligation for payments to the Company, except in the case of a pending property tax valuation appeal. In the case of a pending property tax valuation appeal, the Company shall pay any uncontested amount by the Property Tax due date and the remainder immediately upon resolution of the appeal.

**ARTICLE VIII
TERM**

Section 8.1. Effective Date

Except as otherwise provided in this Agreement, this Agreement shall remain in full force and effect and shall expire upon the end of Tax Year 2036 or upon the payment of all amounts due to the Company hereunder and the performance of all obligations on the part of the City and Company hereunder (the “Term”).

Section 8.2. Expiration of Term.

Upon the expiration of the Term, or the earlier termination of this Agreement, and following full payment of all amounts due and owing to the Company hereunder or provision for payment thereof, the City and the Company shall each execute and deliver such documents and take or cause to be taken such actions as may be necessary to evidence the termination of this Agreement. No such expiration or termination shall affect any rights or obligations then outstanding.

**ARTICLE IX
ASSIGNMENT AND PLEDGE OF COMPANY'S INTEREST**

Section 9.1. Consent to Pledge and/or Assignment.

The City hereby acknowledges that the Company may pledge and assign its right, title and interest in, to and under this Agreement as collateral for financing for the Project, although no obligation is hereby imposed on the Company to make such assignment or pledge. Recognizing this possibility, the City does hereby consent and agree to the pledge and assignment of all the Company's right, title and interest in, to and under this Agreement and in, and to the payments to be made to Company hereunder, to third parties as collateral or security for indebtedness or otherwise, on one or more occasions during the term hereof.

Section 9.2. Pledge, Assignment or Security Interest.

The City hereby consents to the pledge, assignment or granting of a security interest by the Company of its right, title and interest in, to and under this Agreement to any lender which is financing the Project in whole or part.

Section 9.3. Assignment

The Company shall have the unrestricted right to transfer and assign all or any portion of its rights in, to and under this Agreement, at any time, and from time to time, as Company may, in its sole discretion, deem appropriate.

**ARTICLE X
NO ADDITIONAL DEVELOPMENT**

It is understood and agreed that any additional development within the District by Company not within the scope of the original Project or any additional development within the District by any person other than the Company shall be outside the scope of this Agreement. The City shall have no obligations to make any payments into the Development Program Fund from any increased revenues received by the City from assessments made against such additional development.

**ARTICLE XI
MISCELLANEOUS**

Section 11.1 Successors.

In the event of the dissolution of the Company or any sale or other transfer of all or substantially all of the Project, the covenants, stipulations, promises and agreements set forth herein, by or on behalf of or for the benefit of such party shall bind or inure to the benefit of the successors and assigns thereof from time to time and any entity, officer, board, commission, agency or instrumentality to whom or to which any power or duty of such party shall be transferred.

Section 11.2 Parties in Interest.

Except as herein otherwise specifically provided, nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the City and the Company or its assigns any right, remedy or claim under or by reason of this Agreement, it being intended that this Agreement shall be for the sole and exclusive benefit of the City and the Company; provided, however, that if the payment obligations of the City to the Company hereunder are held by a final and binding proceeding to be illegal or invalid, this Agreement shall terminate. In such event all obligations of the parties shall terminate, and no party shall have any further liability to the other hereunder.

Section 11.3 Severability.

In case any one or more of the provisions of this Agreement shall, for any reason, be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Agreement and this Agreement shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

Section 11.4 No Personal Liability of Officials of the City.

No covenant, stipulation, obligation or agreement of the City contained herein shall be deemed to be a covenant, stipulation or obligation of any present or future elected or appointed official, officer, agent, servant or employee of the City in his or her individual capacity and neither the members of the City Council, City Council members nor any official, officer, employee or agent of the City shall be liable personally with respect to this Agreement or be subject to any personal liability or accountability by reason hereof.

Section 11.5 Counterparts.

This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original, but such counterparts shall together constitute but one and the same Agreement.

Section 11.6 Governing Law.

The laws of the State of Maine shall govern the construction and enforcement of this Agreement in all respects.

Section 11.7 Notices.

All notices, certificates, requests, requisitions or other communications by the City or the Company pursuant to this Agreement shall be in writing and shall be sufficiently given and shall be deemed given when mailed by first class mail, postage prepaid, addressed as follows: If to the City:

City of Caribou
Attn: City Manager
25 High Street
Caribou, Maine 04736

With copies, which shall not constitute notice, to:

Solman & Hunter, P.A.
P.O. Box 665
Caribou, Maine 04736

If to the Company:

Irving Farms, Inc.
361 York Street
Caribou, Maine 04736

With a copy, which shall not constitute notice, to:

Either of the parties may, by notice given to the other, designate any further or different addresses to which subsequent notices, certificates, requests, or other communications shall be sent hereunder.

Section 11.8 Amendments.

This Agreement may only be amended with the concurring written consent of both of the parties hereto.

Section 11.9 Benefit of Assignees or Pledges.

The City agrees that this Agreement is executed in part to induce assignees or pledgees to provide financing for the Project and accordingly all covenants and agreements on the part of the City as to the amounts payable hereunder are hereby declared to be for the benefit of any such assignee or pledgee from time to time of the Company's right, title and interest herein.

Section 11.10 Integration.

This Agreement completely and fully supersedes all other prior or contemporaneous understandings or agreements, both written and oral, between the City and the Company relating to the specific subject matter of this Agreement and the transactions contemplated hereby.

Section 11.11 No Obligation to Build Project

The Company and the City agree, and the City hereby acknowledges that the Company shall have no obligation to go forward with the capital projects referred to herein or in the Development Program. All such projects are subject to final approval by the Company. Failure of Company to go forward with the capital projects referred to herein shall result in termination of this Agreement.

Section 11.12 Authority of City

The Company and the City waive any right which either may have to contest, and shall not take any action to challenge, the other's authority to enter into, perform or enforce the Agreement or to carry out the Development Program or the validity or enforceability of this Agreement, the District or the Development Program. The City and the Company shall each utilize their respective best efforts to uphold the District, the Development Program, this Agreement and the City's authority to enter into this Agreement and the validity and enforceability of the District, the Development Program and this Agreement, including without limitation opposing, to the extent permitted by law, any litigation or proceeding challenging such authority, validity or enforceability.

Section 11.13 Indemnification.

The Company shall at its own expense defend, indemnify, and hold harmless the City, its officers, agents, and employees from and against any and all liability, claims, damages, penalties, losses, expenses, or judgments relating in any manner to, or arising out of the Development Program or this Agreement, except to the extent that such liability, claims, damages, penalties, losses, or expenses, result in whole or in part from any negligent act or intentional omission of the City, its officers, agents, employees or servants. Company shall, at its own cost and expense, defend any and all suits or actions, just or unjust which may be brought against City upon any such above-mentioned matter, claim or claims, including claims of contractors, employees, laborers, materialmen, and suppliers. In cases in which the City is a party, the City shall have the right to participate at its own discretion and at its own expense and no such suit or action shall be settled without prior written consent of the City. Notwithstanding any other provision of this Agreement, this section shall survive any termination of this Agreement.

In the event of any litigation or proceeding challenging this Agreement or the authority of the parties to enter into or perform hereunder, the Company shall indemnify and hold harmless the City against all costs, including the cost of defense and legal fees resulting from such challenges. Provided, however, that if the Company assumes the defense of all challenges, the City agrees to let the Company's attorney represent both parties at Company's expense.

**SECTION XII
CITY COSTS.**

The Company shall pay or reimburse the City for all reasonable fees, expenses and other charges of the City and its consultants, including the City's attorneys and the City's Consultant, in connection with the negotiation, execution and approval of this Agreement and the negotiation, approval and approval of the Development Program. The amount of these fees shall not exceed \$1,000 (deposit to be given prior to contract execution). If this is not done, the City shall deduct such payment due from credit enhancement payments due the Company. Notwithstanding any other provision of this Agreement, this section shall survive any termination of this Agreement.

IN WITNESS WHEREOF, the City and the Company have caused this Agreement to be executed in their respective corporate names and their respective corporate seals to be hereunto affixed and attested by the duly authorized officers, all as of the date first above written.

Witness

CITY OF CARIBOU

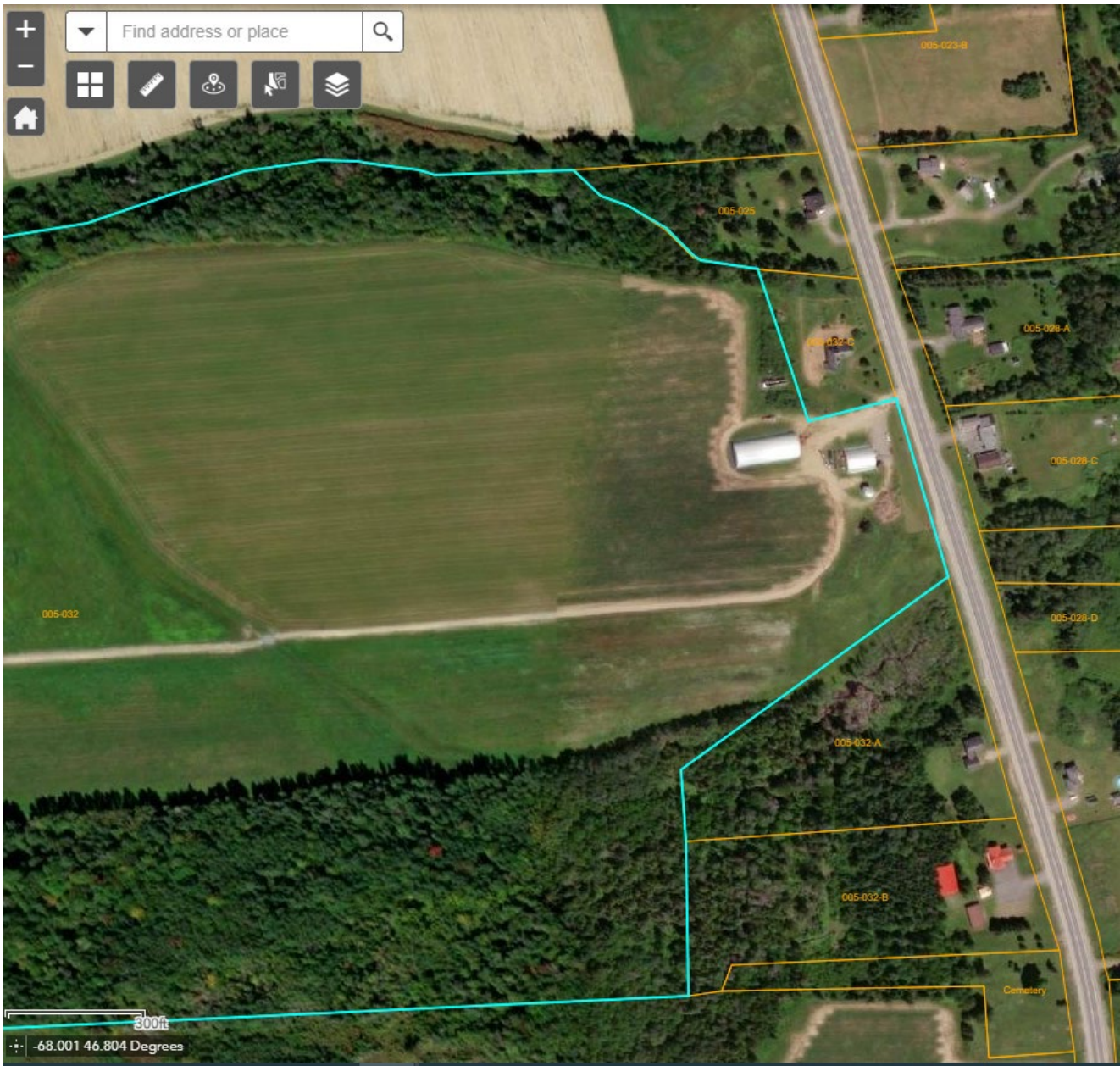
By _____
Penny Thompson, City Manager
Duly Authorized

Witness

IRVING FARMS, INC.

By _____
Name: _____
Its: _____
Duly Authorized

Exhibit A: Irving Farms Tract Site



**CARIBOU ADMINISTRATION
25 HIGH STREET
CARIBOU, ME. 04736**



MEMO

To: Mayor and City Council Members
From: Penny Thompson, City Manager
Date: June 13, 2022
Re: Finalize the Credit Enhancement Agreement with North State Transport LLC

At the March 28, 2022, City Council meeting, there was an application for a credit enhancement agreement with North State Transport LLC for property located at 987 Presque Isle Road which is in the RC-2 Tax Increment Financing District.

There was a vote taken to approve a CEA with North State Transport LLC for property located at 987 Presque Isle Road for 15 years at 80% of the Captured Assessed Value. One stipulation was that the property owner provide a deposit of \$1,000 towards any expenses. That check was received by staff on May 6.

The application is complete. The CEA has been prepared.

After final acceptance, the application will be sent to the Maine Department of Economic and Community Development for their approval.

Suggestion Action:

Please make a motion to authorize City Manager Penny Thompson to execute the attached Credit Enhancement Agreement on behalf of the City, second and vote to approve .

CREDIT ENHANCEMENT AGREEMENT

THIS CREDIT ENHANCEMENT AGREEMENT (hereinafter “Credit Enhancement Agreement” or “Agreement”) dated as of May 10, 2022, is hereby made between the **City of Caribou**, a municipal body corporate and politic and a political subdivision of the State of Maine (hereinafter the “City”), and **North State Transport LLC** with a place of business in Caribou, Maine (hereinafter the “Company”).

WITNESSETH THAT:

WHEREAS, the City has designated the RC-2 Zoning Omnibus Municipal Tax Increment Financing (TIF) District as amended (hereinafter the "District") pursuant to Title 30-A M.R.S.A. Chapter 206 by vote at a City Council Meeting duly noticed and held on November 14, 2011 and May 14, 2012, (the Vote”); and

WHEREAS, pursuant to the Vote the City adopted the Development Program and Financial Plan for the District (herein the “Development Program”); and

WHEREAS, the District and the Development Program has been reviewed and given final approval by Maine Department of Economic and Community Development on December 28, 2012; and

WHEREAS, the Development Program authorizes the execution and delivery of a credit enhancement agreement between the City and the Company; and

WHEREAS, the City and Company desire to execute and deliver a credit enhancement agreement contemplated by and described in the Development Program, with such terms and provisions not inconsistent with the Development Program; and

WHEREAS, the City designated the District, adopted the Development Program, and now desires to enter into this Agreement in order to induce the Company to complete the Project by enabling the City to contribute toward the capital cost of the Project the amounts contemplated by the Development Program and this Agreement.

NOW, THEREFORE, in consideration of the foregoing and in consideration of the mutual promises and covenants set forth herein, the parties agree as follows:

ARTICLE I DEFINITIONS

Section 1.1. Definitions.

As used in this Agreement, unless the context otherwise indicates, the following terms shall have the following meanings:

“Act” means chapter 206 of Title 30-A of the Maine Revised Statutes and regulations adopted thereunder, as amended from time to time.

“Captured Assessed Value” shall mean the amount, stated in a percentage, of Increased Assessed Value that is retained in the District with respect to each Tax Year as specified in this Agreement during the term of the District.

“Captured Assessed Value – North State Transport Tract” shall mean the amount, stated in a percentage, of Increased Assessed Value that is retained in the District with respect to each Tax Year and which is attributable to the North State Transport Tract as specified in this Agreement during the term of the District.

“City Cost Subaccount” means that portion of the Project Cost Account of the Development Program Fund for the District as defined in the Financial Plan Section of the Development Program and established and maintained according to Article II hereof.

“City Improvements” means the improvements described in the Development Program, as such may be approved by the City from time to time.

“Current Assessed Value” means the assessed value of the District certified by the municipal assessor as of April 1st of each year that the Development District remains in effect.

“Current Assessed Value – North State Transport Tract” means the assessed value of the North State Transport Tract certified by the municipal assessor as of April 1st of each year that the Development District remains in effect.

“DECD” means the Maine Department of Economic & Community Development.

“Development Program Fund” means the RC-2 Zoning Omnibus Municipal Development and Tax Increment Financing (TIF) District Program Fund described in the Financial Plan section of the Development Program and established and maintained pursuant to Article II hereof and 30-A M.R.S. § 5227(3)(A). The Development Program Fund shall consist of a Sinking Fund (as necessary) and a Project Cost Account with at least two subaccounts.

“District” means the RC-2 Zoning Omnibus Municipal Tax Increment Financing (TIF) District.

“Financial Plan” means the financial plan described in the “Financial Plan” section of the Development Program.

“Fiscal Year” means January 1 to December 31 or such other fiscal year as the City may from time to time establish.

“North State Transport Tract” means that tract of property identified as Map 5 Lot 32-C

“Increased Assessed Value” means, for each Tax Year during the term of this Agreement, the amount by which the Current Assessed Value – North State Transport Tract for such year exceeds the Original Assessed Value – North State Transport Tract. If the Current Assessed Value – North State Transport Tract is equal to or less than the Original Assessed Value – North State Transport Tract in any given Tax Year, there is no Increased Assessed Value in that year.

“North State Transport Cost Subaccount” means the portion of the Project Cost Account of the Development Program Fund set aside for the Developer contemplated in this Agreement and as described in the Financial Plan section of the Development Program and established and maintained pursuant to Article II hereof.

“Original Assessed Value – North State Transport Tract” means \$61,200.00 the taxable assessed value of the North State Transport Tract as of March 31, 2011 (April 1, 2010).

“Project” means the addition of potato storage and packing facilities on the North State Transport Tract.

“Project Costs” means any costs incurred or expected to be incurred that are authorized by Title 30-A M.R.S.A Section 5225, as may be amended.

“Property Tax” means any and all ad valorem property taxes levied, charged, or assessed against real and personal property located in the District by the City, or on its behalf.

“Sinking Fund Account” means the development sinking fund account described in the Financial Plan Section of the Development Program and established and maintained pursuant to 30-A M.R.S.A. § 5227(3)(A)(2) and Article II hereof.

“Tax Increment” means all property taxes assessed and paid to the City in any given Tax Year, in excess of any state, county or special district tax, upon the Captured Assessed Value of the property in the District.

“Tax Increment – North State Transport Tract” means all property taxes assessed and paid to the City in any given Tax Year, in excess of any state, county or special district tax, upon the Captured Assessed Value – North State Transport Tract.

“Tax Payment Date” means the date as determined by the City from time to time on which property taxes assessed by the City are due and payable without interest from owners of property located within the City.

“Tax Year” shall have the meaning given such term in 30-A M.R.S.A. § 5222(18), as amended, to wit: April 1 to March 31.

Section 1.2. Interpretation and Construction.

In this Agreement, unless the context otherwise requires:

(a) The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this Agreement, refer to this Agreement, and the term “hereafter” means after, and the term “heretofore” means before, the date of delivery of this Agreement.

(b) Words importing a particular gender mean and include correlative words of every other gender and words importing the singular number mean and include the plural number and vice versa.

(c) Words importing persons mean and include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public or governmental bodies, as well as any natural persons.

(d) Any headings preceding the texts of the several Articles and Sections of this Agreement, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.

(e) All approvals, consents and acceptances required to be given or made by any signatory hereto shall not be withheld unreasonably.

(f) All notices to be given hereunder shall be given in writing and, unless a certain number of days is specified, within a reasonable time.

(g) If any clause, provision or Section of this Agreement shall be ruled invalid by any court of competent jurisdiction, the invalidity of such clause, provision or Section shall not affect any of the remaining provisions hereof.

ARTICLE II DEVELOPMENT PROGRAM FUND AND FUNDING REQUIREMENTS

Section 2.1. Creation of Development Program Fund.

The City has created and established a segregated fund in the name of the City designated as the “RC-2 Tax Increment Financing District Program Fund” (hereinafter the “Development Program Fund”) pursuant to, and in accordance with the terms and conditions of, the Development Program and 30-A M.R.S.A. § 5227(3), as amended from time to time. The Development Program Fund consists of: (i) a Project Cost Account that is pledged to and charged with the payment of Project Costs as outlined in the Financial Plan of the Development Program and as provided in 30-A M.R.S.A. § 5227(3)(A)(1); and (ii) the Sinking Fund Account (as necessary) that is pledged to and charged with the payment of municipal indebtedness as outlined in the Financial Plan of the Development Program and as provided in 30-A M.R.S.A. § 5227(3)(A)(2). The Project Cost Account shall also contain two subaccounts designated as the “City Cost Subaccount” (the City’s Project Cost subaccount) and the “North State Transport Cost Subaccount” (the Company’s Project Cost subaccount).

The North State Transport Cost Subaccount referred to in this Agreement shall be specific to the North State Transport project. Other developer project cost subaccounts may be established for other projects within the District that have qualified for tax increment financing assistance.

Section 2.2. Timing for Deposits into North State Transport Cost Subaccount.

The City shall deposit the Company Tax Increment Revenues in the North State Transport Cost Subaccount within fifteen (15) days of each Tax Payment Date, or, if not a business day, on the next succeeding business day consistent with the terms of this Agreement.

Section 2.3. Captured Assessed Value; Deposits into Development Program Fund.

(a) Each year during the term of this Agreement, commencing with the City’s 2022 Tax Year and continuing thereafter for up to a maximum of fifteen (15) Tax Years to and including the City’s 2036 Tax Year, the City shall retain in the District one hundred percent (100%) of the Increased Assessed Value – North State Transport Tract as Captured Assessed Value – North State Transport Tract.

(b) Each year during this Agreement, the City shall deposit into the Development Program Fund contemporaneously with each payment of Property Taxes during the term of this Agreement an amount equal to one hundred percent (100%) of that portion of the property tax payment constituting North State Transport’ Tax Increment Revenues. The Development Program Fund is pledged to and charged with the payment of costs in the manner and priority provided in 30-A M.R.S.A. § 5227(3)(B).

(c) The City shall allocate Company Tax Increment Revenues so deposited in the Development Program Fund between the North State Transport Cost Subaccount of the Project Cost Account, and the City as set forth below:

Allocation of Eligible Tax Increment Reimbursement

Tax Year	Company Allocation	City Allocation
2022-2036	80% of Tax Increment – North State Transport Tract	20% of Tax Increment – North State Transport Tract

It is understood and agreed that the credit to the Company Reimbursement Account as specified above shall be due and payable solely from such Property Tax payments by Company.

The City shall retain one hundred percent of any City Tax Increment Revenues after Tax Year 2036 associated with the Increased Assessed Value – North State Transport Tract; the Company is not entitled to reimbursement of any portion of these City Tax Increment Revenues.

Section 2.3. Use of Monies in the Development Program Fund.

Monies credited in the Development Program Fund contemplated in this Agreement that are allocable to and/or deposited in the North State Transport Cost Subaccount shall be in all cases used and applied to fund fully the City’s payment obligations to Company in accordance with the terms of this Agreement.

Section 2.4. Monies Held By City

All monies actually paid by the Company to the City pursuant to this Agreement and credited to the City Cost Subaccount under the provisions hereof and the provisions of the Development Program shall be held by the City in accordance with the terms and conditions of this Agreement.

Section 2.5. Allocation of Partial Tax Payments

If in any year during the term of this Agreement, the Company fails to pay any portion of the Property Taxes assessed by the City, the Property Taxes actually paid by the Company shall be applied: (a) first to the payment of Property Taxes due on the Original Assessed Value of Company property in the District for any and all outstanding Tax Years; (b) second to payment of Property Taxes with respect to Increased Assessed Value – North State Transport Tract for the year or years concerned (including any delinquent taxes from prior Tax Years), and (c) third, to the extent of funds remaining, to payment of the Company’s share of Tax Increment Revenues contemplated in this Agreement to the North State Transport Cost Subaccount.

**ARTICLE III
PAYMENT OBLIGATIONS**

Section 3.1. Company Payments

Within fifteen (15) days following the payment of Property Taxes by Company on the North State Transport Tract, or, if not a business day, on the next succeeding the Company all amounts then on deposit in the North State Transport Cost Subaccount, exclusive of any deduction or withholding required by Federal or State law.

All payments made to Company contemplated in this Agreement shall be utilized consistent with this Agreement and the Act.

Section 3.2. Manner of Payments.

The payments provided for in this Article III shall be paid in immediately available funds directly to the Company in the manner provided hereinabove for its own use and benefit.

Section 3.3. Obligations Unconditional.

Subject to compliance with the terms and conditions of this Agreement, the Obligations of the City to make the payments described in this Agreement in accordance with the terms hereof shall be absolute and unconditional, and the City shall not suspend or discontinue any payment hereunder or terminate this Agreement for any cause, other than by court order or by reason of a final judgment by a court of competent jurisdiction that the District is invalid or otherwise illegal.

Section 3.4. Limited Obligation.

The City's obligations of payment hereunder shall be limited obligations of the City payable solely from Tax Increment Revenues attributable to the North State Transport Tract and any earnings thereon, pledged under this Agreement. The City's obligations hereunder shall not constitute a general debt or a general obligation on the part of the City or a general obligation or charge against or pledge of the faith and credit or taxing power of the City, the State of Maine, or of any municipality or political subdivision thereof, but shall be payable solely from the Tax Increment Revenues received by the City, and any earnings thereon.

This Agreement shall not directly or indirectly or contingently obligate the City, the State of Maine, or any other municipality or political subdivision to levy or to pledge any form of taxation whatever therefore or to make any appropriation for payment due under this Agreement, excepting the City's obligation to assess property taxes upon the Project and to appropriate the Tax Increment Revenues, and earnings thereon, pledged under this Agreement.

**ARTICLE IV
FURTHER INSTRUMENTS**

The City shall, upon the reasonable request of the Company, from time to time execute and deliver such further instruments and take such further action as may be reasonable and as may be required to carry out the provisions of this Agreement; provided, however, that no such instruments or actions shall pledge the credit of the City, materially disadvantage the City, or materially change this Agreement.

**ARTICLE V
LIENS**

The City shall not create any liens, encumbrances, or other interests of any nature whatsoever, nor shall it hypothecate the North State Transport Cost Subaccount or any funds therein or revenues resulting from investment of funds therein, other than those interests created in favor of the Company hereunder; provided, however, nothing herein shall prohibit creation of real and personal property tax liens on the Company's property in accordance with, and entitled to the priority provided under, Maine law.

**ARTICLE VI
ACCESS TO BOOKS AND RECORDS.**

All books, records and documents in the possession of the City relating to the District, the Development Program, the Agreement and the monies, revenues and receipts on deposit or required to be deposited into the Development Program Fund contemplated by this Agreement shall be open to inspection by the Company, its agents and employees during normal business hours upon 48 hours written notice.

**ARTICLE VII
DEFAULTS AND REMEDIES**

Section 7.1. Events of Default.

Each of the following events shall constitute and be referred to in this Agreement as an “Event of Default”:

(a) Any failure by the City to pay any amounts due to the Company when the same shall become due and payable;

(b) Any failure by the City to credit to the North State Transport Cost Subaccount as and when due;

(c) Any failure by the City or the Company to observe and perform in all material respects any respective covenant, condition, agreement or provision contained herein on the part of the City or the Company respectively to be observed or performed which failure is not cured within thirty (30) days following written notice thereof;

(d) If a receiver, conservator or liquidator is appointed for the Company by any court of competent jurisdiction; or if the Company should file a voluntary petition in bankruptcy or fail to have a petition in bankruptcy dismissed within a period of 90 consecutive days following its filing; or if a court of competent jurisdiction orders the winding up or liquidation of the Company.

Section 7.2. Remedies on Default.

Whenever any Event of Default referred to in Section 7.1 hereof shall have occurred and be continuing for a period of thirty (30) days after a party's receipt from the other party of written notice of an Event of Default by the party, the other party may (a) specifically enforce the performance or observance of any obligations, agreements or covenants of the defaulting party under this Agreement and any documents, instruments and agreements contemplated hereby or to enforce any rights or remedies available hereunder or (b) suspend its performance under this Agreement for so long as the Event of Default continues or remains uncured.

Section 7.3. Remedies Cumulative.

No remedy herein conferred upon or reserved to the Company or City is intended to be exclusive of any other available remedy or remedies but each and every such remedy shall be cumulative and shall be in addition to the remedy given under this Agreement or now or hereafter existing at law, in equity or by statute. Delay or omission to exercise any right or power accruing upon any default or to insist upon the strict performance of any of the covenants and agreements herein set forth or to exercise any rights or remedies upon the occurrence of a default shall not impair any such right or power or be considered or taken as a waiver or relinquishment for the future of the rights to insist upon and to enforce, from time to time and as often as may be deemed expedient, by injunction or other appropriate legal or equitable remedy, strict compliance by either party with all of the covenants and conditions hereof, or of the rights to exercise any such rights or remedies, if such default be continued or repeated.

Section 7.4. Agreement to Pay Attorney's Fees and Expenses.

Notwithstanding the application of any other provision hereof, in the event a party should default under any of the provisions of this Agreement and the other party shall require and employ attorneys or incur other expenses or costs for the collection of payments due or to become due or for the enforcement of performance or observance of any obligation or agreement on the part of the party herein contained, the prevailing party in any litigation to enforce the provisions of this Agreement shall be entitled to be reimbursed for reasonable attorneys' fees from the party in default.

Section 7.5. Tax Laws.

The parties acknowledge that all laws of the State now in effect or hereafter enacted with respect to taxation of property shall be applicable and that the City, by entering into this Agreement, is not excusing any non-payment of taxes by Company. Without limiting the foregoing, the City and the Company shall always be entitled to exercise all rights and remedies regarding assessment, collection and payment of taxes assessed on Company's property.

Section 7.6. Failure of Company to timely pay property taxes.

Should the Company fail to pay its assessed Property Taxes for the North State Transport Tract for two consecutive years the City is under no further obligation for payments to the Company, except in the case of a pending property tax valuation appeal. In the case of a pending property tax valuation appeal, the Company shall pay any uncontested amount by the Property Tax due date and the remainder immediately upon resolution of the appeal.

**ARTICLE VIII
TERM**

Section 8.1. Effective Date

Except as otherwise provided in this Agreement, this Agreement shall remain in full force and effect and shall expire upon the end of Tax Year 2036 or upon the payment of all amounts due to the Company hereunder and the performance of all obligations on the part of the City and Company hereunder (the “Term”).

Section 8.2. Expiration of Term.

Upon the expiration of the Term, or the earlier termination of this Agreement, and following full payment of all amounts due and owing to the Company hereunder or provision for payment thereof, the City and the Company shall each execute and deliver such documents and take or cause to be taken such actions as may be necessary to evidence the termination of this Agreement. No such expiration or termination shall affect any rights or obligations then outstanding.

**ARTICLE IX
ASSIGNMENT AND PLEDGE OF COMPANY'S INTEREST**

Section 9.1. Consent to Pledge and/or Assignment.

The City hereby acknowledges that the Company may pledge and assign its right, title and interest in, to and under this Agreement as collateral for financing for the Project, although no obligation is hereby imposed on the Company to make such assignment or pledge. Recognizing this possibility, the City does hereby consent and agree to the pledge and assignment of all the Company's right, title and interest in, to and under this Agreement and in, and to the payments to be made to Company hereunder, to third parties as collateral or security for indebtedness or otherwise, on one or more occasions during the term hereof.

Section 9.2. Pledge, Assignment or Security Interest.

The City hereby consents to the pledge, assignment or granting of a security interest by the Company of its right, title and interest in, to and under this Agreement to any lender which is financing the Project in whole or part.

Section 9.3. Assignment

The Company shall have the unrestricted right to transfer and assign all or any portion of its rights in, to and under this Agreement, at any time, and from time to time, as Company may, in its sole discretion, deem appropriate.

**ARTICLE X
NO ADDITIONAL DEVELOPMENT**

It is understood and agreed that any additional development within the District by Company not within the scope of the original Project or any additional development within the District by any person other than the Company shall be outside the scope of this Agreement. The City shall have no obligations to make any payments into the Development Program Fund from any increased revenues received by the City from assessments made against such additional development.

ARTICLE XI MISCELLANEOUS

Section 11.1 Successors.

In the event of the dissolution of the Company or any sale or other transfer of all or substantially all of the Project, the covenants, stipulations, promises and agreements set forth herein, by or on behalf of or for the benefit of such party shall bind or inure to the benefit of the successors and assigns thereof from time to time and any entity, officer, board, commission, agency or instrumentality to whom or to which any power or duty of such party shall be transferred.

Section 11.2 Parties in Interest.

Except as herein otherwise specifically provided, nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the City and the Company or its assigns any right, remedy or claim under or by reason of this Agreement, it being intended that this Agreement shall be for the sole and exclusive benefit of the City and the Company; provided, however, that if the payment obligations of the City to the Company hereunder are held by a final and binding proceeding to be illegal or invalid, this Agreement shall terminate. In such event all obligations of the parties shall terminate, and no party shall have any further liability to the other hereunder.

Section 11.3 Severability.

In case any one or more of the provisions of this Agreement shall, for any reason, be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Agreement and this Agreement shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

Section 11.4 No Personal Liability of Officials of the City.

No covenant, stipulation, obligation or agreement of the City contained herein shall be deemed to be a covenant, stipulation or obligation of any present or future elected or appointed official, officer, agent, servant or employee of the City in his or her individual capacity and neither the members of the City Council, City Council members nor any official, officer, employee or agent of the City shall be liable personally with respect to this Agreement or be subject to any personal liability or accountability by reason hereof.

Section 11.5 Counterparts.

This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original, but such counterparts shall together constitute but one and the same Agreement.

Section 11.6 Governing Law.

The laws of the State of Maine shall govern the construction and enforcement of this Agreement in all respects.

Section 11.7 Notices.

All notices, certificates, requests, requisitions or other communications by the City or the Company pursuant to this Agreement shall be in writing and shall be sufficiently given and shall be deemed given when mailed by first class mail, postage prepaid, addressed as follows: If to the City:

City of Caribou
Attn: City Manager
25 High Street
Caribou, Maine 04736

With copies, which shall not constitute notice, to:

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P.O. Box 665
Caribou, Maine 04736

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North State Transport LLC.
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Caribou, Maine 04736

With a copy, which shall not constitute notice, to:

Either of the parties may, by notice given to the other, designate any further or different addresses to which subsequent notices, certificates, requests, or other communications shall be sent hereunder.

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This Agreement may only be amended with the concurring written consent of both of the parties hereto.

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The City agrees that this Agreement is executed in part to induce assignees or pledges to provide financing for the Project and accordingly all covenants and agreements on the part of the City as to the amounts payable hereunder are hereby declared to be for the benefit of any such assignee or pledgee from time to time of the Company's right, title and interest herein.

Section 11.10 Integration.

This Agreement completely and fully supersedes all other prior or contemporaneous understandings or agreements, both written and oral, between the City and the Company relating to the specific subject matter of this Agreement and the transactions contemplated hereby.

Section 11.11 No Obligation to Build Project

The Company and the City agree, and the City hereby acknowledges that the Company shall have no obligation to go forward with the capital projects referred to herein or in the Development Program. All such projects are subject to final approval by the Company. Failure of Company to go forward with the capital projects referred to herein shall result in termination of this Agreement.

Section 11.12 Authority of City

The Company and the City waive any right which either may have to contest, and shall not take any action to challenge, the other's authority to enter into, perform or enforce the Agreement or to carry out the Development Program or the validity or enforceability of this Agreement, the District or the Development Program. The City and the Company shall each utilize their respective best efforts to uphold the District, the Development Program, this Agreement and the City's authority to enter into this Agreement and the validity and enforceability of the District, the Development Program and this Agreement, including without limitation opposing, to the extent permitted by law, any litigation or proceeding challenging such authority, validity or enforceability.

Section 11.13 Indemnification.

The Company shall at its own expense defend, indemnify, and hold harmless the City, its officers, agents, and employees from and against any and all liability, claims, damages, penalties, losses, expenses, or judgments relating in any manner to, or arising out of the Development Program or this Agreement, except to the extent that such liability, claims, damages, penalties, losses, or expenses, result in whole or in part from any negligent act or intentional omission of the City, its officers, agents, employees or servants. Company shall, at its own cost and expense, defend any and all suits or actions, just or unjust which may be brought against City upon any such above-mentioned matter, claim or claims, including claims of contractors, employees, laborers, materialmen, and suppliers. In cases in which the City is a party, the City shall have the right to participate at its own discretion and at its own expense and no such suit or action shall be settled without prior written consent of the City. Notwithstanding any other provision of this Agreement, this section shall survive any termination of this Agreement.

In the event of any litigation or proceeding challenging this Agreement or the authority of the parties to enter into or perform hereunder, the Company shall indemnify and hold harmless the City against all costs, including the cost of defense and legal fees resulting from such challenges. Provided, however, that if the Company assumes the defense of all challenges, the City agrees to let the Company's attorney represent both parties at Company's expense.

**SECTION XII
CITY COSTS.**

The Company shall pay or reimburse the City for all reasonable fees, expenses and other charges of the City and its consultants, including the City's attorneys and the City's Consultant, in connection with the negotiation, execution and approval of this Agreement and the negotiation, approval and approval of the Development Program. The amount of these fees shall not exceed \$1,000 (deposit to be given prior to contract execution). If this is not done, the City shall deduct such payment due from credit enhancement payments due the Company. Notwithstanding any other provision of this Agreement, this section shall survive any termination of this Agreement.

IN WITNESS WHEREOF, the City and the Company have caused this Agreement to be executed in their respective corporate names and their respective corporate seals to be hereunto affixed and attested by the duly authorized officers, all as of the date first above written.

Witness

CITY OF CARIBOU

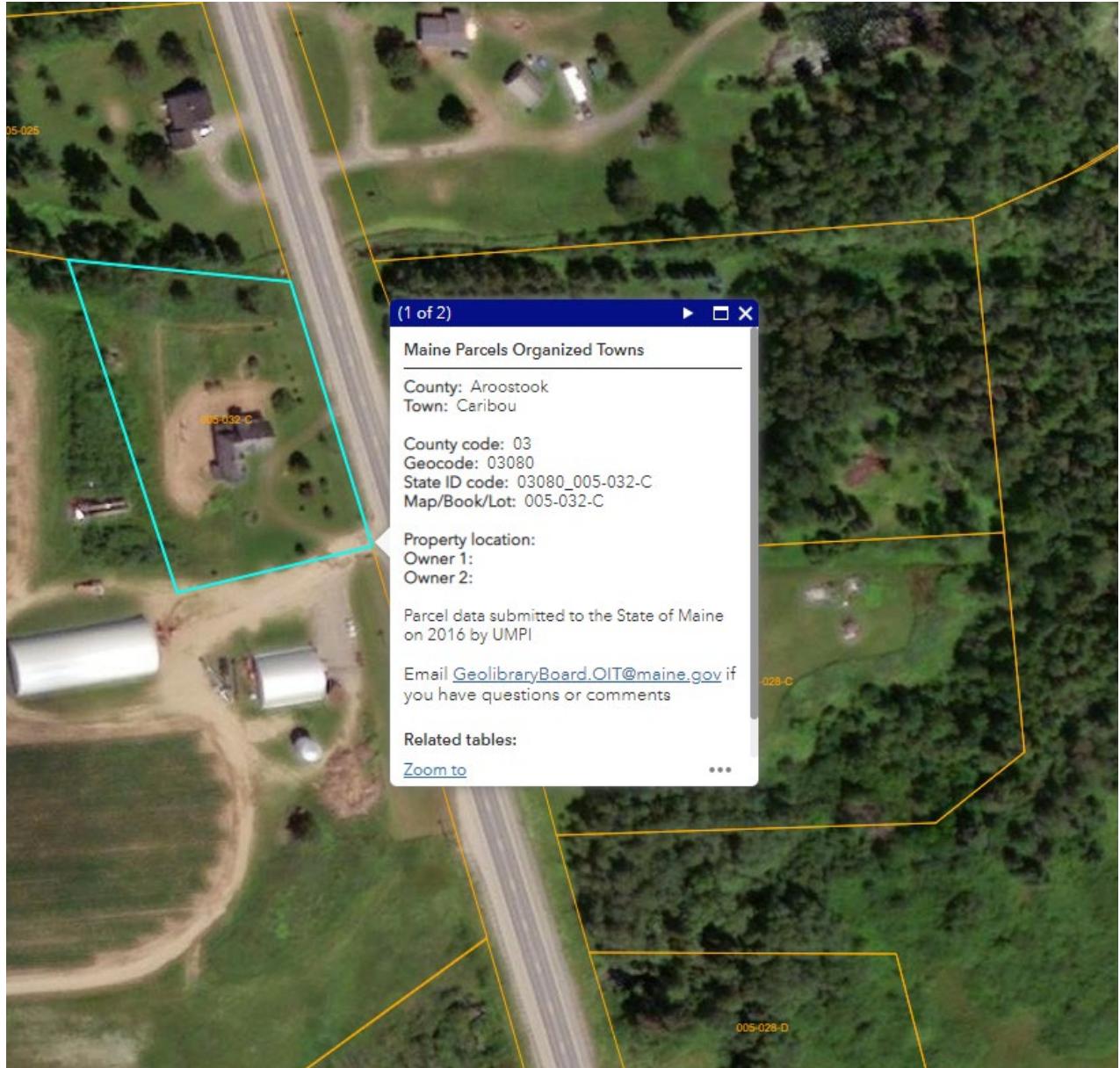
By _____
Penny Thompson, City Manager
Duly Authorized

Witness

NORTH STATE TRANSPORT LLC.

By _____
Name:
Its:
Duly Authorized

Exhibit A: North State Transport Tract Site



**CARIBOU ADMINISTRATION
25 HIGH STREET
CARIBOU, ME. 04736**



MEMO

To: Mayor and City Council Members
From: Penny Thompson, City Manager
Date: June 13, 2022
Re: Discussion on loan for capital projects approved during budget process

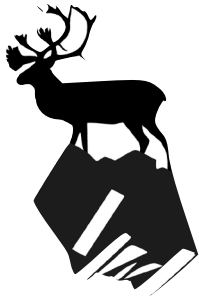
During the 2022 Municipal Budget process, the Municipal Buildings Committee of the Caribou City Council recommended that several capital projects be completed at city buildings and would support borrowing no more than \$1,045,500 in 2022.

The Capital Budget Committee of the Caribou City Council agreed with the list of capital projects submitted by the Municipal Buildings Committee and approved other capital expenditures not related to municipal buildings. These included amounts for equipment and program reserves. The total amount of approved capital in the 2022 budget is \$1,951,110. The Capital Budget Committee recommended borrowing \$1,500,000 in 2022.

When the budget was presented, the bottom-line calculation used the higher loan amount suggested by the Capital Budget Committee. The Municipal Building Committee has met again and wants to begin the process of sending Requests For Proposals out on projects. However, as stated above, the Municipal Buildings Committee of the Caribou City Council does not support borrowing more than the \$1,045,500 for capital projects.

Suggestion Action:

As directed by the Caribou City Council, staff has received information from Aroostook County Federal Savings and Loan Association and Machias Savings Bank. The amount and terms of the loan should be finalized before the annual tax rate is set by the City Council.



Caribou Public Library

DIRECTOR'S REPORT

**To: Mayor and City Councilors
Penny Thompson, City Manager**
From: Peter Baldwin, Library Director
May 2022 Report

This month the library said goodbye to one of its most known staff members. Erin Albers was the Children's Librarian at the Caribou Library for the last 5 years. She was instrumental in the development of our incredible childrens programs, the implimentation of our StoryWalk, and STEAM kit creation. She will be dearly missed. We have hired a replacement who will start in June, Kirsten Hallowell. Kirsten is enthusiastic and passionate about her work with children. She has years of experience working with children, both inside and outside of libraries, and we are sure she will be an exceptional staff member and a benefit to the future of the Caribou Library.

We also hired an additional staff member this month, Catherine Catranis. Cathy has experience working in a library and has an overwhelming knowledge of plant biology and pathology. She is incredible to work with and has already begun working on revitalizing our Seed Library to encourage more community use. We are very excited to have her as a part of our team. Her additional hours have already made a tremendous difference in the workload of other staff and the director.

The library continues its restructuring of the various visual elements of the building. We have been working on a more efficient system of organizing our large DVD collection, which we expect to be completed in the coming months. We have also reorganized our Reference collection and Aroostook County collection to encourage easy use, and to increase public engagement.

The library experienced a theft this month of ~40 books by a single person, resulting in almost \$1000 in losses. The Police Department was able to apprehend those responsible, and retrieve 4 of the missing materials. We are hopeful that the rest of these materials will soon be returned to the home in the library.

We hosted many outside groups this month including the Girls Scouts, for their recruitment drives, and Recovery Aroostook. We are always delighted to have outside organizations wish to use our space.

The Friends of the Library participated in the Caribou City Wide Yard Sale, selling a combination of items donated by the Friends. All items were sold for a “Free Will” donation, instead of listed prices. This resulted in over \$600 being generated for the Friends of the Library.

The Library Director spent some time this month preparing for the American Library Associations Annual Conference. This conference will take place in June out-of-state. The Library Director usually attends the Maine Library Associations’s annual conference, but could not attend this year due to staffing. Now that the staff is full and trained, the Director will be able to participate in the professional development that comes with the conference.

That’s all for us at the Library, tune in next month for more Library fun!

Peter Baldwin

CIRCULATION STATISTICAL COMPARISON

MATERIAL TYPE	JAN 2022	FEB 2022	MAR 2022	APR 2022	MAY 2022	JUN 2022	JUL 2022	AUG 2022	SEPT 2022	OCT 2022	NOV 2022	DEC 2022
Adult books	729	554	612	509	579							
Juvenile books	584	455	662	673	617							
Teen/YA books	40	51	55	37	35							
DVDs	122	98	129	128	94							
eBooks/Audiobooks	25	158	177	128	178							
Magazines	36	15	24	19	22							
Interlibrary loans	26	33	29	49	33							
Puzzles	17	1	9	10	5							
STEAM	26	35	17	18	4							
Renewals	434	309	479	472	420							
TOTAL NUMBERS	2,039	1,709	2,193	2,043	1,987	0	0	0	0	0	0	0

CIRCULATION STATISTICAL COMPARISON

MATERIAL TYPE	MAY 2021	JUNE 2021	JUL 2021	AUG 2021	SEPT 2021	OCT 2021	NOV 2021	DEC 2021	JAN 2022	FEB 2022	MAR 2022	APR 2022	MAY 2022
Adult books	462	582	553	571	556	589	610	529	729	554	612	509	579
Juvenile books	421	738	640	661	669	611	586	432	584	455	662	673	617
Teen/YA books	45	99	85	125	77	58	75	43	40	51	55	37	35
DVDs	175	170	197	248	219	174	210	164	122	98	129	128	94
eBooks/Audiobooks	261	205	172	165	40	27	127	139	25	158	177	128	178
Magazines	15	30	27	38	59	57	96	65	36	15	24	19	22
Interlibrary loans	28	34	47	77	42	33	28	36	26	33	29	49	33
Puzzles	10	0	1	0	1	3	14	8	17	1	9	10	5
STEAM	** See Note	** See Note	** See Note	** See Note	** See Note	** See Note	4	15	26	35	17	18	4
Renewals	530	593	555	592	578	434	496	407	434	309	479	472	420
TOTAL NUMBERS	1,947	2,451	2,277	2,477	2,241	1,986	2,246	1,838	2,039	1,709	2,193	2,043	1,987

**As of 2020 the Maine State Library is now requiring that public libraries track renewals as part of their statistics. STEAM Kits made available in November 2021 **

YEAR-TO-DATE MONTHLY CIRCULATION COMPARISON

Year	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	TOTAL
2017	1,429	1,647	2,165	1,671	1,782	2,053	2,086	2,225	1,995	2,335	2,284	2,094	23,766
2018	1,789	1,755	2,396	2,758	2,192	2,501	2,629	3,166	2,727	2,894	2,587	2,104	29,498
2019	2,924	2,026	2,728	2,663	2,116	1,979	2,519	2,297	2,129	2,099	1,603	1,770	26,853
2020	2,404	2,415	1,710	289	281	1,113	2,040	3,327	2,990	3,278	3,063	3,525	26,435
2021	3,850	3,710	4,434	2,270	1,947	2,451	2,277	2,477	2,367	2,116	2,246	1,838	31,983
2022	2,039	1,709	2,193	2,043	1,987								9,971

Monthly Permit Report

May 2022

	CURRENT MONTH	YEAR TO DATE	PRIOR YEAR MONTH	PRIOR YEAR TO DATE
BUILDING PERMITS	7	12	11	28
HOMES	1	1	1	2
MOBILE HOMES	0	0	0	1
MULTI-FAMILY	0	0	0	0
COMMERCIAL	1	4	3	10
EXEMPT	0	0	0	1
PLUMBING PERMITS				
INTERNAL	0	3	5	10
EXTERNAL	0	0	3	5
DEMO PERMITS	2	3	2	7
SIGN PERMITS	6	7	1	4

Year-to-Date is January 2022 to May 2022



AROOSTOOK WASTE SOLUTIONS
Board of Directors Meeting
April 29, 2022

MINUTES

CALL TO ORDER: The meeting was called to order by President Thompson at 8:30 am.
MEMBERS PRESENT: Stev Rogeski, Andrea Powers (Alt), Ken Murchison, John Morrill, Penny Thompson (Alt), Tara Henderson (Alt), Kevin Freeman, Dana Fowler.
MEMBERS ABSENT: Jesse Philbrick, Martin Puckett (Alt)
OTHERS PRESENT: Mark Draper, Sharon Raymond

Tara Henderson voted in the absence of Jesse Philbrick

1. Review and approve the minutes of the April 1, 2022 meeting

A motion was made by Stev Rogeski; and was seconded by Dana Fowler; to approve the minutes of the April 1, 2022 meeting as presented. The motion carried unanimously.

2. Review and approve the financial statements for the period ending March 31, 2022

Mark reviewed the financial notes provided in the Board packet. **A motion was made by Stev Rogeski; and was seconded by Ken Murchison; to approve the financial statements as presented. The motion carried unanimously.**

3. Discussion of bond debt reserve adjustment

Mark and Sharon presented to the Board an option to address a net loss in 2021 that was driven (primarily) by a drastic increase in closure/post-closure care liability from inflationary and other cost factors in 2021. The proposed option is to reduce the amount designated to the Bond Debt Reserve account by the amount of the loss, which will effectively eliminate that loss, and consequently pass this cost on to the AWS customers as a debt service expense line item in

future budgets. Following discussion, a motion was made by Ken Murchison; and was seconded by Stev Rogeski; to change the net amount designated for the bond debt reserve in 2021 from \$395,622 to \$76,705. The motion carried unanimously.

4. Review and approve the warrant for checks numbered 26461 to 26552

A motion was made by John Morrill; and was seconded by Dana Fowler; to approve the warrant as presented. The motion carried unanimously.

5. Solid Waste Director's report

Mark reported on the following:

- a. Hauler's Meeting: after a two-year hiatus, a dinner meeting for the commercial haulers using AWS facilities has been scheduled for June 8, 2022 at the Caribou Inn and Convention Center. The primary purpose of the meeting is to update the haulers on the upcoming changes regarding the PILF, and subsequently the TCL.
- b. Employee resignation: one of the employees at TCL has resigned. His role was as an Equipment Operator/Truck Driver. Mark is working to fill the vacancy.
- c. Bulldozer quotes: three (3) quotes were solicited and two (2) were received. Mark is continuing to evaluate the proposals and has requested additional information regarding maintenance plans. Both companies that submitted quotes forecasted a delivery in the first quarter of 2023. Mark will provide a more thorough recommendation at the next meeting.

6. Operations Manager position description

Following-up on a discussion at a previous meeting, Mark provided the Board with a draft position description he developed for an Operations Manager for review and discussion. It was suggested that a revised position description for an Executive Director also be developed to compare and contrast. Mark will bring both back at a future meeting for further discussion.

7. Update on post-PILF operations plan

Mark provided the Board with an update on plans for managing waste following the planned cessation of operations at the Presque Isle Landfill in the next year or so. The updates included a meeting with the local haulers, transfer station plans, and equipment options.

8. Review and approve a contract with Woodard & Curran for the design and contractor selection for TCL Cells 5 and 6

Mark provided the Board with the history of the long and productive relationship with Woodard & Curran. He explained that the engineering services would be provided in two (2) phases. The first (and for which the proposed contract covers) is for the design and permitting phase of the project, and includes the effort to select a contractor for construction. The second

phase will be for construction quality assurance and quality control services. Mark noted that the proposed contract is well-within the expected engineering cost for the project and he recommended approval by the Board. Following a brief discussion, **a motion was made by John Morrill; and was seconded by Stev Rogeski; to approve the proposed contract with Woodard & Curran. The motion carried unanimously.**

9. Schedule next meeting

The next meeting was scheduled for **May 27, 2022.**

10. Other business

None

With no further business to discuss, **the meeting was adjourned at 10:35 am.**

Respectfully submitted,

Martin Puckett, Secretary



**Board of Directors
May 2, 2022
5:30 p.m.**

Present: Doug Plourde, Chairman; Kevin Barnes, Dr. Irene Djuanda, Mike Gahagan, Penny Thompson, Neal Griffeth, Mike Quinlan, Carl Soderberg, Jane McCall, Dr. Carl Flynn, Kris Doody, RN, CEO; Dr. Regen Gallagher, CMO; Chelsea Desrosiers, CFO; Leslie Anderson, COO, Jenn Plant, CNO, Paula Parent, HR Director, Penny Wickstrom, HR Manager; Stev Rogeski, PHS; Mitch Wheeler, Bill Flagg, Cindy Blanchette, Elizabeth Singer and Peg McAfee

Welcome: Doug Plourde, Chairman, Board of Directors welcomed Stev Rogeski, PHS, Bill Flagg, Cindy Blanchette and Elizabeth Singer, Public Relations.

AGENDA TOPIC	ISSUE DISCUSSED & CONCLUSION	PLAN OF ACTION	PERSON RESPONSIBLE
REGULAR MEETING			
EDUCATION	<p>Cary Medical Center's Security Department – Mitch Wheeler provided an overview of Cary's Security Department, including: the Mission to provide patient and staff safety, provide workplace/domestic violence safety plans (CARE GO), customer service; MOAB training for de-escalation, control and defense techniques and visitor control; the department provides customer assists, one-on-one for patients, secures patient personal items, lab specimen delivery for ER and teamwork for all units; security for patients. The department goals are to limit injury, customer satisfaction, safety, prevention and teamwork. Staff are trained for active threat situations. Mitch reported 783 calls for service to the Security Department in March.</p> <p>Citizen of the Year Presentation to Cindy Blanchette – Elizabeth Singer and Bill Flagg provided an overview of the presentation to Cindy Blanchette when she received Citizen of the Year noting that this year Cindy is celebrating her 50th Anniversary serving as a nurse. The Board of Directors congratulated Cindy of a well-deserved award.</p>		
1. Call to Order	<p>Doug Plourde, Chairman, called the Regular Meeting of the Board of Directors to order at approximately 6:04 p.m.</p>	<p>Informational.</p>	
2. Review and Approval of Minutes	<p>The minutes of April 4, 2022 were reviewed.</p>	<p>Upon motion duly made and seconded, it was so VOTED to approve the April 4, 2022 meeting minutes as presented.</p>	
3. Report of Chief of Staff	<p>Dr. Flynn provided the following updates from the April 27th Medical Staff Executive Committee and General Medical Staff Meeting:</p> <p>Treasurer's Corner – The Medical Staff received a letter from the Jefferson Cary Foundation requesting a donation for the Cary Classic golf tournament. Historically the Medical Staff has made</p>	<p>Upon motion duly made and seconded, it was so VOTED to approve the Report of Chief of Staff as presented.</p> <p>Informational.</p>	

Board of Directors
May 2, 2022
5:30 p.m.

AGENDA TOPIC	ISSUE DISCUSSED & CONCLUSION	PLAN OF ACTION	PERSON RESPONSIBLE
	<p>a donation to cover the cost of the golf shirts. The Medical Staff Executive Committee voted to approve a donation of \$2500.00 to the Cary Classica Golf Tournament for the cost of the golf shirts.</p> <p>Endoscope Trials – The vendor postponed the trial as they did not have all the equipment needed for trialing. The trial has been rescheduled.</p> <p>Appointment Consulting Medical Staff – Qurat-ul-ain, Jelani, MD - (Cardiology): The complete appointment application and provider profile of Qurat – ul – ain, Jelani, MD was reviewed with no discrepancies. The report from the National Practitioner’s Data Bank contained no reports. Upon motion duly made and seconded it was so VOTED to recommend approving provisional appointment of Qurat – ul – ain, Jelani, MD to the Consulting Medical Staff with privileges as requested through June 30, 2023. Dr. Swanberg was appointed as proctor during the provisional appointment. This recommendation was forwarded to the Board of Directors for action.</p> <p>New Privilege Request – Josee Romann, FNP - It was reported Drs. Abuhajir, Connelly, and Zimbler have all observed Ms. Romann perform bone marrow biopsies for a combined 11 cases. Dr. Zimbler provided a report stating after observing Ms. Romann’s technique it is felt Ms. Romann can perform bone marrow biopsies without direct supervision. Upon motion duly made and seconded it was so VOTED to recommend approving bone marrow biopsies without direct supervision for Josee Romann, FNP. This additional privilege will expire with her current appointment which will expire on December 31, 2022. This recommendation was forwarded to the Board of Directors for action.</p> <p>1st Quarter 2022 Peer Review Summaries - The 1st Quarter 2022 Peer Review Summaries were distributed for review.</p> <p>Department Reports - The following departments provided review of quality indicators for 2022: Department of Emergency Medicine, Department of Medicine, Department of Radiology/Pathology, Department of Surgery and Maternal/Child Committee.</p> <p>Tufts Students – Dr. Flynn announced that Baily and McKenzie, the two new Tufts students will begin May 9th with orientation. Plans are to have an in person get together when the weather is warmer.</p>	<p>Informational.</p> <p>Upon motion duly made and seconded, it was so VOTED to approve the provisional appointment of Qurat – ul – ain, Jelani, MD to the Consulting Medical Staff.</p> <p>Upon motion duly made and seconded, it was so VOTED to approve the new privilege request of Josee Romann, FNP as noted.</p> <p>Upon motion duly made and seconded, it was so VOTED to approve the 1st quarter 2022 peer review summaries as presented.</p>	
<p>4. Quality Management Committee, Patient Safety Committee, Dashboard</p>	<p>Dr. Regen Gallagher reported the following from the April QM Committee Meeting:</p> <p>Old Business included: MRSA surveillance, antibiotic protocol for colon cases and appropriate discharge code for inpatients.</p>	<p>Upon motion duly made and seconded, it was so VOTED to approve the Quality Management</p>	

AGENDA TOPIC	ISSUE DISCUSSED & CONCLUSION	PLAN OF ACTION	PERSON RESPONSIBLE
	<p>Utilization and Case Management reports reviewed included: CDI query rate, readmission rates and value based performance for Total hip and knee arthroplasty (THA/TKA), and mortality rates.</p> <p>QM Compliance Indicators reviewed were: Environment of Care, Radiology, Rehab Services, Health Information Services and Pharmacy.</p> <p>QM Plans – The L’Acadie and Wound Ostomy QM Plans were approved by the committee.</p> <p>Patient Safety Committee – The April 13th Patient Safety Committee Minutes were included in the packet for review.</p> <p>2022 Dashboard – Dr. Gallagher reported the new 2022 dashboard was included in the packet.</p> <p>Customer Satisfaction – Leslie Anderson noted the 2022 Customer Service initiatives include: communication about medication, care transitions, meals and quietness. One Day Surgery scores remain good.</p> <p>Patient Complaints – There were eight patient complaints for the Q1 2022. All complaints were resolved. Discussion ensued regarding the number of patient encounters versus the number of patient complaints.</p>	<p>Committee report as presented.</p>	
<p>5. Report of Chairman, Board of Directors – Doug Plourde, Chairman</p> <p>a. Report from Board Members – PHS</p> <p>MSEC</p>	<p>Doug Plourde provided the following updates:</p> <p>Pines Health Services – Jane McCall attended the April 25th Pines Board Meeting. The auditors report was provided. COVID boosters continue to be offered. Patient visits have increased. No shows have decreased. The workforce turnover rate national average is 19%. Two pediatricians are scheduled to start in the near future.</p> <p>MSEC – Doug Plourde attended the meeting. He noted MSEC discussed issues with a provider in the ER. Dr. Flynn was complimented for a very efficient and effective meeting.</p>	<p>Informational.</p>	
<p>6. Report of CEO – Kris Doody</p>	<p>Kris Doody reported the following, noting more information is available in the CEO and Provider Activity Reports:</p>	<p>Informational.</p>	



Board of Directors

May 2, 2022

5:30 p.m.

AGENDA TOPIC	ISSUE DISCUSSED & CONCLUSION	PLAN OF ACTION	PERSON RESPONSIBLE
<p>a. Physician Recruitment</p>	<p>Physician Recruitment –</p> <ul style="list-style-type: none"> Pediatrics – Dr. Jain Jyotibala’s H1B Visa has been approved and issued. Dr. Jain is currently in India and will begin practicing at Women’s & Children’s in May. A site visit was completed in April with Dr. Wu, Pediatrician. Dr. Wu departed with a Letter of Intent as an offer for a permanent position. Hem/Onc – A site visit was completed with Dr. Elena Vagia for permanent placement. She is currently visiting in Greece. Several Zoom interviews have been completed with several strong leads for permanent Hematologist/Oncologists. Family Medicine – Kirsten Darrell, PA-C, originally from Fort Fairfield, has 15 years experience working for an FQHC in Hawaii and is interested in coming home. An agreement has been reached and Kirsten’s start date is August 2022. Emergency Medicine – A zoom call was completed May 1st with Dr. Kourosh Yazdani. Plans are to invite Dr. Yazdani for a site visit. Ongoing Recruitment – Recruitment is ongoing for pediatrics, internal medicine, orthopedics, OB/GYN, emergency medicine, anesthesia (CRNA) and hematology/oncology. <p>COVID – 19 – Kris Doody reported that COVID is being monitored closely to see if Cary is able to change any guidelines. Antigen tests are provided to staff to prepare to bring staff back to work as soon as possible, however, most employees are out at least seven days.</p> <p>Maternal/Child Renovations – Leslie Anderson reported that renovations are ongoing with the next phase of construction including a new headwall and upgrade to patient rooms 501-504. Renovation of Room 505 is almost complete. The labor and delivery rooms and nursery have reopened. The break room and kitchenette renovation is complete. During reconstruction in the hallway the addition of air handler ducts will be completed. The entire project is scheduled to be completed by the end of June.</p> <p>Air Handling Update – Leslie reported that Maine Controls is completing the necessary updates to the air handling system. The project should be completed within 3 months with a new control system up and running in the fall.</p> <p>The Joint Commission Response – Kris Doody reported that the Joint Commission has awarded Cary Medical Center full accreditation for 3 years starting February 5, 2022. Cary is evaluating other options besides the Joint Commission for surveying purposes.</p>		
<p>b. COVID – 19</p>	<p>COVID – 19 – Kris Doody reported that COVID is being monitored closely to see if Cary is able to change any guidelines. Antigen tests are provided to staff to prepare to bring staff back to work as soon as possible, however, most employees are out at least seven days.</p>		
<p>c. Maternal/Child Renovation</p>	<p>Maternal/Child Renovations – Leslie Anderson reported that renovations are ongoing with the next phase of construction including a new headwall and upgrade to patient rooms 501-504. Renovation of Room 505 is almost complete. The labor and delivery rooms and nursery have reopened. The break room and kitchenette renovation is complete. During reconstruction in the hallway the addition of air handler ducts will be completed. The entire project is scheduled to be completed by the end of June.</p>		
<p>d. Air Handling Update</p>	<p>Air Handling Update – Leslie reported that Maine Controls is completing the necessary updates to the air handling system. The project should be completed within 3 months with a new control system up and running in the fall.</p>		
<p>e. The Joint Commission Response</p>	<p>The Joint Commission Response – Kris Doody reported that the Joint Commission has awarded Cary Medical Center full accreditation for 3 years starting February 5, 2022. Cary is evaluating other options besides the Joint Commission for surveying purposes.</p>		



Board of Directors
May 2, 2022
5:30 p.m.

67

AGENDA TOPIC	ISSUE DISCUSSED & CONCLUSION	PLAN OF ACTION	PERSON RESPONSIBLE
<p>f. EMTALA – CMS Response</p> <p>g. MVH Update</p>	<p>EMTALA – CMS Response – Kris Doody provided an update on EMTALA. Cary Medical Center self-reported the event and an unannounced survey by a State surveyor was conducted. Cary Medical Center made changes to processes prior to the CMS surveyor visit. The response from CMS stated the complaint was substantiated but no plan of correction was required since a plan had been implemented prior to the survey.</p> <p>MVH Update – Kris Doody reported that Governor Mills is working on nominating three non-veterans to the MVH Board of Directors, one from Aroostook County, one from Eastern Maine and one from Southern Maine. A Stakeholders Group is being assembled to review recommended names.</p> <p>Chelsea Desrosiers and Carl Soderberg provided the following updates:</p>		
<p>7. Report of Finance & Personnel Committee</p> <p>a. March Financials</p>	<p>March Financials - Chelsea Desrosiers provided an overview of the March 2022 Financials for Cary Medical Center, including review of: gross patient revenue, net operating revenue, expenses, COVID funding and net income (loss) for March.</p> <p>COVID Matrix Review – The matrix was included in the packet for review.</p> <p>Amount Generally Billed – The Finance & Personnel Committee approved the Amount General Billed report for 2021 activity. The Committee recommends review and approval by the Board of Directors.</p>	<p>Upon motion duly made and seconded, it was so VOTED to approve the report of the Finance & Personnel Committee as reported.</p> <p>Upon motion duly made and seconded, it was so VOTED to approve the Amount Generally Billed report as presented.</p>	
<p>8. Safety Quarterly Report</p>	<p>Safety Quarterly Report – Leslie Anderson provided an overview of the Q1 2022 Safety Report. Information reviewed included the 2022 EOC Goals established and following existing and new regulations from: the Joint Commission, Centers for Medicare & Medicaid Services (CMS), State of Maine Fire Marshal and State of Maine Radiation Control Program. Environment of Care (EOC) goals include: EOC, Safety, Security, Hazardous Materials/Waste, Emergency, Life Safety, Medical Equipment and Utilities Management; Life Safety Management completed 5 successful fire drills at Cary and 3 successful fire drills at L'Acadie Q1 2022. Other items reported included: aggressive incidents, non-aggressive situations and MEMIC employee claims.</p>	<p>Upon motion duly made and seconded, it was so VOTED to approve the Safety Quarterly Report as presented.</p>	
<p>9. Pines Health Services Quarterly Report</p>	<p>Pines Health Services Quarterly Report – Kris Doody reported March revenue is above budget. Go live with the new EMR is scheduled for the next 6-7 weeks. Norm Collins stepped down from the Board of Directors Chairman position. Tanya Sleeper is the new Chairman, Diane Gove is Vice Chair, Stev Rogeski is Finance Committee Chairman.</p>	<p>Informational.</p>	



Board of Directors

May 2, 2022

5:30 p.m.

AGENDA TOPIC	ISSUE DISCUSSED & CONCLUSION	PLAN OF ACTION	PERSON RESPONSIBLE
10. MRHC Quarterly Report	MRHC Quarterly Report – Kris Doody reported MRHC received an audit report on the 2021 financials. It was a clean audit. Six member hospitals share opportunities for savings. An option for a health insurance captive is being evaluated with Covenant. The strategic plan is completed. Other collaborative organizations in other states are being reviewed for opportunities. A successful new project has completed its first year for PA students from UNE completing five week rotations at each MRHC hospital.	Informational.	
11. Quorum Health Resources Updates	No report was provided.		
12. Other, Adjournment & Next Meeting	Adjournment – Upon motion duly made and seconded, it was so VOTED to adjourn the meeting at approximately 6:50 p.m. Next Meeting –The next meeting of the Board of Directors is scheduled for Monday, June 6, 2022, 5:30 p.m.	Informational.	

Prepared by: Marguerite E. McAfee (Peg), Executive Assistant to the CEO & COO

Respectfully submitted,

Kris Doody, RN, MSB
Chief Executive Officer