

## CITY COUNCIL MEETING NOTICE AND AGENDA



Notice is hereby given that the City Council of Caribou will hold a Regular City Council Meeting on **Monday, October 10, 2023**, 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** in accordance with City Charter Section 2.10 (i)(b)

**(PUBLIC COMMENTS SUBMITTED TO THE CITY CLERK PRIOR TO 4:30PM ON THE MEETING DATE WILL BE SHARED DURING PUBLIC FORUM. EMAIL: [dbrissette@cariboumaine.org](mailto:dbrissette@cariboumaine.org))**

<b>5. Minutes</b>	<b><u>Pages</u></b>
a. Regular City Council meeting – July 24, 2023	02-08
<b>6. Bid Openings, Awards, and Appointments</b>	
<b>7. Public Hearings and Possible Action Items</b>	
<b>8. Reports by Staff and Committees</b>	
a. Presentation of 2022 Audit – Felch & Company	09-64
b. Manager's Report	65-97
<b>9. New Business, Ordinances and Resolutions</b>	
a. Library 2024 – 2028 Strategic Plan – Library Director Peter Baldwin	98-113
b. Countersign the RSU#39 Bond Referendum Warrant	114-117
c. Approve contract with NMDC for LDD services pursuant to the NBRC grant	118-121
d. Approve by-laws of the Caribou Development Committee	122-126
e. Sale of Municipal Property – pellet silos	127-129
f. Discussion & possible action to consider accepting a deed to 7 Water Street	130-135
<b>10. Old Business</b>	
<b>11. Reports and Discussion by Mayor and Council Members</b>	<b><u>Reports</u></b>
<b>12. Next Regular Meetings:</b> October 23, November 13 & 27, December 11	136-148
<b>13. Executive Session(s)</b> (May be called to discuss matters identified under MRSA, Title 1, §405.6)	
a. Discussion of personnel matter pursuant to MRSA Title 1, §405.6.A	

### 14. 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, July 24, 2023, in the Council Chambers with the following members present; Mayor Smith, Councilors Bagley, Goughan, Morrill, Theriault and Willey. Deputy Mayor Boma was present via Zoom.

Manager Thompson was present for 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

There were no minutes submitted for approval.

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

a. Bids for work at the Nylander Museum of Natural History

Motion made by Councilor Morrill, seconded by Councilor Willey to accept the bid from Aroostook Power Washing LLC.

Roll Call Vote: D. Bagley – No, Boma – Yes, R.M. Goughan – Yes, J. Morrill – Yes, J. Theriault – Yes, L. Willey – Yes, J. Smith – Yes, C. (So voted)

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

a. Application for Malt Liquor, Wine & Spirits sales for RJ Rossignol LLC DBA Bechard's Grille

Open Public Hearing: 6:15 p.m.

There were no comments from the public.

Close Public Hearing: 6:16 p.m.

Motion made by Councilor Morrill, seconded by Councilor Theriault to approve the liquor license application from RJ Rossignol, LLC DBA Bechard's Grille at 30 Skyway Drive Unit 300/400.

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

b. Dangerous Building Public Hearing – 7 Water Street, Map 31, Lot 171

Open Public Hearing: 6:17 p.m.

Mayor Smith recessed the public hearing until August 28<sup>th</sup>.

c. Dangerous Building Public Hearing – 24 Park Street, Map 35 Lot 73

Open Public Hearing: 6:20 p.m.

Councilor Willey asked when Ms. Mueller was served.

Manager Thompson responded that she was served after the last meeting. She also explained that the property owner was ignoring the notices because she thought that she was losing the property due to bankruptcy.

Mark Leuhrs, Caribou Resident

Can the City do something instead of tearing it down and explained that he believes that it is a beautiful spot for something.

Mayor Smith explained that in this process the biggest expense when tearing down a home is the abatement which can be costly.

Manager Thompson explained that the City would go out to bid for the demo and that it would have to be hauled off to the landfill where there is also an additional fee. After the demolition and disposal is done the City sends a bill to the owner of the property and if they don't pay it then it becomes a special tax at the next commitment.

Mayor Smith recessed the public hearing until August 28<sup>th</sup>.

Councilor Bagley and Councilor Morrill both expressed concern about recessing the hearing until a later date and stated that it should go to a vote of the Council.

Closed public hearing at 6:32 p.m.

Motion made by Councilor Theriault to recess the public hearing until August 28<sup>th</sup> for the property at 24 Park Street.

Motion made by Councilor Morrill, seconded by Councilor Willey to consider the property at 24 Park Street a dangerous building and continue with the process that abdicates that.

Roll Call Vote: D. Bagley – Yes, Boma – Yes, R.M. Goughan –No, J. Morrill – Yes, J. Theriault –No, L. Willey – Yes, J. Smith – No, C. (So voted)

Agenda item 7 b Continued

Manager Thompson read an email from the City attorney regarding the property at 7 Water Street, that in exchange for the cleanup of the property, the Bickford's would deed the property to the City.

Closed the public hearing at 6:37 p.m.

Motion made by Councilor Morrill, seconded by Mayor Smith to deem the property at 7 Water Street a dangerous building and continue the process in order to eliminate that situation.

Roll Call Vote: D. Bagley – No, Boma – No, R.M. Goughan –No, J. Morrill – Yes, J. Theriault – No, L. Willey – No, J. Smith – Yes, C. (Motion failed)

d. Charter Amendment Public Hearing – Ordinance 3, 2023 Series, Charter Amendment, and Ordinance to Amend the Capital Improvement Referendum Process

Open the public hearing at 6:40 p.m.

Councilor Goughan explained that in his opinion it is not so much dealing with a majority of votes that show up, but that when you spend over \$500,000 and the vote is put in front of the people in the June election when people are not used to voting. He suggested that it would be best to wait until the November election when people are used to voting.

Councilor Willey explained that we put that it needs to have that it would be at a November election because a 65% turnout is not reasonable.

Deputy Mayor Boma stated that she agrees with Councilor Willey, and that even in November we rarely have a 65% turnout.

Councilor Theriault stated that maybe what they need to do is clarify what the 65% is. It is not a majority of the 65% of the turnout, it means that 65% of the voters in Caribou would need to turnout to vote on the topic.

Doug Morrell, Caribou Resident

Mr. Morrell came in and stated that the ordinance was meant to control how the council spends. He stated that the decisions should be made by those who pay the bills. He stated he believes that if you want to do something you need to sell it to the public.

Councilor Bagley explained that a significant number of people passed the vote. He stated that he thinks that most people understood what they were voting on, and it was passed. Councilor Bagley stated that it was passed, but that he agrees that 65% of voter turnout is too high, because it has not been achieved more than 1 time in 13 years. He proposed to change it to a 45% voter turnout rather than the 65% which is achievable in November elections.

Councilor Willey stated that the ordinance was approved with less than 65% turnout. She believes that everything over \$500,000 has to be brought to the voters, so that is the parameter there. She stated that she has no issue with putting in what Councilor Goughan had mentioned about it having to be a fall vote.

Councilor Morrill stated that he agrees that \$500,000 is a lot of money and that it should go to the vote of the people. He explained that majority rules, just like when he became a councilor it was because majority elected him as a Councilor. He stated that when the question first came to him, he did not understand that it meant that it meant 65% of the registered voters in Caribou. He is in favor for it to be a majority vote on a November ballot.

Deputy Mayor Boma explained that in history things have been amended several times.

Closed Public Hearing at 7:00 p.m.

Motion made by Councilor Morrill, seconded by Councilor Theriault to put the charter amendment on the November 7<sup>th</sup> ballot.

Councilor Willey suggested that they amend the motion to include that it be on a November ballot.

Councilor Morrill amended his motion, and it was seconded by Councilor Theriault to put the charter amendment on the November 7<sup>th</sup> Ballot and that any capital improvement exceeding \$500,000 would need to be approved by the voters by a majority vote of the public on a November ballot.

Roll Call Vote: D. Bagley – No, Boma – Yes, R.M. Goughan –No, J. Morrill – Yes, J. Theriault – Yes, L. Willey – Yes, J. Smith – No, C. (So voted)

Council Agenda Item #8: Reports by Staff and Committees

a. June 2023 Financials – Finance Director

Carl Grant (Finance Director) reviewed the June 2023 Financial report.

Motion made by Councilor Theriault, seconded by Councilor Willey to accept the June 2023 Financial report as presented.

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

b. Tax acquired property at 375 Belanger Road – legal update

At the May 22, 2023, City Council meeting, then-CEO Ken Murchison brought up properties for the City Council to consider dangerous buildings. He stated that the property at 375 Belanger Road is tax-acquired property and he suggested that an eviction process be started. The occupants are working with Matthew Dyer of Pine Tree Legal Assistance, Inc. They claim that the City failed to strictly follow the statutory procedures for automatic foreclosure. The City Council should decide if it is worth the expense to fight this in court.

Mayor Smith asked if we own the property.

Manager Thompson explained that as far as the City is concerned the property is tax acquired.

Carl Grant (Finance Director) explained that he brought the lien to the registry on the 22<sup>nd</sup>. It was during COVID, and he was unable to go to the register to stay and watch. It was Memorial Day weekend and they processed it on Tuesday. He stated that there was a 30-day lien notice that had been sent which would be what could stand up in court.

c. City Manager's Report

Manager Thompson reviewed the City Manager's report dated July 24, 2023.

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

a. PILOT – Caribou Solar LLC 46 Dow Siding Road

Caribou Solar LLC has a solar installation at 46 Dow Siding Road. They have offered to enter into an agreement for a payment in lieu of taxes. For 2023 tax year, the equipment at the site in BETE exempt. Starting in the tax year 2024, the solar installation will be exempt under the renewable energy exemption because it will be generating power. The PILOT agreement would start once the installation begins to produce power. It should also be noted that although solar installations that started construction after October 1, 2021, are subject to a decommissioning plan requirement, Caribou Solar LLC started construction in September 2021, so would not be subject to this decommissioning requirement. Therefore, I would recommend that any proceeds of the PILOT be placed in a reserve account if funds are needed for decommissioning.

Motion made by Councilor Willey, seconded by Councilor Theriault to authorize City Manager Penny Thompson to execute the PILOT agreement with ENGIE and place any proceeds into a reserve account.

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

b. MMA Annual Election ballot

Motion made by Councilor Morrill, seconded by Councilor Theriault to support the candidates proposed by the MMA Nominating committee and either authorize and designate City Manager Penny Thompson to sign the ballot, or circulate and sign after the meeting.

Roll Call Vote: D. Bagley – Yes, Boma – Yes, R.M. Goughan –No, J. Morrill – Yes, J. Theriault –Yes, L. Willey – Yes, J. Smith – Yes, C. (So voted)

c. Member Services Agreement with NMDC for 2024 Comprehensive Plan

Councilor Bagley asked if there was any information of who the staff would be that would be working on the plan.

Manager Thompson explained that she received the information back when the former CEO was still here and it had previously been sent to the Council. She stated that one of the people that will be working on the contract will be Jay Kamm.

The City of Caribou must submit an updated Comprehensive Plan in 2024. The City Council has appropriated money in support of this. The Planning Board will be taking the lead on this project,

assisted by City Staff. There are some components of the 2024 Comprehensive Plan that will require professional assistance. NMDC has assisted the City of Caribou in the past and is willing to assist on the 2024 Comprehensive Plan at a member-reduced rate of \$20,000.

Motion made by Councilor Morrill, seconded by Councilor Theriault to authorize City Manager Penny Thompson to sign the agreement with NMDC for work on the 2024 Comprehensive Plan.

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

d. 2023 American Rescue Plan Act grant award from Aroostook County - \$100,349

Motion made by Councilor Morrill, seconded by Councilor Theriault to accept, and sign the agreement with Aroostook County for the grant funding in the amount of \$100,349.

Councilor Bagley asked which reserve accounts the funds would be going into.

Manager Thompson explained that the funding would be allocated through several accounts.

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

e. Resolution 07-02-2023, Establishing the 2023 Property Tax Rates and Related Deadlines

Motion made by Councilor Theriault, seconded by Councilor Willey to rescind the motion relating to the setting of the 2023 tax rate at 18.55 which was adopted at the July 10, 2023, City Council Meeting.

Roll Call Vote: D. Bagley – No, Boma – Yes, R.M. Goughan –No, J. Morrill – Yes, J. Theriault – Yes, L. Willey – Yes, J. Smith – Yes, C. (So voted)

Motion made by Councilor Theriault, seconded by Mayor Smith to rescind items tow through seven on Resolution 07-01-2023 which was adopted at the July 10, 2023, City Council Meeting

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

Motion made by Councilor Willey, seconded by Councilor Theriault to reduce the 2023 Capital Budget by \$87,000 in account # G 1-373-50 from \$173,500 to \$86,500. Money was appropriated for 12-months of payments on the loan approved last year to make repairs to municipal buildings and other capital projects. The loan was not taken out until June so there will only be 6 payments. The monthly payment amount is \$14, 277.32.

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

Motion made by Councilor Theriault, seconded by Councilor Willey to set the 2023 tax rate at .02000 or 20.00 mils.

Councilor Goughan stated that he would like to use the \$191 thousand that is in the relief fund which would reduce this by roughly ½ of a mil.

Councilor Theriault rescinded her motion, and Councilor Willey rescinded her second to the motion to set the 2023 tax rate at .02000 or 20.00 mils.

Councilor Goughan made a motion, seconded by Mayor Smith to move the money from the Resource Reserve Account in the amount of \$188,540.10 to offset the expense budget for the year.

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

Mayor Smith set a meeting for August 14<sup>th</sup> to set the mil rate.

**Council Agenda Item #10:** Old Business

There were no topics scheduled for discussion.

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

Deputy Mayor Boma stated that she has been hearing from residents about an impending rat problem and that more rats are being sighted, and it should be something that is looked into.

**Council Agenda Item #12:** Next Meetings- Special Council Meeting August 14, Regular meeting August 28<sup>th</sup>.

**Council Agenda Item #13:** Executive Session(s)

- a. Executive Session to obtain legal counsel pursuant to MRSA, Title 1, §405.6.E

Motion made by Councilor Morrill to enter executive session at 7:56 p.m. to obtain legal counsel pursuant to MRSA, Title 1, §405.6.E.

Vote was unanimously approved.

Council exited executive session at 8:25 p.m.

Motion made by Councilor Morrill, seconded by Deputy Mayor Boma to authorize City Attorney Richard Solman to correspond with attorney for Cary Medical Center and Caribou Hospital District Board to advise of procedural issues that he has noted that will be addressed by the Caribou City Council.

Vote was unanimously approved.

**Council Agenda Item #14:** Adjournment

Motion made by Councilor Morrill, seconded by Deputy Mayor Boma to adjourn the meeting at 8:30 p.m.

Vote was unanimously approved. Danielle Brissette, Secretary



**City of Caribou  
Administration  
MEMORANDUM**

**DATE:**       October 10, 2023  \_\_\_\_\_

**TO:**         Caribou City Council Members  \_

**FROM:**       Carl Grant, Finance Director  \_\_\_\_\_

**SUBJECT:**    Presentation of the 2022 Municipal Audit  \_\_\_

This evening, Gisele MacDonald from Felch & Company, LLC is here to present highlights from the 2022 Independent Auditor's Report.

Motion to accept is recommended, but not necessary.

FELCH & COMPANY, LLC  
*Certified Public Accountants*

CITY OF CARIBOU, MAINE  
as of  
DECEMBER 31, 2022

*Financial Statements*

CITY OF CARIBOU, MAINE

Table of Contents

Independent Auditors' Report

Required Supplemental Information

I-V Management's Discussion and Analysis

Basic Financial Statements

Exhibit

City-Wide Financial Statements

A Statement of Net Position

B Statement of Activities

Fund Financial Statements

Governmental Funds:

C Balance Sheet

D Statement of Revenues, Expenditures and Changes in Fund Balance

E Reconciliation of the Governmental Funds Balance Sheet with the Statement of Net Position

F Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances with the City-Wide Statement of Activities

Fiduciary Funds:

G Statement of Fiduciary Net Position

G Statement of Changes in Fiduciary Net Position

Notes to the Financial Statements

Other Required Supplemental Information

Supplement

1 Budgetary Comparison Schedule for the General Fund

Note to Supplement 1 - Budgetary Comparison Schedule for the General Fund

2 Modified Approach for City Capital Assets

3 Schedule of the City's Proportionate Share of the Net Pension Liability

4 Schedule of the City's Contributions

Notes to Supplements 3 and 4

5 Schedule of Change in Net Other Post-Employment Benefits (OPEB) Liability –  
Maine Municipal Employees Health Trust

Notes to Supplement 5

CITY OF CARIBOU, MAINE

Table of Contents

Schedule

- 1 Balance Sheet for Non-Major Funds
- 2 Statement of Revenues, Expenditures and Changes in Fund Balance for Non-Major Funds
- 3 Schedule of Capital Outlays - General Fund
- 4 Schedule of Non-Capital Outlays - General Fund
- 5 Schedule of Property Taxes - General Fund

Page

- 1-2 Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*
- 3-4 Independent Auditors' Report on Compliance for each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance
- 5 Schedule of Findings and Questioned Costs
- 6 Schedule of Expenditures of Federal Awards
- 7 Notes to the Schedule of Expenditures of Federal Awards
- 8 Schedule of Prior Audit Findings

# FELCH & COMPANY, LLC

*Certified Public Accountants*

P.O. BOX 906  
CARIBOU, MAINE 04736  
(207) 498-3176  
FAX (207) 498-6278  
E-MAIL: CPA@FELCHCPA.COM

## Independent Auditors' Report

To the City Council of the  
City of Caribou, Maine

### Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the City of Caribou, Maine as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the City of Caribou, Maine, as of December 31, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Caribou, Maine and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Emphasis of Matter

As discussed in Note 1, the financial statements referred to above include only the primary government of the City of Caribou, Maine, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the City's legal entity. These primary government financial statements do not include financial data for the City's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the City's primary government. As a result, the primary government financial statements do not purport to, and do not present fairly the financial position of the reporting entity of the City of Caribou, Maine, as of December 31, 2022, the changes in its financial position or, where applicable, its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

To the City Council of the  
City of Caribou, Maine

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Caribou's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Caribou's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate, that raise substantial doubt about the City of Caribou's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary, public pension, and other post-employment benefit information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

To the City Council of the  
City of Caribou, Maine

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Caribou, Maine's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, schedules of capital and non-capital outlays, schedule of property taxes and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, schedules of capital and non-capital outlays, schedule of property taxes and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2023 on our consideration of the City of Caribou's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Caribou's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Caribou's internal control over financial reporting and compliance.

*Felch & Company LLC*

September 21, 2023



City of Caribou, Maine

Management's Discussion and Analysis  
For the Year Ended December 31, 2022

UNAUDITED

The following narrative is an overview and discussion of the financial activities of the City of Caribou for the financial year ending December 31, 2022. Management's discussion and analysis should be viewed as a tool to aid the reader in understanding the City's financial performance along with an enhanced insight to the attached financial statements and notes to the financials.

**Financial highlights:**

- The City of Caribou, Maine adheres to the standards of GASB 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. Under these standards management has prepared statements of comparison indicating the relative changes within the City's organizational and financial structures. Much of the detail as well as the summary presented within this text can be found in Exhibit D that highlights the end results of operations for the City in 2022.
- The Financial Administrators of the City have implemented a modified approach towards valuing its infrastructure. This approach includes the establishment of condition statements for much of the City's infrastructure and a plan of capital actions to maintain and improve assets in accordance with prudent financial practices as well as accounting for future needs.

**The Financial Statements**

The discussion and analysis is intended to provide an introduction to the City's basic financial statements, which are comprised of three major components:

1) City-Wide Financial Statements, 2) Fund Financial Statements and 3) Notes to the Financial Statements. Supplementary information to the basic financial statements is also provided to fulfill mandatory requirements and clarification.

**City-Wide Financial Statements**

The City-wide financial statements present the financial picture of the City from the economic resources measurement focus using the accrual basis of accounting, similar in manner to private sector accounting statements. These statements also include all assets of the City (including infrastructure) as well as the liabilities with certain interfund activities eliminated.

The Statement of Net Position presents information on the City's assets and liabilities, with the difference between the two reported as net position. The capital assets reported under the non-current assets are based upon historical values less the total amount of depreciation accumulated to date.

The Statement of Activities presents information demonstrating how the City's net position changed during the last calendar year on a department-by-department basis. All changes in net position are reported as soon as the activity occurs, regardless of the timing of the related cash flow relevant to the event. Therefore, revenues and expenses are reported in this statement for some items that will only result in a change in cash in future fiscal periods.

City of Caribou, Maine

Management's Discussion and Analysis  
For the Year Ended December 31, 2022

UNAUDITED

**Fund Financial Statements**

The fund financial statements are a grouping of related accounts that are used to maintain control over the resources that have been segregated through the budgetary process for specific activities or objectives. The City of Caribou utilizes fund accounting practices to ensure compliance with finance-related legal requirements as well as performance measures to monitor activity throughout the year. All of the funds of the City can be divided into two categories: governmental funds and fiduciary funds.

The governmental funds define how money flows into and out of those funds and the balances left at year-end. These funds use modified accrual accounting to measure the cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed shorter-term view of the City's general government operations and the basic services they provide. Governmental fund information aids in determining whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs and services. The differences in the governmental fund statements and those of the City-wide statements are defined in the reconciliation statements. The City is also utilizing non-major funds. These funds are funded completely through special revenues and are not funded through general property tax dollars.

Notes to the financial statements are provided as additional information that is essential for the reader's full understanding of the data provided within the statements. Schedules are also included detailing Capital and Non-capital Outlays, Property Taxes, and activity in Non-major Funds

The Statement of Net Position (Exhibit A) reports total net position of \$23,711,892 from the operations of the Governmental activity. This aggregate amount consists of total assets less depreciation and liabilities and the difference between deferred net inflows and outflows of resources. Exhibit A is delineated into Assets: Current and Non-current, Deferred outflows of resources, Liabilities: Current and Non-current, Deferred inflows of resources and Net Position: Net Investment in Capital Assets, Restricted and Unrestricted.

The reader should refer to Table I as a comparison of Exhibit A of the net changes from 2021 to 2022. Total Current Assets increased by \$1,079,735 in 2022. Capital Assets, net of depreciation, decreased by \$22,428.

Table I indicates Current Liabilities increased by \$75,271 and Noncurrent Liabilities increased by \$327,142 due to a change in the value of the net pension asset to a net pension liability. Net Position increased by \$1,024,205 for 2022.

The reader should refer to Table II as a comparison of the changes in Net Position from 2021 to 2022. Total City Expenditures for Governmental activities were \$16,454,178, as compared to \$15,665,367 for 2021 for an increase of \$788,811.

For 2022, the total General Revenues were \$13,036,613 as compared to \$12,682,963 for 2021, an increase of \$353,650. Taxes increased by \$252,200 and excise tax decreased by approximately \$51,000 and other revenues decreased by about \$310,000 while federal and state assistance increased by about \$463,000.

City of Caribou, Maine

Management's Discussion and Analysis  
For the Year Ended December 31, 2022

UNAUDITED

**Table I**  
**Net Position**

	<u>2022</u>	<u>2021</u>
<b>Current Assets</b>		
Cash and temporary investments	\$ 10,925,423	\$ 9,655,292
Taxes receivable	978,699	969,029
Notes receivable	41,522	206,667
Other receivables	240,027	313,578
Other current assets	<u>219,156</u>	<u>180,526</u>
	<u>12,404,827</u>	<u>11,325,092</u>
 <b>Noncurrent Assets</b>		
Net pension asset	-	53,442
Capital assets, net of depreciation	<u>18,315,855</u>	<u>18,338,283</u>
	<u>18,315,855</u>	<u>18,391,725</u>
 <b>Total Assets</b>	<u>30,720,682</u>	<u>29,716,817</u>
 <b>Deferred outflows of resources</b>	<u>440,065</u>	<u>417,293</u>
 <b>Current Liabilities</b>		
Accounts payable and accrued expenses	191,030	170,121
Deferred compensation	540,475	493,645
Current portion of capital leases payable	<u>107,435</u>	<u>99,903</u>
	<u>838,940</u>	<u>763,669</u>
 <b>Noncurrent Liabilities</b>		
Capital leases payable, net of current portion	186,526	293,961
Net pension liability	528,061	-
Net OPEB liability	<u>500,802</u>	<u>594,286</u>
	<u>1,215,389</u>	<u>888,247</u>
 <b>Total Liabilities</b>	<u>2,054,329</u>	<u>1,651,916</u>
 <b>Deferred inflows of resources</b>	<u>394,526</u>	<u>794,507</u>
 <b>Net Position</b>		
Net Investment in capital assets	18,021,894	17,997,861
Restricted for special revenue funds	512,804	458,806
Unrestricted	<u>10,177,194</u>	<u>9,231,020</u>
 <b>Total Net Position</b>	<u>\$ 28,711,892</u>	<u>\$ 27,687,687</u>

City of Caribou, Maine

Management's Discussion and Analysis  
For the Year Ended December 31, 2022

UNAUDITED

**Table II**  
**Change in Net Position**

	<u>2022</u>	<u>2021</u>
<u>General Revenues</u>		
Taxes	\$ 9,250,116	\$ 8,997,916
Federal and state assistance	2,105,415	1,642,901
Excise taxes	1,574,702	1,625,809
Other revenues	<u>106,380</u>	<u>416,337</u>
Total general revenues	13,036,613	12,682,963
<u>Program Revenues</u>		
Charges for services	2,387,915	2,556,581
Operating grants and contributions	<u>2,053,855</u>	<u>1,922,283</u>
Total revenues	<u>17,478,383</u>	<u>17,161,827</u>
<u>Program Expenses</u>		
General government	1,226,638	840,970
Public works	2,777,051	2,098,051
Police department	2,092,088	2,015,962
Fire and ambulance	2,734,329	2,836,359
Education	3,653,630	3,671,829
Caribou Housing Authority	1,236,337	1,076,736
Recreation	638,775	672,507
Economic development	280,319	414,375
County tax	603,038	552,758
Health and sanitation	260,090	253,256
Insurance and retirement	77,848	116,162
Library	202,171	215,195
Other	<u>671,864</u>	<u>901,207</u>
Total program expenses	<u>16,454,178</u>	<u>15,665,367</u>
Change in Net Position	1,024,205	1,496,460
Net Position - January 1	<u>27,687,687</u>	<u>26,191,227</u>
Net Position - December 31	<u>\$ 28,711,892</u>	<u>\$ 27,687,687</u>

City of Caribou, Maine

Management's Discussion and Analysis  
For the Year Ended December 31, 2022

UNAUDITED

The reader may refer to Supplement 1 as the report comparing the City's General Fund activity for the year as compared to the budget. Total Expenditures for the year were \$15,160,832, \$73,339 more than budgeted. Revenues were \$15,682,842, \$593,777 more than budgeted. Revenues exceeded Expenditures by \$522,010 for the year. Total Other Sources consists of capital outlays in excess of appropriations of \$36,405. The resulting net increase in the General Fund Balance was \$485,605.

Please refer to Supplement 2 for a discussion of the Modified Approach for City Capital Assets. The City has established a condition level of 70%. For the years ended December 31, 2022, 2021 and 2020, the City's street and sidewalk systems were rated at an index of 80. The City's runway System was rated at an index of 100 for all years. The City had budgeted expenditures of \$613,861 in 2022 to maintain infrastructure at the desired condition level. Actual expenditures for 2022 were \$610,446 from unassigned fund balance with an additional \$266,993 from reserves. This compares to estimates of \$471,000 in 2021 and actual expenditures of \$473,256 from unassigned fund balance and \$106,696 from reserves.

A more complete understanding of the capital outlay is summarized in Note 5 of this financial statement. Note 5 indicates that the City's capital assets, net of depreciation, decreased by \$22,428. Depreciation expense of \$705,500 and net disposals of \$81,659 were offset by additions totaling \$764,731. Management recognizes that the relationship of depreciation expense being less than net additions by \$59,231 as one of timing as the annualized rate of contribution supporting capital assets can be greater or less than a given year's replacements or upgrades. Management does, however, recognize the trend over the past decade has been a positive input greater than depreciation, an indication of prudent maintenance of the City's capital assets.

Long-term debt was decreased by \$99,903 in the year ended December 31, 2022. The debt at year end consists of one capital lease.

The City of Caribou continues to be fiscally strong. The City continues to maximize non-property tax revenue sources to lower the overall burden on property taxation. Management recognizes the future difficulties of funding municipal operations as the State Revenue Sharing distributions continue to decline for the foreseeable near term with potential increased burden upon property taxation.

Management concludes this section of the 2022 Audit with the continued pledge of researching and applying where possible economies of scale, regionalized services, best practices and efficiencies to minimize these pending impacts. This concludes the Management Discussion and Analysis Statement for the 2022 calendar year. A complete copy of the 2022 audited financials for the City of Caribou may be viewed at the Caribou City Office, 25 High Street during normal business hours of 8:00AM to 5:00PM Monday through Friday.

## CITY OF CARIBOU, MAINE

Exhibit A

Statement of Net Position  
December 31, 2022ASSETSCURRENT ASSETS

Cash and temporary investments (Note 2)	\$ 10,925,423
Uncollected taxes	857,342
Tax acquired property	121,357
Accounts receivable	385,697
Allowance for uncollectibles	(145,670)
Inventories	25,668
Notes receivable (Note 3)	41,522
Restricted cash (Note 4)	192,856
Other assets	632
	<u>12,404,827</u>

NONCURRENT ASSETS

Capital assets (Note 5)	
Non-depreciable	10,443,918
Depreciable, net of accumulated depreciation	<u>7,871,937</u>
	<u>18,315,855</u>

Total assets	<u>30,720,682</u>
--------------	-------------------

<u>DEFERRED OUTFLOWS OF RESOURCES</u> (Note 1)	<u>440,065</u>
--	----------------

LIABILITIESCURRENT LIABILITIES

Accounts payable	56,351
Accrued payroll	65,473
Escrow (Note 4)	134,679
Compensated absences (Note 1)	475,002
Current portion, capital leases payable	<u>107,435</u>
	<u>838,940</u>

NONCURRENT LIABILITIES

Capital leases payable, net of current portion (Note 6)	186,526
Net pension liability - defined benefit plan (Note 7)	528,061
Net OPEB liability (Note 8)	<u>500,802</u>
	<u>1,215,389</u>

Total liabilities	<u>2,054,329</u>
-------------------	------------------

<u>DEFERRED INFLOWS OF RESOURCES</u> (Note 1)	<u>394,526</u>
---	----------------

NET POSITION

Net investment in capital assets	18,021,894
Restricted for:	
Special revenue funds	512,804
Unrestricted	<u>10,177,194</u>
Total net position	<u>\$28,711,892</u>

The accompanying notes are an integral part of this financial statement.

CITY OF CARIBOU, MAINE

Exhibit B

Statement of Activities  
For the Year Ended December 31, 2022

<u>Function/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Cost)</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
General government	\$ 1,226,638	\$ 187,581	\$ -	\$ (1,039,057)
Economic development	280,219	315,379	401,436	436,496
Health and sanitation	250,090	-	-	(260,090)
Public works	2,777,051	88,542	134,416	(2,554,093)
Police department	2,092,088	52,646	14,688	(2,024,754)
Fire and ambulance	2,734,229	1,558,805	-	(1,075,524)
Insurance and retirement	77,848	-	-	(77,848)
Recreation	577,026	17,094	-	(559,932)
Snowmobile trail maintenance	51,749	-	34,572	(27,177)
Library	202,171	3,896	-	(198,275)
County tax	603,038	-	-	(603,038)
Education	3,653,630	-	-	(3,653,630)
Tax assessment office	207,257	-	-	(207,257)
Section 8 Housing	1,236,237	63,972	1,468,743	296,378
Interest expense	6,181	-	-	(6,181)
Other	458,426	-	-	(458,426)
	<u>\$ 16,454,178</u>	<u>\$ 2,387,915</u>	<u>\$ 2,053,855</u>	<u>(12,012,408)</u>

General revenues:

Taxes	
Property taxes, levied for general purposes	8,604,396
Less: TIF payments	(517,400)
Homestead reimbursement and other property tax related	1,163,120
Excise	1,574,702
Federal and state aid not restricted to specific purposes	2,105,415
Other licenses, permits and fees	11,763
Miscellaneous revenues	94,617
Subtotal, general revenues	<u>13,036,613</u>

CHANGE IN NET POSITION 1,024,205  
NET POSITION - JANUARY 1, 2022 27,687,687

NET POSITION - DECEMBER 31, 2022 \$ 28,711,892

CITY OF CARIBOU, MAINE

Exhibit C

Balance Sheet  
Governmental Funds  
As of December 31, 2022

	<u>General Fund</u>	<u>Section 8 Housing Program</u>	<u>Non-major Funds (Schedule 1)</u>	<u>Total Governmental Funds</u>
<b><u>ASSETS</u></b>				
Cash and temporary investments (Note 2)	\$ 9,025,591	\$ 223,577	\$ 1,676,255	\$ 10,925,423
Uncollected taxes	857,342	-	-	857,342
Tax acquired property	121,357	-	-	121,357
Accounts receivable	365,431	20,216	-	385,697
Allowance for uncollectibles	(145,670)	-	-	(145,670)
Inventories	25,658	-	-	25,668
Notes receivable (Note 3)	41,522	-	-	41,522
Restricted cash (Note 4)	-	192,856	-	192,856
Other assets	-	632	-	632
	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>
Total assets	<u>\$ 10,291,291</u>	<u>\$ 437,281</u>	<u>\$ 1,676,255</u>	<u>\$ 12,404,827</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
Liabilities:				
Accounts payable	\$ 39,268	\$ 17,283	\$ -	\$ 56,351
Escrow (Note 4)	-	134,679	-	134,679
	<u>39,268</u>	<u>151,962</u>	<u>-</u>	<u>191,030</u>
Deferred inflow of resources:				
Deferred revenue (Note 1)	<u>712,200</u>	<u>13,902</u>	<u>-</u>	<u>725,902</u>
Fund balances:				
Nonspendable				
Inventory	25,668	-	-	25,668
Restricted				
Special revenue funds	-	271,417	241,387	512,804
Unrestricted				
Assigned				
Capital (Schedule 3)	257,319	-	-	257,319
Non-capital (Schedule 4)	4,802,296	-	-	4,802,296
Other funds	-	-	1,434,868	1,434,868
Unassigned	<u>4,454,940</u>	<u>-</u>	<u>-</u>	<u>4,454,940</u>
Total fund balances	<u>9,540,223</u>	<u>271,417</u>	<u>1,676,255</u>	<u>11,487,895</u>
Total liabilities and fund balances	<u>\$ 10,291,291</u>	<u>\$ 437,281</u>	<u>\$ 1,676,255</u>	<u>\$ 12,404,827</u>

The accompanying notes are an integral part of this financial statement.



CITY OF CARIBOU, MAINE

Exhibit D

Statement of Revenues, Expenditures and Changes in Fund Balance  
Governmental Funds  
For the Year Ended December 31, 2022

	<u>General Fund</u>	<u>Section 8 Housing Program</u>	<u>Non-major Funds (Schedule 2)</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Local property taxes	\$ 8,518,371	\$ -	\$ -	\$ 8,518,371
Homestead reimbursement	835,682	-	-	835,682
Abatements	(10,702)	-	-	(10,702)
Other property tax related	327,435	-	-	327,438
Excise taxes	1,574,702	-	-	1,574,702
Federal and state assistance	2,254,515	1,468,743	541,146	4,264,408
Fire and ambulance revenue	1,658,805	-	-	1,658,805
Other licenses, permits and fees	340,067	-	65,736	405,803
Other revenues	187,582	65,949	323,551	577,082
<b>TOTAL REVENUES</b>	<u>15,686,462</u>	<u>1,534,692</u>	<u>930,433</u>	<u>18,151,589</u>
<b>EXPENDITURES</b>				
General government	1,020,052	246,052	-	1,266,106
Economic development	-	-	280,319	280,319
Health and sanitation	260,090	-	-	260,090
Public works	2,791,555	-	-	2,791,555
Police department	2,068,075	-	-	2,068,075
Fire and ambulance	2,699,850	-	-	2,699,850
Insurance and retirement	77,848	-	-	77,848
Recreation	747,050	-	61,749	808,799
Library	196,314	-	-	196,314
County tax	603,038	-	-	603,038
Tax assessment office	207,257	-	-	207,257
General assistance	73,126	1,236,337	-	1,309,463
Education	3,653,630	-	-	3,653,630
Tax increment financing	517,400	-	-	517,400
Debt service - principal	99,905	-	-	99,903
- interest	13,272	-	-	13,272
Other	172,397	-	171,265	343,662
<b>TOTAL EXPENDITURES</b>	<u>15,200,359</u>	<u>1,482,389</u>	<u>513,333</u>	<u>17,196,581</u>
Net Increase in Fund Balance	485,505	52,303	417,100	955,008
Fund Balance - January 1, 2022	9,054,518	219,114	1,259,155	10,532,887
Fund Balance - December 31, 2022	<u>\$ 9,540,223</u>	<u>\$ 271,417</u>	<u>\$ 1,676,255</u>	<u>\$ 11,487,895</u>

The accompanying notes are an integral part of this financial statement.

CITY OF CARIBOU, MAINE

Exhibit E

Reconciliation of the Governmental Funds Balance Sheet  
with the Statement of Net Position  
December 31, 2022

Total fund balance - governmental funds (Exhibit C) \$11,487,895

Amounts reported for governmental activities in the statement of net position  
are different because:

Capital assets used in governmental activities are not financial resources  
and, therefore, are not reported as assets in governmental funds:

The cost of capital assets is	\$ 29,229,577	
Accumulated depreciation is	<u>(10,913,722)</u>	
		18,315,855

Deferred outflows in governmental activities are not financial resources and,  
therefore, are not reported in the funds:

Deferred outflows of resources		440,065
--------------------------------	--	---------

Property taxes receivable will be collected this year, but are not available  
soon enough to pay for the current period's expenditures and, therefore,  
are deferred in the funds:

Deferred revenue		725,902
------------------	--	---------

Deferred inflows in governmental activities are not due and payable from  
current financial resources and, therefore, are not reported in the funds:

Deferred inflow of resources		(394,526)
------------------------------	--	-----------

Certain liabilities are not due and payable from current financial resources  
and, therefore, are not reported in the funds:

Notes payable	(293,961)	
Accrued payroll	(65,473)	
Net pension asset (liability)	(528,061)	
Net OPEB liability	(500,802)	
Compensated absences	<u>(475,002)</u>	
		<u>(1,863,299)</u>

Total net position - governmental activities (Exhibit A) \$28,711,892

CITY OF CARIBOU, MAINE

Exhibit F

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures  
and Changes in Fund Balances with the City-Wide Statement of Activities  
For the Year Ended December 31, 2022

Total net change in fund balances - governmental funds (Exhibit D) \$ 955,008

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities these costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital outlays exceeded depreciation expense.

Capital outlays	\$ 764,731	
Depreciation expense	<u>(705,500)</u>	
		59,231

In the statement of activities, only the gain on the sale of fixed assets is reported, whereas in the governmental funds, the entire proceeds from the sale increases financial resources. Therefore, the change in net position differs from the change in fund balance by the depreciated value of disposed assets. (81,659)

Compensation for accrued vacation and sick pay not yet paid is accumulated using the governmental activities fund to the extent that amounts would be paid to the employees upon retirement. These funds are not accumulated for the governmental activities fund. (31,755)

Some revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds:

Increase in deferred property tax revenue	95,000
Increase in other deferred revenue	1,727

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 99,903

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

(Increase) in accrued payroll	(15,075)
Decrease in accrued interest	7,091
(Increase) in deferred pension liability	(581,503)
Decrease in deferred OPEB liability	93,484
Change in deferred inflows/outflows of resources	<u>422,753</u>

Change in net position of governmental activities (Exhibit E) \$ 1,024,205

CITY OF CARIBOU, MAINE

Exhibit G

Statement of Fiduciary Net Position  
December 31, 2022

	<u>Total</u>	<u>Cemetery Trust Funds</u>	<u>Library Trust Funds</u>	<u>Memorial Funds</u>
ASSETS				
Cash	<u>\$ 154,730</u>	<u>\$ 1,051</u>	<u>\$48,837</u>	<u>\$ 104,842</u>
NET POSITION				
Undesignated	<u>\$ 154,730</u>	<u>\$ 1,051</u>	<u>\$48,837</u>	<u>\$ 104,842</u>

CITY OF CARIBOU, MAINE

Statement of Changes in Fiduciary Net Position  
For the Year Ended December 31, 2022

	<u>Total</u>	<u>Cemetery Trust Funds</u>	<u>Library Trust Funds</u>	<u>Memorial Funds</u>
REVENUE				
Interest income	<u>\$ 1,263</u>	<u>\$ 2</u>	<u>\$ 830</u>	<u>\$ 431</u>
DEDUCTIONS				
Expenses	<u>5,374</u>	<u>30</u>	<u>4,344</u>	<u>2,000</u>
NET CHANGE IN NET POSITION	<u>(5,111)</u>	<u>(28)</u>	<u>(3,514)</u>	<u>(1,569)</u>
NET POSITION - JANUARY 1	<u>159,841</u>	<u>1,079</u>	<u>52,351</u>	<u>106,411</u>
CASH AND NET POSITION - DECEMBER 31	<u>\$ 154,730</u>	<u>\$ 1,051</u>	<u>\$48,837</u>	<u>\$ 104,842</u>

## CITY OF CARIBOU, MAINE

Notes to the Financial Statements  
December 31, 2022

### (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Caribou, Maine incorporated and adopted its first charter in 1967, which allows for a Council-Manager form of government. The Council consists of seven members elected by the voters with individual terms of three years.

The financial statements of the City have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The authority establishing the standards for governmental accounting principles is the Governmental Accounting Standards Board (GASB).

The accompanying financial statements include all governmental and expendable fiduciary fund types and account groups except for Cary Medical Center and Caribou Utilities District. The financial statements of these component units have been or are being audited and reported on by other independent auditors.

The City of Caribou's basic financial statements include City-wide statements, including a statement of net position and a statement of activities, and fund financial statements that provide a more detailed level of financial information.

City-wide Financial Statements - The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The statement of net position presents the financial condition of the governmental activities of the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each department or function of the City's governmental activities. Direct expenses are those that are specifically associated with a service or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient for the goods or services offered by the department, grants and contributions that are restricted to meeting the operational or capital requirements of a particular department and interest earned on grants that is required to be used to support a particular department. Revenues that are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenue of the City. The effect of significant interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements - During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level.

#### Fund Accounting

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. Each fund is accounted for by a separate set of self-balancing accounts that comprise its assets and account for the governmental resources allocated to them for the purpose of carrying on specific activities in accordance with laws, regulations or other restrictions. The various funds are summarized by type in the financial statements.

The focus of governmental fund financial statements is on the major funds. Each major fund is presented in a separate column and non-major funds are summarized into a single column. GASB standards set forth minimum criteria based on the size of the funds for the determination of major funds. City management may also choose to designate additional funds as major based on other criteria. The following funds are reported as major by the City:

CITY OF CARIBOU, MAINE

Notes to the Financial Statements  
December 31, 2022

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting (Continued)

General Fund - The general fund accounts for financial resources in use for general types of operations. This is a budgeted fund, and any fund balances are considered as resources available for use. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for services and interest income. A significant part of the General Fund's revenues are used principally to finance the operations of the City of Caribou.

Special Revenue Fund - The Section 8 Housing Program accounts for grant proceeds that are restricted by legal and regulatory provisions to finance the activities of the Caribou Housing Authority.

Custodial Funds - The City's custodial funds account for trust funds donated to the City that are fiduciary in nature.

Measurement Focus

City-wide Financial Statements - The City-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the City are included in the statement of net position.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the City-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the City-wide statements and the statements for governmental funds.

Basis of Accounting

The basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. City-wide financial statements and the fiduciary funds are prepared using the accrual basis of accounting.

Governmental funds use the modified accrual basis of accounting. On the accrual basis of accounting, expenses are recognized at the time they are incurred. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue and in the presentation of expenses versus expenditures.

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within 60 days of fiscal year-end. Licenses and permits, charges for services, fines and forfeits and miscellaneous revenues are recorded as revenues when received in cash. General property taxes, self-assessed taxes and investment earnings are recorded when they become both measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for expenditures for debt service, prepaid expenses and other long-term obligations, which are recognized when paid.

CITY OF CARIBOU, MAINE

Notes to the Financial Statements  
December 31, 2022

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

Nonexchange transactions, in that the City receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of fund balance, is utilized in the governmental fund types. In the general fund, for budgetary purposes, appropriations lapse at fiscal year-end except for that portion related to encumbered amounts. Encumbrances outstanding at year-end are reported as reservations of fund balance and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. The encumbrances are subject to re-appropriation by the City council in any succeeding fiscal year.

Budgetary Data

Formal budgetary accounting is employed as a management control for all funds of the City. Annual operating budgets are adopted each year through passage of an annual budget ordinance and amended as required for the General Fund. In accordance with generally accepted accounting principles, these budgets use the same accounting basis to reflect actual revenues and expenditures. Budgets for the Special Revenue Funds are made on a project basis, sometimes spanning over more than one fiscal year. Budgetary control is exercised at the departmental level or by project. All unencumbered budget appropriations, except reserve budgets, lapse at the end of each fiscal year.

The general operating fund is legally required to be budgeted and appropriated. The major document prepared is the tax budget, which separates these funds by function and estimated appropriation needed to fund each function. The tax budget demonstrates a need for existing or increased tax rates. This budget is approved by the City Council and may be amended during the year if projected increases or decreases in revenues or expenditures are identified by the City. The amounts reported as the original budget amounts in the budgetary statements (Supplement 1) reflect the amounts in the legally adopted budget. Changes, if any, are reflected in the final budget column.

Cash and Temporary Investments

Available cash is deposited in interest-bearing accounts to as great a degree as possible. These residual investments are classified for reporting purposes as cash. Earnings from these investments are reported by the applicable funds. The City's policy is to invest in regional banks and federal securities and to insure the funds to as great a degree as possible. Deposits with a maturity of three months or less are included in cash and temporary investments for financial reporting purposes.

Monies for all funds are maintained in a pool. Individual funds are maintained through the City's accounting records to allow proper segregation of cash for each fund.

CITY OF CARIBOU, MAINE

Notes to the Financial Statements  
December 31, 2022

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes

Taxes are levied as of April 1 and are used to finance the operations of the City for the calendar budget year beginning January 1. Taxes are committed for collection on July 1 and are due and payable on or before September 30. In accordance with Maine law, taxes not collected within eight months following the date of commitment are secured by liens.

The City has adopted the standard established by GASB No. 33 regarding the recognition of property taxes. The criterion for this standard is to recognize property tax revenue as it becomes both "measurable and available". Measurable is defined as the amount that the City can reasonably expect to receive of the property taxes assessed for the current year. Available is defined as the amount that will be collected of current and past due taxes during the current period or expected to be collected shortly thereafter to pay current liabilities. For the purposes of this report, 60 days is used as the collection period after year-end. Accordingly, a deferred inflow has been established on the fund balance sheet for the taxes considered collectible but not available for current liabilities.

Allowance for Uncollectible Receivables

Taxes receivable are recorded at estimated net realizable value. Therefore, an allowance for uncollectible taxes of \$20,670 has been established. Tax revenue is recorded net of the allowance for uncollectible taxes.

The ambulance service also reports accounts receivable net of the allowance for uncollectible accounts of \$125,000. Revenues have been netted to reflect the allowance.

Inventories

The City of Caribou inventories are valued at cost. Cost is determined on the first-in, first-out basis.

Capital Assets

General capital assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the City-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their estimated fair value as of the date received. The City maintains a capitalization threshold of \$3,000 for all assets other than infrastructure assets. The capitalization threshold for infrastructure assets is \$50,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-type Activities Estimated Lives</u>
Buildings and Improvements	20-50 years	N/A
Furniture and Equipment	5-20 years	10-15 years
Vehicles	8-10 years	N/A

Pursuant to GASB Statement No. 34, an extended period of deferral (until 2006) was available before the requirement to record and depreciate infrastructure assets (e.g. roads, bridges, sidewalks, and similar items) acquired before the implementation date became effective. The City developed an implementation to determine the value of and included infrastructure cost in 2006. Infrastructure acquired prior to December 2002 has not been recorded. GASB Statement No. 34 requires the reporting of new infrastructure expenditures effective with the beginning of the implementation year (2002).

The City has elected to account for their infrastructure assets using the modified approach as opposed to depreciating them. See Supplement 2 for further details.



CITY OF CARIBOU, MAINE

Notes to the Financial Statements  
December 31, 2022

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position may report a separate section for deferred outflows of resources. This represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources until then. The City currently reports only other post-employment benefit (OPEB) and pension-related items as deferred outflows of resources.

In addition to liabilities, the statement of financial position may report a separate section for deferred inflows of resources. This represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources until then. The City currently reports only OPEB and pension-related items as deferred inflows of resources on the Statement of Net Position. The City also reports deferred property taxes in the general fund as deferred inflows on the fund balance sheet.

Accounts Payable, Accrued Expenses and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the City-wide financial statements.

Compensated Absences

City employees are entitled to certain compensated absences based on their length of employment and their department's individual contract negotiated with the City. Administration and all other employees not under a departmental contract receive twelve days sick leave per year and one to five weeks of vacation depending on the number of years of service. Unused vacation and sick pay are accumulated at the employee's current rate of pay and is included as a liability in the net position of the City-wide financial statements.

Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Fund Balance Classifications

In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable Fund Balance

Nonspendable fund balance includes amounts that are not spendable in form or are contractually required to be maintained intact. The City reports fuel inventory as nonspendable.

Restricted Fund Balance

Restricted fund balance includes amounts that can only be used for specific purposes and includes grant funds and certain donations.

Unrestricted Assigned Fund Balance

Unrestricted assigned fund balance includes amounts assigned by the authority of the City Council for which they intend to use them for specific purposes. Any assignments held open for three years without activity is closed into unrestricted unassigned fund balance.

Unrestricted Unassigned Fund Balance

The remaining fund balance that is not restricted, committed or assigned is considered unassigned. These funds are spendable funds in the ordinary course of government operations.

CITY OF CARIBOU, MAINE

Notes to the Financial Statements  
December 31, 2022

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance Classifications (Continued)

The City considers expenditures that are incurred for purposes where restricted and unrestricted fund balances are available, to be expended in the following order - Restricted, Committed, Assigned and Unassigned. In the 2022 fiscal year there were no unrestricted committed funds.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(2) CASH AND TEMPORARY INVESTMENTS

Deposits with financial institutions are subject to custodial risk, which is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's policy is to invest in regional banks and to insure the funds to as great a degree as possible. As of December 31, 2022, the bank balance, including the various fiduciary accounts, was \$11,822,634 all of which was fully insured or collateralized.

The above information does not include any amounts on deposit for Cary Medical Center or Caribou Utilities District.

(3) NOTES RECEIVABLE

The City's General Fund had a 2% note receivable in annual installments of \$7,365 principal and interest through December 2028 with a balance of \$41,522 as of December 31, 2022.

The note receivable of \$41,522 is with the Caribou Economic Growth Council which has made various loans under the same terms noted above. These notes are secured by the applicable notes held by the Caribou Economic Growth Council.

As of December 31, 2022, the note receivable matures as follows:

<u>Year</u>	<u>Amount</u>
2023	\$ 6,540
2024	6,671
2025	6,804
2026	6,940
2027	7,079
2028	<u>7,488</u>
	<u>\$41,522</u>

(4) ACTIVITIES OF THE CITY OF CARIBOU SECTION 8 HOUSING PROGRAM

The City operates a Voucher Program (HCV) which enables up to one hundred ninety-three recipients to be granted housing assistance under the Section 8 Housing Program but does not restrict their living to the Caribou area. In addition, to the HCV program, the Caribou Housing Authority has a Mainstream Voucher Program for up to forty participants and an Emergency Housing Voucher Program for up to fifteen participants to receive housing assistance.

The Section 8 Program has a family self-sufficiency program that permits families to stay in the program even if their income increases. This increase in payments is collected by the program and deposited into an escrow account for the families involved to use upon their successful completion of the program. This money is listed as restricted cash in the balance sheet of the special revenue fund.

CITY OF CARIBOU, MAINE

Notes to the Financial Statements  
December 31, 2022

(5) CAPITAL ASSETS

In accordance with GASB standards, the City has reported all capital assets including infrastructure in the Government-wide Statement of Net Position. The City elected to use the "modified approach" as defined by GASB for infrastructure reporting. As a result, no accumulated depreciation or depreciation expense has been recorded for infrastructure. Other nondepreciable assets include land and construction in progress. All other capital assets were reported using the basic approach whereby accumulated depreciation and depreciation expense has been recorded.

Capital asset activity for the year ended December 31, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements/ Transfers</u>	<u>Ending Balance</u>
<u>Governmental Activities</u>				
Nondepreciable:				
Land	\$ 529,700	\$ -	\$ -	\$ 529,700
Infrastructure	<u>9,914,218</u>	<u>-</u>	<u>-</u>	<u>9,914,218</u>
Total nondepreciable	10,443,918	-	-	10,443,918
Land improvements	1,371,638	-	-	1,371,638
Buildings	8,028,406	279,153	-	8,307,559
Vehicles	5,303,671	55,346	106,425	5,252,592
Equipment	<u>3,623,626</u>	<u>430,232</u>	<u>199,988</u>	<u>3,853,870</u>
Totals at historical cost	<u>28,771,259</u>	<u>764,731</u>	<u>306,413</u>	<u>29,229,577</u>
Less accumulated depreciation for:				
Land improvements	1,162,703	18,848	-	1,180,951
Buildings	3,084,207	208,525	-	3,292,732
Vehicles	4,293,372	259,415	103,095	4,449,692
Equipment	<u>1,893,294</u>	<u>218,712</u>	<u>121,659</u>	<u>1,990,347</u>
Total accumulated depreciation	<u>10,432,976</u>	<u>705,500</u>	<u>224,754</u>	<u>10,913,722</u>
Governmental activities capital assets, net	<u>\$18,338,283</u>	<u>\$ 59,231</u>	<u>\$ 81,659</u>	<u>\$18,315,855</u>

Depreciation expense was charged to governmental functions as follows:

<u>Governmental Activities</u>	
General	\$ 72,536
Library	5,857
Police	50,490
Fire and Ambulance	284,859
Public works	106,931
Recreation and parks	143,189
Airport	38,768
Other	<u>2,870</u>
	<u>\$705,500</u>

CITY OF CARIBOU, MAINE

Notes to the Financial Statements  
December 31, 2022

(6) GENERAL LONG-TERM DEBT

As of December 31, 2022, long-term debt consisted of a 3.591% capital lease payable in semi-annual payments ranging from \$44,205 to \$61,565 principal and interest through June 2025. The lease had a balance due of \$293,961 at December 31, 2022.

Long-term debt activity during the year ended December 31, 2022, was as follows:

	Balance January 1, <u>2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance December 31, 2022	Due Within <u>One Year</u>
<u>Governmental Activities</u>					
Capital Lease Payable	\$ <u>393,864</u>	\$ <u>-</u>	\$ <u>99,903</u>	\$ <u>293,961</u>	\$ <u>107,435</u>

As of December 31, 2022, long-term obligations mature as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2023 (included in current liabilities)	\$107,435	\$ 9,618
2024	115,390	5,690
2025	<u>71,136</u>	<u>1,472</u>
	\$ <u>293,961</u>	\$ <u>16,780</u>

(7) EMPLOYEES' RETIREMENT PLAN

MAINEPERS

Plan Description

The City contributes to the Maine Public Employees Retirement System (MainePERS) which is a multiple-employer cost sharing defined benefit pension plan as a Participating Local District (PLD). Eligible employers are defined in Maine statute. As of June 30, 2022, there were 311 employers in the plan. As of June 30, 2022, the City had 26 employees enrolled in the plan.

Pension Benefits

Benefit terms are established in Maine statute and an advisory group, also established by statute, reviews the terms of the plan and periodically makes recommendations to the Legislature to amend the terms. The plan provides defined benefits based on members' average final compensation and service credit earned as of retirement. Vesting occurs upon the earning of five years of service credit. For PLD members, normal retirement age is 60 (if the member participated in the plan on or before June 30, 2014) or 65 (for members added to the plan beginning July 1, 2014). Members are eligible for retirement after twenty-five years of service; or upon reaching normal retirement age of 60 or 65, whether or not they are in service, provided they are vested with 5 or 10 years of service, whichever applies to them; or upon reaching their normal retirement age of 60 or 65, provided they have been in service for at least one year immediately prior to retirement. The monthly benefit of members who retire before normal retirement age by having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below the normal retirement age at retirement. MainePERS also provides disability and death benefits which are established by contract with other participating employers under applicable statutory provisions.

Upon termination of membership, members' accumulated employee contributions are refundable with interest (annual rate is currently 1.52%), credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights.

CITY OF CARIBOU, MAINE

Notes to the Financial Statements  
December 31, 2022

(7) EMPLOYEES' RETIREMENT PLAN (Continued)

Pension Benefits (Continued)

Retirement benefits are funded by contributions from members and employers and by earnings on investments. Disability and death benefits are funded by employer normal cost contributions and by investment earnings. Member and employer contribution rates are each a percentage of applicable member compensation. Member contribution rates are defined by law or the System's Board rule. The City's participants contributed 8% of their wages to the plan. The City's contribution rate is determined through actuarial valuations.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

At December 31, 2022, the City reported a liability of \$528,061 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2022, the City's proportion was .1986%, which was an increase of .00323% from its proportion as measured as of June 30, 2021.

For the year ended December 31, 2022, the City recognized pension expense of \$178,407. At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual results	\$ 98,137	\$ -
Net difference between projected and actual investment earnings on pension plan investments	-	221,630
Changes of assumptions	107,178	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>62,981</u>	<u>-</u>
Total	<u>\$268,296</u>	<u>\$221,630</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ 99,445
2024	(19,186)
2025	(137,689)
2026	104,096

CITY OF CARIBOU, MAINE

Notes to the Financial Statements  
December 31, 2022

(7) EMPLOYEES' RETIREMENT PLAN (Continued)

Actuarial Assumptions

The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Salary increases	2.75% - 11.48%
Inflation rate	2.75%
Investment rate of return	6.5% per annum, compounded annually
Cost of living benefit increases	1.91%

Mortality rates were based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using RPEC\_2020 model.

The long-term expected rate of return on pension plan assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2022 are summarized in the following table. Assets for each of the defined benefits plan are commingled for investment purposes

Discount Rate

The discount rate used to measure the collective pension liability was 6.5% for 2022. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following table shows how the collective net pension liability/(asset) as of June 30, 2022 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate.

1% Decrease	Current Discount Rate	1% Increase
5.5%	6.5%	7.5%
\$1,560,041	\$528,061	\$(324,908)

All other employees are covered under the Social Security System.

MainePERS issues a publicly available financial report that includes financial statements and required supplementary information that may be obtained on the Internet at [www.maineopers.org](http://www.maineopers.org) or at the MainePERS office in Augusta.

CITY OF CARIBOU, MAINE

Notes to the Financial Statements  
December 31, 2022

(7) EMPLOYEES' RETIREMENT PLAN (Continued)

Deferred Compensation Plan

The City has established for its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457. The plan permits employees to defer a portion of their salaries until future years. The deferred compensation amount is not available to the employees until termination, retirement or death.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. For those qualified personnel who elect to participate, contribution rates depend on individual contracts and a portion of which is matched by the employer. Employees may elect to make member contributions.

(8) OTHER POST-EMPLOYMENT BENEFIT (OPEB)

Plan Description – Maine Municipal Employees Health Trust

The City of Caribou, Maine participates in the Maine Municipal Employees Health Trust (MMEHT) in which retirees and spouses may participate in group health insurance through a single employer defined benefit OPEB plan. The employee must meet certain age and length of service requirements in order to be eligible for post-retirement benefits.

Benefits

The non-Medicare retirees are offered the same plans that are available to the active employees. Medicare retirees are assumed to be enrolled in Medicare Parts A and B and the Retiree Group Companion Plan which includes prescription coverage. Medical benefits are provided for the life of the retiree and surviving spouses. Current retirees do not have access to dental benefits. Future new retirees who retire after December 31, 2016 will have access to purchase dental coverage at the Plan COBRA (Consolidated Omnibus Budget Reconciliation Act) rates.

Employees Covered by Benefit Terms

At January 1, 2022, the following were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	2
Inactive employees entitled to, but not yet receiving, benefits	-
Active employees	<u>51</u>
Total	<u>53</u>

Discount Rate

Since the Plan is pay as you go and is not funded, the discount rate will be based on a 20-year, tax-exempt general obligation municipal bond index and is 2.06% as of December 31, 2021. The discount rate as of December 31, 2020 was 2.12% per annum.

The following table shows how the net MMEHT OPEB liability as of December 31, 2021 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate.

1% Decrease	Current Discount Rate	1% Increase
<u>1.06%</u>	<u>2.06%</u>	<u>3.06%</u>
\$602,382	\$500,802	\$419,331

CITY OF CARIBOU, MAINE

Notes to the Financial Statements  
December 31, 2022

(8) OTHER POST-EMPLOYMENT BENEFIT (OPEB) (Continued)

Healthcare Trend

The healthcare trend is the assumed dollar increase in dollar-related values in the future due to the increase in the cost of health care as a result of factors such as medical inflation, utilization of healthcare services, plan design, and technological developments. Lower healthcare trend rates produce a lower total OPEB liability.

<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
\$411,179	\$500,802	\$619,143

Actuarial Methods and Assumptions

The collective total OPEB liability for the Plan was determined by an actuarial valuation as of January 1, 2022, using the following methods and assumptions apply to all periods included in the measurement:

The Entry Age Normal Actuarial Cost Method to value the plan's actuarial liabilities and to set the normal cost. Under this method, a normal cost rate is determined as a level percent of pay for each active plan member and then summed to produce the total normal cost for the plan. The unfunded actuarial liability and the actuarial value of assets.

Trend Assumptions

The Society of Actuaries Long-Run Medical Cost Trend Model and its baseline projection are based on an econometric analysis of historical U.S. medical expenditures and the judgements of experts in the field.

Future Plan Changes

It is assumed that the current Plan and cost-sharing structure remains in place for all future years.

OPEB Liabilities, Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

At December 31, 2022, the City reported a liability of \$500,802 for its net MMEHT liability. The net OPEB liability was measured as of January 1, 2022, and the total liability used to calculate the net liability was determined by an actuarial valuation as of that date.

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual results	\$ 13,684	\$147,502
Changes of assumptions	<u>158,085</u>	<u>25,394</u>
Total	<u>\$171,769</u>	<u>\$172,896</u>



CITY OF CARIBOU, MAINE

Notes to the Financial Statements  
December 31, 2022

(8) OTHER POST-EMPLOYMENT BENEFIT (OPEB) (Continued)

OPEB Liabilities, Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources  
(Continued)

Amounts reported as deferred outflows of resources and deferred (inflows) of resources will be recognized in OPEB expense as follows:

Year Ending <u>December 31,</u>	<u>Amounts</u>
2023	\$ 7,305
2024	7,305
2025	7,305
2026	7,310
2027	(3,038)
Thereafter	(27,314)

Change in net OPEB Liability

Balance at December 31, 2021	\$ <u>594,286</u>
Changes for the year:	
Service cost	28,801
Interest	13,146
Changes of benefits	-
Differences between expected and actual	(133,002)
Changes of assumptions	3,609
Benefit payments/ Employer contributions	<u>(6,038)</u>
Net changes	<u>(93,484)</u>
Balance at December 31, 2022	\$ <u>500,802</u>

(9) JOINT VENTURE – AROOSTOOK WASTE SOLUTIONS

The Aroostook Waste Solutions is owned jointly by the Towns of Fort Fairfield and Limestone plus the Cities of Caribou and Presque Isle. The Board of Directors consists of ten members residing in the four communities.

Financial statements for this joint venture were issued and reported on by us in a separate report dated May 10, 2023. These financial statements are available from the City's Finance Department.

A summary of the facility's activity for 2022, is as follows:

	<u>Amount</u>
Total assets	\$21,149,945
Deferred outflows of resources	97,937
Total liabilities	18,820,930
Deferred inflows of resources	<u>120,666</u>
Total net position	\$ <u>2,306,286</u>
Total revenue	\$ 4,024,848
Less total expenditures	<u>4,750,114</u>
Decrease in net position	\$ <u>(725,266)</u>

CITY OF CARIBOU, MAINE

Notes to the Financial Statements  
December 31, 2022

(9) JOINT VENTURE – AROOSTOOK WASTE SOLUTIONS (Continued)

The City has guaranteed, together with the other member communities, three notes payable. As of December 31, 2022, the total balance owed was \$5,763,889.

The State of Maine Department of Environmental Protection requires that Aroostook Waste Solutions place a final cover on its landfills when closed and perform certain maintenance and monitoring functions at each site for thirty years after closure. These estimated closure and post-closure care costs are being recognized in the financial statements referred to above at the rate of utilization of the landfill sites. As of December 31, 2022, the estimated total cost of closure and post-closure care was approximately \$37,400,000 of which \$12,514,000 was recognized. The management of the landfill expects to use future earnings to cover the costs of closure and post-closure care. More information regarding the accounting for closure and post-closure care costs is available in the 2022 financial statements of the Aroostook Waste Solutions.

(10) RISK MANAGEMENT

The City is exposed to various risks of loss related to city officials, city council liability, torts, theft of, damage to and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The City purchases insurance for all risks of loss. There have been no significant reductions in insurance coverage during the year.

Additional risks include, but are not limited to military conflicts in Europe, the oil and gas market, supply chain issues and inflation.

(11) TAX INCREMENT FINANCING (TIF) DISTRICT

The City utilizes credit enhancement agreements with local business under the Municipal Tax Increment Financing Rule of the Maine Department of Economic and Community Development (DECD). Under this Rule, municipalities may grant property tax abatements on the captured value of a business' designated property improvements for purposes of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to the City. For the year ended December 31, 2022, the City abated property taxes totaling \$143,462 in connection with these seven agreements.

During August 2018, the City created a TIF District with a local Company to facilitate the repurposing of an elementary school for additional housing. The improvements are privately financed by the Company and are subject to an increase in the taxable valuation of the property. This District includes a credit enhancement agreement wherein the City must provide 95% of any tax increment back to the Company to reimburse qualified project costs. The City may use the remaining 5% for general economic development purposes. Obligations under this District began in 2020 for a duration of up to 30 years.

During March 2006, the City created the Caribou Downtown Tax Increment Financing District, in which the City can use 100% of tax revenue from incremental new assessed value of property located in the District to promote private development. The City entered into a Credit Enhancement Agreement (CEA) with a developer in order to provide for the consolidation of a state agency. Under the terms of the CEA, incremental tax revenue over the next 15 years resulting from improvements to the developer's building will be returned to the developer. The revenue will then be used to reduce the state agency's rental expense. The total benefit to the developer and state agency is expected to be approximately \$410,000 over the 15-year period. The TIF District was amended in 2008 and 2014 to allow for costs of public safety improvements, economic development, and infrastructure improvements in the downtown area. The TIF was extended in 2020 and will expire in 2035.

CITY OF CARIBOU MAINE

Notes to the Financial Statements  
December 31, 2022

(11) TAX INCREMENT FINANCING (TIF) DISTRICT (Continued)

During March 2022, the City entered into a credit enhancement agreement with a local company for Tax Increment Financing District in which the Company will receive 80% of the incremental new assessed value of the property to reimburse qualified project costs. The City may use the remaining 20% for general economic development purposes. Obligations under this district began in 2022 and will continue through 2036.

During January 2022, the City created a TIF District and entered into a credit enhancement agreement (CEA) with a local Company. The improvements are privately financed by the Company. The CEA will be for a duration of 14 years in which the Company will receive 80% of the incremental taxes resulting from the increased assessed value of the District. The City may use the remaining 20% for general economic development purposes. Obligations under this district began in 2022 and will continue through 2035.

(12) SUBSEQUENT EVENTS

Management has reviewed subsequent events through September 21, 2023, the date that these financial statements were available to be issued and determined that no additional adjustments or disclosures are required in order for these financial statements to be fairly stated.

CITY OF CARIBOL, MAINE

Supplement 1

Budgetary Comparison Schedule for the General Fund  
For the Year Ended December 31, 2022

	General Fund		
	Budgeted Amounts		Actual Budgetary Basis
	Original	Final	
<b>REVENUES</b>			
Local property taxes	\$ 7,874,088	\$ 7,874,088	\$ 8,005,452
Homestead exemption reimbursement	830,000	830,000	835,682
Abatements	(13,500)	(13,500)	(10,702)
Other property tax related	295,800	295,800	327,438
Excise taxes	1,504,500	1,504,500	1,574,702
Federal and state assistance	1,747,000	1,747,000	2,254,519
Ambulance fees	1,304,477	1,304,477	1,102,664
Fire/Ambulance charge to towns	511,850	511,850	520,375
Billing services	39,106	39,106	35,766
Other licenses, permits and fees	325,954	325,954	340,067
Economic Development (TIF)	512,919	512,919	512,919
Other	156,871	156,871	183,960
<b>TOTAL REVENUES</b>	<u>15,089,065</u>	<u>15,089,065</u>	<u>15,682,842</u>
<b>EXPENDITURES</b>			
General government	791,567	791,567	1,261,692
Education	3,653,630	3,653,630	3,653,630
Health and sanitation	257,578	257,578	260,090
Public works	2,475,356	2,475,356	2,435,253
Police department and emergency management	2,143,936	2,143,936	2,051,371
Fire and ambulance	2,622,708	2,622,708	2,465,406
Insurance and retirement	91,376	91,376	82,045
Parks and recreation	748,546	748,546	720,280
Library	231,669	231,669	217,187
County tax	603,038	603,038	603,038
Tax assessment office	209,159	209,159	199,262
Tax increment financing	512,919	512,919	512,919
Appropriations to capital outlays	451,110	451,110	451,110
Other	294,901	294,901	247,549
<b>TOTAL EXPENDITURES</b>	<u>15,087,493</u>	<u>15,087,493</u>	<u>15,160,832</u>
Excess of Revenues Over Expenditures	<u>1,572</u>	<u>1,572</u>	<u>522,010</u>
<b>OTHER SOURCES (USES)</b>			
Capital outlays in excess of appropriations	-	-	(36,405)
Net Increase in Fund Balance	1,572	1,572	485,605
Fund Balance - January 1, 2022	-	-	9,054,618
Fund Balance - December 31, 2022	<u>\$ 1,572</u>	<u>\$ 1,572</u>	<u>\$ 9,540,223</u>

CITY OF CARIBOU, MAINE

Note to Supplement 1 - Budgetary Comparison Schedule  
For the General Fund  
For the Year Ended December 31, 2022

Budgets and Budgetary Accounting

The Budgetary Comparison Schedule for the General Fund (Supplement 1) presents comparisons of legally adopted budgets with actual data on a budgetary basis.

Modified Approach for City Capital Assets  
December 31, 2022

In accordance with GASB standards, the City is required to account for and report infrastructure capital assets. The City developed an implementation to determine the value of and included infrastructure cost in 2006.

The City has elected to account for their infrastructure assets using the modified approach as opposed to depreciating them. GASB standards do not require municipalities to depreciate infrastructure if they can provide the following:

An asset management system employed that:

- Has an up-to-date inventory of eligible infrastructure assets
- Performs condition assessments of the assets and summarizes the results using a “measurable scale”
- Estimates, on an annual basis, the annual amount needed to “maintain and preserve the eligible infrastructure assets at the condition level established and disclosed by the government”

The City documents that the eligible infrastructure assets are being “preserved approximately at (or above) a condition level established and disclosed by the government”.

<u>Condition</u>	<u>Rating</u>	<u>Asset Management System Rating</u>
Good	100-80	1
Fair	79-65	2
Poor	64-50	3
Substandard	49-0	4

The City established a condition level of 70% which is a 2 rating. The assessment itself may be made either by the governmental entity directly or by external parties. The condition assessment may be performed annually or on a cyclical basis. For the period of December 31, 2020 through December 31, 2022, the City’s Runway System was rated at an index of 100. The detail of the condition assessments from December 31, 2020 through December 31, 2022 are as follows:

<u>Condition</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>Asset Management System Rating</u>
Good	48%	35%	56%	1
Fair	49%	55%	37%	2
Poor to Substandard	3%	10%	7%	3 and 4
Index rating	80	80	80	

As of December 31, 2022, the City had 10,311,934 square feet of roads with a historical cost of \$5,159,583. As of December 31, 2022, the City had 109,189 square feet of sidewalks with a historical cost of \$243,750. As of December 31, 2022, the City had 619,000 square feet of runway with a historical cost of \$4,155,026.

All expenditures related to infrastructure maintenance will be recognized as a current expense since they are not depreciated. Expenditures relating to infrastructure that are capital in nature (additions and improvements) will be capitalized as part of the infrastructure assets because they increase the capacity or efficiency of the related infrastructure asset.

	<u>Budgeted</u>	<u>Actual</u>	<u>Actual from Reserves</u>
2022	\$613,861	\$610,446	\$266,993
2021	471,000	473,256	106,696
2020	489,000	473,382	343,448

CITY OF CARIBOU, MAINE

Supplement 3

Schedule of the City's Proportionate Share of the Net Pension Liability  
For the Last Nine Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's proportion of the net pension liability	0.198642%	0.166299%	0.163962%	0.162736%	0.164850%	0.177237%	0.157442%	0.141646%	0.138719%
City's proportionate share of the net pension liability (asset)	\$ 528,061	\$ (53,442)	\$ 651,442	\$ 497,422	\$ 451,157	\$ 725,674	\$ 836,538	\$ 451,917	\$ 213,462
City's covered-employee payroll	\$2,258,329	\$2,058,065	\$1,763,461	\$1,793,591	\$1,706,657	\$1,621,469	\$1,553,062	\$1,364,960	\$ 1,255,523
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	23.38%	2.60%	36.94%	27.73%	26.44%	44.75%	53.86%	33.11%	17.00%
Plan fiduciary net position as a percentage of the total pension liability	93.30%	100.90%	88.30%	90.60%	91.10%	86.40%	81.60%	88.30%	94.10%

CITY OF CARIBOU, MAINE

Supplement 4

Schedule of the City's Contributions  
For the Last Nine Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 190,572	\$ 129,991	\$ 108,469	\$ 104,430	\$ 95,568	\$ 89,994	\$ 84,006	\$ 65,501	\$ 53,995
Contributions in relation to the contractually required contribution	<u>190,572</u>	<u>129,991</u>	<u>108,469</u>	<u>104,430</u>	<u>95,568</u>	<u>89,994</u>	<u>84,006</u>	<u>65,501</u>	<u>53,995</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$2,258,329	\$2,058,065	\$1,763,461	\$1,793,591	\$1,706,657	\$1,621,469	\$1,553,062	\$1,364,960	\$1,255,523
Contributions as a percentage of covered-employee payroll	8.44%	6.32%	6.15%	5.83%	5.60%	5.55%	5.41%	4.80%	4.30%



CITY OF CARIBOU, MAINE

Notes to Supplements 3 and 4  
December 31, 2022

NOTE 1 – VALUATION DATE

Only fiscal years 2022 through 2014 are reported. The amounts presented have a measurement date as of June 30, 2022. The City will continue to present information until a full ten-year trend is compiled.

NOTE 2 – BENEFIT CHANGES

There were no benefit changes for City employees in the employees' retirement plan.

NOTE 3 – CHANGE IN ASSUMPTIONS

There were no changes in assumptions.

NOTE 4 – METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES

Actuarial cost method	Entry age normal
Amortization method	For the actuarial value as of June 30, 2022, 2021, 2020, 2019, 2018, 2017, 2016 and 2015, level percentage of payroll using a method where a separate twenty-year closed period is established annually for the gain or loss for that year  For the actuarial value as of June 30, 2014, the net pension liability was amortized on an open basis over a period of 15 years
Asset valuation method	One-third of the investment return that is different from the actuarial assumption for investment return
Investment rate of return	6.5% compounded annually for 2022 and 2021 6.75% compounded annually for 2020, 2019 and 2018 6.875% compounded annually for 2017 and 2016 7.125% compounded annually for 2015 7.25% compounded annually for 2014
Retirement age	60 or 65, depending on years of creditable service at certain dates
Mortality	2010 Public Plan General Benefits Weighted Healthy Retiree Mortality Table for males and females, projected generationally using the RPEC_2020 model.

CITY OF CARIBOU, MAINE

Supplement 5

Schedule of Change in Net Other Post-Employment Benefits (OPEB) Liability -  
Maine Municipal Employees Health Trust  
For the Last Five Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability					
Service cost	\$ 28,801	\$ 24,494	\$ 16,515	\$ 19,105	\$ 15,625
Interest (includes interest on service cost)	13,146	14,890	17,137	15,055	12,011
Changes of benefits	-	-	(9,616)	-	-
Differences between expected and actual experience	(133,002)	-	(37,988)	-	30,784
Changes of assumptions	3,609	38,885	137,171	(45,706)	62,272
Benefit payments, including refunds of member contributions	<u>(6,038)</u>	<u>(5,806)</u>	<u>(5,650)</u>	<u>(5,433)</u>	<u>(3,117)</u>
Net change in total OPEB liability	(93,484)	72,463	117,569	(16,979)	117,575
Total OPEB liability - beginning	<u>594,286</u>	<u>521,823</u>	<u>404,254</u>	<u>421,233</u>	<u>303,658</u>
Total OPEB liability - ending (a)	<u>\$ 500,802</u>	<u>\$ 594,286</u>	<u>\$ 521,823</u>	<u>\$ 404,254</u>	<u>\$ 421,233</u>
Plan fiduciary net position					
Contributions - employer	\$ 6,038	\$ 5,806	\$ 5,650	\$ 5,433	\$ 3,117
Benefit payments	<u>(6,038)</u>	<u>(5,806)</u>	<u>(5,650)</u>	<u>(5,433)</u>	<u>(3,117)</u>
Net change in plan fiduciary net position	-	-	-	-	-
Plan fiduciary net position - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's net OPEB liability - ending (a) - (b)	<u>\$ 500,802</u>	<u>\$ 594,286</u>	<u>\$ 521,823</u>	<u>\$ 404,254</u>	<u>\$ 421,233</u>
Plan fiduciary net position as a percentage of the total OPEB liability	N/A	N/A	N/A	N/A	N/A
Covered-employee payroll	\$2,685,510	\$2,971,088	\$3,048,055	\$3,048,055	\$ 3,048,055
Net OPEB liability as a percentage of covered-employee payroll	18.6%	20.0%	17.1%	13.3%	13.8%

CITY OF CARIBOU, MAINE

Notes to Supplement 5  
December 31, 2022

NOTE 1 – VALUATION DATE

Only fiscal years 2018 through 2022 are reported. The amounts presented have a measurement date as of January 1, 2022. The City of Caribou, Maine will continue to present information until a full ten-year trend is compiled.

NOTE 2 – BENEFIT CHANGES

There were no substantive plan changes during calendar year 2022.

NOTE 3 – CHANGE IN ASSUMPTIONS

The change in discount rate from 2.12% to 2.06% was the only change in assumption for the 2022 valuation.

NOTE 4 – METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES

Actuarial cost method	Entry age normal
Investment rate of return	2.06% compounded annually for 2022 2.12% compounded annually for 2021 2.74% compounded annually for 2020 4.10% compounded annually for 2019 3.44% compounded annually for 2018
Salary increase rate	2.75%
Mortality	Based on 112.1% and 118.5% of the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, respectively, for males and females

CITY OF CARIBOU, MAINE

Schedule 1

Balance Sheet  
For Non-Major Funds  
December 31, 2022

	<u>Snowmobile Trail Maintenance</u>	<u>Housing</u>	<u>Economic Development</u>	<u>American Rescue Plan</u>	<u>Revolving Loan Fund #10</u>	<u>Total Non-Major Funds</u>
<u>ASSETS</u>						
Cash	\$ 16,520	\$ 152,033	\$ 667,317	\$ 598,998	\$ 241,387	\$ 1,676,255
<u>LIABILITIES AND FUND</u>						
<u>BALANCES</u>						
Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balance	16,520	152,033	667,317	598,998	241,387	1,676,255
Total liabilities and fund balances	\$ 16,520	\$ 152,033	\$ 667,317	\$ 598,998	\$ 241,387	\$ 1,676,255

CITY OF CARIBOU, MAINE

Schedule 2

Statement of Revenues, Expenditures and Changes in Fund Balance  
For Non-Major Funds  
For the Year Ended December 31, 2022

	<u>Snowmobile Trail Maintenance</u>	<u>Housing</u>	<u>Economic Development</u>	<u>American Rescue Plan</u>	<u>Revolving Loan Fund #10</u>	<u>Total Non-major Funds</u>
<b>REVENUES</b>						
Federal and state assistance	\$ 34,572	\$ 105,138	\$ -	\$ 401,436	\$ -	\$ 541,146
Interest income	-	-	-	-	1,695	1,695
TIF Funds	-	-	315,379	-	-	315,379
Reimbursements	-	65,736	-	-	-	65,736
Other income	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>3,977</u>	<u>-</u>	<u>6,477</u>
Total Revenues	<u>37,072</u>	<u>170,874</u>	<u>315,379</u>	<u>405,413</u>	<u>1,695</u>	<u>930,433</u>
<b>EXPENDITURES</b>						
Program expenditures	<u>61,749</u>	<u>171,265</u>	<u>231,934</u>	<u>48,385</u>	<u>-</u>	<u>513,333</u>
Excess of Revenues Over (Under) Expenditures	(24,677)	(391)	83,445	357,028	1,695	417,100
Fund Balance - January 1	<u>41,197</u>	<u>152,424</u>	<u>583,872</u>	<u>241,970</u>	<u>239,692</u>	<u>1,259,155</u>
Fund Balance - December 31	<u>\$ 16,520</u>	<u>\$ 152,033</u>	<u>\$ 667,317</u>	<u>\$ 598,998</u>	<u>\$ 241,387</u>	<u>\$ 1,676,255</u>

CITY OF CARIBOU, MAINE

Schedule 3

Schedule of Capital Outlays - General Fund  
For the Year Ended December 31, 2022

<u>Department</u>	<u>Balances January 1</u>	<u>Appropri- ations</u>	<u>Grants/ Transfers</u>	<u>Other</u>	<u>Total Available</u>	<u>Expenditures</u>	<u>Balances December 31</u>
Recreation	\$ 104,189	\$ -	\$ -	\$ 36,476	\$ 140,665	\$ 63,246	\$ 77,419
Library	74,507	600	23,600	2,480	101,187	5,207	95,980
Police	231,609	41,250	-	64,175	337,034	80,878	256,156
Fire	63,214	77,800	-	2,592	143,606	23,029	120,577
Ambulance	19,775	26,920	-	-	46,695	-	46,695
Public Works	170,061	191,000	-	25,310	386,371	381,614	4,757
Assessment Office	68,217	1,600	-	180	69,997	8,175	61,822
Airport	78,362	-	31,000	370	109,732	49,274	60,458
General Government	127,149	111,940	23,000	7,640	269,729	399,951	(130,222)
Economic Development	325,452	-	1,400	15,006	341,858	13,604	328,254
TIF accounts	147,321	-	147,706	-	295,027	152,190	142,837
RSU 39 Commitment	(1,082,828)	-	3,653,630	-	2,570,802	3,653,630	(1,082,828)
Other reserves	256,291	-	-	32,434	288,725	13,311	275,414
	<u>\$ 583,319</u>	<u>\$451,110</u>	<u>\$3,880,336</u>	<u>\$186,663</u>	<u>\$5,101,428</u>	<u>\$ 4,844,109</u>	<u>\$ 257,319</u>

CITY OF CARIBOU, MAINE

Schedule 4

Schedule of Non-Capital Outlays - General Fund  
For the Year Ended December 31, 2022

	Balances <u>January 1</u>	Appropri- <u>ations</u>	<u>Transfers</u>	<u>Other</u>	Total <u>Available</u>	Expendi- <u>tures</u>	Balances <u>December 31</u>
Compensated Absences	\$ 83,486	\$ -	\$ 25,000	\$ 4,210	\$ 112,696	\$ 25,550	\$ 87,146
Revolving Loan Fund - Cash	392,969	-	-	6,412	399,381	-	399,381
Revolving Loan Fund - Loans Receivable	47,667	-	-	-	47,667	6,145	41,522
Tax Relief Fund	194,790	-	505,415	-	700,205	-	700,205
Thursday on Sweden Street	(41)	-	-	41	-	-	-
Heritage Day	(8,000)	-	-	-	(8,000)	-	(8,000)
Caribou Marathon	(45,252)	-	-	-	(45,252)	-	(45,252)
Story of Caribou	732	-	-	-	732	-	732
City Retirement	1,080	-	-	-	1,080	-	1,080
Retirement Reserves	4,139	-	-	-	4,139	-	4,139
Retirement Investment Fund	3,000,000	-	-	-	3,000,000	-	3,000,000
Community Bulletin Board	200	-	-	-	200	-	200
HRA Contribution Reserve	107,737	-	-	171,743	279,480	171,204	108,276
Resource Reserve Account	188,540	-	-	-	188,540	-	188,540
Aroostook Waste Solutions	324,082	-	-	-	324,082	-	324,082
Caribou Cares About Kids	-	-	-	14,136	14,136	14,136	-
Small Business Saturday	-	-	-	245	245	-	245
Miscellaneous events	(252)	-	-	252	-	-	-
	<u>\$4,291,877</u>	<u>\$ -</u>	<u>\$ 530,415</u>	<u>\$ 197,039</u>	<u>\$ 5,019,331</u>	<u>\$ 217,035</u>	<u>\$ 4,802,296</u>

CITY OF CARIBOU, MAINE

Schedule 5

Schedule of Property Taxes - General Fund  
For the Year Ended December 31, 2022

	<u>Total</u>	<u>2023 Taxes</u>	<u>2022 Taxes</u>	<u>2021 Taxes and Liens</u>	<u>Prior Taxes</u>
UNCOLLECTED AT JANUARY 1	\$ 822,116	\$ -	\$ (83,780)	\$ 740,461	\$ 165,435
2022 COMMITMENT (\$356,136,199 @.023550)	8,387,007	-	8,387,007	-	-
SUPPLEMENTAL TAX	15,760	-	15,760	-	-
	<u>8,402,767</u>	<u>-</u>	<u>8,402,767</u>	<u>-</u>	<u>-</u>
COLLECTIONS	8,333,048	69,675	7,571,196	622,782	69,395
TAX-ACQUIRED PROPERTY	23,791	-	8,326	9,486	5,979
ABATEMENTS	10,702	-	9,787	158	757
	<u>8,367,541</u>	<u>69,675</u>	<u>7,589,309</u>	<u>632,426</u>	<u>76,131</u>
UNCOLLECTED AT DECEMBER 31	\$ 857,342	\$ (69,675)	\$ 729,678	\$ 108,035	\$ 89,304
REPRESENTED BY					
Real Estate Taxes	\$ 734,397	\$ (69,628)	\$ 707,578	\$ 95,080	\$ 767
Personal Property Taxes	122,945	(647)	22,100	12,955	88,537
	<u>\$ 857,342</u>	<u>\$ (69,675)</u>	<u>\$ 729,678</u>	<u>\$ 108,035</u>	<u>\$ 89,304</u>



# FELCH & COMPANY, LLC

*Certified Public Accountants*

P.O. BOX 906  
CARIBOU, MAINE 04736  
(207) 498-3176  
FAX (207) 498-6278  
E-MAIL: CPA@FELCHCPA.COM

Independent Auditors' Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards*

To the City Council of the  
City of Caribou, Maine

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Caribou, Maine as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City of Caribou, Maine's basic financial statements, and have issued our report thereon dated September 21, 2023.

### **Report on Internal Control over Financial Reporting**

In planning and performing our audit, we considered the City of Caribou, Maine's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Caribou, Maine's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Caribou, Maine's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the City Council of the  
City of Caribou, Maine

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Caribou, Maine's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Felch & Company LLC*

September 21, 2023

# FELCH & COMPANY, LLC

*Certified Public Accountants*

P.O. BOX 906  
CARIBOU, MAINE 04736  
(207) 498-3176  
FAX (207) 498-6278  
E-MAIL: CPA@FELCHCPA.COM

## Independent Auditors' Report on Compliance for each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

To the City Council of the  
City of Caribou, Maine

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited the City of Caribou, Maine's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2022. The City of Caribou, Maine's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Caribou, Maine complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Caribou, Maine and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Caribou, Maine's compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City of Caribou, Maine's federal programs.

#### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Caribou, Maine's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material

To the City Council of the  
City of Caribou, Maine

***Auditors' Responsibilities for the Audit of Compliance (Continued)***

noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Caribou, Maine's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Caribou, Maine's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Caribou, Maine's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Caribou, Maine's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

**Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Felch & Company LLC*

September 21, 2023

CITY OF CARIBOU, MAINE

Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2022

SECTION I - SUMMARY OF AUDITORS' RESULTS

*Financial Statements*

Type of auditors' report issued: *unmodified*

Internal control over financial reporting:

Material weakness(es) identified?                    \_\_\_ yes                    X no

Significant deficiencies identified that are  
not considered to be material weaknesses?                    \_\_\_ yes                    X none reported

Noncompliance material to financial  
statements noted?                    \_\_\_ yes                    X no

*Federal Awards*

Internal control over major programs:

Material weakness(es) identified?                    \_\_\_ yes                    X no

Significant deficiencies identified  
that are not considered to be material  
weakness(es)?                    \_\_\_ yes                    X none reported

Type of auditors' report issued on compliance for major programs: *unmodified*

Any audit findings disclosed that are  
required to be reported in accordance  
with 2 CFR section 200.516(a)?                    \_\_\_ yes                    X no

Identification of major programs:

Department of Housing and Urban Development

Section 8 Housing Choice Voucher Program                    CFDA #14.871

Dollar threshold used to distinguish  
between type A and type B programs:                    \$750,000

Auditee qualified as low-risk auditee?                    X yes                    \_\_\_ no

SECTION II - FINDINGS - FINANCIAL STATEMENT AUDIT

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

CITY OF CARIBOU, MAINE

Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2022

Federal Grantor/ Pass-through Grantor/ <u>Program Title</u>	Federal Assistance Listing <u>Number</u>	Pass- through Grantor's <u>Number</u>	Disburse- <u>ments</u>
<u>U.S. Department of Housing and Urban Development</u>			
Direct Award - Section 8 Housing Choice Vouchers	14.871	N/A	\$ 1,183,386
Direct Award - Family Self-Sufficiency Program	14.896	N/A	63,191
Direct Award - Mainstream Vouchers	14.879	N/A	140,987
** Direct Award - Emergency Housing Vouchers	14.EHV	N/A	<u>81,179</u>
<b>Subtotal - U.S. Department of Housing and Urban Development</b>			<u>1,468,743</u>
<u>U.S. Department of Justice</u>			
Passed through Aroostook County Sheriff's Office Bulletproof Vest Program	16.607	N/A	<u>1,942</u>
<b>Subtotal - U.S. Department of Justice</b>			<u>1,942</u>
<u>U.S. Department of Transportation</u>			
Passed through the State of Maine Bureau of Highway Safety:			
State and Community Highway Safety	20.600	N/A	2,071
National Priority Safety Program	20.616	N/A	<u>2,319</u>
<b>Subtotal - U.S. Department of Transportation</b>			<u>4,390</u>
<u>U.S. Department of the Treasury</u>			
** Direct Award - Coronavirus State and Local Fiscal Recovery Program	21.027	N/A	<u>45,290</u>
<b>Subtotal - U.S. Department of the Treasury</b>			<u>45,290</u>
Total			<u>\$ 1,520,365</u>

\*\* COVID Related funding

CITY OF CARIBOU, MAINE

Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2022

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Caribou, Maine and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation, of the basic financial statements.

NOTE B – BASIS OF PRESENTATION

Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards presents the activity of federal financial assistance programs administered by the City, an entity as defined in the notes to the financial statements.

Pass-through Programs

Where the City receives funds from a government entity other than the federal government (pass-through), the funds are accumulated based upon the Assistance Listing Number (ALN) advised by the pass-through grantor.

NOTE C – INDIRECT COSTS

The City has elected not to use the 10% *de minimis* indirect cost rate allowed under the Uniform Guidance.

NOTE D – MATCHING COSTS

Matching costs that represent the City's share of certain program costs, if any, are not included in the Schedule of Expenditures of Federal Awards.

CITY OF CARIBOU, MAINE

Schedule of Prior Audit Findings  
For the Year Ended December 31, 2022

There were no audit findings reported for the year ended December 31, 2021 that require follow-up in the December 31, 2022 report.





**City Manager's Report  
October 10, 2023**

**Economic Projects**

<b>River Front - Powerplants</b>	Met with EPA & DEP at the Riverfront Power Plants site to discuss CERCLA action. EPA contractors were also at the site to determine how to proceed with removing compromised materials from the building.
<b>Broadband Initiative</b>	The contract between the Maine Connectivity Authority and Charter / Spectrum was due back to MCA by 09/30/2023.
<b>CDBG</b>	No new updates.
<b>Ogren Dump Solar Project</b>	No new updates.
<b>Events and Marketing</b>	The 49th Annual Caribou Craft Fair is October 21 & 22 10-4 at Caribou High School with over 135 vendors. This is Aroostook County's oldest and largest Craft Fair and has really put Caribou on the map.
<b>Landbank</b>	No new updates.
<b>Chapter 13 Rewrite</b>	No new updates.
<b>Federal American Rescue Plan Act</b>	No new updates.
<b>Blight Cleanup</b>	Some owners are trying to do the right thing by working with the City, others are ignoring our efforts.
<b>Birdseye Cleanup</b>	No new updates.
<b>Caribou Development Committee</b>	Next meeting is October 18th at 6:00 pm
<b>River Front - Master Plan</b>	LDD contract is on tonight's agenda.
<b>Façade Improvement Program</b>	The application period has closed. Staff will bring a recommendation to the City Council at the next meeting.
<b>Aldrich ATV/Snowmobile Storage</b>	No new updates.
<b>Caribou Economic Growth Council</b>	Next meeting is October 26th at 7:00 am
<b>Business Outreach</b>	Fall business newsletter is in the works. Small business Saturday is November 25.

**Other Administrative Projects**

<b>Tax Acquired Property Policy</b>	See additional information on this subject.
<b>Nylander</b>	Saturday October 14 @ 9:00 am will be the soft opening for the Nylander Museum.
<b>Fire Structural Work</b>	No new updates.
<b>Fire Station Renovations</b>	No new updates.
<b>Police Station</b>	No new updates.
<b>River Road</b>	No new updates.
<b>Investment Policy</b>	No new updates.
<b>Trailer Park Closure</b>	No new updates.
<b>Cable Franchise Renewal</b>	No new updates.
<b>Airport</b>	No new updates.
<b>Personnel Policy</b>	No new updates.
<b>New LED Street lights</b>	No new updates.
<b>Comp Plan Update</b>	Community Visioning and Update Session will be held on Thursday October 26 @ 6:00 pm at the Wellness Center. All are invited. Childcare provided.
<b>LD 2003 Implementation</b>	NMDC received funding to begin working on this October 1.
<b>15 Prospect Street</b>	Several meetings with owner.
<b>Water Street Fire</b>	On tonight's agenda.
<b>Age-Friendly Efforts</b>	No new updates.
<b>Personnel Changes</b>	Public Works, Caribou Police Department, Caribou Public Library and Caribou Code Enforcement all hiring.
<b>DOT Village Partnership</b>	RFP is out. Bids due back October 13.
<b>Aroostook Waste Solutions</b>	Construction of 5&6 underway despite all of the rain, only delayed 2 weeks.
<b>Cary Medical Center</b>	100th Anniversary in 2024. Planning underway. If you have old photos, memorabilia or stories, please reach out to Bill Flag.
<b>Administrative Approvals</b>	Jade Palace, Par & Grill and Caribou Inn and Convention Center liquor license and Special Amusement permits
<b>Other Updates</b>	Congratulations to Spud Sweedway for a successful Caribou Dust Bowl.

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



**MEMO**

**To: Mayor and City Council Members**  
**From: Penny Thompson, City Manager**  
**Date: October 10, 2023**  
**Re: Manager's Report – Special Section on Tax-Acquired Property**

---

The City Council has requested an update on the actions taken by the Maine legislature after the U.S. Supreme Court decision in *Tyler v Hennepin County, Minnesota*.

Maine Municipal Association has provided guidance (enclosed).

The actions that will need to be taken by the City of Caribou:

- Delay sales of tax-acquired property to anyone other than the former owner
- Review and update our policy on tax-acquired property
- Review any sales of foreclosed property that occurred after June 30, 2023

Other considerations:

- Knowing that there will be increased responsibilities in disposing of foreclosed property (unless it is conveyed back to the original owner), does the City of Caribou want to waive foreclosure on any property that will automatically foreclose in November? Since it can only go back to the original owner, the only reason to foreclose is to force the owner to pay all back taxes before having a quitclaim deed issued. The property owner loses exemption status so any subsequent year taxes due would be at the full amount.
- Costs to cure issues such as blight are not listed in §943-C(3)(C) specifically only that there is a provision for the expenses incurred by the municipality to maintain the property. This disincentivizes the municipality from allowing the property to foreclose and then address the blight.

**REQUESTED ACTION:**

No action needed, this is for discussion so that staff can get direction.

## **MAJOR CHANGES REQUIRED FOR SALES OF TAX-ACQUIRED PROPERTY**

### **MMA Legal Services Guidance**

Updated August 31, 2023

\*\*\*\*\*

A recent U.S. Supreme Court decision and a new Maine law will immediately require municipalities to implement major changes to tax-acquired property sale procedures.

#### **What did the U.S. Supreme Court hold?**

In [\*Tyler v. Hennepin County, Minnesota\*](#), 598 U.S. 631, decided May 25, 2023, the U.S. Supreme Court unanimously held that a government violates the Takings Clause of the U.S. Constitution's Fifth Amendment when it sells tax-acquired property and keeps more sales proceeds than are owed in delinquent taxes, interest, costs.

In *Tyler*, a Minnesota County foreclosed on Geraldine Tyler's condo for unpaid property taxes, later selling the property for more than she owed in back taxes. Minnesota law allows the government to keep all proceeds from sales of tax-acquired property -- which it did in Tyler's case. Tyler sued, claiming the County's action violated the takings clause of the U.S. Constitution's Fifth Amendment, which prohibits the government from taking property for public use without just compensation. Lower courts dismissed her suit for lack of standing on the grounds that she did not have a property interest in the sale proceeds because she did not own the property at the time of sale; full title had previously passed to the government.

The U.S. Supreme Court reversed, holding that Tyler did state a valid claim. The Court held that property owners like Tyler have a property interest in "excess" equity from the sale of tax-acquired property. Although Hennepin County had the right to foreclose on, seize and sell the property, it violated the Constitution when it retained more in sale proceeds than the amount Tyler owed.

#### **Why does the *Tyler* decision matter to Maine municipalities?**

The decision is significant because the Minnesota law challenged in *Tyler* is similar to Maine's tax lien mortgage foreclosure law ([36 M.R.S. § 942 – 943](#)), which vests full title in the municipality upon lien foreclosure and allows the municipality to keep all sale proceeds received from the sale of tax-acquired property.

As a result of the *Tyler* decision, it is likely unconstitutional for Maine municipalities to retain all proceeds of tax-acquired property sales.

The same principles likely also apply to sale proceeds connected to sale of property acquired through other municipal lien forfeitures, for example, lien foreclosures based on unpaid sewer or stormwater charges.

### **Does this decision invalidate Maine’s tax lien mortgage foreclosure process?**

No. The *Tyler* decision does not invalidate Maine’s tax lien mortgage foreclosure statute or any past or present municipal tax lien mortgage foreclosure proceeding. The Court’s decision only impacts post-foreclosure sale procedures.

### **Have changes to Maine law resulted?**

Yes. Immediately after the *Tyler* decision was issued, Maine’s Legislature enacted emergency legislation ([PL 2023, c. 358](#)), **effective June 30, 2023**, that independently requires municipalities to return “excess” sale proceeds. The new legislation, “Chapter 358” has:

- **Repealed** the special sale process for tax-acquired homestead property formerly owned by senior low-income persons (36 M.R.S. § 943-C);
- **Reformulated** 36 M.R.S. § 943-C to instead establish sale procedures applicable to virtually all sales of real estate acquired via the tax lien mortgage foreclosure process in 36 M.R.S. §§ 942 - 943; and
- **Defined** excess sale proceeds and required their return to the former owner.

### **What sale procedures are now required? (updated 8/31/23)**

Effective June 30, 2023, if tax-acquired real estate will be sold to someone other than the former owner:

- (1) At least 90 days prior to listing property for sale the municipal officers or their designee must send a written notice to the last known address of the “former owner” by U.S. Postal Service certified mail return receipt requested and first-class mail, of the right to require the sale process in 36 M.R.S. § 943-C. (This [Maine Revenue Services form](#) must be used to provide notice to the former owner(s)).
- (2) If the former owner files a written demand within 90 days after notice, the municipal officers or their designee must list the property for sale with a real estate

broker licensed in Maine. The broker may not hold an elected or appointed office in the municipality nor be employed by the municipality.

- (3) The municipal officers must sell the property via quitclaim deed to the successful buyer at the highest price at which the property is able to sell or the price at which the real estate broker anticipates it to sell within 6 months after listing.
- (4) Any excess sale proceeds must be paid to the former owner (see below).
- (5) If the municipal officers are (a) unable to list or sell the property as required above or (b) if the former owner does not file a request for the special sale process, the municipal officers may sell the property in any manner authorized by the municipality's legislative body, **provided that the former owner must still receive any excess sales proceeds.**

### **Who is the “former owner”?**

“Former owner” is defined in the new law as the “owner or owners of record at the time of foreclosure and if deceased, the former owner’s heirs, devisees, or personal representative.”

### **What if the property was owned by more than one owner when the lien foreclosed? (updated 8/31/23)**

If tax-acquired property was co-owned by more than one person at the time the lien foreclosed (e.g., by one or more tenants in common or joint tenants), MMA Legal Services recommends that the required notice of special sale process be sent to each co-owner at least 90 days before the tax-acquired property is listed for sale. The special sale process should be used if one of the former co-owners requests the special sale process.

### **How is the amount of “excess sale proceeds” determined?**

The excess proceeds to be returned to the former owner is the amount of sale proceeds remaining after the municipality deducts the following amounts (see new § 943-C(3)(C)):

- (1) All taxes owed on the property;
- (2) Property taxes that would have been assessed on the property after foreclosure while the property was owned by the municipality;
- (3) All accrued interest;

- (4) Fees, including property listing and real estate broker's fees;
- (5) Any other expenses incurred by the municipality in selling or maintaining the property, including, but not limited to, an administrative fee equal to 10% of the property taxes owed and reasonable attorney's fees;
- (6) The municipality's lien and foreclosure process costs, including but not limited to, reasonable attorneys' fees; and
- (7) Unpaid sewer, water or other utility charges and fees imposed by the municipality.

**Are special forms required to provide notice to the former owner? (updated 8/31/23)**

Yes. Chapter 358 requires municipalities to use application forms, notices and instructions provided by the State Tax Assessor, Maine Revenue Services (MRS). A "Notice of Intent to Sell Foreclosed Property" is currently available on the Maine Revenue Services website:

[https://www.maine.gov/revenue/sites/maine.gov.revenue/files/inline-files/foreclosure\\_notice.pdf](https://www.maine.gov/revenue/sites/maine.gov.revenue/files/inline-files/foreclosure_notice.pdf). At this time, it is not clear whether MRS plans to issue an application form for the former owner to request the special sale process. Municipalities may contact MRS at (207) 624-5600 with questions about the forms.

**Which sales are covered by the new sale procedure?**

Chapter 358 applies to sales of tax-acquired real estate made after June 30, 2023 regardless of when the underlying lien foreclosed.

**Is updated local authority needed to implement the new law?**

Possibly. Although Chapter 358 requires specific sale procedures, it does not actually *authorize* any sale of tax-acquired property – only the municipal legislative body has that authority.

Unfortunately, existing warrant articles, ordinances or charters may not authorize (or may conflict with) the sale procedures now required. For instance, a warrant article or ordinance may require all sales to be conducted by sealed bid, which does not comply with or authorize procedures under the new law (Chapter 358 requires that most properties be listed with a licensed real estate broker).

Some existing municipal articles or ordinances may be consistent with the new law; for example, an article broadly allowing sales within the municipal officers' discretion would remain valid, assuming the municipal officers do comply with the new law. However, it

may be better for an article to specifically address the required process and the municipality's duty to return excess proceeds.

Before proceeding with the sale of tax-acquired property, the municipal officers should review any articles, ordinances, charter provisions or internal policies addressing disposition of tax-acquired real estate for compliance with the new law. In many cases, a special town meeting or council action to revise articles or ordinances may be necessary. Charter municipalities should seek legal advice if the charter addresses tax-acquired property sales.

### **What immediate steps should municipalities take? (updated 8/31/23)**

Because the law immediately limits tax-acquired property sale procedures, we strongly advise municipalities to:

- (1) Review and update** existing warrant articles, ordinances, charter provisions or policies addressing disposition of tax-acquired property to ensure consistency with the law's new sale requirements;
- (2) Delay all sales of tax-acquired property** until the municipal officers can confirm there is sufficient authority from the town's legislative body to use the special sales process in 36 M.R.S. § 943-C; and
- (3) Obtain required Maine Revenue Services form(s)** to notify the former owner(s) 90 days before the date of an intended sale (to anyone other than the former owner) as required in 36 M.R.S. § 943-C.

### **Does MMA have sample warrant articles that comply with the law?**

The following basic templates are offered as examples of articles that would be consistent with Chapter 358's new requirements. We also recommend review by the municipality's attorney before an article is presented to the town meeting for approval.

Art. \_\_. To see if the Town will vote to authorize the municipal officers to dispose of tax-acquired property as they deem in the best interests of the Town, except that the municipal officers shall first use the sale process in 36 M.R.S. § 943-C if they choose to sell property to anyone other than the former owner. For sales to someone other than the former owner, excess sale proceeds, as defined in 36 M.R.S. § 943-C, shall be returned to the former owner.



Art. \_\_. To see if the Town will vote to require the municipal officers to provide the former owner(s) of tax-acquired property, or if deceased his/her/their heirs, personal representative or devisees \_\_\_\_\_ months to repurchase the property on terms the board deems in the best interests of the Town; if the former owner does not repurchase the property the municipal officers may sell the property through the sale process in 36 M.R.S. § 943-C, provided that if the former owner does not timely request that process or the board is unable to list or sell the property as required by § 943-C(3), the board may sell the property in any manner it deems in the best interests of the Town. For sales to someone other than the former owner, excess sale proceeds, as defined in 36 M.R.S. § 943-C, shall be returned to the former owner.

Art. \_\_. To see if the Town will vote to authorize the municipal officers to dispose of tax-acquired property via quitclaim deed by either (A) offering the property to the former owner(s) or if deceased, to his/her/their heirs/devisees/personal representative for a price equal to all outstanding taxes, interest, fees and costs; or (B) using the process authorized by 30-A M.R.S. § 943-C, provided that if the former owner does not request that process or the board is unable to list or sell the property as required by § 943-C(3), the board may sell the property through a competitive sealed bid process in which a notice advertising sale of the property shall be published at least twice in a newspaper of general circulation in the county. For sales other than to the former owner, excess sale proceeds, as defined in 36 M.R.S. § 943-C, shall be returned to the former owner.

**Should we require the former owner to agree to, or release claims for, the amount of excess proceeds returned by the municipality?**

At a minimum, the municipal officers should require the former owner(s) to acknowledge in writing receipt of any excess proceeds and the municipality's accounting of deductions from total sale proceeds.

Chapter 358 expressly allows municipalities to condition disbursement of excess proceeds on delivery of a quitclaim deed by the former owner releasing any potential interest the former might have in the property. A quitclaim deed is the strongest approach for protecting the municipality's interests. Also, the reassurance that the former owner will release his/her claims on the property at the close of the sale process may address some potential title concerns for prospective buyers, possibly increasing the expected sale price (and former owner's proceeds).

Chapter 358 also provides that receipt of such excess proceeds by the former owner is deemed to be a waiver of the former owner's right to challenge the lien foreclosure

pursuant to 36 M.R.S. § 946-B. (Section 946-B normally allows up to 5-years to challenge foreclosures of liens recorded after 10/13/14).

At this time MMA Legal Services has not developed a sample deed for this purpose; until a sample is developed municipal officers will need to work with the municipality's attorney to draft deed and release language, if desired.

### **Does the new law apply to municipal sewer and stormwater liens?**

The newly reformulated 36 M.R.S. § 943-C does not apply to sales of property acquired through a lien foreclosure based on unpaid sewer or stormwater user charges.

However, the constitutional principles stated in the *Tyler* decision likely apply to many types of government forfeitures. Excess sale proceeds received from sale of property acquired through sewer or stormwater lien foreclosures may need to be returned to the former owner. As a result, municipal sale procedures and warrant articles or ordinances governing sale of real estate acquired through other types of lien forfeitures should be reviewed and revised with advice of counsel.

### **What if the former owner does not request the special sale process?**

If the former owner does not respond within 90 days of notice requesting the special sale process, the municipal officers may proceed to sell the property as otherwise allowed by the municipal legislative body. However, **the municipality must still return excess sale proceeds to the former owner.**

The statute (36 M.R.S. § 943-C) allows municipalities the flexibility to determine the sale process *in this limited instance*. Unfortunately, no additional guidance on sale procedures or minimum sale price was provided by the *Tyler* decision. (Note that the sale price impacts the amount of excess proceeds, if any, to be returned to the former owner).

Until additional guidance is provided by statute or the courts, in the few situations where section 943-C allows municipalities to choose sale procedures, the most cautious course of action is to use a sale process intended to obtain a reasonable sale price. To that end, municipalities may wish to incorporate elements such as ample notice, wide-spread advertising, and/or a competitive process. Options might include a well-advertised sealed bid process or a professionally managed auction process. (Note: title issues inherent to tax-acquired property usually mean that the market value will be lower than if the property was not tax-acquired.)

### **May we sell the property back to the former owner?**

The law allows sales back to the former owner assuming the municipal legislative body has provided that authority.

However, neither Chapter 358 nor the *Tyler* decision provides guidance as to the amount the municipality may require the former owner to pay to repurchase tax-acquired property. Based on the constitutional principles stated in *Tyler*, municipalities likely should base the repurchase price for the former owner on the total taxes, interest, fees and administrative costs associated with the property. The list of costs contained in 36 M.R.S. § 943-C(3)(C) may be helpful guidance.

### **What about municipalities that already adopted ordinances allowing return of excess sale proceeds?**

Since 2015, Maine law (36 M.R.S. § 949) has allowed municipalities to adopt ordinances voluntarily returning excess proceeds to the former owner of tax-acquired property. Unfortunately, Chapter 358 does not directly address how its requirements coordinate with existing authority in section 949. However, because Chapter 358 is the more recent legislative enactment, Chapter 358 likely supersedes section 949 in any places where the two laws conflict. For that reason, municipalities that adopted ordinances under section 949 should review those ordinances with legal counsel and revise them for consistency with Chapter 358.

### **Unanswered questions:**

The *Tyler* decision and the recently enacted Maine legislation (Chapter 358) did not address several important questions, including:

- How should municipalities provide notice and return excess proceeds when tax-acquired property is abandoned or when the former owner is deceased, and no personal representative has been appointed?
- How long must property be listed with a real estate agent before the municipal officers may determine they were “unable” to sell the property through a real estate agent?
- How many real estate agents must decline to list tax-acquired property before the municipal officers may determine they were “unable” to list the property?

- If a reasonable offer is received through a real estate broker, is the municipality obligated to seek additional offers?
- What obligations apply when a municipality retains tax-acquired property for municipal use?
- What is required for tax-acquired properties the municipality sold before the *Tyler* decision was issued?
- What obligation does the municipality have to seek the best price (i.e., highest surplus) for such property and what sale procedures are sufficient to meet that obligation?

Chapter 358 established a working group to study issues surrounding tax lien procedures and sale of tax-acquired property. It is hoped that the working group will result in legislative proposals to address many questions left unanswered by the *Tyler* decision.

MMA Legal Services is also continuing to review the *Tyler* decision and conduct further research on questions left unanswered by the Court. **We expect to update this guidance in the future.**

**Quick Links to Resources (updated 8/31/23):**

[\*Tyler v Hennepin County, Minnesota\*, 598 U.S. 631 \(May 25, 2023\)](#)

“An Act to Return to the Former Owner Any Excess Funds Remaining After the Sale of Foreclosed Property,” [PL 2023, chapter 358](#)

Real Estate Tax Lien Mortgage Foreclosure statute, [Title 36 M.R.S. § § 942 – 949.](#)

Maine Revenue Services [Notice of Intent to Sell Foreclosed Property](#)

“[Major U.S. Supreme Court Decision Impacting Municipalities](#),” MMA Legal Services Update, May 25, 2023

\*\*\*\*\*

For more information or questions, please contact:

**MMA Legal Services** at 800-452-8786 or [legal@memun.org](mailto:legal@memun.org).

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



**MEMO**

**To: Mayor and City Council Members**  
**From: Penny Thompson, City Manager**  
**Date: October 10, 2023**  
**Re: Manager's Report – Special Section on LD 2003 / LD 1706**

---

LD 2003 was signed into law in April 2022 and requires municipalities to amend or create new zoning ordinances. It was designed to remove regulatory barriers to housing production, allow additional density for affordable housing developments, additional dwelling units per lot in residential areas, and accessory dwelling units on the same lot as a single-family home.

LD 1706 clarifies the implementation date. The implementation date for Caribou is January 1, 2024. I'm not convinced this is a reasonable target. The Department amended 19-100 CMR Chapter 5. That final rule was effective October 1, 2023.

Housing Opportunity Program grant funding is available for service providers to support municipal ordinance development. The City of Caribou supported the application of Northern Maine Development Commission (NMDC) to obtain a 2023 Service Provider Grant. They were awarded the grant and could begin work on October 1, 2023.

This legislation has established the Housing Opportunity Program within DECD and they are providing guidance (enclosed).

The actions that will need to be taken by the City of Caribou:

- Work with NMDC for ordinance development.

Other considerations:

- City can add provisions. Example: that one unit per lot with an ADU is owner-occupied.
- Many areas of Caribou are served by subsurface wastewater disposal systems.

REQUESTED ACTION:

No action needed, this is for discussion so that staff can get direction.

# PL 2021, ch. 672 (LD 2003)

## Housing Opportunity Program



# LD 2003 Overview



- Signed by Gov. Mills in April 2022 to increase housing opportunities in Maine by requiring municipalities to amend or create new zoning ordinances.
- Designed to remove unnecessary regulatory barriers to housing production, while preserving local ability to create land use plans.
- Broadly, LD 2003 allows:
  - For additional density for affordable housing developments;
  - The addition of between 2 and 4 dwelling units per lot in residential areas;
  - Accessory dwelling units on the same lot as a single-family home.
- Includes requirements that the
  - State establish housing production goals; and
  - Municipalities align ordinances with the federal Fair Housing Act and Maine Human Rights Act.
- Established the Housing Opportunity Program in DECD.

# Why does LD 2003 matter?

- LD 2003 is one tool to support the development of additional housing units in Maine by encouraging the development of many different types of housing, including affordable housing units. Not all units built according to the requirements in LD 2003 must be "affordable" as defined by HUD.
- LD 2003 removes regulatory barriers to creating additional housing, while allowing municipalities to:
  - Continue to create land use plans and protect sensitive environmental resources through comprehensive planning;
  - Regulate housing development based on documented water and wastewater capacity constraints;
  - Enforce shoreland zoning; and
  - Create rate of growth ordinances.



# Affordable Housing Density Bonus

30-A M.R.S.  
§ 4364

- Creates an automatic density bonus for certain “affordable housing developments.”
- To qualify for bonus, development must
  - ✓ Be approved on or after a municipality's implementation date;
  - ✓ Designate more than 51% of the units in the development as affordable;
  - ✓ Be in a designated growth area as defined by Maine law or served by public water and sewer or a comparable system;
  - ✓ Be in an area in which multifamily dwellings are allowed;
  - ✓ Meet shoreland zoning requirements, meet minimum lots sizes if using subsurface waste disposal, and prove that water and sewer capacity is adequate for the development.

# Affordable Housing Density Bonus

30-A M.R.S.  
§ 4364

- What is a designated growth area?
  - An area designated in a municipality's comprehensive plan that is suitable for development, especially over the next 10 years.
- If eligibility requirements are met, the affordable housing development qualifies for the following exceptions to zoning requirements:
  - The number of units allowed will be 2.5 times greater than the number allowed for a development not designated as affordable (**base density**).
  - The off-street parking requirements may not exceed 2 spaces for every 3 units.

# What does “affordable” mean?

- For rentals: a household with an income at no more than 80% of the area median income for the community, as defined by HUD, must be able to afford at least 51% of the units in the development.
- For homeowners: a household with an income at more than 120% of the area median income for the community, as defined by HUD, must be able to afford at least 51% of the units in the development.
- Affordable units must be restricted through a restrictive covenant for at least 30 years.

- Area Median Income:
- updated annually by HUD
  - AMI data available on MaineHousing’s website

# 30-A M.R.S. § 4364-A, Residential Areas; Up to 4 Dwelling Units

- Requires municipalities to allow between 2-4 dwelling units on lots where residential uses are allowed, with evidence of sufficient water and wastewater capacity.
- Municipalities may not apply different dimensional requirements to lots with more than one housing unit on them than they would to a lot with one housing unit, with the exception that minimum lot area per dwelling unit can be required, as long as the lot area required is not less for the first unit than for subsequent units.



# Number of Units

## General Rule: Up to 2 Units

- Generally, a municipality must allow up to 2 dwelling units per lot if that lot does not contain an existing dwelling unit.
- A lot with an existing dwelling unit may have up to two additional dwelling units either attached, detached, or one of each.

## Exception: Up to 4 Units

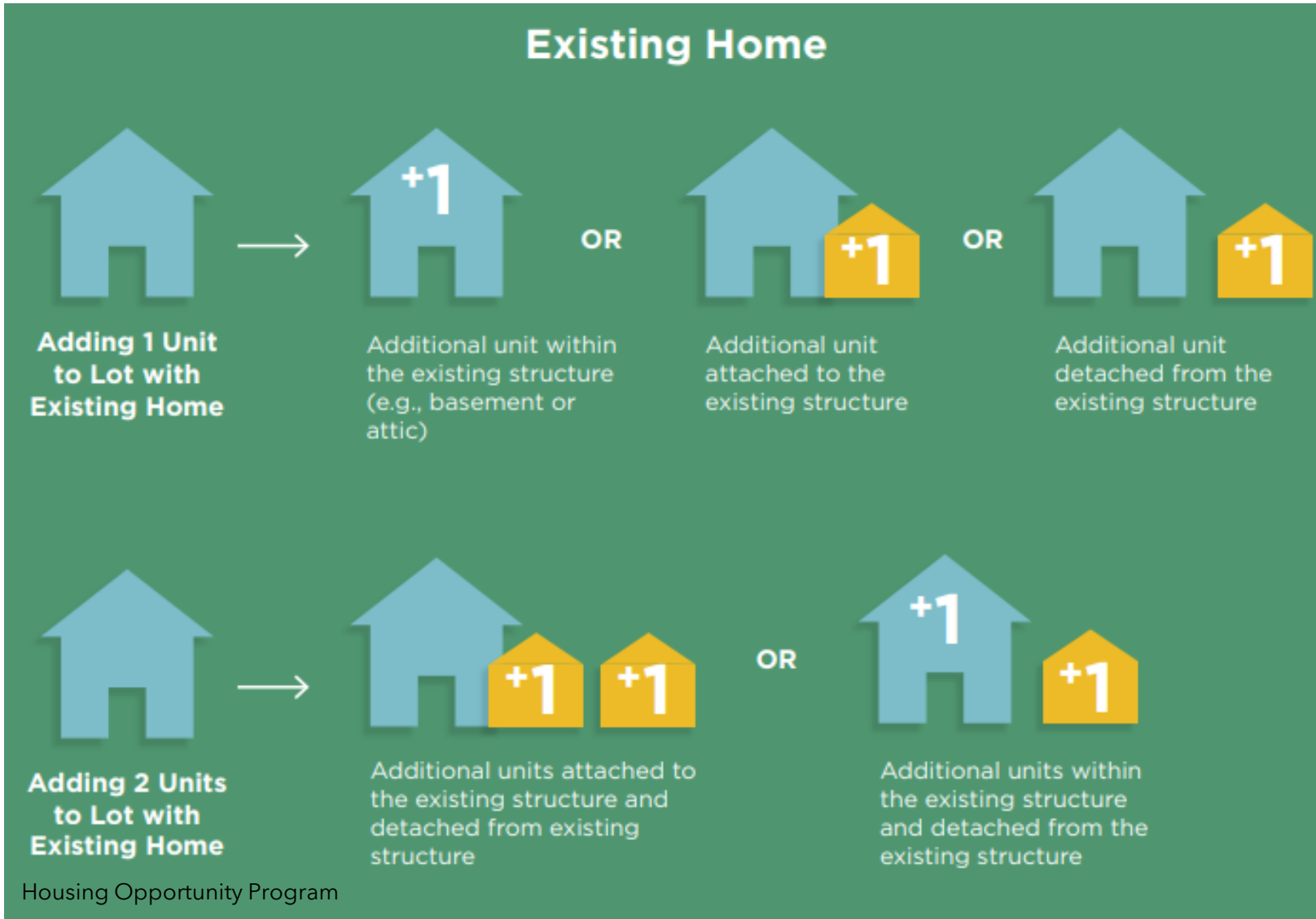
- A municipality must allow up to 4 units on a lot that permits residential uses if the lot does not contain an existing unit and:
  - Is located within a designated growth area; or
  - Is served by public water and sewer (or a comparable designation) in a municipality without a comprehensive plan.

Municipalities may allow more than the minimum number of units described above.

# Example 1: Empty Lot\*



# Example 2: Existing Home

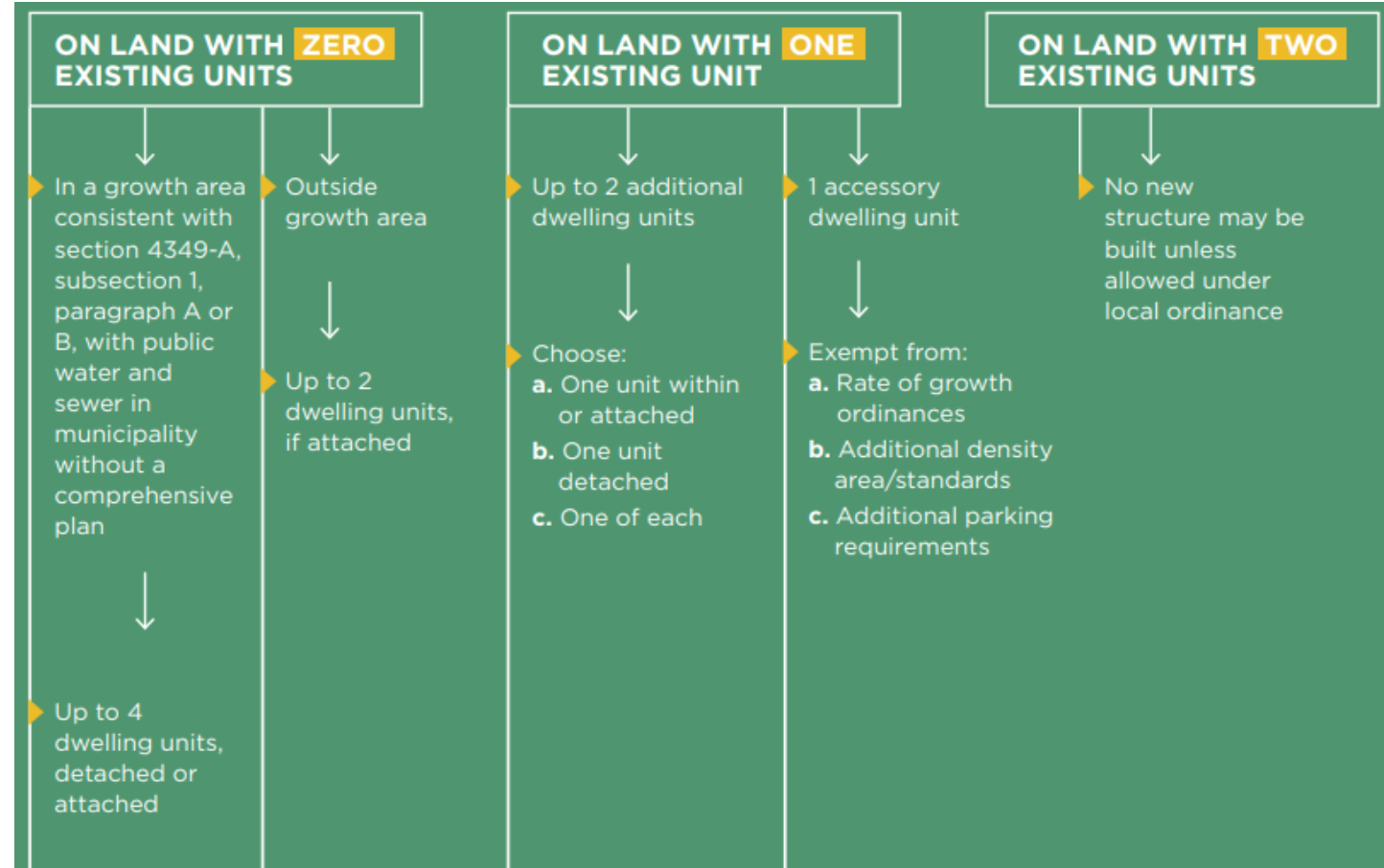


**Note:** Orange units in diagram are intended to be dwelling units, not accessory dwelling units. 30-A M.R.S. 4364-A only governs dwelling units, not accessory dwelling units.

Municipalities can define dwelling unit and accessory dwelling unit in local ordinance to differentiate between the two structure types.

# Restrictions on Additional Density

- If more than one dwelling unit is constructed as a result of this section of LD 2003, the lot is not eligible for any additional increases in density, unless otherwise allowed by the municipality.
- For example, if a lot owner constructed a duplex on a lot with an existing single-family home, a lot owner would not be able to build an accessory dwelling unit on that lot as well, unless this was permitted in local ordinance.





# Accessory Dwelling Units

30-A  
M.R.S.  
§ 4364-B

- This section allows a lot with a single-family dwelling in an area where residential uses are allowed, including as a conditional use, to have one accessory dwelling unit.
- The ADU can be:
  - Within the existing home;
  - Attached to it; or
  - A new structure.
- An ADU is exempt from zoning density requirements but the dimensional requirements, including setback requirements, for a single-family home continue to apply unless the municipality makes them more permissive.

# ADUs

30-A

M.R.S.

§ 4364-B

- A municipality may not require additional parking for the addition of an ADU (except those allowed for the single-family unit).
- ADUs must be at least 190 square feet in size. Municipalities can set a maximum size.
- Municipalities may establish an application and permitting process for ADUs that does not require planning board approval.
- An ADU is permitted on a lot that does not conform to the municipal zoning ordinance, if the accessory structure does not further increase the nonconformity.
- Municipalities may regulate short term rentals in local ordinance.
- An accessory dwelling unit that was not built with municipal approval must be allowed if the accessory dwelling unit otherwise meets the requirements for accessory dwelling units of the municipality and under this section

# Other land use standards to consider

- Valid and enforceable easements, covenants, deed restrictions and other agreements or instructions between private parties still apply, as long as the agreement does not restrict constitutional rights.
- Subdivision law may still apply to lots.
- Shoreland zoning still applies to lots located within the shoreland zone.
  - Municipalities cannot categorically prohibit ADUs in the shoreland zone but municipal shoreland zoning ordinances *may* restrict the addition of an ADU.
- Developments must comply with minimum lot size requirements in accordance with Title 12, chapter 423-A, as applicable.
- All units must be connected to adequate water and wastewater services before the municipality may certify the development for occupancy.

# Implementation Date



**P.L. 2023, ch. 192** (LD 1706) An Act to Clarify Statewide Laws Regarding Affordable Housing and Accessory Dwelling Units

- This legislation changes the implementation date for municipal compliance to the following:
  - January 1, 2024, for municipalities for which ordinances may be enacted by the municipal officers without further action or approval by the voters of the municipality; and
  - July 1, 2024, for all other municipalities

# Rulemaking

The Department is in the process of amending 19-100 CMR Ch. 5 because of the passage of LD 1706.



# Which statutes of LD 2003 apply to my municipality?

## Affordable Housing Density Bonus

30-A M.R.S. 4364

Applies to municipalities with:

- (1) Adopted density requirements and
- (2) Designated growth areas OR public water/sewer

## Up to Four Dwelling Units

30-A M.R.S. 4364-A

Applies to all municipalities.

Number of allowed units on a lot will depend on whether:

- (1) a lot is within a designated growth area OR
- (2) a lot has public water/sewer in a municipality without a comprehensive plan

## ADU

30-A M.R.S. 4364-B

Applies to all municipalities

# Key Questions to Consider during Ordinance Review

- Does my town need to amend existing sections or create new sections of ordinance to comply with LD 2003?
- Does my town have established density requirements?
- Does my town allow multifamily housing?
- Where are my towns growth areas, if applicable?
- Where is public water and sewer located, if applicable?
- What are my town's parking requirements, if applicable?
- What are my town's procedures for determining "adequate water and wastewater?"
- Does my town have water/sewer systems that could be considered "comparable systems?"
- Some provisions of LD 2003 allow for municipal choice (*may vs. must*) . Does my municipality want to set standards in these areas? See next slide.

# Options to Consider during Ordinance Review

**30-A M.R.S 4364-A**

- Allow additional dwelling units than the number required pursuant to 30-A M.R.S. 4364-A
- Establish a prohibition or allowance for lots where a dwelling unit is torn down and an empty lot results
- Establish an application and permitting process for housing structures
- Impose fines for violation of building, zoning and utility requirements for housing structures
- Establish alternative, less restrictive criteria for granting variances pursuant to 30-A 4354(4).

**30-A M.R.S. 4364-B**

- Allow ADUs in accessory structures
- Establish more permissive dimensional requirements, including set back requirements for ADUs.
- Establish a maximum size for ADUs
- Establish an application and permitting process for ADUs that does not require planning board approval
- Impose fines for violation of building, zoning and utility requirements for ADUs
- Establish alternative, less restrictive criteria for granting variances pursuant to 30-A 4354(4).



# Questions?

Hilary Gove and Benjamin Averill

Housing Opportunity Program Coordinators

[housing.decd@maine.gov](mailto:housing.decd@maine.gov)

<https://www.maine.gov/decd/housingopportunityprogram>



## Caribou Public Library

*Where heritage meets innovation*

04 October 2023

City Council  
City Manager Penny Thompson  
25 High St.  
Caribou, ME 04736

To Mayor Smith, City Councilors, and Penny Thompson,

The Library Director and Library Board of Trustees have put combined their efforts to create a Strategic Plan to guide library development and programming over the next 5 years.

This plan has been broken down into a 2-year plan, and a 5-year plan. Each plan is comprised of goals to strive for and provides the library with direction, with the 5-year plan building on the goals of the 2-year.

The Library Board has reviewed this plan many times and has approved this version of the plan. At this time, the Library Director and Library Board of Trustees are asking for the City Council to approve this strategic plan as an official working document of the Caribou Public Library.

Respectfully,

*Peter J. Baldwin Jr*

Peter J. Baldwin Jr.  
Library Director



# STRATEGIC PLAN 2024-2028

CARIBOU PUBLIC LIBRARY  
30 HIGH ST.  
CARIBOU, ME 04736

Peter Baldwin, Library Director  
LibraryDirector@cariboumaine.org  
(207)493-4214

*"Where Heritage Meets Innovation"*

# Contents

Mission Statement .....	2
Letter from the Director .....	3
Purpose.....	4
Vision.....	4
Values .....	4
Code of Ethics.....	5
Library Bill of Rights .....	6
Two Year Strategic Plan .....	7
Two Year Strategies .....	8
Grow as a Community Organization.....	8
Encourage Community Involvement.....	8
Expand our Presence .....	8
Seek Alternative Funding .....	9
Engaging Young Minds .....	9
Five Year Strategic Plan .....	10
Five Year Strategies .....	11
Merge the Library with Current Technology.....	11
Preserve and Grow .....	11
Assess Program Development.....	11
Advance Library Special Collections .....	12
Acknowledgements.....	13



## MISSION STATEMENT

Our mission is to welcome, promote, and encourage our community to grow through learning and be empowered through knowledge. We strive to provide the necessary resources to strengthen and support education and lifelong learning opportunities. We believe it is important to uphold the public's right to know by providing equal access to information which reflects all points of view. Lastly, we will work hard to provide a safe and welcoming atmosphere to individuals and families.



# Letter from

# The Director

We are pleased to present you with the Caribou Public Library's Strategic Plan for FY2024 through FY 2028. This plan is ambitious, exciting, and will act as a framework to guide the library through its next five years of progress. During this period, the library hopes to use the Strategic Plan to better meet the needs of all citizens of Caribou by offering specific areas of focus. This plan was created based on the current needs of Caribou, with plans to assess the ever-changing needs of the community we serve.

In assessing the needs of Caribou, we thought it prudent to address the issues of ageing within our fine city. A large portion of our current patronage and community is of an older demographic, which in turn expects a different degree of care from its community service representatives. For this reason, we have heavily considered the needs of older adults within our plan and have decided on several avenues to explore in the coming years that we feel will help to better meet the needs of our ageing population.

Alternatively, we also plan to encourage more involvement by the youth of our community. The library has always had exceptional programming for children but has seen difficulty in engaging with the young adult population. To reconcile this divide, we are determined to offer more dedicated programming and educational offerings that are garnered towards educational and social education of our youth.

This Strategic Plan is intended to be a living document; one that is flexible enough to change with the growing needs of the community, but with enough rigidity to purposefully direct the actions of the library in the coming years.

The library exists to serve the community. If you have any thoughts or ideas for the library, you can email me at [librarydirector@cariboumaine.org](mailto:librarydirector@cariboumaine.org).

*Peter J. Baldwin Jr.*

Library Director

# PURPOSE

This strategic plan was developed by the Library Director and the Caribou Public Library Board of Trustees to guide the programs, goals, and direction of the Caribou Public Library over the next few years.

## Vision

The Caribou Public Library

- Is a community driven library that develops programs for the betterment of the City of Caribou.
- Is a welcoming community environment that strives to meet the needs of the citizens of Caribou through the development of innovative and creative programs and services.
- Utilizes its staff to their greatest potential to ensure a workplace of energetic and dedicated employees.
- Uses community input to develop new programs and services that prove beneficial to the citizens of Caribou.
- Fosters a cooperative environment between the Library Director, Library Staff, and Library Board of Trustees to make service decisions to match patron needs.

## Values

Collaboration

- We willingly work with outside organizations to bring together a variety of services that impact the education, learning, and care of our patrons. We recognize that the staff are vital to the library's function and are responsible for the library's success.

Efficiency

- We use all available resources to their fullest potential and inspire creativity in our programming. We use data from programming to create the best services for the community, while examining activities as the needs of the community change.

Community

- We embrace the wide cultures of the community we serve and seek every opportunity to expand our presence to those outside the library.

Equity

- We work towards an environment of inclusivity, seeking out an assortment of programs and materials that reflect the nature of our diverse community.

# CODE OF ETHICS

As members of the American Library Association, we recognize the importance of codifying and making known to the profession and to the general public the ethical principles that guide the work of librarians, other professionals providing information services, library trustees and library staffs.

Ethical dilemmas occur when values are in conflict. The American Library Association Code of Ethics states the values to which we are committed, and embodies the ethical responsibilities of the profession in this changing information environment.

We significantly influence or control the selection, organization, preservation, and dissemination of information. In a political system grounded in an informed citizenry, we are members of a profession explicitly committed to intellectual freedom and the freedom of access to information. We have a special obligation to ensure the free flow of information and ideas to present and future generations.

The principles of this Code are expressed in broad statements to guide ethical decision making. These statements provide a framework; they cannot and do not dictate conduct to cover particular situations.

1. We provide the highest level of service to all library users through appropriate and usefully organized resources; equitable service policies; equitable access; and accurate, unbiased, and courteous responses to all requests.
2. We uphold the principles of intellectual freedom and resist all efforts to censor library resources.
3. We protect each library user's right to privacy and confidentiality with respect to information sought or received and resources consulted, borrowed, acquired or transmitted.
4. We respect intellectual property rights and advocate balance between the interests of information users and rights holders.
5. We treat co-workers and other colleagues with respect, fairness, and good faith, and advocate conditions of employment that safeguard the rights and welfare of all employees of our institutions.
6. We do not advance private interests at the expense of library users, colleagues, or our employing institutions.
7. We distinguish between our personal convictions and professional duties and do not allow our personal beliefs to interfere with fair representation of the aims of our institutions or the provision of access to their information resources.
8. We strive for excellence in the profession by maintaining and enhancing our own knowledge and skills, by encouraging the professional development of co-workers, and by fostering the aspirations of potential members of the profession.
9. We affirm the inherent dignity and rights of every person. We work to recognize and dismantle systemic and individual biases; to confront inequity and oppression; to enhance diversity and inclusion; and to advance racial and social justice in our libraries, communities, profession, and associations through awareness, advocacy, education, collaboration, services, and allocation of resources and spaces.

Adopted at the 1939 Midwinter Meeting by the ALA Council; amended June 30, 1981; June 28, 1995; January 22, 2008; and June 29, 2021.



# LIBRARY BILL OF RIGHTS

The American Library Association affirms that all libraries are forums for information and ideas, and that the following basic policies should guide their services.

I. Books and other library resources should be provided for the interest, information, and enlightenment of all people of the community the library serves. Materials should not be excluded because of the origin, background, or views of those contributing to their creation.

II. Libraries should provide materials and information presenting all points of view on current and historical issues. Materials should not be proscribed or removed because of partisan or doctrinal disapproval.

III. Libraries should challenge censorship in the fulfillment of their responsibility to provide information and enlightenment.

IV. Libraries should cooperate with all persons and groups concerned with resisting abridgment of free expression and free access to ideas.

V. A person's right to use a library should not be denied or abridged because of origin, age, background, or views.

VI. Libraries which make exhibit spaces and meeting rooms available to the public they serve should make such facilities available on an equitable basis, regardless of the beliefs or affiliations of individuals or groups requesting their use.

VII. All people, regardless of origin, age, background, or views, possess a right to privacy and confidentiality in their library use. Libraries should advocate for, educate about, and protect people's privacy, safeguarding all library use data, including personally identifiable information.

Adopted June 19, 1939, by the ALA Council; amended October 14, 1944; June 18, 1948; February 2, 1961; June 27, 1967; January 23, 1980; January 29, 2019.

Inclusion of "age" reaffirmed January 23, 1996.

# TWO YEAR STRATEGIC PLAN

To better develop goals for the Caribou Public Library, the strategic plan has been divided into a two-year and a five-year plan. The goals completed in the two-year plan will be reflected and built upon in the five-year plan.

Directions	Goals
<p><b>Grow as a Community Organization</b>  <b>Engage Community Involvement</b></p> <p>The needs of the community are ever evolving, and the library must transform itself and its services to better align with current needs.</p> <p>The library functions better when the community is directly involved with the library, its services, and its programs.</p>	<ul style="list-style-type: none"> <li>➤ Develop an annual survey to be given to the public to determine interests and be used as a needs assessment.</li> <li>➤ Create a monthly newsletter to be emailed to patrons and be on display at several areas throughout the City of Caribou.</li> <li>➤ Enhance staff resources by getting another full-time employee and encouraging program development.</li> <li>➤ Prioritize recruitment to the Friends of the Library; growing the foundation into a full-fledged, community led organization.</li> <li>➤ Increase library utilization throughout the community by offering a more diverse assortment of outreach programs across different organizations to reach all age demographics.</li> </ul>
<p><b>Expand our Presence</b></p> <p>As a long-standing institution, the library should be a well-known aspect of the City of Caribou.</p>	<ul style="list-style-type: none"> <li>➤ Develop a library bookmobile that can be used for outreach programming, taken to events for book sales, and used in other communities and events in the area.</li> <li>➤ Increase library presence in local media outlets (e.g., WAGM, Aroostook Republican, Channel X Radio) to inform the public of the services of the library.</li> </ul>
<p><b>Seek Alternative Funding</b></p> <p>Large projects often lie outside of the budget of the library, and special funding must be found for larger projects.</p>	<ul style="list-style-type: none"> <li>➤ Consistently seek grant funding opportunities for library projects and programs.</li> <li>➤ Work with the Friends of the Caribou Public Library for fundraising opportunities within local communities.</li> <li>➤ Encourage donations to the libraries memorial fund to be used for vital library programming.</li> </ul>
<p><b>Engaging Young Minds</b></p> <p>The library serves youth who engage with educational offerings such as STEAM, print, and technology materials.</p>	<ul style="list-style-type: none"> <li>➤ Fully develop a Makerspace for guided creative exploration and independent study.</li> <li>➤ Create educational programs centered on computer design, 3D printing, and other STEAM topics.</li> <li>➤ Increase volunteer presence in the library utilizing local students.</li> </ul>

# TWO YEAR STRATEGIES

## Grow as a Community Organization

The Caribou Public Library is funded by the City of Caribou, and continuously strives to develop innovative programming targeted towards the attitudes and expectations of the public. To better understand these needs, the library will create an annual survey to be handed out to the public, outside of the library, to gauge the library's perceived role in the community and to act as a needs assessment for program development.

These programs will be publicized through the distribution of a monthly newsletter to be available to the public, either in person or via email and on display in other areas of the city. As the staff is the library's most valuable resource, the Library Director and Trustees understand the vital role they play in the development and continuation of programming, and daily service to the public. As such, staff resources should be expanded to include another full-time employee and provide more opportunities for the continuing education and training of staff.

## Encourage Community Involvement

The community the library serves is considered to be an ageing population with 25% of citizens being 65 years of age or older. The library intends to focus more of its energy on expanding outreach services to those who are unable to use their library due to difficulties that come with age, physical impairment, or ability. Additionally, the library seeks to partner with local nursing homes, hospitals, rehabilitation centers, and others to offer services that are needed and within the library's role and ability to offer.

The library is community driven and relies on the support of the public to accomplish its mission. The Friends of the Caribou Public Library is a foundational organization that gives the community a more direct connection with their library, as well as a way to support it. The Friends support the library through volunteer and outreach efforts, and through fundraising. Funds raised by this group are used to support library programming and projects. Membership of this organization helps to improve community impact and better connect with the public.

## Expand our Presence

As discovered throughout COVID-19, the library needs a way to provide services and materials to the community regardless of the ability to enter the building. Mobile libraries are an integral part of public library service, and a cost-effective means of serving disadvantaged populations within the community. Likewise, a mobile library can be used in conjunction with other outreach programs at daycare centers, community events, and schools.

# TWO YEAR STRATEGIES (CONT.)

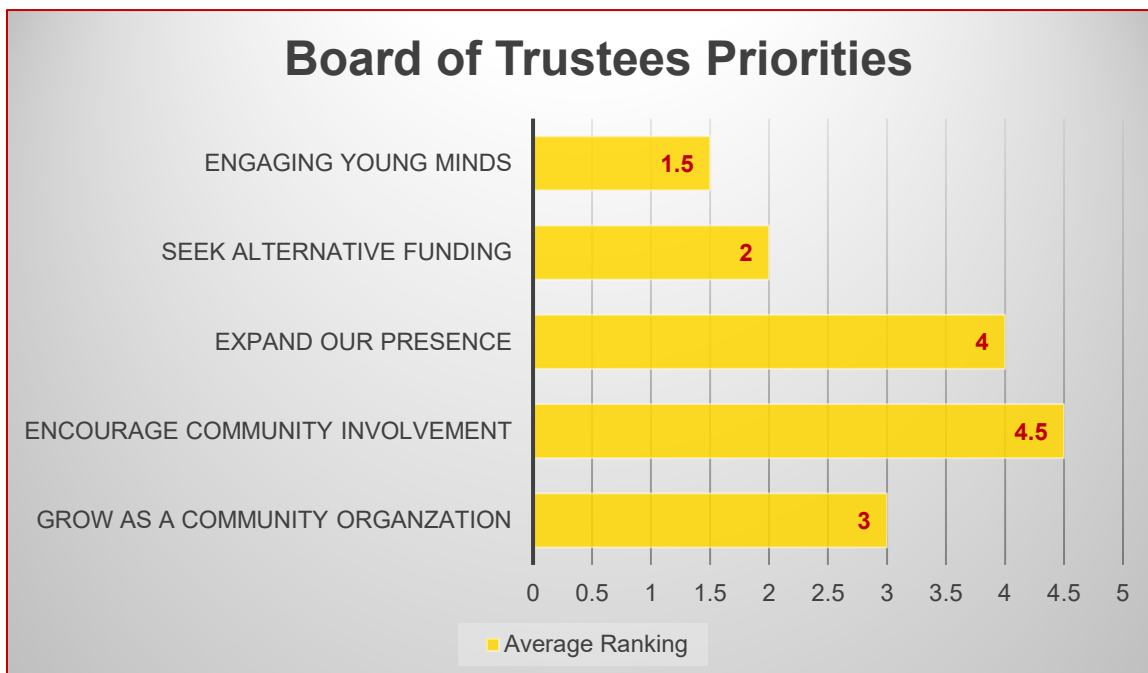
## Seek Alternative Funding

Certain programs and larger projects require funding that exists outside of the city budget. Grant funding will be continuously sought to alleviate strain on the library's budget. The library will partner with the Friends of the Caribou Library to increase fundraising efforts for library program support.

## Engaging Young Minds

The library recognizes that youth involvement in the library makes for a continuing userbase. The library should focus efforts on the continued development and completion of a Makerspace. Additionally, specialized programs shall be created to educate young adults on 3-D design, computer coding, and other STEAM topics.

The library is also reliant on the support of its volunteers to accomplish tasks throughout the building while educating young adults on library service as a career. Students should be offered volunteer service directly through communication with the local schools and homeschooling organizations. An additional program must be established as a partnership with the local schools and homeschooling groups to offer library cards to any student who requests them.



# FIVE YEAR STRATEGIC PLAN

To better develop goals for the Caribou Public Library, the strategic plan has been divided into a two-year and a five-year plan. The goals completed in the two-year plan will be reflected and built upon in the five-year plan.

Directions	Goals
<p><b>Merge the Library with Preservation and Grow</b></p> <p>Access to current technology is vital for the library to meet its role in the community, and to offer up-to-date services that meet the needs of our users.</p>	<ul style="list-style-type: none"> <li>➤ Assess the status of all library computers and printers and replace what is necessary by FY28.</li> <li>➤ Assess and/or replace the Integrated Library System (ATRIUUM) as the library needs grow.</li> <li>➤ Obtain grant funding for a Book Vending Machine (BVM) to be placed in the community.</li> </ul>
<p>The library building is one of historical import as a Carnegie building and must be maintained and preserved. However, a building expansion is needed to meet the growing needs of the community.</p>	<ul style="list-style-type: none"> <li>➤ Building assessment must be done through the MMA and the Caribou Building Committee and repairs must take place as necessary to ensure a safe environment.</li> <li>➤ Expand Library Building on the north side, creating a new children’s room, multipurpose room, second floor, and an additional ADA compliant entrance.</li> <li>➤ Dismantle or relocate the gazebo on the north grounds to elsewhere on library property.</li> </ul>
<p><b>Assess Program Development</b></p> <p>Programming is one of the library’s main roles within the community. Assessment of these allow the staff to develop programs that are useful to the community.</p>	<ul style="list-style-type: none"> <li>➤ Assess the Caribou Library bookmobile’s attendance at current city events, placement at schools, and adjust programming as needed with staffing.</li> <li>➤ Assess use of the Makerspace and develop further outreach programs at schools in conjunction with professionals to engage young minds.</li> <li>➤ Develop further ongoing partnerships with community groups, growing our current connections and expanding into other areas of the community.</li> </ul>
<p><b>Advance Library Special Collections</b></p> <p>The library maintains an archive and museum that contain important historical records and provides services to other facilities and community members.</p>	<ul style="list-style-type: none"> <li>➤ Encourage the expansion of the library’s archives to broaden the scope of local history materials and continue digital preservation efforts on an annual basis.</li> <li>➤ Develop a connection with the Nylander Museum of Natural History to create a partnership that will expand educational program offerings.</li> <li>➤ Further develop relations with the local genealogical and historical societies to establish a better network of archive materials and expertise available to the library.</li> </ul>

# FIVE YEAR STRATEGIES

## Merge the Library with Current Technology

The Caribou Public Library offers computer access to the public free of charge while utilizing specialized software to ensure patron confidentiality. The library also offers printing and lamination services as revenue generators for the City of Caribou. The equipment will be assessed as necessary and replaced to ensure the library offers up-to-date services to the community. When library technology falls into disrepair, it limits access for the community.

The library uses an Integrated Library System (ATRIUUM) for all collections. The library system is to be reassessed to ensure that the software continues to meet the needs of the staff and the collection size and should be replaced as necessary, converting to another software that would prove more beneficial to the patrons of the library.

The library will apply for grant funding to institute a BVM to be placed within the community to reach patrons during hours when the library is closed. The Book Vending Machine allows patrons to receive newer books without the need for a library card.

## Preserve and Grow

The library building is one of the original Carnegie library buildings constructed in 1910 and had an addition put on in the 1960s. The building's repair and maintenance needs are a priority for ensuring a safe environment for the patrons, employees, and the preservation of library materials. The Library Director will meet with the Caribou Building Committee to create a capital improvement plan that will ensure the continued maintenance of the library building.

As the needs of the community grow and change, the library will require further expansion to create a larger dedicated children's room and multipurpose room, while expanding our second floor and allowing ADA compliant access to all areas of the library. For this purpose, the gazebo located on the north grounds will be dismantled or relocated to eliminate vandalism and ensure dedicated space for library expansion.

## Assess Program Development

Program assessment is a necessary library procedure for determining the usefulness of library activities, and whether they are considered a need within the community at present. Assessment of these programs allows the staff to alter current programs and services to meet the changing needs of the community. The Caribou Library bookmobile programs will be assessed to understand the use of the bookmobile service and begin expansion into further areas of our and other communities.

The library Makerspace will be reviewed for use statistics and considered for expansion into other programs, both on-site and at schools. Professionals will be sought for the creation of dedicated maker-based programs to teach skills like 3-D design, sewing, fiber arts, and other Makerspace topics. The partnerships with local schools and homeschooling groups will be utilized for the advancement of the makerspace, while also being examined for other outlets for increased partnership within the community.

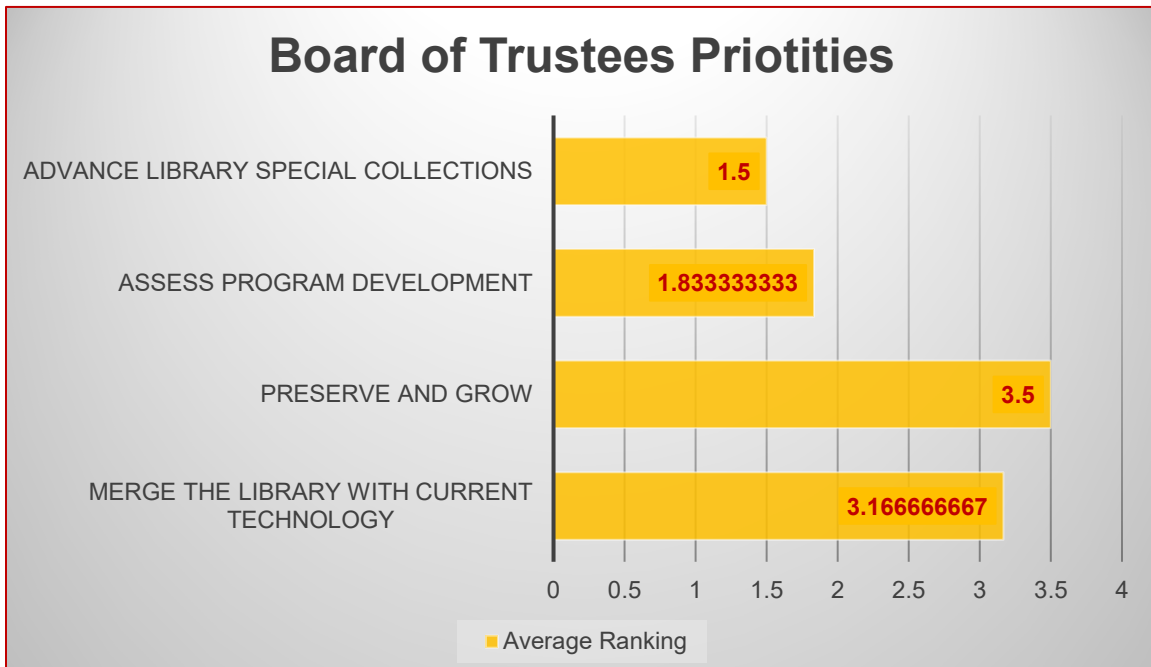
# FIVE YEAR STRATEGIES (CONT.)

## Advance Library Special Collections

There are two special collections associated with the library that are currently being maintained for use by community members and organizations. The library archives are considered a joint effort between the Caribou Public Library and the Aroostook County Genealogical Society. These archives serve to preserve local history and records necessary for research and genealogical purposes. The library will strive to work with archivists to ensure the preservation of records and materials. These records will continue to be digitized on an annual basis to better preserve print records and allow for ease-of access to researchers within and outside the community.

The Nylander Museum of Natural History is the second special collection of the library that contains natural history records and artifacts linked to Caribou history. A partnership with the museum will be created to offer more educational programs centered on STEAM topics and environmental studies.

This and other societal partnerships of the library will be built upon to ensure a collaborative network of materials, professionals, and programming available for research to be offered as a service to the community.



# ACKNOWLEDGEMENTS

The Caribou Public Library Strategic Plan was created as a joint effort with input from the Library Director, Library Staff, and Library Board of Trustees. Each of the following individuals were instrumental in this plan's creation and the implementation of this plan going forward.

## 2023 Library Board of Trustees:

Gail Hagelstein, President	Kristine Bondeson
Kathryn Olmstead, Vice President	Wanda Theriault
Heather Hale, Secretary	Brianna Carlson
Louella Willey, City Council Representative	Lisa Wilcox

## 2023 Library Staff:

Peter Baldwin, Library Director	Cassie Germain
Catharine Catranis	Wes Herbert
Alice Doody, Library Volunteer	Alyssa Singer
Kim Ezzy	Kirsten Young

Approved by the Caribou Public Library Board of Trustees on October 3, 2023.







**Resolution 10-01-2023**

**A Resolution of the Caribou City Council  
Approving the Caribou Public Library 2024 – 2028 Strategic Plan**

**WHEREAS**, The City seeks to provide enriching library programming, and

**WHEREAS**, The Library Director and Library Board of Trustees for the Caribou Public Library have combined their efforts to create a Strategic Plan to guide library development and programming over the next five years, and

**WHEREAS**, the Caribou Public Library Board of Trustees has reviewed and approved the plan and have submitted the same to the Caribou City Council for their review and approval, and

**WHEREAS**, The Caribou City Council has reviewed the goals and direction presented in the plan, and

**NOW, THEREFORE BE IT RESOLVED BY THE CARIBOU CITY COUNCIL** that the 2024 – 2028 Strategic Plan for the Caribou Public Library is hereby approved and adopted as an official working document of the Caribou Public Library.

This resolution was duly passed and approved by a majority of the City Council of the City of Caribou this 10<sup>th</sup> day of October 2023.

---

Jody R. Smith, Mayor

---

Attest: Danielle Brissette, City Clerk

[City Seal]

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



**MEMO**

**To: Mayor and City Council Members**  
**From: Danielle Brissette, City Clerk**  
**Date: October 5, 2023**  
**Re: Countersign the RSU#39 Bond Referendum Warrant**

---

The Regional School Unit No. 39 board signed the warrant and notice of election calling the Regional School Unit No. 39 Bond Referendum in accordance with 20-A MRSA §1486 for **November 7, 2023, at the Caribou Wellness Center, 55 Bennett Drive from 8:00 am to 8:00 pm.**

This warrant needs to be countersigned by the Caribou City Council.

Suggested action:

Please countersign the warrant and notice of election.

**NOTICE OF PUBLIC HEARING**

TO: Laurie Chapman, a resident of Regional School Unit No. 39: In the name of the State of Maine you are hereby required to notify the voters of the City of Caribou of the Public Hearing described in this Notice of Public Hearing.



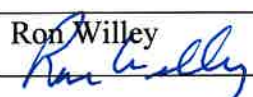
**TO THE VOTERS OF THE CITY OF CARIBOU:** Take notice that the School Board of Regional School Unit No. 39 shall conduct a Public Hearing in accordance with the following schedule:

DATE	TIME	LOCATION OF PUBLIC HEARING
October 18, 2023	5:30 p.m.	Caribou Performing Arts Center 308 Sweden Street, Caribou ME 04736

The Public Hearing shall be conducted on the following article which will be the subject of a referendum vote on November 7, 2023.


Article 1: Do you favor authorizing the School Board of Regional School Unit No. 39 (the "RSU") to issue bonds or notes for school construction and minor capital project purposes in an amount not to exceed \$660,000.00 for improvements to the Caribou High School athletic facilities, including upgrading and resurfacing tennis courts, track resurfacing, lighting and a new scoring/timing building?

Signed and dated at Caribou, Maine, on September 21, 2023.

Betheny Anderson  Lindsey Theriault	Tanya Sleeper  Jan Tompkins
Ron Willey 	

A majority of the School Board of Regional School Unit No. 39

A true copy of the Notice of Public Hearing, attest:

  
Laurie Chapman, Resident of  
Regional School Unit No. 39

**WARRANT AND NOTICE OF ELECTION  
CALLING REGIONAL SCHOOL UNIT NO. 39  
REFERENDUM  
(20-A M.R.S.A. §1486)**

TO: Jane McCall, Superintendent of Schools of Regional School Unit No. 39 (the “Regional School Unit”) composed of the City of Caribou and Town Stockholm, State of Maine.

In the name of the State of Maine, you are hereby ordered to serve upon the municipal clerks of each of the municipalities within Regional School Unit No. 39, namely, the City of Caribou and the Town Stockholm an attested copy of this warrant and notice of election. Service shall be in hand within three (3) days of the date of this warrant and notice of election. The municipal clerks of the above municipalities shall immediately notify the respective municipal officers, who shall post the following warrant and notice of election:

**CITY OF CARIBOU  
REGIONAL SCHOOL UNIT REFERENDUM  
WARRANT AND NOTICE OF ELECTION**

Aroostook ss.

State of Maine

TO: Danielle M. Brissette, Clerk of Caribou: You are hereby required in the name of the State of Maine to notify the voters of this municipality of the election described in this warrant and notice of election.

**TO THE VOTERS OF THE CITY OF CARIBOU:**

You are hereby notified that a Regional School Unit No. 39 referendum election will be held at the Caribou Wellness Center, 55 Bennett Drive in the City of Caribou on **November 7, 2023** for the purpose of determining the following referendum articles:

Article 1: Do you favor authorizing the School Board of Regional School Unit No. 39 (the “RSU”) to issue bonds or notes for school construction and minor capital project purposes in an amount not to exceed \$660,000.00 for improvements to the Caribou High School athletic facilities, including upgrading and resurfacing tennis courts, track resurfacing, lighting and a new scoring/timing building?

The voting on Article 1 shall be by secret ballot referendum. The polls will be opened at 8:00 a.m. and closed at 8:00 p.m.

The Registrar of Voters shall hold office hours while the polls are open to correct any error in or change a name or address on the voting list; to accept the registration of any person eligible to vote and to accept new enrollments.

A person who is not registered as a voter may not vote in any election.

Given under our hand this day, October 4, 2023 at Caribou, Maine.

\_\_\_\_\_  
Betheny Anderson

*Jan Tompkins*  
\_\_\_\_\_  
Jan Tompkins

\_\_\_\_\_  
Tanya Sleeper

*Ronald Willey*  
\_\_\_\_\_  
Ronald Willey

*Lindsey Theriault*  
\_\_\_\_\_  
Lindsey Theriault

A majority of the Regional school Unit Board of Regional School Unit No. 39

A true copy of the Warrant and Notice of Election, attest:

*Jane McCall*  
\_\_\_\_\_  
Jane McCall  
Regional School Unit No. 39

Countersigned this \_\_\_\_\_ day of \_\_\_\_\_, 2023 at Caribou, Maine.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

A majority of the municipal officers of the City of Caribou

A true copy of the Warrant and Notice of Election,

\_\_\_\_\_  
Danielle M. Brissette  
Clerk  
City of Caribou

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



**MEMO**

**To: Mayor and City Council Members**  
**From: Penny Thompson, City Manager**  
**Date: October 10, 2023**  
**Re: Approval of contract with NMDC for LDD Services with NBRC grant**

---

The Northern Border Regional Commission (NBRC) Catalyst Grant requires that grantees utilize a Local Development District (LDD) for administrative work on the grant. The scope of the s to be provided is detailed in the contract and includes quarterly and final reporting, reimbursement requests and general assistance with understanding grantee responsibilities.

LDDs are compensated for their contributions to grant administration through a reimbursement process with the grantee based on a formula of 2% of the NBRC award. The fee has been included in the grant amount as it is a requirement for grantees.

In our area, the Local Development District (LDD) is Northern Maine Development Commission (NMDC). This is the next step in the process.

The City of Caribou has not received a notice to proceed with the project. However, we are getting all the background work done so that we can put our foot on the gas once that notice is received.

**REQUESTED ACTION:**

Please make a motion to authorize City Manager Penny Thompson to execute the enclosed contract with Northern Maine Development Commission for services as the City of Caribou's Local Development District as required by the Northern Border Regional Commission.

Second.

Discussion.

Vote.

# Northern Maine Development Commission Contract for Services

This Contract for Services is made effective beginning on the effective date of NBRC's Notice to Proceed, by and between Northern Maine Development Commission (NMDC) of Caribou, Maine, and City of Caribou (Grantee) of Caribou, Maine.

1. **SCOPE OF SERVICES.** NMDC will provide to **Grantee** the following services (collectively, the "Services"):
  - Quarterly Reporting: Ensure that the grantee files quarterly reports on time and adequate information to provide a meaningful outline of where the project is in the process.
  - Reimbursement Requests: Provide guidance to grantees on filing reimbursement requests and ensure that reimbursement requests are accurate, within approved budget and contain all the necessary documentation to provide evidence of match and reimbursements that are expected to be paid by NBRC.
  - Final Reporting: Ensure that the grantee has filed their final report and financial report in a timely manner after the project is complete.
  - General Assistance: Throughout the duration of this AGREEMENT, NMDC shall continue to inform Grantee of any developments, processes, or updates. In addition, NMDC shall participate in activities that it deems necessary and appropriate to said Grantee and thus shall invoice accordingly as part of its LDD administrative responsibilities.
  - The following administrative services are common services pertaining to the NBRC program:
    - Execution of grant agreements and submission of support documentation.
    - Establish financial accounting and management systems to ensure compliance with funding sources and submit required periodic progress reports.
    - Develop written procedures for procurement transactions and bonding.
    - Solicit competitive bids (Add on cost)
      1. Engineering services
      2. Other goods and service
  - Attend construction progress meetings.

- Monthly requests for reimbursement, monitoring of matching funds.
  - Post-construction closeout reports, program monitoring, document files, etc.
  - Filing the annual SF 425 Financial Report
  - Complete and file the Government Performance and Results Act Report at closeout
2. **NBRC. PAYMENT.** Payment shall be made to Northern Maine Development Commission, in an amount not to exceed **\$9,451** upon completion of the services described in this Contract. Payments will be made on a reimbursable basis, based on the number of hours worked. Charges may include wages, leave & fringe, out of pocket costs such as travel, plus the Indirect Cost Rate (ICR) as approved by a Federal Cognizant Agency. Approved ICR will be maintained on record by NMDC.
  3. **TERM.** This Contract will terminate automatically upon completion by the contract date as listed within the Grantee's Contract between the Grantee and Northern Border Regional Commission or the completion of the project, whichever comes first.
  4. **INDEMNIFICATION.** Grantee agrees to indemnify and hold NMDC harmless from all claims, losses, expenses, fees including attorney fees, costs, and judgements that may be asserted against NMDC that results from the acts or omissions of Grantee and/or Grantee's employees, agents, or representatives.
  5. **DEFAULT.** The occurrence of any of the following shall constitute a material default under this Contract:
    - The failure to make a required payment when due.
    - The insolvency or bankruptcy of either party.
    - The subjection of any of either party's property to any levy, seizure, general assignment for the benefit of creditors, application or sale for or by any creditor or government agency.
    - The failure to make available or deliver the Services in the time and manner provided for in this Contract.
  6. **REMEDIES.** In addition to any and all other rights a party may have available according to law, if a party defaults by failing to substantially perform any provision, term or condition of this Contract, the other part may terminate this Contract.
  7. **ENTIRE AGREEMENT.** This Contract contains the entire contract of the parties, and there are no other promises or conditions in any other agreement whether oral or written



concerning the subject matter of this Contract. This Contract supersedes any prior written or oral agreements between the parties.

**8. SEVERABILITY.** If any provision of this Contract will be held to be invalid or unenforceable for any reason, the remaining provisions will continue to be valid and enforceable.

**9. AMENDMENT.** This Contract may be modified or amended in writing by mutual agreement between the parties, and by notifying Northern Border Regional Commission.

**10. GOVERNING LAW.** This Contract shall be construed in accordance with the laws of the state of Maine.

**11. CONSTRUCTION AND INTERPRETATION.** The rule requiring construction of interpretation against the drafter is waived. This document shall be deemed as if it were drafted by both parties in a mutual effort.

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date the second party signs.

Service Recipient (Grantee): City of Caribou

Signature: \_\_\_\_\_

Penny Thompson, City Manager

Date: \_\_\_\_\_

Service Provider: Northern Maine Development Commission

Signature: Robert P. Clark

Robert P. Clark, Executive Director

Date: August 30, 2023

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



**MEMO**

**To: Mayor and City Council Members**  
**From: Penny Thompson, City Manager**  
**Date: October 10, 2023**  
**Re: Approval of by-laws of the Caribou Development Committee**

---

The Caribou Development Committee was established by the Caribou City Council. The organizational document for the Caribou Development Committee is found in Chapter 22 of the City of Caribou Ordinances.

At their September 20, 2023, the Caribou Development Committee approved the by-laws found on the following pages.

Section 22-104 requires that the City Manager forward the committee approved by-laws to the City Council for review and approval before those by-laws take effect.

**REQUESTED ACTION:**

Please make a motion to approve the Caribou Development Committee by-laws as approved by the committee at their September 20, 2023, meeting.

Second.

Discussion.

Vote.

## Caribou Development Committee

### By-Laws

#### Article I. Name

The name of this committee shall be: Caribou Development Committee.

#### Article II. Purpose

The Caribou Development Committee has been established as a standing committee by the Caribou City Council. As stated in Chapter 22 of the Caribou City Code and Ordinances, the “purpose is to utilize existing and potential natural, financial and citizen resources to support existing commercial activities, attract new and complimentary businesses to Caribou, and strengthen industry relationships while maintaining and leveraging the iconic character of our community.” Other purposes and goals are identified in Chapter 22, Section 22-106 “Purpose”.

#### Article. III. Members

Section 1. Number. The committee shall consist of no less than 9 members. A vacancy shall not prevent the committee from conducting business.

Section 2. Qualification. Any adult (18 years of age) who is a resident or taxpayer of the City of Caribou may serve on the Caribou Development Committee.

Section 3. Appointment of voting members (public). The Caribou City Council will appoint five members of the public to serve on the committee for a three-year term, except as provided for in Chapter 22, Section 22-102 for initial appointments. This does not preclude any member from being reappointed.

Section 4. Appointment of voting members (ex-officio). The Caribou City Council will confirm the appointment of two ex-officio members with voting privileges. One ex-officio member from the membership of the Caribou Planning Board (appointed by a majority vote of the Planning Board members), and one ex-officio member from the membership of the Caribou Economic Growth Council (appointed by a majority vote of the Caribou Economic Growth Council members). Ex-officio members shall serve indefinitely, at the pleasure of the appointing authority.

Section 5. Appointment of non-voting members (public). The committee may also appoint an unlimited number of additional non-voting members.

Section 6. Appointment of non-voting members (ex-officio). The Caribou City Council will appoint two ex-officio members without voting privileges. One ex-officio member from the membership of the Caribou City Council (appointed by a majority vote of the Caribou City Council members), and the City Manager.

Section 7. Resignation. Resignations from the committee must be in writing and must be given to the committee chair.

Section 8. Vacancy. Vacancies, due to death, resignation, or any other reason, shall be filled by a majority vote of the Caribou City Council.

Section 9. Compensation. All members of the Committee shall serve without compensation.

Section 10. Voting. Each voting member shall be entitled to one vote on each matter submitted to a vote of the Committee. Members shall be in attendance to vote. Remote participation is allowed for all standing boards and committees in the City of Caribou.

Section 11. Conflicts of Interest. Each board member should review the state law on conflict of interest. Maine law encompasses four conflict of interest situations that can occur:

- a. Financial conflict of interest – see 30-A MRSA §2605
- b. Prohibited appointments or employment – see 30-A MRSA §2606
- c. Bias – see 1 MRSA §71(6)
- d. Incompatibility of office (various)

Whenever a member has a financial or personal interest in any matter before the Caribou Development Committee, the affected member shall:

- a. Fully disclose the nature of the interest
- b. Withdraw from discussion, lobbying and voting on the matter

Even if no actual conflict of interest exists, a member would be well advised to avoid even the appearance of a conflict to maintain public confidence in the Caribou Development Committee’s work.

#### Article IV. Meetings

Section 1. Regular Meetings. Regular meetings of the Committee shall be held quarterly at a minimum, or on a monthly or as-needed basis.

Section 2. Special Meetings. Special meetings of the Committee may be held on call of the Caribou City Council, the Chairperson of the Committee, or by any three (3) voting members of the Committee.

Section 3. Notice of Meeting. Written notice stating the date and hour of each meeting shall be delivered, mailed, or e-mailed to each member not less than five days before each meeting.

Section 4. Quorum. A quorum for the purpose of holding a meeting shall consist of not less than four (4) voting members of the Committee.

Section 5. Manner of Acting. A quorum present, the act of a majority of the members present shall constitute the action of the entire Committee, except as may be otherwise provided in these Bylaws.

Section 6. Parliamentary Procedure. Robert's Rules of Order, most recent edition, are adopted.

Section 7. The Committee acknowledges that members may occasionally miss meetings due to circumstances beyond their control such as job responsibilities, illness, travel schedules, jury duty, or holidays. These will generally be considered “excused” absences. A committee member will notify the committee chairperson of their absence prior to the meeting.

Section 8. When a Committee member misses three (3) consecutive meetings, a vacancy may be declared by a majority vote of the committee.

#### Article V. Officers

The officers of the Committee shall consist of the following and such other officers as the Committee may from time to time designate and appoint:

- a) Chairperson
- b) Vice-Chairperson
- c) Secretary

The Chairperson shall preside over all meetings of the Committee. In the absence of the Chairperson, the Vice-Chairperson shall preside. The Secretary shall record and present minutes of each meeting.

Article VI. Task Force

A task force may be appointed as needed to accomplish a specific short-term objective. The scope of work for the task force will be clearly defined. The creation of a task force will be introduced as a meeting agenda item and the task force will be set up by a majority vote of the Committee. After the task force output is brought back to the Committee, the output will then be presented to the Caribou City Council along with the next steps as suggested by the Committee.

Article VII. Books and Records

The Committee shall keep minutes of all proceedings of the Committee and such other books and records as may be required for the proper conduct of its business and affairs.

Article VIII. Reporting

The Committee Chairperson shall make an annual report to the Caribou City Council on or before January 31st of each year, covering goals, activities, and accomplishments during the preceding year.

Article IX. Amendments

These Bylaws may be amended at any regular or special meeting of the Committee. Written notice of the proposed Bylaw change shall be mailed or delivered to each member at least five (5) days prior to the date of the meeting. The Caribou City Council must approve changes in the Bylaws. Bylaw changes require a two-thirds (2/3) majority vote of the Committee members present.

These bylaws were approved at a meeting of the Caribou Development Committee on September 20, 2023.

By: \_\_\_\_\_ Chairperson

These bylaws were approved by resolution at the October 10, 2023, meeting of the Caribou City Council.

\_\_\_\_\_  
Mayor, City of Caribou

\_\_\_\_\_  
Attest: Danielle Brissette, City Clerk



## Resolution 10-02-2023

### A Resolution of the Caribou City Council Approving the Caribou Development Committee By-Laws

**WHEREAS**, The City has established the Caribou Development Committee, and

**WHEREAS**, Chapter 22 of the City of Caribou Ordinances which created the Caribou Development Committee requires that the Caribou Development Committee establish by-laws that will be reviewed and approved by the Caribou City Council, and

**WHEREAS**, the Caribou Development Committee has reviewed and approved the by-laws and have submitted the same to the Caribou City Council for their review and approval, and

**WHEREAS**, The Caribou City Council has reviewed the by-laws for the Caribou Development Committee, and

**NOW, THEREFORE BE IT RESOLVED BY THE CARIBOU CITY COUNCIL** that the Caribou Development Committee by-laws are hereby approved and adopted.

This resolution was duly passed and approved by a majority of the City Council of the City of Caribou this 10<sup>th</sup> day of October 2023.

---

Jody R. Smith, Mayor

---

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: October 10, 2023**  
**Re: Sale of Municipal Property – Pellet Silos**

---

In 2018, the Caribou City Council passed Resolution 02-02-2018 Approving a City Policy for Disposal of Surplus Equipment and Resources.

The pellet boilers at the Caribou Fire Station and Municipal Building have been removed and therefore there is no longer a need for pellet silos. The silos have a value greater than \$300 and therefore must be listed for sale under the provisions of the policy.

The information available describes the one at the Caribou Fire Station as a 18T silo, 9' X 18' and the one at the Municipal Building as a 9T silo, 6' X 18'. The City Manager has looked for the owner's manual for the silos – none were found.

The City Manager has reached out to Brock Industrial Products to obtain the value of the siloes. The email stated, "Either of those two type/sizes of silos would not typically bring more than \$1000 for the 6' to \$3000 for the 9' per silo at the very most."

The siloes still have pellets in them. A buyer will need special equipment to empty the siloes before the siloes can be moved, which will increase the cost to the purchaser.

**REQUESTED ACTION:**

Please make a motion for the siloes to be listed for sale "as-is/where-is and on a first-come-first-served basis" at a minimum price of \$\_\_\_\_\_.

Second.

Discussion.

Vote.

Resolution 02-02-2018

Approving a City Policy for Disposal of Surplus Equipment and Resources

**Whereas**, the City desires to establish an efficient and effective method for disposal of its surplus personal property, and

**Whereas**, the City desires to have a transparent process by which the citizens can know how publicly funded resources and materials are disposed.

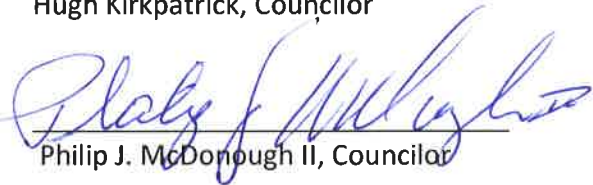
**Now Therefore**, The City Council of Caribou approves the policies and procedures for disposal of surplus personal property, which are attached to this Resolution as Exhibit A, and which shall be implemented in all City operations immediately.

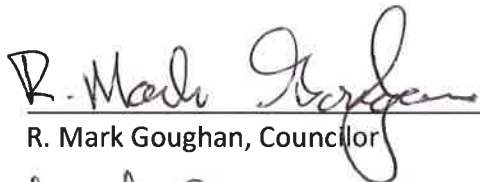
This resolution was duly passed and approved by a majority of the City Council of the City of Caribou this 12<sup>th</sup> day of February 2018.

\_\_\_\_\_  
David Martin, Mayor

  
\_\_\_\_\_  
Hugh Kirkpatrick, Councilor

  
\_\_\_\_\_  
Nicole Cote, Councilor

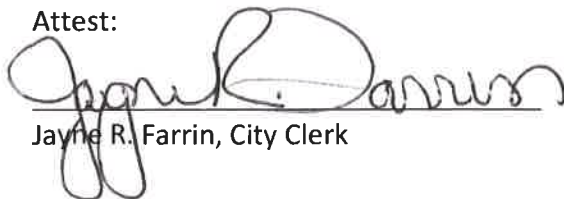
  
\_\_\_\_\_  
Philip J. McDonough II, Councilor

  
\_\_\_\_\_  
R. Mark Goughan, Councilor

  
\_\_\_\_\_  
Joan Theriault, Councilor

  
\_\_\_\_\_  
Timothy Guerrette, Councilor

Attest:

  
\_\_\_\_\_  
Jayne R. Farrin, City Clerk



From time to time there will be pieces of equipment or materials the City no longer needs (e.g. computers, lawn mowers, office chairs, etc.) or can use. This then becomes surplus property needing to be disposed. The disposal of any equipment must be balanced by the financial and resource impacts to the city, openness to public scrutiny and awareness by the City Council. To that extent, the following policies and practices shall be followed.

1. All items which are deemed surplus by a city department will be offered for use to other city departments prior to disposal of the item(s) unless such items are considered trash. For purposes of this policy, "trash" includes those items which are determined to be broken beyond reasonable repair, not readily recyclable, or not suitable for donation.
2. All items having an estimated market value less than \$300 may be disposed of by the individual departments at the discretion of the City Manager.
3. All items having an estimated market value greater than \$300 shall be compiled by the city administration and made available to the public for purchase.
  - a. The public shall be provided notice of such items via the city's website.
  - b. Items shall be listed for sale with minimum purchase price values shown.
  - c. All surplus items shall be sold as-is/where-is and on a first-come-first-served basis.
  - d. City employees and their immediate family are restricted from purchasing items which are listed on the city's website for less than 15 days.
  - e. Any items not purchased within 30 days of website posting shall be disposed of at the discretion of the City Manager.
4. Estimated market values shall be determined through an estimate, an official appraisal, an offer from another agency, Kelly blue book value or other sources available to the city.
5. Items which are fixed assets of the city must be approved by the City Council as surplus property. Items reviewed by the Council in open meeting may be "traded in" to help purchase a new or similar piece of equipment without public opportunity for purchase. Service equipment may be disposed of at a reduced value if the receiver is another government entity.
6. All items must be disposed of in accordance with any funding stipulations attached to the items original purchase.
7. All items which were city acquired through legal action must be disposed of in accordance with state and/or court order related to such items (this includes but is not limited to case evidence).
8. Purchasers shall provide payments to the City of Caribou. All payments shall be put into general city revenues unless such will be used for the immediate purchase of replacement equipment (i.e. traded-in) as part of the approved capital improvement plan.
9. The City reserves the right to refuse transactions with any person(s), organizations or corporation.

Adopted by Council Resolution 02-02-2018 on February 12, 2018

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



**MEMO**

**To: Mayor and City Council Members**  
**From: Penny Thompson, City Manager**  
**Date: October 10, 2023**  
**Re: Discussion and possible action to consider accepting a deed to 7 Water Street**

---

The property at 7 Water Street, owned by Brian & Sharon Bickford, was damaged by a fire in January 2023. The Mr. & Mrs. Bickford are now three years behind on their property taxes and therefore, in November, the property will foreclose unless the Caribou City Council waives foreclosure prior to the automatic lien foreclosure date.

The site needs significant work to clean up this blighted property. This could prove challenging due to the buildings on either side, the proximity to the Caribou Stream and the topography of the lot. The City Manager has had a conversation with the Maine DEP about the disposal of any remaining petroleum product in the heating fuel tanks. There will be an expense to that action.

By accepting a deed to the property, the parcel would not be limited to disposing of the property according to the current tax-acquired property policy.

City Attorney Rick Solman has recommended acceptance of the deed to facilitate the needed cleanup of this blighted property.

**POSSIBLE ACTION:**

Motion.

Second.

Discussion.

Vote.



# KELLEY & LEGER LAW OFFICES

ATTORNEY AT LAW

P.O. Box 66 • 7 HATCH DRIVE, SUITE 130  
CARIBOU, MAINE 04736

CHRISTOPHER M. LEGER

(207) 498-2581

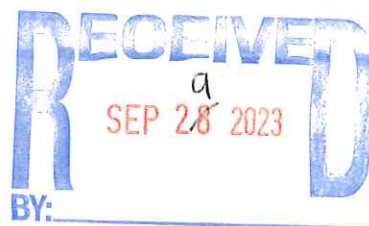
FAX (207) 498-8343

EMAIL: CLEGER@KELLEYLEGER.COM

PSK@KELLEYLEGER.COM

OF COUNSEL:  
PETER S. KELLEY

September 26, 2023



Caribou City Council  
c/o Richard D. Solman, Esq.  
Solman & Hunter, P.A.  
P.O. Box 665  
Caribou, ME 04736

RE: 7 Water Street property; Map 031 Lot 171

Dear Council:

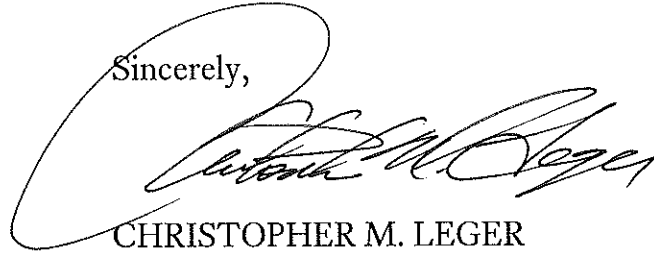
I have advised your counsel, Atty Solman, that we are now at a juncture at which my clients are able to transact the above-captioned real estate without requesting permission from the Chapter 7 Trustee. The Trustee filed a Report with the Bankruptcy Court relinquishing administration of this and all other assets of the bankruptcy estate as of September 21, 2023.

To that end, my clients are proposing transfer of the property at 7 Water St to the City of Caribou in exchange for no consideration as per the attached proposed Quitclaim Deed and Maine Real Estate Transfer Tax Declaration form. Doing so will obviate the need to perform any further work or court action regarding declaration of a dangerous building as the City would have immediate authority over the premises.

If this is acceptable, please advise through counsel and I will have the Deed executed by Mr. and Mrs. Bickford for recording by Mr. Solman.

Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Christopher M. Leger". The signature is written in a cursive style with a large, looping initial "C".

CHRISTOPHER M. LEGER

Enclosure

cc: Brian & Sharon Bickford (via e-mail)

QUITCLAIM DEED  
WITHOUT COVENANT

We, Brian Bickford and Sharon Bickford, of Lewiston, County of Androscoggin, State of Maine, for consideration paid, release to the City of Caribou, County of Aroostook, State of Maine, the land in Caribou, Aroostook County, Maine, as follows:

The following described real estate situate in Caribou, in the County of Aroostook and State of Maine, bounded and described as follows, to wit:

PARCEL ONE: The following described real estate bounded and described as follows: Beginning at an iron pin or pipe at the intersection of Main and Water Streets, said pin being distant twenty (20) feet from the hydrant and fifty-nine and nine tenths (59.9) feet from the northwest corner of the lot on which Caribou Drug Company was formerly located; thence, easterly along the center of Water Street one hundred seventy (170) feet to the northeast corner of a parcel of land formerly owned by Julia M. Powers and now or formerly owned by George Wakem to first bound; thence, along the center of Water Street thirty-one and five-tenths (31.5) feet; thence south twenty degrees (20°) west included angle with street eighty-one degrees (81°) fifteen minutes (15') twenty-four and three fourths (24  $\frac{3}{4}$ ) feet to an iron pipe or pin on margin of street; thence, same course to center of Caribou Stream; then, up said Stream to land formerly owned by said Powers and now of formerly owned by George Wakem; thence, northerly along the east line of said Powers or Wakem land to center of Water Street, last line being marked by an iron pin or pipe on the margin of Water Street and two (2) feet from northeast corner of Powers Block as same existed in April 1912; being the same lot conveyed to Joseph Wakem by Mary E. Wright by her deed of warranty dated April 20, 1912 and recorded in the Southern District Aroostook Registry of Deeds in Vol. 260, Page 519.

PARCEL TWO: Also, the following lot of land bounded and described as follows to wit: Beginning in the center of said Water Street at the northeast corner of the lot of land first above described; thence easterly along the center of said Water Street twenty-seven (27) feet; thence, southerly and parallel with the last line of said lot first above described to the center of the Caribou Stream; thence westerly along the center of said Caribou Stream twenty-seven (27) feet more or less to the east line of said lot first above described; thence, northerly along said east line to place of beginning; being the same lot conveyed to said Joseph Wakem by Albert Brown, by deed dated August 13, 1918 and recorded in Vol. 307, Page 450.

The above two parcels being the same premises conveyed to Reginald J. Guerrette and Leola A. Guerrette by Warranty Deed, Joint Tenancy, of Thomas Fournier dated August 28, 1978, and recorded at the Southern Aroostook Registry of Deeds in Vol. 1378, Page 254.

Being the same premises conveyed to Brian Bickford and Sharon Bickford by Warranty Deed, Joint Tenancy, of Reginald J. Guerrette and Leola A. Guerrette dated September 22, 2005, and recorded at the Southern Aroostook Registry of Deeds in Book 4187, Page 140.

Witness our hands and seals this        day of September, 2023.

\_\_\_\_\_  
Witness:

\_\_\_\_\_  
Brian Bickford

\_\_\_\_\_  
Witness:

\_\_\_\_\_  
Sharon Bickford

STATE OF MAINE  
ANDROSCOGGIN, ss

September        2023

Then personally appeared the above-named Brian Bickford and Sharon Bickford and acknowledged the foregoing instrument to be their free act and deed.

Before me,

\_\_\_\_\_  
Notary Public  
My Commission Expires:



**MAINE REAL ESTATE  
TRANSFER TAX DECLARATION  
Form RETTD**  
Do not use red ink.

1. County **Aroostook**

2. Municipality **Caribou**

BOOK/PAGE - REGISTRY USE ONLY

3. GRANTEE/PURCHASER

3a. Last name, first name, MI; or business name

**City of Caribou**

3c. Last name, first name, MI; or business name

3b. Federal ID

3d. Federal ID

3e. Mailing address after purchasing this property

**25 High Street**

3f. Municipality

**Caribou**

3g. State 3h. ZIP Code

**ME 04736**

4. GRANTOR/SELLER

4a. Last name, first name, MI; or business name

**Bickford, Brian**

4c. Last name, first name, MI; or Business name

**Bickford, Sharon**

4b. Federal ID

4d. Federal ID

4e. Mailing address

**76 Tourmaline Drive**

4f. Municipality

**Lewiston**

4g. State 4h. ZIP Code

**ME 04240**

5. PROPERTY

5a. Map

**031**

Block

Lot

**171**

Sub-lot

Check any that apply

No maps exist  
Multiple parcels

Portion of parcel  
Not applicable

5b. Type of property - enter the code number that best describes the property being sold (see instructions).

5d. Acreage (see instructions)

**0.06**

5c. Physical location

**7 Water Street**

6. TRANSFER TAX

6a. Purchase price (If the transfer is a gift, enter "0")..... 6a.

**\$ 0.00**

6b. Fair market value (Enter a value only if you entered "0" or a nominal value on line 6a) ..... 6b.

**\$ 11,300.00**

6c. Exemption claim -  Check the box if either grantor or grantee is claiming exemption from transfer tax and enter explanation below.

**City of Caribou is tax exempt**

7. DATE OF TRANSFER (MM-DD-YYYY)

8. CLASSIFIED. WARNING TO BUYER - If the property is classified as farmland, open space, tree growth, or working waterfront, a substantial financial penalty may be triggered by development, subdivision, partition, or change in use.

**CLASSIFIED**

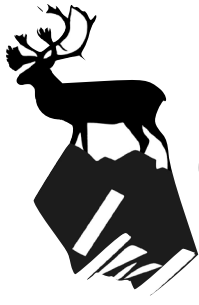
9. SPECIAL CIRCUMSTANCES. Were there any special circumstances with the transfer that suggest the price paid was either more or less than its fair market value? If yes, check the box and enter explanation below.

10. INCOME TAX WITHHELD. The buyer is not required to withhold Maine income tax because:

- Seller has qualified as a Maine resident
- A waiver has been received from the State Tax Assessor
- Consideration for the property is less than \$100,000
- The transfer is a foreclosure sale

11. DECLARATION(S) UNDER THE PENALTIES OF PERJURY. I declare that I have examined this return/report/document and (if applicable) accompanying schedules and statements and to the best of my knowledge and belief they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

PREPARER. Name of preparer: Christopher M. Leger, Esq. Phone number: (207) 498-2581  
 Mailing address: PO Box 66 Email address: cleger@kelleyleger.com  
Caribou, ME 04736 Fax number: (207) 498-8343



# Caribou Public Library

## DIRECTOR'S REPORT

**To: Mayor and City Councilors  
Penny Thompson, City Manager**  
**From: Peter Baldwin, Library Director**  
**September 2023 Report**

This month began the official improvements to the Caribou Public Library. The graffiti on the back of the building has been officially cleaned and the brick looks incredible. The doors in back have also been repainted a brilliant white. The same contractor began work on rebuilding our awning. Our patrons have been happy to use the Hight St. door and are glad to see it being fixed.

Public works was out this month to remove the extensive network of vines from the building in preparation for the building paint to be refreshed. We are excited for this work to start and hope it is done before the snow comes!

We have had some changes in staff this month, with two of our employees leaving, and another on the way. Two positions have been filled for a Library Assistant and Cataloger. These employees will begin their first shifts in October. We have also received a resignation from our Children's Librarian. We are currently accepting applications for her position. We also have an employee out on Family Medical Leave until January.

The cataloging has been going well on the HotSpot program, with a new info page on the way for our website. The HotSpots will be available in late October, and all of the supplies have officially come in.

Children's storytime and the infant & toddler playgroup has been suspended until a new Children's Librarian has been selected. Our bookclubs and other programs will continue in the interim.

That's all for us at the Library, tune in next month!

Peter Baldwin



**CIRCULATION STATISTICAL COMPARISON**

<b>MATERIAL TYPE</b>	<b>SEPT 2022</b>	<b>OCT 2022</b>	<b>NOV 2022</b>	<b>DEC 2022</b>	<b>JAN 2023</b>	<b>FEB 2023</b>	<b>MAR 2023</b>	<b>APR 2023</b>	<b>MAY 2023</b>	<b>JUN 2023</b>	<b>JUL 2023</b>	<b>AUG 2023</b>	<b>SEPT 2023</b>
Adult books	652	556	560	751	519	925	866	703	750	508	505	559	500
Juvenile books	815	832	881	661	1,171	483	660	711	726	647	735	761	503
Teen/YA books	91	66	36	30	56	64	77	47	89	61	118	81	48
DVDs	137	109	107	137	119	127	135	58	108	82	47	112	129
eBooks/Audiobooks	142	151	133	141	306	271	363	373	364	269	176	180	409
Magazines	69	69	71	81	17	89	54	41	43	20	50	18	27
Interlibrary loans	33	40	21	40	21	31	29	21	28	56	21	27	17
Puzzles	2	1	2	4	16	0	1	0	6	0	0	0	0
STEAM	8	6	3	17	7	13	9	40	16	18	6	11	15
Renewals	348	387	480	434	410	371	382	334	416	383	453	395	351
<b>TOTAL NUMBERS</b>	<b>2,297</b>	<b>2,217</b>	<b>2,294</b>	<b>2,296</b>	<b>2,642</b>	<b>2,374</b>	<b>2,576</b>	<b>2,328</b>	<b>2,546</b>	<b>2,044</b>	<b>2,111</b>	<b>2,144</b>	<b>1,999</b>

**YEAR-TO-DATE OVERALL MONTHLY STATISTICAL COMPARISON**

MATERIAL TYPE	SEPT 2022	OCT 2022	NOV 2022	DEC 2022	JAN 2023	FEB 2023	MAR 2023	APR 2023	MAY 2023	JUN 2023	JUL 2023	AUG 2023	SEPT 2023
Circulation	2,297	2,217	2,294	2,296	2,642	2,374	2,576	2,328	2,546	2,044	2,111	2,144	1,999
Library Visitors	3,884	3,803	3,724	3,030	2,599	1,364	3,195	2,606	2,441	2,997	3,230	3,072	3,172
Wi-Fi access	** See Note	** See Note	** See Note	** See Note	** See Note	** See Note	** See Note	** See Note	** See Note	** See Note	** See Note	** See Note	** See Note
Books added	120	137	118	85	76	83	110	95	81	121	86	92	78
Books withdrawn	119	186	192	170	78	703	12	392	22	32	41	40	43
Program Participation	2,840	3,940	3,256	2,456	3,181	2,878	2,869	3,360	3,034	2,260	2,168	4,606	
New patrons	35	47	18	18	15	13	29	9	14	24	23	20	23
Archives (# of users)	58	42	42	25	42	37	36	73	44	41	39	36	41

\*\*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	1,994	2,067	2,552	2,297	2,217	2,294	2,296	25,688
2023	2,642	2,374	2,576	2,328	2,546	2,044	2,111	2,144	1,999				20,764





**Board of Directors**  
**September 11, 2023**  
**5:30 p.m.**

AGENDA TOPIC	ISSUE DISCUSSED & CONCLUSION	PLAN OF ACTION	PERSON RESPONSIBLE
	<p>proctor during the provisional appointment. This recommendation was forwarded to the Board of Directors for action.</p> <p><b>Appointment Courtesy Medical Staff - Sherif Hanna, MD (Pediatrics)</b> - The complete appointment application and provider profile of Sherif Hanna, MD was reviewed with no discrepancies. The report from the National Practitioner’s Data Bank contained no reports. It was noted that this physician does not hold privileges at another hospital. it was so VOTED to recommend approving provisional appointment of Sherif Hanna, MD to the Courtesy Staff with privileges as requested through June 30, 2025. Dr. Swanberg was appointed as proctor during the provisional appointment. This recommendation was forwarded to the Board of Directors for action.</p> <p><b>Appointment Consulting Medical Staff - Thorarinn Bjarnason, MD (Cardiologist)</b> - Thorarinn Bjarnason MD, (Cardiologist): The complete appointment application and provider profile of Thorarinn Bjarnason, 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 Thorarinn Bjarnason, MD to the Consulting Staff with privileges as requested through June 30, 2025. Dr. Swanberg was appointed as proctor during the provisional appointment. This recommendation was forwarded to the Board of Directors for action.</p> <p><b>Appointment Consulting Medical Staff - Rima Kanhoush, MD (Pathologist)</b> - The complete appointment application and provider profile of Rima Kanhoush, MD was reviewed with no discrepancies. The report from the National Practitioner’s Data Bank contained no reports. Upon motion made and seconded it was so VOTED to recommend approving provisional appointment of Rima Kanhoush, MD to the Consulting Medical Staff with privileges as requested through June 30, 2025. Dr. Laferriere was appointed as proctor during the provisional appointment. This recommendation was forwarded to the Board of Directors for action.</p> <p><b>Appointment Allied Health Professional Staff – Traci Labreck, CNM (Certified Nurse Midwife)</b> - The complete appointment application and provider profile of Traci Labreck, CNM 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 Traci Labreck, CNM to the Allied Health Professional Staff with privileges as requested through June 30, 2025. Dr. Wall was appointed as proctor and supervising physician during the provisional appointment. This recommendation was forwarded to the Board of Directors for action.</p>	<p>Upon motion duly made and seconded, it was so VOTED to approve the provisional appointment of Sherif Hanna, MD to the Courtesy Medical Staff.</p> <p>Upon motion duly made and seconded, it was so VOTED to approve the provisional appointment of Thorarinn Bjarnason, MD to the Consulting Medical Staff.</p> <p>Upon motion duly made and seconded, it was so VOTED to approve the provisional appointment of Rima Kanhoush, MD to the Consulting Medical Staff.</p> <p>Upon motion duly made and seconded, it was so VOTED to approve the provisional appointment of Traci Labreck, CNM to the Allied Health Professional Staff.</p>	



**Board of Directors  
September 11, 2023  
5:30 p.m.**

AGENDA TOPIC	ISSUE DISCUSSED & CONCLUSION	PLAN OF ACTION	PERSON RESPONSIBLE
	<p><b>Appointment Allied Health Professional Staff – Teresa Hopkins, CRNA (Anesthesiology)</b> - The complete appointment application and provider profile of Teresa Hopkins, CRNA was reviewed with no discrepancies. She did report one malpractice claim, with a pre-trial settlement. The report from the National Practitioner’s Data Bank contained one malpractice settlement payment. The claim was reviewed by the Chief of Surgery with no reservations to present and recommend approval of appointment. Ms. Hopkins does not hold privileges at another hospital. She works in a large anesthesia group that covers services for a large hospital. Upon motion duly made and seconded it was so VOTED to recommend approving provisional appointment of Teresa Hopkins, CRNA to the Allied Health Professional Staff with privileges as requested through June 30, 2025. Dr. Smith was appointed as proctor and supervising physician during the provisional appointment. This recommendation was forwarded to the Board of Directors for action.</p> <p><b>Appointment Allied Health Professional Staff – Christina Zavatchen, CRNA (Anesthesiology)</b> - The complete appointment application and provider profile of Christina Zavatchen, CRNA was reviewed with no discrepancies. She did report one malpractice claim, with a pre-trial settlement. The report from the National Practitioner’s Data Bank contained one malpractice settlement payment. The claim was reviewed by the Chief of Surgery with no reservations to present and recommend approval of appointment. Upon motion duly made and seconded it was so VOTED to recommend approving provisional appointment of Christina Zavatchen, CRNA to the Allied Health Professional Staff with privileges as requested through June 30, 2025. Dr. Smith was appointed as proctor and supervising physician during the provisional appointment. This recommendation was forwarded to the Board of Directors for action.</p> <p><b>Resignation – James Faliszek, MD</b> - The resignation of James Faliszek, MD was received effective June 30, 2023. Upon motion duly made and seconded it was so VOTED to recommend approving the resignation James Faliszek, MD as presented. This was forwarded to the Board of Directors for action.</p> <p><b>Resignation - James Parker, MD</b> - The resignation of James Parker, MD was received effective May 14, 2023. Upon motion duly made and seconded it was so VOTED to recommend approving the resignation James Parker, MD as presented. This will be forwarded to the Board of Directors.</p>	<p>Upon motion duly made and seconded, it was so VOTED to approve the provisional appointment of Teresa Hopkins, CRNA to the Allied Health Professional Staff.</p> <p>Upon motion duly made and seconded, it was so VOTED to approve the provisional appointment of Christina Zavatchen, CRNA to the Allied Health Professional Staff.</p> <p>Upon motion duly made and seconded, it was so VOTED to approve the resignation of James Faliszek, MD.</p> <p>Upon motion duly made and seconded, it was so VOTED to approve the resignation of James Parker, MD.</p>	



**Board of Directors  
September 11, 2023  
5:30 p.m.**

AGENDA TOPIC	ISSUE DISCUSSED & CONCLUSION	PLAN OF ACTION	PERSON RESPONSIBLE
	<p><b>Department of Emergency Medicine</b> – Quality indicators have improved except for blood pressure measurement. The discrepancy is due to a locum physician unaware of the measure being tracked.</p> <p><b>Department of Medicine</b> – The department reviewed one peer review case. Quality indicators remain good. Dr. Manages gave a brief presentation on her new addiction medicine service. Blood bank issues were discussed.</p> <p><b>Department of Rad/Path</b> – The MRI project is on schedule; cardiac CT software was installed on 8/23/2023 and training will occur in December. Pathology result delays with the new vendor were discussed.</p> <p><b>Department of Surgery</b> – The department has improved their medical record deficiencies. Discussion ensued around whether Dr. Crystal would be eligible for the honorary medical staff given his long service at Cary Medical Center. This item was tabled so the criteria could be reviewed at the September Medical Staff Executive Committee Meeting.</p> <p><b>Maternal Child</b> – The new department Chair, Dr. Salerno, has agreed to have monthly meetings in compliance with the Medical Staff Bylaws. The department discussed issues with T-dap documentation, including when it occurs in their office and not in the hospital.</p> <p><b>Medical Review Committee</b> – A new ER transport form was approved. The form was also approved by the Medical Staff Executive Committee.</p> <p><b>Quality Management Committee</b> – Double study CT scans were discussed. This item will be researched and reviewed for compliance.</p>	Informational.	
<p><b>4. Quality Management Committee, Patient Safety Committee, Dashboard</b></p>	<p>Dr. Regen Gallagher reported the following from the August QM Committee Meeting:</p> <p><b>Old Business reviewed included:</b> CT Abdomen Studies were discussed.</p> <p><b>Utilization and Case Management reports reviewed included:</b> Readmission Rates, Delays in Stay (Internal &amp; External) and Case Management Dashboard. It was noted that letters of denial have increased.</p> <p><b>QM Compliance Indicators reviewed were:</b> Medical Staff, OR/PACU, Rehab Services, Nutritional Services, Lab and Radiology.</p>	Upon motion duly made and seconded, it was so VOTED to approve the Quality Management Committee report as presented.	



**Board of Directors  
September 11, 2023  
5:30 p.m.**

AGENDA TOPIC	ISSUE DISCUSSED & CONCLUSION	PLAN OF ACTION	PERSON RESPONSIBLE
	<p><b>2023 Dashboard</b> – The sepsis inpatient core measure was discussed. It was noted there is now an app that can be downloaded to cell phones that assists with the timeline of sepsis. Data for Q2 is included for the medical staff indicators and departmental leadership indicators.</p> <p><b>Customer Satisfaction</b> – Leslie Anderson reported information for customer satisfaction is for Q2, Q3 has not closed yet. Initiatives for 2023 are: meals, care transitions, medication communication, quietness and response of staff.</p> <p><b>Patient Complaints</b> – Leslie reported there were ten complaints received and resolved for Q3. The highest number of complaints continue to be ‘perception of care’.</p> <p><b>Patient Safety Committee</b> – There was no meeting in July and August.</p>		
<p><b>5. Report of Chairman, Board of Directors – Doug Plourde, Chairman</b></p> <p><b>a. Report from Board Members – PHS, MSEC</b></p> <p><b>b. Other</b></p>	<p>Doug Plourde provided the following updates:</p> <p><b>Pines Health Services</b> – Doug Plourde was unable to attend the Pines Health Services Board Meeting.</p> <p><b>Medical Staff Executive Committee</b> – Mike Quinlan was unable to attend the meeting, however, he reported that Dr. Djuanda summarized on the recent MSEC Committee during her report.</p> <p><b>Other</b> – Doug Plourde took a moment to announce that this was Leslie Anderson’s last Board meeting as COO. He thanked Leslie for her many years of service to Cary Medical Center, her professionalism in her role of COO and the many things she has accomplished throughout those years.</p>	<p>Informational.</p>	
<p><b>6. Report of CEO – Kris Doody</b></p> <p><b>a. Physician Recruitment and Retention</b></p>	<p>Kris Doody reported the following, noting more information is available in the CEO and Provider Activity Reports:</p> <p><b>Physician Recruitment</b> –</p> <ul style="list-style-type: none"> <li><b>Hem/Onc</b> – Dr. Elena Vagia is now working full-time at the Jefferson Cary Cancer Center and has purchased a home in Caribou. Dr. Zimbley will be providing part-time coverage during 2023 and into 2024.</li> <li><b>Pathology</b> – The services with Dahl Chase for Pathology coverage with Dr. Rick Riemersma, Pathologist as Medical Director has been well received. There were some issues with</li> </ul>	<p>Informational.</p>	



**Board of Directors  
September 11, 2023  
5:30 p.m.**

AGENDA TOPIC	ISSUE DISCUSSED & CONCLUSION	PLAN OF ACTION	PERSON RESPONSIBLE
<p><b>b. MRI Project</b></p> <p><b>c. COVID Updates</b></p>	<p>receiving reports in a timely fashion. This is being addressed with the team at Dahl-Chase.</p> <ul style="list-style-type: none"> <li>• <b>Hospitalist</b> – Dr. Alexander Bolton, locum hospitalist will be covering through the end of the year and possibly into the beginning of 2024 while we recruit for a permanent hospitalist for 2024. Site visits will be planned as necessary.</li> <li>• <b>Pediatrics</b> – With Dr. Karunasiri’s recent departure, locums Dr. Abussa, Dr. Hanna and Dr. Fritz will be assisting with coverage through the end of the year. Zoom interviews have been completed with interested pediatricians. Site visits will be planned as necessary.</li> <li>• <b>OB/GYN</b> – Dr. Karen Bossie will continue to provide one weekend per month coverage through 2023. A locum OB/GYN, Dr. Tanner, has been secured to assist with coverage. Traci Labreck, CNM is doing well in her new position as a Certified Nurse Midwife.</li> <li>• <b>Podiatry</b> – A site visit is planned for September 13<sup>th</sup> – 18<sup>th</sup> with Dr. Jackson Law, Surgical Podiatrist. Dr. Law is a 2024 candidate and will be visiting with his wife and two young children.</li> <li>• <b>Ongoing Recruitment</b> – Recruitment is ongoing for pediatrics, primary care, orthopedics, OB/GYN and anesthesia (CRNA).</li> </ul> <p><b>MRI Project</b> – Leslie Anderson reported that the old magnet was removed on September 9<sup>th</sup>. The room is being remodeled to include replacing the door, adding a second changing room so patients will be able to process through appointments faster and possible upgrades to windows. Canon will be on-site to conduct a room inspection. The entire room needs to be shielded in copper. The new magnet will be installed 9/22. It will take Canon ten days to finish processing the new magnet. Training will be scheduled for the MRI staff. The ‘go-live’ date is mid-October. This will be the largest bore MRI in the State. The new machine is very quiet and will have an MR Theatre for patients bothered with claustrophobia, providing scenery for viewing. Four Cary techs were trained on this new machine in California.</p> <p><b>COVID Updates</b> – Dr. Gallagher reported that cases are increasing in the County. There are some inpatients and some staff with COVID has been purchased. The State of Maine Legislature has removed the COVID vaccination requirement. The new COVID booster has been purchased that covers XB 1.5; Cary Medical Center will be carrying the Moderna vaccination as it has a longer shelf life. There will be some Astra Zeneca vaccines for those that do not prefer the MRNA vaccine. Hebert’s Pharmacy in Van Buren is interested in collaborating as they have in the past. Additional information and vaccination requirements have not been received from the CDC.</p>		





**Board of Directors  
September 11, 2023  
5:30 p.m.**

AGENDA TOPIC	ISSUE DISCUSSED & CONCLUSION	PLAN OF ACTION	PERSON RESPONSIBLE
<p><b>7. Report of Finance &amp; Personnel Committee</b> a. July Financials</p>	<p>Chelsea Desrosiers and Chris Bell provided the following updates:</p> <p><b>July Financials</b> - Chelsea Desrosiers provided an overview of the July 2023 Financials for Cary Medical Center, including review of: gross patient revenue, net operating revenue, expenses, COVID funding and net income (loss).</p> <p><b>Other</b> – Chelsea reported that Cary has partnered with Amplify/Ovation to review Aged AR. They are currently 45 days into the agreement and are transitioning well.</p> <p><b>Settlements</b> – Chelsea noted that settlements are being finalized with CMS and Anthem for approximately \$1.5M over a 3 year period.</p>	<p>Upon motion duly made and seconded, it was so VOTED to approve the report of the Finance &amp; Personnel Committee July as presented.</p>	
<p><b>8. Compliance Quarterly Report</b></p> <p>a. Annual Physician Contract Audit</p>	<p>Dr. Regen Gallagher provided the following updates:</p> <ul style="list-style-type: none"> <li>• Ongoing audits include: Fiscal - US Census 2023 Annual Public Payment/Payroll, Anthem Audit 2021, 2022 and PIP interim 2022 settlement; MaineCare settlements 2019 (Final) 2021 (interim); L'Acadie Cost Report 2022. Human Resources – Benefit Class, Child Labor and OIG Checks.</li> <li>• Compliance Hotline – One call was received in July. It was a patient complaint of a possible HIPAA breach. The complaint was investigated, addressed and will be reported as part of our annual HIPAA reporting. The hotline is advertised widely on signage throughout the organization, reviewed in annual training and included in any other compliance related communications.</li> <li>• Healthicity – This program is used for OIG exclusion checks. The contract was recently renewed.</li> <li>• Contracts – Two CRNA per diems contracts were fully executed. Two Anesthesiologists, and one ED NP renewal were fully executed.</li> <li>• QHR Compliance Risk Assessment – The assessment was completed in September 2022. Work is ongoing on items noted in the risk assessment. This was reviewed at the August Compliance Meeting.</li> </ul> <p><b>Annual Physician Contract Audit</b> – The annual physician contract audit was completed in June 2023. No discrepancies were found. The review will be presented to the Board of Directors in September each year.</p>	<p>Upon motion duly made and seconded, it was so voted to approve the Compliance Quarterly Report as presented.</p>	



**Board of Directors**  
**September 11, 2023**  
**5:30 p.m.**

AGENDA TOPIC	ISSUE DISCUSSED & CONCLUSION	PLAN OF ACTION	PERSON RESPONSIBLE
<b>9. Nursing Quarterly Report</b>	<p>Jenn Plant provided the following updates:</p> <ul style="list-style-type: none"> <li>• Current Nursing Recruitment – RN’s are being recruited in ACU, ED, Maternal Child, Oncology, SCU and Supervision. The OR is now fully staffed with RN’s. CNAs are being recruited for ACU and Respiratory. Surgical techs and respiratory therapists are also being recruited.</li> <li>• Nursing Overview 2023 of Position Status – Cary employs 153 RNs, 4 LPNs and 1 New Nurse Grads (NNGs). There are 89 full-time, 22 part-time and 47 on-call nurses. There have been some leadership changes. Some full-time nurses have moved to per diem or part-time positions.</li> <li>• Patient Safety Measures – Ongoing patient safety includes medication barcode scanning, inpatient fall and AHA education compliance.</li> <li>• 2023 Education and Training includes: ED Cardiac Case Study by Dr. Collamore, End of Life Care Lunch &amp; Learn by Hospice of Aroostook and Mockler Funeral Home, OB Post-Partum Hemorrhage Care (Jada is a new device to Cary), Hospital-wide Mass Casualty Incident Drill with follow-up de-briefing meetings and Code 99 Drill will occur in the OR in October.</li> </ul>	<p>Upon motion duly made and seconded, it was so VOTED to approve the Nursing Quarterly Report as presented.</p>	
<b>10. Ovation Healthcare Updates</b>	<p>Chip Holmes provided the following updates:</p> <ul style="list-style-type: none"> <li>• Supply Chain – Ops Assessment – a second round will be completed in person by year-end for Lab Inventory and Food Service.</li> <li>• Ovation is able to assist with budget, bad debt, billing and collecting.</li> <li>• Chip Holmes and Erika Sundrud will be on-site at October 2<sup>nd</sup> Board of Directors Meeting to provide an education session.</li> <li>• Ovation is currently conducting a review of current changes in the healthcare industry.</li> </ul>	<p>Informational.</p>	
<b>11. Other, Adjournment &amp; Next Meeting</b>	<p><b>Other</b> – Kris Doody provided an update on the Caribou Hospital District. Rick Solman, Attorney for the City of Caribou and Ben Townsend, Cary’s Attorney have discussed the CHD structure and bylaws. A response from Rick Solman was sent to Ben Townsend in August 2023. The last time the CHD bylaws were reviewed by legal counsel and approved by the District was in 2019. At the end of 2020, the members of the District made changes to the bylaws. It cannot be determined if the bylaws at that time were reviewed by legal counsel and the conflict of interest section was removed from the bylaws in 2020. Mr. Townsend created new bylaws in April 2023 with the addition of the conflict of interest. The bylaws will be provided to the District for final review and approval. Plans are to have a meeting within the next 30 days once schedules can be coordinated.</p>	<p>Informational.</p>	



**Board of Directors  
September 11, 2023  
5:30 p.m.**

AGENDA TOPIC	ISSUE DISCUSSED & CONCLUSION	PLAN OF ACTION	PERSON RESPONSIBLE
	<p><b>City Council Workshops</b> – Plans are to once again host City Council Workshops in person.</p> <p><b>Adjournment</b> - Upon motion duly made and seconded, it was so VOTED to adjourn the meeting at approximately 6:48 p.m.</p> <p><b>Next Meeting</b> –The next meeting of the Board of Directors is scheduled for Monday, October 2, 2023, 5:30 p.m.</p>		

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

Respectfully submitted,

Kris Doody, RN, MSB, CEO

# Monthly Permit Report

September 2023

	CURRENT MONTH	YEAR TO DATE	PRIOR YEAR MONTH	PRIOR YEAR TO DATE
BUILDING PERMITS	3	35	5	45
HOMES	0	4	0	2
MOBILE HOMES	0	0	0	2
MULTI-FAMILY	0	0	0	0
COMMERCIAL	0	11	0	5
EXEMPT	0	4	0	1
PLUMBING PERMITS				
INTERNAL	1	12	0	11
EXTERNAL	0	9	1	6
DEMO PERMITS	0	9	1	16
SIGN PERMITS	0	3	1	12

Year-to-Date is     January 2023                     to                     September 2023