



OCTOBER 16, 2017
MONDAY
6:30 P.M.

CITY OF OLD TOWN FINANCE COMMITTEE AGENDA

City Hall-Council Chambers, 2nd Floor
265 Main Street-Old Town, ME

1. **Call to Order** (Please silence or turn off cell phones)

2. **Fire Department Request**

The Fire Department is looking for a recommendation to the full Council to purchase a new set of Jaws of Life in the amount of \$62,163.00. Monies will come from the Capital Heavy Equipment Reserve account.

3. **Adjournment**

FUTURE AGENDA ITEMS

Heavy Equipment Replacement Capital Account Discussion

Public Safety, Library,

UDAG Loan Discussion

Foreclosures

IT-Phones, Upgrade, IT Staffing

Legislative Affairs

RSU #34 Update

Note: The Finance Committee is composed of Councilors Peterson (Chair), May, Nuttall and Council President Mahan.

MEMO

Date: October 2, 2017

To: Finance Committee

From: Scott Wilcox, Public Safety Director

Cc: Bill Mayo, Patty Brochu

RE: Request to approve new Jaws of Life

I am looking for a recommendation to the full Council to accept a quote for a new set of Jaws of Life in the amount of \$62,163.00 for the Fire Department. After two days of demonstrations we have decided on the Holmatro Rescue Tools. Included in the above listed price are 2 sets of Jaws, 2 Door Spreaders, Extensions, rams, mounting struts, cribs tools and lifting bags. The monies will come from the Capital Equipment Reserve (Heavy) Line 7000.

Respectfully Submitted

Scott J Wilcox



OCTOBER 16, 2017
MONDAY
Immediately following the Finance Comm. Mtg.

**CITY OF OLD TOWN
PUBLIC SERVICES COMMITTEE
AGENDA**

Old Town City Hall
Council Chambers, 2nd floor
265 Main Street, Old Town, Maine

1. **Call to Order** (Please turn off or silent cell phones)

2. **Property at 159 Perkins Avenue**

Staff is looking for a recommendation to the full Council to approve the demolition of the structure at 159 Perkins Avenue and donate the vacant lot to the Habitat for Humanity. This property was donated to the city by Wells Fargo Bank.

3. **Apartment Registration Program**

4. **The City Manager and Code Officer will discuss a possible apartment registration program.**

5. **Adjournment**

FUTURE AGENDA ITEMS
Special Projects

Note: The Public Services Committee is composed of Councilors May (Chair), McLeod, Roach and Council President Mahan.

To: Old Town City Council Public Services Committee
FROM: Travis Roy, Assessor
RE: 159 Perkins Avenue
DATE: 09/19/2017

Staff is requesting that City Council consider approving the demolition of structures 159 Perkins Avenue and donation of this vacant lot to the Habitat for Humanity of Greater Bangor.

This property was donated to the City by Wells Fargo Bank.

There are no back taxes or sewer fees.

The structure was inspected by Habitat for Humanity's general contractor, Lynn Lufkin and Old Town CEO David Russell, and the consensus was that the structure was not suitable for rehabilitation in its current configuration.

Habitat is very interested in the vacant lot for development of additional family housing.

If this is recommended to full council, staff will seek bids for the demolition costs prior to the Regular Council meeting on November 7, 2017.



OCTOBER 16, 2017

MONDAY

Immediately following the Public Services Comm. Mtg.

**CITY OF OLD TOWN
ECONOMIC DEVELOPMENT COMMITTEE
AGENDA**

**City Hall-Council Chambers, 2nd Floor
265 Main Street, Old Town, Maine**

1. **Call to Order** (Please silence or turn off cell phones)
2. The Committee will review the Business Loan Program Lender Agreements.
3. **Adjournment**

FUTURE AGENDA ITEMS

Grants

JRL Landfill Gas to Energy Project

Status of Current Projects

Strategic Planning Status Report

Note: The Economic Development Committee is composed of Councilors Roach (Chair), Klitch, Nuttall and Council President Mahan.

LOAN INTEREST SUBSIDY PROGRAM AGREEMENT
BUSINESS EQUIPMENT LOAN PROGRAM

This Loan Subsidy Program Agreement (the "Program Agreement") has been entered into as of the ___ day of _____ 2017 between the City of Old Town, a municipality duly incorporated under the laws of the State of Maine situated in Penobscot County (the "City"), and _____, a Maine financial institution with offices in Old Town, Maine (the "Lender").

ARTICLE I

PROGRAM OVERVIEW

1.1 Purpose. The City wishes to encourage establishment and growth of business enterprises now existing or wishing to locate in the City. For this purpose, it has agreed to establish a fund for the purpose of subsidizing interest payments on business loans made by the Lender to qualified business enterprises within the City.

1.2 Authority. The subsidy program described in this Program Agreement has been established by the City by vote of the City Council and has been duly authorized by the voters of the City.

1.3 Role of Lender. The Lender is a financial institution in the business of making loans to businesses in its market area, which includes the City. The Lender has agreed to accept loan subsidy payments from the City subject to the terms and limitations of this Program Agreement.

ARTICLE II

PROGRAM REQUIREMENTS

2.1 Establishment of Program. The City has established a Loan Subsidy Program (the "Program") pursuant to which it intends to subsidize interest payments on certain loans which may be made by the Lender as described in this Program Agreement.

2.2 Qualified Borrowers. Persons or entities qualifying for loans under the Program ("Qualified Borrowers") shall be identified and qualified by the City under such criteria as it may establish from time to time. The City shall certify the qualification of the prospective borrower to the Lender at the time the Qualified Borrower submits its loan application to the Lender. The Lender shall be entitled to rely on the certification of the City and shall have no duty or obligation to investigate or determine whether the Qualified Borrower in fact meets the criteria established by the City.

2.3 Loan Criteria. Loans made by the Lender to Qualified Borrowers in reliance on a certification from the City (each a "Qualified Loan") shall be subject to the terms of this Program Agreement. The Lender agrees to evaluate all completed loan applications submitted by Qualified Borrowers under the Program in accordance with such underwriting and other standards as it may establish from time to time. Any loan commitments made to Qualified Borrowers by the Lender shall be made on such terms and conditions, including applicable interest rates, as the Lender shall determine in its sole discretion. This Agreement does not obligate the Lender to make any loan to any Qualified Borrower, nor is it intended to determine the terms upon which any such loan is made.

2.4 Subsidy Payments. Upon approval of a loan application from a Qualified Borrower, and upon execution and delivery of a Loan Subsidy Agreement as contemplated by Section 3.3 of this Program Agreement, the City will pay to the Lender a one-time subsidy (a "Loan Subsidy") equal to the difference between the total interest payments which would be due from the Qualified Borrower to the Lender over the first 36 months of the Loan Term at a rate of interest equal to the market rate set forth in the commitment letter from the Lender (the "Lender Rate") less 300 basis points; provided, however, that in no event shall the Loan Subsidy for any single Qualified Borrower exceed \$5,000. If the commitment letter establishes a variable rate as the Lender Rate, the Loan Subsidy shall be calculated based on the interest rate in effect on the date of the Loan. In the event that a Qualified Loan as to which a Loan Subsidy has been paid is repaid in full prior to expiration of the original Loan Term, the Lender will refund to the City a portion of the Loan Subsidy equal to the original amount of the Loan Subsidy multiplied by a fraction the numerator of which is the number of days which the Qualified Loan had been outstanding at the time it was paid in full and the denominator of which is the number of days of the original term of the Qualified Loan had it remained outstanding until maturity. A sample loan subsidy calculation and sample prepayment calculation are attached to this Agreement as *Schedule A*.

2.5 Characterization of Payments. Loan Subsidy payments made by the City hereunder are in consideration of the Agreement of the Lender to make the underlying loan and shall not be deemed a prepayment of interest, fees or other charges otherwise owed by the Qualified Borrower to the Lender. Loan Subsidy payments shall be refundable in the event of prepayment to the extent provided in Section 2.4. Otherwise, all subsidy payments shall be unconditional, non-refundable and irrevocable and shall not be affected by any subsequent default, loan assignment, foreclosure or other event.

ARTICLE III

PROGRAM PROCEDURES

Section 3.1 Loan Subsidy Fund. The City shall create a fund in the amount of not less than \$20,000 nor more than \$30,000 (the "Loan Subsidy Fund") for the purpose of subsidizing interest rate payments to the Lender(s) as contemplated by this Program Agreement. The total amount placed with any one lender shall not exceed \$15,000. The Loan Subsidy Fund shall be held by the Lender in an interest bearing account, and funds shall be disbursed from the Loan Subsidy Fund only as provided in this Program Agreement. Upon termination of this Agreement, all unexpended funds remaining in the account less the amount of any subsidies for pending loans under the Program with respect to which the City has issued commitments but which have not yet been disbursed, shall be returned to the City.

Section 3.2 Application Process. Prospective borrowers wishing to participate in the Program shall apply to the City on such form and in accordance with such procedures as the City may establish. If the City approves the prospective borrower as a Qualified Borrower, it shall provide to the Lender a written certification and loan subsidy commitment in substantially the form of **Exhibit A** which shall accompany the Qualified Borrower's loan application. Any loan commitment issued by the Lender to a Qualified Borrower shall be deemed subject to the requirement that the City pay a Loan Subsidy with respect to the loan as contemplated by this Program Agreement and may be subject to such further terms and conditions as the Lender in its sole discretion shall determine.

Section 3.3 Loan Subsidy Agreement. At the closing of a Qualified Loan, the City, the Lender and the Qualified Borrower shall enter into a Loan Subsidy Agreement in substantially the form of **Exhibit B** to this Program Agreement with such modifications as may be approved by all parties.

Section 3.4 Loan Subsidy Calculation. The Lender will be responsible for calculating the amount of the Loan Subsidy and shall provide to the Qualified Borrower and to the City the basis for its calculation prior to the closing of the loan. The Loan Subsidy Agreement shall set forth the amount of the applicable Loan Subsidy consistent with the calculation provided by the Lender and agreed upon by the parties. Upon execution and delivery of the Loan Subsidy Agreement, the Loan Subsidy calculation shall be deemed final and may not thereafter be challenged by any party absent manifest error.

Section 3.5 Marketing. The City agrees to develop an appropriate marketing program, including a brochure, which it and the Lender may use to promote the Program to prospective Program borrowers. The Lender agrees to contribute up to \$_____ to the cost of the development of a brochure. The final form and content of the brochure and any other elements of the marketing program related to the Loan Subsidy Program shall be subject to prior approval by the Lender. The Lender's name, logo and other trademarks and designs may be incorporated in the brochure or other elements of the marketing program only with the express prior written approval of the Lender. The Lender hereby grants to the City a non-exclusive license to use its trade name, trademarks and associated designs during the term of this Program Agreement for the limited purposes of promoting the Program. All trade names, trademarks and associated designs identifying the Lender shall remain the sole and exclusive property of the Lender, and neither the City nor any other person or entity shall have any ownership rights therein.

ARTICLE IV

OTHER PROVISIONS

4.1 Term. Unless further extended by mutual agreement, this Program Agreement shall terminate five (5) years from the date hereof or upon the earlier exhaustion of the Loan Subsidy Fund; provided, however, that either party may immediately terminate this Program Agreement in the event of a material breach by the other party of either this Agreement or any Loan Subsidy Agreement executed hereunder. Termination of this Program Agreement shall not affect the obligation of the City to pay any Loan Subsidy relating to any loan with respect to which the Lender has issued an outstanding loan commitment as of the date of termination in reliance on a subsidy commitment from the City.

4.2 Partial Invalidity. The invalidity or unenforceability of any term or provision of this Program Agreement shall not affect the validity or enforceability of its remaining terms and provisions.

4.3 Entire Agreement. This Program Agreement represents the entire understanding between the City and the Lender with respect to the Loan Subsidy Program and supersedes all prior oral or written agreements and understandings. Any subsequent amendment to this Program Agreement must be in writing and must be signed by both parties.

4.4 Relationship of Parties. The relationship created by this Program Agreement is contractual only and shall not be deemed to create a partnership or joint venture between the City and the Lender, nor shall it be deemed to create any rights in any Qualified Borrower or prospective Qualified Borrower or any other third party.

4.5 Assignment. Neither party may assign its rights or obligations under this Program Agreement without the prior written consent of the other party; provided, however, that the Lender may assign its rights and obligations hereunder to any financial institution to which the underlying loan is assigned or to any financial institution which may succeed to the rights of the Lender by virtue of merger or acquisition of its assets.

4.6 Governing Law. This Agreement shall be governed in accordance with the Laws of the State of Maine.

IN WITNESS WHEREOF, the parties have entered into this Program Agreement under seal as of the date and year first above written.

WITNESS

CITY OF OLD TOWN

By: _____
Its:

NAME OF LENDER

By _____
Its:

Exhibit A

FORM OF CITY COMMITMENT

Pursuant to the terms of a certain Loan Subsidy Program Agreement between the City of Old Town, Maine (the "City") and _____ (the "Lender") dated as of September __, 2017, the City hereby certifies as follows:

1. _____ is a Qualified Borrower, as defined in the Loan Subsidy Program Agreement between the City and the Lender dated as of September __, 2017 (the "Program Agreement"), and has been approved for a Loan Subsidy as defined in the Program Agreement.

2. The City hereby agrees to enter into a Loan Subsidy Agreement among the City, the Lender and the Borrower in substantially the form attached to the Program Agreement and, pursuant thereto, to make a loan subsidy payment to the Lender in connection with a commercial loan to the Qualified Borrower in a principal amount not to exceed \$_____ and at an initial interest rate not to exceed ___%.

3. The City hereby acknowledges that the Lender will rely on this commitment for purposes of extending credit to the Borrower.

IN WITNESS WHEREOF, the City has executed and delivered this Loan Subsidy Commitment as of this ____ day of _____, 20__.

CITY OF OLD TOWN

By _____

Its: _____

Exhibit B

LOAN SUBSIDY AGREEMENT

This Loan Subsidy Agreement is entered into by the City of Old Town, a municipality duly incorporated under the laws of the State of Maine (the "City"), _____ a Maine financial institution with offices at Old Town, Maine (the "Lender") and _____, an individual or business entity with principal business operations in _____ ("Borrower").

RECITALS

Borrower is an individual or business entity conducting business, or proposing to conduct business, within the jurisdictional limits of the City. The Lender and the City are parties to a certain Loan Subsidy Program Agreement dated as of ____, 2017 (the "Program Agreement") pursuant to which the City has established a loan subsidy program (the "Loan Subsidy program") in order to attract and retain businesses within the City. Pursuant to the Loan Subsidy program, the City has provided a loan subsidy commitment to the Lender in reliance on which the Lender has issued to Borrower a commitment to provide certain credit facilities (the "Loan") to Borrower.

TERMS

1. Loan Subsidy Payment. In order to induce the Lender to extend credit facilities to Borrower, the City hereby agrees to make a one-time loan subsidy payment to the Lender, payable at the initial closing of the Loan, in an amount calculated in order to reduce the estimated interest payments which otherwise would be due from the Borrower to the Lender over the first thirty six (36) months of the term of the loan. The City has agreed to make the loan subsidy payment, and the Lender has agreed to accept the same, subject to the terms and conditions set forth in this Loan Subsidy Agreement. The amount of the loan subsidy payment has been determined as provided in Section 3 of this Agreement.

2. Existence of Commitment. Each of the parties acknowledges that the Lender has made a loan commitment to loan funds to the Borrower in reliance on the commitment of the City to make a loan subsidy payment pursuant to the terms of the Program Agreement. Borrower hereby acknowledges (i) that the subsidy payment to be made by the City to the Lender is being made in order to induce the Lender to make a loan to Borrower; (ii) that the loan subsidy payment is irrevocable and shall have no effect on the payment obligations undertaken by Borrower pursuant to the terms of the Loan, and (iii) that Borrower is not a third party beneficiary of the Program Agreement between the City and the Lender and has no enforceable rights thereunder.

3. Subsidy Calculation and Payment. The Lender has prepared a loan subsidy calculation pursuant to the terms of the Program Agreement. The City and the Borrower each acknowledges that it has had an opportunity to review the loan subsidy calculation and that the loan subsidy amount set forth on *Schedule A* to this Agreement has been calculated correctly and is the sole loan subsidy due from the City to the Lender in connection with the Loan.

4. Representations and Warranties of Borrower. The Borrower hereby represents and warrants as follows:

(a) If the Borrower has represented itself to be a corporation, limited liability company or limited partnership, it has been duly organized and is validly existing under the laws of its jurisdiction of organization and has the power and authority to enter into this Loan Subsidy Agreement and to perform all of its obligations hereunder.

(b) The execution and delivery of this Loan Subsidy Agreement by Borrower has been duly authorized by all necessary corporate or other entity action which action remains in full force and effect as of the date hereof.

(c) Execution and delivery by Borrower of this Loan Subsidy Agreement will not violate any law, regulation or ordinance applicable to Borrower or any contract to which Borrower is a party or by which Borrower is bound.

(d) Upon its execution and delivery, this Loan Subsidy Agreement will be an enforceable obligation of Borrower enforceable against it in accordance with its terms, subject to Bankruptcy and other laws applicable to creditor's rights generally and to general principles of equity.

(e) To the best knowledge of Borrower, all information provided by it in connection with its applications to the City and the Lender in conjunction with the Loan and the Loan Subsidy Program is true, complete and accurate and does not contain any misrepresentations of material fact or omissions of any material facts necessary in order to make the statements therein not misleading.

5. Representations and Warranties of the City. The City hereby represents and warrants as follows:

(a) It is a municipality duly incorporated and organized under the laws of the State of Maine and has the necessary power and authority to enter into this Loan Subsidy Agreement and to perform all of its obligations hereunder.

(b) The City has full legal authority to enter into this Loan Subsidy Agreement and to perform its obligations hereunder, and the execution and delivery hereof by the City has been duly authorized by all necessary action taken by the appropriate legislative body of the City.

(c) Upon its execution and delivery, this Loan Subsidy Agreement will be an enforceable obligation of the City enforceable against it in accordance with its terms, subject to Bankruptcy and other laws applicable to creditor's rights generally and to general principles of equity.

(d) Execution and delivery of this Loan Subsidy Agreement by the City will not violate any law, regulation or ordinance applicable to the City or any contract to which the City is a party or by which it is bound.

6. Representations and Warranties of the Lender. The Lender hereby represents and warrants as follows:

(a) The Lender is a financial institution duly organized and incorporated under the laws of the United States and has the necessary power and authority to enter into this Loan Subsidy Agreement and to perform all of its obligations hereunder..

(b) The Lender has the legal authority to enter into this Loan Subsidy Agreement and to perform its obligations hereunder and the execution and delivery hereof by the Lender has been duly authorized by all necessary corporate action.

(c) Upon its execution and delivery, this Loan Subsidy Agreement will be an enforceable obligation of the Lender enforceable against it in accordance with its terms, subject to Bankruptcy and other laws applicable to creditor's rights generally and to general principles of equity.

(d) Execution and delivery of this Loan Subsidy Agreement by the Lender will not violate any law, regulation or ordinance applicable to the Lender or any contract to which the Lender is a party or by which it is bound.

7. Disclosure Authorization. Borrower hereby expressly consents to disclosure by the Lender to the City of the terms of the Loan and, for that purpose, expressly authorizes the Lender to furnish to the City copies of its loan commitment letter, all loan applications and other materials furnished in conjunction with the loan application by Borrower to the Lender, and any loan documents executed by Borrower and the Lender in connection with any loan made pursuant to the Loan Subsidy Program.

8. Opinions of Counsel. In conjunction with the closing of the Loan, the Lender may require opinions of counsel for Borrower and the City with respect to the due organization and authority of each to enter into this Loan Subsidy Agreement and, in the case of the City, to make loan subsidy payments pursuant to the terms of the Program Agreement.

9. Term. This Loan Subsidy Agreement shall remain in effect until all payments due from the City hereunder and from Borrower pursuant to the terms of the Loan have been paid to the Lender or, in the event the Loan is not made, until the Lender's commitment has been withdrawn.

10. Partial Invalidity. The invalidity or unenforceability of any term or provision of this Loan Subsidy Agreement shall not affect the validity or enforceability of its remaining terms and provisions.

11. Entire Agreement. This Loan Subsidy Agreement, together with the Program Agreement, represents the entire understanding among the City, the Lender and Borrower with respect to Loan Subsidy Program and supersedes all prior oral or written agreements and understandings. Any subsequent amendment to this Loan Subsidy Agreement must be in writing and must be signed by all parties.

12. Relationship of Parties. This Loan Subsidy Agreement shall not be deemed to create a partnership or joint venture between the City and the Lender.

13. Assignment. No party may assign its rights or obligations under this Loan Subsidy Agreement without the prior written consent of the other parties; provided, however, that the Lender may assign its rights and obligations hereunder to any financial institution to which the Lender assigns the Loan or to any financial institution which may succeed to the rights of the Lender by virtue of merger or acquisition of its assets.

14. Governing Law. This Agreement shall be governed in accordance with the Laws of the State of Maine.

IN WITNESS WHEREOF, the parties have entered into this under seal as of the date and year first above written.

WITNESS

CITY OF OLD TOWN

By: _____
Its:

LENDER

By: _____
Its:

BORROWER

By: _____
Its:

Schedule A to Loan Subsidy Agreement

Loan Subsidy Amount: \$ _____

Schedule A to Loan Subsidy Program Agreement

Sample Loan Subsidy Calculation

Loan Amount:	\$50,000
Loan Term:	7 years
Market Rate:	6%
Subsidized Rate:	3%
Payment at Market Rate:	\$730.43
Payment at Subsidized Rate:	\$660.67
Difference in payments:	\$69.76
Loan Subsidy:	\$69.76 x 36 = \$2,511.36

Sample Prepayment Calculation

Assume that loan is prepaid after 49 months:

$$\$2,511.36 \times \frac{1,490 \text{ days}}{2,555 \text{ days}} = \$1,464.55 \text{ (amount of Loan Subsidy to be refunded)}$$

CITY OF OLD TOWN MAINE

Business Loan Program Participation Agreement

THIS AGREEMENT, made and entered into this ____ day of _____ 2017 by and between the CITY OF OLD TOWN, MAINE (hereinafter “City”), a municipal corporation organized and existing under the laws of the State of Maine, with offices at Old Town, Penobscot County, Maine and _____, a _____ corporation organized and existing under _____, with an office at _____, Maine (hereinafter “Lender”).

Agreement

1. Business Loan Program. The City has established a program entitled “City of Old Town Business Loan Program” (hereinafter “the Program”), for the purpose of assisting the location, establishment, expansion and modernization of new and existing businesses and business properties within the City of Old Town, Maine.

2. Program Description. The Program operates by providing guarantees of loans and providing the entire principal amount of the loan to participating lenders at closing. Loans are made to eligible businesses and individuals, for the purpose of locating, establishing, expanding or modernizing a new or existing business located in Old Town, Maine.

3. Eligibility. All loans guaranteed by the Program must be made to businesses or (including sole proprietorships) in Old Town Maine, for acquisition or funding of real estate, real estate improvements and / or business equipment located or to be located in Old Town Maine. Loan guarantees will not be provided with respect to loans for the acquisition of existing businesses or business good will; operating or advertising expenses; payroll expenses; or operating capital. Applicants may be a start-up business or an existing business located in Old Town. Loans guaranteed by the Program must be for the general purpose of creating or retaining existing jobs within the City of Old Town. Loans guaranteed by the Program must be secured by real estate or personal property to the extent practicable.

4. Program Limitations.

- a. Maximum amount (per loan):
 - i. *Loans secured by real estate* – \$50,000
 - ii. *Loans secured by personal property* – \$50,000
 - iii. *Unsecured loans (with co-signer/guarantor)* – \$20,000
- b. Minimum credit score required:
 - i. *Applicant only (secured; no co-signer)*: 600 (650+ preferred)
 - ii. *Applicant with co-signer*: 600 (650+ preferred)
- c. Maximum term of loan guarantee:
 - i. *Loans secured by real estate* – 10 years
 - ii. *Loans secured by personal property* – 10 years
 - iii. *Unsecured loans (with co-signer)* – 5 years
- d. Credit history requirement: No personal or business bankruptcy filings or unsatisfied court judgments against the Applicant or co-signer within three (3) years prior to the application date.

5. Application Procedures.

- a. Applications. Applications may originate with the City or with the Lender. Any person applying to the City shall be provided with a list of participating Lenders, and shall be referred to the participating Lender of the Applicant's selection to complete all required loan application documents.
- b. Process. Participating Lenders shall be responsible for all loan documentation and processing with respect to the underlying loan, The participating Lender shall be responsible for confirming the Applicant's eligibility under the standards set out above, including Applicant's (and co-signer's) credit scores and credit history. Upon completion of required Lender documentation and tentative loan approval, the application and all supporting documents shall be referred to the City's designated representative for final review and approval of the loan guarantee. The City shall provide its final approval or disapproval to the Applicant and the Lender within ten (10) business days after receipt of the completed

application and supporting documents in writing, stating the reasons for denial (if denied).

The City's designated representative for approving applications is Old Town Development LLC.

- c. Documentation of loan security. The Lender shall be responsible for preparing, obtaining signatures and recording all documents necessary to create and perfect any mortgage or personal property security interest taken for the purpose of securing repayment of any loan guaranteed by the Program. In all such documents, the City shall be given the status of second priority mortgage holder, lien holder or secured party, as may apply, subordinate to the mortgage, lien or security interest of the Lender in the property concerned, to the extent of the City's loan guarantee.

6. Disbursements / Administration.

- a. Loan proceeds. Upon final approval of a loan guaranteed by the Program, the participating Lender shall manage and disburse loan proceeds in the Lender's normal procedures for loans of the type concerned.
- b. Loan servicing / repayment / default. The Lender shall be responsible for all loan servicing, including payment monitoring and collection in the event of a loan default. The Lender shall notify the City within 32 days of any guaranteed loan that becomes delinquent, including the amount of the delinquency and the Lender's collection efforts.

7. Loan Guarantee.

- a. Applicability. The Lender shall be entitled to apply for reimbursement of losses incurred by the Lender on any loan guaranteed by the Program, resulting from the loan Applicant / borrower's bankruptcy, death, insolvency, or inability of the Lender to collect upon a final personal judgment, to the extent of the City's loan guarantee, as follows:
 - i. *Losses.* The Lender's losses, for the purpose of this Program, shall consist of all uncollected loan principal, loan interest and Lender

collection expenses; but not including default fees, late penalties, or penalty interest amounts.

ii. *Reimbursement amount.* The reimbursement amount shall be an amount equal to the loan guarantee percentage as stated in the loan documents, multiplied by the Lender's loss on the loan concerned and subject to the maximum guarantee cap. By way of example, if the Lender's loss on a particular loan amounts to \$80,000 and the guarantee percentage is 50%, the City shall reimburse the Lender for \$40,000 of the Lender's loss, subject to the conditions and timing requirements stated below.

iii. *Conditions / timing of reimbursement.* The City's loan guarantee shall be payable to the Lender upon occurrence of any of the following events:

(a) 90 days after Lender has commenced collection efforts with no results.

(b) 90 days after sale of real or personal property given as loan security, pursuant to a final judgment of foreclosure; order or sale; or similar court judgment.

(c) 120 days after entry of judgment and recording of a writ of execution against the Applicant / borrower with respect to the loan note, if the execution remains unsatisfied in whole or part at that time.

iv. *Later collections.* In the event the Lender receives payment from the Applicant / borrower or other sources with respect to a defaulted loan, after receiving reimbursement from the City pursuant to the City's loan guarantee, the Lender shall promptly remit to the City an amount equal to the amount of such late collections, multiplied by the guarantee percentage.

8. Term. This Agreement shall remain in effect for a term of three (3) years from the date hereof, ending on _____ . Either party may terminate this Agreement at

an earlier date, by giving notice of termination to the other party in writing, at the address of such party's municipal / corporate clerk or registered agent. Expiration or termination of this Agreement shall not relieve either party of its obligations hereunder with respect to loans guaranteed by the Program prior to such expiration or termination.

8. Miscellaneous.

a. This Agreement is made under and shall be construed in accordance with the laws of the State of Maine.

b. Any suit to construe or enforce the terms of this Agreement must be brought in the Penobscot County (Maine) Superior Court, and otherwise shall be barred.

c. This Agreement is intended to be for the sole benefit of the City and the participating Lender, and shall not be deemed to create any right, claim or cause of action by or on behalf of any other party.

Dated: _____

CITY OF OLD TOWN

_____ (LENDER)

(By) _____
Name:
Title:
Duly Authorized

(By) _____
Name:
Title:
Duly Authorized



OCTOBER 16, 2017

MONDAY

Immediately following the Economic Development Comm. Mtg.

AGENDA
SPECIAL COUNCIL MEETING
City Council Chambers, 2nd Floor
265 Main Street-Old Town, Maine

- I. CALL TO ORDER (Please turn off or silence cell phones)**
- II. FLAG SALUTE**
- III. ROLL CALL**
- IV. Approval of the Minutes of the October 2, 2017 Regular Council Meeting.**
- V. PETITIONS, COMMUNICATIONS AND CITIZENS' REQUESTS**
- VI. REPORTS**
 - A. Council President**
 - B. Standing Committees (Finance, Public, Administrative & Economic Services; Landfill, Legislative, Sewer, Airport & Housing sub-committees)**
 - C. City Councilors**
 - D. City Attorney**
 - E. Special Committees**
 - F. City Manager**
- VII. CONSENT AGENDA**
- VIII. PUBLIC HEARINGS AND SECOND READING OF ORDINANCES**
- IX. OLD BUSINESS**

X. NEW BUSINESS

1. The City Council will consider approval of a renewal application for a Malt, Vinous & Spirituous Liquor License and a Special Amusement Permit for the Old Town Lodge of Elks #1287, 37 Fourth Street.

Suggested motion: Resolved, the Old Town City Council hereby approves a renewal application for a Malt, Vinous & Spirituous Liquor License and a Special Amusement Permit for the Old Town Lodge of Elks #1287, 37 Fourth Street.

(Councilor Klitch)

2. The City Council will consider going into Executive Session for the purpose of discussing an economic development item.

Suggested motion: Resolved, the Old Town City Council hereby approves going into Executive Session pursuant to Title I MRSA Section 405, §(6) (C) for the purpose of discussing an economic development item.

(Councilor May)

3. The City Council will consider going into Executive Session for the purpose of discussing a Personnel matter.

Suggested motion: Resolved, the Old Town City Council hereby approves going into Executive Session pursuant to MRSA Title 405, Section (6)(A) for the purpose of discussing a Personnel matter.

(Councilor Nuttall)

4. The City Council will consider going into Executive Session for the purpose of discussing a Personnel matter.

Suggested motion: Resolved, the Old Town City Council hereby approves going into Executive Session pursuant to MRSA Title 405, Section (6)(A) for the purpose of discussing a Personnel matter.

(Councilor Roach)

5. The City Council will consider going into Executive Session for the purpose of discussing the City Manager's annual performance evaluation.

Suggested motion: Resolved, the Old Town City Council hereby approves going into Executive Session pursuant to Title 1, M.R.S.A., §405(6)(A) for the purpose of discussing the City Manager's annual performance evaluation.

(Councilor Klitch)

6. The City Council will consider renewing an Employment Contract with William Mayo for the position of City Manager.

Suggested motion: Resolved, the Old Town City Council hereby approves renewing a five year Employment Contract with William Mayo for the position of City Manager effective October 17, 2017.

(Councilor Peterson)

XI. ADJOURNMENT



REGULAR COUNCIL MEETING – OCTOBER 2, 2017

Council convened October 2, 2017 in the Old Town City Council Chambers at 265 Main Street.

Councilors present: President David Mahan, Janet Klitch, Carol May, Linda McLeod, John Nuttall and Stan Peterson arrived at 7:05 p.m. Eric Roach absent.

Administration present: Bill Mayo, Ed Bearor, Patty Brochu, David Smith and Paul Boutin.

Others present: five citizens in the audience.

Council President Mahan called the meeting to order at 7:00 p.m.

Councilor Klitch, seconded by Councilor Nuttall, moved to approve the Minutes of the September 5, 2017 Regular Council Meeting. **Approved all in favor, 5-0.**

REPORTS

President Mahan thanked everyone involved with Riverfest and stated they did a fantastic job. He informed the audience there were people in the room to speak on the upcoming Charter Amendment and that it will give the city a loan plan for new businesses.

Tim Folster, Chair of the Old Town Development, LLC agreed it will be a tool whether it's used or not.

Brent Folster who has been in banking for 39 years said many things have changed with municipalities and they need to find new ways to attract businesses. This charter change will be one more tool aiding in attracting businesses to Old Town.

Everett Deschenes stated he has been working with the city on Economic Development and the mill development for the past 2 years and encourages the citizens to pass this amendment.

Councilor McLeod reported on the Bennoch Road now that it was fixed and paved and wanted to know if the big trucks will still be instructed to use the interstate rather than the Bennoch Road. Manager Mayo said there are signs and they are to still use the interstate.

Manager Mayo: 1) The Penny Road property sale is getting close and hopefully is tied up by the end of the week; 2) things are still moving forward with the mill site; 3) Paul Boutin, Pollution Control employee was recognized for receiving the Founders Award from the Maine Joint Environmental Training Coordinating Committee.

Resident Richard Jackson voiced his concerns about the lines and directional arrows for the roads and the lack of them. Manager Mayo told him the line painting is scheduled but they are waiting for the paving to be done first.

CONSENT AGENDA

Councilor McLeod, seconded by Councilor Klitch, Resolved, the Old Town City Council hereby approves the Suggested motions under New Business items 1, 2, 3 & 4 as presented and as follows:

Item #1: Resolved, the Old Town City Council hereby approves an application for a Major Event Permit for the Old Town Rotary Club to hold the Annual Hunters Breakfast to be held in the Municipal Parking lot on Main Street on October 28, 2017 and to allow set up on October 27, 2017 starting at 1:00 p.m. and to further waive the permit fee.

Item #2: Resolved, the Old Town City Council hereby approves issuance of Municipal Warrants for the November 7, 2017 Regular Municipal Election.

Item #3: Resolved, the Old Town City Council hereby approves the Registrar of Voters hours for the November 7, 2017 State General & Regular Municipal Election, pursuant to Title 21A, M.R.S.A. §101(6) as presented in attachment #2 and recommended by the City Clerk.

Item #4: Resolved, the Old Town City Council hereby approves to accept \$460.00 from the State of Maine vs. Patrick Pascal based on the grounds that the Old Town Police department made a substantial contribution to the investigation of this criminal case.

Consent agenda items approved all in favor, 6-0.

PUBLIC HEARINGS

The City Council conducted a Public Hearing at 7:27 p.m. on a proposal to amend Chapter 21, titled Welfare, Appendices A, B, C & D (Food, Housing, Heat & Personal Care Assistance Limits) of the General Assistance Maximum Amounts for the period October 1, 2017 through September 30, 2018. This amendment is a requirement of the Department of Human Services in compliance with Title 22, M.R.S.A. §4305(4).

The City Clerk noted this is an annual adjustment in the amounts set by the state.

There being no other comments, the Council President closed the hearing at 7:28 p.m.

The City Council considered scheduling a Second Reading for final approval on a proposal to amend Chapter 21, Titled Welfare.

Councilor Nuttall, seconded by Councilor McLeod, Resolved, the Old Town City Council hereby approves scheduling a Second Reading for final approval on November

6, 2017 on a proposal to amend Chapter 21, titled Welfare, Appendices A, B, C & D (Food, Housing, Heating & Personal Care Assistance Limits) of the General Assistance Maximum Amounts for the period October 1, 2017 through September 30, 2018 as presented in Attachment #1. **Approved all in favor, 6-0.**

The City Council conducted a Public Hearing at 7:30 p.m. on a new application for a Lunch Wagon Permit for Mark Kent, d/b/a Wicked Good Gourmet, 1168 Main Street, Old Town, ME.

The City Clerk noted that the Inspectors had not been able to inspect the lunch wagon yet and this item should be approved contingent upon completed inspections.

There being no further comments, the Council President closed the hearing at 7:31 p.m.

The City Council considered approval for a new application for a Lunch Wagon Permit.

Councilor Klitch, seconded by Councilor Nuttall, Resolved, the Old Town City Council hereby approves an application for a Lunch Wagon Permit for Mark Kent, d/b/a Wicked Good Gourmet, 1168 Main Street, Old Town, ME contingent upon completed inspections. **Approved all in favor, 6-0.**

NEW BUSINESS

The City Council considered approval for a renewal application for a Liquor License for Delicious Bangkok.

The City Clerk noted the Inspectors had not been able to gain entrance during regular working hours to inspect the establishment and therefore recommended this be approved contingent upon completed inspections.

Councilor Klitch, seconded by Councilor May, Resolved, the Old Town City Council hereby approves a renewal application for a Malt, Spirituous & Vinous Liquor License for Sirirat Thongoat, d/b/a Delicious Bangkok, 151 Main Street, Old Town, ME contingent upon completed inspections. **Approved all in favor, 6-0.**

The City Council considered accepting a bid for the demolition of structures at 17 Front Street & 27 Front Street.

Councilor Peterson, seconded by Councilor McLeod, Resolved, the Old Town City Council hereby authorizes the demolition of the City owned structures located at 17 Front Street and 27 Front Street and hereby accepts the bid from Street's Landscaping and Lawn Care, Inc. in the amount of \$7,000 for demolition and removal of these structures. **Approved all in favor, 6-0.**

The City Council considered going into Executive Session for the purpose of discussing an economic development update relating to the Expera Mill.

Councilor May, seconded by Councilor Klitch, Resolved, the Old Town City Council hereby approves going into Executive Session at 7:33 p.m. pursuant to Title I MRSA Section 405, §(6) (C) for the purpose of discussing an economic development update relating to the Expera Mill. **Approved all in favor, 6-0.**

Councilor McLeod, seconded by Councilor Klitch, moved to come out of Executive Session at 8:20 p.m. **Approved all in favor, 6-0.**

Councilor McLeod, seconded by Councilor Nuttall, moved to adjourn at 8:21 p.m. **Approved all in favor, 6-0.**

Adjourned,

Patricia A. Brochu, CMC
City Clerk-Old Town, ME

EMPLOYMENT AGREEMENT

THIS AGREEMENT, made and entered into this 17th day of October, 2017, by and between the **CITY OF OLD TOWN**, Maine, a municipal corporation, hereinafter called "CITY," as party of the first part, and **WILLIAM J. MAYO** hereinafter called "MANAGER," both of whom understand as follows:

WITNESSETH:

WHEREAS, CITY desires to employ the services of William J. Mayo as MANAGER of the City of Old Town, as provided by Article VII of the Charter of the City of Old Town; and

WHEREAS, it is the desire of the CITY to (1) secure and retain the services of the MANAGER, and to provide inducement for him to remain in such employment; (2) to define the benefits and working conditions of the MANAGER'S employment; and (3) to provide a just means for terminating MANAGER'S services at such time that CITY may desire to terminate his employment; and

WHEREAS, William J. Mayo desires to accept employment as MANAGER of said CITY under the terms and conditions stated herein;

NOW, THEREFORE, in consideration of the mutual covenants herein contained and intending to be legally bound, the parties agree as follows:

Section 1. Powers and Duties of the City Manager

- A. The CITY hereby agrees to employ said William J. Mayo as MANAGER to perform the functions and duties specified herein and in Article VII of the City Charter, the State Statutes and/or the Municipal Code, or as the Council shall assign from time to time.
- B. Neither the Council nor any of its committees or any of its members shall dictate the appointment of any person to office, or employment by the City Manager or in any manner to interfere with the City Manager or prevent him from exercising his own judgment in the appointment of officers and employees in the administrative service. Except for the purpose of inquiry, the Council and its members shall deal with the administrative service solely through the City Manager, and neither the Council nor any member thereof shall give orders to any of the subordinates the City Manager.
- C. The MANAGER shall be the executive and administrative head of the City of Old Town and shall be responsible to the City Council for administration of all departments.

Section 2. Term

- A. The MANAGER serves at the pleasure of the City Council for a term commencing on October 17, 2017 and expiring on October 19, 2022, and nothing herein shall be taken to prevent, limit or otherwise interfere with the right of the City Council to terminate the services of the MANAGER at any time subject only to the provisions of Section 3 of this Agreement.
- B. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the MANAGER to resign at any time from his position with CITY. However, in the event MANAGER voluntarily resigns as MANAGER before expiration of the term of this Agreement, the MANAGER shall give the Council President ninety (90) calendar days advance notice unless the parties agree otherwise. In the event the MANAGER fails to give the required notice and the parties have not agreed otherwise, accumulated sick leave per the Old Town Employee Handbook, if any, will be forfeited.
- C. The MANAGER agrees to remain in the exclusive employ of the CITY while employed by the CITY.

Section 3. Termination and Severance Pay

- A. In the event that the CITY terminates this Agreement prior to the expiration of this Agreement, the CITY, at a minimum, will provide ninety (90) calendar days' notice and will pay to the MANAGER a severance payment equal to twelve (12) week's pay plus continuation of health insurance coverage for the same period of time. Severance pay will be in addition to all accrued vacation, sick and other leave the MANAGER may have earned or accumulated. However, the City may as an alternative, provide the MANAGER with a notice of intent to terminate and request the MANAGER to continue to perform the managerial duties and the CITY shall continue to pay all compensation until the effective date of the termination notice.
- B. The CITY, by its City Council, agrees to provide at least ninety (90) days advance written notice to the MANAGER of the CITY's intent not to renew this Agreement at its expiration. If such notice is not given, this Agreement shall be deemed to be extended, upon the same terms and conditions, for an additional term of three (3) years expiring on October 19, 2025, subject to the CITY's right to terminate under sections 2.A and 3.A above. If notice of non-renewal is given as provided herein, the MANAGER, upon expiration of this Agreement, shall be entitled a severance payment equal to twelve (12) week's pay plus continuation of health insurance coverage for the same period of time, in the same manner as provided in paragraph A above.
- C. In the event the MANAGER is terminated because of his conviction of any illegal act involving personal gain to himself, then in that event CITY shall have no obligation to pay the aggregate severance sum designated herein.

- D. The terms of this Agreement shall remain in full force and effect and hold over on a day-to-day basis until a successor Agreement has been negotiated and entered into by the MANAGER and CITY, or until the MANAGER's employment has been terminated as provided herein.
- E. In the event of death of the MANAGER during the term of this Agreement, all benefits such as salary, vacation and other benefits accrued to date of death, consistent with the treatment of other full-time employees under the Old Town Employee Handbook shall be paid to the MANAGER's estate.

Section 4. Salary

- A. The CITY agrees to pay William J. Mayo for his services rendered pursuant hereto as MANAGER in the following manner: \$96,330 per year beginning July 1, 2017 and for each subsequent year this Agreement shall remain in effect; payable in installments at the same time as other administrative employees of the CITY are paid. After twelve (12) months of service, unless otherwise expressly agreed, the MANAGER, during the remaining term of this Agreement, shall receive the same percentage annual cost-of-living pay increases, if any, as received by other non-unionized City employees.

Section 5. Retirement/Deferred Compensation

- A. The MANAGER shall be eligible to participate in all retirement programs offered by the CITY for other administrative employees, including the Maine State Retirement System.
- B. Both the CITY and MANAGER will make required contributions to the Social Security System.
- C. The City shall participate in ICMA Retirement Corporation for the Manager up to 4.5% of the MANAGER's annual salary as an employer match of employee contributions. The MANAGER shall direct the allocation of the employer match among the MANAGER's ICMA accounts.

Section 6. Insurance Coverage's

- A. The CITY will provide and pay the full cost of the disability insurance coverage for the MANAGER as provided for other administrative employees.
- B. The MANAGER shall be covered by the same health and dental plans as all other employees. The CITY and the MANAGER shall share the cost of the insurance premiums in the same manner as is in effect for department head level administrative employees.

Section 7. Automobile

- A. The MANAGER shall have priority use of the City pool automobile for use on City business. Should the pool automobile be unavailable, the MANAGER shall be reimbursed at the IRS allowable rate for out-to-town business travel (Outside the greater Old Town area) using his personal vehicle.

Section 8. Other Benefits

- A. The MANAGER shall be entitled to twenty (20) days of vacation every twelve (12) months or the vacation amount entitled by years of service with the City contained in the Employee Handbook, whichever is greater, during the term hereof which shall accrue and may be carried over as provided in the City's Personnel Rules and Regulations.
- B. The MANAGER shall earn and accrue sick and personal leave at the rate prescribed by the Personnel Rules and Regulations for other administrative employees.
- C. The MANAGER shall be entitled to those benefits provided full time City employees except where this Agreement provides or controls other or alternate benefits or compensation.

Section 9. Professional Development

- A. The CITY agrees to budget for and to pay the professional dues, subscriptions, travel, seminars or short courses and subsistence expenses of the MANAGER up to \$_____per year for professional participation and travel, meetings and occasions adequate to continue the MANAGER's professional development. Said participation on CITY time to include, the International City and County Management Association (ICMA), and the Maine Town and City Management Association, and such other national, regional, state groups and committees thereof which the MANAGER and the CITY agree are desirable, to include maintenance of the MANAGER certification as a Certified Maine Assessor.

Section 10. Performance Evaluation

- A. The City Council shall review and evaluate the performance of the MANAGER annually. The parties agree that such an evaluation shall take place before the MANAGER'S anniversary date of employment as MANAGER.
- B. The Council President shall provide the MANAGER with a summary written statement of the findings of the City Council and provide an adequate opportunity for the MANAGER to discuss each evaluation with the City Council.

Section 11. Indemnification and Bonding

- A. The CITY shall defend, save harmless, and indemnify MANAGER against any tort, professional liability claim or demand or other legal action, whether

groundless or otherwise, arising out of an alleged act or omission occurring in the performance of his duties as MANAGER. The CITY will defend, compromise or settle any such claim or suite and pay the amount of any settlement or judgment rendered thereon. Said indemnification shall extend beyond termination of employment, and the otherwise expiration of this Agreement, to provide full and complete protection to the MANAGER, by the CITY, as described herein, for any acts undertaken or committed in his capacity as MANAGER, regardless of whether the notice of filing of a lawsuit for such tort, claim, demand, or other legal action occurs during or following MANAGER' S employment with the CITY.

- B. The CITY shall bear the full cost of any fidelity or other bonds required of the MANAGER under any law or ordinance.

Section 12. Residency

- A. The MANAGER shall not be required to become a resident of the City of Old Town for the duration of this Agreement.

Section 13. General Provisions

- A. This Agreement shall become effective upon adoption and approval by the City Council of the City of Old Town and execution by the parties.
- B. If any provisions, or any portion thereof, contained in this Agreement is held unconstitutional, invalid or unenforceable, the remainder of this Agreement , or portion thereof, shall not be affected and shall remain in full force and effect.
- C. No term or provision of this Agreement shall be deemed to have been waived by either party unless such waiver is in writing and signed by the party making the waiver.
- D. This Agreement may be amended at any time, only in writing and duly executed by both parties.
- E. The subject headings of the Sections of this Agreement are included for the purpose of convenience only and shall in no way affect the meaning, construction or interpretation of any provision of this Agreement.
- F. The Finance Director is hereby authorized to disburse funds as needed to fulfill all provisions of this Agreement, upon receipt of duly executed expense or petty cash vouchers, receipts, statements, or personal affidavits.
- G. This Agreement shall constitute the entire Agreement between the parties.

IN WITNESS THEREOF, the City of Old Town has caused this Agreement to be signed and executed in its behalf by the City Council and duly attested by its City Clerk, and the MANAGER has signed and executed this Agreement, both in duplicate, the day and year first written above.

City Council President – David Mahan

City Councilor – Carol May

City Councilor – Linda McLeod

City Councilor – John Nuttall

City Councilor – Eric Roach

City Councilor – Stan Peterson

City Councilor – Janet Klitch

ATTEST:

APPROVED AS TO FORM:

City Clerk – Patricia A. Brochu

City Attorney – Edmond J. Bearor, Esq.