City of Biddeford
Finance Committee
February 21, 2017 4:45 PM Council Chambers

1. **Call to order**
2. **Approval of the Minutes**
   2.1. Finance Committee Minutes 2/7/2017
   Finance Committee Meeting Minutes 2-7-17.docx
3. **Signing of the expenditure warrant**
4. **Discussion/Approval** - *Biddeford City Hall Clock Tower Conditions and Cost Update*
   4.1. 518 Main Street
   Council Order Hold 518 Main Street.docx
   4.2. Approval/Agreement Renewal with The Animal Welfare Society, Inc. of Kennebunk, Maine
   AWS Agreement - MEMO.doc
   AWS Agreement - document.pdf
   4.3. Parcel Recommendation
   Parcel Reccomendations.docx
   SEngineerin17021510260.pdf
   4.4. Maine GIS Orthoimagery Agreement
   Finance Briefing Memo - Me GIS Orthoimagery
   MeGIS Orthoimagery Agreement
   4.5. Bond Ratings Results
   Rating Report - Moody's.pdf
   Rating Report - S&P.pdf
   0216-Biddeford_Ways to improve Ratings.doc
   2.21.17.rating.agencies.review.docx
   4.6. Clock Tower Conditions and Cost Update
   Clock Tower.pdf
5. **Other Business**
6. **Adjournment**

City of Biddeford
Finance Committee Meeting Minutes
February 7, 2017

The meeting was called to order at 5:03 pm by Council President John McCurry.

Present: Chair, Council President John McCurry, Mayor Alan Casavant, Councilor Marc Lessard, Councilor Steven St. Cyr, City Manager Jim Bennett and Finance Director Mike Wilson.

Motion by Councilor St. Cyr to approve the minutes of 1/17/17, seconded by Councilor Lessard, unanimous.
Motion carried, 4-0.

The expenditure warrant was available for review and signature.

December 2016 Financial Report
Mike Wilson provided an overview of the 12/2016 Financial Report. Councilor St. Cyr had a few questions that Mike answered. Councilor St. Cyr commented on the report and felt it looked good. Councilor McCurry asked about the ambulance revenue being down. Mike explained his conversation with Chief Gagne about the issue. Councilor McCurry would like the percentage nursing home calls is of the total.

Approval of Amendment #4 to the Wright Pierce CSO Contract
Tom Milligan provided an overview. Councilor Lessard asked a few questions to which Tom responded. Councilor St. Cyr wondered about doing the work in house. The City Manager indicated that was not a good idea because it's a specialized area.
Motion by Councilor Lessard to extend the agreement with Wright Pierce for $19,200, seconded by Councilor St. Cyr, unanimous.
Motion carried, 4-0.

Other Business
Councilor St. Cyr had a few things related to bond rating agencies but the City Manager thought it would be better to have the items as agenda items.

Motion to adjourn was made by Councilor Lessard, seconded by Councilor St. Cyr, unanimous.
Motion carried 4-0.
Adjourned at 5:39 pm.

2017. **IN BOARD OF CITY COUNCIL….FEBRUARY 21, 2017**

BE IT ORDERED, that the City of Biddeford has acquired 518 Main Street (Map 36, Lot 13) by virtue of tax lien foreclosure.

The City Council hereby directs that the City hold title to the above listed property and directs the tax assessor to revise the property tax cards to list the City of Biddeford as record owner of the property. The Council further directs that unpaid taxes, interest and any associated lien fees on the property be written off and that all tax liens be discharged and released.

NOTE: The Finance Committee approved sending this item to the Council and recommends that Council approve it.

Memorandum

To: Finance Committee

From: Carmen Morris, City Clerk

Date: February 15, 2017

RE: Animal Welfare Society Agreement

Each year, the City enters into an Animal Shelter Agreement with The Animal Welfare Society, Inc. in Kennebunk, Maine. Per the Agreement, the City is required to pay AWS based on $1.39 per capita/per year, of the City's population as of the 2010 Census (which was 21,277). The fee calculation is as follows:

21,277 population x $1.39 per capita = $29,575.03

Payments may be made quarterly.

The recommendation is to continue with the Agreement with The Animal Welfare Society, Inc. in Kennebunk, Maine. A full copy of the Agreement has been provided.

AWS THE ANIMAL WELFARE SOCIETY, INC.
HOLLAND ROAD • POST OFFICE BOX 43 • WEST KENNEBUNK, MAINE 04094-0043 • 207/985-3244

ANIMAL SHELTER AGREEMENT, BIDDEFORD

This agreement (the "Agreement") is by and between the Animal Welfare Society, Inc., a non-profit corporation organized and existing under the laws of the State of Maine (herein-after "AWS"), Old Holland Road, West Kennebunk, Maine and the City of Biddeford, Maine (hereafter "Municipality") (collectively, "Parties"). The terms of this Agreement shall take effect on July 1, 2017 and shall remain in effect through June 30, 2018.

WHEREAS, Municipality is required under the laws of the State of Maine to provide shelter at a State licensed animal control shelter (7 M.R.S. § 3949) for stray and lost domesticated companion animals (hereinafter "Animal" or "Animals"); and

WHEREAS, Municipality is required under the laws of the State of Maine to provide services relating to the humane disposition of said Animals in the event they are not claimed by their owners; and

WHEREAS, AWS operates an animal shelter as defined in 7 M.R.S. §3907, which is a suitable facility for the housing and/or disposition of said Animals (hereinafter, the "Shelter") but is not a suitable facility for the housing and/or disposition of any living, sentient creature that is not an Animal;

NOW THEREFORE, the Parties hereby agree as follows:

1. AWS will confine such Animals as may be delivered to it by an authorized agent of the Municipality for the legal impoundment period. At the end of this period, AWS will make such a disposition as it seems fit in accordance with 7 M.R.S. §§3912, 3913, *et. seq*. AWS may refuse delivery of any living, sentient creature that, in the sole and exclusive judgment of AWS, is not an Animal.

2. Delivery of said Animals shall be accepted from the Municipality's Animal Control Officer/Police from 7:30 a.m. to 4:30 p.m., Sunday through Saturday ("Regular Business Hours"). Police and/or Animal Control Officer will be issued a key to an after hours holding room at the Shelter. Persons may deliver Animals found within the boundaries of the Municipality to the Shelter during Regular Business Hours. Animals delivered to AWS by Municipality's Animal Control Officer or Police after hours shall be placed by the person delivering the Animal in pens, kennels, or crates made available in the holding room by AWS for that purpose, to the extent such materials are available to AWS. It is the responsibility of the Police and/or Animal Control Officer delivering an Animal after

hours to provide bedding, food, and water for said Animal as supplied by AWS, to the extent such materials are available to AWS. Where delivery of one or more Animals by the Municipality's Animal Control Officer or Police renders the Shelter unable to humanely confine such Animals in the holding room, the delivering Animal Control Officer or Police shall communicate with designated AWS personnel prior to delivery to verify AWS's ability to confine such Animals. AWS alone retains sole discretion to refuse delivery of one or more Animals where such delivery renders AWS unable to provide appropriate housing and/or disposition of delivered Animals.

3. Police and Animal Control Officers shall take a stray or lost Animal to its owner, if known, or, if the owner is unknown, to the Shelter. Municipality agrees that all Animals apprehended and seized within the boundaries of the Municipality and delivered to the Shelter shall be under the exclusive control and custody of AWS. Moreover, Municipality agrees that AWS shall have the undisputed right, consistent with the laws of the State of Maine, to humanely dispose of every Animal given into its custody in accordance with State laws and the policies and procedures of AWS.

4. AWS will not accept delivery of any injured Animal that has not received proper veterinary care. Municipality agrees that it shall obtain appropriate veterinary care for injured Animals prior to delivery to AWS. In the event that Municipality delivers an injured Animal to the Shelter without first obtaining appropriate veterinary care, AWS, in its sole discretion, may elect either to refuse acceptance of such Animal or to accept delivery of such Animal and procure the veterinary care it deems necessary and appropriate. Municipality agrees to reimburse AWS for the costs of emergency and required veterinary care within ten (10) days from the receipt of an invoice. At no time will the Municipality deliver any injured Animal to the Shelter during hours other than Regular Business Hours unless Municipality has made prior arrangements with AWS.

5. The Municipality agrees to and shall indemnify and hold harmless AWS for any claims arising out of actions and/or inactions of the Municipality's Police Officers and Animal Control Officers in the capturing, detaining, processing, documenting and delivery of any Animal under this Agreement, and for any violation by the Municipality's Animal Control Officer or Police Officers of the provisions of this Agreement, and of applicable laws or regulations.

6. AWS shall assist Municipality's residents in allowing owned Animals to be claimed during Regular Business Hours. AWS will request proof of payment prior to releasing an Animal to its owner and may collect impoundment fees for the Municipality. AWS reserves the right to release an Animal without proof of payment of impoundment fees if a case warrants the release, in AWS' sole judgment. Impoundment fees collected by the AWS on the Municipality's behalf will be forwarded to the Municipality on a quarterly basis, along with a quarterly report of activity and an invoice for contract fee for service.

7. AWS may provide rabies quarantine on a space-available basis for a period of at least ten (10) days to stray dogs and cats found within the Municipality, which have bitten residents of the Municipality ("Rabies Quarantine"). Provision for rabies testing, and the

costs therein, are the sole responsibility of the Municipality and/or its residents. AWS is not obligated to quarantine privately-owned Animals.

8. AWS shall provide to Municipality a detailed, quarterly record of the number of stray or lost Animals seized within the territorial limits of Municipality and received by AWS.

9. Municipality shall be fully responsible for carrying out all enforcement activities required under the laws of the State of Maine and the ordinances of the Municipality, as may be amended. AWS shall not be required to apprehend or seize any Animal found roaming at large.

10. AWS shall make all reasonable efforts to promote Trap, Neuter, Return ("TNR") for feral cats, and return such feral cats that are spayed/neutered, vaccinated, ear tipped and/or micro-chipped to the originating location when possible, and promote caregiver volunteerism and guardianship. The Municipality shall work with AWS and the community to permit and encourage TNR as the preferred method of dealing with feral cats.

11. AWS shall have the sole and exclusive right to determine the responsibility of persons offering to become the owners of unclaimed Animals and the suitability of homes offered, and shall have the sole and exclusive right to accept or reject such applicants' claims to previously unclaimed Animals.

12. Municipality agrees that it shall notify AWS, in writing, of the identities of all of its duly authorized Animal Control Officers. Municipality agrees that it will provide each Animal Control Officer with a copy of the animal control laws of the State of Maine contained in the booklet published by the Maine Animal Welfare Board, the sections of the Municipality's codes or ordinances, which are pertinent to the performance of their duties, and the terms of this Agreement. Animal Control Officers must also be certified as required by 7 M.R.S. § 3947.

13. AWS, its officers, employees, agents and volunteers shall act in an independent capacity during the term of this Agreement and shall not act or hold themselves out as officers, employees, agents or volunteers of Municipality. Municipality, its employees, agents and representatives shall act in an independent capacity during the term of this Agreement and shall not act or hold themselves out as officers, employees, agents or volunteers of AWS. Nothing in this Agreement shall be deemed by either Party or by any third party as creating a joint venture or partnership between AWS and Municipality.

14. AWS agrees to comply with applicable federal and state laws and regulations in the performance of this Agreement.

15. This Agreement shall not be assigned by either Party, without the prior written approval of the other Party.

16. AWS offers to provide the following services to Municipality at no additional cost to Municipality:

a. Disposal Services: AWS will accept for disposal stray or lost cats or dogs, dead on arrival, from Animal Control Officers, or duly authorized Police.
b. Telephone Services: To avoid confusion, AWS will take all telephone inquiries regarding reclaiming an Animal and adopting an Animal. Under special circumstances involving suspected abuse or neglect, the Animal Control/Police Officer(s) may request that they be contacted prior to an Animal being reclaimed by its owner.
c. Lost and Found Pet Services: AWS staff will take lost and found reports to facilitate the return of pets to their owners.
d. Education Services: AWS staff and volunteers will be available for conducting education programs upon request to any interested community group or organization, including schools, grades Kindergarten through 12.

17. For services provided by AWS to Municipality under this Agreement or under applicable law, the Municipality agrees to pay AWS the total sum of $29,575.03, which is based on $1.39 per capita/per year, of the Municipality's population as of 2010 Census (21,277), payable in advance quarterly payments.

Fee Calculation: 21,277 population x $1.39 per capita = $29,575.03

18. This Agreement represents the entire agreement between the Parties and no oral or prior written matter shall have any force or effect. No amendment shall be effective without prior express written approval signed by both Parties. Neither Party shall be bound by any conditions not expressly stated in this Agreement.

19. This Agreement is binding upon, and shall inure to the benefit of the heirs, assigns and successors in interest of the Parties hereto.

20. If any provisions of this Agreement shall be adjudged to be invalid or unenforceable by final judgment of a court of competent jurisdiction, such invalidity or unenforceability shall not affect the validity of the Agreement and the remaining provisions of the Agreement shall be construed as if not containing such provision and, thereafter, the rights and obligation of the parties shall be construed and enforced under the remaining provisions of the Agreement.

21. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Maine.

22. The fees noted in Paragraph 17, above, shall cover all boarding for Animals delivered to AWS and held other than those pending court proceedings. In the case of

seizures due to cruelty and/or neglect, costs and fees for animal care are the Municipality's responsibility. AWS fee schedules are available upon request.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed on their behalf, in duplicate counterparts, as of the date first above written.

CITY OF BIDDEFORD, MAINE

By: ______________________________ Witness: ______________________________

Printed Name: ___________________ Printed Name: ______________________

Its: ______________________________

THE ANIMAL WELFARE SOCIETY, INC.

By: ______________________________ Witness: ______________________________

Printed name: Abigail Smith Printed Name: Terry Hutchins

Its: Executive Director

BIDDEFORD

Quarterly Payment Schedule:

1st Payment due date:	July 1, 2017	Amount:	$7,393.76
2nd Payment due date:	October 1, 2017	Amount:	$7,393.76
3rd Payment due date:	January 1, 2018	Amount:	$7,393.76
4th Payment due date:	April1, 2018	Amount	$7,393.75
		Total	**$ 29,575.03**

Date Contract Mailed to Municipality: FEB 10 2017

Date Contract Received back by AWS:__________

The following presents recommendations for the disposition of lots presented on the city list of vacant properties dated April 12, 2016 under the "recommended conservation category" and the "email recommendations category".

Map 61, lot 20, 71 Mile Stretch Road, recommend donate to Rachael Carson

option city retains rights for use of front portion of the lot for passive recreational use

Map 61, lot 20-1 , 73 Mile Stretch Road, recommend donate to Rachael Carson

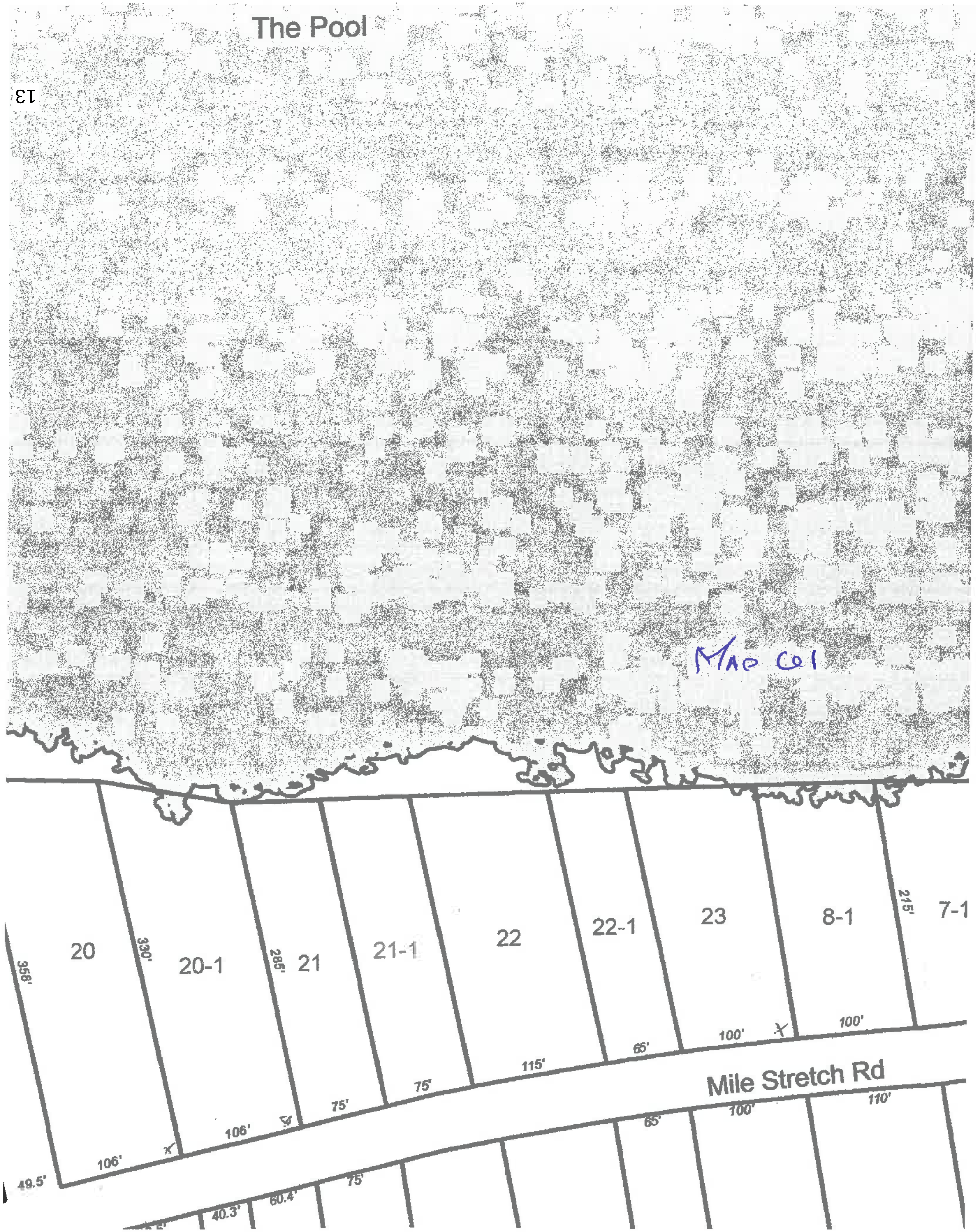
Map 61, lot 23, 87 Mile Stretch Road, recommend donate to Rachael Carson

Map 13 lot 45, 122 Precourt Street, recommend city retain for future use as a compensation parcel, restrict development of lot, part of thatcher brook watershed

Map 15, lot 4, 0 Commercial Street, recommend City retain for future use as a compensation parcel, restrict development of lot, part of thatcher brook watershed

Map 5 lot 19, 772 Pool Street
Options (in no order)
Sell front portion of parcel (1 or possibly 2 lots), donate remained to Saco Valley Land Trust
Retain entire parcel for future use as a compensation parcel, restrict development of lot, part of watersheds draining to Biddeford Pool
Donate entire parcel to Saco Valley Land Trust
Sell entire lot with development restriction
Sell front portion of parcel, Retain rear portion of parcel for future use as a compensation parcel, restrict development of lot, part of watersheds draining to Biddeford pool

0620410000	0	MILE STRETCH RD	8,600	0	8,600	Vacant Land	City Retain: Drainage Design
0540070010	15	SEABREEZE AVE	81,000	0	81,000	Vacant Land	City Retain: Beach access
		Conservation or Neighbor					
0020140010	0	ALFRED ST (OFF OF)	100	.17 AC	100	Vacant Land	Council Consideration:
0040220050	0	NEWTOWN RD	92,500	9.9 AC	92,500	Vacant Land	Council Consideration:
0090170000	86	NEWTOWN RD	6,000	.23 AC	6,000	Vacant Land	Council Consideration:
0090280020	0	POOL ST (OFF OF)	12,900	9 AC	12,900	Vacant Land	Council Consideration:
0090520010	0	POOL ST (OFF OF)	21,600	15 AC	21,600	Vacant Land	Council Consideration:
0090530030	0	POOL ST (OFF OF)	4,500	3.1 AC	4,500	Vacant Land	Council Consideration:
0150130000	0	ELM ST	90,700	7 AC	90,700	Vacant Land	Council Consideration:
0260360010	0	EVANTHIA DR	200	.04 AC	200	Vacant Land	Council Consideration:
0320110000	0	SOUTH ST (OFF OF)	12,200	.12 AC	12,200	Vacant Land	Thatcher Brook water shed
		Recommend Conservation					
0610200000	71	MILE STRETCH RD	9,100	0	9,100	Vacant Land	CM advises Conservation working on it
0610200010	73	MILE STRETCH RD	9,100	0	9,100	Vacant Land	CM advises Conservation working on it
0610230000	87	MILE STRETCH RD	8,900	0	8,900	Vacant Land	CM advises Conservation working on it
0650190020	0	FORTUNES ROCKS RD	7,900	0	7,900	Vacant Land	CM advises Conservation working on it
0100280000	1	GOOSEBERRY ISLAND	800	1 AC	800	Vacant Land	CM advises Conservation working on it
		Lots Already For Sale					
0020420040	10	HEALTHCARE DR	167,000	5.9 AC	167,000	Dodge Business Park Vacant	Already for sale
0020420080	0	SPRINGBROOK DR	147,300	2.8 AC	147,300	Dodge Business Park Vacant	Already for sale
		Email Recommendations					
0050190000	772	POOL ST	191,900	30 AC	191,900	Vacant Land	See water shed map
0130450000	122	PRECOURT ST	11,500	5.5 AC	11,500	Vacant Land	See water shed map
0150040000	0	COMMERCIAL ST	245,500	11.3AC	245,500	Vacant Land	See water shed map
		Recommend Public Bid					
0380140000	2	BRADBURY ST	38,100	.07 AC	38,100	Vacant Land	Fin. Working on Bid Packages
0380220000	34	ST MARYS ST	37,200	.12 AC	37,200	Vacant Land	Fin. Working on Bid Packages
0384750000	24	BIRCH ST	96,000	.35 AC	96,000	Vacant Land	Retain for St. James:
0411250000	14	PIERSONS LN	30,300	0	33,300	Vacant Land	Fin. Working on Bid Packages
0390390000	106	HILL ST	76,000	.18 AC	76,000	Vacant Land	Fin. Working on Bid Packages
0400380000	32	MAPLE ST		.12 AC	62,500	Vacant Land	Fin. Working on Bid Packages


The Pool
MAP C01
20
20-1
21
21-1
22
22-1
23
8-1
7-1
358'
330'
285'
215'
Mile Stretch Rd
49.5'
106'
106'
75'
75'
115'
65'
100'
100'
110'
100'
65'
75'
60.4'
40.3'

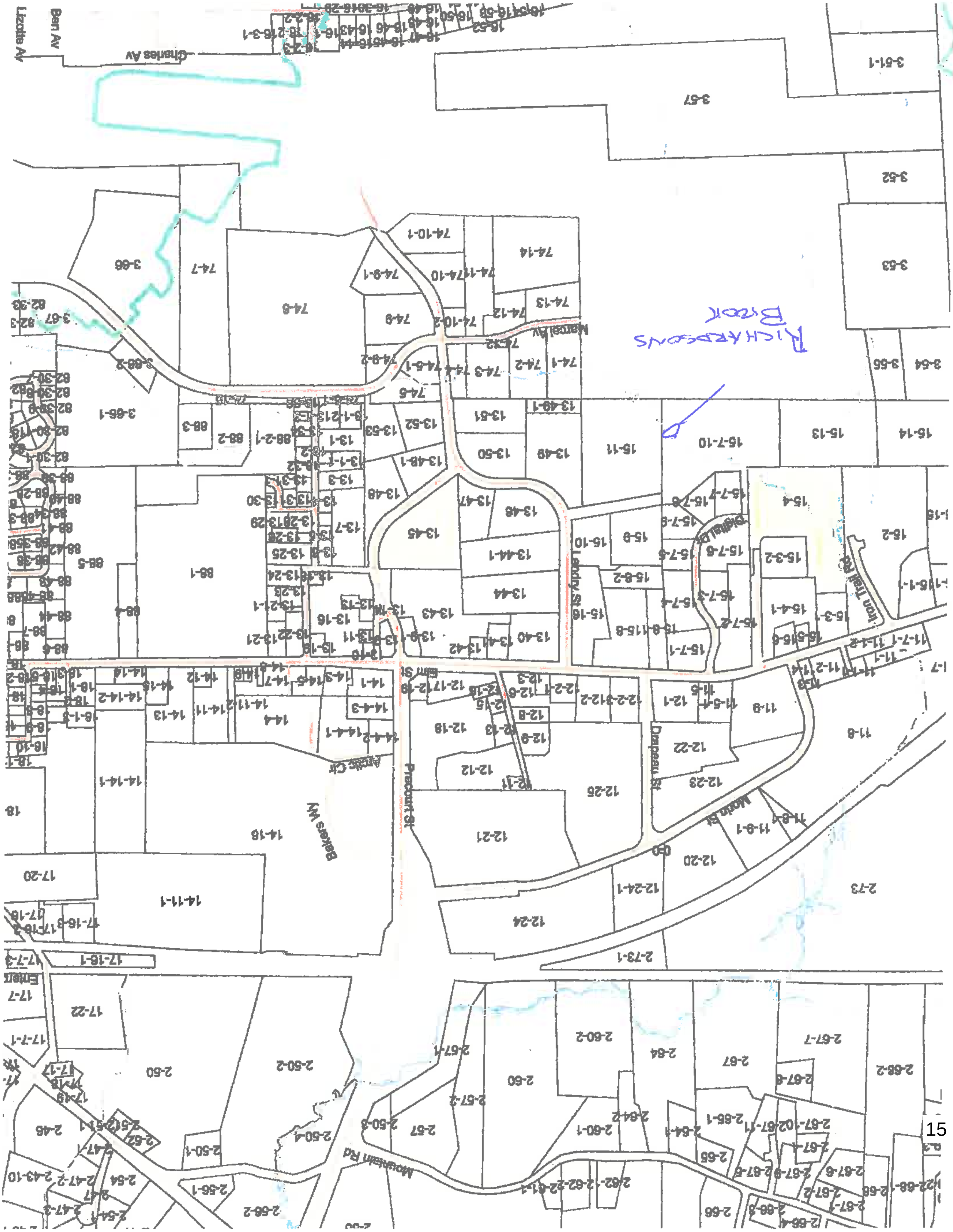
Property Map

1 inch = 162 feet

Data and scale shown on this map are provided for planning and informational purposes only. BIDDEFORD (ME) and Vision Government Solutions are not responsible for any use for other purposes or misuse or misrepresentation of this information.

N W E S

2/9/2017


Lizotte Av
Ben Av
Charles Av
Marcel Av
Landry St
Drapeau St
Elm St
Prescott St
Arctic Cir
Bakers Wy
Mountain Rd
Richardsons Brook

5.5 Acres
I2 Zone

122 PRECOURT ST BIDDEFORD, ME

1 inch = 391 feet

N W E S

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2/23/2016

11 Acres
I1 zone

COMMERCIAL ST BIDDEFORD, ME

1 inch = 453 feet

N W E S

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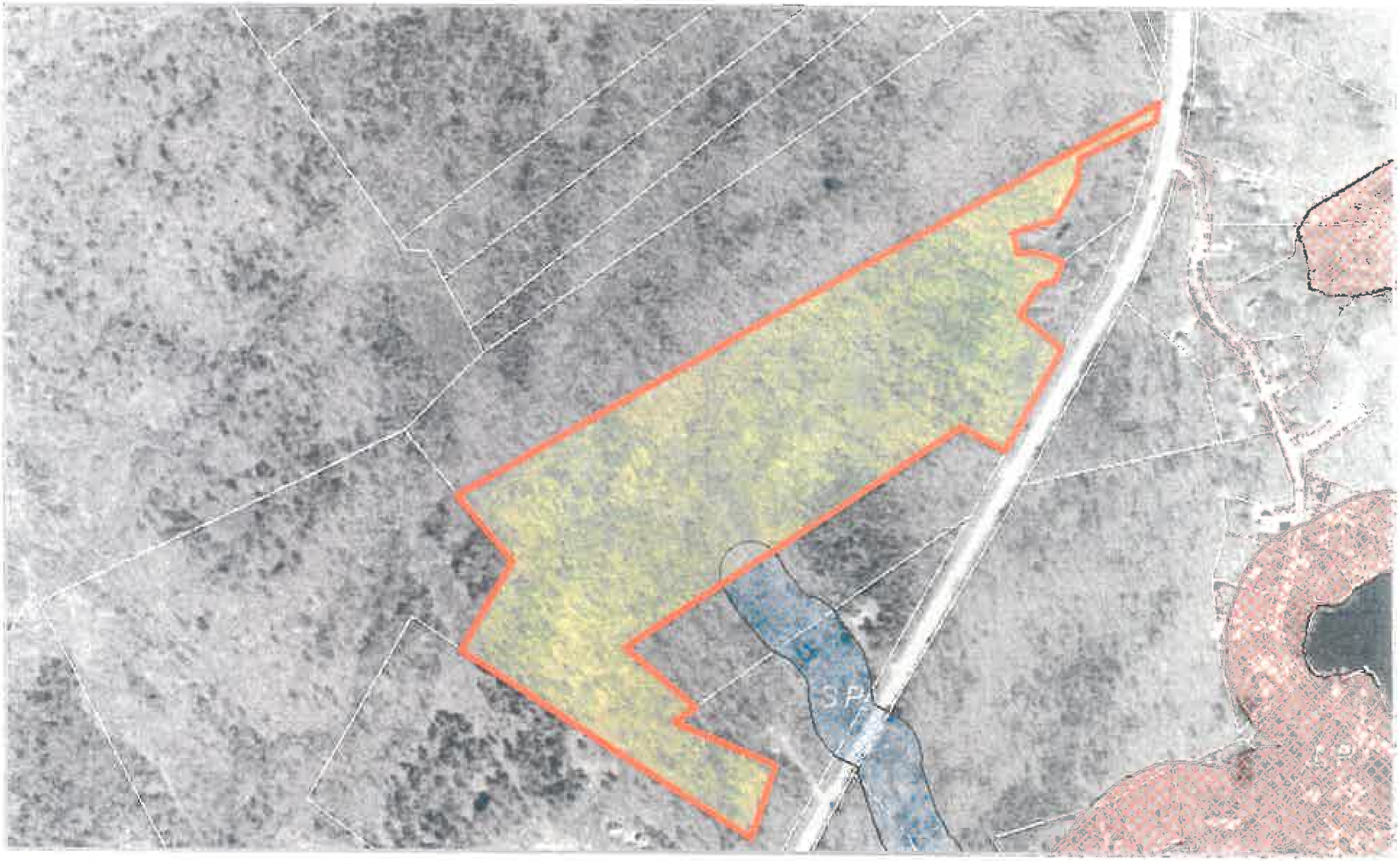
2/23/2016



30 Acres
RF/CR zone

772 POOL ST BIDDEFORD, ME

1 inch = 628 feet

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2/23/2016

30 Acres
RF/CR zone

772 POOL ST BIDDEFORD, ME

1 inch = 628 feet

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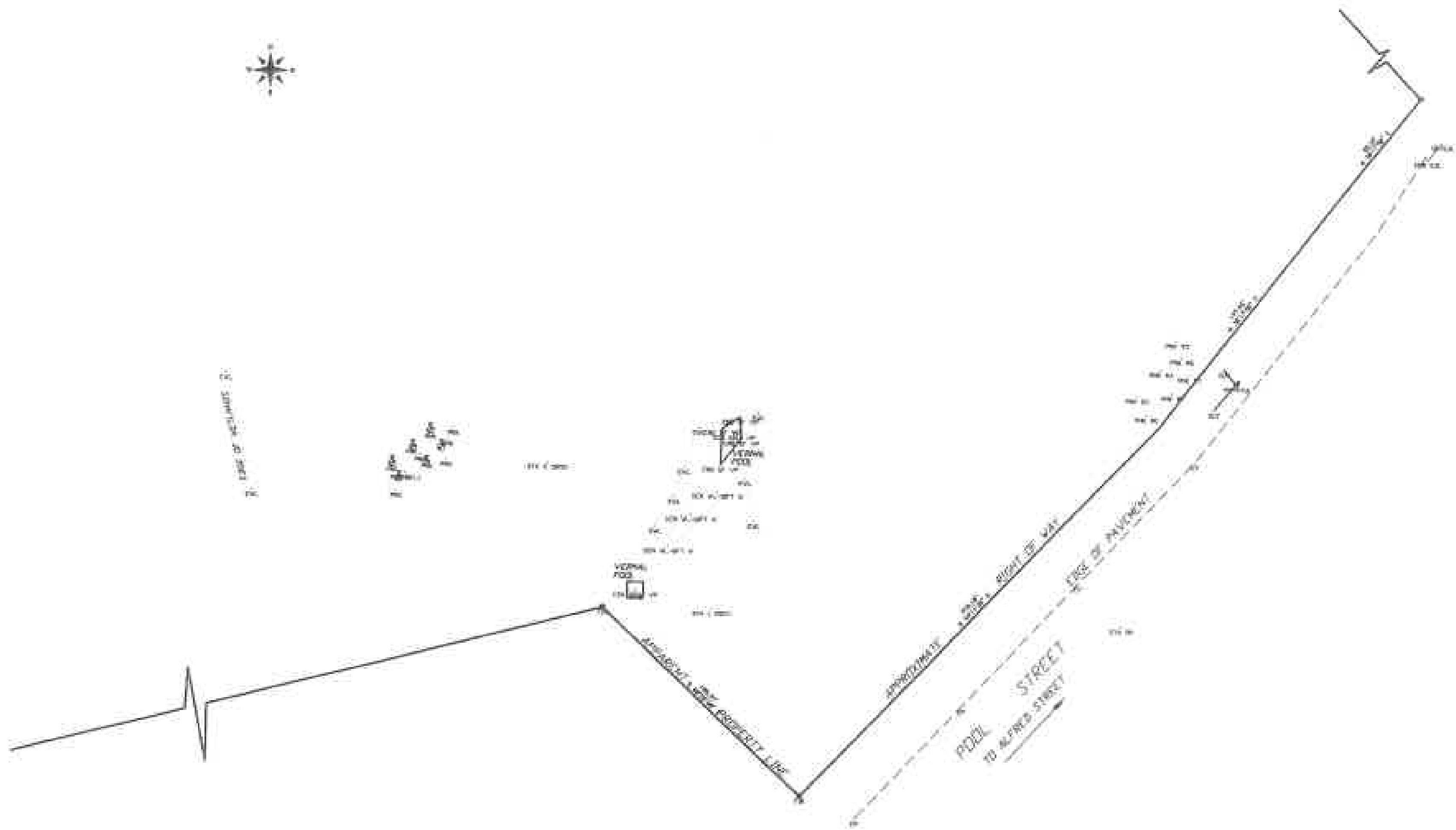
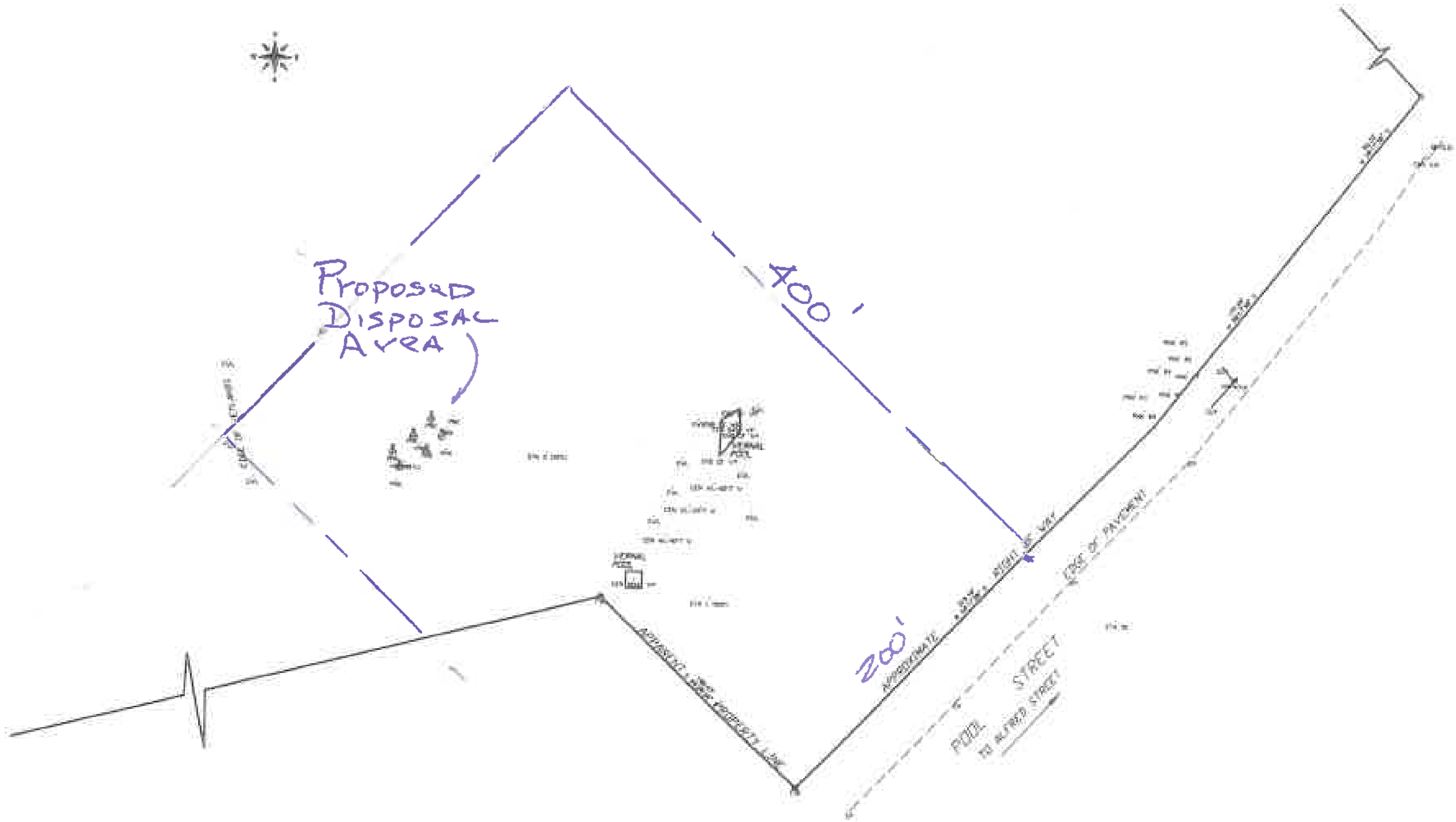
2/23/2016



772 POOL STREET

1" = 100'



772 POOL STREET
1'' = 100'

City of Biddeford
Chief Operating Officer/Technology Dept/IPP
P.O. Box 586 • 205 Main Street
Biddeford, ME 04005
Phone: (207) 571-0032 • Fax: (207) 571-0656

Briefing Memo

TO: Chairman John McCurry and Members of the Finance Committee

CC: James Bennett, City Manager
Mike Wilson, Finance Director
Greg Copeland, GIS

FROM: Brian S. Phinney, COO/Technology/IPP

DATE: February 14, 2017

RE: Request for Authorization to Obtain Orthoimagery (aerial photos)

The Maine Office of Geographic Information Systems (MEGIS) obtains orthoimagery of the state on a periodic basis. When the MEGIS performs the flyover communities are offered the opportunity to obtain data to support their GIS programs. In FY2016, the City of Biddeford allocated $15,000 for orthoimagery. Unfortunately, MEGIS was unable to perform the flyover last year. We have been notified that a flyover is scheduled for 2017 and request authorization for the City Manager, or his designee, to enter into an agreement with MEGIS to obtain orthoimagery in support of Biddeford's GIS program. The last GIS orthoimagery update was performed in 2012.

An orthoimage is an aerial photograph geometrically corrected ("orthorectified") such that the scale is uniform: the photo has the same lack of distortion as a map. This imagery serves as the basis for creating accurate maps.

The cost of orthoimagery for Biddeford is $13,625. The funding source for the project is the GIS orthoimagery capital account 21204-60908.

A copy of the Agreement is attached for review.

www.maine.gov

MAINE OFFICE OF GEOGRAPHIC INFORMATION SYSTEMS
Dept. of Administrative & Financial Services
Office of Information Technology
145 State House Station, 51 Commerce Drive, Augusta, ME 04333-0145
Voice: 207-624-7700 | TTY 888-577-6690

www.maine.gov/megis

Paul R. LePage, Governor | Richard W. Rosen, Commissioner | Jim Smith, Chief Information Officer | Joseph Young, State GIS Manager

Memorandum of Agreement
Between the City of Biddeford
and the
Maine Library of Geographic Information
Regarding Collection of Orthoimagery

1. Project Duration

This MOA will remain in effect until December 31, 2017 or can be rescinded by either party with thirty (30) days' notice or amended as agreed upon by both parties.

2. Project Description

The Maine Library of Geographic Information (GeoLibrary), with support from the Maine Office of GIS (MEGIS), provides geospatial data and support to the GIS community in Maine. As part of that mission, MEGIS supports the programs of the GeoLibrary, including the Maine Orthoimagery Program.

The GeoLibrary serves as the State coordinating body for mapping data and is implementing a 6-year program to update orthoimagery in Maine. This program allows municipalities to "buy up" their area to a higher resolution than base level orthoimagery supported by the Counties and State Agencies. In this project in addition to 6" (15cm GSD) resolution imagery at 30 cm horizontal accuracy the City wishes purchase:

- Rectified ortho imagery in the alternative projection of State Plane West NAD 83,
- Non –orthorectified, uncompressed imagery and project files, aero triangulation data, and creation of stereo pairs,
- US Survey Foot (FIPS Zone 1802),
- a MrSID Mosaic of the acquired imagery and,

In this project, the GeoLibrary and the City of Biddeford (City) will work cooperatively with several other entities to acquire aerial orthoimagery in 2017 based on the parameters outlined below.

3. Statement of Work

This is an agreement for the GeoLibrary to collect funding from the City as part of the State's orthoimagery contract with Woolpert, Inc. Specifically, MEGIS/GeoLibrary will:

- Collect funding from the City as follows:

6” Imagery	$8,500.00
Non-orthorectified Imagery	$1,000.00
Alternate Projection	$3,300.00
MrSID Mosaic	$825.00
TOTAL	$13,625.00

- Keep this funding in a separate account for geospatial data acquisition (014-18B-3057-04)
- Provide the resulting data to the City within 30 days of the data's final delivery

Initial deliverables will be satisfied no later than September 15, 2017. In the unlikely event the orthoimagery collection is not carried out, MEGIS agrees to immediately return the funding to the City.

Important Dates:

- February 15, 2017 Memorandum of Agreement must be signed by both parties
- March 15, 2017 100% City funding must be provided to GeoLibrary
- March 30, 2017 Delivery orders submitted to Woolpert
- April – May 2017 Contractor acquires imagery
- August 30, 2017 Approximate date for 3” imagery delivery
- September 30 , 2017 Approximate date for 6” imagery delivery
- November 30, 2017 Approximate date for 18” imagery delivery

4. Funding and Resources

The City shall provide funding in the amount of $ 13,625.00. MEGIS shall invoice the City for the full amount upon execution of this agreement.

5. Deliverables

MEGIS/GeoLibrary will deliver orthoimagery to the City as follows:

a) DELIVERABLES
   i. 6” (15 cm GSD) Resolution Orthoimagery at 30 cm horizontal accuracy
   ii. Source Data: Sensor Product Characterization Report
      1. Airborne GPS and IMU data and reports
      2. Supplemental ground control
      3. Flight Diagram, including individual flight line locations. Each flight line will have an attribute in which is recorded the date of image collection on that line as well as the beginning and ending times of image acquisition (shape file format).
   iii. Ortho-rectified, uncompressed imagery:
      1. GeoTIFF with no over-edge. Data shall not be compressed during any phase of the production or delivery process.

2. Image tiles shall be accompanied by a digital index in shape file format
3. Aero-triangulation data when available
4. Referenced to UTM projection and coordinate system (meters) using horizontal datum NAD83 zone 19 N

iv. Elevation data:
1. DTM used for ortho-rectification process in comma separated (.csv) text file

v. Metadata:
1. FGDC-compliant
2. Project level with separate files for the orthoimagery, the non-orthorectified imagery, and any new elevation data

vi. Imagery Archives:
1. All raw data and other information used in the production of the deliverables will be archived by the vendor for 6 years and provided to customers in a suitable format at a cost to be negotiated at the time of distribution. The vendor will notify the state 90 days before the contract end date of its intended disposition of the data. The state may request delivery of some or all of the archived data at that time.

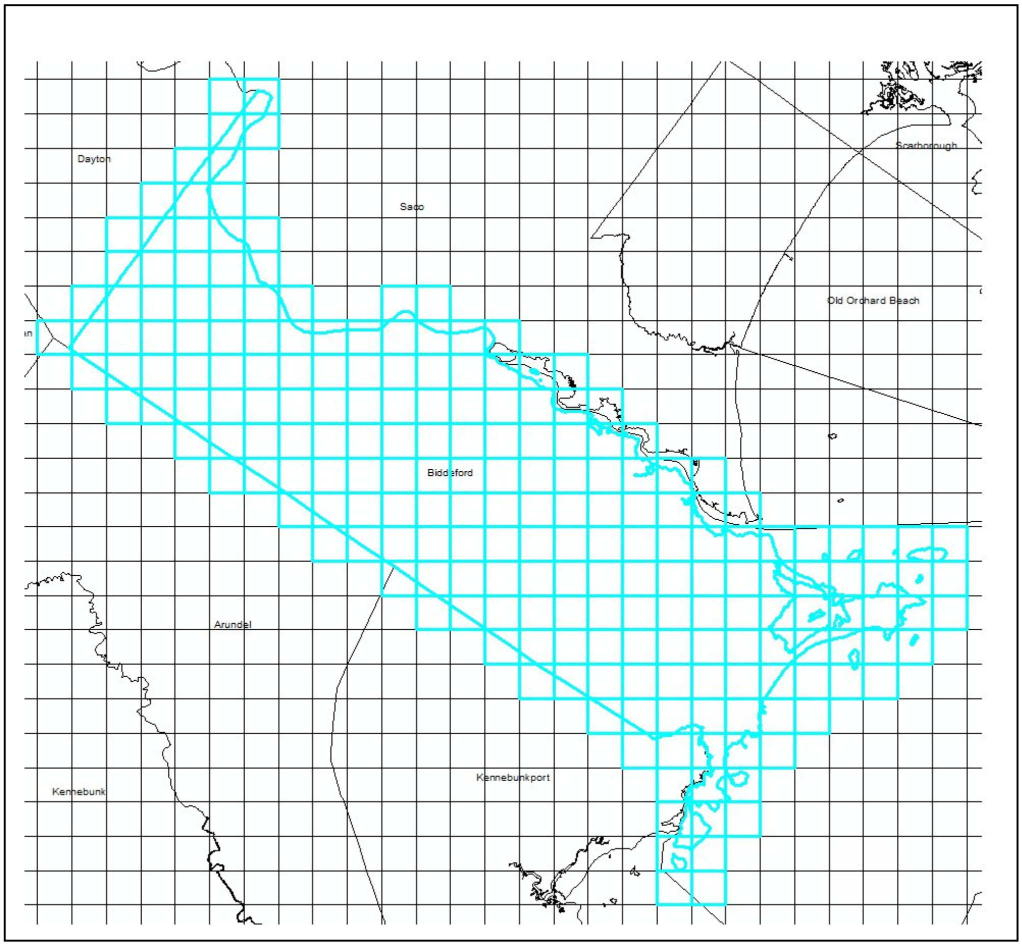
b) When Purchased as a buy up: Non-orthorectified, uncompressed imagery and project files (applies to buy up at time of acquisition):
i. Suitable for use with the ERDAS Stereo Analyst Extension for ArcGIS.
ii. LPS Block Files, SOCET SET Project Files, MATCH-AT Project Files or similar triangulation solution files compatible with ERDAS
iii. Direct load “oriented images” such as NITF format, Calibrated Images from LPS or Image Analysis for ArcGIS, SOCET SET .sup files with path references to corresponding image files
iv. The images, their associated vertical and horizontal coordinate information, triangulation solutions, and camera orientation data
v. Index map of tiles

c) Additional Deliverables
i. Rectified ortho imagery in the alternative projection of State Plane West NAD 83,
ii. Non –orthorectified, uncompressed imagery and project files, aero triangulation data, and creation of stereo pairs,
iii. US Survey Foot (FIPS Zone 1802),
iv. a MrSID Mosaic of the acquired imagery and,
v.

6. Staffing

Staffing for the project shall be comprised as follows:
City Administrative Contact – Brian Phinney
City Technical Contact – Greg Copeland
GeoLibrary contact - Joseph Young

7. Project Area MAP


Dayton
Saco
Scarborough
Old Orchard Beach
Biddeford
Arundel
Kennebunk
Kennebunkport

Agreed

Joseph Young, Executive Director
Maine GeoLibrary
Maine Office of GIS

DATE

City of Biddeford, Maine

DATE

MOODY'S
INVESTORS SERVICE

CREDIT OPINION
20 January 2017

New Issue

Rate this Research

Contacts

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Biddeford (City of) ME

New Issue - Moody's Assigns Negative Outlook to Biddeford, ME's GO Debt; Affirms Aa3

Summary Rating Rationale

Moody's Investors Service has assigned an Aa3 rating to the City of Biddeford, ME's $9.9 million 2017 General Obligation Bonds. Concurrently, Moody's has affirmed the Aa3 rating and assigned a negative outlook on $38.3 million of outstanding general obligation debt.

The Aa3 rating reflects the narrow General Fund reserve position following multiple years of deficits, moderately-sized and stabilizing tax base with average income levels, elevated debt burden, and manageable pension and OPEB liabilities.

Credit Strengths

» Institutional presence

» Manageable pension and OPEB liabilities

Credit Challenges

» Reduced financial flexibility following several years of deficits

» Large receivable due to the General Fund from the Wastewater Fund

» Above-average debt burden

Rating Outlook

The negative outlook reflects the weakened reserve position following several years of deficits. Despite a fiscal 2016 surplus, General Fund reserves remain narrow for the rating category when compared to state peers, and a failure to materially increase reserves over the near term could result in negative rating pressure. Furthermore, the General Fund Balance Sheet continues to maintain a large receivable due from the Wastewater Fund that convolutes the health of the financial position.

Factors that Could Lead to an Upgrade (Remove the Negative Outlook)

» Trend of operating surpluses that leads to material growth of reserve levels

» Wastewater Fund becomes self-supporting

Factors that Could Lead to a Downgrade

» Failure to materially increase reserves

» Failure to address the Wastewater Fund payable (interfund loan) which is owed to the General Fund

» Material declines in the tax base or deterioration of income levels

» Further growth in debt burden

Key Indicators

Exhibit 1

Biddeford (City of) ME	2012	2013	2014	2015	2016
Economy/Tax Base					
Total Full Value ($000)	$ 2,407,100	$ 2,290,750	$ 2,252,250	$ 2,228,800	$ 2,226,350
Full Value Per Capita	$ 112,739	$ 107,456	$ 105,725	$ 104,457	$ 104,509
Median Family Income (% of US Median)	90.9%	94.5%	91.0%	91.0%	91.0%
Finances					
Operating Revenue ($000)	$ 57,235	$ 61,891	$ 62,055	$ 64,115	$ 65,742
Fund Balance as a % of Revenues	6.7%	6.7%	4.0%	3.6%	5.2%
Cash Balance as a % of Revenues	25.8%	25.3%	24.6%	19.5%	17.7%
Debt/Pensions					
Net Direct Debt ($000)	$ 63,061	$ 77,146	$ 72,102	$ 68,311	$ 64,025
Net Direct Debt / Operating Revenues (x)	1.1x	1.2x	1.2x	1.1x	1.0x
Net Direct Debt / Full Value (%)	2.6%	3.4%	3.2%	3.1%	2.9%
Moody's - adjusted Net Pension Liability (3-yr average) to Revenues (x)	0.2x	0.3x	0.5x	0.5x	0.6x
Moody's - adjusted Net Pension Liability (3-yr average) to Full Value (%)	0.4%	0.7%	1.3%	1.5%	1.8%

As of June 30 fiscal year-end
Source: Moody's Investors Service

Detailed Rating Considerations

Economy and Tax Base: Modest Growth Over the Near Term; Institutional Presence Provides Stability

Biddeford's tax base is beginning to stabilize following multiple years of modest declines during the recession. Located in York County, Biddeford benefits from its favorable location along Interstate 95 which provides easy access to the region's largest economic centers. The tax base is mostly residential (roughly 70%), but includes a healthy commercial and industrial component as well. Local employment is anchored by the stable presence of Southern Maine Medical Center (1,400 employees) and the University of New England (652 employees).

Following eight consecutive years of modest declines, fiscal 2017 equalized value increased 1.7% to $2.3 billion. The five year compound annual rate of decline is 1.2% (2012-2017). Future growth will likely come from the redevelopment of old mills in the city's downtown. Management cites several residential and office space redevelopment projects in the downtown area that are expected to add to the taxable base and generate economic activity in the city center.

The tax base is not concentrated, as the top 10 taxpayers account for 7.2% of fiscal 2017 total assessed value. Income levels, which are somewhat skewed by the student population, remain on par with the state and slightly below the nation, with median family income at 96.3% and 91%, respectively. Full value per capita is solid at $106,246 (120% of the national median) and reflects some highly valued property on the coast. The November 2016 unemployment rate of 3.4% remains below the state (3.8%) and nation (4.4%).

Financial Operations and Reserves: Limited Financial Flexibility After Consecutive Deficits; Large Receivable Owed from the Wastewater Fund

Following several years of operating deficits (fiscal 2010 - 2015), available General Fund balance has materially declined, and the limited financial flexibility is a weakness of the city's credit profile. Positively, fiscal 2016 audited results reflect a $1.6 million surplus due to conservative budgeting of property taxes, state aid and excise taxes, as well as turnbacks in most departments. Although the surplus increased available reserves to 5.2% of revenues from 3.6% in 2015, at this level reserves remain significantly below the median for similarly rated municipalities in Maine (15.2%) and the nation (29.2%). Failure to materially increase reserves over the near term could lead to negative credit pressure in future reviews.

The city's General Fund makes annual $600,000 transfers to its Wastewater Fund to finance debt service associated with the city's sewer system. The debt is a general obligation of the city. Additionally, the General Fund has a $4.2 million interfund loan receivable, payable by the Wastewater Fund, and it is unclear at this time when the receivable will be paid off. Sewer rates are reviewed annually as part of the budget process, and management reports rates have not increased in at least seven years. Future reviews will focus on the pressure the annual subsidies place on the General Fund as well as management's ability to address the receivable.

Fiscal 2017 budgeted expenditures (city, school and county) increased 4% and the budget was balanced with a 1.9% tax levy increase and $1.7 million of school fund balance (held as restricted General Fund balance) and $1.1 million of assigned General Fund balance for one-time city expenses. Management reports that operations are stable year-to-date. If positive variances are insufficient to replenish the $1.1 million and fund balance declines at year-end, it could place negative pressure on the rating.

Biddeford derives its revenues from property taxes (70.5% of fiscal 2016 revenues) and state aid (23.6%). Current year property tax collections have averaged 96.8% annually for the past five years. Education and public safety remain the largest expenditures at 49.9% and 18.3% of fiscal 2016 total expenditures, respectively.

LIQUIDITY

Due to the imbalanced operations, General Fund cash has declined over the past several years but remains adequate, and the city has not needed to issue cash flow notes. Fiscal 2016 General Fund cash was $11.6 million, or 17.7% of revenues. This represents a decline from fiscal 2011 cash of $16.7 million or 29.5% of revenues.

Debt and Pensions: Debt Burden Will Remain Elevated; Manageable Pension and OPEB Liabilities

The 3.1% direct debt burden (including the new issue) is well above the state median of 1.4% and will likely remain elevated given future borrowing plans for combined sewer overflow and a downtown parking garage. The current bond issue addresses some deferred maintenance for roads, and going forward management plans to finance road work pay-go (roughly $500,000 to $1 million annually). The city continues to address combined sewer overflow issues, which will require more debt over the medium term (projected at up to $4 million). The city also plans to construct a new parking garage downtown (estimated cost is $8 to $14 million). Given the already elevated debt burden, additional debt issuances without corresponding growth in equalized value could pressure the rating.

DEBT STRUCTURE

All debt is fixed rate and principal amortization is slightly below average with 72.1% repaid within ten years. Debt service (including a $600,000 transfer to the Wastewater Fund to support sewer debt service) accounted for 10.6% of fiscal 2016 General Fund expenditures.

DEBT-RELATED DERIVATIVES

The city is not party to any interest rate swaps or other derivative agreements.

PENSIONS AND OPEB

Biddeford contributes to the Maine Public Employees Retirement System's State Employee and Teacher Plan and the Consolidated Plan for Participating Local Districts, two cost-sharing multi-employer defined benefit pension plans. The city fully funds its required contributions, which was a combined $1.8 million in fiscal 2016 or 2.8% of expenditures. The fiscal 2016 three-year combined Moody's Adjusted Net Pension Liability, under Moody's methodology for adjusting reported pension data, is $39.3 million, or a below average 0.6 times General Fund revenues and 1.8% of equalized value. Moody's uses the adjusted net pension liability to improve comparability of reported pension liabilities. The adjustments are not intended to replace the city's reported liability information, but to improve comparability with other rated entities. We determined the city's share of liability for the state-run plans in proportion to its contributions to the plans.

Biddeford contributes to OPEB on a pay-as-you-go basis, and paid $202,456 in fiscal 2016, which represents 35.1% of the annual OPEB cost. The total unfunded liability is $6.8 million as of June 30, 2016. The new management team has taken steps to address this liability, and lifetime health insurance benefits are closed to new hires.

Total fixed costs for fiscal 2016, including debt service, required pension contributions and retiree healthcare payments, represented $8.8 million, or a manageable 13.7% of expenditures.

Management and Governance

Maine cities and towns have an institutional framework score of "Aa," or strong. Revenues are highly predictable and mostly consist of property taxes, with a smaller portion coming from state aid. Cities and towns have moderate revenue-raising ability since property taxes are subject to the state property tax cap known as LD 1, although the cap can be exceeded by a majority vote of the legislative body or with voter approval. Taxes raised for school purpose, including school debt service, are not subject to LD-1. Expenditure predictability is moderate, as most expenditures are for education, general government and public safety. Cities and towns have a moderate expenditure reduction ability due to public sector union presence.

Legal Security

Debt service is secured by the city's general obligation limited tax pledge as debt service is subject to the state's property tax limitation known as LD-1.

Use of Proceeds

Bond proceeds will finance road improvements ($6 million) and upgrades to the wastewater system to address combined sewer overflow ($3.9 million).

Obligor Profile

The City of Biddeford has a population of approximately 21,3000 and is located on the southern coast of Maine, approximately 20 miles southwest of Portland (Aa1 stable).

Methodology

The principal methodology used in this rating was US Local Government General Obligation Debt published in December 2016. Please see the Rating Methodologies page on www.moodys.com for a copy of this methodology.

Ratings

Exhibit 2

Biddeford (City of) ME

Issue	Rating
2017 General Obligation Bonds	Aa3
Rating Type	Underlying LT
Sale Amount	$9,915,000
Expected Sale Date	01/24/2017
Rating Description	General Obligation Limited Tax

Source: Moody's Investors Service

REPORT NUMBER 1056550

MOODY'S
INVESTORS SERVICE

S&P Global
Ratings

RatingsDirect®

Summary:

Biddeford, Maine; General Obligation

Primary Credit Analyst:
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Secondary Contact:
Anthony Polanco, Boston 617-530-8234; anthony.polanco@spglobal.com

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Summary:

Biddeford, Maine; General Obligation

Credit Profile		
US$9.915 mil GO bnds ser 2017 due 10/01/2036		
Long Term Rating	AA-/Stable	New

Rationale

S&P Global Ratings assigned its 'AA-' long-term rating to the city of Biddeford, Maine's series 2017 general obligation (GO) bonds, and affirmed its 'AA-' long-term ratings on the city's existing GO debt. The outlook is stable.

The city's full-faith-and-credit pledge secures the bonds. Biddeford can levy ad valorem property taxes for bond repayment, subject to limitations of the state's LD-1 legislation. Despite state limitations on levy limits, we did not make a rating distinction for the limited-tax GO pledge due to the city's flexibility under the levy limit. According to city officials, bond proceeds will be used for sewer and road projects.

The rating reflects our opinion of the following factors for Biddeford, specifically its:

- Strong economy, with access to a broad and diverse metropolitan statistical area (MSA);
- Adequate management, with "standard" financial policies and practices under our Financial Management Assessment methodology;
- Strong budgetary performance, with operating surpluses in the general fund and at the total governmental fund level in fiscal 2016;
- Adequate budgetary flexibility, with an available fund balance in fiscal 2016 of 5.3% of operating expenditures;
- Very strong liquidity, with total government available cash at 9.9% of total governmental fund expenditures and 107.9% of governmental debt service, and access to external liquidity that we consider strong;
- Adequate debt and contingent liability position, with debt service carrying charges at 9.2% of expenditures and net direct debt that is 103.5% of total governmental fund revenue, as well as rapid amortization, with 66.1% of debt scheduled to be retired in 10 years; and
- Strong institutional framework score.

Strong economy

We consider Biddeford's economy strong. The city, with an estimated population of 21,303, is located in York County in the Portland-South Portland MSA, which we consider to be broad and diverse. The city has a projected per capita effective buying income of 85.2% of the national level and per capita market value of $105,977. Overall, the city's market value fell by 1.8% over the past year to $2.3 billion in 2016. The county unemployment rate was 3.9% in 2015.

Biddeford is in the eastern section of York County, approximately 20 miles southwest of Portland. The city is a principal commercial center of York County, benefiting from its access to the Maine Turnpike and Interstate 95. The Saco River establishes the city's northeastern border, for a distance of 10 miles, separating the city from the city of Saco. The city's tax base continues to be primarily residential (68%), commercial (12%) and industrial (5%).

Adequate management

We view the city's management as adequate, with "standard" financial policies and practices under our Financial Management Assessment methodology, indicating the finance department maintains adequate policies in some but not all key areas.

Highlights of the procedures include monthly budget monitoring reports presented to the city council and department heads. The city has a formal reserve policy to maintain an unrestricted (including restricted) fund balance approximating 12½% of annual operating expenditures but reserves have been below target the previous three years. Management also maintains a five-year capital improvement plan that it updates annually and does identify funding sources but those sources are not confirmed. The city follows state guidelines investment policy with investment holdings and earnings reports to the board monthly. The city does not have formal policies for debt management or long-term financial planning.

Strong budgetary performance

Biddeford's budgetary performance is strong in our opinion. The city had operating surpluses of 2.2% of expenditures in the general fund and of 4.8% across all governmental funds in fiscal 2016.

We expect both general and total governmental fund budgetary performance to remain strong since the city does not anticipate any fiscal imbalances in fiscal 2017. Its revenue profile is stable; property taxes generate 71% of general fund revenue with intergovernmental revenue accounting for 24%. Fiscal 2016 results include adjustments for recurring transfers. Management attributes fiscal 2016 performance to savings from attrition, as well as higher-than-expected revenue due to conservative budgeting.

The adopted fiscal 2017 budget totals $65.7 million, a 3.8% increase over 2016. Management plans to use about $700,000 of reserves for wastewater and sewer projects.

Adequate budgetary flexibility

Biddeford's budgetary flexibility is adequate, in our view, with an available fund balance in fiscal 2016 of 5.3% of operating expenditures, or $3.4 million. We understand that the city currently has plans to use $700,000 of assigned fund balance for one time capital expenditures. Available reserves could decline to $2.7 million or 4.2% of expenditures. Therefore, we believe they will likely remain adequate. If the city were to see drawdowns higher than anticipated it could lead to a decline in budgetary flexibility.

Very strong liquidity

In our opinion, Biddeford's liquidity is very strong, with total government available cash at 9.9% of total governmental fund expenditures and 107.9% of governmental debt service in 2016. In our view, the city has strong access to external liquidity if necessary.

Further enhancing our view of the city's liquidity position is that Biddeford maintains strong access to external liquidity as it has issued GO bonds frequently in the past 15 years. We understand the city doesn't have any bank loans, direct purchase debt, or any contingent liquidity risks from financial instruments with payment provisions that change on the occurrence of certain events. The city does not currently have investments we consider permissive or aggressive because the entirety of its investment portfolio is in money market funds and certificates of deposit. Biddeford has consistently had very strong liquidity; we do not expect these ratios to change.

Adequate debt and contingent liability profile

In our view, Biddeford's debt and contingent liability profile is adequate. Total governmental fund debt service is 9.2% of total governmental fund expenditures, and net direct debt is 103.5% of total governmental fund revenue. Approximately 66.1% of the direct debt is scheduled to be repaid within 10 years, which is in our view a positive credit factor.

With this issuance, Biddeford will have about $74 million in total direct debt outstanding. According to management, the city does not currently plan to issue any additional debt within the next two to three years.

Biddeford's combined required pension and actual other postemployment benefits (OPEB) contributions totaled 2.9% of total governmental fund expenditures in 2016. The city made its full annual required pension contribution in 2016. Biddeford's pension and other postemployment benefit liability costs remain manageable. The city contributes to the consolidated plan for participating local districts and the state employment teachers' plan, both of which Maine Public Employees' Retirement System--a cost-sharing, multiemployer retirement system--administers. The city's proportionate share of the net pension liability for the system totaled a combined $9.6 million as of fiscal 2016 with a discount rate of 7.125%. The systems are 88% funded.

The city's OPEB unfunded actuarial accrued liability, which it funds on a pay-as-you-go basis, totaled $6.8 million as of June 30, 2016, the most recent actuarial valuation. However, we expect the city's retirement costs to remain manageable for the next two fiscal years.

Strong institutional framework

The institutional framework score for Maine municipalities is strong.

Outlook

The stable outlook reflects our view of Biddeford's strong economy supported by its access to the Portland MSA, adequate budgetary flexibility, and very strong liquidity profile. We do not expect to change the rating during the two-year outlook.

Upside scenario

Over time, if management were to maintain strong budgetary flexibility at levels of higher-rated peers through consistent positive financial performance along with improved economic indicators, we could raise the rating.

Downside scenario

Conversely, if budgetary performance were to deteriorate and if reserves were to decrease to levels we consider weak as well as if there are declines in economic indicators, we could lower the rating.

Related Research

- S&P Public Finance Local GO Criteria: How We Adjust Data For Analytic Consistency, Sept. 12, 2013

- Incorporating GASB 67 And 68: Evaluating Pension/OPEB Obligations Under Standard & Poor's U.S. Local Government GO Criteria, Sept. 2, 2015

Ratings Detail (As Of January 20, 2017)		
Biddeford GO bnds		
Long Term Rating	AA-/Stable	Affirmed
Biddeford GO bnds ser 2013 dtd 02/14/2013 due 11/01/2013-2032		
Long Term Rating	AA-/Stable	Affirmed
Biddeford GO (AGM)		
Unenhanced Rating	AA-(SPUR)/Stable	Affirmed
Many issues are enhanced by bond insurance.		

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.globalcreditportal.com. All ratings affected by this rating action can be found on the S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

MOORS & CABOT INVESTMENTS

To: Mike Wilson & Jim Bennett
Fr: Joe Cuetara
Date: February 16, 2017
Re: Biddeford ME – Rating Analysis

January 2013 Bond sale, Moody's "affirmed" the Aa2 rating but placed a "Negative Outlook" on the rating for reasons in the third bullet, below [a Negative Outlook requires rating action within 24 months to either downgrade the issuer, move the Outlook to "Stable" or just remove the Outlook]

April 2015 Moody's downgraded the rating to Aa3 and removed the Outlook

Not having seen improvement, and seeing further deterioration, in January 2017 Moody's "affirmed" the Aa3 rating but assigned a "Negative Outlook" reflecting the narrow General Fund reserve position following multiple years of deficits, moderately-sized and stabilizing tax base with average income levels, elevated debt burden, but with manageable pension and OPEB liabilities.

1. Moody's observed:
    - Reduced financial flexibility following several years of deficits following several years of operating deficits (fiscal 2010 - 2015),
    - General Fund balance material declined,
    - Although the surplus increased available reserves to 5.2% of revenues in 2016 from 3.6% in 2015, this level of reserves remains significantly below the median for similarly rated municipalities in Maine (15.2%) and the nation (29.2%).
    - Failure to materially increase reserves over the near term could lead to negative credit pressure in future reviews.

MY COMMENT (regarding Fund Balance):

The Rating Analysts do not allow the deduction of Debt Service in the calculation of its Fund Balance, pursuant to the City's current Policy. **SOLUTION:** Enact a Policy that more closely aligns with "generally accepted" norms; establish a formal policy, and implement a formal plan, to achieve a "true" 10% to 12% Fund Balance.

Total expenditures	**2012**	**2013**	**2014**	**2015**	**2016**
Gross total expenditures	$55,113,106	$58,657,401	$59,066,207	$61,288,146	$60,939,996
Less: Debt Service - School	(4,286,660)	(4,237,819)	(4,267,972)	(4,153,818)	(4,098,192)
Less: Debt Service - City	(2,167,616)	(188,901)	(2,219,833)	(2,130,345)	(2,144,939)
Sub-total	48,658,830	54,230,681	52,578,402	55,003,983	54,696,865
Total other uses	796,556	570,000	500,000	600,000	650,000
Adjusted total expenditures	49,455,386	54,800,681	53,078,402	55,603,983	55,346,865
Total Unrestricted Fund Balance					
Total Restricted-Education	1,480,569	1,359,456	2,355,091	2,351,559	2,858,214
Total Committed	0	0	0	0	0
Total Assigned	1,273,171	1,005,523	559,097	580,487	1,129,196
Total Unassigned	2,544,196	3,136,240	1,915,406	1,723,143	2,310,409
Total Unrestricted Fund Balance	$5,297,936	$5,501,219	$4,829,594	$4,655,189	$6,297,819
Total Unrestricted Fund Balance/Total Expenditures	**10.71%**	**10.04%**	**9.10%**	**8.37%**	**11.38%**
Moody's recalculation of Fund Balance(*)	**6.7%**	**6.7%**	**4.0%**	**3.6%**	**5.2%**

NOTE: (*)The rating agencies do not exclude Debt Service for Expenditures

2. Moody's comment: "*Large receivable due to the General Fund from the Wastewater Fund pressure the annual subsidies place on the General Fund as well as management's ability to address the receivable pressure the annual subsidies place on the General Fund as well as management's ability to address the receivable.*"

MY COMMENT:

A Receivable should be reduced each year, otherwise it is deemed by the analysts to be "uncollectable" and may be excluded from the assets. Not only is this not declining, but the Receivable has grown from $4MM in 2012 to $5.3MM in 2016.

SOLUTION:

Either establish a formal policy, and implement a formal plan to reduce, and potentially eliminate the Receivable over a reasonable time-frame and provide confidence that the trend of the plan is working; OR, as a policy decision of the Council, if annually subsidies are to continue than to bring the Fund into the General Fund.

3. Moody's comment: "The 3.1% direct debt burden (including the new issue) is well above the state median of 1.4% …" thus the City has an above-average debt burden.

MY COMMENT:

I disagree with Moody's. Not only does S&P comment *that "… debt and contingent liability profile is adequate. Total governmental fund debt service is 9.2% of total governmental fund expenditures, and net direct debt is 103.5% of total governmental fund revenue. Approximately 66.1% of the direct debt is scheduled to be repaid within 10 years …"*

I submit that an acceptable range for annual debt service as a component of operating expenditures to be between 8% to 12%. If less than 8% the analyst (a) looks for aggressive "pay-as-you go" financing for capital improvements; (b) looks for significant alternative sources of revenue (CDBG, PATH, FEMA, etc); or (c) wonders if the municipality is letting infra-structure age and not be maintained. The below table reflects the % of tax-backed debt service for the City

SOLUTION:

Resolving the Fund Balance and Wastewater Fund issues put less pressure on the burden of debt. Otherwise, I do not see this as an issue that needs to be resolved.

DEBT SERVICE COMPONENT OF OPERATING EXPENDITURES

	Audited				
	2012	**2013**	**2014**	**2015**	**2016**
Current Year Debt Service:	$6,746,414	$6,590,835	$6,866,585	$6,737,667	$6,634,643
plus Leases	1,109,000	861,551	1,028,893	865,123	889,113
Gross Annual Debt Service	$7,855,414	$7,452,386	$7,895,478	$7,602,790	$7,523,756
(less St Qual School Debt):	(1,414,778)	(1,722,619)	(1,678,002)	(1,610,606)	(1,594,880)
(less Sewer Debt):	(557,700)	(546,523)	(535,273)	(524,726)	(767,629)
Net Tax-backed Debt:	$5,882,936	$5,183,244	$5,682,203	$5,467,458	$5,161,247
Budgeted Oper. Expense:	$56,540,350	$58,412,068	$59,901,522	$61,770,114	$63,206,233
Debt Service % Oper. Expense:	**10.40%**	**8.87%**	**9.49%**	**8.85%**	**8.17%**

City of Biddeford, Maine

The Office of
City Manager
James A. Bennett
Email: jbennett@biddefordmaine.org

MEMORANDUM

TO:	**Finance Committee**
FROM:	James A. Bennett, City Manager
DATE:	February 16, 2017
RE:	**Results of Recent Bond Rating**

Like most Maine communities, Biddeford had to make substantial adjustments during the first half of this decade. Two forces; the downtown in the economy and the changing relationship between the State of Maine and her municipalities, dramatically changed the landscape of the 1990's.

Since 2009, the state has balanced its budget by reducing the funding to Maine communities via the revenue sharing formula and completely ignoring the voters referendum that required 55% funding of local education by the state. On the revenue sharing side, communities are receiving only $0.40 for every $1.00 that the state law requires. In the current budget, that amounts to approximately $1,500,000. As a reference, only $676,935 of new capital spending was included in the FY17 budget. Since 2009, the City has conservatively lost in excess of $8,000,000 in state revenue sharing funds.

Most communities, anticipating the reductions in state funding to be temporary in nature, deferred temporary capital investment, while at the same time utilized undesignated funds to cover the short term need. Despite an increase in the total state budget and state revenues, restoration of the revenue sharing program to the statutory requirement has not occurred. In fact, raids have continued and the percentage has eroded.

Biddeford followed a similar pattern. Over the last couple of years, the City has reduced its fund balance. In 2013, Moody's place the city on a 'negative outlook' because of the continued reduction in fund balance. As a result, in 2015, the city was downgraded by Moody's. Last year's surplus prevented another downgrade. However, as you are aware Moody's has again put the City on a negative outlook with their most rating review.

Included in your package are comments regarding the ratings from our Financial Advisor. You will note that the negative outlook will need to be addressed over the next two years. You will also note, that Joe, like I disagree with the some of the rationale as it relates to the Moody's conclusion. The other major rating agency, Standard & Poor's does not make the same conclusion. As a result, they have 'stable outlook'.

There are two major issues that the City will need to address over the next two years are:

1. The amount of undesignated fund balance, technically referred to as the unassigned fund balance. Besides increasing this amount, we need to change the policies (as noted in Joe's memo) to reflect the rating agencies standards.
2. The large receivable ($5,300,000) due to the City from the WWTP fund. The net impact of this receivable is basically benign. However, the receivable does cause an overstatement of the financial position of the City, when taking in isolation.

205 Main Street Biddeford, ME 04005 Phone: 207.284.9313 Fax 207.571.0678

This second item does suggest that a larger discussion about the current practice of treating the $600,000 as a receivable should be had. I have heard it say that it is being done to repay for improper accounting for earlier borrowing. Should that be true, then it should not be booked as a receivable. Regardless of the ultimate decision of how much (if any) general taxation should be used to reduce the sewer user fee, there clearly needs to be a better understanding of this issue.

We will not have an opportunity prior to Tuesday's meeting to do the research or provide any clarification. I suggest that staff gather the information necessary to have that discussion at a later time.

As always, feel free to contact me with questions or concerns.

Memo

To: Members of the City of Biddeford Finance Committee

From: Philip C. Radding

CC: James Bennett, Michael Wilson

Date: 2/15/2017

Re: Biddeford City Hall Clock Tower Conditions and Cost Update

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Attached is a quote for from Dennis Lachman and Associated to do a conditions up date and budget for the restoration of Biddeford City Hall Clock Tower. The fee for his services are quoted at $9,840.00 and this is coming to the Finance Committee because we are single sourcing this project.

Mr. Lachman has been the Architect of record since 2007 when his firm did the first evaluation for the bond vote in 2008 and then in 2011. He also did the specifications for the stabilization work in which we completed 2009/10. He have very complete files on this building and would only have to build on the knowledge that we already have.

Once the scope of work is outlined I will be soliciting quotations from contractors to give me an up dated budget to bring back for approval.

Funding for this work will come from funds set aside for improvement to City Hall in last year's budget.

January 4, 2017 **Revision #3**

Phil Radding, Director of Facilities
City of Biddeford Maine

Subject: **Biddeford City Hall Clock Tower Conditions & Cost Update**

Dear Phil,

Thank you for this opportunity to assist the City of Biddeford again with next steps for City Hall. Based on our phone conversation, this proposal provides what we understand you seek – an update of the 2007 conditions assessment in order to establish a new 2016 baseline budget for repairs. The end goal is a brief report that can be submitted to Council to support their discussion about future improvements to the Clock Tower and City Hall. Because we have worked together extensively, this proposal and its contents are abbreviated. Please do not hesitate to contact me for clarifications.

Per our meeting on December 19, 2016, we updated and revised this proposal to reflect the following changes to scope and compensation.

- You will engage a contactor directly, and because we do not know if they will provide their assessment and cost estimating services for the previous line item budget of $6,000, contractor services have been removed from this proposal, resulting in a reduction of fees by $6,000.

The revision from Draft #1 to Draft #2 reflected the following changes to scope and compensation.

- Dome Inspection – Draft #2 no longer includes visual inspection of the dome because it was already accomplished by Al Hodson.
- City Hall Windows - Draft #2 included providing a memo on June 14, 2016 describing that a proposed window appears to meet the City's goals - energy efficient, user-friendly functionality and appropriate for the building's historic significance. We also assisted the City's grant writer with recent grant application to the Maine Historic Preservation Commission.

Section **A** describes **BACKGROUND & SCOPE OF SERVICES**

Section **B** describes **WORK PLAN & HOURS**

Section **C** describes **COMPENSATION**

Section **D** describes **OTHER PROVISIONS**

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We understand specific services requested include:

- Assemble & review prior information
- Revise the 2009/10 Scope of Work to an updated current 2016 physical Scope of Work, organized by the following categories:
    1. Work accomplished in 2010, no further work required in 2016
    2. Work accomplished in 2010, but needs redo or additional because 2010 was Remedial only
    3. Work excluded from scope & not accomplished in 2010, but to be included in 2016
    4. New items, not identified or included in 2010, to be included in 2016
- Conduct a site visit for visual inspection
- Quantify the Scope of Work into a budget (by Contractor, not included herein)
- Compile information into a brief report, including a support information to demonstrate the methodology of the budget for future reference

B. WORK PLAN & HOURS

	L A&P	Resurgence	Contractor
Scope Out Project & Services	• Frame project & services • Mt Resurgence for review 8 hrs	• Initial mtg 3/8/16 2 hrs	• Initial mtg not inc
Proposal	• Prepare proposal 10 hrs • Draft #1 to Phil R, 3/9/16 • Revise & Draft #2 to Phil 7/15/16 • Review, revise & sign	0 hrs	not inc
Identify & Describe Scope of Physical Work	• Assemble & review prior information 8 hrs • Revise 2009/10 Scope of Work to identify the 2016 Scope of Work	0 hrs	not inc
	• Review Scope of Work: 1. Work accomplished in 2010, no further work required in 2016 2. Work accomplished in 2010, but needs redo or additional because 2010 was Remedial only 3. Work excluded from scope & not accomplished in 2010, but to be included in 2016 4. New items, not identified or included in 2010, to be included in 2016 • **Meeting #1**		
	2 hrs	2 hrs	not inc
Frame Budget	• Frame budget to parallel Work 8 hrs	0 hrs	not inc
Site Visit	• Site visit for visual inspection, from ground, adjacent roofs, side hatch & bell deck. No tower staging for close detailed inspection. • Visual inspection of dome already accomplished by Al Hodson, so no longer included • Inspect other non-tower items – City Hall windows (see window notes following page) + unspecified theatre items		
	8 hrs	4 hrs	not inc
Update Scope of Work	• Update based on site visit • **Meeting #2**		
	4 hrs	4 hrs	not inc
Initial Budget Analysis	0 hrs	0 hrs	• Quantify the Scope of Work into a budget not inc

Initial Budget Review	• Review • Include Phil Radding • **Meeting #3**		
	3 hrs	2 hrs	not inc
Final Budget Analysis	0 hrs	0 hrs	• Quantify the Scope of Work into a budget not inc
Final Budget Review	• Review • Include Phil Radding • **Meeting #4**		
	3 hrs	2 hrs	not inc
Wrap Up	Compile information into a brief report. 8 hrs	0 hrs	not inc
Windows	Meeting, provide a memo & assist City grant writer 4 hrs		
Total Hours	**66 hrs**	**16 hrs**	**not inc**

Deliverables

A brief report including:

- Cover letter (DL)
- Scope of Work as basis for Budget
- Budget cover letter by Contractor
- Budget Summary by category to parallel Scope of Work
- Mid Level Budget data to explain Summary
- Back up Budget, as appropriate

Clarifications and Exclusions from Scope of Services

- **Sprinklers** - Based on our phone conversation, we understand City Hall does not have sprinklers, and the City will independently obtain a budget for sprinkling the building. We are glad to fold the City's sprinkler budget into our overall budget, if requested.
- No **Drawings or Specifications** for bidding or construction
- **Presentation to Council**. Not included, however we are glad to provide this if requested.

C. COMPENSATION

We understand the City's resources are limited. We respect this by working diligently and efficiently to keep hours and fees as low as professionally possible, while delivering quality services you expect from professionals.

Basis of Compensation

The basis for compensation is **lump sum fixed compensation**, which is calculated by hours to complete tasks x hourly rates.

	L A&P	RE	Contractor
hours	66	16	not inc
X rate $120	$7,920	$1,920	$0
Total		**$9,840**	

Lump Sum Fixed Compensation

Total lump sum fixed compensation to accomplish the Basic Services, as requested and described above, is **$9,840**.

Reimbursable Expenses

Direct out-of-pocket Reimbursable Expenses, such as printing, are not included in lump sum fixed compensation for services, and will be billed at 1.1 x actual out-of-pocket expenses. Mileage is billed at the standard federal rate.

Additional Services & Compensation

No additional services are identified or requested at this time; however we welcome additional services that might be useful beyond those identified as Basic Services. Additional services will be performed on an hourly basis and will be billed at the same rates as Basic Services. Hourly rates are valid for one year, and thereafter may be subject to cost-of-living increases.

Initial (Retainer) Payment

No Initial or Retainer Payment is required to activate this signed contract.

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D. OTHER PROVISIONS

Billing Terms

Fees for professional services will be invoiced at monthly intervals in accordance with the percentage of work completed, or upon completion of significant project milestones. All payments are due in 25 days from date of invoice. Unpaid invoices over 30 days will incur a service fee of 1.5% per 30 days.

Limits of Liability

It is understood and agreed that the Owner will limit *LA&P's liability* to their total compensation.

Termination

Either party may terminate this agreement in whole or in part at any time by written notice to the other. Such notice is effective on receipt. In the event of such termination, *LA&P* shall be paid for the services rendered and expenses incurred or committed prior to the effective date of notice of termination.

Ownership, Use of and Credits for Products Developed

- Authorship and Ownership of the Documents - The Owner acknowledges the products developed by *Lachman Architects & Planners* as instruments of their professional service. *Lachman Architects & Planners* shall be deemed the author of these documents and shall retain all common law, statutory and other reserved rights, including the copyright.
- Owner's Use – The Owner has rights to use these products created for this singular project, these unique conditions at this specific location. However the Owner may not use these same products for another project at another location without prior written authorization by *Lachman Architects & Planners*.
- Rights and Credits for Products Developed - As instruments of their service, *Lachman Architects & Planners* retains the rights to use the design in drawings and/or photographs for marketing in publications, resumes etc. The Owner will credit *Lachman Architects& Planners* for any and all publications or references to products developed for this project.

We truly appreciate this opportunity and look forward to working together again. If this proposal meets with your approval, please sign where noted below and return as our authorization to proceed. As always, please do not hesitate to contact me if you have any questions.

Sincerely,

Denis Lachman

Denis Lachman, Principal

Accepted by and position: Date:

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A. BACKGROUND & SCOPE OF SERVICES

Biddeford City Hall is one of Biddeford's most prominent landmarks. John Calvin Stevens designed it in 1894 after the original 1860s City Hall was destroyed by fire the same year. The Clock Tower, downtown's most prominent icon, is so symbolic that it appears with almost every City image. The stunning 1896 civic landmark was neglected for decades leading to substantial deterioration and leaking. By the early 2000s, the clock tower had seriously deteriorated and the clock itself was no longer working.

1. **2007 Phase I Existing Conditions Assessment** - In anticipation of issuing a bond for public approval, the City needed to assess the Tower's declining physical condition and obtain an opinion of cost to repair it. The City engaged Lachman Architects & Planners and Resurgence Engineering to conduct the Phase I Existing Conditions Assessment. Bonds were put before the city in 2008 and 2011 to raise money to restore City Hall, but both failed.

2. **2009/10 Phase II Remedial Renovations -** The long-term goal of the City has been to preserve and retain the historic character of the tower consistent with its status as a registered landmark. However in 2009 Council approved minimal, short-term repairs to prevent further deterioration and engaged Lachman Architects & Planners and Resurgence again. Working closely with Consigli Construction, the project addressed critical limited remediation to protect **Public Safety** by removing deteriorated exterior features (such as exterior railings) and interior plaster ceiling so they don't continue to fall on public ways below, to prevent continued serious **Water Infiltration** and **Structural Repairs** to arrest deterioration from past water infiltration. Since there was neither the budget nor calendar time to effectively replace decorative woodwork at that time, samples of removed exterior features (such as decorative railings) were salvaged and stored as templates for future restoration.

3. **In 2012** voters rejected a bond for City Hall repairs, including the Clock Tower.

4. **2014 Maine's Most Endangered Historic Places –** The remedial repairs only have a life span of five years and the clock tower itself is still deteriorating, so in 2014 the Clock Tower was designated by Maine Preservation as one of Maine's most endangered properties.

5. In **2015**, voters again rejected a bond to repair City Hall, including the clock tower, repointing masonry, installing sprinklers, new windows, and other repairs.

6. **2016 Phase III Update Conditions & Budget (This Proposal) –** Recognizing continued deterioration and Most Endangered designation, the Council is considering again how best to proceed and pay for repairs. The 2007 Conditions Assessment and Opinion of Cost is no longer accurate because the tower has continued to deteriorate. The Purpose of this effort is to update the previous conditions assessment and establish a new 2016 baseline budget for repairs. The end goal is a brief written report that can be submitted to Council to support their discussion about future improvements to the Clock Tower and City Hall.

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