STATE OF MAINE
COUNTY OF YORK

CITY OF SACO

I. CALL TO ORDER – On Monday, July 23, 2018 at 6:30 p.m. a Council Meeting was held in the City Hall Auditorium.

II. RECOGNITION OF MEMBERS PRESENT – Mayor Marston Lovell recognized the members of the Council and determined that the Councilors present constituted a quorum. Councilors present: Marshall Archer, Roger Gay, William Doyle, Lynn Copeland, Alan Minthorn, Micah Smart and Nathan Johnston. City Administrator Kevin Sutherland and City Clerk Michele Hughes were also present this evening.

III. PLEDGE OF ALLEGIANCE

IV. GENERAL

V. PUBLIC COMMENT

➢ Kelley Archer, - Chair of Historic Preservation Commission – Thank you very much for letting me go to Forum 2018 which is a national historic preservation convention. I just returned from Des Moines, Iowa and it was 4 days of intensive classes that will help us to do best practices with the HPC and doing due process and due diligence and it will also help us involve and educate the community and do allot of outreach. We did receive allot of ideas and we will implement them. It was a stipend that was given from Augusta because we are a CLG Certified Local Government 3 of us were allowed to go from Saco. Rob Biggs went for the Main Street Community in Kansas City last March. Steve Ryan is another member of the HPC and he and I flew out last Wednesday. So, we are looking to go to Forum 2020 and that will be in Tacoma, Washington. We are starting a fund raiser with a kick-off and I’m wearing the shirt which is $15 and it is “The Long Road Home” . It was a gift of 500 t-shirts from the Seavey owner Larry Tribble of Southern Auto Auction in Connecticut. He will be bringing the 1940 Seavey/Tribble La Salle Convertible Cadillac back to Saco this Saturday. We have a special exhibit across from the Saco & Biddeford Bank in the parking lot. We will have a tent, wares, and explain what we are doing to fill a $400,000 gap for the restoration of 93 Temple Street. The booklet I just handed out is available at Saco Scoop. The story that went into the Hemmings International Magazine and it does represent the City of Saco throughout the booklet and how we can earn money, donations, and fund raisers. The note card we are also selling and that was also a gift of the HPC and the Southern Auto Auction also gave us 100 mugs for $10 each which is now at Saco Scoop. We want to thank Zach Mosher because he will be coming to the first public hearing on the demolition of 42 North Street on Wednesday.

➢ Barbara Colman, 45B Stockman Avenue – Would like to commend the Saco Fire Dept. in particular 2 individuals Captain Vincent Pelletier and Firefighter Scott Walker. They came to my assistance on July 4th when I was constantly having circuit breakers blow for an unapparent reason and it was at the point when one of the outlets was actually very hot and could have caused a fire. I looked at it this way. It was worth 2 men coming to my assistance instead of sending all the men and women out to fight a fire on July 4th. I also want to thank Patrick Fox and his assistant Amy Oliver. They have been feeding information to the SCSG on all the materials regarding the recycling. We have been posting it and boosting it so that a number of individuals are asking questions. People have learned that the biggest concern is the plastic bags and they got the message the bags belong in the trash and not in recycling. So, as we see messages like that we get answers from the staff so that we can hopefully increase and reduce our contamination waste here in Saco. Mayor Lovell, Market Basket, Hannaford and Shaw’s will take plastic bags.

➢ Rick Milliard, Lower Beach Rd – I understand that the extension of Kevin Sutherland contract is a topic of discussion. I would like to say that he and I have worked together on a number of projects involving Camp Ellis. I think he has done a fine job and he is definitely an asset to the city. I think we should hang onto him.

VI. CONSENT AGENDA

VII. AGENDA

A. CONFIRM THE APPOINTMENT OF NICHOLAS DESJARDINS AS CITY ASSESSOR

The City Council approved the sharing of an Assessment Department with the City of Biddeford at their June 18th Council meeting with a two-year extension of the Contract.
According to Section 3.04 Powers and Duties of the City Administrator: A. He shall appoint…, subject to consultation with the Mayor and confirmation by the City Council, all department heads provided by or under this Charter.

Councilor Archer moved, Councilor Gay seconded “Be it ordered that the City Council confirm the appointment of Nicholas Desjardins as Saco’s City Assessor”. Further move to approve the order.

Mayor Lovell noted that he hadn’t met Mr. Desjardins until he was in the City Administrator’s office. Mr. Desjardins was a classmate of the Mayor’s son. I wanted to point this point. I don’t think there is any bias associated with that as we had not been acquainted. There are councilors who are acquainted with you, but I don’t think there is any bias on their part. But on the other hand, I think they should make a statement that they do know you but that they don’t see there would be a bias and we will find out if there are any councilors that want to make a motion on recusal.

Councilor Archer noted he was in the same class as Mr. Desjardins but that they haven’t spoken since their last class reunion which was many years ago.

Mayor Lovell asked if there were any councilors who wanted to make a motion of recusal. No motion was made.

Mr. Desjardins was approved as the Assessor for the City of Biddeford last Tuesday.

Mayor Lovell called for a vote on the motion. The motion passed with seven (7) yeas.

➢ New Microphone System – Councilor Archer reminded the councilors that we have a new microphone system and they have to press the button to speak into it and then turn it off.

B. APPROVAL OF A REVISED PURCHASING POLICY

The Purchasing Policy was last fully revised in 2013. It is best practice to review policies on a regular basis to align needs with a constantly changing environment. Saco’s Director of Finance, Glenys Salas has proposed a revised version of the Purchasing policy which achieves the goal of greater utilization of purchasing cards (p-cards), cleans up existing language and formatting, eliminates duplication or conflicting sections, and meets today’s uniform guidance standards.

Councilor Minthorn moved, Councilor Johnston seconded “Be it ordered that the City Council approve the revised purchasing policy dated July 23, 2018.” Further move to approve the order.

Amendment – Councilor Archer moved, Councilor Copeland seconded to include the veteran’s status as an optimal purchaser in section D1. The motion passed with seven (7) yeas.

Mayor Lovell called for a vote on the motion. The motion passed with seven (7) yeas.
D. PRINCIPLES ...................................................................................... 7
1. MINORITY, WOMEN, AND DISABLED BUSINESS ENTERPRISE .................. 7
2. CONFLICT OF INTEREST ..................................................................... 7
3. NATURAL RESOURCES ...................................................................... 7
E. REGULATIONS GOVERNING PURCHASES ........................................... 7
1. REQUIREMENTS ................................................................................. 7
2. COSTING ............................................................................................ 7
3. PURCHASE CATEGORIES ...................................................................... 7
   a. SMALL PURCHASES ........................................................................ 7
   b. INTERMEDIATE PURCHASES ......................................................... 7
   c. LARGE PURCHASES ........................................................................ 8
4. PURCHASE LIMITATIONS ................. ................. ........................................... 8
5. COMPETITIVE BID PROCESS .................................................................. 8
   a. INVITATION FOR BID ................................................................. 8
   b. MULTI—YEAR INVITATION FOR BID ............................................ 8
   c. RECOMMENDED BID FORMAT & SPECIAL INSTRUCTIONS .......... 9
   d. NOTICE OF BIDS ......................................................................... 9
   e. ACCEPTANCE OF BIDS ............................................................... 10
   f. PUBLIC BID OPENING ................................................................. 10
   g. BID CORRECTIONS ...................................................................... 10
   h. EVALUATION OF BIDS ................................................................. 10
   i. BID AWARDS ............................................................................. 10
6. REQUEST FOR PROPOSALS ................................................................. 10
7. CANCELLATIONS .............................................................................. 11
8. COOPERATIVE PURCHASING ............................................................ 11
9. SPECIFIC BLANKET CONTRACTS ....................................................... 11
10. PURCHASE EXCEPTIONS .................................................................... 11
    a. SOLE SOURCE ............................................................................ 11
    b. EMERGENCY PURCHASE ............................................................ 11
    c. PARKS & RECREATION PURCHASES FOR CAMP ...................... 12
11. PURCHASES & BIDS RECORD ............................................................. 12
12. PURCHASE ORDER ........................................................................... 12
    a. CONTRACT & PURCHASE ORDER ............................................. 12
    b. PURCHASE ORDER APPROVALS ............................................. 12
    c. CONTROL OF CONTRACT/BID EXTENSIONS AND RENEWALS .... 12
    d. CONTROL OF INCREASE IN PRODUCTS AND SERVICES ............ 13
13. CANCELING CONTRACTS ................................................................. 13
14. PURCHASE WITH P—CARD .................................................................. 13
15. DELIVERY & RECEIPT OF GOODS OR SERVICES ............................... 14
16. PAYMENT ......................................................................................... 14
17. PREPAID .......................................................................................... 14
F. REGULATIONS GOVERNING SALE OF CITY PROPERTY ....................... 15
1. SALES UNDER $10,000 ..................................................................... 15
2. SALES $10,000 OR MORE .................................................................. 15
3. SALES EXCEPTIONS .......................................................................... 15
G. LEASE OF CITY REAL ESTATE PROPERTY .......................................... 15
H. INVENTORY ......................................................................................... 15
I. GRANT DISBURSEMENTS ...................................................................... 16
1. CONTRACTORS .............................................................................. 16
2. SUBRECIPIENTS .............................................................................. 16
3. PASS—THROUGH ENTITY RESPONSIBILITIES .................................. 16
J. OVERALL DEPARTMENT RESPONSIBILITIES ..................................... 16
1. PURCHASING DEPARTMENT ............................................................. 16
2. ALL CITY DEPARTMENT RESPONSIBILITIES ............................... 16
3. FINANCE DEPARTMENT RESPONSIBILITIES ............................... 17
City of Saco Bid Certification ................................................................. 18
City of Saco Bid Opening .................................................................. 19
A. PURPOSE, LEGAL BASIS, AND APPLICABILITY

1. THE PURPOSE OF THIS PURCHASING MANUAL:
   a. Spell out the responsibilities and authority of purchasing
   b. Promote consistent and fair relations with vendors
   c. Facilitate uniform action by all staff involved with purchasing
   d. Standardize routine purchasing procedures
   e. Provide a full audit trail of purchases
   f. Allow level competition to set prices
   g. Control spending within budget limits
   h. Set a professional standard of organizational behavior
      i. Limit the possibility of waste
   j. Create an organized system of checks and balances
   k. Enhance public trust

2. LEGAL BASIS: Chapter 38 of the City of Saco Code provides the authority and legal basis for this policy.

3. APPLICABILITY: The City Administrator and staff, to include all departments, agencies, offices and committees authorized by the City Charter and Code will abide by these procedures.

B. POLICY STATEMENTS

1. PURCHASING POLICY – There will be a reasonable effort to spend the taxpayer’s money on only those items necessary to accomplish the City of Saco’s duties.

2. SURPLUS PROPERTY DISPOSAL POLICY – The City of Saco Staff will recoup the best reasonable return for the taxpayers when disposing of surplus property – whether through trade-in, resale or demolition.

3. DISCRIMINATION POLICY – The City will not discriminate as to age, sex, sexual orientation (including gender identity and expression), race or color, creed, political affiliation, national origin, religion or physical or mental handicap while doing business for the City of Saco.

C. DEFINITIONS

- APPROPRIATION – An amount authorized by the City Council for expenditures or to incur obligation for a specific purpose, such as debt for a capital project.
- BID BOND – Protection against a bid offer being withdrawn after opening.
- BID SPECIFICATIONS – Conditions set by the City that must be met by the vendor in the type and quality of goods or services offered for bid.
- BLANKET CONTRACTS – Agreements that include items, prices, quantities and periods, which have been negotiated with a supplier into a contractual agreement.
- BUDGET AMMENDMENTS – An amount authorized by the City Council while the fiscal year is in progress to increase the approved budget for the fiscal year.

- CITY – The City of Saco.
- COMMERCIAL CREDIT CARD – See Purchasing Card.
- COOPERATIVE PURCHASING – A technique whereby one or more cities or towns may collectively purchase goods and services.
- DOCUMENTATION RETENTION – The City follows the State of Maine Rules for Disposition of Local Government Records.
- EMERGENCY – When an unforeseen event arises or a situation whereby there exists a threat to public health, welfare or safety of the City of Saco, its residents or its employees and failure to act promptly will result in negative consequences.
- INTERMEDIATE PURCHASES – Intermediate purchases will include purchases of goods and services with a cost of greater than $3,000 but less than $10,000.
- LARGE PURCHASES – Large purchases will include the purchases of goods and services the cost of which are $10,000 or greater.
- LONG-TERM COST – Cost of supplies/services needed in maintaining quality of purchase or service after initial purchase.
- LOWEST RESPONSIBLE BIDDER – A vendor who bids to provide goods or services on a large purchase and has the following:
   o Ability to perform the bid or provide the service within the time specified without delay or interference
   o Character, integrity, reputation, judgment, experience, and efficiency
   o History of compliance with the laws and ordinances relating to the bids
   o Sufficient financial resources, quality supplies, contractor network, and experience to perform the bid
• **PAYMENT BOND** – A payment bond covers payment of subcontractors, laborers, and materials suppliers associated with the project. Payment bonds are issued for the protection of those supplying labor or materials to a bonded project.

• **PERFORMANCE BOND** – An amount of money or insurance bond provided to the City by the bidder to ensure that a specified service or item is provided in accordance with contract provisions. This serves to guarantee that the contractor makes the required payments for labor and suppliers of material.

• **PURCHASING AGENT** – The City Administrator, Department Head, or individual assigned with authority to perform administration and supervision concerning the purchase of a variety of materials, supplies, services, and equipment for the City.

• **PURCHASING CARD (P-CARD)** – City owned commercial credit cards which are issued to selected employees who use them to make official purchases of goods and services for the City.

• **PURCHASE ORDER** – The process of setting aside or obligating funds for an expected commodity.

• **PROFESSIONAL SERVICE** – A service provided by an external provider with a specific set of skills that is not housed within the staff.

• **REQUEST FOR PROPOSAL** – A solicitation most often through a bidding process, by an agency or company interested in procurement of a commodity, service or asset, to potential suppliers to submit business proposals.

• **RESPONSIVE** – To respond to all the requirements of the contract/bid by not modifying any of the requirements or leaving out any of the requirements.

• **SMALL PURCHASE** – Purchase of incidental materials and supplies with a value of less than $3,000.

• **SOLE SOURCE** – A sole source vendor is a company or person who sells a product or service that meets the unique needs of the purchaser; generally, sole source means the one and only source for the product or service. Being a municipality, the City can go directly to the distributors for sole source products.

• **STOCKLESS PURCHASING** – A technique providing for the purchase of a commodity or service in quantity at an agreed price ordered by the City but held by the supplier and delivered to the City when required.

• **SURPLUS PROPERTY** – Materials, supplies or equipment that are no longer used by the city or which have become obsolete but have usefulness left which are put up for sale.

• **UNENCUMBERED BALANCE** – The amount of money remaining in an appropriation against which there are no outstanding commitments, such as Purchase Orders or contracts.

• **UNIT PRICE** – The amount quoted in terms of so much per agreed or standard unit of product or service. RE: sand sold at a unit price of $10.00 per yard.

• **VENDOR** – The individual or company offering goods or services for sale.

**D. PRINCIPLES**

These purchasing principles allow the City to use its purchasing power to support ethical and sustainable businesses where possible. In applying these principles, the City has an opportunity to ensure it remains an attractive and affordable place for its citizens.

1. **MINORITY, WOMEN, AND DISABLED BUSINESS ENTERPRISE** – The City is encouraged to use Minority, Women, and Disabled Business Enterprises (MBE, WBE, DBE). The City will avoid favoritism, prejudices and discrimination when implementing purchase, contract, grant, or other processes.

2. **CONFLICT OF INTEREST** – The Purchasing Agent and all officers and employees of the City are expressly prohibited from directly or indirectly accepting any gift, rebate or item of value from any person who is or seeks to become a vendor or contractor to the City, unless the gift is given for the use and benefit of the City.

3. **NATURAL RESOURCES** – During the solicitation for products and services, the City will make the effort to conserve natural resources and protect the environment.

**E. REGULATIONS GOVERNING PURCHASES**

1. **REQUIREMENTS** – The first step in the procurement cycle is when a need arises for goods or services. The department will clearly define the good(s) and/or service(s) needed specifying performance, design manufacturer or other characteristics (or a combination of characteristic) needed. The requirement must be documented and approved at the originator level before the costing step can be taken.
2. COSTING – The cost of satisfying the need, and the availability of funds to pay for that cost, must be determined as accurately as possible. Purchasers are encouraged to check vendor’s catalogs, internet, and shops when appropriate, factoring in any freight charges. The purchaser must also make the vendor aware that the City is tax exempt and is not to be charged taxes. Finally, the purchaser must double check the budget to ensure there is sufficient funds to cover the cost.

3. PURCHASE CATEGORIES – Purchases will be divided into the following categories:
   a. SMALL PURCHASES – Department Heads will approve all small purchases (not to exceed $3000) for their own departments. Department Heads will periodically review the prices and sources of small purchases made for their departments to ensure a good value for City taxpayers.
   b. INTERMEDIATE PURCHASES – The City Administrator or the Finance Director will approve all intermediate purchases (greater than $3,000 but less than $10,000) for all City Departments. Department heads are expected to obtain at least two (2) price quotes for intermediate purchases and keep a record of it. The City Administrator may authorize an exception to this as outlined under Purchasing Exceptions, p. 11.
   c. LARGE PURCHASES – Large purchases will include the purchases of goods and services the cost of which are $10,000 or greater. On each large purchase a competitive bid or request for proposal will be sought, depending on the nature of the purchase. The City Administrator may authorize an exception to this as outlined under Purchasing Exceptions, p. 11.

4. PURCHASE LIMITATIONS – No purchase of services, supplies, material and equipment will be made unless the Council, except as otherwise provided in the City Charter, has appropriated the funds.

5. COMPETITIVE BID PROCESS – Competitive bids should be used for goods where the amount, type, and specifications are fixed and the only question is about a good value for the tax payers. The following are guidelines to prepare and process Bids.
   a. INVITATION FOR BID – The Purchasing Agent will prepare a written Invitation for Bid specifying:
      i. Time and date for receipt of bids, the address to which bids are to be delivered, and the date by which the City may select a bid and contract with a vendor.
      ii. Specifications regarding the supplies and/or services being purchased. Specifications should describe the requirements without being so specific that a sole source vendor is required. In the case a sole source vendor is necessary, see Purchasing Exceptions, p. 11. The specification can state that any equivalent product or service meeting the minimum needs of the City may be bid and that it is the responsibility of the bidding agent to demonstrate equivalency of any alternative.
      iii. Evaluation criteria, standards, and performance measures by which the purchasing agent will determine acceptability.
      iv. Reservation of the right to reject all bids, renegotiate any contract and waive any informalities, which does not compromise the actual bid.
      v. Time and date for a bidders meeting (if the project warrants it) to acquaint the bidders with any special conditions that may affect their bids.
      vi. Additional documents by reference, if it specifies where prospective vendors may obtain the documents.
      vii. Format of Bid Submission and Special Instructions (See Below)
   b. MULTI-YEAR INVITATION FOR BID – If the proposed contract period exceeds one year, the Invitation for Bid will state:
      i. That the Purchasing Agent can cancel the contract if funds are not appropriated or otherwise made available to support continuation of performance in any fiscal year.
      ii. Whether a unit price must be quoted for the duration of the contract, or for each fiscal year.
      iii. If the proposed contract is to contain an option of renewal or extension.
c. RECOMMENDED BID FORMAT & SPECIAL INSTRUCTIONS – Recommended bid format instructions and items to consider:
   i. Physical Bid – Sealed envelope with the product or service on which they are bidding written on the front (e.g., “Bid for Police Cruisers”)
   ii. Digital Bid – Blank email with product or service on which they are bidding as the subject line and a PDF of the bid attached to the email titled “Company Name – Product/Service”.
   iii. Include the Employer ID number, or Tax Exemption Number of the City, on the front page of the bid.
   iv. If the chosen Bidder is a new vendor to the City, a W-9 form must be received in Accounts Payable before any payment is issued.
   v. If the chosen Bidder is working on City property, then a Certificate of Insurance including Worker Compensation is required.
   vi. Where justified, ask that samples be submitted with the bid. Be sure to return all samples when the final award is made. Samples will be offered without charge to the City.
   vii. All contractual terms and conditions applicable to the procurement.
   viii. A bid and/or performance bond. Labor and materials bonds will also be important when a payment by the contractor must be secured. Although the cost of the bond will be included in the price, it is often the best assurance that the contractor will perform. This is especially important in annual contracts and purchases of major significance.
   ix. Bid Certification, see pg. 18.

d. NOTICE OF BIDS – The Purchasing Agent will make copies of the Invitation for Bid available on an equal basis. The Purchasing Agent must solicit bids from at least three providers. The Purchasing Agent will also give public notice of the Invitation for Bid. The notice will:
   i. Indicate where and when an Invitation for Bid may be obtained, where and by what date bids must be submitted, and where and when bids will be opened.
   ii. Summarize the product or service desired.
   iii. Reserve the City’s right to reject any bids.
   iv. Be published at least once, not less than two weeks before the deadline for submission, on the City’s Website and at least one of the following:
      1. Newspaper with local circulation
      2. Fixed purchase of ad space on a website of a news organization with local circulation (no bidding platforms)
      3. Televised City Council Meeting during the Administrative Update
   v. City may charge for physical copies of Invitation for Bid, following fee policy.
   vi. A log will be maintained listing the companies who were sent bids.

e. ACCEPTANCE OF BIDS – The Purchasing Agent will accept bids submitted up to the time specified for receipt of bids in the Invitation for that Bid. All late bids will remain unopened and will be rejected. The Finance Director will hold all deposits relating to bids.

f. PUBLIC BID OPENING – The Purchasing Agent will open all Bids publicly at the time and place designated in the Invitation for Bid and record minutes including the following:
   i. Date, time & place of bid opening
   ii. All persons in attendance
   iii. Open bid
   iv. Read bid amount out loud
   v. Announce when bid award will be awarded

Bids are honored for 60 days.

g. BID CORRECTIONS – A bidder may correct, modify, or withdraw a bid by written notice received in the office designated in the Invitation for Bid before the time and date set for the bid opening. After bid opening, a bidder may not change the price of any bid provision. The purchasing agent may waive minor informalities, or allow the bidder to correct them. If a clerical or administrative mistake is made, and the intended bid is clearly evident on the face of the bid document, the Purchasing Agent may correct the mistake to reflect the intended correct bid and notify the bidder in writing of the correction.

h. EVALUATION OF BIDS – The Purchasing Agent may compare prices and terms contained in submitted bids with those available through State contracts.

i. BID AWARDS – In cases where the Department Head is not acting as Purchasing Agent, he or she should return a recommendation concerning the awarding of Bids. The Purchasing Agent will consider such recommendation particularly as it relates to the responsiveness of the bids and/or the quality of the product or service, and the
award will be made to the lowest responsible and responsive bidder or State contract vendor. The Purchasing Agent may also reject any or all bids. The contract will be awarded by written notice to the selected vendor by the date specified for bid selection.

6. REQUEST FOR PROPOSALS – The Purchasing Agent may issue a request for proposals if it is determined that the selection of the most advantageous offer requires consideration of factors in addition to price. Generally, professional services fall into the category of a request for proposals. These services include architectural and engineering, auditing, legal services, technology and other similar professional categories. A competitive process should be used to solicit proposals, substantially along the lines described in the Competitive Bid Section of this policy, pg. 8. Proposal specifications which outline the scope of services to be performed, evaluation criteria to be used in judging proposals, minimum qualifications of professional experience, and other standards, including price, can all be incorporated into the Request for Proposals. The Purchasing Agent must solicit bids from at least three providers. Follow-up meetings for more in-depth review of services, including a final round, are acceptable methods of finalizing the winner of an RFP.

7. CANCELLATIONS – The Purchasing Agent may cancel an invitation for bid, a request for proposals, or other solicitation or may reject in whole or in part all bids or proposals when he/she determines that cancellation or rejection serves the best interest of the City. The Purchasing Agent will state in writing the reason for a cancellation or rejection.

8. COOPERATIVE PURCHASING – The Purchasing Agent is authorized to combine with other units of government, planning commission, council of governments, or with the Maine Municipal Association for purchasing purposes, in which event such regulations as may be jointly agreed to are applicable in lieu of the regulations in this document.

9. SPECIFIC BLANKET CONTRACTS – A specific blanket contract includes items, prices, quantities, and periods that have been negotiated with a supplier into a contractual agreement. It is based upon pre-established prices for supplies, either picked up or delivered to the City. A contract of this type offers major price advantages over small individual purchases made by separate departments. The Purchasing Agent is responsible for bidding or negotiating blanket contracts for appropriate items and for informing all interested parties of these contracts as they are negotiated.

10. PURCHASE EXCEPTIONS – The competitive bidding regulations will not be applicable in the following cases:
   a. SOLE SOURCE – Procurement by sole source will be authorized by the City Administrator when he or she decides it is the best solution because of long term benefits or unique City requirements and will be based on the needs of the community, not as a means of avoiding competitive proposals or bids. This is most applicable to real estate, IT, engineering, financial software, equipment compatibility, etc. The Purchasing Agent must put in writing all sole source procurements specifying:
      i. Each contractor’s name
      ii. The amount and type of each contract
      iii. The basis for determining that the contractor was the only practical source for the required supply or service, including technical specifications
   b. EMERGENCY PURCHASE – Any specific case determined by the City Administrator to be an emergency. In such cases the City Administrator may make such immediate purchases that he/she determines are of good value for the City, considering the nature of the circumstances. If the purchase price exceeds the unencumbered balance in the department’s budget account, the Department Head will immediately notify the City Administrator. If the City Administrator cannot be notified before the purchase, then the City Administrator will be notified as soon after as possible. The City Administrator will notify the City Council regarding large emergency purchases as soon as possible as to:
      i. The steps taken to affect the purchase
      ii. The emergency that existed
      iii. The methodology used to assure the best possible price
   c. PARKS & RECREATION PURCHASES FOR CAMP – To purchase tickets and admissions for the camp program during June, July, and August plus the school vacation week in February and April, no purchase orders or dollar limits are required.

11. PURCHASES & BIDS RECORD – The Purchasing Agent will keep a record of all properly submitted bids, proposals, and all purchases made under Purchase Exceptions without bids, and such records will be open to proper inspection by any interested person on approval of the City Administrator or for at least 6 years.
12. PURCHASE ORDER – Once the selected vendor is formally authorized to provide the goods and/or service, a delivery schedule and payment terms must be made available. 

a. CONTRACT & PURCHASE ORDER – A formal contract should be signed (for large purchases) and corresponding purchase order submitted to the purchasing system to encumber the necessary funds (large and intermediate purchases). A copy of the contract should be kept on record with the City Clerk’s office. Both contract and purchase order must state:
   i. The quantity and price of the product/service
   ii. Description of item or service
   iii. Any other specifications of the item or services desired

A purchase order is not required for small purchases so long as departmental cost controls are sufficient to ensure expenditures stay within budget.

b. PURCHASE ORDER APPROVALS – Depend on purchase size:
   i. Small Purchases – Department Head
   ii. Intermediate Purchases – Department Head and the Finance Director or City Administrator
   iii. Large Purchases – Department Head, Finance Director, and City Administrator

c. CONTROL OF CONTRACT/BID EXTENSIONS AND RENEWALS – If a contract/bid contains an option of renewal or extension, the exercise of the option will be at the sole discretion of the City and will not be subject to agreement or acceptance by the vendor. No option will be exercised unless the Purchasing Agent determines in writing, after reasonable investigation of costs and benefits, that the exercise of the option is more advantageous to the City than other means of procuring comparable supplies or services. Renewals will contain a time limit (e.g., 3 years), with renewal provisions.

d. CONTROL OF INCREASE IN PRODUCTS AND SERVICES – The City may increase the quantity of supplies or services specified in a contract, up to 10% of the original contract provided:
   i. Purchasing Agent specifies in writing that an increase is necessary to fulfill the actual needs of the community and is more economical and practical than awarding another contract.
   ii. Parties agree to the increase in writing.

13. CANCELING CONTRACTS – Any contract may be cancelled for just cause in such cases as the contractor fails to provide promised goods or services in the manner and timeline agreed to by the city. Contracts should be cancelled in writing including the reasons for cancelation with 10 business days’ notice. The city reserves the right to impose reasonable impose fees on contractors where they are found to have violated the terms of the written contract.

14. PURCHASE WITH P-CARD – The P–Card is used to reduce the time necessary to complete a purchase. It should be leveraged whenever a vendor will accept the purchase card without imposing additional fees or in such cases as the discount terms cover the processing charges.

a. Only full–time employees of the City of Saco are eligible to receive a P–Card. Contractors or temporary employees are not eligible. The cardholder is responsible for the security of their card and the transactions made using the card. Only the employee whose name is on the purchasing card may use the purchasing card.

b. Each P–Card is issued in the employee’s name but, is the property of the City of Saco and is only to be used for City purchases. It is NOT to be used for personal purchases, cash advances, or any personal travel and entertainment expenses such as airline tickets, hotel accommodations, car rentals or meals. The P–Card is not to be used for employee benefit clothing, boot, or tool allowances. It can be used for business meetings and travel expenses when the travel is authorized. If a spouse travels with the employee, the spouse’s expenses will not be charged to the P–Card. Only an employee’s business travel expenses may be charged to the P–Card. Travel expenses associated with Special Funds, such as Grants, must be preauthorized by the Custodian of Grant.

c. Under no circumstances should a transaction be split into two or more separate receipts to bypass the single transaction dollar limit.

d. Each card will have:
   i. A maximum dollar amount per cycle
   ii. A maximum number of transactions per day
   iii. A maximum number of transactions per cycle
   iv. A maximum dollar amount per transaction
   v. A maximum dollar amount per day
e. All changes require the written approval of the Department Head and Card Administrator.
f. Sales tax should not be paid on any purchases made with the P-Card due to the City’s municipal exempt status.

15. DELIVERY & RECEIPT OF GOODS OR SERVICES – When goods or services have been received, the receiver should be assured satisfaction with the condition of the material or services, noting whether full or partial receipt has been made. This notation can be made right on the printed copy of the purchase order as well. Department heads will be responsible to institute adequate procedures for the storage and distribution of purchased goods or services. The Department Head or designated employee is responsible for signing for delivery. Inclusion of the packing slips and vendor’s invoice in the departmental requisition for payment is sufficient notice to the Finance Department and Purchasing Agent that the delivered commodity meets specifications. When a shipment does not conform to the purchase order, the Department Head may seek independent testing of a commodity before payment. The Department Head will immediately notify the vendor of any concealed damages in a shipment and hold the goods for inspection. Samples may be required as part of a bid or tests conducted before delivery of a purchased item. The City reserves the right to reject an item if it does not conform to specifications.

16. PAYMENT
   a. A Requisition for payment using the form itself or the requisition for payment stamp is created by the requisitioning department and submitted to the Finance Department for payment. The requisition for payment includes the purchase order number, the invoice and packing slips. The accounting records are updated automatically when the requisition for payment is entered into the computer system.
   b. Invoices cannot be paid on multiple POs. In the case where an invoice applies to multiple POs, the Department Head should request separate invoices per PO. Exceptions will be taken on a case by case basis.
   c. If the material supplied is a fixed asset, an entry is made to the fixed asset records to record the history of the purchase.
   d. Each Purchasing Card monthly statement is submitted to Accounts Payable with the corresponding receipts attached to the individual’s purchasing card statements in order. In cases where a receipt has been lost, the cardholder should submit a memo specifying the purchase amount, date, and that the purchase was made on behalf of the City.
   e. Individual cardholder statements and receipts are compared to the master monthly statement by Accounts Payable.

17. PREPAID – If a vendor does not accept credit cards or purchase orders and demands payment up front, the Department Head will get an invoice from the vendor, do a requisition for payment, and attach a note to Accounts Payable stating date needed and the request “Return check to Department”.

F. REGULATIONS GOVERNING SALE OF CITY PROPERTY

1. SALES UNDER $10,000 – The Purchasing Agent may conduct the sale of any municipal supplies, materials and equipment no longer required by the City, of value less than $10,000 unless otherwise prescribed by state law.

2. SALES $10,000 OR MORE – City Council must authorize the sale of any municipal supplies, materials and equipment greater than $10,000 and the sale of any real estate. If such sale is authorized, the City Council may elect to follow the procedures outlined in this document for competitive bid or may authorize a contracted sellers’ agent in such cases where it is believed that such an agent will achieve a superior result.

3. SALES EXCEPTIONS – The procedure in this subsection will not apply to
   a. Re-conveyance to the former owner of property taken on tax or sewer lien (Chapter 81 of the City’s Code).
   b. Trade-in on municipal vehicles and equipment where the trade-in value is used to reduce the price of a replacement.

G. LEASE OF CITY REAL ESTATE PROPERTY
All leases of real estate property belonging to the City of Saco will be approved by City Council. On the effective date of the lease, the City Clerk at City Hall will file a copy of the executed lease, where it will be kept together with all other current leases of real property belonging to the City. The Assessor and Finance Director will have a copy of the lease. The leases will be a permanent record of the City of Saco. The Finance Department will be responsible for timely collection of all lease payments.

H. INVENTORY
A fixed asset inventory is an important area in which information can be valuable to the purchasing function. Every purchase of a furnishing, vehicle or piece of equipment with a value of $10,000 or more will be carried in a fixed asset inventory. Information about cost, date of
acquisition, condition and other pertinent information about the piece of equipment are important to maintain. Information on projected replacement is needed for proper planning and values are critical for insurance purposes. Each department will give the Finance Department any new information on old and new assets. The Finance Department keeps track of the Fixed Assets in the City’s Fixed Asset computer program.

All Department Heads will have charge of the storage of supplies and materials purchased by their departments under $10,000 and will keep proper inventory records thereof. He/she will keep informed and maintain records as to the sources of supply for all classes of purchases, price trends, and other related matters.

I. GRANT DISBURSEMENTS
All recipients of grant disbursements by the city should be classified as contractors or sub-recipients:

1. CONTRACTORS – Contractors are paid by the City to provide goods or services necessary to fulfill initiatives related to the grant. Contractors are hired by the City based on the guidance previously detailed in the Purchasing section, starting p. 7.
   General indicators of a contractor:
   a. Provides goods and services within normal operations
   b. Provides similar goods and services to many purchases
   c. Competes with other similar contractors
   d. Provides goods and services that fulfill some part of, but not the entire, grant initiative.

2. SUBRECIPIENTS – Sub-recipients are awarded grant money by the City to fulfill initiatives as they have proposed in some form of written application. General indicators of a subrecipient:
   a. Determines who is eligible to receive assistance
   b. Makes programmatic decision making about grant expenditures
   c. Uses grant funds to carry out a program of the organization, rather than a specific good or service.

3. PASS-THROUGH ENTITY RESPONSIBILITIES – in such cases where the City has awarded grant money to a subrecipient, the City has become a pass-through entity and is therefore responsible for subrecipient monitoring. The following should be completed annually for each subrecipient:
   a. Review the Certified Annual Financial Reports and audit findings
   b. Follow-up on identified deficiencies from the annual audit
   c. If the sub-recipient is identified as high-risk, perform an on-site review
   d. Withhold further grant revenue in situations of non-compliance

J. OVERALL DEPARTMENT RESPONSIBILITIES
The specific responsibilities for various aspects of purchasing are shared by the Administration Department, the Finance Department, and each Department Head as follows:

1. PURCHASING DEPARTMENT – the Purchasing Department is designated per City Charter Section 5.03 Necessary Departments, Offices, or Agencies and City Code § 4–12. Division of Administrative Service as under the authority of the City Administrator. If no one employee is designated the role of Purchasing Agent, responsibilities of the Purchasing Agent fall to the Department Head making the purchase.

2. ALL CITY DEPARTMENT RESPONSIBILITIES – City Departments are expected to follow the guidance and procedures laid out in this purchasing policy and to play the role of Purchasing Agent when no one employee is designated in that position.

3. FINANCE DEPARTMENT RESPONSIBILITIES – The Finance Director receives and reviews all intermediate and large requisition for purchase orders from the Purchasing Agent for availability of funds; authorizes or rejects intermediate requisition for purchase order, and forwards to Accounts Payable for conversion to purchase order. For large purchases, the Finance Director approves and forwards the purchase order to the City Administrator for authorization then sends to Accounts Payable for conversion.

The Finance Department is responsible for the following:
   a. Creates General Ledger Accounts as needed
   b. Opens mail and forwards invoices to the respective departments
   c. Holds all required vendor documentation, such as IRS W9 forms
   d. Receives and process the requisition for payments, making sure all required documentation is received before payment is made to the vendor
   e. Has Internal Auditor review all processed requisition for payments
   f. Oversees the distribution of payments to vendors
   g. Oversees the Purchasing Card program, making sure all receipts for purchases are attached to the purchasing card statements and post to the general ledger accounts monthly
CITY OF SACO, MAINE

TO: Mayor and City Council

MEMORANDUM

C. BUDGET UPDATE – JUNE 2018

Contact Name & Business | Bid Amount $
FROM: Kevin L. Sutherland, City Administrator
DATE: July 20, 2018
RE: Budget Update – June 2018

There seems to be some confusion around the financial update that was submitted as part of the 7-16 Council Workshop. Unfortunately, we were unable to cover that topic due to the number of items on the agenda.

There are many ways to look at this information. Council’s responsibility from year to year is to set a spending budget that has a corresponding revenue (as municipalities are required to approve a balanced budget (net 0)). Throughout the year, it is administration’s responsibility to make sure that actual expenditures do not exceed the Council approved budget and that the revenues that come in cover the expenditures. It is also fully within Council’s (and the public) purview to be aware of its status, but we all need to be on the same page as to how the information is understood.

If there is concern that expenditures are going to exceed the budget, administration works with departments to correct it before the close of the fiscal year and if it is beyond the control of staff, the administrator should provide corrective for Council to consider. If actual revenues are not going to meet expected expenditures, that too should be brought to Council’s attention.

None of that is a concern with what we’re faced with this year. What you see in the bottom right is $3 million less in spending than what was budgeted. However, this number is misleading because – one; we’re not done spending for this year, and two; the Capital Program and other Encumbrances that do not get closed from the prior year (FY17) are rolled into the FY18 budget.

In order to provide a better understanding of what the information is telling us, we need to dissect a few pieces of the update document. On page two of this memo is a screen shot from the June budget update. The first column to focus on is the ‘FY18 Adopted.’ These are the actual amounts that were adopted by Council. If you were to compare the Capital Program dollar amount in that column $3,131,161 to the one in the ‘FY18 Budget’ column of $3,445,294 (highlighted with a red box below), it’s a difference of more than 2.3 million dollars. How can this be? The ‘FY18 Budget’ column shows what the budget has been amended to reflect throughout the year. This is a combination of Council approved budget amendments and the effect of closing the books and rolling the prior year into the next year. Our Capital Program policy allows for projects that span multiple years and each year that money is not spent, it is added to the current year. If after 3 years, there is no activity in the account line any remaining funds fall to the unassigned fund balance. Notice how this years number seen below in the “Actual vs. Target” column (green box) is currently 200,000 less than last year (2.3 million mentioned above). That shows how we have been working to catch back up on use of these funds and as part of the audit process will identify any moneys that should go to the unassigned fund balance, but this money does not fall to the unassigned fund balance.
If we remove the 2.1 million (green box above) from the Capital program, the below budget number is closer to 1.1 million. This savings is primarily the result of employee vacancies. With a strong market, it is both hard to keep employees who find better options and hire people in a market place with few options for qualified candidates. Saco has been fortunate to have found some great additions to our team in the last few years.

While coming in under budget is a good thing, we also need to focus on the revenues and ensure that they will cover those actual expenditures.

In the revenue table on the next page, you might assume that the $854,104 (orange box) is the net between the FY 18 actual (revenues minus expenditures), but the excel spreadsheet driving this does not currently take into account the encumbered amounts in the table above.

Total actual expenditures (at this point in time) is the Expense total row sum of ‘FY18 Actual’ and ‘FY 2018 Encum’ (purple box above). $51,475,633 + $1,208,077 = $52,683,710. This number should be subtracted from the total revenues of $52,329,737 (blue box below). This results in a negative amount of $353,973. This is really where we will end at the close of the year if no other FY18 expenses are realized. We won’t be adding to the fund balance, in fact we’ll be drawing from it.

We did plan to use fund balance this year; 2.3 million of it (red box below). What is that amount made up of? In addition to a few one-time items adopted for FY 18 (a total of $219,600), over the course of Fiscal year 2018, we made commitments to pay for a boiler in the middle school and reduce the debt on the Schools fund balance utilizing our reserves as well as handful of specific uses because of the strength of our fund balance and our fund balance policy.

So, instead of drawing down our fund balance by that amount, by saving money on expenditures and having greater than budgeted revenues, instead of drawing down 2.3 we’ll only be using 350,000 or so fund balance (a portion of that from assigned fund balance). The placeholder 0 in the red box below represents a placeholder for that final number.

Given all those moving pieces, I don’t see a budget surplus. I see a sustained budget due to our growing economy which was further helped by savings from staff turnover and periods of vacancies.

Finance Director Glenys Salas presented the overall summary of where the city is at year to date.
D. AMENDMENTS TO CHAPTER 64 – ANIMALS – (FIRST READING)

The City of Saco authorized the City Administrator to sign a Beach Management Agreement with Federal Fish and Wildlife Service (FWS) and the Maine Department of Inland Fisheries and Wildlife (MIF&W) on June 4, 2018. This was the first step in the process to ensure sand dredged from the river this upcoming winter season is placed on the beach in Camp Ellis. Now the City of Saco needs to amend two ordinances, “§ 64-8 Running at large” and “§ 64-3 Horses prohibited on beaches” to agree the language within the Beach Management Agreement. The effects of these ordinance changes will not go into effect until the fall.

Councilor Copeland moved, Councilor Minthorn seconded “Be it ordered that the City Council approve the first reading of the document titled, ‘Amendments to Saco City Code, Chapter 64 – Animals, dated July 23, 2018.’ And further move to set the public hearing for August 6, 2018. The motion passed with seven (7) yeas.

Amendments to Saco City Code, Chapter 64 – Animals
July 23, 2018

(Art strikethrough represents language to be deleted, while underline represents new language.)

Article I: Keeping of Animals

Section 64-3 - Horses prohibited on beaches: exception.

Between May 1 and September 30, no person shall ride or drive any horse upon the public beaches of the City or upon any beach to which the public has access, nor shall the owner of the horse permit it to be so ridden. This section shall not apply to persons using horses or teams to clean the beach of any refuse or seaweed, provided that the horses or teams shall be properly attended at all times.

Article II: Dogs

Section 64-8 - Running at large.

[Amended 9-4-2012]
A. A dog, while on any public way or place, shall be under restraint, within the meaning of this article, if it is controlled by leash or voice control beside a competent person and obedient to that person’s commands or on or within a vehicle being driven or parked on the streets or within the property limits of its owner or keeper.
B. The following restrictions apply to dogs on beaches:
   (1) During the months of July and August, no dog shall be present on any beach between the hours of 9:00 a.m. and 5:00 p.m., unless it is leashed by its owner. All dogs should be leashed and under control of their owners at all times from April 1 through September 30th on beaches where piping plovers or least terns are present or have traditionally nested. Dogs should be prohibited on these beaches from April 1 through September 30 if, based on observations and experience, dog owners fail to keep pets leashed and under control.

VIII. ADMINISTRATIVE UPDATE

City Administrator Kevin Sutherland’s updates were as follows:
➢ Council Goals Status
   o Review, Fund, and Develop a Strategic Recruitment, Retention, and Succession Plan – A merit-based program for non-union employees was recommended by Administration as part of the budget but unfortunately was not funded. There was discussion about bringing something forward through the personnel committee this year and hopefully for January we can create that program. We will work with the personnel committee to develop that and return to council. The priority right now however for the personnel committee is developing a City Administrator performance evaluation policy. The committee will be meeting in August to bring a proposal to council in September and staff is working...
on a draft as we speak. In addition, we are currently going through union negotiations and some of that is reassuring staff that they are supported and appreciated in our organization.

- Work towards increasing recycling rate to 35% or Better through targeted education and outreach – Our plans were to propose the creation of a solid waste committee or look to revise the energy and sustainability committee to include this as part of their mission. However, with the recent global market shift, Saco has shifted gears to focus on reducing the amount of contaminated material going into recycling going forward because Saco will be charged per ton for contaminated waste. At the July 9th council meeting Public Works Director Patrick Fox explained some of the challenges Saco is faced with regarding this. It was suggested that in addition to the word of mouth and social media practice we get education out through the trusted United States Postal Service as soon as possible. Emily was asked to provide an update which is as follows: Amy Oliver worked together to create the attached materials. Amy has added these to the Public Works website. I contacted Ecomaine to create a custom postcard that has their helpful recycling tips on one side with plastic bags recycling instructions included. Whereas, that is still one of our largest contaminates. We added the “Clear Recycling” saves the city money blurb on the recycling side and the information about the Transfer Station changes on the other side of the postcard. Ecomaine was thrilled that we reached out to them to utilize their public outreach materials and we will invite them to join us at the city of Saco tent on the National Night Out event on August 7th. In the past we have found our Vision database which is through our Assessment Office only reached property owners and not all the business owners in the community. So, we are testing out the everyday direct mailing feature offered by the postal service. We have designed the postcard which will be sent to EDDM this Thursday and Friday and will reach 9,385 residential and business addresses. So, the timing of this update couldn’t be more appropriate because this afternoon I received an e-mail about our contamination levels. Some of ours were from 0% on the curbside up to 20% on one. There are different charges that we are doing to be charged by the ton on the contamination levels. So, it is an important component of this and it is not cheap. We are talking $35-$55 per to and if you are talking 6 tons, this will be an expensive endeavor. So, we have moved forward with the direct mailing and that will cost a few thousand dollars and I will use contingency money to pay for it.

- Research school campus by middle school & review/decide to move forward on future school construction regardless of our positioning on the state “list” – Young School is nearly at the top of the state priority list. At the joint workshop meeting with the school board last week the superintendent mentioned that we will be in a period of waiting till we hear what the next steps are in the process and they are in the driver’s seat as to how this will play out. In addition, it was mentioned during the workshop that another construction committee has been formed and I would assume that group would help move this goal forward. I will continue to work with them to make sure the council is fully informed.

- Amend policy on TIF’s and CZ’s to institute a policy of annual performance reporting of TIF’s and CZ – These encompass two different elements. With the change in staff we have had to take a step back from pushing this goal forward and let the new employees get up to speed. In the meantime, the summer interns have been analyzing the book of contract zones. Over the course of our zoning ordinance about 1985 Saco has approved some 50 contract zones. At this point in time 41 of them are still active. At the next workshop, Emma Cota and Allie Richards our interns will be presenting their findings and will look to council to further discuss these items and generate ideas on what should be included in the review policy. From there I will be asking the Director of Planning and Development to draft a policy for the Planning Board and EDC to review first and for council to adopt. Moving parallel to that is the goal of the zoning overhaul for Saco. One of the reasons we have so many contract zones is the zoning not meeting the needs of the community. So, I hope that this rezoning effort Saco will have the most forward-thinking land use policies in the State of Maine that ensure financial stability, environment sustainability, and provides opportunity and accessibility to all. This should also have us reduce the number of contract zones which we would be responsible for monitoring and we could shift our focus to leveraging TIF’s to the best of our ability.

- Consider new business park to create infrastructure that attracts and retains business – Council has been discussing this in executive session and will hopefully after this evening be moving forward with an option.
o Bringing natural gas to the Mill Brook Business Park and the Route 1 North Corridor – Natural gas has this summer been added to the Mill Brook business park and the city staff are working with Unitil to explore their efforts to get into Route 1 North. Given that the census tract is now in the opportunity zone I’m not too concerned with them finding a list of clients.

o Work collaboratively with Saco Maine Street to expand and promote downtown Saco in its role as a commercial, cultural, and residential city – I did just hire away one of Saco Main Street’s staff, Tori Gorman has started as the new Executive Assistant today. Given our greater focus on marketing in Saco we have forged some strong partnership with SMS to do that. There is new energy to focus on Saco that is creating a positive buzz. I’m promote the car show is upcoming Saturday. Join us for our 9th Annual Car Show on Main Street from 8 a.m. – 1 p.m. My truck will be at the event.

o Continue to increase our efforts in energy efficiency and sustainability by exploring renewable energy projects – The Saco Energy and Sustainability Committee meetings are held on the 1st Tuesday of each month, although they didn’t meet this month. I will get an update from their group as to where they stand. I have some ideas that can be explored. But, I want to gage the feasibility with the committee before taking it to the council level.

o Hoarding Update – On September 5th of last year Saco has a workshop and public hearing for a grant to develop a Convulsive Hoarding Program. We partnered with Shalom House with the city acting as a pass through while the Shalom House created the program and now administers it. On September 18 2017 council accepted the CDBG Grant as part of its consent agenda. This grant is for up to $50,000 and at this point in time they have spent just under $20,000. I did get some stats this afternoon from the director. Since starting this program for the Saco/Biddeford area in September they have had 18 individual in-home clients, 10 support group attendees, 21 support group meetings that last about 2 hours, trainings for volunteers about 244 hours. Sorting, discarding, donating, and removal by Shalom in-house hours of 140. Sorting and discarding training and hoarding 101 trainings of 4 and 73 people have been trained. The task force has met twice, and the task force sub-committee meetings have met 5 times. They have formed a collaboration with the University of Southern Maine to find funding for the program after the current CDBG Grant ends. If there are members of the council that would like to get involved with the task force I’m more than willing to connect you to Eric at Shalom.

o Easement for Camp Ellis – Thanks to the hard work of Brandon Petit and Patrick Fox we have received approvals from every property owner needed to get the Saco River Dredge sand onto the shore of Camp Ellis. Come Spring next year there will be substantially greater amount of sand on the beach. But, remember this is meant as a temporary fix. We hope it will create further erosion from occurring while we wait for the Jetty Spur project to move forward.

o June Update – There was allot of noise about that last week. The memo was part of the packet and I hope Glenys presentation helped the council better understand and hopefully provide you with some of the information you need to respond to your residents.

o Annual Report – Will post to the website tomorrow. It is the best Annual Report that I have had since I have been here and one of the most appealing ones I have had a pleasure being a part of to develop. Kudos to both Emma and Allie for putting that together.

o School Department Renovations – There has been some concern and discussions about that and I’ve asked the Superintendent to provide me with some information to share. Info plus reasons why this is a corrective action plan. Significant legal issues for Central Office renovations, special education secretaries and consultants openly talk about students medical and educational confidential matters which go over partition like walls. On numerous documented occasions there were HIPPA and FERPA violations that have occurred over the last 3 years since being superintendent. Ethically, morally and logically this needed to be fixed ASAP. Walls needed to be built along with doors so these breaches in confidentially are stopped. Superintendent Assistants Office was open to anyone who came into the office. There is another example of a breach of confidentiality where there have been many times where her work was moved or looked like someone had gone through it. There is no door in her office and her office needs be secured as she is dealing with information that is extremely confidential. The HR Director Office was down in the basement with no door and again with confidential paperwork being exposed to anyone that walks into that Finance Dept. The Superintendent has remediated the situation by bringing the HR Director upstairs with their own

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office with a door that closes and locks personal information away. In addition, the HR Director had been placed under the Superintendents prevue versus the Finance Director due to chain of command and affirmative action. The Finance Dept. needed to be moved upstairs as well due to the overcrowding of the Burns School where the Tech Dept. is now. That space is needed for more classroom space. It was also determined that having the Finance Dept. upstairs also benefits us as a team and can work closer together and be more collaborative around issues, concerns and future projects. Superintendent’s Office did not have sound proofing where confidential and legal conversations have been overheard and shared outside of the office. Many times, the Superintendents was forced to take calls on his personal cell phone out of the office making the work environment hostile and not conducive to other Superintendents Office. Phone system does not work and currently several phones including the Superintendents is not functional. This was already budgeted for the capital improvements. Superintendent wrote the coloclation paper and would have no problem moving to City Hall. It was stated on several occasions from members of the School Board that co-location was dead on arrival. Knowing that the changes need to be made both legally, ethically and to create a more conducive working environment which is under the Superintendents jurisdiction. These were the notes I received from the Superintendent.

- Route 112 Transportation Study – As part of the engineering study the consultants will be hosting a couple of public hearings on this study. One has already happened. It was made clear to me that more city staff will need to be in attendance and the date for the 2nd public hearing meeting has been confirmed for September 27th at 6:00 p.m. here at City Hall. It is currently on the city-wide calendars and we will continue to repeat this until we get closer to the date.

IX. COUNCIL DISCUSSION AND COMMENT

- Councilor Copeland - This evening prior to this meeting was a meeting of the Conservation Commission. They will be helping out with the 4th Annual Saco River Trash Drive to be held on Sunday, September 9th from 9 a.m. – 4 p.m. and that is with the Saco Salmon Restoration Alliance. They have retrieved tons of trash from the Saco River. Each year it grows. Saco will be giving a small amount of money to help them print these flyers. It is a really worth-while effort to clean the shores. People are needed on the shores up the river, people in power boats, and people in canoes. It is an incredibly organized event. They are looking for 6,000 tons of things to pull out. Clearly it is a river that runs through us and it is in our best interest to keep it looking beautiful., clean, healthy and safe. I would encourage everyone to volunteer as best as you can. The website is www.sacosalmon.com for online pre-registration. They do want people to sign up. To date 12.5 tons of trash and debris have been removed from the 20 miles of the river that they clean. It will be expanded an additional 5 miles. Coordinated by Maine Dept. of Inland Fish and Wildlife, Boy Scout, Girl Scout troops, and all kinds of people will be helping with this.

- Councilor Smart – All of us have gotten e-mails about the transfer station fees and there seems to be a misconception about a flat fee being charged to everyone regardless of what is being brought in. One more time explain to us exactly what the fees are. Public Works Director Patrick Fox came forward to address the council. The residential fee of $15 per cubic yard, so the whole fee structure was based on not covering our true cost to get rid of things, it is much less than that. The council passed generating about $150,000 in revenue. It you add up all the costs of the Transfer Station it is allot more than that. So, we targeted rates that seem to benefit the residential versus commercial to keep it Saco based. We don’t want to be a regional transfer station. Some fees are kept high at market rate for items most homes won’t generate. For household construction debris that could be an old couch, table or lamp. Those would be $15 per cubic yard and it will be charged in 1/3 of a cubic yard increments. So, if you come up with just a few things you will pay $5 a 1.3 of a cubic yard. It will be $5 increments. Some of that is just based on the ease of cash transactions. Commercial is not meant to be commercial from Arundel, Dayton, Buxton. Commercial loads still have to be generated in Saco. It is difficult to prove but it is the intent and we want the address it is coming from. That commercial rate is the going rate for us to get rid of the stuff without subsidizing it in the mill rate at all. We broke out some individual items mattresses, couches, love seats so that you are not trying to estimate or get into an argument with anybody over how many cubic yards that takes up. A cubic yard is 3 x 3 x 3 and we have a big box up there so that if anybody wonders what it is they can look at it or put their stuff in it if they think the attendant it over estimating the load. Metals, recycling, leaves and yard waste are free. There is not flat fee, no card systems, so residents should not be coming into our office as was stated in the
paper. There is no card system, so any proof of residency will be fine. We were able to change the fees to these reduced amounts so that helps renters and people who don’t own property right away that live in Saco. We had to wait 30 days for what you changed in the ordinance to implement. We have a cash register-based tablet system that we are implementing all of these items into now. So, that will be ready to go around August 7th. It will be cash, check or credit card. Credit cards fees will be absorbed by the city so there will be no additional charge for using a credit card. We hope people use the credit cards in order to minimize the cash at the facility. Councilor Smart wanted to make crystal clear how it works. So, if I show up there with a pickup truck full of leaves in the back as a resident I don’t have to pay anything. Mr. Fox stated, “you don’t have to pay anything”. If you own a landscaping business and show up with leaves you will pay. If you are a resident bringing it from your home, you will not pay. Same with overflow recyclables, cardboard, and metal. City Administrator Kevin Sutherland pointed out that before when you used your 3 free yards, your 4th yard would have cost you $28 and this is compounding so at the point of 6 yards that is about the break even. So, if you weren’t going to the transfer station to get rid of 7 yards, you are already saving money in the new system. We are shifting some of the costs from the property tax payer to the users of the system.

➢ Councilor Gay – On Saturday, July 28th there is a Garden Reception with period refreshments, Victoria music and Ernie Lowell blacksmith making items with his forge. Please join us. One hundred percent of the proceeds from fundraisers will go to the restoration of 90 Temple Street. The event begins after the Car Show starting at 12:30 p.m. – 2:00 p.m. at 90 Temple Street.

➢ Councilor Archer – Car Show this Saturday, July 28th. You can walk from the car show to 90 Temple Street which is just a couple of blocks away.

➢ Councilor Johnston – Asked if the building permits could be updated online. They haven’t been updated since last year.

X. EXECUTIVE SESSION

Councilor Copeland moved, Councilor Johnston seconded “Be it Ordered that the City Council enter into executive session, Pursuant to [M.R.S.A. Title 1, Chapter 13, Subchapter 1, §405(6):

e. Consultation with attorney regarding pending litigation on opioid crisis

c. Update on property purchase for fire station annex

e. Update on property purchase for public works

d. labor negotiations update for Police Command and Patrol

c. Review/Approve Purchase of Real Property at 841-853 Portland Road

d. Review/Approval of contract for City Administrator, Kevin Sutherland

d. Review/Approval of one-year agreement for Saco Professional Firefighters Association IAFF Local 2300

The motion passed with seven (7) yeas. Time: 7:37 p.m.

XI. REPORT FROM EXECUTIVE SESSION

Councilor Copeland moved, Councilor Johnston seconded to come out of the Executive Session at 9:25 p.m. The motion passed with seven (7) yeas.

Mayor Lovell, all the Councilors and the City Administrator were present.

d. REVIEW/APPROVE PURCHASE OF REAL PROPERTY AT 841-853 PORTLAND ROAD

Councilor Johnston moved, Councilor Doyle seconded “Be it Ordered that the City Council authorize the City Administrator to sign a contract for the purchase of 841-853 Portland Road, 6 parcels totaling 65 acres of land identified by the Assessor’s Office as Map 60 Lots 15, 16, 17, 17-1, 18, and 18-1”. Further move to approve the Order.

City Administrator Kevin Sutherland stated that the purchase price is $675,000 and pulls together 6 parcels which will allow the city to look into extending the Mill Brook Business Park an additional 5 lots along that and an additional lot on Route One. This will be paid for utilizing the undesignated fund balance for a portion of this as well as a portion of the cities TIF resources.
Mayor Lovell called for a vote on the motion. The motion passed with seven (7) yeas.
<table>
<thead>
<tr>
<th>TYPE OF INSPECTION</th>
<th>YES</th>
<th>NO</th>
<th>RESULTS REPORTED</th>
<th>TYPE OF INSPECTION</th>
<th>YES</th>
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<th>RESULTS REPORTED</th>
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<tbody>
<tr>
<td>a. General Building</td>
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<td>g. Lead Paint</td>
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<td>b. Sewage Disposal</td>
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<td>h. Pests</td>
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<td>c. Water Quality</td>
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<td>d. Radon Air Quality</td>
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<td>e. Radon Water Quality</td>
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<td>k. Environmental Scan</td>
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<td>f. Asbestos Air Quality</td>
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The use of days is intended to mean from the effective date of this Contract. All inspections will be done by inspectors chosen and paid for by the Purchaser(s). If the result of any inspection or other condition specified herein is unsatisfactory to the Purchaser(s), in Purchaser(s) sole discretion, Purchaser(s) may declare the Contract null and void by notifying Seller(s) in writing within the specified number of days, and any earnest money shall be returned to the Purchaser(s). If the Purchaser(s) does not notify the Seller(s) that an inspection is unsatisfactory within the time period set forth above, this contingency is waived by the Purchaser(s). In the absence of inspection(s) mentioned above, the Purchaser(s) is relying completely upon Purchaser's own opinion as to the condition of the property.

11. FINANCING: Intentionally deleted

12. AGENCY DISCLOSURE: The Purchaser(s) and Seller(s) acknowledge that they have been informed that the Selling Licensee is acting as a Seller's agent in this transaction and is representing the Seller(s) and that the Listing Licensee is acting as Seller's agent in this transaction and is representing the Seller(s).

13. DEFAULT: If Purchaser(s) fails to perform any of the terms of this Contract or is otherwise in default of any of its obligations, Seller shall have the option of retaining the earnest money as full and complete liquidated damages. Notwithstanding any other provision of this agreement, Escrow Agent shall have the right to require written releases from both parties prior to releasing the earnest money to either party. If a dispute arises between Purchaser(s) and Seller as to the existence of a default hereunder and/or the release of the earnest money and said dispute is not resolved by the parties within (30) days, Escrow Agent may elect to file an action in interpleader and deposit the earnest money in the court to resolve said dispute, or otherwise disburse the earnest money pursuant to Maine Real Estate Commission regulations. Purchaser(s) and Seller, jointly and severally, shall indemnify Escrow Agent for all costs, losses, expenses, and damages, including reasonable attorneys' fees, incurred by Escrow Agent in connection with said action and/or in connection with any dispute relating to this Contract and/or the Deposit.

14. MEDIATION: Any dispute or claim arising out of or relating to this Contract or the premises addressed in this Contract shall be submitted to mediation in accordance with the Maine Residential Real Estate Mediation Rules of the American Arbitration Association. This clause shall survive the closing of this transaction.

15. PRIOR STATEMENTS: Any verbal representations, statements and agreements are not valid unless contained herein. This Contract completely expresses the obligations of the parties. This is a Maine contract and shall be construed according to the laws of Maine.

16. HEIRS/ASSIGNS: This Contract is assignable YES ☒ NO ❌. This Contract shall extend to and be obligatory upon heirs, personal representatives, successors, and assigns (if assignment is allowed by the terms of this Contract), of the respective parties.

17. COUNTERPARTS: This Contract may be signed on any number of identical counterparts, including facsimile copies, with the same binding effect as if the signatures were on one instrument. Original or facsimile signatures are binding.

18. BINDING CONTRACT: This Contract is a binding contract when signed by both Seller(s) and Purchaser(s) and when that fact has been communicated to all parties or to their agents. The Effective Date of the Contract is noted below. Time is of the essence of this Contract.

19. REVIEW OF LEASES AND INCOME AND EXPENSE INFORMATION: Intentionally deleted.

20. Seller(s) and Purchaser(s) acknowledge receipt of the Maine Real Estate Commission Disclosure of Agency Relationship Form (Form #2), if the property is, or has a component of, one to four residential dwelling units.

21. ADDENDA: This Contract has addenda containing additional terms and conditions YES ☒ NO ❌

Page 2

Seller______ Purchaser______
A COPY OF THIS CONTRACT IS TO BE RECEIVED BY ALL PARTIES AND, BY SIGNATURE, RECEIPT OF A COPY IS HEREBY ACKNOWLEDGED. IF NOT FULLY UNDERSTOOD CONSULT AN ATTORNEY.

Seller(s) acknowledges that the laws of the State of Maine provide that every buyer of real property located in Maine must withhold a withholding tax equal to 2 1/2% of the consideration unless the Seller(s) furnishes to the Buyer(s) a certificate by the Seller(s) stating, under penalty of perjury, that Seller(s) is/are a resident of Maine or the transfer is otherwise exempt from withholding.

City of Saco, Purchaser ___________________________ Date ___________________________

Name/Title ___________________________ Soc. Sec # or Tax I.D. ___________________________

Purchaser ___________________________ Date ___________________________

Name/Title ___________________________ Soc. Sec # or Tax I.D. ___________________________

The Seller(s) accepts the offer and agrees to deliver the above-mentioned property at the price and upon the terms and conditions set forth above and agrees to pay the Broker the commission for services herein according to the Listing Agreement. The obligation to pay said commission or sum shall survive the closing of this transaction. Seller agrees that Broker may apply any deposit(s) received in connection with the sale of the Property toward commissions due and payable under this Agreement. If the earnest money is forfeited by Purchaser(s), it shall be evenly distributed between the Broker and Seller(s), provided, however, that Broker’s portion shall not exceed the full amount of the commission specified. In the event the Seller(s) defaults on its obligations hereunder, CBRE | The Boulos Company shall be entitled to costs of collection, including reasonable attorneys’ fees.

Signed this: ______ day of ________________, __________. Effective date of Contract: ______, day of ______. ______

The Listing Licensee is Tyler Hobbs of CBRE | The Boulos Company (Company).

The Selling Licensee is Tyler Hobbs of CBRE | The Boulos Company (Company).

Portland Road Realty Trust, Seller ___________________________ Date ___________________________

Name/Title ___________________________ Soc. Sec # or Tax I.D. ___________________________

Seller ___________________________ Date ___________________________

Name/Title ___________________________ Soc. Sec # or Tax I.D. ___________________________

Offer reviewed and refused on ___________________________, ______. _________________, Seller

Page 3

Seller_______ Purchaser_______
Addendum A

1. CONTINGENCIES: This Contract is subject to the following:
   a. The Purchaser obtaining a formal City Council vote approving the purchase of the property.
   b. The Purchaser securing an access easement from T&T Leasing.
   c. The August 2018 closing of another property owned by the Purchaser. The closing is to occur no later than August 31, 2018. Said property, commonly referred to as Unit 91 and located at 110 Main Street #Bldg 1 in Saco, is further described by the Saco Assessor’s Office as Map 037, Lot 001, Unit 091.

2. All contingencies contained in Section 1 of this Addendum are to be completed no later than August 31, 2018.

3. All other terms shall remain in full force and effect.

SEEN AND AGREED TO:

____________________________  ______________________
Portland Road Realty Trust, Seller       Date

____________________________  ______________________
City of Saco, Purchaser       Date
c. REVIEW/APPROVAL OF ONE-YEAR AGREEMENT FOR SACO PROFESSIONAL FIREFIGHTERS ASSOCIATION IAFF LOCAL 2300

Councilor Minthorn moved, Councilor Archer seconded “Be it Ordered that the City Council approve the following labor union contract and authorize the City Administrator to execute the proposed contract ‘Saco Professional Firefighters Association IAFF Local 2300 AFLCIO CLC effective July 1, 2018’”. The motion passed with seven (7) yeas.

d. REVIEW/APPROVAL OF CONTRACT FOR CITY ADMINISTRATOR, KEVIN SUTHERLAND

Councilor Copeland moved, Councilor Johnston seconded to accept as negotiated the contract with Kevin Sutherland as City Administrator for the period from October 1, 2018 to September 30, 2019. The motion passed with five (5) yeas and two (2) nays – Councilors Minthorn and Doyle.

CITY OF SACO CITY ADMINISTRATOR
EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (“Agreement”), executed by the Mayor and confirmed by the action of the City Council effective this 23rd day of July, 2018, is by and between the City of Saco, Maine, hereinafter called "City", as party of the first part, and Kevin L. Sutherland, hereinafter called “Administrator,” as party of the second part (collectively, “the Parties”), both of whom acknowledge the following:

PURPOSE

WHEREAS, the City desires to retain the services of Kevin L. Sutherland as City Administrator of City; and

WHEREAS, it is the desire of the City Council, hereinafter called “Council”, to (1) provide incentives for the Administrator to remain in such employment, (2) make possible full work productivity by supporting Administrator’s morale and peace of mind with respect to future security, and (3) provide a just means for terminating Administrator’s services at such time as he may be unable to fully discharge his duties due to physical disability or when the City may wish to otherwise terminate his employment; and

WHEREAS, the Administrator desires employment with the City; then

IN CONSIDERATION of the mutual covenants herein contained, the Parties agree as follows:

TERMS

Section I. Term of Agreement; Duties

A. The effect of this Agreement is to amend the August 13, 2015 Employment Agreement between the Parties and extend that 2015 Employment Agreement by one (1) year, from October 1, 2018 through September 30, 2019 (the “Termination Date”), unless terminated as specified in this Agreement prior to the end of the current three year term, or that of this one year extension. The terms of the 2015 Employment Agreement shall remain in effect until September 30, 2018, after which this Agreement governs the terms of the Administrator’s employment.

B. The Administrator agrees to remain in the exclusive employment of the City and will perform duties and exercise authority set forth in Article III of the City Charter.

Section II. Salary; Performance Evaluation

A. The City agrees to pay the Administrator for services rendered as follows: beginning October 1, 2018, $128,000 annual salary on the same schedule as non-union employees. At the start of the next
fiscal year (July 1, 2019), the salary shall be adjusted under the same provisions and policies applicable to non-union employees, including the eligibility for variable pay adjustments.

B. Unless waived by the Council, the Administrator will participate in a performance review to be held in an executive session during the first meeting of the month which is seven months prior to the annual employment anniversary. The Administrator is responsible for scheduling the performance review on the Council’s agenda so that there is sufficient and reasonable time for the Council to conduct and conclude the performance review.

C. If a performance review is not conducted and concluded as specified in Section II(B) through no fault of or neglect by the Administrator, the Agreement will be extended for an additional six month period.

D. If the performance review is not able to be conducted and completed through circumstances within the control of the Administrator, there will be no automatic extension of the Agreement under Section II(C).

Section III. Employee Benefits/Vacation

The City shall provide to the Administrator vacation benefits under the same provisions and policies applicable to other non-union City employees. The City will provide the Administrator with three (3) weeks of vacation. The Administrator is expected to use the vacation benefit during the applicable calendar year, and is permitted to carry forward as many as three weeks of unused vacation leave to the subsequent year, but leave that is carried forward shall lapse if not used in the subsequent year in accordance with non-union vacation policy. No more than three weeks’ vacation may be taken consecutively.

Section IV. Education and Training

The City shall provide the Administrator with reasonable opportunities to continue his education through conferences and workshops offered by professional and municipal associations. The City shall compensate the Administrator for all actual and reasonably necessary expenses incurred in the performance and attendance at those conferences including programs sponsored by the International City Manager’s Association (ICMA) and Maine Municipal Association (MMA).

Section V. Termination of Employment; Severance Pay; Insurance; Notice

A. Termination Without Cause. Should the City Council adopt by affirmative vote a final resolution for the removal and termination of the Administrator’s employment and this Agreement without cause during such time the Administrator is willing, available and able to perform the duties of Administrator, then the City, in its sole discretion, shall either:

(1) Pay the Administrator a lump sum cash severance payment of six (6) months total salary including Deferred Compensation Plan or 401A Retirement Plan benefits, to be paid on the next regular City pay date following the Council’s adoption of the final resolution to terminate this Agreement; or

(2) Provide the Administrator with a notice period prior to effective date of termination, the length of the notice period to be determined by the Council but not to exceed four months. During the notice period the Administrator will continue to perform his duties diligently and will receive compensation as provided in this Agreement until the effective date of termination set forth in the termination notice. Upon termination the City will pay the Administrator a lump sum severance payment in the amount of the difference between the salary paid to him during the notice period and six months’ salary including Deferred Compensation Plan or 401A Retirement Plan benefits. If the City chooses the notice period option in this Section V(A)(2), the Council may at any time during the notice period accelerate the final termination date and pay the Administrator in lieu of work during the remainder of the notice period. In such event, the City will pay the Administrator a lump sum severance payment in the amount of the difference between the salary paid to him for working during the notice period and six months’ salary including Deferred Compensation Plan or 401A Retirement Plan benefits. Severance payments under this Section V(A)(2) will be made on the next regular City pay date following adoption of the final resolution to terminate this Agreement.
B. Voluntary Resignation; Cessation by Death or Incapacity. In the event the Administrator voluntarily resigns his position with the City, the Administrator shall give the City sixty (60) days’ prior written notice and the City thereafter shall not be liable or obligated for payment of severance pay as described in Section V(A) of this Agreement. In the event the Administrator does not give the City 60 days’ prior written notice of his resignation, and unless otherwise agreed upon by the Council, the Administrator will not be regarded as having left employment in good standing and will forfeit and have no entitlement to pay for any accrued and unused vacation time. No severance pay or benefits under Section V(A) will be paid in the case of any cessation of employment caused by death or by any incapacity and/or disability that prevents the Administrator from performing his expected duties as set forth in Article III of the City Charter.

C. Termination for Cause. The City has the right to terminate the employment of the Administrator for cause in accordance with the provisions outlined in Article III, Section 3.02(b) of the City Charter and applicable state law. The City shall have no obligation to pay any severance pay designated in Section V(A) of this Agreement when the Administrator is found to have performed illegal acts involving personal gain or found guilty of criminal acts as defined by the statutes of the State of Maine, or when the Administrator has otherwise been terminated for cause.

D. Insurance and Defense of Suits. The City will maintain Public Official Liability insurance coverage during the term of this Agreement with coverage terms and limits that equal or exceed the coverage in effect as of the effective date of this Agreement, which is $1,000,000 per claim to a maximum of $3,000,000. The City will have the right and duty to defend the City Administrator against any suit seeking damages that is brought against the City Administrator in the scope of his employment with the City, within the coverage limits and as otherwise provided in the POL insurance policy and additionally as follows. Should it be necessary for the Administrator to miss work because of obligations arising from or connected to defense of a claim, charge or suit brought against the Administrator in the scope of his employment, his pay and benefits will not be adversely affected.

E. Notice of Reappointment; Termination by Operation of Agreement. In the event that the City Council fails to notify the Administrator in writing of its intention as to whether to reappoint him and negotiate a successor Agreement within six months prior to the Termination Date of this Agreement, the Agreement shall be extended automatically for an additional six month period, commencing on the Termination Date. It shall be the Administrator’s responsibility to notify the City Council thirty (30) days before the six month notification is due. If the Administrator does not so notify the Council and the Council does not give notice of intent within six months of the Termination Date, the Agreement will not automatically be extended. If the City Council provides the Administrator with timely written notice of its intention not to reappoint him and/or not to negotiate a successor Agreement, then (i) the Administrator’s employment and this Agreement shall terminate on the Termination Date without further notice or Council action, and (ii) the Administrator shall not be entitled to any severance pay as set forth in Section V(A).

Section VI. General Provisions

A. The text herein shall constitute the entire agreement between the Parties.

B. This Agreement shall be binding upon and inure to the benefit of the heirs at law and executors of the Administrator.

C. This Agreement shall be effective commencing October 1, 2018 and will terminate, unless extended under the terms of this Agreement, on September 30, 2019.

D. If any provision or portion as contained in this Agreement is deemed to be unconstitutional or in violation of any law, then only that provision or portion thereof shall be severed here from and shall have no force of effect whatsoever.

E. Outside Activity. Administrator shall not spend more than six (6) hours per week in teaching, counseling or other non-Employer connected business without prior approval of the Employer. Administrator agrees not to accept any outside activity that may create a conflict of interest between the outside activity and the interests of the City. Administrator also agrees to arrange the outside activity at such times and places as not to intrude upon the Administrator’s ability to devote his full time and attention to the performance of his duties for the City.

F. This agreement replaces and supersedes all previous agreements between the parties.
Note: Signed after council approval.

REMAINING EXECUTIVE SESSION ITEMS:

Councilor Minthorn stated “Pursuant to M.R.S.A. Title 1, Chapter 13, Subchapter 1, §405(6):
   e. Consultation with attorney regarding pending litigation on opioid crisis;
   c. Update on property purchase for Fire Station Annex;
   c. Update on property purchase for Public Works;
   d. labor negotiations update for Police Command and Patrol”, there is no report this evening.

XII. ADJOURNMENT

Councilor Doyle moved, Councilor Archer seconded to adjourn the meeting at 9:41 p.m. The motion passed with six (6) yeas and one (1) nay – Councilor Gay.

Attest: ____________________________
Michele L. Hughes, City Clerk