STATE OF MAINE  
COUNTY OF YORK  
CITY OF SACO

I. CALL TO ORDER – On Monday, March 4, 2019 at 6:33 p.m. a Council Meeting was held in the City Hall Auditorium.

II. RECOGNITION OF MEMBERS PRESENT – Deputy Mayor Nathan Johnston 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, and Micah Smart. Mayor Marston Lovell was excused this evening. City Administrator Kevin Sutherland and City Clerk Michele Hughes were also present this evening.

III. PLEDGE OF ALLEGIANCE

IV. GENERAL

A. SACO RIVER CORRIDOR COMMISSION SPECIAL PUBLIC HEARING ON RULE CHANGES SCHEDULED FOR TUESDAY, MARCH 5 AT 7:00 P.M. AT DAYTON TOWN OFFICE

Deputy Mayor Johnston noted that the Saco River Corridor Commission would be holding a special public hearing on rule changes tomorrow at 7:00 p.m. at the Dayton Town Office.

B. COUNCIL MEETING SCHEDULE

Deputy Mayor Johnston reviewed the meeting schedule for this month: March 11th – No Council meeting or Workshop; March 18th – Workshop; March 25th – Council meeting. In addition, don’t forget to move your clocks forward for daylight savings time.

V. PUBLIC COMMENT

Stephen Shiman, School Board Representative Ward 4 – We didn’t have a School Board meeting last week because we wouldn’t have had a quorum. This Wednesday there is a public hearing at the meeting for the budget and RAD’s. Additionally, there will be a performance by students of the Middle School.

John Harkins, 4 Christopher Terrace – I understand the city has selected a new site for the town Public Works Garage facility. I was wondering if any borings have been done on that site? I understand it is a rather wet site which could result in extra cost to the community in the substructure etc.

Barbara Colman, 45B Stockman Avenue – I sent some information late today. First are some corrections for the Audit report FY2018, Page 69 under TIF #9. Chapter 260 does not exist it should be #206. Second – When I was looking at this TIF Audit against the FY2017 I noticed that the Downtown Development District is in here. So, knowing the amount of work that went into this and understanding the TIF was late getting in there for April 1st I went and read some rules and did some research. I will read what it says: “Commencement to a Development Program. The Development Program for a TIF District begins on the date the Commissioner issues a certificate given final approval of the program and on that date a municipality may begin spending money and funds and incur obligation in respect to the group projects. An amendment of a Development Program begins on the date the Commissioner issues the certificate also giving final approval of the program and the expenditure of funds. A municipality may not expend funds or incur obligations with respect to a project’s cost or an amended program until the date the Commissioner gives final approval to the original development program or amendment.” The Downtown TIF District did not get approved until August 7, 2018. Yet, it is referred to in the FY2018 budget. Now, we didn’t get it until FY2019. Did the city push aside the money and through the budget process include $184,284 in anticipation of paying out a TIF in that district or was there a waiver issued when the application was put in where the commissioner okayed that we backtrack to April 1st that TIF? If not, then all this accounting that has been done on this TIF and sent out which is $204,000 and change should not have occurred until 2019. We are also showing a deficit on the TIF of over $20,049.00 going into this fiscal year 2019. So, I’m really asking for clarification on that as well as Maine Molecular ended the year last year with $15,545.00 yet when you come to the audit (P. 69) Millbrook Maine Molecular $0.00. This is material because it is almost $200,000 and we spent something, and we don’t have a letter from the commissioner giving us approval to spend before August 7th. If we spent the money, then it is on you as councilors to resolve the issue with the respective parties that oversee the city.
VI. CONSENT AGENDA

Councilor Minthorn moved, Councilor Smart seconded to approve Consent Agenda items #A and #B as follows:

A. Approval of Minutes for February 11, 2019 – Be it Ordered that the City Council approve the City Council Minutes for February 11, 2019. Further move to approve the Order.

B. Massage Therapist License Application: Nancy Lyons – Be it Ordered that the City Council grant Nancy Lyons a Massage Therapist License in accordance with the Codes of the City of Saco, Chapter 138.” Further move to approve the Order.

The motion passed with six (6) yeas.

VII. AGENDA

A. CREDIT ENHANCEMENT AGREEMENT BETWEEN THE CITY OF SACO, MAINE AND READY SEAFOOD COMPANY – (PUBLIC HEARING)

This Credit Enhancement Agreement is for Ready Seafood Company, as outlined in the Ready Seafood TIF District and Development Program application approved by Council on February 19, 2019 and submitted to DECD for final review. The proposal is for a 20-year Credit Enhancement Agreement with an overall $1.8 million cap, with payments starting once the $1 million of increased assessed valuation (“triggering event”) occurs, as follows:

- Years one through ten: 70% of TIF revenue to Company
- Years eleven through twenty: 60% of TIF revenue to Company
- Any remaining years of the District: 100% of the TIF revenue remains with the City, as outlined in the Ready Seafood TIF District Development Program

The CEA has been reviewed and recommended by the Economic Development Commission at their February 11, 2019 meeting. The Council scheduled a public hearing on this item at the first reading on February 19, 2019, and the public hearing was noticed in The Journal Tribune on February 21, 2019.

The Council Order for this Credit Enhancement Agreement is as follows: “The City Administrator is hereby authorized and directed to enter into a credit enhancement agreement with the Ready Seafood Company in substantially the form as presented to the City Council.”

Councilor Doyle moved, Councilor Minthorn seconded to open the public hearing for the Credit Enhancement Agreement between the City of Saco, ME and Ready Seafood Company. The motion passed with six (6) yeas.

There were no public comments.

Councilor Doyle moved, Councilor Minthorn seconded to close the public hearing, and further move to schedule the final reading on the Order regarding the approval of entering into a Credit Enhancement Agreement between the City of Saco, ME and Ready Seafood Company in substantially the form presented to Council, on March 25, 2019. The motion passed with six (6) yeas.

CREDIT ENHANCEMENT AGREEMENT
between
CITY OF SACO, MAINE
and
NIKEL PRECISION GROUP, LLC
DATED: April 1, 2019

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THIS CREDIT ENHANCEMENT AGREEMENT, made and entered into as of April 1, 2019 by and between the City of Saco (the “City”), a municipal corporation and political subdivision of the State of Maine located in York County, Maine, and Nickel Precision Group, LLC (the “Developer”), a Maine limited liability company with an address of 19 Mill Brook Rd, Saco, Maine 04074;

WITNESSETH THAT

WHEREAS, the City designated the Maine Molecular Quality Controls Omnibus Municipal Tax Increment Financing District (the “District”), pursuant to Chapter 206 of Title 30A of the Maine Revised Statutes, and approved a municipal development program and financial plan for the District (the “Development Program”) on January 5, 2015. The District and Development Program were approved by the State of Maine Department of Economic and Community Development (the “Department”) on March 20, 2015; and

WHEREAS, on November 20, 2017, the City approved the First Amendment to the District (the “First Amendment”) and such First Amendment was submitted to the Department on December 17, 2018; and

WHEREAS, on February 19, 2019, the City approved the Second Amendment to the District (the “Second Amendment”), renaming the District the Mill Brook Omnibus Municipal Tax Increment Financing District and amending the project list; and

WHEREAS, the First and Second Amendments were approved by the Department; and

WHEREAS, the approved Development Program for the District provides that in the discretion of the City up to one hundred percent (100%) of the Tax Increment Revenues generated by new development within the District may be returned to the Developer during the remaining term of the District, pursuant to a credit enhancement agreement, for the purpose of defraying the Developer’s project costs; and

WHEREAS, the City and the Developer have agreed as to the portion of the Tax Increment Revenues associated with the Developer’s Project (as hereinafter defined) that will be returned to the Developer; and

WHEREAS, the City and the Developer desire and intend that this Credit Enhancement Agreement be and constitute the credit enhancement agreement contemplated by the Development Program; and

WHEREAS, as required by Section 3.05 of the Development Program and the Department approval, the City held a public hearing on February 4, 2019 at which the provisions of this Credit Enhancement Agreement were approved;

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

ARTICLE I
DEFINITIONS

Section 1.1. Definitions.

The terms defined in this Article I shall, for all purposes of this Agreement, have the meanings herein specified, unless the context clearly requires otherwise:

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

“Agreement” shall mean this Credit Enhancement Agreement between the City and the Developer dated as set forth above, as it may be amended from time to time.
“Captured Assessed Value” means the amount, stated as a percentage, of Increased Assessed Value that is retained in each Tax Year during the term of the District, as specified in section 2.3 hereof.

“Commissioner” means the Commissioner of the Department of Economic and Community Development.

“Current Assessed Value” means the then-current assessed value of all taxable real property constituting Developer’s Project within the Developer Property as determined by the City’s Assessor as of April 1st of each Tax Year during the term of this Agreement.

“Department” shall have the meaning given such term in the recitals hereto.

“Developer” shall have the meaning given such term in the first paragraph hereto.

“Developer Project” means the manufacturing facility and related site improvements to be constructed by Developer at Developer Property and originally consisting of a facility of approximately 40,000 square feet and any addition thereto during the Term.

“Developer Property” means the property identified as Lot 9 in Mill Brook Industrial Park (City Tax Map as Map 45, Lot 19-3-9).

“Developer Tax Increment Revenues” means that portion of all real property taxes assessed by and paid to the City in any Tax Year, in excess of any special assessment by City or any State or special district tax, upon the Captured Assessed Value, allocated and pledged to the Developer pursuant to Articles II and III of this Agreement, to support the Developer Project on the Developer Property.

“Development Program” shall have the meaning given such term in the recitals hereto.

“Development Program Fund” means the Municipal TIF Development Program Fund described in section IV(D) of the Development Program and established and maintained pursuant to Article II hereof and 30-A M.R.S.A. § 5227(3)(A). The Development Program Fund shall consist of a Project Cost Account with at least one subaccount: the Nikel Project Cost Subaccount.

“District” shall have the meaning given such term in the first recital hereto. “Effective Date” shall mean the date of execution of this Agreement.

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

“Fiscal Year” means July 1st to June 30th of the subsequent calendar year or such other fiscal year as the City may from time to time establish.

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

“Original Assessed Value” means zero dollars ($0), the taxable assessed value of the Developer Property as of March 31, 2019 (April 1, 2018).

“Project Cost Account” means the project cost account described in the Financial Plan Section of the Development Program and established and maintained pursuant to Title 30-A M.R.S.A. § 5227(3)(A)(1) and Article II hereof.

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

“State” means the State of Maine.
“Tax Increment Revenue Cap” shall have the meaning given to such term in Section 2.3.

“Tax Payment Date” means the later of the date(s) on which Property Taxes levied by the City on real and personal property located in the District are (a) due and payable, or (b) are actually paid by or on behalf of the Developer to, and received by, the City.

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

“Term” shall mean all Tax Years in the period beginning from April 1, 2019-March 31, 2020 through April 1, 2044-March 31, 2045, but not beginning before the Effective Date.

“City” shall have the meaning given such term in the first paragraph hereto.

Section 1.2. Interpretation and Construction.

In this Agreement, unless the context otherwise requires:

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

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

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

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

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

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

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

ARTICLE II


The City has created and established a segregated fund in the name of the City designated as the “Maine Molecular/Mill Brook Municipal TIF Development Program Fund” (hereinafter the “Development Program Fund”) to be funded by tax payments actually made by properties located within the District, and in accordance with the terms and conditions of, the Development Program and 30-A M.R.S.A. § 5227(3)(A). The Development Program Fund is pledged to and charged with the payment of project costs as outlined in the Financial Plan of the Development Program and as provided in 30-A M.R.S.A. § 5227(3)(A)(1), in the manner and priority provided in 30-A M.R.S.A. § 5227(3)(B), and as set forth in Section 3.1(b) below.
Section 2.2. Liens.

The City shall not create any liens, encumbrances or other interests of any nature whatsoever, nor shall it hypothecate the Development Program Fund described in section 2.1 hereof or any funds therein, other than the interest in favor of the Developer hereunder in and to the amounts on deposit; provided, however, that nothing herein shall prohibit the creation of property tax liens on property in the District in accordance with and entitled to priority pursuant to Maine law.

Section 2.3. Captured Assessed Value; Deposits into Development Program Fund; Cap on Tax Increment Revenues.

(a) For each Tax Year of the Term, the City shall retain in the District, for purposes of depositing Property Taxes associated therewith, the percentage of the Increased Assessed Value determined in accordance with the following table:

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<th>Tax Year</th>
<th>Retained Percentage</th>
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<td>2019</td>
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(b) In each of said Tax Years, the City shall deposit into the Nikel Project Cost Subaccount of the Development Program Fund, within five (5) business days of each Tax Payment Date, that portion of the tax payment made by Developer as represents Developer Tax Increment Revenues.

(c) Notwithstanding the foregoing provisions of this Section 2.3, no deposits shall be made to the Nikel Project Cost Subaccount to the extent such deposits would cause the aggregate amount of deposits to such Fund to
exceed the Tax Increment Revenue Cap (as hereinafter defined). For purposes of this Agreement, the “Tax Increment Revenue Cap” means an amount initially equal to $1,200,000. In the event that during the Term the square footage of the facility constituting part of the Developer Project is expanded, the Tax Increment Revenue Cap shall be redetermined by multiplying $1,200,000 by a fraction the numerator of which is the square footage of the facility after the expansion and the denominator of which is 40,000 square feet, being the estimated size of the facility to be constructed on Developer Property. In the event Developer constructs an addition, Developer shall notify City in order for the parties to determine the change in the Tax Increment Revenue Cap.

Section 2.4. Use of Monies in Development Program Fund.

All monies in the Development Program Fund shall in all cases be used and applied to fund fully the City's payment obligations to Developer described in Articles II and III hereof.

Section 2.5. Monies Held in Segregated Account.

All monies paid into the Nikel Project Cost Subaccount under the provisions hereof and the provisions of the Development Program shall be held by the City for the benefit of the Developer in a segregated account. The City shall never be under any obligation to deposit into the Nikel Project Cost Subaccount, any funds other than Developer Tax Increment Revenues received by the City from Developer, the City’s obligations under this Agreement extending only to funds that are Developer Tax Increment Revenues actually paid by Developer to the City. Interest earnings thereon shall be retained by the City for the City’s own use.

ARTICLE III
PAYMENT OBLIGATIONS

Section 3.1. Developer Payments.

(a) The City agrees to pay Developer, within thirty (30) days following each Tax Payment Date during the Term, all amounts then on deposit in the Nikel Project Cost Subaccount; provided, however, the City shall have no obligation to make payment while any mechanics’ liens shall be encumbering the Developer Property for a period of more than thirty (30) days. Upon the discharge or other termination of any such mechanics’ liens, the City shall pay any amounts previously withheld on account thereof.

(a) Notwithstanding anything to the contrary contained herein, if, with respect to any Tax Payment Date, any portion of the Property Taxes assessed against real property within the Developer Property for the Tax Year concerned remains unpaid, because of a valuation dispute or otherwise, the Property Taxes actually paid with respect to that Tax Year shall be applied, first, to payment in full of taxes due in respect of the Original Assessed Value; and second, to the extent of funds remaining, to payment of the Developer Tax Increment Revenues for the Tax Year concerned.

Section 3.2. Failure to Make Payment.

If the City should fail or be unable to make any of the payments at the time and in the amount required under the foregoing provisions of this Article III; or if the amount deposited into the Nikel Project Cost Subaccount is insufficient to reimburse the Developer for the full amount Developer has actually paid in taxes, the amount or installment so unpaid shall continue as a limited obligation of the City, under the terms and conditions hereinafter set forth, until the amount unpaid shall have been fully paid. The Developer shall have the right to initiate and maintain an action to specifically enforce the City’s payment obligations hereunder.

Section 3.3. Manner of Payments.

The payments provided for in this Article III shall be paid directly to the Developer at the address specified in Section 8.7 hereof in the manner provided hereinabove, for the Developer’s own use and benefit so long as such use is consistent with the requirements of the Act, by check drawn by the City on the Nikel Project Cost Subaccount of the Development Program Fund.
Section 3.4. Obligations Unconditional.

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

Section 3.5. Limited Obligation.

The City’s obligations of payment hereunder shall be limited obligations of the City payable solely from Developer Tax Increment Revenues pledged therefor under this Agreement and actually received by the City from or on behalf of the Developer. The City’s obligations hereunder shall not constitute a general debt or a general obligation or charge against or pledge of the faith and credit or taxing power of the City, the State of Maine, or of any municipality or political subdivision thereof, but shall be payable solely from that portion of Tax Increment Revenues actually deposited by City from taxes paid by Developer into the Nikel Project Cost Subaccount of the Development Program Fund and payable to Developer hereunder. This Agreement shall not directly, indirectly or contingently obligate the City, the State of Maine, or any other City or political subdivision to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment, excepting the City’s obligation to levy property taxes upon the Developer Project and the pledge established under this Agreement of the Developer Tax Increment Revenues received by the City from Developer.

ARTICLE IV
PLEDGE


In consideration of this Agreement and other valuable consideration and for the purpose of securing payment of the amounts provided for hereunder to the Developer by the City, according to the terms and conditions contained herein, and in order to secure the performance and observance of all of the City’s covenants and agreements contained herein, and subject to section 2.3(c) above, the City hereby grants a security interest in and pledges to the Developer the Nikel Project Cost Subaccount described in Section 2.1 hereof and all sums of money and other securities and investments therein.

Section 4.2. Perfection of Interest.

(a) To the extent reasonably necessary to satisfy the requirements of this Agreement, the City will at such time and from time to time as requested by Developer establish the Nikel Project Cost Subaccount described in Section 2.1 hereof as a segregated fund under the control of an escrow agent, trustee or other fiduciary selected by Developer so as to perfect Developer's interest therein. The cost of establishing and monitoring such a fund shall be borne exclusively by the Developer. In the event such a fund is established under the control of a trustee or fiduciary the City shall cooperate with the Developer in causing appropriate financing statements and continuation statements naming the Developer as pledgee of all such amounts from time to time on deposit in the fund to be duly filed and recorded in the appropriate State offices as required by and permitted under the provisions of the Maine Uniform Commercial Code or other similar law as adopted in the State of Maine and any other applicable jurisdiction, as from time to time amended, in order to perfect and maintain the security interests created hereunder.

(b) If the establishment of a segregated fund in accordance with this Section 4.2, becomes reasonably necessary to satisfy the requirements of this Agreement, the City’s responsibility shall be limited to delivering the amounts required by this Agreement to the escrow agent, trustee or other fiduciary designated by the Developer. The City shall have no liability for payment over of the funds concerned to the Developer by any such escrow agent, trustee or other fiduciary, or for any misappropriation, investment losses or other losses in the hands of such escrow agent, trustee or other fiduciary. Notwithstanding any change in the identity of the
Developer’s designated escrow agent, trustee or other fiduciary, the City shall have no liability for misdelivery of funds if delivered in accordance with Developer’s most recent written designation or instructions actually received by the City.

Section 4.3. Further Instruments.

The City shall, upon the reasonable request of the Developer, from time to time execute and deliver such further instruments and take such further action as may be reasonable and as may be required to carry out the provisions of this Agreement; provided, however, that no such instruments or actions shall pledge the credit of the City, and provided further that the cost of executing and delivering such further instruments (including the reasonable and related costs of counsel to the Town with respect thereto) shall be borne exclusively by the Developer.

Section 4.4. No Disposition of Development Program Fund.

Except as permitted hereunder, the City shall not sell, lease, pledge, assign or otherwise dispose, encumber or hypothecate any interest in the Development Program Fund and will promptly pay or cause to be discharged or make adequate provision to discharge any lien, charge or encumbrance on any part thereof not permitted hereby.

Section 4.5. Access to Books and Records.

All non-confidential books, records and documents in the possession of the City relating to the District, the Development Program, this Agreement and the monies, revenues and receipts on deposit or required to be deposited into the Nikel Project Cost Subaccount shall at all reasonable times be open to inspection by the Developer, its agents and employees.

ARTICLE V

DEFAULTS AND REMEDIES

Section 5.1. Events of Default.

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

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

(b) Any failure by the City to deposit into the Nikel Project Cost Subaccount of the Development Program Fund on a timely basis, funds the City receives from the Developer that the City is required under this Agreement to deposit into the Development Program Fund;

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

(d) Any failure by the Developer to pay when due, any real or personal property taxes lawfully assessed by the City to Developer; and

(e) If a decree or order of a court or agency or supervisory authority having jurisdiction in the premises of the appointment of a conservator or receiver or liquidator of, any insolvency, readjustment of debt, marshaling of assets and liabilities or similar proceedings, or for the winding up or liquidation of the Developer’s affairs shall have been entered against the Developer or the Developer shall have consented to the appointment of a conservator or receiver or liquidator in any such proceedings of or relating to the Developer or of or relating to all or substantially all of its property, including without limitation the filing of a voluntary petition in bankruptcy by the Developer or the failure by the Developer to have an involuntary petition in bankruptcy dismissed within a period of ninety (90) consecutive days following its filing or in the event an order for release has been entered under the Bankruptcy Code with respect to the Developer;
(f) Developer’s failure to commence construction of Developer’s Project by July 1, 2020 or the termination of manufacturing activities at Developer Property after Developer’s Project is completed.

Section 5.2. Remedies on Default.

Subject to the provisions contained in Section 8.13 below concerning dispute resolution, whenever any Event of Default described in Section 5.1 hereof shall have occurred and be continuing, the nondefaulting party, following the expiration of any applicable cure period, shall have all rights and remedies available to it at law or in equity, including the rights and remedies available to a secured party under the laws of the State of Maine, and may take whatever action as may be necessary or desirable to collect the amount then due and thereafter to become due, to specifically enforce the performance or observance of any obligations, agreements or covenants of the nondefaulting party under this Agreement and any documents, instruments and agreements contemplated hereby or to enforce any rights or remedies available hereunder. Further, the non-defaulting party may elect to terminate this Agreement upon 30 days’ written notice to the defaulting party provided the Event of Default is not cured within such 30 day period.

Section 5.3. Remedies Cumulative.

Subject to the provisions of Section 8.13 below concerning dispute resolution, no remedy herein conferred upon or reserved to any party is intended to be exclusive of any other available remedy or remedies but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law, in equity or by statute. Nothing in this Agreement shall be deemed to excuse any non-payment of municipal taxes by Developer, or to limit in any way, the City’s rights and remedies in that event. In the event the Developer pays some, but not all, taxes that are due, the portion paid will be allocated first to any delinquent taxes; second (to the extent of funds remaining) to taxes due on the original assessed value of the property; third (to the extent of funds remaining) to any delinquent taxes on increased assessed value from prior tax years; and last (to the extent of funds remaining) to payment of the Developer’s share of the tax increment revenues. Delay or omission to exercise any right or power accruing upon any Events of Default to insist upon the strict performance of any of the covenants and agreements herein set forth or to exercise any rights or remedies upon the occurrence of an Event of Default shall not impair any such right or power or be considered or taken as a waiver or relinquishment for the future of the right to insist upon and to enforce, from time to time and as often as may be deemed expedient, by injunction or other appropriate legal or equitable remedy, strict compliance by the parties hereto with all of the covenants and conditions hereof, or of the rights to exercise any such rights or remedies, if such Events of Default be continued or repeated.

ARTICLE VI
EFFECTIVE DATE, TERM AND TERMINATION

Section 6.1. Effective Date and Term.

This Agreement shall remain in full force from the Effective Date hereof and shall expire upon the later of the expiration of the Term or the payment of all amounts due to the Developer hereunder as of expiration of the Term and the performance of all obligations on the part of the City hereunder, unless sooner terminated pursuant to Section 3.4 or any other applicable provision of this Agreement.

Section 6.2. Cancellation and Expiration of Term.

At the acceleration, termination or other expiration of this Agreement in accordance with the provisions of this Agreement, the City and the Developer shall each execute and deliver such documents and take or cause to be taken such actions as may be necessary to evidence the termination of this Agreement.

ARTICLE VII
ASSIGNMENT AND PLEDGE OF DEVELOPER'S INTEREST

Section 7.1. Consent to Pledge and/or Assignment.

The City hereby acknowledges that the Developer may assign its rights hereunder to a successor owner
of the Developer Project and may also from time to time pledge and assign its right, title and interest in, to and under this Agreement as collateral for financing for the Developer Project, although no obligation is hereby imposed on the Developer to make such assignment or pledge. Recognizing this possibility, the City hereby consents and agrees to the pledge and assignment of all the Developer's right, title and interest in, to and under this Agreement and in, and to the payments to be made to Developer hereunder, to third parties as collateral or security for financing the Development Program, on one or more occasions during the term hereof. The City agrees to execute and deliver any assignments, pledge agreements, consents or other confirmations required by such prospective pledgee or assignee, including without limitation recognition of the pledgee or assignee as the holder of all right, title and interest herein and as the payee of amounts due and payable hereunder. The City agrees to execute and deliver any other documentation as shall confirm to such pledgee or assignee the position of such assignee or pledgee and the irrevocable and binding nature of this Agreement and provide to such pledgee or assignee such rights and/or remedies as the Developer or such pledgee or assignee may reasonably deem necessary for the establishment, perfection and protection of its interest herein. Any obligation of the City under this section shall be conditioned upon pledgee or assignee’s or Developer’s satisfaction of Developer’s obligations under this Agreement. Notwithstanding the foregoing, the City shall not be obligated to make payment to any such assignee or pledgee so long as there is any uncured default on the part of Company hereunder. Developer agrees that any payment by the City made in good faith to an assignee or pledgee hereunder shall, to the extent of such payment so made, discharge the City’s obligation to Developer hereunder.

Section 7.2. Pledge, Assignment or Security Interest.

Except as provided in Section 7.1 hereof for the purpose of securing financing for the Developer Project or an assignment to a successor entity or an affiliate entity, the Developer shall not transfer or assign any portion of its rights in, to and under this Agreement without the prior written consent of the City, through its City Council, which consent shall not be unreasonably withheld.

ARTICLE VIII
MISCELLANEOUS

Section 8.1. Successors.

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

Section 8.2. Parties-in-Interest; No Partnership or Joint Venture.

Except as herein otherwise specifically provided, nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the City and the Developer any right, remedy or claim under or by reason of this Agreement, it being intended that this Agreement shall be for the sole and exclusive benefit of the City and the Developer. This Agreement is not intended to create any form of partnership or joint venture between the City and the Developer.

Section 8.3. Severability.

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

Section 8.4. No Personal Liability of Officials of the City; No Waiver of Maine Tort Claims Act.

No covenant, stipulation, obligation or agreement of the City contained herein shall be deemed to be a covenant, stipulation or obligation of any present or future elected or appointed official, officer, agent, servant or employee of the City in his or her individual capacity, and neither the City Councilors nor any official, officer, employee or agent of the City shall be liable personally with respect to this Agreement or be subject to any personal liability or accountability by reason hereof. Nothing contained herein is intended as a waiver of, and the City expressly reserves all protections and immunities under, the Maine Tort Claims Act, 14 M.R.S.A. § 8101 et seq.
Developer agrees to indemnify and hold the City harmless from any loss, including court costs and reasonable attorney’s fees in the event of litigation, incurred by the City as the result of the City’s participation in this Agreement or in the TIF Development Program that is the subject of this Agreement, other than costs and fees incurred in connection with a breach by City of its obligations hereunder.

**Section 8.5. Counterparts.**

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

**Section 8.6. Governing Law; Venue for Suits**

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

Any suit to construe or enforce the provisions of this Agreement must be brought in the District or Superior Courts of York County, Maine; and otherwise shall be void. Developer expressly waives any claim to jurisdiction of the United States District Court over disputes arising under this Agreement, whether on account of diversity of citizenship or federal subject matter.

**Section 8.7. Notices.**

All notices, certificates, requests, requisitions or other communications by the City or the Developer pursuant to this Agreement shall be in writing and shall be sufficiently given and shall be deemed given on the third business day after mailing by registered or certified first class mail, postage prepaid, return receipt requested, addressed as follows:

If to the City:
City Administrator
City of Saco
300 Main St.
Saco, ME 04072

With a copy to:
Director of Economic Development
City of Saco
300 Main St.
Saco, ME 04072

If to the Developer:
Nikel Precision Group, LLC
19 Mill Brook Road
Saco, ME 04072

With a copy to:
Michael L. Sheehan, Esq.
PretiFlaherty
One City Center
Portland, Maine 04101

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

**Section 8.8. Amendments.**

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

**Section 8.9. Benefit of Assignees or Pledgees.**

The City agrees that this Agreement is executed in part to induce assignees or pledgees to provide financing for the Developer Project and accordingly all covenants and agreements on the part of the City as to the amounts payable hereunder are hereby declared to be for the benefit of any such assignee or pledgee from time to time of the Developer's right, title and interest herein. No such assignment or pledge shall limit in any way, Developer’s obligations hereunder.

**Section 8.10. Integration.**
This Agreement completely and fully supersedes all other prior or contemporaneous understandings or agreements, both written and oral, between the City and the Developer relating to the specific subject matter of this Agreement and the transactions contemplated hereby.

Section 8.11. Dispute Resolution.

In the event of a dispute regarding this Agreement or the transactions contemplated by it, the parties hereto will use all reasonable efforts to resolve the dispute on an amicable basis. If the dispute is not resolved on that basis within sixty (60) days after one party first brings the dispute to the attention of the other party, then either party may file an appropriate action for legal or equitable relief. If the Developer defaults in any of its obligations under this Agreement, the City shall be entitled to recover from Developer its reasonable attorneys’ fees incurred in enforcement of such obligations.

Section 8.12. Tax Laws and Valuation Agreement.

The parties acknowledge that all laws of the State now in effect or hereafter enacted with respect to taxation of property shall be applicable and that the City, by entering into this Agreement, is not excusing any non-payment of taxes by Developer. Without limiting the foregoing, the City and the Developer shall always be entitled to exercise all rights and remedies regarding assessment, collection and payment of taxes assessed on Developer's property. In addition, the Development Program makes certain assumptions and estimates regarding valuation, depreciation of assets, tax rates and estimated costs. The City and the Developer hereby covenant and agree that the assumptions, estimates, analysis and results set forth in the Development Program shall in no way (a) constitute a contractual obligation or binding representation of either party as to such assumptions, estimates, analysis or results; (b) prejudice the rights of any party or be used, in any way, by any party in either presenting evidence or making argument in any dispute which may arise in connection with valuation of or abatement proceedings relating to Developer’s property for purposes of ad valorem property taxation or (c) vary the terms of this Agreement even if the actual results differ substantially from the estimates, assumptions or analysis.

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

CITY OF SACO
By: 
Name: 
Its: 
Duly Authorized

NIKEL PRECISION GROUP, LLC
By: 
Name: 
Its: 
Duly Authorized

B. AMENDMENTS TO CHAPTER 78 CABLE TELEVISION – GRANT OF FRANCHISE – (PUBLIC HEARING)

The current City of Saco Cable Television Ordinance does not provide enough detail for future negotiations with cable providers and should be modified to provide more detail.

To move forward with negotiations, it is important that the ordinance match our goals and needs for the City of Saco.

Councilor Minthorn moved, Councilor Doyle seconded to open the public hearing. The motion passed with six (6) yeas.

There were no public comments.

Councilor Minthorn moved, Councilor Copeland seconded to close the public hearing and further move to set the final reading of, 'City of Saco Cable Television Ordinance - Chapter 78', for March 25, 2019. The motion passed with six (6) yeas.
CITY OF SACO CABLE TELEVISION ORDINANCE

Section 1. Designation of Ordinance.

This Ordinance shall be known as the City of Saco Cable Television Ordinance. It is adopted by the Municipal Officers of the City of Saco pursuant to 30-A M.R.S.A. §3008, and pursuant to the home rule authority granted to municipalities by 30-A M.R.S.A. § 3001 and by the Constitution of Maine, Article VIII, Part Second.

The City of Saco finds that the development of cable television systems has the potential to provide significant benefits to the people of the Town. Because of the complex and rapidly-changing technology associated with cable television, the Town further finds that the public health, safety and general welfare can best be served by establishing regulatory powers vested in the Town. It is the intent of this Ordinance, and any subsequent amendments hereto, to provide for and specify the means to advance and protect the public interest in these matters, and any franchise issued pursuant to this Ordinance shall be deemed to include these findings as an integral part thereof.

Further, it is recognized that cable television systems have the capacity to provide entertainment and information services to the Town’s residents and institutions.

For these purposes, the following goals underlie the regulations contained herein:

1. Cable television should be made available to the maximum number of Town residents at the most reasonable cost;

2. The system should be capable of accommodating both the present and reasonably foreseeable future state-of-the-art cable television needs of the Town and its citizens; and

3. The systems authorized by this Ordinance shall be responsive to the needs and interest of the local community, and shall provide the widest possible diversity of information sources and services to the public.

Section 2. Definitions.

For the purposes of this Ordinance, the following terms, phrases, words, abbreviations and their derivations shall have the meaning given herein. When not inconsistent with the context, words used in the present tense include the future; words in the plural number include the singular number, and vice versa. The word "shall" is always mandatory and not merely directory.

2.1 “Access” or “Access Cablecasting”: Cablecasting on the Cable System’s access channels for the following purposes: (i) non-commercial and nondiscriminatory use by the public; (ii) carriage of non-commercial educational programs or information; and (iii) non-commercial use for governmental purposes in accordance with the Cable Act.

2.2 “Access Channel(s)”: A video channel(s) which the Company shall make available to the City of Saco, without charge, for the purpose of transmitting programming by/for members of the public, Town departments, boards and agencies, public schools, educational, institutional, non-profit and similar organizations in accordance with the Cable Act.

2.3 “Affiliate” or “Affiliated Person”: An entity that owns or controls is owned or controlled by, or is under common ownership with a Cable Operator, herein defined as “Company”.

2.4 “Alphanumeric”: Consisting of a combination of letters and numbers, used in reference to keyboards permitting communication in such form and in reference to Channels or Programs transmitting information in such form.

2.5 “Area Outage”: An area outage occurs when cable or equipment is damaged, fails or otherwise malfunctions (collectively called malfunctions”), and ten or more Subscribers receiving services from that section of cable or that equipment receive unusable or no service as a result of that malfunction.

2.6 “Basic Service”: The minimum service transmitted to all Subscribers which includes, at a minimum, (1) all signals of domestic television broadcast stations entitled to “must carry” status under FCC rules, (2) any Public, Educational and Governmental programming required by a Franchise Agreement to be carried on the basic tier, and (3) any additional video programming signals added to the basic tier by the Company in its sole discretion.

2.7 “Broadcast”: Over-the-air transmission by a television station.

2.9 “Cablecast”: Programming (exclusive of broadcast signals) carried on the Cable System.

2.10 “Cable Programming Service”: Any video programming provided over a Cable System, regardless of service tier, including installation or rental of equipment used for the receipt of such video programming, other than (1) video programming carried on the Basic Service tier, and (2) video programming offered on a pay-per-channel or pay-per-program basis.

2.11 “Cable Service”: The one-way transmission to Subscribers of video programming or other programming services, together with Subscriber interaction, if any, which is required for the selection or use of such video programming or other programming services.

2.12 “Cable System”: A facility serving the Town, which is owned, constructed, installed, operated and maintained by Company, consisting of a set of closed transmission paths and associated signal generation, reception and control equipment that is designed to provide Cable Service, including video programming, to multiple Subscribers within a head-end service area as defined in accordance with Section 602 of the Cable Act. Such term does not include (a) a facility that serves only to retransmit the television signals of one or more television broadcast stations; (b) a facility that serves subscribers without using any public right-of-way; (c) a facility of a common carrier which is subject, in whole or in part, to the provisions of Title II of the Cable Act, except that such facility shall be considered a cable system (other than for purposes of section 621(c) of the Cable Act) to the extent such facility is used in the transmission of video programming directly to subscribers unless the extent of such use is solely to provide interactive on-demand services; or (d) an open video system that complies with section 653 of this title, or (e) any facilities of any electric utility used solely for operating its electric utility systems.

2.13 “Channel” or “Video Channel”: A portion of the electromagnetic frequency spectrum which is used in a Cable System and which is capable of delivering a high definition television channel as defined by FCC regulations.

2.14 “Company”: Any Person or Persons owning, controlling, operating, managing or leasing a Cable System within the Town, pursuant to this Ordinance, and pursuant to any Franchise granted to it by the Town. This term shall include any lawful successor(s) to the interest of such Person or Persons where consent to such successor(s) is approved under the provisions of this Ordinance and under any applicable terms of the Franchise Agreement entered into pursuant to this Ordinance.

2.15 “Completion of Construction”: That point when the Company has provided written documentation to the Town that a Cable System serving the City of Saco has been fully upgraded in accordance with any applicable requirements of this Ordinance and a Franchise Agreement, and service has been made available to Subscribers and potential Subscribers pursuant to the Franchise Agreement.

2.16 “Contractor or Subcontractor or Agent”: Any person or entity who or which directly or indirectly works for or is under the direction of “The Company” for the purpose of installation or repair of any portion of the Company’s Cable system in the Town.

2.17 “Converter”: A special tuner or device attached to the Subscriber’s television set which expands reception capacity and/or unscrambles coded signals distributed over the Cable System.

2.18 “Designated Access Provider”: The entity or entities which may be designated from time to time by the Town to provide PEG access to the residents of the City of Saco.

2.19 “Downstream Channel”: A Channel over which signals travel from the Cable System Headend or Sub-headend to an authorized recipient of programming.

2.20 “Downstream Transmissions”: Signals traveling from a Cable System distribution point to an authorized location.

2.21 “Drop” or “Cable Drop”: The interconnection between each home or building and the feeder line of the Cable System.

2.22 “FCC”: The Federal Communications Commission or any successor agency.
2.23 “Feeder Cable”: The cable, connected to trunk cable, from which cable television signal service is distributed to Subscribers, as distinguished from trunk cable (which distributes cable television service throughout the Franchise area) and drop cable.

2.24 “Franchise Authority”: The City Council of the City of Saco.

2.25 “Franchise”: The non-exclusive Cable Television License to be granted to the Company to include the right, privilege and franchise to construct, operate and maintain a Cable System, and appurtenances or parts thereof, in the Streets, roads, alleys, and other Public Ways of the Town.

2.26 “Franchise Agreement”: The contract entered into between the Company and the Town governing the terms and conditions of the Company’s use of the Franchise granted to the Company.

2.27 “Gross Annual Revenues”:
Revenue of any form or kind received by the Company from the carriage of Cable Service including, without limitation: the distribution of any Cable Service over the System; Basic Service monthly fees; all other Cable Service fees; fees paid for pay and/or pay-per-view services, installation, reconnection, downgrade, upgrade and any other similar fees; fees paid for channels designated for commercial use; converter, remote control and other equipment rentals, and/or leases and/or sales; all home shopping service(s) revenues; and advertising revenues. Gross Annual Revenue shall not include any taxes or fees other than franchise fees on services furnished by the Company imposed directly on any Subscriber or user by any governmental unit and collected by the Company for such governmental unit. In the event that an Affiliate is responsible for advertising on the Cable System in the Town, advertising revenues shall be deemed to be the pro-rata portion of advertising revenues excluding commissions and/or applicable agency fees, paid to the Company by an Affiliate for said Affiliate’s use of the Cable System for the carriage of advertising. It is the intention of the parties here to that Gross Annual Revenues shall only include such revenue of Affiliates and/or Persons relating to the provision of Cable Service over the Cable System and not the gross revenues of any such Affiliate(s) and/or Person(s) itself, where unrelated to Cable services. Gross Annual Revenue shall be computed in accordance with Generally Accepted Accounting Principles.

2.28 “Headend”: A company owned or leased facility through which Broadcast and cablecast signals are electronically acquired, translated, or modified for distribution over the Cable System.

2.29 “Interactive Service”: Any service that offers to Subscribers the capability of both transmitting and receiving Signals of any kind.

2.30 “Leased Channel” or “Leased Access”: A video and/or audio or data Channel which the Company shall make available pursuant to Section 612 of the Cable Act.

2.31 Reserved.

2.32 “Origination Point”: A connection to the cable system which is provided to allow for live or recorded programming to be transmitted from that location Upstream to the Head-end and from there Downstream to the Subscribers over one or more access channels, also referred to in this Agreement as a return feed.

2.33 “Other Programming Service”: Services that the Company may make available to all Subscribers generally.

2.34 “Outlet”: An interior cable connection that connects a Subscriber or User to the Cable System.

2.35 “Parent”: When used in reference to the Company, any Person holding direct or indirect ownership or control of thirty percent (30%) or more of the rights of control of the Company; and any Person holding such ownership or control of a Parent to the Company.

2.36 “Pay Cable” or “Premium Service”: Optional additional Program services, provided to Subscribers at a monthly charge in addition to the charge for Basic Service.

2.37 “Pay-Per-View”: Programming delivered for a fee or charge to Subscribers on a per-program or time basis, in addition to the charge or fee to Subscribers for Basic Service, or for such other service tier required by applicable law.

2.38 “PEG”: The acronym for Public, Educational and Governmental, used in conjunction with Access Channels, support and facilities.
2.39 “Person”: Any corporation, partnership, limited partnership, association, trust, organization, other business entity, individual or group of individuals acting in concert.

2.40 Public Building: All State accredited public schools, police and fire stations, public libraries, Town Hall, and other public buildings owned or leased by the Town, but shall not include buildings owned by the Town but leased to third parties or buildings such as storage facilities at which government employees are not regularly stationed.

2.41 “Video Programming”: Programming provided by, or generally considered comparable to Programming provided by, a television broadcast station.

2.42 “Signal”: Any transmission of electromagnetic or optical energy that carries Cable Services from one location to another.

2.43 “State”: The State of Maine.

2.44 “Street” or “Public Way”: The surface of, and the space above and below, any public Street, highway, bridge, land path, alley, court, boulevard, sidewalk, parkway, way, lane, Public Way, drive, circle, or other public right-of-way, including, but not limited to, public utility easements, dedicated utility strips, or rights-of-way dedicated for compatible uses and any temporary or permanent fixtures or improvements located thereon now or hereafter held by the Town in the Town which shall entitle the Company to the use thereof for the purpose of installing, operating, repairing, and maintaining the Cable System. “Street” or “Public Way” shall also mean any easement now or hereafter held by the Town within the Town for the purpose of public travel, or for utility or public service use dedicated for public travel, or for utility or public service use dedicated for compatible uses, and shall include other easements or rights-of-way as shall within their proper use and meaning entitle the Company to the use thereof for the purposes of installing or transmitting the Company’s Cable Service or other service over poles, wires, cables, conductors, ducts, conduits, vaults, manholes, amplifiers, appliances, attachments, and other property as may be ordinarily necessary and pertinent to the Cable System. Reference herein to “Public Way” or “Street” shall not be construed to be a representation or guarantee by the Town that its property rights are sufficient to permit its use for any purpose, or that the Town shall gain or be permitted to exercise any rights to use property in the Town greater than those already possessed by the Town.

2.45 “Sub-headend”: A signed distribution point for part of the Cable System linked to the Headend by fiber optic cable, coaxial supertrunk or microwave, and also referred to as a “Hub.”

2.46 “Subscriber”: Any person, firm, corporation, or other entity who or which elects to subscribe to for any purpose, a Cable Service provided by the Company by means of, or in connection with, the Cable Television System.

2.47 “Subscriber Network”: The 750 MHz bi-directional-capable network to be owned and operated by the Company, over which Cable Service(s) can be transmitted to Subscribers.

2.48 “Town”: The City of Saco organized and existing under the laws of the State of Maine and all territory within its existing and future territorial corporate limits.

2.49 “Two-way Capability”: The ability to transmit audio and video signals upstream and downstream on the Cable System.

2.50 “Upstream Channel”: A Channel over which signals travel from an authorized location to a Cable System distribution point.

2.51 “Upstream Transmissions”: Signals traveling from Subscribers or other originating points on the Cable System to a cable distribution point.

Section 3. Franchise Required.

No Person, firm or corporation shall install, maintain or operate within the Town or any of its Public Ways or Streets or other public areas any equipment or facilities for the operation of a Cable System unless a Franchise Agreement authorizing the use of said Public Ways or Streets or areas has first been obtained pursuant to the provisions of this Ordinance and unless said Franchise Agreement is in full force and effect.

Section 4. Franchise Agreement.
4.1 The Municipal Officers of the Town may enter into Franchise Agreements on such terms, conditions and fees as are in the best interest of the Town and its residents with one or more Cable Companies for the operation of a Cable System within the Town.

4.2 Prior to issuing a request for proposals to any Cable Company for Franchise Agreements or renewals, the Town shall hold a public hearing or conduct some other process to determine any special local needs or interests with respect to Cable Service and shall allow for a period of public comment on the request for proposals.

4.3 Franchise Agreement applications, including renewal applications, and any submittals in response to a request for proposals or solicitation of bids and related documents, are public records. Upon the filing of such documents, the Town shall provide reasonable notice to the public that such documents are open to public inspection during reasonable hours.

4.4 Each Franchise Agreement between the Town and a Company shall contain but is not limited to, the following provisions:

(a) A statement of the area or areas to be served by the Company;

(b) A line extension policy;

(c) A provision for renewal, the term of which may not exceed ten (15) years;

(d) Procedures for the investigation and resolution of Subscriber complaints by the Company;

(e) An agreement to comply with the requirements of 30-A M.R.S.A. §3010 regarding consumer rights and protection and any amendments thereto;

(f) A franchise fee to be paid by the Company to the Town in accordance with Section 9 of this Ordinance;

(g) A provision for access to, and facilities to make use of, one or more local PEG Access Channels;

(h) A provision for the assessment of reasonable fees to defray the costs of public notice, advertising and other expenses incurred by the Town in acting upon applications for initial and renewal Franchise Agreements;

(i) A provision whereby the Company agrees to defend, indemnify and hold harmless the Town and its agents from claims and liabilities arising out of the Company's construction, ownership, operation, maintenance, repair and control of the Cable System; and

(j) Any other terms and conditions that are in the best interests of the Town.

Section 5. Town’s Retained Rights and Authority.

5.1 Right to Grant Additional Franchises. Town expressly reserves the right to grant other such Franchise Agreements in the City of Saco on such terms as it deems appropriate and to operate a Town-owned Cable System.

5.2 Eminent Domain. No privilege or power of eminent domain is bestowed upon a Company by the granting of a Franchise.

5.3 Exercise of Police Power. All rights and privileges granted in any

Franchise Agreement are subject to the police power of the Town to adopt and enforce local laws, ordinances, rules and regulations necessary to the health, safety and general welfare of the public. Expressly reserved to the Town is the right to adopt, in addition to the provisions of any Franchise Agreement, this Ordinance and any other existing laws, ordinances and regulations (collectively “laws”), such additional laws as it may find necessary in the exercise of its police power. Any conflict between the terms of any Franchise Agreement and any present or future exercise of the Town’s police and regulatory powers shall be resolved in favor of the latter.

5.4 Use of Public Ways. The right to use and occupy the Streets, Public Ways and public places granted in any Franchise Agreement shall not be exclusive, and the Town reserves the right to grant similar or other uses of the said Streets, Public Ways and public places to any Persons at any time during the term of any Franchise Agreement.

5.5 Conflict With Public Works. The rights and privileges granted to a Company in any Franchise Agreement shall not be in preference or hindrance to the right of the Town or any other governmental agency, improvement district or other authority having jurisdiction, to perform or carry on any public works or public improvement.
Should a Company’s Cable System in any way interfere with the construction, maintenance or repair of such public works or improvements, the Company shall, at its own expense, protect or relocate its Cable System or part thereof, as directed by the Town or other authority having jurisdiction.

5.6 Removal and Relocation. The Town shall have the power at any time to order and require a Company to remove or relocate any pole, wire, cable or other structure machinery or equipment located within a public way that is dangerous to life or property. In the event that a Company, after notice, fails or refuses to act within a reasonable time, the Town shall have the power to remove or relocate the same at the sole cost and expense of the Company.

Section 6. Bonds and Insurance.

6.1 Performance Bond to Town. Concurrent with the award of a Franchise to it, a Company shall file with the Town Clerk and shall thereafter annually during the entire term of such Franchise maintain in full force and effect at its own cost and expense a performance bond in the amount of at least $15,000 to guarantee the faithful performance by the Company of all of its obligations under its Franchise Agreement. The performance bond shall be so conditioned that in the event that the Company shall breach any one or more material provisions of this Ordinance or of the Franchise Agreement and subsequent to any notice and opportunity to cure provision of this Ordinance and/or the Franchise Agreement, the Town may recover from the surety any penalties assessed in accordance with Section 10 of this Ordinance and any damages or costs suffered or incurred by the Town as a consequence of such breach. Said conditions shall be a continuing obligation during the entire term of the Franchise Agreement. Not less than thirty (30) days’ prior notice to the Town shall be provided of the Company’s or the surety’s intention to cancel, materially change, or not to renew the performance bond or security fund. In the event that the Town recovers against any portion of the performance bond, the Company shall be required to replenish the original bond in an amount equal to the amount recovered by the Town within 30 days. Failure to post an additional bond on a timely basis shall constitute a violation of a material provision of the Franchise Agreement.

6.2 Insurance. Company shall maintain during the full term of the Franchise Agreement such insurance as will protect it and Town from any claims which may arise directly or indirectly or result from Company’s ownership, construction, repair, operation or maintenance of Company’s cable system serving the City of Saco, whether such activities are performed by Company, or by anyone for whose acts Company may be liable, under the following policies:

(a) Workers’ Compensation and any other legally required Employee benefits, shall be supplied in such amounts as required by law;
(b) Property insurance, all risk, replacement cost basis, on all insurable Company assets in the Town;
(c) Commercial General Liability insurance shall be supplied in the following amount: combined single limit for bodily injury, personal injury, death or property damage in the amount of at least $3,000,000 per occurrence.
(d) Excess liability (in umbrella form) in the amount of at least $5,000,000, and
(e) Automobile liability insurance in the amount of at least $1,000,000 Per occurrence.

6.3 Non-waiver. Neither the provisions of this Section, nor any bonds accepted by the Town pursuant hereto, nor any damage recovered by the Town there under, shall be construed to excuse unfaithful performance by the Company or limit the liability of the Company under this Ordinance or the Franchise Agreement for damages, either to the full amount of the bond or otherwise.

Section 7. Application.

7.1 Any application for a cable television Franchise Agreement in the Town must contain the following information, except that in the case of a renewal Franchise Agreement, only the information listed under this Section 7.1(a) through 7.1(b)(1),

7.1 (b)(2) and 7.1(b)(3) shall be required:

(a) The name, address, and telephone, number of the applicant.
(b) The most recent 10-Q or 10-K of the Company or its ultimate parent company as filed with the Securities and Exchange Commission. In the event the Company does not, at the time of application, file 10-Q or 10-K filings with the Securities and Exchange Commission, it shall instead file with the Town the following: A
detailed statement of the corporate or other business entity organization of the applicant, and any other information required by the Town, including without limitation:

1. The names and business addresses of all officers and directors of the applicant.

2. The names and business addresses of all officers, Persons and entities having, controlling, or being entitled to have or control 15% or more of the ownership of the applicant and each Parent, Affiliate or subsidiary of the applicant and the respective ownership share of each such person or entity.

3. The names and addresses of any Parent, Affiliate or subsidiary of the applicant, namely, any other business entity owning or controlling applicant in whole or in part or owned or controlled in whole or in part by the applicant, and a statement of the nature of any such Parent, Affiliate or subsidiary business entity, including but not limited to Cable Systems owned or controlled by the applicant, its Parent, Affiliate and subsidiary and the areas served thereby.

4. A detailed description of all previous experience of the applicant in providing Cable Service and in related or similar fields.

5. A detailed and complete financial statement of the applicant, its Parents, Affiliates and its subsidiaries, prepared by a certified public accountant, for the fiscal year next preceding the date of the application hereunder, or a letter or other acceptable evidence in writing from a recognized lending institution or funding source, addressed to both the applicant and the Town’s City Council, setting forth the basis for a study performed by such lending institution or funding source to provide whatever capital shall be required by the applicant to construct and operate the proposed Cable System in the Town, or a statement from a certified public accountant certifying that the applicant has available sufficient free, net and uncommitted cash resources to construct and operate the proposed Cable System in the Town.

(c) In the case of an application for an initial franchise for a new cable system serving the City of Saco, the applicant shall provide a detailed description of the proposed plan of operation of the applicant which shall include, but not be limited to, the following:

1) A detailed map indicating all areas proposed to be served, and a proposed construction time schedule for the installation of all equipment necessary to become operational throughout the entire area to be served, and the time of commencement of construction and anticipated operation date.

2) A statement or schedule setting forth all proposed classifications of rates and charges to be made against Subscribers and all rates and charges to be made against Subscribers and all rates and charges as to each of said classifications, including installation charges and service charges and deposit agreement.

3) A detailed, informative, and referenced statement describing the actual equipment and operational standards proposed by the applicant. In no event shall said operational and performance standards be less than those contained in the FCC’s regulations, 47 C.F.R. §§ 76.601, et seq. as may be amended from time to time, and shall in addition comply with Section 13 herein.

4) A copy of the form of any agreement, undertaking, or other instrument proposed to be entered into between the applicant and any Subscriber and between the applicant and any lessee of any Channel, including provisions for reimbursement in the event of interruption of service.

5) A detailed statement setting forth in its entirety any and all agreements and undertakings, whether formal or informal, written, oral, or implied, existing or proposed to exist between the applicant and any Persons, firm, or corporation which materially relate or pertain to or depend upon the application and the granting of the contract.

6) A detailed statement setting forth in its entirety the proposed Cable System design. Such statement shall include proposals concerning system architecture, Channel capacity, Channel uses, access, programming facilities, studio location, point to point service, two-way service, Subscriber privacy, and interconnection.

7) Such other information as required by the Town at the time of the Franchise application.
7.2 Notice. No Franchise, including Franchise renewals, will be granted hereunder without notice to the public and a public hearing pursuant to Section 8.3 of this ordinance.

Section 8. Contract Term, Termination and Renewal.

8.1 Term. Any Franchise awarded by the City Council under this Ordinance shall be for a term of not more than fifteen (15) years.

8.2 Renewal. Any renewal of a Franchise Agreement shall be upon such terms and conditions as the City Council and the Company may mutually agree upon in accordance with the Cable Act and applicable federal law. Such renewal shall be for a period of not more than fifteen (15) years from the expiration of the previous Franchise.

8.3 Public Hearing. Before authorizing the issuance of any Franchise or renewal of a Franchise, the City Council shall review, in accordance with federal law, the applicant’s legal, financial and technical qualifications, the proposed agreement’s ability to meet current and future cable-related needs and interests of the Town in light of the costs of meeting those needs and interests, and the adequacy and feasibility of the applicant’s qualifications to operate a Cable System within the Town, and shall conduct a public hearing thereon with at least seven (7) days advertised notice prior to said public hearing. Such public hearing shall provide a reasonable opportunity for public input on the proposed Franchise Agreement or renewal.

8.4 Requests for Information. Any Company operating a Cable System in the Town shall maintain adequate personnel and resources to respond to requests from the Town for renewal information and review of draft franchise agreements in a timely manner. Failure to respond in a timely manner shall be considered a violation of this Ordinance.

Section 9. Fees.

9.1 Franchise Fee. As compensation for the rights and privileges granted by any Franchise awarded pursuant to the provisions of this Ordinance the Company shall pay to Town a franchise fee based on a percentage of the Company’s Gross Annual Revenues in accordance with Federal Law. The franchise fee may be changed by Town on 90 days’ notice to the Company, but not more frequently than once each calendar year to an amount within the then-applicable maximum allowed under federal law.

9.2 Method of Computation. Payments due the Town under the terms of the Ordinance shall be computed quarterly as of March 31, June 30, September 30 and December 31 for the preceding three months and shall be paid on or before the forty-fifth calendar day from each said computation date at the office of the Town Treasurer during regular business hours. The Town shall be furnished a statement with each payment, prepared by a financial representative of the Company, and verified as correct, reflecting the total amount of Gross Annual Revenues generated by all activities within the Town, and the above charges, deductions and computations, for the three month payment period covered by the payment. The Company shall prepare and maintain financial information and records in accordance with generally accepted accounting principles and generally accepted auditing standards in the cable television industry. At Town’s option, the information provided by the Company shall be subject to audit by an outside firm of certified public accountants selected by Town. Any such audit shall be at Town’s expense except unless such audit shall disclose an underpayment of any franchise fees of more than four percent (4%) payable for the period of the audit, in which event the Company shall reimburse Town for the expense of such audit. Repeated failure to pay the franchise fee on a timely basis may be grounds for revocation of the Franchise under this Ordinance. Interest shall accrue on any and all overdue franchise fees at the rate of 1-1/2% per month simple interest.

9.3 Rights of Re-computation. No acceptance of any payment shall be construed as a release or as an accord and satisfaction of any claim the Town may have for further or additional sums payable as a franchise fee under this Ordinance or for the performance of any other obligation hereunder. However, there shall be an accord and satisfaction with respect to any payment not subject to an audit within thirty-six (36) months following the close of the fiscal year to which such payment relates.

Section 10. Penalties.

10.1. Assessment. If a Company fails to observe any obligation under this Ordinance, the Town may assess the Company a monetary penalty in accordance with the Schedule of Penalties set forth in Section 10.8 through 10.12 below. Such assessment shall not constitute a waiver by Town of any other right or remedy it may have under this Ordinance or the Franchise Agreement, or under any other applicable law, including, without limitation, its right to
recover from the Company such additional damages, losses, costs and expenses as may have been suffered or incurred by Town by reason of or arising out of such breach of this Ordinance or the Franchise Agreement; provided, that any penalties collected by Town from the Company pursuant hereto shall be applied against, and reduce accordingly, the amount of any recoveries due Town pursuant to this sentence for the failure to perform for which such penalties were assessed.

10.2. Notification. Upon Town’s assessing a penalty pursuant to Section 10.1 above, notice of such assessment shall be sent to the Company, with a concise statement of the reasons therefore.

10.3. Procedures.

(a) Within ten (10) days after receipt of a notice pursuant to Section 10.2 above, the Company may request a hearing before the City Council or his/her designee. Such hearing shall be held within thirty (30) days after receipt of the request therefore. The pendency of a request of hearing shall suspend payment of the penalty until ten (10) days after receipt by the Company of the decision of the City Council or designee confirming the penalty in whole or in part.

(b) During the public hearing, Company shall have the right to appear and be heard, including the opportunity to present evidence, question witnesses, if any, and the hearing shall follow the procedures set forth for public hearings before the City Council.

(c) Following the hearing, the City Council shall determine (i) whether a failure or violation has occurred; (ii) whether such failure or violation is excusable; and (iii) whether such failure or violation has been or will be cured by the Company; and (iv) the appropriate remedy for the failure or violation.

(d) If the City Council determines that such failure has not occurred, or that such failure either has been or will be cured in a manner and in accordance with a reasonable schedule satisfactory to the City Council or that the failure is excusable, such determination shall conclude the matter, unless Company fails to comply with the schedule for cure.

(e) The Company shall have the right to appeal any decision of the City Council under this Section within thirty (30) days of the date of the decision or ruling to the Maine Superior Court pursuant to M.R. Civ. P. 80B.

10.4. Payment. Except as provided in Section 10.3 above, the Company shall pay the full amount of any penalty to Town within ten (10) days after receipt of a notice pursuant to Section 10.2 above and the cure period has expired.

10.5. Default. Subsequent to the notice and opportunity to cure provision herein, upon failure of the Company to make timely payment of an assessed penalty, Town may recover the amount of any such penalty from the performance bond or security fund pursuant to Section 6.1 above. Failure of the Company to make timely payment of an assessed penalty is a violation of this Ordinance.

10.6. Disposition. Amounts received by Town as penalties assessed against a Company may be used by Town for any purpose it deems fit.

10.7. Schedule of Penalties. Pursuant to Section 10.1, 10.2 and 10.3 above, the following monetary penalties shall apply, and liability therefore shall accrue from the date of receipt of notice pursuant to Section 10.2 above, and upon failure to cure within the time period specified below, if any opportunity to cure is provided.

10.8. Minor Per-Day Penalty. The penalty for the following violations shall be fifty dollars ($50.00) per day until the violation is cured:

(a) Abandonment of service or a portion of that service without having obtained the written consent of the City Council or having provided the Town with at least six (6) months’ prior written notice of abandonment.

(b) Failure to maintain the Company’s required insurance pursuant to Section 6(c) with the penalty beginning 30 days after Company receives written notification of the violation.
(c) Failure to make timely payment of the franchise fee pursuant to Section 9 with the penalty beginning 30 days after Company receives written notification of the violation.

(d) Violation of the privacy restrictions in Sections 12.7(d) of this Ordinance. This penalty shall be assessed with the penalty beginning 7 days after Company receives written notification of the violation.

(e) Failure to restore damaged property within the specified period pursuant to Section 11.11 with the penalty beginning 5 days after Company receives written notification of the violation.

(f) Failure to make and maintain records as required by Section 13.6 with the penalty beginning 30 days after Company receives written notification of the violation. This penalty shall be assessed for each such record not maintained.

(g) Failure to obtain and maintain the performance bond or security fund pursuant to Section 6.1 with the penalty beginning 30 days after Company receives written notification of the violation.

(h) Failure to remove, relocate or protect the Company’s system pursuant to Sections 5.5, 5.6 and 11.17 with the penalty beginning 7 days after Company receives written notification of the violation.

(i) Failure to eliminate objectionable interference pursuant to Section 11.18 with the penalty beginning 14 days after Company receives written notification of the violation.

(j) Failure to provide reports within the time required by Section 18 assessed for each report not provided with the penalty beginning 14 days after Company receives written notification of the violation.

10.9. Per Subscriber Penalty. The penalty for the following violations shall be five dollars ($5.00) per Subscriber affected by the violation per day until the violation is cured.

(a) Failure to respond to a request for repair or adjustment within the time required by Section 13.4. This penalty shall begin 24 hours after the Town notifies the Company in writing of the violation.

(b) Failure to commence service to a Subscriber within the time required by Section 14.0 beginning two (2) days after the Town notifies Company in writing of the violation.

(c) Failure to pay a refund due a Subscriber upon termination within the time required by Section 15.6. This penalty shall begin five (5) days after the Town notifies the Company in writing of the violation.

(d) Failure to respond to a billing complaint within the time required by Section 16.3. This penalty shall begin two (2) days after the Town notifies the Company in writing of the violation.

(e) Failure to respond to a service complaint within the time required by Section 16.4. This penalty shall begin two (2) days after the Town notifies the Company in writing of the violation.

(f) Failure to pay a rebate or apply a credit for service loss within the time required by Section 13.5. This penalty shall begin 5 days after the Town notifies the Company in writing of the violation.

10.10. Major Per Day Penalty. The penalty shall be five hundred dollars ($500.00) for the following violations beginning 60 days after the Town notifies the Company in writing of the violation until the violation is cured.

(a) Failure to complete any system rebuild as required by Section 11.1 and the terms of the Franchise Agreement. This penalty shall be assessed per day until compliance is achieved.

(b) Failure to make service available to unserved areas within the time required by this Ordinance and the terms of the Franchise Agreement. This penalty shall be assessed per day until compliance is achieved.

(c) Failure to provide access channels, facilities and equipment funding as required by this Ordinance and the terms of the Franchise Agreement. This penalty shall be assessed per day until compliance.
10.11. Violation of Subscriber Privacy. The fine for a violation of Section 12.7(e) is one thousand dollars ($1,000) per occurrence of selling or disclosing subscriber lists, viewing habits or personally identifiable information (and not per day or per affected subscriber).

10.12. Failure to Provide Emergency Override Capabilities. The Cable System shall incorporate emergency audio override capabilities in accordance with FCC Emergency Alert System (EAS) standards and as required by Section 11.3. The fine for a failure of the system to perform as described in the event of a public emergency or vital public information situation, shall be one thousand dollars ($1,000) assessed per occurrence, except to the extent the Cable System is rendered non-functional due to damage caused by factors outside of the Company’s reasonable control.

10.13. Force Majeure. The Company shall not be assessed any penalties for any delay or failure to perform its obligations under the Ordinance if doing so is prevented by Act of God, the inability to secure materials despite the use of all commercially reasonable efforts by the Company, flood, storm, fire, explosions, strikes, riots, wars whether or not declared, insurrections, epidemics, or any law, rule or act of any court of competent jurisdiction or instrumentality of government or any other occurrence outside of the control of the Company when using all commercially reasonable efforts.

10.14. Further Recourse. In addition to the foregoing penalties, upon the failure, refusal or neglect of the Company to cause any work or other act required by law or by this Ordinance or the Franchise Agreement to be properly completed in, on, over or under any Street or Public Way within any time prescribed, Town may (but shall not be required to) cause such work or other act to be performed or completed in whole or in part and upon so doing shall submit to the Company an itemized statement of the costs thereof. The Company shall, within thirty days after receipt of such statement, pay to Town the entire amount thereof.

Section 11. Construction and Operation of Facilities

11.1 Design. Except as otherwise provided for in the Franchise Agreement, any Cable System serving the City of Saco shall in any event be designed and built for technical quality in conformance with the highest state of the art in the cable television industry for Cable Systems of comparable size. Not later than one year from the effective date of the Franchise Agreement the Cable System shall be designed and built for operation at a minimum of 750 MHz and a minimum eighty (80) video channel capacity, with full bi-directional capability. All downstream and upstream channels shall be activated by such date.

11.2. Emergency Power. The Cable System shall incorporate equipment capable of providing standby powering of the Headend and all Sub-headends for a minimum of four hours.

11.3. Emergency Override. The Cable System shall incorporate emergency audio override capabilities in accordance with FCC Emergency Alert System (EAS) standards.

11.4. Subscribers’ Antennae. Notwithstanding a required disconnection of a Subscriber’s existing broadcast antennae and down leads to receivers connected to the Cable System, the Company shall not remove or suggest to the Subscriber the removal of such antennae and down leads. The Company shall furnish to each Subscriber so requesting, at reasonable cost, an A/B switch permitting the Subscriber to change from cable reception to home antenna reception, and back, at the option of the Subscriber. Installation of such switches at the time of initial installation of service to a Subscriber shall be without charge other than for such purchase cost.

11.5. Switching. The Headend or Sub-headend shall have the capability of accepting programming on the upstream channels of the Cable System and simultaneously transmitting such programming on the downstream channels of the Cable System.

11.6. VCR/Cable Compatibility. In order that Subscribers to the Cable System have the capability to simultaneously view and tape any channel and set their VCR to record multiple channels remotely, the Company shall provide to any Subscriber, upon request, an A/B switch, installed at reasonable cost.

11.7 General Construction Requirements. In the construction, reconstruction, maintenance and repair of the Cable System, the Company shall utilize materials of good and durable quality and shall perform or cause to be performed all work so associated with the system in a safe, thorough and reliable manner.
11.8. **Live Programming Origination Points.** To facilitate live programming within the City of Saco each Company shall install Origination Points at the public buildings and public locations as are designated in the Franchise Agreement.

11.9. **Compliance With Regulations.** All work, including all working conditions and facilities, associated with the construction, operation, maintenance, repair and removal of the Cable System shall comply with:

(a) All applicable Federal and State laws, rules and regulations;

(b) All applicable laws, codes, ordinances, rules and regulations of Town; and


11.10. **Town Rights.** Town reserves the right to inspect all construction and installation work and to make such tests as it shall deem necessary to ensure compliance with applicable laws, codes, ordinances and regulations and with provisions of this Ordinance and the applicable Franchise Agreement, and may order corrections of any violations.

11.11. **Restoration of Damage.** The Company, at its sole expense, shall restore all damage to property, both public and private, caused by the construction, operation, maintenance or repair of the Cable System, so as to return the damaged property to a condition as good as before the damage was done. Such restoration shall be made as soon as practicable after completion of work necessitating the restoration, and shall be done in a manner approved by the owner or tenant in possession. In no event shall such restoration be made later than ten days, weather permitting and subject to force majeure, after the Company’s receipt of notification from the owner of the property so damaged unless otherwise mutually agreed by the Company and the property owner; provided, that if any such damage involves streets, water-mains, storm or sanitary sewers, or other public facilities, such damage shall be repaired within forty-eight (48) hours or as soon as practicable. If the Company fails to make such restoration on a timely basis, Town may fix a reasonable time for such restoration and repairs and shall notify the Company in writing of the restoration and repairs required and the time fixed for performance hereof. Upon failure of the Company to comply within the specified time period, Town may cause proper restoration and repairs to be made and the Company shall pay the reasonable expense of such work upon demand by Town.

11.12. **Identification.** Each Company shall ensure that all of its vehicles are clearly identified to the general public as being associated with the Company, and that all of its employees, and the employees of any agents or contractors, who enter upon private property wear an employee identification card issued by the Company, which card shall bear a picture of said employee and shall be worn in a conspicuous place.

11.13. **Public Ways Hazards.** Any openings or obstructions in streets or other municipal or public property made by any Company shall be guarded and protected at all times by the placement of adequate barriers, fences, boarding or other protective devices at the sole expense of the Company. During the periods of dusk and darkness, the protective devices shall be clearly designated by warning lights.

11.14. **Location of Physical Facilities.** Within sixty (60) days after the effective date of any Franchise Agreement, the Company shall provide Town with strand maps of the City of Saco clearly showing the location of all distribution lines (indicating underground, where applicable), tower, antennae, receivers, headend, and sub-head ends. Revised and corrected strand maps shall be submitted to Town not later than ninety (90) days after such changes or additions are made.

11.15. **Cable Location.** Insofar as practicable, the distribution system (trunk and feeder cable) shall run along public rights-of-way. Where the cable or wire facilities of all public utilities are installed underground, the Company shall install its cable distribution system underground. Vaults and pedestals shall be suitably landscaped, such landscaping to be subject to the approval of the owner or tenant in possession, which approval shall not be unreasonably withheld. In all areas where public utility lines are aerially placed, if subsequently during the term of the Franchise Agreement all such utility lines are relocated underground pursuant to applicable law under the Town’s police powers, the Company shall similarly relocate its cable distribution system underground at its sole expense. Wherever possible, the distribution system shall use the existing facilities of the public utilities. Poles shall not be installed for the sole purpose of supporting a portion of the distribution system without written justification.
and approval of Town, which approval shall not be unreasonably withheld, pursuant to Town’s law, ordinances, rules and regulations.

11.16. Location of Construction. All lines, cables and distribution structure, and equipment, including poles and towers, erected, installed or maintained by any Company within the City of Saco shall be located so as not to obstruct or interfere with the proper use of Streets and Public Ways and to cause minimum interference with the rights of property owners who abut any of the said Streets and Public Ways, and not to interfere with existing public utility installations. A Company shall not place new poles, towers or other obstructions in Streets or Public Ways, or relocate existing poles, towers or other obstructions, without first obtaining Town’s approval, which approval shall not be unreasonably withheld. A Company shall have no vested right in any location, and the Company shall remove such construction at its own cost and expense whenever the same restricts or obstructs or interferes with the operation or location or any future operation or location of said Streets or Public Ways.

11.17. Grade or Location Changes. If at any time during the term of a Franchise Agreement Town shall elect to alter, or change the grade or location of any Street, or shall engage in any construction, reconstruction, widening, repairs or other public works in, on or under the Streets, any Company shall, upon reasonable notice by Town, remove and relocate its poles, wires, cables, conduits, manholes and other fixtures (“fixtures”) at its own expense, and in each instance comply with the Town’s standards and specifications.

11.18. No Interference. A Company shall not place fixtures above or below ground where the same will interfere with any gas, electricity, telephone fixtures, water hydrants, or other utility use, and all such fixtures placed in or upon any street shall be so placed as to comply with all requirements of Town or other applicable authority, and fully comply with local regulations, including zoning ordinances. Each Cable System shall be constructed, operated and maintained so that there will be no objectionable interference with television reception, radio reception, telephone communications or other electronic installations in the City of Saco or with the operation of any public fire, police, rescue or safety communications system. Should any such interference occur, the Company shall promptly eliminate it.

11.19. Temporary Relocation. A Company shall, on request of any Person holding a permit issued by Town or other appropriate authority, temporarily move its fixtures to permit the moving or erection of buildings or other objects, with the expense of any such temporary removal to be paid in advance by the Person requesting same, and the Company shall be given reasonable notice to arrange for such temporary relocation. A Company shall bear any expense to temporarily move its fixtures to permit the moving or erection of Town- owned or constructed buildings or other public infrastructure.

11.20. Tree Trimming. Each Company shall have the authority to trim any trees upon and overhanging Town’s Streets or Public Ways to the minimum extent necessary to prevent the branches of such trees from coming in contact with the wires and cables of the Cable System; provided that, except for incidental trimming done by the Company employees in the course of performing their other duties, any tree trimming done by the Company shall be subject, in all respects, to Town’s prior approval by the Road Commissioner. Except in an emergency, the Company will notify the abutting property owner(s) prior to starting tree trimming work. In performing tree trimming, the Company shall employ best management practices, shall use its best efforts to avoid any unnecessary damage or injury to trees, and shall comply in all respects with any Town ordinances governing tree trimming. Except for incidental trimming performed by a Company’s employees in the course of performing their other duties, Town may elect to perform tree trimming directly or by agents under Town’s supervision and direction, at the Company’s expense.

11.21. Drops. In areas where the cable distribution is located underground, drop connections to Subscriber’s structure shall be underground; in other areas the drop connection shall be aerial unless the Subscriber requests underground installation and elects to pay the cost thereof. Insofar as practicable, the Company shall adhere to the Subscriber’s desire with regard to point of entry of the drop connection into the structure. Within the Subscriber’s structure, drop or cable runs shall be made as unobtrusively as possible. Each drop shall be grounded at the Subscriber’s structure, or, at the Company’s option, at such other location as may be permitted by the National Electrical Safety Code.

11.22. Zoning and Building Codes. Any and all construction performed by or under the auspices of the Company, and any and all facilities used or operated by the Company, shall comply with all applicable zoning and building ordinances, codes or laws of Town.
11.23. Contractors, Subcontractors and Affiliates. All contractors, subcontractors and affiliates of a Company must be properly licensed under all applicable federal, state and local laws and regulations. Each Company shall be solely and completely responsible for all acts or omissions of any such contractor, subcontractor or affiliate, or any employee or agent of any such contractor, subcontractor or affiliate in the construction, reconstruction, installation, maintenance, operation or removal of the Company’s cable system.

11.24. Completion of Work by Town. Upon failure of a Company to commence, pursue or complete any work required by this Ordinance, other applicable law or by the provisions of the Franchise Agreement in any Street or other public place within the time prescribed and to the satisfaction of the Town, Town may, at its option, cause such work to be done with reasonable expenditures therefore and the Company shall pay to the Town the cost thereof in the itemized amounts reported by the Town to the Company within thirty (30) days after receipt of such itemized report.

11.25. Lockout Key. Each Company shall make available to any Subscribers so requesting, for lease or sale, a “parental control device” or “lockout key” which will permit the Subscriber, at his or her option, to eliminate comprehensible reception of any or all of the Basic Service or pay cable Channels. If requested, a lockout key will be installed within twenty (20) days of request.

Section 12. Operation, Service and Maintenance of System.

12.1 Each Company shall construct, maintain and operate its Cable System safely and render efficient service to Subscribers during the term of any Franchise.

12.2 Each Company shall construct, upgrade, install, operate, maintain and remove its Cable System in conformance with Occupational Safety and Health Administration regulations, the Maine Electrical Code, the National Electric Code, the NCTA Safety Manual, the National Electric Safety Code, the Bell Telephone System Code of Pole Line Construction, the rules and regulations of the FCC, all building and zoning codes, and all land use restrictions as they may now exist or may be amended hereafter.

12.3 Any tower constructed for use in a Company’s Cable System shall comply with the standards contained in "Structural Standards for Steel Antenna Towers and Antenna Supporting Structures", TIA/EIA-222-F as published by the Telecommunications Industry Association, 2500 Wilson Blvd., Arlington, VA 22201.

12.4 Installation and physical dimensions of any tower constructed for use in a Company’s Cable System shall comply with all appropriate Federal Aviation Agency regulations, including, but not limited to, “Objects Affecting Navigable Airspace”, 14 C.F.R. 77.1 et seq., as they now exist or may be amended from time to time.

12.5 Any antenna structure used, in a Company’s Cable System shall comply with “Construction, Marking, and Lighting of Antenna Structures”, 47 C.F.R. 17.1 et seq., as may be amended from time to time.

12.6 Each Company shall install and maintain its wire, cable, mixers and other equipment in accordance with the requirements of the generally applicable ordinances of the Town as may be amended, and in such a manner which shall not interfere with any installations of the Town or any public utility serving the Town.

12.7 Privacy.

   (a) The Company shall respect the rights of privacy of every Subscriber of the Cable Television System and, pursuant to applicable federal law, shall not violate such rights through the use of any device or Signal associated with the Cable Television System, and as hereafter provided.

   (b) The Company shall comply with all privacy provisions contained in this Ordinance and all other applicable federal and State laws including, but not limited to, the provisions of Section 631 of the Cable Act.

   (c) The Company shall be responsible for carrying out and enforcing the Cable System’s privacy policy, and shall at all times maintain adequate physical, technical and administrative security safeguards to ensure that personal subscriber information is handled and protected strictly in accordance with this policy.

   (d) Except as otherwise permitted by applicable law, the Company shall not tap, monitor, arrange for the tapping or monitoring, or permit any other person to tap or monitor, any cable, line, signal, input device, or subscriber outlet or receiver for any purpose, without the prior written authorization of the affected Subscriber; provided, however, that the Company may conduct system-wide or individually addressed "sweeps" solely for the purpose of verifying System integrity, checking for illegal taps, controlling return-path transmission, or billing for Pay Services. The Company shall
report to the affected parties any instances of monitoring or tapping of the Cable Television System, or any part thereof, of which it has knowledge, whether or not the Company has authorized such activity, other than as permitted herein. The Company shall not record or retain any information transmitted between a Subscriber and any third party, except as required for lawful business purposes. The Franchisee shall destroy all subscriber information of a personal nature after a reasonable period of time except as authorized not to do so by the affected Subscriber.

(e) Except as otherwise permitted by applicable law, the Company shall not sell, disclose, or otherwise make available, or permit the use of, lists of the names or addresses of its Subscribers or any list or other information which identifies by name or address, Subscribers viewing habits, to any Person or agency for any purpose whatsoever without the prior written consent of the Subscriber; provided that the Company may make such lists available to Persons performing services for the Company in connection with lawful business purposes hereunder (e.g. a billing service) where the availability of such lists is necessary to the performance of such services. A Subscriber may withdraw said consent by providing written notice to the Company. Every Company shall provide annual notice to each Subscriber of the right to withdraw such authorization. In no event shall such authorization be obtained as a condition of service or continuation thereof, except as necessary to adequately provide particular services.

(f) Upon request, the Company shall make available for inspection by a Subscriber at a reasonable time and place all personal subscriber information that the Company maintains regarding said Subscriber. A Subscriber may obtain from the Company a copy of any or all of the personal subscriber information regarding him or her maintained by the Company.

(d) A Subscriber may challenge the accuracy, completeness, retention, use or dissemination of any item of personal subscriber information. Such challenges and related inquiries about the handling of subscriber information shall be directed to the Company's General Manager.

12.8 Performance Standards

(a) Technical Standards. Subject to Section 10.13 above, all signals, including PEG signals, carried on a Cable System shall be transmitted to Subscribers without material degradation and with a quality no less than that prescribed by rules of any Federal or State regulatory agencies having jurisdiction. Anything contained in a Franchise Agreement to the contrary notwithstanding, the technical specifications, operation and performance of the system shall, at minimum, conform at all time to the specifications established by any Federal or State regulatory agencies having jurisdiction thereof, and such specifications existing on the effective date hereof, whichever is of the higher quality.

(b) Performance Testing. At such time as the performance monitoring and testing, conducted pursuant to requirements of any Federal or State regulatory agencies having jurisdiction, provides evidence that the Cable System’s transmissions do not meet the prescribed standards, the performance monitoring and testing shall be repeated for all segments of the Cable System which do not meet such prescribed standards, upon completion of the necessary repair or adjustment, notwithstanding the lack of such requirement by the Federal or State agencies, and a report of the second test submitted to Town; provided, that the Company shall not be required to furnish any such reports with respect to technical problems discovered in the course of the Company’s routine maintenance testing, except as may be specifically requested by Town in each instance. The Company shall provide and keep accurately calibrated test equipment on hand at all times for the testing of all services and operational standards outlined in the Franchise Agreement.

Section 13. Maintenance and Repair.

13.1 Maintenance Policy. Each Company shall promulgate and adhere to a preventative maintenance policy directed toward maximizing the reliability (mean-time-between-malfunctions) and maintainability (mean-time-to-repair) of its Cable System with respect to its delivery of Cable Service to Subscribers at or above the performance standard set forth herein. Whenever it is necessary to interrupt service for the purpose of making scheduled maintenance or repairs, adjustments, installations or other maintenance activities, the Company shall do so at such a time as will cause the least inconvenience to Subscribers. Except in an emergency, and except for interruptions of five minutes or less which may occur during the course of normal maintenance, and except during the rebuild of the Cable System, service is to be interrupted for planned or scheduled maintenance or repairs between the hours of midnight and 7:00 a.m. where practicable.

13.2 Repair. Each Company shall maintain a repair department comprising qualified technicians, service vehicles and equipment to provide prompt and efficient repair service within the parameters set forth below.
13.3 Notice. Except in an emergency, and except for interruptions of five minutes or less, each Company shall give Subscribers at least 24 hours’ notice of any planned interruption of service for purposes of maintenance or repair. In an emergency, a Company shall give such notice as is reasonable in the circumstances. Notice given on the alphanumeric channels on Basic Service shall be considered sufficient. During any rebuild of the Cable System, a Company shall not be required to provide 24 hour notice of any interruption of service if such interruption is the direct result of rebuild work. However, a Company shall be required to provide written notification to Subscribers of planned rebuild work schedules and when Subscribers may experience service interruptions. The Company shall use its best efforts to minimize the length of any service outage due to a rebuild.

13.4 Repair Procedure. Each Company shall have a toll free telephone number listed in the local area and so operated that requests for repairs or adjustments can be received at any time, twenty-four (24) hours per day, seven (7) days per week. A recording device or answering service may be used during non-business hours. A Company’s responses to such requests shall occur no later than 24 hours after the Company’s receipt of such a request; provided, the response time for service complaints other than complaints of no or unusable service shall be computed excluding Sundays and holidays. A Company shall respond within four (4) hours to any area outage that occurs between the hours of 7:00 a.m. and 10:00 p.m. of any day, and by not later than the following 11:00 a.m. to any area outage that occurs between 10:00 p.m. and 7:00 a.m. If a Company responds to a service complaint as herein required and the Subscriber is not satisfied that the problem giving rise to the original complaint has been resolved, the Subscriber shall notify the Company thereof within forty eight (48) hours of the repair visit by the Company personnel, and the Company shall have an additional period of twenty-four (24) hours within which to correct the problem. If such second complaint is made to Town instead of the Company, the Company shall have a period of twenty-four (24) hours after receipt of oral or written notice from Town within which to make the correction. The requirements for maintenance and repair shall not apply to Subscribers’ television or radio receivers or other Subscriber-owned equipment.

13.5 Rebate or Credit for Service Loss. Upon request, for every loss of service in excess of six (6) continuous hours, the Company shall grant a pro rata credit or rebate of the regular monthly charge to the Subscriber. In the event a Subscriber reports a loss of service to the Company, and such outage exceeds six (6) continuous hours, the Company shall grant the credit or rebate whether or not the Subscriber specifically requests it. The credit shall be pro-rated by multiplying the applicable monthly service rate by a fraction whose numerator equals the number of days of the outage and whose denominator equals the number of days in the month of the outage. In no case shall the refund be less than twenty-four (24) hours’ credit. For purposes of this paragraph, loss of Basic Service shall be considered a Subscriber’s receipt of less than two-thirds of the respective available channels, and loss of pay Cable Service shall be considered the loss of signal on any pay Channel. The Company shall give the Subscriber a credit no later than the next billing cycle. The Company shall include on each Subscriber bill for service, a notice regarding the Subscriber’s right to a pro rata credit or rebate for interruption of service upon request in accordance with this Section. The notice must include a toll-free telephone number and a telephone number accessible by a teletypewriter device or TTY for contacting the Company to request the pro rata credit or rebate for service interruption. The notice must be in nontechnical language, understandable by the general public and printed in a prominent location on the Customer bill in boldface type.

13.6 Records. Each Company shall maintain records of all oral and written complaints regarding quality of service, equipment malfunctions, billing procedure, and similar matters that requires further action on the part of the Company. Such records shall show the exact date and time of receipt of all such customer complaints, identifying the Subscriber, the nature of the complaint and the exact time action was taken by the Company in response thereto, together with a description of such action. Each Company shall also maintain a record of all whole or partial system outages, including the date, approximate time and duration, type and probable cause of each outage, except for outages caused by routine testing or maintenance. Such records shall be available at the Company’s local office for at least two (2) years, for inspection by Town as it may from time to time request, during regular business hours and upon reasonable notice, subject to any privacy restrictions imposed by law. The Company shall, within ten (10) days after receiving a written request therefore, send a written report to Town with respect to any complaint. Such report shall provide a full explanation of the investigation, finding(s) and corrective steps taken.

Section 14.0 - Time of Installation.
Service to any Subscriber served by a standard aerial Drop shall commence by not later than seven (7) business days after service is requested; service to any Subscriber served by a standard underground Drop shall commence by not later than forty-five (45) days after service is requested unless additional time is required by severe weather or other circumstances outside of Company’s control. The Company shall exert every reasonable effort to commence service to a Subscriber served by a non-standard Drop as expeditiously as possible. A standard Drop, for which the Subscriber shall be charged the Company’s standard installation fee, is a drop running not more than one hundred fifty (150) feet from feeder cable to the Subscriber’s structure; provided, that any installation which requires Company to cross a street underground shall be considered a non-standard installation. An aerial Drop in excess of one hundred fifty (150) feet in length shall be considered a nonstandard installation. If the Company schedules an appointment with a Subscriber for an installation, repair or other service call, and the Company fails to arrive at the Subscriber’s premises within one (1) hour of the scheduled time or scheduled window of time (which window shall not exceed four (4) hours) for reasons not caused by the Subscriber unless rescheduled in advance by the Company, the Company shall, in the case of an appointment for a standard installation, make no charge to the Subscriber for the standard installation, and in the case of a repair or other service call, shall apply a minimum twenty dollar ($20.00) credit to the Subscriber’s account to reduce the cost of any make-up or late repair or service call.

Section 15 - Subscriber Rates and Charges.

15.1 Regulation. Town shall have the right to regulate charges to Subscribers for Cable Service to the extent allowed by law.

15.2 Rate or Service Discriminations: Special Classifications. No Company shall subject any person to any prejudice or disadvantage, preference or advantage in connection with rates, charges, service facilities, rules or regulations. Nothing herein shall prohibit the establishment of a graduated scale of rates for classified schedules to which any Subscribers within such classification shall be entitled.

15.3 Connection Charges. Subscribers shall be assessed no special connection charges other than standard installation charges for cable drops from any Company’s distribution plant up to one hundred fifty (150) feet. Subscribers requiring drops over one hundred fifty (150) feet shall be charged only for the incremental cost of extending the drop beyond one hundred fifty (150) feet.

15.4 Rates and Programming.

(a) Each Company shall give the Town and each Subscriber thirty (30) days written notice of any change in Subscriber rates or charges. At the Town’s request, exercised by the Town giving the Company at least ten (10) days’ notice thereof, the Company shall attend, and respond to questions, at any public meeting held by the Town concerning the rate increase. Notice to Subscribers of rate changes shall be by mail. Each Company shall also provide each Subscriber at least annually with a detailed explanation of downgrade and upgrade policies and the manner in which Subscribers may terminate Cable Service. Subscribers shall have at least thirty (30) days from receipt of notification of any rate increase to either downgrade service or terminate altogether without any charge.

(b) Each Company shall give the Town and each Subscriber thirty (30) days written notice of any change, including additions or deletions, or change in Channel position, in the programming carried on the Cable System, as well as any retiering of such programming, and any other changes in the programming service offered by each Company. At the request of the Town, with at least ten (10) days’ notice, each Company shall meet with the Town at a public meeting to discuss programming issues and options and to hear and consider the input of the Town and the public.

(c) Each Company shall use its best efforts to provide a wide diversity of programming options to its Subscribers. Each Company shall provide the following broad categories of programming:

(1) public broadcasting programming;
(2) educational programming;
(3) news programming;
(4) music programming;
(5) sports programming;
(6) children’s programming;
(7) religious programming;
(8) arts and/or cultural programming; and
(9) family programming.

(d) Rate schedules shall be provided to Subscribers annually.

15.5 Billing Practices. Each Company shall set forth, in writing its billing and collection practices and policies, and procedures for ordering changes in or termination of services and refund policies, and shall furnish a copy thereof to each new Subscriber and to Town, and thereafter to Town and all Subscribers at such time as there is a change in such policies.

15.6 Pro-Rated Service. In the event a Subscriber’s service is terminated, monthly charges for service shall be pro-rated on a daily basis and, where advance payment has been made by a Subscriber, the appropriate refund shall be made by the Company to the Subscriber within thirty (30) days of such termination.

15.7 Disconnection for Non-Payment. The Company shall have the right to disconnect a Subscriber for failure to pay an overdue account; provided, that:

(a) The Company’s billing practices and policy statement set forth the conditions under which an account will be considered overdue;

(b) At least twelve (12) days prior to the proposed disconnection, the Company mails to the Subscriber written notice of intent to disconnect for delinquency in payment;

(c) The Subscriber’s account is at least sixty (60) days delinquent at the time said notice is mailed, and

(d) The disconnection occurs at least twelve (12) days, and not more than sixty (60) days, after the mailing of the above written notice.

15.8 Notice of Rates and Programming. All rates and charges associated with the provision of Cable Service and the lease of Channel space shall be published. A written schedule of all such rates currently in effect, including special and promotional rates, shall be available and obtainable in person or by mail upon request during business hours at each Company’s business office.

(a) At least once each calendar year, each Company shall provide to each Subscriber and the Town a complete schedule of all services, rates and charges for Cable Service provided by the Company and of the programming offered and channel alignment. Such information shall also be provided to all new or prospective Subscribers prior to installation or commencement of service.

(b) Such information shall be written in plain English and shall include, but shall not be limited to, the following: all services, tiers and rates, deposits, if applicable, installation costs, additional television set installation charges, service upgrade or downgrade charges, stolen or lost converter charges, charges for lockout devices and for connecting video cassette recorders to the Cable System.

15.9 General Customer Service. Each Company shall comply with any and all customer service standards provided under Maine law, Federal law, FCC regulations, including those regulations found at 47 C.F.R. §76.309, and as promulgated by the cable industry, (such as NCTA standards), as well as with the provisions of the applicable Franchise Agreement. To the extent of any difference or conflict in the requirements of this Ordinance, the Franchise Agreement, State and federal law, FCC regulations and/or cable industry standards, the strictest of such standards shall govern.

Section 16. Subscriber Complaints.
16.1 **Complaint Policy.** Any Company issued a Franchise under this Ordinance shall promulgate within one hundred twenty (120) days of issuance a written policy statement setting forth the procedure for reporting and resolving Subscriber complaints and shall furnish a copy thereof to each new Subscriber and to the Town, and thereafter, annually, to the Town and all Subscribers. Such notice shall comply in all respects with the Cable Act, FCC Regulations, Maine law and this Ordinance.

16.2 **Company Response.** Each Company shall receive Subscriber complaints at its business office serving Town and shall handle all such complaints promptly but in no event later than as set forth below.

16.3 **Billing Complaints.** In the case of a billing complaint, the Company shall respond to the complainant by no later than five (5) business days following receipt of the complaint.

16.4 **Service Complaints.** In the case of a service complaint not requesting repair or adjustment, the Company shall respond to complainant within five (5) business days following receipt of the complaint.

**Section 17. Preferential or Discriminatory Practices Prohibited.**

The Company shall not, as to rates, charges, service, service facilities, rules, regulations, or in any other respect, make or grant any undue preference or advantage to any person, nor subject any person to any prejudice or disadvantage.

**Section 18. Reports and Records.**

18.1 **General Report Filing Requirements.** The Town may require each Company to maintain and file such reports, contracts and statements which are reasonably necessary to monitor compliance with this Ordinance and the Franchise Agreement, including but not limited to ownership, accounting, auditing and operating statement, engineering reports, and other data, which the Town shall deem necessary or appropriate to administer the provisions of this Ordinance. Records which shall be available for inspection and review by the Town shall include, but not be limited to:

(a) All correspondence among the Company and any of his agents, and all regulators or other government agencies pertaining to the operation of the Cable System in the Town necessary to monitor compliance.

(b) All reports, applications, and other documents sent to, or required by, any government agency pertaining to the operation of the Cable System in the Town necessary to monitor compliance.

(c) All oral and written complaints received by the Company or its agents from the Subscribers in the Town for the preceding two (2) years of the term of the Franchise, and the disposition thereof.

(d) All financial records reasonably necessary to determine compliance with and carry out the provisions of this Ordinance and any Franchise Agreement necessary to monitor compliance.

18.2 **Annual Report.** No later than April 1 of each year during the term of a Franchise Agreement, each Company shall submit an annual report to the Town for the prior calendar year, which report shall include at a minimum:

(a) Total miles of cable plant installed to include a specific description of any line extensions in the City of Saco in the prior calendar year.

(b) Total number of service calls indicating number of dispatches and number repaired.

(c) Listing of all charges and fees for cable or cable related services.

(d) A listing of any system outages in the City of Saco over the prior year in excess of one hour, including the affected locations, the date, time, duration, cause of the outage, and steps taken to address the outage.

(e) Equipment or equivalent funding provided to the PEG channel(s) if any.

(f) A summary of customer complaint records for the prior year, including an identification of any significant customer service issues raised in the City of Saco in the prior year and any resolution or changes in service resulting.

**Section 18.3 Supplemental Reporting.** Upon written request of the Town, the Company shall provide not more than annually, a report listing the following:
(a) A summary of the most recent FCC proof of performance tests and measurement records interpreted in laymen’s language describing the Cable System’s compliance or lack of compliance with the FCC Technical Standards set forth in 76 C.F.R. §76.601 et seq. as the same may be modified in the future, identifying any instances of non-compliance and describing all measures taken or under way to achieve compliance;

(b) A list of any material violations by the Company of the technical rules of the FCC, including but not limited to violations of rules and regulations regarding signal quality and safety during the past 12 months, and describing all measures taken or underway to achieve compliance; and

(c) A copy of the Company’s most recent S.E.C. Forms 10 K and 10Q.

After delivery of the Annual Report, each Company shall, at the request of the Town, attend a meeting with the Town to review and discuss any issues or questions raised in the Town’s review of the Annual Report.

Section 19. Rights Reserved to the Town.

19.1 Nothing herein shall be deemed or construed to impair or affect, in any way, to any extent, the right of the Town to acquire the property of the Company, either by purchase or through the exercise of the right of eminent domain and nothing herein contained shall be construed to contract away or to modify or abridge, whether for a term or in perpetuity, the Town's right of eminent domain.

19.2 Neither the awarding of a franchise nor any provision hereof shall constitute a waiver or bar to the exercise of any governmental right or power of the Town.

19.3 The City Council is hereby authorized and empowered to adjust, settle, or compromise any controversy or charge arising from the operations of the Company under this Ordinance, either on behalf of the Town, the Company, or any Subscriber, in the best interest of the public.

19.4 The Town shall have the right to inspect all construction of installation work for a Cable System and to make such inspections as it shall find necessary to insure compliance with the terms of this Ordinance, and Franchise awarded pursuant hereto, and any other pertinent provisions of the law.

19.5 Upon revocation or denial of a renewal under the formal process of the Cable Act of any Cable Franchise, the Town shall have the right to require the Company to remove at its own expense all portions of the Cable System from all Streets and Public Ways within the Town.

19.6 Nothing in this Ordinance or the Franchise shall encumber or prohibit the Town from the collection of property taxes, of whatsoever kind, allowed by state law.

Section 20. Revocation

20.1 Notice and Hearing. The City Council of the Town may revoke any Franchise awarded pursuant to the provisions of this Ordinance and federal law upon thirty (30) days written notice to the Company and after hearing, in the event that the Company:

(a) Violates any material provision of its Franchise Agreement, where such violation remains uncured for a period of thirty (30) days;

(b) Ceases to provide service over the Cable System or fails to restore service after ninety-six (96) consecutive hours of interrupted service except in cases of force majeure or when approval of such interruption is obtained from the Town;

(c) Fails to provide or maintain in full force and effect the insurance coverages and the performance bond as required by this Ordinance and under the terms of the Franchise Agreement, where such violation remains uncured for a period of thirty (30) days;

(d) Violates any rule, order or determination of the Town made pursuant to the Franchise Agreement or this Ordinance where such violation remains uncured for a period of thirty (30) days; or

(e) Violates any other provision of law.

20.2 Procedures. The Town shall follow the following procedures in revoking a franchise:
(a) The Town shall provide the Company with notice of intention to revoke the Franchise. The written notice shall be sent by certified or overnight mail and shall describe in reasonable detail the specific violations alleged to have occurred.

(b) The Company shall have thirty (30) days from receipt of the notice either to correct the alleged violation or dispute the Town’s allegations in writing. In the event that, by nature of the alleged violation, such violation cannot be cured within such thirty (30) day period, the parties shall meet in good faith and agree to a reasonable cure schedule.

(c) If the Company disputes the Town’s allegations, the City Council shall conduct a public hearing within thirty (30) days of receipt of notice that the Company disputes the allegations. The hearing shall follow the procedures set forth for public hearings before the City Council and the Company shall have the right to present evidence, and question witnesses, if any.

(d) Following the public hearing, the municipal officers shall make a determination as to whether to revoke the Franchise, and shall issue a written decision containing its findings.

(f) The City Council of the Town shall, either directly or through their designees conduct public hearings and issue such appropriate orders as it may deem necessary to enforce the provisions of this Ordinance and any Franchise Agreements, including the revocation of Franchise Agreements and the assessment of penalties for violations, as well as to correct any deficiencies in the operation of the system.

(g) All such orders of the City Council shall not be in conflict with those that have been or may be adopted by the Federal Communications Commission for the operation of such Cable Systems, except that unless preempted, such ordinances, regulations, rules and orders may be more detailed, more strict or more restrictive than applicable FCC regulations.

(h) As part of its enforcement authority, the City Council have the authority to bring legal action for damages, penalties and for injunctive relief. In the event that the Town brings legal action to enforce the provisions of this Ordinance or the Franchise Agreement, and the Town prevails in the action, the Town shall be entitled to recover its costs, including reasonable attorneys’ fees, incurred in the prosecution of any such action.

20.3 Appeal. The Company shall have the right to appeal any decision of the Town under this Section within thirty (30) days of the date of the decision or ruling to the Maine Superior Court pursuant to M.R. Civ. P. 80B.

C. REVISION TO CITY CODE, CHAPTER 87 – ELECTRICAL STANDARDS – (PUBLIC HEARING)

The City of Saco adopts and enforces the National Electric Code as authorized by State Law. Every 3 years, this model code is revised in a consensus process to reflect evolving technology and knowledge in the field of electrical installations. The City currently utilizes the 2014 edition of the National Electrical Code while the State of Maine has adopted the 2017 edition with amendments. The City is proposing to adopt the same code edition as the State along with the same amendments as well as some Saco-specific amendments regulating hazardous installations and installation of high-amperage services on residential properties. The Code Enforcement Department is planning a stakeholder’s meeting on February 12, 2019 when this proposal will be discussed, and any suggestions will be heard. Notice of this meeting has been sent to all electricians who have obtained an electrical permit in the City of Saco within the past 6 months.

Councilor Archer moved, Councilor Gay seconded to open the public hearing. The motion passed with six (6) yeas.

Jeff Brochu, 257 Buxton Rd – I have been in the electrical field for the last 28 years. This is typically standard protocol to keep everything on a level playing field using the National Electrical Code which is adopted typically nationally, at the state, and at the local level where we have a local inspector acting as the authority having jurisdiction. I also attended the February 12th stakeholders meeting where there were approximately 15-16 electricians present that evening. We had some intense discussion and kind of hashed through some material. My understanding is that some of the stuff that is in your packet with respect to the electrical inspector’s ability to order a disconnect versus doing it is going to be changed. I just spoke to the Code Officer awhile ago which was some of the results of that meeting. So, we understand allot of the local changes which are the ones that kind of had allot of the questions and debate about them. Is kind of a joint efforts with the codes and the city trying to make the
many hours of study course work to become familiar with them. Just like the building code you can't be familiar

forth? Code Enforcement Director Richard Lambert – No, because these are National Codes and electricians take

Councilor Copeland – Is there language on the bottom of the permit that says that you have read everything and so

have actually read those policies. Because if somebody with liability comes down the road, what document do you have in your hand that says they

say that the contractor has read the materials online and understand it, certifies it and all of that in front of somebody.

Barbara Colman, 45 B Stockman Avenue - If you do this electronically I would suggest having a signature page that

once we adopt this regulation it will be listed under our city code so everything is online. We can offer a link printed

Councilor Copeland – It is a concern that we have different rules than others. So, instead of offering a paper copy

we don't end up blowing up people homes down the road that are unsuspecting.

amperage you can get in a single-family home. That is to coordinate that with our medical marijuana statutes. So,

change that we made was we included whether it was single phase of 3 phase power for the limiting amount of

exists. So, we used language out of Appendix H and brought it into our code and made it simpler. The other

originally proposed It does the same thing except what Jeff had pointed out during the contractors meeting is that

Administrator and he should be seeing them. What it essentially does is clean up the disconnect notice that we had

proposed It does the same thing except what Jeff had pointed out during the contractors meeting is that there is a section in Appendix H in the National Electrical Code that already addressed it and we didn’t know it existed. So, we used language out of Appendix H and brought it into our code and made it simpler. The other change that we made was we included whether it was single phase of 3 phase power for the limiting amount of amperage you can get in a single-family home. That is to coordinate that with our medical marijuana statutes. So, we don’t end up blowing up people homes down the road that are unsuspecting.

Richard Lambert, Code Enforcement Director for Saco– The changes that were noted I just sent over to the City

Administrator and he should be seeing them. What it essentially does is clean up the disconnect notice that we had

originally proposed It does the same thing except what Jeff had pointed out during the contractors meeting is that

there is a section in Appendix H in the National Electrical Code that already addressed it and we didn’t know it existed. So, we used language out of Appendix H and brought it into our code and made it simpler. The other change that we made was we included whether it was single phase of 3 phase power for the limiting amount of amperage you can get in a single-family home. That is to coordinate that with our medical marijuana statutes. So, we don’t end up blowing up people homes down the road that are unsuspecting.

Councilor Copeland – It is a concern that we have different rules than others. So, instead of offering a paper copy

to everybody maybe we could somehow put a note on our application with instruction to go to our website. Yes, once we adopt this regulation it will be listed under our city code so everything is online. We can offer a link printed on the electrical permit itself with the state of the link on it.

Barbara Colman, 45 B Stockman Avenue - If you do this electronically I would suggest having a signature page that

says that the contractor has read the materials online and understand it, certifies it and all of that in front of somebody.

Because if somebody with liability comes down the road, what document do you have in your hand that says they

have actually read those policies.

Councilor Copeland – Is there language on the bottom of the permit that says that you have read everything and so

forth? Code Enforcement Director Richard Lambert – No, because these are National Codes and electricians take

many hours of study course work to become familiar with them. Just like the building code you can’t be familiar.
March 4, 2019

Councilor Archer moved, Councilor Doyle seconded to close the public hearing and further move to schedule the

years old. It is an aging profession.

and had stacks of them we used to hand out. Jeff is right the national age of an electrician in the state of Maine is 59

comfortable going online. Mr. Desrosier – We have kind of done that in the past and kind of stepped away from it

acknowledges it. So, we don’t have to discriminate against our more senior members of our trade that may not be

paper format with each permit and have an initial bar to say yes have read it on the permit, so the applicant

pages of documents. All I’m asking is to put some of the burden back onto the city if you adopt it and include it in

of you are limiting your service size and some of the enforcement capabilities of the inspector. You are talking 3

have a whole lot. Marcel is correct. We mirrored exactly what the state reductions or changes were with the exception

online. That is why I’m saying if you choose to go ahead and put the amendments in and granted this town doesn’t

absolutely fine. However, we are in an aging trade and over 50% of our electricians are in the baby boomer generation

information because the local community has taken it upon itself. I agree my generation with the online site is

have that one go-to spot. Whether you are a paperback type of guy or online guy we have no one source to get all of

code as by what the state adopts. We are in sync with the state. If we didn’t do that, we would be stricter than the

state in some areas and would cause more confusion. A couple of cycles go the electricians wanted to be all on the

code as by what the state adopts. We are in sync with the state. If we didn’t do that, we would be stricter than the

regulations.

Councilor Archer – Is it common in your industry for there to be a signature page at the end saying I have read it all or is it something very specific? Mr. Lambert – Every town has their own permit application. I will have to take a look and see what the electrical code has. We have something similar on the building permit application. So, the language is easily inserted into the next printing of our permit.

Deputy Mayor Johnston – When a new National Electrical Code comes out are electricians tested on that? Mr. Lambert – There is a code update course that they generally attend. Mr. Brochu noted it was a 15-hour course. Mr. Lambert noted licenses get re-issued every 3-years.

Marcel Desrosier, Electrical Inspector for Saco – As a master electrician myself it is upon the master electrician to know the ordinances and regulations as part of the licensing process for the state. If you have a license from the state, you are obliged to know what you are doing before you go out on the job and do it. As far as the local ordinances, the ordinances that we have are matched to the state because the state has exempted some stuff from the code as well. So, probably 2 or 3 cycles ago when I met with the electricians they all had to be standardized. So, be adopted the code as by what the state adopts. We are in sync with the state. If we didn’t do that, we would be stricter than the state in some areas and would cause more confusion. A couple of cycles go the electricians wanted to be all on the same page. There are 4 local adoptions with 2 just recently. Once again, as a license holder you are obliged to know the rules. There is no signature required, it is your license. Councilor Archer – If we make a local ordinance and it is a state license and it is a violation of a local ordinance, can that be used against the state license, or because it is a hierarchy of codes a local violation wouldn’t actually count? Mr. Desrosier – A local violation can be brought up at the state. What happens most of the time is if a company or individual who is not local 9 time out of 10 I will get a phone call asking that do you have locally. We all know doing the job that an analogy, I won’t stick my hand into someone else’s refrigerator without asking. So, if I go to another community I will always ask what are your local ordinances? It is just something that you always do.

Mr. Brochu – To summarize, it is our duty to know the National Electrical Code book. This is the book we go in and out of. So, every time a local community adds their own ordinances it just kind of complicates it and now we don’t have that one go-to spot. Whether you are a paperback type of guy or online guy we have no one source to get all of the information because the local community has taken it upon itself. I agree my generation with the online site is absolutely fine. However, we are in an aging trade and over 50% of our electricians are in the baby boomer generation and many of them are not tech savvy to go and say oh there is a link on the website and I’m going to go and read it online. That is why I’m saying if you choose to go ahead and put the amendments in and granted this town doesn’t have a whole lot. Marcel is correct. We mirrored exactly what the state reductions or changes were with the exception of you are limiting your service size and some of the enforcement capabilities of the inspector. You are talking 3 pages of documents. All I’m asking is to put some of the burden back onto the city if you adopt it and include it in paper format with each permit and have an initial bar to say yes have read it on the permit, so the applicant acknowledges it. So, we don’t have to discriminate against our more senior members of our trade that may not be comfortable going online. Mr. Desrosier – We have kind of done that in the past and kind of stepped away from it and had stacks of them we use to hand out. Jeff is right the national age of an electrician in the state of Maine is 59 years old. It is an aging profession.
final reading of, ‘City Code of Ordinances, Adoption of Electrical Standards as Chapter 87’, on March 25, 2019. The motion passed with six (6) yeas.

Chapter 87
Electrical Standards

[HISTORY: Adopted by the City Council of the City of Saco 5-1-1995 as Ch. XII, Sec 12-2, of the 1994 Code; amended in its entirety 2-6-2006. Subsequent amendments noted where applicable.]

GENERAL REFERENCES
Building construction — See Ch. 73.
Fire prevention — See Ch. 102.
Floodplain management — See Ch. 106.
Mobile homes — See Ch. 143.
Property maintenance — See Ch. 163.

§ 87-1 Title.
This chapter shall be known and may be cited as the "Electrical Code."

§ 87-2 Adoption of standards by reference.
[Amended 8-4-2008; 3-5-2012]

A. Reference is herewith made to the 2014 2017 Edition of the National Electrical Code, NFPA 70, as published by the National Fire Protection Association, as amended, to become effective May 1, 2015 April 1, 2019, and said code is hereby adopted and made a part hereof as if fully set out in this chapter, with the additions, insertions, deletions and changes as found herein. Statutory authority to adopt this code is granted by 30-A M.K.S.A., and 30-A M.K.S.A. § 41/1 and shall cover original installations, alterations and additions, both residential and commercial and shall be in effect for the entire City of Saco. At least seven days prior to the public hearing, the purpose of which is to consider changes to this chapter, notice shall be given by regular mail, electronic mail or facsimile to all electricians who have obtained an electrical permit within the six-month period preceding the public hearing date. [Amended 4-6-2015]

B. Additions, insertions and changes. The following are hereby revised as follows:

(1) Article 200.6 Means of Identifying Grounded Conductors is amended as follows:

(D) Grounded Conductors of Different Systems. Where grounded conductors of different systems are installed in the same raceway, cable, box, auxiliary gutter, or other type of enclosure, each grounded conductor shall be identified by system. Identification that distinguishes each system grounded conductor shall be permitted by one of the following means:

(1) One system grounded conductor shall have an outer covering conforming to 200.6(A) or (B).

(2) The grounded conductor(s) of other systems shall have a different outer covering conforming to 200.6(A) or 200.6(B) or by an outer covering of white or gray with a readily distinguishable colored stripe other than green running along the insulation.
(3) Other and different means of identification allowed by 200.6(A) or (B) shall distinguish each system grounded conductor.

The means of identification - shall be permanently posted where the conductors of different systems originate.

(2) Article 210.5(C) (1) (b) is hereby amended as follows:

210.5 Identification for Branch Circuits.

(C) Identification of Ungrounded Conductors.

(1) Branch Circuits Supplied from More Than One Nominal Voltage System.

(b) Posting of Identification Means. The method utilized for conductors originating within each branch-circuit panel board or similar branch-circuit distribution equipment shall be permanently posted at each branch-circuit panel board or similar branch-circuit distribution equipment. The label shall be of sufficient durability to withstand the environment involved and shall not be handwritten.

(3) Article 210.8(B) is hereby amended as follows:

210.8(B) Other Than Dwelling Units. All single-phase receptacles rated 150 volts to ground or less, 50 amperes or less and three-phase receptacles rated 150 volts to ground or less, 50 amperes or less installed in the following locations shall have ground-fault interrupter protection for personnel.

(4) Article 215.12(C)(1)(b) is hereby amended as follows:

215.12 Identification for Feeders.

(C) Identification of Ungrounded Conductors.

(1) Feeders Supplied from More Than One Nominal Voltage System.

(b) Posting of Identification Means. The method utilized for conductors originating within each feeder panel board or similar feeder distribution equipment shall be permanently posted at each feeder panel board or similar feeder distribution equipment.

(5) Article 334.10(3) is hereby amended as follows:

334.10 Uses Permitted.

(3) Other structures permitted to be of Types III, IV, and V construction.

(6) Article 334.12(A)(2), Uses Not Permitted is hereby deleted.

(7) Article 338.12(8) (1) and (2) is hereby adopted with the following amendment:

338.12 Uses Not Permitted.

(B) Underground Service Entrance Cable.

(1) For interior wiring of branch circuits and feeders originating and terminating within the same building.

(2) For aboveground installations except where USE cable emerges from the ground and is terminated in an enclosure at a location acceptable to the Authority Having Jurisdiction and the cable is protected in accordance with 300.5(D).
Grounded Conductors of Different Systems. Where grounded conductors of different systems are installed in the same raceway, cable, box, auxiliary gutter, or other type of enclosure, each grounded conductor shall be identified by system identification that distinguishes each system-grounded conductor shall be permitted by one of the following means:

1. One system-grounded conductor shall have an outer covering conforming to 200.6(A) or (B).

2. The grounded conductor(s) of other systems shall have a different outer covering conforming to 200.6(A) or (B) or by an outer covering of white or gray with a readily distinguishable colored strip other than green running along the insulation.

3. Other and different means of identification as allowed by 200.6(A) or (B) that will distinguish each system-grounded conductor.

The means of identification shall be permanently posted where the conductors of different systems originate.

Identification for Branch Circuits. [Amended 4-6-2015]

Identification for Ungrounded Conductors:

1. Branch Circuits Supplied for More Than One Nominal Voltage System

   (b) Posting of Identification Means: The method utilized for conductors originating within each branch-circuit panelboard or similar branch-circuit distribution equipment shall be permanently posted at each branch-circuit panelboard or similar branch-circuit distribution equipment.

Identification of Feeders. [Amended 4-6-2015]

Identification of Ungrounded Conductors:

1. Feeders Supplied from More Than One Nominal Voltage System

   (b) Posting of Identification Means: The method utilized for conductors originating within each feeder panelboard or similar feeder distribution equipment shall be permanently posted at each feeder-panelboard or similar feeder distribution equipment.

Uses Permitted.

Other structures permitted to be of Types III, IV and V construction. [Amended 4-6-2015]

Uses Not Permitted is deleted and not adopted by the City of Saco.

Uses Not Permitted:

1. Underground Service Entrance Cable

   (1) For interior wiring of branch circuits and feeders originating and terminating within the same building.

   (2) For aboveground installations except where USE cable emerges from the ground and is terminated in an enclosure at a location acceptable to the authority having jurisdiction and the cable is protected in accordance with 300.5(D).

Capacity and Rating.

System Capacity:

2. Automatic Transfer Equipment. For other than single-family dwellings, where automatic transfer equipment is used, an optional standby system shall comply with (2)(a) or (2)(b)
(8) Smoke and heat detectors. In addition to smoke detectors required elsewhere in this Code, a smoke or heat detector shall be installed in any new attached residential garage. Installation, including wiring and power sources for all smoke and heat detectors shall be in accordance with the provisions of the 2007 Edition of NFPA Standard 72, Chapter 11.

(9) Adoption of utility requirements. The authority having jurisdiction may, at the request of the electrical utility company, enforce the requirements as found in the Handbook of Standard Requirements for Electric Service and Meter Installations published by Central Maine Power, effective January 1, 2009, and as amended.

(10) Removal of old wiring required. All readily accessible cable that is not properly capped and terminated and labeled for future use shall be removed.

C. Residential Electrical Services

(1) No residence, nor any associated accessory structure or garage of the residence, or any combination thereof may install, activate, or receive more than a single 200 AMP combined electrical service for such structures.

2. The limitation of a single combined 200 AMP service is meant and intended for each residence and accessory structure or garage in combination on that structure’s parcel.

3. A person or party may apply for an electrical service greater than 200 AMP if the intended use is permitted by the City Zoning; and following review and approval of electrical load calculations by the City’s Electrical Inspector; and, after on-site review and separate approval of the Code Enforcement Office.

4. It shall be a violation of this City Code for any person or party, including a licensed or non-licensed electrical or general contractor, to install or to activate any electrical services that do not meet these conditions and requirements. Further, it shall be a violation of this City Code for any property owner to install, maintain or suffer the maintenance, activation an operation of any electrical service that does not meet these conditions and requirements.

87-2.1 Hazardous conditions and authority to disconnect.

(A) If the Electrical Inspector finds a dangerous installation, alteration, or repair of electrical work, the Electrical Inspector shall provide notice that shall:

(1) Be served on the owner or occupant of the premises and the licensee by:
   (a) Telephone;
   (b) Personal service;
   (c) First class mail; or
   (d) By posting the property as "unsafe"; and

(2) State that necessary repairs shall be made within five days of receipt of the notification.

(a) The Electrical Inspector, with the approval of the Director of Code Enforcement or Fire Chief may disconnect public utilities, including electrical supply, to a building, structure, or system regulated by this Chapter if:
   (i) Repairs are not made under this section; or
   (ii) A hazardous condition exists that threatens or may threaten the public health and safety.

(b) The Electrical Inspector or his designee shall notify:
   (i) The serving utility; and
   (ii) The owner and occupant of the building, structure, or service system of the decision to disconnect.
D.  REVISION TO CITY CODE, CHAPTER 135 – CULTIVATION AND DISTRIBUTION OF MARIJUANA – (PUBLIC HEARING)

In 2017, The City of Saco adopted rules to regulate the growing, cultivation and distribution of medical marijuana in response to a growing concern that growing operations were being established in buildings and areas not designed for such use. In 2018, the State of Maine ratified the adult use of marijuana for non-medicinal purposes (recreational marijuana). The State Legislature passed rules and laws governing the adult use of marijuana while at the same time revising the Medical Marijuana Caregiver Statutes. While reviewing the present ordinance, we also discovered that there was no fee schedule adopted as referenced in Section 135-7.

Considering the changes in the law, City Staff concluded that the existing Ordinances regulating marijuana cultivation needed to be amended for the following reasons:
Section 135-3. The revision here seeks to clarify that only parties who grow marijuana for other third parties need to register with the City. This change reflects that growing/possessing a limited amount of marijuana for personal use has been made legal here in the State.

Section 135-4. This change seeks to clarify growing for personal use versus growing for third parties. Growing for personal use is allowed in any residence, but the change clarifies that you cannot grow for third parties in residences. This clarification dovetails with current City Zoning that allows growing in the I-1 and I-2 zones but prohibits it elsewhere. Subsection G is struck as not related to purposes and intentions of the particular section on “permitted locations”.

Section 135-5. This change eliminates any penalty for growing in your own residence for personal use but still requires those who grow for third parties to secure and have at all times a City license.

Section 135-6. The first revision eliminates the need for an application and license for those who grow for their own use. The second revision is more in the nature of housekeeping. Not substantive.

Councilor Gay moved, Councilor Doyle seconded to open the public hearing. The motion passed with six (6) yeas. There were no public comments.

Councilor Gay moved, Councilor Doyle seconded to close the public hearing and further move to set the final reading of, 'City Code of Ordinances, Revision of Chapter 135, Cultivation and Distribution of Marijuana', on March 25, 2019." The motion passed with six (6) yeas.

Chapter 135
Marijuana, Cultivation and Distribution of

[HISTORY: Adopted by the City Council of the City of Saco 9-18-2017. Amendments noted where applicable.]

GENERAL REFERENCES
Cultivation and sale of recreational marijuana — See Ch. 165.

§ 135-1 Title.
This chapter shall be known as the "Marijuana Cultivation and Distribution Ordinance."

§ 135-2 Findings; purpose.
A. The State of Maine has recently enacted laws allowing greater cultivation, handling, storing, packaging, processing and distribution of marijuana plants and products. In addition, the citizens of the state in a recent referendum have voted to allow for and decriminalize personal or so-called "recreational" use of marijuana. Additional state laws and regulations are anticipated regarding recreational marijuana. These are not policy decisions of the City, but the City has become aware of certain adverse effects from these recent legislative undertakings, and it proposes to address potential issues that have arisen.

B. Specifically, the City has learned through its Code Enforcement Office, through its Electrical Inspector, as well as through other public officials, including its Police and Fire Departments, that individuals are rapidly installing throughout the City cultivation facilities without City knowledge, without proper City inspection and review and in some cases in areas not zoned for such use. Of particular concern is the installation of energy-intensive lighting that can pose significant risk of injury, death and of fires within residential structures. The City Council has received information regarding structure fires in other communities caused by heat-intensive lighting used for cultivation and growing equipment.
C. The Council is also aware that not all states have decriminalized marijuana, and this community's easy highway access and close proximity to the border may make Saco an attractive location for those who intend to traffic marijuana as part of a criminal enterprise.

D. It is evident that businesses and citizens desire to commercialize and otherwise avail themselves of opportunities presented by these new laws. However, doing so in an unregulated and, in some cases, surreptitious fashion poses substantial risk of criminal activity, physical harm, even death. These conditions have created an emergency for the community.

E. This emergency ordinance, enacted pursuant to City Charter Provision 2.10, seeks to assure the safety of Saco citizens while allowing properly reviewed and regulated use as permitted under state law. It is enacted pursuant to Home Rule Authority under both Maine's Constitution and 30-A M.R.S.A. § 3001 et seq.

§ 135-3 License required.

A. All persons and parties who grow, cultivate, harvest, manage, process, transfer, exchange or distribute marijuana, or any marijuana product, or material or medication derived thereon (“marijuana products”), for the use or benefit of any third parties, from or within the City of Saco, must register with the City and must secure and maintain a valid license at all times. Notwithstanding the preceding, a license is not required to grow, cultivate, and harvest marijuana for personal use, of any marijuana within one's own premises, provided there is no associated growing, cultivating, harvesting, managing, processing, transferring, exchanging or distributing of marijuana or marijuana products.

B. All businesses, commercial enterprises, as well as any not-for-profit entity, that grows, cultivates, harvests, manages, processes, transfers, exchanges or distributes marijuana, or any marijuana products, from or within the City of Saco, must register with the City of Saco and must secure and maintain a valid license at all times.

C. To register means to complete and submit a license application to the City Clerk of Saco the forms created by that office, and to pay the fees set forth herein. No registration shall be approved, and no license granted, until the required fees have been paid, and all applicable reviews and inspections have been completed.

D. Once all applicable reviews have been fully and properly completed, and the applicant has been found qualified, the Clerk shall thereupon issue a license to the applicant.

E. All licenses shall run for one year (365 days), and may be renewed as set forth herein. No license shall be issued, denied, or revoked by the City Clerk except as expressly provided in this chapter.

F. In the absence of the City Clerk, the City Administrator will assume all authority and responsibility of the Clerk as designated herein.

§ 135-4 Permitted locations.

A. A person in their own home resident of a single family structure who holds a license may grow, cultivate, and harvest marijuana for their own personal use, and for the personal use of a resident family member, regardless of the zone in which the structure is located.

B. The limit as to the number of permitted marijuana plants and ounces of harvested marijuana for each person in single-family structure shall be set by state law.

C. In no event may any person owning or residing in a single-family structure increase their home electrical service beyond 200 amps.

D. In no event may a person from their home, or any other residence, renting, owning or occupying a single family structure grow, cultivate, distribute, harvest, manage, process, transfer, exchange, or distribute any amount of marijuana or marijuana products for a third party, except for a resident family member living in the same structure as permitted in Subsection A above.
E. All parties who grow, cultivate, harvest, manage, process, transfer, exchange or distribute marijuana or marijuana products for any other third party may do so provided they operate from a structure or premises found within the City of Saco's approved zones. No growing, cultivation, harvesting, managing, processing, transferring, exchanging or distribution of marijuana or marijuana products shall be allowed outside the boundaries of these zones of the City. Such activity shall be a violation of this chapter.

F. No other properties outside of the approved zones may be used or licensed for growing, cultivation, harvesting, managing, processing, transferring, exchanging or distributing marijuana or marijuana products for any party's personal use except for personal use as permitted in Subsection A above.

G. No license issued by the City may be transferred, sold or assigned by the license holder to any other person or entity.

§ 135-5 Violations.

A. No person or entity shall grow, cultivate, harvest, manage, process, transfer, exchange or distribute marijuana or marijuana products without having registered with the Clerk and without having obtained a valid, in force and effect, license as required herein, except as allowed pursuant to Section 135-3.

B. Every license holder shall exhibit its license in a conspicuous place on the premises, visible to the public. The failure to display the issued license at all times is a violation of this chapter. Upon discovering that a person, party or entity has not displayed its license, the City shall deliver a written warning. The failure to display a license after written warning shall constitute a violation of this chapter.

C. No person, party or entity may sell, transfer or assign its license. Any attempt to sell, transfer or assign will confer no rights, and will render the license immediately void. The sale, assignment or transfer of a license is a violation of this chapter.

D. It is violation of this chapter to grow, cultivate, harvest, manage, process, transfer, exchange or distribute marijuana, or any marijuana product, in any structure or zone not otherwise allowed as set out in § 135-4A and E.

E. It is a violation of this chapter for any license holder to traffic, transport, mail, distribute, transfer, or otherwise assist in the trafficking, transporting, mailing, distribution or transfer of marijuana or marijuana products outside the boundaries of this state. It is a violation of this chapter for any agent, employee or officer of the license holder to do the same.

§ 135-6 Applications.

A. All registrations for personal use shall be made in writing on a form provided by the Clerk. Each registration shall state the applicant's name, address, telephone number, and e-mail, and such additional information as deemed necessary by the Clerk, including the map and lot number property where the license will be posted.

B. All registrations to grow, cultivate, harvest, manage, process, transfer, exchange or distribute marijuana or marijuana products for any third parties shall be made in writing on forms provided by the Clerk. Each registration shall state the applicant's name, address, telephone number and e-mail. In addition, the applicant shall:

(1) Identify its estimated yearly production of marijuana;

(2) Whether it will ship or distribute any marijuana outside of the State of Maine;

(3) Identify all individuals and entities to whom it will contract for delivery of marijuana and include the amounts expected to be delivered monthly and annually.

CB. All registrations submitted by an entity applicant shall contain the information set out above in Subsection A or B (as applicable) and shall also include the following:

(1) Federal tax identification number.

(2) Type and state of organization.

(3) Names, addresses and date of birth of all principal officers, owners and managers.
(4) Whether the entity is for profit or non-profit entity, and confirmation thereof.

(5) Proof of insurance upon the proposed premises in the name of the license holder.

(6) Name and address of clerk or registered agent for service of process.

**DC.** No employee of the City of Saco shall have any beneficial interest in an issued license, or license holder

**ED.** Copies of all registrations and materials shall, upon completion, be transmitted to the Code Enforcement Officer, Electrical Inspector, and the City of Saco Fire and Police Departments for the following purposes:

(1) Review compliance: that the applicant license holder is permitted to operate in each and every location (map and lot number) where specified; and

(2) To record such information into any existing Code Enforcement Officer management program ("Code Enforcement Pro") for use and review; and

(3) Site inspection by Code Officer, Electrical Inspector and Fire Department at any and all applicable location(s) used for growing, cultivating, harvesting, managing, processing, transferring, exchanging or distributing of marijuana or marijuana products; and

(4) To allow inspection of plan drawings detailing nature of site, location of utilities and how utilities such as electrical power will be used; and such other factors deemed necessary or advisable by City staff; and

(5) For a follow-up inspection between 30 and 60 days after issuance of license to inspect any facilities related to marijuana growing, cultivating, harvesting, managing, processing, transferring, exchanging or distributing of marijuana or marijuana products.

(6) To determine if the applicant needs or has a duly issued state license for the state use/undertaking, and to determine that the applicant is in compliance with all State of Maine requirements.

§ 135-7 Fees.

Fees shall be established annually by the City Council following a public hearing.

§ 135-8 Investigations.

A. Registration. The Clerk shall accept and maintain an applicant's registration forms and all supporting material. The Clerk shall submit all registration materials to City staff for review as set out in § 135-6DE. All findings and conclusions of City staff shall be reported to the Clerk within 30 days.

B. Licenses. Upon receipt of an application for renewal of license, the Clerk shall inquire of City officials whether a license may be renewed in compliance with the provisions of this chapter. City staff shall have 30 days to complete their investigation.

C. Only upon satisfaction of the Clerk, and after review by all appropriate departments, and only upon full compliance with all conditions set forth in this chapter, shall the Clerk issue a license.

D. The Clerk shall complete his or her review promptly and grant or deny a license or license renewal subject to the additional terms found in § 135-13.

§ 135-9 Decision; standards for denial.

A. Notice. The Clerk shall issue all decisions in writing, and subject to the same time period set out in § 135-13.

B. Grounds. A license, and the renewal of a license may be denied, or revoked, upon one or more of the following grounds:

(1) Failure to fully complete the application forms; knowingly making a false or incorrect statement of a material nature on such form; failure to supply any requested information reasonably necessary to determine whether such license may be issued; or failure to pay any fee required hereunder;
(2) The person, party applicant, license holder, officers, or managers of license holders have caused a significant breach of the peace; have been convicted of more than one misdemeanor, or have been convicted of any felony;

(3) There is a clear danger to the public if the license is issued, including significant risk of injury or fire;

(4) The parties or persons patronizing the license holder will adversely affect the peace and quiet of the neighborhood, whether or not residential;

(5) The person, party or entity has violated a provision of this chapter or other ordinance of the City of Saco, including its Zoning Ordinance;

(6) The occurrence of any event subsequent to issuance of the license, which event would have been a basis for denial of the license, shall be grounds for revocation thereof;

(7) Real or personal property taxes or legal judgments that are due and owing to the City and are determined to be in arrears as of the date of the license request or license renewal; or

(8) Such other acts or conduct found to be detrimental to the citizens or community, including but not limited to suffering a fire or significant injury arising from growing, cultivating, harvesting, managing, processing, transferring, exchanging or distributing of marijuana or marijuana products after the issuance of a license.

C. Hearings.

(1) Except as expressly provided in this chapter, no license may be revoked without prior notice to the person, party or entity, and only after a hearing.

(2) In the case of the revocation of a license, a hearing shall be given to the individual or entity, and a generalized statement of the nature of the complaint constituting the basis for the proposed action shall be included in the notice of hearing. Failure of the person, party or entity to appear at the hearing shall be deemed a waiver of the rights to said hearing.

(3) All revocations shall be upon substantial evidence, and all hearings shall be conducted with substantial fairness. Rules of evidence shall not apply in such hearing.

D. Fairness. The Clerk shall not arbitrarily deny any registration or license renewal but must base his or her decision upon substantial and credible evidence of one or more of the grounds described above.

E. Complaints. Any citizen or public official of the City can file and/or initiate a complaint against a license holder. Complaints will be kept and maintained by the City Clerk and may be considered when and if a licensee seeks a renewal of his or her license in any succeeding year.

§ 135-10 Appeals.

A. Procedure. An appeal of the Clerk's decision to the City Council may be taken by any person aggrieved by the denial or revocation of a license by filing a notice of appeal within 30 days of the decision with the City Administrator. Every appeal should be in writing and shall state the basis for the appeal. The City Council shall hear the appeal within 30 days after the filing of the appeal and may affirm, reverse or modify the decision appealed from.

B. Scope of review. On appeal, the City Council shall review the decision of the Clerk and determine whether the decision was based upon substantial evidence and in compliance with the standards of this chapter. The Council may take additional evidence with respect to such decision or action and, if additional testimony or evidence is taken, it shall determine the appeal upon all of the evidence.

C. Status or operations pending municipal appeal. During the pendency of an appeal to the City Council, the person, business or entity aggrieved by the decision of the City Clerk may operate without risk of fine if it has an existing license and the Clerk has revoked or denied a renewal of the license. However, if the person, business or entity has been denied its initial license, then any operation prior to a decision by the City Council will be subject to the civil penalties set forth herein.
D. Appeal to the Superior Court. Any person aggrieved by the decision of the City Council may appeal to the Superior Court in accordance with the provisions of Maine Rule of Civil Procedure 80B.

§ 135-11 Notices of hearing.
A. Content. Whenever a hearing is required, the Clerk shall give written notice of the time and place of the hearing to the license holder and the City Administrator. Notice shall also be posted in two prominent public locations.
B. Service. Except as expressly provided, whenever notice by mail is required, such notice shall be mailed by regular United States mail at least five days in advance of the hearing date.

§ 135-12 (Reserved)

§ 135-13 Renewal.
A. Each year, a license holder must submit a renewal application on the forms provided by the Clerk. The required fee set out in § 135-7 must be provided, or the Clerk will stay review.
B. The Clerk shall submit to City staff the current license and registration materials in the applicant's file, as well as copies of any complaints and letters received by the Clerk regarding the renewal applicant.
C. City staff shall conduct those reviews set out in §§ 135-6DE and 135-8 except City staff may use their discretion to reduce the scope and depth of investigation if circumstances of the renewal warrant.
D. The Clerk shall issue his or her decision within 30 days unless City staff are unable, in good faith, to finalize their investigation and review, but in no event shall the license renewal decision take more than 60 days.
E. License holders who do not submit their renewal applications at least 30 days before expiration of their license are at risk in the event the Clerk is unable to complete his or her review within 30 days, and, in such case, if the license expires during such review without a renewal having been yet granted, the license holder must cease growing, cultivating, harvesting, managing, processing, transferring, exchanging or distributing of marijuana or marijuana products.

§ 135-14 Retroactivity.
The City Council, due to the importance of life safety to all, and because a number of individuals are surreptitiously growing, cultivating, harvesting, managing, processing, transferring, exchanging or distributing marijuana or marijuana products within its boundaries, expressly intends that this chapter be applied retroactively to January 1, 2016. Any party who commenced growing, cultivating, harvesting, managing, processing, transferring, exchanging or distributing marijuana or marijuana products after January 1, 2016, but prior to the date of the enactment of this chapter must register for a license, but fees for its first license will be waived if the party can substantially establish that it was engaged in growing, cultivating, harvesting, managing, processing, transferring, exchanging or distributing marijuana or marijuana products prior to enactment of this chapter.

§ 135-15 Enforcement and penalties.
A. Lack of license. Any person or entity that grows, cultivates, harvests, manages, processes, transfers, exchanges or distributes marijuana or marijuana products without a valid license shall be subject to the following fines:
   (1) First violation: $2,500.
   (2) Second violation: $5,000.
   (3) Each subsequent violation: $10,000.
B. The failure to publicly display a license shall be $500 per offense.
C. The fine for selling, transferring or assigning a license in violation of § 135-5C shall be $5,000.
D. The fine for violating § 135-5D shall be $2,500 for the first offense and $5,000 for each occurrence thereafter.

E. Violation of § 135-5E (transporting or trafficking) shall result in permanent loss of license.

§ 135-16 Severability.
If any portion of this chapter is held to be invalid, the remainder of the chapter shall remain in full force and effect, it being the City Council's intention that these provisions be severable to the greatest extent allowed by law.
Section #2

Federal Tax ID # ____________________ Type and State of Organization __________________________
Profit or Non-Profit (Provide documentation) __________________________
Name and Address of Clerk or Registered Agent for Service of Process ____________________________

Insurance company Name & Address (Provide proof of insurance upon the proposed premises in the name of the license holder) ____________________________

List the names, addresses and date of birth of all principal officers, owners and managers

<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
<th>D.O.B.</th>
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Has any officer, principal or manager ever been convicted of any violation of the law, other than minor traffic violations, of any State of the United States, within the past 5 years? Yes _____ No _____ (If yes, complete the following) Note: A conviction does not automatically deny approval.

<table>
<thead>
<tr>
<th>Name</th>
<th>Date of Conviction</th>
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THE OMISSION OF FACTS OR ANY MISREPRESENTATION OF ANY OF THE INFORMATION ON THIS APPLICATION SHALL BE SUFFICIENT GROUNDS FOR THE REFUSAL OF SUCH LICENSE.

CERTIFICATE OF APPLICANT(S) AND WAIVER OF CONFIDENTIALITY

*** READ CAREFULLY BEFORE SIGNING ***
E. NEW APPLICATION FOR A SPECIAL ENTERTAINMENT PERMIT – RIVER WINDS FARM AND ESTATE – (PUBLIC HEARING)

Beth Austin d/b/a River Winds Farm and Estate, 121 Louden Road has applied for a new Special Entertainment Permit. The permit will be concurrent with the establishment’s liquor license.

The applicant has paid all applicable permit fees and the clerk has properly advertised the public hearing in accordance with the Saco City Code, Chapter 93 - Entertainment §93-2.

Councilor Archer moved, Councilor Gay seconded to open the Public Hearing. The motion passed with six (6) yeas.

There were no public comments.

Councilor Archer moved, Councilor Gay seconded to close the Public Hearing and be it Ordered that the City Council grant the new application submitted by Beth Austin d/b/a River Winds Farm and Estate for a Special Entertainment permit to be concurrent with the establishment’s liquor license”. The motion passed with six (6) yeas.
F. BUDGET AMENDMENT #9 – USE OF SURPLUS – (SECOND & FINAL READING)

On January 14th, the City Auditors presented a review of the City’s finances including a final total on the unassigned fund balance of the city. This unassigned fund balance came to 11.27% of the following year’s budget. According to Chapter 15 Article IV of the City code, the unassigned fund balance should not exceed 10% of the following years’ budget. With other uses already spoken for, $74,866 remains in surplus. This budget amendment appropriates the remaining surplus for items deemed appropriate by Chapter 15 Article IV.

Councilor Smart moved, Councilor Minthorn seconded “Be it Ordered that City Council approves the second and final reading of "Budget Amendment #9 - Use of Surplus." Further move to approve the order.

Amendment – Councilor Doyle moved, Councilor Archer seconded to move $2,000 from Minor Equipment to the Saco Main Street line item bringing that to $11,700 and reducing the $45,000 down to $43,000. The motion passed with six (6) yeas.

It was noted that this amendment is for the planters for the downtown.

Deputy Mayor Johnston called for a vote on the main motion as amended. The motion passed with six (6) yeas.

City of Saco

Budget Amendment Request Form
Revenue & Appropriation
Amendment # 9: Use of Surplus

2/14/2019
Date
Capital
Department

Summary

<table>
<thead>
<tr>
<th>New</th>
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</thead>
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<tr>
<td>New Revenues</td>
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</tr>
<tr>
<td>Balance</td>
<td>$0</td>
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</tbody>
</table>

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<tr>
<th>Type</th>
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<th>Projec</th>
<th>Account Name</th>
<th>Current Budget</th>
<th>Actual</th>
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<tbody>
<tr>
<td>Exp</td>
<td>1048</td>
<td>50031</td>
<td>00000</td>
<td>Minor Equipment</td>
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<td>$45,000.00</td>
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<tr>
<td>Exp</td>
<td>1067</td>
<td>50091</td>
<td>07114</td>
<td>IT INFRASTRUCTURE</td>
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<td>$12,884</td>
<td>$20,166.00</td>
<td>$118,560</td>
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<tr>
<td>Exp</td>
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<td>Saco Main Street</td>
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<tr>
<td>Rev</td>
<td>1035</td>
<td>30080</td>
<td>00000</td>
<td>Budgeted Use of Surplus</td>
<td>$617,487</td>
<td>$0</td>
<td>$74,866.00</td>
<td>$692,353</td>
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</tbody>
</table>

Notes: City Code has set the maximum unassigned fund balance to 10% of the following year’s budget. After all existing uses of Surplus are tallied, the net surplus came to $74,866. Recommended uses of the surplus include economic development initiatives and capital projects.

Finance Director certifies that funds are available: 2/14/2019
Glenys Salas, Finance Director

VIII. ADMINISTRATIVE UPDATE

City Administrator Kevin Sutherland’s update:

- Budget Schedule – Next 2 weeks I’m meeting with Departments and Agencies to review budgets before I submit a budget at the March 25, 2019 council meeting.

IX. COUNCIL DISCUSSION AND COMMENT

- Councilor Minthorn – I believe that we need to amend Chapter 15, Article 4 and raise that 10% number up to 12%. We are going to be bonding a school in the next 4-5 years, hopefully 2-3 years and if we have our
reserve account up to 12% we should if we are like South Portland we should be a AAA bond rating which is going to provide a much better interest rate. When you are talking about a 30-year bond obviously it will be a less burden on our residents. I think we need to have language before us that we can hopefully vote in the affirmative by this council and have it on the June ballot with the school budget to get our voters to approve going to 12% as a ceiling for the coming fiscal year beginning July 1st. City Administrator Kevin Sutherland responded that this fiscal policy is a code and not a charter requirement. So, this council can make that decision without having to take it to the voters. We can talk about it during the budget process and make the changes after the budget process so that we can focus on the budget. This code language doesn’t affect anything until after the audit report in January. So, it is less of a priority at this point in time and more of one that we can look to address over the summer.

- **Councilor Doyle** – Two upcoming community events: Saco Literacy Forum put on by Saco Main Street on March 21st and also the Cabin Fevah Relievah on Saturday, March 30th. Those events can be found at the Saco Main Street website and Facebook page.

- **Councilor Gay** – There is a Historic Preservation Committee Wednesday at 4:00 p.m. in the City Hall conference room.

- **Councilor Smart** – I drove all the way up on Route 1 from here to Portland this morning and by far Saco road were the best of all the roads that I drove on. Also, I was wondering if the City Administrator might be able to address Ms. Colman’s question about the audit and the downtown development district. If not today, maybe we could get a follow up on that. City Administrator Kevin Sutherland stated that he would follow up on that.

- **Councilor Minthorn** – The Shuttlebus Zoom Executive Team will be meeting with Peter Mills to discuss growth opportunities for the Shuttlebus on Wednesday. It is a small meeting and we are hoping to outline our plan for future growth for Shuttlebus. I’m the Vice Chair of the board of directors for that. We also voted in the affirmative to hire a new executive director and pending his acceptance of our vote we will hopefully see him on board and at a future council meeting to introduce himself by April 15th.

### X. EXECUTIVE SESSION

Councilor Minthorn moved, Councilor Copeland 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)] (C) Credit Enhancement Agreement with Perspective Business; (C) Pre-Sale Agreement for Millbrook Park Lot 7”. The motion passed with six (6) yeas. Time: 7:25 p.m.

### XI. REPORT FROM EXECUTIVE SESSION

Deputy Mayor Johnston, Councilors: Archer, Gay, Doyle, Copeland, Minthorn, Smart, and the City Administrator were all present.

Councilor Minthorn moved, Councilor Copeland seconded to come out of Executive Session. The motion passed with six (6) yeas. Time: 8:31 p.m.

(C) Credit Enhancement Agreement with Perspective Business – No report

(C) Pre-Sale Agreement for Millbrook Park Lot 7 - Councilor Minthorn moved, Councilor Doyle seconded to amend a certain Purchase and Sale Agreement dated October 1, 2018 for Lot #7 in Millbrook Business Park authorizing a 25% reduction to the original agreement purchase price set out therein. The motion passed with six (6) yeas.

### XII. ADJOURNMENT

Councilor Minthorn moved, Councilor Smart seconded to adjourn the meeting at 8:33 p.m. The motion passed with six (6) yeas.

Attest:______________________________________________

Michele L. Hughes, City Clerk