

2011 Finance Committee Meeting Minutes

(Note: this is a *partial listing from 08/16/11 – end of year*)

Table of Contents

Finance Committee Meeting Minutes for:

- [August 16th, 2011](#)
- [August 22nd, 2011](#)
- [September 7th, 2011](#)
- [September 19th, 2011](#)
- [October 3rd, 2011](#)
- [October 17th, 2011](#)
- [November 21st, 2011](#)
- [December 19th, 2011](#)

Finance Committee
August 16, 2011

Minutes

Councilors: Durgin, Blanchette, Nealley, Weston, Palmer, Gratwick
Staff: Cyr, Webb, Kochis

1. Finance Committee Resolution Approving the Details of the City's \$5,510,000* 2011 General Obligation Qualified School Construction Bonds (*Preliminary, subject to change)

Councilor Durgin chaired the meeting until the absence of Councilor Bronson.

Cyr said that Qualified School Construction Bonds are taxable City bonds, but the interest rate is subsidized by a federal program. The federal subsidy rate is established on a daily basis. With the market volatility last week, the City stayed out of the market. This morning the City went back out into the market, had a good amount of interest, and had an investor who wanted to purchase the entire the issue. The tax credit rate came up this morning at a 4.55. The City had been shopping for 4.50, and this investor agreed to take it for 4.65. The City will end up paying ten basis points, a .10 interest. The impact on the School Department from a budgetary standpoint for FY12 is \$2,182.

The Finance Committee is required the approve the details which basically is to issue \$5,610,000 of General Obligation taxable Qualified School Construction Bonds and the interest rate is 4.65% for a period of 17 years.

Councilor Gratwick joined the meeting.

Responding to Weston, Cyr said this is the total amount that will be put out. The logistics of the competitive process is to put in an application for all projects with an estimated cost. After the fact, the list of projects cannot be changed. The \$1.4M that won't be used will go back to the Department of Education to be redistributed. The bonds all have to be issued by December 31st for this allotment.

A motion was made and seconded to approve the total amount and the interest rate for this issue. Nealley commended Cyr for her due diligence.

The Committee adjourned at 5:00 pm.

FINANCE COMMITTEE
August 22, 2011
Minutes

Councilors: Bronson, Durgin, Weston, Blanchette, Nealley, Gratwick, Hawes, Longo,
Palmer
Staff: Cyr, Conlow, Morgan

1. Bids/Purchasing

- a. Hogan Road Resurfacing Improvements Project – Lane Construction -
\$411,730

Due a scheduling and timeframe issue for paving work, staff needed to bring this forward for the City's consideration so that the Council could take further action on it this evening at their regular meeting. This project is to resurface parts of Hogan Road from I-95 to the K-Mart entrance. The portion of the project from I-95 to Bangor Mall Boulevard qualifies as a BACTS program, the conduit through which the City receives state and federal funding for road work. The second portion from Bangor Mall Boulevard to the K-Mart entrance is a 100% City project. It was discussed during recent budget deliberations, and money was appropriated for the project from the Mall Area Traffic Impact TIF. Staff recommendation is to award to Lane Construction, the low bidder, in the amount of \$411,730. A motion was made and seconded to recommend approval of staff recommendation to the full Council. Responding to Durgin, Morgan said the bid disparity reflects work loads of two different companies both of which have done work for the City in the past and both have performed quality projects. Durgin questioned the per-ton cost and the other bidder's quote was virtually double on each item. Morgan said he is confident that Lane Construction will competently complete the project. From past experience on the Council, Blanchette said that when some contractors are overbooked and lacking manpower they flat double their quote. They don't want to be known as a non-bidder. Responding to Bronson, Cyr clarified that it is the total of all of the work, both City and state. The state portion is about \$250,000 and the City's share is 10% or \$25,000. The remaining amount is 100% City dollars. The vote was unanimous.

2. Finance Committee Resolution Approving Make Whole Optional Redemption Feature

When the Finance Committee approved the details of the Qualified School Construction bond issue last week, there was a provision that had been changed from the preliminary official statement to the final offer and deal with the purchaser. It typically includes that the City's tax exempt general obligation bonds have a call feature whereby they can be called at 10 years at 101% or at 11 years at 100%. In this particular market, they are looking for the investor to be made whole if the City intends to call the bonds early. People are purchasing the bonds to be held to maturity at 17 years taking

a long-term approach. Cyr said a 'make whole' provision could be added so that the City maintains some amount of flexibility but recognizes that if the City chose to exercise that right to redeem these bonds ahead of their maturity it would need to make the investor whole; i.e. all interest and principal to which they were entitled.

This is an amendment to the Resolution which clarifies that the bond issue actually has a make whole optional redemption feature and not a call feature.

A motion was made and seconded to approve staff recommendation. The vote was unanimous.

Adjourned at 5:35 pm.

**Finance Committee
September 7, 2011**

Minutes

Councilors: Bronson, Blanchette, Durgin, Nealley, Longo

Staff: Cyr, Gambrel, Hupp, Morgan

1. Consent Agenda

a. Bids Awarded by Staff – August 2011

As recently approved by the Finance Committee and the City Council, Cyr noted that bids are allowed be awarded at the staff level if under \$50,000 and if meeting certain parameters: i.e., the low bid, City experience with the vendor. In the month of August, staff awarded the Aircraft Septic System to A.A. Randall & Sons, the overhead door installation at the Airport to A.A. Randall & Sons, and the boiler stack replacement at the Airport to A.A. Randall & Sons. A motion was made and seconded to approve the consent agenda. The vote was unanimous.

2. Bids/Purchasing

a. Airfield Signage – Airport – Moulison North - \$325,900

Cyr said a bid was recently issued to replace a number of the airfield signs related to the illuminated guidance signs, the foundations upon which the signs rest as well as runway distance signage and foundations. Two responses were received, and staff recommended award to the low bidder, Moulison North, in the amount to \$325,900. Staff anticipates that this will be an AIP project which requires that bids go out first, a price received before actually submitting as an AIP project. The Council has previously authorized the application to the federal government. This item will appear on the upcoming Council agenda for final action. A motion was made and seconded to approve staff recommendation. The vote was unanimous.

b. Truck Bodies – Fleet Maintenance – Bid tab and recommendation to be provided at meeting

Cyr requested that this item be bypassed. The Fleet Maintenance Director would like additional time to review the responses.

c. GIS Mapping – Engineering – Kappa Mapping Inc - \$16,325

During the recent budget process, approximately \$40,000 was set aside to enhance the City's GIS mapping. Staff would like to develop digital assessing maps in GIS format and suggested subcontracting some of the work with others in the community so that the layers can be built. Proposals were received from two local companies who specialize in this type of work, Sewall Company and Kappa Mapping Inc. Staff recommendation is to award the contract to Kappa Mapping Inc. in the about of \$16,325, which is the lowest proposal received. Gambrel clarified that this item was also discussed at last evening's Infrastructure Committee meeting. Responding to

Longo, Cyr said that Kappa is located in Bangor. Morgan felt it was important to use a company familiar with Bangor. A motion was made and seconded to approve staff recommendation. The vote was unanimous.

- d. Utility and Control Point Survey – Engineering – Sewall Company – \$23,675

Cyr requested that this item be bypassed. Blanchette asked for a date at which this item will return to the agenda. Cyr noted that this item will be going out to the competitive bid process. It will come back to the Committee as a bid item. Bronson noted that Item b. was bypassed and needing for further information from staff.

Adjourned at 5:15 pm.

FINANCE COMMITTEE
September 19, 2011

Councilors: Bronson, Blanchette, Durgin, Nealley, Weston, Hawes, Longo, Palmer
Staff: Conlow, Cyr, Heitmann, Caruso, Dionne, Dawes, Yardley
Others: Mr. Eschnaur

1. Consent Agenda

A motion was made and seconded to approve the Consent Agenda items.

- a. Council Resolve 11-279, Appropriating \$398,372 from the Federal Aviation Administration and \$10,483 from Maine Department of Transportation for Airport Improvement Grant #54 to Replace the Airfield Signage
- b. Council Resolve 11-280, Accepting and Appropriating Grant Funds from the Maine Department of Health and Human Services – WIC Nutrition Program

2. Bids/Purchasing

- a. Plow Equipment & Truck Bodies – Fleet Maintenance – Viking Cives - \$135,970

Cyr recalled that the Committee recently approved award of bid to purchase truck chassis. The plow equipment and truck bodies requested to be purchased are to equip the two truck chassis as plow trucks. Three bids were received, and staff recommendation is to award the bid to Viking Cives of Sidney, Maine in the amount of \$135,970. The City's experience with this company is in the purchase of parts and small pieces of equipment. Dawes spoke with three individuals who have used Viking Cives for similar types of products and all references were favorable. A motion was made and seconded to approve staff recommendation. The item will be forwarded to the full Council. The vote was unanimous.

- b. Waterproofing Roof Membrane – Airport – PNM Construction Inc. - \$182,646
There are four buildings at the BIA in need of roof repair: Docks 10, 11, 12 and 13. Six bid responses were received and the recommendation of staff is to award the bid to PNM Construction Inc. in the amount of \$182,646 for all four roofs. Cyr noted that only Dock 10 will be done this fall. Staff would like to see how the roof weathers during the winter months and provisions have been left in the contract whereby if the City is not satisfied with the material that the other roofs will not be completed. This is a contractor with which the City has no experience. Dionne, Building Maintenance Supervisor, is familiar with the company due to his background experience. Dionne did follow up with references from four specific applications that are very similar in nature to this project. All references were satisfied with the material and with the contractor. A motion was made and seconded the recommendation of staff. The item will be forwarded to the full Council. The vote was unanimous.

3. Consultants Contracts for Greater Penobscot Continuum of Care (GPCOC) Renewal Grant

Cyr said this item is on the agenda as an update. The City participates in the Greater Penobscot Continuum of Care grant which is funding through the Department of Housing and Urban Development. Each year, two individuals are hired to assist with the grant writing as well as the technical application. It is not only money for the City and Bangor organizations but also for agencies throughout Penobscot County. The City receives a grant directly from the Maine Department of Health and Human Services to cover the costs of the grant writers. The City would like to enter into contracts with these two individuals, one for up to \$4,000 and one for up to \$2,000 all of which will be paid for by DHHS grant funds. Yardley noted that both providers have been used in the past and have been very satisfied with their work. A motion was made and seconded to approve staff recommendation. The vote was unanimous.

4. Request to Purchase City Land

Heitmann introduced Mike Eshnaur, who is requesting to purchase Lot 22 on Assessing Map R34 for \$3,000. Eshnaur purchased Lot 23 in 2003 and had requested the right to purchase Lot 22a, 22 owned by the City. In 2003, the City agreed to sell him 22a and 22. At that time, Eshnaur was financially able to purchase 22a, and the City gave him the option to purchase Lot 22. A purchase and sale agreement was approved by Council Order for the purchase of Lot 22a. Eshnaur would now like to purchase Lot 22. The City Assessing Department has placed an assessed value of \$4,700 for the lot. Eshnaur has offered \$3,000. Heitmann noted that it is not a buildable lot. The sale of the land would place it on the City's tax roll. Eshnaur's intention is to acquire a portion of Lot 17 from his neighbor in order to place an addition on his home. Nealley spoke of the difference between market and assessed values and the possible build-out on Lot 17. Responding to Durgin, Heitmann clarified that Lot 23 is currently owned by Eshnaur. Lot 21a is a separate City lot with a pipe running through it and would not be for sale. Weston asked if a market value has been obtained on the lot. Heitmann said it is generally not cost-effective to hire an appraiser. Weston said that if the City is in the real estate business that perhaps an appraiser on staff might be of value. Weston expressed concern about setting a precedent. Heitmann noted that this situation is a bit unique in that it is a lot that is a remnant from a City project. If it was a buildable lot, an appraisal would be beneficial. Weston asked that the City engage in practice and procedure. Longo asked if there is another use for the parcel since it is close to Husson College. Responding to Palmer's question about curb cuts, Heitmann said it would be an Engineering and Code determination. Staff could place a restriction on the deed to not allow curb cuts. Palmer was in favor of the sale but not the rate. Responding to Durgin, Heitmann said the Council has the authority to decline the offer and establish another price. Heitmann said the Council does have the authority to do so. The assessed value of the lot, when combined with the others, decreased. Staff did not have a recommendation. In response to Blanchette, Eshnaur said he has a home on Lot 23 with one curb cut and would retain the remaining curb cut with the planned expansion. When he purchased the home in 2003, he obtained City permits to

combine two driveways into one. Bronson indicated that this discussion will perhaps set up a procedure for future use. Nealley spoke of the need to have procedures in place to help current Bangor taxpayers to expand their homes and increase overall revenue. Durgin felt it was best to move forward to sell the property but questioned the actual worth of the property. Palmer felt the property is worth \$4,000. Blanchette felt that the land had not been on the tax roll for many years, it is not a property which the City will ever use, and she is comfortable with the \$3,000 price. Longo suggested the \$3,000 plus what Eshnaur would have paid in taxes had he owned the parcel since 2003. Weston said that any time the City engages in the sale of real estate that the Council is not real estate appraisers or professionals. He expressed concern about establishing protocol with this request. Bronson hopes that the applicant is successful in purchasing this parcel; he thinks the Council should think of the City Assessor as an appraiser; and, given the elevational change from Kenduskeag Avenue to Valley Avenue, asked if there is a possibility that Lot 17 might be subdivided in the future and in need of access to it. Heitmann assumed that the zone might not lend itself to be subdivided. Conlow clarified that the Council would like to sell the property to Mr. Eschnaur, place it back on the tax roll but does not have a good foundation for the value of the property. Staff will ask the City Assessor to determine a reasonable understanding of the value. Staff will develop a policy for the sale and disposition of City-owned property. If the Committee agrees to go forward, Conlow said that staff will return with a better value and reasoning for the Council's consideration. Moving beyond this request, Conlow noted that staff will develop a policy. Weston said he is not arguing the price but attempting to protect the process. Weston made a motion to recommend approval to full Council and let staff determine a justifiable means for the cost. The motion was seconded. Nealley again discussed market and assessed values. City needs to have room for discretion when dealing with sales of small, unbuildable lots and not have absolutely fixed prices. The item will move to forward to full Council.

5. Review of Government Channel Policy

Cyr noted that staff has recently reviewed the existing Government Channel Policy and some minor recommendations were made for the Committee's consideration. The one area clarified is that the City should be able to acknowledge sponsors or producers of programs done outside of the City's scope. There was a small caveat but it was within advertising or commercial sale of products or services with exception of events that take place at City facilities. To make it clearer, it has been brought out to the front as an allowed use. Cyr referenced the currently running PSA on bath salts produced by WABI-TV. Palmer suggested that the background music being used does not fit in well. Cyr noted that several Councilors had brought to staff's attention the live feeds which were being used a few weeks ago featuring national news, weather, horoscopes, etc. It was a free one-year subscription as part of the new equipment. It has now been deleted and will not be used again. Longo mentioned the various departmental videos being shown and indicated that the old City's website domain had not been updated. He asked if the text being displayed could be read aloud behind the bulletin/announcement board displays rather than using music. Weston referred to Section 6

and a time limit on logo and acknowledgements. He noted that a recently produced BCVB promotional video could not be used on the City's government channel due to the fact it promoted local businesses. He noted that some restrictions may hinder. Durgin spoke about the differentiation between public access and government channel. Cyr said there are individuals within the community who wish to run the public access channel but she can't find out the legal restriction, and the status of the Penobscot Downeast Cable Consortium. When the cable franchise agreement was put in place, communities were assigned three channels. The City has channel 7 for the City government, channel 5 is for the School Department, and channel 2 for public access. During the negotiation process, the involved communities created the Penobscot Downeast Cable Consortium. Each community paid dues which funded the production and airing of public access programming. After several years, staff found very limited uses of public access television. The City was charged \$33,000/annually for dues and it was eliminated from the City budget. Thus, public access has been left in limbo. Staff does plan to return to the Finance Committee with further information about public access within the next month. Palmer noted that the City's broadcast schedule should include rebroadcasts of programs during the nighttime hours rather than just text. Longo felt that other departments should produce videos for the government channel. A motion was made to approve staff recommendation. Cyr added that there are five videos running for City departments including Parks and Recreation, Business and Economic Development (waterfront and downtown), two from Health and Community Services. All of these were produced by a NESCOM student. The website/government channel coordinator met with NESCOM last week to pursue other opportunities to enhance and increase the number of videos. Hawes noted that the Golf Course could be promoted and other Enterprise Funds. She asked if the government channel could be broadcast on a large screen in the Airport's terminal. Cyr said it should be easy to accomplish. Bronson spoke about concerns with Sections 6.3, 6.4 and 8.6. Responding to Bronson, Cyr noted that the City Manager is designated as the 'responsible official.' Weston seconded the motion and asked about airing the City's position on regional dispatch and referenced a citizen's request at a recent workshop concerning regional dispatch. Responding, Cyr said that the Council can take a position on any number of issues and typically do so through the form of a Council Resolve. Conlow said that provided that in the discussion it is simply educational and not in the form of advocacy. Heitmann said it is allowable, but the City Council cannot use its position to influence elections. Any discussion should include the verbiage "the City has taken a position and here is why." Hawes understood that the citizen had requested the City Manager's notes be made public to educate the citizenry. A Resolve would not be needed to post that information. Heitmann said the referred to memo was a factual memo. Heitmann suggested that rebroadcasts of meetings which have a higher level of interest could be done so in higher rotation. Cyr said that staff just needs to know what is of interest and what the Councilors would like to see rebroadcast more frequently. Starting with this meeting, the meetings are being live streamed on the web. It is a free service for one year. The service also allows all meetings to be archived on-line. It is currently on a test site but will be made available on the City's website via a link. Responding to

Longo, Cyr said the free service will be \$3,500 next year. Cyr pointed out that she would like the opportunity to make some other changes to the policy based upon what has been presented this evening. She agreed with Durgin to remove Section 8.2. Durgin said his motion was to adopt the proposal as presented by staff; however, but he restated the motion to approve staff recommendations as may be presented to the full Council with the endorsement of the Finance Committee. Weston seconded Durgin's restated motion. Nealley asked that Cyr and Heitmann specifically look at what is termed educational on channel 5. The vote was unanimous.

6. Update on Cable Franchise Agreement

Heitmann noted that the 15-year cable franchise agreement was put in place in 1997 and expires in October of 2012. Other communities have asked if Bangor is interested in participating as a consortium again as in 1997. EMDC is hosting a meeting for this and staff asked for the Council's approval to meet with the Consortium to discuss any terms and conditions that would apply to Bangor participating. It worked out well in 1997 and is cost effective with 10-12 municipalities dividing the legal bill associated with negotiations. Weston suggested that two items be considered in negotiations: on-line streaming and a local directory through Time Warner. Responding to Longo, Heitmann said a determination has to be made first as to whether Bangor will negotiate with Time Warner on its own or as part of a consortium. Once the Council decides on the negotiation process, staff will put together a list of Bangor's unique issues for negotiation. A motion was made and seconded to approve staff's recommendation. Bronson would like some of Bangor's local programming to be broadcast in other communities and wondered if other Councilors would support the idea. Palmer said with live streaming anyone could look at any product across the air waves. The vote was unanimous.

7. Review of Purchasing Policy

At both the staff and committee level, Cyr indicated there have been discussions relating to a review of the City's current Purchasing/Procurement Policy, and staff has made an attempt to start some amendments. Cyr noted that many proposed changes are minor in nature but are more reflective of the current practice and Charter language. The original policy was adopted in 1994. Specific areas of concern are related to low bid, local vendors and, more recently, the appeals process. Staff has removed language that states that 'contracts will be awarded to the lowest responsible bidder and responsive bidder.' The proposed language refers to 'awarding contracts to the bidder whose bid meets the requirements and criteria set forth in the request for bid.' Established criteria are included in each bid. The only place that 'local vendor' was referenced in the Policy was in the case of a tie bid, and preferential treatment would go to the local bidder. The current policy assigns the responsibility to the City Manager to hear bid protests. Cyr felt the bid protest process should be turned over to the Board of Appeals. Most of the Board of Appeals work is specific to hearing appeals from any order, requirement, decision, determination or interpretation of the Code Enforcement Officer or other entity as specified by Ordinance. Responding to Nealley,

Cyr said the Table of Contents will be updated once the Policy is finalized. Cyr will have a staff member review each bid issued in the last fiscal year to determine where the majority of bids are falling within the specified limits, and will bring it back to the next Finance Committee. Weston said the policy review is taking place because a policy was violated even though the City felt it was in the right. Conlow said she supported the proposed revisions which will allow more flexibility while maintaining the integrity of the process. Bronson didn't see the Board of Appeals as an appropriate appeals body. Conlow spoke of three alternatives: staying with the same process, which is not her preference; the Finance Committee could make the decision to take it back to full Council; and the third is to the Board of Appeals. Responding to Blanchette, Conlow said the problem is that when the Council awards bids there is a process set forth for bid protest and that process takes it to the City Manager to determine whether the decision was correct. It can be awkward for the Manager, who is a Council appointee. Blanchette asked what would need to be done to skip the protest process and move to the court. Heitmann said the policy would need to be revised and perhaps as part of the City Ordinance. This is the first time Heitmann and Cyr recall someone protesting a bid through the formal process. Blanchette asked the Committee to consider having the policy reflect that the bidder has the right to bring it back before the deciding body to hear it again. In this case, the protest process came about because the decision was not consistent with the policy. Heitmann said a motion to reconsider would give the vendor the opportunity to realize an opportunity to speak to the Committee. Some vendors do not attend the meeting at which bids are discussed. Palmer said it is important to have an appeal process and felt it could go to the full Council after the Finance Committee has made a decision, then to the Board of Appeals and then to the courts. Nealley noted that some things are exempt from policy, and he favored the court system. Bronson noted that this item began in a discussion of whether the City could provide some sort of minimal preference to local bidders. Cyr noted that she will return with the requested info from Councilor Nealley and will also return with two or three options for the bid protest portion of the policy. Staff will also follow up with Maine municipalities about their protest process. The Committee agreed with Cyr's suggestion. A motion was made and seconded.

Adjourned at 6:55 pm

FINANCE COMMITTEE
October 3, 2011
Minutes

Councilors: Bronson, Blanchette, Durgin, Longo, Hawes, Nealley, Weston
Staff: Cyr, Conlow, Heitmann, Yardley, Hupp

1. Consent Agenda

A motion was made and seconded to approve the Consent Agenda. In response to Bronson, Cyr said the skid steer tractor bid awarded by staff is for the Public Works. Bronson asked if this tractor is to be utilized by Public Works generally or is this to replace the one that has been in the Recycling Facility. She indicated she would verify her response and respond to the Committee by email.

- a. Bids Awarded by Staff - September 2011
- b. Resolve 11-293, Appropriating \$26,148 of Edward Byrne Memorial Grant Funds
- c. Resolve 11-294, Appropriating \$78,240 of Housing & Urban Development Grant Funds for the Shelter Plus Care program
- d. Resolve 11-295, Appropriating \$346,296 of Housing & Urban Development Grants Funds for the Shelter Plus Care Program

2. Bids/Purchasing

a. Sole Source Purchase – Surface Sensor System – Vaisala - \$23,597
Cyr said the surface sensor system is used at the Airport. It actually goes over the runway surfaces and from that certain determinations are made as to runway conditions and what, if any, applications need to be made during the winter months. The system was purchased in the 1980's. In 2002, a major rehabilitation took place and the system has not required maintenance since then. In preparing for winter operations, there are some issues. Some of the sensors and electrical boards are in need of replacement as well as recalibration of the system itself. This is a proprietary piece of equipment. Vaisala, although not the original manufacturer, purchased SSI, the original provider. Staff obtained a quote from Vaisala of \$23,596.94. Hupp highly recommended the proposed improvements and repairs to the current system to provide accurate reading for the runway conditions this coming winter. She noted that Vaisala is the sole provider. A motion was made and seconded to approve staff recommendation.

b. Cutting Edge Contract

Cyr said the City issues a supply contract for cutting edges which are the used on the City's and Airport's plows. It was put out to bid in January of 2009, and the City awarded a contract at that time. The City has recently been contacted by two other vendors, one of whom has claimed to have 'bought' the contract awarded to another company, and the other of whom claimed that the contracted supplier had ceased operations. There was a significant amount of conflicting information and staff issued a

Notice of Termination to the current supplier. The City Solicitor and Cyr met with the attorney representing the current contracted supplier and the attorney noted unresolved issues amongst the three parties. The attorney did note, however, that the current contracted supplier is still in business. With the pending issues among parties and the impending winter weather, the City cannot risk not having a supply of cutting edges. Cyr is in hopes that the three parties will resolve their issues in a timely manner and that one or all of the vendors, all of which are located in Bangor, could be a potential vendor for future contracts. Until all issues are resolved, staff recommends that the City should not conduct business with any of the three firms. At a staff level, Cyr would like to contact the second lowest bidder from the last competitive bid process to determine if the City's needs can be met. Staff asked for the Committee to approve returning to that bidder, obtain interim pricing, make certain it is reasonable and in line with the bids submitted back then as well as the prices currently being paid, and execute a contract through August 31, 2012. At that time, there will be a competitive bid process for a three-year contract. The estimated annual cost is between \$10,000-\$15,000. Responding to Nealley, Cyr said the current contracted supplier is aware of the City's determination. A motion was made and seconded to approve staff's recommendation. Responding to Weston, Heitmann said there is currently litigation between the contracted supplier and another newly formed company. The newly formed company includes some of the supplier's former employees. In addition, there is another vendor indicating he has purchased the City's contract. Heitmann said that the City's contract could not be purchased without the City's consent. The contracted supplier's attorney has indicated that while there was a sale of some assets it may not include this contract. In response to Bronson, upon hearing of the sale Heitmann said the City requested documentation but none was received. The City is not a party to the litigation. Responding to Durgin, Heitmann said the City has a right to terminate a contract which requires a 30-day notice. In response to Bronson, Cyr said the second bidder is R.F. Jordon of Hermon.

c. Review of Purchasing Policy

This discussion was a continuation from the previous Finance Committee meeting at which the entire Procurement/Purchasing Policy was reviewed. At the end of that discussion, staff was asked to return with additional information on two specific issues. The first was the bid protest provision of the policy. Initially, staff had recommended that all bid protests be heard by the Board of Appeals. There was some discomfort at the Committee level, and staff returned with three options for tonight's review: 1) the Board of Appeals; 2) the Council as a whole; 3) a two-step process whereby the protest is initially heard by the Council and, if not resolved, then to the Board of Appeals.

Nealley supported option 3. Responding to Hawes, Cyr said that she has seen one protest process in 19 years. Durgin preferred option 1. Longo preferred going to the Board of Appeals first and then to the Council. Blanchette favored going to the Council as a whole.

Durgin asked Heitmann if the Board of Appeals statutorily has authority to overrule the Council on technicalities on a bid process or if the Council has the final word. Heitmann said the Board of Appeals stands where the Council decides by City Ordinance. The Board of Appeals considers appeals from Code Enforcement, for example, as provided by Ordinance. The Board hears an appeal from a Council decision regarding special amusement permits, as provided by Ordinance. This applies to hardship abatements as well. Heitmann said it would be unusual for appeals to go to the Board of Appeals and then back to the Council. Weston mentioned that if a Committee makes a decision that is met with protest it does come back to the Council. Weston favored bringing protests back to the Council as it follows precedent. Bronson asked how many levels of appeal need to be provided by the City. Heitmann recommended only one but indicated that the City is not required to provide one as the process could go to the court level.

Responding to Durgin, Cyr agreed that there are two issues – has the City solicited appropriately or awarded appropriately. The individual responsible for looking at the award probably should not work for the group who made the award. Cyr said that is why staff recommended going to a higher level, the Council or the Board of Appeals. Heitmann said the solicitation, the bids, RFP, and RFQ are prepared and sent out and controlled by staff. Certainly if someone has concerns with staff, it would be in the Council's interest to review staff's actions as opposed to another Board.

If the Committee wants to refer protests back to the Council as a whole, Blanchette said she didn't see language that would stop it at that point. Referring to option 3, she suggested that 1 and A are fine, B should be removed, 2 would remain and somewhere there needs to be language indicating that if the individual does not agree with the Council decision as a whole that their next step would be the courts. She would like the Board of Appeals removed from this process. Cyr said that option 2 is close to what Blanchette suggested but by adding a sentence that the decision of the Council is final.

Hawes agreed stating that the Council is the policy making body. If a decision is not correct, then the Council is the body that needs to correct it. Weston agreed that proper solicitation is a staff task and review at the Council level is appropriate. There are tangibles and scenarios that are taken into consideration when awarding a bid and it is the Council's responsibility to document those discussion points during the decision making process. As new individuals join the Council, Weston felt it important to periodically review the procedures.

Nealley said he still favored option 3, a layered process. Nealley made a motion to adopt option 3. The motion was not seconded. Nealley asked for the rationale behind option 3. Cyr said option 3 was presented with the layers as a result of discussion at the last Committee meeting. The comments made at that meeting referred to having the appeals heard by the Council or having a two step process. Staff tried to lay out all of the potential options.

Durgin said the process currently has the bids coming to the Finance Committee for approval and referral to the City Council for final action. At that point, the City has the authority to implement the process and award the bid. If there is an appeal, Durgin said it has to be settled before the actual culmination of the process. He said that he still did not understand the relationship of the Board of Appeals to the Council in terms of any action taken by the Council and found it difficult to place the Board of Appeals in a position of acting after the Council makes a final decision. Heitmann made it clear that the Council does not review all bids, only those of a certain dollar amount. In that case, if the vendor is not satisfied with the Finance Committee, currently the vendor appeals to the City Manager. When the Board of Appeals is involved, they are the last in the chain and the next level would be the court. If there is an interest in adding an extra layer, it would be Finance Committee to Council to Board of Appeals. The Board's involvement with the Council is limited to whatever statutory provisions are in place for the Board to review municipal action. Durgin asked if the Board, under current statute, has the authority to overrule the action of the Council. Heitmann said only on the things given to the Board; i.e. hardship abatements and special amusement permits.

Blanchette made a motion to go with option 2 whereby all protests would go from the Finance Committee to the Council as a whole. She did not see a need for the third tier. The motion was seconded. Longo asked for clarification on the motion. Bronson indicated it was for option 2. Blanchette said that five members of the Finance Committee would hear a bid, vote it either up or down and, if the bidder then objects, the Council Chair would convene a Special Workshop of nine elected officials to hear the protest. After that, the decision would go to the Council for ratification. If the bidder objects at that level, the next level is the court system. Weston asked if the intention of the motion also was intended for appeals coming after the initial Council approval of said decision. Blanchette said if someone wants an item to be reconsidered they are always granted a full audience with the Council as a whole.

Responding to Bronson, Cyr said she understood Blanchette's description of option 2. Bronson noted that the appeal could come after the awarding of a bid. Some would be awarded based on staff, based on the amount of spending, based on Finance Committee action, and some would have been based on whole Council action. Nealley wondered about amending the motion to include those things which actually would regularly go to full Council anyway; i.e., bids in the amount of over \$100,000. He noted that the Council would approve the Finance Committee's decision without another process. He felt it defies the layered process. Bronson said there is nothing to appeal until a contract has been awarded to an entity. There are three steps, depending upon the size of the contract, and the full Council could authorize the contract and they become the appeals body. The Council may, however, be hearing different information than perceived the first time and the full Council could approve a contract without actual Council discussions. It changes the dynamic a bit. Cyr pointed out that when someone comes forward with a protest they come forward with a reason. There would

be new items to look at when something comes forward as a protest. Blanchette noted that the Council in the past has overturned its original vote because of new information.

The motion and the second received unanimous approval from the Committee.

Cyr then moved to discussion of the current bid limits and whether it should be revisited. Currently, purchases of \$10,000 or more are required to be competitively solicited through the formalized bid process. The policy itself gives authority to the Purchasing Agent to establish operational procedures for purchases under \$10,000. Cyr said that 90 bids were issued for FY10 and FY11. The information provided was broken down into \$5,000 increments in case the Committee wanted to consider a change in the \$10,000 bid threshold. Nealley pointed out that roughly one-third of the bids are \$25,000 or less. Cyr noted three written vendor quotes are requested when spending up to \$10,000. With smaller amounts, Cyr requires staff to obtain telephone quotes. Nealley suggested that up to some level perhaps more discretion should be allowed for the Finance Director versus a formal bid. Blanchette recalled the time when day to day bid purchases were highly scrutinized. She said that the bid process has greatly improved over the years. It is transparent. She asked the Chair if the City Manager would like to comment on the dollar amount.

Conlow said the question is not so much the process but the dollar amount as to when staff starts to bring bids through Council. It is the preference of the Council. The Finance Director has a good process in place and the City is audited each year. Conlow said she is comfortable if the amount is raised above \$10,000. Longo asked if there is a way to include a formula in the language so that inflation is adjusted automatically. Conlow said she felt a fixed dollar amount is better. Cyr agreed with the City Manager as did Bronson. Nealley said it was his intent to raise the amount. Weston spoke of his interest to protect small businesses in the area and \$10,000 or \$20,000 is a good size transaction for many small businesses. Without a formal bid process, he noted there is still a structured bid process. There is an opportunity for review of a dispute. Weston said he supports it knowing that the City is continuing to support small business going forward with a structured process. Durgin asked if the purchase order process with three quotes has the same weight as the bid process in terms of holding to the price. Cyr responded that she assumed so because it is a written document. She clarified that it is not going to be a formal bid process, 10-20 vendors will not be contacted, it will not be listed on the City's website, but staff will call the 3-4 businesses that provide the item or service on a regular basis and ask for a written quote.

Weston then withdrew his support. With technology and transparency today, he noted that making it public by posting it on the web is a simple and efficient task. He doesn't believe that 10-20 vendors need to be called but there are methods by which it can be made known that certain services are being sought. He felt that opportunities would be declined without an open process. There needs to be a public communication.

Nealley noted that a lot of small businesses are reluctant to go through a formal structured documentation bid process but, if contacted, can be competitive. They may not have staff on hand for municipal bids or searching on line for public bids. Weston expressed surprise at fellow Councilors lack of trust and faith in the small business person. To say that someone is not going to be searching for business is a general statement with which he does not agree. Weston noted that he would not support the motion unless it includes a public transparency solution. Durgin supported Weston's comments about public transparency. Longo agreed; however, said there should be something for over \$10,000 on the City's website when time sensitivity is not a priority. He also thinks that items under \$10,000 without a time sensitive deadline should be made available on the website.

Bronson asked Cyr if she has received sufficient direction from the Committee for a consensus to be able to bring the entire policy back for approval. Cyr said she did and explained that she understands the public transparency, opportunities noting that public notices are posted on the web and in the Bangor Daily News and EMDC views the City's website each Friday because they accumulate businesses within their area so that they can send out those opportunities to others. She spoke about the difference between a statement on a vendor letterhead or a formal bid. Depending on the item, there isn't much difference. Cyr recommended that the bid level remain as is at \$10,000. Staff throughout the City currently understands the limit. She thinks that requiring that smaller amounts need to be posted on the website creates a hardship and a significant amount of time. A bid takes between 10 and 12 hours staff time. A Request for Qualifications is much longer. For transparency and the sake of the organization, the best thing to do would be leave it as it is.

Bronson asked the Committee members if they felt a consensus was being reached to move in one direction. Weston spoke of the 7 hour timeframe spent for a bid process. If the limit is raised to \$20,000 or \$25,000 and only a public communication threshold for between \$10,000 and \$25,000 is in place it would save significant time. Responding to Weston, Cyr said that the most of the 7-10 hours is spent in her office and it would be pushed out into other areas for spec development, an independent review, etc. Weston asked if it would need to leave Cyr's office. Cyr said it would not and she could work with it.

Bronson clarified that Cyr is at a point where she is prepared to return with policy language that takes the essence of what has been presented this evening from the Committee. Cyr agreed.

Adjourned at 6:25 pm.

Finance Committee
October 17, 2011
Minutes

Council Members: Hawes, Blanchette, Longo, Durgin, Bronson, Weston, Nealley
Staff: Cyr, Conlow
Other: Eric Baxter

1. Consent Agenda

- Resolve 11-303, Appropriating a \$60,000 Non-point Source Pollution Grant for Capehart Brook Restoration Phase 1

Councilor Rick Bronson stated that this Resolve has been moved and seconded. Councilor Nealley noted that for further explanation this was passed through funds from the Maine Department of Environment Protection. With no further questions, Councilor Bronson considered this a vote.

2. Overview of Public Access Channel

Cyr stated that there have been folks in the community expressing an interest in operating The Public Access Channel. Cyr went on to say that the last time the City entered into negotiation with the cable provider part of the franchise agreement established P.E.G. channels (P-Public, E-Education, G-government) The City's Government channel is currently working well. The E channel is strictly for educational reasons, which leaves the Public Access Channel. The City remained in what was then called the Penobscot County's Cable Consortium. All of the twelve communities committed 1% of their franchise fees. The consortium hired a third party provider to facilitate public access. In 2004, the City withdrew from the consortium which ended programming on the Public Access Channel. At that time, the consortium budget was about \$131,000 per year. The City contracted with J. Mac to manage and operate public access as well as provide training to all of the member communities on their government and educational information. The cost of that contract was approximately \$90,000 per year. The remaining budget funded reserves and administrative costs. Prior to withdrawing from the contract, the City looked at Public Access Channel usage. In the last year of the consortium, the City's fees would have been \$48,000 and it was determined that there was not enough usage to justify the cost.

Cyr went on to describe the requirements of public access channels.

At the time that the City withdrew from the consortium, approximately 27 users annually put forth programming; 20 were groups from Bangor. In total, 72 users were publishing bulletin board information. 53 of those were from Bangor. Most of those groups were local, non-profit organizations. With the advances in technology, there are a number of alternatives for community announcement.

During the past two months, 2 individuals have approached the City about their interest in involvement with Public Access. They propose to offset some costs through commercial programming. One concern is that Bangor does not dedicate any part of their franchise fees to fund the public access channel. These individuals feel that by the City not using its public access channel it's suitable to be taken away during the next franchise agreement.

Cyr continued to explain that individuals or groups have the ability to contract for leased access for commercial programming purposes. Under a lease access arrangement, producers would be required to enter into an agreement with a cable operator and pay the associated fees for leasing the channel. It is staff's recommendation, at this point, that the City not entertain proposals to operate public access channels.

Longo doesn't feel it's a good use of taxpayer's dollars. He is encouraged by citizen involvement and, if fundraising could cover costs, it may be useful. Another avenue to entertain is the New England School of Communication.

Durgin stated that the current Government channel along with the school channel provides the opportunity to express information to the public regarding their community and it seems sufficient. Durgin proposed that we do not move forward on this at this time.

Weston clarified with Cyr that this involves only channel 2 which has been dark for several years. Weston said that though he believes there may be opportunities with partnering with schools in the local area, he chooses to wait for additional information including costs before he makes a decision.

Nealley would like to hold off any decision until more facts are gathered as far as cost and negotiations are concerned. Nealley also commented that a local

channel focusing on Bangor and all it has to offer could be a positive asset to visitors. Nealley feels that it is worth looking into as it could be an extension to community and economic development.

Blanchette commented that the City of Bangor is well served with it's current education and government channels, as well as the new web site. Blanchette is concerned about a public channel open for anybody to air inappropriate material. In her opinion a public channel would not be an asset to the City of Bangor. Blanchette made it clear that Council should stop the process on the public access channel.

Bronson said that he is "content-nervous" as well as concerned about the budget and funding of a public channel. If the public wants to be on television, then they should bear the costs. If this moves forward, Bronson suggested that we place a message to the effect that the City of Bangor is not responsible for content.

Cyr clarified that there are other ways to accomplish public access without spending \$48,000 or more. Conlow spoke of the positive aspects of utilizing a public channel. It is a community access program. Conlow agrees that it is not a high priority for funding now, but she expressed that there are upsides to public access and wants everybody to look at the total picture and give it some consideration. Cyr made a recommendation that the City not accept proposals, nor solicit proposals to operate public access at this time. Nealley moved staff recommendation, Durgin Seconded. Bronson declared it a vote.

3. Amendment to Fund Balance Policy

Cyr explained that in 2001, the City changed from its Defined Benefit Plan (through Maine State Retirement) and went to a Defined Contribution Plan. The City found that the Defined Benefit Plan was underfunded and it was responsible for \$33 million dollars, which the City paid. With the Contribution Plan, employees are vested upon completion of one year of service. Employees who separate prior to vesting forfeit the City's contribution. Those forfeited contributions are held by the plan sponsor and can only be used to pay current employer contributions. The City currently has forfeited dollars with ICMA. Cyr suggested that the City amend the Benefit Reserve portion of the Fund Balance Policy to allow the Finance Director, in consultation with the City Manager, to

place the value of the forfeited 401A contributions that the City uses to pay current year retirement contributions into the Benefit Reserve. At this point, we are taking approximately \$90,000 per year from that benefit reserve because Maine State Retirement rates continue to escalate. This will provide an additional means of funding the Benefit Reserve for future years and those funds cannot be used for any other purpose.

Weston stated that this will give the City Manager and Finance Director the authority to do what needs to be done with the reserve. Durgin further clarified that Cyr's recommendation would mean that the language is amended for the Fund Balance Policy by the Council so that transactions can be implemented without reference back to the Council. Cyr confirmed that statement is correct. It will allow the City of Bangor to use the money that is at ICMA to pay current year contributions resulting in a current year savings because the City has already budgeted to pay the full amount of the contribution. Those savings can be placed in a benefit reserve fund to offset future year increases through the budget process.

Nealley moved to staff recommendation, Durgin seconded, Bronson called it a vote.

Adjourned at: 5:56pm

FINANCE COMMITTEE
November 21, 2011
Minutes

Councilors: Durgin, Blanchette, Longo, Baldacci, Sprague, Weston, Gratwick
Staff: Cyr, Conlow, Moore, Morgan

1. Bids/Purchasing

- a. Request to Execute One-Year Maintenance Contract – WWTP – ADS
Environmental Service - \$96,150

By way of background, Cyr said that in July 2010 the City purchased five permanent flow meters for the combined sewer outflow points. The purchase was a requirement of the EPA Consent Decree. The flow meters measure the discharge into Kenduskeag Stream and Penobscot River during heavy rain fall or snow melt. Earlier this year in June 2011 the City purchased ten portable flow meters. The meters will be moved around the sewer system as needed to obtain accurate modeling information. As part of the second purchase, there was a three-month maintenance agreement. The Sewer Maintenance department has had several employee retirements. Because it took several months to find replacement employees, staff has not been able to get up to speed for continued maintenance. Wastewater Treatment Plant Director Moore requested that a one-year maintenance agreement be executed for all 15 flow monitors at a cost of \$96,150. Savings have been identified which have been realized year to date in the Treatment Plant due to vacancies. The one-year maintenance contract will allow the new Sewer Maintenance Supervisor time to get up to speed. This item will also be discussed during the FY13 budget deliberations. Staff recommends execution of a one-year maintenance contract with ADS Environmental Service in the amount of \$96,150. Responding to Baldacci, Moore expects that some level of support would be requested in the upcoming budget deliberations but far less than the current request. Gratwick noted that the cost of a one-year contract equates to a full time position. Moore said the contract would be for fifteen meters, of which and five are installed in combined sewer overflow points which only activate during extreme wet weather. The other ten are in the system and do continuously record flow. The meters are tied in by cell phone and can be read remotely by ADS Environmental which is what staff needs to learn to do. Staff is assisting ADS in the initial reconnaissance if there is a problem. The maintenance contract also includes sending two individuals to Bangor quarterly to go through all of the equipment. Moore said the analyzing of the data is complicated in that it is in very challenging operating conditions. Gratwick said he would support staff's recommendation but still questioned the cost of the contract. Weston asked Cyr if the fiscal note on the \$96,150 is zero in terms of excess of the budget that under which WWTP is currently operating. Cyr confirmed his statement. A motion was made and seconded to approve staff's recommendation. The vote was unanimous.

2. Discussion of Monthly Financial Review

Durgin noted that he recently met with the Finance Director who has prepared a standard format for a monthly financial review. Cyr distributed copies to the Committee. The Finance Committee felt it needed more up to date information on the City's status of revenue and expenditures. Cyr noted that she had put the format together in consultation with the City Manager. On the general fund side, Cyr had broken out the major revenue types; i.e. excise taxes, other taxes, licenses and permits, use of money and property which is rental and investment income. She also broke out the bigger pieces of each subsection; i.e. revenue sharing, general assistance, state reimbursements.

On the expenditure side, Cyr broke it out by department with annual budgeted amounts and each month will have a year-to-date column. Governmental accounting is different and the main difference is in property taxes. Property taxes show up as revenue the day the City commits. At the bottom of the document, she added a tax collection rate to see percentage wise how much of the tax levy has been collected throughout the year.

She provided a summary format for the Enterprise Funds to look at their operating revenues vs. expenditures on a budgetary basis and a year-to-date basis as well.

Cyr initially chose 5%. If the year-to-date revenue or expense is within 5% of that 25%, she would consider it normal. If there is more than a 5% variance, she will prepare explanations. Cyr and the Finance Chair talked of doing this once a month. It will take Cyr a month or so to get caught up. She will do the first quarter the first time and then at the next meeting get caught up through the end of November and then back onto a regular schedule.

Durgin and Cyr had discussed the City's software and computer programming currently being used. There is a RFP under consideration which will be issued within the month. The IT systems are perfectly adequate and meet requirements but are not state of the art. The City is working with a financial computer system that has software that goes back to 1995. Durgin has asked Cyr to provide a monthly report in a summary data form such as was presented at this meeting. With the new software, it will be more streamlined.

Weston expressed appreciation for the report. He asked about cash vs. accrual reporting and asked if it applied to all expenditures and all revenues. Cyr said that governments use the modified accrual basis of accounting which is a combination of cash and full blown accrual. Because of the ebb and flow, Cyr said that the City is basically operating on a cash basis in many ways. Expenditures tend to be on a cash basis. The revenue side has the property taxes, which is the odd one. There is no such thing as accrual for excise tax. Ambulance billings tend to be full accrual. General

assistance in July typically shows no revenue as it doesn't get into the system until August. Responding to Weston about the budget number, Cyr said the number shown on the standard format sheet would be the year-to-date revenue or expense expressed as a percentage of the annual budget. Weston said the two largest components under the expenditure side are police and fire, aside from general assistance. He recalled many conversations about payroll and overtime discussions during budget deliberations. He asked for a breakdown, rather than one number for police, for payroll and overtime. Durgin commented that the standard format information would be presented but break-out details will be available when looking at specific areas. If the Committee wishes, the report can be tailored. Because of the level of software currently used, Durgin said that this reporting becomes a very manual job. Weston talked of accounts receivable on the ambulance services. He would like to see what has been received. Durgin noted the varying payment sources associated with ambulance billing causing delayed payments.

Gratwick also expressed appreciation for the report but expressed concern about staff's involved time. The Council needs to make sure that the City has an updated computer system. Cyr said that more than an adequate amount of money has been set aside for the software replacement. The updated software will create efficiencies. Cyr and Conlow are hoping that the update can be done with one software package but Cyr feels that it will be two that will be integrated. It will require training and time from everyone in the organization. Conlow said that as the software programs are evaluated the ultimate idea is to make it easier for the City's customers and citizens. The focus is how can Bangor better serve and create better efficiencies.

Durgin said that both the Manager and Finance Director are eager to move ahead with this change. Sprague asked if this report will be readily available to the public. Cyr said it will also be a part of the weekly packet as part of the Finance Committee agenda. She could certainly post it on the Finance Department's website page once approved by the Committee. Three year's worth of financial statements is on the City's website as well as official statements, rating agency information and budget. Durgin said this is not just a financial system but a City-wide upgrade of its IT capability and the idea of transparency is part of it. It will provide Councilors and Department Directors with a better product. Sprague commended staff for the excellent report. The Committee also received in its agenda packet an overview of the Finance Committee and its functions. Durgin urged members to review it. Weston felt that the new system would most likely not be in place for at least another year of 18 months. Cyr agreed. Responding to Weston, Cyr said the new report would be ready for the next Finance Committee meeting. Durgin plans to have the report for the first Finance Committee meeting of each month. The first one will be a quarterly summary for the first fiscal quarterly from the end of September.

3. Executive Session – 36 MRSA Section 841 (2) – Hardship Abatement (A) and (B)

A motion was made and seconded to move into Executive Session.

4. Open Session – Hardship Abatement Decision

A motion was made and seconded to approve staff recommendation for Hardship Abatement (A).

A motion was made and seconded to approve staff recommendation for Hardship Abatement (B).

Adjourned at 5:53 pm.

FINANCE COMMITTEE
December 19, 2011
Minutes

Councilors: Durgin, Blanchette, Hawes, Gallant, Sprague, Gratwick
Staff: Cyr, Birch, Dawes, Conlow, McNeil

1. Bids/Purchasing

- a. Backhoe Loader – Fleet Maintenance – Nortrax - \$87,000 (net of buyback \$57,800)

Cyr explained the life cycle costing process which has a buyback provision. The vendor is required to guarantee a price at which they will buy the equipment back at the end of five years. Staff recommended awarding the bid to Nortrax. The cost of the equipment is \$97,400. Nortrax has guaranteed to buy back the equipment for \$39,600 at the end of five years resulting in the net life cycle cost of this equipment \$57,800. The City also will be turning in a piece of equipment and receive a \$57,800 buyback for that piece of equipment. Out of pocket costs this year will be \$39,600 for a brand new 2012 John Deere backhoe loader. This bid was issued to six vendors and only two responses were submitted. A motion was made and seconded to approve staff recommendation. The vote was unanimous.

- b. Extension of Water Quality, Hydrologic, Monitoring & Data Management Services Contract for Bangor Impaired Streams – Engineering – Sewall Company - \$12,917

In the spring of 2009, the City issued a request for proposals to begin collecting stream flow and water quality data from the City's impaired streams. That contract expired in August of 2011. Staff would like to extend the current contract with James W. Sewall through June 30, 2012 which will allow staff to put a bid proposal together for a longer term service contract in an amount not to exceed \$12,917. Conlow said that the City is being proactive in this area. A motion was made and seconded to approve staff recommendation. The vote was unanimous.

2. Order, Ratifying the Execution of a Sublease Agreement Between the City of Bangor/Community Connector and Downeast Transportation, Inc., for the Lease of Two Transit Buses

McNeil talked of recently discovered major structural problems with several of the buses, specifically frames. After a State Inspection, three buses were removed from service and permanently deadlined due to the cost of repair. Hence, some of the spare buses were put in as front line buses which reduced the spare fleet at the worst possible time (the winter months). The Island Explorer, which is a division of Downeast Transportation, goes out of service for the winter months. McNeil spoke to the Downeast Transportation's general manager about leasing two buses for back

up spares. The buses are medium in size, heavy duty 10 year buses and similar to the ones pulled out of service. The lease rate is \$600 per vehicle and will come equipped with snow tires. The mileage rate will be 24 cents/mile. The buses will be housed at the Community Connector for three months until the end of March. McNeil asked for Committee permission for the City Manager to sign the lease agreement. Responding to Sprague, McNeil said his intention is to store the buses and not have to use them. McNeil has received notification from the State verifying serial numbers of the new vehicles but he does not have a date for their arrival. The waiting period ends the 15th of January. Hawes asked if the City has a statement of condition of the two buses from the Island Explorer. Dawes said that the two units were used all summer but just moth-balled for the winter months. Caldwell Diesel in Ellsworth will bring the two buses back into shape. The three buses taken out of service will go to auction or sold as salvage. A motion was made and seconded to approve staff recommendation. The vote was unanimous.

3. Assessing Department Quarterly Update

Birch provided a quarterly overview covering August, September and October of 2011. Conlow commented on the City's agreement with the Town of Veazie for assessment services. If the amount of time required by the Assessing Department exceeds the revenues collected, the City will reevaluate the agreement and return to the Council.

4. Order, Accepting Donation of Website Content Management System from Sutherland Weston Marketing Communications

Cyr noted that the Committee discussed this at its meeting on December 5, 2011 and a number of questions were raised regarding donations, gifts, and conflicts of interest. Since that meeting, the City Solicitor sent a detailed email to Council, and the item is returning back for the Committee's consideration. Sprague asked the role of the Ethics Committee. Durgin said that the Order needs Council approval and the first step is to have it come before the Finance Committee. Heitmann said that this is not an ethical question, but it is a policy issue. If the Council does not want to accept gifts from any councilor or councilor business, it could be added to the City's current policy. Responding to Gratwick, Heitmann again said it is a policy issue, not an ethical issue. Hawes said that this particular item falls under an existing policy that dictates there is not an issue. A conflict should not be declared in mid-stream or at the end of a race. Blanchette stated that last week she had asked for a roll call vote as to whether Council Chair Weston should be at the table for this discussion and that request was not granted. Blanchette stated that she had no problem supporting the acceptance of the donation but questioned the perception of favoritism that was shown. The perception of a conflict is more damaging than the actual concept. Heitmann said the conflict is not whether or not to accept the gift. The conflict is on a councilor's participation and discussion. The City's Ordinance states that the conflict is to be determined by the Council or a Council Committee. If a conflict is declared, the councilor is not to participate in the

discussion or the voting process. He stressed that participation can be in the form of presence as it could exert influence. If this item moves to a Council meeting, a determination needs to be made at that time as to whether or not Council Chair Weston has a conflict. Concerning the donation, Gallant said there is nothing in the ordinance indicating it a conflict of interest. He said that it is the Council's duty to determine that prior to the next Council meeting. Heitmann and Sprague spoke of the role of the Board of Ethics. The Council is the body that determines if there is an ethical issue.

A motion was made and seconded to move the item to full Council. The vote was unanimous.

Adjourned at 5:57 pm.