

Special Meeting Agenda

Mechanic Falls Town Council
Tuesday April 14, 2020
6:30 PM



Zoom Meeting: <https://zoom.us/j/2092120488>
Join By Phone: (312) 626-6799 (Meeting ID: 209-212-0488)

Notice of Meeting Procedural Changes:

- The public may join via Zoom link or telephone. Their Mics will be muted, except during the public comment section of the meeting. To comment at this time meeting attendees can “raise their hand” via the Zoom app and they will be called on. After all hands are called on Admin will unmute lines to see if telephone attendees have comments. When making a comment please start with your Full Name and Address before making any comments.
- All votes of the council will be conducted and recorded as a Roll Call vote.
- The council may be dispatched to a Breakout room within Zoom to conduct any Executive sessions.
- Modifications to regular meeting procedures will expire 30 days after Gov Mills terminates the current State of emergency.

I. Call Meeting to Order

Time: _____

II. Pledge of Allegiance

III. Roll Call

Councilors Absent: _____

IV. General Reports

4.1	Meeting Minutes for Mar. 3, 5 & 16, 2020	Motion to Accept
4.2	Department Reports as Submitted	Motion to Accept

V. Public Hearing

	NONE
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VI. Comments from the Public

(3 Minutes Each – 30 Minutes Max)

VII. Old Business

Notes:

7.1	22 Pleasant St Update	Informational
7.2	Council Discussion Topics	Discussion

VIII. New Business

Notes:

8.1	Appointment of Election Clerks	Motion to Approve
8.2	Appointment of Alan Plummer	Motion to Approve
8.3	Receipt of Town Financial Audit	Motion to Accept

IX. Ordinances, Resolves Policies & Licenses

Notes:

9.1	Proposed changes to FOAA Policy	Motion to Table until May 4 th , 2020
9.2	Resolution Re: Town Manager Removal	Motion to Approve
9.3	Resolution Re: Town Manager Performance	Motion to Approve

X. Executive Session

Notes:

10.1	None
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XI. Adjourn

Time: _____

Next Meeting: (May 4th, 6:30pm – Zoom Meeting)

Mechanic Falls Town Council

March 2, 2020

MEMBERS PRESENT:

Kieth Bennett, Chair

Tarsha Downing, Vice Chair

Nick Konstantoulakis

John Emery II

STAFF PRESENT:

Zakk Maher – Town Manager

Julie Ward – Town Clerk

Jeff Goss-Police Chief

Dennis Mazurkiewicz-Transfer Station

Steve Turner- Transfer Station

Kathryn Oaks-Transfer Station Manager

OTHERS PRESENT:

Paula Stotts

Sandra Ballard

Rose Aikman

Laurie Crane Turton

Rena Berry

Valerie Emery

John Rowe

Milton Walker

Sean Cleary

Dorothy Bouchles

Norma Crabtree

Martha Yates

Lou Goulet

Sharon Webster

Penny Emery

Eriks Petersons-Sun Journal

Rudy Kyllonen

Tom Webster

Victoria Cleary

Brenda Coleman

William Dyer

1.0 Councilor Bennett called the meeting to order at 6:30pm.

2.0 We stood and saluted the flag.

3.0 Roll Call complete

4.0 General Reports:

4.1 Meeting Minutes for February 3rd & 10th

Councilor Emery motioned to approve the meeting minutes for February 3rd and 10th seconded by Councilor Konstantoulakis, all in favor so voted.

4.2 Department Reports as submitted

Councilor Downing motioned to approve department reports, seconded by Councilor Konstantoulakis, all in favor so voted.

5.0 : Public Hearing:

5.1 Proposed changes to Council Rules of Order

Victoria Cleary asked about when the time would start for 3-minute public comments and would it be more of listening session.

Councilor Emery asked for clarification about 5.1.6 Council Discussion Town Manager Zakk Maher explained the intent is for discussion only. This gives the opportunity to talk and share ideas since there is no other time to do so and you can also suspend Roberts Rules, but should not be common practice.

5.2 Snow Emergency Closure

No Comment

6.0: Comments from the Public:

Sean Cleary of Elm Street commented about the change in time stating that it was no to long but the lack of enforcing the time limit was this issue. Council Bennett stated that it will be enforced going forward.

Eriks Petersons of Sun Journal asked about the \$6983.00 for legal expenses that have accrued for the Town Manager removal from last June. He was asking how much over the budget is the Town. Town Manager Zakk Maher stated he would have to get a more detailed report from Finance Director and get back to him.

Sandra Ballard of Clifford street asked how do you notify the public of special meetings. Town Manager Zakk Maher stated we post it on the website, sign, Future foods and Post office.

7.0 Old Business:

7.1 22 Pleasant Street Update

Town Manager Zakk Maher stated no showings, and he is expecting to schedule another meeting in the Spring. TBA when that will happen.

7.2 Council Discussion Topics

Councilor Konstantoulakis stated people are complaining about the trash in the town and asked how that is handled. Town Manager Zakk explained the Code Office does send letters out to those residents. It will be cleaned up and it starts over again. The town does try to keep up in it the problem.

7.3 Code Enforcement Investigation

Councilor Bennett had spoke to Robert Overton and he has not received much information from him. He also stated that a State inspector looked at the property on 1 Riverside drive and found no errors.

Paula Stotts of Standpipe Road wanted to know what information was given to the State inspector. Councilor Bennett stated he came into the office and looked at the records and found no issues.

Councilor Bennett said moving forward we may have to wait for a new CEO to be hired and until then the complaints will have to be put on hold.

Town Manager Zakk Maher explained that he is looking at applications for that position and is currently talking to the Town of Minot about back up until we can bring someone in. The best we can do is look at new applications and correct errors as we move forward just like we do in other departments.

Rena Berry of Bucknam Street asked if the Town was going to allow to build on nonconforming lots? Councilor Bennett stated he doesn't really have to time research the codes office, and all we can do is wait for a new CEO to look at these things when hired.

7.4 Annual Report Dedication Nominations

Councilor Konstantoulakis nominated Rain Tarantino, seconded by Councilor Emery, all in favor so voted.

7.5 Spirit of America Dedication

Councilor Emery nominated Jay Bryant and Justin Starbird for the Spirt of America Award, seconded by Councilor Downing, all in favor so voted.

8.0 New Business:

8.1 Office Closure (1 hour) March 3rd and 17th

The office needs to be closed to accommodate a lunch hour for March 3rd elections and March 17th for Town Clerk to take a class. Councilor Downing motioned to approve 1-hour closure for March 3rd and 17th, seconded by Councilor Konstantoulakis, all in favor unanimous.

8.2 Interim Councilor Appointment

Rose Aikman and Paula Stotts submitted application for position.

Rose Aikman is one of 9 children and lived in Poland for 35 years. She served as a Selectman and is the President of the Pine Grove Cemetery. 2016 she moved back into the Town and has some extra time and looking out for the best interest in the community.

Paula Stotts bought the old Farm on Standpipe Road and raises chickens and goats. She has been on the Planning Board for 15 years. She loves to help her neighbors, churches, and food banks. Her goal of being on the board is to help the healing process of the town. She is well schooled in the Charter and she is not afraid to do research and ask questions when needed.

Councilor Emery motioned to have Rose Aikman to be appointed, seconded by Councilor Downing, all in favor sot voted. Rose was sworn in by Town Clerk Julie Ward and joined the council.

8.3 Budget Committee Appointment

2 residents applied to join the Budget Committee, Mary Allen of Martin Street and Andrea Winn of Jordan Rd. Councilor Emery motioned to appoint Mary Allen and Andrea Winn to the Budget Committee, seconded by Councilor Konstantoulakis, all in favor so voted.

8.4 Proposed Changes to FOAA Policy (1st reading)

The FOAA policy that was updated came from the 2012 policy. Guidelines concerning public procedure has been added with the following:

1. The public has a right to fair notice and access to committees, Boards and Councils that fall under the overview of the Mechanic Falls Town Council. With the exception of any advisory committee as defined by 1 M.R.S.A. 403(6), all boards, committees and commissions whose members are appointed by the Mechanic Falls town council or elected by popular vote shall conduct meetings of public record in compliance with 1 M.R.S.A. 403 by observing the following expectations:
 - a. All meeting Agendas shall be posted for public notice no less than 5 days prior to the meeting. These agendas shall be posted on the town website, listed on the town calendar and notices shall be hung in a conspicuous place within the town office.
 - b. All meetings shall be conducted on town property to assure free access of residents to public meetings.
 - c. Video of the Town Council, Budget Committee and Planning Board meetings and workshops shall be recorded by town staff. These videos shall be posted on the town website within a reasonable amount of time.
 - d. All recorded minutes of public meetings shall be provided to the Clerk's office to be posted on the town website within a reasonable amount of time. They will also be included monthly within the Town Council agenda packet.

If the Town Manager recuses themselves from FOAA requested it would fall onto the Treasurer or Town Clerk.

8.5 Transfer Station Short\Long Range Planning

Transfer Station Manager Kathryn Oaks presented the council in regards to landfill. Closing the landfill would be an advantage to the town because the State is offering a 90% reimbursement of the cost. If the town chooses to wait, we would be responsible for 100%. There is also a possibility of a solar farm being set up if we close the landfill.

By closing the landfill that we currently only put wood in, we could get a container and it could potentially open up the transfer station to take sheetrock and shingles. There is a container already at the Transfer Station that needs to be refurbished. She also talked about purchasing a compactor for cardboard it would be more efficient and would be able to hold more. The cost of closing the landfill would be approximately \$500,000. The landfill reimbursement extends into 2025 or until the money runs out.

Town Manager Zakk Maher stated we could CIP for the cost to have someone come in and assess how much it would be to close the landfill. That cost is around 30K-60K just for that service. The Town could budget approximately 10,000 a year in a CIP to have an engineering company come out.

Kathryn also suggested looking into pay as you throw system. It would encourage recycling and add revenue to the Municipality. Town Manager Zakk said we sort and divert as much from waste; we can try to sell and make some revenue instead of sending it to MMWAC. Pay as you throw could generate 30,000 in revenue if you charge around \$1.00 a bag and there would be no cost of a sticker.

Lou Goulet of Pleasant street asked what the cost is to keep the landfill open and if it closes, he would like to see the numbers so the Community knows them as well. He also pointed out the window for solar farms is closing soon.

Sean Cleary of Elm Street stated as a Transfer Station user he fears pay as you throw would not be a good idea, people already use other resources like trash pickup. He thinks that it would be a deterrent to residents to use the Transfer Station.

Residents asked about cost of compactor and bailer to be used.

8.6 MMWAC Contract Renewal

Our current contract with MMWAC is 74.48 a ton. The Town has 2 options for renewal, 1-year contract would be \$79.00 a ton or a 5-year contract at \$77.00 a ton.

Councilor Konstantoulakis motioned to do a 5-year contract, seconded by Councilor Downing, all in favor so voted.

9.0 Ordinances, Resolves Policies & Licenses

9.1 Proposed Changes to Council Rules of Order

Councilor Downing motioned to approve the changes to Council Rules of Order, seconded by Councilor Emery, all in favor so voted.

9.2 Proposed Change to Snow Emergency Policy

Councilor Downing motioned to approve the change to Snow Emergency Policy, seconded by Councilor Konstantoulakis, all in favor so voted.

10.0 Executive Session: Labor Negotiations Title 1 MRS Sec. 405 (6)(D)

Councilor Konstantoulakis motioned to enter executive session, seconded by Councilor Downing, all in favor, so voted. Entered Session @ 7:45pm

Councilor Konstantoulakis motioned to come out of executive session, seconded by Councilor Downing, all in favor so voted @ 850pm

10.1 Executive Session Legal Counsel Title MRS Sec. 405(6)E

Councilor Konstantoulakis motioned to enter executive session, seconded by Councilor Emery, all in favor so voted. Enter @8:51pm

Councilor Konstantoulakis motioned to come out of executive session, seconded by Councilor Downing, all in favor so voted @ 9:10pm

11.0 Adjourn:

Councilor Konstantoulakis motioned to adjourn, Seconded by Councilor Aikman, all in favor, so voted. Meeting adjourned 9:11pm

Joint Town Council and Budget Committee Meeting March 5, 2020

Meeting was called to order at 7:00pm. Saluted the Flag.

Council Members Present:

Kieth Bennett, Chair
Tarsha Downing, Vice Chair
Nicholas Konstantoulakis
John Emery II

Budget Members Present:

Lou Goulet	Lou Annance
Brian Ahlquist	Andrea Winn
Tom Walton	Mary Allen

Peter Ford-Absent

Staff and Others Present:

Zakk Maher, Town Manager	Julie Ward, Town Clerk
Lisa Prevost, Treasurer	
Eriks Petersons, Sun Journal	

Lou Annance nominated Brian Ahlquist for Budget Committee Chair, seconded by Lou Goulet, all in favor so voted.

Town Manager Zakk Maher started presentation announcing schedule meetings, March 19th and April 6th would be Public Hearing for Council to approve the Budget warrant. June 9th is the Municipal election with Budget Items on Ballot.

Lou Goulet asked about year to date number. Treasurer Lisa Prevost said out of the 2,729,335.00 we have used 1,888,43.080 which is approximately 69.19% of the budget. 840,904.20 remaining.

The expected revenues are 1,125,897.31 we have collected 880,240.63 which is 78%, and 245,656.68 to be collected.

Town Manager Zakk Maher talked about the school budget increases and not being able to access the Mil Rate calculation sheet for 2020 yet. He also stated that due to staffing changes the need to revisit Code Enforcement, Safety Officer. MMA Salary Survey was given out.

Recreation Department:

Justin Starbird was unable to attend meeting, Jessica Cummings and Wayne Usher came to present Recreation's request. The Recreation Committee is asking for \$23,000. They would like to do capital improvements on the Snack Shack. The plan is to pour cement pad, fix walls and plumbing for the bathrooms. If the building gets fixed it would become useable again and there would have a central location for storage of equipment instead of having it scattered all over different locations. The estimated cost to fix is \$22,500

Councilor Konstantoulakis asked if the \$7500 that was given had been spent yet, it had not. Budget Member Lou Annance asked how much staff was handling recreation. Treasurer Lisa has been handling the finance. Rec did purchase quick books to start taking care of most of the financials, leaving town employees with purchase orders, and reconciling bank accounts. There is still a work load but a lot less than before. Town Manager Zakk Maher did point out that the remaining salary of Recreation Employee of \$7500 that was given to the committee after employee left must be spent by 6/30/2020 or it will return to the General Fund.

Recreation member Wayne Usher stating last fall the Coleman field, and the middle field was upgraded with prograde mix and the fence was repaired. The committee is trying to get adult softball back to generate funds to get batting cages.

Wayne Usher explained the Rec position that was created had a lot of deficiencies and the committee could have utilized it better. A lot of the duties were done by volunteers and have since fallen back onto them. Budget Member Tom Walton asked if they planned asking the council for that position to be filled. Wayne stated no, they would like to see the money go toward the snack shack for repairs.

Councilor Emery asked if the amount money asking was a one-time deal, and Rec Member Wayne Usher stated yes.

Town Manager Zakk Maher stated the rec funds of 23,000 could be moved into a CIP since it's for capital improvements. He will redraft any changes for next meeting.

The Recreation committee will bring in the break down of the repairs that need to happen to the snack shack at the next meeting.

Code Enforcement & Safety Compliance Officer:

Town Manager Zakk Maher stated that since the CEO position is open, it would make sense to move the Safety Compliance Officer with CEO. This would up the wages for a new CEO and provide a 40-hour position as well.

Social Services:

There is a reduction of 2,000. We have a \$4500 stipend for our GA Administrator and a \$5000 for actual GA which is reimbursed 50 % of every dollar spent.

Assessor:

No Changes in budget lines compared to current budget

Auditor:

There is a decrease of \$2850 because of the water department project and the purchase of the building we had budgeted for a single audit, which we didn't need.

Contingency:

No Change still \$10,000 reserved for unseen expenses

Debt Services:

The change in debt services 411,466. This will pay down the debt on 22 Pleasant Street. It will need to go to Voter approval for the amount of 396,200. If the building sells, we will be able to pay down the remaining balance with out a penalty. The current loan for repairs for the Town Office will be done in 2 years and cannot be paid out early. There will be a 5-year road bond presented to the voters for 500,000.

Pensions/Insurances:

Because we run our year from July to June and Insurance runs calendar year, it becomes split. We budgeted for a 7% increase for this year budge and it came in at 7.7% increase. We are budgeting for the same in crease of 7% the increase of 19,409.

Animal Control:

No Changes

Dispatcher:

No Changes

EMA:

This was moved to Fire Department Budget

County Tax:

This line has increase by \$22.887. Unfortunately, we have no choice on this.

Councilor Bennett motioned to adjourn, seconded by Budget Member Andrea Winn, all in favor so voted.

Adjourned at 8:31pm

Next meeting 3/19/2020 @ 7pm

Mechanic Falls Special Town Council

March 16, 2020

MEMBERS PRESENT:

Tarsha Downing, Vice Chair
Nick Konstantoulakis
John Emery II
Kieth Bennett, Chair

STAFF PRESENT:

Zakk Maher – Town Manager
Julie Ward – Town Clerk
Jeff Goss- Police Chief
James Daigle- Police

OTHERS PRESENT:

Paula Stotts Milton Walker Lou Goulet

1.0 Councilor Bennett called the meeting to order at 1pm.

2.0 We stood and saluted the flag.

3.0 Roll Call complete

Town Manager Zakk Maher wanted to update Council with EMA letter concerning COVID-19. All non-essential meetings have been postponed and the Library is currently closed. The EMA is working on more equipment and has equipment pulled and ready, there will be screening questions when going on when called out. All activities in Municipals Gym have been suspended as well. He will be keeping the council updated on what the State and CDC is advising.

The Budget/Council meeting scheduled for March 19th is cancelled and moved to April 2nd.

4.0 General Reports

None

5.0 Public Hearing

None

6.0 Public Comments

None

7.0 Old Business

None

8.0 New Business

8.1 AVCOG Planning Agreement

The Town is a member and can utilize AVCOG for the planning board as part of the membership they offer. Fees would be set up through an escrow and the person applying would have to pay upfront. AVCOG would then go through the application and go over it with the Planning Board.

Milton Walker of Riverside Drive asked if this was something that had to be done now or can it wait until April meeting, he was concerned about the how much it would cost for the town. Town Manager Zakk Maher explained it was part of our membership fees and the person applying would pay for the cost up front.

Councilor Emery motioned to approve the AVCOG agreement, seconded by Councilor Konstantoulakis, all in favor so voted.

Councilor Aikman was concerned about the closure of Town Office and felt that older residents needed to access information from us. Town Manager Zakk Maher stressed there are many online services that are available and he would be following CDC recommendations.

Paula Stotts of Standpipe Rd asked if fees were going to be waived, and unfortunately those fees come from the services and banks not the Town.

9.0 Ordinances, Resolves, Policies and Licenses

None

10.0 Executive Session

10.1 Labor Negotiations Title MRS Sec. 405(6)(D)

Councilor Konstantoulakis motioned to enter executive session Title MRS sec 405(6)(D), seconded by Councilor Downing, all in favor so voted.

Entered session at 1:15pm

Councilor Bennett declared to come out of session at 2:00pm

11.0 Adjourn:

Councilor Konstantoulakis motioned to adjourn, seconded by Councilor Downing, all in favor so voted. Meeting adjourned at 2:05pm

Notes to the Financial Reports

3/31/2020

Revenues should be at approximately 75% collected and per the report we are 85.05% collected. We have already received a payment from the State for 75% of the total Homestead exemption money we are expecting for the year and we have received 100% of the BETE reimbursement money. We have also collected the money from the sale of the foreclosed properties. We did not budget that money as it was unknown how much if anything we would get. These items are making the percentage higher.

Expenditures should also be at approximately 75%. Per the attached report you can see that we are currently at 73.92% expended. As you look down through the individual budgets, you will see some that are already more than 75% expended but some items have been paid in full for the year. For instance, Trio software maintenance and licensing, property and casualty insurance and animal shelter fees have been paid in full for the year. We have paid the County Tax bill for the year making that budget 100% expended. I have also moved the majority of the CIP money to the reserve accounts, making that line 91% expended.

You will notice the line Municipal Complex operating supplies with a \$10,700 negative balance. As you remember, we eliminated the municipal complex budget and distributed those expenses over the other budgets. This line is fuel that has been purchased for use by the Town departments but hasn't yet been distributed to the budgets that use fuel. I distribute the costs quarterly, so theoretically, this cost will be distributed to the other departments on a quarterly basis. Of course, since we never let the gas tanks go empty, there will always be a balance in this line.

As always, if you have any questions, please feel free to ask me.

Lisa Prevost

Finance Director

lprevost@mechanicfalls.org

Revenue control report
Accounts: R 01-100 - R 01-400
ALL

Account	YTD Budget Net	YTD Net	Uncollected Balance	Percent Collected
01 - General Government	1,125,897.31	957,571.94	168,325.37	85.05
100 - Auto Excise	485,000.00	349,710.48	135,289.52	72.11
101 - Boat Excise	1,600.00	571.80	1,028.20	35.74
102 - MV Agent Fee	9,200.00	7,854.00	1,346.00	85.37
103 - Snow/ATV Agent Fee	300.00	269.00	31.00	89.67
104 - Boat Agent Fee	120.00	45.00	75.00	37.50
105 - Cash Management Interest	6,000.00	7,678.11	-1,678.11	127.97
106 - RE Interest	16,000.00	12,521.04	3,478.96	78.26
107 - Lien Costs	7,400.00	5,492.17	1,907.83	74.22
108 - Will/Fax/Notary	300.00	84.00	216.00	28.00
109 - Postage/Copies/Voter	500.00	655.15	-155.15	131.03
110 - Transfer Station Stickers	5,000.00	4,693.00	307.00	93.86
111 - Driveway Entrance Permit	200.00	80.00	120.00	40.00
112 - Pole Permit	0.00	20.00	-20.00	----
113 - Building Permit	10,000.00	6,850.98	3,149.02	68.51
114 - Plumbing Permit	3,500.00	2,812.50	687.50	80.36
115 - Electric Permit	2,000.00	1,050.00	950.00	52.50
116 - Commercial Haulers Permit	0.00	0.00	0.00	----
117 - Conditional Use Permit	300.00	593.25	-293.25	197.75
118 - Hunt/Fish Agent Fee	400.00	197.00	203.00	49.25
119 - Weapon Permits	200.00	111.00	89.00	55.50
120 - Birth/Death License	675.00	624.00	51.00	92.44
121 - Marriage License	650.00	612.00	38.00	94.15
122 - Victualer's License	500.00	90.00	410.00	18.00
123 - Liquor License	500.00	250.00	250.00	50.00
124 - Marriage Certificate	400.00	442.00	-42.00	110.50
125 - Burial Permits	500.00	504.00	-4.00	100.80
126 - Additional Certified copies	500.00	610.40	-110.40	122.08
128 - Dog License (R3306)	950.00	850.00	100.00	89.47
129 - Dog Fees (R3408)	450.00	488.00	-38.00	108.44
130 - Rabies Call	0.00	0.00	0.00	----
131 - Public Safety Reports	350.00	433.45	-83.45	123.84
132 - Geneology Fee	0.00	0.00	0.00	----
133 - Fire Works Permit	150.00	100.00	50.00	66.67
139 - Marijuana Fee	0.00	3,250.00	-3,250.00	----
140 - Zoning Fee	0.00	0.00	0.00	----
141 - Court Fee	350.00	93.73	256.27	26.78
142 - Variance Fee	0.00	0.00	0.00	----
143 - Water Administration Fee	21,000.00	21,000.00	0.00	100.00
144 - Home Occupation Fee	50.00	10.00	40.00	20.00
145 - Sign Permit Fee	50.00	25.60	24.40	51.20
146 - Special Amusement Fee	250.00	220.00	30.00	88.00
147 - Cable Franchise Fee	30,000.00	17,841.07	12,158.93	59.47
148 - Transfer Station Fee	4,000.00	3,368.00	632.00	84.20
149 - Carnival Service Fee	0.00	0.00	0.00	----
150 - CEO Citations	100.00	0.00	100.00	0.00
160 - Police Fines	175.00	500.00	-325.00	285.71
161 - Late/Pick Up Fees (Dogs)	400.00	1,250.00	-850.00	312.50
162 - Service Charges	1,500.00	0.00	1,500.00	0.00
163 - Tree Growth Penalty	0.00	0.00	0.00	----
164 - RSU 16 Winter Maint	0.00	0.00	0.00	----
170 - Municipal Gym Rent	200.00	160.00	40.00	80.00
171 - Adult Education Rent	0.00	0.00	0.00	----
172 - USCTC Rent	4,850.00	3,422.16	1,427.84	70.56

Revenue control report

Accounts: R 01-100 - R 01-400

ALL

Account	YTD Budget Net	YTD Net	Uncollected Balance	Percent Collected
01 - General Government CONT'D				
173 - Headstart Rent	1,800.00	1,039.76	760.24	57.76
174 - Tennis Lights	0.00	0.00	0.00	----
175 - Trfr Stat Rolloff Can Parking	1,827.00	1,218.00	609.00	66.67
180 - Insurance Reimbursement	1,500.00	3,270.99	-1,770.99	218.07
181 - Recycling Reimbursement	10,000.00	4,570.16	5,429.84	45.70
182 - Welfare Reimbursement	0.00	0.00	0.00	----
183 - Police Reimbursement	0.00	0.00	0.00	----
184 - DARE Reimbursement	0.00	0.00	0.00	----
185 - GAs Tax Reimbursement	0.00	0.00	0.00	----
186 - Electric Reimbursment	0.00	0.00	0.00	----
187 - Business Advertising	0.00	0.00	0.00	----
190 - Sold Items	0.00	0.00	0.00	----
191 - Town Owned Sale	0.00	0.00	0.00	----
192 - Reimbursement Ball Field Light	0.00	0.00	0.00	----
193 - Oxford Bank Accounts	0.00	0.00	0.00	----
194 - Tree Harvesting	0.00	0.00	0.00	----
195 - Reserve Accts	25,358.00	0.00	25,358.00	0.00
198 - Tax Acquired Prop	0.00	82,225.63	-82,225.63	----
199 - Payment in Lieu of Taxes	1,700.00	1,421.84	278.16	83.64
200 - Veteran's Exemption	1,850.00	0.00	1,850.00	0.00
201 - Tree Growth	3,200.00	2,963.39	236.61	92.61
202 - BETE	18,510.27	18,510.00	0.27	100.00
203 - Highway Block Grant	22,500.00	23,216.00	-716.00	103.18
204 - State Revenue Sharing	252,870.00	227,108.36	25,761.64	89.81
205 - Welfare Reimbursement	2,000.00	1,721.90	278.10	86.10
206 - Library Grant	0.00	0.00	0.00	----
207 - Homestead Reimbursement	165,347.04	132,026.00	33,321.04	79.85
208 - Snowmobile Refund	800.00	801.02	-1.02	100.13
209 - Tree Growth Refund	0.00	0.00	0.00	----
210 - State Burn Permit Rev Sharing	25.00	36.00	-11.00	144.00
211 - General Education	0.00	0.00	0.00	----
300 - FEMA	0.00	0.00	0.00	----
350 - Boiler Reimbursement	0.00	0.00	0.00	----
400 - Sex Offender Registry	40.00	10.00	30.00	25.00
Final Totals	1,125,897.31	957,571.94	168,325.37	85.05

Expense Summary Report

Department(s): 01 - 49
ALL Months

Account	YTD Budget Net	YTD Net	Unexpended Balance	Percent Spent
01 - General Government	255,102.00	192,726.72	62,375.28	75.55
05 - Boards & Councils	15,466.00	13,447.09	2,018.91	86.95
01 - Salaries	3,238.00	1,258.34	1,979.66	38.86
02 - Other Personnel	2,300.00	2,315.26	-15.26	100.66
06 - Subscriptions	6,628.00	6,713.49	-85.49	101.29
27 - Training & Travel	300.00	860.00	-560.00	286.67
30 - Contracted Services	0.00	300.00	-300.00	----
32 - Minor Cip	3,000.00	2,000.00	1,000.00	66.67
10 - Municipal Complex	0.00	10,719.74	-10,719.74	----
16 - Operating Supplies	0.00	10,586.12	-10,586.12	----
30 - Contracted Services	0.00	133.62	-133.62	----
15 - Town Clerk/Elections	107,025.00	65,116.43	41,908.57	60.84
01 - Salaries	71,669.00	38,396.20	33,272.80	53.57
02 - Other Personnel	1,740.00	2,138.01	-398.01	122.87
03 - Communications	1,950.00	1,132.96	817.04	58.10
06 - Subscriptions	640.00	472.10	167.90	73.77
10 - Utilities	1,825.00	2,392.26	-567.26	131.08
15 - Office Supplies	4,000.00	3,415.46	584.54	85.39
16 - Operating Supplies	5,675.00	1,992.14	3,682.86	35.10
20 - Advertising	300.00	131.03	168.97	43.68
25 - Repairs	100.00	417.95	-317.95	417.95
27 - Training & Travel	3,000.00	347.82	2,652.18	11.59
30 - Contracted Services	15,220.00	13,849.45	1,370.55	91.00
32 - Minor Cip	906.00	431.05	474.95	47.58
20 - Administration	132,611.00	103,443.46	29,167.54	78.01
01 - Salaries	113,368.00	80,547.66	32,820.34	71.05
02 - Other Personnel	2,500.00	2,499.59	0.41	99.98
03 - Communications	2,750.00	2,143.06	606.94	77.93
06 - Subscriptions	210.00	117.50	92.50	55.95
10 - Utilities	3,100.00	7,185.85	-4,085.85	231.80
27 - Training & Travel	3,450.00	3,356.21	93.79	97.28
30 - Contracted Services	7,233.00	7,593.59	-360.59	104.99
05 - Public Works	355,614.00	261,353.74	94,260.26	73.49
01 - Public Wks	355,614.00	261,353.74	94,260.26	73.49
01 - Salaries	186,243.00	130,867.52	55,375.48	70.27
02 - Other Personnel	1,700.00	427.96	1,272.04	25.17
03 - Communications	1,865.00	1,158.77	706.23	62.13
10 - Utilities	13,410.00	4,711.99	8,698.01	35.14
15 - Office Supplies	890.00	46.05	843.95	5.17
16 - Operating Supplies	89,110.00	73,244.97	15,865.03	82.20
20 - Advertising	300.00	199.00	101.00	66.33
25 - Repairs	5,000.00	2,452.30	2,547.70	49.05
27 - Training & Travel	600.00	212.96	387.04	35.49
28 - Motor Vehicle	41,420.00	37,088.22	4,331.78	89.54
30 - Contracted Services	12,876.00	10,944.00	1,932.00	85.00
32 - Minor Cip	2,200.00	0.00	2,200.00	0.00
10 - Public Safety	539,140.00	351,537.28	187,602.72	65.20
01 - Fire/Rescue Dept	145,801.00	81,887.37	63,913.63	56.16
01 - Salaries	60,155.00	25,767.57	34,387.43	42.84
03 - Communications	2,500.00	1,551.06	948.94	62.04
06 - Subscriptions	2,985.00	2,636.20	348.80	88.31
10 - Utilities	10,415.00	4,887.50	5,527.50	46.93
15 - Office Supplies	400.00	83.44	316.56	20.86
16 - Operating Supplies	10,200.00	12,798.71	-2,598.71	125.48

Expense Summary Report

Department(s): 01 - 49
ALL Months

Account	YTD Budget Net	YTD Net	Unexpended Balance	Percent Spent
10 - Public Safety CONT'D				
25 - Repairs	1,850.00	0.00	1,850.00	0.00
27 - Training & Travel	6,125.00	1,073.55	5,051.45	17.53
28 - Motor Vehicle	18,604.00	10,188.84	8,415.16	54.77
30 - Contracted Services	19,567.00	10,617.11	8,949.89	54.26
32 - Minor Cip	13,000.00	12,283.39	716.61	94.49
05 - Police Dept	384,681.00	262,958.91	121,722.09	68.36
01 - Salaries	293,624.00	211,050.73	82,573.27	71.88
02 - Other Personnel	4,500.00	791.35	3,708.65	17.59
03 - Communications	7,600.00	3,799.59	3,800.41	49.99
06 - Subscriptions	10,944.00	11,177.25	-233.25	102.13
10 - Utilities	6,790.00	3,959.10	2,830.90	58.31
15 - Office Supplies	2,500.00	396.49	2,103.51	15.86
16 - Operating Supplies	5,000.00	1,850.18	3,149.82	37.00
25 - Repairs	800.00	202.54	597.46	25.32
27 - Training & Travel	5,000.00	5,895.96	-895.96	117.92
28 - Motor Vehicle	17,260.00	8,572.60	8,687.40	49.67
30 - Contracted Services	27,663.00	14,273.50	13,389.50	51.60
32 - Minor Cip	3,000.00	989.62	2,010.38	32.99
20 - Animal Control Officer	8,658.00	6,691.00	1,967.00	77.28
01 - Salaries	4,680.00	3,330.00	1,350.00	71.15
30 - Contracted Services	3,978.00	3,361.00	617.00	84.49
15 - Code Enforce/Planning	49,193.00	35,210.97	13,982.03	71.58
01 - Code Enforce/Planning	49,193.00	35,210.97	13,982.03	71.58
01 - Salaries	39,538.00	28,904.52	10,633.48	73.11
03 - Communications	650.00	398.64	251.36	61.33
06 - Subscriptions	300.00	45.00	255.00	15.00
10 - Utilities	715.00	2,104.04	-1,389.04	294.27
15 - Office Supplies	400.00	230.36	169.64	57.59
20 - Advertising	300.00	37.69	262.31	12.56
27 - Training & Travel	1,500.00	122.14	1,377.86	8.14
30 - Contracted Services	5,790.00	3,368.58	2,421.42	58.18
20 - Library	37,967.00	24,106.19	13,860.81	63.49
01 - Library	37,967.00	24,106.19	13,860.81	63.49
01 - Salaries	21,174.00	14,048.63	7,125.37	66.35
03 - Communications	650.00	403.12	246.88	62.02
06 - Subscriptions	1,000.00	350.00	650.00	35.00
10 - Utilities	3,450.00	2,461.26	988.74	71.34
15 - Office Supplies	700.00	209.79	490.21	29.97
16 - Operating Supplies	9,750.00	5,464.32	4,285.68	56.04
27 - Training & Travel	200.00	114.41	85.59	57.21
30 - Contracted Services	793.00	854.66	-61.66	107.78
32 - Minor Cip	250.00	200.00	50.00	80.00
25 - Recreation	22,986.00	13,908.07	9,077.93	60.51
01 - Recreation	22,986.00	13,908.07	9,077.93	60.51
01 - Salaries	14,560.00	6,572.37	7,987.63	45.14
03 - Communications	650.00	248.74	401.26	38.27
30 - Contracted Services	7,776.00	7,086.96	689.04	91.14
26 - Utilities	171,500.00	107,588.51	63,911.49	62.73
01 - Utilities	171,500.00	107,588.51	63,911.49	62.73
06 - Subscriptions	250.00	250.00	0.00	100.00
10 - Utilities	168,175.00	105,763.27	62,411.73	62.89
25 - Repairs	3,075.00	1,575.24	1,499.76	51.23

Expense Summary Report

Department(s): 01 - 49
ALL Months

Account	YTD Budget Net	YTD Net	Unexpended Balance	Percent Spent
30 - Assessor CONT'D				
30 - Assessor	24,750.00	24,768.65	-18.65	100.08
01 - Assessor	24,750.00	24,768.65	-18.65	100.08
30 - Contracted Services	24,750.00	24,768.65	-18.65	100.08
31 - Auditor	10,550.00	4,435.00	6,115.00	42.04
01 - Auditor	10,550.00	4,435.00	6,115.00	42.04
30 - Contracted Services	10,550.00	4,435.00	6,115.00	42.04
32 - Contingency	10,000.00	0.00	10,000.00	0.00
01 - Contingency	10,000.00	0.00	10,000.00	0.00
30 - Contracted Services	10,000.00	0.00	10,000.00	0.00
33 - Debt Service	184,036.00	157,081.35	26,954.65	85.35
01 - Debt Service	184,036.00	157,081.35	26,954.65	85.35
30 - Contracted Services	184,036.00	157,081.35	26,954.65	85.35
34 - Pensions & Insurances	487,849.00	344,970.05	142,878.95	70.71
01 - Pensions & Insurances	487,849.00	344,970.05	142,878.95	70.71
01 - Salaries	14,079.00	14,079.00	0.00	100.00
05 - Payroll Expenses	445,770.00	299,786.05	145,983.95	67.25
16 - Operating Supplies	1,500.00	2,500.00	-1,000.00	166.67
30 - Contracted Services	26,500.00	28,605.00	-2,105.00	107.94
35 - Social Services/Welfare	11,500.00	6,858.12	4,641.88	59.64
05 - Welfare	11,500.00	6,858.12	4,641.88	59.64
01 - Salaries	4,500.00	2,307.75	2,192.25	51.28
27 - Training & Travel	0.00	175.00	-175.00	----
30 - Contracted Services	7,000.00	4,375.37	2,624.63	62.51
40 - Solid Waste	126,285.00	71,397.56	54,887.44	56.54
01 - Solid Waste	126,285.00	71,397.56	54,887.44	56.54
01 - Salaries	50,343.00	28,485.79	21,857.21	56.58
02 - Other Personnel	800.00	430.49	369.51	53.81
03 - Communications	1,068.00	774.84	293.16	72.55
10 - Utilities	1,750.00	1,056.08	693.92	60.35
16 - Operating Supplies	2,700.00	2,470.68	229.32	91.51
25 - Repairs	6,000.00	4.41	5,995.59	0.07
27 - Training & Travel	800.00	0.00	800.00	0.00
28 - Motor Vehicle	1,294.00	245.06	1,048.94	18.94
30 - Contracted Services	60,530.00	37,930.21	22,599.79	62.66
32 - Minor Cip	1,000.00	0.00	1,000.00	0.00
45 - County Tax	200,113.00	200,112.95	0.05	100.00
01 - County Tax	200,113.00	200,112.95	0.05	100.00
30 - Contracted Services	200,113.00	200,112.95	0.05	100.00
49 - Capital Improvements	242,750.00	221,444.43	21,305.57	91.22
01 - Capital Improvements	242,750.00	221,444.43	21,305.57	91.22
33 - Capital Improvements	242,750.00	221,444.43	21,305.57	91.22
Final Totals	2,729,335.00	2,017,499.59	711,835.41	73.92

Town Reserve Accounts
As of 3/31/2020

	7/1/2019				3/31/2020	3/31/2020	3/31/2020
	Beginning Balance	Paid In	Paid Out	Interest	New Balance	Owed to Town	Ending Balance
Cash Management	\$98,162.29			\$555.59	\$98,717.88		\$98,717.88
Computer Reserve	\$13,016.99		\$3,667.00	\$68.96	\$9,418.95		\$9,418.95
Unemployment Fund	\$64,371.29			\$364.33	\$64,735.62		\$64,735.62
Municipal Complex	\$25,096.98	\$10,000.00	\$5,812.62	\$162.51	\$29,446.87	\$0.00	\$29,446.87
Fire/Rescue Funds	\$91,838.38	\$75,000.00		\$632.78	\$167,471.16		\$167,471.16
Highway Funds	\$332,172.62	\$67,000.00	\$1,905.32	\$1,683.65	\$398,950.95		\$398,950.95
Solid Waste	\$30,971.88	\$5,000.00		\$153.38	\$36,125.26		\$36,125.26
Assessing	\$75,386.25	\$20,000.00		\$395.49	\$95,781.74		\$95,781.74
Library Computers	\$1,212.70	\$300.00		\$7.98	\$1,520.68		\$1,520.68
Recreation	\$412.90			\$2.34	\$415.24		\$415.24
BAN Escrow	\$394,356.85			\$2,231.99	\$396,588.84		\$396,588.84
Winterbrook Escrow	\$12,149.48			\$54.38	\$12,203.86		\$12,203.86
Police Cruiser	\$22,423.84	\$20,000.00	\$23,857.14	\$135.65	\$18,702.35		\$18,702.35
Police Training	\$24,371.78			\$137.94	\$24,509.72		\$24,509.72
Debt Service	\$40,215.01			\$227.61	\$40,442.62		\$40,442.62
Voting Machines		\$14,000.00	\$1,540.00	\$40.62	\$12,500.62		\$12,500.62
Sidewalks	\$82,724.09			\$370.19	\$83,094.28		\$83,094.28
MFPD Forfeiture	\$2,851.67		\$1,975.00	\$12.49	\$889.16		\$889.16
Insurance Reimb	\$60,133.88		\$15,452.84	\$300.11	\$44,981.15		\$44,981.15
Roads	\$0.00	\$10,000.00		\$29.56	\$10,029.56		\$10,029.56
Totals	\$1,371,868.88	\$221,300.00	\$54,209.92	\$7,567.55	\$1,546,526.51	\$0.00	\$1,546,526.51

Tax Commitment 2019/2020	Collected Thru 3/31/2020	% Collected
\$3,088,033.47	\$1,670,636.05	54.10%
Total Town Budget	\$2,729,336.00	
Total RSU Assessment	\$1,645,440.00	
TIF District	\$0.00	
Total Budget	\$4,374,776.00	
Homestead Exemption	\$165,347.00	
BETE Reimbursement	\$18,510.00	
Total Anticipated Non Tax Revenues	\$942,040.00	
From Fund Balance	\$185,000.00	
Total Anticipated Tax Revenues	\$3,088,033.00	
Total Revenues	\$4,398,930.00	
Overlay	\$24,154.00	

Reserve Account Balances

As of 3/31/2020

Town of Mechanic Falls

Account Name	Amount	Interest	Paid In	Paid Out	New Balance	Owed to Town	Real Balance	Int rate	Matures
	7/1/2019	\$	-	\$	-	3/31/2020	3/31/2020		
One year CD	\$ 151,157.57	\$ 1,547.54			\$ 152,705.11		\$ 152,705.11	1.23%	7/6/2020
Cash Mgmt/Reserve accts	\$ 1,371,868.88	\$ 7,567.55	\$ 221,300.00	\$ 54,209.92	\$ 1,546,526.51		\$ 1,546,526.51		
Mutual Fund	\$ 12,124.27	\$ 56.76			\$ 12,181.03		\$ 12,181.03	1.14%	10/4/2021
				\$ -					
Total	\$ 1,535,150.72	\$ 9,171.85	\$ 221,300.00	\$ 54,209.92	\$ 1,711,412.65	\$0.00	\$ 1,711,412.65		

MECHANIC FALLS POLICE DEPARTMENT

February 25, 2020 THRU March 30, 2020

CRIMINAL SUMMONSES: 16

CIVIL SUMMONSES: 0

0 JUVENILE(S) CHARGED W/ JUVENILE CRIME

12 ADULT(S) CHARGED w/ CRIMINAL OFFENSE(S)

BACK-UP ANALYSIS

MECHANIC FALLS PD ASSISTED ASO: 06

ASO ASSISTED MECHANIC FALLS PD: 12

MECHANIC FALLS PD ASSISTED OXFORD PD: 05

OXFORD PD ASSISTED MECHANIC FALLS PD: 01

MECHANIC FALLS PD ASSISTED STATE POLICE 00

STATE POLICE ASSISTED MECHANIC FALLS P D 00

2017 FORD: 63,567

2020 FORD:

POLICE HIGHLIGHTS

2/25/20 – 3/30/20

TYPE OF CALL	CALLS THIS MONTH	LAST MONTH
Abandoned E911	7	9
Accidents	2	9
Alarm calls	0	2
Animal complaints	2	5
Assault	2	0
Burglary	0	0
Children troubles	4	0
Criminal mischief	2	1
Disturbance/disorder/fight	2	1
Domestic	7	4
Harassment	1	2
Hazardous condition	1	0
Missing person	2	0
Parking violations	0	4
Suspicious conditions/person/vehicle	11	9
Theft	3	0
Threatening	1	2
Wellbeing check	6	2

Arrests/summons issued this month for: Domestic Violence aggravated assault (strangulation), Criminal restraint, Domestic violence assault, Operating after suspension, Possession of firearm by a prohibited person, Domestic violence criminal threatening, Operating with a suspended registration, Violating conditions of release, Theft, Criminal threatening, and Burglary.

Traffic summons issued this month for: Speeding 10-14, 15-19, and 25-29 mph over the limit, and Failure to register vehicle.

MONTHLY REPORT FOR MARCH 2020
MECHANIC FALLS PUBLIC WORKS DEPT.
SUBMITTED BY SCOTT R. PENNEY FOREMAN

MON*3/2/2020**

Take plows off trucks, patch on Riverside Drive and Highland Ave., go get patch and gravel, go around with paving contractor and show him roads up for paving.

TUES*3/3/2020**

Called in early, slippery roads, sand and salt areas, rinse trucks, go out with another paving person, go get bucket truck, repair flags in park, post roads.

WED*3/4/2020**

Go to Leeds and look at road that was paved with different material, go out and mark all areas to be paved, do dump run, go see Poland foreman about paving.

THURS*3/5/2020**

Continue to measure roads, figure out amount of hot top and shimming on each road.

MON*3/9/2020**

Take tires of trailer and take to Auburn to be replaced, check ash in boiler, move snow around town office, work on paving bid, move stuff out of church to town office, patch areas.

TUES*3/10/2020**

Go get trailer tires and put back on , patch more areas, work on sweeper, bring in barrel of oil and drain.

WED*3/11/2020**

Work on sweeper, change filters, move rest of stuff from church to town office, go to Portland for sweeper parts, sweep uptown.

THURS*3/12/2020**

Go to Skowhegan for plow parts, patch swale on Lane Road before rain washes it out, sweep around town office.

MON*3/16/2020**

Work on #7 plow trip edge, replace, weld reinforced steel on trip edge so it will last longer, go to H.P. Fairfield in New Hampshire for parts, reinstall edge.

TUES*3/17/2020**

Finish installing trip edge, deal with light snow, put sander back in pickup, called back in at 9:30, slippery roads.

WED*3/18/2020**

Sweep uptown, Legion, sidewalks, Bryant Energy.

THURS*3/19/2020**

Sweep square, sidewalk on North Main st.

MON3/23/2020**

Sweep on Elm Street sidewalks, put plows on, get ready for storm later, come back in at 6PM.

TUES*3/24/2020**

Deal with snowstorm through the night, go home at 10a.m.

WED*3/25/2020**

Work on sweeper, go get parts for power brooms, take plows off, wash pickup.

THURS*3/26/2020**

Build armrest for sweeper, bring in patch and warm up, patch areas, go look at new truck.

MON*3/30/2020**

Plow Lane road and salt, clean breakroom, go do tvs at transfer, work on John Deere broom.

TUES*3/31/2020**

Work on broom more, sand some icy roads, sweep some streets, go get patch.

These are trying times, we are doing our best to get our work done, stay safe.

Scott

**MECHANIC FALLS WATER DEPT.
62 HIGHLAND AVE.
MECHANIC FALLS, MAINE 04256**

TEL: 345-5351

TO: Town Manager

FROM: Stephen L. French, Superintendent

DATE February, March 2020

RE Monthly Report

Town Manager and Council,

Well, until recently it has been a quiet winter. Tony has decided to “move on”. He has accepted a job at Cassella Waste Management. And Jake has returned to our employment. I had a few weeks where I was alone and had to work without a day off. We have hired Ben Limerick, a local young man as our new full-time employee. He will start March 30, 2020.

We are dealing with all the coronavirus issues. Our front door is locked and we are doing business through the mail slot. Our chemical inventory is OK for a while. Chlorine was a concern, but we have placed an order and expect it will be delivered. We have put a hold on shutting off people for non-payment. As a rule, we don't turn off many customers any ways. April will find us reading meters. I'm hoping we don't have to put this off as we have a schedule, we work on to keep our bills going out on time.

We don't have any major projects lined up for this year. There are some good projects that we are planning for the future though.

Steve French

**MECHANIC FALLS WATER DEPT.
FINANCIAL STATEMENT**

31-Mar-20

ACCT #	ACCOUNT	BUDGETED	EXPENDED	BALANCE	PERCENT
181	UNAMORT. DEBT DISC. & EXP.	\$0.00	\$0.00	\$0.00	0.00%
221 B	WELL LOAN THRU TOWN	\$0.00	\$0.00	\$0.00	#DIV/0!
221 A	DWSRF BOND	\$46,223.54	\$2,416.27	\$43,807.27	5.23%
238	SALES TAXES	\$1,300.00	\$403.49	\$896.51	31.04%
303	LAND & LAND RIGHTS	\$0.00	\$0.00	\$0.00	0.00%
304	STRUCTURES & IMPROVEMENTS	\$1,000.00	\$343.03	\$656.97	34.30%
330	DISTRIBUTION - RESERVOIRS	\$1,000.00	\$0.00	\$1,000.00	0.00%
331	TRANSMISSION & DISTRIBUTION	\$7,000.00	\$342.93	\$6,657.07	4.90%
333	NEW SERVICES	\$100.00	\$0.00	\$100.00	0.00%
334	METERS & INSTALLATION	\$3,360.00	\$2,220.64	\$1,139.36	66.09%
335	HYDRANTS	\$0.00	\$0.00	\$0.00	#DIV/0!
340	OFFICE FURNITURE & EQUIP.	\$2,000.00	\$560.00	\$1,440.00	28.00%
343	TOOLS,SHOP EQUIPMENT	\$1,000.00	\$0.00	\$1,000.00	0.00%
344	LABORATORY EQUIPMENT	\$1,000.00	\$0.00	\$1,000.00	0.00%
345	POWER OPER. EQUIPMENT	\$400.00	\$0.00	\$400.00	0.00%
346	COMMUNICATION EQUIPMENT	\$500.00	\$0.00	\$500.00	0.00%
601	SALARIES & FICA	\$154,119.48	\$32,598.98	\$121,520.50	21.15%
604	EMPLOYEES PENS & BEN	\$52,864.37	\$11,654.00	\$41,210.37	22.05%
615	PURCHASED POWER	\$16,000.00	\$2,840.16	\$13,159.84	17.75%
618	CHEMICALS	\$15,000.00	\$1,898.60	\$13,101.40	12.66%
620	MATERIALS & SUPPLIES	\$3,500.00	\$1,925.26	\$1,574.74	55.01%
631	CONTRACTUAL-ENGINEERING	\$1,500.00	\$0.00	\$1,500.00	0.00%
632	CONTRACTUAL-ACCOUNTING	\$5,600.00	\$0.00	\$5,600.00	0.00%
633	CONTRACTUAL-LEGAL	\$1,000.00	\$0.00	\$1,000.00	0.00%
634	CONTRACTUAL-MGM. FEES	\$21,000.00	\$21,000.00	\$0.00	100.00%
635	CONTRACTUAL-OTHER	\$3,500.00	\$1,715.95	\$1,784.05	49.03%
650	TRANSPORTATION	\$7,000.00	\$815.36	\$6,184.64	11.65%
656-59	INSURANCE	\$6,100.00	\$1,947.42	\$4,152.58	31.92%
660	ADVERTISING EXP.	\$200.00	\$441.00	(\$241.00)	220.50%
667	PUC EXP. OTHER	\$1,950.00	\$0.00	\$1,950.00	0.00%
670	BAD DEBT EXPENSE	\$100.00	\$0.00	\$100.00	0.00%
675	MISC. EXPENSE	\$17,300.00	\$3,330.23	\$13,969.77	19.25%
	TOTAL	\$371,617.39	\$86,453.32	\$285,164.07	23.26%

CAPITAL BUDGET

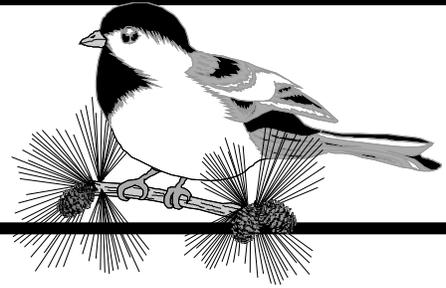
\$21,000.00	\$10,360.00	\$10,640.00	49.33%
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TOTAL BUDGET

\$392,617.39	\$96,813.32	\$295,804.07	24.66%
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Town of Mechanic Falls

108 Lewiston Street
Mechanic Falls, ME 04256
Phone: 345-2871 FAX: 345-9201
www.MechanicFalls.org



Appointment of 2020 Election Clerks

Under recommendation of Julie Ward, Registrar of Voters for the town of Mechanic Falls we request the Town Council appoint the following as Election Clerks for the 2020 election year:

- Nancy Petersons
- Michelle Emery
- Allison Emery
- Jacqueline Preston
- Brenda Coleman
- Patricia Young
- Gerald Vincent

Adopted this 14th day of April, 2020

Kieth Bennett, Council Chair

John Emery II, Council Member

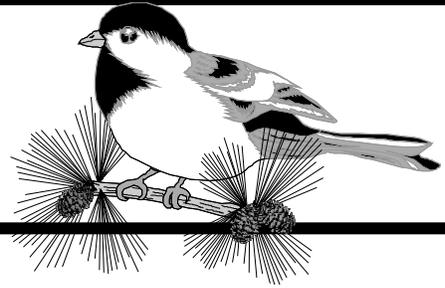
Tarsha Downing, Council Vice-Chair

Rose Aikman, Council Member

Nick Konstantoulakis, Council Member

Town of Mechanic Falls

108 Lewiston Street
Mechanic Falls, ME 04256
Phone: 345-2871 FAX: 345-9201
www.MechanicFalls.org



Appointment of Alan Plummer

Under recommendation of Zachary Maher, Town Manager for the town of Mechanic Falls the Town Council appoints Alan Plummer as Code Enforcement Officer, Building Inspector and Health & Safety Officer.

Adopted this 14th day of April, 2020

Kieth Bennett, Council Chair

John Emery II, Council Member

Tarsha Downing, Council Vice-Chair

Rose Aikman, Council Member

Nick Konstantoulakis, Council Member

Smith & Associates, CPAs

A Professional Association

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Town Council and Manager
TOWN OF MECHANIC FALLS
Mechanic Falls, Maine

In planning and performing our audit of the financial statements of the Town of Mechanic Falls as of and for the year ended June 30, 2019, in accordance with auditing standards generally accepted in the United States of America, we are required to consider the Town's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

This communication is intended solely for the information and use of management, Town Council, Town Manager and others within the Town, and is not intended to be and should not be used by anyone other than these specified parties.



SMITH & ASSOCIATES, CPAs
A Professional Association

Yarmouth, Maine
March 23, 2020

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Board of Selectmen and Manager
TOWN OF MECHANIC FALLS
Mechanic Falls, Maine

We have audited the financial statements of the governmental activities, each major fund, and the remaining fund information of the Town of Mechanic Falls for the year ended June 30, 2019, and have issued our report thereon dated March 23, 2020. Professional standards require that we provide you with the following information related to the audit. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter dated October 25, 2019.

Significant Audit Matters

We noted no significant audit findings in performing and completing our audit. However, we have the following recommendations repeated from the previous year:

Organizational Structure

The size of the Town's accounting and administrative staff precludes certain internal controls that would be preferred if the office staff were large enough to provide optimum segregation of duties. This situation dictates that the Council and Manager remain involved in the financial affairs of the Town to provide oversight and independent review functions. We recommend that the Manager continue to review and initial journal entries and bank reconciliations on a monthly basis.

Formal Policy Review

Several policies should be written or reviewed, adopted, and implemented for the Town. The process of planning and formulating effective policies is vital to any organization. Only through a management consensus and careful consideration of policy planning and implementation can an organization ensure effective overall operation in both the present and the future. Frequent revisions to these policies are necessary to meet future needs of the Town.

We believe the adoption of these written policies constitutes an improvement to the internal control system by formally improving, crystallizing, and documenting the present procedures. Thus, periodic changes in officials and employees should not affect the continuity or accuracy of the financial records as long as these policies are adhered to.

We recommend adoption or revision of written policy in the following area:

- Record Retention Policy – Indicating which records are retained and for how long. Also, methods of destroying confidential information.

Fund Balance

Sufficient fund balance is required to maintain liquidity, assure positive cash flow, and provide effective cash management. This is necessary because fund balance is not completely represented by liquid assets, such as cash, but includes unrealized receivables and other assets as components, which require a certain period of time to convert to cash. The issue of what the amount of fund balance should be has been raised many times by several towns. Dr. G. Robert Smith of Auburn University in Alabama has indicated that numerous rules exist throughout the country, which vary substantially. Two general rules have been promulgated which can be brought to bear on the issue.

The first is that undesignated fund balance should be, at a minimum, ten percent of the commitment plus one month's expenditures. Based upon the Town of Mechanic Falls' commitment figure of \$3,029,987 for FY 2018/19 the Town would require fund balance of \$660,000 at a minimum. Another rule of thumb commonly used in practice requires fund balance to approximate three month's expenditures. This amount could be calculated using one fourth of the total appropriations as an estimate, which would amount to \$1,070,000.

These figures reflect minimum requirements only. Additional factors must be evaluated by management of each individual town in light of current economic conditions and specific facts relative to its own financial environment. Large expected cash outlays in the near future, capital planning and budgeting as well as economic stability of the Town's largest taxpayers must be considered in the formula.

The Town of Mechanic Falls has adopted its own fund balance policy calling for unassigned general fund balance equal to three months of the anticipated fiscal year's total spending. The Town of Mechanic Falls' unassigned general fund balance at June 30, 2019, amounted to \$1,195,268.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we advise management about the appropriateness accounting policies and their application. The significant accounting policies used by the Town of Mechanic Falls are described in Note 1 to the financial statements. No policies were adopted or revised during the fiscal year ended June 30, 2019. We noted no transactions entered into by the governmental unit during the year for which there is lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about the past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Useful Lives

Management's estimates of the useful lives of depreciable assets are based according to the Town's Fixed Asset Policy. We evaluated the key factors and assumptions used to develop the useful lives schedule contained in the Town's Fixed Asset Policy in determining that it is reasonable in relation to the financial statements taken as a whole.

Net Pension Liabilities

Management's estimates of the Town's net pension liability and related deferred outflows and inflows of resources are based on information provided by Maine Public Employees Retirement System (MEPERS). The measurement date of the pension liability for MEPERS is June 30, 2018, one year earlier than the audited financial date.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statements disclosures are particularly sensitive because of their significance to the financial statement users. The most sensitive disclosure affecting the financial statements was:

Property Taxes

The disclosure of property taxes in Note 3 to the financial statements describes the assessed value, the tax rate, the year end taxes receivable and overall collection rate for the Town. The collection rate is a guideline for cash flow and budgeting purposes in the next calendar year.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. A listing of adjustments incorporated in the audited financial statements, some of which were material, is attached to this letter. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

Disagreements with Management

For the purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or audit matter, whether or not resolved to our satisfaction that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of the audit.

Management Representation

We have requested certain representations from management that are included in the management representation letter dated March 23, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Schedule of the Town's Proportionate Share of Net Pension Liability and Schedule of Town Pension Contributions, which are required supplementary information (RSI) that supplement the basic financial statement. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Management has omitted Management's Discussion and Analysis (MD&A) that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Restriction on Use

This communication is intended solely for the information and use of the Board of Selectmen, Manager and others within the Town, and is not intended to be and should not be used by anyone other than these specified parties.

Smith & Associates
SMITH & ASSOCIATES, CPAs
A Professional Association

Yarmouth, Maine
March 23, 2020

Smith & Associates, CPAs
A Professional Association
Yarmouth, Maine 04096

TOWN OF MECHANIC FALLS

MECHANIC FALLS, MAINE

FINANCIAL AUDIT REPORT

JUNE 30, 2019

**TOWN OF MECHANIC FALLS
MECHANIC FALLS, MAINE
JUNE 30, 2019**

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REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

Town Council and Manager
TOWN OF MECHANIC FALLS
Mechanic Falls, Maine

We have audited the accompanying financial statements of the governmental activities, each major fund (except as described below), and the aggregate remaining fund information of the Town of Mechanic Falls, Maine as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of financial statements in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on Enterprise Funds and Adverse Opinion on Business-Type Activities

Management has not included the Town of Mechanic Falls Water Department in the Town's financial statements. Accounting principles generally accepted in the United States of America require the Water Department to be presented as a major enterprise fund and financial information about the Water Department to be part of the business-type activities. In order to comply with state regulatory requirements, the Water Department's financial statements are issued and audited using a fiscal year ending December 31 of each year which is a reporting period different than that used by the Town for the remainder of its funds and activities. The amount by which this departure would impact the assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, and expenses of the business-type activities and the omitted major fund as of and for the year ended June 30, 2019 has not been determined.

HMV, LLC, Certified Public Accountants has audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the Mechanic Falls Water Department as of and for the years ended December 31, 2018 and 2017 and their report thereon, dated March 1, 2019, expressed an unmodified opinion on those financial statements.

Adverse Opinions

In our opinion, because of the significance of the matter described in the "Basis for Adverse Opinion on Enterprise Funds and Adverse Opinion on Business-Type Activities" paragraph, the financial statements referred to above do not present fairly the financial position of the business-type activities and enterprise fund of the Town of Mechanic Falls, Maine as of June 30, 2019, or the changes in financial position or cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund other than the Water Department, and the aggregate remaining fund information of the Town of Mechanic Falls, Maine as of June 30, 2019, and the respective changes in financial position and cash flows, where applicable, of those activities and funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Schedule of the Town's Proportionate Share of Net Pension Liability and Schedule of Town Pension Contributions be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted Management's Discussion and Analysis (MD&A) that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.



SMITH & ASSOCIATES, CPAs
A Professional Association

Yarmouth, Maine
March 23, 2020

**TOWN OF MECHANIC FALLS
STATEMENT OF NET POSITION
JUNE 30, 2020**

	<u>Primary Government Governmental Activities</u>
Assets	
Cash and Cash Equivalents	\$ 2,606,084
Taxes Receivable	189,048
Tax Lien Receivable	53,011
Accounts Receivable	88,749
Inventories	4,911
Capital Assets, Net of Accumulated Depreciation	<u>3,385,298</u>
Total Assets	\$ <u>6,327,101</u>
Deferred Outflows of Resources	
Related to Pensions	<u>\$ 51,514</u>
Liabilities	
Accounts Payable	\$ 58,234
Accrued Expenses	51,535
Taxes Paid in Advance	5,579
Non Current Liabilities	
Due Within One Year	145,967
Due in More Than One Year	917,857
Compensated Absences	29,313
Net Pension Liability	<u>98,305</u>
Total Liabilities	\$ <u>1,306,790</u>
Deferred Inflows of Resources	
Related to Pensions	<u>\$ 28,839</u>
Net Position	
<i>Net Investment in Capital Assets</i>	\$ 2,321,474
<i>Restricted</i>	
Permanent Funds, Non-Expendable	1,755
Special Revenue Funds	124,506
<i>Unrestricted</i>	<u>2,595,251</u>
Total Net Position	\$ <u>5,042,986</u>

The Notes to the Financial Statements are an integral part of this Statement.

EXHIBIT II

**TOWN OF MECHANIC FALLS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u> Charges for <u>Services</u>	<u>Operating</u> Grants and <u>Contributions</u>	Net (Expense) Revenue and Changes in Net Position
				<u>Governmental</u> <u>Activities</u>
Primary Government				
Governmental Activities				
General Government	\$ 384,532	\$ 141,755	\$ 0	\$ (242,777)
Protection	482,758	1,993	0	(480,765)
Public Works	437,082	27,423	22,588	(387,071)
Fiscal Services	594,183	0	0	(594,183)
Education	1,658,918	0	0	(1,658,918)
Community Services	94,993	19,917	28,353	(46,723)
Fixed Charges	190,968	0	0	(190,968)
Interest on Long - Term Debt	28,319	0	0	(28,319)
Depreciation - Unallocated	<u>297,161</u>	<u>0</u>	<u>0</u>	<u>(297,161)</u>
Total Primary Government	<u>\$ 4,168,914</u>	<u>191,088</u>	<u>\$ 50,941</u>	<u>\$ (3,926,885)</u>
General Revenues				
Property and Other Taxes				\$ 3,570,451
Grants and Contributions Not Restricted to Special Revenues				419,383
Gain (Loss) on Capital Assets				10,880
Unrestricted Investment Earnings				<u>14,971</u>
Total General Revenues				<u>\$ 4,015,685</u>
Changes in Net Position				\$ 88,800
Net Position – July 1, 2018				<u>\$ 4,954,186</u>
Net Position – June 30, 2019				<u>\$ 5,042,986</u>

The Notes to the Financial Statements are an integral part of this Statement.

EXHIBIT III

**TOWN OF MECHANIC FALLS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019**

	<u>General Fund</u>	<u>Highway Equipment</u>	<u>BAN Escrow Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Cash and Cash Equivalents	\$ 1,319,883	\$ 332,173	\$ 394,357	\$ 559,671	\$ 2,606,084
Taxes Receivable	189,048	0	0	0	189,048
Tax Liens Receivable	53,011	0	0	0	53,011
Accounts Receivable	88,749	0	0	0	88,749
Inventories	4,911	0	0	0	4,911
Due from Other Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$ 1,655,602</u>	<u>\$ 332,173</u>	<u>\$ 394,357</u>	<u>\$ 559,671</u>	<u>\$ 2,941,803</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance					
Liabilities					
Accounts Payable	\$ 58,077	\$ 0	\$ 0	\$ 157	\$ 58,234
Accrued Expenses	38,678	0	0	0	38,678
Due to Other Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>\$ 96,755</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 157</u>	<u>\$ 96,912</u>
Deferred Inflows of Resources	<u>\$ 178,579</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 178,579</u>
Fund Balance					
<i>Nonspendable</i>					
Permanent Funds – Nonspendable	\$ 0	\$ 0	0	\$ 1,755	\$ 1,755
<i>Restricted</i>					
Special Revenue Funds	0	0	0	124,506	124,506
Permanent Funds, Spendable	0	0	0	10,369	10,369
<i>Committed</i>					
Capital Projects	0	332,173	394,357	385,738	1,112,268
Special Revenue Funds	0	0	0	37,146	37,146
Appropriated Surplus for 2019/20	185,000	0	0	0	185,000
<i>Assigned</i>					
Special Revenue Funds	0	0	0	0	0
<i>Unassigned</i>					
General Fund	<u>1,195,268</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,195,268</u>
Total Fund Balance	<u>\$ 1,380,268</u>	<u>\$ 332,173</u>	<u>\$ 394,357</u>	<u>\$ 559,514</u>	<u>\$ 2,666,312</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 1,655,602</u>	<u>\$ 332,173</u>	<u>\$ 394,357</u>	<u>\$ 559,671</u>	<u>\$ 2,941,803</u>

The Notes to the Financial Statements are an integral part of this Statement.

EXHIBIT IV

**TOWN OF MECHANIC FALLS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO
STATEMENT OF NET POSITION
JUNE 30, 2019**

Total Fund Balance – Total Governmental Funds	\$	2,666,312
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because		
Capital Assets Used in Governmental Activities are Not Current Financial Resources and Therefore are Not Reported in the Governmental Funds Balance Sheet.		3,385,298
Interest Payable on Long-Term Debt Does Not Require Current Financial Resources and Therefore, Interest Payable is Not Reported as a Liability in the Governmental Funds Balance Sheet.		(12,858)
Unavailable Property Tax Revenues are Not Available to Pay for Current Period Expenditures and Therefore, are Deferred Inflows of Resources.		173,000
Long-term Liabilities are Not Due and Payable in The Current Period and Therefore They are Not Reported in The Governmental Funds Balance Sheet:		
Long-term Debt		
Due in One Year	\$ (145,967)	
Due in More than One Year	(917,857)	
Net Pension Liability	(98,305)	
Accrued Compensated Absence Pay	<u>(29,312)</u>	(1,191,441)
Pension Liabilities Result in Deferred Outflows and Deferred Inflows of Resources Associated with the Actuarial Value of Contributions, Assets, and Liabilities.		
Deferred Outflows	\$ 51,514	
Deferred Inflows	<u>(28,839)</u>	<u>22,675</u>
Net Position of Governmental Activities		<u>\$ 5,042,986</u>

The Notes to the Financial Statements are an integral part of this Statement.

EXHIBIT V

**TOWN OF MECHANIC FALLS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>General Fund</u>	<u>Highway Equipment</u>	<u>BAN Escrow Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues					
Property and Other Taxes	\$ 3,572,584	\$ 0	\$ 0	\$ 0	\$ 3,553,951
Intergovernmental	399,376	0	0	0	442,821
Licenses, Permits and Fees	58,506	0	0	0	59,427
Charges for Services	30,246	0	0	55,454	94,865
Investment Income	6,046	1,420	1,130	3,450	14,972
Miscellaneous	<u>33,565</u>	<u>0</u>	<u>0</u>	<u>31,654</u>	<u>83,903</u>
Total Revenues	<u>\$ 4,100,323</u>	<u>\$ 1,420</u>	<u>\$ 1,130</u>	<u>\$ 90,558</u>	<u>\$ 4,249,939</u>
Expenditures					
<i>Current</i>					
General Government	\$ 337,003	\$ 0	\$ 0	\$ 27,838	\$ 383,423
Protection	400,226	0	0	10,208	473,314
Public Works	415,607	0	0	0	433,729
Fiscal Services	586,356	0	0	0	635,027
Education	1,603,276	0	0	0	1,658,918
Community Services	39,789	0	0	53,017	94,993
Debt Service	201,410	0	0	0	154,440
Fixed Charges	177,512	0	0	0	190,968
<i>Capital Outlay</i>	<u>19,528</u>	<u>8,520</u>	<u>38,909</u>	<u>61,186</u>	<u>253,729</u>
Total Expenditures	<u>\$ 3,780,707</u>	<u>\$ 8,520</u>	<u>\$ 38,909</u>	<u>\$ 152,249</u>	<u>\$ 4,278,541</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 319,616</u>	<u>\$ (7,100)</u>	<u>\$ (37,779)</u>	<u>\$ (61,691)</u>	<u>\$ (28,602)</u>
Other Financing Sources (Uses)					
Long-term Debt Proceeds	\$ 0	\$ 0	\$ 432,136	\$ 0	\$ 508,636
Transfers In (Out)	<u>(168,650)</u>	<u>67,000</u>	<u>0</u>	<u>93,391</u>	<u>0</u>
Total Other Financing Sources	<u>\$ (168,650)</u>	<u>\$ 67,000</u>	<u>\$ 432,136</u>	<u>\$ 93,391</u>	<u>\$ 480,034</u>
Net Change in Fund Balance	<u>\$ 150,966</u>	<u>\$ 59,900</u>	<u>\$ 394,357</u>	<u>\$ 31,700</u>	<u>\$ 480,034</u>
Fund Balance – July 1, 2018	<u>\$ 1,223,079</u>	<u>\$ 224,519</u>	<u>\$ 0</u>	<u>\$ 527,814</u>	<u>\$ 2,186,278</u>
Fund Balance – June 30, 2019	<u>\$ 1,374,045</u>	<u>\$ 284,419</u>	<u>\$ 394,357</u>	<u>\$ 559,514</u>	<u>\$ 2,666,312</u>

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF MECHANIC FALLS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

Net Change In Fund Balance – Total Governmental Funds	\$ 480,034
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because	
Governmental Funds Report Capital Outlays as Expenditures. However, In the Statement of Activities the Cost of Those Assets is Allocated Over Their Estimated Useful Lives and Reported as Depreciation Expense. This is the Amount of Capital Assets Recorded in the Current Period.	243,370
Depreciation Expense on Capital Assets is Reported in the Government-Wide Statement of Activities and Changes in Net Position, But They Do Not Require the Use of Current Financial Resources. Therefore, Depreciation Expense is Not Reported as Expenditure in Governmental Funds.	(297,161)
In the Statement of Activities Only the Gain or Loss on the Disposal of Capital Assets is reported. However, in the Governmental Funds, the Proceeds From the Sale Increase Financial Resources.	(8,723)
The Issuance of Long-term Debt (e.g. Notes Payable and Accrued Compensated Absence Pay) Provides Current Financial Resources to Governmental Funds, While the Repayment of Long-term Debt Consumes the Current Financial Resources of Governmental Funds. Neither Transaction, However, has Any Effect on Net Position. This Amount is the Net Effect of These Differences in the Treatment of Long-Term Debt and Related Items.	(378,907)
Accrued Interest Expense on Long-Term Debt is Reported in the Government-Wide Statement of Activities and Changes in Net Position, But Does Not Require the Use of Current Financial Resources. Therefore, Accrued Interest Expense is Not Reported as Expenditures in Governmental Funds.	(7,157)
Some Property Tax will not be Collected for Several Months After the Town’s Fiscal Year End; They are not Considered Current Financial Resources in the Governmental Funds. This Amount is the Net Effect of the Differences.	16,500
Long-term Net Pension Liabilities and Related Deferred Resources are Reported in the Government-Wide Statement of Activities, But Do Not Require the Use of Current Financial Resources and are not Available to Pay for Current Year Expenditures. Therefore, These Amounts are Not Reported as Expenditures/Revenues in Governmental Funds Financial Statements. This is the Net Change Related to Pension Liability and Deferred Outflows and Deferred Inflows of Resources.	<u>40,844</u>
Change in Net Position of Governmental Activities	<u>\$ 88,800</u>

The Notes to the Financial Statements are an integral part of this Statement.

EXHIBIT VII

**TOWN OF MECHANIC FALLS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
Revenues				
Property and Other Taxes	\$ 3,466,687	\$ 3,466,687	\$ 3,553,951	\$ 87,264
Intergovernmental	436,840	436,840	442,821	5,981
Licenses, Permits and Fees	49,130	49,130	59,427	10,297
Charges for Services	27,617	27,617	39,411	11,794
Investment Income	4,000	4,000	8,498	4,498
Miscellaneous	30,000	30,000	52,249	22,249
Total Revenues	\$ 4,014,274	\$ 4,014,274	\$ 4,156,357	\$ 142,083
Expenditures				
<i>Current</i>				
General Government	\$ 352,429	\$ 352,429	\$ 355,585	\$ (3,156)
Protection	459,709	459,709	463,106	(3,397)
Public Works	434,415	434,415	433,729	686
Fiscal Services	676,051	676,051	635,027	41,024
Education	1,658,918	1,658,918	1,658,918	0
Community Services	63,130	63,130	41,976	21,154
Debt Service	154,140	154,140	154,440	(300)
Fixed Charges	196,482	196,482	190,968	5,514
<i>Capital Outlay</i>	0	76,500	83,585	(7,085)
Total Expenditures	\$ 3,995,274	\$ 4,071,774	\$ 4,017,334	\$ 54,440
Excess (Deficiency) of Revenue Over (Under) Expenditures	\$ 19,000	\$ (57,500)	\$ 139,023	\$ 196,523
Other Financing Sources (Uses)				
Capital Lease Proceeds	\$ 0	\$ 76,500	76,500	0
Transfers In (Out)	(209,000)	(209,000)	(209,300)	(300)
Total Other Financing Sources	\$ (209,000)	\$ (132,500)	\$ (132,800)	\$ 0
Net Change in Fund Balance	\$ (190,000)	\$ (190,000)	\$ 6,223	\$ 196,223
Fund Balance – July 1, 2018	1,374,045	1,374,045	1,374,045	0
Fund Balance – June 30, 2019	\$ 1,184,045	\$ 1,184,045	\$ 1,380,268	\$ 196,223

The Notes to the Financial Statements are an integral part of this Statement.

EXHIBIT VIII

**TOWN OF MECHANIC FALLS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2019**

	Community Agency Funds
Assets	
<i>Current Assets</i>	
Cash and Cash Equivalents	\$ <u>30,424</u>
Liabilities	
Amounts Held for Others	\$ <u>30,424</u>
Net Position	
Held in Trust	\$ <u> 0</u>

The Notes to the Financial Statements are an integral part of this Statement.

TOWN OF MECHANIC FALLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. – General Statement

The Town of Mechanic Falls, Maine was incorporated in 1893 under the laws of the State of Maine and currently operates under a Town Manager-Council Form of Government.

The accounting and reporting policies of the Town relating to the funds and account groups included in the accompanying financial statements conform to generally accepted accounting principles as applicable to state and local governments. Generally, accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units* and by the Financial Accounting Standards Board (when applicable). The more significant accounting policies of the Town are described below.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. Certain of the significant changes in the Statement include the following:

The financial statements include:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the Town’s overall financial position and results of operations. Management of the Town has elected to omit the MD&A as indicated in the Independent Auditors’ Report.
- Financial statements prepared using full accrual accounting for all of the Town’s activities.
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements including notes to financial statements.

B. – Financial Reporting Entity

The criteria for including organizations as component units within the Town's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- The organization is legally separate (can sue and be sued in their own name).
- The town holds the corporate powers of the organization.
- The town appoints a voting majority of the organization's board.
- The town is able to impose its will on the organization.
- The organization has the potential to impose a financial benefit/burden on the town.
- There is fiscal dependency by the organization on the town.

TOWN OF MECHANIC FALLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. – Financial Reporting Entity (Continued)

Based on the aforementioned criteria, the Town of Mechanic Falls has no component units that are not included in this report.

Water Department

The Town of Mechanic Falls Water Department is an enterprise fund within the Town. The Water Department is not included in these financial statements because this department has adopted a statutory calendar year. The Water Department is not a separate legal entity from the Town, and debt issued for the Water Department is backed by the full faith and credit of the Town. The Water Department issues separate financial statements which are examined by other auditors.

C. – Financial Statements – Government-Wide Statements

The Town's financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The Town first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, charges for services, etc). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (whether operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function) are normally covered by general revenue (property taxes, intergovernmental revenues, interest income, etc).

D. – Financial Statements – Fund Financial Statements

The financial transactions of the Town are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues, and expenditures/expenses. The various funds are reported by generic classification within the financial statements. The following fund types are used by the Town.

TOWN OF MECHANIC FALLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. – Financial Statements – Fund Financial Statements (Continued)

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Town:

General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The Highway Equipment Fund is a Major Fund.

Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs, that is, for the benefit of the government or its citizenry. A permanent fund would be used, for example, to account for the perpetual care endowment of a municipal cemetery.

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Town programs. The reporting focus is on net position and changes in net position and are reported using accounting principles similar to proprietary funds.

The Town's fiduciary funds are presented in the fiduciary fund financial statements by type (private purpose and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Non-major funds by category are summarized into a single column. GASB No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements.

TOWN OF MECHANIC FALLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. – Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they become both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. A one-year availability period is used for recognition of all other Governmental fund revenues. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

F. – Budgetary Control

Formal budgetary accounting is employed as a management control for the general fund of the Town of Mechanic Falls. The Town of Mechanic Falls’ policy is to adopt an annual budget for operations. The budget is presented on the modified accrual basis of accounting, which is consistent with generally accepted accounting principles.

The following procedures are followed in establishing budgetary data reflected in the financial statements:

1. Early in the second half of the last fiscal year, the Town prepared a budget for this fiscal year beginning July 1st. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the inhabitants of the Town of Mechanic Falls was then called for the purpose of adopting the proposed budget after public notice of the meeting was given.
3. The budget was adopted subsequent to passage by the inhabitants of the Town.

The Town does not adopt budgets for the Special Revenue Funds.

TOWN OF MECHANIC FALLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. – Cash and Cash Equivalents, and Investments

Maine statutes authorize the Town to invest in obligations of the U.S. Treasury and U.S. agencies, repurchase agreements and certain corporate stocks and bonds. Generally, the Town invests certain funds in checking, savings accounts, or certificates of deposit.

The Town has defined cash and cash equivalents to include cash on hand, demand deposits, and cash with a fiscal agent.

Investments are recorded at fair market value.

H. – Inventories

Inventories are stated at the lower of cost or market. Cost is determined primarily by the first-in, first-out method for the Town.

I. – Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and Improvements	15 - 40 Years
Machinery and Equipment	5 - 12 Years
Vehicles	10 Years
Infrastructure	12 Years

The Town of Mechanic Falls has elected not to retroactively report their major general infrastructure assets.

J. – Compensated Absences

The Town of Mechanic Falls recognizes accumulated sick leave compensation during the period in which the related liability is incurred. In compliance with Town personnel policies the liability for accrued compensated absence pay was \$29,313 at June 30, 2019.

TOWN OF MECHANIC FALLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. – Interfund Activity

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market, or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

L. – Deferred Outflows and Inflows of Resources

Deferred Outflows of Resources - a consumption of net position by the government that is applicable to a future reporting period. It has a positive effect on net position, similar to assets.

Deferred Inflows of Resources - an acquisition of net position by the government that is applicable to a future reporting period. It has a negative effect on net position, similar to liabilities.

The GASB emphasizes in GASB 63 that deferred inflows and deferred outflows are not assets or liabilities and therefore should be separately categorized in the financial statements.

The deferred inflows of resources listed at June 30, 2019 in Exhibit I amounted to \$28,839 and \$51,514 of deferred outflows of resources related to pension for the Town of Mechanic Falls. Per Exhibit III, deferred inflow of resources amounted to \$178,579 related to deferred property taxes and there were no deferred outflows of resources.

M. – Equity Classifications

Government-Wide Statements

Net position represents the differences between assets and liabilities. Equity is classified as net position and displayed in three components:

- Net investment in capital assets – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position – consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net position – all other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

TOWN OF MECHANIC FALLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. – Equity Classifications (Continued)

Fund Financial Statements

Governmental fund equity is classified as fund balance. The Town's fund balances represent: **(1) Nonspendable Fund Balance**, resources that cannot be spent because of legal or contractual provisions that require they be maintained intact. (e.g. the principal of an endowment). **(2) Restricted Purposes**, which include balances that are legally restricted for specific purposes due to constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; **(3) Committed Purposes**, which include balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Selectmen; **(4) Assigned Purposes**, which includes balances that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. **(5) Unassigned Fund Balance**, net resources in excess of what is properly categorized in one of the four categories already described. A positive amount of unassigned fund balance will never be reported in a governmental fund other than the general fund, because GASB Statement 54 prohibits reporting resources in another fund unless they are at least assigned to the purpose of that fund. However, funds other than the general fund could report a negative amount of unassigned fund balance should the total of nonspendable, restricted and committed fund balance exceeds the total net resources of the fund.

N. – Use of Estimates

Preparation of financial statements in conformity with GAAP requires the use of management's estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

O. – Accounts Receivable

Accounts Receivable at June 30, 2019, primarily consist of miscellaneous intergovernmental receivables. There is no allowance for doubtful accounts as the Town believes they are 100% collectible.

NOTE 2 – CASH AND CASH EQUIVALENTS

The Town's deposits may be subject to the following risks:

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town's policy is to invest in only financial institutions that are insured by the F.D.I.C. or additional insurance. The Town's bank balances were all covered by the F.D.I.C. or by additional insurance purchased on behalf of the Town by the respective banking institutions.

Interest Rate Risk – The Town does not currently have a deposit policy for interest rate risk.

**TOWN OF MECHANIC FALLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 2 – CASH AND CASH EQUIVALENTS (CONTINUED)

Credit Risk – The Town does not have a formal policy regarding credit risk. Maine statutes authorized the Town to invest in obligations of the U.S. Treasury and U.S. agencies and certain bonds.

Concentration of Credit Risk – The Town does not have a policy for concentration of credit risk.

NOTE 3 – PROPERTY TAXES

The Town is responsible for assessing, collecting, and distributing property taxes in accordance with enabling state legislation. The Town of Mechanic Falls’ property tax is levied on the assessed value listed as of the prior April 1st for all taxable real and personal property located in the Town. Assessed values are periodically established by the Assessor at 100% of assumed market value. Each property must be reviewed no less than once every four years. The assessed value for the list of April 1, 2018, upon which the levy for the year ended June 30, 2019, was based, amounted to \$148,329,448. The assessed value was 91.90% of the 2019 State valuation of \$161,400,000.

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay and amounted to \$7,975 for the year ended June 30, 2019.

In the fund financial statements, property taxes are recognized in compliance with NCGA Interpretation – 3, *Revenue Recognition – Property Taxes* which states that such revenue is recorded when it becomes measurable and available. Available means due, or past due and receivable within the current period and collected no longer than 60 days after the close of the current period. In the government-wide financial statements, property taxes are recognized under the accrual method.

Tax liens are placed on real property within twelve months following the tax commitment date if taxes are delinquent. The Town has the authority to foreclose on property eighteen months after the filing of the lien if tax liens and associated costs remain unpaid.

The following summarizes the 2018-2019 levy:

Assessed Value	\$ 148,329,448
Less: Homestead Exemption	(8,491,586)
Less: BETE	<u>(847,642)</u>
 Total	 \$ 138,990,220
Tax Rate (Per \$1,000)	<u>21.80</u>
 Commitment	 \$ 3,029,987
Supplementals	<u>578</u>
 Sub-Total	 \$ 3,030,565
Less: Abatements	(2,844)
Less: Collections	<u>(2,858,780)</u>
Receivable at Year End	<u>\$ 168,941</u>
 Collection Rate	 <u>94.3%</u>

**TOWN OF MECHANIC FALLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 3 – PROPERTY TAXES (CONTINUED)

Property taxes were due on October 15, 2018, and May 15, 2019, with interest charged at a rate of 7% on delinquent accounts.

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019, was as follows:

	Beginning Balance <u>July 1</u>	Additions/ Completions	Retirements/ Adjustments	Ending Balance <u>June 30</u>
Governmental Activities				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$ 607,486	\$ 20,000	\$ 0	\$ 627,486
Building in Progress	<u>249,231</u>	<u>25,994</u>	<u>0</u>	<u>275,225</u>
Total Capital Assets Not Being Depreciated	<u>\$ 856,717</u>	<u>\$ 45,994</u>	<u>\$ 0</u>	<u>\$ 902,711</u>
<i>Capital Assets, Being Depreciated</i>				
Buildings and Improvements	\$ 2,098,614	\$ 0	\$ 0	\$ 2,098,614
Machinery and Equipment	564,680	160,236	0	724,916
Vehicles	1,669,848	37,140	27,547	1,679,441
Infrastructure	<u>1,530,178</u>	<u>0</u>	<u>0</u>	<u>1,530,178</u>
Total Capital Assets, Being Depreciated	<u>\$ 5,863,320</u>	<u>\$ 197,376</u>	<u>\$ 27,547</u>	<u>\$ 6,033,149</u>
<i>Less Accumulated Depreciation for</i>				
Buildings and Improvements	\$ 1,061,969	\$ 38,279	\$ 0	\$ 1,100,248
Machinery and Equipment	488,048	34,110	0	522,158
Vehicles	933,065	130,062	18,824	1,044,303
Infrastructure	<u>789,143</u>	<u>94,710</u>	<u>0</u>	<u>883,853</u>
Total Accumulated Depreciation	<u>\$ 3,272,225</u>	<u>\$ 297,161</u>	<u>\$ 18,824</u>	<u>\$ 3,550,562</u>
Total Capital Assets, Being Depreciated, Net	<u>\$ 2,591,095</u>	<u>\$ (99,785)</u>	<u>\$ 8,723</u>	<u>\$ 2,482,587</u>
Governmental Activities Capital Assets, Net	<u>\$ 3,447,812</u>	<u>\$ (53,791)</u>	<u>\$ 8,723</u>	<u>\$ 3,385,298</u>

Depreciation expense has not been charged as a direct expense.

**TOWN OF MECHANIC FALLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 5 – LONG-TERM DEBT

At June 30, 2019, bonds payable consisted of the following individual issues:

	<u>Governmental Activities</u>
Maine Municipal Bond Bank	
Town Office Renovations of 2003, Interest Rates 2.078% - 5.078%, Annual Principal Payment of \$32,070, Maturity 2023	\$ 160,355
Androscoggin Bank	
Road Bond of 2016, Interest Rate of 2.94%, Annual Principal and Interest Payment of \$107,274, Maturity in 2020	102,469
USDA	
General Obligation Bond – Interest Rate 3.5%, First Year Interest Only Payment of \$25,358; Thereafter, Annual Principal and Interest of \$41,014, Maturity in 2048	724,500
John Deere Financial	
Lease Purchase Agreement of 2018; Interest Rate of 3.75%; Annual Principal and Interest of \$12,662; Maturity in 2025	<u>76,500</u>
Total	<u>\$ 1,063,824</u>

Changes in Outstanding Debt

Transactions for the year ended June 30, 2019, are summarized as follows:

	<u>Balance July 1</u>	<u>Issues or Additions</u>	<u>Payments or Expenditures</u>	<u>Balance June 30</u>	<u>Due Within One Year</u>
Governmental Activities					
General Obligation Bonds and Notes Payable	\$ 688,466	\$ 724,500	\$ 425,642	\$ 987,324	\$ 133,305
Capital Lease	0	106,500	30,000	76,500	12,662
Net Pension Obligation	148,257	0	49,952	98,305	0
Compensated Absences	<u>25,764</u>	<u>3,549</u>	<u>0</u>	<u>29,313</u>	<u>0</u>
Total Governmental Activities	<u>\$ 862,487</u>	<u>\$ 834,549</u>	<u>\$ 505,594</u>	<u>\$1,191,442</u>	<u>\$ 145,967</u>

**TOWN OF MECHANIC FALLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 5 – LONG-TERM DEBT (CONTINUED)

Annual Requirements to Retire Debt Obligations

The annual aggregate maturities for each debt type for the years subsequent to June 30, 2019, are as follows:

Year Ending	<u>Governmental Activities</u>		
	<u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2019/20	134,540	35,750	170,290
2020/21	47,728	31,058	78,786
2021/22	48,275	28,881	77,156
2022/23	48,843	26,685	75,528
2023/24	49,430	24,469	73,899
2025/29	96,343	108,727	205,070
2030/34	114,425	90,645	205,070
2035/39	135,901	69,169	205,070
2040/44	161,408	43,662	205,070
2045/49	<u>150,431</u>	<u>13,376</u>	<u>163,807</u>
Total	<u>\$ 987,324</u>	<u>\$ 472,422</u>	<u>\$1,459,746</u>

The amount of debt that can be incurred by a municipality is limited by state statute. Total outstanding term obligations during a year can be no greater than 15% of the assessed value of taxable property as of the beginning of the fiscal year. As of June 30, 2019, the amount of outstanding term debt was equal to 0.77% of property valuation for the year then ended.

Capital Leases

As of June 30, 2019, the Town had capitalized an excavator with a cost of \$106,500 and accumulated depreciation of \$10,650. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2019 were as follows:

<u>Year Ending June 30,</u>	<u>Total</u>
2020	\$ 12,662
2021	12,662
2022	12,662
2023	12,662
2024	12,662
2025/29	<u>25,324</u>
Total Minimum Lease Payments	\$ 88,634
Less: Amount Representing Interest	<u>(12,134)</u>
Present Value of Future Minimum Lease Payments	<u>\$ 76,500</u>

TOWN OF MECHANIC FALLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 6 – RETIREMENT PLANS

The Town of Mechanic Falls provides retirement pension plans for its employees through a deferred compensation plan and a defined benefit pension plan.

I. Deferred Compensation Plan – ICMA-RC

A. Description of the Plan

The government offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all government employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. Currently, nine employees participate in the International City/County Management Association Retirement Corporation (ICMA-RC) plan.

The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the government subject only to the claims of the government's general creditors. Participants' rights under the plan are equal to those of a general creditor of the government in an amount equal to the fair market value of the deferred account for each participant.

It is the opinion of the government's legal counsel that the government has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The government believes it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

A. Funding Policy

Under this plan, the Town matches employee deferrals on a dollar-for-dollar basis, up to a maximum of 6.5% of compensation. Investments are managed by the plan's trustee under one of four investment options, or a combination thereof. The choice of the investment options is made by the participants. Total contributions on behalf of the Town were \$24,025 for the year ended June 30, 2019.

TOWN OF MECHANIC FALLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 6 – RETIREMENT PLANS (CONTINUED)

II. Deferred Compensation Plan - Hartford Insurance

A. Description of the Plan

For the fiscal year ended June 30, 2019, one employee participates in the Hartford Insurance Pension Plan. The pension plan is set up as a 457(b) Plan with a calendar year ending December 31st. Participants direct the investment of all contributions and age 50 catch-up deferrals and pre-retirement catch-up deferrals are allowed.

Distributions are permitted on account of: a) severance from employment, b) death, c) attainment of age 70 ½ years, d) unforeseeable emergency, e) withdrawal of rollover contributions excluding ROTH rollovers, or f) employed participants may take a withdrawal if their account is \$5,000 or less, have not made or received an allocation of any elective deferral contributions under the plan during the two-year period ending on the date of distribution and have not received a prior distribution under this provision.

B. Funding Policy

Under this plan, the Town matches employee deferrals on a dollar-for-dollar basis, up to a maximum of 6.5% of compensation. Investments are managed by the plan's trustee under one of four investment options, or a combination thereof. The choice of the investment options is made by the participants. Total contributions on behalf of the Town were \$1,514 for the year ended June 30, 2019.

III. Defined Benefit Pension Plan - Maine Public Employees Retirement System (MEPERS)

A. Description of the Plan

Qualifying personnel of the Town participate in the Maine Public Employees Retirement System. The plan is a multiple employer, cost-sharing pension plan. The Town has been enrolled in the MEPERS system since July 1, 1994. It is part of the COLA program within the MEPERS system plan. The Town participates in the Special Plan options. MEPERS is established under Maine law found in 5 MRS Part 20. The authority to establish and amend benefit provisions rests with the State legislature.

B. Funding Policy

The Town makes available to all full-time employees the option to make a one-time irrevocable election to participate in the Maine Public Employees Retirement System (MEPERS), Participating Local District ("PLD") Plan 2C and 3C. The employee shall pay, through payroll deduction(s), his/her required contribution determined by MEPERS. The Town shall pay its required contribution determined by MEPERS. This benefit shall be offered to eligible employees on the date of hire.

TOWN OF MECHANIC FALLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 6 – RETIREMENT PLANS (CONTINUED)

III. Defined Benefit Pension Plan - Maine Public Employees Retirement System (MEPERS)

C. Pension Benefits

Benefit terms are established in Maine Statute. The System's retirement programs provide defined retirement benefits based on member's average final compensation and service credit earned as of retirement. Vesting (i.e. eligibility of benefits upon reaching qualification) occurs upon the earning of 5 years of service credit for Town employees.

Normal retirement age of PLD members is age 60 to 65. The normal retirement age is determined by whether a member had met certain creditable service requirements on specific dates, as established by statute.

The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. The System also provides disability and death benefits which are established by statute for State employee and teacher members.

Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights. The annual interest credited to member's accounts is set by the System's Board of Trustees.

D. Member and Employer Contributions

Retirement benefits are funded by contributions from members and employers and by earnings on investments. Disability and death benefits are funded by employer normal cost contributions and by investment earnings. Member and employer contribution rates are each a percentage of applicable member compensation. Member contribution rates are defined by law or Board rule and depend on the terms of the plan under which a member is covered. Employer contribution rates are determined through actuarial valuations. For the year ended June 30, 2019, the member contribution rate was 8.0%, while the Town's contribution rate was 10.0%.

E. Revenue Recognition

Employer contributions to the System are recognized as additions in the period when they become due pursuant to formal commitments or statutory requirements. Investment income is recognized when earned and investment expenses are recorded when incurred.

**TOWN OF MECHANIC FALLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 6 – RETIREMENT PLANS (CONTINUED)

III. Defined Benefit Pension Plan - Maine Public Employees Retirement System (MEPERS)

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2019, the Town reported a net pension liability of \$98,305. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by actuarial valuation as of that date. The Town proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members. At the June 30, 2018 measurement date, the Town proportion was 0.035921%, while at the June 30, 2017 measurement date it was 0.036210%. For the fiscal year ended June 30, 2019, the Town recognized pension expense (credit) of \$(40,844).

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year Ended June 30,	<u>Amount</u>
2020	\$ 44,784
2021	174
2022	(16,148)
2023	<u>(6,135)</u>
Total	<u>\$ 22,675</u>

At June 30, 2019, the reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 308	\$ 1,080
Changes in Assumptions	15,691	0
Net Difference between Projected and Actual Earnings on Pension Plan Investments	0	23,738
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions.	7,696	4,021
Town Contributions Subsequent to the Measurement Date	<u>27,819</u>	<u>0</u>
Total	<u>\$ 51,514</u>	<u>\$ 28,839</u>

**TOWN OF MECHANIC FALLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 6 – RETIREMENT PLANS (CONTINUED)

**III. Defined Benefit Pension Plan - Maine Public Employees Retirement System (MEPERS)
(Continued)**

G. Actuarial Assumptions

The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions applied to all period included in the measurement:

➤ Inflation	2.75%
➤ Salary Increases	2.75% to 9.00%
➤ Investment Rate of Return	6.75%
➤ Cost of Living Benefit Increases	1.90%

For the Town employees, the mortality rate is based on the RP2014 Total Dataset Healthy Annuitant Mortality Table for males and females is used.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period of June 30, 2012 to June 30, 2015.

The long-term expected rate of return on pension plan investments were determined using a building-block method in which best-estimate ranges of expected future real rates or return (expected returns, net of pension plan investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Public Equities	30.0%	6.0%
US Government	7.5%	2.3%
Private Equity	15.0%	7.6%
Real Assets:		
Real Estate	10.0%	5.2%
Infrastructure	10.0%	5.3%
Natural Resources	5.0%	5.0%
Traditional Credit	7.5%	3.0%
Alternative Credit	5.0%	4.2%
Diversifiers	10.0%	5.9%
	<u>100.0%</u>	

**TOWN OF MECHANIC FALLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 6 – RETIREMENT PLANS (CONTINUED)

**III. Defined Benefit Pension Plan - Maine Public Employees Retirement System (MEPERS)
(Continued)**

G. Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that plan member contribution will be made the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The following presents the Town’s proportionate share of the net pension liability calculated using the discount rate of 6.75%, as well as what the Town proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

	1% Decrease <u>(5.75%)</u>	Current Discount Rate <u>(6.75%)</u>	1% Increase <u>(7.75%)</u>
Proportionate Share of the Net Pension Liability	\$231,692	\$98,305	\$(26,375)

G. Pension Plan Financial and Actuarial Information

Additional financial information and actuarial information can be found in the Maine PERS 2017 Comprehensive Annual Financial Report available online at www.mainebers.org or by contacting the System at (207) 512-3100.

NOTE 7 – INTERFUND ACTIVITY

Interfund transfers for the year ended June 30, 2019, consisted of the following:

Transfer To	
Highway Equipment – Major Fund	\$ 67,000
Capital Project Funds – Non-Major Funds	<u>142,300</u>
Total	<u>\$ 209,300</u>
 Transfer From	
General Fund	<u>\$ 209,300</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. There were no interfund balances at June 30, 2019.

TOWN OF MECHANIC FALLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 8 – RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance.

There have been no significant reductions in insurance coverages during the fiscal year and no significant settlements that exceeded insurance coverage.

NOTE 9 – OVERLAPPING DEBT

The Town's proportionate share of RSU #16's debt is not recorded in the financial statements of the Town of Mechanic Falls. At June 30, 2019, the Town's share was 16.40% (or \$1,112,749) of the Union's outstanding debt of \$6,785,053.

The Town's proportionate share of Androscoggin County's debt is not recorded in the financial statements of the Town of Mechanic Falls, as the county has no outstanding debt at June 30, 2019.

NOTE 10 – FUND BALANCE APPROPRIATIONS

At the Referendum Ballot held on June 12, 2018, the Townspeople voted \$190,000 of appropriations of general fund, which is reflected as the excess of budgeted expenditures over budgeted revenues as per Exhibit VII for the following:

Capital Reserves	\$ <u>190,000</u>
Total	\$ <u>190,000</u>

NOTE 11 – GOVERNMENTAL FUND BALANCES

The Town of Mechanic Falls has the responsibility for committing fund balance amounts and likewise would be required to modify or rescind those commitments. When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned, and unassigned resources are available for use, it is the Town's policy to use committed or assigned resources first, then unassigned resources as they are needed.

The General Fund unassigned fund balance total of \$1,195,268 represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the General Fund.

The Town has adopted a fund balance policy to provide sound financial management of the Town unassigned funds. The Town's management objective is to carry a total fund balance of three months worth of the anticipated fiscal year's total spending. On or about January 1st of each year, the Town Manager with the advice of the Finance Director, shall present to the Town Council the amount of net excess fund balance as compared to three month's worth of the anticipated total spending for the coming year. The Council will give preliminary guidance to the staff for use of said surplus if any in preparation of the upcoming budget.

**TOWN OF MECHANIC FALLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 11 – GOVERNMENTAL FUND BALANCES (CONTINUED)

Fund Balance per Exhibit III at year end consisted of amounts which the Town of Mechanic Falls intends to use for the following purposes:

Nonspendable and Assigned

Permanent Funds	<u>Non-Spendable</u>	<u>Spendable</u>	<u>Total</u>
Cemetery Perpetual Care	\$ 500	\$ 2,920	\$ 3,420
Library Funds	500	1,378	1,878
Needy Children	499	1,451	1,950
Parks and Management	<u>256</u>	<u>4,620</u>	<u>4,876</u>
Total	<u>\$ 1,755</u>	<u>\$ 10,369</u>	<u>\$ 12,124</u>

Restricted Purposes, which include balances that are legally restricted for specific purposes due to constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments

Restricted

Special Revenues

Unemployment Fund	\$ 64,372
Insurance Reimbursements	<u>60,134</u>
Total Restricted	<u>\$ 124,506</u>

Committed Purposes, which include balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Selectmen

Committed

Capital Reserves

Municipal Complex	\$ 25,097
Fire Rescue Funds	91,838
Highway Equipment	332,173
Solid Waste	30,972
Assessing/Revaluation	75,386
Library Computer	1,213
Police Department Forfeiture	2,852
Police Cruiser	22,424
Municipal Computers	13,017
Sidewalks	82,724
Debt Service	40,215
BAN Escrow	<u>394,357</u>
Total Capital Reserves	<u>\$ 1,112,268</u>

Special Revenues

Police Training	\$ 24,372
Recreation Funds	<u>12,774</u>
	<u>\$ 37,146</u>

General Fund

Appropriated From Surplus for FY 2019/20	<u>\$ 185,000</u>
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Total Committed	<u>\$ 1,334,414</u>
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TOWN OF MECHANIC FALLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 12 – COMMITMENTS AND CONTINGENCIES

The Town of Mechanic Falls participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Town has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2019 may be impaired. In the opinion of the Town, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

Lawsuit

The Town is presently party to a lawsuit. Any potential financial risk accruing to the Town is judged to be either indeterminable and/or immaterial.

Town Offices

On November 7, 2017, the residents of the Town of Mechanic Falls voted to authorize the Town to buy a building, renovate it, and relocate the police department, town office, and library there. The vote authorizes the Town to obtain a bond for \$724,500. \$500,000 was authorized to pay for the purchase and relocation effort and \$224,500 was for the payment on the existing town office renovation bond. Subsequently at a Special Town meeting, it was voted that the \$224,500 would be used for renovation of the new building. As of the date of these financial statements, the Council has ceased renovations of the new building and authorized the sale of the property at 22 Pleasant Street. Proceeds from the sale along with amounts held in escrow will be used to pay the outstanding balance on the bond.

NOTE 13 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. - Budgetary Accounting

The Town of Mechanic Falls utilizes a formal budgetary accounting system to control revenues and expenditures accounted for in the General Fund. This budget is established by the Town Council and must be approved by referendum ballot.

B. - Excess of Expenditures over Appropriations

For the year ended June 30, 2019, expenditures did exceed appropriations in one category. However, the Town did not exceed appropriations in total for the fiscal year.

General Government	\$ (3,156)
Protection	(3,397)
Debt Service	(300)
Capital Outlay	<u>(7,085)</u>
Total	<u>\$ (13,938)</u>

TOWN OF MECHANIC FALLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 13 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

C. - Deficit Balances

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year-end.

Since proceeds from interim loans are not considered permanent funding sources, the Town has a deficit fund balance in the major capital project fund – municipal building fund at June 30, 2019. This deficit will be funded through long-term borrowing.

D. – Fiduciary Funds

Fiduciary funds at year end consisted of amounts as follows:

Riverside Drive Association	\$	1,855
Summer Recreation		5,983
Library Trustees		9,746
Santa Program		6,969
Homecoming		2,929
Historical Society		<u>2,942</u>
Total	\$	<u>30,424</u>

NOTE 14 – RELATED ORGANIZATION

Council has the ability to appoint Directors of the Board of Mechanic Falls Development Commission, a non-profit organization exempt from income tax under Internal Revenue Code Section 501(c)(6). The Development Commission's mission is to stimulate industrial and commercial development and expansion in the Town of Mechanic Falls by implementing policies, projects and programs that will result in increased employment and living standards in the area. As the Commission does not satisfy the requirements established under generally accepted accounting principles for treatment as a joint venture, no equity interest in the Commission is carried on the Town's books.

NOTE 15 – DATE OF MANAGEMENT'S REVIEW

Management has evaluated subsequent events through March 23, 2020, the date on which the financial statements were available to be issued.

SCHEDULE I

**TOWN OF MECHANIC FALLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE
OF NET PENSION LIABILITY
JUNE 30, 2019**

	<u>06/30/19</u>	<u>6/30/18</u>	<u>06/30/17</u>	<u>6/30/16</u>	<u>6/30/15</u>
Town's Proportion of Net Pension Liability	0.035921%	0.036210%	0.030251%	0.033968%	0.032221%
Town's Proportionate Share of the Net Pension Liability	<u>\$ 98,305</u>	<u>\$ 148,257</u>	<u>\$ 160,733</u>	<u>\$ 108,374</u>	<u>\$ 49,582</u>
Town's Covered Employee Payroll	<u>\$ 209,897</u>	<u>\$ 195,359</u>	<u>\$ 159,489</u>	<u>\$ 178,019</u>	<u>\$ 171,850</u>
Town's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Employee Payroll	<u>46.83%</u>	<u>75.89%</u>	<u>100.78%</u>	<u>60.88%</u>	<u>28.85%</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>91.14%</u>	<u>86.43</u>	<u>81.61%</u>	<u>88.27%</u>	<u>94.10%</u>

Amounts presented for each fiscal year were determined as of June 30. The data above was determined by the actuarial valuation date which was one year prior to the audit report date. Retroactive information is not required to be presented. A full 10-year schedule will be displayed as it becomes available.

SCHEDULE II

**TOWN OF MECHANIC FALLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE TOWN PENSION CONTRIBUTIONS
JUNE 30, 2019**

	<u>06/30/19</u>	<u>6/30/18</u>	<u>6/30/17</u>	<u>6/30/16</u>	<u>6/30/15</u>
Contractually Required Contribution	\$ 27,819	\$ 20,150	\$ 18,559	\$ 14,195	\$ 13,885
Actual Contribution	<u>(27,819)</u>	<u>(20,150)</u>	<u>(18,559)</u>	<u>(14,195)</u>	<u>(13,885)</u>
Contribution Deficiency (Excess)	\$ <u>0</u>				
Covered Employee Payroll	\$ <u>278,188</u>	\$ <u>209,897</u>	\$ <u>195,359</u>	\$ <u>159,489</u>	\$ <u>178,019</u>
Contributions as a Percentage of Covered Employee Payroll	<u>10.00%</u>	<u>9.60%</u>	<u>9.5%</u>	<u>8.9%</u>	<u>7.8%</u>

Amounts presented for each fiscal year were determined as of June 30. The data above was determined for the Town's fiscal years indicated, which differs from the reporting timeframes used in Schedule I. Retroactive information is not required to be presented. A full 10-year schedule will be displayed as it becomes available.

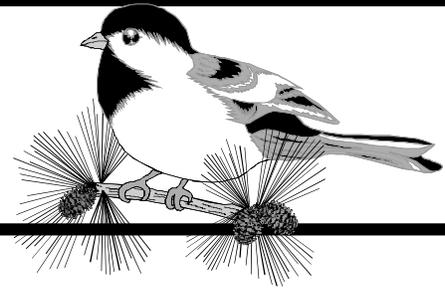
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Changes of Benefit Terms – None

Changes to Assumptions - None

Town of Mechanic Falls

108 Lewiston Street
Mechanic Falls, ME 04256
Phone: 345-2871 FAX: 345-9201
www.MechanicFalls.org



Town of Mechanic Falls Protocols ~~on Requests~~ for Public Records Under Maine's Freedom of Access Law ("Right-To-Know")

~~1 M.R.S.A. §§401, et seq.~~

Adopted September 6, 2012

Amended April 6, 2020

PURPOSE: It is the purpose of this protocol to ensure that every person has access to public records in the possession of the Town and that the time and method of providing public records to persons requesting them both complies with their rights under the law and allows for the smooth functioning of governmental departments.

DEFINITION:

Definition of the term "public proceeding" can be found in 1 M.R.S.A. 402(2).

Definition of the term "public records" can be found in 1 M.R.S.A. 402(3). The Town is prohibited by law, however, from releasing information classified as confidential under state or federal law.

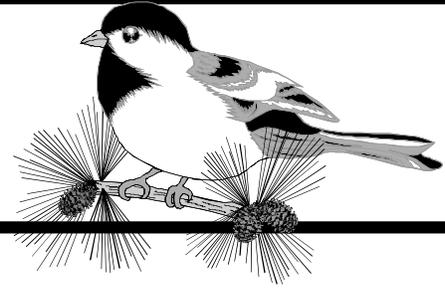
Definition of the term "public access officer" can be found in 1 M.R.S.A. 402(5).

GUIDELINES CONCERNING ACCESS TO PUBLIC PROCEDURES:

1. The public has a right to fair notice and access to committees, Boards and Councils that fall under the overview of the Mechanic falls Town Council. With the exception of any advisory committee as defined by 1 M.R.S.A. 403(6), all boards, committees and commissions whose members are appointed by the Mechanic Falls town council or elected by popular vote shall conduct meetings of public record in compliance with 1 M.R.S.A. 403 by observing the following expectations:
 - a. All meeting Agendas shall be posted for public notice no less than 5 days prior to the meeting. These agendas shall be posted on the town website, listed on the town calendar and notices shall be hung in a conspicuous place within the town office.
 - b. All meetings shall be conducted on town property to assure free access of residents to public meetings.
 - c. Video of the Town Council, Budget Committee and Planning Board meetings and workshops shall be recorded by town staff. These videos shall be posted on the town website within a reasonable amount of time.
 - d. All recorded minutes of public meetings shall be provided to the Clerk's office to be posted on the town website within a reasonable amount of time. They will also be included monthly within the Town Council agenda packet.

Town of Mechanic Falls

108 Lewiston Street
Mechanic Falls, ME 04256
Phone: 345-2871 FAX: 345-9201
www.MechanicFalls.org



GUIDELINES CONCERNING ACCESS TO PUBLIC RECORDS:

1. ~~1.~~ Persons requesting access to public records are asked to complete the attached form and present it to the Town during regular business hours. The Freedom of Access Act does not require that requests be in writing and persons seeking access to public records are not obligated to put their request in writing without forfeiting their right to inspect and copy the records. However, the Town strongly urges members of the public to put their request in writing to maintain a record of when the request was received and to make certain that the documents requested can be located as quickly as possible and made available for inspection. The request should designate by name or reasonable description a document or group of documents in existence on the date of the request. Requests for future documents cannot be honored. Requests should be as specific as possible to assist Town staff in retrieving information and, thereby, to decrease unnecessary costs.

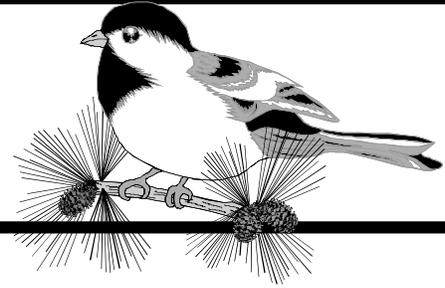
All information requests should be forwarded to the Town's Public Access Officer, who is the Town ~~Clerk~~ Manager. In the event a public records request is received by another employee or official of the Town, such request will be forwarded to the Public Access Officer for processing. The Public Access Officer may in his or her discretion appoint a designee or replacement, in which case the public will be notified of who is serving as the Public Access Officer.

Within five business days of the request for access to public records, the Public Access Officer or his/her designee will provide a written acknowledgement of the request and confirmation that the public records will be made available within a reasonable period of time or an explanation of why the information is not available to the public and cannot be released.

2. ~~2.~~ The process to obtain public records could include any or all of the following tasks: searching for, retrieving, compiling, copying, translating, or preparing records for inspection and distribution. These tasks will all occur at such time as will not delay or inconvenience the regular activities of the Town.

Town of Mechanic Falls

108 Lewiston Street
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a. Inspection of Records. Public records may be inspected, by appointment, during normal business hours at a time and in a manner that ensures protection of the records and does not delay or inconvenience the regular activities of the Town department that is the custodian of the record. If circumstances warrant, the Town in its sole discretion may determine that public records can be sent electronically or by mail.

~~A.~~

~~B.~~b. Protection of Records. To protect its public records, the Town may require that an employee or official of the Town be present during inspection and/or copying of documents.

~~C.~~c. Scheduling. When the presence of an employee or official is required to ensure the protection of any record, the inspection or copying shall be scheduled during the regular business hours of the Town.

d. Copying. If Town copiers are used, the charge to the person requesting the copies shall be the current rate charged by the Town (schedule attached). If any record is copied on a photocopier other than one belonging to the Town, the Town reserves the right to have an employee or official present at the time the record is copied to protect the record.

~~D.~~e.

~~E.~~f. Requests that require copying only several pages that are readily available may be produced at the time of the request. Other requests may require several days to complete the task of copying documents based on the reasonable availability of staff to perform the task.

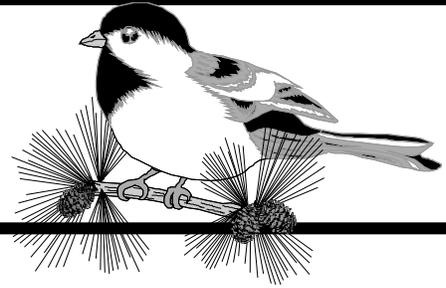
~~F.~~g. Fees for obtaining records will be charged pursuant to 1 M.R.S.A. §408. Fees may include the payment of costs incurred by the Town in searching for, retrieving, compiling, copying, translating, preparing for inspection and distribution of public records as may be allowed by 1 M.R.S.A. §408(3). In accordance with 1 M.R.S.A. §408, the Town will not charge for the first hour of staff time needed to process a public records request. Should a request require staff time that exceeds the first hour of free staff time, an estimate of charges to fulfill the request shall be given to the requestor before such work begins. Advance payment may be required under certain circumstances. Pursuant to 1 M.R.S.A. §408(5), this can be done when the estimated total cost exceeds \$100, or the requester has previously failed to pay a properly assessed fee under this chapter in a timely manner. Fee waivers are available under certain, limited circumstances.

~~3.~~ 3. Any denial by the Town of a request to inspect a public record may be appealed to Superior Court by the person whose request is denied within five (5) working days of receipt of the denial.

~~4.~~ 4. This policy is a guide. Within the law, this protocol may be altered in the sound discretion of the Town Manager as may be necessary to meet specific circumstances.

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A Resolution of the Mechanic Falls Town Council April 2020

SUBJECT: Regarding the Removal of the Town Manager

BACKGROUND

In June 2019 the Town Council voted to relieve Zachary Maher of his duties as Town Manager of Mechanic Falls.

BE IT KNOWN:

On June 17, 2019, the Mechanic Falls Council erroneously sought to terminate Zachary Maher's employment. That decision was without merit and unjustified.

Adopted this 14th day of April, 2020.

Kieth Bennett, Council Chair

John Emery II, Council Member

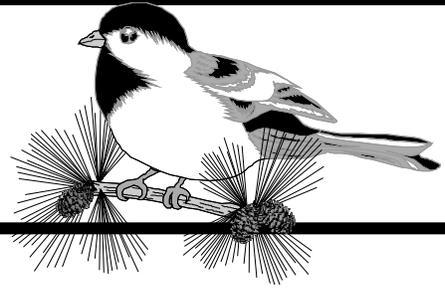
Tarsha Downing, Council Vice-Chair

Rose Aikman, Council Member

Nick Konstantoulakis, Council Member

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A Resolution of the Mechanic Falls Town Council April 2020

SUBJECT: Regarding Town Manager Performance

BACKGROUND

In June 2019 the Town Council placed Zachary Maher, Town Manager, on administrative leave citing performance issues.

BE IT KNOWN:

This Council approves of Zachary Maher's job performance and looks forward to working with him.

Adopted this 14th day of April, 2020.

Kieth Bennett, Council Chair

John Emery II, Council Member

Tarsha Downing, Council Vice-Chair

Rose Aikman, Council Member

Nick Konstantoulakis, Council Member
