

CITY OF HALLOWELL



ANNUAL REPORT

JULY 1, 2013 – JUNE 30, 2014

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“The Last Crane Standing”

The Waterfront Advisory Committee:

On November 13, 2001, Mayor David Bustin appointed a Waterfront Grant Advisory Committee consisting of Gerald Mahoney (Chair), Councilor Harmon Harvey, Arthur Moore, Sumner Webber, Jane Harvey, Janis Cross, Albert Hague, John Perry, Susan Farnsworth, Gabrielle Kissinger, Terry Berry and Patty Burnett.

The Crane:

Albert Hague informed the City Council that in 1987 the expansion of a parking lot at the Key Bank Operation Center on Edison Drive in Augusta uncovered a turn-of-the-century wooden quarry crane. The mast and boom were in reasonable shape and almost all of the winches, cranks and cables were still in existence and serviceable. Key Bank restored the crane, which had once belonged to John Perazzi and Settimo Masciadri.

The Waterfront Advisory Committee realized that the crane might provide a focal point for the history of Hallowell and approached Key Bank with a suggestion that they donate the crane to the City of Hallowell. On May 12, 2003, the City Council adopted a resolution to have the City seek acceptance of the crane and return it as nearly as possible to its original location.

Ownership:

On June 7, 2004, the City Council authorized the City Manager to sign a Bill of Sale transferring the antique quarry crane from ERC II Corporation to the City of Hallowell. This was the culmination of year-long negotiations to bring the crane back to Hallowell. It was believed that this crane was the last derrick crane in existence that was used in the State of Maine. The crane was stored behind the Public Works garage.

Installation:

On March 11, 2013, the City Council accepted an engineering design by Coffin Engineering with a plan to install the quarry crane in the Waterfront Park. The Council also established a Reserve Fund for donations and other funding to be used for the installation of the granite crane monument in Waterfront Park. The committee launched a campaign for donations.

On September 9, 2013 the City Council approved Phase I of the installation to proceed that fall. E J Perry Construction prepared the foundation for the crane.

At the Recreation Commission’s recommendation, the City Council voted on December 9, 2013 to change the name of the Park from Waterfront Park to Granite City Park to be effective January 1, 2014.

In the spring of 2014, Jon Jennings of Forgotten Stoneworks installed stairs and a simulated quarry and Nancy McGinnis created interpretive signs for the monument. On two occasions Peachey Builders donated equipment and employees . On July 7, 2014, Mr. Hague reported to the Council that the effort had raised \$32,000 and paid out about \$26,000 with some landscaping and welding remaining to be done.

The City Council adopted a resolution honoring all of those who contributed to the installation of the Granite Crane. The Crane was officially dedicated on Old Hallowell Day, July 19, 2014.

2014 CITY COUNCIL



THE MAYOR AND CITY COUNCIL

Front Row, left to right: Councilor J. Mark Sullivan, Ward Four, and Mayor Mark L. Walker.

Middle row, left to right: Councilor George D. Lapointe, At-Large,
Councilor Lynn F. Irish, Ward Two, and Councilor Phillip W. Lindley, Ward Three.

Back Row, left to right: Councilor Alan B. Stearns, At-Large,
Councilor Lisa M. Harvey-McPherson, Ward Five, and Councilor Robert G. Stubbs, Ward One.

Mayor Walker, Councilor Lapointe, and Councilor Irish were elected at the Municipal Election on November 5, 2013, and were sworn in at the Inaugural Meeting of the City Council on January 2, 2014. Councilor Stubbs was appointed by Mayor Walker on January 2, 2014, to fill out the term of Ward One Councilor Jed Wartman, who resigned effective December 31, 2013.

MAYOR'S ADDRESS

January 2, 2014

Good evening, and welcome to this Inauguration Ceremony for the City of Hallowell. Thank you for coming tonight. Many, many thanks for electing me Mayor of Hallowell. I am honored to serve in this position.

Before I begin my Inaugural Address, I want say a few words about Mayor Warren. What a leader! Her four years as Mayor, preceded by her years as first Councilor, and then President of the Council – there have been so many accomplishments.

She formed the Finance Committee, which now reviews in depth every line of the Annual Budget for Hallowell and deals with the City's complex budget issues.

She formed the Parks and Recreation Commission, which combined committees that oversaw development of Vaughan Field and the Waterfront, and now oversees all Hallowell recreation areas.

She formed the Communications and Technology Committee and has agreed to remain in this committee and help with the implementation of the City Happenings webpage. Committee meetings with agendas, our Council meetings, and any Public Forums and other events will be emailed directly to all of you who sign up. You can do so tonight, or tomorrow.

Thank you, Charlotte, you have been a true leader in Hallowell. Your vision and hard work have helped Hallowell reach new goals. Both professionally and personally, I thank you for your leadership, your guidance and friendship over the past years.

Hallowell is a special community, with a spirit, an energy, and a vibrancy that is unique to our region. A few nights ago a very good friend congratulated me on being elected mayor, saying that "Hallowell is a cool city."

Yes, Hallowell is a *cool* city – with its unique ambiance and energy, we are a city very proud of its creativity, its diversity and its tolerance. I sometimes describe Hallowell to people not familiar with it, people who are from out of state that "Hallowell is to Augusta as Georgetown is to Washington, DC." People want to move here, live here, visit here, come to our shops and public recreation areas, and frequent our restaurants and pubs and listen to music!

Did you notice the placards from "Museum in the Streets" and the "Last Crane Standing" as you entered today? Those are the results for work from the Hallowell Board of Trade, from many of Hallowell's volunteers, and from Row House, which actively works to preserve so many valuable properties and artifacts in Hallowell. Thank you to these organizations and their members who work so diligently to preserve historic Hallowell buildings and to remember its past. This coming summer you will see a unique crane in the newly and appropriately named "Granite City Park" – the waterfront that will welcome citizens to Hallowell and remind them of its past when Hallowell granite was shipped all over the northeast and the world. This respect for its history helps make Hallowell what it is today.

Hallowell has many fine open spaces – the Res, Vaughan Field, Granite City Park – that both residents and visitors enjoy. But for the volunteer work of so many, these would not be available to us. Soon I will make somewhere around 100 official appointments to various committees. I think each and every one of them brings something special to the table. These volunteers make time to help improve the Hallowell community. Thank you.

Did you know Hallowell's Comprehensive Plan not only recognizes the importance of the Arts, but even requires Hallowell to strive for "Live music seven nights a week"? What a wonderful goal – and truly unique.

Most of you know Donna DeBlois, my significant other. Her energy, love of life, creativity and uniqueness – she brings much to Hallowell and gains even more from our City! Donna has an important role in my position as Mayor (and as a lawyer, and personally). She keeps me humble! I interpret being humble as *not* being self-satisfied or resting on accomplishments – and *not* becoming complacent and *not* standing pat, but ever-changing and accomplishing more.

The Arts, and their supporters, have always been recognized as valuable in Hallowell. Besides its musicians, Hallowell has the Gaslight Theater; we have artists and the Harlow Gallery, terrific photographers and writers. Hallowell has a Cultural Committee, formed in 2010 by Mayor Warren. The Harlow Gallery is inviting the Committee and other creative thinkers to meet at the Gallery on January 14th to strategize on recognizing opportunities and addressing problems so as to advance our creative economy. I will be there.

With that I should talk about issues and my agenda. From the Public Forum there was a theme of major issues facing Hallowell, and I'm listing them very briefly: Stevens School Annex; Fire Station matters; Hallowell's infrastructure concerns; reconstruction of Water Street; and Hallowell's City Budget. All will have the attention of our City Council. All will have Committee meetings and discussions. And all will be addressed in a systematic, public manner.

One priority of mine is to have thorough discourse as to policy and actions for Hallowell's downtown. In the next three or four years more decisions and actions may occur in downtown Hallowell than in decades. Reconstruction of Water Street is a true game changer! That is not hyperbole. Maine DOT is working with the City to craft a plan for reconstruction of Water Street through our downtown. I want to recognize City Councilor and Highway Committee Chair Alan Stearns for the terrific service and leadership he is providing on this reconstruction project planning.

Combine that with Council discussion of creating a Downtown Arts and Development TIF District, led by City Manager Michael Starn, TIF Committee Chair Phil Lindley, and Committee members Frank O'Hara, Ken Young and the rest of the Committee. This TIF district is truly exciting, offering a long term means of providing funding for needed infrastructure improvements such as better sidewalks, better lighting, downtown public restrooms, and roadway improvements unrelated to Water Street construction. This TIF Committee is working right now to present to the Council a plan for consideration, which if approved by the Council will go to the Department of Economic and Community Development for approval in March.

In order to assist downtown business owners, downtown landlords, downtown residents and those who visit and utilize our vibrant downtown locations for food, beverage, music and the arts, I announce the appointment of the Downtown Development Committee to assure all parties with vested interest to see that it's done right, with maximum benefit in creating new infrastructure and with minimal disruption to all involved. A difficult chore, which is why a special committee is being appointed. The goal will be to have public input from those most affected, with communication between the TIF Committee, the Highway Committee, and this Downtown Development Committee so that planning will occur that maximizes benefits and minimizes intrusiveness and disruption from construction.

I look forward to working with the City Council, and I applaud all of you in stepping up to serve. For the public, I want you to understand how well these Councilors have worked to better and to govern our City. We have tough decisions, and believe me, not everyone in the public supports every decision of these Councilors. But the Councilors listen, discuss, and do what they think is best for the City.

In conclusion, I am going to make the *first* and *only* promise of my campaign and public service. Political promises are often empty, but this one I pledge will be fulfilled: Hallowell will not stand pat. We will build from our historic past, promote our creative economy, and deal with the issues I've outlined, and together work to move Hallowell forward.

CITY GOVERNMENT

July 1, 2013 – June 30, 2014

MAYOR		Charlotte M Warren / Mark L Walker
CITY COUNCIL	At Large	Alan Stearns
	At Large	Ed Cervone / George D Lapointe
	Ward One	Jed Wartman / Robert G Stubbs
	Ward Two	Mark L Walker / Lynn F Irish
	Ward Three	Phillip W Lindley
	Ward Four	J Mark Sullivan
	Ward Five	Lisa Harvey-McPherson
CITY MANAGER		Michael Starn
CITY MANAGER'S SECRETARY		Deanna Mosher Hallett
CITY CLERK		Deanna Mosher Hallett
DEPUTY CITY CLERK		Diane D Polky
ASSISTANT CITY CLERK		Daniel P Kelley
CITY TREASURER		Dawna M Myrick
CITY SOLICITOR		Erik M Stumpf, Esq
TAX COLLECTOR		Michael Starn
REGISTRAR OF VOTERS		Deanna Mosher Hallett
ASSESSORS		Richard Hayes, Chair
		Vacant / Jennie Marvelle
		Maureen AuCoin / Sophie Gabrion
ASSESSORS' AGENT		Maureen AuCoin
PUBLIC WORKS DIRECTOR		Chris Buck
CODE ENFORCEMENT OFFICER		Maureen AuCoin
BUILDING INSPECTOR		Maureen AuCoin
PLUMBING INSPECTOR		Maureen AuCoin
HARBOR MASTER		Dan Davis
POLICE CHIEF		Eric L Nason
FIRE CHIEF		Michael F Grant
EMERGENCY MANAGEMENT DIR.		Eric L Nason
ANIMAL CONTROL OFFICER		Chris Martinez
HEALTH OFFICER		Michael Starn
ADDRESSING OFFICER		Michael Starn
GENERAL ASSISTANCE DIRECTOR		Deanna Mosher Hallett
DEPUTY DIRECTOR		Michael Starn
CITY HISTORIAN		Sumner A Webber, Sr
SUPERINTENDENT OF CEMETERY		Carroll I Chapman, Sr
TRUSTEES OF THE CEMETERY		Deanna Mosher Hallett
		Carroll I Chapman, Sr
		Anthony L Masciadri

MAYOR'S APPOINTMENTS

BOARD OF APPEALS

Pamela Perry, Chair	Phillip Davidson
Loren Kinney	Kevin McGinnis
Michael Frett	Kirk Rau
Chris Vallee	1st alternate: David Young, Jr
2nd alternate: Ella Bourgoine / Joshua Platt	

PLANNING BOARD

Jane Orbeton, Chair	Danielle Obery
Judith Feinstein	Darryl Brown, Jr
Richard Bostwick	Timothy Sullivan / Cary Colwell
Sandra Johnson	
1st alternate: Cary Colwell / Jeanne Hoxie	
2nd alternate: Jeanne Hoxie / Lisa Leahy	

HALLOWELL CONSERVATION COMMISSION

Sarah Shed, Chair	Jon Lund
Theresa Davulis	Peter McPherson
Debbie Sewall	Diano Circo
Catherine Murray	Jeffrey Feaga / Rosemary Presnar
Open	

TREE BOARD

Wes Davis, Chair	Margaret Newton
Ellen Gibson	Katie Tremblay / Open
Mark Paisley	Jennifer Paisley

TREE WARDENS

Wes Davis	Open
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RECREATION COMMISSION

Councilor Jed Wartman / Councilor George Lapointe, Chair	
Councilor J Mark Sullivan	Dan Davis
Diano Circo	Steve Vellani
Margaret Newton	City Manager Michael Starn

COMMUNITY DEVELOPMENT COMMITTEE

Frank O'Hara, Chair	Mary Moody
Linda Masciadri	Shawna Corbett
Melanie Young / Jack Fuller	Robert McIntire
Gail Wippelhauser / Open	Cary Colwell
Open	Open

MAYOR'S APPOINTMENTS

REAPPORTIONMENT COMMISSION

Richard Davies, Chair	Kate Dufour
Emily Bessey	Robert Stubbs
Daniel Kelley	Greg Olson
David Shepherd	City Clerk Deanna Hallett
Tony Masciadri (Advisory Member)	

RECYCLING COMMITTEE

Susan Farnsworth, Chair	Clyde Williams
Rick Seymour	Phillip Lindley
Jennifer McGowan	Amy Moulton
City Manager Michael Starn	

ORDINANCE REWRITE COMMITTEE

Michael Frett, Chair	Councilor Mark Walker / Councilor Lynn Irish
Dana Evans	Kate Dufour
Pamela Perry	City Manager Michael Starn
CEO Maureen AuCoin	

TIF REVIEW COMMITTEE

Councilor Phil Lindley, Chair	Mayor Mark Walker
Johanna McQuoid	Frank O'Hara
Joel Davis	Alexandra Serra / Kenneth Young
Councilor Ed Cervone / Charlotte Warren	

REPORT OF THE CITY MANAGER

July 1, 2013- June 30, 2014

I am pleased to report to the citizens of Hallowell that the City has had some significant accomplishments in this past year. What is more important is that some of these accomplishments are just the starting point for even bigger and better things ahead.

Downtown TIF

This past year, the stage was set to implement a Downtown Tax Increment Financing (TIF) District in FY 2015. This Downtown TIF will help to energize economic development in the downtown and at Stevens School over the next 20–30 years.

The complex process of developing a Downtown TIF District took place over several months. It started in the fall of 2013 and the TIF application received final approval from the State of Maine in May of 2014.

The advantages of a TIF District include targeting property tax dollars and sheltering state valuation that is used to compute school and county costs. With the Downtown TIF, funds can be set aside for downtown capital improvements and other eligible projects that will give new economic vitality to our downtown. The “sheltered” new property valuation created within the TIF district will benefit the City of Hallowell in the distribution of school costs within RSU 2.

The Stevens School property has great potential but is somewhat of a “white elephant.” The State of Maine owns this property and is in the process of vacating it. There are 62 acres with several historic buildings on this property. It will be a challenge to develop this property; however, the City has taken a decisive step forward by creating a Downtown TIF that includes the Stevens School property. The City is now well-positioned to provide financial incentives to maximize the development potential of this community landmark.

Water Street Reconstruction

During the past year, the City Council and city staff worked with MaineDOT to craft a Water Street Feasibility Study. A report on this almost two-year Feasibility Study was due to be released in the fall of 2014. Also in 2014, the City and MaineDOT are expected to get started on the Engineering/Design phase of this road reconstruction project.

The Water Street Reconstruction Project has three phases: (1) Feasibility Study; (2) Engineering/Design; (3) Road Reconstruction. Phase 1 is completed and Phase 2 has been approved. The final phase is the actual reconstruction project which has an uncertain timeframe. Following the engineering/design, the project will be “shovel ready”, depending on when funding is available and when this Hallowell project moves into MaineDOT’s top priority list for work projects. It is reasonable to assume that this project could begin in the next 2–5 years.

The Water Street Reconstruction Project is a once-in-a-lifetime event. Much of the important work is below the surface of the road and won’t be visible. Some of this new infrastructure will last 50–100 years. The above ground work will showcase the downtown and make for safer and more accessible street and sidewalks. Final decisions on the “local only” parts of the project have not yet been made. All of these decisions need to have active citizen involvement and support.

Natural Gas

Summit Energy of Maine has constructed a network of natural gas pipelines throughout most of Hallowell on the east side of the Maine Turnpike. Like any other energy source it is difficult to predict

the future cost of natural gas. However, we do know that the supply of natural gas in the United States is significant and that, compared to oil, it is a very clean burning fuel. The most important aspect of natural gas coming to Hallowell is that it provides another winter heating option for residents and businesses. Maine winters are long and cold. Putting another source of fuel into the mix will provide more competition, and hopefully lower prices, for the people of Hallowell.

Property Taxes and City Services

Property taxes are the principal revenues the City collects to pay for the municipal and school budgets. Decreases in State assistance for municipalities and significant increases in Hallowell's school appropriation over the past few years have put added pressure on the City Council to keep the tax rate in check. Starting with my first budget in 2011, the RSU 2 appropriation has risen by over \$600,000 and State Revenue Sharing has been cut in half (a \$100,000 loss). It may not sound like good news... but the good news is, the City was able to keep the increase in property taxes to just \$458,000. Equally important, our City staff continued to provide quality municipal services to the residents of Hallowell.

Lastly, I would like to thank the City Council and City staff for all their hard work and attention to making City government work for the citizens of Hallowell.

Respectfully submitted,

Michael L. Starn
City Manager



REPORT FROM THE CITY CLERK

July 1, 2013 – June 30, 2014

The City Clerk’s Office is pleased to welcome you to the City’s website at www.hallowell.govoffice.com

The City’s website provides information such as a Calendar of meeting schedules, City Council and Planning Board Agendas and Minutes, City Budget, Tax Maps, Tax Commitment Book, Elections, Helpful Links and more. Sidebars are often added to the Home Page for Special Events or to provide other important short-term information.

To access the City Clerk’s webpage, click on “City Departments” – “Administration” – “City Clerk.” My e-mail address is deannamhcclerk@hallowellmaine.org. If you have any comments or concerns, I would be glad to hear from you.

VITAL STATISTICS

Births 15 Marriages 23 Deaths 34

MARRIAGES

<u>Party A*</u>	<u>Party B*</u>	<u>Date</u>	<u>Place</u>
Albert, Michael R	Sargent, Heather Lee	July 13, 2013	Chelsea
Barker, Justin J	Bulmann, Stephanie Y	October 19, 2013	Hallowell
Booth, Harold W	Kelley, Daniel P	October 12, 2013	Hallowell
Cowger, Scott W	Hannan, Vincent O	November 2, 2013	Hallowell
Doiron, Gregory J	Wiley, Suzanne H	August 24, 2013	Monmouth
Doore, Kelley E	Ference, Kathryn A	July 19, 2013	Bar Harbor
Dunn, Sarah C	Wolfington, Harold IV	May 16, 2014	Hallowell
Groves, Rachel A	Salgado, Manuel J	January 17, 2014	South Bristol
Haskell, Victoria A	Walter, David M D	August 16, 2013	Hallowell
Holsten, Jennifer L	Gilbert, Jessica O	December 18, 2013	Belgrade
Jee, Gordon H	Nuss, Steven R	December 6, 2013	Hallowell
Joseph, John M Jr	Charron, Sylvie	May 23, 2014	Hallowell
Lara-Gagne, Bradford C	Lara-Gagne, Donald E	July 21, 2013	Boothbay Harbor
Lennig, Leslie F	Perry, Jane A	October 19, 2013	Rockwood
Levitt, David M	Walther, Evelyne S	February 8, 2014	Hallowell
Mattson, Deborah G	Clark, Jacqueline A	September 22, 2013	Camden
Miller, Kellie P	Vitcavage, Alan D	August 30, 2013	Hallowell
Nash, Jonathan M	Hem, Kosal	March 21, 2014	Hallowell
Richardson, Seth M	Contreras, Vanessa L	August 24, 2013	Bristol
Rogers, Shannon C	Gress, Scott J	October 26, 2013	Hallowell
Ronzio, Anthony J	Couchesne, Cara J	October 12, 2013	Portland
Tilander, Nina M	Keliher, William J II	February 14, 2014	Hallowell
Ziter, Ryan M	Gardiner, Denyce L	April 26, 2014	Augusta

* Effective December 29, 2012, Marriage Licenses became gender-neutral and the designations for Groom and Bride were changed to Party A and Party B.

LICENSES & REGISTRATIONS

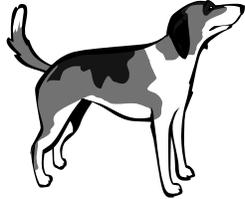
Victualer’s Licenses.....	28	Amusement/Vending Machine Licenses	2
Innkeeper’s Licenses	3	Motor Vehicle Registrations.....	2,404
Transient Seller’s Licenses.....	1	ATV Registrations.....	27
Farmers’ Market Licenses	8	Boat Registrations	134
Liquor/Catering Licenses.....	23	Snowmobile Registrations.....	18

First-time Liquor License Applications must be approved by the City Council before being submitted to the State. Liquor License Renewal Applications are approved by the City Clerk on behalf of the City Council. Victualer’s Licenses must be approved by the City Council.

HUNTING & FISHING LICENSES



Archery.....	3	Hunting/Fishing Combination.....	25
Archery/Expanded Antlerless	4	Non-Resident Hunting/Fishing	1
Archery/Expanded Antlered.....	2	Migratory Waterfowl	1
Archery/Fishing Combination.....	1	Spring or Fall Turkey	2
Fishing.....	47	Muzzleloading.....	4
1-Day Fishing.....	1	Over-70 Lifetime.....	4
Non-Resident Fishing.....	1		
Hunting.....	14		
Bear Hunting	1		



DOG LICENSES

Male/Female:	40
Neutered/Spayed:	291
Kennel:	1

All dogs older than 6 months are required to be licensed. Licenses expire on December 31st and must be renewed by January 31st. Licenses for the up-coming year become available on October 15th.

Fees: Male/Female = \$11.00, Neutered/Spayed = \$6.00, Kennel licenses = \$42.00 for one to ten dogs. A late fee of \$25 is charged after January 31st.

Rabies certificates are required for all dogs. Some certificates are good for more than one year. A veterinarian's certificate is required when registering spayed or neutered dogs for the first time.

Once again, I would like to thank the City Council and the residents of Hallowell for the opportunity to serve them. The City Clerk’s Office is always happy to work with the residents and the various departments. I would also like to give a special “thank you” to my Deputy Clerk Diane Polky and Assistant Clerk Daniel Kelley for their continuous support and assistance.

Deanna Mosher Hallett,
City Clerk

REPORT OF DEATHS AND BURIALS

July 1, 2013 – June 30, 2014

<u>Name</u>	<u>Date of Death</u>	<u>Age</u>	<u>Place of Death</u>	<u>Place of Burial</u>
Anderson, Burton R	September 17, 2013	86	Augusta	Gardiner
Anderson, Diane	September 25, 2013	81	Augusta	Gardiner
Bernier, William	January 31, 2014	90	Augusta	Gardiner
Cob, Nathaniel T	December 4, 2013	90	Augusta	Auburn
Colwill, Barbara L	September 15, 2013	82	Hallowell	Gardiner
Crowley, Alice M	September 9, 2013	95	Falmouth	Bourne, MA
Daneau, Jeanne R	January 17, 2014	77	Hallowell	Gardiner
Davis, Daniel R	March 17, 2014	85	Hallowell	Auburn
Dee, Eunice W	November 27, 2013	85	Augusta	Gardiner
Foley, Jacqueline	November 2, 2013	76	Hallowell	Hallowell
Frend, Stephen M	October 27, 2013	65	Boston, MA	Salem, MA
Gurney, Ronald E	October 3, 2013	81	Augusta	Augusta
Hard, Robert A	September 30, 2013	89	Augusta	Auburn
Hickey, George W	August 9, 2013	75	Waterville	Auburn
Jacques, Barbara A	March 17, 2014	83	Hallowell	Auburn
Janosco, Delphine	September 27, 2013	76	Augusta	Lisbon Falls
Jordan, Stella J	April 6, 2014	85	Hallowell	Gardiner
Kaufman, Allen	February 5, 2014	65	Hallowell	Gardiner
Kenniston, Malcolm	March 17, 2014	92	Hallowell	Fairfield
Kincaid, Cecil	February 12, 2014	85	Augusta	Hallowell
Laflin, Polly A	March 18, 2014	81	Hallowell	Gardiner
McConnell, Carrie	December 20, 2013	97	Augusta	Gardiner
McKenna, Sheila M	November 27, 2013	81	Pittsfield	Bangor
Morrell, Patricia D	May 14, 2014	93	Augusta	Gardiner
Nason, Sarah J	August 30, 2013	72	Augusta	Gardiner
Nolan, Gerald W Sr	June 16, 2013	88	Hallowell	Hallowell
Palmer, Phyllis B	July 5, 2013	93	Togus	Hallowell
Rollins, Merlin L	March 4, 2014	77	Farmingdale	Gardiner
Ross, Priscilla J	April 13, 2014	90	Togus	Augusta
Scott, Jean E	March 9, 2014	88	Augusta	Auburn
Sprague, Helen L	August 13, 2013	76	Hallowell	Searsport
Vashon, Simone A	October 22, 2013	90	Hallowell	Auburn
Watson, Donald C	December 20, 2013	77	Hallowell	Hallowell
Williams, Clifford B	October 28, 2013	87	Togus	Auburn
Woodruff, Louise W	May 28, 2014	96	Hallowell	Searsport

(Continued on page 16)

REPORT OF DEATHS AND BURIALS

(Continued)

The following were brought here for Burial:

<u>Name of Deceased</u>	<u>Date of Death</u>	<u>Place of Death</u>	<u>Date of Burial</u>
Beane, Eleanore	April 11, 2014	Augusta	April 17, 2014
Buzzell, Darlene	October 9, 2013	Randolph	October 19, 2013
Collins, Thomas	September 3, 2013	Portland	September 9, 2013
Cunningham, Rosalie	May 20, 2013	Bangor	May 29, 2014
Curtis, Susan E	January 15, 2013	Long Beach, CA	July 3, 2013
Fuller, Elaine E	January 28, 2013	Waterville	July 27, 2013
Hayes, Doris	July 10, 2013	Augusta	July 17, 2013
Hutchins, Gordon	May 21, 2014	Wilmington, MA	May 30, 2014
Pellegrini, Linda A	August 5, 2013	Gorham	August 10, 2013
Perry, David P	August 10, 2013		August 17, 2013
Plaisted, Janice E	October 25, 2013	Gardiner	November 3, 2013
Robinson, Ralph O	March 10, 2014	Augusta	June 2, 2014
Sheldon, Stuart	November 14, 2013	Augusta	May 17, 2014
Trask, Annie	January 4, 2014	Pittston	May 12, 2014

REPORT OF THE CEMETERY TRUSTEES

July 1, 2013 – June 30, 2014

This is a view of our beautiful cemetery looking up Fountain Avenue with the old fountain standing in the middle of the road.

As usual the cemetery roads, water lines and repair work to monuments are an annual ongoing expense, along with loaming, re-seeding and tree pruning.

We are continuing to add new water lines and faucets throughout the cemetery, as we lost all our water lines several years ago when they broke underground. We try to combine this work with new road reconstruction.

The Cemetery Department has one seasonal worker with the Public Works Department helping out. All the cemetery records are kept by the City Clerk.

Another year has passed but the City Clerk continues to have faith that an angel will help provide a name sign for this cemetery.

A black rote iron sign “Hallowell Calvary Cemetery” standing on the old granite posts over the entrance of Fountain Avenue welcoming all comers to our beautiful cemetery would be just fine.

Respectfully submitted Cemetery Trustees,

Deanna Mosher Hallett, City Clerk
Anthony L. Masciadri
Carroll Chapman



BOARD OF ASSESSORS

July 1, 2013- June 30, 2014

Beginning July 1, 2013, an Assessors' Agent took over much of the day-to-day record-keeping for the Board of Assessors. The Board meets periodically to examine and approve the Agent's work.

The Board reviewed abatement requests, exemption applications and other tax relief programs. A total of 443 Homestead Exemptions were applied during the tax commitment for Fiscal Year 2014.

Several new residential and commercial properties were assessed during the fiscal year. The Board visited work sites and adjusted valuations, as needed. Some building projects will not be completed until the next reporting period.

The Assessors' Agent recorded all new real estate transfers and adjusted tax maps, property cards and land and building values, when warranted, as well as responding to inquiries for parcel information.

Respectfully submitted,
Richard Hayes, Chair
Jennie Marvelle
Sophie Gabrion
Maureen AuCoin, Agent



GENERAL ASSISTANCE DIRECTOR'S REPORT

July 1, 2013 – June 30, 2014

The primary function of the General Assistance Director is to provide general assistance services to the Community. General assistance is a last resort “safety net” program, which each municipality in the State is required to administer according to guidelines established by the State and by the local municipality. The Department of Health & Human Services (DHHS) oversees the administration of all the Municipal G. A. Programs and provides partial reimbursement to municipalities for assistance furnished to G. A. clients, along with Social Security Adm. for SSI approved clients. Assistance is limited to basic necessities and is granted to clients in the form of purchase orders payable to specific vendors, who supply the services or goods needed.

Each case is carefully examined by the G. A. Director to see if a general assistance client qualifies. Applications need to be made ahead of time with proof of income and expenses attached.

There are times during the long winter months that some Hallowell citizens need a helping hand with heat but do not fully qualify for General Assistance. Heating Fuel Gift cards are always welcome and can be used for these citizens during emergency times. If you would like to give a gift card just go to one of the heating oil and propane companies and purchase a gift card. You can send them to the General Assistance Director and they will be distributed.

The General Assistance Office is open Wednesdays. In a life-threatening emergency, after hours, the Hallowell Police Department can reach the G. A. Director.

Respectfully submitted,

Deanna Mosher Hallett,
General Assistance Director





CITY OF HALLOWELL
POLICE DEPARTMENT
1 Winthrop Street
Hallowell, Maine 04347

Business:(207) 622-9710
Non-Emergency:(207) 623-3131
Fax:(207) 623-7147

ERIC L NASON
CHIEF OF POLICE

To the Honorable Mayor, City Council, and Citizens of Hallowell

I am honored to present the 2013/2014 Annual Report for the Hallowell Police Department. The police department remains steadfast in maintaining our focus on the excellence in the quality of service we deliver and demonstrating the strong commitment to enhancing safety and security to our community.

The department recognizes the fact that the police cannot effectively deal with the large number of issues alone, and must partner with others to share a mutual responsibility for resolving problems, which potentially affect the livability of our community. My commitment to you is to continue working cooperatively with our citizens and businesses so that we can continue to enjoy all of the benefits that Hallowell has to offer.

We received and/or investigated 4,940 calls for service, which includes all traffic/parking enforcement work and accident investigations. It's difficult to list all the projects or even summarize our yearly activities in the annual report.

As every year, we continue to pursue all sources of funding to better improve our services to the citizens. We implemented a new records management system, which is interoperable with other area police departments and helps with our efficiency and improves documentation. The grant received to make these improvements totaled over \$19,000.

The police department offers 24 hours a day service to our residents and businesses. We encourage our citizens to call us with any questions or concerns they may have at any time of day or night.

As we move forward, we recognize that a police department exists for only one purpose: **TO SERVE THE PUBLIC.**

Respectfully Submitted,
Eric L. Nason
Chief of Police



Hallowell Fire Department

"In Service" since 1790

ANNUAL REPORT FOR FISCAL YEAR 2014

To the Honorable Mayor and City Council

The Hallowell Fire Department is currently staffed by 13 paid call firefighters on a 24 hour basis. Department personnel are issued pagers which are activated whenever a fire or other emergency is reported to the dispatch center at the Augusta Police Department. City firefighters are required to live or work within 8 miles driving distance to the fire station and include members from other communities; in fact the majority of the department members reside in neighboring towns. Average response time is 8 to 12 minutes from time of activation with evening responses shorter.

Reciprocal automatic responses have been agreed upon with surrounding towns to provide adequate resources to any reported structure fires. Mutual aid agreements exist with Augusta, Farmingdale and Manchester as part of a regional response initiative.

Call firefighters are paid hourly when involved in department operations and fire officers are paid a premium rate for the additional administrative duties performed to support the Chief which is also a call position. City firefighters also volunteer many hours towards community events requiring non duty participation such as Old Hallowell Day and other City functions.

The department was quite busy during the ice storm last winter, answering 23 calls in a 48 hour period. Firefighters had to take time off from work and rotate shifts to staff the station adequately.

An extrication tool used for vehicle accidents was purchased by the Fire Association and placed in service on the rescue squad. We also have upgraded our water rescue capability to support the rescue boat obtained last summer for river rescue. This boat can also be launched at Jamie's Pond.

The department responded to 118 calls for the period, the previous year the number of alarms was 124, Many of these calls are the result of alarm investigations from businesses and residents but each must be treated as genuine as in some cases the alarms have been the result of hazardous conditions that were mitigated in a timely fashion. As always we stand ready to Serve and Protect the Citizens from any calamity be it fire or disaster. Find us on Facebook.

Respectfully submitted,

Chief Engineer Michael F. Grant

HALLOWELL FIRE DEPARTMENT ROSTER FOR FY 2014

Michael Grant	Department Chief /Fire Inspector/Fire Warden
Jeff Thompson	Administrative Assistant Chief
Aaron Selwood	Fire/Rescue Operations Captain
Richard Clark	Apparatus Captain/Deputy Fire Warden
Roy Girard	Company 1, Lieutenant
Peter Schumacher	Company 2, Lieutenant
Ryan Girard	Firefighter
Richard Seymour	Firefighter/Clerk
Frank Wozniak	Firefighter
Travis Frith	Firefighter
Dave MacIntosh	Firefighter
Joseph Galeco	Firefighter
Charles Tisdale	Firefighter
Norman Cormier	Fire Police
Peter Inchcombe	Chaplin/Fire Police

REPORT OF THE CODE ENFORCEMENT AND PLUMBING DEPARTMENT

**The following is the permit activity report for the period
July 1, 2013 to June 30, 2014
Last year's amounts are in (parentheses).**

Category*	No.	Construction Cost (\$)	Fee (\$)
Building Permits:			
Commercial	2 (1)	4,528,311 (80,000)	1,692.00 (86.00)
Single Family Homes	3 (2)	748,500 (225,000)	508.80 (258.00)
Garages	1 (3)	37,000 (132,575)	30.00 (90.00)
Additions, Decks	7 (8)	186,250 (508,500)	335.80 (413.00)
Sheds, Barns	2 (0)	5,100 (0)	60.00 (0.00)
Renovations, Int. & Ext.	9 (4)	150,100 (188,500)	270.00 (120.00)
Other Permits and Application Fees:			
Signs	18 (11)		450.00 (275.00)
Miscellaneous	2 (0)		50.00 (0.00)
Demolition	4 (0)		120.00 (0.00)
Conditional Use	4 (2)		325.00 (200.00)
Subdivision	0 (2)		0.00 (550.00)
Site Plan Review	2 (0)		300.00 (0.00)
Historic District	18 (10)		450.00 (250.00)
Zoning Appeal	0 (0)		0.00 (0.00)

*Note: Some projects are included in several categories (i.e. garages as part of single-family homes, etc.)

All construction work costing or valued at \$1,500 or more requires a building permit. Any work causing structural alterations to a building requires a building permit, regardless of cost.

Any exterior additions or alterations to properties, buildings, and structures within the Historic District require approval of the Planning Board prior to acquiring a building permit. This approval is known as a Historic District Certificate of Appropriateness and has a fee of \$25.00 attached to it. Activities that require Planning Board approval and have not been commenced within one year require re-approval.

A Certificate of Occupancy must be obtained prior to occupancy of any structure. Twenty-four hours' notice is required for inspection requests. Any development in the City's Shoreland Zone or Floodplain District requires pre-construction review and often the issuance of additional permits prior to the start of construction. An Elevation Certificate may be required of projects in the Floodplain or Floodway. If you don't know, please ask the Code Officer if you are in these flood prone areas.

(Continued on page 24)

REPORT OF THE CODE ENFORCEMENT AND PLUMBING DEPARTMENT
(Continued)

Development in any area of the City’s wetland and shoreland zones requires additional state and federal review. Development has a very broad definition when it comes to these areas, so when in doubt, ask.

ADA and the Maine Human Rights Act require that new, expanded, or altered places of public accommodations must apply for a barrier free permit from the State Fire Marshal prior to construction start up. All commercial projects are also required to obtain a Fire Marshal’s permit prior to the beginning of construction.

PLUMBING PERMITS ISSUED

<u>Category</u>	<u>No.</u>	<u>Total Fee</u>	<u>City’s Share</u>
External	7	\$1,725.00	\$1,237.50
Internal	19	\$1,035.00	\$776.25

The State’s internal and external plumbing codes allow plumbing permits to be valid for a two-year period and permits shall be issued only by the local plumbing inspector. Any plumbing installed without a permit will be charged a double fee. Only a licensed master plumber can be issued a permit with the exception of a homeowner doing their own work on their PRIMARY single family residence. A homeowner is required to perform all work to code and must meet the same inspection requirements of a master plumber.

Periodic inspections by the Plumbing Inspector are required by the Code for internal plumbing work, and for external plumbing work and system must be approved prior to being covered. Please ensure that all plumbing work will meet Code before calling for inspection. An air test or equivalent is required to verify a leak free system.

Respectfully submitted,
Maureen AuCoin
Code Enforcement Officer/Plumbing Inspector

REPORT OF THE PLANNING BOARD

July 1, 2013 – June 30, 2014

To the Honorable Mayor, City Council and Citizens of Hallowell:

The function of the Hallowell Planning Board, in conjunction with the Code Enforcement Officer, is to assure compliance with the City’s 1997 “Revised Code of Ordinances” (i.e. the Code). In general, the Code addresses “permitted” or “conditional” uses in the twelve land use zones established within the City of Hallowell. The Code maintains consistency of use within zones and requires the applicant to comply with the Code’s conditional use standards and the Maine Uniform Building & Energy Code.

The Planning Board consists of nine members, two of whom are alternates who move into full voting positions when regular members are absent or vacate their seats. The Board meets regularly in public meetings on the third Wednesday of each month at 7 PM in the City Hall Council Chamber. Special meetings may be scheduled as needed to complete business in a timely manner.

The majority of applications before the Planning Board fall within the Historic District. The stated purpose of the Historic District is to preserve historical structures and areas of historical and architectural value. Activity in this area is substantial and indicates a strong interest in property maintenance and improvement.

During the fiscal year that ended June 30, 2014, the Board met 14 times and heard the following:

Certificate of Appropriateness Applications.....	20
Conditional Use Applications.....	4
Sign Permit Applications.....	1
Site Plan Review Applications.....	1
Swimming Pool Permit Applications.....	3
Public Hearings:	
Zoning Map Changes.....	1

The Planning Board also heard a request for a Zoning Change; the request was later withdrawn.

At the City Council’s request, the Planning Board met with the Highway Committee to discuss a proposed Road Acceptance Policy.

Respectfully submitted,
Jane Orbeton, Chair

REPORT OF THE RECREATION COMMISSION

July 1, 2013 – June 30, 2014

In January of 2013, following years of inactivity, the charter-created Recreation Commission was restructured by the City Council to address recreation issues and public land issues in Hallowell. The current members of the Recreation Commission are: Maggie Newton, Dan Davis, Diano Circo, Steve Vellani, Mark Sullivan, Michael Starn, and George Lapointe (Chair).

The Recreation Commission met at least four times between July 2013 and June 2014. At these meetings, the Commission discussed forest management at the City's Res area, the installation of the historic Granite Crane at Granite City Park, a fundraising effort for the Fire Station at Vaughan Field which was held in July of 2014, and various other issues and projects connected to the recreational areas of Hallowell. A significant accomplishment of the Commission was to recommend to the City Council rename its waterfront park. With the impending installation of the Granite Crane, Commission members thought it was appropriate to change this park's name from Waterfront Park to Granite City Park. In January, 2014, that name change became official following a vote of the City Council to accept the Commission's recommendation.

On the forest management issue, the Commission decided that additional work is needed with various stakeholder interests to be able to move this issue ahead.

The Commission met in April of 2014 and discussed the Rural Active Living Assessment, a project of Healthy Maine Partnership. Karen Tucker of Healthy Maine Partnership said that Hallowell had completed a Policy and Program Assessment and a Town-wide Assessment. To complete the process, a Street Assessment needs to be conducted (Chair's note – this assessment has not been conducted because of staff workload issues).

At that April meeting, the Commission also discussed pending summer projects at the City's recreational areas, including (1) resurfacing and fixing the walking path at Vaughan Field, (2) improvements, use for special events, and parking issues at the Res, and (3) the upcoming installation of the crane at Granite City Park, as reported by Al Hague and Gerry Mahoney.

The Commission has much more work ahead of us and we seek more public participation to ensure that our recreational areas and programs meet the needs and desires of Hallowell residents.

Respectfully submitted by George Lapointe, Chair

REPORT OF THE CONSERVATION COMMISSION

July 1, 2013 – June 30, 2014

Activities of the Conservation Commission in the last year included:

Hands on Work

- Helped direct Day of Caring High School volunteer efforts at Town Forest.
- Planted and cared for a swamp white oak tree at Vaughan Field in memory of Judy Kane.
- Pulled invasives and spruced up historic turnout and southern entrance to Rail Trail.

Collaboration with other groups

- Advised Public Works on landscape maintenance at northern and southern gateways to city and at historic turnout on river.
- Memo to City Council and City Manager about HCC mission, activities, and goals.

Monitoring open space

Stevens School

- Unanimously passed this resolution: the Hallowell Conservation Commission urges the City Council to obtain ownership of the open space area at Stevens School in order to facilitate its use for recreational purposes and as a gateway to other recreational properties and trails.
- Letter to mayor and City Council about importance of acquiring field at Stevens School.
- Walk thru of field with City Counselor Lapointe and Tree Board members. All City Counselors and mayor were invited. (Note that Kennebec Land Trust is interested in working with city on acquiring and taking care of this property, which abuts Howard Hill in Augusta)
- Monitored efforts by Kennebec Land Trust to purchase Howard Hill which would create a wooded corridor from Hallowell thru Augusta and down to the Kennebec River.

Jamies Pond

- Walked trails to identify what need to be accomplished on a trail clean up day. Weather prevented it taking place, but individual HCC members did cleanup on their own.

Town Forest

- began plan to reroute trail nearest pond in order to avoid wet areas and rare/fragile plants
- recommended to Rec Committee that trail be used for foot traffic only.
- supported Recreation Committee's plan for mapping and marking boundaries
- offered to use money in HCC budget to help pay for mapping and boundary work

Invasive Sign Project Grant

- Kiosk purchased and installed. Working on informational signs.

REPORT OF THE TREE BOARD

July 1, 2013 – June 30, 2014

The Hallowell Tree Board completed a busy and successful year, which encompasses the time period from July 1, 2013 to June 30, 2014. The current Tree Board is composed of Maggie Newton, Ellen Gibson, Jen Paisley, Mark Paisley, Bill Allen, and Wes Davis. The Tree Board meets monthly where the public is encouraged to attend. New members are always welcome.

Work continued on a long-term plan for a GPS tree inventory. Tree Board members began a physical on site inventory where volunteers are recording the status of all city planted trees.

The Tree Board continued to champion a forest management plan for the Town Forest located off Town Farm Road. Maggie Newton represents the Tree Board on the Parks and Recreation Committee. A video demonstrating the benefits of forest management was shared with committee. Local sustainable forestry remains an objective.

Vaughan Estate folks maintained the tree holding nursery at the Vaughan Homestead which includes 18 Balsam Firs & 11 American Chestnut trees. All trees are looking healthy. In the spring a permanent home will be required for the Balsam Fir trees.

The Tree Board renewed Hallowell's Tree-City USA status with the National Arbor Day Foundation. Maggie Newton represented Hallowell and accepted the award at the state ceremony held in Farmington, Maine.

During Arbor Week the Tree Board posted a display at the Hubbard Free Library and gave away seedlings to residents visiting our display.

The Tree Board sponsored a float in the July Old Hallowell Day parade. Five hundred Balsam Fir trees were passed out by a team combining Tree Board, Conservation Committee, Vaughan Woods Foundation members and Hall – Dale students. People enjoyed receiving the trees, and the post card survey revealed that many trees were planted in the area

The Tree Board looks forward to continued community support and another productive year.

Respectfully Submitted:

Wes Davis, Chairman – City of Hallowell Tree Board.

REPORT OF THE CITY HISTORIAN

July 1, 2013 – June 30, 2014



The Last Crane Standing

The City Historian supported Al Hague, Gerry Mahoney and Nancy McGinnis in their efforts to preserve the last known Hallowell granite crane that was given to the city by Key Bank in 2003. Preliminary site work was completed in the fall of 2013 and the crane was erected in the spring. The “Last Crane Standing” is a visual tribute to the Granite City.

The Dr. Hubbard Office Museum opened on Old Hallowell Day and was again staffed by volunteers. Recent renovations not only preserved the building but made the site more appealing. Nearly 100 visitors toured the museum in a four hour period.

The City Historian participated in numerous activities that included a Hall-Dale sixth grade tour of the Vaughan Homestead, a University of Maine at Farmington all-day senior college tour of Hallowell and a presentation at City Hall covering the last days of the Hallowell Granite Works at Granite Hill.

Historic research and genealogical queries remained steady over the reporting period.

Respectfully Submitted
Sumner A. Webber, Sr.
City Historian



HUBBARD FREE LIBRARY

115 Second Street – 622-6582

www.hubbardfree.org

To the Honorable Mayor, City Council, and Citizens of Hallowell:

The Hubbard Free Library is a private non profit organization governed by a Board of Trustees, library director and four part time staff. The library is open six days a week and two evenings (Tuesday and Thursday) until eight pm.

The library was without a director from December 22nd until April 14th. The entire staff worked very hard to keep the library operating and serving our valued patrons.

The Hubbard Free Library serves the communities of Hallowell and Chelsea. Patrons who do not reside in these towns may purchase a library card for forty dollars. If the patron lives in Farmingdale they will be reimbursed the library card fee from their town.

The Hubbard Library Capital Campaign garnered \$457,056 in pledges. The annual fund collected \$11,572.00.

Projects completed this year were installing heat in the vestibule and washing and repointing the entire exterior of the building. Upcoming projects include refurbishing the windows and making the bathroom and rear door handicapped accessible.

A new director was hired on April 14th, since then many changes have taken place which include: the director going downtown to introduce himself to the local businesses, reorganization of the library, improved cleanliness and a happy staff which greets and serves our valued patrons each and every day.

This past year 15,587 items were circulated including 580 downloads using the Maineinfonet service.

The library visits Cotton Mill, Hillside, Woodlands and Granite Hill offering various library services to the residents.

Every Wednesday the Hubbard Library has a children's program that has a story time followed by a craft time.

The Friends of the Hubbard Library sponsored 26 programs for adults and children with an average of twenty people per program. The library has also been collaborating with the Harlow Art Gallery and the Vaughan Homestead for future programs. Our patrons are kept informed by the Hubbard Headlines, our web page, and email reminders about upcoming events and by our portable sign in front of the library.

The library is in the process of installing some computers that have been donated by Bath Iron works and refurbished by Rob Coffin of Hallowell. These computers will allow the library staff and patrons to work with more efficient machines.

Meetings Held at the Hubbard Library:

- On the second Wednesday of the month the Board of Trustees and library director meet at six pm.
- On the fourth Wednesday of the month the Friends of the Hubbard Library and the library director meet at noon.
- On the third Tuesday of the month the book club meets at six pm.
- Staff meetings are held once a month.
- The Board of Trade and library director meet once a month at eight am.
- The Cultural Committee and the library director meet once a month.
- The Lyceum Committee and the library director meet once a month.

Submitted by:

Mark Blythe

Library Director & Program Co-coordinator

Unpaid Real Estate Taxes

As of June 30, 2014

Tax Year: 2014

2 L LLC	1,800.73
BERRY TERRY L	2,697.79
BRELEE, INC.	5,271.65
BROOKE PAUL K & VIVIAN C	986.10
BROWN DARRYL G JR & NICOLE L	2,775.77
BROWN DARRYL G JR & NICOLE L	430.66
COUVERETTE FREDERICK SR & CONSTANCE J	1,343.96
COUVERETTE FREDERICK SR & CONSTANCE J	722.47
COUVERETTE FREDERICK SR & CONSTANCE J	20.35
DALE ROBERT	3,738.40
DALE ROBERT O	3,261.56
DIX SARA E & PASELLS N KING	7,317.36
FAIRBANKS SETH & CHIHARU	1,705.20
FOUR PILLAR PROPERTIES LLC	1,957.61
FULLER FREESE & PORTER CAROL	2,412.38
FULLER NANCY L "PERSON IN POSSESSION"	2,299.03
GRANITE CITY CORP	1,380.71
GRANITE CITY CORP	54.86
GRANITE CITY CORP	496.25
GRANITE CITY CORPORATION	4,731.08
HARRINGTON JULIE DEANE	1,520.75
HOLLAND PATRICK D	57.30
JONES PHYLLIS L	2,183.80
KATZ MARK S & SYLVIA L	2,809.16
KNIPPING RICHARD W III & WHITING VANESSA F	333.17
KNIPPING RICHARD W III & WHITING VANESSA F	301.26
LARSON WENDY	1,825.28
LARSON WENDY & ALEXIS S	2,885.44
LEMAR GRACE	2,173.17
LORD DUANE RICHARD & BARBARA JEAN	1,972.77
LORD DUANE RICHARD & BARBARA JEAN	1,662.56
LORD DUANE RICHARD & BARBARA JEAN	1,490.70
LORD-LOCKHART WENDY	294.17
LUOSEY DENNIS	3,681.68
MACFARLANE TODD & VICKI	37.16
MAD BREW, LLC	393.29
MAD BREW, LLC	7,017.67
MORGAN ROBERTA P	1,451.70
NASON LEONARD W JR	69.04
NASON LEONARD W JR	989.04
OCEANSIDE REALTY TRUST	2,944.85
OCEANSIDE REALTY TRUST	1,026.40
OMAR, FRANK M.	748.67
PARADIGM DEVELOPMENT LLC	15,357.96
PARSELLS N KING & DIX SARA E	4,052.07
PARSELLS N KING & DIX SARA E	490.94
PINE STATE TRADING COMPANY	47.94
PRESCOTT ELIZABETH A & BRADFORD PHILIP E	1,818.55
SOMES ROBERT K & ELIZABETH C	549.43
SOMES ROBERT K & ELIZABETH C	5,023.57
SULLIVAN TIMOTHY D & PAUL D	379.26
SWEDISH FISH LLC	8,332.90

VALLEE CHRISTOPHER M	5,280.51
WALTHER MICHELLE S	4,160.29
WALTHER MICHELLE S	849.44
WOLFINGTON IV HAROLD JOSEPH	797.41
Total for 56 Accounts:	131,013.22

Tax Year: 2013

2 L LLC	834.46
BRELEE, INC.	352.61
BROWN DARRYL G JR & NICOLE L	2,541.82
BROWN DARRYL G JR & NICOLE L	394.94
DALE ROBERT	3,432.15
DALE ROBERT O	2,994.30
DIX SARA E & PASELLS N KING	6,718.39
FULLER FREESE & PORTER CAROL	634.61
FULLER NANCY L "PERSON IN POSSESSION"	2,110.49
GRANITE CITY CORP	1,260.85
GRANITE CITY CORP	49.87
GRANITE CITY CORP	455.15
GRANITE CITY CORPORATION	4,343.64
HARRINGTON JULIE DEANE	1,333.21
JONES PHYLLIS L	2,004.68
LEMAR GRACE	1,428.61
LORD DUANE RICHARD & BARBARA JEAN	1,811.22
LORD DUANE RICHARD & BARBARA JEAN	1,526.37
LORD DUANE RICHARD & BARBARA JEAN	1,206.73
LORD-LOCKHART WENDY	183.38
MORGAN ROBERTA P	690.28
NASON LEONARD W JR	62.89
NASON LEONARD W JR	907.64
PARSELLS N KING & DIX SARA E	3,713.73
PARSELLS N KING & DIX SARA E	450.27
PRESCOTT ELIZABETH A & BRADFORD PHILIP E	1,662.88
SOMES ROBERT K & ELIZABETH C	503.34
SOMES ROBERT K & ELIZABETH C	4,605.69
SWEDISH FISH LLC	4,070.85
WALTHER MICHELLE S	3,819.53
Total for 30 Accounts:	56,104.58

Tax Year: 2012

CLEMENT DONALD L & NANCY L	1,797.50
JONES PHYLLIS L	265.89
PRESCOTT ELIZABETH A & BRADFORD PHILIP E	1,638.49
Total for 3 Accounts:	3,701.88

Tax Year: 2011

PRESCOTT ELIZABETH A & BRADFORD PHILIP E	1,628.30
Total for 1 Account:	1,628.30

Tax Year: 2010

BRADFORD WILLIAM R & VIOLA E	699.00
Total for 1 Account:	699.00

CITY OF HALLOWELL, MAINE

ANNUAL FINANCIAL REPORT
with Independent Auditors Report

For the Year Ending June 30, 2014

KEEL J. HOOD

Certified Public Accountant

PO Box 302 - Fairfield, Maine 04937 - (207)453-2007

INDEPENDENT AUDITORS REPORT

City Council
City of Hallowell
Hallowell, Maine

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the major fund and the aggregate remaining fund information of City of Hallowell, Maine, as of and for the year ended June 30, 2014, 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.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund and the aggregate remaining fund information of the City of Hallowell, Maine as of June 30, 2014, and the respective changes in financial position, and where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted Management's Discussion & Analysis 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. My opinion of the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information be presented to supplement the basic financial statements. Such 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. I 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 for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge I obtain during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report Dated July 15, 2014, on my consideration of City of Hallowell, Maine's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.



July 15, 2014

CITY OF HALLOWELL, MAINE
Statement of Net Position
June 30, 2014

Statement 1

ASSETS	<u>Governmental Activities</u>
Current Assets:	
Cash	\$ 1,734,673
Receivables	
Taxes	1,100
Liens	183,855
Accounts	49,708
Total Current Assets	<u>1,969,336</u>
Noncurrent Assets:	
Capital assets, net	4,004,114
Total Assets	<u>5,973,450</u>
LIABILITIES	
Current Liabilities:	
Accrued wages	45,635
Accounts payable	35,100
Due to other funds	479,128
Bonds payable within one year	155,000
Total Current Liabilities	<u>714,863</u>
Noncurrent Liabilities:	
Long-term portion of due to other funds	504,000
Bonds payable	1,115,000
Total Noncurrent Liabilities	<u>1,619,000</u>
Total Liabilities	<u>2,333,863</u>
NET POSITION	
Invested in capital assets, net of related debt	2,734,114
Unrestricted	905,473
Total net position	<u>\$ 3,639,587</u>

The accompanying notes to the financial statements are an integral part of this statement.
page 3

CITY OF HALLOWELL, MAINE
Statement of Activities
For the Year Ended June 30, 2014

Function/Programs	Program Revenues				Net (Expense) Revenues
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating grants and contributions</u>	<u>Capital grants and contributions</u>	
Governmental activities:	\$				
General government	373,293	67,256	25,673		(280,364)
Public safety	735,753	74,054			(661,699)
Public works	641,875	10,026			(631,849)
Human services	34,921		2,414		(32,507)
Leisure Services	5,748				(5,748)
Special assessments	2,705,110				(2,705,110)
Unclassified	79,517				(79,517)
Debt service	52,038				(52,038)
Capital outlay	131,632				(131,632)
Total governmental activities	4,759,887	151,336	28,087	0	(4,580,464)

	<u>Governmental Activities</u>
Net (expense) / revenue	
General revenues:	
Property taxes	4,104,457
Excise taxes	375,489
Interest and costs on taxes	17,647
Intergovernmental:	
State revenue sharing	121,219
Local roads assistance	17,400
Homestead exemption	47,650
Snowmobile	278
Tree growth	592
Veterans reimbursement	1,411
BETE	10,849
Unrestricted interest	1,083
Miscellaneous	101
Transfer In from Trust Fund	15,750
Total general revenues	<u>4,713,926</u>
Change in Net Position	133,462
Net Position - beginning	3,506,125
Net Position - ending	<u><u>3,639,587</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

CITY OF HALLOWELL, MAINE
Balance Sheet
Governmental Funds
June 30, 2014

Statement 3

ASSETS	General Fund	Total Governmental Funds
Cash	\$ 1,734,673	\$ 1,734,673
Receivables		
Taxes	1,100	1,100
Liens	183,855	183,855
Accounts	49,708	49,708
Total Assets	1,969,336	1,969,336
LIABILITIES		
Accounts payable	45,635	45,635
Due to other funds	983,128	983,128
Accrued compensated absences	35,100	35,100
Total Liabilities	1,063,863	1,063,863
UNEARNED REVENUES		
Unearned property taxes	172,000	172,000
Total Liabilities and Unearned Revenue	1,235,863	1,235,863
FUND BALANCES		
Fund Balances		
Committed:		
Capital purchases	420,503	420,503
Assigned:		
Revenues	35,842	35,842
Unassigned	277,128	277,128
Total Fund Equity	733,473	733,473
Total Liabilities and Fund Equity	\$ 1,969,336	\$

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are financial resources and, therefore, are not reported in the funds.	4,004,114
Other long-term assets are not available to pay for current-periods expenditures and therefore are deferred in the funds.	172,000
Long-term liabilities, including bonds and notes are not due and payable in the current period and therefore are not reported in the funds.	
Bonds payable	(1,270,000)
Net assets of governmental activities	\$ 3,639,587

CITY OF HALLOWELL, MAINE
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2014

	<u>General Fund</u>	<u>Total Governmental Funds</u>
Revenues:		
Taxes	\$ 4,497,593	4,497,593
Intergovernmental	202,352	202,352
Charges for services	80,354	80,354
Interest	1,083	1,083
Miscellaneous	96,218	96,218
Total Revenues	4,877,600	4,877,600
Expenditures:		
Current:		
General government	355,311	355,311
Public safety	706,802	706,802
Public works	484,462	484,462
Human services	34,921	34,921
Special assessments	2,705,110	2,705,110
Unclassified	79,517	79,517
Debt service	207,038	207,038
Capital outlay	131,632	131,632
Total Expenditures	4,704,793	4,704,793
Excess of Revenues Over (Under) Expenditures	172,807	172,807
Other Financing Sources (Uses):		
Operating Transfer In (Out)	15,750	15,750
Total Other Financing Sources (Uses):	15,750	15,750
Net Change in Fund Balances	188,557	188,557
Fund Balances - beginning	544,916	544,916
Fund Balances - ending	\$ 733,473	\$ 733,473

The accompanying notes to the financial statements are an integral part of this statement.

CITY OF HALLOWELL, MAINE
 Reconciliation of the Statement of Revenues,
 Expenditures, and Changes in Fund Balances
 of Governmental Funds
 to the Statement of Activities
 For the Fiscal Year Ended June 30, 2014

Net change in fund balances - total governmental funds	\$	188,557
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. While governmental activities report depreciation expense to allocate those expenditures over the life of the assets:		
Capital asset purchases capitalized		25,378
Depreciation expense		(235,473)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets:		
Capital bond obligation principle payments		155,000
Change in Net Position of Governmental Activities	\$	<u>133,462</u>

The accompanying notes to the financial statements are an integral part of this statement.
 page 7

CITY OF HALLOWELL, MAINE
Statement of Net Position
Fiduciary Fund - Cemeteries
June 30, 2014

		Private Purpose <u>Trust Fund</u>
ASSETS		
Due from general fund, current portion	\$	479,128
Due from general fund, more than one year		504,000
		<hr/>
Total Assets		<u>983,128</u>
NET POSITION		
Held in Trust		983,128
		<hr/>
Total Liabilities	\$	<u>983,128</u>

Statement 7

CITY OF HALLOWELL, MAINE
Statement of Changes in Fiduciary Net Position
Cemeteries
June 30, 2014

		Private Purpose <u>Trust Fund</u>
Additions:		
Investment income	\$	16,257
Donations		3,650
Total Additions		<u>19,907</u>
Deductions:		
Other miscellaneous		10,000
Total deductions		<u>10,000</u>
Total Additions		<u>19,907</u>
Change in Net Position		9,907
Other Financing Uses:		
Transfers out		<u>(15,750)</u>
Change in Net Position after Transfers		(5,843)
Net Position - beginning		<u>988,971</u>
Net Position - ending		<u><u>983,128</u></u>

CITY OF HALLOWELL, MAINE
Notes to Combined Financial Statements
June 30, 2014

1. Summary of Significant Accounting Policies

The City of Hallowell was incorporated in 1869 under the laws of the State of Maine. The City operates under the City Manager/City Council form of government.

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the City has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the City has chosen not to do so. The more significant accounting policies established in GAAP and used by the City are discussed below.

A. Reporting Entity

In evaluating how to define the reporting entity, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit is made by applying the criteria set forth in GAAP which defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. Application of this criterion and determination of type of presentation involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. Based upon the application of these criteria, there were no potential component units required to be included in this report.

B. Government-wide and Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the non fiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

1. Summary of Significant Accounting Policies, continued

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The City has elected not to allocate indirect costs among the programs, functions and segments. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Licenses, permits, fees, excise taxes and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received. Interest income and charges for services are recorded as revenues when earned, since they are measurable and available.

Those revenues susceptible to accrual are property taxes, interest, and charges for services. Other receipts and taxes become measurable and available when cash is received by the City and are recognized as revenue at that time.

1. Summary of Significant Accounting Policies, continued

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as needed.

The City reports the following major governmental fund:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Additionally, the City reports the following fund types:

Fiduciary Funds

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds.

Private-purpose trust funds are used to report trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

D. Capital Assets

Capital assets, which include property, plant, and equipment are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$10,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical costs or estimated historical cost if purchased or constructed. Donated capital assets are

1. Summary of Significant Accounting Policies, continued

recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant, and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives ranging from 3 to 50 years.

E. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts, as well as issuance costs, if material, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs, if material, are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

F. Short-term Interfund Receivables/Payables

During the course of operation, numerous transactions occur between individual funds primarily for cash flow purposes. These interfund receivables and payables are classified as "due from other funds or due to other funds" on the balance sheets.

G. Fund Equity

Committed fund balance indicates that a portion of the fund balance is constrained for a specific future use, and is indicated by the title of each purpose listed in the balance sheet. Committed fund balances are voted on by Council Vote. Assigned fund balances indicate amounts which either are intended to be carried forward by law or contractual agreement, or which the City Council has voted to carry forward.

H. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the

1. Summary of Significant Accounting Policies, continued

reporting period. Actual results could differ from those estimates.

2. Budgetary Accounting

A budget is formally adopted for the General Fund, only, through the passage of a City warrant, and is prepared on a basis consistent with generally accepted accounting principles. Commitments for goods and services at the end of the year are recorded as encumbrances for budgetary control. These encumbrances lapse at the end of the year and become part of the following year's budgetary amounts. In the General Fund, the level of control (level at which expenditures may not exceed budget and applied revenues) is the accounts within each department. Generally, unexpended appropriations are not carried forward to future years (assigned), and unexpended revenues are lapsed at the close of the year. Once adopted, the budget can only be amended by City Council vote.

3. Deposits

The City's policy is to invest all available funds at the highest possible rates, in conformance with legal and administrative guidelines, while avoiding unreasonable risk. The City includes in cash, balances in certificates of deposits that are available for withdrawal.

At year end, the City's carrying amount of deposits was \$1,734,673. The bank balances for all funds totaled \$1,556,098. Custodial credit risk is the risk that, in the event of a bank failure the City's deposits might not be recovered. As of June 30, 2014, all of the Town's deposits were insured or collateralized by securities held in the government's name.

4. Operating Property

Operating and nonoperating property are recorded at cost or, in the case of contributed property, at the fair market value at the date of acquisition. Depreciation is computed on the straight line method based upon the estimated useful lives of the assets as follows:

4. Operating Property, continued

Governmental Activities:	Balance July 1 <u>2013</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30 <u>2014</u>
Assets not being depreciated				
Land and easements	\$ 119,600	\$	\$	\$ 119,600
Assets being depreciated				
Buildings	1,907,200			1,907,200
Vehicles and equipment	1,551,536	25,378		1,576,914
Infrastructure	3,634,678			3,634,678
	<u>7,213,014</u>	<u>25,378</u>	<u>0</u>	<u>7,238,392</u>
Less accumulated depreciation				
Buildings	1,010,721	23,509		1,034,230
Vehicles	1,085,074	110,725		1,195,799
Infrastructure	903,010	101,239		1,004,249
	<u>2,998,805</u>	<u>235,473</u>	<u>0</u>	<u>3,234,278</u>
Capital Assets, net	\$ <u>4,214,209</u>	\$ <u>(210,095)</u>	\$ <u>0</u>	\$ <u>4,004,114</u>
Depreciation Expense:				
General government	\$ 17,982			
Public safety	28,951			
Leisure services	5,748			
Public works	182,792			
	<u>235,473</u>			

5. Property Tax

Property taxes for the year were committed on August 15, 2013, on the assessed value listed as of April 1, 2014, for all taxable real and personal property located in the City. Payment of taxes was due September 19, 2013, and March 1, 2014 with interest at 7% on all tax bills unpaid as of those dates.

Assessed values are periodically established by the City's Assessor at 100% of assumed market value. The last revaluation was completed for the list of April 1, 2014. The assessed value for the list of April 1, 2014 upon which the levy for the year ended June 30, 2014, was based, was \$231,478,921. This assessed value was 100% of the estimated market value.

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

Property taxes levied during the year were recorded as receivables at the time the levy was made. The receivables collected during the year and in the first sixty days following the end of the fiscal year have been recorded as revenues. The remaining receivables have been recorded as deferred revenues.

6. Long-term Debt

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2014:

Long-term debt payable at July 1, 2013	1,425,000
Debt Retired	(155,000)
Debt Proceeds	
Long-term debt payable at June 30, 2014	<u>1,270,000</u>
Interest Paid	<u>46,288</u>

6. Long-term Debt, continued

Long-term debt payable at June 30, 2014 is comprised of the following:

	<u>Interest rate</u>	<u>Final maturity date</u>	<u>Balance end of year</u>
<u>General Long-term Debt</u>			
2009 Bond	2.5% - 4.5%	2030	\$ 1,270,000
			<u>\$ 1,270,000</u>

The annual requirement to amortize all long-term debt outstanding as of June 30, 2014 are as follows:

<u>Year</u>	<u>Bonds and Notes</u>	
	<u>Principal</u>	<u>Interest</u>
2015	155,000	41,138
2016	155,000	36,488
2017	155,000	31,838
2018	155,000	26,994
2019	150,000	22,038
2020-2024	290,000	22,038
2025-2029	175,000	26,600
2030	35,000	788
Total	<u>\$ 1,270,000</u>	<u>\$ 207,922</u>

In accordance with 30-A MRSA, Section 5702, as amended, no municipality shall incur debt for specified purposes in excess of 15 percent of the state valuation of such municipality. At June 30, 2014, the City was in compliance with these regulations.

7. General Fund Committed Balances

The General Fund reserves consists of the following:

	<u>Special</u>
CDBG loan funds	\$ 91,962
Capital	328,541
	<u>\$ 420,503</u>

8. Unassigned General Fund Fund Equity

The undesignated General Fund fund equity reflected a change for the current year as follows:

Balance - July 1, 2013	\$ 193,707
Increase (Decrease):	
Estimated under actual revenues	123,176
Appropriations over expenditures	193,378
Budgeted utilization of fund equity	(233,133)
Net Increase (Decrease)	<u>83,421</u>
Balance - June 30, 2014	<u>\$ 277,128</u>

9. Assigned for Subsequent Year's Revenues

The portion of the General Fund fund equity which has been assigned by budgeting decisions represents amounts received during the current accounting period that are to be budgeted as revenues in the subsequent year. These accounts, were as follows at June 30, 2014:

Local roads	\$	4,851
State Revenue Sharing		30,991
Total	\$	<u>35,842</u>

10. Section 457 Plan

Employees of the City of Hallowell may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments).

The deferred compensation plan is available to all employees of the City. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

The deferred compensation plan is administered by an unrelated financial institution. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation amounts held by the financial institution, until paid or made available to the employees or beneficiaries, are maintained in a trust with the beneficiary the City.

11. Risk Management

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For the past several years the City has obtained coverage from the Maine Municipal Association risk pool. All risk management activities are accounted for in the General Fund. Expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonable estimated. In determining claims, events that might create claims but for which none have been reported, are considered.

The City's Management estimates that the amount of actual or potential claims against the City as of June 30, 2014, are unknown. Therefore, the General Fund contains no provision for, and does not present, estimated claims.

12. Overlapping Debt

The Town is liable for its proportional share of any defaulted debt issued by entities of which it is a member. The overlapping bonded debt applicable to the Town at year-end, consists of the following:

<u>Entity</u>	<u>Total</u>	<u>City's Share</u>	<u>Percentage</u>
RSU #2	\$ <u>1,261,144</u>	\$ <u>243,022</u>	19.27%

13. Long-term due to trust fund

The City of Hallowell borrowed from the trust fund in lieu of borrowing from a financial institution. This borrowing was for major capital construction. In total the borrowing was for \$630,000 and is expected to be repaid over 5 years at a 2.5% interest rate, requiring annual principle payments of \$126,000. In the general fund the interfund loan is required by generally accepted accounting principles to be reflected as a liability, unlike borrowing from an outside source. This results in an unassigned fund equity position lower by \$630,000 than had the borrowing been from a financial institution. As of June 30, 2014, the City of Hallowell's committed balances include \$252,000 as a sinking fund to repay the loan from the Cemetery fund.

For the fiscal year budget July 1, 2014 to June 30, 2015 the City of Hallowell utilized the sinking fund to reduce the amount needed to be raised by taxation. As a result, the borrowing from the trust fund will now be repaid over the five years ending June 30, 2019.

CITY OF HALLOWELL, MAINE
Budget Comparison Schedule
General Fund
For the year ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with final budget positive <u>(negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:	\$	\$	\$	\$
Taxes	4,462,924	4,462,924	4,497,593	34,669
Intergovernmental	193,732	193,732	202,352	8,620
Interest	900	900	1,083	183
Charges for services	63,950	63,950	80,354	16,404
Miscellaneous	12,200	12,200	96,218	84,018
Total revenues	<u>4,733,706</u>	<u>4,733,706</u>	<u>4,877,600</u>	<u>143,894</u>
Expenditures:				
Current:				
General government	341,415	374,415	355,311	19,104
Public safety	755,134	757,483	706,802	50,681
Public works	537,716	537,716	484,462	53,254
Human services	36,673	36,673	34,921	1,752
Special assessments	2,718,209	2,718,209	2,705,110	13,099
Unclassified	55,950	81,840	79,517	2,323
Debt service	343,038	343,038	207,038	136,000
Capital outlay	133,215	133,215	131,632	1,583
Total expenditures	<u>4,921,350</u>	<u>4,982,589</u>	<u>4,704,793</u>	<u>277,796</u>
Excess (deficiency) of revenues over (under expenditures)	<u>(187,644)</u>	<u>(248,883)</u>	<u>172,807</u>	<u>421,690</u>
Other Financing Uses:				
Transfer from Trust Fund	15,750	15,750	15,750	0
Total other financing sources	<u>15,750</u>	<u>15,750</u>	<u>15,750</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(171,894)</u>	<u>(233,133)</u>	<u>188,557</u>	<u>421,690</u>
Fund Balance - beginning	544,916	544,916	544,916	0
Fund Balance - ending	<u>\$ 373,022</u>	<u>\$ 311,783</u>	<u>\$ 733,473</u>	<u>\$ 421,690</u>

The accompanying notes to the financial statements are an integral part of this statement.

KEEL J. HOOD

Certified Public Accountant

PO Box 302 - Fairfield, Maine 04937 - (207)453-2006

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

City Council
City of Hallowell, Maine
Hallowell, Maine

I have audited, in accordance with the auditing standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of City of Hallowell, Maine as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise City of Hallowell, Maine's basic financial statements, and have issued my report thereon dated July 15, 2014.

Internal Control over Financial Reporting

In planning and performing my audits, I considered City of Hallowell, Maine's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Hallowell, Maine's internal control. and not to provide an opinion on the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of City of Hallowell, Maine'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 a 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Hallowell, Maine's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audits, and accordingly, I do not express such an opinion. The

results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance.

 Paul J. Wood, CPA

July 15, 2014

Important Dates



The City of Hallowell's fiscal year is from July 1st to June 30th.

The Assessors' cut-off date is April 1st.

Taxes are due September 1st and March 1st.
Tax Club Payments are due by the 30th of each month,
with the final payment due by May 15th.

The City Council meets at 6:00 PM on the first Monday after the first Tuesday of each month.
Requests to be placed on the agenda must be made to the City Manager
by the first Tuesday of each month.

The Planning Board meets at 7:00 PM on the third Wednesday of each month.
Applications must be submitted to the Code Enforcement Officer
by 12 Noon on the first Wednesday of each month.

Dog Licenses are due January 1st, and are available beginning October 15th.
A late fee starts February 1st.

Hunting and Fishing Licenses are available on December 1st for the following year.

Boat Registrations are available December 1st for the following year.

ATV and Snowmobile Registrations are available May 1st
for the following year (July 1st through June 30th).

Parking Permits for the Rec Area are required
for non-residents from May 15th to September 15th.
Season Permits are \$25 and are available at the City Clerk's Office.
Hallowell residents do not need a Parking Permit.
(Revised Code of Ordinances Section 6-309)

Winter Parking Ban: No person shall park or permit a vehicle to remain parked
in any street of the City between 12:00 midnight and 6:00AM
from November 15th thru April 1st.
(Revised Code of Ordinances Section 4-402)

