



**Town of Hermon**  
**Public Safety Meeting Room**  
**October 9, 2025**  
**Town Council Meeting**  
**6:00 PM**  
**AGENDA**

To watch Council Meetings go to [hermonmaine.gov](http://hermonmaine.gov) click Council click Town Council Meetings click Zoom

Please see the complete video at [Town Council Meetings | Hermon \(hermonmaine.gov\)](http://Town Council Meetings | Hermon (hermonmaine.gov))

**\*\*\*ALL ITEMS ARE SUBJECT TO APPROPRIATE COUNCIL ACTION\*\*\***

**I. CALL TO ORDER BY CHAIRPERSON:**

**II. PLEDGE OF ALLEGIANCE:**

**III. ROLL CALL:**

**IV. PUBLIC ITEMS OR COMMENTS\*: *(ITEMS NOT ALREADY ON THE AGENDA)***

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**V. REVIEW CONSENT CALENDAR: REGULAR BUSINESS, APPOINTMENTS, SIGNATURES, AND APPROVAL OF MINUTES:**

MINUTES	-APPROVE	9/11/2025
SIGNATURES	-APPROVE	
RESOLVES	-SIGN	
WARRANTS	-SIGN	9/26/2025, 10/10/2025

**VI. NEWS, PRESENTATIONS AND RECOGNITIONS:**



## **VII. PUBLIC HEARINGS:**

- **Hold Public Hearing** – ADU Moratorium
- **Hold Public Hearing** – Hermon Recreation special amusement permit

## **VIII. COMMITTEE REPORTS:**

## **IX. SCHEDULED AGENDA ITEMS:**

### **1. OLD or INCOMPLETE BUSINESS:**

### **2. NEW BUSINESS:**

- O25-26-18** Consider enacting an ordinance to the Hermon Code of Ordinances titled “Accessory Dwelling Units (ADU) moratorium Ordinance”
- O25-26-19** Consider approving Hermon Recreation Special Amusement Permit for Truck or Treat
- R25-26-01** Consider approving the ARPA required finance policy **Eligible Use for Expenditures of American Rescue Plan Act Coronavirus State and Local Fiscal Recovery Funds Policy**
- R25-26-02** Consider approving the ARPA required finance policies **Allowable Costs and Cost Principles Policy for American Rescue Plan Act Coronavirus State and Local Fiscal Recovery Funds**
- R25-26-03** Consider approving the ARPA required finance policies **Allowable Cost and Cost Principle for Expenditures for Grant Funding (General) Policy**
- R25-26-04** Consider approving the ARPA required finance policies **Financial Close and Reporting Policy – Internal Controls**
- R25-26-05** Consider approving the ARPA required finance policies **Record Retention Policy: Documents Created or Maintained Pursuant to the ARP/CSLFRF Award**

### **3. WORKSHOPS:**

### **4. OTHER ITEMS: (FROM TABLE PACKAGE)**

## **X. APPOINTMENTS:**



## **XI. MANAGER STATUS REPORT:**

## **XII. FINAL PUBLIC ITEMS OR COMMENT\*: *(ITEMS NOT ALREADY ON THE AGENDA)***

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## **XIII. COUNCIL ITEMS:**

- **Sign orders and resolves from section IX**

## **XIV. EXECUTIVE SESSION:**

## **XV. ADJOURNMENT:**

**Please see the complete video at Town Council Meetings | Hermon ([hermonmaine.gov](http://hermonmaine.gov))**

**Explanatory note #1:** All items in the CONSENT CALENDAR are considered routine and are proposed for adoption by the Town Council with one motion without DISCUSSION or deliberation. If DISCUSSION on any item is desired, any member of the Council or public may request the removal of an item for it to be placed in the regular agenda prior to the motion to approve the Consent Agenda.

**Explanatory Note #2:** In the interest of effect decision-making: At 10:00 p.m., the Chairman shall poll the Council and Town Manager to identify remaining items which shall be carried forward to the next Regular Meeting.

**Explanatory Note #3:** A Councilor who feels the need for the Council excusing his/her absence will make the request to the Town Manager or the Town Clerk prior to the meeting.



October 2, 2025

Memorandum for Honorable Council Members

From: Stephen Fields, Town Manager

Re: Position Paper, Town Council Meeting October 9, 2025

**Agenda Item - Public Hearing:**

The noted public hearings documentation is all in order and the staff support for discussion.

1. Accessory Dwelling Unit (ADU) Moratorium. The public hearing is to allow comment on the moratorium being extended for an additional 180-days. The Town has been diligently working this project with the Ordinance Committee and Attorney. The Town is active with a current moratorium and wishing to extend to allow for continued progress. This extension would continue until April 2026.
2. Hermon Recreation has requested a special amusement permit to allow for the annual Trunk or Treat to be held at Hermon High School on October 26, 2025. This is a community event.

**Agenda Item – New Business:**

**Order 25-26-18**

This order is to authorize the acceptance of the Accessory Dwelling Unit (ADU) Moratorium Ordinance extension for an additional of 180-days. This request for the acceptance of the moratorium is supported by the Administration and is in order for final Council action.

**Order 25-26-19**

This order is to authorize the Special Amusement/Concourse Gathering for Hermon Recreation – Annual Trunk or Treat to be held at Hermon High School on Sunday, October 26, 2025. This is a fun community event for all ages. All required actions for permit have been completed. This request for the event is supported by the Administration and is in order for final Council action.


**Resolve 25-26-01**

This resolve is to authorize the Town Council to adopt the required American Rescue Plan Act of 2021 (ARPA) financial policy, Eligible Use for Expenditures of American Rescue Plan Act Coronavirus State and Local Fiscal Recovery Funds Policy as discussed at the last Council meeting, workshop section. The policy is supported by the Administration and is in order for final Council action.



September 29, 2025

Memorandum for Honorable Town Council Members

From: Stephen Fields, Town Manager 

Re: Fiscal Budget and Assessing for Tax Bills

On behalf of the Assessor's team, I would like to make the following statement.

Assessors in the State of Maine are all feeling the burden of the volatile real estate market and the difficulty in reconciling these changes with the minimum assessing standards placed upon us in Title 36 §327. These assessing standards compel assessors to maintain assessment ratios between 70-110% of market value. The gold standard in assessment theory is to maintain as close to 100% as possible to ensure the local taxpayers are receiving the full benefit of property tax exemption programs and to ensure the town is receiving their full reimbursement rates from the State of Maine. As assessments lag, these benefits are garnished at the detriment of the taxpayer and town.

Yearly, assessor's complete sales ratio studies to determine where the current property values are in relation to the real estate market. This year the State of Maine sales analysis study used July 1, 2022, to June 30, 2023. Market based adjustments are made to properties accordingly. This process is commonly known as mass appraisal and is the methodology that all assessors in the State of Maine use and abide by.

Assessments naturally have an inverse relationship with the mill rate. If a budget remained static, as assessments increase to match the real estate market, the mill rate would decrease at a constant inverse rate. If a municipality witnesses assessments increase without a decrease in the mill rate or even experiences an increase in the mill rate alongside increases in valuation, then there is a second variable at play—the budget.

Municipal budgets rarely remain static due to the constant fluctuation of costs for services and the challenge of forecasting revenue streams. The whole of Maine is experiencing unprecedented challenges in maintaining services while fulfilling obligations that the municipal body has little control over such as yearly taxes due to the county, and debt service obligations as previously approved funding commitments at annual town meetings.

Valuations will continue to fluctuate to match the real estate market. That does not determine the net impact to a taxpayer's bill. The budget that is voted on and passed by community members is the largest factor to net billing changes. Now is the time for communities to decide which services are intrinsic to the health and wellbeing of the community and rally to support those priorities.



**Town of Hermon**  
**Public Safety Meeting Room**  
**September 11, 2025**  
**Town Council Meeting**  
**6:00 PM**  
**MINUTES**

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**I. CALL TO ORDER BY CHAIRPERSON:**

**II. PLEDGE OF ALLEGIANCE:**

Chair Murphy led those in attendance in the Pledge of Allegiance

**III. ROLL CALL:**

**Members Present:** Joshua Berry, Adam Brewer, Richard Cyr, Jason Forbes,  
and Ronald Murphy

**Members Absent:** Christopher Gray, Terry Hamm-Morris – Excused.  
Councilor Gray arrived at 6:05 PM

**Others Present:** Town Manager Stephen Fields, Deputy Clerk Keely Gonyea,  
and 5 residents/guests

**IV. PUBLIC ITEMS OR COMMENTS\*: (*ITEMS NOT ALREADY ON THE AGENDA*)**

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- **Jessefa Murphy, Code Enforcement Officer**



**V. REVIEW CONSENT CALENDAR: REGULAR BUSINESS, APPOINTMENTS, SIGNATURES, AND APPROVAL OF MINUTES:**

MINUTES	-APPROVE	8/7/2025
SIGNATURES	-APPROVE	
RESOLVES	-SIGN	
WARRANTS	-SIGN	8/15/2025, 8/29/25, & 9/12/2025

**Councilor Berry moved to approve the Consent Calendar. Councilor Cyr seconded the motion. Motion passes 5-0.**

**VI. NEWS, PRESENTATIONS AND RECOGNITIONS:**

**VII. PUBLIC HEARINGS:**

- **Hold Public Hearing – Conley Events LLC (Morgan Hill Event Center) liquor license renewal**

**Chair Murphy opened the public hearing at 6:02 PM. No public comments were given. The hearing closed at 6:02PM.**

- **Hold Public Hearing – Live band at Speedway 95**

**Chair Murphy opened the public hearing at 6:02 PM. No public comments were given. The hearing closed at 6:03PM.**

- **Hold Public Hearing – Cottage Lane as a Public Way**

**Chair Murphy opened the public hearing at 6:03 PM. No public comments were given. The hearing closed at 6:03PM.**

- **Hold Public Hearing – Contractor Drive as a Public Way**

**Chair Murphy opened the public hearing at 6:03 PM. No public comments were given. The hearing closed at 6:03PM.**

- **Hold Public Hearing – GA Appendices A – H for FY 2025-2026**

**Chair Murphy opened the public hearing at 6:04 PM. No public comments were given. The hearing closed at 6:04PM.**

**VIII. COMMITTEE REPORTS:**



**IX. SCHEDULED AGENDA ITEMS:**

**1. OLD or INCOMPLETE BUSINESS:**

**2. NEW BUSINESS:**

**O25-26-06** Consider approving Conley Events LLC liquor license renewal

**Councilor Cyr moved to approve O25-26-06. Councilor Berry seconded the motion. The motion was accepted. Motion passes 5-0.**

**O25-26-07** Consider approving Roger Smith for Special Amusement /Concourse Gathering Application for a live band at Speedway 95

**Councilor Berry moved to approve O25-26-07. Councilor Cyr seconded the motion. The motion was accepted. Motion passes 6-0.**

**O25-26-08** Consider accepting updated Council rules

**Councilor Berry moved to approve O25-26-08. Councilor Gray seconded the motion. The motion was accepted. Motion passes 6-0.**

**O25-26-09** Consider accept Cottage Lane as public road.

**Councilor Cyr moved to approve O25-26-09. Councilor Gray seconded the motion. The motion was accepted. Motion passes 6-0.**

**O25-26-10** Consider accept Contractor Drive as public road.

**Councilor Cyr moved to approve O25-26-10. Councilor Berry seconded the motion. The motion was accepted. Motion passes 6-0.**

**O25-26-11** Consider accepting all future donations for Greater Hermon Community Athletic Complex projects

**Councilor Cyr moved to approve O25-26-11. Councilor Gray seconded the motion. The motion was accepted. Motion passes 6-0.**

**O25-26-12** Consider selecting and accepting a utility billing software

**Councilor Cyr moved to approve O25-26-12. Councilor Berry seconded the motion. The motion was accepted. Motion passes 6-0.**





**O25-26-13** Consider approving the mill rate, due date and interest rate for 2025 taxes

**Councilor Cyr moved to approve O25-26-13. Councilor Berry seconded the motion. The motion was accepted. Motion passes 6-0.**

**O25-26-14** Consider accepting a matching grant from Eastern Maine Development Corporation for the recreational trail signage

**Councilor Cyr moved to approve O25-26-14. Councilor Berry seconded the motion. The motion was accepted. Motion passes 6-0.**

**O25-26-15** Consider abating real estate taxes for # 3148 & 1097

**Councilor Cyr moved to approve O25-26-15. Councilor Berry seconded the motion. The motion was accepted. Motion passes 6-0.**

**O25-26-16** Consider writing off real estate taxes for tax year 2021 on # 3148 & 1097

**Real estate accounts 1097 & 3148 had an error in assessment due to assessing all owners individual, as well as assessing one owner's portion to a trust when no evidence of a recorded deed conveying the parcel into a trust was provided. This led to liens being filed in the incorrect owner name(s). 36 MRSA §841 allows Assessors to correct errors and illegalities in assessments up to twelve months from commitment and allows municipal officers to correct errors up to three years prior; therefore, the 2024, 2023, & 2022 taxes have been abated and supplemented to correct this. The outstanding tax amount for accounts 1097 ad 3148 for tax year 2021 will be written off as uncollectible due to the illegality of the liens and error in assessment.**

**Councilor Cyr moved to approve O25-26-16. Councilor Berry seconded the motion. The motion was accepted. Motion passes 6-0.**

**O25-26-17** Consider accepting the GA Ordinance appendices A -H for FY 2025-2026

**Councilor Cyr moved to approve O25-26-17. Councilor Gray seconded the motion. The motion was accepted. Motion passes 6-0.**

### **3. WORKSHOPS:**

**1. ARPA required finance policies – Stephen Fields**

**2. RFP snowplowing – Scott Perkins**



#### **4. OTHER ITEMS: (FROM TABLE PACKAGE)**

#### **X. APPOINTMENTS:**

#### **XI. MANAGER STATUS REPORT:**

I would like to thank all the donors and supporters for the PADS Athletic Field Light Project. As of this morning, \$61,400.00 has been donated to cover the expenses. Once again, thank you.

The Town will be posting invitation to bid on surplus public works property in accordance with the Purchasing Policy. Items for sale include Salt/Sanders, spreader, woods blade and pintail trailer. Items will be posted on town's website, Facebook notification and Maine Municipal Association website.

The Capital Improvement Plan is being drafted with the staff. While the document is not completed, my goal is to provide an overview of all potential projects for facilities (repair and/or new), vehicle/truck fleet, equipment, and infrastructure requirements for the upcoming 15-year period allowing the town to understand the costs and potential impacts of financial requirements. Through this process, I have identified the need to set funding aside into the reserves account while also using operational funds to meet capital improvement. I anticipate in the upcoming years financial opportunities to set forth a continuous process to better position the town financially for the plan document. An example will be the request for a fire apparatus vehicle to which on average is a three-year delivery from the order date with a commitment of funding source for estimated \$1,000,000.00. Other projects include town office, public works yard upgrades and school facilities. The two main themes for the capital improvement plan are funding adequately and to determine required space/location, to which was identified in a 2003 feasibility study. I look forward to working with the Council, staff, and citizens on these concerns.

Fall is in the air; mornings are crisp with sunny afternoons. Please take time to spend with family and friends, check on your elderly neighbors to see if any assistance is needed with fall and winter preparations. Thank you for your patience while summer construction and paving were being completed. Enjoy the fall season!

Schools are now moving quickly to the end of the first month of academics and sports. Continue to watch for children in roadways and near homes especially in the evening as darkness is falling earlier every day.



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- **None**

## **XIII. COUNCIL ITEMS:**

- **Sign orders and resolves from section IX**

**Jason Forbes: Thinking back on 9/11 and the tragedy that occurred yesterday, keep in mind we're all Americans and we're all God-fearing people. Look after your neighbor, let's all try to be better people and not have such a divide.**

**Adam Brewer: Echo what Jason said, we can all do better. Hasn't talked to anyone recently who has brought up issues in the town so there we're good for now.**

**Richard Cyr: Hard to believe 9/11 was 24 years ago. Hopeful 9/11 doesn't happen again and we are forever vigilant.**

**Christopher Gray: Echoing what the others have said, we have been through a lot in the past 24 hours as a country, and the past 24 years as well through 9/11/2001. It's important to love each other, love your neighbor, be God-fearing people, and Praise the Lord for everything he's provided here for us.**

**Joshua Berry: Echo what the others have said tonight. Got a good appreciation for what our first responders do and have a lot of respect for anybody in the field and appreciate what you do to help the town out. Appreciate Mr. Fields bringing up the budget side of things, never too early to start talking about that. As the council enters budget season would like to be thinking of if we're going to be adding new services, whatever we're going to do, make sure we're ready to fund it through taxes so we can adequately fund our CIP.**

**Ronald Murphy: Would like to thank those who got the lights up at the elementary school. Would like to see lights added that are facing the parking lot as it is a safety for the town because there are more people than just the school that use that. Would like to thank all the Councilors. The civility the Council has really means a lot. We've had some pretty good discussions and hopefully that will continue in the future.**



#### XIV. EXECUTIVE SESSION:

**Councilor Gray made a motion to enter into executive session. Councilor Cyr seconded the motion. The motion was accepted. Motion passes 6-0.**

**Executive Session started at 7:10PM**

1. Consider entering into Executive Session to consult on acquisition of real property or economic development per 1 M.S.R.A. § 405(6)(C)

**Councilor Forbes made a motion to come out of executive session. Councilor Cyr seconded the motion. The motion carried and Executive Session ended at 7:46PM and returned to the regular meeting.**

#### XV. ADJOURNMENT:

**Councilor Gray moved to adjourn the meeting at 7:47 PM. Councilor Brewer seconded. With no objection the meeting was adjourned at 7:47 PM.**

Respectfully Submitted,

Keely Gonyea  
Deputy Clerk

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STATE OF MAINE  
COUNTY OF PENOBSCOT  
COURT OF COUNTY COMMISSIONERS

DANIEL J. TREMBLE  
ANDRE E. CUSHING, III; CHAIR  
DAVID S. MARSHALL



COURTHOUSE  
97 Hammond Street  
Bangor, ME 04401-4998  
(207) 942-8535

GLENN E. MOWER, TREASURER

Scott A. Adkins, County Administrator

September 15<sup>th</sup>, 2025

**Municipal Leadership –**

As the County Commissioners approach the 2026 / Commissioner's Budget process, we find it of vital significance to notify you of a rather substantial funding gap. This historical issue pertains to the consistent lack of appropriate annual funding from the State of Maine.

For the last few years, during the budget cycle, information has been relayed indicating the funding gap, also known as a Revenue Deficit, in the annual budget of the Penobscot County Jail. In 2021, the number had grown to \$1.9M; 2022 increased to \$2.4M and in 2025 the number was a staggering \$3.4 million. Unfortunately, the issue is compounded as actual numbers created a deficit in those corresponding years of the Jail operations which were very similar to the Revenue Deficit projections.

As a result of these accumulating annual deficits from Jail operations, the County's TAN (Tax Anticipation Note) needs have increased to over \$11 million for 2025. In addition, the TAN has been required at least one-month earlier each year. The negative effect on the County's cash flow has reached a point where it can no longer wait for the possibility of appropriate state funding. While counties have advocated each year for relief through supplemental jail funding, the state's allocation has remained a flat amount since 2020. The projected cash flow scenario heading into 2026 makes it imperative the \$3 - \$3.5 million be added to the Jail CAP and balance out the annual Jail operational budget. Based on the 2025 assessment, \$3M would establish a 12% increase to the County budget alone. These two numbers are without any consideration to annual operational increases.

The Penobscot County Commissioners are very cognizant of this type of increase and what it will mean to the property taxpayers of our County. A point annually emphasized during our Jail funding negotiations with the Maine Legislature. This move, however, is completely necessary to stop the bleeding and allow for a more concise future plan.

We will provide further details for those not familiar with the jail funding process and the gap resulting from the jail cap implemented during jail consolidation in which the state took control of county jail budgets and funding

If you haven't received an email invite to date, a luncheon meeting has been scheduled for Thursday, September 25<sup>th</sup> here at the County Courthouse. This topic will be the main highlight of the meeting and hope that you can attend. To RSVP, either reply to Scott Adkins, County Administrator, via email at [sadkins@penobscot-county.net](mailto:sadkins@penobscot-county.net) or Melissa Doane, Bradley / Town Manager, via email at [mldoane@townofbradley.net](mailto:mldoane@townofbradley.net). Thank you, in advance, for your time and consideration of this letter.

Respectfully,

Andre E. Cushing, Chair

David S. Marshall, Commissioner

Daniel J. Tremble, Commissioner

**STATE OF MAINE  
COUNTY OF PENOBSCOT  
COURT OF COUNTY COMMISSIONERS**



DANIEL J. TREMBLE  
ANDRE E. CUSHING, III  
DAVID S. MARSHALL

Courthouse  
97 Hammond Street  
Bangor, ME 04401-4998  
(207) 942-8535

GLENN E. MOWER, TREASURER

Scott A. Adkins, County Administrator

Greetings -

In preparation for the meeting on Thursday, September 25<sup>th</sup>, the attached letter and spreadsheet will outline the main topic. As you will read, the County can no longer wait for the false promise of appropriate State of Maine funding for the Penobscot County Jail. Due to annual deficits, which you will see outlined in the spreadsheet, the cash flow of the County has reached a point where immediate attention is required. The Penobscot County Commissioners wish to partner with our communities and discuss option moving forward for better financial planning.

While the letter should explain the base of the issue which should enhance further conversations, the spreadsheet may require a few "cheat notes" for your benefit.

- Fund 1 / General Fund – These lines represent the County budget operations which do not include the Jail. See Fund 4 below. You will see the Revenue & Expense activity, in comparison to the budgetary figures provided, with an ending "Fund 1 / Net Surplus (Deficit)" for each of the corresponding years.
- G 1-999-00 / Fund Balance – This is the County's "undesignated" Fund Balance and notice there is very little change as we move across the sheet. Will come back to this ...
- G 1-825-04 / Due to from Jail – As you read across, you start to see the vast change in this account. The account is listed as an asset on the Balance Sheet so a negative is monies owed to the Jail Fund with a positive the opposite. Under 2024 & 2025, you see the major change from a negative to a positive. Currently, the Jail owes the County around \$6 million plus.
- Fund 4 / Jail Fund – These numbers are the Jail operations. Around 2022, which is when Boarding Out Expenses became prevalent, the Jail begins to create a serious deficit. As the deficit grows, the "G 1-825-04 / Due to from" account (described above) begins to change dramatically as well.

In the end, this continuous Jail Deficit creates an uncollectable Accounts Receivable (G 1-825-04) which the County needs to record moving forward. Without another funding source or other option, when the AR is closed out, it will directly adjust the County's General Fund (Undesignated Fund Balance). Basically, you can take the 2025 / Fund Balance number of \$2.5M and subtract the 2025 "G" number of \$6.9M to arrive at a possible (\$4.5M negative) fund balance.

The County's cash flow has been highly affected in covering the negative balances over the last few years. Moving into 2026, the County will need to start borrowing funds to operate and borrowed monies are an expensive proposition.

In closing, please feel free to email or call me with any questions in advance at [sadkins@penobscot-county.net](mailto:sadkins@penobscot-county.net). Again, an email was sent out prior regarding the meeting with the County Commissioners on Thursday, September 25<sup>th</sup>. If you did not receive this email, please reach back out to us.

Respectfully,

*Scott*

Scott A. Adkins, County Administrator  
County of Penobscot  
97 Hammond Street  
Bangor, ME 04401  
Office-207-942-8535 ext. 2205  
Cell-207-631-0431

# Penobscot County Commissioners

Fund Balance / Cash Flow Analysis / Fund 1 - General Fund & Fund 4 - Corrections

Commissioner Meeting / Workshop Dated - Wednesday, August 27th saa

	2021	2022	2023	2024	2025 / (June)
<b>Fund 1 / General Fund</b>					
Revenue (Budgeted)	\$ 22,606,204	\$ 24,077,394	\$ 26,881,576	\$ 29,204,636	\$ 31,457,861
Revenues (Actual)	\$ 22,851,015	\$ 24,176,543	\$ 26,857,902	\$ 28,239,427	\$ 15,092,627
<i>Revenues / Surplus (Deficit)</i>	\$ 244,811	\$ 99,149	\$ (23,674)	\$ (965,209)	\$ (636,303)
Expenses (Budgeted)	\$ 22,606,204	\$ 24,077,394	\$ 26,881,576	\$ 29,204,636	\$ 31,457,861
Expenses (Actual)	\$ 21,490,265	\$ 23,093,139	\$ 25,970,197	\$ 28,377,827	\$ 14,876,373
<i>Expenses / Surplus (Deficit)</i>	\$ 1,115,939	\$ 984,255	\$ 911,379	\$ 826,809	\$ 852,557
<b>Fund 1 / Net Surplus / (Deficit)</b>	\$ 1,360,751	\$ 1,083,404	\$ 887,705	\$ (138,399)	\$ 216,254
	\$ -	\$ -	\$ -	\$ -	\$ -
<b>G 1-999-00 / Fund Balance (TRIO)</b>	\$ 3,098,145	\$ 2,843,617	\$ 3,591,847	\$ 2,568,249	\$ 2,566,249
<b>G 1-825-04 / Due to from Jail (Beg Bal)</b>	\$ (607,549)	\$ (718,420)	\$ (185,333)	\$ 2,557,287	\$ 6,996,654
<b>Fund 4 / Dept. 9 / Jail (Corrections)</b>					
Revenue (Budgeted)	\$ 11,550,895	\$ 12,852,835	\$ 13,620,084	\$ 15,054,145	\$ 15,678,762
Revenues (Actual)	\$ 10,380,758	\$ 11,306,464	\$ 11,271,357	\$ 11,963,362	\$ 6,691,975
<i>Revenues / Surplus (Deficit)</i>	\$ (1,170,137)	\$ (1,546,371)	\$ (2,348,727)	\$ (3,090,783)	\$ (3,394,812)
Expenses (Budgeted)	\$ 11,550,895	\$ 12,852,835	\$ 13,620,084	\$ 15,054,145	\$ 15,678,762
Expenses (Actual)	\$ 10,187,155	\$ 11,839,552	\$ 13,801,811	\$ 15,399,934	\$ 7,505,552
<i>Expenses / Surplus (Deficit)</i>	\$ 1,363,740	\$ 1,013,284	\$ (181,727)	\$ (345,789)	\$ (667,659)
<b>Fund 4 / Net Surplus / (Deficit)</b>	\$ 193,603	\$ (533,087)	\$ (2,530,454)	\$ (3,436,571)	\$ (4,062,471)
	\$ -	\$ -	\$ -	\$ -	\$ -



**025-26-18**

**TOWN OF HERMON**

**MORATORIUM ORDINANCE**

**ON**

**ACCESSORY DWELLING UNITS**

The Town of Hermon Council hereby enacts a moratorium ordinance entitled the Accessory Dwelling Unit Moratorium Ordinance as follows:

WHEREAS, area of the Town of Hermon is suddenly faced with the prospect of increased development pressure from Accessory Dwelling Units;

WHEREAS, residents of the Town of Hermon have expressed concerns about such proposed or anticipated developments, including concerns regarding the quality of life, adjacent property values, health and safety, related zoning and land use issues, visual impacts, and environmental impacts;

WHEREAS, without appropriate zoning consideration and development guidelines, the development of Accessory Dwelling Units could pose a threat to the quality of life, adjacent property values, and the health and safety of the Town of Hermon's residents;

WHEREAS, the Town of Hermon seeks to balance these risks with the benefits associated with Accessory Dwelling Units through appropriate regulations;

WHEREAS, the Town of Hermon requires at least 180 days to consider, develop, and implement necessary ordinances and regulations to protect the health, safety, and welfare of the residents of the Town of Hermon; and

WHEREAS, in the judgment of the Town Council, the foregoing facts demonstrate that a moratorium on Accessory Dwelling Units is necessary pursuant to 30-A M.R.S. § 4356(1).

NOW, THEREFORE, the Town of Hermon hereby ordains that the following Accessory Dwelling Unit Moratorium Ordinance be enacted:



I. Authority: This Accessory Dwelling Unit Moratorium Ordinance is enacted pursuant to 30-A M.R.S.A. § 4356; the Town of Hermon's home rule authority pursuant to the Maine Constitution and 30-A M.R.S.A. § 3001; and section 2.13(6) of the Charter of the Town of Hermon.

II. Definitions: The following definition shall be used in the interpretation and construction of this Moratorium Ordinance:

a. Accessory Dwelling Unit: is any dwelling, project, or installation which is intended to or in fact does provide an accessory structure, building or improvement to a property pursuant to P.L. 2021, Ch. 672 (LD 2003).

III. Purpose: The purpose of this Moratorium Ordinance is to allow municipal officials a reasonable time to evaluate the concerns raised in regards to P.L. 2021, Ch. 672 (LD 2003) or proposed Accessory Dwelling Units, to determine the adequacy of existing land use ordinances and regulations, and, if necessary, develop additional ordinances and regulations to provide adequate protection for the property, health, welfare, and safety of the Town of Hermon's residents.

IV. Moratorium on Accessory Dwelling Units: The Town of Hermon hereby declares and imposes a moratorium, prohibiting the development of any and all Accessory Dwelling Units within the Town of Hermon. No person or organization shall develop or construct an Accessory Dwelling Unit within the Town of Hermon.

V. Moratorium on Processing Applications: No official, officer, board, or body of the Town of Hermon, including but not limited to the Code Enforcement Officer, the Planning Board, or the Municipal Officers, shall accept, process, review, deny, approve, authorize, or issue any applications, petitions, plans, permits, licenses, or requests for approval or authorization involving Accessory Dwelling Units development, construction, operation, or use located, in whole or in part, within the Town of Hermon.

VI. Severability: Any provisions of the Town of Hermon's existing ordinances that are inconsistent or conflicting with the provisions of this Moratorium Ordinance are hereby repealed to the extent applicable for the duration of this Moratorium Ordinance. If any section or provision of this Moratorium Ordinance is declared by any court of competent jurisdiction to be invalid, such a declaration shall not invalidate any other section or provision.

VII. Effective Date, Retroactivity & Term:

a. Pursuant to the Charter of the Town of Hermon, this Moratorium Ordinance shall take effect 30 days after passage by the Town of Hermon Council.

b. Upon its effective date, notwithstanding the provisions of 1 M.R.S. § 302, this Ordinance shall be retroactive and applicable, to the maximum extent permitted by law and subject to the severability clause above, to all filed, pending, or future applications and petitions for Accessory Dwelling Units which have not received all necessary development permits and licenses from the Town of Hermon and all proposed Accessory Dwelling Units that were not fully operational and/or did not have all the required State permits as of June 27th, 2024, the date the Moratorium Ordinance was first proposed and approved by the Town of Hermon Council.

c. Unless, after notice and hearing, the Town of Hermon Council votes to extend it, this Moratorium Ordinance shall remain in full force and effect for 180 days after its enactment, or until a new and revised set of regulations is adopted by the Town of Hermon, whichever shall first occur.

VIII. Enforcement: The Municipal Officers are hereby authorized to institute any and all actions, either legal or equitable, that they deem necessary or appropriate to enforce the provisions of this Moratorium Ordinance.

IX. Civil Penalties: Any violation of this Moratorium Ordinance is subject to an enforcement action under Any violation of this Moratorium Ordinance constitutes a nuisance. Each day of violation shall constitute a separate offense. All civil penalties shall inure to the benefit of the Town of Hermon.

**SIGNED this October 9, 2025 by the Hermon Town Council:**

\_\_\_\_\_  
Joshua Berry

\_\_\_\_\_  
Adam Brewer

\_\_\_\_\_  
Richard Cyr

\_\_\_\_\_  
Jason Forbes

\_\_\_\_\_  
Christopher Gray

\_\_\_\_\_  
Terry Hamm-Morris

\_\_\_\_\_  
Ronald Murphy

Attest Original: \_\_\_\_\_

Motion \_\_\_\_\_ Yeas \_\_\_\_\_

Second \_\_\_\_\_ Nays \_\_\_\_\_

Date \_\_\_\_\_



025-26-19

## Hermon Recreation Trunk or Treat

The Hermon Town Council hereby resolves to approve Hermon Halloween Trunk or Treat Special Amusement/Concourse Gathering Permit Application for October 26, 2025 from 4:00 to 6:00 pm.

SIGNED this October 9, 2025 by the Hermon Town Council:

\_\_\_\_\_  
Joshua Berry

\_\_\_\_\_  
Adam Brewer

\_\_\_\_\_  
Richard Cyr

\_\_\_\_\_  
Jason Forbes

\_\_\_\_\_  
Christopher Gray

\_\_\_\_\_  
Terry Hamm-Morris

\_\_\_\_\_  
Ronald Murphy

Attest Original:

Motion\_\_\_\_\_

Yeas\_\_\_\_\_

Second\_\_\_\_\_

Nays\_\_\_\_\_

Date\_\_\_\_\_



Date received: 9/25/25  
Date approved: \_\_\_\_\_

## **SPECIAL AMUSEMENT/CONCOURSE GATHERING APPLICATION**

**Required for any gathering for the masses of people which attend public outdoor gatherings and to assure the comfort, convenience, safety, health and welfare of the citizens of the town and surrounding communities.**

**Concourse gathering of 500 people or more persons in an outdoor space or a temporary structure.**

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**Applications must be submitted to the Clerk not less than 45 days before the date on which it is proposed to commence the event.**

**A \$50.00 filing fee is to be submitted with the completed Concourse Gathering Application.**

**A \$150.00 filing fee is to be submitted with the completed Special Amusement Event Application (outside: alcohol, dancing & live music). If approved, \$25.00 fee is due for Special Event Application.**

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### **SPONSOR INFORMATION**

Name of Sponsoring Organization: Hermon Recreation

Name of Contact Person for Event: Lindsey Ouellette

Title of Contact Person: Recreation Director

Mailing Address: 333 Billings Rd. Hermon, ME 04401

Daytime Telephone: 207 848 8014

Cell Phone: 207 735 4763

Email Address: ouelletel@hermonmaine.gov

Contact Name and Cell Phone Number DURING the Event: Lindsey, 735 4763

Is your organization incorporated as a non-profit organization? Yes ☐ No ☒

Non-Profit Number: \_\_\_\_\_

Mailing Address  
333 Billings Rd  
Hermon, ME 04401

Telephone: 207-848-1010  
Fax: 207-848-3316

Physical Address  
333 Billings Rd  
Hermon, ME 04401

**EVENT INFORMATION**

Name of Event: Herman Halloween: Trunk or Treat

Type of Event (walk, festival, concert, etc.): Trunk or Treat

Date of Event: 10/26/2025 Rain Date: N/A

Times of Event: Start Time including set-up: 2:00pm Ending time including clean up: 7:00pm

Actual Event Start Time: 4:00pm Actual Event End Time: 6:00pm

Estimated Attendance: 1,500

Location of Event: Herman High School

Have you held an event at this location within the last 12 months? Yes X No    

**TYPES OF PERMITS/PERMISSIONS NEEDED – PROVIDE AN ANSWER FOR EACH LINE:**

Permit Fee	Permission/Permit Type	YES	NO	NOT SURE
N/A	<b>CROSS-STREET BANNERS</b> Note: Contact power company guidelines.		X	
N/A	<b>FOOD</b> – Will food or beverages be sold? If yes, list what types of food or beverages: <u>2 or 3 food trucks on site</u>	X		
N/A	<b>NON-FOOD ITEMS</b> – Will products be sold or given away (such as t-shirts, crafts, souvenirs, etc.)? If yes, list what items: <u>novelty trick or treat items</u>	X		
Separate fee and Special Amusement Application required	<b>LIVE MUSIC</b> – Will there be any outdoor musical performances? If yes, please describe: Note: per 28-A M.R.S.A. § 1054 and local ordinance.		X	
Separate fee and Special Amusement Application required	<b>DANCING</b> – Will there be any outdoor dancing? If yes, please describe: Note: per 28-A M.R.S.A. § 1054 and local ordinance		X	
N/A	<b>SOUND AMPLIFICATION</b> – Will there be a microphone or speaker system to project sound?			
Separate fee and Catering Event Application	<b>ALCOHOL</b> – Will alcoholic beverages be sold? Note – Vendor must hold a valid State of Maine liquor license and submit an Off Premise Catering Event application (\$10.00 fee) 14 days prior to the event. Note: per 28-A M.R.S.A. § 1054 and local ordinance		X	
State Permit required	<b>CARNIVAL</b> – Will carnival rides be offered? If yes, attach a copy of the state permit.		X	
Permit required	<b>FIREWORKS</b> – Will there be a fireworks display? If yes, attach a copy of the state permit. Note: per M.R.S.A. § 227-A and local ordinance.		X	

Permit Fee	Permission/Permit Type	YES	NO	NOT SURE
N/A	<b>PARADE</b> – Will there be a parade? If yes, describe route:  Note – Contact Penobscot County Sheriff's office.		X	
N/A	<b>RUN/WALK/CYCLE</b> – Will event involve participants doing a walk-a-thon, road race, etc.? If yes, describe route:  Note – Contact Penobscot County Sheriff's office.		X	
Separate permit required	<b>BURN PERMIT</b> – Will there be any open flame such as a bonfire? If yes, describe activity:  Note – A permit from the Fire Department is required or online at Maine.gov		X	
N/A	<b>TENT/CANOPY</b> – Will you be setting up a tent or canopy? If yes, list number and sizes:		X	
N/A	<b>ELECTRICAL POWER/EQUIPMENT</b> – Will electrically powered equipment be utilized, if so, provide a brief description of the equipment and the entity responsible for the installation of the electrical equipment?		X	
N/A	<b>ROAD/INTERSECTION CLOSURE</b> – Will any roads need to be closed to accommodate your event? If yes, please list:  Note – Contact Penobscot County Sheriff's office.		X	
N/A	<b>MAP/DIAGRAM</b> – Is a map or diagram attached detailing this event and depicting the placement of such items as tables, tents, port-a-potties, stage, parking, food service areas, etc.?  Note: This is a mandatory requirement for this application and must be included.	X		
N/A	<b>PARKING ACCOMODATIONS</b> – What will be the anticipated need for parking and what is your parking plan?  Note – Contact Penobscot County Sheriff's office. <i>will connect w/gary on this.</i>	X		
N/A	<b>TOILETS</b> – Please list amount at event and/or nearest location: <i>3 port a pottys, see map</i>	X		
N/A	<b>WASTE DISPOSAL</b> – Please list process and location: <i>trash bins on site</i>	X		
N/A	<b>HAND WASHING FACILITIES</b> – Please list amount at event and/or nearest location: <i>sanitizer in portable toilets</i>	X		
N/A	<b>POTABLE WATER</b> – Please list amount at event and location:			

Permit Fee	Permission/Permit Type	YES	NO	NOT SURE
N/A	<b>FIRST AID FACILITIES</b> – Please list location at event: <i>fire dept on site!</i>	X		
\$ _____.00	<b>TOTAL FEE INCLUDED</b> – Checks payable to "Town of Hermon"			
<p align="center"><b><u>DESCRIPTION OF EVENT – Please describe what will occur during your event</u></b></p>				

Provide a freehand Plan View Drawing of the site(s) showing the location and size of the site. Also include the location and extent of the following:

- Dining Facilities                      -Fire Protection Facilities                      -First Aid Facilities
- Off Street Parking Facilities                      -Sanitary Facilities                      - Water Supply Facilities

**And other pertinent data.**

*map attached .*

Please attach an additional sheet if necessary.

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Concourse Gathering Application: Attach with this application a corporate surety bond from a company authorized to do business in the State of Maine insuring that after the event is over and the mass of people have vacated the site or sites, the grounds shall be left in a clean and neat fashion, and damages to public and/or private property arising out of or in connection with the event will be paid promptly. Such bond shall be in the amount of five thousand (\$5,000.00) for each one thousand (1,000) persons or fractional part thereof, expected to be there.

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The Municipal Officers may request any additional information which is deemed reasonably necessary for a fair determination to issue the concourse gathering permit herein applied for.

Additional information requested:

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**Council Chair Signature and Date:** \_\_\_\_\_ **Date:** \_\_\_\_\_

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Additional information attached, reviewed, and deemed:

\_\_\_\_ Acceptable

\_\_\_\_ Unacceptable

**Council Chair Signature and Date:** \_\_\_\_\_ **Date:** \_\_\_\_\_

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The Municipal Officers deemed it appropriate to waive the following requirements of this permit application:

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**Council Chair Signature and Date:** \_\_\_\_\_ **Date:** \_\_\_\_\_

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If the event is to be held by, and on behalf of or for, any other person other than the applicant, the following authorization is required.

I have authorized \_\_\_\_\_ to apply for a concourse gathering permit on behalf of \_\_\_\_\_.

Authorizing signature: \_\_\_\_\_ Title (if applicable): \_\_\_\_\_ Date: \_\_\_\_\_

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Signature of Applicant:



Printed Name:

Lindsey Ouellette

Date Submitted:

9/25/25

**Please note that you will be contacted by Town Staff if you require additional permitting.**

Please return this completed application with diagram and any applicable fee to:

MAIL: Town of Hermon  
Town Clerk's Office  
333 Billings Road  
Hermon, ME 04401  
FAX: 207-848-3316  
EMAIL: [cushmank@hermonmaine.gov](mailto:cushmank@hermonmaine.gov)  
PHONE: 207-848-1010

The Municipal Officers of the Town of Hermon at a Public Meeting Convened approved the Concourse Gathering Permit herein attached.

**SIGNED this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ by the Town Council:**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**\*\*\*\*FOR STAFF USE\*\*\*\***

**DEPARTMENT COMMENTS AND RECOMMENDATIONS:**

DEPARTMENT	APPROVE	DENY	DATE	INITIALS
Clerk	X		9/25/25	LLC
Code Officer/Land Use & Zoning /Health Officer	A		9/26/25	JM
Finance Department	X		9/25/25	
Fire Department	X		9/25/25	
Police Department	X		9/25/25	G.O.
Public Works Department	X		9/25/25	
Plumbing Inspector	A		9/26/25	Jern
Recreation Department	LO		9/25/25	LO

Personal Property Tax Paid: Yes N/A No \_\_\_\_\_ Sewer User Fees Paid: Yes N/A No \_\_\_\_\_


COMMENTS/CONDITIONS from any of the above departments:

\_\_\_\_\_


\_\_\_\_\_

Town Council Public Hearing date, if applicable: 10/9/25

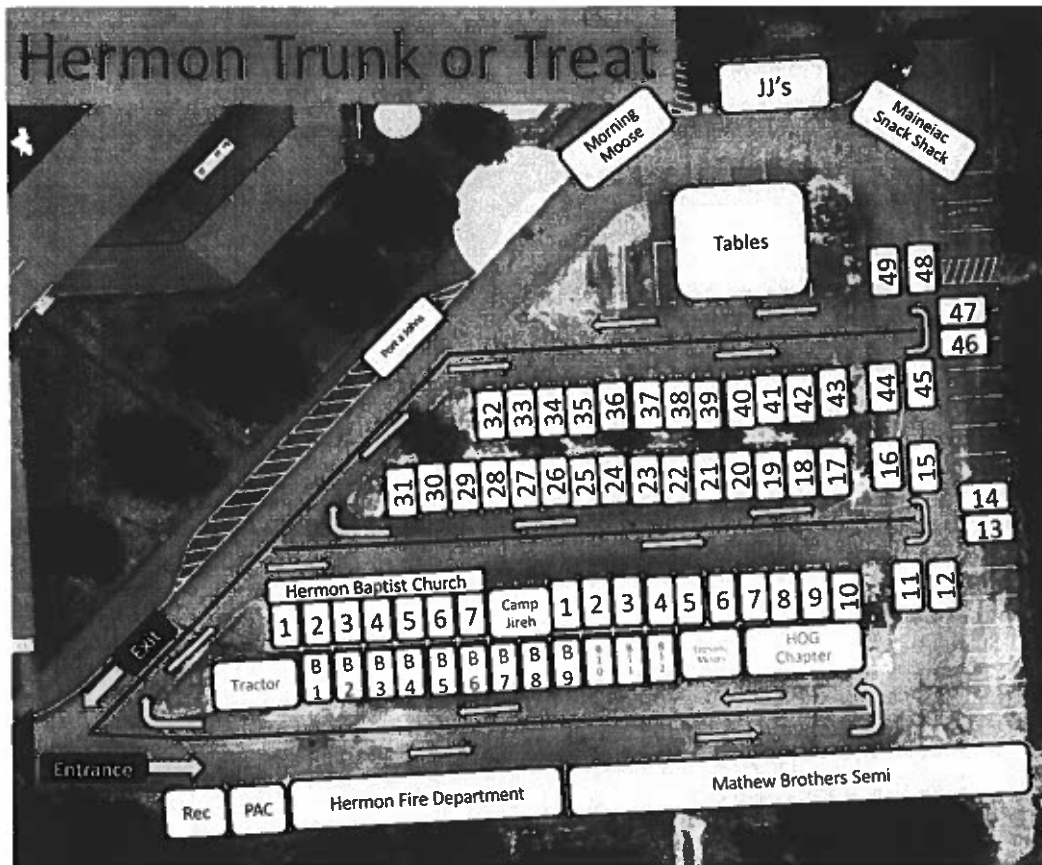
License Approved/Denied: \_\_\_\_\_ Date applicant notified: \_\_\_\_\_

  
Yellow arrows  
are the flow of  
foot Traffic

  
Blue letters and  
numbers are  
business spots

  
Green numbers are  
Hermon Baptist  
Church spots

  
Red numbers are  
local residents  
spots



#	Name	#	Name	#	Name
B1	Cousin's Tree Service	11	Boys Scouts Pack 23	32	
B2	Girl Scouts of ME	12	T. Bossie	33	
B3	Cake & Kaboodle	13	D. Farnham	34	
B4	HHS Key Club	14	S. Farnham	35	
B5	Devon's Kitchen	15	Bartlett	36	
B6	Hermon GOP	16	Brown	37	
B7	Stephen Wilde Insurance	17	Bartley	38	
B8	Darling's	18	Bassett	39	
B9	Smith Builders	19		40	
B10	Moore Trew Team	20	Murray	41	
B11	Evolution Graphix	21		42	
B12	The Investigator	22	Pinto-Wain	43	
1		23	Carr	44	
2	Anderson	24	Campbell	45	
3		25	Lindsey	46	
4		26	Mcdougal	47	
5	Hafford	27	Mesiti	48	
6		28	Mockler	49	
7		29	db_highland@yahoo.com		
8	Chamberlain	30	Guerrette		
9	T. Cushman	31			
10	K. Cushman				



## **R25-26-01**

Be it resolved by the Hermon Town Council in Town Council assembled to adopt the following policy:

### **Eligible Use for Expenditures of American Rescue Plan Act Coronavirus State and Local Fiscal Recovery Funds Policy**

The Town of Hermon has received an allocation of funds from the Coronavirus State and Local Fiscal Recovery Funds of H.R. 1319 American Rescue Plan Act of 2021 (ARP/CSLFRF); and

The funds may be used for projects within these categories, to the extent authorized by state law.

1. Support COVID-19 public health expenditures, by funding COVID-19 mitigation and prevention efforts, medical expenses, behavioral healthcare, preventing and responding to violence, and certain public health and safety staff.
2. Address negative economic impacts caused by the public health emergency, including economic harms to households, small businesses, non-profits, impacted industries, and the public sector.
3. Replace lost public sector revenue, using this funding to provide government services to the extent of the reduction in revenue experienced due to the pandemic.
4. Provide premium pay for essential workers, offering additional support to those who have borne and will bear the greatest health risks because of their service in critical infrastructure sectors; and,
5. Invest in water, sewer, and broadband infrastructure, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet.

The ARP/CSLFRF are subject to the provisions of the federal Uniform Grant Guidance, 2 CFR Sect. 200 (UG), as provided in the [Assistance Listing](#); and

The [Compliance and Reporting Guidance for the State and Local Fiscal Recovery Funds](#) provides, in relevant part:

**Allowable Costs/Cost Principles.** As outlined in the Uniform Guidance at 2 CFR Part 200, Subpart E regarding Cost Principles, allowable costs are based on the premise that a recipient is responsible for the effective administration of Federal awards, application of sound management practices, and administration of Federal funds in a manner consistent with the program objectives and terms and conditions of the award. Recipients must implement robust internal controls and effective monitoring to ensure compliance with the Cost Principles, which are important for building trust and accountability.

Funds may be, but are not required to be, used along with other funding sources for a given project. Note that Funds may not be used for a non-Federal cost share or match were prohibited by other Federal programs, e.g., funds may not be used for the State share for Medicaid.

Treasury's Interim Final Rule and guidance and the Uniform Guidance outline the types of costs that are allowable, including certain audit costs. For example, per 2 CFR 200.425, a reasonably proportionate share of the costs of audits required by the Single Audit Act Amendments of 1996 are allowable; however, costs for audits that were not performed in accordance with 2 CFR Part 200, Subpart F are not allowable. Please see 2 CFR Part 200, Subpart E regarding the Cost Principles for more information.

- a. Administrative costs: Recipients may use funds for administering the SLFRF program, including costs of consultants to support effective management and oversight, including consultation for ensuring compliance with legal, regulatory, and other requirements. Further, costs must be reasonable and allocable as outlined in 2 CFR 200.404 and 2 CFR 200.405. Pursuant to the Award Terms and Conditions, recipients are permitted to charge both direct and indirect costs to their SLFRF award as administrative costs. Direct costs are those that are identified specifically as costs of implementing the program objectives, such as contract support, materials, and supplies for a project. Indirect costs are general overhead costs of an organization where a portion of such costs are allocable to the award such as the cost of facilities or administrative functions like a director's office. Each category of cost should be treated consistently in like circumstances as direct or indirect, and recipients may not charge the same administrative costs to both direct and indirect cost categories, or to other programs. If a recipient has a current Negotiated Indirect Costs Rate Agreement (NICRA) established with a Federal cognizant agency responsible for reviewing, negotiating, and approving cost allocation plans or indirect cost proposals, then the recipient may use its current NICRA. Alternatively, if the recipient does not have a NICRA, the recipient may elect to use the de minimis rate of 10 percent of the modified total direct costs pursuant to 2 CFR 200.414(f).
- b. Salaries and Expenses: In general, certain employees' wages, salaries, and covered benefits are an eligible use of award funds; and Subpart E of the UG dictates allowable costs and cost principles for expenditure of ARP/CSLFRF funds; and Subpart E of the UG (specifically, 200.400) states that:

The application of these cost principles is based on the fundamental premises that:

- (a) The non-Federal entity is responsible for the efficient and effective administration of the Federal award through the application of sound management practices.
- (b) The non-Federal entity assumes responsibility for administering Federal funds in a manner consistent with underlying agreements, program objectives, and the terms and conditions of the Federal award.
- (c) The non-Federal entity, in recognition of its own unique combination of staff, facilities, and experience, has the primary responsibility for employing whatever form of sound organization and management techniques may be necessary in order to assure proper and efficient administration of the Federal award.

- (d) The application of these cost principles should require no significant changes in the internal accounting policies and practices of the non-Federal entity. However, the accounting practices of the non-Federal entity must be consistent with these cost principles and support the accumulation of costs as required by the principles and must provide for adequate documentation to support costs charged to the Federal award.
- (e) In reviewing, negotiating and approving cost allocation plans or indirect cost proposals, the cognizant agency for indirect costs should generally assure that the non-Federal entity is applying these cost accounting principles on a consistent basis during their review and negotiation of indirect cost proposals. Where wide variations exist in the treatment of a given cost item by the non-Federal entity, the reasonableness and equity of such treatments should be fully considered.
- (f) For non-Federal entities that educate and engage students in research, the dual role of students as both trainees and employees (including pre and post-doctoral staff) contributing to the completion of Federal awards for research must be recognized in the application of these principles.
- (g) The non-Federal entity may not earn or keep any profit resulting from Federal financial assistance, unless explicitly authorized by the terms and conditions of the Federal award.

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**SIGNED this October 9, 2025 by the Hermon Town Council:**

\_\_\_\_\_  
Joshua Berry

\_\_\_\_\_  
Adam Brewer

\_\_\_\_\_  
Richard Cyr

\_\_\_\_\_  
Jason Forbes

\_\_\_\_\_  
Christopher Gray

\_\_\_\_\_  
Terry Hamm-Morris

\_\_\_\_\_  
Ronald Murphy



## **R25-26-02**

Be it resolved by the Hermon Town Council in Town Council assembled to adopt the following policy:

### **Allowable Costs and Cost Principles Policy**

#### **Allowable costs and costs principles policy overview.**

Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, commonly called Uniform Guidance (UG), specifically Subpart E, defines those items of cost that are allowable, and which are unallowable. The tests of allowability under these principles are:

- (a) the costs must be reasonable;
- (b) they must be allocable to eligible projects under the Coronavirus State and Local Fiscal Recovery Funds of H.R. 1319 American Rescue Plan Act of 2021 (ARP/CSLFRF);
- (c) they must be given consistent treatment through application of those generally accepted accounting principles appropriate to the circumstances; and
- (d) they must conform to any limitations or exclusions set forth in these principles or in the ARP/CSLFRF grant award as to types or amounts of cost items. Unallowable items fall into two categories: expenses which are by their nature unallowable (e.g., alcohol), and unallowable activities (e.g., fund raising).

The Town of Hermon shall adhere to all applicable cost principles governing the use of federal grants. This policy addresses the proper classification of both direct and indirect charges to ARP/CSLFRF funded projects and enacts procedures to ensure that proposed and actual expenditures are consistent with the ARP/CSLFRF grant award terms and all applicable federal regulations in the UG.

Responsibility for following these guidelines lies with The Town of Hermon Council and the Town Manager, who are charged with the administration and financial oversight of the ARP/CSLFRF. Further, all local government employees and officials who are involved in obligating, administering, expending, or monitoring ARP/CSLFRF grant funded projects should be well versed with the categories of costs that are generally allowable and unallowable. Questions on the allowability of costs should be directed to Town Manager/Treasurer. As questions on allowability of certain costs may require interpretation and judgment, local government personnel are encouraged to ask for assistance in making those determinations.



## **General Cost Allowability Criteria.**

All costs expended using ARP/CSLFRF funds must meet the following general criteria:

**1. Be necessary and reasonable for the proper and efficient performance and administration of the grant program.**

A cost must be *necessary* to achieve a project object. When determining whether a cost is necessary, consideration may be given to:

- Whether the cost is needed for the proper and efficient performance of the grant project.
- Whether the cost is identified in the approved project budget or application.
- Whether the cost aligns with identified needs based on results and findings from a needs assessment.
- Whether the cost addresses project goals and objectives and is based on program data.

A cost is *reasonable* if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision to incur the cost was made. For example, reasonable means that sound business practices were followed, and purchases were comparable to market prices. When determining reasonableness of a cost, consideration must be given to:

- Whether the cost is a type generally recognized as ordinary and necessary for the operation of the Town of Hermon or the proper and efficient performance of the federal award.
- The restraints or requirements imposed by factors, such as: sound business practices; arm's-length bargaining; federal, state, and other laws and regulations; and terms and conditions of the ARP/CSLFRF award.
- Market prices for comparable goods or services for the geographic area.
- Whether individuals concerned acted with prudence in the circumstances considering their responsibilities to the Town of Hermon and its employees, the public at large, and the federal government.
- Whether the Town of Hermon significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the ARP/CSLFRF award's cost.

**2. Be allocable to the ARP/CSLFRF federal award.** A cost is allocable to the ARP/CSLFRF award if the goods or services involved are chargeable or assignable to the ARP/CSLFRF award in accordance with the relative benefit received. This means that the ARP/CSLFRF grant program derived a benefit in proportion to the funds charged to the program. *For example, if 50 percent of a local government program officer's salary is paid with grant funds, then the local government must document that the program officer spent at least 50 percent of his/her time on the grant program.*

If a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects based on the proportional benefit. If a cost benefits two or more projects or activities in proportions that cannot be determined because of the interrelationship of the work involved, then the costs may be allocated or transferred to benefitted projects on any reasonable documented basis. Where the purchase of equipment or other capital asset is specifically authorized by the ARP/CSLFRF, the costs are assignable to the Federal award regardless of the use that may be made of the equipment or other capital asset involved when no longer needed for the purpose for which it was originally required.

3. **Be authorized and not prohibited under state or local laws or regulations.**
4. **Conform to any limitations or exclusions set forth in the principles, federal laws, ARP/CSLFRF award terms, and other governing regulations as to types or amounts of cost items.**
5. **Be consistent with policies, regulations, and procedures that apply uniformly to both the ARP/CSLFRF federal award and other activities of the Town of Hermon.**
6. **Be accorded consistent treatment.** A cost MAY NOT be assigned to a federal award as a direct cost and also be charged to a federal award as an indirect cost. And a cost must be treated consistently for both federal award and non-federal award expenditures.
7. **Be determined in accordance with generally accepted accounting principles (GAAP), unless provided otherwise in the UGG (Uniform Grant Guidance).**
8. **Be net of all applicable credits.** The term “applicable credits” refers to those receipts or reduction of expenditures that operate to offset or reduce expense items allocable to the federal award. Typical examples of such transactions are purchase discounts; rebates or allowances; recoveries or indemnities on losses; and adjustments of overpayments or erroneous charges. To the extent that such credits accruing to and received by the local government related to the federal award, they shall be credited to the ARP/CSLFRF award, either as a cost reduction or a cash refund, as appropriate and consistent with the award terms.
9. **Be adequately documented.**

### **Selected Items of Cost**

The UGG examines the allowability of fifty-five (55) specific cost items (commonly referred to as Selected Items of Cost) at 2 CFR § 200.420-.475.

The Town of Hermon Council and/or Town Manager are responsible for determining cost allowability must be familiar with the Selected Items of Cost. The Town of Hermon must follow the applicable regulations when charging these specific expenditures to the ARP/CSLFRF grant. The Town of Hermon Council and/or Town Manager will check costs against the selected items of cost requirements to ensure the cost is allowable and that all process and documentation requirements are followed. In addition, State laws, Town of Hermon regulations, and program-specific rules may deem a cost as unallowable, and the Town of Hermon Council and/or Town Manager must follow those non-federal rules as well.

Exhibit A identifies and summarizes the Selected Items of Cost.

## Direct and Indirect Costs

Allowable and allocable costs must be appropriately classified as direct or indirect charges. It is essential that each item of cost be treated consistently in like circumstances either as a direct or an indirect cost.

*Direct costs* are expenses that are specifically associated with a particular ARP/CSLFRF-eligible project and that can be directly assigned to such activities relatively easily with a high degree of accuracy. Common examples of direct costs include salary and fringe benefits of personnel directly involved in undertaking an eligible project, equipment and supplies for the project, subcontracted service provider, or other materials consumed or expended in the performance of a grant-eligible project.

*Indirect costs* are (1) costs incurred for a common or joint purpose benefitting more than one ARP/CSLFRF-eligible project, and (2) not readily assignable to the project specifically benefited, without effort disproportionate to the results achieved. They are expenses that benefit more than one project or even more than one federal grant. Common examples of indirect costs include utilities, local telephone charges, shared office supplies, administrative or secretarial salaries.

For indirect costs, the Town of Hermon may charge a 10 percent de minimis rate of modified total direct costs (MTDC). According to UGG, Section 200.68 MTDC means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subaward (regardless of the period of performance the subawards under the award). MTDC EXCLUDES equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of \$25,000.

## Special Provisions for State and Local Governments

There are some special provisions of the UGG that apply only to states, local governments, and Indian Tribes.

### General costs of government.

(a) For states, local governments, and Indian Tribes, the general costs of government are unallowable (except as provided in § 200.475). Unallowable costs include:

- (1) Salaries and expenses of the Office of the Governor of a state or the chief executive of a local government or the chief executive of an Indian tribe;
- (2) Salaries and other expenses of a state legislature, tribal council, or similar local governmental body, such as a county supervisor, city council, school board, etc., whether incurred for purposes of legislation or executive direction;
- (3) Costs of the judicial branch of a government.
- (4) Costs of prosecutorial activities unless treated as a direct cost to a specific program if authorized by statute or regulation (however, this does not preclude the allowability of other legal activities of the Attorney General as described in § 200.435); and
- (5) Costs of other general types of government services normally provided to the general public, such as fire and police, unless provided for as a direct cost under a program statute or regulation.

(b) For Indian tribes and Councils of Governments (COGs) (see definition for *Local government* in § 200.1 of this part), up to 50% of salaries and expenses directly attributable to managing and operating Federal programs by the chief executive and his or her staff can be included in the indirect cost calculation without documentation.

[NOTE THAT EXPENDITURES OF ARP/CSLFRF FUNDS IN THE REVENUE REPLACEMENT CATEGORY ARE EXPLICITLY AUTHORIZED IN THE FINAL RULE TO BE SPENT ON GENERAL GOVERNMENT SERVICES.]

#### **Cost allocation plans and indirect cost proposals.**

(a) For states, local governments and Indian tribes, certain services, such as motor pools, computer centers, purchasing, accounting, etc., are provided to operating agencies on a centralized basis. Since Federal awards are performed within the individual operating agencies, there needs to be a process whereby these central service costs can be identified and assigned to benefitted activities on a reasonable and consistent basis. The central service cost allocation plan provides that process.

(b) Individual operating agencies (governmental department or agency), normally charge Federal awards for indirect costs through an indirect cost rate. A separate indirect cost rate(s) proposal for each operating agency is usually necessary to claim indirect costs under Federal awards. Indirect costs include:

(1) The indirect costs originating in each department or agency of the governmental unit carrying out Federal awards and

(2) The costs of central governmental services distributed through the central service cost allocation plan and not otherwise treated as direct costs.

(c) The requirements for development and submission of cost allocation plans (for central service costs and public assistance programs) and indirect cost rate proposals are contained in appendices V, VI and VII to this part.

#### **Interagency service.**

The cost of services provided by one agency to another within the governmental unit may include allowable direct costs of the service plus a pro-rated share of indirect costs. A standard indirect cost allowance equal to ten percent of the direct salary and wage cost of providing the service (excluding overtime, shift premiums, and fringe benefits) may be used in lieu of determining the actual indirect costs of the service. These services do not include centralized services included in central service cost allocation plans as described in Appendix V to Part 200.

#### **Cost allowability review process**

##### **Preapproval cost allowability review.**

Before an ARP/CSLFRF-funded project is authorized, The Town of Hermon Council and/or Town Manager must review the proposed cost items within an estimated project budget to determine whether they are allowable and allocable and whether cost items will be charged as direct or indirect expenses.

This review will occur concurrently with the review of project eligibility and *before* obligating or expending any ARP/CSLFRF funds.

- Local government personnel must submit proposed ARP/CSLFRF projects to Council for review. In addition to other required information, all proposed project submissions must delineate estimated costs by cost item.
- Along with a general review of project eligibility and conformance with other governing board management directives, the Town of Hermon Council and/or Town Manager must review estimated costs for specific allowable cost requirements, budget parameters, indirect rates, fringe benefit rates, and those activities/costs that require pre-approval by the US Treasury.
- If a proposed project includes a request for an unallowable cost, the Town of Hermon Council and/or Town Manager will return the proposal to the requesting party for review and, if practicable, resubmission with corrected cost items.
- Once a proposed project budget is pre-approved by the Town of Hermon Council and/or Town Manager, the local government personnel responsible for implementing the project must conform actual obligations and expenditures to the pre-approved project budget.

#### **Post-expenditure cost allowability review**

Once an expenditure is incurred related to an eligible project, and an invoice or other demand for payment is submitted to the local government, the Town of Hermon Council and/or Town Manager, must perform a second review to ensure that actual expenditures comprise allowable costs.

- All invoices or other demands for payment must include a breakdown by cost item. The cost items should mirror those presented in the proposed budget for the project. If an invoice or other demand for payment does not include a breakdown by cost item, the Town of Hermon Council and/or Town Manager, will return the invoice to the project manager and/or vendor, contractor, or subrecipient for correction.
- The Town of Hermon Council and/or Town Manager, must review the individual cost items listed on the invoice or other demand for payment to determine their allowability and allocability.
- If all cost items are deemed allowable and properly allocable, the Town of Hermon Council and/or Town Manager, must proceed through the local government's normal disbursement process.
- If any cost item is deemed unallowable, the Town of Hermon Council and/or Town Manager, will notify the project management and/or vendor, contractor, or subrecipient that a portion of the invoice or other demand for payment will not be paid with ARP/CSLFRF funds. The Town of Hermon Council and/or Town Manager, may in their discretion, and consistent with this policy, allow an invoice or other demand for payment to be resubmitted with a revised cost allocation. If the local government remains legally obligated by contract or otherwise to pay the

disallowed cost item, it must identify other local government funds to cover the disbursement. The Town of Hermon Council and/or Town Manager, must approve any allocation of other funds for this purpose.

- The Town of Hermon Council and/or Town Manager, retain appropriate documentation of budgeted cost items per project and actual obligations and expenditures of cost items per project.

### **Cost Transfers**

Any costs charged to the ARP/CSLFRF federal award that do not meet the allowable cost criteria must be removed from the award account and charged to an account that does not require adherence to federal UGG or other applicable guidelines.

Failure to adequately follow this policy and related procedures could result in questioned costs, audit findings, potential repayment of disallowed costs and discontinuance of funding.

**Exhibit A**

<b>Selected Items of Cost</b>	<b>Uniform Guidance General Reference</b>	<b>Allowability</b>
Advertising and public relations costs	2 CFR § 200.421	Allowable with restrictions
Advisory councils	2 CFR § 200.422	Allowable with restrictions
Alcoholic beverages	2 CFR § 200.423	Unallowable
Alumni/ae activities	2 CFR § 200.424	Not specifically addressed
Audit services	2 CFR § 200.425	Allowable with restrictions
Bad debts	2 CFR § 200.426	Unallowable
Bonding costs	2 CFR § 200.427	Allowable with restrictions
Collection of improper payments	2 CFR § 200.428	Allowable
Commencement and convocation costs	2 CFR § 200.429	Not specifically addressed
Compensation – personal services	2 CFR § 200.430	Allowable with restrictions; Special conditions apply (e.g., § 200.430(i)(5))
Compensation – fringe benefits	2 CFR § 200.431	Allowable with restrictions

Conferences	2 CFR § 200.432	Allowable with restrictions
Contingency provisions	2 CFR § 200.433	Unallowable with exceptions
Contributions and donations	2 CFR § 200.434	Unallowable (made by non-federal entity); not reimbursable but value may be used as cost sharing or matching (made to non-federal entity)
Defense and prosecution of criminal and civil proceedings, claims, appeals and patent infringements	2 CFR § 200.435	Allowable with restrictions
Depreciation	2 CFR § 200.436	Allowable with qualifications
Employee health and welfare costs	2 CFR § 200.437	Allowable with restrictions
Entertainment costs	2 CFR § 200.438	Unallowable with exceptions
Equipment and other capital expenditures	2 CFR § 200.439	Allowability based on specific requirement
Exchange rates	2 CFR § 200.440	Allowable with restrictions
Fines, penalties, damages and other settlements	2 CFR § 200.441	Unallowable with exceptions
Fund raising and investment management costs	2 CFR § 200.442	Unallowable with exceptions
Gains and losses on disposition of depreciable assets	2 CFR § 200.443	Allowable with restrictions
General costs of government	2 CFR §	Unallowable with exceptions



	200.444	
Goods and services for personal use	2 CFR § 200.445	Unallowable (goods/services); allowable (housing) with restrictions
Idle facilities and idle capacity	2 CFR § 200.446	Idle facilities - unallowable with exceptions; Idle capacity - allowable with restrictions
Insurance and indemnification	2 CFR § 200.447	Allowable with restrictions
Intellectual property	2 CFR § 200.448	Allowable with restrictions
Interest	2 CFR § 200.449	Allowable with restrictions
Lobbying	2 CFR § 200.450	Unallowable
Losses on other awards or contracts	2 CFR § 200.451	Unallowable (however, they are required to be included in the indirect cost rate base for allocation of indirect costs)
Maintenance and repair costs	2 CFR § 200.452	Allowable with restrictions
Materials and supplies costs, including costs of computing devices	2 CFR § 200.453	Allowable with restrictions
Memberships, subscriptions, and professional activity costs	2 CFR § 200.454	Allowable with restrictions; unallowable for lobbying organizations
Organization costs	2 CFR § 200.455	Unallowable except federal prior approval

Participant support costs	2 CFR § 200.456	Allowable with prior approval of the federal awarding agency
Plant and security costs	2 CFR § 200.457	Allowable; capital expenditures are subject to § 200.439
Pre-award costs	2 CFR § 200.458	Allowable if consistent with other allowabilities and with prior approval of the federal awarding agency
Professional services costs	2 CFR § 200.459	Allowable with restrictions
Proposal costs	2 CFR § 200.460	Allowable with restrictions
Publication and printing costs	2 CFR § 200.461	Allowable with restrictions
Rearrangement and reconversion costs	2 CFR § 200.462	Allowable (ordinary and normal)
Recruiting costs	2 CFR § 200.463	Allowable with restrictions
Relocation costs of employees	2 CFR § 200.464	Allowable with restrictions
Rental costs of real property and equipment	2 CFR § 200.465	Allowable with restrictions
Scholarships and student aid costs	2 CFR § 200.466	Not specifically addressed
Selling and marketing costs	2 CFR § 200.467	Unallowable with exceptions
Specialized service facilities	2 CFR § 200.468	Allowable with restrictions

Student activity costs	2 CFR § 200.469	Unallowable unless specifically provided for in the federal award
Taxes (including Value Added Tax)	2 CFR § 200.470	Allowable with restrictions
Termination costs	2 CFR § 200.471	Allowable with restrictions
Training and education costs	2 CFR § 200.472	Allowable for employee development
Transportation costs	2 CFR § 200.473	Allowable with restrictions
Travel costs	2 CFR § 200.474	Allowable with restrictions
Trustees	2 CFR § 200.475	Not specifically addressed

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**SIGNED this October 9, 2025 by the Hermon Town Council:**

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Joshua Berry

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Adam Brewer

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Richard Cyr

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Jason Forbes

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Christopher Gray

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Terry Hamm-Morris

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Ronald Murphy



## **R25-26-03**

Be it resolved by the Hermon Town Council in Town Council assembled to adopt the following policy:

### **Allowable Cost and Cost Principle for Expenditures for Grant Funding (General) Policy**

#### **Background and Purpose**

In accepting grant funding, the Town of Hermon agrees to follow allowable cost principles. This policy is to assist in the management of grant funded projects and provide the standard for determining Allowable Costs for projects whether they are supported by federal or non-federal funds. The Town utilizes federal guidelines as the basis of our standards for handling all funding sources. Federal guidelines require that similar costs are treated consistently as Direct or Indirect Costs. The purpose of this policy is to provide clarity on which costs are normally Allowable as Direct Costs or as Indirect Costs. This policy applies to all federal and non-federal sponsored projects funded through grants, contracts, or other agreements.

#### **Policy**

Projects may only be charged Direct Costs and Indirect Costs that are Allowable, Reasonable, Allocable and Consistently Treated. In circumstances where a sponsoring agency has more stringent restrictions regarding Direct and Indirect Costs, the specific funding agreement will be followed in conjunction with this policy.

#### **Direct Costs**

Sponsored projects may only be charged Direct Costs and Indirect Costs that are Allowable, Reasonable, Allocable and Consistently Treated. In circumstances where a sponsoring agency has more stringent restrictions regarding Direct and Indirect Costs, the specific funding agreement will be followed in conjunction with this policy.

## **Indirect Costs**

Indirect Costs are those costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved.

Allowable Costs require consistent treatment of costs in “like circumstances.” Consequently, “unlike circumstances” must be demonstrated and justified if a cost that is normally considered an Indirect Cost is to be reclassified as a Direct Cost. An Allowable Cost is one that is permitted under the terms and conditions of the sponsored agreement. Federal requirements, 2 CFR 200, identify four factors affecting allowability:

**Reasonable:** A reasonable cost must be necessary for the performance of the project and the result of an action that a prudent person would have taken under the prevailing circumstance at the time the decision was made to incur the cost. Consideration must be given to whether the type of cost is generally recognized as ordinary and necessary for a similar project, sound business practices, market prices or if the cost is a deviation from established practices and policies.

**Allocable:** An allocable cost is one that is incurred specifically for the project and can be charged or assigned to a project in accordance to the relative benefit received. Costs may be distributed in proportions that may be approximated using reasonable methods.

**Consistently Treated:** A cost must be consistently treated as either a Direct Cost or Indirect Cost if incurred for the same purpose in like circumstances. Costs must be consistent with policies and procedures that apply uniformly to both sponsored projects and other activities of Town of Hermon.

**Accounting Standards:** A cost must be charged and documented in accordance with generally accepted accounting principles (GAAP) and applicable cost accounting standards (CAS).

## **Unallowable Costs**

Unallowable Costs, either as Direct Costs or Indirect Costs, on a sponsored project, are those that do not meet the requirements of an Allowable Cost and are identified as unallowable per 2 CFR 200, Subpart E – Cost Principles.

## **Responsibility**

Principles are responsible for assuring that the costs assigned to project are Allowable. Principles are responsible for any disallowance from external or internal audit and review.

## **Compliance and Enforcement**

Costs that are determined to be Unallowable Costs will be reallocated off the sponsored project funds and onto a principles, departmental or center non-restricted funds.

## Resources

### Federal Regulations

2 CFR Part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

2 CFR Part 220 - Cost Principles for Educational Institutions (OMB Circular A-21)

2 CFR Part 215 - Uniform Administrative Requirements for Grants, and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations (OMB Circular A-110)

48 CFR Part 9905 – Cost Accounting Standards for Educational Institutions

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**SIGNED this October 9, 2025 by the Hermon Town Council:**

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Joshua Berry

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Adam Brewer

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Richard Cyr

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Jason Forbes

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Christopher Gray

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Terry Hamm-Morris

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Ronald Murphy

Attest Original: \_\_\_\_\_

Motion \_\_\_\_\_

Yeas \_\_\_\_\_



## **R25-26-04**

Be it resolved by the Hermon Town Council in Town Council assembled to adopt the following policy:

### **Financial Close and Reporting Policy – Internal Controls**

For the financial close and reporting process, describe the manual and automated procedures used to close the books and prepare the financial statements and related disclosures. For significant transaction classes, describe how transactions are processed from initiation through inclusion in the general ledger. Focus on key controls in each process that prevent, or detect and correct, misstatements in the financial statements, including how the relevant control are achieved and the controls, if any, the entity has implemented to prevent, or detect and correct, material misstatements related to fraud risks, other significant risks, or risks for which substantive procedures alone do not provide sufficient evidence. Your understanding should include the process used to reconcile material account balances to the underlying detail records.

General ledger software is the basis for the financial statements. Computer system and related controls are documented elsewhere.

Financial closing takes place monthly. The Treasurer is primarily responsible for doing the bank reconciliation and reconciliations of most other balance sheet accounts and related expense and accrual accounts. The Tax Collector is responsible for reconciling taxes receivable, due to/from accounts, and other receivable/revenue accounts. The Treasurer reviews the reconciliations. Monthly financial statements are reviewed by the Council. Quarterly financial statements are reviewed by the Council.

Non-routine information is Treasurer's responsibility. The Treasurer is in contact with the Council. Rarely is there a situation that requires unusual accounting or estimates and judgment. If any questions, the Treasurer would contact Auditor if unsure how to handle any unusual transactions.

The budget-to-actual is reviewed at the end of each month by the Treasurer and Council. Monthly reports are sent to the Department Heads. The Council is provided with financial updates throughout the year - primarily during the budget process which occurs during the last half of the year.

The year-end close is much more rigorous. The Treasurer is primarily responsible and will ensure that all receivables and accruals have been properly recorded. The Treasurer works with the staff to make any year-end adjustments. Review of the final product takes place by review of the budget-to-actual by the Treasurer, department heads, and the Council.

The financial statements are prepared by Auditor using the client provided trial balance. The accounts

are grouped by category and linked to the financial statement excel schedules. The information to do the GASB #34 conversion to the government wide financial statements, such as capital assets, long term debt, accrued sick time etc. is provided to the auditor by the Town's staff.

Journal entries can be created in TRIO by the Staff, Tax Collector, and the Treasurer - they are the only ones who have permissions to create journal entries in TRIO. Once journal entries have been created, for the Treasurer to approve/reject. Additionally, a compensating control is that all department heads receive a budget to actual report at a minimum quarterly. If there were any significant and unusual variances it would likely be identified as part of the department review.

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**SIGNED this October 9, 2025 by the Hermon Town Council:**

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Joshua Berry

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Adam Brewer

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Richard Cyr

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Jason Forbes

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Christopher Gray

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Terry Hamm-Morris

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Ronald Murphy

Attest Original: \_\_\_\_\_

Motion \_\_\_\_\_

Yeas \_\_\_\_\_

Second \_\_\_\_\_

Nays \_\_\_\_\_

Date \_\_\_\_\_





## **R25-26-05**

Be it resolved by the Hermon Town Council in Town Council assembled to adopt the following policy:

### **Record Retention Policy: Documents Created or Maintained Pursuant to the ARP/CSLFRF Award**

**Retention of Records:** The Coronavirus Local Fiscal Recovery Funds (“CSLFRF”) Award Terms and Conditions and the Compliance and Reporting Guidance set forth the U.S. Department of Treasury’s (“Treasury”) record retention requirements for the ARP/CSLFRF award.

It is the policy of the Town of Hermon to follow Treasury’s record retention requirements as it expends CSLFRF pursuant to the APR/CSLFRF award. Accordingly, the Town agrees to the following:

- Retain all financial and programmatic records related to the use and expenditure of CSLFRF pursuant to the ARP/CSLFRF award for a period of five (5) years after all CLFRF funds have been expended or returned to Treasury, whichever is later.
- Retain records for real property and equipment acquired with CSLFRF for five years after final disposition.
- Ensure that the financial and programmatic records retained sufficiently evidence compliance with section 603(c) of the Social Security Act “ARPA,” Treasury’s regulations implementing that section, and guidance issued by Treasury regarding the foregoing.
- Allow the Treasury Office of Inspector General and the Government Accountability Office, or their authorized representatives, the right of right of timely and unrestricted access to any records for the purpose of audits or other investigations.
- If any litigation, claim, or audit is started before the expiration of the 5-year period, the records will be retained until all litigation, claims, or audit findings involving the records have been resolved.

- Maintain records in accordance with current State of Maine, Local Government, Retention Schedule.

**Covered Records:** For purposes of this policy, records are information, regardless of physical form or characteristics, that are created, received, or retained that evidence the Town of Hermon's expenditure of CSLFRF funds on eligible projects, programs, or activities pursuant to the ARP/CSLFRF award.

Records that shall be retained pursuant to this policy include, but are not limited to, the following:

- Financial statements and accounting records evidencing expenditures of CSLFRF for eligible projects, programs, or activities.
- Documentation of rational to support a particular expenditure of CSLFRF (e.g., expenditure constitutes a general government service);
- Documentation of administrative costs charged to the ARP/CSLFRF award;
- Procurement documents evidencing the significant history of a procurement, including, at a minimum, the rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for contract cost or price;
- Subaward agreements and documentation of subrecipient monitoring;
- Documentation evidencing compliance with the Uniform Guidance property management standards set forth in 2 C.F.R. §§ 200.310-316 and 200.329;
- Personnel and payroll records for full-time and part-time employees compensated with CSLFRF, including time and effort reports; and
- Indirect cost rate proposals

**Storage:** Town of Hermon's records must be stored in a safe, secure, and accessible manner. Wherever practicable, such records should be collected, transmitted, and stored in open and machine-readable formats.

**Departmental Responsibilities:** Any department or unit of the Town and its employees, who are responsible for creating or maintaining the covered documents in this policy shall comply with the terms of this policy. Failure to do so may subject the Town to civil and/or criminal liability. Any employee who fails to comply with the record retention requirements set forth herein may be subject to disciplinary sanctions, including suspension or termination.

The Town Clerk and Finance Director is responsible for identifying the documents that Town must or should retain and arrange for the proper storage and retrieval of records. The Town Clerk and Finance Director shall also ensure that all personnel subject to the terms of this policy are aware of the record retention requirements set forth herein.

**Reporting Policy Violations:** The Town is committed to enforcing this policy as it applies to all forms of records. Any employee that suspects the terms of this policy have been violated shall report the incident immediately to that employee's supervisor. If an employee is not comfortable bringing the matter up with the supervisor, the employee may bring the matter to the attention of the Town Clerk and Finance Director. The Town prohibits, any form of discipline, reprisal, intimidation, or retaliation for

reporting incidents of inappropriate conduct of any kind, pursuing any record destruction claim, or cooperating in related investigations.

**Questions About the Policy:** Any questions about this policy should be referred to the Finance Director who is in charge of administering, enforcing, and updating this policy.

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**SIGNED this October 9, 2025 by the Hermon Town Council:**

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