



## Banking Services Proposal

**Presented To**



January 17, 2025

**Presented By**

**Jennifer Seekins**  
SVP, Treasury Services Sales

**Nichole England**  
AVP, Branch Relationship Manager





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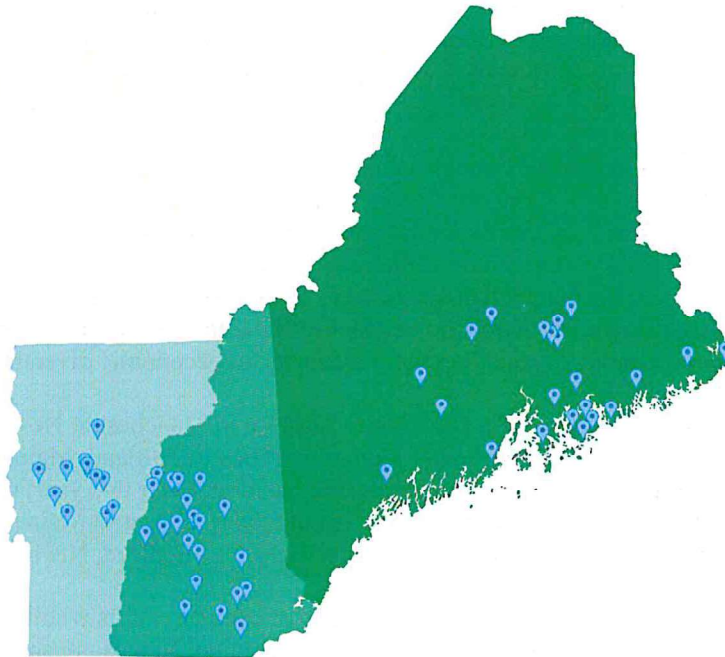
## About Us

### Our New England Roots

Founded in 1887, Bar Harbor Bank & Trust has more than \$4.0 billion in assets and is an independent community bank. We are the only community bank headquartered in Northern New England with branches in Maine, New Hampshire and Vermont. Our teams live and work in the communities we serve, and we have 100,000+ customers and 500+ employees.

### Locations

We operate more than 50 full service branches throughout Maine, New Hampshire, and Vermont. We are big enough to have the strength and technologically advanced tools you need, but small and local enough to allow you access to decision maker and the ability to build long-term personal relationships.



### Our Community Commitment

For over 135 years, we have been a true community partner by contributing to the economic health and strength of the communities we serve. We offer community support through a variety of programs including local community giving and paid volunteer time for employees.

### What Makes Us Different

When you bank with Bar Harbor Bank & Trust you will enjoy our community bank qualities: local decisions, flexible terms, competitive rates, and rapid response times. We invest in and value long-term customer relationships. Our experienced Bankers take the time to understand your goals, your cash flow, and your challenges, and work with you to provide the right solution for your financial needs.





## Bank History

Founded in 1887, Bar Harbor Bank & Trust is the only independent community bank headquartered in Northern New England with branches in Maine, New Hampshire, and Vermont. Customers enjoy a community bank culture of personal, responsive, local service combined with corporate bank capabilities and talent. A team of more than 500 employees delivers financial solutions, including wealth management, to individuals, businesses, municipalities and non-profits through more than 50 convenient branch locations.

Bar Harbor Bank & Trust makes continual investments in processes, products, technology, training, leadership, and infrastructure to deliver the best possible customer service. Our philosophy of initiative, perseverance, and one-on-one personal interactions has built a tradition of trust. We take pride in maintaining long-term relationships with our customers. In addition to a full suite of personal and business banking services, Bar Harbor Bank & Trust also offers wealth management services delivered through Bar Harbor Wealth Management, a subsidiary of the Bank, and Bar Harbor Financial Services, a branch of Osaic Institutions, Inc., providing retirement planning, investment management, brokerage and insurance services.

Bar Harbor Bank & Trust has expanded through a combination of organic growth and acquisition. In 2010 the Bank operated 12 locations along the Downeast coast of Maine, and in 2012 it acquired Border Trust Company, enlarging its market area to southern Midcoast Maine. In 2016, Bar Harbor Bank & Trust acquired the Lake Sunapee Bank group of companies creating organizational efficiencies, increased lending capacity, product development and other strategic growth opportunities. A like-minded partner with similar geographic attributes, the acquisition expanded the Bank's service area across state borders into New Hampshire and Vermont, areas of population density and economic diversification.

In 2018 Bar Harbor Bank & Trust opened a new branch location in Manchester, New Hampshire. 2019 began with the opening of a newly created Loan Production Office in Portland, Maine as the Bank continued its strategy of targeted expansion of relationship banking. Later that year, the Bank grew its Maine market to 22 branches with the acquisition of eight branches in Central Maine from People's United Bank. Additionally, the Bank opened a full service branch in Bedford, NH in 2020.

Bar Harbor Bankshares (NYSE American: BHB) is the parent company of its wholly owned subsidiary, Bar Harbor Bank & Trust. Operating over 50 locations across Maine, New Hampshire and Vermont, Bar Harbor Bank & Trust is headquartered in Bar Harbor, Maine and has more than \$4.0 billion in assets. As a leading Northern New England community bank, Bar Harbor Bank & Trust offers a full range of personal and business banking services, as well as wealth management services through its subsidiaries Bar Harbor Trust Services and Charter Trust Company. For more information about Bar Harbor Bank & Trust, visit [www.barharbor.bank](http://www.barharbor.bank) or call 888-853-7100. Member FDIC.

### **Our Mission Statement**

Bar Harbor Bankshares, an independent community banking organization, encourages and supports the personal and professional development of its employees, dedicates itself to consistent service of the highest level for all customers, and recognizes its responsibility to be an active participant in, and advocate for, community growth and prosperity.





## Community Giving

For over 135 years, Bar Harbor Bank & Trust has contributed to the economic health and vitality of the communities we serve. We are proud that our employees are involved in the communities in which we live and work. Each year, Bar Harbor Bank & Trust employees volunteer countless hours of their time on community projects and serve on nonprofit boards. In addition to these efforts we provided charitable donations to over 450 community organizations across the northern New England states of Maine, New Hampshire, and Vermont within the footprint of our more than 50 branches.

### Our Charitable Mission

Bar Harbor Bank & Trust's charitable mission is to improve the economic prosperity and health of our communities through our commitment to impactful philanthropy and volunteer service engagement. As a true community bank, we recognize the importance of partnering with nonprofit organizations so our collective effort enhances local projects and programs to achieve maximum impact. We understand that nonprofits provide crucial services for those in need and that they require a broad base of support from individuals, corporations, civic organizations, and foundations. We believe that we can make the most impact through numerous smaller gifts rather than a few large ones.

### Regions Served

Our volunteer services and charitable donations primarily benefit programs and services for those who reside in the county regions outlined below.

**Maine:** Hancock, Kennebec, Knox, Penobscot, Sagadahoc, Somerset, Washington

**New Hampshire:** Grafton, Hillsborough, Merrimack, Sullivan

**Vermont:** Orange, Rutland, Windsor

### Focus of Support

Our approach to community giving favors nonprofit projects and initiatives with broad public access and measurable positive impact that:

- Advance economic growth and community vitality
- Establish measurable goals which are based on sustainable collaborations
- Focus on education and workforce development initiatives
- Support families at risk with a strategy linked to a path of self-sufficiency

Bar Harbor Bank & Trust does not fund nonprofits that discriminate on the basis of: age, race, sex, religion, national origin, disability, sexual orientation and gender identity.

### Casual for a Cause

The Bank's employee-driven charitable giving program, Casual for a Cause, pools employee contributions collected during each quarter and distributes them to non-profits selected and voted on by the employees. These donations have a significant impact on local communities, providing important services to those in need. By simply wearing jeans or less formal business attire on Friday and contributing to Casual for a Cause, Bank employees make a big difference in the communities they serve.





## II. Scope of Services

### A. Accounts

#### 1. General Fund

Bar Harbor Bank & Trust proposes a General Fund account linked to an ICS (Insured Cash Sweep) account. The Town will benefit from the interest earnings and collateralization. This will ensure all funds are covered by FDIC Insurance. With this product, the town will have a target balance of \$250,000 for the General Fund account. Anything above this threshold will sweep out of the General Fund and into the ICS account each night. Any balance below the threshold will sweep from the ICS and into the General Fund to cover presented items and bring the balance equal to the target balance. The Bank is offering an APY of **3.75%** on the ICS account. BHBT offers Treasury Services that the Town requires. This includes ACH Origination, Wire Transfers, transfers between the town and other financial institutions and more.

#### 2. Enterprise Accounts

The Enterprise Account will have the same services available as the General Fund Account.

#### 3. Short-Term Investments

- a. The bank will invest all funds in excess of the recommended target balance of \$250,000 in an automatic overnight Insured Cash Sweep Account. The bank will provide monthly statements that will show the account history to include any transfers and the Town will have access to the Depositor Control Panel Online to view this information.
- b. Activity or Club accounts will be set up as Zero Balance Accounts. The Zero Balance Account will automatically sweep funds from the General Fund Account to credit the account at end of day for any debited items that have processed to the account.
- c. The Bank is offering an APY of **4.15%** for a Six Month, **4.00%** for a 9 Month and **3.90%** for a 12 Month CDARS. We will evaluate the rate periodically and make adjustments as necessary based on market conditions at that time. CDARS-Certificate of Deposit Account Registry Service, is another services that allows the Town to receive FDIC insurance on deposits that exceed \$250,000.

### B. Investment Agreement

BHBT's proposal is the operating agreement for all investments, both short and long term.





### **C. Deposits**

Bar Harbor Bank & Trust will provide the town with a wide variety of options for depository services. We have several branch locations in Maine and offer night deposits, ACH deposits, Remote Deposit Capture(RDC)-both mobile and traditional utilizing a scanner. Cutoff time for Remote Deposit Capture is 5PM. Deposits can be made at any of our branch locations and we offer Courier Service pickup. The fee for RDC services will be waived for the Town of Damariscotta. Night Deposits are handled by dual control. Two bank employees must count the cash and number of envelopes and bags received.

### **D. On-Line Banking**

The bank offers Cash Management products that fit your requirements for general banking services as well as additional services. The service allows for a Cash Management Administrator, designated by authorized town personnel, to set up other Online Users and the system has the ability to set users up with different levels of authority, limits and account access. Our solutions help businesses of all sizes with growth, profitability, efficiency, and risk. We offer tools that can help you:

#### **Manage and Mitigate Risk**

- ACH Debit Filter/Block
- Positive Pay
- Bar Harbor Card Control
- Insure excess funds through CDARS<sup>1</sup> and ICS<sup>2</sup>

#### **Streamline Day to Day Cash Management**

- Bar Harbor Business Online offers:
  - Multiple users with customized user levels
  - Real time information and history available 24/7
  - Download transaction history in various file format
  - Transfer funds and much more
- View transactions, history, and balance information 24/7
- Pay bills<sup>1</sup>
- Set up alerts to monitor your account activity and access statement history
- Receive eStatements and eNotices
- Place stop payments
- Transfer funds between Bar Harbor Bank & Trust accounts with options for one-time, future, or automatic recurring transfers.





- Transfer funds between your accounts at Bar Harbor Bank & Trust and accounts you own at other financial institutions<sup>2</sup>
- Download transaction history in various formats including text file, spreadsheet (.csv), Quicken®/QuickBooks™, and OFX.

## **E. Cash Flow Management Services**

**See Exhibit A**

## **F. Electronic Banking Services**

**Facilitate Payables and Receivables**

- Business Debit MasterCard ®
- ACH
- Wires – domestic and international
- Remote Deposit Capture-Scanner and/or Mobile
- Credit Card Processing
- Courier Services
  - Credit Cards
  - Sweep Services
  - Financing Services

## **G. Other Required Services**

**Manage and Mitigate Risk**

- ACH Debit Filter/Block
- Positive Pay
- Bar Harbor Card Control
- Insure excess funds through CDARS<sup>1</sup> and ICS<sup>2</sup>
- **Stop Payments** can be accepted by telephone, in-person or through Online Banking.
- **Deposit Returns/charge backs**-The bank automatically redeposits checks once in the amount of \$1,000 or less that were returned because of insufficient or un-cleared funds. Any checks over this amount or uncollectible after the second attempt, will be returned to the Town for processing.
- **Overdraft Protection**-Line of credit/Sweep





## **H. Statements**

**Monthly Accounts Statements**-Electronic bank account statements are generally available the following banking day. Paid checks are listed in numerical order and check images will be provided with each statement. An Account Reconciliation File will be available for download.

## **I. Account Services**

1. BHBT will provide the town with a monthly analysis of each account showing:
  - a. The number of checks processed
  - b. The number of checks paid.
  - c. The number of deposits (cash and checks)
  - d. The average monthly collection balance.
  - e. All other charges and credits.
2. The Town may ask for special reports or changes to these reports to conform with the needs of the town.

## **J. Miscellaneous Services**

1. BHBT will supply the Town with various supplies such as deposit tickets, coin wrappers, bill bands, coin bags seals, rubber deposit stamps and disposable deposit bags at no cost.
2. Courier Services are available to the town.
3. Jennifer Seekins is your primary contact and is available to the Town Manager and/or designee by phone or email-see Page 10 for designated account representatives for the town.





**Jennifer Seekins, CTP**  
**SVP Treasury Services Sales**  
E-mail: [jseekins@barharbor.bank](mailto:jseekins@barharbor.bank)  
Phone: 207-949-4023

Jennifer, a Certified Treasury Professional, leads the Treasury Services Group in helping businesses increase productivity and profitability using cash management tools. She has worked in the financial services industry for more than 25 years. Jennifer specializes in supporting Maine corporations, non-profits and municipalities with their Treasury management needs; improving efficiency, maximizing cash flow and decreasing risk. She joined Bar Harbor Bank & Trust in 2019.



**Nichole England**  
**AVP, Branch Relationship Manager**  
**Brunswick Branch**  
E-mail: [nengland@barharbor.bank](mailto:nengland@barharbor.bank)  
Phone: 888-853-7100, ext. 11952

Nichole joined the bank in 2024 and has 10 years banking experience. She leads a team of banking professionals to provide solutions and guidance to help our customers meet their financial goals.



**Rebecca Gagne**  
**AVP, Treasury Support Manager**  
Email: [rgagne@barharbor.bank](mailto:rgagne@barharbor.bank)  
Phone: 888-853-7100, ext. 11289

Rebecca joined Bar Harbor Bank & Trust in September, 2019 and has over 12 years in the banking industry as a treasury and cash management support professional. She leads the Bank's Treasury Support Team in meeting the day-to-day needs of cash management customers. The Treasury Support Team provides technical support and training for electronic banking services to commercial customers. They onboard new customers and provide timely responses to customer service requests.

4. The bank offers ACH Origination to process ACH Files and offers payroll services through our partnership with CheckmateHCM.
5. BHBT does have a night deposit service.





## **K. Federal Insurance**

The Town will benefit from the interest earnings and collateralization of ICS accounts. This will ensure all funds are covered by FDIC Insurance. With this product, the town will have a target balance of \$250,000 for the General Fund account. Anything above this threshold will sweep out of the General Fund and into the ICS account each night. Any balance below the threshold will sweep from the ICS. IntraFi Network Deposits are fully FDIC insured up to \$150 million per relationship.

## **L. Additional Deposit Insurance**

BHBT will purchase additional insurance at no cost to the Town if cumulative balances exceed the FDIC or NCUA limits.

## **Evidence of Experience-References**

Town of Bar Harbor Maine  
Contact: Betsy Spear  
93 Cottage St. Suite 1  
Bar Harbor, Maine 04609

### **Contact Information:**

[bsppear@barharbormaine.gov](mailto:bsppear@barharbormaine.gov)

Phone: 207-288-4098

Town of China Maine  
Contact: Rebecca Hapgood  
571 Lakeview Dr.  
China, ME 04358

### **Contact Information:**

[becky@chinamaine.org](mailto:becky@chinamaine.org)

Phone: (207)445-2014

Town of Machiasport  
Contact: Marcia Hayward  
PO Box 267  
8 Unity Square  
Machiasport, ME 04655

### **Contact Information:**

[msptclerk@machiaport.org](mailto:msptclerk@machiaport.org)

Phone: (207)255-4516





## Pricing Proposal



### Contact Us

Jennifer Seekins, SVP Treasury Service Sales

jseekins@barharbor.bank

(207)669-6822

### Summary Analysis Proposal For: Town of Damariscotta

Average Net Collected Balance		\$	-
Earnings Credit	0.00000%	\$	-

Service	Activity	Unit Price	Activity Charge	Required Balance
ACH Module/Month	0	\$ 25.00	N/C	
Remote Deposit Module/Month	0	\$ 60.00	N/C	
Zero Balance: Account Master/Month	0	\$ 15.00	N/C	
Zero Balance: Subaccount/Month	0	\$ 15.00	N/C	
Sweep: Municipal/Month	0	\$ 50.00	N/C	
Positive Pay/Month	1	\$ 50.00	\$ 50.00	
ACH Filter/Month	1	\$ 25.00	\$ 25.00	
Courier	4	\$ 25.00	\$ 100.00	
Total Services				\$ 175.00 \$ -





### **Transitioning to Bar Harbor Bank & Trust**

Should you choose to proceed, the next steps for completing this proposal and transitioning your account would include:

- **Step 1:** Finalize Banking services requirements, complete due diligence, finalize terms and conditions, and credit approval process (if applicable).
- **Step 2:** Prepare documentation for accounts and services.
- **Step 3:** Execute agreements, transition funds, complete any necessary service training with your Banker and complete any file testing necessary.
- **Step 4:** Begin using services.





## PART II – PROPOSAL FORM

Form must be completed entirely. If requested information is not applicable, enter "N/A".

**All rates and fees quoted are those in effect as of 9:00 A.M. on Thursday, February 6, 2025.**

Institution Name: Bar Harbor Bank & Trust

Address: 82 Main Street, Bar Harbor, Maine 04609

Contact Person: Jennifer Seekins Tel: 207-949-4023 ext.       

E-mail: jseekins@barharbor.bank

Member FDIC or NCUA: FDIC: XX NCUA:       

### Accounts:

**General Fund:** Transaction/Processing Fees?        Yes XX No

If yes, explain in a separate attachment.

### Town Payroll and Electronic Funds Transfer ZBA Accounts:

Transaction/Processing Fees?        Yes XX No

If yes, explain in a separate attachment.

### Sweep Investment Account:

Fee Structure: No Charge  
Expected Return: TBD Index: 3.68% Rate 3.75% APY

### Activity/Club Accounts:

Fee Structure: No Charge  
Expected Return: TBD Index:       

### Certificate of Deposit:

Fee Structure: No Charge  
Expected Return (6 mos): TBD Rate: 4.07% APY: 4.15%  
Expected Return (12 mos): TBD Rate: 3.83% APY: 3.90%  
Expected Return (~~24~~ 9 mos): TBD Rate: 3.928% APY: 4.00% 9 Month Rate

**Deposits:** Transaction/Processing Fees? ☐ Yes ☒ No  
 If yes, explain in a separate attachment.

Electronic Deposit Capture ☐ Yes ☒ No  
 Equipment/Software Free ☐ Yes ☒ No  
 Evening cut-off time ☐ : ☐ P.M

**On-Line Banking:**

Transaction/Processing Fees? ☐ Yes ☒ No  
 If yes, explain in a separate attachment.

Installation/Programming Fee ☐ Yes ☒ No  
 If yes, explain in a separate attachment.

Equipment/Software Free ☐ Yes ☒ No  
 Multiple Security Levels ☐ Yes ☒ No

**Electronic Banking Services:**

Installation/Programming Fee ☐ Yes ☒ No  
 If yes, explain in a separate attachment.

Transaction Processing Fee ☐ Yes ☒ No  
 If yes, explain in a separate attachment.

Daily Cut-off time: ☐ P.M.

**Other Required Services:** (Check all that are provided at no charge)

☐ Fraud Prevention  
☐ ACH Block  
☐ Electronic Debit Block  
☒ Stop payments  
☒ Re-deposit returned items  
☒ Overdraft Protection  
☒ Wire Transfers  
☐ Bounced Checks  
☒ Downloadable Check Reconciliation File

**Supplies Provided** (Check all that are provided at no charge)

☒ Deposit tickets  
☒ Coin wrappers

☒ Bill bands  
☒ Coin bag seals  
☒ Rubber deposit stamps  
☒ Deposit bags  
☐ Other (please itemize on separate attachment)

**Free ACH Services:** ☒ Yes ☐ No

**Night Deposit:** ☒ Yes ☐ No

**Maximum Federal Insurance:** \$ 250,000

**Additional Deposit Insurance Purchased at no cost:** ☒ Yes ☐ No

**Community Support** See page 5 of proposal

**References** See page 12 of proposal





January 21, 2025

Cheryl Pinkham, Treasurer  
Town of Damariscotta  
21 School Street  
Damariscotta, ME 04543

RE: Municipal Lending Overview

Dear Ms. Pinkham:

Below is some information about types of municipal loans, municipal lending in general, and a list of some of the items our bank requires when responding to requests for proposals (RFPs) to provide loans to municipalities in the State of Maine.

**Types of Municipal Loans:**

General Obligation Bonds ("GOB"): Longer term financing for municipal projects. Typically 5, 10-20 years in term. Often structured with annual level principal plus interest payments.

Bond Anticipation Notes ("BAN") or Grant Anticipation Notes ("GAN") – Shorter term financing for municipal projects. Typically 12 months or less in term. Planned source of repayment for a BAN is often issuance of a longer term Bond, either with the Bank, or with the Maine Bond Bank. Planned source of repayment for a GAN is receipt of grant funding by the municipality. Often structured with annual interest payments, with principal due in full at maturity.

Tax Anticipation Notes ("TAN") – Shorter term financing to bridge the timing difference between funding current year expenses and the collection of property taxes from municipal taxpayers. Typically 12 months or less in loan term. Source of repayment is the collection of property taxes. Often structured as a single repayment of principal plus accrued interest at maturity.

Often, the above types of municipal loans are unsecured, general obligations and authorized by the taxpayers of a municipality at their annual town meeting / annual town warrant.

**Financial Information Needed:** We require the most recent three (3) fiscal years' CPA prepared financial statements (Audit level) for towns when reviewing a municipal loan request for proposal (RFP). These should be provided to the Bank at the time of requesting a proposal from the Bank for financing.

**Written Request for Proposal Needed:** Municipal loan requests and any timing or loan term requirements should be outlined and submitted to the Bank in writing, typically in a request for proposal / bid letter format (RFP). Submitting the RFP in writing helps avoid unintended miscommunication or errors in the Bank's response / proposal. The RFP should include and specify:

- Principal amount of the bond loan in dollars
- Desired loan term (months or years)
- Desired repayment structure (timing and cadence of principal and interest repayment)
- Purpose and use of the funds
- Whether or not the bond loan will be drawn down in a single advance at bond loan closing.
- Whether or not the bond loan will be tax exempt to holders (i.e., the Bank, as holder, does not pay income tax on the interest it earns on the bond duly issued by a municipality), and whether or not the bond loan will be a qualified tax-exempt obligation of the municipality under the Internal Revenue Code of the United States.

#### **Requirements Based on Loan Size –**

For municipal loans greater than \$500,000, Bond Counsel hired and paid for by the municipality will be required. Among other things, Bond Counsel provides the following services to the municipality and the Bank:

- Bond counsel will issue an opinion that the bond loan qualifies as a tax exempt obligation of the municipality.
- Bond counsel will ensure the municipality has taken all proper steps with their voters and otherwise to duly authorize the borrowing and encumber the municipality.
- Bond counsel prepares the loan documentation.
- Bond counsel can assist the municipality in preparing its RFP letter to solicit bids.

For municipal loans up to \$500,000, the Bank can waive the requirement for Bond Counsel. For loans of this smaller size range, we prepare the loan documentation, and we provide the municipality an application checklist / certification and other forms to complete, which include:

- The municipality has taken all proper steps under its charter and is properly authorized to borrow the requested funds (copy of warrant, minutes of town meeting where approved, etc.)
- The borrowing is a legal obligation of the municipality
- If applicable, certifies that the borrowing qualifies for tax-exempt status
- An IRS form 8038 must be completed and provided to the Bank by a qualified party at the municipality for all tax exempt borrowings

I have attached a copy of a sample application for reference on these smaller loans.

#### **Timelines and Approval process:**

The Bank often receives RFP's from various municipalities in Maine in the spring and early summer each year after a municipality's annual town meeting authorizes certain expenditures for projects / equipment and the related borrowing. We typically receive the RFP letter and financial statements from the municipality and have +/- 30 days in the RFP to provide our bid and approved financing commitment, and then an additional +/- 30 days to close the bond financing. Most municipal loans are requested, underwritten, approved, bids awarded to the selected bank, and closed within a 30-60 day timeline.

At our Bank, loan exposures up to \$3.5 Million in aggregate to a municipality can be approved by the Bank's management. Loan exposures above that amount require Bank's loan committee approval, which committee typically meets on a weekly basis.

I hope this general municipal lending overview is helpful. It is by no means exhaustive or complete. Please contact me if you have additional questions.

Thank you.

Sincerely,

Sam S. McGee, Senior Vice President – Regional Banking Team Leader

Business Banking / Commercial Lending

Bar Harbor Bank & Trust

82 Main Street, P.O. Box 400

Bar Harbor, ME 04609

Telephone Direct: 207-667-4927    Toll Free: 1-888-853-7100, ext 2559    Cell: 207-807-8785

E-mail: [smcgee@barharbor.bank](mailto:smcgee@barharbor.bank)    web: [www.barharbor.bank](http://www.barharbor.bank)

