

PRELIMINARY OFFICIAL STATEMENT DATED JANUARY 31, 2020
[Revised as to Cover, pages 2, 35 and 36]



NEW ISSUE
Moody's:
S&P:

In the opinion of Jensen Baird Gardner & Henry, Portland, Maine, Bond Counsel, ("Bond Counsel") and assuming compliance with certain tax covenants, under existing statutes, regulations and court decisions, interest on the Bonds (as defined below) is excludable from the gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In addition, such interest is not an item of tax preference for purposes of calculating the alternative minimum tax under the Code. Bond Counsel is also of the opinion that pursuant to Title 30-A, Section 5772(9) of the Maine Revised Statutes, as amended, the interest paid on the Bonds is exempt from income tax within the State of Maine (the "State") under existing statutes, regulations and judicial decisions. **The Town will designate the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.** See "THE BONDS - TAX MATTERS" and "APPENDIX B" herein.

TOWN OF CUMBERLAND, MAINE
\$7,000,000
2020 GENERAL OBLIGATION BONDS

Dated: Date of Delivery				Due: May 1, as shown below	
Year of		Interest	Yield or	Year of	
Maturity	Amount	Rate	Price	Maturity	Amount
					Rate
					Price
2021	\$350,000			2031	\$370,000
2022	\$370,000			2032	370,000
2023	370,000			2033	370,000
2024	370,000			2034	370,000
2025	370,000			2035	365,000
2026	370,000			2036	365,000
2027	370,000			2037	365,000
2028	370,000			2038	365,000
2029	370,000			2039	365,000
2030	370,000			2040	365,000

The Town of Cumberland, Maine 2020 General Obligation Bonds (the "Bonds") will be issued as fully-registered certificates without coupons and, when issued, will be registered in the name of Cede & Co., as Bondowner and nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the minimum denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interest in Bonds purchased. See "THE BONDS - BOOK-ENTRY-ONLY SYSTEM" herein. Principal and interest on the Bonds will be paid to DTC by U.S. Bank National Association, Boston, Massachusetts, as Paying Agent. Interest on the Bonds will be payable on May 1, 2020 and semi-annually on each November 1 and May 1 thereafter until maturity, or redemption prior to maturity.

The legal opinion of Bond Counsel will be provided to the original purchaser and will indicate that the Bonds are valid general obligations of the Town of Cumberland, Maine (the "Town") and, unless paid from other sources are payable as to both principal and interest from ad valorem taxes that are subject to limitation unless certain procedural requirements under Title 30-A, Section 5721-A of the Maine Revised Statutes, as amended, are met, in which case such ad valorem taxes may then be levied, without limit as to rate or amount upon all the property within the territorial limits of the Town and taxable by it (see "THE BONDS – SOURCE OF PAYMENTS AND REMEDIES - Limitation on Municipal Property Tax Levy" herein), except to the extent that the Town may enter into an agreement under Title 30-A, Chapter 223, Subchapter V of the Maine Revised Statutes, as amended, to share its assessed valuation with another municipality and except to the extent that the Town establishes or has established development districts either as tax increment financing districts or affordable housing development districts pursuant to Title 30-A, Chapter 206 and former (now repealed) Chapter 207 of the Maine Revised Statutes, as amended, the captured tax increment of which may or may not be available for payment of debt service on the Bonds (see "TOWN FINANCES - TAX INCREMENT FINANCING DISTRICTS AND AFFORDABLE HOUSING DEVELOPMENT DISTRICTS" herein). The Town's Treasurer has certified that the Town has no agreements under Title 30-A, Chapter 223, Subchapter V of the Maine Revised Statutes, as amended, to share assessed valuation with another municipality. The Town has established certain tax increment financing districts and elected to retain a portion of the tax increment on the captured assessed value of the property in the districts to pay costs of the economic development projects and programs described in the development programs adopted with respect to the districts. Within the limits established by statute, the Town has the right to designate additional development districts pursuant to Title 30-A, Chapter 206 of the Maine Revised Statutes, as amended. Bond Counsel's opinion will indicate that the enforceability of the obligations of the Town, including the Bonds, is subject to and may be limited by bankruptcy, insolvency, moratorium and other laws affecting the rights and remedies of creditors generally, and are subject to general principles of equity. The opinion will be dated and given on and will speak as of the date of original delivery of the Bonds to the original purchasers.

Bonds maturing on and before May 1, 2030 are not subject to redemption prior to their stated dates of maturity. Bonds maturing on and after May 1, 2031 are subject to redemption prior to their stated dates of maturity, at the option of the Town, on and after May 1, 2030 as more fully set forth herein. See "THE BONDS - OPTIONAL REDEMPTION PRIOR TO MATURITY" herein.

The Bonds are offered when, as and if issued, subject to the approval of legality by Jensen Baird Gardner & Henry, of Portland, Maine, Bond Counsel. It is expected that the Bonds in definitive form will be available for delivery to DTC on or about January 30, 2020.

No dealer, broker, salesman or other person has been authorized by the Town or the Underwriter to give any information or to make any representations, other than those contained in this Official Statement, in connection with the offering of the Bonds, and if given or made, such information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the Town and other sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, any party other than the Town. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the condition or affairs of the Town since the date hereof.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THE BONDS HAVE BEEN REGISTERED OR QUALIFIED, AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES, CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NONE OF THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

The CUSIP numbers set forth in this Official Statement have been assigned by an independent company not affiliated with the Town and are included solely for the convenience of the holders of the Bonds. Neither the Town nor the Underwriter makes any representation with respect to the accuracy of such CUSIP numbers set forth in this Official Statement or undertakes any responsibility for the selection of the CUSIP numbers or their accuracy now or at any time in the future. The Town is not responsible for the selection or uses of the CUSIP numbers and no representation is made as to their correctness on the Bonds or as set forth in this Official Statement. The CUSIP number for a specific maturity of the Bonds is subject to change after the issuance of the Bonds and as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that may be applicable to all or a portion of certain maturities of the Bonds.

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**CERTIFICATE
CONCERNING OFFICIAL STATEMENT**

The information contained herein has been prepared by the Town of Cumberland, Maine with the assistance of Moors & Cabot, Inc., its Municipal Advisor, from the records of the Town and from various other public documents and sources which are believed to be reliable. There has been no independent investigation of such information by the Municipal Advisor, by Jensen Baird Gardner & Henry, Bond Counsel, and such information is not guaranteed as to accuracy or completeness and is not intended to be a representation by the Municipal Advisor or Bond Counsel.

This Official Statement is not to be construed as a contract or agreement between the Town and the purchasers or holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinion and not as representations of fact. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town or its agencies and authorities, since the date hereof.

To the best of the knowledge and belief of the Treasurer of the Town, this Official Statement does not contain any untrue statement of a material fact and does not omit to state any material fact necessary to make the statements made herein, in the light of the circumstances under which they were made, not misleading, subject to the condition that while information in the Official Statement obtained from sources other than the Town is not guaranteed as to accuracy, completeness or fairness, the Treasurer has no reason to believe that such information is materially inaccurate or misleading. A certificate to this effect, with such if any corrections, changes and additions as may be necessary, will be signed by the Treasurer and furnished at the closing.

This Official Statement is in a form “deemed final” by the Town for purposes of Securities and Exchange Commission’s Rule 15c2-12(b) [17 C.F.R. §240.15c2-12(b)] except for the omission from the Preliminary Official Statement of such information as is permitted by such Rule.

William R. Shane
Treasurer
Town of Cumberland, Maine

**OFFICIAL STATEMENT
TOWN OF CUMBERLAND, MAINE
\$7,000,000
2020 GENERAL OBLIGATION BONDS**

This Official Statement is provided for the purpose of presenting certain information relating to the Town of Cumberland, Maine (the “Town” or “Cumberland”) in connection with the sale of its 2020 General Obligation Bonds (the “Bonds”).

THE BONDS

DESCRIPTION OF THE BONDS

The Bonds will be issued only as fully-registered bonds without coupons, one certificate per maturity, and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York City, New York (“DTC” or the “Securities Depository”). DTC will act as the securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the minimum denomination of \$5,000, or any integral multiple thereof. The Bonds will be dated on the date of delivery and will bear interest (accrued on the basis of a 360-day year with twelve 30-day months) payable on May 1, 2020, and semi-annually thereafter on November 1 and May 1 of each year until maturity, or redemption prior to maturity. The Bonds will mature as follows:

<u>Amount</u>	<u>May 1,</u>	<u>CUSIP</u>	<u>Amount</u>	<u>May 1,</u>	<u>CUSIP</u>
\$350,000	2021	230687HH1	\$370,000	2031	230687HT5
\$370,000	2022	230687HJ7	370,000	2032	230687HU2
370,000	2023	230687HK4	370,000	2033	230687HV0
370,000	2024	230687HL2	370,000	2034	230687HW8
370,000	2025	230687HM0	365,000	2035	230687HX6
370,000	2026	230687HN8	365,000	2036	230687HY4
370,000	2027	230687HP3	365,000	2037	230687HZ1
370,000	2028	230687HQ1	365,000	2038	230687JA4
370,000	2029	230687HR9	365,000	2039	230687JB2
370,000	2030	230687HS7	365,000	2040	230687JC0

It is expected that the Bonds will be available for delivery at DTC on or about January 30, 2020.

Principal of and interest on the Bonds will be payable in Clearing House Funds to DTC, or its nominee, as registered owner of the Bonds by U.S. Bank National Association, Boston, Massachusetts, as paying agent (the “Paying Agent”). Transfer of principal and interest payments to Participants of DTC will be the responsibility of DTC. Transfer of principal and interest payments to Beneficial Owners (as hereinafter defined) will be the responsibility of such Participants and other nominees of Beneficial Owners. The Town will not be responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its Participants or persons acting through such Participants. See “THE BONDS - BOOK-ENTRY-ONLY SYSTEM” herein.

OPTIONAL REDEMPTION PRIOR TO MATURITY

Bonds maturing on and before May 1, 2030 are not subject to optional redemption prior to their stated dates of maturity. Bonds maturing on and after May 1, 2031 are subject to redemption prior to their stated dates of maturity, at the option of the Town, on and after May 1, 2030, as a whole or in part at any time, in such order of maturity as the Town, in its discretion, may determine at a price of par (100% of original stated amount of value at maturity), together with interest accrued and unpaid to the redemption date, if any.

GENERAL PROVISIONS REGARDING REDEMPTION

Notice of Redemption

In the case of every redemption of the Bonds, the Town shall cause notice of such redemption to be given to the registered owner of any Bonds designated for redemption in whole or in part, at his or her address as the same shall last appear upon the registration books kept by the Paying Agent by mailing a copy of the redemption notice by first class mail not less than thirty (30) days prior to the redemption date. Any notice mailed shall be conclusively presumed to have been duly given, whether or not the Bondholder actually receives notice. The failure of the Town to give notice to a Bondholder or any defect in such notice shall not affect the validity of the redemption of any Bond of any other owner. Each notice of redemption shall specify the date fixed for redemption, the place or places of payment, that payment will be made upon presentation and surrender of the Bonds to be redeemed, that interest, if any, accrued to the date fixed for redemption will be paid as specified in said notice, and that on and after said date interest thereon will cease to accrue. If less than all the Bonds outstanding are to be redeemed, the notice of redemption shall specify the numbers of the Bonds or portions thereof (in denominations of \$5,000 or any integral multiple thereof) to be redeemed. The Town shall notify the Securities Depository (see "THE BONDS - BOOK-ENTRY-ONLY SYSTEM" herein) in the same manner as the Bondholders, with a request that the Securities Depository notify its Participants who in turn notify the beneficial owners of such Bonds. Any failure on the part of the Securities Depository, or failure on the part of a nominee of a Beneficial Owner (having received notice from the Town, a Participant or otherwise) to notify the Beneficial Owner so affected, shall not affect the validity of the redemption of such Bond.

Bonds Due and Payable on Redemption Date; Interest Ceases to Accrue

On any redemption date, the principal amount of each Bond to be redeemed, together with the premium, if any, and accrued interest thereon to such date, shall become due and payable. Funds shall be deposited with the Paying Agent to pay, and the Paying Agent is authorized and directed to apply such funds to the payment of the Bonds called for redemption, together with accrued interest thereon to the redemption date and redemption premium, if any. After such redemption date, notice having been given and funds deposited in the manner described above, then, notwithstanding that any Bonds called for redemption shall not have been surrendered, no further interest shall accrue on any of such Bonds. From and after such date of redemption (such notice having been given and funds deposited), the Bonds to be redeemed shall not be deemed to be outstanding.

Cancellation

All Bonds that have been redeemed shall be canceled by the Paying Agent and either destroyed by the Paying Agent with counterparts of a certificate of destruction evidencing such destruction furnished by the Paying Agent to the Town or returned to the Town at its request.

Partial Redemption of Bonds

Bonds or portions of Bonds to be redeemed in part shall be selected when held by a Securities Depository by lot and when not held by a Securities Depository, by the Town by lot or in such other manner as the Town in its discretion may deem appropriate.

RECORD DATE; PAYMENT

The principal of the Bonds is payable upon surrender thereof at the principal Corporate Trust Office of the Paying Agent. Payment of the interest on the Bonds will be made to the person appearing on the registration

books of the Paying Agent as the registered owner thereof at the close of business on the 15th day of the month preceding each interest payment date for the Bonds, and if such day is not a regular business day of the Paying Agent the next day preceding which is a regular business day of the Paying Agent, by check, wire or draft mailed to each registered owner at such person’s address as it appears on the registration books, or at another address as is furnished to the Paying Agent in writing by the owner. Interest that is not timely paid or provided for shall cease to be payable to the registered owner as of the regular record date and shall be payable to the registered owner at the close of business on a special record date to be fixed by the Paying Agent.

AUTHORIZATION AND PURPOSE

The Bonds are being issued by the Town pursuant to Title 30-A, Section 5772 of the Maine Revised Statutes, as amended; Article XI, Section 6 and Article XII, Section 7(a) of the Town’s Charter and Order 19-090 adopted by the Town Council on July 8, 2019 to provide funds to finance the following projects (the “Projects”):

<u>Project</u>	<u>Projected Amount</u>
Fire Truck	\$1,400,000
Town Garage	4,260,000
Sand/Salt Shed	500,000
Brush Compost Facility	500,000
Town Hall Parking	190,000
Council Chambers	<u>150,000</u>
Total	\$7,000,000

Unspent Bond Proceeds

In the event that any proceeds of the Bonds remain unspent upon completion of a Project or the Town abandons any Project, the Town reserves the right to reallocate unspent proceeds to the costs of other qualified projects approved, or to be approved, by the Town, or to apply unspent proceeds to the payment of debt service on the Bonds.

SOURCE OF PAYMENT AND REMEDIES

General

The Bonds are general obligations of the Town and their payment is not limited to a particular fund or revenue source. Municipalities in the State of Maine (the “State”) have the right to tax their inhabitants to pay municipal indebtedness. The Bonds are payable as to both principal and interest from ad valorem taxes that are subject to limitation unless the Town follows certain procedural requirements under Title 30-A, Section 5721-A of the Maine Revised Statutes, as amended, in which case the Town has the power to levy such ad valorem taxes without limit as to rate or amount upon all the taxable property within its territorial limits (see “THE BONDS – SOURCE OF PAYMENT AND REMEDIES – Limitation on Municipal Property Tax Levy” herein), except to the extent that the Town may enter into an agreement under Title 30-A, Chapter 223, Subchapter V of the Maine Revised Statutes, as amended, to share its assessed valuation with another municipality, and except to the extent that the Town establishes or has established development districts as tax increment financing districts or affordable housing development districts pursuant to Title 30-A, Chapter 206 and former (now repealed) Chapter 207 of the Maine Revised Statutes, as amended, the captured tax increment of which may or may not be available for payment of debt service on the Bonds (see “TOWN FINANCES - TAX INCREMENT FINANCING DISTRICTS AND AFFORDABLE HOUSING DEVELOPMENT DISTRICTS” herein). The Treasurer of the Town has

certified that no tax base sharing agreement now exists. The Town has established certain tax increment financing districts and elected to retain a portion of the tax increment on the captured assessed value of the property in these districts to pay costs of the economic development projects and programs described in the development programs for the districts. Within the limits established by statute, the Town has the right to designate additional development districts pursuant to Title 30-A, Chapter 206 of the Maine Revised Statutes, as amended. There is no statutory provision for a lien on any portion of the tax levy to secure bonds or notes, or judgments thereon, in priority to other claims.

The Town is subject to suit on the Bonds. Title 14, Section 4951 of the Maine Revised Statutes, as amended, provides that executions against a town shall be issued against the personal property of the residents of that town and real estate within its boundaries, whether or not owned by the town. Only town real estate not used for public purposes, however, is subject to such execution. In addition, Title 30-A, Section 5701 of the Maine Revised Statutes, as amended, provides that the personal property of the residents and the real estate within the boundaries of a municipality may be taken to pay any debt due from the municipality. There has been no judicial determination as to whether the statutory remedy of taking property of residents to satisfy debts of or judgments against, a municipality is constitutional under current due process and equal protection standards and Bond Counsel expresses no opinion thereon. There has been no judicial determination as to whether statutory remedies available against towns are applicable to cities and Bond Counsel expresses no opinion thereon.

Funds to meet Town expenses, including debt service, are not included in the tax levy to the extent they are expected to be met with other non-tax revenues. Amounts necessary to repay sums borrowed temporarily in anticipation of bonds or grants are similarly excluded because they would normally be expected to be paid from the anticipated bond proceeds or grants. Enforcement of a claim for payment of principal of or interest on bonds or notes would be subject to the applicable provisions of federal bankruptcy laws and to the provisions of statutes, if any, hereafter enacted by the Congress or the State Legislature extending the time for payment or imposing other constraints upon enforcement insofar as the same may be constitutionally applied. The Bonds are not guaranteed by the State.

Limitation on Municipal Property Tax Levy

Effective July 1, 2005, the Legislature enacted LD 1, codified in part as Title 30-A, Section 5721-A of the Maine Revised Statutes, as amended, which, subject to certain procedural overrides, establishes a limit on municipal property tax levies. This limit is referred to as the "Property Tax Levy Limit". With certain exceptions, a municipality may not adopt a property tax levy that exceeds its Property Tax Levy Limit from one year to the next by more than a specified growth limitation factor. Therefore, in cases where the amount of the prior year's Property Tax Levy Limit exceeds the amount of the Town's actual property tax levy, the Town may carry-forward that difference in establishing its future years' property tax levy. See "TOWN FINANCES - Property Tax Levy Limit" herein.

The growth limitation factor is the average personal income growth as defined by Title 5, Section 1531 of the Maine Revised Statutes, as amended, plus the property growth factor. The property growth factor is a percentage equivalent to a fraction established by a municipality whose denominator is the total valuation of the municipality, and whose numerator is the amount of increase in the assessed value of any real or personal property in the municipality that becomes subject to taxation for the first time, or taxed as a separate parcel for the first time for the most recent property tax year for which information is available, or that has had an increase in its assessed valuation over the prior year's valuation as a result of improvements to or expansion of the property. For municipalities that qualify as a result of a relatively larger percentage of personal property, personal property can be incorporated into the property growth factor calculation. In addition, a municipality is required to lower its Property Tax Levy Limit in any year by an amount equal to net new funds provided by the State for existing services funded in whole or in part by the property tax levy.

The Town may increase the Property Tax Levy by a majority vote of the entire Town Council on a separate article that specifically identifies the intent to exceed the Property Tax Levy Limit. Pursuant to Title 30-A, Section 5721-A(7)(B) of the Maine Revised Statutes, as amended, this action, however, is subject to override by initiative upon a petition signed by at least 10% of the number of voters voting in the last gubernatorial election in the municipality submitted within 30 days of the Council's vote. However, the opportunity for the voters to petition for a referendum vote on the Council's decision is not provided if the municipal charter "prohibits a petition and referendum process".

In lieu of increasing the Property Tax Levy Limit, the Town Council may vote to exceed the Property Tax Levy Limit for extraordinary circumstances. Exceeding the Property Tax Levy Limit permits the property tax levy to exceed the Property Tax Levy Limit only for the year in which the extraordinary circumstance occurs and does not increase the base for purposes of calculating the Property Tax Levy Limit for future years. Extraordinary circumstances are circumstances outside the control of the Town Council and include:

- (1) Catastrophic events such as natural disaster, terrorism, fire, war or riot;
- (2) Unfunded or underfunded State or federal mandates;
- (3) Citizens' initiatives or other referenda;
- (4) Court orders or decrees; or
- (5) Loss of State or federal funding.

Extraordinary circumstances do not include changes in economic conditions, revenue shortfalls, increases in salaries or benefits, new programs or program expansions that go beyond existing program criteria and operation.

The Town does not expect that the Property Tax Levy Limit will have a material adverse effect on the Town's financial condition or on the ability of the Town to pay the principal of, and premiums, if any, and interest on the Bonds when due.

TAX MATTERS

The Bonds

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements that must be met on a continuing basis subsequent to the issuance of the Bonds in order that interest on the Bonds be and remain excludable from gross income for federal income tax purposes pursuant to section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use, investment and expenditure of bond proceeds and the requirement that certain earnings be rebated to the federal government. Failure of the Town to comply with such requirements may cause interest on the Bonds to be included in the gross income of the holders thereof for purposes of federal income taxation retroactive to the date of issuance of the Bonds, regardless of when such noncompliance occurs or is ascertained.

The Town will make certain representations with respect to the use of the proceeds of the Bonds and the projects and improvements financed by the Bonds and will covenant (i) to comply with the provisions and procedures of the Code applicable to the Bonds and (ii) not to take any action or permit any action that would cause the interest paid on the Bonds to be included in gross income for purposes of federal income taxation pursuant to section 103 of the Code.

In the opinion of Bond Counsel and assuming compliance with certain tax covenants, under existing statutes, regulations and court decisions interest on the Bonds is excludable from the gross income of the owners of the Bonds for federal income tax purposes pursuant to Section 103 of the Code. In addition, such interest is not an item of tax preference under the Code. In rendering its opinion, Bond Counsel will rely

upon the Town's representations made with respect to the use of the proceeds of the Bonds, and the projects financed with the Bonds, and the Town's covenant that it will comply with the Code.

Exemption of Interest on the Bonds from Taxation Within the State of Maine

In the opinion of Bond Counsel, interest paid on the Bonds is exempt from income taxation within the State pursuant to Title 30-A, Section 5772(9) of the Maine Revised Statutes, as amended. See "PROPOSED FORM OF LEGAL OPINION" in APPENDIX B herein.

Designated as Qualified Tax-Exempt Obligations

The Town *will designate* the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

Original Issue Discount

Certain maturities of the Bonds (the "Discount Bonds") may be sold at an issue price that is less than the stated redemption price of the Discount Bonds at maturity (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates). The difference between the issue price at which each of the Discount Bonds is sold and the stated redemption price at maturity (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) of each of the Discount Bonds constitutes original issue discount ("OID"). Pursuant to Section 1288 of the Code, OID on the Discount Bonds accrues on the basis of economic accrual under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on the Discount Bonds, as applicable. The basis of an initial purchaser of a Discount Bond acquired at the initial public offering price of the Discount Bond will be increased by the amount of such accrued OID for purposes of determining gain or loss on the sale, exchange, or other disposition of such Bond. Bond Counsel is of the opinion that the appropriate portion of the OID properly allocable to the original and each subsequent owner of the Discount Bonds will be treated as interest excludable from gross income for federal income tax purposes pursuant to Section 103 of the Code to the same extent as stated interest on the Discount Bonds .

Prospective purchasers of the Discount Bonds should consult their tax advisors with respect to the determination for federal income tax purposes of the OID properly accruable with respect to the Discount Bonds and the tax accounting treatment of accrued interest, and the state and local tax consequences of acquiring, holding, and disposing of Discount Bonds.

Original Issue Premium

Certain maturities of the Bonds may be sold at a purchase price in excess of the amount payable on such Bonds after the acquisition date (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) (the "Premium Bonds "). The excess, if any, of the tax basis of the Premium Bonds to a purchaser (other than a purchaser who holds such Premium Bonds as inventory, stock in trade or for sale to customers in the ordinary course of business) over the amount payable at maturity (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) is amortizable bond premium, which is not deductible from gross income for federal income tax purposes. Amortizable bond premium, as it amortizes, will reduce the owner's tax cost of the Premium Bonds used to determine, for federal income tax purposes, the amount of gain or loss upon the sale, redemption at maturity or other disposition of the Premium Bonds. Accordingly, an owner of a Premium Bond may have taxable gain from the disposition of the Premium Bond, even though the Premium Bond is sold, or disposed of, for a price equal to the owner's original cost of acquiring the Premium Bond. Bond

premium amortizes over the term of the Premium Bonds under the “constant yield method” described in regulations interpreting Section 1272 of the Code.

Prospective purchasers of the Premium Bonds should consult their tax advisors with respect to the calculation of the amount of bond premium which will be treated for federal income tax purposes as having amortized for any taxable year (or portion thereof) of the owner and with respect to other federal, state and local tax in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Bonds .

Additional Federal Income Tax Consequences

Prospective purchasers of the Bonds should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the Bonds, may have additional federal income tax consequences for certain taxpayers, including, without limitation, taxpayers eligible for the earned income credit, recipients of certain Social Security and certain Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, property and casualty insurance companies, foreign corporations and certain S corporations. Prospective purchasers of the Bonds should consult their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

The Internal Revenue Service (the “IRS”) has an ongoing program of auditing state and local government obligations, which may include randomly selecting bond issues for audit, to determine whether interest paid to the holders is properly excludable from gross income for federal income tax purposes. It cannot be predicted whether the Bonds will be audited. If an audit is commenced, under current IRS procedures holders of the Bonds may not be permitted to participate in the audit process and the value and liquidity of the Bonds may be adversely affected.

Changes in Federal Tax Law

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under federal or state law or otherwise prevent beneficial owners of the Bonds from realizing the full current benefit of the tax exempt status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Bonds. Prospective purchasers of the Bonds should consult their tax and financial advisors regarding such matters.

Opinions of Bond Counsel

The legal opinions of Bond Counsel will be furnished to the original purchaser of the Bonds. The opinions will be dated and given on and will speak only as of the date of original delivery of the Bonds to the original purchaser of the Bonds. See APPENDIX B herein.

Extent of Opinion

Bond Counsel expresses no opinion regarding any tax consequences of holding the Bonds other than its opinion with regard to (a) the exclusion of interest on the Bonds from gross income pursuant to Section 103 of the Code, (b) interest on the Bonds not constituting an item of tax preference pursuant to Section 57 of the Code and (c) the exemption of interest on the Bonds from taxation within the State pursuant to Title 30-A, Section 5772(9) of the Maine Revised Statutes, as amended. Prospective purchasers of the Bonds should consult their tax advisors with respect to all other tax consequences (including but not limited to those described above) of holding the Bonds.

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued in fully-registered form registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One-fully registered certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and each such certificate will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated securities. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of securities deposited with DTC must be made by or through Direct Participants, which will receive a credit for such securities on DTC’s records. The ownership interest of each actual purchaser of each security deposited with DTC (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in securities deposited with DTC are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in securities deposited with DTC, except in the event that use of the book-entry system for such securities is discontinued.

To facilitate subsequent transfers, all securities deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the securities deposited with it; DTC’s records reflect only the identity of the Direct Participants to whose accounts such securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to

Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of a maturity is being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to securities deposited with it unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer of such securities or its paying agent as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on securities deposited with DTC will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the issuer of such securities or its paying agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the issuer of such securities or its paying agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the issuer of such securities or its paying agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to securities held by it at any time by giving reasonable notice to the issuer of such securities or its paying agent. Under such circumstances, in the event that a successor depository is not obtained, physical certificates are required to be printed and delivered to Beneficial Owners.

The Town may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, physical certificates will be printed and delivered to Beneficial Owners. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Town believes to be reliable, but the Town takes no responsibility for the accuracy thereof.

RATINGS

The Bonds are rated “__” by Moody's Investors Service (“Moody's”) and “__” by S&P Global Ratings (“S&P”). The Town has furnished the rating agencies certain information and materials, some of which may not have been included in this Official Statement. The ratings, if obtained, will reflect only the view of Moody's or S&P at the time such rating is assigned and will be subject to revision or withdrawal, which could affect the market price of the Bonds. Moody's or S&P should be contacted directly for its rating on the Bonds and its explanation of such rating. A rating is not a recommendation to buy, sell or hold the Bonds, and such rating should be evaluated independently.

Except as set forth in the Continuing Disclosure Agreement set forth in APPENDIX C and referred to under “THE BONDS – CONTINUING DISCLOSURE” herein, the Town has not undertaken any responsibility

either to bring to the attention of the owners of the Bonds any proposed change in, or withdrawal of, any rating of the Bonds or to oppose any such change or withdrawal.

CONTINUING DISCLOSURE

In order to assist the underwriter of the Bonds in complying with the Securities and Exchange Commission’s (“SEC”) Rule 15c2-12 (the “Rule”), the Town will covenant for the benefit of the owners of the Bonds to provide certain financial information and operating data relating to the Rule by not later than 270 days after the end of each fiscal year (the “Annual Report”) and to provide notices of the occurrence of certain enumerated events, if material. Pursuant to the Rule, such filings will be made with the Municipal Securities Rulemaking Board (“MSRB”) through its Electronic Municipal Market Access System (“EMMA”). The covenants will be contained in a “Continuing Disclosure Agreement” (the “Agreement”), the proposed form of which is provided in APPENDIX C. The Agreement will be executed by the Treasurer of the Town, and incorporated by reference in the Bonds. Except as discussed below (see “THE BONDS – CONTINUING DISCLOSURE - Late Filing and Event Disclosure” herein), the Town has never failed to comply in all material respects with any previous undertakings to provide financial information or notices of material events in accordance with the Rule. In the most recent five years the Town has not failed to comply with the Rule, as follows:

Financial and Operating Statements FY ended June 30,	EMMA Filings Date Filed	Days after Fiscal Period
2019	12/31/2019	184
2018	12/27/2018	180
2017	03/12/2018	255
2016	01/04/2017	188
2015	02/01/2016	216

Late Filing and Event Disclosure

The Town inadvertently filed its fiscal years ended June 30, 2005, 2006, 2007 and 2008 with the NRMSIRs greater than 270 days following the respective fiscal period; inadvertently filed its fiscal years ended June 30, 2009 as a late filing to EMMA; inadvertently filed its fiscal years ended June 30, 2010 in a timely manner to the NRMSIRs but as a late filing to EMMA; and filed its fiscal year ended June 30, 2012 as a late filing due to personnel changes.

Assurances of Future Compliance

The Town has adopted a post-issuance compliance policy that, among other things, will provide for timely filings with EMMA or its successor repository, if any, with respect to its existing and future continuing disclosure undertakings and has registered with the EMMA reminder system to receive e-mail reminders to help ensure timely annual filing of required financial and operating data.

CUSIP IDENTIFICATION NUMBERS

It is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds will be paid for by the Town provided, however, that the Town assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

MUNICIPAL ADVISOR

Moors & Cabot, Inc. is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board and has acted as Municipal Advisor to the Town with respect to the issuance of the Bonds pursuant to MSRB Rule G-23. Moors & Cabot, Inc. does not intend to submit its bid on, or participate in an underwriting syndicate for the public distribution of, the Bonds.

STATUTORY REFERENCES

All quotations from and summaries and explanations of laws herein do not purport to be complete, and reference is made to said laws for full and complete statements of their provisions.

CONDITIONS PRECEDENT TO DELIVERY

The following, among other things, are conditions precedent to the delivery of the Bonds to the original purchasers thereof.

No Litigation

Upon delivery of the Bonds, the Town shall deliver or cause to be delivered a certificate of the Treasurer, and attested to by the Town Clerk, dated the date of delivery of the Bonds, to the effect that there is no litigation pending or, to the knowledge of such official, threatened, affecting the validity of the Bonds or the power of the Town to levy and collect taxes to pay them, and that neither the corporate existence nor boundaries of the Town, nor the title of any of said officers to their respective offices, is being contested.

Approval of Legality

The legality of the Bonds will be approved by Bond Counsel. The approving opinion of such counsel with respect to the Bonds in substantially the form attached to this Official Statement as APPENDIX B will be delivered at the time of original delivery of the Bonds and a copy of the opinion will be provided to the original purchasers. Bond Counsel are not passing upon, and do not assume responsibility for, the accuracy or adequacy of the statements made in this Official Statement (other than matters expressly set forth as their opinion) and make no representations that they have independently verified the same. See also "PROPOSED FORM OF LEGAL OPINION" in APPENDIX B herein.

Certification of the Bonds

The Bonds will be certified as to their genuineness by U.S. Bank National Association, Boston, Massachusetts, which certificate will appear on the Bonds.

Certificate With Respect to Official Statement

At the time of the original delivery of, and payment for, the Bonds, the Town will deliver a certificate of the Treasurer to the effect that she has examined this Official Statement and the financial and other data contained therein and that, to the best of her knowledge and belief, both as of its date and as of the date of delivery of the Bonds, the Official Statement does not contain any untrue statement of a material fact and does not omit to state any material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading, subject to the condition that while information in the Official Statement obtained from sources other than the Town is not guaranteed as to accuracy, completeness or fairness, she has no reason to believe that such information is materially inaccurate or misleading.

Certificate With Respect to Debt Limits

At the time of the original delivery of and payment for the Bonds, the Town will deliver a certificate of the Treasurer of the Town which certifies that the Town has not exceeded its debt limitations and that issuance of the Bonds will not cause the Town to exceed the debt limit.

Certificate With Respect to Shared Valuation

At the time of the original delivery of and payment for the Bonds, the Town will deliver a certificate of the Treasurer of the Town which certifies that no agreements under Title 30-A, Chapter 223, Subchapter V of the Maine Revised Statutes, as amended, to share its assessed valuation with another municipality, now exist.

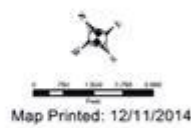
Official Zoning Map Cumberland, Maine

I certify this to be a true copy of the
Official Zoning Map as amended by
vote of the Town Council.

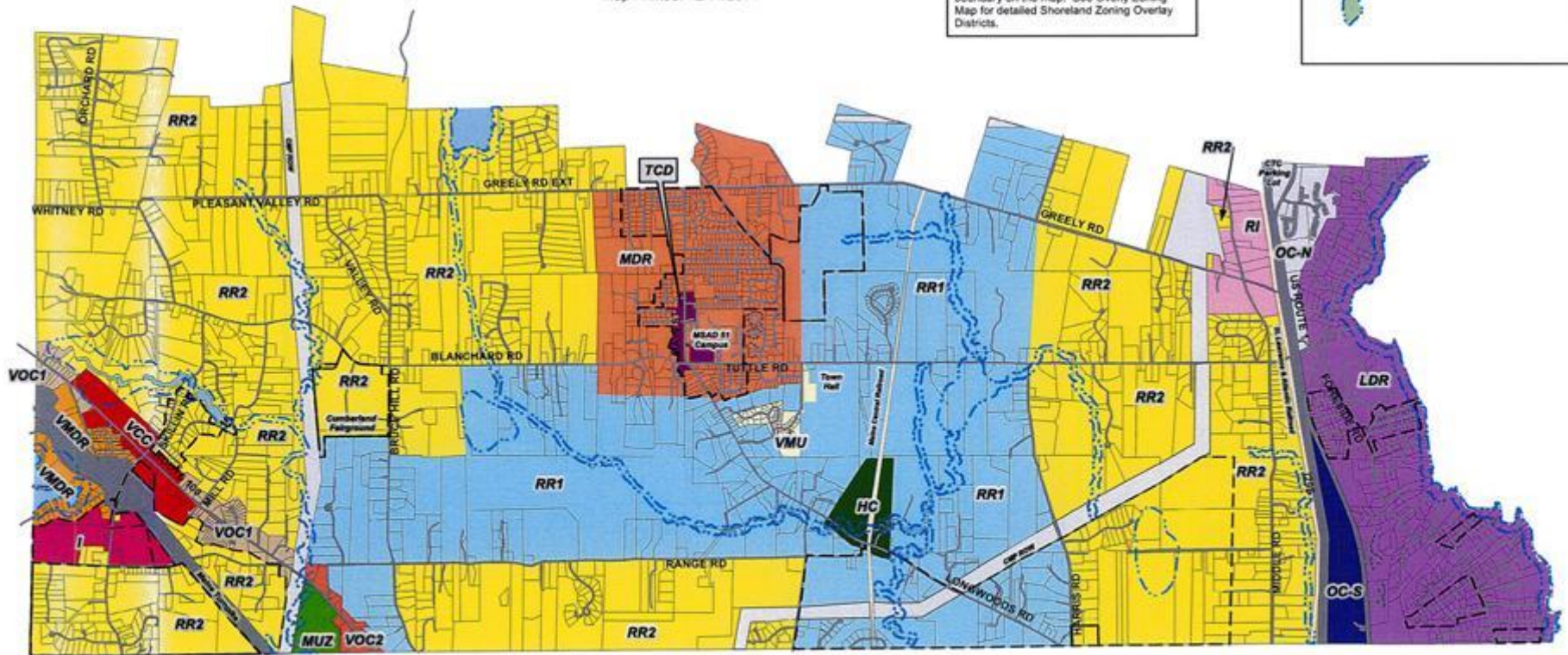
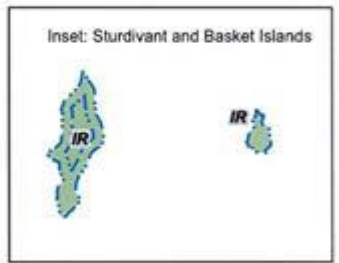
- | | | |
|--|--|---|
|  Town Center District (TCD) |  Village Center Commercial (VCC) |  Rural Residential 2 (RR2) |
|  Industrial (I) |  Village Office Commercial 1 (VOC1) |  Medium Density Residential (MDR) |
|  Rural Industrial (RI) |  Village Office Commercial 2 (VOC2) |  Village Medium Density Residential (VMDR) |
|  Highway Commercial (HC) |  Village Mixed Use (VMU) |  Low Density Residential (LDR) |
|  Office Commercial-North (OC-N) |  Mixed Use (MU) |  Island Residential (IR) |
|  Office Commercial-South (OC-S) |  Rural Residential 1 (RR1) |  Overlay Zones |
| | |  Shoreland Zoning |

Town Clerk

Adopted: 01/23/1999
Amended: 04/30/2008
Amended: 02/23/2009
Amended: 04/11/2011
Amended: 10/10/2011
Amended: 10/08/2012
Amended: 02/25/2013
Amended: 07/23/2013
Amended: 04/28/2014



The depiction of the Shoreland Overlay districts on the Official Zoning Map for the Town of Cumberland is merely illustrative of their general location. The boundaries of these districts shall be determined by measurement of the distance indicated on the map from the normal high water mark of the water body or the upland edge of wetland vegetation, regardless of the location of the boundary on the map. See Overlay Zoning Map for detailed Shoreland Zoning Overlay Districts.



TOWN OF CUMBERLAND

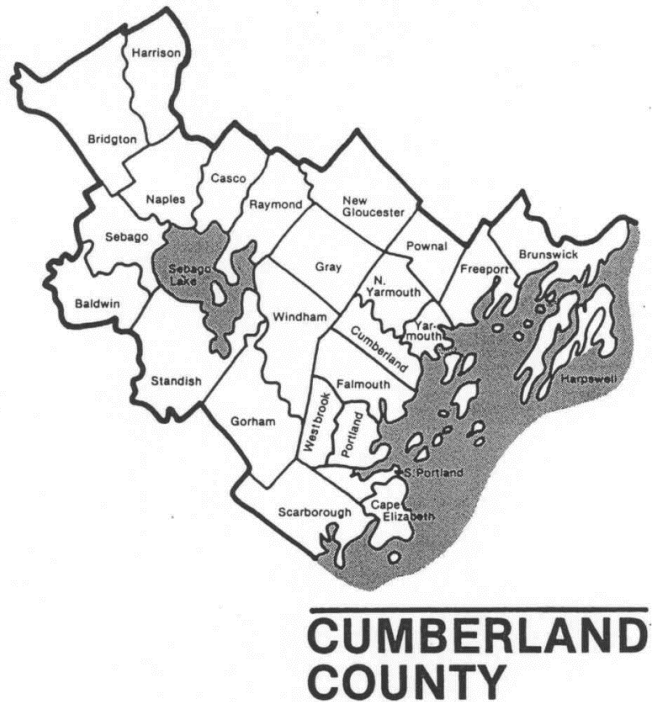
GENERAL

The Town of Cumberland (“Cumberland”) is located on the southern coast of the State of Maine (the “State”) in the middle point of the shore line section of the County of Cumberland, the State’s most populous county and is approximately 10 miles northeast of Portland, Maine, the State’s largest city. The Town is bordered by the towns of Yarmouth and North Yarmouth on its northeast, Gray and Windham on the northwest, Falmouth on Cumberland’s south and on the southeast, Broad Cove and Casco Bay. Access to the Towns is provided by Exit 11 of U.S. Interstate 295 in Falmouth, Exit 52 of U.S. Interstate 95 (the Maine Turnpike) through the Falmouth Spur to U.S. Interstate 295 or US Route 1 in Falmouth, or Exit 15 U.S. Interstate 295 in Yarmouth. U.S. Route 1 and State Route 88 follows Cumberland’s coastal plain, with State Routes 26 and 100 intersecting its northwestern corner and State Route 9 bisecting the Towns from a north/south direction, spurring off State Routes 115 and

231 in North Yarmouth. The Portland International Jetport, located in Portland, provides convenient air travel for the region. Bus transit, by major carriers operating from two terminals in Portland, provides regularly scheduled inter-state and intra-state transportation. The Pan Am Railways, AMTRAK and the St. Lawrence & Atlantic Railroad Company provide the greater Portland area with rail links to all of Maine, the continental United States and Canada.

First settled in 1636, but abandoned twice before successful final settlement in 1678, the territory that embraces the Town was named North Yarmouth, chartered on September 22, 1680, originally encompassing the present towns of Cumberland, Freeport, Harpswell, North Yarmouth, Pownal and Yarmouth. The “North” in the name was intended to differentiate it from the Town of Yarmouth, Massachusetts in Cape Cod. The Town of Harpswell set off from North Yarmouth and incorporated in 1750; the Town of Freeport set off in 1789; the Town of Pownal, then part of Freeport, set off in 1808; and Cumberland set off and incorporated on April 2, 1821, named at that time by Captain Ephraim Sturdivant. On July 1, 2007, Great Chebeague Island and the “Outer Islands” (as defined herein) set off from Cumberland forming Maine’s newest town, the Town of Chebeague Island.

Cumberland is a suburban, affluent, salubrious coastal community with highly developed shorefront areas contrasted with rural characteristics in the western portions. The Town has primarily single family, owner occupied dwellings (91.2%). The land area of the Towns is comprised of residential, local business, industrial, commercial and resource protection zones, coastal islands, open space and woodland areas. The land area of the Town is approximately 26.1 square miles; water area of 20.3 square miles; consolidated area of 46.4 square miles.



Secession of Chebeague Island

Pursuant to Chapter 47 of the Private and Special Laws of 2005 (the “Secession Act”), effective July 1, 2007, the residents of Chebeague Island, previously a part of the Town of Cumberland, were allowed to secede from Cumberland and to establish themselves as the Town of Chebeague Island. The new town consists of Great Chebeague Island as well as: the islands of Bates, Hope, Jewell (easterly portion), Little Jewell, Ministerial, Sand, Stave, Crow, Bangs, Stockman, West Brown Cow, Upper Green, Goose Nest, Rogues, Broken Cove, and Little Chebeague (easterly portion) (these latter referred to as the “Outer Islands”) (collectively “Chebeague”). Chebeague remains within Cumberland County.

The secession resulted in an agreement between Cumberland and Chebeague that (i) transferred all Town Property on Chebeague Island to Chebeague for the sum of \$1,300,000, (ii) required Chebeague to pay 50% of the annual property tax commitment for the small surrounding islands to Cumberland for a 50-year period, (iii) in the event that Cumberland defaulted on any debt, Chebeague would pay 13% of the defaulted debt, (iv) Cumberland assigned or transferred all rights, title and interest in the Blanchard Parking Lot and Cousins Island Wharf to Chebeague, and (v) additional provisions that involved emergency services, waste management and future liabilities.

GOVERNMENT

There are two basic forms of local government in Maine: the “Direct” form often referred to as town meeting government, in which the town meeting serves as the legislative body, passing laws, approving the spending of monies; and the “Representational” form, in which an elected council serves as the legislative body. There are five basic variations of these two forms. Variations of the Direct form are: *Selectmen/Town Meeting* form of government, the most common in Maine currently used by 169 municipalities in the state; *Selectmen/Town Meeting/Manager*, the second most common form of local government in Maine currently used by 141 towns; *Council/Town Meeting/Manager* (18 towns) variation of the town meeting form of government, where the legislative functions of government are shared between the town meeting and an elected council and *Selectmen/Town Meeting Administrative Assistant* or *Administrator* (a combined 80 towns). Variations of the Representational form are: *Council/Mayor/Administrator* (three cities), *Council/Mayor/Manager* (18 cities) and *Council/Manager* (26 towns).

The Town operates under a charter initially adopted on November 7, 1995, as amended, most recently November 6, 2006 (the “Charter”) providing for a *Council/Manager* form of government with a seven-member Town Council, four of whom are elected by voters of the entire Town (“at large”) and one each from the area of: (a) Cumberland Foreside, Basket Island and Sturdivant Island, (b) Cumberland Center or (c) West Cumberland, for three-year staggered terms. The Charter grants to the Town Council all powers to enact, amend, or repeal rules, ordinances and resolutions relating to the Town’s property, affairs and government, to preserve the public peace, health and safety, to appoint committees, hiring the Town Manager and Assessor and giving effect to any vote of the Town to authorize the issuance of debt.

Pursuant to Article X(1)(c) of the Charter, orders or resolves appropriating \$100,000 or more for a single capital improvement, or orders or resolves authorizing bond issues of \$100,000 or more for capital improvements or expenditures are subject to overrule by referendum. The entire Council, working as the Finance Committee, adopts an annual budget and provides for an annual audit. The Town Manager is appointed by the Town Council and is responsible for carrying out the policies and ordinances of the Town Council, for overseeing the day-to-day operations of the Town, and for appointing the heads of the Town’s departments.

MUNICIPAL SERVICES

The Town provides general governmental services for the territory within its boundaries, including police and fire protection, maintenance of highways, streets and sidewalks, coastal areas and a municipal golf course located at the Val Halla Golf and Recreation Center.

Water service is provided by the Portland Water District a wholly separate, quasi-municipal entity whose operation and obligations are not part of the Town. Public education is provided for grades Kindergarten (“K”) through 12 through the Town’s affiliation with Regional School Unit No. 51 d/b/a School Administrative District No. 51. See also “TOWN OF CUMBERLAND - PUBLIC EDUCATION” and “INDEBTEDNESS - OVERLAPPING DEBT” sections herein.

Public Safety

The Police Department is staffed by employees who include one Police Chief, one Lieutenant, two Patrol Sergeants, seven Patrol Officers (of which seven are cross-trained as Emergency Medical Technicians), an Animal Control Officer, a Detective starting January 1, 2020, and an Administrative Assistant. The Police Department maintains eight vehicles, which are in good repair. Two full-time Patrol Officers also serve as Shellfish Wardens and Harbormasters.

The Fire/EMS Department is staffed by employees who include one part-time Fire Chief, three Deputy Chiefs, two Captains and approximately 40 volunteers. The Fire/EMS Department operates from two fire stations and maintains 14 vehicles or pieces of equipment, including two ambulances and a heavy rescue unit, all of which are in good repair.

Public Services Department

The Public Services Department provides for maintenance of the Town’s 81 mile road network, operation and maintenance of collector storm water lines, disposal of the Town’s solid waste, and maintenance of the Town’s parks and open spaces. The Department is staffed with one Public Services Director, ten full-time and various part-time employees. The Department maintains 30 vehicles or pieces of equipment, which are in good repair.

In 1988, the Town initiated curb-side pick-up of household trash that is transported to ecomaine (formerly Regional Waste Systems, Inc.), a Maine Corporation with 21 member municipalities (“Member Municipalities”), including the Town, maintains a waste-to-energy resource recovery system (“RRS”) for which the Member Municipalities are obligated severally to deliver certain of the solid waste produced within each such Member Municipality to ecomaine for processing. In 1991, six participating municipalities (“Participating Municipalities”) entered into an agreement with ecomaine, along with its Member Municipalities, to establish a Material Recycling Facility (“MRF”) at ecomaine’s demolition debris and recycling facility. See “INDEBTEDNESS – CONTINGENT DEBT – ecomaine” herein.

The Town operates and maintains a sewer collector system that provides transmission of sewage to interceptors which transverse the Town to Falmouth’s Water Pollution Control Department’s treatment plant, through an agreement with the Portland Water District. The Town is reimbursed by the Portland Water District for the treatment of these flows based on the volume treated. The Portland Water District provides water service to the Town’s inhabitants (see “INDEBTEDNESS - CONTINGENT DEBT - Portland Water District” herein). The Town operates the Sewer Fund as an Enterprise Activity, in that it is the intent of the Town that services are provided on a continuing basis with operations, including debt service, financed entirely through user charges.

Val Halla Municipal Golf and Recreational Complex

The Town owns and operates the Val Halla Municipal Golf and Recreational Complex (the “Complex”), a multi-use facility which includes the 18-hole Val Halla Golf Course, clubhouse, pro-shop and tennis courts. The Complex is staffed by five full-time employees and typically has 35 to 40 seasonal employee positions. In FY 2016 the Town ceased reporting the Val Halla Golf Course as an Enterprise Fund and all amounts are now reported in the General Fund and Governmental activities.

Prince Memorial Library

The Prince Memorial Library (the “Library”) was incorporated in 1921, established through a bequest from Carroll D. and Ann L. Prince, with land donated by Dr. and Mrs. John R. Thomas. A Georgian-Colonial style brick building was opened on January 7, 1923; expanded with an 800 square foot new wing gifted from Paul E. Merrill that opened November 1959, being the Merrill Wing. In 1968 the Town assumed the assets and responsibilities of the Library with the, then, Board of Selectmen serving as the majority of the Library’s Board of Corporators. In 1982, the Library became a department of the Town and, on October 1, 1987, the Library opened a further 8,100 square foot addition, the Cumberland Wing. Additionally, a 728-square-foot Young Adult Room was dedicated on April 3, 1996. The Library’s current collection consists of over 50,000 books, audio books, compact discs, videotapes or DVDs and subscriptions periodicals. The Library has an enrollment of over 6,000 borrowers and its annual circulation exceeds 82,000 items per year. The Library’s facilities offer public internet access, ILL services, reference assistance, art exhibits and community programs. The Library is managed by a Library Director, an Assistant Director, three full-time and various part-time employees..

CUMBERLAND HOUSING AUTHORITY

Pursuant to the provisions of Chapter 201 of Title 30-A of the Maine Revised Statutes, as amended, (the “Maine Housing Authorities Act”; the “Act”) each municipality within the State of Maine has the authority to establish a housing authority. Pursuant to Section 4721 of the Act and by action of the Town Council, the Town established the Cumberland Housing Authority (“CHA”) on July 16, 1991. The CHA constitutes a public body corporate and politic exercising public and essential governmental functions and having all powers necessary to carry out and effectuate the purposes of a housing authority as specified under its enabling legislation. Those purposes include, without limitation, the development and operation of housing projects, conducting studies and analyses of housing needs within its area of operation, leasing or renting dwellings, accommodations and related real estate, and entering into agreements and issuing debt in furtherance of such purpose.

The Town operates the Senior Housing Fund as an Enterprise Activity, in that it is the intent of the Town that services are provided on a continuing basis with operations, including debt service, financed entirely through user charges.

PUBLIC EDUCATION

Regional School Unit No. 51 d/b/a School Administrative District No. 51 (referred to hereinafter as “MSAD 51”) includes the towns of Cumberland and North Yarmouth, Maine and serves the educational needs for grades Kindergarten (“K”) through 12 for the residents of these communities. The District’s administrative offices are located in Cumberland Center. Under the School Consolidation Act, the District operates pursuant to Title 20-A, Chapter 103-A of the Maine Revised Statutes, as amended.

MSAD 51

MSAD 51 has an eight member Board of Directors (the “District Board”) of which five are residents of the Town of Cumberland and three are residents of the Town of North Yarmouth. Each Director has one vote. The delegation from each community is elected for three-year staggered terms. The Superintendent is the Secretary, Treasurer and chief administrator of the District.

MSAD 51 has four schools which include two primary and/or elementary schools, a junior high school and a high school. The staff consists of one Superintendent, one Assistant Superintendent, four principals, and 168.3 full-time equivalent (“FTE”) teachers and various other professional and non-professional staff. MSAD 51’s schools are listed below:

<u>Location</u>	<u>School</u>	<u>Grades</u>	<u>Capacity</u>	<u>Enrollment</u>
Cumberland	Mabel I. Wilson	K – 3	600	614
Cumberland	Greely Middle	4 – 5	400	318
Cumberland	Greely Middle	6 – 8	600	476
Cumberland	Greely High	9 – 12	800	667

MSAD No. 51 Consolidated Enrollments, School Enrollment Trend

Oct 1,	Consolidated						Member Municipalities as % Total	
	Member Municipalities					Tuition		Total
	K-3	4-5	6-8	9-12	Total			
2018	609	314	470	644	2,037	38	2,075	98.17%
2017	594	302	477	618	1,991	53	2,044	97.41%
2016	568	292	505	610	1,975	43	2,018	97.87%
2015	381	202	491	643	1,994	37	2,031	98.18%
2014	547	323	490	647	2,007	34	2,041	98.33%
2013	547	323	490	647	2,007	30	2,043	98.24%
2012	565	300	507	679	2,051	37	2,088	98.23%
2011	572	341	494	682	2,089	23	2,112	98.91%
2010	581	330	517	666	2,094	25	2,119	98.82%

Town of Cumberland, School Enrollment Trend

Oct 1,	Grades					% Resident Enrollment
	K-3	4-5	6-8	9-12	Total	
2018	418	219	319	415	1,371	67.30%
2017	411	214	314	397	1,336	67.10%
2016	393	198	360	437	1,388	70.27%
2015	381	202	357	461	1,401	70.26%
2014	367	236	379	440	1,422	71.46%
2013	370	243	371	448	1,432	71.35%
2012	411	212	375	479	1,477	72.01%
2011	417	256	343	483	1,499	71.76%
2010	441	260	352	481	1,534	73.26%

NOTE: In academic year 2010, the Drowne Road School closed following completion of a Middle School expansion and the District reconfigured its schools’ grade levels such that the Middle School provided education for grades 6 through 8. On June 30, 2014, the North Yarmouth Memorial School (grades 4 and 5) was closed and conveyed to the Town of North Yarmouth and on September 1, 2014 the Middle School’s grade levels were reconfigured to grades 4 through 8.

Portland Arts and Technology High School

Title 20-A, Chapter 313 of the Maine Revised Statutes, as amended, provides for “applied technology education” or a course or program of education which is designed to create or improve job-related skills that are part of a secondary school curriculum. The programs may be offered via a center (a “Center”), a satellite program (a “Satellite Program”) or a region (a “Region”). A Center is an administrative entity governed, operated and administered by a single SAU.

As a Center, the Portland Arts & Technology High School (“PATHS”) is owned, operated and maintained by the Department of Education of the City of Portland. The law regarding the funding of PATHS was changed by Chapter 226 of the Private and Special Laws of Maine (1999) such that sending SAUs (as defined herein) no longer pay per student tuition to Portland but pays for attendance through a cost sharing agreement. State subsidy for PATHS no longer goes entirely to Portland, but each SAU receives some subsidy for Career Technical Education based on their costs for student enrollment at PATHS. Of the 474 current student population, 32 are sent from MSAD 51.

LABOR RELATIONS

The Town employs approximately 49 full and 296 part-time employees. The following lists the various bargaining units that are represented by a union, and the status of its current contract. Town employees not included in the below table are not represented by unions. The various contracts for employees represented by unions are effective and expire as follows:

Union ⁽¹⁾	Members	Bargaining Unit	Date of Contract	
			Effective	Expiration
CPBA	8	Police	07/01/2017	06/30/2020
CMEA	9	Public Works and Val Halla Maintenance Employees	07/01/2017	06/30/2020

NOTE: ⁽¹⁾ “CPBA” indicates the Cumberland Police Benevolent Association and “CMEA” indicates Cumberland Municipal Employees Association.

BUILDING PERMITS

Building Permits (New Starts Only)

Fiscal Year Ended June 30,	Commercial		Residential		Total	
	Number of Units	Value	Number of Units	Value (000)	Number of Units	Value
2019	16	\$3,662,380	327	\$23,520,996	343	\$27,183,376
2018	13	9,661,045	274	14,548,870	287	24,209,915
2017	23	9,423,100	284	21,125,800	307	30,548,900
2016	7	2,071,900	46	15,696,300	53	17,768,200
2015	13	5,322,835	42	12,506,577	55	17,829,412
2014	9	4,800,801	59	13,990,980	68	23,592,582
2013	9	5,789,873	48	13,149,189	57	18,939,062
2012	10	2,538,181	30	8,300,025	40	10,838,206
2011	7	984,459	13	3,471,760	20	4,456,219
2010	7	1,000,000	18	5,218,000	25	6,218,000

Commuter Trends

Commuters to Cumberland but live in:	Number of Workers	% Town's Workers
Cumberland	730	43.22%
Gray	116	6.87
North Yarmouth	101	5.98
Falmouth	67	3.97
Poland	59	3.49
Windham	53	3.14
South Portland	46	2.72
Yarmouth	46	2.72
Westbrook	41	2.43
Scarborough	40	2.37
Chebeague Island	39	2.31
New Gloucester	32	1.89
Topsham	31	1.84
Brunswick	29	1.72
Standish	29	1.72
Gorham	26	1.54
Portland	23	1.36
Old Orchard Beach	23	1.36
Waterboro	21	1.24
Richmond	20	1.18
Lewiston	16	0.95
Naples	15	0.89
Pownal	15	0.89
Auburn	11	0.65
Freeport	11	0.65
Monmouth	8	0.47
Sanford	7	0.41
Otisfield	6	0.36
Wells	6	0.36
Holden	5	0.30
Newcastle	4	0.24
Sebago	3	0.18
Perham	2	0.12
Long Island	2	0.12
Mount Vernon	2	0.12
Arrowsic	2	0.12
Parsonsfield	2	0.12
Total Commuters	1,689	100.0%

Residents of Cumberland but work at:	Number of Workforce	% Town's Workforce
Portland	1,120	29.30%
Cumberland	730	19.09
Falmouth	457	11.95
South Portland	241	6.30
Scarborough	122	3.19
Freeport	118	3.09
Yarmouth	110	2.88
North Yarmouth	103	2.69
Westbrook	99	2.59
Bath	80	2.09
Saco	67	1.75
Windham	61	1.60
Topsham	41	1.07
Gorham	40	1.05
Augusta	40	1.05
Auburn	38	0.99
Casco	38	0.99
Cape Elizabeth	33	0.86
Gray	31	0.81
Orono	24	0.63
Wells	22	0.58
Lewiston	20	0.52
Newton	18	0.47
Standish	16	0.42
Brunswick	15	0.39
Windham	14	0.37
Raymond	12	0.31
Hallowell	11	0.29
Winthrop	11	0.29
Oxford	11	0.29
Old Orchard Beach	11	0.29
New Gloucester	6	0.16
Out of State	63	1.65
Total Residents	3,823	100.00%

SOURCE: State of Maine, Department of Labor, Labor Market Information Services; U.S. Department of Commerce, Bureau of Census - 2010 data.

ECONOMIC CHARACTERISTICS

Population	Town of Cumberland	<u>% Change Since Prior Census</u>		
		<u>Town</u>	<u>State</u>	<u>USA</u>
1970	4,096	48.1%	2.4%	13.4%
1980	5,284	29.0	13.4	11.4
1990	5,836	10.5	9.2	9.8
2000	7,159	22.7	3.8	13.2
2010	7,211	7.3	4.2	8.9

SOURCE: Respective census, U.S. Department of Commerce, Bureau of the Census.

Population Characteristics	<u>Town of Cumberland</u>	<u>Cumberland County</u>	<u>State of Maine</u>	<u>USA</u>
Median age (years)	45.0	41.0	42.7	37.2
% School age	22.2%	26.1%	18.2%	20.4%
% Working age	54.9%	64.8%	63.4%	62.9%
% 65 and over	14.5%	14.3%	15.9%	13.0%
Persons/household	2.67	2.32	2.32	2.58

Income	<u>Town of Cumberland</u>	<u>Cumberland County</u>	<u>State of Maine</u>	<u>USA</u>
Median family income	\$100,625	\$71,335	\$58,158	\$62,982
% Below poverty level (individuals)	1.7%	10.5%	12.6%	13.8%
Per capita income	\$45,867	\$31,041	\$25,385	\$27,334

Housing	<u>Town of Cumberland</u>	<u>Cumberland County</u>	<u>State of Maine</u>	<u>USA</u>
% Owner occupied	91.9%	68.5%	73.1%	66.6%
% Built 1939 or earlier	12.2%	29.0%	28.1%	14.1%
% Built since 2000	10.3%	10.8%	8.9%	12.8%
Owner occupied med. value	\$354,200	\$248,000	\$176,200	\$188,400
Median gross rent	\$1,158	\$868	\$707	\$841
Occupied housing units	2,651	116,616	551,125	-

SOURCE: 2010 Census, U.S. Department of Commerce, Bureau of the Census.

Unemployment	<u>Town of Cumberland</u>	<u>Cumberland County</u>	<u>State of Maine</u>	<u>USA</u>
2018	2.4%	2.7%	3.4%	3.9%
2017	2.2	2.5	3.3	4.4
2016	2.7	2.9	3.9	4.9
2015	3.0	3.4	4.4	5.3
2014	3.7	4.4	5.7	6.2
2013	4.7	5.3	6.7	7.4
2012	4.9	5.8	7.3	8.1
2011	5.3	6.0	7.5	8.9
2010	5.5	6.3	7.9	9.6
2009	5.5	6.4	8.0	9.3

SOURCE: State of Maine, Department of Labor, Division of Economic Analysis and Research.

TOWN FINANCES

BUDGETARY PROCESS

Article VI of the Town’s Charter provides for a budget process. The fiscal year (or “budget year”) of the Town begins on the first day of July and ends on the thirtieth day of June of the following year. The Charter provides that, at least 35 days prior to the beginning of each budget year, the Town Manager submits a budget and explanatory budget message to the Town Council. The Town Manager’s budget is reviewed by the Town Council, which approves the budget with or without amendments and is required to then hold a public hearing. Following the hearing, the Town Council is required to adopt the budget, with or without change, no later than 60 days from the beginning of the fiscal year. If the Council fails to adopt a budget within this 60-day period, the Town Manager’s proposed budget automatically becomes the budget for the next fiscal year. If the Appropriation Resolve establishes a property tax levy that exceeds the Property Tax Levy Limit, then the excess of the appropriation must be approved in a separate article by a majority of the entire Town Council (i.e., a “super majority”). The Property Tax Levy Limit of one year may not exceed the Property Tax Levy Limit from the prior year by more than a specified Growth Limitation Factor. The school budget is subject to referendum by the voters of the RSU through a Budget Validation process. Upon adoption of the budget, the amount of the property tax levy is thereby established and filed with the Town Assessor.

General Funds Budgets for the Fiscal Year Ending June 30,

	2016	2017	2018	2019	2020
REVENUES					
Taxes	\$23,228,534	\$23,615,295	\$24,754,476	\$26,562,642	\$27,408,647
Licenses and permits	146,665	146,365	143,615	154,974	154,974
Intergovernmental	837,262	943,912	1,082,150	1,212,279	1,217,205
Charges for services	1,924,868	1,911,424	2,042,148	2,027,869	2,083,960
Other	289,899	250,600	128,600	133,117	133,117
TOTAL REVENUES	<u>26,427,228</u>	<u>26,867,596</u>	<u>28,150,989</u>	<u>30,090,881</u>	<u>30,997,903</u>
EXPENDITURES					
General government	1,134,089	1,125,415	1,168,362	1,269,374	1,340,186
Public safety	2,264,294	2,253,616	2,413,478	2,570,617	2,630,723
Public services	1,758,253	1,839,963	1,901,644	1,985,742	2,127,425
Recreation programs	1,487,042	1,534,861	1,655,825	1,752,827	1,897,234
Library	411,267	417,655	437,550	494,236	497,303
Senior Services	-	-	-	37,453	86,793
Health services	13,375	13,375	13,875	13,875	17,875
General Assistance	35,000	35,000	35,000	35,000	35,000
Unclassified	260,329	242,229	256,109	273,171	281,047
Insurance	219,499	276,607	231,827	236,554	263,400
County tax	747,431	775,374	813,904	878,854	878,954
Capital projects	1,206,457	1,038,598	860,471	749,300	771,061
Debt service	818,043	958,471	902,529	1,045,825	995,000
Sub-total (Town)	<u>10,355,079</u>	<u>10,511,164</u>	<u>10,690,574</u>	<u>11,342,828</u>	<u>11,822,001</u>
Education	<u>15,557,051</u>	<u>16,060,474</u>	<u>17,208,107</u>	<u>18,690,208</u>	<u>18,937,757</u>
TOTAL EXPENDITURES	<u>25,912,130</u>	<u>26,571,638</u>	<u>27,898,681</u>	<u>30,033,036</u>	<u>30,759,758</u>
REVENUES OVER/(UNDER) EXPENDITURES	<u>\$515,098</u>	<u>\$295,958</u>	<u>\$252,308</u>	<u>\$57,845</u>	<u>\$238,145</u>

FUND BALANCE

On June 25, 2018, by Order # 18-083, the Town Council amended its Fund Balance Policy, adopted May 23, 2011, that complies with Governmental Accounting Standards Board (“GASB”) recently promulgated Statement 54 (“GASB 54”). The purpose of the policy is to establish a target level of fund balance for the General Fund and to establish a process and criteria for the continued evaluation of that target level as conditions warrant. In the policy, the Town recognizes the importance of maintaining an appropriate level of Unassigned Fund Balance. After evaluating the Town’s operating characteristics, diversity of tax base, reliability of non-property tax revenue sources, working capital needs, impact on bond rating, State and local economic outlooks, emergency and disaster risk, and other contingent issues the Town establishes the goals regarding the Unassigned Fund Balance of the General Fund for the Town. The Fund Balance Policy seeks a target balance of unreserved, Unassigned fund balances of at least 12.0% of operating revenues from the current budget. The following displays the Town’s various General Fund Balances for its most recent five audited fiscal years:

	Fiscal Year Ended June 30,				
	2015	2016	2017	2018	2019
Unassigned General Fund Balance	\$2,060,936	\$2,023,066	\$2,028,570	\$2,084,824	\$2,479,646
Total Budgeted Expenditures	23,745,891	25,912,130	26,571,638	27,898,682	30,033,036
Fund Balance as % of Budgeted Exp.	8.68%	7.81%	7.63%	7.47%	8.26%

	Fiscal Year Ended June 30,				
	2015	2016	2017	2018	2019
Unassigned General Fund Balance	\$2,060,936	\$2,023,066	\$2,028,570	\$2,084,824	\$2,479,646
Total Budgeted Revenues ⁽¹⁾	24,267,819	26,427,228	26,867,596	28,150,989	30,090,881
Fund Balance as % of Budgeted Rev.	8.49%	7.66%	7.55%	7.41%	8.24%

	Fiscal Year Ended June 30,				
	2015	2016	2017	2018	2019
Consolidated General Fund Balance	\$2,060,936	\$2,394,814	\$2,393,989	\$2,534,788	\$2,707,416
Total Budgeted Revenues	24,267,819	26,427,228	26,867,596	28,150,989	30,090,881
Fund Balance as % of Budgeted Rev.	8.49%	9.06%	8.91%	9.00%	9.00%

NOTE: ⁽¹⁾ The Town’s Fund Balance Policy uses “Budgeted Revenues” in its calculation.

CAPITAL IMPROVEMENT PLAN

Article VI, Section 3 of the Town’s Charter provides for a formal Capital Improvement Plan (“CIP”). The CIP includes a Capital Budget for the next five years that includes funds, and financing sources, necessary to acquire or improve buildings, lands, major equipment and other commodities that are of significant value and have a useful life of several years. The overall program is driven by a number of factors and may be revised and/or extended from year to year. See also “INDEBTEDNESS – FUTURE FINANCING” herein.

PROPERTY TAX LEVY LIMIT

As previously discussed, unless the Town follows certain procedural requirements under Title 30-A, Section 5721-A of the Maine Revised Statutes, as amended the Town is limited to an increase in the Town's property tax levy from one year to the next to an amount not more than its Municipal Property Tax Levy Limit (see "THE BONDS - SOURCE OF PAYMENT AND REMEDIES - Limitation on Municipal Property Tax Levy" herein). The Municipal Property Tax Limit for subsequent fiscal years is the Municipal Property Tax Levy Limit for the preceding year multiplied by the Growth Limitation Factor. Therefore, in cases where the amount of the prior year's Municipal Property Tax Levy Limit exceeds the amount of the Town's actual property tax levy ("Municipal Property Tax Levy"), the Town may carry-forward that difference in establishing its future years' property tax levy. The following table displays the Town's limitation on Municipal Property Tax Levy:

Fiscal year:	<u>2015/2016</u>	<u>2016/2017</u>	<u>2017/2018</u>	<u>2018/2019</u>	<u>2019/2020</u>
State Personal Income Factor:	0.86%	2.67%	2.84%	2.61%	2.77%
Town Property Growth Factor:	<u>3.05%</u>	<u>1.58%</u>	<u>1.46%</u>	<u>2.25%</u>	<u>1.96%</u>
Growth Limitation Factor:	3.91%	4.25%	4.30%	4.86%	4.73%
Property Tax Levy Limit:	\$5,251,435	\$5,474,754	\$5,704,201	\$5,964,051	\$6,122,614
Property Tax Levy:	<u>5,042,020</u>	<u>5,200,070</u>	<u>5,089,272</u>	<u>5,307,791</u>	<u>5,740,120</u>
Over/(below) Prop Tax Levy Limit:	(\$209,415)	(\$274,684)	(\$614,929)	(\$656,260)	(\$382,494)

INVESTMENT POLICY

By Order #05-030, on March 14, 2005 the Town established and follows a formal Investment Policy. Pursuant to its Investment Policy and applicable Maine law (Title 30-A, Section 5706 *et seq.* of the Maine Revised Statutes, as amended) all investments of the Town must be made with the judgment and care that persons of prudence, discretion and intelligence, under circumstances then prevailing, exercise in the management of their own affairs, not for speculation but for investment considering (i) safety of principal and maintenance of capital, (ii) maintenance of sufficient liquidity to meet all operating and cash requirements with which a fund is charged, that is reasonably expected, and (iii) return of income commensurate with avoidance of unreasonable risk. Under its policy, the Town's investment practice is to maintain a cash and investment pool that is available for use by all funds and consists of short-term investments. The Town is invested principally in direct obligations of the United States government and its agencies. The Town is not invested in any obligations typically referred to as derivatives, meaning obligations created from, or whose value depends on or is derived from the value of one or more underlying assets or indexes of asset values in which the municipality owns no direct interest.

FINANCIAL STATEMENTS

Title 30-A, Chapter 223, Subchapter VIII of the Maine Revised Statutes, as amended, and Article II, Section 3(j) of the Town's Charter requires independent annual audits of the Town's accounts. The Town, in conformance with this statute and its Charter, currently engage the services of Runyon Kersteen Ouellette, Certified Public Accountants, to conduct its audit.

The Town's Comprehensive Financial Annual Report (the "CAFR") for the fiscal year ended June 30, 2019, prepared by Runyon Kersteen Ouellette is presented as APPENDIX A to this Official Statement. The consent of Runyon Kersteen Ouellette for the incorporation of the CAFR included in APPENDIX A has not been requested by the Town, nor has it been received.

The Government Finance Officers Association (the "GFOA") awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the Town for its CAFR for the fiscal year ended June 30, 2018. This

is the 26th consecutive year that the Town has received this prestigious award. In order to be awarded the certificate, the Town published an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles (“GAAP”) and applicable legal requirements.

FUNDS

The accounts of the Town are organized and operated on the basis of funds. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. The Town has the following fund types:

Governmental Funds are used to account for most governmental functions of the Town. Governmental Funds include the following fund types:

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

Special Revenue Funds account for revenue sources (not including expendable trusts or major capital projects) that are legally restricted to expenditure for specific purposes.

Capital Projects Fund is used to account for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or non-expendable trust funds.

Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting governments’ programs.

Enterprise Funds are used to account for those operations that are financed and operated in a manner similar to private business or where the Town Council has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Fiduciary Funds account for assets held by the Town in a trustee capacity or as an agent on behalf of others. The Town’s Fiduciary Funds include the following types:

Private Purpose Trust Funds are used to report any trust arrangements under which principal and income benefit individuals, private organizations, and other governments and that are not accounted for in other fiduciary funds.

Agency Funds are custodial in nature and do not present results of operations or have a measurement focus. Agency Funds are accounted for using the accrual basis of accounting. The funds are used to account for assets that the Town holds for others in an agency capacity.

TOWN OF CUMBERLAND
COMPARATIVE BALANCE SHEET
GENERAL FUND
(As of June 30,)

	2019	2018	2017	2016	2015
ASSETS					
Cash and equivalents	\$3,858,584	\$6,161,311	\$10,920,516	\$4,642,708	\$5,684,235
Receivables:					
Accounts	86,480	132,763	157,427	190,931	132,854
Rescue	27,093	41,054			
Intergovernmental	144,283	139,962	156,643	68,593	343,042
Taxes (prior years)	136,612	133,879	123,277	127,107	136,759
Taxes (current)	142,914	164,175	141,179	194,749	252,105
Prepaid items	3,653	43,358	31,852	100,434	5,849
Inventory	18,201	11,928	10,187	15,860	0
TOTAL ASSETS	4,417,820	6,828,430	11,541,081	5,340,382	6,554,844
LIABILITIES					
Accounts payable	233,223	238,135	276,545	310,572	235,154
Accrued payroll	162,133	148,901	134,653	120,902	179,692
Escrow liabilities	130,865	35,188	36,214	25,506	58,587
Taxes paid in advance	44,189	368,673	60,400	93,219	51,754
Inter-fund loans	854,198	3,205,429	8,421,340	2,089,114	3,660,659
TOTAL LIABILITIES	1,424,608	3,996,326	8,929,152	2,639,313	4,185,846
DEFERRED REVENUES					
Deferred tax revenues	263,942	242,030	175,901	189,961	302,213
EQUITY					
Fund balances:					
Non-spendable	21,854	55,286	42,039	116,294	5,849
Restricted	0	0	0	0	0
Committed	0	0	0	0	0
Assigned	227,770	449,964	365,419	371,748	0
Unassigned	2,479,646	2,084,824	2,028,570	2,023,066	2,060,936
TOTAL EQUITY	2,729,270	2,590,074	2,436,028	2,511,108	2,066,785
TOTAL LIABILITIES					
DEFERRED & EQUITY	\$4,417,820	\$6,828,430	\$11,541,081	\$5,340,382	\$6,554,844

Prepared from Audited Financial Statements

TOWN OF CUMBERLAND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GENERAL FUND
(For the Years Ended June 30,)

	2019	2018	2017	2016	2015
REVENUES					
Taxes	\$26,738,541	\$25,132,283	\$24,119,494	\$23,742,265	\$22,274,939
Licenses and permits	153,384	151,495	207,889	168,174	159,680
Intergovernmental	1,207,851	1,117,138	1,073,020	885,347	943,016
Charges for services	2,500,324	2,481,650	2,262,129	2,223,518	1,279,114
Other	172,796	147,211	464,723	363,905	550,939
TOTAL REVENUES	30,772,896	29,029,777	28,127,255	27,383,209	25,207,688
EXPENDITURES					
General government	1,501,370	1,398,885	1,329,839	1,268,088	1,133,820
Public safety	2,507,780	2,457,733	2,468,837	2,385,487	2,186,641
Public services	2,175,731	2,179,695	2,047,046	1,839,511	1,717,893
Recreation	1,877,997	1,739,917	1,655,983	1,597,610	751,980
Library	491,453	450,254	426,212	415,406	387,703
Health services and public assistance	146,325	158,912	221,957	72,433	68,414
Unclassified	287,524	289,899	287,078	319,291	370,906
Insurance	234,469	218,755	222,341	232,492	203,661
Capital outlay	10,000	90,000	0	0	0
Education	18,690,271	17,208,107	16,060,474	15,557,051	14,313,306
County tax	878,954	813,904	775,374	747,431	696,073
Debt service	1,044,848	895,202	867,226	828,169	766,386
TOTAL EXPENDITURES	29,846,722	27,901,263	26,362,367	25,262,969	22,596,783
EXCESS OF REVENUES OVER EXPENDITURES	926,174	1,128,514	1,764,888	2,120,240	2,610,905
OTHER FINANCING SOURCES:					
Proceeds from lease/notes	10,000	90,000	0	0	0
Payment to escrow agent	0	0	0	0	0
Operating transfers in	75,825	0	0	2,841	90,264
Operating transfers out	(872,803)	(1,064,468)	(1,839,968)	(1,678,758)	(2,302,924)
	(786,978)	(974,468)	(1,839,968)	(1,675,917)	(2,212,660)
NET CHANGE IN FUND BALANCES	139,196	154,046	(75,080)	444,323	398,245
FUND BALANCE, JULY 1	2,590,074	2,436,028	2,511,108	2,066,785	1,668,540
FUND BALANCE, JUNE 30	\$2,729,270	\$2,590,074	\$2,436,028	\$2,511,108	\$2,066,785

Prepared from Audited Financial Statements

NOTE: In FY 2016 the Town ceased reporting the Val Halla golf course as an Enterprise Fund; all amounts are now reported in the General Fund and Governmental activities.

PROPERTY TAXATION

The principal tax of the Town is the tax on real and personal property. A single tax applies for each fiscal year to the assessed value of the taxable real or personal property. The Town's Tax Collector receives the tax commitment from the Town Assessor, with assessed values as of April 1 of each year, after which time the tax bills are mailed. For fiscal 2019/2020 the tax due dates are September 16, 2019 and March 16, 2020. All taxes paid after the due date are subject to interest established under Title 39, Section 186 of the Maine Revised Statutes, as amended, currently set by the Town at the rate of 8.0% per annum.

Real Estate Taxes

Collection of real estate taxes is ordinarily enforced in the Town by the "tax lien" procedure as provided in the Maine Revised Statutes, as amended, to the collection of delinquent real estate taxes. Real Estate Tax Liens are recorded against the individual property at the County Registry of Deeds. This lien has priority over all mortgages, liens, attachments and encumbrances of any nature, subject to any paramount federal tax lien and subject to bankruptcy and insolvency laws. If the account is not satisfied within 18 months, the property becomes tax acquired and may be disposed of by the Town.

Business Personal Property Tax

Title 36, Chapter 105, Subchapter 4-C of the Maine Revised Statutes, as amended (the "BETE Act") provides for eligible business equipment tax exemption for certain types of tangible business personal property subject to an allowance for depreciation and some specialty types of real property improvements. The exemption does not apply to office furniture; lamps and lighting fixtures used to provide general purpose office or worker lighting; property owned or used by public utilities and persons providing certain television/telecommunications services; Telecommunications personal property subject to the tax imposed by section 457 of Title 36; gambling machines or devices and associated equipment; property located at a retail sales facility unless such facility is more than 100,000 square feet in size and owned by a business whose Maine-based operations derive less than 30% of their total annual revenue from sales in the State; and certain energy and pollution control facilities.

Pursuant to the BETE Act, the State reimburses municipalities with respect to the lost property taxes associated with this new exemption through one of two formulas, whichever is most beneficial to the municipality, as follows:

1. Basic reimbursement formula - For all municipalities in the first year after the exemption, and for a majority of the municipalities thereafter, the reimbursement would be 100% for the lost property taxes in the first tax year after the exemption takes effect (i.e., FY 2009), 90% in the second year after the exemption takes effect (i.e., FY 2010), 80% in FY 2011, 70% in 2012, 60% in 2013, and 50% in 2014 and every subsequent year. The State Constitution requires a minimum reimbursement of at least 50%.
2. Enhanced formula - Municipalities that have a total property tax base that is made up of at least 5% personal property will be eligible for an alternative reimbursement formula any year in which the alternative reimbursement formula provides a higher level of reimbursement than the basic reimbursement formula. Those municipalities will be eligible to receive the 50% minimum reimbursement plus 50% of their tax base percentage that is made up of personal property. For example, if a town's tax base is 64% personal property, it would be eligible for a reimbursement rate of 82%, which is a combination of the minimum 50% reimbursement *plus* one-half of that municipality's 64% "personal property factor".
3. Municipal Retention TIF Districts (prior to 2008) – Certain TIF districts that were enacted prior to April 1, 2008 entitle a municipality to receive reimbursement at a rate of up to 100% for exempt

business equipment that is TIF exempt business equipment as defined in Title 36, Section 691(1)(G) of the Maine Revised Statutes, as amended. The increased reimbursement percentage is based on the tax increment percentage allocated to the municipality, as provided in Title 36, Section 694(2)(C) of the Maine Revised Statutes, as amended.

For the purposes of identifying the municipality’s valuation for determining the local property tax rate, the value of all property made exempt by this legislation in the municipality must be considered part of that municipality’s local valuation to the extent the municipality is being reimbursed for its lost property taxes by the State other than property located in, and the assessed value of which is retained in, a tax increment financing district.

The value of all property made exempt by the BETE Act in the Town is also considered part of that municipality’s equalized State Valuation to the extent the Town is being reimbursed for its lost property taxes by the state with an additional adjustment for exempt property in a tax increment financing district. The BETE Act provides some additional security for the municipal reimbursement system by funding the reimbursements described above directly from State Income Tax receipts before those receipts are deposited into the State’s General Fund, rather than as an annual General Fund appropriation.

Tax Collections

Fiscal Yr. End June 30,	Equalized State Valuation (000)	Assessed Valuation (000)	Tax Rate (000)	Tax Levy (000)	Collections (after Supplements and Abatements)		
					Year End (000)	% of Levy	% of Levy A/O 8/31/19
2020	\$1,406,550 ⁽¹⁾	\$1,397,026	\$19.85	\$27,731	----	In Process	----
2019	1,328,750	1,357,732	19.70	26,747	26,601	99.47%	99.47%
2018	1,264,650	1,331,143	18.80	25,025	24,861	99.34	99.71
2017	1,171,250	1,301,242	18.25	23,748	23,060	99.41	99.94
2016	1,144,550	1,282,280	18.10	23,209	21,398	98.84	99.95
2015	1,099,350	1,244,271	17.40	21,650	20,329	98.64	99.98
2014	1,057,800	1,212,377	17.00	20,610	19,386	98.48	99.98
2013	1,056,700	1,189,382	16.55	19,684	17,942	97.94	99.97
2012	1,068,500	1,159,429	15.80	18,319	17,379	98.20	99.97
2011	1,084,700	1,153,431	15.30	17,667	16,341	98.36	99.98
2010	1,131,350	1,141,737	14.55	16,612	16,918	98.63	99.99

NOTE: ⁽¹⁾ Pursuant to Title 36, §208 of the Maine Revised Statutes, as amended, the State Tax Assessor equalizes and adjusts the assessment list of each municipality to its just value as of April 1st of each year. Title 36, §305 of the Maine Revised Statutes, as amended provides that the State Tax Assessor must certify to the Secretary of State before the first day of February the equalized just value of all real and personal property in each municipality. Therefore the 2020 equalized valuation is “Proposed”, subject to change in the final filing to the Secretary of State, on or before February 1, 2020.

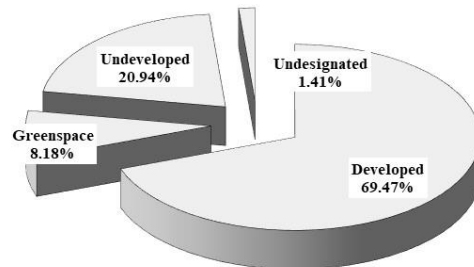
LARGEST TAXPAYERS

Taxpayer	Business	As of April 1, 2019		
		Assessed Total	Property Tax	% of Levy
Central Maine Power	Electric Transmission	\$48,987,900	\$965,062	3.30%
Summit Natural Gas	Gas Utility	14,426,000	284,192	1.03
C and A Holdings, LLC	Apartments	7,408,000	145,938	0.61
Maine Standards Co, LLC	Calibration Verification	4,899,500	96,520	0.36
Mirza, Zareen Taj	Private Residence	4,423,200	87,137	0.32
Maritime & Northeast Pipeline	Gas Distribution	3,936,700	77,553	0.28
Time Warner Cable Northeast	Cable Utility	3,515,000	69,246	0.25
Lemole, Emily Jane A, TTEE	Private Residence	3,858,100	76,005	0.28
BBW Real Estate, LLC	Real Estate	3,432,900	67,628	0.26
Mangenello, E Marie	Private Residence	<u>3,279,600</u>	<u>64,608</u>	<u>0.23</u>
Ten Largest Taxpayers		\$93,435,000	\$1,933,888	7.02%

CURRENT TAX BASE AND TAX BASE GROWTH

The Town’s land area is comprised of 14,672 acres. The below table and chart displays the composition of land area available for tax base, and the potential for future tax base by the conversion of land from undeveloped to developed.

<u>By Land Area (acres)</u>	<u>Acres</u>	<u>% Total</u>
Developed ⁽¹⁾	10,193	69.5%
Greenspace ⁽²⁾	1,200	8.2%
Undeveloped	3,072	20.9%
Undesignated	<u>207</u>	<u>1.4%</u>
Total	14,672	100.00%



NOTE: ⁽¹⁾ Includes exempt property.

⁽²⁾ Includes Resource Protection; Parks & Open Space; and Stream Protection, which land is not currently viewed as developable by the Town.

TAX INCREMENT FINANCING DISTRICTS AND AFFORDABLE HOUSING DEVELOPMENT DISTRICTS

Chapter 206 and former 207 (now repealed) of Title 30-A of the Maine Revised Statutes, as amended, enable a municipality to finance qualified development by borrowing against the future increased property tax receipts attributable to that development. Under the statutory framework, the municipality designates a tax increment financing (“TIF”) district or an affordable housing development district (a “housing district”) and adopts a development program (the “Development Program”) stating the means and objectives for the development of that district. The municipality may designate, or “capture”, all or a portion of the increase in assessed value resulting from development within the district and dedicate the increased property taxes it receives in future years generated by the “captured” assessed value to payment of the costs of the Development Program, which may include debt service on borrowing to fund such costs. Such districts are subject to statutory limits on their size, including the following limitations: (a) the total area of a single district may not exceed 2% of the total acreage of the municipality, (b) the total area of all TIF districts or housing districts within a municipality each may not exceed 5% of the total acreage of the

municipality, and (c) the aggregate original assessed value of property of all TIF districts and the aggregate original assessed value of property of all housing districts within the municipality as of the April 1st preceding the date the Commissioner of the Department of Economic and Community Development, with respect to TIF Districts, or the Director of the Maine State Housing Authority, with respect to housing districts, approves the designation of any such district each cannot exceed 5% of the municipality's total value of taxable property. Excluded from this limit as applicable to TIF districts is any district involving project costs in excess of \$10,000,000, the geographic area of which consists entirely of contiguous property owned by a single taxpayer with an assessed value in excess of 10% of the municipality's total assessed value. In addition, the foregoing limitations do not apply to approved downtown TIF districts, TIF districts included within Pine Tree Development Zones or TIF districts that consist solely of one or more community wind power generation facilities owned by a community wind power generator that has been certified by the Public Utilities Commission pursuant to Title 35-A, section 3403, subsection 3 of the Maine Revised Statutes, as amended.

The increase in assessed value captured by the municipality is excluded from the municipality's equalized just value for each year's State valuation filed with the Secretary of State in accordance with Title 36, Sections 208 and 305 of Maine Revised Statutes, as amended, and is therefore not included in calculating that municipality's share of State educational aid, State municipal revenue sharing, the county tax or the 15% debt limitation for the municipality pursuant to Title 30-A, Section 5702 of the Maine Revised Statutes, as amended.

The Town has designated various tax increment financing districts and may consider proposals for other districts on an ongoing basis. All districts would be evaluated based upon the Town's comprehensive plan for economic development, which includes tax increment financing as one of its aspects. In no event will the Town's districts exceed the statutory limitation of total area and aggregate equalized value within all districts, determined as of their date of designation, as set out above.

REVENUES FROM THE STATE

The State provides revenue to the Town in a number of areas including aid to the Town in areas of education and road maintenance, reimbursement for general assistance, homestead exemption and BETE, and revenue sharing. The amount of revenue in each category is based upon a number of formulas, many of which contain variables that change annually. Further, most categories of State aid are governed by laws that may be changed by the State Legislature and are subject to appropriation by the State Legislature in its budgetary process.

The State subsidizes most local school administrative units through the Essential Programs and Services (“EPS”) model of calculating and distributing state education aid. EPS utilizes a number of factors that are subject to change each year. In addition, the EPS model itself is subject to change by the Legislature. Furthermore, subsidies for school administrative units are an annual item in the State's budgetary process and are subject to legislative appropriation in that process. The following table displays state aid received by the Town for the last five audited fiscal periods:

Fiscal Yr. End June 30,	Revenue Sharing	Reimbursements		DOT Block Grant	Total from State
		Homestead & BETE	General Assistance		
2019	\$468,849	\$490,171	\$26,930	\$68,644	\$1,054,594
2018	458,304	371,704	28,457	69,136	927,601
2017	415,633	279,128	23,404	68,012	786,177
2016	428,938	191,612	32,872	63,232	716,654
2015	421,155	190,404	18,163	62,592	692,314

INDEBTEDNESS

LIMITATIONS AND EXCLUSIONS

In accordance with Title 30-A, Section 5702 of the Maine Revised Statutes, as amended, “No municipality shall incur debt which would cause its total debt outstanding at any time, exclusive of debt incurred for school purposes, for storm or sanitary sewer purposes, for energy facility purposes or for municipal airport purposes to exceed 7 ½% of its last full state valuation, or any lower percentage or amount that a municipality may set. A municipality may incur debt for school purposes to an amount outstanding at any time not exceeding 10% of its last full state valuation, or any lower percentage or amount that a municipality may set, for storm and sewer purposes to an amount outstanding at any time not exceeding 7 ½% of its last full state valuation, or any lower percentage or amount that a municipality may set, and for municipal airport and special district purposes to an amount outstanding at any time not exceeding 3% of its last full state valuation, or any lower percentage or amount that a municipality may set; provided, however, that in no event shall any municipality incur debt which would cause its total debt outstanding at any time to exceed 15% of its last full state valuation, or any lower percentage or amount that a municipality may set.”

Title 30-A, Section 5703 of the Maine Revised Statutes, as amended, provides that the limitations on municipal debt contained in Section 5702 do not apply “... to any funds received in trust by any municipality, any loan which has been funded or refunded, notes issued in anticipation of federal or state aid or revenue sharing money, tax anticipation loans, notes maturing in the current municipal year, indebtedness of entities other than municipalities, indebtedness of any municipality to the Maine School Building Authority, debt issued under Chapter 235 and Title 10, chapter 110, subchapter IV, obligations payable from revenues of the current municipal year or from other revenues previously appropriated by or committed to the municipality, and the state reimbursable portion of school debt.”

On January 1, 2019 the Town’s equalized state valuation (“equalized State Valuation”) was \$1,328,750,000. The 15% debt limit is \$207,412,500. As of June 30, 2019 the Town’s long term debt outstanding was \$19,025,174 or 1.43% of the equalized State Valuation.

DEBT SUMMARY

Issue Date	Purpose	Amount Issued	Final Maturity	Balance on 06/30/18	Balance on 06/30/19	Paid	Balance on 06/30/20
5/1/1998	Town office	1,000,000	11/1/2018	77,271	0		0
10/28/1999	Fire Truck	478,560	11/1/2019	74,302	38,211	(38,211)	0
8/29/2003	Rines Prop	1,241,000	8/29/2019	82,733	0		0
5/15/2008	Val Halla	2,775,802	11/1/2027	1,375,802	1,235,802	(140,000)	1,095,802
5/28/2009	Various CIP	4,000,000	11/1/2029	2,787,837	2,613,591	(184,248)	2,429,343
5/27/2010	Ec Dev	4,100,000	5/1/2030	2,710,199	2,516,712	(198,317)	2,318,395
5/5/2011	CHA	890,000	12/1/2021	225,001	115,001	(115,001)	0
1/29/2015	Meadows	740,000	4/1/2034	680,000	650,000	(50,000)	600,000
1/29/2015	Beach & Ref'd'g	5,730,000	4/1/2034	5,040,000	4,835,000	(365,000)	4,470,000
2/1/2017	CIP/Fire Station	7,300,000	4/1/1938	7,300,000	6,935,000	(365,000)	6,570,000
12/1/2018	Paynter Prop ⁽¹⁾	91,750	12/1/2027	<u>85,500</u>	<u>85,857</u>	<u>(10,101)</u>	<u>75,757</u>
	Sub-totals			20,438,645	19,025,174	(1,465,878)	17,559,297
1/30/2020	Town Garage	4,260,000	5/1/2040				4,260,000
1/30/2020	Fire Truck	1,400,000	5/1/2040				1,400,000
1/30/2020	Various CIP	1,340,000	5/1/2040				1,340,000
	Totals			\$20,438,645	\$19,025,174	(\$1,465,878)	\$24,559,297

NOTE: ⁽¹⁾ The Paynter Property Note (the “Original Note”) was dated May 11, 2018, in the amount of \$90,000.00. Per the terms of the Original Note, an Amended Note, dated November 1, 2018, in the amount of \$91,750.00 and repayments terms thereon, replaced the Original Note.

DEBT RATIOS

Fiscal Yr. End June 30,	Population	Equalized State Val. (000)	Assessed Valuation (000)	Total Debt	Debt as % Eq. Val.	Per Capita Debt
2019	7,211	\$1,328,750	\$1,357,732	\$19,025,174	1.43%	\$2,638.35
2018	7,211	1,264,650	1,331,143	20,468,645	1.62	2,838.53
2017	7,211	1,171,250	1,301,242	21,408,562	1.83	2,968.88
2016	7,211	1,144,550	1,282,280	15,229,348	1.33	2,111.96
2015	7,211	1,099,350	1,244,271	16,313,068	1.48	2,262.25
2014	7,211	1,057,800	1,244,271	13,856,564	1.31	1,921.59
2013	7,211	1,056,700	1,189,382	14,939,009	1.41	2,071.70
2012	7,211	1,068,500	1,159,429	16,311,051	1.53	2,261.97
2011	7,211	1,084,700	1,153,431	17,832,803	1.64	2,473.00
2010	7,211	1,131,350	1,141,737	19,013,210	1.68	2,636.70

PROJECTED GENERAL OBLIGATION PRINCIPAL PAYMENTS, BY ISSUE

June 30,	1998	1999	2003	2008	2009	2010	2011	2015	2015	2017	2018	Sub-total	2020	Totals
2019	77,271	36,091	82,734	140,000	174,246	193,487	110,000	30,000	205,000	365,000	5,892	1,419,721		1,419,721
2020		38,211		140,000	184,248	198,317	115,000	50,000	365,000	365,000	10,101	1,465,877		1,465,877
2021				140,000	194,824	203,376		60,000	535,000	365,000	10,101	1,508,301		1,508,301
2022				140,000	206,007	208,733		60,000	560,000	365,000	10,101	1,549,841	370,000	1,919,841
2023				140,000	217,832	214,747		40,000	605,000	365,000	10,101	1,592,680	370,000	1,962,680
2024				140,000	226,263	220,933		40,000	415,000	365,000	10,101	1,417,297	370,000	1,787,297
2025				140,000	235,178	227,298		40,000	370,000	365,000	10,101	1,387,577	370,000	1,757,577
2026				140,000	248,677	233,847		40,000	385,000	365,000	10,101	1,422,625	370,000	1,792,625
2027				140,000	261,223	240,584		40,000	200,000	365,000	10,101	1,256,908	370,000	1,626,908
2028				115,802	272,253	248,273		40,000	200,000	365,000	5,050	1,246,378	370,000	1,616,378
2029					280,594	256,208		40,000	200,000	365,000		1,141,802	370,000	1,511,802
2030					286,492	264,396		40,000	200,000	365,000		1,155,888	370,000	1,525,888
2031								40,000	200,000	365,000		605,000	370,000	975,000
2032								40,000	200,000	365,000		605,000	370,000	975,000
2033								40,000	200,000	365,000		605,000	370,000	975,000
2034								40,000	200,000	365,000		605,000	370,000	975,000
2035										365,000		365,000	365,000	730,000
2036										365,000		365,000	365,000	730,000
2037										365,000		365,000	365,000	730,000
2038										365,000		365,000	365,000	730,000
2039												0	365,000	365,000
2040												0	365,000	365,000
6/30/2018	77,271	74,302	82,734	1,375,802	2,787,837	2,710,199	225,000	680,001	5,040,000	7,300,000	91,750	20,444,895	7,000,000	27,444,895
pd 2019	<u>(77,271)</u>	<u>(36,091)</u>	<u>(82,734)</u>	<u>(140,000)</u>	<u>(174,246)</u>	<u>(193,487)</u>	<u>(110,000)</u>	<u>(30,000)</u>	<u>(205,000)</u>	<u>(365,000)</u>	<u>(5,892)</u>	<u>(1,419,721)</u>	0	<u>(1,419,721)</u>
6/30/2019	0	38,211	0	1,235,802	2,613,591	2,516,712	115,000	650,000	4,835,000	6,935,000	85,857	19,025,174	7,000,000	26,025,174

PROJECTED GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS

	Prior Debt			The Bonds (Pro-forma)		
	Principal	Interest	Total	Principal	Interest	Total
2020	\$1,419,721	\$699,953	\$2,119,674	\$0	\$0	\$0
2021	1,465,877	649,980	2,115,857	0	53,083	53,083
2022	1,508,301	599,393	2,107,694	0	210,000	210,000
2023	1,549,841	547,484	2,097,325	370,000	210,000	580,000
2024	1,592,680	493,769	2,086,449	370,000	198,900	568,900
2025	1,417,297	436,072	1,853,369	370,000	187,800	557,800
2026	1,387,577	387,135	1,774,712	370,000	176,700	546,700
2027	1,422,625	331,787	1,754,412	370,000	165,600	535,600
2028	1,256,908	278,253	1,535,161	370,000	154,500	524,500
2029	1,246,378	235,210	1,481,589	370,000	143,400	513,400
2030	1,141,802	196,735	1,338,537	370,000	132,300	502,300
2031	1,155,888	161,967	1,317,855	370,000	121,200	491,200
2032	605,000	134,213	739,213	370,000	110,100	480,100
2033	605,000	113,663	718,663	370,000	99,000	469,000
2034	605,000	93,113	698,113	370,000	87,900	457,900
2035	605,000	71,650	676,650	370,000	76,800	446,800
2036	365,000	50,188	415,188	365,000	65,700	430,700
2037	365,000	38,325	403,325	365,000	54,750	419,750
2038	365,000	25,550	390,550	365,000	43,800	408,800
2039	365,000	12,775	377,775	365,000	32,850	397,850
2040	0	0	0	365,000	21,900	386,900
2041	0	0	0	365,000	10,950	375,950
	\$20,444,894	\$5,557,214	\$26,002,108	\$7,000,000	\$2,357,233	\$9,357,233

DEBT SERVICE COMPONENT OF OPERATING EXPENDITURES

	Audited					Budgeted
	2015	2016	2017	2018	2019	2020
Total Current Year Debt Service:	\$1,626,814	\$1,685,385	\$1,623,809	\$1,828,201	\$2,121,558	\$2,116,284
(less Self-supporting TIF):	(715,037)	(710,084)	(603,686)	(766,884)	(888,922)	(855,637)
(less Self-supporting CMEH):	(145,391)	(147,132)	(152,897)	(159,101)	(173,701)	(192,175)
Plus share of MSAD Debt:	1,973,760	1,829,569	1,915,160	1,826,252	1,919,116	1,993,790
(less share of State Subsidy):	<u>(739,918)</u>	<u>(584,734)</u>	<u>(695,492)</u>	<u>(583,353)</u>	<u>(664,335)</u>	<u>(647,262)</u>
Net Tax-backed Debt:	\$2,000,228	\$2,073,003	\$2,086,894	\$2,145,115	\$2,313,716	\$2,415,000
BOE ⁽¹⁾ :	22,422,113	24,705,673	25,533,040	27,205,682	29,333,736	29,901,904
Debt Serv as % BOE:	8.92%	8.39%	8.17%	7.88%	7.89%	8.08%
BOE plus Capital Outlay:	\$23,745,891	\$25,912,130	\$26,571,638	\$27,898,682	\$30,033,036	\$30,672,965
Debt Serv / BOE + Cap Outlay:	8.42%	8.00%	7.85%	7.69%	7.70%	7.87%
Town only / BOE + Cap Outlay:	3.23%	3.20%	3.26%	3.23%	3.53%	3.48%
Net MSAD / Tax-backed Debt:	61.69%	60.05%	58.44%	57.94%	54.23%	55.76%

NOTE: ⁽¹⁾ "BOE" indicates Budgeted Operating Expense.

OVERLAPPING DEBT

County of Cumberland

The Town is subject to an annual assessment of its proportional share of the County of Cumberland's (the "County") expenses, including debt repayment, as determined by the percentage of the Town's equalized State Valuation to the County's equalized State Valuation. At January 1, 2019 the Town's equalized State Valuation of \$1,328,750,000 was 2.83% of the County's equalized State Valuation of \$46,892,350,000. The Town's share is 2.83%, or \$966,688, of the County's \$34,115,000 long-term debt projected outstanding as of December 31, 2019. This share of debt represents approximately 0.07% of debt as a percentage of the Town's 2019 equalized State Valuation; and \$134.06 per capita debt.

MSAD 51

The Town is responsible for its proportionate share of MSAD 51's long-term debt. The debt service is included in RSU 51's annual assessment to the Town. For the fiscal year ending June 30, 2019 the Town was assessed at 71.82%, or \$15,908,792 of its portion of MSAD 51's \$26,023,981.61 assessment for that period. As of fiscal year ending June 30, 2019 MSAD 51 had \$22,151,103 of long-term debt outstanding of which the Town's share is 71.82%, or \$15,908,792. This share of debt represents approximately 1.197% of debt as a percentage of the Town's 2019 equalized State Valuation; and \$2,206.18 per capita debt.

Portland Water District

The Town is also served by the Wastewater Division of the Portland Water District (the "PWD") for treatment of its wastewater. PWD is a wholly distinct public municipal corporation and separate quasi-municipal entity whose territory is made up of ten municipalities (the "Member Municipalities") and whose operation is not part of the Town. The PWD provides for sewer interception and treatment services to its Member Municipalities. Municipalities served by the PWD, including the Town, own and maintain collector sewer lines, being responsible for the cost of maintenance, improvements and expansion of these lines (the "Collector Lines"). Member Municipalities contract with PWD for wastewater delivered to the Interceptor System from their Collector Lines. The PWD owns and operates a sewer interceptor system, all pumping stations within the respective municipality served for treatment of wastewater and a variety of treatment plants for sewage delivered to the plant. The PWD allocates the costs for Interceptor and Treatment System services among the Member Municipalities. The respective municipality adopts sewer user fees for the use of Collector Lines with the PWD's allocated costs for the Interceptor and Treatment System (including associated debt service for "Wastewater System Debt") establishes monthly fees, with the PWD serving as its billing agent. Municipalities served for treatment of wastewater are responsible for the debt service for Wastewater System Debt ("WWSD") required to finance the PWD's treatment plants (or portion thereof) serving that municipality. WWSD is an overlapping debt obligation of such municipality. At June 30, 2019, the Town was responsible for 100%, or \$50,000, of its portion of PWD's WWSD (or 0.05% of PWD's \$91,605,693 total WWSD). This share of debt represents approximately 0.004% of debt as a percentage of the Town's 2019 equalized State Valuation; and \$6.93 per capita debt.

CONTINGENT DEBT

Portland Water District

The Water Division of the PWD also provides water to the inhabitants of 11 cities and towns and one water district within the Greater Portland Area (the "PWD Municipalities"), including the Town. The Water Division's debt is not a debt or obligation of the PWD Municipalities. However, under Title 35-A, Section 6103 of the Maine Revised Statutes, as amended (previously codified at Title 30, Section 3211 of the Maine

Revised Statutes, as amended) (the “Act”), and pursuant to an agreement with ten of the 12 PWD Municipalities, (the “Section 6103 Members”; the exceptions being the Town of Standish and the Yarmouth Water District), in compliance with subsection 6 of the Act, the PWD possesses authority for taxation in the event of default in the payment of the indebtedness of the PWD incurred for water purposes (the “Water System Debt”). In the event of a default by PWD in the payment of the principal of, or interest on, its Water System Debt (“WSD”), the Trustees of the PWD have the authority to issue a warrant for payment of amounts necessary to cure the default to the assessors in each Section 6103 Member municipality within the PWD, including the Town. Such assessment would be allocated, pro-rata, to each Section 6103 Member municipality based upon 100% of its respective equalized State Valuation. At June 30, 2019, the Town was contingently responsible for approximately 4.35%, or \$2,327,268 of the PWD’s \$53,447,651 WSD. This share of debt represents approximately 1.75% of debt as a percentage of the Town’s 2019 equalized State Valuation; and \$322.74 per capita debt.

ecomaine

ecomaine (formerly Regional Waste Systems, Inc.), a Maine Corporation with 21 participating municipalities (“Member Municipalities”), including the Town, has issued debt to fund a resource recovery system (“RRS”) (the “RRS Debt”). The RRS Debt is a special revenue obligation of ecomaine, payable from and secured by a pledge of ecomaine revenues. The debt does not constitute a debt or liability within the meaning of any constitutional or statutory provision, or a pledge of the full faith and credit of any political subdivision of the State of Maine. ecomaine has no taxing power. Notwithstanding the foregoing, pursuant to the Waste Handling Agreements, the participating municipalities are obligated severally to deliver certain of the solid waste produced within each such participating municipality to ecomaine for processing and to make service payments and pay tipping fees for such processing in amounts which, when added to other available monies, will be at least equal required debt service on the RRS Debt. The obligations of the Member Municipalities under the Waste Handling Agreements are secured by the full faith and credit of the participating municipalities subject to certain limitations. On June 30, 2019, outstanding RRS Debt of ecomaine was \$0.

The Town has also entered into an agreement with ecomaine, as one of 20 RWS original Member Municipalities along with an additional seven Participating Municipalities, to establish a Material Recycling Facility (“MRF”) at ecomaine’s demolition debris and recycling facility. It is anticipated that the Town’s share of debt incurred for this project will also be paid through user charges and service fees over the life of the project. At June 30, 2019 ecomaine’s outstanding MRF debt was \$0.

The Town has no explicit, measurable equity interest and therefore has not reported an asset in its financial statements in connection with its participation in ecomaine. Selected balance sheet information for ecomaine for the year ended June 30, 2019, includes total assets of \$63,227,321, total liabilities of \$18,166,889 and unrestricted net position of \$14,041,866. The liabilities include an accrual for landfill closure and post-closure care amounting to \$15,082,777. ecomaine has a plan to fund this liability in the form of a cash reserve over the period of years between 2011 and a projected closing date. The separate audited financial statements of ecomaine may be obtained at their administrative office: ecomaine, 64 Blueberry Rd., Portland, Maine 04102.

TOTAL GENERAL OBLIGATION, OVERLAPPING AND CONTINGENT DEBT

	Direct Debt	Overlapping	Contingent	Total Debt
Town of Cumberland	\$19,025,174			\$19,025,174
County of Cumberland		\$966,688		966,688
MSAD 51		15,908,792		15,908,792
PWD (WW System)		50,000		50,000
PWD (Water System)			2,327,268	2,327,268
Totals as of June 30, 2019	\$19,025,174	\$16,925,480	\$2,327,268	\$38,277,922
% ESV	1.43%	1.27%	0.18%	2.88%
Per Capita	\$2,638.35	\$2,347.18	\$322.74	\$5,308.27

FUTURE FINANCING

The Town Manager develops a formal Capital Improvement Program which is submitted to the Town Council (see “TOWN FINANCES - CAPITAL IMPROVEMENT PROGRAM” herein). The CIP includes an inventory of possible capital projects, some of which may ultimately be included in the CIP, and is be an indication of future projects that may be financed through the issuance of debt. Article X, Section 1 of the Town’s Charter requires that (b) orders or resolves appropriating \$100,000 or more for a single capital improvement, or (c) orders or resolves authorizing bond issues of \$100,000 or more for capital improvements or expenditures are subject to overrule by referendum.

Other than the Bonds of this financing the Town has no authorized but un-issued debt or obligations that it expects to finance through bond issues over the next year.

RETIREMENT

A. DEFINED BENEFIT PENSION PLAN

Description of the Plan

The Town is a “participating local district” of the Consolidated Plan for Participating Local Districts (the “Consolidated Plan”) (“CPPLD”) since July 1, 1996, and contributes to Maine Public Employees Retirement System’s (“MainePERS”) successor to the Maine State Retirement System (“MSRS”), a cost-sharing multiple-employer defined benefit pension plan. The MSRS was established in 1942, and effective September 20, 2007, by virtue of Chapter 58 of the Public Laws of 2007, MSRS was renamed MainePERS as successor to the Maine State Retirement System (“MSRS”). MainePERS was established and is administered under the Maine State Retirement System Laws, Title 5, Chapters 421, 423 and 425 of the Maine Revised Statutes, as amended. MainePERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to its members and which include employees of participating local districts, including the Town. The authority to establish and amend benefit provisions rests with the State legislature. MainePERS issues a publicly available financial report that includes financial statements and required supplementary information for the CPPLD. That report may be obtained by writing the Maine Public Employees Retirement System, 46 State House Station, Augusta, Maine 04433 or by calling (800) 451-9800. Such report is also available at <http://www.msrs.org/Publications/Publications.htm#AnnualReports>.

The Town contributes to the Participating Local District Consolidated Plan (the “PLD Plans”) which are cost sharing multiple employer defined benefit pension plans. The Town’s eligible Town employees have the option to participate in the PLD Plans. Benefit terms are established by Maine statute. In the PLD Plan, an advisory group, also established by statute, reviews the terms of the Plan and periodically makes

recommendations. The Plans' retirement programs provide defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit (effective October 1, 1999, the prior ten year requirement was reduced by legislative action to five years). In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. For PLD Plan members, normal retirement age is 60 (65 for new members to the PLD Plan on and after June 30, 2014). The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. The Plans also provides disability and death benefits which are established by statute for State employee members and by contract with other participating employers under applicable statutory provisions.

Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights. The annual rate of interest credited to members' accounts is set by the Plan's Board of Trustees and is currently 5%.

Contributions

Employees are required to contribute 8.0% for the 2C plan and 9.5% for the 3C plan of their annual pay. The Town's contractually required contribution rate for the year ended June 30, 2019, were 10.5% for the 2C plan and 12.7% for the 3C plan of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Town were \$230,331 for the year ended June 30, 2019.

At June 30, 2019, the Town reported a liability of \$1,135,389 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating local districts, actuarially determined. At June 30, 2018, the Town's proportion was 0.4149%.

For the year ended June 30, 2019, the Town recognized pension expense (gain) of (\$109,314). At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience:	\$-	\$8,916
Changes of Assumptions:	181,216	-
Net difference between projected and actual earnings on pension investments:	-	274,150
Changes in proportion and differences between contributions and proportionate share of contributions:	136,657	-
The Town's contributions subsequent to the measurement date:	230,331	-
Total:	\$548,204	\$283,066

\$230,331 is reported as deferred outflows of resources resulting from the Town's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the Plan year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be netted and recognized in pension expense (reduction in expense) as follows:

<u>Year ended June 30,</u>	<u>PLD Plan</u>
2020	\$240,422
2021	51,745
2022	(186,504)
2023	(70,856)

Actuarial Methods and Assumptions

The collective total pension liability for the Plan was determined by an actuarial valuation, methodology and assumptions are detailed in “APPENDIX A - TOWN OF CUMBERLAND, MAINE, FINANCIAL AUDIT REPORT FOR THE YEAR ENDED JUNE 30, 2019”, NOTE - MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM” herein.

B. DEFERRED COMPENSATION PLAN

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code, Section 457. The plan permits participating employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The Town matches employee contributions up to 7% of annual compensation. The Town contributed \$80,986 and \$73,012 for the years ended June 30, 2018 and 2019, respectively, on behalf of Town employees.

The Town amended the plan in accordance with the provisions of Internal Revenue Code, Section 457(g). Assets of the plan were placed in trust for the exclusive benefit of participants and their beneficiaries. The requirements of that IRS Section prescribes that the Town no longer owns the amounts deferred by employees, including the related income on those amounts. Accordingly, the assets and the liability for the compensation deferred by plan participants, including earnings on their plan assets, were removed from the Town’s financial statements.

C. OTHER POST EMPLOYMENT BENEFITS

The Governmental Accounting Standards Board (“GASB”) recently promulgated its Statement 45 which addressed the reporting and disclosure requirements for other post employment benefits (“OPEB”). GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, was implemented, as required, by the Town for the year ended June 30, 2009. Under this pronouncement, it requires that the long-term cost of retirement health care and obligations for other postemployment benefits be determined on an actuarial basis and reported similar to pension plans.

The Town is not obligated to, and does not, provide its retired employees with health care or other post employment benefits and, therefore, has no OPEB obligation or liability.

ENVIRONMENTAL MATTERS

The Town is subject to a wide variety of federal and State laws and regulations relating to land use, water resources, sewage disposal, the use, storage, discharge, emission and disposal of wastes and other environmental matters. While the Town believes that its properties and operations are presently in material compliance with all land use and environmental laws, failure to comply with such laws could result in the imposition of severe penalties on operations by government agencies or courts that could adversely affect the Town. The Town is not aware of any environmental conditions or non-compliance, the remediation or correction of which the Town believes would have a material adverse impact on the financial condition of the Town. The Town is not subject to any pending or threatened proceedings or actions involving environmental matters that, if adversely decided, would have a material adverse impact upon the Town's financial condition or ability to pay debt service on the Bonds as and when due.

LITIGATION

In the opinion of Town officials there is no litigation pending against the Town that, either individually or in the aggregate, would result in judgments that would have a materially adverse effect on the Town's financial position or its ability to meet its debt service obligations.

APPENDIX A

**TOWN OF CUMBERLAND, MAINE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE
YEAR ENDED JUNE 30, 2019
(With Report of Independent Auditors' Thereon)**

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APPENDIX B

**PROPOSED FORM
OF
LEGAL OPINION**

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APPENDIX C

**PROPOSED FORM
OF
CONTINUING DISCLOSURE AGREEMENT**

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**TOWN OF CUMBERLAND, MAINE
PROPOSED FORM OF
CONTINUING DISCLOSURE AGREEMENT**

In connection with the issuance by the Town of Cumberland, Maine (the “Issuer”) of its \$_____,000 2020 General Obligation Bonds, dated as of _____ (the “Bonds”) and with reference to the continuing disclosure requirements of Rule 15c2-12 under the Securities and Exchange Act of 1934, as amended, and officially interpreted from time to time (the “Rule”), the Issuer hereby covenants under this Continuing Disclosure Agreement (the “Agreement”) that it will engage in the undertakings described in Section 1, 2 and 3 herein for the benefit of the beneficial owners of the Bonds, subject to the conditions and limitations specified herein. Under the Agreement, the Issuer is obligated to provide certain updated financial information and operating data annually, and timely notice of specified material events, to the MSRB (defined below). This information will be available from the MSRB via the Electronic Municipal Market Access (“EMMA”) system at www.emma.msrb.org. The Issuer reserves the right to incorporate by reference its Official Statement dated January __, 2020 relating to the Bonds (the “Official Statement”), which will be submitted to the MSRB, as hereinafter defined, at the time of delivery of the Bonds, in any future disclosure provided hereunder.

In addition to the definitions set forth above in the undertaking, which apply to any capitalized term used in this Agreement unless otherwise defined, if used the following capitalized terms shall have the following meanings:

“Annual Financial Information” shall mean the financial information or operating data of the type included in the final Official Statement, provided at least annually by the Issuer pursuant to, and as described in, Sections 1 of this Agreement.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Business Day” shall mean a day other than a Saturday or a Sunday or a day on which banks in Maine are authorized or required by law to close.

“Dissemination Agent” shall mean the Issuer or any Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

“Financial Obligation” shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with SEC Rule 15c2-12.

“Holders” shall mean the registered Holders of the Bonds, as recorded in the registration books of the Registrar.

“Municipal Securities Rulemaking Board” or “MSRB” shall mean the Municipal Securities Rulemaking Board, established under the Securities and Exchange Act of 1934, as amended, or any successor thereto, with an address of 1300 I Street NW, Suite 1000, Washington, DC 20005.

“State” shall mean the State of Maine.

1. The Issuer will provide to the MSRB: (a) not later than 270 days after the end of each fiscal year, commencing with the fiscal year ending June 30, 2020, certain updated Annual Financial Information and operating data relating to the Issuer for the preceding fiscal year of the type presented in the Official Statement prepared in connection with the Bonds under the headings “TOWN FINANCES,”

“INDEBTEDNESS,” “RETIREMENT” and in APPENDIX A to the Official Statement and such other Annual Financial Information and operating data as may be required to comply with the Rule; and (b) the updated information discussed in clause (a) above will include audited financial statements, if the Issuer commissions an audit and it is completed by the required time. If audited financial statements are not available by the required time, the Issuer will provide audited financial statements when and if such audited financial statements become available. Such filings, if not completed by the required time in clause (a) above, but if filed when available, will not be deemed to be a “late filing”. Any such financial statements will be prepared in accordance with the accounting principles described in APPENDIX A to the Official Statement or such other accounting principles as the Issuer may be required to employ from time to time pursuant to State law or regulation.

The Issuer reserves the right to modify from time to time the specific types of information provided under clause (a) above or the format of the presentation of such information to reflect changed circumstances, provided that any such modification will be done in a manner consistent with the Rule.

2. The Issuer will provide in a timely manner, not in excess of ten (10) Business Days, after the occurrence of an event listed in this Section 2 to the MSRB through EMMA (in an electronic format as prescribed by the MSRB) notice of the occurrence of any of the following events with respect to the Bonds.

(a) Certain events whether material or not material:

- (1) Principal and interest payment delinquencies;
- (2) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (3) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (4) Substitution of credit or liquidity providers, or their failure to perform;
- (5) Adverse tax opinions or events affecting the tax-exempt status of the Bonds, the issuance by the Internal Revenue Service of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (6) Tender offers;
- (7) Defeasances;
- (8) Rating changes;
- (9) Bankruptcy, insolvency, receivership or similar event of the Issuer (Note: For the purposes of the event identified in Section 1, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.);or
- (10) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of any Financial Obligation of the Issuer or obligated person, any of which reflect financial difficulties

(b) Certain events if material:

- (1) Non-payment related defaults;
- (2) Modifications to the rights of Holders of the Bonds;
- (3) Bond calls;
- (4) The release, substitution, or sale of property securing repayment of the Bonds;

- (5) The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;
- (6) Appointment of a successor or additional trustee or the change of name of a trustee; and
- (7) Incurrence of a Financial Obligation of the Issuer or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer or obligated person, any of which affect security Holders, if material.

The Issuer from time to time may choose to provide notice of the occurrence of certain other events, in addition to those listed above, but the Issuer does not undertake to commit to provide any such notice of the occurrence of any material event except those listed above.

3. The Issuer will provide in a timely manner to the MSRB notice of a failure to satisfy the requirements of Section 1 herein.
4. The intent of the Issuer's undertaking in this Agreement is to provide on a continuing basis the information described in the Rule. The provisions of the Agreement may be amended by the Issuer without the consent of, or notice to, any Beneficial Owners of the Bonds, (a) to comply with or conform to the provisions of the Rule or any amendments thereto or authoritative interpretations thereof by the Securities and Exchange Commission ("SEC") or its staff (whether required or optional), (b) to add a Dissemination Agent for the information required to be provided by such undertakings and to make any necessary or desirable provisions with respect thereto, (c) to add to the covenants of the Issuer for the benefit of the Beneficial Owners of the Bonds, (d) to modify the contents, presentation and format of the Annual Financial Information from time to time as a result of a change in circumstances that arises from a change in legal requirements, or (e) to otherwise modify the undertakings in a manner consistent with the requirements of the Rule concerning continuing disclosure; provided, however, that in the case of any amendment pursuant to clause (d) or (e), (i) the undertaking, as amended, would have complied with the requirements of the Rule at the time of the offering of the Bonds, after taking into account any amendments or authoritative interpretations of the Rule, as well as any change in circumstances, and (ii) the amendment does not materially impair the interests of the Beneficial Owners of the Bonds, as determined either by a party unaffiliated with the Issuer (such as bond counsel), or by the vote or consent of Beneficial Owners of a majority in outstanding principal amount of the Bonds affected thereby at or prior to the time of such amendment.

Furthermore, the Issuer's obligations under this Agreement shall terminate upon the legal defeasance, prior redemption or payment of in full of all of the Bonds or to the extent that the Rule, as in effect from time to time, no longer requires the issuers of municipal securities to provide all or any portion of the information the Issuer has agreed to provide pursuant to the Agreement, the obligation of the Issuer to provide such information also shall cease immediately.

5. The purpose of the Issuer's undertaking is to conform to the requirements of the Rule and, except for creating the right on the part of the Beneficial Owners of the Bonds, from time to time, to specifically enforce the Issuer's obligations hereunder, not to create new contractual or other rights for any Beneficial Owner of the Bonds, any municipal securities broker or dealer, any potential purchaser of the Bonds, the SEC or any other person. The sole remedy in the event of any actual or alleged failure by the Issuer to comply with any provision herein shall be an action for the specific performance of the Issuer's obligations hereunder and not for money damages in any amount. Any failure by the Issuer to comply with any provision of this undertaking shall not constitute an event of default with respect to the Bonds.

6. Except as disclosed in its Official Statement, the Issuer has never failed to comply in all material respects with any previous undertakings to provide Annual Financial Information or notices of material events in accordance with the Rule.

The Issuer's Treasurer, or such official's designee from time to time, shall be the contact person on behalf of the Issuer from whom the foregoing information, data and notices may be obtained. The name, address and telephone number of the initial contact person is: William R. Shane, Treasurer, Town of Cumberland, 290 Tuttle Road, Cumberland, ME 04021; Telephone: (207) 829-2205.

Dated: _____, 20__

TOWN OF CUMBERLAND, MAINE

By: _____
Its: _____