



MOORS & CABOT
INVESTMENTS

Banking & Advisory Group



Debt Management ...

MOORS & CABOT, INC.

Established 1890

Banking & Advisory Group

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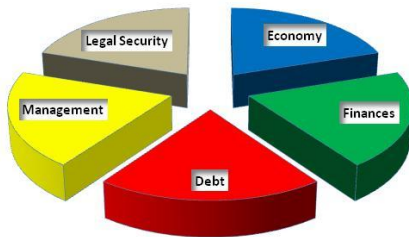
May 7, 2025

Maine Revised Statutes, Title 30-A, Section 5772 (Municipalities)

A municipality may issue general obligation securities for funding or refunding all or part of its debt and for any purpose for which it may raise money.

- (1)(B) The period of anticipatory borrowing under this subsection shall not exceed 3 years and the time within which these securities are to become due shall not be extended by anticipatory borrowing (1) The time fixed in the vote authorizing their issue; or (2) If no term is specified in that vote, beyond the term permitted by law.
- (3) Securities may be in serial form payable in annual installments, which need not be equal, the total amount of which shall extinguish the entire issue at maturity. The first such installment must be payable within 5 years and the last such installment must be payable within 30 years after the date the securities are issued.
- (5) Term securities may be issued for a period not to exceed 10 years.
- (6) Securities may be issued which are subject to call for redemption with or without premium at the election of the municipality before the date fixed for final payment of the securities, provided: (A.) Specific authority to issue callable securities is contained in the vote authorizing their issue; and (B.) The securities when issued contain provisions setting forth: (1) The method by which the option to call may be exercised; (2) The procedure for payment in the event of call; and (3) The legal effect of making the call.

The Rating Process



Credit Factors

Economy

- Significant development in the local tax base driving continued growth in total property values.
- Increased or decreased diversification of local tax base.
- Loss of key industry or employer with no work-out plan.

Finances

- Expected augmentation (or loss) of financial flexibility.
- Expectation that significant growth (or decline) of reserves will continue.

Debt

- Significant increase in debt obligations without correlating development to offset tax-base leveraging.
- Utilization of debt structure not appropriately matched to asset's useful life.

Management

- Implementation of new strategies that are expected to augment (or detract) from operating flexibility.
- Change in political environment that affects ability to react to unanticipated events.

Legal Security

- Indenture for non-tax backed debt; Regulatory agency permission; Financial flexibility: Unlimited, Limited or Restrictive.

Moody's Long-term Ratings

Moody's Investors Service ("Moody's") Bonds carrying the same rating are not claimed to be of absolutely equal quality, but are in a broad sense alike in position of risk. The ratings involve judgments about the future, including an appraisal of long-term risks and the recognition of many statistical and non-statistical factors. The quality of a bond may change over its life and therefore a change from the initial rating designation may occur at any time. Moody's applies numerical modifiers (1, 2 and 3) in each rating classification. The modifier 1 indicates that the issue ranks in the higher end of its gradation; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates that the issue ranks in the lower end of its category. The classes of gradation are:

Aaa ratings, assigned for issues judged to be of the best quality, carry the smallest degree of investment risk and are generally referred to as "gilt edged". Interest payments are protected by a large or by an exceptionally stable margin and principal is secure. While the various protective elements are likely to change, such changes as can be visualized are most unlikely to impair the fundamentally strong position of such issues.

Aa ratings, assigned for issues judged to be of high quality by all standards and, together with **Aaa**, comprise what are generally known as "high grade" bonds. These are rated lower because margins of protection may not be as large as in **Aaa** issues, or fluctuation of protective elements may be of greater amplitude, or there may be other elements present which make the long-term risk appear somewhat larger than **Aaa** securities.

A ratings, assigned for issues judged to possess many favorable investment attributes, are considered upper-medium grade obligations. Factors giving security to principal and interest are considered adequate, but elements may be present which suggest a susceptibility to impairment sometime in the future.

Baa ratings, assigned for issues judged to be considered as medium-grade obligations, are neither highly protected nor poorly secured.

S&P's Long-term Ratings

Issue credit ratings are based, in varying degrees, on Standard & Poor's analysis of the following considerations: Likelihood of payment—capacity and willingness of the obligor to meet its financial commitment on an obligation in accordance with the terms of the obligation; Nature of and provisions of the obligation; Protection afforded by, and relative position of, the obligation in the event of bankruptcy, reorganization, or other arrangement under the laws of bankruptcy and other laws affecting creditors' rights.

Issue ratings are an assessment of default risk, but may incorporate an assessment of relative seniority or ultimate recovery in the event of default.

AAA

An obligation rated 'AAA' has the highest rating assigned by Standard & Poor's. The obligor's capacity to meet its financial commitment on the obligation is extremely strong.

AA

An obligation rated 'AA' differs from the highest-rated obligations only to a small degree. The obligor's capacity to meet its financial commitment on the obligation is very strong.

A

An obligation rated 'A' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong.

BBB

An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.

Plus (+) or minus (-)

The ratings from may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.



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Speculative Grade

Ba or BB rated debt has less near-term vulnerability to default than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse business, financial or economic conditions which could lead to inadequate capacity to meet timely interest and principal payments.

B rated debt has greater vulnerability to default but currently has the capacity to meet interest payments and principal repayments. Adverse business, financial or economic conditions will likely impair capacity or willingness to pay interest and repay principal.

Caa or CCC rated debt has a current identifiable vulnerability to default, and is dependent upon favorable business, financial and economic conditions to meet timely payment of interest and repayment of principal. In the event of adverse business, financial or economic conditions, it is not likely to have the capacity to pay interest and repay principal.

Ca or CC ratings are typically applied to debt subordinated to senior debt that is assigned an actual or implied Caa or CCC rating.

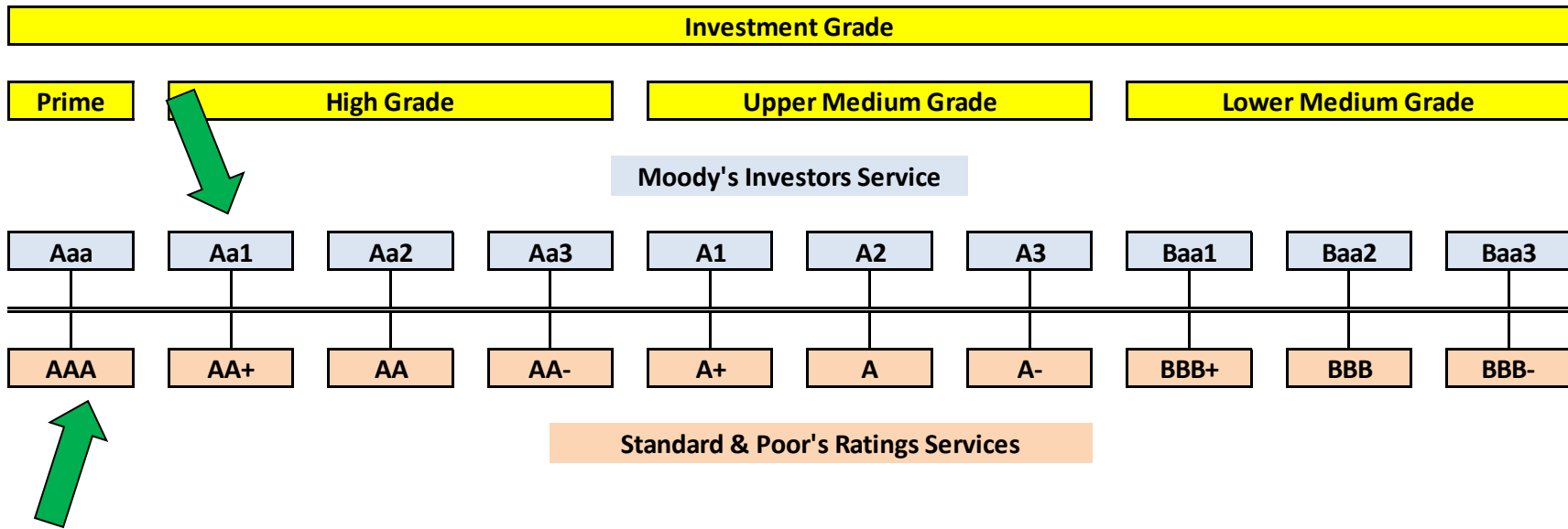
C ratings are typically applied to debt subordinated to senior debt that is assigned an actual or implied Caa or CCC- rating. The **C** rating may be used to cover a situation where a bankruptcy petition has been filed, but debt service payments are continued.

CI ratings are reserved for income bonds on which no interest is being paid.

D rated debt indicates payment default. This rating is also used upon the filing of a bankruptcy petition if debt service payments are jeopardized.

N.R. indicates that the debt is not rated by a bond rating agency.

Bond Rating Ranges

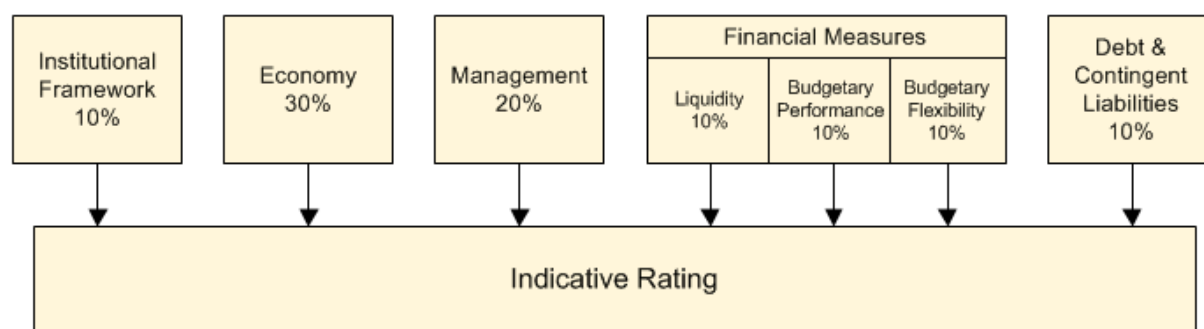


Interest Spread by Basis Points ("bp"); 1 bp = 0.01%; e.g.; 2.00% vs 2.01% = 1 bps

Prime	High Grade	Upper Medium Grade	Lower Medium Grade
Base	Base +10 to 15 bps; 3 to 5 bps within tranche	Base +25 to 40 bps; 5 to 10 bps within tranche	Base +50 to 90 bps; 10 to 25 bps within tranche
e.g., 2.00%	2.10% to 2.15%	2.25% to 2.40%	2.50% to 2.90%

RULE: 10 bps for \$10,000,000 for 20 years ≈ \$100,000

... **S&P New Methodology** - In September 2013 Standard & Poor's Ratings Services ("S&P") established new methodology and assumptions for assigning credit ratings based on general obligation (GO) pledges of local governments in the United States. This update provides additional transparency and comparability to help market participants better understand our approach to assigning local government ratings, to enhance the forward-looking nature of these ratings, and to enable better comparisons between U.S. local government ratings, local government ratings in other countries, and all other ratings. **We have published a detailed summary of the process that we can send at your request.** The analytical framework is:



... **Moody's New Methodology** - In January 2014 Moody's Investors Service ("Moody's") established new methodology to evaluate credit quality of US local government General Obligation (GO) debt. They have developed a scorecard as a tool that provides a composite score of a local government's credit profile based on the weighted factors that they consider most important, universal and measurable, as well as possible notching factors dependent on individual credit strengths and weaknesses. The scorecard is designed to enhance the transparency of their approach by identifying critical factors as a starting point for analysis, along with additional considerations that may affect the final rating assignment. **We have their publication which is a detailed summary of the process that we can send at your request.** Their scorecard is:

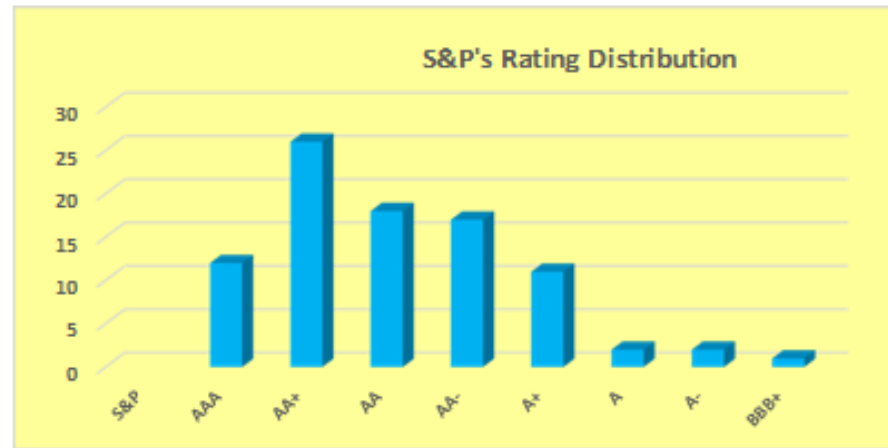
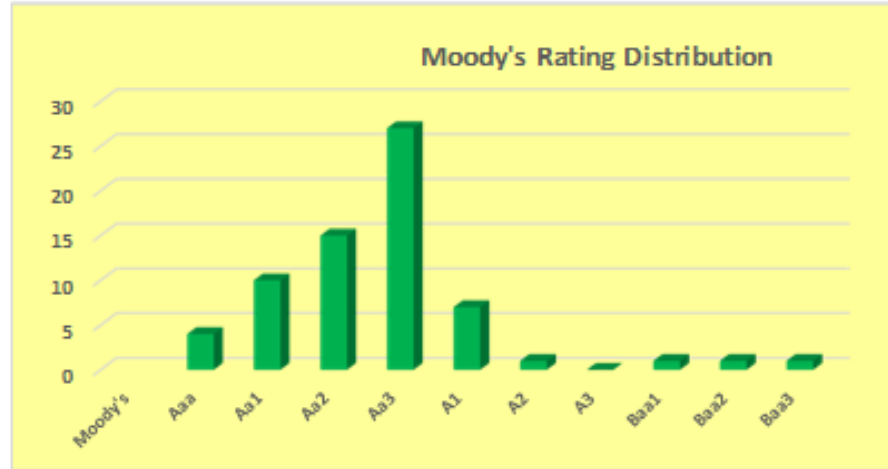
Broad Rating Factors	Factor Weighting	Rating Sub-factors	Sub-factor Weighting
Economy/Tax Base	30%	Tax Base Size (full value)	10%
		Full Value Per Capita	10%
		Wealth (median family income)	10%
Finances	30%	Fund Balance (% of revenues)	10%
		Fund Balance Trend (5-year change)	5%
		Cash Balance (% of revenues)	10%
		Cash Balance Trend (5-year change)	5%
Management	20%	Institutional Framework	10%
		Operating History	10%
Debt/Pensions	20%	Debt to Full Value	5%
		Debt to Revenue	5%
		Moody's-adjusted Net Pension Liability (3-yr ave) to Full Value	5%
		Moody's-adjusted Net Pension Liability (3-yr ave) to Revenue	5%

Current Long-term Bond Ratings (Maine)

Local Maine Governments

<u>Municipality</u>	<u>Moody's Rating</u>	<u>S&P Rating</u>	<u>Municipality</u>	<u>Moody's Rating</u>	<u>S&P Rating</u>
Alfred	NR	AA	Somerset Cnty	Aa3	A+
Auburn	Aa3	AA-	South Berwick	Aa3	AA+
Augusta	NR	AA	South Portland	Aaa	AAA
Bangor	Aa2	AA-	St. George	NR	AA+
Bar Harbor	Aa1	AAA	Topsham	NR	AA+
Bath	Aa2	AA	Union	NR	AA+
Biddeford	Aa3	AA	Waterville	Aa3	A+
Boothbay	Aa1	AA+	Wells	Aa1	AA+
Brewer	Aa3	AA-	Westbrook	Aa2	AA
Brunswick	Aa2	AA+	Windham	Aa2	AA+
Camden	NR	AA+	Winslow	Aa3	AA-
Casco	Aa3	AA+	Winthrop	NR	AA-
Cape Elizabeth	Aa1	AAA	Yarmouth	Aa2	AA+
Castine	Aa3	NR	York Cnty	NR	AA
Cumberland	Aa2	AA+	York	NR	AAA
Cumberland Cnty	Aa1	AA+	<u>District</u>		
Dayton	NR	AA+	Auburn Sewer Dist.	NR	A+
Dixfield	NR	AA-	Auburn Water Dist.	NR	A+
Ellsworth	A1	AA-	Brewer HSD	NR	AA-
Falmouth	Aaa	AAA	Bruns&Tops WD	NR	A+
Farmington	NR	AA-	Cumberland Cnty Civic Cntr	NR	AA
Freeport	Aa2	AAA	ecomaine	NR	AA
Gorham	Aa2	AA+	Freeport Swr	Aa3	NR
Gray	Aa1	AA+	Ken Lt & Pr	Aa3	BBB+
Hallowell	NR	A+	Kennebec WD	A1	NR
Hancock Cnty	Aa2	AA	Kennebunk Sewer District	Aa3	AA
Harpwell	Aa1	AAA	Linc-Sag Jail Auth	Aa3	AA-
Hermon	A1	AA-	MSAD No. 15	Aa3	AA+
Islesboro	A1	AA	MSAD No. 28	Aa3	AA-
Kennebunk	Aa1	AAA	MSAD No. 51	Aa3	AA+
Kennebunkport	Aa1	AAA	No Jay WD	Baa2	NR
Kittery	Aa1	AA+	Portland Jetport	Baa1	A-
Knox Cnty	Aa2	AA	Portland Wtr Dis (Port Swr)	Aaa	AAA
Lewiston	Aa2	AA-	Portland Wtr Dis (Wtr)	Aa3	AA+
Madison	NR	A+	RSU No. 1	NR	AA
Manchester	NR	AA-	RSU No. 5	Aa3	A+
New Gloucester	Aa3	AA+	RSU No. 13	Baa3	A
North Yarmouth	NR	AA+	RSU No. 13 (COPs)	NR	A-
Ogunquit	Aa2	AA+	RSU No. 14	Aa2	NR
Old Orchard Beach	Aa3	AA+	RSU No. 21	Aa3	AA
Orono	Aa3	AA-	RSU No. 23	A1	AA
Oxford	NR	AA-	RSU No. 26	Aa3	A+
Paris	NR	A+	RSU No. 57	Aa2	AA
Pittsfield	NR	A	Rumford WD	A2	NR
Portland	Aaa	AAA	So Berwick WD	A1	NR
Presque Isle	NR	A+	Vocational Region 8, MCST	A1	AA-
Raymond	NR	AAA	Wells-Ogunquit CSD	Aa3	AA+
Saco	Aa3	AA	Yarmouth WD	Aa3	AA
Scarborough	Aa3	AA+			

May 1, 2025



How Does Cape Elizabeth Measure Up?

Household/Per Capita Effective Buying

Low	Below 65%
Adequate	65%-90%
Good	90%-110%
Strong	110%-130%
Very strong	Above 130%

185%

Available Fund Balance

Low	Below 0%
Adequate	1%-4%
Good	4%-8%
Strong	8%-15%
Very strong	Above 15%

14.62%

Market Value Per Capita

Low	Below \$35,000
Adequate	\$35,000-\$55,000
Strong	\$55,000-\$80,000
Very strong	\$80,000-\$100,000
Extremely strong	Above \$100,000

\$188,766

Debt Service As % Of Expenditures

Low	Below 8%
Moderate	8%-15%
Elevated	15%-20%
High	Above 25%

3.64%

Top 10 Taxpayers

Very diverse	Below 15%
Diverse	15% - 25%
Moderately concentrated	25% - 40%
Concentrated	Above 40%

4.18%

Overall Net Debt Per Capita

Very low	Below \$1,000
Low	\$1,000-\$2,000
Moderate	\$2,000-\$5,000
High	Above \$5,000

\$978

Overall Net Debt As % Of Market Value

Low	Below 3%
Moderate	3%-6%
Moderately high	6%-10%
High	Above 10%

0.35%

SOURCE: Public Finance Criteria: Key General
Obligation Ratio Credit Ranges - Analysis Vs. Reality
(Standard & Poor's , April 2, 2008)

INTRODUCTION

Rating Agencies Overview of the Town:

- Cape Elizabeth's Moody's Aa1 and S&P's AAA ratings heavily factors an **affluent and growing tax base** south of Portland, strong financial position, and limited long term liabilities including debt, pension, and OPEB
- Primarily residential and is **almost fully developed**, with a significant portion of the undeveloped land restricted for **conservation**
- Wealth and income levels are strong with **median family income** representing 176% of the nation
- Equalized value **per capita** is also strong at \$252,424
- Rating is **higher than the USA**, because we think the town can maintain better credit characteristics than the nation in a stress scenario based on its predominantly locally derived revenue base and our view that pledged revenue supporting bond debt service is at limited risk of negative sovereign Intervention
- Total governmental fund **debt service is 4.0%** of total governmental fund **expenditures**
- **Net direct debt is 23.3%** of total governmental fund revenue
- Overall **net debt low at 0.9%** of market value
- Approximately **71.6% of the direct debt** is scheduled to be repaid within 10 years (2020)
- **Strong management**, with good financial **policies and practices** under FMA methodology
- Well embedded and likely sustainable
- Very **strong liquidity**, with total government available cash at 28.5% of total governmental fund expenditures (2020)
- Very **strong debt and contingent liability profile**, with debt service carrying charges at 4.0% of expenditures and net
- 95% of the town's **tax base** consists of residential properties followed by commercial at 2.2%

ECONOMIC CHARACTERISTICS

Population	Town of Cape Elizabeth	% Change Since Prior Census		
		Town	State	USA
1980	7,838	(0.4)	13.4	11.4
1990	8,854	13.0	9.2	9.8
2000	9,068	2.4	3.8	13.2
2010	9,015	(0.6)	4.2	8.9
2020	9,530	5.7	1.2	6.3

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

Population Characteristics	Town of Cape Elizabeth	Cumberland County	State of Maine	USA
Median age (years)	47.9	52.1	44.8	38.6
% Under 5 years	4.6%	4.7%	4.7%	6.0%
% Under 18 years	22.4%	18.3%	18.5%	22.3%
% 65 and over	23.1%	19.0%	21.2%	16.5%
Persons/household	2.48	2.32	2.29	2.60

Income	Town of Cape Elizabeth	Cumberland County	State of Maine	USA
Median household income	\$127,363	\$76,014	\$59,489	\$64,994
% below poverty level (individuals)	3.4%	8.6%	10.6%	11.4%
Per capita income	\$61,264	\$41,822	\$33,774	\$35,384

Housing	Town of Cape Elizabeth	Cumberland County	State of Maine	USA
% Owner occupied	89.6%	70.0%	72.9%	64.4%
Owner occupied med. value	\$469,600	\$288,800	\$198,000	\$229,800
Median gross rent	\$1,151	\$1,193	\$873	\$1,096
Households	3,754	123,384	569,551	-

SOURCE: 2020 Census, U.S. Department of Commerce, Bureau of the Census.

Unemployment	Town of Cape Elizabeth	Cumberland County	State of Maine	USA
2024	2.5%	2.5%	3.1%	4.0%
2023	1.9	2.4	2.9	3.6
2022	2.0	2.4	3.0	3.6
2021	3.1	4.0	4.6	5.5
2020	4.2	5.3	5.4	8.1
2019	2.0	2.4	3.0	3.7
2018	2.3	2.7	3.4	3.9
2017	2.1	2.5	3.3	4.4
2016	2.6	2.9	3.9	4.9
2015	3.1	3.4	4.4	5.3

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

Workflows (2020 Census)

Where Cape Residents Work:

Portland	1,575	33.60%
Cape Elizabeth	1,088	23.21%
South Portland	627	13.37%
Scarborough	355	7.57%
Westbrook	291	6.21%
Falmouth	141	3.01%
Brunswick	83	1.77%
Biddeford	63	1.34%
Saco	60	1.28%
Freeport	34	0.73%
North Yarmouth	33	0.70%
Yarmouth	26	0.55%
Harrison	21	0.45%
Standish	20	0.43%
Gorham	17	0.36%
Augusta	15	0.32%
Brownfield	12	0.26%
New Gloucester	9	0.19%
Raymond	9	0.19%
Windham	9	0.19%
Sanford	9	0.19%
Georgetown	8	0.17%
MA	80	1.71%
AZ	29	0.62%
CT	15	0.32%
NJ	13	0.28%
DC	11	0.23%
AR	9	0.19%
FL	9	0.19%
CA	8	0.17%
Outside US	<u>9</u>	<u>0.19%</u>
	4,688	100.00%

Commuters to Cape Live in:

Cape Elizabeth	1,088	46.68%
Portland	304	13.04%
South Portland	175	7.51%
Scarborough	148	6.35%
Standish	85	3.65%
Saco	76	3.26%
Gorham	56	2.40%
Lyman	52	2.23%
Gray	43	1.84%
Cumberland	31	1.33%
Biddeford	24	1.03%
Windham	21	0.90%
Limerick	19	0.82%
Old Orchard Beach	18	0.77%
Hollis	16	0.69%
Urbana NY	14	0.60%
Houlton	13	0.56%
Waterville	13	0.56%
Bath	12	0.51%
Sabattus	11	0.47%
Westbrook	11	0.47%
Arundel	11	0.47%
Durham	10	0.43%
Claremont NH	10	0.43%
Sebago	9	0.39%
Bowdoinham	9	0.39%
Richmond	8	0.34%
Falmouth	7	0.30%
Pownal	6	0.26%
Kennebunk	6	0.26%
Waterboro	6	0.26%
Alfred	5	0.21%
Dayton	5	0.21%
Shapleigh	4	0.17%
Newfield	3	0.13%
Industry	<u>2</u>	<u>0.09%</u>
	2,331	100.00%

RATING HISTORY

	<u>Amount Issued</u>	<u>Sale Date</u>	<u>Mdy's/S&P</u>
Cape Eliz	5,700,000	11/01/99	Aa2/AA
Cape Eliz	4,100,000	02/01/01	Aa2/AA
Cape Eliz	1,500,000	06/01/02	Aa2/AA
Cape Eliz	3,725,000	08/01/04	Aa2/AA
Cape Eliz	4,725,000	08/01/05	Aa2/AA
Cape Eliz	2,550,000	05/15/08	Aa2/AA+
Cape Eliz	5,850,000	10/15/09	Aa2/AA+
Cape Eliz	2,110,000	07/15/11	Aa1/AA+
Cape Eliz	780,000	03/15/12	Aa1/AA+
Cape Eliz	4,190,000	06/30/14	Aa1/AAA
Cape Eliz	5,450,000	03/17/15	Aa1/AAA
Cape Eliz	2,100,000	12/29/16	Aa1/AAA
Cape Eliz	880,000	06/11/20	Aa1/AAA

CAPE ELIZABETH CHALLENGES

- » Moderate revenue raising ability due to state property tax cap
- » Limited opportunity for tax base expansion

Factors that would have positive ramifications:

- ↑ Significant tax base expansion and diversification
- ↑ » Improvement in income levels
- ↑ » Substantial improvement in liquidity and reserves

Factors that would have negative ramifications:

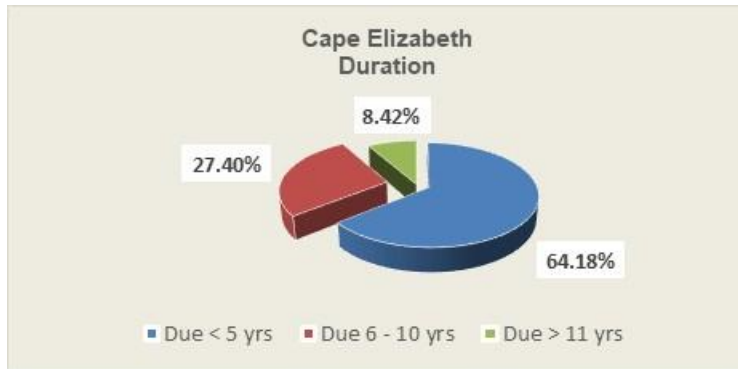
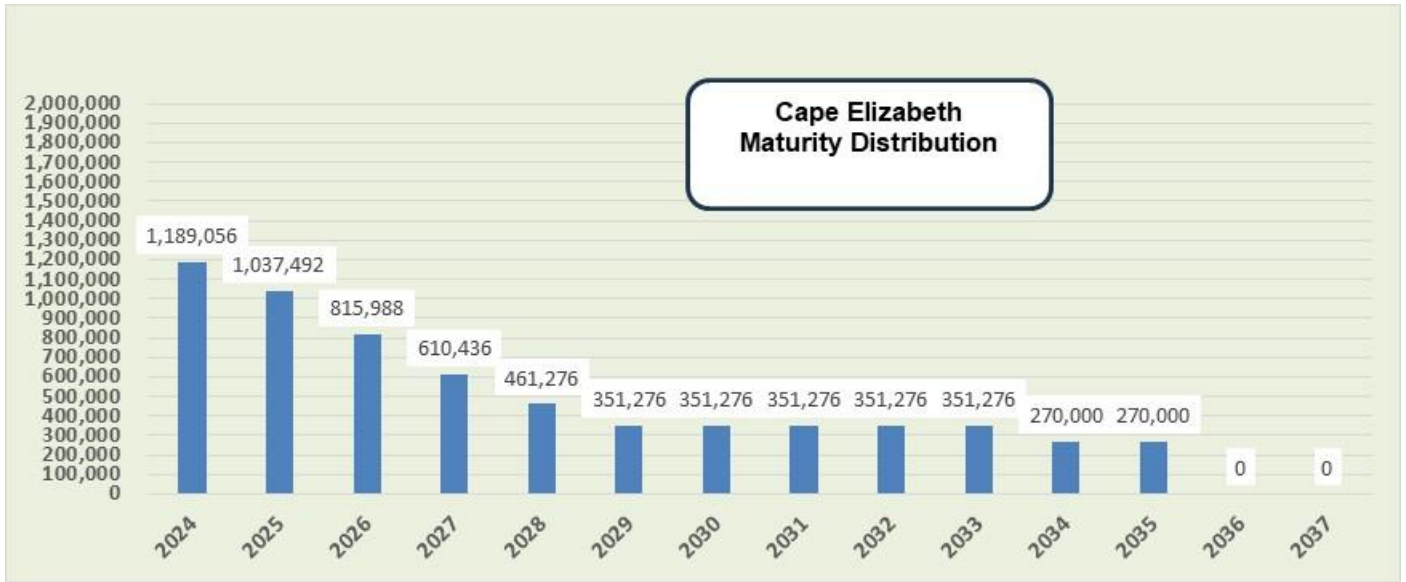
- ↓ Significant declines in the tax base or deterioration of the demographic profile
- ↓ Decline in reserves and lack of compliance with financial policies
- ↓ Material growth in debt burden

TAXES

<u>Fiscal Yr. End June 30,</u>	<u>Equalized State Valuation</u>	<u>Assessed Valuation</u>	<u>Tax Rate (000)</u>	<u>Tax Levy (000)</u>	<u>Collections (after Supplements and Abatements)</u>	
					<u>Year End (000)</u>	<u>% of Levy</u>
2024	\$3,841,750,000	\$1,804,429,700	\$22.34	\$40,310.9	\$40,029.9	99.30%
2023	2,988,250,000	1,778,360,500	21.15	67,612.3	37,363.7	99.34%
2022	2,427,750,000	1,758,468,200	20.26	35,626.6	35,613.3	99.96%
2021	2,275,600,000	1,744,146,500	19.92	34,658.1	34,653.9	99.99%
2020	2,125,200,000	1,727,964,676	19.68	33,936.8	33,920.8	99.95%
2019	1,980,850,000	1,716,471,800	19.02	32,659.5	32,649.8	99.97%
2018	1,915,450,000	1,692,995,900	18.00	30,473.9	30,473.9	100.00%
2017	1,840,800,000	1,688,318,000	17.54	29,613.1	26,131.1	100.00%
2016	1,723,250,000	1,682,855,000	16.88	28,406.6	28,406.6	100.00%
2015	1,685,300,000	1,668,735,000	16.80	28,034.7	28,034.7	100.00%

DEBT SUMMARY

<u>Year Issued</u>	<u>Purpose</u>	<u>Amount Issued</u>	<u>Final Maturity</u>	<u>6/30/2022</u>	<u>6/30/2023</u>	<u>6/30/2024</u>	<u>6/30/2025</u>
2006	Sewer (SRF)	3,510,000	4/1/2026	801,470	606,228	407,608	205,552
2006	Sewer (MMBB)	1,890,000	11/1/2026	472,500	378,000	283,500	189,000
2014	Refunding	4,190,000	4/1/2025	975,000	595,000	220,000	0
2015	Library/School	5,450,000	3/15/2035	3,525,000	3,250,000	2,975,000	2,700,000
2016	Recycle Ctr/Pool	2,100,000	10/15/2036	1,400,000	1,260,000	1,120,000	980,000
2020	Refunding	880,000	4/15/2028	660,000	550,000	440,000	333,000
2021	SRRF (MMBB)	390,429	08/12/2026	218,640	153,394	153,394	98,734
2022	SRRF (MMBB)	1,161,082	10/1/2032	0	812,757	731,481	650,206
2025	TD Note	1,900,000	1/17/2027	0	0	0	1,900,000
				<u>\$8,052,610</u>	<u>\$7,605,379</u>	<u>\$6,330,983</u>	<u>\$7,056,492</u>



DEBT SERVICE COMPONENT OF OPERATING EXPENSES

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Total Current Year Debt Service:	\$2,164,380	\$2,416,325	\$2,476,579	\$1,497,649	\$1,532,814
(less Sewer Debt):	<u>(219,563)</u>	<u>(219,563)</u>	<u>(219,563)</u>	<u>(219,563)</u>	<u>(219,563)</u>
Tax backed Debt Service:	\$1,944,817	\$2,196,762	\$2,257,016	\$1,278,086	\$1,313,251
Budgeted Operating Expense:	46,747,227	47,618,378	50,677,587	48,694,371	52,918,672
Debt Service as % Oper. Exp:	4.16%	4.74%	4.33%	2.62%	2.48%

DEBT RATIOS

Fiscal Yr. End June 30,	Pop	Equal. State Val.	Assessed Valuation	Total Debt	Debt	
					as % Eq. Val.	Per Capita
2025	9,535	\$4,159,600,000	\$3,836,890,800	\$7,056,492	0.17%	\$740.06
2024	9,535	3,841,750,000	1,804,429,700	6,330,983	0.16%	663.97
2023	9,535	2,988,250,000	1,778,360,500	7,605,379	0.25%	797.63
2022	9,535	2,427,750,000	1,758,468,200	8,052,610	0.33%	844.53
2021	9,535	2,275,600,000	1,744,146,500	9,324,032	0.41%	977.87
2020	9,535	2,125,200,000	1,727,964,676	10,573,550	0.50%	1,108.92
2019	9,015	1,980,850,000	1,716,471,800	12,458,500	0.63%	1,381.97
2018	9,015	1,915,450,000	1,692,995,900	14,235,296	0.74%	1,579.07

TOTAL GENERAL OBLIGATION, OVERLAPPING AND CONTINGENT DEBT & RATIOS (2024)

	<u>Direct Debt</u>	<u>Overlapping</u>	<u>Contingent</u>	<u>Total Debt</u>
Town of Cape Elizabeth (Town)	1,260,000			1,260,000
Town of Cape Elizabeth (School)	2,714,655			2,714,655
Town of Cape Elizabeth (Library)	2,274,783			2,274,783
Town of Cape Elizabeth (Sewer)	606,228			606,228
County of Cumberland		1,367,832		1,367,832
PWD (Wastewater System)		3,947,100		3,947,100
PWD (Water System)			4,849,944	4,849,944
ecomaine (RRS)			0	0
ecomaine (MRF)			0	0
ecomaine (Post-closure)			0	0
Totals as of June 30, 2024	\$6,855,666	\$5,314,932	\$4,849,944	\$17,020,542
Debt as % 2025 ESV	0.16%	0.13%	0.12%	0.41%
Debt per Capita	\$719.00	\$557.41	\$508.65	\$1,785.06

PUBLIC EDUCATION

<u>October 1,</u>	<u>K – 4⁽¹⁾</u>	<u>Grades 5 – 8⁽²⁾</u>	<u>9 – 12⁽³⁾</u>	<u>Total Enrollment</u>
2024	580	450	472	1,502
2023	570	444	513	1,527
2022	557	434	518	1,509
2021	493	453	539	1,485
2020	489	471	540	1,500

NOTE: ⁽¹⁾ Attend Pond Cover Elementary School, with an estimated capacity of 750 students.

⁽²⁾ Attend Cape Elizabeth Middle School, with an estimated capacity of 700 students.

⁽³⁾ Attend Cape Elizabeth High School, with an estimated capacity of 750 students.

REVENUES FROM THE STATE

The State provides revenue to the Town in a number of areas including aid to the City in a number of areas including Essential Programs and Services (“EPS”) for education and road maintenance; and 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 disbursements are governed by laws that may be changed by the State Legislature are subject to appropriation by the State Legislature in its budgetary process.

Fiscal Yr. End June 30,	Revenue Sharing	School Subsidy	as % Budgeted Expense	Reimbursements		Total from State
				Homestead Revenue	BETE	
2024	\$1,400,228	\$3,019,211	8.35%	\$505,784	\$15,234	\$4,940,457
2023	1,525,952	2,019,105	6.75%	577,302	16,307	4,138,666
2022	1,384,867	2,608,293	8.55%	601,430	14,899	4,609,489
2021	929,236	1,731,960	6.08%	616,046	15,504	3,292,746
2020	655,048	1,773,718	5.49%	468,384	12,879	2,910,029

FUND BALANCE

On October 12, 2011, the Town Council replaced its previous Fund Balance Policy, adopted on November 8, 2004, to comply 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. The policy states that “The General Fund shall seek to have an unassigned municipal (excluding schools) fund balance of 8.33% of annual General Fund operating revenues, equivalent to revenues anticipated in an average one month period. If the unassigned municipal (excluding schools) fund balance target is exceeded, 100% of any excess funds between 100% and 115% of the target shall be used to reduce the tax commitment in the next budget to be considered by the Town Council. Any amount over 115% of the target may be committed or assigned for any capital need or unanticipated expenditure or may be placed in an assigned fund for future property tax relief. If the unassigned fund balance falls below its target level, an interim objective is to increase as a percentage of operating revenues the unassigned fund balance every year. The balance shall not be used to support the annual budget or for capital needs to a degree that the unassigned fund balance will be a lower percentage of operating revenues than in the previous year.”

	2020	2021	2022	2023	2024
Assigned and Unassigned GF Balance	\$6,638,989	\$6,760,866	\$8,056,574	\$5,792,167	\$4,648,838
Total Budgeted Revenues	44,220,388	43,801,008	46,700,432	52,558,260	52,959,032
Fund Bal as % Rev.	15.01%	15.44%	17.25%	11.02%	8.78%
Unassigned GF Balance	\$4,619,889	\$4,494,603	\$3,685,818	\$3,830,987	\$3,102,283
Total Budgeted Revenues	44,220,388	43,801,008	46,700,432	52,558,260	52,959,032
Fund Balance as % of Rev.	10.45%	10.26%	7.89%	7.29%	5.86%

Financial Management Assessment

“Managerial decisions, policies, and practices apply directly to the government's financial position and operations, debt burden, and other key credit factors. A government's ability to implement timely and sound financial and operational decisions in response to economic and fiscal demands is a primary determinant of near-term changes in credit quality.” (June 27, 2006)

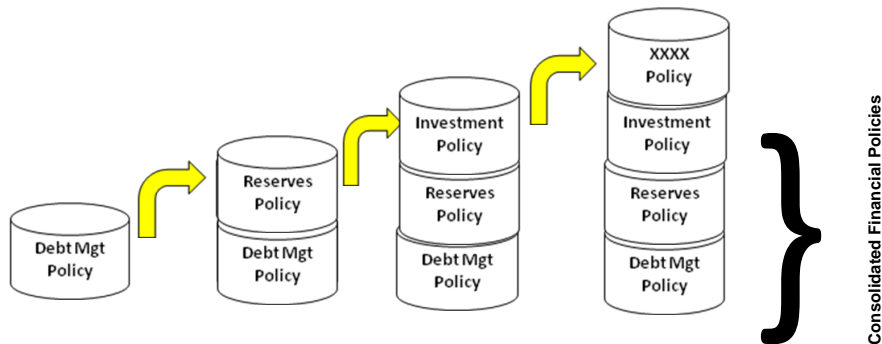
FMA Analytical Framework

Standard & Poor's has established an analytical methodology that evaluates established and ongoing management practices and policies in the seven areas most likely to affect credit quality including:

- Revenue and expenditure assumptions
- Budget amendments and updates
- Long term financial planning
- Long term capital planning
- Investment management policies
- Debt management policies
- Reserve and liquidity policies

1) Policy(s) Review ...

Policies are guidelines that are meant to be dynamic. That is, that they should be constantly reviewed, updated, modified if necessary to reflect current requirements, current sentiments, changing priorities or objectives. A “good” policy is a foundation for further, “good” policies.



Proposed Action:

- Establish a preamble with introductory and expressionary [sic] statements that explain purpose and underlying philosophy;
- This must be a robust management tool;
- It must be reader friendly;
- It should establish meaningful, dynamic and achievable expectations and objectives;
- Framework that encourages compliance; discourages end-runs; and
- Formal goals (success criteria) ... expectations (process criteria) ... procedures (formal procedure) should be identified, and quantified, if possible.

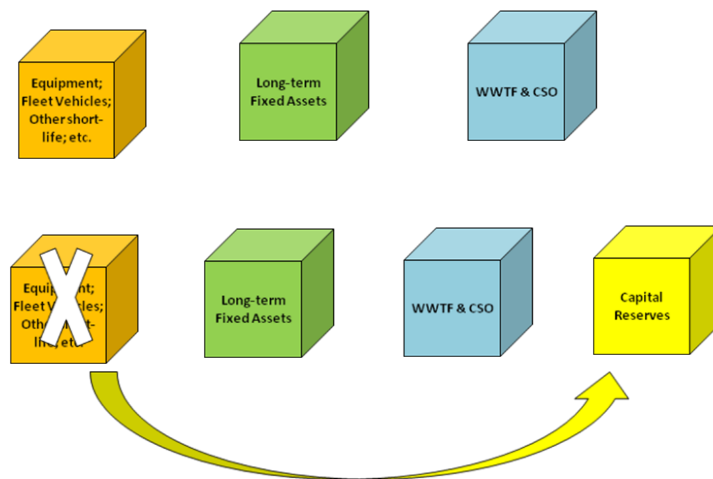
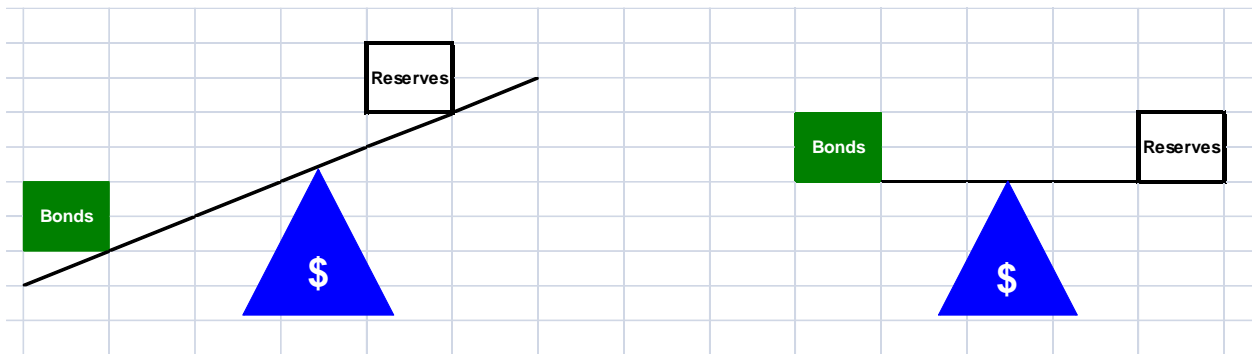
2) Courage to Face and to Make Change?

What was made sense then. But that was then and this is now!

Proposed Action:

- Re-engineering what should be acquired through debt and what is actually operating expenses?
- Build reserves to provide needed assets but through pay-as-you go?
- Fund Operations through available tax revenues, not through creative accounting?
- Establish available revenues and THEN see what can be afforded?
- If taxes drive policy than they must also drive decisions?

Achieving a Balance



CLIMATE CHANGE

With its expansive ocean and riverfront coastline, Cape Elizabeth has embraced a progressive relationship with the water. Supplementing floodplain regulations (consistent with federal regulations) and shore land zoning (consistent with state regulations), the town has adopted strict local wetland regulations that minimize wetland alteration and mandate minimum setbacks.

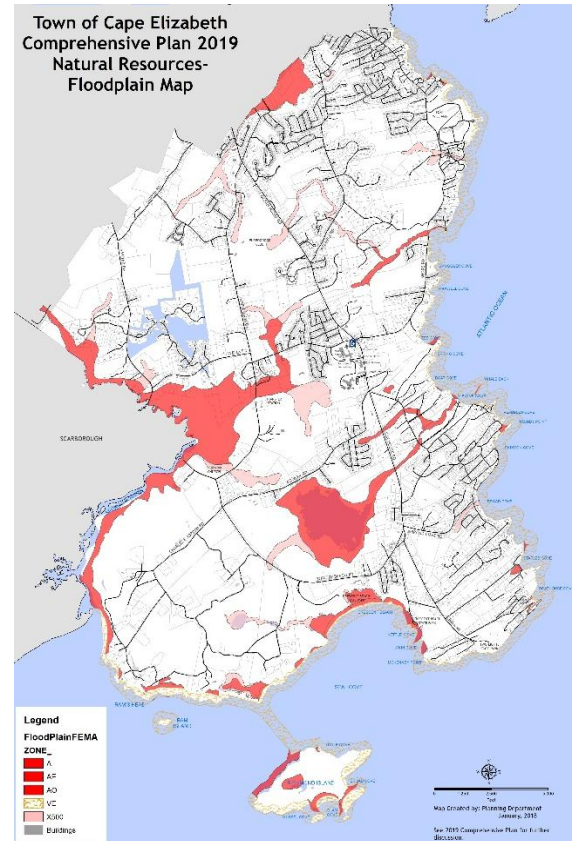
In 2014, existing regulations were revised to prepare for sea level rise by amending the Normal High Water Line definition to add three vertical feet to the Highest Astronomical Tide. This increase was made after reviewing historical sea level rise scenarios and determining that 3' should prepare low-lying portions of town for approximately 100 years.

This comprehensive regulatory foundation supports the conclusions in the 2015 Sea Level Rise Vulnerability Assessment prepared by the Greater Portland Council of Governments which is available for review on the town website:

https://www.capeelizabeth.com/planning_board/2015/08-04-2015/Cape%20Elizabeth%20Vulnerability%20Assessment%20copy.pdf

The Vulnerability Assessment documents that most of Cape Elizabeth is already protected from sea level rise by its large stretches of rocky coastline. In the vulnerable areas, existing wetland regulations (cited above) are already prohibiting development in vulnerable areas. The assessment also identified vulnerable municipal infrastructure and the town is working on response options.

For example, the towns of Cape Elizabeth and Scarborough are jointly studying options for the portion of Sawyer Rd crossing the Sawyer Marsh. The Town has added resilience planning to its ongoing relationship with the Portland Water District, which manages a sewer treatment plant and pump station. The Town has also completed a culvert assessment that identified priority culverts for replacement and has completed design for the replacement of the Willow Brook culvert, upstream of the Spurwink Marsh, and may be impacted by Sea Level Rise.



2000 CENSUS TRACK INFORMATION

	<u>Cape Elizabeth</u>	<u>Cumberland Cnty, Maine</u>	<u>Maine</u>	<u>United States</u>
Population Estimates, July 1 2021, (V2021)	9,530	305,231	1,372,247	331,893,745
PEOPLE				
Population	□□	□□	□□	□□
Population Estimates, July 1 2021, (V2021)	9,530	305,231	1,372,247	331,893,745
Population estimates base, April 1, 2020, (V2021)	9,533	303,069	1,362,359	331,449,281
Population, percent change - April 1, 2020 (estimates base) to July 1, 2021, (V2021)	0.00%	0.70%	0.70%	0.10%
	9,535	303,069	1,362,359	331,449,281
Population, Census, April 1, 2020	9,015	281,674	1,328,361	308,745,538
Population, Census, April 1, 2010				
Age and Sex	□□	□□	□□	□□
Persons under 5 years, percent	4.60%	4.70%	4.70%	6.00%
Persons under 18 years, percent	22.40%	18.30%	18.50%	22.30%
Persons 65 years and over, percent	23.10%	19.00%	21.20%	16.50%
Female persons, percent	53.70%	51.60%	51.00%	50.80%
Median Age	47.9	42.1	44.8	38.6
Race and Hispanic Origin	□□	□□	□□	□□
White alone, percent	96.30%	92.00%	94.40%	76.30%
Black or African American alone, percent(a)	0.00%	3.20%	1.70%	13.40%
American Indian and Alaska Native alone, percent(a)	0.00%	0.40%	0.70%	1.30%
Asian alone, percent(a)	2.10%	2.40%	1.30%	5.90%
Native Hawaiian and Other Pacific Islander alone, percent(a)	0.00%	<u>Z</u>	<u>Z</u>	0.20%
Two or More Races, percent	1.60%	2.00%	1.80%	2.80%
Hispanic or Latino, percent(b)	0.30%	2.20%	1.80%	18.50%
White alone, not Hispanic or Latino, percent	96.10%	90.10%	93.00%	60.10%
Population Characteristics				
Veterans, 2016-2020	526	17,194	101,652	17,835,456
Foreign born persons, percent, 2016-2020	4.40%	6.00%	3.60%	13.50%
Housing				
Housing units, July 1, 2021, (V2021)	<u>X</u>	151,443	745,334	142,153,010
Owner-occupied housing unit rate, 2016-2020	89.60%	70.00%	72.90%	64.40%
Median value of owner-occupied housing units, 2016-2020	\$469,600	\$288,800	\$198,000	\$229,800
Median selected monthly owner costs -with a mortgage, 2016-2020	\$2,398	\$1,762	\$1,404	\$1,621
Median selected monthly owner costs -without a mortgage, 2016-2020	\$803	\$639	\$500	\$509
Median gross rent, 2016-2020	\$1,151	\$1,193	\$873	\$1,096
Building permits, 2021	<u>X</u>	1,944	<u>65,301</u>	1,736,982
Families & Living Arrangements				
Households, 2016-2020	3,754	123,384	569,551	122,354,219
Persons per household, 2016-2020	2.48	2.32	2.29	2.6
Living in same house 1 year ago, percent of persons age 1 year+, 2016-2020	88.80%	87.00%	87.10%	86.20%
Language other than English spoken at home, percent of persons age 5 years+, 2016-2020	4.80%	7.10%	6.00%	21.50%

	<u>Cape Elizabeth</u>	<u>Cumberland Cnty, Maine</u>	<u>Maine</u>	<u>United States</u>
Computer and Internet Use				
Households with a computer, percent, 2016-2020	97.30%	93.50%	91.10%	91.90%
Households with a broadband Internet subscription, percent, 2016-2020	94.90%	89.00%	84.30%	85.20%
Education				
High school graduate or higher, percent of persons age 25 years+, 2016-2020	99.70%	95.30%	93.20%	88.50%
Bachelor's degree or higher, percent of persons age 25 years+, 2016-2020	76.20%	48.10%	32.50%	32.90%
Health				
With a disability, under age 65 years, percent, 2016-2020	4.10%	7.50%	11.50%	8.70%
Persons without health insurance, under age 65 years, percent	2.20%	7.80%	10.10%	10.20%
Economy				
In civilian labor force, total, percent of population age 16 years+, 2016-2020	68.50%	68.80%	62.80%	63.00%
In civilian labor force, female, percent of population age 16 years+, 2016-2020	64.50%	65.70%	59.60%	58.40%
Total accommodation and food services sales, 2017 (\$1,000)(c)	8,099	1,177,528	4,017,655	938,237,077
Total health care and social assistance receipts/revenue, 2017 (\$1,000)(c)	21,932	4,053,494	11,777,286	2,527,903,275
Total transportation and warehousing receipts/revenue, 2017 (\$1,000)(c)	<u>D</u>	522,412	1,846,035	895,225,411
Total retail sales, 2017 (\$1,000)(c)	18,760	7,031,697	23,878,653	4,949,601,481
Total retail sales per capita, 2017(c)	\$2,020	\$24,036	\$17,877	\$15,224
Transportation				
Mean travel time to work (minutes), workers age 16 years+, 2016-2020	24.7	23.3	24.3	26.9
Income & Poverty				
Median household income (in 2020 dollars), 2016-2020	\$127,363	\$76,014	\$59,489	\$64,994
Per capita income in past 12 months (in 2020 dollars), 2016-2020	\$61,264	\$41,822	\$33,774	\$35,384
Persons in poverty, percent	3.40%	8.60%	10.60%	11.40%
BUSINESSES				
Businesses				
Total employer establishments, 2020	<u>X</u>	11,730	41,646	8,000,178
Total employment, 2020	<u>X</u>	175,362	520,969	134,163,349
Total annual payroll, 2020 (\$1,000)	<u>X</u>	9,493,351	24,650,499	7,564,809,878
Total employment, percent change, 2019-2020	<u>X</u>	-0.30%	-0.20%	0.90%
Total nonemployer establishments, 2018	<u>X</u>	30,346	117,341	26,485,532
All employer firms, Reference year 2017	169	9,558	32,955	5,744,643
Men-owned employer firms, Reference year 2017	78	5,161	18,962	3,480,438
Women-owned employer firms, Reference year 2017	<u>S</u>	1,905	6,119	1,134,549

	<u>Cape Elizabeth</u>	<u>Cumberland Cnty, Maine</u>	<u>Maine</u>	<u>United States</u>
Minority-owned employer firms, Reference year 2017	<u>S</u>	310	867	1,014,958
Nonminority-owned employer firms, Reference year 2017	154	7,895	29,157	4,371,152
Veteran-owned employer firms, Reference year 2017	<u>S</u>	602	2,386	351,237
Nonveteran-owned employer firms, Reference year 2017	137	7,472	26,947	4,968,606
GEOGRAPHY				
Geography				
Population per square mile, 2020	642	362.4	44.2	93.8
Population per square mile, 2010	613.4	337.2	43.1	87.4
Land area in square miles, 2020	14.85	836.22	30,845.10	3,533,038.28
Land area in square miles, 2010	14.7	835.24	30,842.92	3,531,905.43

Thank you for your attention ...