



TOWN OF KITTERY

200 Rogers Road, Kittery, ME 03904
Telephone: (207) 475-1329 Fax: (207) 439-6806

KITTERY TOWN COUNCIL

January 11, 2021

6:00PM

The public may submit public comments for the DISCUSSION agenda item via email, US Mail, or by dropping written comments in the Drop Box outside the Town Hall entrance. Emailed comments should be sent to TownComments@kitteryme.org.

The public may also participate in the meeting via Zoom webinar. **Register in advance for the webinar at https://us02web.zoom.us/webinar/register/WN_sYNuB5_KSXutFscio3a4BA**

After registering, you will receive a confirmation email containing information about joining the webinar. Webinar participants will be able to submit questions and comments during a public hearing.

Comments received by **noon on the day of the meeting** will become part of the public record and may be read in whole or in summary by the Council Chair.

1. Call to Order
2. Introductory
3. Pledge of Allegiance
4. Roll Call
5. Agenda Amendment and Adoption
6. Town Manager's Report
7. Acceptance of Previous Minutes
 - July 27, 2020
 - August 10, 2020
 - August 24, 2020
 - September 14, 2020

Due to the Declaration of a State of Emergency for the State of Maine and Town of Kittery, this meeting will be held remotely in accordance with LD 2167. The meeting will be broadcast on Channel 22, Facebook, and live broadcast from the Town's website.

8. Interviews for the Board of Appeals and Planning Board
9. All items involving the town attorney, town engineers, town employees or other town consultants or requested offices.
 - a. (010121-1) The Kittery Town Council moves to receive the Audit Presentation from Finance Director, Patricia Moore.
10. PUBLIC HEARINGS
 - a. (010121-2) The Kittery Town Council moves to hold a public hearing on Title 16 – Outdoor dining.
 - b. (010121-3) The Kittery Town Council moves to hold a public hearing on a new Liquor License application from Loco Coco’s Tacos located at 36 Walker Street Kittery.
 - c. (010121-4) The Kittery Town Council moves to hold a public hearing on a new Victualer’s License application from Loco Coco’s Tacos located at 36 Walker Street Kittery.
11. DISCUSSION
 - a. The public may submit public comments in writing or raise their hand in the webinar for the DISCUSSION agenda.
 - b. Chairperson will read written comments into the record.
 - c. Chairperson’s response to public comments.
12. UNFINISHED BUSINESS
13. NEW BUSINESS
 - a. Donations/gifts received for Council disposition

(010121-5) The Kittery Town Council moves to receive the following donations to be deposited into the Kittery Community Center Donation’s Account.

 - Meeting House Village - \$100.00
 - J.A.F & M.D.M. Corgan - \$150.00
 - b. (010121-6) The Kittery Town Council moves to approve a renewal Liquor License application from When Pigs Fly, located at 460 US Route 1, Kittery.

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c. (010121-7) The Kittery Town Council moves to establish and vote on the 2021 Goals.

14. COUNCILOR ISSUES OR COMMENTS

15. COMMITTEE AND OTHER REPORTS

a. Communications from the Chairperson

b. Committee Reports

16. EXECUTIVE SESSION

17. ADJOURNMENT

Posted: January 7, 2021

Due to the Declaration of a State of Emergency for the State of Maine and Town of Kittery, this meeting will be held remotely in accordance with LD 2167. The meeting will be broadcast on Channel 22, Facebook, and live broadcast from the Town's website.



TOWN OF KITTERY

Office of the Town Manager

200 Rogers Road, Kittery, ME 03904

Telephone: 207-475-1329 Fax: 207-439-6806

kamaral@kitteryme.org

Town Manager's Report to the Town Council January 11, 2021

- 1. Congratulations to Detective Ryan Sanford** – Please help me in congratulating Detective Ryan Sanford for his *2020 Peter Wentworth Award* from the Sexual Assault Response Services of Southern Maine. Detective Sanford was recognized for his support and partnership with SARSS, his investigation efforts, and his collaborative work with area investigators. He has worked diligently to serve children and families in our area impacted by sexual assault.

Detective Sanford's work exemplifies the commitment Kittery Police Department has to serving our community.

- 2. COVID Vaccinations** – We are fielding a number of questions from residents regarding when they will be able to receive the vaccine and asking to be put on a community "list". The Town does not have a "list" and is not expected to directly receive vaccinations.

The State's current plan is to distribute the vaccine to hospitals, doctors' offices, and pharmacies. I have raised concern with the Governor's Office and the Maine CDC regarding this plan and the lack of municipal involvement in the implementation planning process. I have not received a response from the Governor's Office as of yet.

While Kittery struggles to get solid details on when all of our first responders will get vaccinated, other communities in Maine have already administered vaccines to all of their public safety personnel.

Chief O'Brien is working with the York County Emergency Management Agency to assist with implementation of vaccinations for EMTs in the Southern York County region. He and Chief Richter are trying to work through this channel to secure vaccines for Kittery's first responders as quickly as possible.

- 3. Petition to Extend Sewer on Route 236** – The Town is in receipt of a request for the Council to consider an extension of the sewer main up Route 236 to MacKenzie Lane. I am reviewing the petition to ensure we bring it to the Council with all of the anticipated legal questions addressed. The request will be presented to the Council on January 25th for scheduling a public hearing at their first February meeting.
- 4. Library Building Project** – The Library Building Committee reviewed and recommended approval of the Guaranteed Maximum Price (GMP) for the Library Building construction. This is an important milestone that allows us to move forward.

The construction of the "base" project is \$4,643,191 exclusive of soft costs. The total project cost, inclusive of all soft costs (design, engineering, legal, etc.), is estimated at \$6,135,927. Funding for the base project includes CIP (FY18 and FY19), \$5M bond (approved Nov 2019), and grants and donations. The base project does not include the children's garden, the full technology package, some

parking lot improvements, some furniture and fixtures, and other enhancements desired but not able to be afforded in the base project. Fundraising is underway to support these additional enhancements.

The sale of the \$5M municipal bond will take place in two weeks. Rating evaluations are underway with the two primary rating agencies S&P and Moody's. I will share the ratings reports once they are received.

Construction is expected to begin March of this year and last approximately 13 months. The Committee will begin planning for a ground breaking event in the coming weeks. Though not expected to be a traditional ground breaking, it will serve as an opportunity to acknowledge and thank all of the people who have helped make this project a reality from the Library Working Group, the Town Council, the voters, the Rice Public Library Corporation, and the Library Building Committee.

5. Marijuana Ordinance Proposal – The Planning Board has received the draft marijuana ordinance and will be voting on scheduling a public hearing on the Title 16 Land Use amendment at their next meeting. I have included a draft of the full ordinance package with this report for the convenience of the Council and public. Once the Planning Board has conducted its public hearing and voted on a recommendation, the Council will invite the Planning Board to a workshop. At that time, a formal presentation of the ordinance amendments will be made to the Council

6. Upcoming Dates:

- Town Hall Closed for Martin Luther King Jr. Day - January 18
- Dog License Renewal – January 31, Town Hall
- Real Estate Taxes Due – February 16, Town Hall or Online
- Mooring Renewals Open

Respectfully Submitted,



Kendra Amaral
Town Manager

TITLE 5 - BUSINESS LICENSES and REGULATIONS
and
TITLE 16 – LAND USE CODE
MARIJUANA OPERATIONS

1. ADD Title 5.11 Marijuana Businesses as follows:

1 **CHAPTER 5.11 Marijuana Businesses**

2 **5.11.1. Purpose and Authority**

3 This Ordinance is enacted pursuant to authority granted under 30-A M.R.S. § 3001, 22 M.R.S. § 2429-A(14)
4 and 28-B M.R.S. § 402. The purpose of this Ordinance is to set forth procedures and standards for the
5 issuance of local licenses for Marijuana Businesses in order to protect public health, safety and welfare.

6 **5.11.2. Definitions**

7 As used in this Ordinance, the terms below shall be defined as indicated. All other terms used in this
8 Ordinance, if not defined below, shall have the same definition as set forth in 22 M.R.S. § 2422 (for medical
9 marijuana businesses), 28-B M.R.S. § 102 (for adult use marijuana businesses), or the Land Use and
10 Development Code, Title 16 of the Kittery Town Code.

11 Applicant means a person who has submitted an application for licensure as a Marijuana Business pursuant
12 to this Chapter.

13 Licensed Premises means the premises specified in an application for a license pursuant to this Ordinance or
14 within a license issued pursuant to this Ordinance.

15 Licensee means a person licensed pursuant to this Ordinance.

16 Licensing Authority means the Town Council or Town Manager as designated in this Ordinance to be the
17 issuer of the particular type of Marijuana Business license.

18 Marijuana Business includes an Adult Use Marijuana Store, Medical Marijuana Caregiver Retail Store,
19 Medical Marijuana Caregiver Retail Store, Medical Marijuana Caregiver (home occupation), Marijuana
20 Cultivation Facility, Marijuana Manufacturing Facility and Marijuana Testing Facility, all as defined in the
21 Town of Kittery Land Use Ordinance.

22 Marijuana Retail Store includes a Medical Marijuana Caregiver Retail Store or an Adult Use Marijuana
23 Store.

24 Owner means a person whose beneficial interest in a Marijuana Business is such that the person bears risk of
25 loss other than as an insurer, has an opportunity to gain profit from the operation or sale of the Marijuana
26 Business and/or has a controlling interest in the Marijuana Business.

27 Person means a natural person, partnership, association, company, corporation, limited liability company or
28 organization, or a manager, agent, owner, director, servant, officer or employee thereof. “Person” does not
29 include any governmental organization.

30 Premises means the physical location at which a Marijuana Business is to conduct its business.

31 State License means any license issued by the State Licensing Authority.

32 State Licensing Authority means the authority created or designated by the State for the purpose of regulating
33 and controlling licensing for Marijuana Businesses.

34 Town Manager means the Town Manager of the Town of Kittery or their designee.

35 **5.11.3. License Requirement**

36 A Marijuana Business shall not begin or continue operations operate unless it has and is in possession
37 of a license issued pursuant to this Ordinance. Marijuana Businesses that hold an approved land use
38 permit and/or are operating as of the effective date shall submit a completed application within 30 days
39 of the effective date, and shall have a grace period of 60 days after the effective date to receive a
40 license, which may be extended by order of the Council if justified due to the anticipated timeline of
41 the review process.

42 **5.11.4. Licensing Authority**

43 All Medical Marijuana Caregiver (home occupation) license applications, whether new or renewal, shall be
44 reviewed and may be approved by the Town Manager. All other initial license applications shall be
45 reviewed and may be approved by the Town Council after public hearing. The Town Manager shall be the
46 Licensing Authority for renewal licenses, as specified in Section 5.11.5.E.

47 **5.11.5. Licensing Procedures**

48 The review procedures described below shall be the same for initial license applications as well as renewals,
49 unless otherwise indicated. In reviewing license applications, the Licensing Authority and any consulting
50 Town officials may consider the approval standards under this Ordinance as well as other applicable local,
51 state or federal laws and, for license renewals, the Licensee’s record of compliance with the same.

52 A. Application. License applications shall be submitted to the Town in writing using a form prepared by
53 the Town for the purpose and must include all information required by this Ordinance and by the form.
54 Applications for initial licensure of Marijuana Retail Stores shall not be accepted until the applicant has
55 been pre-certified in accordance with Section 5.11.10.B.

56 B. Initial Review. The Town Manager shall be responsible for the initial investigation of the application
57 to ensure compliance with the requirements of this Ordinance and to obtain recommendations from
58 other Town officials as required.

59 C. License Conditions. The Licensing Authority shall have the authority to impose any conditions on a
60 license that may be reasonably necessary to ensure compliance with the requirements of this Ordinance
61 or to address concerns about operations. Failure of any Licensee to comply with such conditions shall
62 be considered a violation of the license and of this Ordinance.

63 D. Staff Review. No license shall be granted by the Licensing Authority until the Town Manager, Police
64 Chief, Fire Chief and Code Enforcement Officer have all made positive recommendations regarding the
65 Applicant’s ability to comply with this Ordinance or any other applicable Town ordinance or state or
66 federal law enforced by such officials.

67 E. Renewal. For renewal licenses, the application, fee and review process shall be the same as for
68 initial licenses except that the Town Manager shall be the Licensing Authority. If any reviewing
69 staff member finds that new conditions should be attached to the renewal license or that the
70 renewal license should be denied, the renewal application shall be forwarded to the Town
71 Council for final action. Renewal licenses for Marijuana Retail Stores shall be granted by the Town

72 Manager only upon a finding that the Store has in the past license term been operating in accordance
73 with this Ordinance as well as with the Store’s previously submitted Operations Plan.

74 F. Type of License. Licenses shall be approved only for the type(s) of Marijuana Business(es) identified
75 in the application. A Licensee who intends to expand or convert the Licensed Premises to a type of
76 Marijuana Business that is not specifically approved in a license must obtain a new license for that use.

77 G. State Approvals. Any Licensee that is required to obtain approval from the State of Maine shall
78 provide the Town copies of all necessary approvals prior to operating the licensed business.

79 H. Inspection. Any Licensee other than a Medical Marijuana Caregiver (home occupation) shall, prior to
80 operating the licensed business, contact the Town to request an inspection to determine the Marijuana
81 Business’ compliance, as built, with the requirements of this Ordinance, any conditions of licensure,
82 and the submitted Operations Plan (if applicable). Any municipal official with authority to make
83 recommendations, grant licenses or enforce this or other municipal ordinances regarding Marijuana
84 Businesses shall have authority to enter the premises of an Applicant or Licensee without notice during
85 operating hours to make any inspection reasonably necessary to ensure continued compliance with all
86 applicable Town ordinances.

87 I. License term. Each license issued under this Ordinance shall be valid for the term of license granted by
88 the State License Authority (“the license year”), or otherwise for one (1) year from the date of issuance.
89 Applications for renewal licenses should be submitted no less than 60 days prior to expiration of the
90 existing term to allow for timely processing. Any Marijuana Business Licensee which fails to apply for
91 a renewal license prior to expiration of the existing term shall not have authority to operate until a
92 renewal license is granted. A late fee of 10% of the total license fee shall be assessed to applications
93 submitted 1 to 30 days past expiration of the existing license, and 20% shall be assessed for
94 applications submitted thereafter. Any Marijuana Retail Store which fails to obtain a renewal license
95 within 30 days following expiration of the existing term shall forfeit its license, unless the applicant
96 timely submitted the application and the delay is due to circumstances not within the applicant’s
97 control.

98 J. Forfeiture. A Marijuana Business License shall be forfeited if the Licensee:

99 1. Fails to obtain a renewal license within thirty (30) days of expiration of an existing license;

100 2. Makes any other active use of the Licensed Premises other than for the licensed Marijuana
101 Business; or

102 3. Does not make an active use of the licensed Marijuana Business for a period exceeding six (6)
103 consecutive months, except that the Licensing Authority may, upon written request from the
104 Licensee, allow for a suspension of use of up to one year if the suspension in use is caused by
105 damage to the Licensed Premises, renovation, repair, active attempts to sell the Licensed Premises
106 as a turnkey Marijuana Business, or other bona fide circumstances out of the Licensee’s control.

107 **5.11.6. Application Submission Requirements**

108 Each applicant for a Marijuana Business license shall complete and file an application on the form
109 provided by the Town, together with the applicable license fee. If multiple types of Marijuana
110 Businesses are to be conducted on a single Premises, the applicant shall pay the application fee for each
111 type of business. Applications shall include:

- 112 A. Proof of the Applicant’s right, title, or interest in the Premises, such as a deed, lease, sublease, (must
113 include lease and authorization for sublease, if applicable) or purchase and sale agreement.
- 114 B. A copy of the Applicant’s State License application and supporting documentation, as submitted to the
115 State Licensing Authority, if a State License is required.
- 116
- 117 C. Evidence of all State approvals or conditional approvals required to operate the Marijuana Business,
118 including, but not limited to, a State License as defined by this Ordinance, caregiver registration, a State
119 retail certificate, or a State health license.
- 120 D. If not included in the Applicant’s State License application, attested copies of any articles of
121 incorporation, bylaws, operating agreement, partnership agreement or articles of association that govern
122 the entity that will own and/or operate the Marijuana Business.
- 123
- 124 E. If not included in the Applicant’s State License application, an affidavit on a form to be provided by the
125 Town that identifies all owners, officers, members, managers or partners of the Applicant, their
126 ownership interests, and their places of residence at the time of the application and for the immediately
127 preceding three (3) years.
- 128 F. A release for each Applicant and for each officer, owner, member, manager or partner of the Applicant
129 seeking a license allowing the Town of Kittery or its officials to obtain criminal records and other
130 background information related to the individual.
- 131 G. Evidence of all land use approvals or conditional land use approvals required to operate the Marijuana
132 Business, including, but not limited to building permit, special exception approval, site plan review
133 approval, and/or a change of use permit. Where site plan approval is required, evidence of submission of
134 a complete site plan review application is sufficient, but any license issued shall be conditioned upon site
135 plan approval and issuance of any necessary building or occupancy permits.
- 136 H. Evidence of all other local approvals or conditional approvals required to operate the Marijuana
137 Business, including any applicable food or victualer’s license. If the Marijuana Business is not in
138 application as of the date of license application, the applicant shall list any other licenses required and
139 issuance of such licenses will be made a condition of the Marijuana Business License.
- 140 I. A description of the premises for which the license is sought, including a plan of the premises.
- 141 J. A copy of any state or municipal license held for any other Marijuana Business owned or operated by the
142 Applicant or by any officer, owner, subsidiary, member, manager or partner of the Applicant, as well as
143 any notices of violation received from the state or municipality for such Marijuana Business and proof
144 that any violation has been resolved.
- 145 K. Certification from the Fire Chief that the location of the Marijuana Business on the subject Premises will
146 not pose an undue risk of fire or other safety hazard.
- 147 L. For Marijuana Retail Stores, an Operations Plan, describing the Applicant’s:
148 1. Security plan;
149 2. Provisions to ensure against loitering and using marijuana and marijuana products on or near the
150 Premises;
151 3. Protocols for hiring and training employees;
152 4. Experience and training in Maine’s seed-to-sale tracking system;
153 5. Protocols for odor control and disposal of waste marijuana or marijuana products; and

- 154 6. Protocols for ensuring the safety and security of product.
- 155 7. Fire Suppression annual certification

156 If the Town determines that a submitted application is not complete, the Town shall notify the applicant of
157 the additional information required to process the application. If such additional information is not
158 submitted within thirty (30) days of the Town’s request, the application may be denied,

159 **5.11.7 Transfer of Ownership**

160 A license for a Marijuana Business may be transferred to another owner if an updated application form and
161 ownership affidavit are provided to the Town and all persons listed on the affidavit successfully pass
162 background checks and otherwise meet the criteria of this Ordinance. See Section 5.11.10.E regarding
163 transfer of licenses for Marijuana Retail Stores.

164 **5.11.8 Transfer of Location**

165 Marijuana Business licenses are limited to the Premises for which they are issued and shall not be
166 transferable to a difference location. A Licensee who seeks to operate in a new location shall acquire a new
167 license for that location.

168 **5.11.9 Existing Medical Marijuana Caregiver (Home Occupation)**

169 Any Medical Marijuana Caregiver (home occupation) that holds an approved land use permit and is
170 operating as of the effective date shall submit an application within thirty (30) days of the effective date of
171 this Ordinance.

172 **5.11.10 Limit on and Special Procedures for Retail Stores**

173 A. Limit on retail licenses. The total number of licenses issued for Marijuana Retail Stores shall not exceed
174 five, excluding any licenses issued to existing Medical Marijuana Caregiver (home occupation)
175 pursuant to Section 5.11.9.

176 B. Pre-application required. Applications for initial licensure of Marijuana Retail Stores will not be
177 accepted for processing unless and until the applicant has successfully completed a pre-application
178 process as set forth here.

- 179 1. Pre-application forms shall be made available starting on the effective date of this Ordinance.
180 Applicants seeking licensure as a Marijuana Retail Store shall complete the form and return it to
181 the Town along with the following supporting documentation:
 - 182 a. Completed, signed and notarized ownership affidavit
 - 183 b. Pre-application fee
 - 184 c. Evidence of right, title and interest in the Premises (deed, purchase and sale agreement, lease
185 and/or sublease)
 - 186 d. Evidence demonstrating the applicant’s financial capacity to build out (if applicable) and operate
187 the Marijuana Business (e.g., bank letter, letter of credit, loan commitment)
 - 188 e. Evidence demonstrating that the applicant has applied for conditional licensure from the State of
189 Maine
- 190 2. Upon receipt of a pre-application, the Town shall note the date and time of the receipt and,
191 without unreasonable delay, process the application to determine whether all required fields have
192 been filled and all required supporting documentation has been provided. If the Town
193 determines that a submitted pre-application is not complete, they shall notify the applicant of the

194 additional information required to process the pre-application. If such additional information is
195 not submitted within thirty (30) days of the Town’s request, the pre-application will be rejected.

- 196 3. The Town Manager shall evaluate complete pre-applications and certify the eligibility of
197 applicants if they meet the following standards:
198 a. The applicant has demonstrated right, title and interest in the Premises;
199 b. The applicant has demonstrated adequate financial capacity to build out (if applicable) and
200 operate the retail store.
201 c. The Premises is located in a zone in which Marijuana Retail Stores are permitted.
202 d. The applicant has applied for or received conditional license approval from the State of Maine
203 for the subject Marijuana Business.
- 204 4. The Town Manager shall issue a written decision to the applicant indicating whether it has met the
205 standards for pre-application certification. Applications for licensure may be submitted as soon as
206 the certification decision is issued.

207 C. Priority. Licenses for Marijuana Retail Stores shall be assigned priority based upon the date and time a
208 completed pre-application was received by the Town. The first five (5) certified applicants will be
209 invited to provide completed license applications within thirty (30) days of certification, which will be
210 processed in accordance with Section 5.11.6

211 D. Waiting list procedures. If a license for a Marijuana Retail Store becomes available, the Town shall
212 invite the pre-certified applicant with the next priority to apply for licensure. If such applicant does
213 not submit an application within thirty (30) days from invitation, the Town shall proceed to the next
214 applicant. Applications shall not be processed from the waiting list if there have been any material
215 changes to ownership, as indicated on the ownership affidavit, or where there is a change to location
216 of the Premises.

217
218 E. Change in ownership of Retail Marijuana Store. In the event of a proposed change in ownership of a
219 Marijuana Retail Store (including a material change of members of an LLC or partnership), the new
220 owner(s) shall apply for a new license within thirty (30) days following the date of the transfer by
221 submitting a full, completed / updated application package to the Town. The application shall be
222 subject to the same application process as new licenses and shall, after initial staff review, be
223 presented to the Town Council for consideration if the proposal involves a change in majority
224 ownership or control of the Marijuana Retail Store. If the new owner does not apply for a new
225 license within said thirty (30) day period, the license will be considered forfeited. The license may
226 not be transferred if any active use other than for the licensed Marijuana Retail Store has been made
227 of the Licensed Premises prior to or within the thirty (30) days following the transfer of ownership.

228 **5.11.11 Denial, Revocation or Suspension of a License**

229 A license application for a Marijuana Business shall be denied by the Licensing Authority, suspended by
230 the Town Manager, or after notice and hearing revoked by the Town Council, if the Applicant, or any
231 Owner of the Applicant or Licensee:

232 A. Fails to meet the requirements of this Ordinance.

233 B. Is not at least twenty-one years of age.

234 C. Has had a license required for the Marijuana Business suspended or revoked by the Town, by a
235 municipality in the State of Maine, or by the State.

236 D. Is in violation of this or any ordinance or has unpaid penalties assessed by a court, related to the
237 Marijuana Business.

238 E. Has not acquired all necessary state and local approvals (other than final State approval) prior to
239 issuance of the license.

240 F. Fails to meet zoning or other requirements of the Land Use and Development Code.

241 G. Has been convicted of a criminal violation arising out of operation of a Marijuana Business.

242 H. Has, within ten years prior to the date of the application, been convicted of selling marijuana, alcohol,
243 or any scheduled drug to a minor.

244 I. Has provided false or misleading information in connection with the license application.

245 **5.11.12 Approval and Operating Requirements**

246 In order to obtain and retain a license pursuant to this Ordinance, the Applicant/Licensee shall
247 demonstrate that the following requirements are met. The Licensee shall comply with each of these
248 requirements during the term of the license:

249 A. Display of License. The current License shall be displayed at all times in a conspicuous location
250 within the Premises.

251 B. Premises. All Licensed Premises shall be fixed, permanent locations. Licensees shall not be
252 permitted to operate Marijuana Establishments in other than the Licensed Premises, such as at
253 farmer’s markets, farm stands or kiosks.

254 C. Loitering. The facility owner/operator shall make adequate provisions to prevent patrons or other
255 persons from loitering on the Premises. It shall be the Licensee’s obligation to ensure that anyone
256 found to be loitering or using marijuana or marijuana products in the parking lot or other outdoor areas
257 of a Licensed Premises is ordered to leave.

258 D. Other laws. A Marijuana Business shall meet all operating and other requirements of state and local
259 law. To the extent the State of Maine has adopted or adopts in the future any law or regulation
260 governing Marijuana Businesses that conflicts in any way with the provisions of this Ordinance, the
261 more restrictive provision shall control.

262 E. Changes to operations. Marijuana Businesses shall operate in accordance with all material
263 representations made in the approved license application and Operations Plan (if applicable). If the
264 Licensee is required to notify the State of a change related to the Marijuana Business, the Licensee shall
265 promptly provide the Town with a copy of such notification. If the Town determines that the change is
266 not in accordance with the requirements of this Ordinance, or requires additional conditions of
267 approval, the change shall be forwarded to the Town Council for consideration.

268 **5.11.13 Appeals**

269 A. The following appeals may be decided by the Town Council upon a *de novo* hearing in
270 which it will hear evidence on the application and make its own findings of fact and conclusions of
271 law:

- 272 1. Appeal of the Town Manager’s denial of an application.
- 273
- 274 2. Appeal by any aggrieved party having legal standing of any decision by the Town Manager to grant a
- 275 license under this Ordinance.
- 276
- 277 3. Appeal by a Licensee challenging conditions attached to a License, to which the Licensee objects.

278 Appeals must be filed with the Town Clerk within thirty (30) days of the date of the decision subject to
 279 appeal. The Town Council shall hold the hearing on the appeal and render a decision within thirty (30)
 280 days of the date of the appeal, unless all parties consent to a delay.

281 B. Appeals from any decision of the Town Council under this Ordinance shall be made to York County
 282 Superior Court within thirty (30) days of the date of the decision being appealed.

283 **5.11.14 Enforcement and Penalties**

284 The operation of any Marijuana Business without the required license or in violation of the requirements of
 285 this Ordinance shall be a violation of this Ordinance. The Town Manager shall enforce the provisions of
 286 this Ordinance. A violation of any provision of this Ordinance shall be a civil violation, and a civil
 287 penalty of \$250 to \$2,500 shall apply and may be assessed for each day that the violation continues. The
 288 penalty for operating a Marijuana Business without a valid license shall be \$2,500 per day for Marijuana
 289 Retail Stores and \$500 per day for other Marijuana Businesses. The Town Manager may suspend the
 290 license, and the Town Council may revoke the license after notice and hearing.

291 **5.11.15 Severability**

292 The provisions of this Ordinance are severable, and if any provision shall be declared to be invalid or void,
 293 the remaining provisions shall not be affected and shall remain in full force and effect.

294 **5.11.16 Other Laws**

295 Except as otherwise specifically provided herein, this Ordinance incorporates the requirements and
 296 procedures set forth in the Maine Marijuana Legalization Act, 28-B M.R.S. Chapter 1, as may be
 297 amended and the Maine Medical Use of Marijuana Act, 22 M.R.S. Chapter 558-C, as may be amended.
 298 In the event of a conflict between the provisions of this Ordinance and the provisions of said Acts or any
 299 other applicable state or local law or regulation, the more restrictive provision shall control.

2. ADD Marijuana License Fees to Appendix A as follows:

<u>Marijuana Retail Stores – Preapplication fee</u>	<u>\$750</u>
<u>Medical Marijuana Cultivation Facility</u>	
<u>Tier 1</u>	<u>\$750</u>
<u>Tier 2</u>	<u>\$1,500</u>
<u>Tier 3</u>	<u>\$2,000</u>
<u>Tier 4</u>	<u>\$3,000</u>
<u>Medical Marijuana Manufacturing Facility</u>	<u>\$ 3,000</u>
<u>Medical Marijuana Retail Store</u>	<u>\$ 6,000</u>

<u>Medical Marijuana Testing Facility</u>	<u>\$ 3,000</u>
<u>Medical Marijuana Caregiver</u>	<u>\$1,000</u>
<u>Medical Marijuana Caregiver (home occupation)</u>	<u>\$ 500</u>
<u>Transfer of license – other than Marijuana Retail Stores</u>	<u>\$750</u>

3. AMEND Title 16.2 Definitions for marijuana operations as follows:

300 ~~MARIJUANA MEDICAL USE—The cultivation, manufacturing, or distribution of cannabis by a medical~~
 301 ~~marijuana cultivation facility, a medical marijuana dispensary, a medical marijuana testing facility, or a~~
 302 ~~primary caregiver, as defined in § 16.2.2 of this Code. This definition is not intended to restrict a caregiver~~
 303 ~~that is a licensed hospice provider, long-term nursing care facility or convalescent care facility from~~
 304 ~~distributing cannabis to their qualifying patients, per 22 M.R.S., Maine Medical Use of Marijuana Act.~~

305 ~~MARIJUANA RETAIL USE—The cultivation, manufacture, distribution or selling of cannabis by a retail~~
 306 ~~marijuana establishment or retail marijuana social club, as referenced in 7 M.R.S.~~

307 ~~MEDICAL MARIJUANA CULTIVATION FACILITY—A facility registered in accordance~~
 308 ~~with 22 M.R.S. § 2428 that cultivates and manufactures marijuana or related supplies for a registered medical~~
 309 ~~marijuana dispensary under common management and operating under the same state and local license(s).~~

310 ~~MEDICAL MARIJUANA DISPENSARY—A not-for-profit entity registered under 22 M.R.S. § 2428 that~~
 311 ~~acquires, possesses, cultivates, manufactures, delivers, transfers, transports, sells, supplies or dispenses~~
 312 ~~marijuana or related supplies and educational materials to qualifying patients who have designated the~~
 313 ~~dispensary to cultivate marijuana for their medical use, and the primary caregivers of those patients.~~

314 ~~MEDICAL MARIJUANA QUALIFYING PATIENT or PATIENT—A person who has been~~
 315 ~~diagnosed by a medical provider as having a debilitating medical condition and who possesses a valid~~
 316 ~~written certification regarding medical use of marijuana, as defined under 22 M.R.S. § 2422.~~

317 ~~MEDICAL MARIJUANA TESTING FACILITY—A public or private laboratory that:~~

318 ~~A.—Is licensed, certified or otherwise approved under 22 M.R.S. § 2423-A to analyze contaminants in,~~
 319 ~~and the potency and cannabinoid profile of, samples; and~~

320 ~~B.—Is accredited pursuant to standard International Standards Organization/International Electrotechnical~~
 321 ~~Commission 17025 of the International Organization for Standardization by a third-party accrediting body~~
 322 ~~or is certified, registered, or accredited by an organization approved by the state.~~

323
 324 ADULT USE MARIJUANA STORE - A facility licensed under 28-B MRS Chapter 1 to purchase adult
 325 use marijuana, immature marijuana plants and seedlings from a cultivation facility, and to sell adult use
 326 marijuana, adult use marijuana products, immature marijuana plants and seedlings to consumers.

327 MARIJUANA BUSINESS - An Adult Use Marijuana Store, Marijuana Cultivation Facility, Medical

328 Marijuana Caregiver Retail Store, Marijuana Manufacturing Facility, Marijuana Testing Facility, Medical
329 Marijuana Registered Caregiver or Medical Marijuana Registered Caregiver (Home Occupation)

330 **MARIJUANA CULTIVATION FACILITY** - A facility licensed by the State of Maine to purchase
331 marijuana plants and seeds from other cultivation facilities; to cultivate, prepare and package marijuana; to
332 sell marijuana, marijuana seedlings, plants and seeds to products manufacturing facilities, marijuana stores,
333 caregivers or other cultivation facilities.

- 334 Tier 1: Up to 500 square feet of plant canopy
- 335 Tier 2: Up to 2,000 square feet of plant canopy
- 336 Tier 3: Up to 7,000 square feet of plant canopy
- 337 Tier 4: Up to 20,000 square feet of plant canopy

338 **MEDICAL MARIJUANA CAREGIVER RETAIL STORE** - A store that has attributes generally
339 associated with retail stores, including, but not limited to, a fixed location, a sign, regular business hours,
340 accessibility to the public and sales of goods or services directly to a consumer, and that is used by a
341 registered caregiver to offer marijuana plants or harvested marijuana for sale to qualifying patients.

342 **MARIJUANA MANUFACTURING FACILITY** - (1) a registered tier 1 or tier 2 manufacturing facility, as
343 designated by state law, or a person authorized to engage in marijuana extraction under 22 MRS §2423- F; or
344 (2) a facility licensed under M.R.S. 28-B, Subchapter 2 to purchase marijuana from a cultivation facility or
345 another products manufacturing facility; to manufacture, label and package marijuana and marijuana
346 products; and to sell marijuana and marijuana products to marijuana stores and to other products
347 manufacturing facilities.

348 **MARIJUANA TESTING FACILITY** - A public or private laboratory that is authorized and accredited in
349 accordance with state law for the research and analysis of marijuana, marijuana products or other substances
350 for contaminants, safety or potency.

351 **MEDICAL MARIJUANA REGISTERED CAREGIVER** - A person or an assistant of that person that
352 provides care for a qualifying patient in accordance with state law and licensing and is registered with the
353 state in accordance with state law.

354 **MEDICAL MARIJUANA REGISTERED CAREGIVER (HOME OCCUPATION)**- Medical Marijuana
355 Registered Caregiver (Home Occupation). A person or an assistant of that person that provides care for a
356 qualifying patient in accordance with state law and licensing and is registered with the state in accordance
357 with state law and in accordance with the Home Occupation permitting and operational standards of this
358 ordinance.

4. AMEND Title 16.3 Land Use Zone regulations to allow marijuana operations in certain zones.

359 § 16.3.2.11 **Commercial (C-1, C-2, C-3).**

360 (1) C-1 special exception uses.

361 (p) Marijuana Business

362 (2) C-2 special exception uses.

363 (q) Marijuana Business

364 (3) C-3 special exception uses.

365 (q) Marijuana Business

366 § 16.3.2.13 **Mixed-Use MU.**

367 C. Special exception uses.

368 19. Marijuana Business

5. ADD Marijuana Businesses to Title 16 Design and Performance Standards for Built Environment

369 §16.8.29 Marijuana Businesses

370 This section regulates Marijuana Businesses, as defined uses within the Town of Kittery. The permitting
371 standards outlined here shall be adhered to for all Marijuana Businesses, in addition to other applicable
372 standards in this and other ordinances or state law.

373 A. Any Marijuana Business in operation as of the Effective Date of this Section and permitted by the Board
374 of Appeals as a Home Occupation pursuant to Article XXII, but otherwise meeting the definition of a
375 Medical Marijuana Caregiver Retail Store, may continue to operate as long as a license is received and
376 maintained in accordance with this Ordinance. Such operations may not be built, used or occupied in any
377 way that constitutes a material difference from any representations in the approved application and
378 Findings of Fact, and/or approval conditions for Home Occupation.

379 B. Marijuana Businesses shall not locate within 1,000 feet of a public or private school measured from the
380 main entrance or any customer entrance door of the Marijuana Business in a straight line to the property
381 line of the protected use. Marijuana Businesses shall not locate within 250 feet of a state-licensed
382 daycare of any size, measured from the exterior wall of the Marijuana Business to the property line of the
383 protected use. This section shall not prohibit the activity of a caregiver or other authorized individual
384 from administering medical marijuana to a qualified patient who is located within one of these protected
385 areas.

386 C. Marijuana Businesses shall not have any odor of marijuana detectible beyond the area controlled by
387 the business, whether that be a leased or owned area that is a portion or all of a recorded parcel of land.
388 Odors shall be controlled by whatever best practices exist.

389 D. Marijuana grown by any Marijuana Business shall be grown indoors only. A Medical Marijuana
390 Caregiver shall not conduct any sale of the product on premises unless the business is also permitted as a
391 Medical Marijuana Caregiver Retail Store. Medical Marijuana grown by Medical Marijuana Caregivers shall
392 be limited to less than one thousand (1,000) square feet floor area measured cumulatively per lot unless the
393 business is also permitted as a Marijuana Cultivation Facility. A Medical Marijuana Caregiver (Home
394 Occupation) in operation as of the effective date of this section shall be permitted to maintain the grow area
395 in existence as of the effective date of this section.

396 E. Medical Marijuana Registered Caregiver and Medical Marijuana Registered Caregiver (Home
397 Occupation), when required by state law to be licensed to manufacture, may only manufacture medical
398 marijuana products in zoning districts where Marijuana Manufacturing Facilities are permitted.

399 F. Medical Marijuana Registered Caregiver (Home Occupation) shall at all times meet all permit and
400 operational requirements for a home occupation and the additional license requirements for a Medical
401 Marijuana Registered Caregiver (Home Occupation). Medical Marijuana grown by Medical Marijuana
402 Caregiver (Home Occupation) in basements and accessory structures shall be limited to less than one
403 thousand (1,000) square feet floor area measured cumulatively per lot for all caregivers cultivating on the lot.

404 G. The design of any building containing a Marijuana Business shall be visually compatible with other
405 types of buildings in the immediately surrounding neighborhood, in terms of similarity of building materials,
406 building size, building height and architecture.

407 H. The area of any Marijuana Business accessible to customers shall be no less than 400 nor more than
408 1,000 square feet.

409 I. Parking shall conform to Article X.

410 J. Any building containing a Marijuana Business shall be protected by fire suppression measures and
411 fire alarms to the satisfaction of the Fire Chief and in accordance with all applicable building codes.

412 K. The Owner of any Marijuana Business shall provide an annual affidavit from a master electrician
413 certifying that the electrical components can meet the electrical load demands of the use.

414 L. Security.

415 1. The Licensed Premises shall have lockable doors and windows and shall be served by an alarm system
416 which includes automatic notification to the Kittery Police Department.

417 2. The Licensed Premises shall have video surveillance capable of covering the exterior and interior of the
418 facility. The video surveillance system shall be operated with continuous recording twenty-four hours per
419 day, seven days per week and video shall be retained for a minimum duration of thirty (30) days. Such
420 records shall be made available to law enforcement agencies when investigating a criminal complaint.

421 3. The Licensed Premises shall have exterior lighting with motion sensors covering the full perimeter of the
422 building(s).

423 4. Medical Marijuana Registered Caregiver (home occupation) uses shall not be required to meet paragraphs
424 2 and 3.

425

KITTERY TOWN COUNCIL Unapproved Minutes

July 27, 2020

Remote Meeting

6:00PM

1 1. Call to Order

2 2. Introductory

3 3. Pledge of Allegiance

4 4. Roll Call

5 Councilors present: Charles Denault, Jeffrey Pelletier, Jeffrey Thomson, Kenneth
6 Lemont, Cyrus Clark, Vice Chair Matt Brock, and Chair Judith Spiller.

7 5. Agenda Amendment and Adoption

8 6. Town Manager's Report

9 The Town Manager reported on: July 14 Election, Kittery Police Department, barriers,
10 concerts at JPJ, Taylor IFP, revaluation, in-person meetings, and the FY20 year-end
11 report.

12 Upcoming Dates: Nomination Papers Due - August 13, Town Clerk's Office.

13 7. Acceptance of Previous Minutes

14 November 13, 2019 – Line 48 should be corrected to “freedom policies”, line 72 needs
15 the word ‘title’ removed, line 10 should be changed to Councilor Brock instead of Vice
16 Chair Brock, and a line should be added to reflect that Councilor Thomson was
17 nominated for Council Chair but declined.

18 November 25, 2019 - Approved as written.

19 December 9, 2019 Amend line 115 correct the spelling of the words abstain and
20 abstained.

21 December 16, 2019 - Approved as written.

22 Councilor Thomson moved to approve the minutes from November 13, 2019, November
23 25, 2019, December 09, 2019, and December 16, 2019 as amended, seconded by
24 Councilor Pelletier.

25 Motion Carried 7-0-0

26 8. All items involving the town attorney, town engineers, town employees, or other town
27 consultants or requested office.

28 9. PUBLIC HEARINGS

29 a. (070220-1) The Kittery Town Council moves to hold a Public Hearing on Title 10 –
30 Walker/Wentworth Street Parking.

31 Paul Bonacci, 172 Pepperrell Road, Kittery Point, ME - Mr. Bonacci wanted to thank the
32 Town Council, Director of Planning & Development, Adam Causey, Commission of
33 Public Works, Dave Rich, and Police Chief, Robert Richter, for all the help they provided
34 to all of the businesses during the pandemic. He also spoke about Foreside employee
35 parking.

36 Moved by Councilor Thomson, seconded by Councilor Pelletier.

37 Motion Carried 7-0-0

38 b. (070220-2) The Kittery Town Council moves to hold a Public Hearing on the
39 renaming of Manson Avenue Extension to Buckley Way.

40 Jay Wilgus, 12 Manson Ave. ext, Kittery, ME - Mr. Wilgus wanted show his support for
41 renaming Manson Ave. ext. to Buckley Way. Mr. Wilgus also gave some history about
42 Bishop Buckley.

43 Lisa Von Schlegell, 8 Manson Ave. ext., Kittery, ME - Ms. Von Schlegell wrote a letter in
44 support of renaming Manson Ave ext. to Buckley Way.

45 Councilor Lemont commented on two members of the Buckley family and stated that
46 Mr. Buckley Jr. served on the School Committee, Town Council and believed that Mr.
47 Buckley Jr. served as the Chair of Town Council at one time. Councilor Lemont said
48 Mr. Buckley Jr. went on to have very successful career at the Portsmouth Naval
49 Shipyard and currently lives and works in Washington D.C. Councilor Lemont stated
50 that Lillian Buckley was a native of Kittery, born on the Portsmouth Naval Shipyard. He
51 stated that Mrs. Buckley enrolled at Base College, got a job at Divinity at Harvard
52 University, became an Ordained Minister in 1997, and served as a Pastor for 15 years.
53 Lillian teaches Philosophy and World Religion at Great Bay Community College, as well
54 as being a musician and a visual artist. Councilor Lemont stated the Buckley family of
55 Kittery is a treasure.

56 Councilor Denault stated Bishop Buckley was an unbelievable man.

57 Moved by Councilor Denault, seconded by Councilor Lemont.

58 Motion Carried 7-0-0

59 10.DISCUSSION

60 a. The public may submit public comments in writing via the Q&A feature of the webinar
61 for the DISCUSSION agenda.

62 b. Chairperson will read written comments into the record.

63 Julia O’Connell, 9 Busdick Drive, Kittery, ME - Ms. O’Connell inquired about the JLUS
64 Implementation Study, affordable housing, and shipyard parking.

65 An email was read from GKsendo regarding concerns about fireworks.

66 Nicholas Chalupa, 5 Folcutt Road, Kittery, ME – Mr. Chalupa opposed changes in the
67 short-term rental ordinance.

68 Tom Emerson, 10 Ox Point Drive, Kittery, ME - Mr. Emerson spoke about the short-term
69 rental ordinance, tandem parking, and occupancy.

70 Gayle Wells, 22 Seapoint Road, Kittery Point, ME - Ms. Wells inquired if corporate
71 businesses in Kittery pay the same tax rate as small businesses in Kittery.

72 Gerry Burns, 114 State Road, Kittery, ME - Mr. Burns opposed the leash law, saying a
73 dog needs to be able to run and get exercise.

74 c. Chairperson’s response to public comment.

75 In response to Ms. O’Connell, Chair Spiller stated that the Planning Department is
76 reviewing changes in the zoning of the mall area, and that the Council is very much
77 focused on the congestion associated with the traffic on Love Lane.

78 In response to the email from GKsendo, Chair Spiller stated fireworks are legal on
79 private property until 9 p.m. and are illegal on roadways, and suggested calling the
80 police if there were any problems.

81 In response to Mr. Chalupa and Mr. Emerson, Chair Spiller stated that the Council will
82 be discussing the latest version of the ordinance, so stay tuned.

83 In response to Ms. Wells, Chair Spiller stated that differential tax rates were referred to
84 the Assessor and he stated that all properties pay the same tax rates.

85 In response to Mr. Burns, Chair Spiller spoke about an incident she recently had with
86 some unleashed dogs at Fort Foster. She added that the leash law has been put into
87 place due to COVID-19.

88 11. OLD BUSINESS

89 a. (070220-3) The Kittery Town Council moves to vote on Short Term Rentals.

90 Councilor Lemont moved to amend the ordinance by removing lines 43 through 49,
91 seconded by Council Pelletier.

92 The Council and the Town Manager discussed removing lines 43 through 49.

93 Councilor Clark, Councilor Denault, Councilor Thomson and Vice Chair Brock voted no.
94 Chair Spiller, Councilor Lemont, and Councilor Pelletier vote yes.

95 Motion Failed 3-4-0

96 Councilor Lemont moved to amend the ordinance by changing the wording on line 72,
97 seconded by Councilor Pelletier.

98 The Council and the Town Manager discussed changing the wording on line 72.

99 Motion Carried 7-0-0

100 Councilor Lemont moved to amend the ordinance by removing line 85, seconded by
101 Councilor Clark.

102 Vice Chair Brock, Chair Spiller, Councilor Denault, and Councilor Thomson voted no.
103 Councilor Lemont, Councilor Clark, and Councilor Pelletier voted yes.

104 Motion Failed 3-4-0

105 Vice Chair Brock moved to amend the ordinance by including tandem parking on line
106 85, seconded by Councilor Lemont.

107 Motion Carried 7-0-0

108 Main Motion vote

109 Moved by Councilor Thomson, seconded by Councilor Pelletier.

110 Councilor Denault, Councilor Thomson, Councilor Lemont, Councilor Clark, Vice Chair
111 Brock, and Chair Spiller voted yes.

112 Councilor Pelletier voted no.

113 Motion Carried 6-1-0

114 12. NEW BUSINESS

115 a. Donations/gifts received for Council disposition –

116 b. (070220-4) The Kittery Town Council moves to schedule a public hearing on August
117 24, 2020 on the TIF District Program.

118 The Town Manager gave an overview of the TIF District Program.

119 Moved by Councilor Thomson, seconded by Councilor Pelletier.

120 Motion Carried 7-0-0

121 c. (070220-5) The Kittery Town Council moves to schedule a public hearing on August
122 10, 2020 on Fiscal Year 2020 Transfers.

123 Moved by Councilor Thomson, seconded by Councilor Pelletier.

124 Motion Carried 7-0-0

125 13. Council Issues or Comment

126 Councilor Lemont wished Councilor Thomson a happy belated birthday.

127 Councilor Denault asked if the Town Manager could answer his questions from the
128 7/13/2020 meeting that were not answered due to technical difficulties for the 8/10/2020
129 meeting. Councilor Denault also mentioned the right of way by Jackson Hardware is still
130 an issue.

131 Chair Spiller stated someone had a launch sign stolen, and she said the sign was on
132 private property. She also stated it was against the law.

133 14. Executive Session - None

134 15. ADJOURNMENT

135 Moved by Councilor Thomson, seconded by Councilor Pelletier.

Motion Carried 7-0-0

Submitted by Kim Tackett

Disclaimer: The following minutes constitute the author's understanding of the meeting. Whilst every effort has been made to ensure the accuracy of the information, the minutes are not intended as a verbatim transcript of comments at the meeting, but a summary of the discussion and actions that took place. For complete details, please refer to the video of the meeting on the Town of Kittery website.

KITTERY TOWN COUNCIL Unapproved Minutes

August 10, 2020

Remote Meeting

6:00PM

1 1. Call to Order

2 2. Introductory

3 3. Pledge of Allegiance

4 4. Roll Call

5 Councilors present: Charles Denault, Jeffrey Pelletier, Jeffrey Thomson, Cyrus Clark,
6 Vice Chair Matt Brock, and Chair Judith Spiller. Councilor arrived late: Kenneth Lemont.

7 5. Agenda Amendment and Adoption - None

8 6. Town Manager's Report

9 The Town Manager reported on: School Resource Officer Memorandum of Agreement,
10 access between boat storage and marine supply, parking enforcement, marijuana
11 business adjacent to Aroma Joe's, Keep Maine Healthy Grant PSA, Recycling
12 Scholarship Fund status, and Deb Bailey retirement.

13 Upcoming Dates: Nomination Papers Due - August 13, Town Clerk's Office.

14 7. Acceptance of Previous Minutes

15 January 13, 2020 - Approved as written.

16 January 27, 2020 – Approved with spelling corrections of the deceased names.

17 February 10, 2020 - Unapproved.

18 February 24, 2020 - Approved as written.

19 Chair Spiller moved to approve January 13, 2020, January 27, 2020 as amended, and
20 February 24, 2020, seconded by Councilor Thomson.

21 Motion Carried 6-0-0

22 8. All items involving the town attorney, town engineers, town employees or other town
23 consultants or requested offices. - None

24 9. PUBLIC HEARINGS

25 a. (080120-1) The Kittery Town Council moves to hold a public hearing to approve
26 Budget Transfers for FY'20.

27 The Town Manager gave an overview of the Budget Transfers for FY'20.

28 George Dow, 1 Bartlett Road, Kittery Point ME – Mr. Dow asked about the plan for
29 hazard pay and whether it would be discussed with the Council or be an outlay that
30 would happen as a matter of operations going forward.

31 The Town Manager responded to George Dow by stating she had to develop a plan on
32 the hazard pay and how it would work, then present the plan to Council.

33 Councilor Thomson moved to approve the Budget Transfers for FY'20, seconded by
34 Councilor Pelletier.

35 Motion Carried 6-0-0

36 10. DISCUSSION

37 a. The public may submit public comments in writing via the Q&A feature of the webinar
38 for the DISCUSSION agenda.

39 b. Chairperson will read written comments into the record.

40 Public comments made via Zoom Webinar and written comments read by Chair Spiller,
41 regarding 42/44 Old Post Road, as noted below.

42 Emily Flinkstrom, Executive Director of Fair Tide, Kittery, ME - Ms. Flinkstrom stated the
43 properties at 42 and 44 Old Post Road would be a good location for affordable housing.
44 Public Comment

45 Roger Cole, 148 Brave Boat Harbor Road, Kittery Point, ME – Mr. Cole expressed the
46 thought that Council should create a committee of residents to get resident opinions on
47 the best way to use the Dineen properties. Public Comment

48 George Dow, 1 Bartlett Road, Kittery Point, ME – Mr. Dow stated that the Dineen
49 properties should be considered for affordable housing. Public Comment

50 Bill St. Laurent, 152 Rogers, Road Kittery, ME – Mr. St. Laurent suggested a business
51 or affordable housing be put at the 3 Walker Street property. Written Comment.

52 Hershey Hirschkop, Board Member, Fair Tide – Mr. Hirschkop supports affordable
53 housing for the Old Post Road properties. Written Comment

54 Gina Henshaw, 104 Old Post Road, Kittery, ME - Ms. Henshaw would like to have 42-
55 44 Old Post Road turned into a park. Written Comment

56 Julia O'Connell, 9 Busdick Street, Kittery, ME – Ms. O'Connell commented on the
57 Walker St. and Dineen properties and suggested affordable housing. Written Comment

58 Chair Spiller read a letter from Kittery School Board member, Anne Gilbert, 17 Park
59 Avenue, Kittery ME, regarding negative posts that Councilor Denault has posted on
60 Facebook.

61 Councilor Denault responded by stating he did not give up his First Amendment right
62 when he became a member of the Town Council, he also stated that he is a Kittery
63 resident and should be able to voice his opinion.

64 Chair Spiller read the emails and letters the public submitted in reference to the
65 proposed changes in the Dog Ordinance. All of the letters and emails are posted online
66 and are a part of public record.

67 Melissa Visentin, 62 Cutts Road, Kittery ME - Written Comment

68 Mara Lamstein, 35 Mill Pond Road, Kittery ME - Written Comment

69 Anna Swan, 27 Main Street, Kittery ME – Written Comment

70 Cecilia Ford, 18 Goodwin Road, Kittery Point, ME - Written Comment

71 Craig Maguire, New Hampshire resident - Written Comment

72 Liz Dupre, 87 Bartlett Road, Kittery Point, ME- Written Comment

73 Tabatha Hawkins, 31 Old Dennett Road, South Kittery Point, ME - Written Comment

74 Michel Varney, 6 Pepperrell Road, Kittery Point, ME - Written Comment

75 Amy Huelle, 137 Pepperrell Road, Kittery Point, ME - Written Comment

76 Quinn Hathaway, 45 Charles Hill Road, Kittery Point, ME - Written Comment

77 Todd Bailey, 42 Bartlett Road, Kittery Point, ME - Written Comment

78 Richard Buzzell, 85 Bartlett Road Kittery, Point ME- Written Comment

79 Kimberly Schults, 85 Bartlett Road Kittery, Point ME -Written Comment

80 Ingrid Towle Kittery, ME resident- Written Comment

81 Brienne Cosman, 11 Oak Terrace Kittery, ME -Written Comment

82 Shelley Tamis, 14 Goose Point, Kittery Point, ME -Written Comment

83 Aileen Kittery, ME resident- Written Comment

84 Lauren Shea, 17 Halstead Street, Kittery, ME -Written Comment

85 Claire Gaudissart, 28 Mendum Avenue, Kittery, ME -Written Comment

86 Drika Overton, 161 Whipple Road, Kittery, ME- Written Comment

87 Martha Mason, 13 Tenney Hill Road, Kittery, ME- Written Comment

88 Duncan Lake, 626 Haley Road, Kittery Point, ME --Written Comment

89 Paul Ianiro, 14 Shaydon Lane, Kittery Point, ME- Written Comment

90 Christina Stackpole, 136 State Road, Kittery, ME- Written Comment

91 Scott Mason, 75 Brave Boat Harbor Road, Kittery Point, ME -Written Comment

92 Kerrin Duffy, 8 Jewett Lane, Kittery, ME- Written Comment

93 Katherine Shine Young, 9 Adams Road, Kittery, ME -Written Comment

94 Southern Maine Cheer Owner -Written Comment

95 Elizabeth Moak, 16 Whippoorwill Lane, Kittery, ME- Written Comment

96 Jonathan & Jessica Parry, 19 Jones Avenue, Kittery, ME -Written Comment

97 George Shea, 18 Walker Avenue, Kittery, ME- Written Comment

98 Suzanne Olbricht, 34 Goose Point Road, Kittery, ME- Written Comment

99 Kate Harris, Kittery, ME resident -Written Comment

100 Nelson Linscott, 29 Government Street, Kittery, ME- Written Comment

101 Karen Saltus, 16 Pocahontas Road, Kittery Point, ME- Written Comment

102 Barry Schechter, 22 Pocahontas Road, Kittery Point, ME- Written Comment

103 Kathleen Marra, 23 Pocahontas Road, Kittery Point, ME- Written Comment

104 c. Chairperson's response to public comments.

105 Chair Spiller commented by saying the Council would be addressing these properties
106 later in the agenda.

107 Vice Chair Brock stated the Fair Tide proposal for affordable housing at the Old Post
108 Road site is under review by the Housing Committee.

109 Chair Spiller stated that a Workshop on Title 6 – Animal Control will be scheduled on
110 August 17, 2020 at 5:00 p.m., and a Public Hearing will be on August 24, 2020. Chair
111 Spiller reminded everyone that due to COVID-19, all dogs are required to be on a leash.
112 Chair Spiller stated the Council has been working on this ordinance for a long time, and
113 is trying to keep everyone in mind. Chair Spiller asked for the Town Manager to get
114 legal advice about parking at Seapoint Beach.

115 11. UNFINISHED BUSINESS

116 12. NEW BUSINESS

117 a. Donations/gifts received for Council disposition.

118 (080120-2) The Kittery Town Council moves to accept a donation from Northeast Credit
119 Union in the amount of \$2,000 to be deposited into the Thresher Memorial Donation
120 Account.

121 Moved by Chair Spiller, seconded by Councilor Pelletier.

122 Motion Carried 7-0-0

123 b. (080120-3) The Kittery Town Council moves to discuss 42 and 44 Old Post Road
124 properties.

125 Councilor Denault moved for discussion, seconded by Councilor Thomson.

126 The Council had a discussion on the options for repurposing the Dineen Properties. The
127 Council discussed turning the properties into affordable housing, a park, parking lot, or
128 taking the advice of Roger Cole and creating a committee to get the residents opinions
129 on the best way to use the Dineen properties.

130 Councilor Thomson moved for the Council consensus for the Town Manager to form a
131 committee and get the residents opinions on the best way to repurpose the Dineen
132 properties, seconded by Councilor Pelletier.

133 All were in favor.

134 c. (080120-4) The Kittery Town Council moves to discuss 3 Walker Street.

135 The Council decided to have the Town Manager include 3 Walker Street in the decision
136 to create a committee to get the residents opinions on the best way to repurpose the
137 aforementioned Dineen properties.

138 d. (080120-5) The Kittery Town Council moves to extend the waiver of enforcement of
139 certain provisions of Title 5.7 Sidewalk Sales to October 31, 2020.

140 Councilor Thomson moved to extend the Title 5.7 Sidewalk Sales to October 31, 2020,
141 seconded by Councilor Pelletier.

142 Motion Carried 7-0-0

143 13. COUNCILOR ISSUES OR COMMENTS

144 Councilor Lemont – Councilor Lemont apologized for being late and stated that he had
145 some corrections for the minutes that were presented. Councilor Lemont asked the
146 Council if it would be alright to contact the Recorder to make those corrections. All
147 approved.

148 Councilor Lemont also requested that the Animal Control Officer to attend the August
149 17, 2020 Workshop. All of the Councilors were in favor of the Animal Control Officer
150 attending.

151 Councilor Clark - Councilor Clark thanked Chair Spiller for reading the written
152 comments. He also commented that Facebook was very toxic.

153 Councilor Denault - Councilor Denault recognized the passing of Burl Hoyt, Charles
154 Saurman, Anthony Poir, Robert Alessi, Lorraine Harman, Sue Carol Anderson, and
155 Ronald Mills. He also expressed concerns in reference to vehicles speeding on
156 Stevenson Road. Councilor Denault also stated that the residents on Manson Road
157 wanted to thank the Town Manager for the new street light. He said that he had
158 received several complaints of people fishing on the pier, not wearing masks and not

159 social distancing. Councilor Denault said he has received several complaints about
160 property assessments going up.

161 Vice Chair Brock – Councilor Brock stated the weather will be getting colder in the
162 months ahead and the Council needed ideas on ways to help the local businesses.

163 Councilor Thomson – Councilor Thomson told a story about George Washington.

164 14. EXECUTIVE SESSION - None

165 15. ADJOURNMENT

166 Councilor Thomson moved to adjourn, seconded by Councilor Pelletier.

167 Motion Carried 7-0-0

Submitted by Kim Tackett

Disclaimer: The following minutes constitute the author's understanding of the meeting. Whilst every effort has been made to ensure the accuracy of the information, the minutes are not intended as a verbatim transcript of comments at the meeting, but a summary of the discussion and actions that took place. For complete details, please refer to the video of the meeting on the Town of Kittery website.

KITTERY TOWN COUNCIL Unapproved Minutes

August 24, 2020

Remote Meeting

6:00PM

- 1 1. Call to Order
- 2 2. Introductory
- 3 3. Pledge of Allegiance
- 4 4. Roll Call
- 5 Councilors present: Charles Denault, Jeffrey Pelletier, Jeffrey Thomson, Kenneth
- 6 Lemont, Cyrus Clark, Vice Chair Matt Brock, and Chair Judith Spiller.
- 7 5. Agenda Amendment and Adoption - None
- 8 6. Town Manager's Report
- 9 The Town Manager reported on: November Election, out of state registrations, annual
- 10 goals update, and Keep Maine Healthy Grant round 2.
- 11 Upcoming Dates: Town Offices Closed for Labor Day – Sep 7
- 12 7. Acceptance of Previous Minutes
- 13 February 10, 2020 - Approved as amended, with the spelling of Jeffery Thomson
- 14 corrected to Jeffrey Thomson.
- 15 March 2, 2020 - Approved as written.
- 16 March 9, 2020 - Postponed approval.
- 17 April 2, 2020 - Approved as written.
- 18 8. All items involving the town attorney, town engineers, town employees or other town
- 19 consultants or requested offices.
- 20 9. PUBLIC HEARINGS
- 21 a. (080220-1) The Kittery Town Council moves to hold a public hearing on the TIF
- 22 District Program.
- 23 The Town Manager gave an overview of the TIF District Program.

24 George Dow, 1 Bartlett Road Kittery Point, ME, Chair of the Economic Development
25 Committee - Mr. Dow spoke in favor of the proposed amendment.

26 Bob Gray, 14 Manson Road, Kittery, ME - Mr. Gray had questions about the proposed
27 amendment and asked the Town to hold off on the amendment until some sort of review
28 is done to determine whether it is a good deal for the Town.

29 Will Pierce, 77 Crockett Neck Road, Kittery, ME - Mr. Peirce was not in support of the
30 TIF Program.

31 The Town Manager and the Adam Causey, Director of Planning and Development
32 addressed the concerns and questions of Mr. Gray and Mr. Pierce.

33 Moved by Councilor Thomson, seconded by Councilor Denault.

34 Motion Carried 7-0-0

35 10. DISCUSSION

36 a. The public may submit public comments in writing or via the Q&A feature of the
37 webinar for the DISCUSSION agenda

38 George Dow, 1 Bartlett Road, Kittery Point, ME - Mr. Dow stated he was opposed to the
39 proposed changes in the dog ordinance. Mr. Dow gave some examples of solutions he
40 thought would help.

41 Christine Kelly, Kittery, ME - Ms. Kelly expressed her concerns to the proposed
42 changes in the dog ordinance and wondered what suddenly prompted the changes.
43 Ms. Kelly also inquired about the dog workshop and where to find it on the Town
44 website.

45 Tamara Corcoran, 16 Norton Road, Kittery, ME - Ms. Corcoran stated she was opposed
46 to the changes of the dog ordinance.

47 b. Chairperson will read written comments into the record.

48 The Council decided to save all of the letters and emails referring to the dog ordinance
49 for the public hearing. Chair Spiller read the names of residents that sent comments. All
50 of the letters and emails are posted online and are a part of public record.

51 Jason Canty, 49 Love Lane, Kittery ME - Mr. Canty expressed his concerns about traffic
52 flow and parking in the Foreside and suggested the Dineen building would be a perfect
53 opportunity to expand the existing municipal parking lot.

54 Heather Guptill, 4 High Pasture Road, Kittery Point, ME - Ms. Guptill wanted to know
55 why the EOTW (eyes of the world). program was discontinued.

56 Anne Gilbert, 17 Park Avenue, Kittery, ME - Ms. Gilbert requested the Council begin
57 work to develop a Code of Ethics and a Social Media Use Policy for its elected officials.

58 Gary Beers, 54 Lewis Road, Kittery, ME - Mr. Beers expressed his disappointment in
59 the reading of Anne Gilbert's letter at the last meeting.

60 c. Chairperson's response to public comments

61 Chair Spiller stated that what prompted changes in the animal control ordinance is that
62 over the years there have been reports of unruly dogs running across blankets, stealing
63 food, disrupting picnics, along with dogs being bitten, people being knocked over and a
64 child that has been injured.

65 Chair Spiller responded to Mr. Canty and stated that the Town Manager is working on
66 some options for the Dineen properties and to stay tuned.

67 Chair Spiller responded to Ms. Guptill and said there is a gap childcare program for
68 Kittery School students.

69 Chair Spiller responded by stating there was already a request for the Town Manager to
70 put together a Code of Ethics and a Social Media Use Policy.

71 Chair Spiller responded to Mr. Beers and stated she did read all of Ms. Gilbert's letter,
72 as well as gave Councilor Denault time to respond. Chair Spiller also stated that she did
73 not tell the Council not to talk about the SRO decision.

74 11. UNFINISHED BUSINESS –

75 a. (080220-2) The Kittery Town Council moves to hold a Special Meeting Public Hearing
76 on August 31, 2020 at 5:00pm at the KCC Star Theatre to discuss Title 6 - Animal
77 Control.

78 Councilor Clark requested the date of the Public Hearing be changed since he will be
79 unable to attend the August 31, 2020 Public Hearing.

80 Councilor Thomson moved to change the Public Hearing date to Wednesday
81 September 9, 2020, seconded by Councilor Denault.

82 Motion Carried 7-0-0

83 12. NEW BUSINESS

84 a. Donations/gifts received for Council disposition

85 b. (080220-3) The Kittery Town Council moves to approve a renewal Liquor License
86 application for Navy Yard Bar & Billiard, 182 State Road, Kittery.

87 Moved by Councilor Thomson, seconded by Councilor Pelletier.

88 Motion Carried 7-0-0

89 c. (080220-4) The Kittery Town Council moves to approve a Special Activity
90 Amusement Permit for Navy Yard Bar & Billiard, 182 State Road, Kittery.

91 Moved by Councilor Thomson, seconded by Councilor Denault.

92 Motion Carried 7-0-0

93 d. (080220-5) The Kittery Town Council moves to appoint Councilor Clark along with
94 Robert Guay Chair of the KCC Board of Directors to interview Maribeth Girard for
95 appointment to the KCC Board of Directors, for a 3-year term to expire 12/31/2023.

96 Moved by Councilor Thomson, seconded by Councilor Pelletier.

97 Motion Carried 7-0-0

98 e. (080220-6) The Kittery Town Council moves to re-appoint Bryan Bush of the Kittery
99 Port Authority for a 5-year term to expire 12/31/2025.

100 Moved by Councilor Thomson, seconded by Councilor Pelletier.

101 Motion Carried 7-0-0

102 13. COUNCILOR ISSUES OR COMMENTS

103 Councilor Clark – Councilor Clark asked for the public to more specific on the items they
104 like or dislike regarding the dog ordinance.

105 Councilor Denault wanted to recognize the Police Chief and stated it was nice to see
106 him in the field making traffic stops.

107 Councilor Lemont stated that he has had numerous complaints of vehicles speeding in
108 town and said it was refreshing to see the presence of the Police with their radar
109 equipment.

110 14. EXECUTIVE SESSION - None

111 15. ADJOURNMENT

112 Moved by Councilor Thomson, seconded by Councilor Pelletier.

113 Motion Carried 7-0-0

Submitted by Kim Tackett

Disclaimer: The following minutes constitute the author's understanding of the meeting. Whilst every effort has been made to ensure the accuracy of the information, the minutes are not intended as a verbatim transcript of comments at the meeting, but a summary of the discussion and actions that took place. For complete details, please refer to the video of the meeting on the Town of Kittery website.

KITTERY TOWN COUNCIL Unapproved Minutes

September 14, 2020

Remote Meeting

6:00 PM

1 1. Call to Order

2 2. Introductory

3 3. Pledge of Allegiance

4 4. Roll Call

5 Councilors present: Charles Denault, Jeffrey Pelletier, Jeffrey Thomson, Kenneth
6 Lemont, Cyrus Clark, Vice Chair Matt Brock, and Chair Judith Spiller.

7 5. Agenda Amendment and Adoption

8 Move Item 8. Kittery Town Council moves to receive a presentation from Alexandra
9 Duprey regarding the Flood Resiliency Plan for Kittery, after Item 5. Agenda
10 Amendment and Adoption.

11 Add under 12. New Business, Item e. The Kittery Town Council moves to schedule a
12 Public Hearing for an Emergency ordinance on Title - 10 relative to Love Lane.

13 Councilor Thomson moved to approve the amendments discussed and adopt the
14 agenda, seconded by Councilor Denault.

15 Motion Carried 7-0-0

16 6. Town Manager's Report

17 The Town Manager Reporter on: Temporary signs/political signs, COVID-19 hazard
18 pay, Taylor Building proposals, EV charging station, and Board, Commissions, and
19 Committees.

20 Upcoming Dates: Absentee Ballot Applications Available – Town Clerk, Candidate
21 Forum – October 7, 6PM (broadcast on Channel 22), Town Hall Closed – Indigenous
22 Peoples Day – October 12, and Presidential/State/Local Election – November 3, 8AM to
23 8PM, Kittery Community Center

24 7. Acceptance of Previous Minutes

25 March 9, 2020 (Revised) – Amend line 128 to say the Council was withdrawing the
26 letter for the Kittery Water District bill.

27 April 6, 2020 - Amend line 13 to reflect merit pay for teachers.

28 April 13, 2020 - Approved as written.

29 April 27, 2020 - Amend lines 30-31 to include more verbiage in the response.

30 Councilor Thomson moved to approve the minutes of March 9, April 6, April 13, and
31 April 27, 2020 as amended, seconded by Councilor Pelletier.

32 Motion Carried 7-0-0

33 8. All items involving the town attorney, town engineers, town employees or other town
34 consultants or requested offices.

35 a. (090120-1) The Kittery Town Council moves to receive a presentation from Alexandra
36 Duprey regarding the Flood Resiliency Plan for Kittery.

37 Cameron Wake, Chair of the Climate Adaptation Committee, introduced Alexandra
38 Duprey.

39 Alexandra Duprey presented the Flood Resiliency Plan which included a flood
40 vulnerability assessment for Kittery, coastal hazards, climate resilience and risks such
41 as sea level rise, and storm surge.

42 Councilor Thomson asked if this study should be on the Town's website.

43 Cameron Wake responded by saying once the report was finalized it would be on the
44 Town's website on the Climate Adaptation Committee page.

45 9. PUBLIC HEARINGS - None

46 10. DISCUSSION

47 a. The public may submit public comments in writing or via the Q&A feature of the
48 webinar for the DISCUSSION agenda. - None

49 b. Chairperson will read written comments into the record. - None

50 c. Chairperson's response to public comments. - None

51 11. UNFINISHED BUSINESS –

52 a. (090120-2) The Kittery Town Council moves to discuss the postponed Title – 6 public
53 hearing.

54 Chair Spiller stated that there are two choices: 1. Postpone indefinitely or 2. Remove
55 the contentious conditions and move it to public hearing. Chair Spiller gave a list of
56 items in this ordinance that are beneficial. Chair Spiller also gave a list of items that
57 should be removed from the ordinance at this time.

58 Councilor Clark, and Councilor Thomson agreed with Chair Spiller's opinion.

59 Councilor Thomson suggested the Town Manager create a Dog Working Group and he
60 stated this would take residents from both sides working together to find solutions.

61 All of the Councilors were in favor with the idea of the Dog Working Group.

62 The Town Manager asked the Council if they wanted to see the scheduling of a Public
63 Hearing for Title-6 with the contentious items removed, on the next agenda.

64 All of the Councilors were in favor.

65 12. NEW BUSINESS

66 a. Donations/gifts received for Council disposition - None

67 b. (090120-3) The Kittery Town Council moves to establish an overlay amount of
68 \$_____, resulting in a mil rate of per mils, and to charge an interest rate of 7% per
69 annum on past due accounts and an interest rate of 3% on overpayment of property
70 taxes, and confirms the dates of October 31, 2020, February 15, 2021 and May 31,
71 2021, as the due dates for property and personal property taxes.

72 The Town Manager gave an overview.

73 The Town Assessor, Paul McKenney presented the FY21 Tax Rate Calculation report.

74 Councilor Denault stated the mil rate decreased by 33%, and the evaluation increased.
75 Councilor Denault wanted to know, on average, how much the evaluation had
76 increased.

77 Paul McKenney stated the mil rate decreased by 25.86%, but the evaluation increased
78 on average, 40%. Mr. McKenney explained that after the approval of the tax rate, the
79 abatement process would begin.

80 Councilor Thomson moved to establish an overlay amount of \$214712.00, resulting in a
81 mil rate of .01290 per mils, and to charge an interest rate of 7% per annum on past due
82 accounts and an interest rate of 3% on overpayment of property taxes, and confirms the
83 dates of November 02, 2020, February 16, 2021 and June 01, 2021, as the due dates
84 for property and personal property taxes, seconded by Councilor Pelletier.

85 Motion Carried 7-0-0

86 c. (090120-4) The Kittery Town Council moves to accept the resignation of John Duffy
87 of the Climate Adaptation Committee.

88 Moved by Chair Spiller, seconded by Councilor Pelletier.

89 Motion Carried 7-0-0

90 d. (090120-5) The Kittery Town Council moves to accept the resignation of Jean Lincoln
91 of the Kittery Community Center Board of Directors.

92 Moved by Chair Spiller, seconded by Councilor Clark.

93 Motion Carried 7-0-0

94 Councilor Thomson stated that Jean was one of the original members of the Kittery
95 Community Center Board of Directors when it was created in 2012. Councilor Thomson
96 commented that Jean was a fantastic member. He also expressed that Jean and her
97 husband David's involvement in our community should set the standard.

98 e. The Kittery Town Council moves to schedule a Public Hearing on September 28,
99 2020 for an Emergency ordinance on Title 10 relative to Love Lane.

100 Moved by Councilor Clark, seconded by Councilor Thomson.

101 Motion Carried 7-0-0

102 Councilor Thomson asked the Town Manager if another public hearing would be
103 needed if the temporary ordinance became an ordinary ordinance.

104 The Town Manager responded by referring to the Emergency ordinance section of the
105 Town Charter - 2.15.

106 13. COUNCILOR ISSUES OR COMMENTS

107 Councilor Thomson – Councilor Thomson stated that in the Council packet there was a
108 blank copy of the Town Manager's annual evaluation to be completed and asked Chair
109 Spiller for the due date and how the Council should get those evaluations back to her.

110 Chair Spiller's response was to email the evaluations to her, before the September 28,
111 2020 meeting and the Council could then schedule an Executive Session to review the
112 evaluations for the first meeting in October.

113 Chair Spiller – Chair Spiller commented that last Saturday the Conservation
114 Commission did a clean-up on Seapoint Beach. Chair Spiller said there were Girl
115 Scouts, Cub Scouts, Boy Scouts and families, stating it was a very lovely morning
116 cleaning up the beach.

117 14. EXECUTIVE SESSION

118 a. (090120-6) The Kittery Town Council moves to go into Executive Session with the
119 Town Manager in accordance with M.R.S Title 1 § 405 (6) (D) to discuss labor contracts.

120 Councilor Thomson moved to go into Executive session at 7:16 p.m., seconded by
121 Councilor Denault.

122 Motion Carried 7-0-0

123 Councilor Thomson moved to come out of Executive session at 7:27 p.m., seconded by
124 Councilor Pelletier.

125 Motion Carried 7-0-0

126 15. ADJOURNMENT

127 Moved by Councilor Thomson, seconded by Councilor Pelletier.

128 Motion Carried 7-0-0

Submitted by Kim Tackett

Disclaimer: The following minutes constitute the author's understanding of the meeting. Whilst every effort has been made to ensure the accuracy of the information, the minutes are not intended as a verbatim transcript of comments at the meeting, but a summary of the discussion and actions that took place. For complete details, please refer to the video of the meeting on the Town of Kittery website.

Federal Compliance Audit

Town of Kittery, Maine

June 30, 2020



Proven Expertise & Integrity

TOWN OF KITTERY, MAINE

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JUNE 30, 2020

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INDEPENDENT AUDITORS' REPORT

Town Council
Town of Kittery
Kittery, Maine

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Kittery, Maine as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the Town of Kittery, Maine's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Kittery, Maine as of June 30, 2020 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension and OPEB information on pages 4 through 13 and 87 through 97 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Kittery, Maine's basic financial statements. The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and capital asset schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* and is also not a required part of the basic financial statements.

The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements, capital asset schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements, capital asset schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2020, on our consideration of the Town of Kittery, Maine's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Kittery, Maine's internal control over financial reporting and compliance.

RHR Smith & Company

Buxton, Maine
December 15, 2020

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

(UNAUDITED)

The following management's discussion and analysis of Town of Kittery, Maine's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2020. Please read it in conjunction with the Town's financial statements.

Financial Statement Overview

The Town of Kittery's basic financial statements include the following components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also includes required supplementary information which consists of the general fund budgetary comparison schedule, pension and OPEB schedules and other supplementary information which includes combining and other schedules.

Basic Financial Statements

The basic financial statements include financial information in two differing views: the government-wide financial statements and the fund financial statements. These basic financial statements also include the notes to financial statements that explain in more detail certain information in the financial statements and also provide the user with the accounting policies used in the preparation of the financial statements.

Government-Wide Financial Statements

The government-wide financial statements provide a broad view of the Town's operations in a manner that is similar to private businesses. These statements provide both short-term as well as long-term information in regard to the Town's financial position. These financial statements are prepared using the accrual basis of accounting. This measurement focus takes into account all revenues and expenses associated with the fiscal year regardless of when cash is received or paid. The government-wide financial statements include the following two statements:

The Statement of Net Position - this statement presents *all* of the government's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference being reported as net position.

The Statement of Activities - this statement presents information that shows how the government's net position changed during the period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

Both of the above-mentioned financial statements have separate columns for the two different types of Town activities. The types of activities presented for the Town of Kittery are:

- *Governmental activities* - The activities in this section are mostly supported by taxes and intergovernmental revenues (federal and state grants). Most of the Town's basic services are reported in governmental activities, which include general government, public safety, public works, recreation and culture, health and sanitation, social services, education, program expenses and grant funds/miscellaneous accounts.
- *Business-type activities* - These activities are normally intended to recover all or a significant portion of their costs through user fees and/or charges to external users for goods and/or services. These activities for the Town of Kittery include the sewer department.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Kittery, like other local governments uses fund accounting to ensure and demonstrate compliance with financial related legal requirements. All of the funds of the Town of Kittery can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds: Most of the basic services provided by the Town are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported in governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources. They also focus on the balance of spendable resources available at the end of the fiscal year. Such information will be useful in evaluating the government's near-term financing requirements. This approach is known as the current financial resources measurement focus and the modified accrual basis of accounting. Under this approach revenues, are recorded when cash is received or when susceptible to accrual. Expenditures are recorded when liabilities are incurred and due. These statements provide a detailed short-term view of the Town's finances to assist in determining whether there will be adequate financial resources available to meet the current needs of the Town.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues,

expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are presented on the page immediately following each governmental funds financial statement.

The Town of Kittery presents three columns in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances. The Town's major governmental funds are the general fund and the education fund. All other funds are shown as nonmajor and are combined in the "Other Governmental Funds" column on these statements.

The general fund and education fund are the only funds for which the Town legally adopted a budget. The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund and the Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - Education Fund provide comparisons of the original and final budget and the actual expenditures for the current year.

Proprietary Funds: The Town of Kittery maintains one proprietary fund, the Sewer Department Fund. This fund is used to show activities that operate more like those of commercial enterprises. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Like the government-wide financial statements, proprietary fund financial statements use the accrual basis of accounting. No reconciliation is needed between the government-wide financial statements for business-type activities and the proprietary fund financial statements.

Fiduciary Funds: These funds are used to account for resources held for the benefit of parties outside the Town of Kittery. These funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the Town's own programs. The accounting used for fiduciary funds are much like that of proprietary funds. They use the accrual basis of accounting.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and the Fund Financial Statements. The Notes to Financial Statements can be found following the Statement of Changes in Net Position - Fiduciary Funds.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information, which includes a Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund, Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - Education Fund, a Schedule of Proportionate Share of the Net Pension Liability, a Schedule of Contributions - Pensions, a Schedule

of Proportionate Share of the Net OPEB Liability - Set Plan, a Schedule of Contributions - OPEB, a Schedule of Changes in Net OPEB Liability - MMEHT Plan, a Schedule of Changes in Net OPEB Liability and Related Ratios - MMEHT Plan, a Schedule of Changes in Net OPEB Liability - MEABT Plan, a Schedule of Changes in Net OPEB Liability and Related Ratios - MEABT Plan and Notes to Required Supplementary Information.

Other Supplementary Information

Other supplementary information follows the required supplementary information. These combining and other schedules provide information in regard to nonmajor funds, capital asset activity and other detailed budgetary information for the general fund.

Government-Wide Financial Analysis

Our analysis below focuses on the net position and changes in net position of the Town's governmental activities. The Town's total net position for governmental activities is \$27,125,241 compared to \$27,179,983 in the prior year, a decrease of \$54,742. For the business-type activities, total net position is \$9,037,794 compared to \$9,015,753 in the prior year, an increase of \$22,041.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - is \$932,693 at the end of this year for governmental activities and a deficit balance of \$812,719 for the business-type activities.

Table 1
Town of Kittery, Maine
Net Position
June 30,

	Governmental Activities		Business-type Activities	
	2020	2019 (Restated)	2020	2019
Assets:				
Current Assets	\$ 22,341,477	\$ 17,629,078	\$ 1,239,498	\$ 939,377
Noncurrent Assets - Capital Assets	35,056,609	34,919,967	20,644,426	21,730,589
Total Assets	57,398,086	52,549,045	21,883,924	22,669,966
Deferred Outflows of Resources:				
Deferred Outflows Related to Pensions	1,440,066	1,395,657	114,352	96,268
Deferred Outflows Related to OPEB	6,417,466	2,978,587	-	-
Total Deferred Outflows of Resources	7,857,532	4,374,244	114,352	96,268
Liabilities:				
Current Liabilities	8,217,540	4,668,941	680,650	714,519
Noncurrent Liabilities	29,084,130	24,286,631	10,547,195	11,197,299
Total Liabilities	37,301,670	28,955,572	11,227,845	11,911,818
Deferred Inflows of Resources:				
Deferred Revenue	-	-	1,652,142	1,771,001
Prepaid Taxes	4,385	871	-	-
Deferred Inflows Related to Pensions	761,532	708,375	80,495	67,662
Deferred Inflows Related to OPEB	62,790	78,488	-	-
Total Deferred Inflows of Resources	828,707	787,734	1,732,637	1,838,663
Net Position:				
Net Investment in Capital Assets	23,741,158	22,305,076	9,850,513	10,313,936
Restricted	2,451,390	1,963,367	-	-
Unrestricted (Deficit)	932,693	2,911,540	(812,719)	(1,298,183)
Total Net Position	\$ 27,125,241	\$ 27,179,983	\$ 9,037,794	\$ 9,015,753

Table 2
Town of Kittery, Maine
Change in Net Position
For the Years Ended June 30,

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues				
<i>Program Revenues:</i>				
Charges for services	\$ 2,284,136	\$ 2,681,171	\$ 2,764,063	\$ 2,550,063
Operating grants and contributions	4,550,509	2,749,943	-	-
<i>General Revenues:</i>				
Taxes	27,611,095	26,482,819	-	-
Grants and contributions not restricted to specific programs	3,263,304	3,482,767	-	-
Investment income	201,156	167,937	15,833	17,757
Miscellaneous	686,698	694,822	240	-
Total Revenues	<u>38,596,898</u>	<u>36,259,459</u>	<u>2,780,136</u>	<u>2,567,820</u>
Expenses				
General government	7,191,583	3,986,981	-	-
Public safety	3,533,638	3,281,449	-	-
Public works	1,635,008	1,823,057	-	-
Recreation and culture	2,082,301	2,158,046	-	-
Health and sanitation	572,197	516,996	-	-
Social services	61,435	57,926	-	-
Education	18,331,453	18,341,659	-	-
County tax	894,783	863,018	-	-
Program expenses	566,154	65,258	-	-
State of Maine on-behalf payments	2,977,891	1,573,152	-	-
Capital outlay	-	2,643,732	-	-
Grant funds/misc. accounts	257,276	136,122	-	-
Overlay	150,000	56,519	-	-
Unallocated depreciation (Note 4)*	68,927	44,827	-	-
Interest on long-term debt	328,994	367,431	-	-
Sewer department	-	-	2,758,095	2,903,031
Total Expenses	<u>38,651,640</u>	<u>35,916,173</u>	<u>2,758,095</u>	<u>2,903,031</u>
Transfers	<u>-</u>	<u>200,000</u>	<u>-</u>	<u>(200,000)</u>
Change in Net Position	(54,742)	543,286	22,041	(535,211)
Net Position - July 1, Restated	<u>27,179,983</u>	<u>26,636,697</u>	<u>9,015,753</u>	<u>9,550,964</u>
Net Position - June 30	<u>\$ 27,125,241</u>	<u>\$ 27,179,983</u>	<u>\$ 9,037,794</u>	<u>\$ 9,015,753</u>

Revenues and Expenses

Revenues for the Town's governmental activities increased by 6.45%, while total expenses increased by 7.62%. The increase in revenues was primarily due to taxes. The increase in expenses was primarily due to general government which is a result of pension and OPEB expense.

Revenues increased by 8.27% in the Town's business type activities, while the total expenses decreased by 4.99%.

Financial Analysis of the Town's Fund Statements

Governmental funds: The financial reporting focus of the Town's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information may be useful in assessing the Town's financial requirements. In particular, unassigned fund balance may serve as a useful measure of a government's financial position at the end of the year and the net resources available for spending.

Table 3
Town of Kittery, Maine
Fund Balances - Governmental Funds
June 30,

	2020	2019	Change Increase (Decrease)
Major Funds:			
General Fund:			
Nonspendable	\$ 207,998	\$ 180,108	\$ 27,890
Unassigned	6,565,631	6,313,900	251,731
Education Fund:			
Nonspendable	35,400	299,485	(264,085)
Assigned	-	20,454	(20,454)
Unassigned	530,877	(6,890)	537,767
Total Major Funds	<u>\$ 7,339,906</u>	<u>\$ 6,807,057</u>	<u>\$ 532,849</u>
Nonmajor Funds:			
Special Revenue Funds:			
Nonspendable	\$ 9,976	\$ 10,906	\$ (930)
Restricted	136,525	133,499	3,026
Committed	4,267,420	4,463,252	(195,832)
Assigned	310,128	353,075	(42,947)
Unassigned	(124,988)	(136,871)	11,883
Capital Projects Funds:			
Restricted	1,178,754	1,069,865	108,889
Committed	776,539	661,134	115,405
Unassigned	-	(127,038)	127,038
Permanent Funds:			
Nonspendable	60,000	60,000	-
Restricted	689,092	700,003	(10,911)
Unassigned	(772)	(772)	-
Total Nonmajor Funds	<u>\$ 7,302,674</u>	<u>\$ 7,187,053</u>	<u>\$ 115,621</u>

The changes to total fund balances for the general fund, education fund and other governmental funds occurred due to the regular activity of operations.

Proprietary funds: The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The sewer department fund had an increase in net position of \$22,041 from the prior year due primarily to operating income of \$151,705 that exceeded net nonoperating expenses of \$129,664.

Budgetary Highlights

The differences between the original and final budget for the general fund was the use of assigned fund balances.

The general fund actual revenues exceeded the budget by \$106,822. This was a result of all revenue categories being receipted within in or in excess of budgeted amounts with the exception of general tax revenue and charges for services.

The general fund actual expenditures were under budget by \$224,899. All expenditure categories were within or under budget with the exception of social services and grant funds/misc. accounts.

There was no difference between the original and final budget for the education fund.

The education fund actual revenues exceeded the budget by \$36,561. This was a result of all revenue categories being receipted within or in excess of budgeted amounts with the exception of charges for services and other revenue.

The education fund actual expenditures were below budget by \$624,140. All expenditure categories were within or under budget with the exception of regular instruction and debt service - interest.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2020, the net book value of capital assets recorded by the Town decreased by \$949,521. This decrease is a result of capital additions of \$2,096,108 less net disposals of \$75,125 and current year depreciation expense of \$2,970,504. Refer to Note 5 of Notes to Financial Statements for additional information.

Table 4
Town of Kittery, Maine
Capital Assets (Net of Depreciation)
June 30,

	2020	2019 (Restated)
Land	\$ 11,236,886	\$ 11,236,886
Construction in progress	382,517	382,517
Land improvements	857,438	953,626
Buildings and improvements	25,620,344	26,884,860
Machinery, equipment and vehicles	4,351,061	3,750,599
Infrastructure	13,252,789	13,442,068
Total	\$ 55,701,035	\$ 56,650,556

Debt

At June 30, 2020, the Town had \$22,109,364 in bonds and notes from direct borrowings payable versus \$24,031,544 last year. Refer to Note 6 of Notes to Financial Statements for more detailed information.

Currently Known Facts, Decisions or Conditions

The outbreak of COVID-19 has been declared a pandemic and led to a national state of emergency in the United States. Refer to Note 1 of Notes to Financial Statements for more detailed information.

At present it is not possible, with any degree of certainty, to estimate the impact of COVID-19 on the revenues, expenditures, budget or overall financial position of the Town of Kittery, Maine. No assurance can be given regarding future events or impacts because these actions and events are unpredictable or unknowable at this time and are outside the control of the Town of Kittery, Maine.

Economic Factors and Next Year's Budgets and Rates

The Town has steadily maintained a sufficient unassigned fund balance to sustain government operations for a period of approximately seven months, while also maintaining significant reserve accounts for future capital and program needs. The FY 21 school department budget could be severely impacted by the reduction of funding from the State.

Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers and investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town Finance Department at 200 Rogers Road, Kittery, Maine 03904.

STATEMENT A

TOWN OF KITTERY, MAINE

STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 13,130,425	\$ 2,557	\$ 13,132,982
Investments	1,603,710	-	1,603,710
Accounts receivable (net of allowance for uncollectibles):			
Taxes	3,089,560	-	3,089,560
Other	238,707	1,267,741	1,506,448
Due from other governments	3,994,901	-	3,994,901
Prepaid items	234,363	-	234,363
Inventory	19,011	-	19,011
Internal balances	30,800	(30,800)	-
Total current assets	<u>22,341,477</u>	<u>1,239,498</u>	<u>23,580,975</u>
Noncurrent assets:			
Capital assets:			
Land and other assets not being depreciated	11,333,423	285,980	11,619,403
Buildings and vehicles net of accumulated depreciation	23,723,186	20,358,446	44,081,632
Total noncurrent assets	<u>35,056,609</u>	<u>20,644,426</u>	<u>55,701,035</u>
TOTAL ASSETS	<u>57,398,086</u>	<u>21,883,924</u>	<u>79,282,010</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	1,440,066	114,352	1,554,418
Deferred outflows related to OPEB	6,417,466	-	6,417,466
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>7,857,532</u>	<u>114,352</u>	<u>7,971,884</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 65,255,618</u>	<u>\$ 21,998,276</u>	<u>\$ 87,253,894</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 355,100	\$ 23,996	\$ 379,096
Accrued payroll	1,546,307	-	1,546,307
Accrued expenses	580,164	-	580,164
Due to other governments	3,994,904	-	3,994,904
Escrows	132,761	-	132,761
Current portion of long-term obligations	1,608,304	656,654	2,264,958
Total current liabilities	<u>8,217,540</u>	<u>680,650</u>	<u>8,898,190</u>
Noncurrent liabilities			
Noncurrent portion of long-term obligations:			
Bonds payable	9,941,709	10,166,556	20,108,265
Notes from direct borrowings payable	51,689	-	51,689
Accrued compensated absences	694,357	68,361	762,718
Net pension liability	3,074,221	312,278	3,386,499
Net OPEB liability	15,322,154	-	15,322,154
Total noncurrent liabilities	<u>29,084,130</u>	<u>10,547,195</u>	<u>39,631,325</u>
TOTAL LIABILITIES	<u>37,301,670</u>	<u>11,227,845</u>	<u>48,529,515</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue	-	1,652,142	1,652,142
Prepaid taxes	4,385	-	4,385
Deferred inflows related to pensions	761,532	80,495	842,027
Deferred inflows related to OPEB	62,790	-	62,790
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>828,707</u>	<u>1,732,637</u>	<u>2,561,344</u>
NET POSITION			
Net investment in capital assets	23,741,158	9,850,513	33,591,671
Restricted	2,451,390	-	2,451,390
Unrestricted (deficit)	932,693	(812,719)	119,974
TOTAL NET POSITION	<u>27,125,241</u>	<u>9,037,794</u>	<u>36,163,035</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 65,255,618</u>	<u>\$ 21,998,276</u>	<u>\$ 87,253,894</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF KITTERY, MAINE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- type Activities	Total
<u>Governmental activities:</u>							
General government	\$ 7,191,583	\$ 407,490	\$ 38,136	\$ -	\$ (6,745,957)	\$ -	\$ (6,745,957)
Public safety	3,533,638	201,119	-	-	(3,332,519)	-	(3,332,519)
Public works	1,635,008	39,117	-	-	(1,595,891)	-	(1,595,891)
Recreation and culture	2,082,301	1,105,391	-	-	(976,910)	-	(976,910)
Health and sanitation	572,197	126,086	-	-	(446,111)	-	(446,111)
Social services	61,435	-	-	-	(61,435)	-	(61,435)
Education	18,331,453	19,896	1,534,482	-	(16,777,075)	-	(16,777,075)
County tax	894,783	-	-	-	(894,783)	-	(894,783)
Program expenses	566,154	385,037	-	-	(181,117)	-	(181,117)
State of Maine on-behalf payments	2,977,891	-	2,977,891	-	-	-	-
Grant funds/misc. accounts	257,276	-	-	-	(257,276)	-	(257,276)
Overlay	150,000	-	-	-	(150,000)	-	(150,000)
Unallocated depreciation (Note 4)*	68,927	-	-	-	(68,927)	-	(68,927)
Interest on long-term debt	328,994	-	-	-	(328,994)	-	(328,994)
Total governmental activities	<u>38,651,640</u>	<u>2,284,136</u>	<u>4,550,509</u>	<u>-</u>	<u>(31,816,995)</u>	<u>-</u>	<u>(31,816,995)</u>
<u>Business-type activities:</u>							
Sewer department	<u>2,758,095</u>	<u>2,764,063</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,968</u>	<u>5,968</u>
Total business-type activities	<u>2,758,095</u>	<u>2,764,063</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,968</u>	<u>5,968</u>
Total government	<u>\$ 41,409,735</u>	<u>\$ 5,048,199</u>	<u>\$ 4,550,509</u>	<u>\$ -</u>	<u>(31,816,995)</u>	<u>5,968</u>	<u>(31,811,027)</u>

STATEMENT B (CONTINUED)
TOWN OF KITTEERY, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

	Governmental Activities	Business- type Activities	Total
Changes in net position:			
Net (expense) revenue	(31,816,995)	5,968	(31,811,027)
General revenues:			
Taxes:			
Property taxes, levied for general purposes	25,612,191	-	25,612,191
Excise taxes	1,998,904	-	1,998,904
Grants and contributions not restricted to specific programs	3,263,304	-	3,263,304
Investment income, net of unrealized gains/(losses)	201,156	15,833	216,989
Miscellaneous	686,698	240	686,938
Total general revenues and transfers	<u>31,762,253</u>	<u>16,073</u>	<u>31,778,326</u>
Change in net position	(54,742)	22,041	(32,701)
NET POSITION - JULY 1	<u>27,179,983</u>	<u>9,015,753</u>	<u>36,195,736</u>
NET POSITION - JUNE 30	<u><u>\$ 27,125,241</u></u>	<u><u>\$ 9,037,794</u></u>	<u><u>\$ 36,163,035</u></u>

See accompanying independent auditors' report and notes to financial statements.

STATEMENT C

TOWN OF KITTERY, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020

	General Fund	Education Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 13,093,268	\$ 200	\$ 36,957	\$ 13,130,425
Investments	984,779	-	618,931	1,603,710
Accounts receivables (net of allowance for uncollectibles):				
Taxes/liens	3,089,560	-	-	3,089,560
Other	115,652	-	123,055	238,707
Due from other governments	-	3,994,901	-	3,994,901
Prepaid items	198,963	35,400	-	234,363
Inventory	9,035	-	9,976	19,011
Due from other funds	226,118	-	6,771,006	6,997,124
TOTAL ASSETS	\$ 17,717,375	\$ 4,030,501	\$ 7,559,925	\$ 29,307,801
LIABILITIES				
Accounts payable	\$ 163,298	\$ 129,869	\$ 61,933	\$ 355,100
Accrued payroll	131,083	1,415,224	-	1,546,307
Accrued expenses	67,967	512,197	-	580,164
Due to other governments	2,974,989	1,019,915	-	3,994,904
Escrows	132,761	-	-	132,761
Due to other funds	6,771,006	-	195,318	6,966,324
TOTAL LIABILITIES	10,241,104	3,077,205	257,251	13,575,560
DEFERRED INFLOWS OF RESOURCES				
Prepaid taxes	4,385	-	-	4,385
Deferred tax revenues	698,257	-	-	698,257
TOTAL DEFERRED INFLOWS OF RESOURCES	702,642	-	-	702,642
FUND BALANCES				
Nonspendable	207,998	35,400	69,976	313,374
Restricted	-	387,019	2,004,371	2,391,390
Committed	-	-	5,043,959	5,043,959
Assigned	-	-	310,128	310,128
Unassigned	6,565,631	530,877	(125,760)	6,970,748
TOTAL FUND BALANCES	6,773,629	953,296	7,302,674	15,029,599
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 17,717,375	\$ 4,030,501	\$ 7,559,925	\$ 29,307,801

See accompanying independent auditors' report and notes to financial statements.

TOWN OF KITTEERY, MAINE

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2020

	Total Governmental Funds
Total Fund Balances	\$ 15,029,599
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	35,056,609
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds shown above:	
Taxes and liens receivable	698,257
Deferred outflows of resources related to pensions are not financial resources and therefore are not reported in the funds	1,440,066
Deferred inflows of resources related to OPEB are not financial resources and therefore are not reported in the funds	6,417,466
Long-term obligations are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(11,224,857)
Notes from direct borrowings payable	(90,594)
Accrued compensated absences	(980,608)
Net pension liability	(3,074,221)
Net OPEB liability	(15,322,154)
Deferred inflows of resources related to pensions are not financial resources and therefore are not reported in the funds	(761,532)
Deferred inflows of resources related to OPEB are not financial resources and therefore are not reported in the funds	(62,790)
Net position of governmental activities	\$ 27,125,241

See accompanying independent auditors' report and notes to financial statements.

STATEMENT E

TOWN OF KITTERY, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	General Fund	Education Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
General tax revenue	\$ 11,760,606	\$ 15,728,549	\$ -	\$ 27,489,155
Intergovernmental revenue	1,354,598	1,951,869	1,529,455	4,835,922
Charges for services	1,879,203	19,896	385,037	2,284,136
Investment income, net of unrealized gains/(losses)	172,912	-	28,244	201,156
State of Maine on-behalf payments	-	1,290,696	-	1,290,696
Other revenue	175,236	11,678	499,784	686,698
TOTAL REVENUES	15,342,555	19,002,688	2,442,520	36,787,763
EXPENDITURES				
Current:				
General government	4,067,604	-	369,337	4,436,941
Public safety	2,995,735	-	226,373	3,222,108
Public works	1,018,046	-	9,843	1,027,889
Recreation and culture	1,802,508	-	44,827	1,847,335
Health and sanitation	497,540	-	70,648	568,188
Social services	61,435	-	-	61,435
Education	-	16,192,507	1,688,265	17,880,772
County tax	894,783	-	-	894,783
State of Maine on-behalf payments	-	1,290,696	-	1,290,696
Overlay	150,000	-	-	150,000
Grant funds/misc. accounts	257,276	-	-	257,276
Program expenses	-	-	566,154	566,154
Debt service:				
Principal	667,884	620,000	-	1,287,884
Interest	159,756	169,238	-	328,994
Capital outlay	-	-	1,931,819	1,931,819
TOTAL EXPENDITURES	12,572,567	18,272,441	4,907,266	35,752,274
EXCESS REVENUES OVER (UNDER) EXPENDITURES	2,769,988	730,247	(2,464,746)	1,035,489
OTHER FINANCING SOURCES				
Transfers in	50,000	-	3,330,265	3,380,265
Transfers (out)	(2,540,367)	(90,000)	(749,898)	(3,380,265)
TOTAL OTHER FINANCING SOURCES (USES)	(2,490,367)	(90,000)	2,580,367	-
NET CHANGE IN FUND BALANCES	279,621	640,247	115,621	1,035,489
FUND BALANCES - JULY 1, RESTATED	6,494,008	313,049	7,187,053	13,994,110
FUND BALANCES - JUNE 30	\$ 6,773,629	\$ 953,296	\$ 7,302,674	\$ 15,029,599

See accompanying independent auditors' report and notes to financial statements.

TOWN OF KITTERY, MAINE

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2020

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 1,035,489</u>
<p>Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:</p>	
<p>Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense allocated to those expenditures over the life of the assets:</p>	
Capital asset acquisitions	2,096,108
Capital asset disposals	(75,125)
Depreciation expense	<u>(1,884,341)</u>
	<u>136,642</u>
<p>Deferred outflows of resources are a consumption of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds:</p>	
Pensions	44,409
OPEB	<u>3,438,879</u>
	<u>3,483,288</u>
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported:</p>	
Taxes and liens receivable	<u>121,940</u>
<p>Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position</p>	
	<u>1,299,440</u>
<p>Deferred inflows of resources are an acquisition of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds:</p>	
Pensions	(53,157)
OPEB	<u>15,698</u>
	<u>(37,459)</u>
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:</p>	
Accrued compensated absences	(26,437)
Net pension liability	(335,117)
Net OPEB liability	<u>(5,732,528)</u>
	<u>(6,094,082)</u>
Change in net position of governmental activities (Statement B)	<u>\$ (54,742)</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF KITTERY, MAINE

STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2020

	<u>Enterprise Fund</u> <u>Sewer</u> <u>Department</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 2,557
Accounts receivable (net of allowance for uncollectibles)	1,267,741
Total current assets	<u>1,270,298</u>
Noncurrent assets:	
Capital assets:	
Land	285,980
Buildings and improvements	19,416,324
Machinery, equipment and vehicles	526,657
Infrastructure	11,691,686
Total capital assets	<u>31,920,647</u>
Less: accumulated depreciation	<u>(11,276,221)</u>
Total noncurrent assets	<u>20,644,426</u>
TOTAL ASSETS	<u>21,914,724</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	114,352
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>114,352</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 22,029,076</u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 23,996
Due to other funds	30,800
Current portion of long-term obligations	656,654
Total current liabilities	<u>711,450</u>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Bonds payable	10,166,556
Accrued compensated absences	68,361
Net pension liability	312,278
Total noncurrent liabilities	<u>10,547,195</u>
TOTAL LIABILITIES	<u>11,258,645</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred revenue	1,652,142
Deferred inflows related to pensions	80,495
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,732,637</u>
NET POSITION	
Net investment in capital assets	9,850,513
Unrestricted (deficit)	(812,719)
TOTAL NET POSITION	<u>9,037,794</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 22,029,076</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF KITTERY, MAINE

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

	<u>Enterprise Fund</u> <u>Sewer</u> <u>Department</u>
OPERATING REVENUES	
Charges for services	\$ 2,764,063
Other	240
TOTAL OPERATING REVENUES	<u>2,764,303</u>
OPERATING EXPENSES	
Salaries and wages	605,459
Benefits	201,169
Increase (decrease) in expenses related to net pension liability, deferred outflows and inflows of resources related to pensions	(31,060)
Contracted services	121,260
Utilities	167,403
Fuel / motor	29,070
Repairs, maintenance and equipment	68,925
Supplies and office	49,171
Chemicals	108,803
Sludge management	150,234
Depreciation	1,086,163
Other	56,001
TOTAL OPERATING EXPENSES	<u>2,612,598</u>
OPERATING INCOME (LOSS)	<u>151,705</u>
NONOPERATING REVENUES (EXPENSES)	
Interest income	15,833
Interest expense	(145,497)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(129,664)</u>
CHANGE IN NET POSITION	22,041
NET POSITION - JULY 1	<u>9,015,753</u>
NET POSITION - JUNE 30	<u>\$ 9,037,794</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF KITTEERY, MAINE

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Enterprise Fund</u> <u>Sewer</u> <u>Department</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 2,544,715
Internal activity - receipts (payments) from/to other funds	(199,630)
Payments to employees	(802,255)
Payments to suppliers	(790,664)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>752,406</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	15,833
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>15,833</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Interest payments on bond payable	(145,497)
Principal payments on bond payable	(622,003)
Principal payments on notes from direct borrowings payable	(737)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(768,237)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2
CASH AND CASH EQUIVALENTS - JULY 1	<u>2,555</u>
CASH AND CASH EQUIVALENTS - JUNE 30	<u>\$ 2,557</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating income (loss)	\$ 151,705
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation and amortization expense	1,086,163
Changes in operating assets, deferred outflows of resources, liabilities and deferred inflows of resources:	
(Increase) decrease in accounts receivable	(100,489)
(Increase) decrease in deferred outflows related to pensions	(18,084)
(Decrease) increase in accounts payable	(39,797)
(Decrease) increase in due to other funds	(199,630)
(Decrease) increase in accrued compensated absences	4,373
(Decrease) increase in deferred revenues	(118,859)
(Decrease) increase in net pension liability	(25,809)
(Decrease) increase in deferred inflows related to pensions	12,833
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 752,406</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF KITTEERY, MAINE

STATEMENT OF NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2020

	<u>Agency Funds</u> Student Activities	<u>Private- Purpose Trust Funds</u>
ASSETS		
Cash and cash equivalents	\$ 82,399	\$ 16,467
TOTAL ASSETS	<u>\$ 82,399</u>	<u>\$ 16,467</u>
LIABILITIES		
Accounts payable	\$ -	\$ -
Deposits held for others	<u>82,399</u>	<u>-</u>
TOTAL LIABILITIES	<u>\$ 82,399</u>	<u>-</u>
NET POSITION		
Restricted - held in trust		<u>\$ 16,467</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF KITTEERY, MAINE

STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Private- Purpose Trust Funds
ADDITIONS	
Interest	\$ 7
TOTAL ADDITIONS	<u>7</u>
DEDUCTIONS	
Scholarships	<u>1,000</u>
TOTAL DEDUCTIONS	<u>1,000</u>
CHANGE IN NET POSITION	(993)
NET POSITION - JULY 1	<u>17,460</u>
NET POSITION - JUNE 30	<u><u>\$ 16,467</u></u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Town of Kittery was incorporated under the laws of the State of Maine. The Town operates under Town council-manager form of government and provides the following services: general government, public safety, public works, recreation and culture, health and sanitation, social services, education, program expenses and grant funds/miscellaneous accounts.

The Town's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the Town has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the Town has chosen not to do so.

The Town's combined financial statements include all accounts and all operations of the Town. We have determined that the Town has no component units as described in GASB Statement No. 14 and amended by GASB Statements No. 39 and No. 61.

COVID-19 Outbreak

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been declared a pandemic by the World Health Organization and led to a national state of emergency in the United States. The State of Maine, along with other state and local governments, declared states of emergency and issued multiple public health emergency orders that severely restrict movement and limit businesses and activities to essential functions. These actions and effects of COVID-19 have disrupted economic activity at all levels and impacted the processes and procedures for almost all businesses, including municipal and quasi-municipal entities.

In response to the health crisis created by COVID-19 since early March, the Governor of Maine issued multiple executive orders and declarations to protect the public health in an effort to reduce community spread of the virus and protect citizens. These measures have included, among others, closing or restricting access to certain business and activities, issuing a "stay at home" directive for most citizens, restricting nonessential travel and limiting movement of all persons in Maine to those necessary to obtain or provide essential services or activities. As of the date of this report, the state

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

of emergency was extended to December 23, 2020 and may be further extended if circumstances warrant. While steps toward reopening the State have begun, the speed and scope of the reopening process will depend upon progress toward limiting the continued spread of the disease.

Impact on and Results of Operations

On March 17, 2020 Maine LD 2167 was issued and executed by the Governor of Maine. Among other measures, this LD gave guidance concerning municipal budgets and the election process during the state of emergency. In accordance with Executive Order 39, issued by the Governor of Maine on April 10, 2020, primary elections (and all applicable dates in coordination with it) were suspended from June 9 to July 14.

In accordance with Executive Order 19, issued by the Governor of Maine on March 24, 2020, Town facilities were temporarily closed to the public and all nonessential services to its inhabitants were suspended from March 18, 2020 through May 10, 2020. The Town was required to reduce its staff temporarily at the Kittery Community Center due to the suspension of programs that necessitated particular staff.

Unemployment rates

Closures of Town facilities and staff reduction increased the unemployment expenditures of the Town above budgeted levels for FY 2020. However, the Town was able to compensate for those expenditures with current available resources.

Tax and excise tax 60-day deferred revenue extended

Closures and/or reduced hours of Town facilities have provided limited ability for some taxpayers to remit payments for property and excise taxes that generally would have occurred during the current fiscal year. Executive Order 53, issued by the Governor of Maine on May 12, 2020 (and corrected on May 26 and June 26) allowed municipal officers to extend both tax due dates and interest dates for the fiscal year 2019 property taxes due as well as the option to delay property tax lien filing dates until after the state of emergency has expired. The Town extended tax and interest due dates from May 31, 2020 to July 15, 2020. The Town did not issue tax liens until September 30, 2020.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impact on Finances

The Town does not currently anticipate any additional FY 2020 expenditures due to COVID-19 that would not be covered by existing resources including authorized Coronavirus, Aid, Relief and Economic Security (“CARES”) Act funding and applicable Federal and /or State programs.

Expected Federal/State Support

The Town may have to take action to meet certain requirements to receive any additional Federal or State funding for budgetary or economic relief related to the challenges presented by COVID-19. However, the Town expects that if those actions are necessary, that the Town would qualify and satisfy the various conditions required to receive applicable Federal or State funds.

Conclusion

The ongoing effects of COVID-19, including the financial impact to the Town and its inhabitants, may change significantly as events and circumstances evolve locally, nationally and worldwide. At present it is not possible, with any degree of certainty, to estimate the impact of COVID-19 on the revenues, expenditures, budget or overall financial position of the Town. No assurance can be given regarding future events or impacts because these actions and events are unpredictable or unknowable at this time and are outside the control of the Town.

Implementation of New Accounting Standards

During the year ended June 30, 2020, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 95 “Postponement of the Effective Dates of Certain Authoritative Guidance.” The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018 and later. (The following pronouncements exclude Statements No. 83 and No. 88 which were implemented prior to this Statement).

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The effective dates of certain provisions contained in the following pronouncements are postponed by one year: Statement No. 84, Fiduciary Activities; Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period; Statement No. 90, Majority Equity Interests; Statement No. 91, Conduit Debt Obligations; Statement No. 92, Omnibus 2020; Statement No. 93, Replacement of Interbank Offered Rates; Implementation Guide No. 2017-3, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting); Implementation Guide No. 2018-1, Implementation Guidance Update-2018; Implementation Guide No. 2019-1, Implementation Guidance Update-2019 and Implementation Guide No. 2019-2, Fiduciary Activities. The effective dates of the following pronouncements are postponed by 18 months: Statement No. 87, Leases and Implementation Guide No. 2019-3, Leases.

Statement No. 97 "Certain Component Unit Criteria (paragraphs 4 & 5)." The primary objectives of paragraphs 4 & 5 in this Statement are to increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform. Management has determined the impact of this Statement is not material to the financial statements.

Government-Wide and Fund Financial Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds).

Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Town's sewer department and is categorized as a business-type activity. All other activities of the Town are categorized as governmental.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are (a) presented on a consolidated basis by column and (b) are reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position is reported in three parts - net investment in capital assets, restricted net position and unrestricted net position. The Town first utilizes restricted resources to finance qualifying activities.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions and business-type activities (general government, public safety, etc.) excluding fiduciary activities. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, miscellaneous revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. For the most part, the interfund activity has been eliminated from these government-wide financial statements.

The net costs (by function) are normally covered by general revenue (taxes, certain intergovernmental revenues and charges for services, etc.).

The Town does not allocate indirect costs. All costs are charged directly to the corresponding department.

The government-wide focus is more on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

Measurement Focus - Basic Financial Statements and Fund Financial Statements

The financial transactions of the Town are reported in the individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements. The following fund types are used by the Town:

1. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position (sources, uses and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Town:

Major Funds

- a. The 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.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- b. The Education Fund is used to account for all financial resources of the Kittery School Department.

Nonmajor Funds

- c. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- d. Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.
- e. Permanent Funds are used to account for assets held by the Town that are legally restricted pursuant to Title 30-A, §5653 of the Maine State Statutes, as amended and unless otherwise specified, only earnings and not principal, may be used for purposes that benefit the Town or its citizenry. The Town's policy for authorizing and spending investment income follows State statutes.

2. Proprietary Funds:

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. Operating revenues include charges for services, intergovernmental reimbursements and other miscellaneous fees which are a direct result of the proprietary activity. Nonoperating revenues are any revenues which are generated outside of the general proprietary activity, i.e. interest income. The following is a description of the proprietary funds of the Town:

- a. Enterprise Funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) established fees and charges based on a pricing policy designed to recover similar costs.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Fiduciary Funds:

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Town programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds. Component units that are fiduciary in nature have been excluded from these financial statements.

The Town's fiduciary funds are presented in the fiduciary fund financial statements by type (agency and private-purpose trusts). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide financial statements.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column, GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues or expenses of either the fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

1. Accrual

Governmental activities in the government-wide financial statements and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

Budget

The Town's policy is to adopt an annual budget for operations. The budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles.

In accordance with Governmental Accounting Standards Board Statement No. 24, *Accounting and Reporting for Certain Grants and Other Financial Assistance*, payments made by the State of Maine to the Maine State Retirement System for teachers and certain other school employees are reported as offsetting revenues and expenditures of the education fund.

Revenues per budgetary basis	\$ 17,711,992
Add: On-behalf payments	<u>1,290,696</u>
Total GAAP basis	<u><u>\$ 19,002,688</u></u>
Expenditures per budgetary basis	\$ 17,071,745
Add: On-behalf payments	<u>1,290,696</u>
Total GAAP basis	<u><u>\$ 18,362,441</u></u>

The following procedures are followed in establishing budgetary data reflected in the financial statements:

1. Early in the second half of the year the Town prepares a budget for the fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Town Council was called for the purpose of adopting the proposed budget after public notice of the meeting was given.
3. The budget was adopted subsequent to passage by the Town Council.

Deposits and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

It is the Town's policy to value investments at fair value. None of the Town's investments are reported at amortized cost. For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be a cash equivalent. The Town Treasurer is authorized by State Statutes to invest all excess funds in the following:

- Obligations of the U.S. Government, its agencies and instrumentalities
- Certificates of deposits and other evidences of deposits at banks, savings and loan associations
- Prime bankers' acceptances
- Prime commercial papers
- Repurchase agreements whose underlying collateral consist of the foregoing
- Money market mutual funds whose portfolios consist of the foregoing

It is the policy of the Town of Kittery, Maine to invest public funds in a manner in which will provide safety of principal with a market rate of return while meeting the daily cash flow demands of the Town and conforming to all state and local statutes governing the investment of public funds.

Receivables

Receivables include amounts due from governmental agencies. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible. The allowance for uncollectible accounts is estimated to be \$40,000 as of June 30, 2020. Allowances for uncollectible accounts netted with accounts receivable were \$5,501,349 for the year ended June 30, 2020.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Inventories

Inventories consist of expendable supplies held for consumption and are valued at cost which approximates market, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when used (consumption method). The general fund inventory consists of diesel fuel and gasoline. The school lunch fund inventory consists of school lunch supplies and food on hand at the end of the year.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds”. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Any residual balances outstanding between governmental activities and business-type activities are reported in the governmental-wide financial statements as “internal balances”.

Transactions Between Funds

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both Governmental and Proprietary Funds.

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Infrastructure such as streets, traffic signals and signs are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives.

The assets are valued at historical cost when available and estimated historical cost where actual invoices or budgetary data was unavailable. Donated capital assets are valued at their estimated fair market value on the date received. All retirements have been recorded by eliminating the net carrying values.

Infrastructure assets include roads, bridges, underground pipe (other than related to independently owned utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Town. The Town has not retroactively recorded infrastructure.

Estimated useful lives are as follows:

Buildings	20 - 50 years
Infrastructure	50 - 100 years
Machinery and equipment	3 - 50 years
Vehicles	3 - 25 years

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-term Obligations

The accounting treatment of long-term obligations depend on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in government-wide statements. The long-term obligations consist of bonds payable, notes from direct borrowings payable, accrued compensated absences, net pension liability and net OPEB liability.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Maine Public Employees Retirement System Participating Local District (PLD) Consolidated Plan and State Employee and Teacher (SET) Plan and additions to/deductions from the PLD Consolidated and SET Plans' fiduciary net position have been determined on the same basis as they are reported by the PLD Consolidated and SET Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

OPEB

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, management received and relied on an actuarial report provided to them by the Maine Municipal Employees Health Trust (MMEHT) and Maine Education Association Benefits Trust (MEABT), which determined the School's fiduciary net position as a single employer defined benefit plan based on information provided solely by MMEHT and MEABT to complete the actuarial report. Additions to/deductions from the MMEHT and MEABT OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by MMEHT and MEABT. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the State Employee and Teacher (SET) Plan and additions to/deductions from the SET Plan's fiduciary net position have been determined on the same basis as they are reported by the SET Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for those assets and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or restricted net position.

Fund Balance

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

Nonspendable – This includes amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

Restricted – This includes amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Committed – This includes amounts that can be used only for specific purposes determined by a formal action of the inhabitants of the Town or the Town Council in accordance with its charter. The inhabitants of the Town, through Town meetings, are the highest level of decision-making authority of the Town in that they must approve certain annual budgets (School), bonding and appropriation of unassigned fund balance. The Town Council must approve other annual budgets (capital and Town operating) and spending. Commitments may be modified or rescinded in the same manner they were established.

Assigned – This includes amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The authority for assigning fund balance given annually by the taxpayers and is expressed by the Town Council.

Unassigned – This includes all other spendable amounts. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the Town meeting vote has provided otherwise in its commitment or assignment actions.

The Town has a fund balance policy that guides the Town to maintain an unassigned fund balance equal to at least 8.34% but preferable at 12% of the Town's general fund budget, i.e. an amount equal to 2.5 months of operating expenses from the then current operating budget, whichever is higher.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will at times report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has two types of this item, deferred outflows related to pensions and deferred outflows related to OPEB. These items are reported in the statement of net position.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In addition to liabilities, the statement of financial position and or balance sheet will at times report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Deferred tax revenues, which arises only under a modified accrual basis of accounting qualifies for reporting in this category. Accordingly, this item is reported in the governmental funds balance sheet. Prepaid taxes and deferred revenue also qualify for reporting in this category. These items are reported in both the statements of net position and governmental funds balance sheet. Deferred inflows related to pensions and OPEB qualify for reporting in this category as well. These items are reported only in the statement of net position. All items in this category are deferred and recognized as an inflow of resources in the period that the amounts become available.

Revenue Recognition - Property Taxes - Modified Accrual Basis

The Town's property tax for the current year was levied September 9, 2019 on the assessed value listed as of April 1, 2019, for all real and personal property located in the Town. Taxes were due on October 31, 2019, February 15, 2020 and May 31, 2020. Interest on unpaid taxes commenced on November 1, 2019, February 16, 2020 and June 1, 2020, at 7% per annum.

Property tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected within sixty days after year end. The remaining receivables have been recorded as deferred revenues.

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay and amounted to \$166,618 for the year ended June 30, 2020.

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

Program Revenues

Program revenues include all directly related income items applicable to a particular program (charges to customers or applicants for goods, services or privileges provided, operating or capital grants and contributions, including special assessments).

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating/Nonoperating Proprietary Fund Revenues

Operating revenues consist mainly of direct revenue sources and/or charges for services applicable to that fund's ongoing operations. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Encumbrance Accounting

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end. The Town does not utilize encumbrance accounting for its general fund.

Use of Estimates

During the preparation of the Town's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent items as of the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results may differ from these estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

The Town's investment policies, which follow state statutes, require that all investments be made considering the safe and sound investment of principal and preservation of capital in the overall portfolio, maintenance of sufficient liquidity to meet day-to-day operations and other cash requirements and maximization of income, within established investment risk guidelines, with consistent cash flows throughout the budgetary cycle. These investment policies apply to all Town funds.

Deposits:

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Town will not be able to recover its deposits. The Town does not have a policy covering custodial credit risk for deposits. However, the Town maintains deposits in qualifying financial institutions that are a member of the FDIC or NCUSIF as defined in Title 30-A, Section 5706 of the Maine Revised Statutes.

At June 30, 2020, the Town's cash balance of \$13,231,848 was comprised of bank deposits amounting to \$13,213,438. Bank deposits and cash equivalents are adjusted primarily by outstanding checks and deposits in transit to reconcile to the Town's cash and cash equivalents balance. Of these bank deposits, \$500,000 was

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

insured by federal depository insurance and consequently was not exposed to custodial credit risk. The remaining bank deposits of \$12,713,438 were collateralized with securities held by the financial institution in the Town's name or an irrevocable stand-by letter of credit.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 3,035,827
Savings accounts	3,108
Money market accounts	2,858,393
Sweep accounts	6,162,571
Cash and cash equivalents	1,153,539
	<u>\$ 13,213,438</u>

Investments:

Custodial credit risk for investments is that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Currently, the Town does not have a policy for custodial credit risk for investments. However, in accordance with its investment policy, the Town seeks to minimize custodial credit risk by doing business with authorized institutions, depositories and broker/dealers.

Interest rate risk - is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from fluctuations in interest rates.

Of the Town's investments of \$1,603,710, all were covered by the Securities Investor Protection Corporation (SIPC) and consequently were not exposed to custodial credit risk.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

At June 30, 2020, the Town had the following investments and maturities:

Investment Type	Fair Value	N/A	< 1 Year	1 - 5 Years
Equity securities:				
Common stock - domestic	\$ 1,272,331	\$ 1,272,331	\$ -	\$ -
Mutual funds:				
Equity - domestic	243,699	243,699	-	-
Equity - foreign	87,680	87,680	-	-
	\$ 1,603,710	\$ 1,603,710	\$ -	\$ -

Fair Value Hierarchy

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Town has the following recurring fair value measurements as June 30, 2020:

	Fair Value Measurements Using			
	June 30, 2020 Total	Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)
<u>Investments by fair value level</u>				
Debt securities:				
U.S. Agency Securities	\$ -	\$ -	\$ -	\$ -
Total debt securities	-	-	-	-
Equity securities:				
Common stock - domestic	1,272,331	1,272,331	-	-
Mutual funds - domestic and foreign	331,379	331,379	-	-
Total equity securities	1,603,710	1,603,710	-	-
Total investments by fair value level	1,603,710	\$ 1,603,710	\$ -	\$ -
<u>Cash equivalents measured at the net asset value (NAV)</u>				
Money market mutual funds	1,153,539			
Total cash equivalents measured at the NAV	1,153,539			
Total investments and cash equivalents measured at fair value	\$ 2,757,249			

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Equity securities classified in Level I of the fair value hierarchy are valued using prices quoted in active markets for those securities. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The Town has no Level II or III investments. The fair value of money market mutual funds that are measured at NAV per share (or its equivalent) is calculated as of June 30, 2020 in a manner consistent with the Financial Accounting Standards Board's measurement principles for investment companies.

Credit risk - Statutes for the State of Maine authorize the Town to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Maine, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. The Town does not have an investment policy on credit risk. Generally, the Town invests excess funds in repurchase agreements, savings accounts and various insured certificates of deposit. Certain long-term trust funds are invested through a financial institution with trust powers in a mix of securities that comply with state and federal regulations to provide long-term growth and income. As of June 30, 2020, the Town's investments in U.S. agency securities were not rated.

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2020 consisted of the following individual fund receivables and payables:

	Receivables (Due from)	Payables (Due to)
General fund	\$ 226,118	\$ 6,771,006
Nonmajor special revenue funds	4,699,386	187,819
Nonmajor capital projects funds	1,971,039	-
Nonmajor permanent funds	100,581	7,499
Proprietary funds	-	30,800
	<u>\$ 6,997,124</u>	<u>\$ 6,997,124</u>

The result of amounts owed between funds are considered to be in the course of normal operations by the Town. Reconciliation of the amounts owed between funds may or may not be expected to be repaid within one year in their entirety due to the recurring nature of these transactions during operations.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 - INTERFUND TRANSFERS

At June 30, 2020, the Town had the following interfund transfers:

	Transfers From	Transfers To
General fund	\$ 50,000	\$ 2,540,367
Education fund	-	90,000
Nonmajor special revenue funds	2,609,475	709,108
Nonmajor capital projects funds	686,500	6,500
Nonmajor permanent funds	34,290	34,290
	<u>\$ 3,380,265</u>	<u>\$ 3,380,265</u>

Interfund transfers are the results of legally authorized activity and are considered to be in the course of normal operations.

NOTE 5 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2020:

	Balance, 7/1/19 (Restated)	Additions	Disposals	Balance, 6/30/20
<u>Governmental activities</u>				
Non-depreciated assets:				
Land	\$ 10,950,906	\$ -	\$ -	\$ 10,950,906
Construction in progress	361,142	21,375	-	382,517
	<u>11,312,048</u>	<u>21,375</u>	<u>-</u>	<u>11,333,423</u>
Depreciated assets:				
Land improvements	2,203,634	-	-	2,203,634
Buildings and improvements	43,217,915	94,820	-	43,312,735
Machinery, equipment and vehicles	8,907,945	1,358,444	(83,726)	10,182,663
Infrastructure	12,045,342	621,469	-	12,666,811
	66,374,836	2,074,733	(83,726)	68,365,843
Less: accumulated depreciation	(42,766,917)	(1,884,341)	8,601	(44,642,657)
	<u>23,607,919</u>	<u>190,392</u>	<u>(75,125)</u>	<u>23,723,186</u>
Net capital assets	<u>\$ 34,919,967</u>	<u>\$ 211,767</u>	<u>\$ (75,125)</u>	<u>\$ 35,056,609</u>

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 - CAPITAL ASSETS (CONTINUED)

	Balance, 7/1/19	Additions	Disposals	Balance, 6/30/20
<u>Business-type activities</u>				
Non-depreciated assets:				
Land	\$ 285,980	\$ -	\$ -	\$ 285,980
	<u>285,980</u>	<u>-</u>	<u>-</u>	<u>285,980</u>
Depreciated assets:				
Buildings and improvements	19,416,324	-	-	19,416,324
Machinery, equipment and vehicles	526,657	-	-	526,657
Infrastructure	11,691,686	-	-	11,691,686
	<u>31,634,667</u>	<u>-</u>	<u>-</u>	<u>31,634,667</u>
Less: accumulated depreciation	<u>(10,190,058)</u>	<u>(1,086,163)</u>	<u>-</u>	<u>(11,276,221)</u>
	<u>21,444,609</u>	<u>(1,086,163)</u>	<u>-</u>	<u>20,358,446</u>
Net capital assets	<u>\$ 21,730,589</u>	<u>\$ (1,086,163)</u>	<u>\$ -</u>	<u>\$ 20,644,426</u>
<u>Current year depreciation expense:</u>				
General government				\$ 117,945
Police				126,823
Fire				184,707
Public works				771,408
Recreation and culture				159,841
Health and sanitation				4,009
School department				450,681
Town-wide				68,927
Subtotal governmental				<u>1,884,341</u>
Sewer department				
Subtotal business-type				<u>1,086,163</u>
Total depreciation expense				<u>\$ 2,970,504</u>

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 6 - LONG-TERM DEBT

The following is a summary of changes in the long-term debt for the year ended June 30, 2020:

	Balance, 7/1/19	Additions	Deletions	Balance, 6/30/20	Due Within One Year
<u>Governmental activities:</u>					
Bonds payable	\$ 12,512,741	\$ -	\$ (1,287,884)	\$ 11,224,857	\$ 1,283,148
Notes from direct borrowings payable	102,150	-	(11,556)	90,594	38,905
Total governmental activities	<u>\$ 12,614,891</u>	<u>\$ -</u>	<u>\$ (1,299,440)</u>	<u>\$ 11,315,451</u>	<u>\$ 1,322,053</u>
<u>Business-type activities:</u>					
Bonds payable	\$ 11,415,179	\$ -	\$ (622,003)	\$ 10,793,176	\$ 626,620
Notes from direct borrowings payable	1,474	-	(737)	737	737
Total business-type activities	<u>\$ 11,416,653</u>	<u>\$ -</u>	<u>\$ (622,740)</u>	<u>\$ 10,793,913</u>	<u>\$ 627,357</u>

The following is a summary of the outstanding bonds and notes from direct borrowings payable:

	Governmental	Business-type
<u>Bonds:</u>		
\$1,323,000, 2003A Waste Water State Revolving Loan due in annual principal installments and semiannual interest installments through October of 2022. Interest is charged at fixed rate of 1.94% per annum. Annual principal installments vary.	\$ -	\$ 212,601
\$675,000, 2010 General Obligation Bond due in annual principal and interest installments through September of 2031. Interest is charged at a fixed rate ranging from 2.00% to 4.00% per annum. Annual principal installments are \$30,000 to \$35,000.	395,000	-
\$6,525,000, 2010 General Obligation Bond due in annual principal and interest installments through September of 2031. Interest is charged at a fixed rate ranging from 2.00% to 4.00% per annum. Annual principal installments are \$325,000 to \$330,000.	3,925,000	-
\$3,268,766, 2010 General Obligation Bond due in annual principal installments and semiannual interest installments through April of 2030. Interest is charged at a fixed rate of 1.00% per annum. Annual principal installments vary from \$148,142 to \$179,346.	-	1,715,629
\$5,500,000, 2012 General Obligation Bond due in annual principal installments and semiannual interest installments through January of 2032. Interest is charged at a fixed rate ranging from 2.00% to 3.15% per annum. Annual principal installments are \$275,000.	3,300,000	
\$2,100,000, 2013 General Obligation Bond due in annual principal installments and semiannual interest installments through December of 2022. Interest is charged at a fixed rate ranging from 1.50% to 2.00% per annum. Annual principal installments are \$210,000.	630,000	

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 6 - LONG-TERM DEBT (CONTINUED)

	<u>Governmental</u>	<u>Business-type</u>
\$150,000, 2014 General Obligation Bond due in annual principal installments and semiannual interest installments through November of 2034. Interest is charged at a fixed rate of 2.00% per annum. Annual principal installments vary from \$6,043 to \$10,111.	119,264	-
\$958,000, 2015 General Obligation Bond due in annual principal installments and semiannual interest installments through November of 2025. Interest is charged at a fixed rate of 2.00% per annum. Annual principal installments vary from \$95,000 to \$103,000.	570,000	-
\$1,300,000, 2015 General Obligation Bond due in annual principal installments and semiannual interest installments through November of 2025. Interest is charged at a fixed rate of 2.00% per annum. Annual principal installments are \$130,000.	780,000	-
\$821,000, 2015 General Obligation Bond due in annual principal installments and semiannual interest installments through November of 2025. Interest is charged at a fixed rate of 2.00% per annum. Annual principal installments vary from \$80,000 to \$86,000.	480,000	-
\$11,990,025, 2015 General Obligation Bond due in annual principal installments and semiannual interest installments through November of 2036. Interest is charged at a fixed rate of 1.00% per annum. Annual principal installments vary from \$377,865 to \$742,381.	-	8,864,946
\$275,000, 2016 General Obligation Bond due in annual principal installments and semiannual interest installments through November of 2036. Interest is charged at a fixed rate ranging from 0.91% to 3.50% per annum. Annual principal installments vary from \$11,352 to \$17,779.	240,593	-
\$1,140,000 2016 General Obligation Bond due in annual principal installments and semiannual interest installments through November 2026. Interest is charged at a fixed rate ranging from 2% to 2.25% per annum. Annual Installments vary from \$147,100 to 111,238.	785,000	-
Total bonds payable	<u>\$ 11,224,857</u>	<u>\$ 10,793,176</u>
<u>Notes from direct borrowings payable:</u>		
\$131,156, 2016 Capital Lease payable to Norway Savings Bank for photocopiers due in annual installments of \$28,669 through August 2021. Interest is charged at a fixed rate of 3.04% per annum.	\$ 80,928	\$ -
\$56,202, 2015 Capital Lease payable to Norway Savings Bank for photocopiers, due in annual installments of \$12,234 through August of 2020. Interest is charged at a fixed rate of 2.89% per annum.	9,666	737
Total notes from direct borrowings payable	<u>\$ 90,594</u>	<u>\$ 737</u>

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 6 - LONG-TERM DEBT (CONTINUED)

The following is a summary of outstanding bond and notes from direct borrowings payable principal and interest requirements for the following fiscal years ending June 30:

	Governmental Activities			
	Bonds Payable		Notes from Direct Borrowings Payable	
	Principal	Interest	Principal	Interest
2021	\$ 1,283,148	\$ 327,845	\$ 38,905	\$ 1,637
2022	1,283,455	300,206	26,219	461
2023	1,283,802	282,825	25,470	344
2024	1,069,188	237,263	-	-
2025	1,069,612	187,229	-	-
2026-2030	3,821,109	565,126	-	-
2031-2035	1,379,593	70,003	-	-
2036-2040	34,950	1,229	-	-
	<u>\$ 11,224,857</u>	<u>\$ 1,971,726</u>	<u>\$ 90,594</u>	<u>\$ 2,442</u>

	Business-type Activities			
	Bonds Payable		Notes from Direct Borrowings Payable	
	Principal	Interest	Principal	Interest
2021	\$ 626,620	\$ 137,934	\$ 737	\$ 22
2022	631,183	134,003	-	-
2023	636,981	116,416	-	-
2024	572,019	117,552	-	-
2025	744,231	121,627	-	-
2026-2030	3,834,734	472,942	-	-
2031-2035	3,107,122	298,429	-	-
2036-2040	640,286	44,315	-	-
	<u>\$ 10,793,176</u>	<u>\$ 1,443,218</u>	<u>\$ 737</u>	<u>\$ 22</u>

No interest costs were capitalized during the period. The amount of interest costs incurred and charged to expense for the business-type activities for the year ended June 30, 2020 was \$145,497.

All bonds payable are direct obligations of the Town, for which its full faith and credit are pledged. The Town is not obligated for any special assessment debt. All debt is payable from taxes levied on all taxable property within the Town.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7 - OTHER LONG-TERM OBLIGATIONS

The following is a summary of changes in other long-term obligations for the year ended June 30, 2020:

	Balance, 7/1/19	Additions	Deletions	Balance, 6/30/20	Due Within One Year
<u>Governmental activities:</u>					
Accrued compensated absences	\$ 954,171	\$ 26,437	\$ -	\$ 980,608	\$ 286,251
Net pension liability	2,739,104	1,244,193	(909,076)	3,074,221	-
Net OPEB liability	9,589,626	5,832,975	(100,447)	15,322,154	-
	<u>\$ 13,282,901</u>	<u>\$ 7,103,605</u>	<u>\$ (1,009,523)</u>	<u>\$ 19,376,983</u>	<u>\$ 286,251</u>
<u>Business-type activities:</u>					
Accrued compensated absences	\$ 93,285	\$ 4,373	\$ -	\$ 97,658	\$ 29,297
Net pension liability	338,087	35,235	(61,044)	312,278	-
	<u>\$ 431,372</u>	<u>\$ 39,608</u>	<u>\$ (61,044)</u>	<u>\$ 409,936</u>	<u>\$ 29,297</u>

Refer to Notes 8, 16, 18 and 20 for more detailed information regarding other long-term obligations.

NOTE 8 - ACCRUED COMPENSATED ABSENCES

The Town's policies regarding vacation and sick time do permit employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences is recorded as long-term obligations in the government-wide financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred. As of June 30, 2020, the Town's liability for compensated absences is \$1,078,266.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 9 - RESTRICTED NET POSITION

At June 30, 2020, the Town had the following restricted net position:

Education fund	\$ 387,019
Nonmajor special revenue funds (Schedule E):	
Public safety impact fees	42,593
MMA grants	182
Police new officer	517
Additional snow and ice damages	37,278
School special revenue funds	55,955
Nonmajor capital projects funds (Schedule I):	
Community center	373
Town facilities	30,950
State aid to roads	1,147,431
Nonmajor permanent funds:	
Public health trust	27,275
Lester Raynes trust	10,000
Mary Safford Wildes	642,591
George Smart Santa	5,798
Recycling scholarship	4,827
Connie Samuels beautification	58,601
	<u>\$ 2,451,390</u>

NOTE 10 - NONSPENDABLE FUND BALANCES

At June 30, 2020, the Town had the following nonspendable fund balances:

General fund:	
Prepaid items	\$ 198,963
Inventory	9,035
Education fund	35,400
Nonmajor special revenue funds (Schedule E)	9,976
Nonmajor permanent funds (Schedule I)	60,000
	<u>\$ 313,374</u>

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 11 - RESTRICTED FUND BALANCES

At June 30, 2020, the Town had the following restricted fund balances:

Education fund	\$ 387,019
Nonmajor special revenue funds (Schedule E)	136,525
Nonmajor capital projects funds (Schedule G)	1,178,754
Nonmajor permanent funds (Schedule I)	689,092
	<u>\$ 2,391,390</u>

NOTE 12 - COMMITTED FUND BALANCES

At June 30, 2020, the Town had the following committed fund balances:

Nonmajor special revenue funds (Schedule E)	\$ 4,267,420
Nonmajor capital projects funds (Schedule G)	776,539
	<u>\$ 5,043,959</u>

NOTE 13 - ASSIGNED FUND BALANCES

At June 30, 2020, the Town had the following assigned fund balances:

Nonmajor special revenue funds (Schedule E)	<u>\$ 310,128</u>
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NOTE 14 - DEFICIT FUND BALANCES

At June 30, 2020, the Town had the following deficit fund balances:

Nonmajor funds:	
Oil and More Donations	\$ 15
Concert in the Park	3
FEMA Maps Appeal	200
Keep Maine Healthy Grant	1,914
Ogden Fdn. Prog. Dev Grant (KCC)	1,205
Tax Acquired Properties	40,480
Police Grant Support Det.	5,621
Joint Land Use OEA PH1	452
School Special Revenue Funds	75,098
Total	<u>\$ 124,988</u>

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 15 - OVERLAPPING DEBT

The Town is responsible for its proportionate share of County debt. As of June 30, 2020, the Town's share was as follows:

	<u>Outstanding Debt</u>	<u>Town's Percentage</u>	<u>Total Share</u>
County of York	\$ 1,900,000	5.14%	<u>\$ 97,660</u>

NOTE 16 - DEFINED BENEFIT PENSION PLANS

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

PARTICIPATING LOCAL DISTRICT CONSOLIDATED PLAN

Plan Description

Town employees contribute to the Maine Public Employees Retirement System (MainePERS), a cost-sharing multiple-employer defined benefit pension plan established by the Maine State Legislature. Title 5 of the Maine Revised Statutes Annotated assigns the authority to establish and amend benefit provisions to the Participating Local District (PLD) Consolidated Plan's advisory group, which reviews the terms of the plan and periodically makes recommendations to the Legislature to amend the terms. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the Consolidated Plan. That report may be obtained online at www.maineopers.org or by contacting the System at (207) 512-3100.

Benefits Provided

The Maine Public Employees Retirement System provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The System's 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 for employees of PLDs). 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 members, normal retirement age is 60 or 65. 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 System also provides disability and death benefits

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

which are established by contract with PLD employers under applicable statutory provisions. As of June 30, 2019, there were 307 employers in the plan.

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 System's Board of Trustees and is currently 2.69%.

Contributions

Retirement benefits are funded by contributions from members and employers and by earnings on investments. Disability and death benefits are funded by employer normal cost contributions and by investment earnings. The Town's police and fire department employees are part of the PLDs special plan "1C" (effective July 1, 2007) and are required to contribute 8.0% of their annual salary, while all other employees are part of regular plan "AC" and are required to contribute 8.0% of their annual salary. The Town is required to contribute the actuarially determined rates of 16.3% for special plan "1C" members' covered payroll and 10.0% for regular plan "AC" members' covered payroll during the year. The contribution rates of plan members and the Town are established and may be amended by the Maine Public Employee Retirement Systems advisory group. The Town's contribution to the MainePERS PLD Consolidated Plan for the year ended June 30, 2020 was \$563,331.

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

STATE EMPLOYEE AND TEACHER PLAN

Plan Description

All school teachers, plus other qualified educators, participate in the Maine Public Employees Retirement System's (MainePERS) State Employee and Teacher (SET) Plan. The teacher's program is a multi-employer cost-sharing plan with a special funding situation, established by the Maine State Legislature. The State of Maine is also a non-employer contributing entity in that the State pays the initial unfunded actuarial liability on behalf of teachers, while school districts contribute the normal cost, calculated actuarially, for their teacher members. Title 5 of the Maine Revised Statutes Annotated assigns the authority to establish and amend benefit provisions to the State Legislature. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial and actuarial information for the SET Plan. That report may be obtained online at www.maineopers.org or by contacting the System at (207) 512-3100.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Benefits Provided

The Maine Public Employees Retirement System provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The authority to establish and amend benefit provisions rests with the State Legislature. The System's 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 for State employees and teachers). In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. Normal retirement age for State employees and teachers is age 60, 62 or 65. The normal retirement age is determined by whether a member had met certain creditable service requirements on specific dates, as established by statute. 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 System also provides disability and death benefits which are established by statute for State employee and teacher members. As of June 30, 2019, there were 239 employers, including the State of Maine, participating in the plan.

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 System's Board of Trustees and is currently 2.69%.

Contributions

Retirement benefits are funded by contributions from members and employers and by earnings on investments. Disability and death benefits are funded by employer normal cost contributions and by investment earnings. The Department's teachers are required to contribute 7.65% of their compensation to the retirement system. The Department's payroll for teachers covered by this program was approximately \$8,988,666 for the year ended June 30, 2020. Title 5 of the Maine Revised Statutes Annotated requires the State to contribute 14.33% of the Department's contractually required contributions, which are 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 (UAL). Contributions paid by the State were approximately \$1,268,859 for the year ended June 30, 2020. Title 5 of the Maine Revised Statutes

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Annotated also requires the Department to contribute at an actuarially determined normal cost rate of 4.16%, which totaled \$393,956 for 2020. In addition, the Department is required to contribute toward the UAL of the plan and pay a small percentage of payroll towards the administrative costs for federally funded teachers, which amounts to 14.95% of compensation and totaled \$20,048 the year ended June 30, 2020.

Pension Liabilities

PLD Consolidated Plan

At June 30, 2020, the Town reported a liability of \$3,064,549 for its proportionate share of the net pension liabilities for the plan. The net pension liabilities were measured as of June 30, 2019 and the total pension liabilities used to calculate the net pension liabilities was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liabilities were based on a projection of the Town's long-term share of contributions to each pension plan relative to the projected contributions of all PLDs, actuarially determined. At June 30, 2019, the Town's proportion was 1.002589%, which was a decrease of 0.00999% from its proportion measured as of June 30, 2018.

SET Plan

At June 30, 2020, the Town reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the Town. The amount recognized by the Town as its proportionate share of the net pension liability, the related State support and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$ 321,950
State's proportionate share of the net pension liability associated with the Town	<u>9,407,634</u>
Total	<u><u>\$ 9,729,584</u></u>

The net pension liability was measured as of June 30, 2019 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

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

relative to the projected contributions of all participating school units and the State actuarially determined. At June 30, 2019, the Town's proportion was 0.021963%, which was a decrease of 0.00071% from its proportion measured as of June 30, 2018.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2020, the Town recognized total pension expense of \$272,356 for the PLD plan and total pension expense of \$1,705,247 and revenue of \$1,664,798 for support provided by the State of Maine for the SET plan. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	PLD Plan		SET Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 362,853	\$ -	\$ 25,044	\$ -
Changes of assumptions	155,199	-	9,322	-
Net difference between projected and actual earnings on pension plan investments	-	767,593	-	45,446
Changes in proportion and differences between employer contributions and proportionate share of contributions	40,813	22,349	3,900	6,639
Contributions subsequent to the measurement date	563,331	-	393,956	-
Total	<u>\$ 1,122,196</u>	<u>\$ 789,942</u>	<u>\$ 432,222</u>	<u>\$ 52,085</u>

\$563,331 for the PLD plan and \$393,956 for the SET plan were reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

	PLD Plan	SET Plan
	_____	_____
Plan year ended June 30:		
2020	\$ 168,196	\$ 15,399
2021	(339,135)	(19,144)
2022	(59,653)	(10,213)
2023	(486)	138
2024	-	-
Thereafter	-	-

Actuarial Methods and Assumptions

The respective collective total pension liability for the plans was determined by an actuarial valuation as of June 30, 2019, using the following methods and assumptions applied to all periods included in the measurement:

Actuarial Cost Method

The Entry Age Normal actuarial funding method is used to determine costs. Under this funding method, the total employer contribution rate consists of two elements: the normal cost rate and the unfunded actuarial liability (UAL) rate.

The individual entry age normal method is used to determine liabilities. Under the individual entry age normal method, a normal cost rate is calculated for each employee. This rate is determined by taking the value, as of age at entry into the plan, of the member's projected future benefits and dividing it by the value, also as of the member's entry age, of his or her expected future salary. The normal cost for each employee is the product of his or her pay and his or her normal cost rate. The normal cost for the group is the sum of the normal costs for all members.

Experience gains and losses, i.e., actual decreases or increases in liabilities and/or in assets which differ from the actuarial assumptions, affect the unfunded actuarial accrued liability.

Asset Valuation Method

The actuarial valuation employs a technique for determining the actuarial value of assets which reduces the impact of short-term volatility in the market value. The specific technique adopted in this valuation recognizes in a given year one-third of the investment return that is different from the actuarial assumption for investment return.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Amortization

The net pension liability of the PLD Consolidated Plan is amortized on a level percentage of payroll using a method where a separate twenty-year closed period is established annually for the gain or loss for that year.

The net pension liability of the State Employee and Teacher Retirement Plan is amortized on a level percentage of payroll over the amortization period then in effect under statutory and constitutional requirements. All other gains, losses and changes are amortized over ten-year periods beginning on the date as of which they occur.

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2019 are as follows:

Investment Rate of Return - For the PLD and State Employee and Teacher Plans, 6.75% per annum for the year ended June 30, 2019, compounded annually.

Salary Increases, Merit and Inflation - Members of the consolidated plan for PLDs, 2.75% to 9.00% per year; state employees, 2.75% to 8.75% per year; teachers, 2.75% to 14.50% per year.

Mortality Rates - For active members and non-disabled retirees of the PLD Consolidated and State Employee and Teacher Plans, the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females, is used. For all recipients of disability benefits, the RP2014 Total Dataset Disabled Annuitant Mortality Table, for males and females, is used.

Cost of Living Benefit Increases - for PLD Consolidated 1.91% and Teacher Plans, 2.20% per annum for the year ended June 30, 2019.

The long-term expected rate of return on pension plan assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as June 30, 2019 are summarized in the following table. Assets for each of the defined benefit plans are commingled for investment purposes.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Public equities	30.0%	6.0%
US Government	7.5%	2.3%
Private equity	15.0%	7.6%
Real assets:		
Real estate	10.0%	5.2%
Infrastructure	10.0%	5.3%
Natural resources	5.0%	5.0%
Traditional credit	7.5%	3.0%
Alternative credit	5.0%	4.2%
Diversifiers	10.0%	5.9%

Discount Rate

The discount rate used to measure the collective total pension liability was 6.75% for 2019 for each of the Plans. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following table shows how the collective net pension liability as of June 30, 2019 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate is 6.75% for each of the Plans.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

	1% Decrease	Discount Rate	1% Increase
<u>PLD Plan:</u>			
Discount rate	5.75%	6.75%	7.75%
Town's proportionate share of the net pension liability	\$ 6,980,845	\$ 3,064,549	\$ (598,771)
<u>SET Plan:</u>			
Discount rate	5.75%	6.75%	7.75%
Town's proportionate share of the net pension liability	\$ 582,078	\$ 321,950	\$ 105,181

Changes in Net Pension Liability

Each employer's share of the collective net pension liability is equal to the collective net pension liability multiplied by the employer's proportionate share as of June 30, 2019 as shown in the schedules of employer and non-employer contributing entity allocations. Changes in net pension liability are recognized in pension expense for the year ended June 30, 2019 with the following exceptions.

Differences between Expected and Actual Experience

The difference between expected and actual experience with regard to economic or demographic factors were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resource. For 2019, this was three years for the SET Plan and four years for the PLD Consolidated Plan; for 2018, this was three years for both the SET Plan and the PLD Consolidated Plan; prior to 2017, this was four years for the PLD Consolidated Plan.

Differences between Expected and Actual Investment Earnings

Differences between projected and actual investment earnings were recognized in pension expense using a straight-line amortization method over a closed five-year period. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Changes in Assumptions

Differences due to changes in assumptions about future economic or demographic factors or other inputs were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The actuarial assumptions used for the year ended June 30, 2019 valuation were based on the results of an actuarial experience study for the period of June 30, 2012 through June 30, 2015. Please refer to the *Actuarial Methods and Assumptions* section for information relating to changes of assumptions. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions

Differences resulting from a change in proportionate share of contributions and differences between total employer contributions and the employer's proportionate share of contributions were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. Differences between total employer contributions and the employer's proportionate share of contributions may arise when an employer has a contribution requirement for an employer specific liability.

Pension Plan Fiduciary Net Position

Additional financial and actuarial information with respect to the Plan can be found in the MainePERS' 2019 Comprehensive Annual Financial Report available online at www.maineopers.org or by contacting the System at (207) 512-3100.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 17 - DEFERRED COMPENSATION PLAN

INTERNATIONAL CITY MANAGEMENT ASSOCIATION RETIREMENT
CORPORATION

A. Plan Description

The Town contributes to a deferred compensation plan created in accordance with Internal Revenue Service Code Section 457 through the International City Management Association Retirement Corporation (ICMA-RC). The plan, available to all Town employees permits them to defer a portion of their salary, in addition to Town contributions, until future years. Employee's participation in this plan is voluntary. The deferred compensation is not available to employees until termination, retirement, death or unforeseen emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) to be held in a trust for the exclusive benefit of the participants and their beneficiaries.

It is the opinion of the Town's management that the Town has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor.

B. Funding Policy

The contribution requirements of plan members and the Town are established and may be amended by the Town Council. Effective July 1, 2001, the Town agrees to expand the coverage of the ICMA-RC 457 plan currently in effect. This plan will be available for current employees who are not enrolled in the Maine State Retirement System and any newly-hired employee who wishes to enroll in the ICMA plan instead of the MSRS plan. The Town will match the employee's contribution into the 457 plan, up to a maximum Town contribution of six percent. The Town will make a contribution to either MSRS or the ICMA plan, but not both.

The Town's contributions to the plan for the year ended June 30, 2020 were \$24,260.

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403. The plan, available to all School Department employees as part of a collective bargaining agreement, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseen emergency.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 17 - DEFERRED COMPENSATION PLAN (CONTINUED)

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) to be held in a trust for the exclusive benefit of the participants and their beneficiaries.

It is the opinion of the Town's management that the Town has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor.

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

ALLEGIANT CARE AND MAINE MUNICIPAL EMPLOYEES HEALTH TRUST

Plan Description

The Town and Town retirees contribute to the Town's OPEB Plan with Allegiant Care and the Maine Municipal Employees Health Trust (MMEHT), a single employer defined benefit plan. Contributions and membership in this Plan are voluntary and may be terminated at any time by the Town and/or the Town retirees. Allegiant Care and MMEHT are fully funded, self-insured trusts which provides benefits to municipal and quasi-municipal organizations and county governments and acts as the agent to the Town concerning administration of this Plan. Title 24-A Chapter 81 of the Maine Revised Statutes Annotated authorizes the regulation of MMEHT as a Multiple Employer Welfare Arrangement by the State of Maine Bureau of Insurance. Benefits and plans are designed and governed by MMEHT participants and are administered by a number of third-party administrators contracted by MMEHT. MMEHT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by MMEHT at (800) 852-8300.

Benefits Provided

This Plan provides medical/prescription drug benefits during retirement to Medicare and non-Medicare retirees and their surviving spouses with varying levels of benefits determined by voluntary plan selection by the retiree as well as applicable Medicare statutes and regulations. The Plan also provides an automatic life insurance benefit of \$2,000 to participants which includes a surviving spouse benefit for the same. The employee must meet the minimum requirement of age 55 with at least 5 years of service at retirement to be eligible for the Plan. The retiree must enroll when first eligible and continue coverage without interruption.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Employees Covered by Benefit Terms

At January 1, 2020, the following employees were covered by the benefit terms:

Active members	73
Retirees and spouses	<u>27</u>
Total	<u><u>100</u></u>

Contributions

Retiree and spouse premium amounts are funded by the retiree at the rate for the coverage elected by the retiree. Premium rates are those determined by the MMEHT's Board of Trustees to be actuarially sufficient to pay anticipated claims. Premiums for retiree life insurance coverage are factored into the premiums paid for basic coverage. Retirees and spouses must contribute 100% of the premium amounts. The sponsoring employer pays the remainder of the premium. Medical benefits are provided for the life of the retiree and surviving spouses.

Retiree Premium Amounts:

The following monthly premium amounts were reported on the individual data file. Actual plan election was reflected in expected retiree premium amounts.

	2019 - 2020			
	Pre 65		Post 65	
	Single	Two Person	Single	Two Person
Allegiant Care - Union	\$ 9,840.00	\$ 21,252.00	\$ 4,206.48	\$ 8,412.96
MMEHT - PPO 500 - Non Union	\$ 11,547.84	\$ 2,590.32	\$ 6,696.00	\$ 13,392.00
MMEHT - POS A - Non Union	\$ 14,808.60	\$ 33,218.04	\$ 6,696.00	\$ 13,392.00
MMEHT - POS C - Non Union	\$ 13,031.64	\$ 29,231.88	\$ 6,696.00	\$ 13,392.00
MMEHT - Dental - Non Union	\$ 520.32	N/A	\$ 520.32	N/A

Total OPEB Liability, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2020, the Town reported a liability of \$12,985,817 for its total OPEB liability for this Plan. The total OPEB liability was measured as of January 1, 2020 and was determined by an actuarial valuation as of that date. The Town's total OPEB liability was based on the Entry Age Normal Actuarial Cost Method which does not reflect future changes in benefits, subsidies, penalties, taxes or administrative costs that may be required as a result of the Patient Protection and Affordable Care Act of 2010 (ACA) related legislation and regulations.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

For the year ended June 30, 2020, the Town recognized OPEB expense of \$2,153,341. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>MMEHT</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,525,876	\$ -
Changes of assumptions	3,690,796	-
Net difference between projected and actual earnings on OPEB plan investments	<u>-</u>	<u>-</u>
Total	<u>\$ 6,216,672</u>	<u>\$ -</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>MMEHT</u>
Plan year ended June 30:	
2021	\$ 1,179,730
2022	1,179,730
2023	1,179,730
2024	1,179,730
2025	749,132
Thereafter	748,620

Discount Rate

The discount rate is the assumed interest rate used for converting projected dollar related values to a present value as of the valuation date of January 1, 2020. The discount rate determination is based on the high-quality AA/Aa or higher bond yields in effect for 20-year, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index. The rate of 2.21% per annum for June 30, 2020 was based upon a measurement date of December 26, 2019. The sensitivity of net OPEB liability to changes in discount rate are as follows:

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

	1% Decrease	Discount Rate	1% Increase
	1.21%	2.21%	3.21%
Total OPEB liability	\$ 15,645,127	\$ 12,985,817	\$ 10,914,192
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 15,645,127</u>	<u>\$ 12,985,817</u>	<u>\$ 10,914,192</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

Healthcare Trend

The healthcare trend is the assumed dollar increase in dollar-related values in the future due to the increase in the cost of health care. The healthcare cost trend rate is the rate of change in per capita health claim costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design and technological developments. The sensitivity of net OPEB liability to changes in healthcare cost trend rates are as follows:

	1% Decrease	Healthcare Trend Rates	1% Increase
Total OPEB liability	\$ 10,700,367	\$ 12,985,817	\$ 15,968,773
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 10,700,367</u>	<u>\$ 12,985,817</u>	<u>\$ 15,968,773</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

Actuarial Methods and Assumptions

The total OPEB liability for the Plan was determined by an actuarial valuation as of January 1, 2020, using the following methods and assumptions applied to all periods included in the measurement:

Actuarial Cost Method

The Entry Age Normal Actuarial Cost Method is used to determine costs. Under this funding method, a normal cost rate is determined as a level percent of pay for each

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

active Plan member and then summed to produce the total normal cost for this Plan. The unfunded actuarial liability is the difference between the actuarial liability and the actuarial value of assets.

For medical and pharmacy, historical claims and census records were assembled and provided through June 30, 2019. Medicare and non-Medicare eligible medical and prescription experience were analyzed. It was assumed that current enrollment distribution of benefit options would remain constant in the future for retirees. The cost was distributed based on the current covered population and the actuary's standard age curves which vary by age, gender and Medicare status. Children costs are converted to a load on the non-Medicare retirees which implicitly assumes that future retirees will have the same child distribution as current retirees.

Amortization

The total OPEB liability of this Plan is amortized on an open 30-year period. The amortization method is a level dollar amortization method.

Assumptions

The actuarial assumptions used in the January 1, 2020 actuarial valuation was based on economic, demographic and claim and expense assumptions that resulted from actuarial studies conducted for the period of December 31, 2017 and December 31, 2018.

Significant actuarial assumptions employed by the actuary for economic purposes are the assumptions that were adopted by Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2016 and based on the experience study covering the period from June 30, 2012 through June 30, 2015. As of January 1, 2020, they are as follows:

Discount Rate - 2.21% per annum for year end 2020 reporting. 4.10% per annum for 2019-year end reporting.

Trend Assumptions:

Medical Trend assumptions were developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model. The SOA model was released in December 2007 and version 2020_b was used for this valuation. The following assumptions were input into this model:

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

<u>Variable</u>	<u>Rate</u>
Rate of Inflation	2.00%
Rate of Growth in Real Income/GDP per capital 2029+	1.50%
Extra Trend due to Taste/Technology 2029+	1.20%
Expected Health Share of GDP 2029	20.00%
Health Share of GDP Resistance Point	25.00%
Year for Limiting Cost Growth to GDP Growth	2040

The SOA Long-Run Medical Cost Trend Model and its baseline projection are based on an econometric analysis of historical U.S. medical expenditures and the judgements of experts in the field. The long-run baseline projection and input variables have been developed under the guidance of the SOA Project Oversight Group. The rate for the extra trend for taste and technology was set above the baseline of 1.1% (to 1.2%) to move closer to the 30-year average to reflect the future projections from the Centers for Medicare and Medicaid Services Office of the Actuary (CMS OACT). The Medicare Trustee Report and CBO Long-Term Budget Outlook.

The trends selected from 2020 to 2023 were based on plan design, population weighting, renewal projections, and market analysis. For years 2024 - 2028, these are interpolated from 2023 to 2029 (which is the product of the inflation, GDP and extra trend rate assumptions).

Deductibles, Co-payments and Out of Pocket Maximums are assumed to increase at the above trend rates. The ultimate trend rate reflects an assumed nominal per capital GDP growth.

Administrative and claims expense: 3% per annum

Future plan changes: It is assumed that the current Plan and cost-sharing structure remains in place for all future years.

Significant actuarial assumptions employed by the actuary for demographic purposes are the assumptions that were adopted by Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2016 and based on the experience study covering the period from June 30, 2012 through June 30, 2015. As of January 1, 2020, they are as follows:

Retirement Rates - Rates vary for plans with no explicit employer subsidy (or payment) versus those plans defining an explicit employer subsidy (or payment). The rates are based on assumptions from the Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2016.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Retirement Contribution Increases - Assumed to increase at the same rate as incurred claims.

Family Enrollment Composition - For males, 50% of future retirees under the age of 65 and 50% of current retirees are married and elect spousal coverage while females are at 30% for both. 25% of male and female future retirees over the age of 65 are married and elect spousal coverage.

Age Difference of Spouses - Husbands are assumed to be 3 years older than wives.

Administrative expenses - Included in the per capita claims cost.

Disability Incidence - Disabled lives will be considered active employees and will not be valued separately.

Salary Increase Rate - 2.75% per year assumed using the level percentage of pay entry age method.

Dates of Hire - Needed to be assumed for some employees and will be based on the average age at hire for similar employees.

Rate of Mortality - Based on 104% and 120% of the RP-2014 Total Dataset Healthy Annuitant Mortality Table, respectively for males and females, using the RP-2014 Total Dataset Employee Mortality Table for ages prior to the start of the Healthy Annuitant Mortality Table, both projected from the 2006 base rates using the RPEC _2015 model, with an ultimate rate of 0.85% for ages 20-85 grading down to an ultimate rate of 0.00% for ages 111-120, and convergence to the ultimate rate in the year 2020. These rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2016.

Retiree Continuation Percentage:

Medicare participant retirees - 100% assumed to continue in the plan elected

Pre-Medicare plan retirees and active participants - 75% assumed to continue coverage once Medicare-eligible

Pre-Medicare plan spouses and spouses of active participants - 50% assumed to continue coverage once Medicare-eligible

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Changes in Net OPEB Liability

Changes in net OPEB liability are recognized in OPEB expense for the year ended June 30, 2020 with the following exceptions:

Differences between Expected and Actual Experience

The difference between expected and actual experience are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. The difference between expected and actual experience as of January 1, 2020 was \$2,525,876.

Changes in Assumptions

Differences due to changes in assumptions about future economic, demographic or claim and expense factors or other inputs are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The actuarial assumptions used in the June 30, 2017 and June 30, 2016 actuarial valuations were based primarily on those used by Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2016 which were based on the experience study covering the period from June 30, 2012 through June 30, 2015. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

Differences between Projected and Actual Earnings on OPEB Plan Investments

Differences between projected and actual investment earnings are recognized in OPEB expense using a straight-line amortization method over a closed five-year period. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

OPEB Plan Fiduciary Net Position

Additional financial and actuarial information with respect to this Plan can be found at the Town Office at 200 Rogers Road, Kittery, Maine 03904.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) GROUP LIFE
INSURANCE PLAN

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

STATE EMPLOYEE AND TEACHER PLAN

Plan Description

All School teachers, plus other qualified educators, participate in the Maine Public Employees Retirement System's (MainePERS) State Employee and Teacher (SET) Plan. The teacher's program is a multi-employer cost-sharing plan with a special funding situation, established by the Maine State Legislature. The State of Maine is also a non-employer contributing entity in that the State pays the initial unfunded actuarial liability on behalf of teachers, while school districts contribute the normal cost, calculated actuarially, for their teacher members. Title 5 of the Maine Revised Statutes Annotated assigns the authority to establish and amend benefit provisions to the State Legislature. As of June 30, 2019, there were 239 employers, including the State of Maine, participating in the plan. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial and actuarial information for the SET Plan. That report may be obtained online at www.maineopers.org or by contacting the System at (800) 451-9800.

Benefits Provided

The Group Life Insurance Plan (the Plan) provides basic group life insurance benefits, during retirement, to retirees who participated in the Plan prior to retirement for a minimum of 10 years (the 10-year participation requirement does not apply to recipients of disability retirement benefits). The level of coverage in retirement is initially set to an amount equal to the retiree's average final compensation. The initial amount of basic life is then subsequently reduced at the rate of 15% per year to the greater of 40% of the initial amount or \$2,500.

Contributions

Life insurance benefits are funded by contributions from members and employers. Premium rates are those determined by the MainePERS's Board of Trustees to be actuarially sufficient to pay anticipated claims. For Department's teachers, the premiums for retiree life insurance coverage are factored into the premiums paid for basic coverage while participants are active members. Premiums for basic life insurance coverage for retired teachers are paid by the State as the total dollar amount of each year's annual required contribution. The State participates in the SET Plan as a non-employer contributing entity in that the State pays the actuarially

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) GROUP LIFE
INSURANCE PLAN (CONTINUED)

determined premium contributions associated with retired teachers. The State's contribution to the Plan for the year ended June 30, 2020 were approximately \$21,837.

OPEB Liabilities and OPEB Expense

At June 30, 2020, the School reported a liability for its proportionate share of the net OPEB liability that reflected a reduction for State OPEB support provided to the School. The total portion of the net OPEB liability that was associated with the School were as follows:

Town's proportionate share of the net OPEB liability	\$	-
State's proportionate share of the net OPEB liability associated with the School		<u>237,241</u>
Total	\$	<u><u>237,241</u></u>

For the year ended June 30, 2020, the District recognized net OPEB expense of \$22,397 and revenue of \$22,397 for support provided by the State of Maine.

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN

MAINE EDUCATION ASSOCIATION BENEFITS TRUST

Plan Description

The State of Maine and School retirees contribute to the School's OPEB Plan with the Maine Education Association Benefits Trust (MEABT), a single employer defined benefit plan. Contributions and membership in this Plan are voluntary and may be terminated at any time by the State, the School and/or the School retirees. MEABT is a fully funded, self-insured trust which provides benefits to education organizations and acts as the agent to the School concerning administration of this Plan. Title 24-A Chapter 81 of the Maine Revised Statutes Annotated authorizes the regulation of MEABT as a Multiple Employer Welfare Arrangement by the State of Maine Bureau of Insurance. Benefits and plans are designed and governed by MEABT participants and are administered by a number of third-party administrators contracted by MEABT. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits*

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN
(CONTINUED)

Other Than Pensions. MEABT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by contacting MEABT at (888) 622-4418.

Benefits Provided

This Plan provides medical/prescription drug benefits during retirement to Medicare and non-Medicare retirees and their spouses with varying levels of benefits determined by voluntary plan selection by the retiree as well as applicable Medicare statutes and regulations. The employee must have participated in a plan for the 12 months prior to retirement and have 10 years (under age 50) or 5 years (age 50 or above) of continuous active service and enrollment in the health plan to be eligible for this Plan. The retiree who terminates coverage may elect to re-enroll in coverage if they participated in the health plan for 12 months prior to terminating coverage, as long as re-enrollment occurs within 5 years from coverage termination and as long as the retiree is not past age 62. The retiree must have maintained continuous health insurance coverage during the break in coverage with MEABT to be eligible for re-enrollment and is only eligible for re-enrollment once.

Employees Covered by Benefit Terms

At June 30, 2020, the following employees were covered by the benefit terms:

Active members	158
Retirees and spouses	66
Total	<u>224</u>

Cost Sharing Provisions/Contributions

Retirees are eligible for a State subsidy of 45% of the blended single premium for the retiree. The blended premium is determined by blending rates for active members and retired members, as determined by State law. The retiree contributes the remaining 55% of blended single premium and spouse must contribute 100% of the blended premium amount coverage elected.

Employee/Retiree Premium Amounts:

The following monthly premium amounts were reported on the individual data file. Actual plan election was reflected in expected retiree premium amounts.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN
(CONTINUED)

	<u>Employee</u>	<u>Employee/ Spouse</u>	<u>Employee/ Child(ren)</u>	<u>Family</u>
<u>Pre-Medicare</u>				
Choice Plus	\$ 782.02	\$ 1,762.53	\$ 1,384.00	\$ 2,145.23
Standard \$200 Ded	\$ 844.48	\$ 1,903.52	\$ 1,494.71	\$ 2,316.85
Standard \$500 Ded	\$ 742.91	\$ 1,674.40	\$ 1,314.81	\$ 2,037.97
Standard \$1,000 Ded	\$ 708.51	\$ 1,596.85	\$ 1,253.91	\$ 1,943.58
<u>Medicare</u>				
Medicare-eligible retirees	\$ 449.52	\$ 943.57		

**Total OPEB Liability, OPEB Expense and Deferred Outflows of Resources
and Deferred Inflows of Resources Related to OPEB**

At June 30, 2020, the School reported a liability of \$2,206,401 for its total OPEB liability for this Plan. The total OPEB liability was measured as of June 30, 2019 and was determined by an actuarial valuation as of that date. The School's total OPEB liability was based on the Entry Age Normal Actuarial Cost Method which does not reflect future changes in benefits, subsidies, penalties, taxes or administrative costs that may be required as a result of the Patient Protection and Affordable Care Act of 2010 (ACA) related legislation and regulations.

For the year ended June 30, 2020, the School recognized OPEB expense of \$8,220. At June 30, 2020, the School reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>MEABT</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	100,347	62,790
Net difference between projected and actual earnings on OPEB plan investments	-	-
Contributions subsequent to the measurement date	100,447	-
Total	<u>\$ 200,794</u>	<u>\$ 62,790</u>

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN
(CONTINUED)

\$100,447 were reported as deferred outflows of resources related to OPEB resulting from School contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>MEABT</u>	
Plan year ended June 30:		
2020	\$	4,371
2021		4,371
2022		4,371
2023		4,373
2024		20,071
Thereafter		-

Discount Rate

The discount rate is the assumed interest rate used for converting projected dollar related values to a present value as of June 30, 2018. The discount rate determination is based on the high-quality AA/Aa or higher bond yields in effect for 20-year, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index. The rate of 3.50% per annum for June 30, 2018 was based upon a measurement date of June 28, 2018. The sensitivity of total OPEB liability to changes in discount rate are as follows:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	2.50%	3.50%	4.50%
Total OPEB liability	\$ 2,716,285	\$ 2,336,337	\$ 2,031,801
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 2,716,285</u>	<u>\$ 2,336,337</u>	<u>\$ 2,031,801</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN
(CONTINUED)

Healthcare Trend

The healthcare trend is the assumed dollar increase in dollar-related values in the future due to the increase in the cost of health care. The healthcare cost trend rate is the rate of change in per capita health claim costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design and technological developments. The sensitivity of total OPEB liability to changes in healthcare cost trend rates are as follows:

	1% Decrease	Healthcare Trend Rates	1% Increase
Total OPEB liability	\$ 1,996,781	\$ 2,336,337	\$ 2,762,713
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 1,996,781</u>	<u>\$ 2,336,337</u>	<u>\$ 2,762,713</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

Actuarial Methods and Assumptions

The total OPEB liability for the Plan was determined by an actuarial valuation as of June 30, 2019, using the following methods and assumptions applied to all periods included in the measurement:

Actuarial Cost Method

The Entry Age Normal Actuarial Cost Method is used to determine costs. Under this funding method, a normal cost rate is determined as a level percent of pay for each active Plan member and then summed to produce the total normal cost for this Plan. The unfunded actuarial liability is the difference between the actuarial liability and the actuarial value of assets.

Assumptions

Significant actuarial assumptions employed by the actuary for economic purposes are based on GASB 75 paragraph 36. Assumptions other than the discount rate are based on historical and future projections of long-term health care rates:

Discount Rate - 3.50% per annum.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN
(CONTINUED)

Trend Assumptions:

Pre-Medicare - Initial trend of 5.55% applied in FYE 2018 grading over 15 years to 3.73% per annum.

Medicare - Initial trend of 3.72% applied in FYE 2018 grading over 15 years to 2.81% per annum.

Future plan changes - Assumes that the current Plan and cost-sharing structure remain in place for all future years.

Significant actuarial assumptions employed by the actuary for demographic purposes are the assumptions that were adopted by Maine Public Employees Retirement System State Employee and Teacher Retirement Program at June 30, 2018 and based on the experience study covering the period from June 30, 2012 through June 30, 2015. As of June 30, 2018, they are as follows:

Retirement Rates - Rates vary for plans based on age and service

Rates of Turnover - Rates vary for plans based on service

Disability Incidence - Rates vary for plans based on age

Retirement Contribution Increases - Assumed to increase at the same rate as incurred claims

Family Enrollment Composition - It is assumed that 80% is married with an eligible spouse.

Age Difference of Spouses - Husbands are assumed to be 3 years older than wives.

Administrative expenses - Included in the per capita claims cost

Salary Increase Rate - 2.75% per year assumed using the level percentage of pay entry age method

Salaries - Were not available from the client and were assumed using the Teachers/Age Service Salary scatter from the State Retirement Agency. Based on the dates of hire assumed above and the participant's actual age, pay was assigned using the salary age service scatter.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN
(CONTINUED)

Dates of Hire - Were not available from the client and were available from the State Retirement Agency. Dates of hire were assumed to be the midpoint of each service group. Those under 1 year of service, the date was assumed to be January 1, 2018 and all other groups were assumed to be hired on July 1 of each service midpoint.

Rate of Mortality:

Healthy Annuitants - Based on 99% of the RP_2014 Total Dataset Healthy Annuitant Mortality Table, respectively for males and females, using the RP_2014 Total Dataset Employee Mortality Table for ages prior to the start of the Healthy Annuitant Mortality Table, both projected using the RPEC_2015 model, with an ultimate rate of 0.85% for ages 20-85 grading down to an ultimate rate of 0.00% for ages 111-120, and convergence to the ultimate rate in the year 2020.

Healthy Employees - Based on 99% of the RP_2014 Total Dataset Healthy Annuitant Mortality Table, respectively for males and females, using the RP_2014 Total Dataset Healthy Annuitant Mortality Tables after the end of the Total Employee Mortality Table, both projected using the RPEC_2015 model, with an ultimate rate of 0.85% for ages 20-85 grading down to an ultimate rate of 0.00% for ages 111-120, and convergence to the ultimate rate in the year 2020.

Disabled Annuitants - Based on 108% and 105% of the RP_2014 Total Dataset Disabled Annuitant Mortality Table, respectively for males and females, projected from the 2006 base rates using the RPEC_2015 model with an ultimate rate of 0.00% for ages 111-120, and convergence to the ultimate rate in the year 2020.

Retiree Continuation Percentage:

Retirees currently in the Group Companion Plan (Medicare participants) are assumed to remain in the Group Companion Plan.

Retirees who are currently age 64 or over age 65 and enrolled in a Pre-Medicare plan are assumed to never be eligible for Medicare and are assumed to remain enrolled in the Pre-Medicare plan.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN
(CONTINUED)

Retirees who are currently under age 64 and enrolled in a Pre-Medicare plan are assumed to be eligible for Medicare and are assumed to remain in the Pre-Medicare plan until age 64 and enroll in the Group Companion plan at age 65.

Spouses who are currently in the Pre-Medicare plan will follow the same assumptions as the retired member; if the member is never eligible for Medicare the spouse is not either.

Significant actuarial assumptions employed by the actuary for claims and expense purposes are the based on the actual community rated premiums of the entire group. As of June 30, 2019, they are as follows:

Monthly Per Capital Claims and Expense Cost - Claims are based on community rated premiums through June 30, 2018 and projects through 2019 and associate enrollment in the various options offered. Annual administrative and claims adjudication expenses are assumed to be included in the annual premiums.

Medical Plan Election - Employees are assumed to continue in their current medical plan for their entire career. 50% of retirees are assumed to switch from the Choice Plan to the Standard Plan.

Medicare Eligibility - Assumed to be age 65, with the exception of retirees over age 65 who are not in the Group Companion Plan, all retirees under age 64 and current actives with a date of hire before 3/31/1986.

Changes in Total OPEB Liability

Changes in total OPEB liability are recognized in OPEB expense for the year ended June 30, 2020 with the following exceptions:

Differences between Expected and Actual Experience

The difference between expected and actual experience are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. As of July 1, 2017, this average was 8 years. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. For the fiscal year ended June 30, 2020, there were no differences between expected and actual experience.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN
(CONTINUED)

Changes in Assumptions

Differences due to changes in assumptions about future economic, demographic or claim and expense factors or other inputs are recognized in OPEB expense over the average expected remaining service life of all active and inactive Plan members. As of July 1, 2017, this average was 8 years. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. The amortization period was six years for year ending June 30, 2018. For the fiscal year ended June 30, 2020, there were no changes in assumptions.

Differences between Projected and Actual Earnings on OPEB Plan Investments

Differences between projected and actual investment earnings are recognized in OPEB expense using a straight-line amortization method over a closed five-year period. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

OPEB Plan Fiduciary Net Position

Additional financial and actuarial information with respect to this Plan can be found at the School Office at 200 Rogers Road, Kittery, Maine 03904.

NOTE 21 - EXPENDITURES OVER APPROPRIATIONS

At June 30, 2020, the Town had the following overspent appropriations:

Social services	\$	1,750
Grant funds/misc. accounts		3,196
Total	\$	<u>4,946</u>

NOTE 22 - CONTINGENCIES

With regard to pending legal claims or any unasserted claims, it is not feasible at this time to predict or determine their outcome. Management believes, however, that settlement amounts, if any, will not have a material adverse effect on the Town's financial position.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 22 - CONTINGENCIES (CONTINUED)

The Town participates in various intergovernmental grant programs which may be subject to future program compliance audits by the grantors or their representatives. Accordingly, the Town's compliance with applicable grant requirement may be established at some future date. The amount, if any, of any liabilities arising from the disallowance of expenditures or ineligibility of grant revenues cannot be determined at this time.

NOTE 23 - RISK MANAGEMENT - PARTICIPATION IN A PUBLIC ENTITY RISK POOL

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance or participates in a public entity and self-insured risk pool sponsored by the Maine Municipal Association.

Based on the coverage provided by the insurance purchased, the Town is not aware of any material actual or potential claim liabilities which should be recorded as of June 30, 2020. There were no significant reductions in insurance coverage from that of the prior year and amounts of settlements have not exceeded insurance coverage in the past three years.

NOTE 24 - TAX INCREMENT FINANCING DISTRICTS

The Town has established several tax increment financing districts in accordance with Maine statutes to finance development programs located in the Town of Kittery, Maine. The expenditures from these development programs will be recovered in future years through an incremental tax levied upon the districts' so called "captured assessed value". A portion of the incremental tax revenues will be returned to the district to repay principal and interest on any indebtedness, to fund the expenditures of the development program and to finance future expansion.

Municipal Development District #1 (Mixed Use)

On February 8, 2011, the Kittery Town Council, as well as the Maine Department of Economic and Community Development, approved a Tax Increment Financing District to expand and diversify the Town's tax base and improve its economy through commercial development. The area of District #1 is 79.94 acres. The potential projects that will be implemented under this Development Program include: improvements to roads within and outside the District, trolley's trolley stops and related facilities and improvements, construction of new Town square, sewer and water system improvements including installation of lines, economic development planning and administrative expenses associated with the development effort. The original assessed

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 24 - TAX INCREMENT FINANCING DISTRICTS (CONTINUED)

value of the property is \$3,156,500. The Town anticipates over the life of the district that new development, rehabilitation and redevelopment will result in approximately \$14,750,000 in new taxable value. Tax increment revenues generated from this value over the life of the district will be approximately \$4,350,411. The Development Program provides for 100% of the increase in assessed value of the District to be captured and designated as captured assessed value. The tax increment revenues will be deposited by the Town into the Development Program Fund for a period of 30 years. The Development Program Fund is pledged to and charged with the payment of the project costs in the manner provided in 30-A M.R.S.A. §5801.

The TIF District will remain in place for a period of 30 years from adoption. The allocation of tax increment revenues, through a credit enhancement agreement, to be paid to owners/developers of specified property, will commence by agreement between the Town and the owner/developer and will continue for a period not to exceed 30 years or the remainder of the term of the District designation, whichever is less. No more than 75% of the property taxes to be generated on the improvements within the District will be returned to the developer. The remaining amount will be retained by the Town and used to fund the development plan of the District. The Council shall determine in its discretion whether it is necessary or appropriate to enter any Credit Enhancement Agreement. The Town will not incur any indebtedness in connection with the Capital Program. The developers of privately-owned property within the District will finance the Capital Program through a combination of the developers' funds, various loans and a portion of the tax increment of the District. The Town anticipates that it may elect, at a future date, to incur indebtedness to finance a portion of the public facilities, improvements and programs costs.

Municipal Development District #2 (Route 1 Shopping Corridor)

On February 8, 2011, the Kittery Town Council, as well as the Maine Department of Economic and Community Development, approved a Tax Increment Financing District to expand and diversify the Town's tax base and improve its economy through commercial development. The area of District #2 is 146.77 acres. The potential projects that will be implemented under this Development Program include: improvements to roads within and outside the District, trolley's trolley stops and related facilities and improvements, construction of new Town square, sewer and water system improvements including installation of lines, upgrade of Pepperrell Cove piers, economic development planning and administrative expenses associated with the development effort. The original assessed value of the property is \$15,919,000. The Town anticipates over the life of the district that new development, rehabilitation and redevelopment will result in approximately \$30,500,000 in new taxable value. Tax increment revenues generated from this value over the life of the district will be approximately \$9,065,215. The Development Program provides for 100% of the

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 24 - TAX INCREMENT FINANCING DISTRICTS (CONTINUED)

increase in assessed value of the District to be captured and designated as captured assessed value. The tax increment revenues will be deposited by the Town into the Development Program Fund for a period of 30 years. The Development Program Fund is pledged to and charged with the payment of the project costs in the manner provided in 30-A M.R.S.A. §5801.

The TIF District will remain in place for a period of 30 years from adoption. The allocation of tax increment revenues, through a credit enhancement agreement, to be paid to owners/developers of specified property, will commence by agreement between the Town and the owner/developer and will continue for a period not to exceed 30 years or the remainder of the term of the District designation, whichever is less. No more than 75% of the property taxes to be generated on the improvements within the District will be returned to the developer. The remaining amount will be retained by the Town and used to fund the development plan of the District. The Council shall determine in its discretion whether it is necessary or appropriate to enter any Credit Enhancement Agreement. The Town will not incur any indebtedness in connection with the Capital Program. The developers of privately owned property within the District will finance the Capital Program through a combination of the developers' funds, various loans and a portion of the tax increment of the District. The Town anticipates that it may elect, at a future date, to incur indebtedness to finance a portion of the public facilities, improvements and programs costs.

Municipal Development District #3 (Business Park)

On February 8, 2011, the Kittery Town Council, as well as the Maine Department of Economic and Community Development, approved a Tax Increment Financing District to expand and diversify the Town's tax base and improve its economy through commercial development. The area of District #3 is 132.78 acres. The potential projects that will be implemented under this Development Program include: improvements to roads within and outside the District, trolley's trolley stops and related facilities and improvements, sewer and water system improvements including installation of lines, economic development planning and administrative expenses associated with the development effort. The original assessed value of the property is \$2,105,200. The Town anticipates over the life of the district that new development, rehabilitation and redevelopment will result in approximately \$29,500,000 in new taxable value. Tax increment revenues generated from this value over the life of the district will be approximately \$8,648,766. The Development Program provides for 100% of the increase in assessed value of the District to be captured and designated as captured assessed value. The tax increment revenues will be deposited by the Town into the Development Program Fund for a period of 30 years. The Development Program Fund is pledged to and charged with the payment of the project costs in the manner provided in 30-A M.R.S.A. §5801.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 24 - TAX INCREMENT FINANCING DISTRICTS (CONTINUED)

The TIF District will remain in place for a period of 30 years from adoption. The allocation of tax increment revenues, through a credit enhancement agreement, to be paid to owners/developers of specified property, will commence by agreement between the Town and the owner/developer and will continue for a period not to exceed 30 years or the remainder of the term of the District designation, whichever is less. No more than 75% of the property taxes to be generated on the improvements within the District will be returned to the developer. The remaining amount will be retained by the Town and used to fund the development plan of the District. The Council shall determine in its discretion whether it is necessary or appropriate to enter any Credit Enhancement Agreement. The Town will not incur any indebtedness in connection with the Capital Program. The developers of privately-owned property within the District will finance the Capital Program through a combination of the developers' funds, various loans and a portion of the tax increment of the District. The Town anticipates that it may elect, at a future date, to incur indebtedness to finance a portion of the public facilities, improvements and programs costs.

Tax Abatements:

As noted above, the Town of Kittery has established three tax increment financing districts (TIFs) in accordance with M.R.S.A. Title 30-A, §5221-§5235 for a variety of economic development purposes, including business retention and expansion and public infrastructure improvement. The Town has chosen to disclose information about its tax abatement (credit enhancement) agreements individually and negotiates property tax abatement agreements on an individual basis. The following is a brief description of and total amount of taxes abated for each tax increment financing district:

TIF District	Original Assessed Value	Current Assessed Value	TIF Cap	New Taxes	Taxes Abated
TIF District #1 (Mixed Use)	\$ 3,156,500	\$ 3,033,800	75%	\$ -	\$ -
TIF District #2 (Route 1 Shopping Corridor)	15,919,000	20,330,100	75%	70,798	-
TIF District #3 (Business Park)	2,105,200	3,058,800	75%	15,305	-

The Town has not made any commitments as part of the agreements other than to reduce taxes. The Town is not subject to any tax abatement agreements entered into by other governmental entities.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 25 - COLLATERALIZATION

At June 30, 2020, the Town has an outstanding irrevocable standby letter of credit issued by the Federal Home Loan Bank of Boston serving as collateral for its deposits held at People's United Bank. These letters of credit, which all expire at the close of business on August 19, 2020, authorize one draw only up to the amount of \$14,000,000. There were no draws for the year ended June 30, 2020.

NOTE 26 - COMPARATIVE DATA/RECLASSIFICATIONS

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the Town's financial position and operations. Also, certain amounts presented in the prior year's data have been reclassified to be consistent with the current year's presentation.

NOTE 27 - RESTATEMENTS

In 2020, it was determined that certain transactions were incorrectly recorded or omitted. The beginning balance for the governmental activities' capital assets were restated as of July 1, 2019 by an increase of \$500,857 from \$35,420,824 to \$34,919,967.

The net restatement to governmental activities net position was an increase of \$500,857 from \$26,679,126 to \$27,179,983.

Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund
- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - Education Fund
- Schedule of Proportionate Share of the Net Pension Liability
- Schedule of Contributions - Pensions
- Schedule of Proportionate Share of the Net OPEB Liability - Set Plan
- Schedule of Contributions - OPEB
- Schedule of Changes in Net OPEB Liability - MMEHT Plan
- Schedule of Changes in Net OPEB Liability and Related Ratios - MMEHT Plan
- Schedule of Changes in Net OPEB Liability - MEABT Plan
- Schedule of Changes in Net OPEB Liability and Related Ratios - MEABT Plan
- Notes to Required Supplementary Information

TOWN OF KITTERY, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 6,494,008	\$ 6,494,008	\$ 6,494,008	\$ -
Resources (Inflows):				
General tax revenue	11,802,572	11,802,572	11,760,606	(41,966)
Intergovernmental revenue	1,086,590	1,086,590	1,354,598	268,008
Charges for services	2,123,930	2,123,930	1,879,203	(244,727)
Investment income	65,000	65,000	172,912	107,912
Other revenue	157,641	157,641	175,236	17,595
Transfers from other funds	50,000	50,000	50,000	-
Amounts Available for Appropriation	<u>21,779,741</u>	<u>21,779,741</u>	<u>21,886,563</u>	<u>106,822</u>
Charges to Appropriations (Outflows):				
General government	4,211,016	4,151,333	4,067,604	83,729
Public safety	2,996,167	3,036,167	2,995,735	40,432
Public works	1,021,697	1,021,697	1,018,046	3,651
Recreation and culture	1,856,901	1,861,901	1,802,508	59,393
Health and sanitation	523,472	523,472	497,540	25,932
Social services	59,685	59,685	61,435	(1,750)
County tax	893,000	894,783	894,783	-
Debt service:				
Principal	667,884	667,884	667,884	-
Interest	159,846	159,846	159,756	90
Overlay	166,618	166,618	150,000	16,618
Grant funds/misc. accounts	239,080	254,080	257,276	(3,196)
Transfers to other funds	2,490,367	2,540,367	2,540,367	-
Total Charges to Appropriations	<u>15,285,733</u>	<u>15,337,833</u>	<u>15,112,934</u>	<u>224,899</u>
Budgetary Fund Balance, June 30	<u>\$ 6,494,008</u>	<u>\$ 6,441,908</u>	<u>\$ 6,773,629</u>	<u>\$ 331,721</u>
Utilization of assigned fund balance	<u>\$ -</u>	<u>\$ 52,100</u>	<u>\$ -</u>	<u>\$ (52,100)</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF KITTERY, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 BUDGET AND ACTUAL - EDUCATION FUND
 FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual Amounts	Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 313,049	\$ 313,049	\$ 313,049	\$ -
Revenues (Inflows):				
Local assessments	15,728,549	15,728,549	15,728,549	-
Intergovernmental revenues:				
State subsidy	1,534,482	1,534,482	1,534,482	-
Medicaid	25,000	25,000	30,173	5,173
Impact aid	350,000	350,000	387,214	37,214
Charges for services	25,500	25,500	19,896	(5,604)
Other revenue	11,900	11,900	11,678	(222)
Amounts Available for Appropriation	<u>17,988,480</u>	<u>17,988,480</u>	<u>18,025,041</u>	<u>36,561</u>
Charges to Appropriations (Outflows):				
Regular instruction	6,957,318	6,957,318	6,958,624	(1,306)
Special education	3,952,542	3,952,542	3,499,609	452,933
Other instruction	340,668	340,668	317,458	23,210
Student and staff support	1,942,731	1,942,731	1,847,898	94,833
System administration	622,541	622,541	620,995	1,546
School administration	1,035,314	1,035,314	1,001,314	34,000
Transportation and buses	609,034	609,034	603,824	5,210
Operations and maintenance	1,356,587	1,356,587	1,342,785	13,802
Debt service:				
Principal	620,000	620,000	620,000	-
Interest	169,150	169,150	169,238	(88)
Transfers to other funds	90,000	90,000	90,000	-
Total Charges to Appropriations	<u>17,695,885</u>	<u>17,695,885</u>	<u>17,071,745</u>	<u>624,140</u>
Budgetary Fund Balance, June 30	<u>\$ 292,595</u>	<u>\$ 292,595</u>	<u>\$ 953,296</u>	<u>\$ 660,701</u>
Utilization of assigned fund balance	<u>\$ 20,454</u>	<u>\$ 20,454</u>	<u>\$ -</u>	<u>\$ (20,454)</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF KITTERY, MAINE

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST 10 FISCAL YEARS*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>PLD Plan:</u>						
Proportion of the net pension liability	1.00%	1.01%	0.98%	0.99%	1.02%	1.00%
Proportionate share of the net pension liability	\$ 3,064,549	\$ 2,771,205	\$ 4,022,261	\$ 5,257,645	\$ 3,253,198	\$ 1,538,376
Covered payroll	\$ 4,275,045	\$ 4,957,486	\$ 4,621,325	\$ 4,437,060	\$ 4,374,536	\$ 4,052,282
Proportionate share of the net pension liability as a percentage of its covered payroll	71.68%	55.90%	87.04%	118.49%	74.37%	37.96%
Plan fiduciary net position as a percentage of the total pension liability	90.62%	91.14%	86.43%	81.60%	88.30%	94.10%
<u>SET Plan:</u>						
School Department's proportion of the net pension liability	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%
School Department's proportionate share of the net pension liability	\$ 321,950	\$ 305,986	\$ 317,524	\$ 308,441	\$ 240,362	\$ 204,809
State's proportionate share of the net pension liability associated with the School Department	<u>9,407,634</u>	<u>8,627,532</u>	<u>9,439,716</u>	<u>11,131,629</u>	<u>8,327,329</u>	<u>6,502,031</u>
Total	<u>\$ 9,729,584</u>	<u>\$ 8,933,518</u>	<u>\$ 9,757,240</u>	<u>\$ 11,440,070</u>	<u>\$ 8,567,691</u>	<u>\$ 6,706,840</u>
School Department's covered payroll	\$ 8,204,989	\$ 8,135,669	\$ 8,075,196	\$ 7,602,064	\$ 7,506,846	\$ 6,957,837
School Department's proportionate share of the net pension liability as a percentage of its covered payroll	3.92%	3.76%	3.93%	4.06%	3.20%	2.94%
Plan fiduciary net position as a percentage of the total pension liability	84.52%	85.17%	80.78%	76.21%	81.18%	83.91%

* The amounts presented for each fiscal year were determined as of June 30 and are for those years for which information is available.

See accompanying independent auditors' report and notes to financial statements.

TOWN OF KITTERY, MAINE

SCHEDULE OF CONTRIBUTIONS - PENSIONS
LAST 10 FISCAL YEARS*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>PLD Plan:</u>						
Contractually required contribution	\$ 563,331	\$ 514,920	\$ 562,108	\$ 503,516	\$ 464,330	\$ 416,802
Contributions in relation to the contractually required contribution	<u>(563,331)</u>	<u>(514,920)</u>	<u>(562,108)</u>	<u>(503,516)</u>	<u>(464,330)</u>	<u>(416,802)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 4,732,851	\$ 4,275,045	\$ 4,957,486	\$ 4,621,325	\$ 4,437,060	\$ 4,374,536
Contributions as a percentage of covered payroll	11.90%	12.04%	11.34%	10.90%	10.46%	9.53%
<u>SET Plan:</u>						
Contractually required contribution	\$ 393,956	\$ 386,762	\$ 355,212	\$ 299,625	\$ 277,171	\$ 220,876
Contributions in relation to the contractually required contribution	<u>(393,956)</u>	<u>(386,762)</u>	<u>(355,212)</u>	<u>(299,625)</u>	<u>(277,171)</u>	<u>(220,876)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School Department's covered payroll	\$ 8,988,666	\$ 8,204,989	\$ 8,135,669	\$ 8,075,196	\$ 7,602,064	\$ 7,506,846
Contributions as a percentage of covered payroll	4.38%	4.71%	4.37%	3.71%	3.65%	2.94%

* The amounts presented for each fiscal year are for those years for which information is available.

See accompanying independent auditors' report and notes to financial statements.

TOWN OF KITTELY, MAINE

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
LAST 10 FISCAL YEARS*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>SET Life Insurance:</u>			
Proportion of the net OPEB liability	0.00%	0.00%	0.00%
Town's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>237,241</u>	<u>228,880</u>	<u>210,553</u>
Total	<u>\$ 237,241</u>	<u>\$ 228,880</u>	<u>\$ 210,553</u>
Covered payroll	\$ 8,204,989	\$ 8,135,669	\$ 8,075,196
Proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	48.04%	47.29%

* The amounts presented for each fiscal year were determined as of June 30 and are for those years for which information is available.

See accompanying independent auditors' report and notes to financial statements.

TOWN OF KITTELY, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY - MMEHT PLAN
FOR THE YEAR ENDED JUNE 30, 2020

	Increase (Decrease)		
	Net OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 7/1/18 (Reporting July 1, 2019)	\$ 7,383,225	\$ -	\$ 7,383,225
Changes for the year:			
Service cost	704,195	-	704,195
Interest	269,416	-	269,416
Changes of benefits	-	-	-
Differences between expected and actual experience	686,240	-	686,240
Changes of assumptions	4,299,838	-	4,299,838
Contributions - employer	-	357,097	(357,097)
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments	(357,097)	(357,097)	-
Administrative expense	-	-	-
Net changes	<u>5,602,592</u>	<u>-</u>	<u>5,602,592</u>
Balances at 7/1/19 (Reporting July 1, 2020)	<u>\$ 12,985,817</u>	<u>\$ -</u>	<u>\$ 12,985,817</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF KITTEERY, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
MMEHT PLAN
LAST 10 FISCAL YEARS*

	2020	2019	2018
<u>Total OPEB liability</u>			
Service cost (BOY)	\$ 704,195	\$ 308,137	\$ 93,836
Interest (includes interest on service cost)	269,416	239,907	121,824
Changes of benefit terms	-	-	-
Differences between expected and actual experience	686,240	262,710	3,357,298
Changes of assumptions	4,299,838	-	282,775
Benefit payments, including refunds of member contributions	(357,097)	(253,943)	(149,825)
Net change in total OPEB liability	<u>\$ 5,602,592</u>	<u>\$ 556,811</u>	<u>\$ 3,705,908</u>
Total OPEB liability - beginning	\$ 7,383,225	\$ 6,826,414	\$ 3,120,506
Total OPEB liability - ending	\$ 12,985,817	\$ 7,383,225	\$ 6,826,414
<u>Plan fiduciary net position</u>			
Contributions - employer	357,097	253,943	149,825
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments, including refunds of member contributions	(357,097)	(253,943)	(149,825)
Administrative expense	-	-	-
Net change in fiduciary net position	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - beginning	\$ -	\$ -	\$ -
Plan fiduciary net position - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability - ending	<u>\$ 12,985,817</u>	<u>\$ 7,383,225</u>	<u>\$ 6,826,414</u>
Plan fiduciary net position as a percentage of the total OPEB liability	-	-	-
Covered payroll	\$ 4,426,748	\$ 4,444,402	\$ 4,357,257
Net OPEB liability as a percentage of covered payroll	293.35%	166.12%	156.67%

* The amounts presented for each fiscal year are for those years for which information is available.

See accompanying independent auditors' report and notes to financial statements.

TOWN OF KITTEERY, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY - MEABT PLAN
FOR THE YEAR ENDED JUNE 30, 2020

	Increase (Decrease)		
	Net OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
	<u> </u>	<u> </u>	<u> </u>
Balances at 7/1/18 (Reporting July 1, 2019)	\$ 2,206,401	\$ -	\$ 2,206,401
Changes for the year:			
Service cost	19,953	-	19,953
Interest	84,343	-	84,343
Changes of benefits	-	-	-
Differences between expected and actual experience	-	-	-
Changes of assumptions	120,416	-	120,416
Contributions - employer	-	94,776	(94,776)
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments	(94,776)	(94,776)	-
Administrative expense	-	-	-
Net changes	<u>129,936</u>	<u>-</u>	<u>129,936</u>
Balances at 6/30/19 (Reporting June 30, 2020)	<u><u>\$ 2,336,337</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,336,337</u></u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF KITTELY, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
MEABT PLAN
LAST 10 FISCAL YEARS*

	2020	2019
<u>Total OPEB liability</u>		
Service cost (BOY)	\$ 19,953	\$ 21,415
Interest (includes interest on service cost)	84,343	81,110
Changes of benefit terms	-	-
Differences between expected and actual experience	-	-
Changes of assumptions	120,416	(94,186)
Benefit payments, including refunds of member contributions	(94,776)	(91,500)
Net change in total OPEB liability	\$ 129,936	\$ (83,161)
Total OPEB liability - beginning	\$ 2,206,401	\$ 2,289,562
Total OPEB liability - ending	\$ 2,336,337	\$ 2,206,401
<u>Plan fiduciary net position</u>		
Contributions - employer	94,776	91,500
Contributions - member	-	-
Net investment income	-	-
Benefit payments, including refunds of member contributions	(94,776)	(91,500)
Administrative expense	-	-
Net change in fiduciary net position	-	-
Plan fiduciary net position - beginning	\$ -	\$ -
Plan fiduciary net position - ending	\$ -	\$ -
Net OPEB liability - ending	\$ 2,336,337	\$ 2,206,401
Plan fiduciary net position as a percentage of the total OPEB liability	-	-
Covered payroll	\$ 7,718,042	\$ 7,511,476
Net OPEB liability as a percentage of covered payroll	30.3%	29.4%

* The amounts presented for each fiscal year are for those years for which information is available.

See accompanying independent auditors' report and notes to financial statements.

TOWN OF KITTEERY, MAINE

SCHEDULE OF CONTRIBUTIONS - OPEB
LAST 10 FISCAL YEARS*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>MMEHT:</u>			
Employer contributions	\$ 357,097	\$ 253,943	\$ 149,825
Benefit payments	(357,097)	(253,943)	(149,825)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 4,426,748	\$ 4,444,402	\$ 4,357,257
Contributions as a percentage of covered-payroll	0.00%	0.00%	0.00%
	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>SET Life Insurance:</u>			
Contractually required contribution	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 8,988,666	\$ 8,204,989	\$ 8,135,669
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%
	<u>2020</u>	<u>2019</u>	
<u>MEABT:</u>			
Employer contributions	\$ 94,776	\$ 91,500	
Benefit payments	(94,776)	(91,500)	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	
Covered payroll	\$ 7,718,042	\$ 7,511,476	
Contributions as a percentage of covered payroll	0.00%	0.00%	

* The amounts presented for each fiscal year are for those years for which information is available.

See accompanying independent auditors' report and notes to financial statements.

TOWN OF KITTEERY, MAINE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2020

Changes of Assumptions

MMEHT:

There was a change in the discount rate from 4.10% to 2.21% per GASB 75 discount rate selection. The repeal of the "Cadillac Tax" was reflected in this valuation by removing the previously planned excise tax.

MEABT:

There was a change in the discount rate from 3.87% to 3.50% per GASB 75 discount rate selection.

Other Supplementary Information

Other supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues
- Schedule of Departmental Operations - General Fund
- Combining Balance Sheet - Nonmajor Governmental Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
- Combining Balance Sheet - Nonmajor Special Revenue Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds
- Combining Balance Sheet - Nonmajor Capital Projects Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds
- Combining Balance Sheet - Nonmajor Permanent Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Permanent Funds
- Combining Schedule of Fiduciary Net Position - Private-Purpose Trust Funds
- Combining Schedule of Changes in Fiduciary Net Position - Private-Purpose Trust Funds
- Combining Schedule of Changes in Agency Funds
- Schedule of General Capital Assets by Function
- Schedule of Changes in General Capital Assets by Function

TOWN OF KITTERY, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 BUDGET AND ACTUAL - GENERAL FUND REVENUES
 FOR THE YEAR ENDED JUNE 30, 2020

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
General tax revenues:				
Property taxes	\$ 9,975,072	\$ 9,975,072	\$ 9,761,702	\$ (213,370)
Vehicle excise taxes	1,800,000	1,800,000	1,974,662	174,662
Boat excise taxes	27,500	27,500	24,242	(3,258)
Intergovernmental revenues:				
State revenue sharing	460,000	460,000	648,212	188,212
Homestead exemption	288,902	288,902	377,150	88,248
GMH Housing	286,000	286,000	283,178	(2,822)
General assistance	45,000	45,000	38,136	(6,864)
Other	6,688	6,688	7,922	1,234
Charges for services:				
Recreation fees	1,010,000	1,010,000	682,312	(327,688)
Library fees	13,800	13,800	9,320	(4,480)
Code enforcement fees	283,250	283,250	337,005	53,755
Registration fees	27,000	27,000	35,062	8,062
Town clerk fees	24,350	24,350	24,819	469
Planning fees	20,600	20,600	10,604	(9,996)
Solid waste/recycling	120,000	120,000	32,641	(87,359)
Solid waste/permits	50,000	50,000	93,445	43,445
Fort Foster fees	255,000	255,000	271,048	16,048
Dispatching services	125,530	125,530	143,795	18,265
Police department	24,000	24,000	50,762	26,762
Animal control	9,300	9,300	6,562	(2,738)
Public works	12,500	12,500	39,117	26,617
Mooring/launch fees	142,600	142,600	134,820	(7,780)
Harbor fees	6,000	6,000	7,891	1,891
Investment income:				
Investment income	65,000	65,000	172,912	107,912
Other income:				
Interest/fees on taxes	53,000	53,000	38,867	(14,133)
Payment in lieu of taxes	5,000	5,000	9,477	4,477
Rent	22,900	22,900	22,900	-
Other reimbursements	76,741	76,741	103,992	27,251
Transfers from other funds:				
Permanent funds	50,000	50,000	50,000	-
Total Revenues	\$ 15,285,733	\$ 15,285,733	\$ 15,392,555	\$ 106,822

See accompanying independent auditors' report and notes to financial statements.

TOWN OF KITTERY, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Budget	Budget Adjustments	Final Available	Actual	Variance Positive (Negative)
General government					
Administration	\$ 1,002,128	\$ (60,000)	\$ 942,128	\$ 897,490	\$ 44,638
Code enforcement	521,462	-	521,462	500,768	20,694
Benefits	1,735,673	(1,783)	1,733,890	1,722,711	11,179
Insurance	920,553	-	920,553	918,498	2,055
Planning board	12,050	-	12,050	7,661	4,389
Elections	11,800	2,100	13,900	16,895	(2,995)
Council	7,350	-	7,350	3,581	3,769
	<u>4,211,016</u>	<u>(59,683)</u>	<u>4,151,333</u>	<u>4,067,604</u>	<u>83,729</u>
Public safety					
Police department	2,328,280	40,000	2,368,280	2,365,602	2,678
Fire department	351,083	-	351,083	322,152	28,931
Street lights	55,000	-	55,000	53,802	1,198
Hydrants	261,804	-	261,804	254,179	7,625
	<u>2,996,167</u>	<u>40,000</u>	<u>3,036,167</u>	<u>2,995,735</u>	<u>40,432</u>
Public works					
Highways	1,021,697	-	1,021,697	1,018,046	3,651
	<u>1,021,697</u>	<u>-</u>	<u>1,021,697</u>	<u>1,018,046</u>	<u>3,651</u>
Recreation and culture					
Parks	140,596	-	140,596	132,716	7,880
Fort Foster	131,643	-	131,643	125,923	5,720
Recreation	1,059,675	-	1,059,675	1,042,018	17,657
Library	418,413	-	418,413	395,715	22,698
Port Authority	106,574	5,000	111,574	106,136	5,438
	<u>1,856,901</u>	<u>5,000</u>	<u>1,861,901</u>	<u>1,802,508</u>	<u>59,393</u>
Health and sanitation					
Solid waste	523,472	-	523,472	497,540	25,932
	<u>523,472</u>	<u>-</u>	<u>523,472</u>	<u>497,540</u>	<u>25,932</u>
Social services					
General assistance	50,000	-	50,000	49,229	771
Community agencies	9,165	-	9,165	11,712	(2,547)
Public health services	520	-	520	494	26
	<u>59,685</u>	<u>-</u>	<u>59,685</u>	<u>61,435</u>	<u>(1,750)</u>

TOWN OF KITTERY, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Budget	Budget Adjustments	Final Available	Actual	Variance Positive (Negative)
County tax	893,000	1,783	894,783	894,783	-
Debt service					
Principal	667,884	-	667,884	667,884	-
Interest	159,846	-	159,846	159,756	90
	827,730	-	827,730	827,640	90
Overlay	166,618	-	166,618	150,000	16,618
Grant funds/misc. accounts					
EPA stormwater program	19,600	-	19,600	21,094	(1,494)
Memorial day activities	700	-	700	-	700
Computer repair	45,000	15,000	60,000	66,156	(6,156)
Shellfish conservation	3,560	-	3,560	1,700	1,860
Conservation commission	500	-	500	-	500
Mosquito/tick control	36,750	-	36,750	36,750	-
GIS/web account	3,400	-	3,400	900	2,500
PSAP paid to York police dept.	30,000	-	30,000	31,281	(1,281)
Bank fees	600	-	600	425	175
Adult education	98,970	-	98,970	98,970	-
	239,080	15,000	254,080	257,276	(3,196)
Transfers to other funds					
Special revenue funds	501,850	50,000	551,850	551,850	-
Capital projects funds	1,988,517	-	1,988,517	1,988,517	-
	2,490,367	50,000	2,540,367	2,540,367	-
Total Departmental Operations	\$ 15,285,733	\$ 52,100	\$ 15,337,833	\$ 15,112,934	\$ 224,899

See accompanying independent auditors' report and notes to financial statements.

TOWN OF KITTERY, MAINE

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ 36,957	\$ 36,957
Investments	-	-	618,931	618,931
Accounts receivable (net of allowance for uncollectibles)	123,055	-	-	123,055
Inventory	9,976	-	-	9,976
Due from other funds	4,699,386	1,971,039	100,581	6,771,006
TOTAL ASSETS	\$ 4,832,417	\$ 1,971,039	\$ 756,469	\$ 7,559,925
LIABILITIES				
Accounts payable	\$ 45,537	\$ 15,746	\$ 650	\$ 61,933
Due to other funds	187,819	-	7,499	195,318
TOTAL LIABILITIES	233,356	15,746	8,149	257,251
FUND BALANCES				
Nonspendable	9,976	-	60,000	69,976
Restricted	136,525	1,178,754	689,092	2,004,371
Committed	4,267,420	776,539	-	5,043,959
Assigned	310,128	-	-	310,128
Unassigned	(124,988)	-	(772)	(125,760)
TOTAL FUND BALANCES	4,599,061	1,955,293	748,320	7,302,674
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,832,417	\$ 1,971,039	\$ 756,469	\$ 7,559,925

See accompanying independent auditors' report and notes to financial statements.

SCHEDULE D

TOWN OF KITTERY, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental revenues	\$ 1,229,671	\$ 299,784	\$ -	\$ 1,529,455
Charges for services	385,037	-	-	385,037
Investment income, net of unrealized gains/(losses)	-	-	25,574	25,574
Interest income	-	2,670	-	2,670
Other income	471,866	7,337	20,581	499,784
TOTAL REVENUES	2,086,574	309,791	46,155	2,442,520
EXPENDITURES				
General government	312,271	-	57,066	369,337
Public safety	226,373	-	-	226,373
Public works	-	9,843	-	9,843
Health and sanitation	70,648	-	-	70,648
Recreation and culture	44,827	-	-	44,827
Education	1,488,157	200,108	-	1,688,265
Capital outlay	1,569,367	362,452	-	1,931,819
Other	500,098	66,056	-	566,154
TOTAL EXPENDITURES	4,211,741	638,459	57,066	4,907,266
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,125,167)	(328,668)	(10,911)	(2,464,746)
OTHER FINANCING SOURCES (USES)				
Transfers in	2,609,475	686,500	34,290	3,330,265
Transfers (out)	(709,108)	(6,500)	(34,290)	(749,898)
TOTAL OTHER FINANCING SOURCES (USES)	1,900,367	680,000	-	2,580,367
NET CHANGE IN FUND BALANCES	(224,800)	351,332	(10,911)	115,621
FUND BALANCES, JULY 1	4,823,861	1,603,961	759,231	7,187,053
FUND BALANCES, JUNE 30	\$ 4,599,061	\$ 1,955,293	\$ 748,320	\$ 7,302,674

See accompanying independent auditors' report and notes to financial statements.

Special Revenue Funds

Special revenue funds are established to account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are legally restricted to expenditures for specific purposes.

TOWN OF KITTERY, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2020

	ASA Applicant Code	Oil and More Donations	Channel 22	Concert in the Park	D.A.R.E.	Fire Hazmat Spill Cleanup	Thresher Memorial
ASSETS							
Accounts receivable (net of allowance for uncollectibles)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Inventory	-	-	-	-	-	-	-
Due from other funds	8,061	-	265,010	-	216	12,971	9,345
TOTAL ASSETS	\$ 8,061	\$ -	\$ 265,010	\$ -	\$ 216	\$ 12,971	\$ 9,345
LIABILITIES							
Accounts payable	\$ 5,396	\$ -	\$ 4,063	\$ -	\$ -	\$ -	\$ 82
Due to other funds	-	15	-	3	-	-	-
TOTAL LIABILITIES	5,396	15	4,063	3	-	-	82
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	2,665	-	260,947	-	216	12,971	9,263
Assigned	-	-	-	-	-	-	-
Unassigned	-	(15)	-	(3)	-	-	-
TOTAL FUND BALANCES (DEFICITS)	2,665	(15)	260,947	(3)	216	12,971	9,263
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 8,061	\$ -	\$ 265,010	\$ -	\$ 216	\$ 12,971	\$ 9,345

TOWN OF KITTERY, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2020

	Accrued Compensated Absences	Ballot Counting Machines	Library Donations	Kittery Block Party	Kittery Community Center	York Hospital
ASSETS						
Accounts receivable (net of allowance for uncollectibles)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Inventory	-	-	-	-	-	-
Due from other funds	188,923	6,078	71,448	1,596	20,945	16,162
TOTAL ASSETS	<u>\$ 188,923</u>	<u>\$ 6,078</u>	<u>\$ 71,448</u>	<u>\$ 1,596</u>	<u>\$ 20,945</u>	<u>\$ 16,162</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	188,923	6,078	71,448	1,596	20,945	16,162
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>188,923</u>	<u>6,078</u>	<u>71,448</u>	<u>1,596</u>	<u>20,945</u>	<u>16,162</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 188,923</u>	<u>\$ 6,078</u>	<u>\$ 71,448</u>	<u>\$ 1,596</u>	<u>\$ 20,945</u>	<u>\$ 16,162</u>

TOWN OF KITTERY, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2020

	Police Forfeiture	Public Safety Impact Fees	Open Space	MMA Grants	Conservation Committee	TIF Financial Plan
ASSETS						
Accounts receivable (net of allowance for uncollectibles)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Inventory	-	-	-	-	-	-
Due from other funds	9,129	42,593	6,890	182	912	80,523
TOTAL ASSETS	\$ 9,129	\$ 42,593	\$ 6,890	\$ 182	\$ 912	\$ 80,523
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 462
Due to other funds	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-	462
FUND BALANCES (DEFICITS)						
Nonspendable	-	-	-	-	-	-
Restricted	-	42,593	-	182	-	-
Committed	9,129	-	6,890	-	912	80,061
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	9,129	42,593	6,890	182	912	80,061
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 9,129	\$ 42,593	\$ 6,890	\$ 182	\$ 912	\$ 80,523

TOWN OF KITTERY, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2020

	<u>FEMA Maps Appeal</u>	<u>Sewer Impact Fees</u>	<u>Sewer Betterments</u>	<u>Keep Maine Healthy Grant</u>	<u>DPW Right of Way Reserve</u>
ASSETS					
Accounts receivable (net of allowance for uncollectibles)	\$ -	\$ 14,483	\$ -	\$ -	\$ -
Inventory	-	-	-	-	-
Due from other funds	-	626,151	139,862	-	755,718
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 640,634</u>	<u>\$ 139,862</u>	<u>\$ -</u>	<u>\$ 755,718</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ 1,914	\$ 400
Due to other funds	200	-	-	-	-
TOTAL LIABILITIES	<u>200</u>	<u>-</u>	<u>-</u>	<u>1,914</u>	<u>400</u>
FUND BALANCES (DEFICITS)					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	640,634	139,862	-	755,318
Assigned	-	-	-	-	-
Unassigned	(200)	-	-	(1,914)	-
TOTAL FUND BALANCES (DEFICITS)	<u>(200)</u>	<u>640,634</u>	<u>139,862</u>	<u>(1,914)</u>	<u>755,318</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ -</u>	<u>\$ 640,634</u>	<u>\$ 139,862</u>	<u>\$ -</u>	<u>\$ 755,718</u>

TOWN OF KITTERY, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2020

	Fort Foster FEMA	KCC Visual Arts Committee	Recreational Vehicle	Highway Vehicle	Fire Dept. Vehicle	KCC Playgrounds	Spruce Creek PH5 Grant
ASSETS							
Accounts receivable (net of allowance for uncollectibles)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Inventory	-	-	-	-	-	-	-
Due from other funds	218,822	2,025	25,121	74,118	195,591	64,718	2,352
TOTAL ASSETS	<u>\$ 218,822</u>	<u>\$ 2,025</u>	<u>\$ 25,121</u>	<u>\$ 74,118</u>	<u>\$ 195,591</u>	<u>\$ 64,718</u>	<u>\$ 2,352</u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,280
Due to other funds	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,280</u>
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	218,822	2,025	25,121	74,118	195,591	64,718	1,072
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>218,822</u>	<u>2,025</u>	<u>25,121</u>	<u>74,118</u>	<u>195,591</u>	<u>64,718</u>	<u>1,072</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 218,822</u>	<u>\$ 2,025</u>	<u>\$ 25,121</u>	<u>\$ 74,118</u>	<u>\$ 195,591</u>	<u>\$ 64,718</u>	<u>\$ 2,352</u>

TOWN OF KITTERY, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2020

	Tax Acquired Properties	Storm Drain Mapping	Port Authority Boat	Recreational Equipment	Computer	Mass Transit Reserve Fund	Ogden Fdn. Prog. Dev Grant (KCC)
ASSETS							
Accounts receivable (net of allowance for uncollectibles)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Inventory	-	-	-	-	-	-	-
Due from other funds	-	40,320	24,098	5,163	51,090	115,000	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 40,320</u>	<u>\$ 24,098</u>	<u>\$ 5,163</u>	<u>\$ 51,090</u>	<u>\$ 115,000</u>	<u>\$ -</u>
LIABILITIES							
Accounts payable	\$ 1,551	\$ -	\$ -	\$ -	\$ 25,860	\$ -	\$ -
Due to other funds	38,929	-	-	-	-	-	1,205
TOTAL LIABILITIES	<u>40,480</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,860</u>	<u>-</u>	<u>1,205</u>
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	-	40,320	24,098	5,163	25,230	115,000	-
Assigned	-	-	-	-	-	-	-
Unassigned	(40,480)	-	-	-	-	-	(1,205)
TOTAL FUND BALANCES (DEFICITS)	<u>(40,480)</u>	<u>40,320</u>	<u>24,098</u>	<u>5,163</u>	<u>25,230</u>	<u>115,000</u>	<u>(1,205)</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ -</u>	<u>\$ 40,320</u>	<u>\$ 24,098</u>	<u>\$ 5,163</u>	<u>\$ 51,090</u>	<u>\$ 115,000</u>	<u>\$ -</u>

TOWN OF KITTERY, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2020

	<u>Police Vehicle Equipment</u>	<u>Emery Field PH 2 LCWF Grant</u>	<u>Records Preservation</u>	<u>Municipal Facility Reserve</u>	<u>Public Safety Base Station</u>	<u>Parks Buildings & Grounds</u>	<u>Billable Police Details</u>	<u>Pol. Grant Support Det.</u>
ASSETS								
Accounts receivable (net of allowance for uncollectibles)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Inventory	-	-	-	-	-	-	-	-
Due from other funds	63,658	83,570	10	121,783	-	37,850	14,732	-
TOTAL ASSETS	<u>\$ 63,658</u>	<u>\$ 83,570</u>	<u>\$ 10</u>	<u>\$ 121,783</u>	<u>\$ -</u>	<u>\$ 37,850</u>	<u>\$ 14,732</u>	<u>\$ -</u>
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 371	\$ -
Due to other funds	-	-	-	-	-	-	-	5,621
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>371</u>	<u>5,621</u>
FUND BALANCES (DEFICITS)								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-
Committed	63,658	83,570	10	121,783	-	37,850	14,361	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	(5,621)
TOTAL FUND BALANCES (DEFICITS)	<u>63,658</u>	<u>83,570</u>	<u>10</u>	<u>121,783</u>	<u>-</u>	<u>37,850</u>	<u>14,361</u>	<u>(5,621)</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 63,658</u>	<u>\$ 83,570</u>	<u>\$ 10</u>	<u>\$ 121,783</u>	<u>\$ -</u>	<u>\$ 37,850</u>	<u>\$ 14,732</u>	<u>\$ -</u>

TOWN OF KITTERY, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2020

	Kittery Community Center 5 Year	Joint Land Use OEA PH1	Port Authority Equipment	Fire Equipment Reserve	Sewer Vehicle Reserve	Sewer Depreciation Reserve	Sewer Safety Grants
ASSETS							
Accounts receivable (net of allowance for uncollectibles)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Inventory	-	-	-	-	-	-	-
Due from other funds	8,546	-	59,037	169,737	45,722	301,640	2,998
TOTAL ASSETS	\$ 8,546	\$ -	\$ 59,037	\$ 169,737	\$ 45,722	\$ 301,640	\$ 2,998
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	452	-	-	-	-	-
TOTAL LIABILITIES	-	452	-	-	-	-	-
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	8,546	-	59,037	169,737	45,722	301,640	2,998
Assigned	-	-	-	-	-	-	-
Unassigned	-	(452)	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	8,546	(452)	59,037	169,737	45,722	301,640	2,998
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 8,546	\$ -	\$ 59,037	\$ 169,737	\$ 45,722	\$ 301,640	\$ 2,998

SCHEDULE E (CONTINUED)

TOWN OF KITTERY, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2020

	Police New Officer	Additional Snow and Ice Damages	Athletic Fields	Senior Tax Program	Wetland Mitigation	School Special Revenue Funds	Total
ASSETS							
Accounts receivable (net of allowance for uncollectibles)	\$ 4,693	\$ -	\$ -	\$ -	\$ -	\$ 103,879	\$ 123,055
Inventory	-	-	-	-	-	9,976	9,976
Due from other funds	-	37,332	2,142	55,000	53,343	561,153	4,699,386
TOTAL ASSETS	\$ 4,693	\$ 37,332	\$ 2,142	\$ 55,000	\$ 53,343	\$ 675,008	\$ 4,832,417
LIABILITIES							
Accounts payable	\$ 457	\$ 54	\$ -	\$ -	\$ -	\$ 3,647	\$ 45,537
Due to other funds	3,719	-	-	-	-	137,675	187,819
TOTAL LIABILITIES	4,176	54	-	-	-	141,322	233,356
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	9,976	9,976
Restricted	517	37,278	-	-	-	55,955	136,525
Committed	-	-	2,142	55,000	53,343	232,725	4,267,420
Assigned	-	-	-	-	-	310,128	310,128
Unassigned	-	-	-	-	-	(75,098)	(124,988)
TOTAL FUND BALANCES (DEFICITS)	517	37,278	2,142	55,000	53,343	533,686	4,599,061
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 4,693	\$ 37,332	\$ 2,142	\$ 55,000	\$ 53,343	\$ 675,008	\$ 4,832,417

See accompanying independent auditors' report and notes to financial statements.

TOWN OF KITTERY, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	ASA Applicant Code	Oil and More Donations	Channel 22	Concert in the Park	D.A.R.E.	Fire Hazmat Spill Cleanup	Thresher Memorial
REVENUES							
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-
Other income	24,499	-	101,765	-	-	19,344	3,438
TOTAL REVENUES	<u>24,499</u>	<u>-</u>	<u>101,765</u>	<u>-</u>	<u>-</u>	<u>19,344</u>	<u>3,438</u>
EXPENDITURES							
General government	43,602	-	-	-	-	-	-
Public safety	-	-	-	-	-	9,074	-
Health and sanitation	-	-	-	-	-	-	-
Recreation and culture	-	-	-	2,600	-	-	-
Education	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other	-	-	52,133	-	-	-	2,319
TOTAL EXPENDITURES	<u>43,602</u>	<u>-</u>	<u>52,133</u>	<u>2,600</u>	<u>-</u>	<u>9,074</u>	<u>2,319</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(19,103)</u>	<u>-</u>	<u>49,632</u>	<u>(2,600)</u>	<u>-</u>	<u>10,270</u>	<u>1,119</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers (out)	-	-	(50,000)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>(50,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	(19,103)	-	(368)	(2,600)	-	10,270	1,119
FUND BALANCES (DEFICITS), JULY 1	<u>21,768</u>	<u>(15)</u>	<u>261,315</u>	<u>2,597</u>	<u>216</u>	<u>2,701</u>	<u>8,144</u>
FUND BALANCES (DEFICITS), JUNE 30	<u>\$ 2,665</u>	<u>\$ (15)</u>	<u>\$ 260,947</u>	<u>\$ (3)</u>	<u>\$ 216</u>	<u>\$ 12,971</u>	<u>\$ 9,263</u>

TOWN OF KITTERY, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Accrued Compensated Absences	Ballot Counting Machines	Library Donations	Kittery Block Party	Kittery Community Center	York Hospital
REVENUES						
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-
Other income	-	-	78,499	22,954	4,800	20,000
TOTAL REVENUES	-	-	78,499	22,954	4,800	20,000
EXPENDITURES						
General government	70,860	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health and sanitation	-	-	-	-	-	-
Recreation and culture	-	-	7,051	-	-	-
Education	-	-	-	-	-	-
Other	-	-	-	41,062	6,758	22,353
TOTAL EXPENDITURES	70,860	-	7,051	41,062	6,758	22,353
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(70,860)	-	71,448	(18,108)	(1,958)	(2,353)
OTHER FINANCING SOURCES (USES)						
Transfers in	150,000	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	150,000	-	-	-	-	-
NET CHANGE IN FUND BALANCES (DEFICITS)	79,140	-	71,448	(18,108)	(1,958)	(2,353)
FUND BALANCES (DEFICITS), JULY 1	109,783	6,078	-	19,704	22,903	18,515
FUND BALANCES (DEFICITS), JUNE 30	\$ 188,923	\$ 6,078	\$ 71,448	\$ 1,596	\$ 20,945	\$ 16,162

TOWN OF KITTERY, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

	<u>Police Forfeiture</u>	<u>Public Safety Impact Fees</u>	<u>Open Space</u>	<u>MMA Grants</u>	<u>Conservation Committee</u>	<u>TIF Financial Plan</u>
REVENUES						
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	56,780	-	-	-	-
Other income	7,619	-	-	182	-	-
TOTAL REVENUES	<u>7,619</u>	<u>56,780</u>	<u>-</u>	<u>182</u>	<u>-</u>	<u>-</u>
EXPENDITURES						
General government	-	-	-	-	-	19,711
Public safety	26,302	63,135	-	-	-	-
Health and sanitation	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-
Education	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>26,302</u>	<u>63,135</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,711</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(18,683)</u>	<u>(6,355)</u>	<u>-</u>	<u>182</u>	<u>-</u>	<u>(19,711)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	236,000
Transfers (out)	-	-	-	-	-	(657,443)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(421,443)</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	(18,683)	(6,355)	-	182	-	(441,154)
FUND BALANCES (DEFICITS), JULY 1	<u>27,812</u>	<u>48,948</u>	<u>6,890</u>	<u>-</u>	<u>912</u>	<u>521,215</u>
FUND BALANCES (DEFICITS), JUNE 30	<u>\$ 9,129</u>	<u>\$ 42,593</u>	<u>\$ 6,890</u>	<u>\$ 182</u>	<u>\$ 912</u>	<u>\$ 80,061</u>

TOWN OF KITTERY, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

	FEMA Maps Appeal	Sewer Impact Fees	Sewer Betterments	Keep Maine Healthy Grant	DPW Right of Way Reserve
REVENUES					
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	46,800	-	-	-
Other income	-	-	-	-	7,257
TOTAL REVENUES	-	46,800	-	-	7,257
EXPENDITURES					
General government	-	-	-	1,914	-
Public safety	-	-	-	-	-
Health and sanitation	-	-	-	-	-
Recreation and culture	-	-	-	-	-
Education	-	-	-	-	-
Capital outlay	-	-	48,821	-	462,879
Other	-	161,186	-	-	-
TOTAL EXPENDITURES	-	161,186	48,821	1,914	462,879
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(114,386)	(48,821)	(1,914)	(455,622)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	1,000,000
Transfers (out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	1,000,000
NET CHANGE IN FUND BALANCES (DEFICITS)	-	(114,386)	(48,821)	(1,914)	544,378
FUND BALANCES (DEFICITS), JULY 1	(200)	755,020	188,683	-	210,940
FUND BALANCES (DEFICITS), JUNE 30	\$ (200)	\$ 640,634	\$ 139,862	\$ (1,914)	\$ 755,318

TOWN OF KITTERY, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

	Fort Foster FEMA	KCC Visual Arts Committee	Recreational Vehicle	Highway Vehicle	Fire Dept. Vehicle	KCC Playgrounds	Spruce Creek PH5 Grant
REVENUES							
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,302
Charges for services	-	-	-	-	-	-	-
Other income	-	2,289	-	19,127	-	-	-
TOTAL REVENUES	-	2,289	-	19,127	-	-	10,302
EXPENDITURES							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Health and sanitation	-	-	-	-	-	-	-
Recreation and culture	-	5,264	-	-	-	-	-
Education	-	-	-	-	-	-	-
Capital outlay	117,280	-	-	511,281	325,924	-	-
Other	-	-	-	-	-	-	3,179
TOTAL EXPENDITURES	117,280	5,264	-	511,281	325,924	-	3,179
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(117,280)	(2,975)	-	(492,154)	(325,924)	-	7,123
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	300,000	331,700	-	-
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	300,000	331,700	-	-
NET CHANGE IN FUND BALANCES (DEFICITS)	(117,280)	(2,975)	-	(192,154)	5,776	-	7,123
FUND BALANCES (DEFICITS), JULY 1	336,102	5,000	25,121	266,272	189,815	64,718	(6,051)
FUND BALANCES (DEFICITS), JUNE 30	\$ 218,822	\$ 2,025	\$ 25,121	\$ 74,118	\$ 195,591	\$ 64,718	\$ 1,072

TOWN OF KITTERY, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Tax Acquired Properties	Storm Drain Mapping	Port Authority Boat	Recreational Equipment	Computer	Mass Transit Reserve Fund	Ogden Fdn. Prog. Dev Grant (KCC)
REVENUES							
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	1,195
TOTAL REVENUES	-	-	-	-	-	-	1,195
EXPENDITURES							
General government	27,871	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Health and sanitation	-	-	-	-	-	-	-
Recreation and culture	-	-	-	2,895	-	-	-
Education	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other	-	14,284	400	-	39,183	-	14,400
TOTAL EXPENDITURES	27,871	14,284	400	2,895	39,183	-	14,400
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(27,871)	(14,284)	(400)	(2,895)	(39,183)	-	(13,205)
OTHER FINANCING SOURCES (USES)							
Transfers in	-	10,000	-	-	25,000	115,000	-
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	10,000	-	-	25,000	115,000	-
NET CHANGE IN FUND BALANCES (DEFICITS)	(27,871)	(4,284)	(400)	(2,895)	(14,183)	115,000	(13,205)
FUND BALANCES (DEFICITS), JULY 1	(12,609)	44,604	24,498	8,058	39,413	-	12,000
FUND BALANCES (DEFICITS), JUNE 30	\$ (40,480)	\$ 40,320	\$ 24,098	\$ 5,163	\$ 25,230	\$ 115,000	\$ (1,205)

TOWN OF KITTERY, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

	Police Vehicle Equipment	Emery Field PH 2 LCWF Grant	Records Preservation	Municipal Facility Reserve	Public Safety Base Station	Parks Buildings & Grounds	Billable Police Details	Pol. Grant Support Det.
REVENUES								
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 56,420	\$ -
Charges for services	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	4,821
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,420</u>	<u>4,821</u>
EXPENDITURES								
General government	-	-	-	93,313	-	-	-	-
Public safety	-	-	-	-	20,845	-	50,235	1,059
Public works	-	-	-	-	-	-	-	-
Health and sanitation	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	2,167	-	-
Education	-	-	-	-	-	-	-	-
Capital outlay	65,762	21,375	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>65,762</u>	<u>21,375</u>	<u>-</u>	<u>93,313</u>	<u>20,845</u>	<u>2,167</u>	<u>50,235</u>	<u>1,059</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(65,762)</u>	<u>(21,375)</u>	<u>-</u>	<u>(93,313)</u>	<u>(20,845)</u>	<u>(2,167)</u>	<u>6,185</u>	<u>3,762</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	95,000	50,000	-	-	-	40,000	-	-
Transfers (out)	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>95,000</u>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,000</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	<u>29,238</u>	<u>28,625</u>	<u>-</u>	<u>(93,313)</u>	<u>(20,845)</u>	<u>37,833</u>	<u>6,185</u>	<u>3,762</u>
FUND BALANCES (DEFICITS), JULY 1	<u>34,420</u>	<u>54,945</u>	<u>10</u>	<u>215,096</u>	<u>20,845</u>	<u>17</u>	<u>8,176</u>	<u>(9,383)</u>
FUND BALANCES (DEFICITS), JUNE 30	<u>\$ 63,658</u>	<u>\$ 83,570</u>	<u>\$ 10</u>	<u>\$ 121,783</u>	<u>\$ -</u>	<u>\$ 37,850</u>	<u>\$ 14,361</u>	<u>\$ (5,621)</u>

TOWN OF KITTERY, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

	Kittery Community Center 5 Year	Joint Land Use OEA PH1	Port Authority Equipment	Fire Equipment Reserve	Sewer Vehicle Reserve	Sewer Depreciation Reserve	Sewer Safety Grants
REVENUES							
Intergovernmental revenue	\$ -	\$ 220,000	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-
Other income	-	-	-	7,557	-	-	-
TOTAL REVENUES	-	220,000	-	7,557	-	-	-
EXPENDITURES							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	50,572	-	-	-
Health and sanitation	-	-	-	-	47,160	23,488	-
Recreation and culture	24,850	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Capital outlay	-	-	16,045	-	-	-	-
Other	-	134,875	-	-	-	-	-
TOTAL EXPENDITURES	24,850	134,875	16,045	50,572	47,160	23,488	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(24,850)	85,125	(16,045)	(43,015)	(47,160)	(23,488)	-
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	15,000	50,110	-	-	-
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	15,000	50,110	-	-	-
NET CHANGE IN FUND BALANCES (DEFICITS)	(24,850)	85,125	(1,045)	7,095	(47,160)	(23,488)	-
FUND BALANCES (DEFICITS), JULY 1	33,396	(85,577)	60,082	162,642	92,882	325,128	2,998
FUND BALANCES (DEFICITS), JUNE 30	\$ 8,546	\$ (452)	\$ 59,037	\$ 169,737	\$ 45,722	\$ 301,640	\$ 2,998

TOWN OF KITTERY, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES and CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

	Police New Officer	Additional Snow and Ice Damages	Athletic Fields	Senior Tax Program	Wetland Mitigation	School Special Revenue Funds	Total
REVENUES							
Intergovernmental revenue	\$ 7,691	\$ -	\$ -	\$ -	\$ -	\$ 935,258	\$ 1,229,671
Charges for services	-	-	-	-	-	281,457	385,037
Other income	-	-	-	-	25,752	120,768	471,866
TOTAL REVENUES	<u>7,691</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,752</u>	<u>1,337,483</u>	<u>2,086,574</u>
EXPENDITURES							
General government	-	-	-	55,000	-	-	312,271
Public safety	5,151	-	-	-	-	-	226,373
Health and sanitation	-	-	-	-	-	-	70,648
Recreation and culture	-	-	-	-	-	-	44,827
Education	-	-	-	-	-	1,488,157	1,488,157
Capital outlay	-	-	-	-	-	-	1,569,367
Other	-	3,299	-	-	4,667	-	500,098
TOTAL EXPENDITURES	<u>5,151</u>	<u>3,299</u>	<u>-</u>	<u>55,000</u>	<u>4,667</u>	<u>1,488,157</u>	<u>4,211,741</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,540</u>	<u>(3,299)</u>	<u>-</u>	<u>(55,000)</u>	<u>21,085</u>	<u>(150,674)</u>	<u>(2,125,167)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	100,000	-	91,665	2,609,475
Transfers (out)	-	-	-	-	-	(1,665)	(709,108)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>90,000</u>	<u>1,900,367</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	2,540	(3,299)	-	45,000	21,085	(60,674)	(224,800)
FUND BALANCES (DEFICITS), JULY 1	<u>(2,023)</u>	<u>40,577</u>	<u>2,142</u>	<u>10,000</u>	<u>32,258</u>	<u>594,360</u>	<u>4,823,861</u>
FUND BALANCES (DEFICITS), JUNE 30	<u>\$ 517</u>	<u>\$ 37,278</u>	<u>\$ 2,142</u>	<u>\$ 55,000</u>	<u>\$ 53,343</u>	<u>\$ 533,686</u>	<u>\$ 4,599,061</u>

See accompanying independent auditors' report and notes to financial statements.

Capital Projects Funds

Capital projects funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust fund.

TOWN OF KITTERY, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2020

	Community Center	Town Facilities	Street Lights Project	Pepperill Coves Paving/ Utilities	Fire Department Facility	Public Works Sign Shed
ASSETS						
Due from other funds	\$ 373	\$ 30,950	\$ 40,764	\$ 3,596	\$ 319	\$ 20
TOTAL ASSETS	\$ 373	\$ 30,950	\$ 40,764	\$ 3,596	\$ 319	\$ 20
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	-	-	-	-	-	-
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	373	30,950	-	-	-	-
Committed	-	-	40,764	3,596	319	20
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	373	30,950	40,764	3,596	319	20
TOTAL LIABILITIES AND FUND BALANCES	\$ 373	\$ 30,950	\$ 40,764	\$ 3,596	\$ 319	\$ 20

TOWN OF KITTERY, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2020

	Boat Infrastructure Grant	Rice Building Rehab	Fort Foster Bench	State Aid to Roads	Kittery Port Authority Railings & Lights
ASSETS					
Due from other funds	\$ 1,584	\$ 230,218	\$ 11,281	\$ 1,147,431	\$ -
TOTAL ASSETS	\$ 1,584	\$ 230,218	\$ 11,281	\$ 1,147,431	\$ -
LIABILITIES					
Accounts payable	\$ -	\$ 5,904	\$ -	\$ -	\$ -
TOTAL LIABILITIES	-	5,904	-	-	-
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	1,147,431	-
Committed	1,584	224,314	11,281	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	1,584	224,314	11,281	1,147,431	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,584	\$ 230,218	\$ 11,281	\$ 1,147,431	\$ -

TOWN OF KITTERY, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2020

	Government St. Pier Reserve	Rice & Taylor Lighting	Rice Beam Replacement	Zoning Record Upgrade	School Capital Projects Funds	Total
ASSETS						
Due from other funds	\$ 22,731	\$ -	\$ -	\$ 23,010	\$ 458,762	\$ 1,971,039
TOTAL ASSETS	<u>\$ 22,731</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,010</u>	<u>\$ 458,762</u>	<u>\$ 1,971,039</u>
LIABILITIES						
Accounts payable	\$ 9,842	\$ -	\$ -	\$ -	\$ -	\$ 15,746
TOTAL LIABILITIES	<u>9,842</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,746</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	1,178,754
Committed	12,889	-	-	23,010	458,762	776,539
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>12,889</u>	<u>-</u>	<u>-</u>	<u>23,010</u>	<u>458,762</u>	<u>1,955,293</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 22,731</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,010</u>	<u>\$ 458,762</u>	<u>\$ 1,971,039</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF KITTERY, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

	Community Center	Town Facilities	Street Lights Project	Pepperill Coves Paving/ Utilities	Fire Department Facility	Public Works Sign Shed
REVENUES						
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest income	-	2,670	-	-	-	-
Other income	-	-	-	-	-	-
TOTAL REVENUES	<u>-</u>	<u>2,670</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES						
Public works	-	-	-	-	-	-
Education	-	-	-	-	-	-
Capital outlay	-	-	102,406	53,866	-	-
Other	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>102,406</u>	<u>53,866</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>2,670</u>	<u>(102,406)</u>	<u>(53,866)</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	240,000	-	-	-
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>240,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	2,670	137,594	(53,866)	-	-
FUND BALANCES - JULY 1	<u>373</u>	<u>28,280</u>	<u>(96,830)</u>	<u>57,462</u>	<u>319</u>	<u>20</u>
FUND BALANCES - JUNE 30	<u>\$ 373</u>	<u>\$ 30,950</u>	<u>\$ 40,764</u>	<u>\$ 3,596</u>	<u>\$ 319</u>	<u>\$ 20</u>

TOWN OF KITTERY, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

	Boat Infrastructure Grant	Rice Building Rehab	Fort Foster Bench	State Aid to Roads	Kittery Port Authority Railings & Lights
REVENUES					
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ 159,784	\$ -
Interest income	-	-	-	-	-
Other income	-	-	200	7,137	-
TOTAL REVENUES	-	-	200	166,921	-
EXPENDITURES					
Public works	-	-	-	-	-
Education	-	-	-	-	-
Capital outlay	-	145,478	-	60,702	-
Other	-	-	119	-	-
TOTAL EXPENDITURES	-	145,478	119	60,702	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(145,478)	81	106,219	-
OTHER FINANCING SOURCES (USES)					
Transfers in	-	400,000	-	-	-
Transfers (out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	400,000	-	-	-
NET CHANGE IN FUND BALANCES	-	254,522	81	106,219	-
FUND BALANCES - JULY 1	1,584	(30,208)	11,200	1,041,212	-
FUND BALANCES - JUNE 30	<u>\$ 1,584</u>	<u>\$ 224,314</u>	<u>\$ 11,281</u>	<u>\$ 1,147,431</u>	<u>\$ -</u>

TOWN OF KITTERY, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Government St. Pier Reserve	Rice & Taylor Lighting	Rice Beam Replacement	Zoning Record Upgrade	School Capital Projects Funds	Total
REVENUES						
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ 140,000	\$ 299,784
Interest income	-	-	-	-	-	2,670
Other income	-	-	-	-	-	7,337
TOTAL REVENUES	-	-	-	-	140,000	309,791
EXPENDITURES						
Public works	9,843	-	-	-	-	9,843
Education	-	-	-	-	200,108	200,108
Capital outlay	-	-	-	-	-	362,452
Other	-	-	-	65,937	-	66,056
TOTAL EXPENDITURES	9,843	-	-	65,937	200,108	638,459
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(9,843)	-	-	(65,937)	(60,108)	(328,668)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	40,000	6,500	686,500
Transfers (out)	-	-	-	-	(6,500)	(6,500)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	40,000	-	680,000
NET CHANGE IN FUND BALANCES	(9,843)	-	-	(25,937)	(60,108)	351,332
FUND BALANCES - JULY 1	22,732	-	-	48,947	518,870	1,603,961
FUND BALANCES - JUNE 30	\$ 12,889	\$ -	\$ -	\$ 23,010	\$ 458,762	\$ 1,955,293

See accompanying independent auditors' report and notes to financial statements.

Permanent Funds

Permanent funds are used to account for assets held by the Town of Kittery, Maine that are legally restricted pursuant to Title 30-A, §5653 of the Maine State Statutes, as amended and unless otherwise specified, only earnings and not principal, may be used for purposes that benefit the Town or its citizenry. These funds have been established for various purposes including the provision and/or maintenance of cemeteries and school department scholarships.

TOWN OF KITTERY, MAINE

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
JUNE 30, 2020

	Public Health Trust	Mary Safford Wildes	Lester Raynes Trust	George Smart Santa	Recycling Scholarship	Connie Samuels Beautification	Total
ASSETS							
Cash and cash equivalents	\$ -	\$ 31,159	\$ -	\$ 5,798	\$ -	\$ -	\$ 36,957
Investments	-	618,931	-	-	-	-	618,931
Due from other funds	27,275	-	9,228	-	5,477	58,601	100,581
TOTAL ASSETS	\$ 27,275	\$ 650,090	\$ 9,228	\$ 5,798	\$ 5,477	\$ 58,601	\$ 756,469
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 650	\$ -	\$ 650
Due to other funds	-	7,499	-	-	-	-	7,499
TOTAL LIABILITIES	-	7,499	-	-	650	-	8,149
FUND BALANCES							
Nonspendable	-	-	10,000	-	-	50,000	60,000
Restricted	27,275	642,591	-	5,798	4,827	8,601	689,092
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	(772)	-	-	-	(772)
TOTAL FUND BALANCES	27,275	642,591	9,228	5,798	4,827	58,601	748,320
TOTAL LIABILITIES AND FUND BALANCES	\$ 27,275	\$ 650,090	\$ 9,228	\$ 5,798	\$ 5,477	\$ 58,601	\$ 756,469

See accompanying independent auditors' report and notes to financial statements.

TOWN OF KITTERY, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, CHANGES IN FUND BALANCES
NONMAJOR PERMANENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Public Health Trust	Mary Safford Wildes	Lester Raynes Trust	George Smart Santa	Recycling Scholarship	Connie Samuels Beautification	Total
REVENUES							
Investment income, net of unrealized gains/(losses)	\$ -	\$ 25,574	\$ -	\$ -	\$ -	\$ -	\$ 25,574
Other income	-	3,348	-	7,824	9,409	-	20,581
TOTAL REVENUES	-	28,922	-	7,824	9,409	-	46,155
EXPENDITURES							
Other	-	45,436	-	4,630	7,000	-	57,066
TOTAL EXPENDITURES	-	45,436	-	4,630	7,000	-	57,066
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(16,514)	-	3,194	2,409	-	(10,911)
OTHER FINANCING SOURCES (USES)							
Transfers in	-	34,290	-	-	-	-	34,290
Transfers (out)	-	(34,290)	-	-	-	-	(34,290)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	-	(16,514)	-	3,194	2,409	-	(10,911)
FUND BALANCES, JULY 1	27,275	659,105	9,228	2,604	2,418	58,601	759,231
FUND BALANCES, JUNE 30	\$ 27,275	\$ 642,591	\$ 9,228	\$ 5,798	\$ 4,827	\$ 58,601	\$ 748,320

See accompanying independent auditors' report and notes to financial statements.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the Town as an agent for individuals, private organizations or other governmental units. These assets are not available to support Town programs.

TOWN OF KITTERY, MAINE

COMBINING SCHEDULE OF NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
JUNE 30, 2020

	Adult Ed Scholarships	Bob Whitten	William Dennett
ASSETS			
Cash and cash equivalents	\$ 5,053	\$ 7,118	\$ 32
TOTAL ASSETS	\$ 5,053	\$ 7,118	\$ 32
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
TOTAL LIABILITIES	-	-	-
NET POSITION			
Restricted - held in trust	5,053	7,118	32
TOTAL NET POSITION	5,053	7,118	32
TOTAL LIABILITIES AND NET POSITION	\$ 5,053	\$ 7,118	\$ 32

TOWN OF KITTERY, MAINE
COMBINING SCHEDULE OF NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
JUNE 30, 2020

	<u>Priscilla Guy</u>	<u>Louise Whelton Art</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 2,395	\$ 1,869	\$ 16,467
TOTAL ASSETS	<u>\$ 2,395</u>	<u>\$ 1,869</u>	<u>\$ 16,467</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Restricted - held in trust	2,395	1,869	16,467
TOTAL NET POSITION	<u>2,395</u>	<u>1,869</u>	<u>16,467</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 2,395</u>	<u>\$ 1,869</u>	<u>\$ 16,467</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF KITTERY, MAINE

COMBINING SCHEDULE OF CHANGES IN NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Adult Ed Scholarships</u>	<u>Bob Whitten</u>	<u>William Dennett</u>
ADDITIONS			
Interest	\$ -	\$ 6	\$ -
Contributions	-	-	-
TOTAL ADDITIONS	<u>-</u>	<u>6</u>	<u>-</u>
DEDUCTIONS			
Scholarships	-	-	550
TOTAL DEDUCTIONS	<u>-</u>	<u>-</u>	<u>550</u>
CHANGE IN NET POSITION	-	6	(550)
NET POSITION - JULY 1	<u>5,053</u>	<u>7,112</u>	<u>582</u>
NET POSITION - JUNE 30	<u>\$ 5,053</u>	<u>\$ 7,118</u>	<u>\$ 32</u>

TOWN OF KITTERY, MAINE

COMBINING SCHEDULE OF CHANGES IN NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Priscilla Guy	Louise Whelton Art	Total
ADDITIONS			
Interest	\$ 1	\$ -	\$ 7
Contributions	-	-	-
TOTAL ADDITIONS	<u>1</u>	<u>-</u>	<u>7</u>
DEDUCTIONS			
Scholarships	<u>200</u>	<u>250</u>	<u>1,000</u>
TOTAL DEDUCTIONS	<u>200</u>	<u>250</u>	<u>1,000</u>
CHANGE IN NET POSITION	(199)	(250)	(993)
NET POSITION - JULY 1	<u>2,594</u>	<u>2,119</u>	<u>17,460</u>
NET POSITION - JUNE 30	<u>\$ 2,395</u>	<u>\$ 1,869</u>	<u>\$ 16,467</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF KITTERY, MAINE

COMBINING SCHEDULE OF CHANGES IN AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Beginning Balance	Cash Receipts	Cash Disbursements	Ending Balance
RW Traip Academy	\$ 53,685	\$ 53,330	\$ 51,725	\$ 55,290
Shapleigh School	17,398	24,567	22,070	19,895
Horace Mitchell School	6,710	4,038	3,534	7,214
	<u>\$ 77,793</u>	<u>\$ 81,935</u>	<u>\$ 77,329</u>	<u>\$ 82,399</u>

See accompanying independent auditors' report and notes to financial statements.

General Capital Assets

General capital assets are those assets related to activities reported in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position.

TOWN OF KITTERY, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION
JUNE 30, 2020

	Land and Non-depreciable Assets	Buildings, Building Improvements and Land Improvements	Furniture, Fixtures, Equipment and Vehicles	Infrastructure	Total
Police	\$ -	\$ 122,076	\$ 1,129,619	\$ -	\$ 1,251,695
General government	-	2,933,449	377,129	-	3,310,578
Fire	353,200	2,678,208	3,123,115	-	6,154,523
Public works	8,579,000	3,826,506	4,375,005	11,820,824	28,601,335
Health and sanitation	-	58,183	22,700	15,000	95,883
Recreation and culture	2,371,801	9,237,232	179,257	-	11,788,290
Town-wide	-	653,172	67,224	825,777	1,546,173
School department	29,422	26,012,753	908,614	-	26,950,789
Sewer department	285,980	19,411,114	526,657	11,696,896	31,920,647
Total General Capital Assets	11,619,403	64,932,693	10,709,320	24,358,497	111,619,913
Less: Accumulated Depreciation	-	(38,449,701)	(6,358,259)	(11,110,918)	(55,918,878)
Net General Capital Assets	<u>\$ 11,619,403</u>	<u>\$ 26,482,992</u>	<u>\$ 4,351,061</u>	<u>\$ 13,247,579</u>	<u>\$ 55,701,035</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF KITTERY, MAINE

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2020

	General Capital Assets 7/1/19 (Restated)	Additions	Deletions	General Capital Assets 6/30/20
Police	\$ 1,092,487	\$ 159,208	\$ -	\$ 1,251,695
General government	3,297,220	13,358	-	3,310,578
Fire	5,467,240	687,283	-	6,154,523
Public works	27,475,599	1,125,736	-	28,601,335
Health and sanitation	95,883	-	-	95,883
Recreation and culture	11,826,190	45,826	(83,726)	11,788,290
Town-wide	1,530,869	15,304	-	1,546,173
School department	26,901,396	49,393	-	26,950,789
Sewer department	31,920,647	-	-	31,920,647
Total General Capital Assets	109,607,531	2,096,108	(83,726)	111,619,913
Less: Accumulated Depreciation	(52,956,975)	(2,970,504)	8,601	(55,918,878)
Net General Capital Assets	<u>\$ 56,650,556</u>	<u>\$ (874,396)</u>	<u>\$ (75,125)</u>	<u>\$ 55,701,035</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF KITTERY, MAINE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

Federal Grantor Pass-through Grantor Program or Cluster Title	Federal CFDA Number	Pass-through Grantor Number	Expenditures to Subrecipients	Federal Expenditures
U.S. Department of Agriculture				
Passed-through State of Maine - Department of Education and Cultural Services:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	3014	\$ -	\$ 22,175
National School Lunch Program	10.555	3022	-	92,586
Summer Food Service Program for Children	10.559	3016	-	109,118
Subtotal Child Nutrition Cluster			-	223,879
Total U.S. Department of Agriculture			-	223,879
U.S. Department of Defense				
Direct Funding:				
Community Economic Adjustment Assistance for Compatible Use and Joint Land Use Studies	12.610	N/A	-	134,875
Total U.S. Department of Defense			-	134,875
U.S. Department of the Interior				
Passed-through State of Maine - Land, Water and Conservation Fund:				
Sportfishing and Boating Safety Act	15.622	23-00864	-	21,375
Total U.S. Department of the Interior			-	21,375
U.S. Department of Justice				
Direct Funding:				
Bulletproof Vest Partnership Program	16.607	N/A	-	2,245
Edward Byrne Memorial Justice Assistance Grant Program (JAG)	16.738	N/A	-	2,906
Total U.S. Department of Justice			-	5,151
U.S. Department of Transportation				
Passed-through State of Maine - Department of Transportation:				
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205	CSN #29303	-	252
Highway Planning and Construction	20.205	CSN #29499	-	6,952
Subtotal Highway Planning and Construction Cluster			-	7,204
Passed-through State of Maine Bureau of Highway Safety:				
NHTSA Discretionary Safety Grants and Cooperative Agreements	20.614	N/A	-	857
Total U.S. Department of Transportation			-	8,061
U.S. Department of Treasury				
Passed-through State of Maine - Department of Health and Human Services				
Coronavirus Relief Fund	21.019	N/A	-	23,051
Total U.S. Department of Treasury			-	23,051
U.S. Environmental Protection Agency				
Direct Funding:				
Brownfields Multipurpose, Assessment, Revolving Loan Fund and Cleanup Cooperative Agreements	66.818	N/A	-	247,054
Total U.S. Environmental Protection Agency			-	247,054

TOWN OF KITTERY, MAINE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

Federal Grantor Pass-through Grantor Program or Cluster Title	Federal CFDA Number	Pass-through Grantor Number	Expenditures to Subrecipients	Federal Expenditures
U.S. Department of Education				
Passed-through State of Maine - Department of Education and Cultural Services:				
Title I Grants to Local Educational Agencies	84.010	3107	-	168,159
Special Education Cluster (IDEA):				
Special Education Grants to States	84.027	3046	-	338,636
Special Education Preschool Grants	84.173	6247	-	2,427
Subtotal Special Education Cluster (IDEA)			-	341,063
Supporting Effective Instruction State Grants	84.367	3042	-	15,076
Rural Education	84.358			1,862
Student Support and Academic Enrichment Program	84.424	3345	-	61,016
Total U.S. Department of Education			-	587,176
U.S. Department of Health and Human Services				
Passed-through State of Maine - Department of Health and Human Services:				
Child Care and Development Block Grant	93.575	N/A	-	12,375
Total U.S. Department of Health and Human Services			-	12,375
U.S. Department of Homeland Security				
Direct Funding:				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	N/A	-	117,280
Total U.S. Department of Homeland Security			-	117,280
TOTAL FEDERAL ASSISTANCE			\$ -	\$ 1,380,277

TOWN OF KITTERY, MAINE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Town of Kittery, Maine under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town of Kittery, Maine, it is not intended to and does not present the financial position, changes in net position or cash flows of the Town of Kittery, Maine.

2. Summary of Significant Accounting Policies

- a. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- b. The Town of Kittery, Maine has not elected to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.



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

Town Council
Town of Kittery
Kittery, Maine

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Kittery, Maine as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the Town of Kittery, Maine's basic financial statements and have issued our report thereon dated December 15, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Kittery, Maine's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Kittery, Maine's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Kittery, Maine's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Kittery, Maine's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

RHR Smith & Company

Buxton, Maine
December 15, 2020



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Town Council
Town of Kittery
Kittery, Maine

Report on Compliance for Each Major Federal Program

We have audited the Town of Kittery, Maine's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town of Kittery, Maine's major federal programs for the year ended June 30, 2020. The Town of Kittery, Maine's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Town of Kittery, Maine's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of Kittery, Maine's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town of Kittery, Maine's compliance.

Opinion on Each Major Federal Program

In our opinion, the Town of Kittery, Maine complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the Town of Kittery, Maine is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of Kittery, Maine's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Kittery, Maine's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this communication is not suitable for any other purpose.

RHR Smith & Company

Buxton, Maine
December 15, 2020

TOWN OF KITTERY, MAINE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020

Section I - Summary of Auditor's Results

• *Financial Statements*

Type of auditor's report issued : Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes no
- Noncompliance material to financial statements noted? yes no

• *Federal Awards*

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes no

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported
in accordance with §200.516 of Uniform Guidance? yes no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.553/10.555/10.559	Child Nutrition Cluster
84.027/84.173	Special Education Cluster (IDEA)

Dollar threshold used to distinguish between type A and B: \$750,000

Auditee qualified as low-risk auditee? yes no

Section II – Financial Statement Findings

None

Section III – Federal Awards Findings and Questioned Costs

None



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INDEPENDENT AUDITORS' REPORT ON STATE REQUIREMENTS

Town Council
Town of Kittery
Kittery, Maine

We have audited the financial statements of Town of Kittery, Maine for the year ended June 30, 2020 and have issued our report thereon dated December 15, 2020. Our audit was made in accordance with auditing standards generally accepted in the United States of America and applicable state and federal laws relating to financial and compliance audits and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In connection with our audit, we reviewed the budgetary controls that are in place and have reviewed the annual financial report that was submitted to the Maine Department of Education for accuracy. In addition, we have reviewed the Town of Kittery, Maine's compliance with applicable provisions of the Maine Finance Act as noted under MRSA Title 20A, section 6051 as we considered necessary in obtaining our understanding.

The results of our procedures indicate that with respect to the items tested, the Town of Kittery, Maine complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Town of Kittery, Maine was in noncompliance with or in violation of, those provisions.

Management has determined that adjustments were necessary to the fiscal books of the Town of Kittery, Maine and have attached the following schedule as it relates to the reconciliation of audit adjustments to the updated annual financial data submitted to the Maine Education Financial System maintained at the Maine Department of Education.

This report is intended solely for the information of the Town Council, School Board, management and the Maine Department of Education. This report is not intended to be and should not be used by anyone other than the specified parties.

RHR Smith & Company

Buxton, Maine
December 15, 2020

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KITTERY SCHOOL DEPARTMENT

RECONCILIATION OF AUDIT ADJUSTMENTS TO ANNUAL FINANCIAL DATA
SUBMITTED TO THE MAINE EDUCATION FINANCIAL SYSTEM
FOR THE YEAR ENDED JUNE 30, 2020

	General Fund (1000)	Special Revenue Funds (2000), (6000) & (9000)	Capital Projects Funds (3000)	Total
June 30, 2020 Balance per MEFS	\$ 953,478	\$ -	\$ -	\$ 953,478
Expenditure Adjustments:				
General Fund	(178)	-	-	(178)
Other adjustments:				
Funds Not Reported on MEFS:				
0021 - Mitchell Grant Fund	-	1,004	-	1,004
0022 - Shapleigh Grant Fund	-	1,301	-	1,301
0023 - Traip Grant Fund	-	31,827	-	31,827
0024 - Central Office Grants Fund	-	152	-	152
0028 - Co/Ex-Curricular Reserve	-	20,811	-	20,811
0150 - Adult Education	-	(9,807)	-	(9,807)
0201 - Anthem Flu Clinic Grant	-	1,431	-	1,431
0202 - Odyssey of the Mind	-	17,734	-	17,734
0203 - Traip Trustees Grant	-	12,204	-	12,204
0211 - Melmac Grants	-	4,621	-	4,621
0214 - ELO Fund	-	2,668	-	2,668
0215 - SNP Grants	-	12,352	-	12,352
0216 - Shapleigh Greenhouse Fund	-	1,127	-	1,127
0219 - Unemployment	-	110,443	-	110,443
0220 - Traip Greenhouse/Garden Fund	-	12,795	-	12,795
0221 - Healthy Maine Partnership	-	2,721	-	2,721
0226 - Adult Ed College Transitions	-	(6,337)	-	(6,337)
0230 - Title IA	-	(15,624)	-	(15,624)
0232 - Proficiency Based Education	-	4,400	-	4,400
0240 - Title IVA	-	(8,159)	-	(8,159)
0242 - E-Rate	-	1,923	-	1,923
0260 - COVID-19	-	(21,137)	-	(21,137)
0270 - Title IIA	-	(11,811)	-	(11,811)
0291 - Dedicated Special Ed Reserve	-	15,309	-	15,309
0292 - Dedicated Maintenance Reserve	-	-	285,179	285,179
0293 - DODEA Grant	-	(540)	-	(540)
0295 - Adlt Ed AEFLA	-	(1,683)	-	(1,683)
0298 - Dedicated Unfunded Liabilities	-	223,700	-	223,700
0400 - Capital Improvement Fund	-	-	173,583	173,583
0600 - School Nutrition Fund	-	56,628	-	56,628
0601 - Enterprise Gate Receipts	-	1,331	-	1,331
0615 - Adult Ed Enrichment	-	41,509	-	41,509
0901 - Mitchell Fund	-	9,413	-	9,413
0902 - Shapleigh Fund	-	12,074	-	12,074
0903 - Traip Fund	-	9,306	-	9,306
Rounding	(4)	-	-	(4)
Audited GAAP Basis Fund Balance June 30, 2020	<u>\$ 953,296</u>	<u>\$ 533,686</u>	<u>\$ 458,762</u>	<u>\$ 1,945,744</u>



TOWN OF KITTERY
200 Rogers Road, Kittery, ME 03904
Telephone: 207-475-1329 Fax: 207-439-6806

REPORT TO TOWN COUNCIL

Meeting Date: December 14, 2020
Update: January 11, 2021
From: Kendra Amaral, Town Manager
CC: Dutch Dunkelberger, Planning Board Chair
Subject: Outdoor Dining
Sponsor: Chairperson Jeffrey Thomson

EXECUTIVE SUMMARY

The Town Council has been supporting local restaurants and businesses through the COVID pandemic by allowing outdoor dining since July of this year. More recently, the Council has expressed support for amending Title 16 to make it easier for outdoor dining to exist. The public and businesses have supported outdoor dining and are indicating an interest in this option being more prevalent in Kittery going forward.

The proposed ordinance amendment would ease performance standards for outdoor dining for existing and new restaurants on an ongoing basis.

PROPOSED TITLE 16 REVISIONS – OUTDOOR DINING

Outdoor dining has been treated the same as indoor dining space in terms of the land use code, due to a lack of definition and specific performance standards. The resulting impact is that outdoor dining has too great of an impact on the lot coverage, parking requirements, and other design standards to make it readily viable for a business owner.

The proposed amendments establish different performance standards for the outdoor dining portion of a use. The performance standards are more appropriately aligned to the generally lower impact that outdoor dining operations have on parking and life safety.

The Planning Board held a public hearing on the amendment on November 12, 2020. There were no public comments received on the matter. The Planning Board voted to recommend the amendment unanimously.

UPDATE

The only updates have been minor typo corrections.

PROPOSED SOLUTION/RECOMMENDATION

Approve amendment as proposed.

ATTACHMENTS

- Proposed Title 16 Amendment – Title 16 Outdoor Dining
- Proposed Ordainment – Title 16 Outdoor Dining

CHAPTER 16 OUTDOOR DINING

1. ADD Outdoor Dining Definition to Title 16 definitions as follows:

1 §16.2.2 Definitions

2 Outdoor Dining - A dining area with seats and/or table(s) located outside of a restaurant, which is either: a)
3 located entirely outside the walls of the building of the subject business, or b) enclosed on two (2) sides or
4 less fewer by the walls of the building with or without a solid roof cover, or c) enclosed on three (3) sides by
5 the walls of the building without a solid roof cover.

6 2. ADD Outdoor Dining Design and Performance Standards for the Built Environment as follows:

7 Outdoor Dining §16.8.29.1

8 A. Applicability

9 1. Outdoor dining, as defined in Chapter §16.2.2 of this Title, is allowed as follows:

10 a. Within the buildable lot area in all zoning districts where restaurants are allowed as either a
11 permitted or a special exception use;

12 b. Within the front, side and/or rear yards (setbacks) of the C-1, C-2, C-3, B-L, B-L1, MU, MU-BI,
13 MU-KF and MU-N zones where such a setback does not abut a residential use; and

14 c. Outdoor dining in the public way is permitted subject to Title 5 and all Town requirements.

15 2. Any existing restaurant that meets the above requirements may apply for approval for outdoor dining on-
16 site.

17 3. New restaurants to be constructed may include outdoor dining plans on-site as part of their site plan
18 review.

19 B. Standards

20 1. Outdoor dining on-site must meet all the requirements of the pertinent zone's buffering and screening
21 requirements.

22 2. Proposed outdoor dining on-site must comply with all conditions pertaining to any existing variances,
23 special exceptions or other approvals granted for the property as well as any conditions imposed by the
24 granting of the site plan review approval for the outdoor dining itself.

25 3. All the proposed outdoor dining activities must be conducted on private property owned, leased or
26 otherwise controlled by the applicant unless separate approval for the use of any public rights-of-way has
27 been obtained from the Town.

28 4. The proposed outdoor dining must not impede a site's internal circulation or its access and egress.

29 5. No additional parking is required for outdoor dining at existing restaurants where on-street parking is

30 available. For outdoor dining areas in existing restaurants where on-street parking is not available, if the
31 outdoor dining area is 1,000 square feet or less, no additional parking is required. For outdoor dining areas in
32 existing restaurants over 1,000 square feet but less than 2,000 square feet, one additional parking space is
33 required. Thereafter, one additional parking space is required for every additional 1,000 sf.

34 C. Site Plan Review submission requirements

35 1. The site plan must be drawn to scale, showing the dimensions of the proposed outdoor dining area, and its
36 location relative to the structure where the restaurant is located.

37 2. The site plan must show the location of any proposed or existing pavement, hardscaping, landscaping,
38 planters, fencing, canopies, umbrellas, awnings or barriers surrounding or delineating the outside dining area.

39 3. Calculations demonstrating the number of tables that may be placed within the proposed outdoor dining
40 area according to state and local regulations must be submitted.

41 4. The above submission requirements are all that is required for outdoor dining areas that require Code
42 Enforcement approval under §16.10.3.2. For outdoor dining areas that must be reviewed under site plan
43 review, the above requirements must be met in addition to the submission requirements of §16.10.5.2 unless
44 a submission requirements waiver is granted by the Planning Board.

**KITTERY TOWN CODE –
TITLE 16
OUTDOOR DINING**

1 **AN ORDINANCE** relating to the municipality's authority for Town governance to give due and
2 proper attention to its many demands pursuant to the Town Charter, Federal law, and Maine
3 Revised Statutes, and more particularly where set forth in Maine Revised Statutes Title 30-A,
4 Municipalities and Counties.

5 **WHEREAS**, the Kittery Town Council is authorized to enact this Ordinance, as specified in
6 Sections 1.01 and 2.07(3) of the Town Charter; and 30-A MRS §3001, pursuant to its powers
7 that authorize the town, under certain circumstances, to provide for the public health, welfare,
8 morals, and safety, and does not intend for this Ordinance to conflict with any existing state or
9 federal laws; and

10 **WHEREAS**, the Town of Kittery's outdoor dining performance standards have been found to be
11 too restrictive, and therefore have limited the ability to have outdoor dining in Kittery; and

12 **WHEREAS**, for the sustainability of local businesses and the safety of customers, the Town
13 Council enacted temporary measures to allow restaurants more flexibility to offer outdoor dining
14 during the COVID-19 pandemic; and

15 **WHEREAS**, the Town of Kittery seeks to establish new performance standards for outdoor
16 dining that are more appropriately aligned to the impact the outdoor dining has on parking and
17 life safety, so as to allow the positive benefits experienced from outdoor dining to continue;

18 **NOW THEREFORE**, IN ACCORDANCE WITH TITLE 30-A MRS §3001, AND TOWN
19 CHARTER §2.14, THE TOWN OF KITTERY HEREBY ORDAINS TITLE 16, LAND USE and
20 DEVELOPMENT CODE, OUTDOOR DINING AMENDMENTS OF THE TOWN CODE, AS
21 PRESENTED.

22 **INTRODUCED** and read in a public session of the Town Council on the ____ day of _____,
23 20____, by: _____ {NAME} Motion to approve by Councilor
24 _____ {NAME}, as seconded by Councilor _____ {NAME} and
25 passed by a vote of _____.

26 **THIS ORDINANCE IS DULY AND PROPERLY ORDAINED** by the Town Council of Kittery,
27 Maine on the ____ day of _____, 20____, {NAME}, _____, Chairperson

28 **Attest:** {NAME}, _____ Town Clerk



STATE OF MAINE
DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES
BUREAU OF ALCOHOLIC BEVERAGES AND LOTTERY OPERATIONS
DIVISION OF LIQUOR LICENSING AND ENFORCEMENT

Application for an On-Premises License

All Questions Must Be Answered Completely. Please print legibly.

Division Use Only	
License No:	
Class:	By:
Deposit Date:	
Amt. Deposited:	
Payment Type:	
OK with SOS: Yes <input type="checkbox"/> No <input type="checkbox"/>	

**Section I: Licensee/Applicant(s) Information;
 Type of License and Status**

Legal Business Entity Applicant Name (corporation, LLC): S2 RESTAURANT GROUP	Business Name (D/B/A): LOCO COCO'S TACOS
Individual or Sole Proprietor Applicant Name(s): JAMI SCARDINA	Physical Location: 36 WALKER ST
Individual or Sole Proprietor Applicant Name(s): DOUGLAS SCARDINA	Mailing address, if different:
Mailing address, if different from DBA address:	Email Address: management@locococos.com
Telephone # Fax #: 207-438-9332	Business Telephone # Fax #: 207-438-9322
Federal Tax Identification Number: 84-4169223	Maine Seller Certificate # or Sales Tax #: 1204798
Retail Beverage Alcohol Dealers Permit:	Website address: www.locococos.com

1. New license or renewal of existing license? New Renewal

If a renewal, please provide the following information:

Your current license expiration date: _____

The dollar amount of gross income for the licensure period that will end on the expiration date above:

Food: _____ Beer, Wine or Spirits: _____ Guest Rooms: _____

2. Please indicate the type of alcoholic beverage to be sold: (check all that apply)

Malt Liquor (beer) Wine Spirits

3. Indicate the type of license applying for: (choose only one)

- Restaurant (Class I, II, III, IV) Class A Restaurant/Lounge (Class XI) Class A Lounge (Class X)
- Hotel (Class I, II, III, IV) Hotel – Food Optional (Class I-A) Bed & Breakfast (Class V)
- Golf Course with auxiliary and mobile cart options (Class I, II, III, IV) Tavern (Class IV)
- Qualified Caterer Self-Sponsored Events (Qualified Caterers Only)

Other: _____

Refer to Section V for the License Fee Schedule

4. If application is for a new license or the business is under new ownership, indicate starting date:

2/1/2021

5. Business records are located at the following address:

30 WALKER ST KITTERY, ME

6. Is licensee/applicant(s) a business entity like a corporation or limited liability company?

Yes No If Yes, complete Section VII at the end of this application

7. Do you own or have any interest in any another Maine Liquor License? Yes No

If yes, please list license number, business name, and complete physical location address: (attach additional pages as needed using the same format)

Name of Business	License Number	Complete Physical Address

8. List name, date of birth, place of birth for all applicants including any manager(s) employed by the licensee/applicant. Provide maiden name, if married. (attach additional pages as needed using the same format)

Full Name	DOB	Place of Birth
JAMI SCARDINA	10/7/1976	Portsmouth, NH
DOUGLAS SCARDINA	1/30/1973	Amityville, NY

Residence address on all the above for previous 5 years	
Name JAMI SCARDINA	Address: 3 Applegate Ln Kittery
Name DOUGLAS SCARDINA	Address: 28 8th Ave Farmingdale, NY
Name	Address:
Name	Address:

9. Is the licensee/applicant(s) citizens of the United States? Yes No

10. Is the licensee/applicant(s) a resident of the State of Maine? Yes No

11. For a licensee/applicant who is a business entity as noted in Section I, does any officer, director, member, manager, shareholder or partner have in any way an interest, directly or indirectly, in their capacity in any other business entity which is a holder of a wholesaler license granted by the State of Maine?

- Yes No
 Not applicable – licensee/applicant(s) is a sole proprietor

12. Is the licensee/applicant(s) directly or indirectly giving aid or assistance in the form of money, property, credit, or financial assistance of any sort, to any person or business entity holding a liquor license granted by the State of Maine? Yes No

13. Will any law enforcement officer directly benefit financially from this license, if issued?

- Yes No

If Yes, provide name of law enforcement officer and department where employed:

14. Has the licensee/applicant(s) ever been convicted of any violation of the liquor laws in Maine or any State of the United States? Yes No

If Yes, please provide the following information and attach additional pages as needed using the same format.

Name: _____ Date of Conviction: _____

Offense: _____ Location: _____

Disposition: _____

15. Has the licensee/applicant(s) ever been convicted of any violation of any law, other than minor traffic violations, in Maine or any State of the United States? Yes No

If Yes, please provide the following information and attach additional pages as needed using the same format.

Name: _____ Date of Conviction: _____

Offense: _____ Location: _____

Disposition: _____

16. Has the licensee/applicant(s) formerly held a Maine liquor license? Yes No

17. Does the licensee/applicant(s) own the premises? Yes No

If No, please provide the name and address of the owner:

18. If you are applying for a liquor license for a Hotel or Bed & Breakfast, please provide the number of guest rooms available: _____

19. Please describe in detail the area(s) within the premises to be licensed. This description is in addition to the diagram in Section VI. (Use additional pages as needed)

20. What is the distance from the premises to the **nearest** school, school dormitory, church, chapel or parish house, measured from the main entrance of the premises to the main entrance of the school, school dormitory, church, chapel or parish house by the ordinary course of travel?

Name: United Methodist Church

Distance: 1/4 mile

Section II: Signature; Fee; Delivery of application

By signing this application, the licensee/applicant understands that false statements made on this application are punishable by law. Knowingly supplying false information on this application is a Class D Offense under Maine's Criminal Code, punishable by confinement of up to one year, or by monetary fine of up to \$2,000 or by both.

Please sign and date in blue ink.

Dated: 1/4/2021

Jami Scardina
Signature of Duly Authorized Person*

Signature of Duly Authorized Person*

JAMI SCARDINA
Printed Name Duly Authorized Person

Printed Name of Duly Authorized Person

*The person signing this application must appear in Section VII on this application.

Section III: For use by Municipal Officers and County Commissioners only
Approval of an application for an on-premises liquor license

The undersigned hereby certifies that we have complied with the process outlined in 28-A M.R.S. §653 and approve this on-premises liquor license application on this date: _____.

Check only one: City Town Unorganized Territory

Name of City/Town/Unorganized Territory: _____

Who is approving this application? Municipal Officers
 County Commissioners of _____ County

- Please Note:** The Municipal Officers or County Commissioners must confirm that the records of Local Option Votes have been verified that allows this type of establishment to be licensed by the Bureau for the type of alcohol to be sold for the appropriate days of the week. Please check this box to indicate this verification was completed.

Signature of Officials	Printed Name and Title

This Approval Expires in 60 Days

Included below is the section of Maine’s liquor laws regarding the approval process by the municipalities or the county commissioners. This is provided as a courtesy only and may not reflect the law in effect at the time of application. Please see <http://www.mainelegislature.org/legis/statutes/28-A/title28-Asec653.html>

§653. Hearings; bureau review; appeal

1. Hearings. The municipal officers or, in the case of unincorporated places, the county commissioners of the county in which the unincorporated place is located, may hold a public hearing for the consideration of applications for new on-premises licenses and applications for transfer of location of existing on-premises licenses. The municipal officers or county commissioners may hold a public hearing for the consideration of requests for renewal of licenses, except that when an applicant has held a license for the prior 5 years and a complaint has not been filed against the applicant within that time, the applicant may request a waiver of the hearing.



A. The bureau shall prepare and supply application forms.

B. The municipal officers or the county commissioners, as the case may be, shall provide public notice of any hearing held under this section by causing a notice, at the applicant's prepaid expense, stating the name and place of hearing, to appear on at least 3 consecutive days before the date of hearing in a daily newspaper having general circulation in the municipality where the premises are located or one week before the date of the hearing in a weekly newspaper having general circulation in the municipality where the premises are located.

C. If the municipal officers or the county commissioners, as the case may be, fail to take final action on an application for a new on-premises license or transfer of the location of an existing on-premises license within 60 days of the filing of an application, the application is deemed approved and ready for action by the bureau. For purposes of this paragraph, the date of filing of the application is the date the application is received by the municipal officers or county commissioners. This paragraph applies to all applications pending before municipal officers or county commissioners as of the effective date of this paragraph as well as all applications filed on or after the effective date of this paragraph. This paragraph applies to an existing on-premises license that has been extended pending renewal. The municipal officers or the county commissioners shall take final action on an on-premises license that has been extended pending renewal within 120 days of the filing of the application.

D. If an application is approved by the municipal officers or the county commissioners but the bureau finds, after inspection of the premises and the records of the applicant, that the applicant does not qualify for the class of license applied for, the bureau shall notify the applicant of that fact in writing. The bureau shall give the applicant 30 days to file an amended application for the appropriate class of license, accompanied by any additional license fee, with the municipal officers or county commissioners, as the case may be. If the applicant fails to file an amended application within 30 days, the original application must be denied by the bureau. The bureau shall notify the applicant in writing of its decision to deny the application including the reasons for the denial and the rights of appeal of the applicant.

2. Findings. In granting or denying an application, the municipal officers or the county commissioners shall indicate the reasons for their decision and provide a copy to the applicant. A license may be denied on one or more of the following grounds:

A. Conviction of the applicant of any Class A, Class B or Class C crime;

B. Noncompliance of the licensed premises or its use with any local zoning ordinance or other land use ordinance not directly related to liquor control;

C. Conditions of record such as waste disposal violations, health or safety violations or repeated parking or traffic violations on or in the vicinity of the licensed premises and caused by persons patronizing or employed by the licensed premises or other such conditions caused by persons patronizing or employed by the licensed premises that unreasonably disturb, interfere with or affect the ability of persons or businesses residing or located in the vicinity of the licensed premises to use their property in a reasonable manner;

D. Repeated incidents of record of breaches of the peace, disorderly conduct, vandalism or other violations of law on or in the vicinity of the licensed premises and caused by persons patronizing or employed by the licensed premises;

D-1. Failure to obtain, or comply with the provisions of, a permit for music, dancing or entertainment required by a municipality or, in the case of an unincorporated place, the county commissioners;

E. A violation of any provision of this Title;

F. A determination by the municipal officers or county commissioners that the purpose of the application is to circumvent the provisions of section 601; and

G. After September 1, 2010, server training, in a program certified by the bureau and required by local ordinance, has not been completed by individuals who serve alcoholic beverages.

3. Appeal to bureau. Any applicant aggrieved by the decision of the municipal officers or county commissioners under this section may appeal to the bureau within 15 days of the receipt of the written decision of the municipal officers or county commissioners. The bureau shall hold a public hearing in the city, town or unincorporated place where the premises are situated. In acting on such an appeal, the bureau may consider all licensure requirements and findings referred to in subsection 2.

A. Repealed

B. If the decision appealed from is an application denial, the bureau may issue the license only if it finds by clear and convincing evidence that the decision was without justifiable cause.

4. Repealed

5. Appeal to District Court. Any person or governmental entity aggrieved by a bureau decision under this section may appeal the decision to the District Court within 30 days of receipt of the written decision of the bureau.

An applicant who files an appeal or who has an appeal pending shall pay the annual license fee the applicant would otherwise pay. Upon resolution of the appeal, if an applicant's license renewal is denied, the bureau shall refund the applicant the prorated amount of the unused license fee.

Section IV: Terms and Conditions of Licensure as an Establishment that sells liquor for on-premises consumption in Maine

- The licensee/applicant(s) agrees to be bound by and comply with the laws, rules and instructions promulgated by the Bureau.
- The licensee/applicant(s) agrees to maintain accurate records related to an on-premise license as required by the law, rules and instructions promulgated or issued by the Bureau if a license is issued as a result of this application.
 - The licensee/applicant(s) authorizes the Bureau to obtain and examine all books, records and tax returns pertaining to the business, for which this liquor license is requested, and also any books, records and returns during the year in which any liquor license is in effect.
- Any change in the licensee's/applicant's licensed premises as defined in this application must be approved by the Bureau in advance.
- All new applicants must apply to the Alcohol and Tobacco Tax and Trade Bureau (TTB) for its Retail Beverage Alcohol Dealers permit. See the TTB's website at <https://www.ttb.gov/nrc/retail-beverage-alcohol-dealers> for more information.

Section V: Fee Schedule

Filing fee required. In addition to the license fees listed below, a filing fee of \$10.00 must be included with all applications.

Please note: For Licensees/Applicants in unorganized territories in Maine, the \$10.00 filing fee must be paid directly to County Treasurer. All applications received by the Bureau from licensees/applicants in unorganized territories must submit proof of payment was made to the County Treasurer together with the application.

Class of License	Type of liquor/Establishments included	Fee
Class I	For the sale of liquor (malt liquor, wine and spirits) This class includes: Airlines; Civic Auditoriums; Class A Restaurants; Clubs with catering privileges; Dining Cars; Golf Courses; Hotels; Indoor Ice-Skating Clubs; Indoor Tennis Clubs; Vessels; Qualified Caterers	\$ 900.00
Class I-A	For the sale of liquor (malt liquor, wine and spirits) This class includes only hotels that do not serve three meals a day.	\$1,100.00
Class II	For the Sale of Spirits Only This class includes: Airlines; Civic Auditoriums; Class A Restaurants; Clubs with catering privileges; Dining Cars; Golf Courses; Hotels; Indoor Ice-Skating Clubs; Indoor Tennis Clubs; and Vessels.	\$ 550.00
Class III	For the Sale of Wine Only This class includes: Airlines; Civic Auditoriums; Class A Restaurants; Clubs with catering privileges; Dining Cars; Golf Courses; Hotels; Indoor Ice-Skating Clubs; Indoor Tennis Clubs; Restaurants; Vessels; Pool Halls; and Bed and Breakfasts.	\$ 220.00
Class IV	For the Sale of Malt Liquor Only This class includes: Airlines; Civic Auditoriums; Class A Restaurants; Clubs with catering privileges; Dining Cars; Golf Courses; Hotels; Indoor Ice-Skating Clubs; Indoor Tennis Clubs; Restaurants; Taverns; Pool Halls; and Bed and Breakfasts.	\$ 220.00
Class III and IV	For the Sale of Malt Liquor and Wine Only This class includes: Airlines; Civic Auditoriums; Class A Restaurants; Clubs with catering privileges; Dining Cars; Golf Courses; Hotels; Indoor Ice-Skating Clubs; Indoor Tennis Clubs; Restaurants; Vessels; Pool Halls; and Bed and Breakfasts.	\$ 440.00
Class V	For the sale of liquor (malt liquor, wine and spirits) This class includes only a Club without catering privileges.	\$ 495.00
Class X	For the sale of liquor (malt liquor, wine and spirits) This class includes only a Class A Lounge	\$2,200.00
Class XI	For the sale of liquor (malt liquor, wine and spirits) This class includes only a Restaurant Lounge	\$1,500.00
Self-Sponsored Events	This class is for Qualified Caterers Only	\$ 700.00



TOWN OF KITTEBY
Office of the Town Clerk
200 Rogers Road, Kittery, Maine 03904
Telephone: (207) 475-1313 Fax: (207) 439-6806

**APPLICATION FOR VICTUALERS, INNKEEPERS,
AND LODGING HOUSE OPERATORS LICENSE**

Applicant's Name JAMI SCARDINA / S2 RESTAURANT GROUP
please print

Applicant's Address 3 APPLGATE LN
please print

Applicant's mailing address if different from above: _____

Applicant's Email address (required) management@loco.cocos.com
jamiscardina@gmail.com

Date of Birth 10/7/1976 Applicant's Telephone Number: 207-752-4144

Business Name: S2 RESTAURANT GROUP D/B/A LOCO COCO'S TACOS
please print

Business Address: 30 WALKER ST
please print

Business Telephone Number: 207-433-9322

Signature of Applicant Jami Scardine DATE: 1/6/2021


LICENSE FEE: \$ _____

FIRST TIME APPLICATIONS: \$50.00
RENEWAL OF LICENSE: \$25.00

45972

MEETINGHOUSE VILLAGE

Operating Account
143 ROGERS ROAD OFFICE
KITTERY, ME 03904
(207) 439-7280


Kennebunk Savings
52-7450/2112

12/14/2020

PAY TO THE ORDER OF Kittery Community Center

\$ **100.00

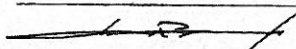
One Hundred and 00/100*****

DOLLARS

Kittery Community Center
200 Rogers Road
Kittery, ME 03904

Two Signatures Required Over \$5000





AUTHORIZED SIGNATURE

MEMO 2020 Donation

Security features Details on back

J.A.F. CORGAN
M.D.N. CORGAN
PRIMARY ACCOUNT

1900

51-8002/2111

12/15/2020
Date

CHECK ASSURE
BY ABBOTT FINANCIAL

Pay to the Order of Kittery Community Center \$ 150 -

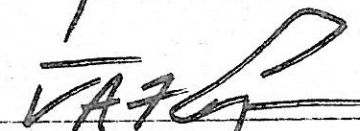
One Hundred Fifty Dollars

Photo Safe Deposit
Details on back

 Dutch Point
CREDIT UNION

186 Sales Deane Highway * Wethersfield, Connecticut 06109

For Donation





STATE OF MAINE
 DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES
 BUREAU OF ALCOHOLIC BEVERAGES AND LOTTERY OPERATIONS
 DIVISION OF LIQUOR LICENSING AND ENFORCEMENT

Application for an On-Premises License

All Questions Must Be Answered Completely. Please print legibly.

Division Use Only	
License No:	
Class:	By:
Deposit Date:	
Amt. Deposited:	
Payment Type:	
OK with SOS: Yes <input type="checkbox"/> No <input type="checkbox"/>	

Section I: Type of License, Status and Applicant Information

1. New license or renewal of existing license? New Renewal

If a renewal, please provide the following information:

Your current license expiration date: 12/12/2020

The dollar amount of gross income for the licensure period that will end on the expiration date above:

Food: \$ 2,295,377.00 Beer, Wine or Spirits: \$ 494,384.00 Guest Rooms: \$ 0.00

2. Please indicate the type of alcoholic beverage to be sold: (check all that apply)

Malt Liquor (beer) Wine Spirits

3. Indicate the type of license applying for: (choose only one)

- | | | |
|---|---|---|
| <input checked="" type="checkbox"/> Restaurant
(Class I, II, III, IV) | <input checked="" type="checkbox"/> Class A Restaurant/Lounge
(Class XI) | <input checked="" type="checkbox"/> Class A Lounge
(Class X) |
| <input type="checkbox"/> Hotel
(Class I, II, III, IV) | <input checked="" type="checkbox"/> Hotel – Food Optional
(Class I-A) | <input type="checkbox"/> Bed & Breakfast
(Class V) |
| <input type="checkbox"/> Golf Course with auxiliary and mobile cart options
(Class I, II, III, IV) | | <input type="checkbox"/> Tavern
(Class IV) |
| <input checked="" type="checkbox"/> Qualified Caterer | <input type="checkbox"/> Self-Sponsored Events (Qualified Caterers Only) | |

Other: _____

Refer to Section VI For Fee Schedule

4. If application is for a **new** license or the business is under new ownership, indicate starting date:

Section II: Licensee/Applicant(s) Information

Legal Business Entity Applicant Name (corporation, LLC): ROLLING IN THE MUD LLC	Business Name (D/B/A): WHEN PIGS FLY PIZZERIA
Individual or Sole Proprietor Applicant Name(s):	Physical Location: 460 US RTE 1 KITTERY, ME 03904
Individual or Sole Proprietor Applicant Name(s):	Mailing address, if different: 40 BRICKYARD CT YORK, ME 03909
Mailing address, if different from DBA address: 40 BRICKYARD CT YORK, ME 03909	Email Address: info@whenpigsflypizzeria.com
Telephone # Fax #: 207-363-0612 207-363-2511	Business Telephone # Fax #: 207-363-0612 207-363-2511
Federal Tax Identification Number: 27-3936816	Maine Seller Certificate # or Sales Tax #: 1148785
Federal Basic Permit Number:	Website address: www.whenpigsflypizzeria.com

1. Business records are located at the following address:

460 US RTE 1 KITTERY, ME 03904

2. Is licensee/applicant(s) a business entity like a corporation or limited liability company?
 Yes No If Yes, complete Attachment 1 at the end of this application

3. Do you own or have any interest in any another Maine Liquor License? Yes No

If yes, please list license number, business name, and complete physical location address: (attach additional pages as needed using the same format)

Name of Business	License Number	Complete Physical Address

4. List name, date of birth, place of birth for all applicants including any manager(s) employed by the licensee/applicant. Provide maiden name, if married. (attach additional pages as needed using the same format)

Full Name	DOB	Place of Birth
RYAN STEPHEN MCNALLY	04/16/1988	YORK, ME
EMMA SIEGEL	12/01/1990	YORK, ME
ANDREW MARK SIEGEL	03/03/1962	YORK, ME

RONALD SAMUEL SIEGEL		09/09/1958	YORK, ME
Residence address on all of the above for previous 5 years			
Name	RYAN MCNALLY	Address:	DOVER, NH
Name	EMMA SIEGEL	Address:	SOUTH BERWICK, ME
Name	ANDREW SIEGEL	Address:	YORK, ME
Name	RONALD SIEGEL	Address:	YORK, ME

5. Is the licensee/applicant(s) citizens of the United States? Yes No
6. Is the licensee/applicant(s) a resident of the State of Maine? Yes No
7. For a licensee/applicant who is a business entity as noted in Section II, does any officer, director, member, manager, shareholder or partner have in any way an interest, directly or indirectly, in their capacity in any other business entity which is a holder of a wholesaler license granted by the State of Maine?
 Yes No Not applicable – licensee/applicant(s) is a sole proprietor
8. Is the licensee/applicant(s) directly or indirectly giving aid or assistance in the form of money, property, credit, or financial assistance of any sort, to any person or business entity holding a liquor license granted by the State of Maine? Yes No
9. Will any law enforcement officer directly benefit financially from this license, if issued?
 Yes No
 If Yes, provide name of law enforcement officer and department where employed:

10. Has the licensee/applicant(s) ever been convicted of any violation of the liquor laws in Maine or any State of the United States? Yes No

If Yes, please provide the following information and attach additional pages as needed using the same format.

Name: _____ Date of Conviction: _____

Offense: _____ Location: _____

Disposition: _____

11. Has the licensee/applicant(s) ever been convicted of any violation of any law, other than minor traffic violations, in Maine or any State of the United States? Yes No

If Yes, please provide the following information and attach additional pages as needed using the same format.

Name: ANDREW SIEGEL / RYAN McNALLY Date of Conviction: 05/01/1980 / 2007 & 2008
Offense: OUI / Possession & Misdemeanor Location: PORTSMOUTH NH / Portsmouth NH & Portland ME
Disposition: FINE AND SUSPENSION / Fine & Fine

12. Has the licensee/applicant(s) formerly held a Maine liquor license? Yes No

13. Does the licensee/applicant(s) own the premises? Yes No

If No, please provide the name and address of the owner:

14. If you are applying for a liquor license for a Hotel or Bed & Breakfast, please provide the number of guest rooms available: _____

15. Do you permit dancing or entertainment on the licensed premises? Yes No

If yes, please check that you have received authorization from the municipality in which you are doing business to conduct this type activity.

The licensee/applicant affirms that permission has been granted by the municipality for dancing or other allowed entertainment at this place of business.

16. Please describe in detail the area(s) within the premises to be licensed. This description is in addition to the diagram in Section III. (Use additional pages as needed)

17. What is the distance from the premises to the nearest school, school dormitory, church, chapel or parish house, measured from the main entrance of the premises to the main entrance of the school, school dormitory, church, chapel or parish house by the ordinary course of travel?

Name: SCHOOL

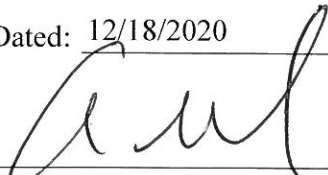
Distance: 2.4 MILES

Section III: Signature; Fee; Delivery of application


By signing this application, the licensee/applicant understands that false statements made on this application are punishable by law. Knowingly supplying false information on this application is a Class D Offense under Maine's Criminal Code, punishable by confinement of up to one year, or by monetary fine of up to \$2,000 or by both.

Please sign and date in blue ink.

Dated: 12/18/2020



 Signature of Duly Authorized Person*



 Signature of Duly Authorized Person*

ANDREW SIEGEL

 Printed Name Duly Authorized Person

RONALD SIEGEL

 Printed Name of Duly Authorized Person

*The person signing this application must appear in Section VIII on this application.

**Section IV: For use by Municipal Officers and County Commissioners only
 Approval of an application for an on-premises liquor license –**

The undersigned hereby certifies that we have complied with the process outlined in 28-A M.R.S. §653 and approve this on-premises liquor license application on this date: _____.

Check only one: City Town Unorganized Territory

Name of City/Town/Unorganized Territory: _____

Who is approving this application? Municipal Officers
 County Commissioners of _____ County

Signature of Officials	Printed Name and Title

This Approval Expires in 60 Days

Section VI: Fee Schedule

Filing fee required. In addition to the license fees listed below, a filing fee of \$10.00 must be included with all applications.

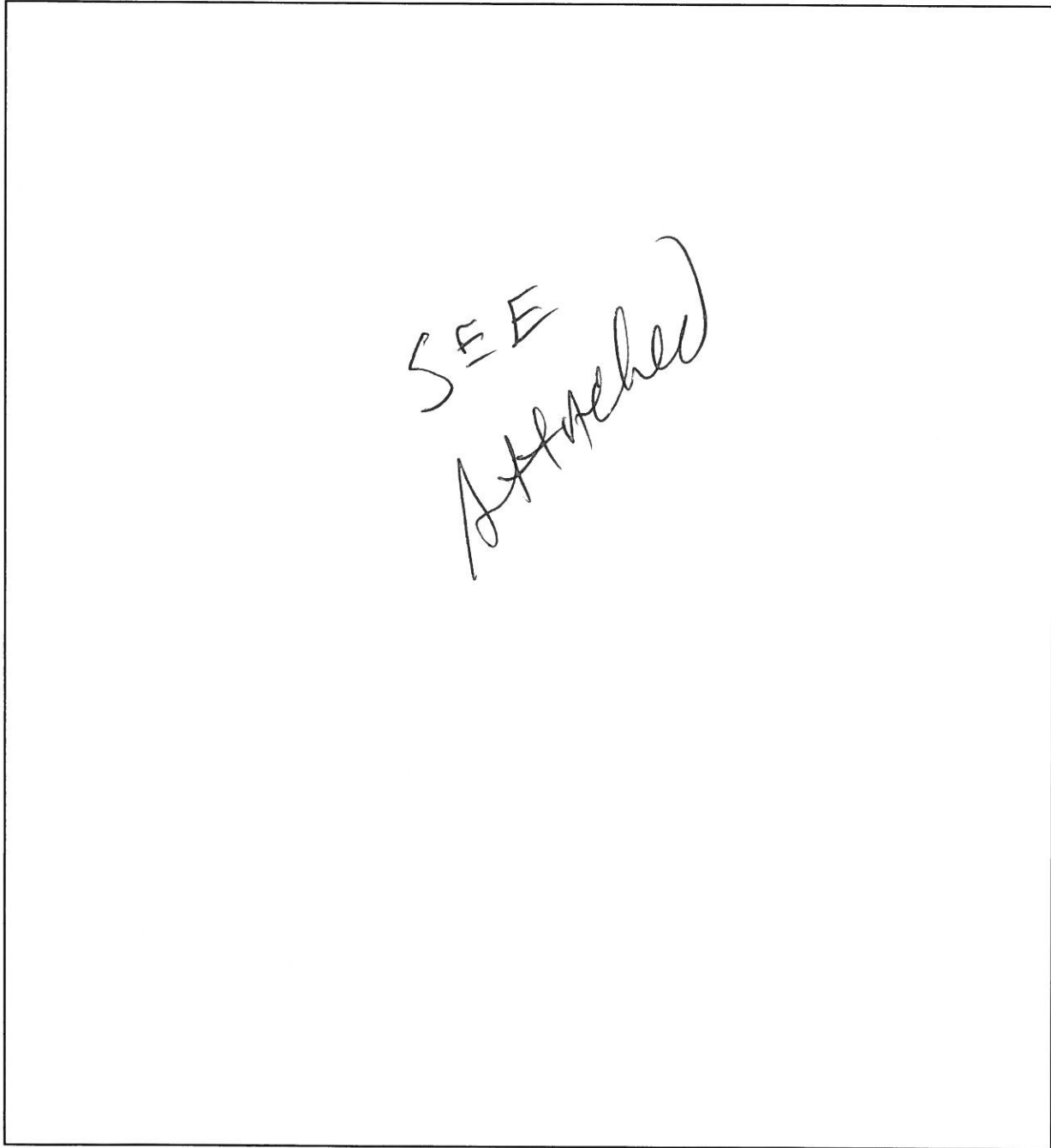
Please note: For Licensees/Applicants in unorganized territories in Maine, the \$10.00 filing fee must be paid directly to County Treasurer. All applications received by the Bureau from licensees/applicants in unorganized territories must submit proof of payment was made to the County Treasurer together with the application.

Class of License	Type of liquor/Establishments included	Fee
Class I	For the sale of liquor (malt liquor, wine and spirits) This class includes: Airlines; Civic Auditoriums; Class A Restaurants; Clubs with catering privileges; Dining Cars; Golf Courses; Hotels; Indoor Ice-Skating Clubs; Indoor Tennis Clubs; Vessels; Qualified Caterers	\$ 900.00
Class I-A	For the sale of liquor (malt liquor, wine and spirits) This class includes only hotels that do not serve three meals a day.	\$1,100.00
Class II	For the Sale of Spirits Only This class includes: Airlines; Civic Auditoriums; Class A Restaurants; Clubs with catering privileges; Dining Cars; Golf Courses; Hotels; Indoor Ice-Skating Clubs; Indoor Tennis Clubs; and Vessels.	\$ 550.00
Class III	For the Sale of Wine Only This class includes: Airlines; Civic Auditoriums; Class A Restaurants; Clubs with catering privileges; Dining Cars; Golf Courses; Hotels; Indoor Ice-Skating Clubs; Indoor Tennis Clubs; Restaurants; Vessels; Pool Halls; and Bed and Breakfasts.	\$ 220.00
Class IV	For the Sale of Malt Liquor Only This class includes: Airlines; Civic Auditoriums; Class A Restaurants; Clubs with catering privileges; Dining Cars; Golf Courses; Hotels; Indoor Ice-Skating Clubs; Indoor Tennis Clubs; Restaurants; Taverns; Pool Halls; and Bed and Breakfasts.	\$ 220.00
Class III and IV	For the Sale of Malt Liquor and Wine Only This class includes: Airlines; Civic Auditoriums; Class A Restaurants; Clubs with catering privileges; Dining Cars; Golf Courses; Hotels; Indoor Ice-Skating Clubs; Indoor Tennis Clubs; Restaurants; Vessels; Pool Halls; and Bed and Breakfasts.	\$ 440.00
Class V	For the sale of liquor (malt liquor, wine and spirits) This class includes only a Club without catering privileges.	\$ 495.00
Class X	For the sale of liquor (malt liquor, wine and spirits) This class includes only a Class A Lounge	\$2,200.00
Class XI	For the sale of liquor (malt liquor, wine and spirits) This class includes only a Restaurant Lounge	\$1,500.00
Self-Sponsored Events	This class is for Qualified Caterers Only	\$ 700.00

Section VII Premises Floor Plan

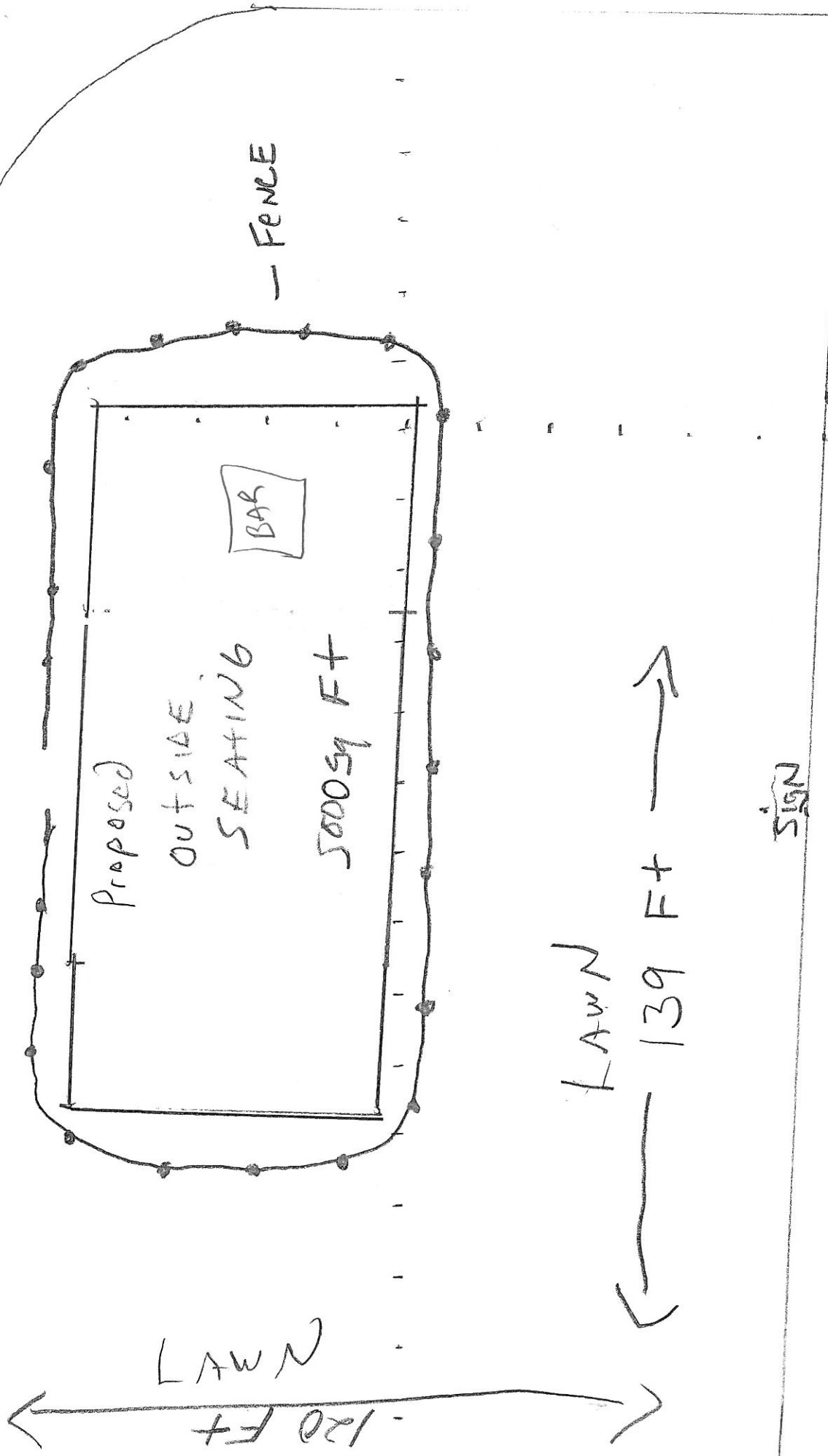
In an effort to clearly define your license premise and the areas that consumption and storage of liquor authorized by your license type is allowed, the Bureau requires all applications to include a diagram of the premise to be licensed.

Diagrams should be submitted on this form and should be as accurate as possible. Be sure to label the following areas: entrances, office area, coolers, storage areas, display cases, shelves, restroom, point of sale area, area for on-premise consumption, dining rooms, event/function rooms, lounges, outside area/decks or any other areas on the premise that you are requesting approval. Attached an additional page as needed to fully describe the premise.



RESTAURANT

Wheby Pigs Pizzeria



Route 1

Scale
10 Ft = 1/2 Inch

Section VIII: Required Additional Information for a Licensee/Applicant for an On-Premises Liquor License Who are Legal Business Entities

Questions 1 to 4 of this part of the application must match information in Section II of the application above and match the information on file with the Maine Secretary of State's office. If you have questions regarding your legal entity name or DBA, please call the Secretary of State's office at (207) 624-7752.

All Questions Must Be Answered Completely. Please print legibly.

1. Exact legal name: ROLLING IN THE MUD LLC
2. Doing Business As, if any: WHEN PIGS FLY PIZZERIA
3. Date of filing with Secretary of State: 12/21/2010 State in which you are formed: MAINE
4. If not a Maine business entity, date on which you were authorized to transact business in the State of Maine:

5. List the name and addresses for previous 5 years, birth dates, titles of officers, directors, managers, members or partners and the percentage ownership any person listed: (attached additional pages as needed)

Name	Address (5 Years)	Date of Birth	Title	Percentage of Ownership
RONALD SIEGEL	25 HARBOR HILL RD YORK,	09/09/1958	PRESIDENT	50.0000
ANDREW SIEGEL	15 RAMS HEAD LANE YORK	03/03/1962	VICE PRES	50.0000
ANDREW SIEGEL	4 SNAP HOOK DRIVE YORK	03/03/1962	VP	

(Ownership in non-publicly traded companies must add up to 100%.)

**TOWN COUNCIL GOALS
2021**

- 1 Work together respectfully toward consensus, capitalizing on our experiences and diversity.
- 2 Address proposals for Charter, Ordinance, and Policy changes for improving efficiency and effectiveness
- 3 of the Town operations including:
 - 4 • Title 5 - Business License Regulations
 - 5 • General – Direct Issuance of Civil Penalties for Ordinance Violations
- 6 Advance the Comprehensive Plan 5 Year Action Plan, specifically the following:
 - 7 • Climate Adaptation Study (9.1, 9.2)
 - 8 ○ Develop and implement climate adaptation, flood resiliency and green-house gases
 - 9 strategies and ordinances
 - 10 • Reduce dog and horse waste in open spaces (2.2)
 - 11 ○ Expand/enhance Title 6 Animal Control ordinance
 - 12 • Ensure Town planning processes are open, transparent, informative, inclusive, respectful and
 - 13 welcoming (7.1)
 - 14 ○ Complete Title 16 recodification to achieve development goals
 - 15 ○ Equip Town Hall to support ongoing hybrid and remote meetings
 - 16 • Develop long range plan for the library (7.2)
 - 17 ○ Advance construction project
 - 18 ○ Begin five-year strategic plan for Library
 - 19 • Guide development to areas already served by public utilities, resulting in more efficient and
 - 20 cost-effective use of these public services (7.3)
 - 21 ○ Develop zoning amendments to uses, dimensional and performance standards that
 - 22 advantage development around utilities.
 - 23 • Continue to support healthy lifestyle choices and wellness by improving walking and biking and
 - 24 infrastructure (5.2)
 - 25 ○ Launch pedestrian and bicycle master plan.
 - 26 • Develop a plan for Town facilities and property owners to transition to low and zero impact
 - 27 energy sources (9.2)
 - 28 ○ Develop sustainable ordinances.
 - 29 ○ Identify Community Solar opportunities.
- 30 Adopt a budget that is progressive, responsible, responsive to community expectations and needs, and
- 31 visionary – moving the community forward.
- 32 Give attention to Councilor expressed priorities, including:
 - 33 • Identify viable properties [and an action plan](#) for the re-use or disposition of Town controlled
 - 34 property including (but not limited to):
 - 35 ○ Walker Street Fire Station
 - 36 ○ Taylor Building
 - 37 ○ Old Post Properties
 - 38 ○ 2 Walker Street

**TOWN MANAGER GOALS
2021**

- 39 Support long term planning and growth management objectives:
- 40 • Finish the Title 16 recodification process and develop a plan to address identified policy issues
- 41 • Propose TIF amendments to provide relief to taxpayers and support desired growth
- 42 • Develop zone amendments to promote the increase of housing stock
- 43 • Advance JLUS Implementation effort and recommendations from Study
- 44 Enhance Financial Stability
- 45 • Produce a 2022 budget that seeks to respond to service expectations of the community, and
- 46 appropriately addresses unmet needs and revenue changes resulting from COVID
- 47 • Finish comprehensive technology master plan to inform the capital improvement program
- 48 • Integrate sustainability and climate change priorities into Capital Improvement Program
- 49 Continue to improve organizational efficiency through implementation of technology, and
- 50 recommended amendments to the Charter, Town Ordinance, and Policy.
- 51 Support Council’s efforts to implement the Comprehensive Plan 5 Year Action Plan (see Council Goals)
- 52
- 53 Town Assets and Infrastructure
- 54 • Develop recommendations [and action plans](#) for the reuse or disposition of various town owned
- 55 or tax-acquired properties
- 56 • Develop a sidewalk master plan for replacement, enhancement and addition of town sidewalks
- 57 Develop and Sustain the Professional Staff
- 58 • Complete contract negotiations in a timely fashion
- 59 • Plan for addressing increasing demands for police, fire, ~~and~~ public works services, [and code](#)
- 60 [enforcement](#).

sets a timeframe for which the owner must actively use or dispose of the item, ending the indefinite nature of the loophole.

Structure maintenance has been added to address disrepair of buildings that lead to further structural deterioration, squatting, health hazards, and other safety issues that impact occupants, neighbors, and first responders. The ordinance will require buildings to be secured with sides that of a uniform material, a roof, and door and window closures.

Vacant building placarding is being proposed for the ordinance. The placard system follows national standards and serves as a vital warning to firefighters and other public safety personnel when called to respond to emergencies at vacant buildings that have inherent structural deficits.

The violations and penalties amendment introduces the option for a local consent agreement approach that allows violations to be addressed without lengthy and costly legal proceedings in court. The amendment also sets a flat rate fine, consistent with the Town's standing objective to streamline the violation process.

The Town will continue to work with property owners to achieve compliance before taking punitive action; as is best practice in municipal code enforcement services.

NEXT STEPS

- January 25, 2021 – Schedule Public Hearing
- February 8, 2021 – Public Hearing

No action of the Council is required at this time. I encourage you to review the proposed revisions and provide any questions, concerns, and/or feedback.

ATTACHMENTS

- Draft Title 8 Property Maintenance Amendments
- Draft Title 8 Property Maintenance Enactment
- 17 MRS §2851 and §2853