TOWN OF KENNEBUNK

BOARD OF SELECTMEN

TUESDAY, FEBRUARY 23, 2016 – 6:15 P.M.

KENNEBUNK TOWN HALL

3rd FLOOR/ROOM 301

AGENDA

AMENDED AGENDA

- **Added Item 12.a Executive Session**

REGULAR MEETING – 6:15 P.M.

Interview the following Candidate for Committees:

Charles Barker	River Committee	Vacancies: (1) Alternate 2016

Mr. Barker has attended the Kennebunk River Committee meetings and was encouraged to apply for the alternate position. The committee endorses his appointment.

REGULAR MEETING – 6:30 P.M.

1. **Call to Order & The Pledge of Allegiance**
   I pledge allegiance to the flag of the United States of America, and to the republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

2. **Minutes (2-3 minutes)**
   a. February 9, 2016 Regular Meeting

   Budget Meetings - minutes will be available for the next regular meeting
   b. February 2, 2016 Special Meeting (Budget Meeting 6:00 pm)
   c. February 4, 2016 Special Meeting (Budget Meeting 6:00 pm)
   d. February 6, 2016 Special Meeting (Budget Meeting 8:30 am)
   e. February 11, 2016 Special Meeting (Budget Meeting 6:00 pm)
   f. February 13, 2016 Special Meeting (Budget Meeting 8:30 am)
   g. February 16, 2016 Special Meeting (Budget Meeting 6:00 pm)

3. **Items to be Signed (3-5 minutes)**
   a. Items as Presented

4. **Public Hearing(s) (5-10 minutes)**

   a. The Municipal Officers of the Town of Kennebunk will hold a Public Hearing to act on the following:

Jing Huang Dong d/b/a Jai Mei Le Wah Restaurant Inc.
Located at 60 Portland Road
For a renewal Malt, Spirituous and Vinous Liquor License Application

Town Manager's Note (not part of the public hearing notice):
Fire Department: no deficiencies noted in the annual inspection.
Police Department: no calls for service that would interfere with the renewal of the license.

MOTION: To approve the renewal Malt, Spirituous and Vinous Liquor License Application for Jing Huang Dong d/b/a Jai Mei Le Wah Restaurant Inc.

b. The Municipal Officers of the Town of Kennebunk will hold a Public Hearing to act on the following:

Amato's Sandwich Shops, Inc. d/b/a Amato's
Located at 48 Portland Road, Suite 2
For a <u>new</u> Victualer License Application

Information is available in the Town Clerk's Office.

<u>Town Manager's Note (not part of the public hearing notice):</u>
Fire Department: Due to the new construction currently underway, the facility is not ready for a Fire & Life Safety Inspection. The Fire Chief's recommendation is to issue the license and hold it until the following have occurred: Code Enforcement Officer's final inspection and Occupancy Permit issuance, and Fire Department's Fire & Life Safety Inspection.

Police Department: new business – nothing to report from police

MOTION: To <u>issue</u> the new Victualer License Application for Amato's Sandwich Shops, Inc. d/b/a Amato's per the Fire Chief's recommendation and <u>hold</u> the license until the following have occurred: Code Enforcement Officer's final inspection and Occupancy Permit issuance, and Fire Department's Fire & Life Safety Inspection.

5. Public Comments (5-10 minutes)

6. Acknowledgements/Announcements (5 minutes)

a. <u>Accept a Donation for the Fire Rescue Department</u> – The Town recently received a $10.00 donation to the Fire Rescue Department from St. Andre Health Care Facility in memory of Alice May (Marvin) Clunie.

MOTION: To accept the donation from St. Andre Health Care Facility and send a letter thanking them for their thoughtful donation.

b. <u>Town Bond Ratings</u> – The Town is in the process of issuing bonds that were authorized at the June 2014 and June 2015 Annual Town Meetings. As part of the bond issue, the Town's bond ratings are thoroughly analyzed by Standard & Poor's (S&P) and Moody's; this includes review of current financial statements, reserve positions, community long-term stability, potential for future growth, and overall management of the Town.

Citing a strong economy, strong management, and strong budgetary performance resulting in multiple operating surpluses leading to strong reserve levels, S&P reaffirmed our current rating of 'AAA', while Moody's upgraded our rating from 'Aa2' to 'Aa1'.

Our bond advisor estimates that our interest rates for the 2016 bonds to be issued on March 1, 2016 are lower by about 25 to 35 basis points had our ratings been at 2010 levels, saving the Town approximately $45,000 over the life of these new bonds.

Town of Kennebunk Rating History

	<u>2003</u>	<u>2004</u>	<u>2007</u>	<u>2010</u>	<u>2013</u>	<u>2016</u>
S&P	AA-	AA	AA	AA+	AAA	AAA
Moody's	A1	A1	Aa3	Aa3	Aa2	Aa1

This is an impressive achievement for the Town and would not be possible without a great team and supportive community.

The full reports from the rating agencies are enclosed.

c. Candice Simeoni Recognition – On Thursday, February 11th, Candice Simeoni was recognized by the Maine State Senate for being named Kennebunk Post's Great Person of 2015. She was recognized for her work with the Citizen's Police Academy in both Kennebunk and previously in Eliot. She is a self-defense instructor, been a counselor at Camp Postcard for needy and troubled teens and organizes a coat drive for the elderly. Candice is also a child safety seat technician, chairs the York County Elder Abuse Task Force, is a leader in its Lifelong Wish program and she is a baker for Icing Smiles where she bakes cakes for terminally ill children.

We are so proud of Candice and all of her continued successful accomplishments! Please join us in congratulating Candice and thanking her for all she does for the community.

7. Time Sensitive Business

a. Discuss the Closing of Certain Town Ways to Heavy Loads beginning February 29th **(5 minutes)** – Each year, the Town posts certain roads closed to any non-exempt vehicle or combination of vehicles registered for a gross weight of over 23,000 pounds. This is done to protect our roads as the frost levels are changing.

The following roads will need to be closed to such traffic commencing on February 29th and will remain closed until at least April 30th unless otherwise posted. Any violation of the rules is a traffic infraction punishable by a fine of not less than $250.

Alfred Road (Warrens Way to Cole Road)	Cole Road	Durrells Bridge Road
Downing Road	Harriseckett Road	Heath Road
Middle Road	Mill Street	Old Falls Road
Old Port Road	Perkins Lane	Ross Road
Thompson Road		

Home Heating Fuel Delivery Trucks and Municipal Solid Waste Collection Trucks are exempt from Posted Road regulations. The posting shall remain in force except when the way is solidly frozen. The highway is considered solidly frozen only when the air temperature is 32 degrees F. or below and no water is showing in the cracks in the road. Both conditions must be met. Arundel and Kennebunkport will be closing their town ways to heavy loads beginning on February 29th as well.

MOTION: To close the above roads from February 29th until at least April 30th or as cleared by the Town's Director of Public Services.

8. Old Business (2nd Reading)

a. Discuss the Board of Selectmen's Strategic Plan Survey **(5-10 minutes)** – The Comprehensive Plan & Zoning Ordinance Update Committee has finalized their recommendations for the survey. The survey length is now five pages and is attached for your review.

MOTION: To place the survey information on our website and have paper copies available at the Town Hall once the tax bills have been mailed.

9. New Business (1st Reading)

a. Discuss the Sale of the Route One South (Rest Area) Property **(15-20 minutes)** – The Board has discussed the disposition of the Route One South Rest Area property with the discussion centered on turning the property from a tax idle parcel to a taxable parcel with business growth.

The June 10, 2014 Town Meeting vote authorized the Board to sell the 14 acre Rest Area property and to seek re-development proposals for that land, subject to such conditions as the Board of Selectmen deems in the Town's best interests of the Town (see attached warrant article).

One proposal was received in response to the attached RFP, which was sent out in late August. The project was not awarded, based on the proposed use that was submitted, which did not meet the desired goals of the EDC.

Recently, the Town, through our Economic Development Director, has received a couple of proposals. The best option for that property was submitted by Benjamin Meggs (see attached P&S agreement) who will bring in a light manufacturing operation toward the rear of the property and retail/office space in the front. The building will be 20,000 sq. ft. in the initial phase with future buildouts.

MOTION: To move to a second reading on March 8th.

b. Discuss Board of Selectmen Outreach Sessions **(5-10 minutes)** – Selectman Morin has a proposal to allocate a 2-hour block of time on Saturday mornings for Selectmen hours with the public. These would be off camera, casual discussions and potentially held weekly on Saturday morning from 8 or 9 a.m. to 10 or 11 a.m. Sessions would include two Selectmen and would be publicized for the public.

MOTION: To move to a second reading on March 8th.

c. Discuss Quarterly Budget and Financial Review Workshops **(5-10 minutes)** – Some Board members have indicated a desire to review and identify necessary budgetary items earlier in the budget year. These proposed quarterly workshops would also allow for staff input on the current status of budgetary and financial positions.

If this were instituted, the first quarterly meeting would be held in late July or August. How would the Board like to proceed?

MOTION: To move to a second reading on March 8th.

d. Discuss Boards and Committees (resignations/appointments, if any) **(2-3 minutes)**

- **Appointment of Resident being interviewed at the beginning of the meeting:**
  - Charles Barker Kennebunk River Committee Vacancies: (1) Regular 2016

If the Board wishes to make the appointment, the motion could be as follows:

MOTION: To appoint Charles Barker as an Alternate member on the Kennebunk River Committee with a term expiring on June 30, 2016.

e. Discuss Any Other Business **(2-3 minutes)**

10. Selectmen's Comments

a. Subcommittee Reports (if any)
b. Individual Selectmen Comments

11. Town Manager's Comments/Notes

12. Executive Session(s)

a. Discuss Pending Litigation with the Town Manager, Finance Director and Town Attorney - Title 1 MRSA Sec. 405(6)(E)

13. Adjournment

Special Meeting 6:15 p.m. (interviews)

Kathy Nolette

From: noreply@civicplus.com
Sent: Wednesday, February 17, 2016 2:39 PM
To: Kathy Nolette
Subject: Online Form Submittal: Committee Volunteer Form

Committee Volunteer Form

Step 1

Town of Kennebunk, Maine

Committee Volunteer Form

First Name	Charles
Last Name	Barker
Street Address	95 Old Port Road
Mailing Address	Kennebunk, ME 04043
Daytime Phone #	
Cell Phone #	
E-Mail Address	
Board/Committee/Commission I wish to be considered for appointment to:	River Committee

Step 2

Term and Membership Status	Alternate Membership Status (1-year term)
Do you currently serve on any Town Committee?	no
If so, please list the committee.	Not currently serving
Years of Service	Not currently serving
Occupation	Sales
Employer	Huttig Building products
List any Civic Organizations to which you belong:	Arundel Yacht Club

Step 3

1. Do you have any questions about what the committee does or its mission?	no
2. Do you have any practical experience or formal education that would be related to the committee?	yes
3. Why would you like to be on the committee?	Enjoy the River and its rich history and wish to see its future growth and usage continue on a well planned path
4. Are you aware of the time involved and would you be able to attend, at the minimum, 75% of all committee meetings? Please note: Failure to attend three regular meetings in a row or 25% of all meetings in a six-month period may result in forfeiture of your position on the committee.	yes
5. Do you have any conflict of interest that might involve either direct or indirect financial gain or other gain?	no
6. Do you have anything you would like to add?	no

Thank you for volunteering to serve your community.

The Board of Selectmen will consider all applications. Once the form has been submitted to the Town Manager's Office, an informal meeting will be set up for you to meet the Selectmen. The Selectmen like to meet all candidates before appointing them to committees. Please note that not all committees have openings; however, vacancies occur on a regular basis. If the committee you wish to serve on does not have an opening at this time, you may still submit the form and your name will placed on a waiting list. You will be notified when an opening occurs on the committee. Thank you for considering serving the Town on one of the many Town committees.

Email not displaying correctly? View it in your browser.

2

(MINUTES)

TOWN OF KENNEBUNK

BOARD OF SELECTMEN MINUTES

FEBRUARY 9, 2016 – 6:15 P.M.

SPECIAL MEETING

Interview the following Candidate for Committees:

Lisa Emmons	Downtown Committee	Vacancies: (1) Regular 2017 (1) Alternate 2017

The candidate appeared before the Board and answered questions pertaining to background and history. Boothby mentioned that he has worked with this candidate on other boards and she does a nice job. The Chair explained all appointments will be announced at the end of the meeting and she will be contacted with the decision.

REGULAR MEETING

1. CALL TO ORDER

On February 9, 2016, at 6:30 p.m., in Room 301 of the Town Hall, Kevin Donovan, Chairman of the Board of Selectmen for the Town of Kennebunk, called to order the Regular Meeting of the Board of Selectmen. Present were Selectmen Kevin Donovan, Richard Morin, Ed Karytko, Daniel Boothby, Chris Cluff, Shiloh Schulte and Deborah Beal.

Also in attendance was Town Manager Barry Tibbetts, Finance Director Joel Downs.

The Chair led everyone in the Pledge of Allegiance. A moment of silence was held in memory of Geraldine Waterhouse, who passed away on Sunday.

2. MINUTES

a. January 26, 2016 Regular Meeting.

Budget Meetings - minutes will be available at the conclusion of the budget sessions

b. February 2, 2016 Special Meeting (Budget Meeting 6:00 pm)
c. February 4, 2016 Special Meeting (Budget Meeting 6:00 pm)
d. February 6, 2016 Special Meeting (Budget Meeting 8:30 am)
e. February 11, 2016 Special Meeting (Budget Meeting 6:00 pm)
f. *Tentative/if needed meeting:* February 13, 2016 Special Meeting (Budget Meeting 8:30 am)
g. *Tentative/if needed meeting:* February 16, 2016 Special Meeting (Budget Meeting 6:00 pm)

A motion was made to accept the Minutes from the January 26, 2016 Regular Meeting.

MOVED:	Karytko
SECONDED:	Cluff
MODIFICATIONS:	None
VOTE:	7 in favor, 0 opposed. The motion carried.

The Chair proceeded to the next item.

3. ITEMS TO BE SIGNED – NONE

4. PUBLIC HEARING(S) - NONE

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5. PUBLIC COMMENTS

Mat Eddy, Economic Development Director, introduced Doug and Heather Gilbert, who are interested in relocating their business to Kennebunk. Eddy explained that the Town is helping them look for office space, housing and funding opportunities. The Gilberts went to the podium, described their business, and explained why they are looking to relocate to this area.

With no other public comments, the Chair proceeded to the next item.

6. ACKNOWLEDGEMENTS/ANNOUNCEMENTS

a. (Public Services) Recreation Department – Matthew Duplisea, Program Coordinator/Teen Center Supervisor, has submitted his resignation effective February 19. Matt has accepted a position with Biddeford Recreation as the Youth and Family Program Coordinator. Matt has been an intricate part of the expansion of the Teen Center activities and his input has been an important part of the growth of the programs offered by the department in his nine years of employment. We wish him the very best in his new position.

There were no public comments.

The Chair proceeded to the next item.

7. TIME SENSITIVE BUSINESS

a. Discuss 2016 EMS Ambulance Rates – Each year, the Town reviews the rates charged for ambulance services. For 2016, the Fire Chief recommends maintaining the same rates as in 2015. With the fuel costs low and our current rates in the "middle range" of other communities, we feel the 2016 rates do not need to be adjusted. The current rate schedule was included in the Board packet.

DISCUSSION:
Chief Rowe was present and explained that he has revised the 2016 billing rates because of concerns regarding revenue from the budget meeting. Rowe handed out a sheet listing the revised rates. He explained the increases and the various services provided.

Karytko asked if the increase would cover the projected $25,000 shortfall. Rowe hopes it will cover the deficit and explained the fees are user fees only. Discussion of the affect of private tiers, which Rowe explained are small and will not affect the Town. Morin mentioned that he believes the numbers will cover the shortfall.

There were no public comments.

A motion was made to approve the recommended EMS Ambulance Rates for 2016.

MOVED:	Cluff
SECONDED:	Schulte
MODIFICATIONS:	None
VOTE:	7 in favor, 0 opposed. The motion carried.

The Chair proceeded to the next item.

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b. Discuss a Request by the Energy Efficiency Advisory Committee for an Ordinance Regulating Single-Use Carryout Plastic Shopping Bags – The Energy Efficiency Advisory Committee would like to present a possible ordinance on regulating single-use carryout plastic shopping bags. The draft Ordinance prepared by the Committee was included in the Board packet for your review. It has not yet been reviewed by our attorney.

Members of the Committee will be in attendance to answer any questions the Board may have. Bella Rossborough, a 5th grade student at Sea Road School, will also be in attendance. As you may recall, Bella attended a meeting of the Board when this issue came up last spring. She has been attending the Energy Efficiency Committee's meetings regularly and continues to be very interested in this issue (see newspaper article "Pupils seek plastic bag ban" that was included in the Board packet). At the Sea Road School's December Fair, Bella's class took a vote on "Would you support a fee for the use of single-use plastic bags?" The results were:

- 166 adults voted: 143 in favor and 23 against
- 13 children voted: 11 in favor and 2 against

In November, York voters approved the first-in-the state ban on single-use plastic bags.

In July of 2014, the Committee came before the Board requesting a non-binding question be placed on the November ballot to determine if the voters were interested in supporting a proclamation charging 5¢ for single-use shopping bags. At that time, the Board did not support their request and this was not forwarded to a Town Meeting vote.

DISCUSSION:
Tibbetts explained that there were members of the Energy Efficiency Committee present.

Fifth grade student, Bella Rossborough, went to the podium and explained she has learned 11 stores in town would support a 5 cent per bag fee, six stores would not and five had no comment. She explained the bags are not biodegradable and there are dangers to the environment and animals in our area.

Resident Dennis Andersen, who is a member of the Energy Efficiency Committee, mentioned that Bella comes to all the meetings and she energizes them. He explained that the ordinance before them is based on the City of Portland's ordinance. Andersen believes passing this will help by showing the Town cares about the environment and people. He mentioned it helps the storeowner because the fee goes back to them. Andersen thanked the Board for listening and he also explained that the Energy Efficiency Committee feels very strongly about this topic and would like this put before the voters in June, if possible. Morin asked how it will affect smaller businesses that use, for example, small sandwich bags. Anderson explained there are definitions in the ordinance about the different plastic bags. Morin mentioned that the public needs to know the information before voting on this. Boothby stated he would prefer signs made to hang in stores to remind people to use reusable bags. Andersen further explained the shopping bags cannot be recycled with other recyclables and should not be placed in the recycle cans. He further explained that large grocery stores, such as Hannaford, are required to have recycling containers for plastic bags. Schulte mentioned that the people in town recycle 50 percent because of the "Pay as You Throw" program. Schulte would prefer the bags be banned. Cluff would like to get rid of the bags too. Morin asked about enforcing the ordinance. Andersen explained that Portland does not enforce, but if there is a complaint, a letter is sent to the storeowner. Karytko suggested having a plastic bag disposal at the Town's transfer station and he likes the idea of using signs as a reminder to use reusable bags. Beal asked about the price difference between plastic and paper because if paper is more expensive, it would incur extra costs to the store.

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Tibbetts will look into having a plastic bag receptacle at the transfer station. Donovan would like to see this item go to the Ordinance Subcommittee and let Bella know so she can be included in the next step.

Bob Wuerthner, who is also on the Energy Efficiency Committee, mentioned that the goal is to get rid of plastic bags and the five cents is to encourage people to use reusable bags.

Resident Arlene Poisson mentioned that she is glad people are talking on this subject and thinks a higher fee or banning them will get quick results.

Resident Edie Rossborough stated that she would settle for a fee if that encourages people to use reusable bags.

A motion was made to direct this matter to the Ordinance Subcommittee, also include Styrofoam, and notify Bella Rossborough of the meeting date.

MOVED:	Morin
SECONDED:	Karytko
MODIFICATIONS:	None
VOTE:	7 in favor, 0 opposed. The motion carried.

Schulte also recommends a ban on plastic bags.

The Chair proceeded to the next item.

8. OLD BUSINESS (2ND READING)

a. Discuss the Recreation Director Position – Recreation Director, Brian Costello, will be retiring on April 22nd after 30 years of service with the Town. The discussion at the last meeting was to see what the interest level was with Arundel and Kennebunkport. After meeting with the two Town Managers, they felt the best solution going forward was to begin with "small steps" by working together on a few joint programs in the coming years.

Tibbetts' recommendation is to move forward with filling the Recreation Director position.

DISCUSSION:
Tibbetts reported that Arundel and Kennebunkport are not ready to merge the departments together. Karytko stated that he had spoken to a board member from one of the other towns and this person was unaware of this issue. Karytko asked Tibbetts if the other Boards have been approached and Tibbetts thought they had discussions. Karytko would like to see what will be advertised for the position and he mentioned areas that can be streamlined because of his concern with the $240,000 deficit. Cluff mentioned that the programs pay for themselves, as determined at the budget meeting, but the overhead is costly. Morin suggested promoting from within because the programs are established. Tibbetts explained some of the responsibilities the Recreation Director has, such as being out in the field because someone will need to do this if we do not hire another director and it would add to their workload. The Director leads the department and Tibbetts believes it will be difficult to maintain the programs. Schulte and Boothby would like the position filled. Cluff mentioned that they need to look at this because, if hiring someone now, it will be difficult to merge with other towns in the future. Discussion ensued of vacancies being filled every time without an assessment of need. Schulte mentioned that the deficit was discussed at the last budget meeting and this position was included in those discussions.

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Resident Arlene Poisson stated that she thinks the program is important and the $240,000 deficit is substantial. She believes it is possible to hire someone at a lower pay rate and the position should be filled quickly.

A motion was made to advertise the Recreation Director position.

MOVED:	Schulte
SECONDED:	Boothby
MODIFICATIONS:	None
VOTE:	4 in favor, 3 opposed (Morin, Cluff, and Karytko). The motion carried.

Karytko requested seeing the advertisement before it is posted. Beal stated they need to be clear on the salary.

The Chair proceeded to the next item.

b. Discuss a Consent Agreement for 2 Marsh View Avenue – The Board heard the presentation on this item at their meetings on December 8 and 22. This consent agreement is between the Town and the owners of 2 Marsh View Avenue, John and Jennifer McDonald regarding a violation in the fall of 2014 involving the unauthorized removal of trees in the Shoreland/Resource Protection districts as well as the removal of one tree on the neighboring property.

At the December 22nd meeting, the Board asked the Code Enforcement Officer, Paul Demers, for a revised plan, which was included in the Board packet. Please note that the plan now only reflects the actual restoration that would be acceptable to address the violation. The plan is the result of numerous conversations with DEP- endorsed arborists that are familiar with the violation process in other communities. The plant types and sizes have been reviewed to provide sufficient buffer restoration and are spaced to provide optimum opportunity for them to survive and do well in the long term.

This item was moved to a February discussion at the property owner's request.

DICUSSION:
Demers explained the revised restorative plan he put together with the help of the DEP, arborists and landscapers. A new plan was done because the majority of the Board did not like the previous plan. Demers further explained why certain trees were chosen. He further explained that some have a higher density of tree growth replacing those that were cut down. He also mentioned that the McDonalds have reviewed the plan and they approve. Tibbetts mentioned that one of the plans needs to be implemented and, if not, the DEP will step in and make the decision. Morin asked about the estimated price. Demers explained that the estimated price is $40,000; $20,000 of which is in escrow. Donovan asked Demers about the cost of attorney's fees and staff time. Demers replied review of the consent agreement was approximately $500 and he does not have an accurate number of staff hours. Cluff asked what the fines were in the past for similar incidents. Demers replied that fees vary. Schulte asked what the guidelines are for fines. Demers explained DEP fines are based per tree and the amount of money is at the discretion of the Board. McDonald explained they have tried to resolve this issue and want to do the right thing.

There were no public comments.

A motion was made to approve the revised set of plans and assess a $2,000 fine.

MOVED:	Boothby
SECONDED:	Cluff
MODIFICATIONS:	Noted below
VOTE:	4 in favor, 3 opposed (Schulte, Beal, and Karytko). The motion carried.

DRAFT

Discussion of clarifying the original motion ensued. Boothby explained that he chose $2,000 to include attorney's fees and staff time. Beal suggested waiting to receive the exact amount of attorney's fees before a motion is made. Schulte is in favor of requesting a $500 fee in accordance with the information Demers has given. An amended motion was made.

An amended motion was made to accept the plan as written and assess a $500 fee for attorney's fees.
MOVED: Schulte
SECONDED: Beal
MODIFICATIONS: None
VOTE: 3 in favor, 4 opposed (Morin, Donovan, Cluff, Boothby). The motion failed.

The Chair proceeded to the next item.

c. Discuss Various Special Events and Timing Thereof – Kennebunk is host to approximately 40+ special events over the course of one year. Most events are either non-profit organizations or Town events; however, we are beginning to receive new requests from for-profit individuals/groups. A summary of all events held in 2015 was included in the Board packet, providing insight into the potential conflicts by area and dates. Also included in the packet was a listing of past road closures.

At the last meeting, the Board reviewed a draft policy to regulate these events. The summary addresses:

- Areas covered in Town
- Priority ranking of which application is first
- Restrictions for road events and number of events on any given weekend
- Number of events allowed within a given area (Lower Village, Downtown, West Kennebunk)
- Events cannot be reserved earlier than six months in advance
- All events must comply with the Special Events Application
- A nominal fee of $25 would be charged for processing
- The number of participants that would trigger an application is now indicated
- Any road closure would be posted on the Town's website.

The draft policy has been revised further to include the items discussed at the last meeting.

DISCUSSION:
Tibbetts explained his revisions to the draft policy. Cluff questioned where there should be certain eligibility criteria to close roads. Anybody can apply for road closure now. Morin mentioned that criteria is missing. Boothby suggested staff decide on events and those that include road closures will up to the Board. Donovan agrees staff need to review first. The Board members discussed for-profit entities vs. nonprofit. Donovan recommends keeping the process fluid and not have guidelines too rigid.

Resident Lois Copeland explained it could be a function of quantity. She explained how her neighborhood is impacted due to the location and the number of events. There, can be four or five hour spans and it is an inconvenience, She suggested looking at different routes intermittently and not use the same roads all the time. Consider the needs of the residents and consider the inconvenience to residents.

A motion was made to approve the Special Event policy as written.
MOVED: Cluff
SECONDED: Schulte
MODIFICATIONS: None
VOTE: 5 in favor, 2 opposed (Karytko, Morin). The motion carried.

DRAFT

Karytko asked about the number of events that can be held. Cluff explained that it is one event per day. Karytko would like to see language used in the policy regarding different routes. Beal mentioned that this policy is a good start and can always be revised in the future.

The Chair proceeded to the next item.

d. Portland Symphony Orchestra (PSO) Event for July 28, 2016 – As discussed at the January 12th meeting, a group of local residents would like to bring back the PSO this summer (Thursday, July 28th) at the Waterhouse Center. We have met with the co-chairs of the Festival Committee and they have given their committee's endorsement. The same format for the Main Street road closure used last year would be applied. There were no accidents, delays or reported issues during that event. Those attending felt the event was a success.

The "Music on Main Street" subcommittee will be responsible for all event fundraising and announcements. They would work under the Festival Committee. As we did last year, Main Street would need to be closed for the performance.

DISCUSSION:
Tibbetts explained Music on Main Street and the Festival Committee believes this is a good event for downtown. He also mentioned that the traffic last year was handled well from the feedback he has heard.

Boothby asked if Tibbetts has spoken to businesses that were impacted last year. Tibbetts replied that Music on Main Street members had discussions with some of the businesses. Tibbetts also mentioned that Linda Johnson has spoken with them too. Schulte asked if last year's costs were covered by the Senior Center. Tibbetts replied that, to the best of his knowledge, it was fully covered. He also mentioned that Music on Main Street will fundraise to pay for the event this year. If the money is not raised, it will not be held. Morin has had feedback that the event was a costly evening for the restaurants in the area. Karytko mentioned it was difficult to hear the event from across the street and asked about holding the event in an enclosed area. Beal responded that there is no other venue and seating would be difficult for some people. Cluff asked if this event will need to go through the new special event policy. Tibbetts responded that is a Town sponsored event because the Festival Committee is sponsoring it. Cluff stated his preference is to wait until it goes through the special event process.

Carolyn Nishon, Executive Director of the PSO, thanked the Board for hosting last year's event. The group enjoyed performing in Kennebunk and were welcomed by the community. Nishon described the event from last year and asked to consider closing the road again. She did mention rehearsal was difficult because of motorcycle noise. Nishon would like to collaborate with the businesses across the street to improve this year's event. She also pointed out that this is a free event and she hopes those who had a positive experience outweigh those who did not.

A motion was made to allow the PSO event on July 28th with the necessary traffic redirection.

MOVED:	Donovan
SECONDED:	Boothby
MODIFICATIONS:	None
VOTE:	4 in favor, 3 opposed (Cluff, Morin Karytko). The motion carried.

The Chair proceeded to the next item.

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e. Discuss the Board of Selectmen's Strategic Plan Survey – included in the Board packet is a modified survey to include questions for the Comprehensive Plan and Zoning Ordinance Update Committee's review/usage. These additional questions will allow the survey to have a dual usage.

DISCUSSION:
Tibbetts mentioned that the survey notice will be going out with the property tax bills the beginning of March and needs to be ready by February 23rd. Cluff expressed his concern with the length of the survey. Eddy replied that it is the similar number of questions as the previous survey and they received over 1,000 responses then. Karytko asked what the purpose of the survey is. Eddy explained they are attempting to provide direction for the Selectmen's strategic process and provide guidance to go forward.

Resident Betsy Smith, Comprehensive Plan and Zoning Ordinance Update Committee member, mentioned that the Committee has not approved the questions. She explained that she worked on three versions along with other members. Eddy explained that he needed to get it back to the Board so it would be ready for the mailing. Smith stated she is concerned that the survey is being rushed and is concerned with the complication of being online. She recommends a mailing because not all people have computers.

Resident Chauncey Copeland asked if a question on the dams is included in the survey. Cluff replied that there is a question in the survey about the dams. Copeland stated that it does not make good sense to ask for public opinion without information from the report and he suggests the question be removed. Donovan explained that they are asking for opinions only and it is not binding. Schulte mentioned that he is uncomfortable having the Comprehensive Plan portion included if their committee has not approved it. Eddy stated that he would bring to the committee for review if this can wait.

Resident Lois Copeland stated her outrage that the question of dams is on the survey before options are vetted. She stated that she is waiting for the Town and the Board do its job and have the workshop. Donovan explained it is a KLPD decision.

Resident Tim Summers stated that it is important that everyone providing input has all the information and it is not the right time to have a dam question on the survey.

Morin thinks the question should be removed from the survey. Beal agrees and does not want it to come back to the Board.

Resident Patricia Hughes mentioned that seniors may not have an option to use a computer. She questioned why the dam question is on this.

Schulte suggested sending the questions back to the committee and come back to this item in at the next Board meeting.

No motion was made. This will be reviewed at the next Board meeting after the Comprehensive Plan and Zoning Ordinance Update Committee has had a chance to review it.

The Chair proceeded to the next item.

f. Discuss the Workshop Tentatively Scheduled for March 15th Regarding the Dams – Kennebunk Light & Power District will be holding a hydro meeting in mid March based on the Wright Pierce final report that is expected to be released in the latter part of February. A potential KLPD decision on the disposition of the dams may be made in late March or May. This timeframe still gives KLPD several months to prepare

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and analyze options prior to filing with FERC. KLPD has declined a joint meeting with Kennebunk Board of Selectmen at this time.

Since KLPD will not make the decision until late March or May, there is not enough time for a straw poll vote in June. The next option for a straw poll would be November. Depending on the outcome of a straw poll vote, an early winter vote by the legislative body may be necessary before the FERC filing date.

After KLPD's initial decision (March/May), the Board could hold a workshop to discuss that decision and the Wright Pierce final report before making recommendations to KLPD for their consideration before the filing with FERC. Perhaps late May or June might be a better timeline for the workshop.

DISCUSSION:
Tibbetts has spoken to KPLD and requested a joint meeting on March 15th. KLPD has declined to attend the joint meeting and they will be issuing their final report at the end of February and holding a public meeting in mid-March. Tibbetts explained the option of having a straw vote in November. Tibbetts is recommending putting the workshop on hold until the Town receives KPLD's initial decision in March/May. Donovan recommends having the workshop after KLPD has made their decision also and after their board makes their decision, this board will decide whether to bring it to the voters.

Resident Sean Teague understands the logic and he feels it would not satisfy many of the residents to have the workshop after the KLPD meeting. He would like to go into a workshop first. Teague would like to have someone in to advise on property values. Cluff mentioned that realtors could be biased because it affects their business and he also disclosed that his father is on the Board of KPLD and his information is the same as Tibbetts.

Resident Chauncey Copeland voiced his concerns in trusting KLPD and the timing of the meetings. He read the timeline from KPLD's November 6th minutes and stated the timeline has changed. Tibbetts explained that when he spoke to Todd Shea, General Manager of KLPD, he was told they will not file with FERC until 2017 and will give the community a chance to decide on alternatives.

Resident Nancy Campbell-Jones asked if the Town could buy the dams back from KLPD. Tibbetts replied that it can be accomplished and KLPD needs to determine if they will continue electric generation for some or all of the dams. At that time, the Town will be able to determine what to do.

Resident Ward Hanson mentioned his concern with the lack of response from KPLD on electric costs. They only mentioned a range of 2.5% to 11.5% increase.

Resident Arlene Poisson believes that KPLD has been open. They have held one or two meetings that were open to the public. She believes property values will rise if the dams are gone and a workshop held prior would be beneficial.

Merton Brown, Town Clerk, reminded the Board that in order to have something on the November ballot, it will need to be ready by August 15th.

No motion was made.

The Chair proceeded to the next item.

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9. New Business (1st Reading)

a. Discuss a Request by the Police Department to Obtain Statewide Arrest Powers –Kennebunk PD is looking to obtain statewide arrest powers in order to reduce liability on officers when making arrests outside our jurisdiction. Kennebunk officers are occasionally put in a position where officers may have to make an arrest outside Kennebunk. This may involve our detectives, officers assigned to countywide taskforce groups or other situations.

Statewide arrest powers, by state statute, must be confirmed by the Board of Selectmen. There are currently seven agencies within York County with this authority: Biddeford, Eliot, Kittery, Wells, Sanford, York and Ogunquit.

Why do we need this? Recently, several Kennebunk officers had countywide arrest powers after being sworn in as special deputies. However, the Sheriff has since found an issue with the special deputy authorization and had to rescind all of the IDs and arrest powers. The York County Sheriff's Office is looking into creating a Memorandum of Understanding to solve this, but the timeframe is unknown.

With statewide arrest powers, we would not have to be concerned with countywide jurisdiction. Deputy Chief Nugent is familiar with this program and will make a presentation to the Selectmen at the meeting. A copy of the draft of the Statewide Arrest Powers and Procedures document was included in the Board packet and provided by Deputy Chief Nugent.

DISCUSSION:
Nugent gave a background of what the previous arrest powers covered when the officers were sworn in as special deputies. This authorization has recently changed and their authority was rescinded. Nugent further explained that enforcement teams are unable to operate. Having statewide power gives legal authority for officers to take actions when circumstances compel them outside of the Town. He explained that if this is approved, it will take effect immediately. Morin stated that it is useful to give our officers protection. Donovan stated not having these powers puts our officers in danger. No second reading was necessary.

There were no public comments.

A motion was made to accept the statewide arrest powers policy.
MOVED: Karytko
SECONDED: Cluff
MODIFICATIONS: None
VOTE: 7 in favor, 0 opposed. The motion carried.

The Chair proceeded to the next item.

b. Allocate Additional TIF Operational Items– At the February 4th budget meeting, the Budget Board and Board of Selectmen identified the following two committees to be funded from the Route One North TIF:

Economic Development Committee	$4,250.00
Downtown Committee	4,900.00
	$9,150.00

The approved TIF Operational balance for 2016 is $190,903; with the $9,150.00 addition from the budget meeting, the new total would be $200,053.

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There were no public comments.

A motion was made to add the Economic Development Committee ($4,250.00) and Downtown Committee ($4,900.00) to the 2016 Operational TIF account.
MOVED: Boothby
SECONDED: Cluff
MODIFICATIONS: None
VOTE: 7 in favor, 0 opposed. The motion carried.

Beal stated that this does not need a second reading due to discussion at the February 4th budget meeting.

The Chair proceeded to the next item.

c. Discuss the Use of the Proceeds from the Sale of the 1973 Dodge Brush Truck – Would the Board consider an alternative to placing the $5,973.73 received from the sale of the 1973 Dodge truck into the general fund? The Fire Chief has requested using the funds to resolve an issue the Fire Department (Central Station) and the West Kennebunk Village Committee (Dorothy Stevens Community Center) have regarding their kitchen hood vents.

The existing hood vent at the Dorothy Stevens Community Center is too small for the facility. The West Kennebunk Village Committee has been looking for a larger hood vent system. The current stove and hood vent in the Central Fire Station bay kitchen is available. The Fire Department wants to place a new stove in their kitchen area and needs a smaller hood vent. The Chief would like to use the funds from the sale of the brush truck to hire a licensed installer to switch the hood vents.

Would the Board be willing to allow the monies from the sale of the truck to be used for this conversion versus being put in the general fund?

DISCUSSION:
Tibbetts explained that the West Kennebunk Village Committee has wanted to improve the kitchen but there is an issue with the new stove and hood size. Staff came up with a good solution to reuse both hoods. Cluff asked Rowe if the other departments are in agreement since they share equipment costs. Chief Rowe explained that he has spoken with staff and they are satisfied with the idea. Karytko asked about the expense. Rowe mentioned that the hoods have fire extinguishing systems which incur higher expenses for installation.

There were no public comments.

A motion was made to allow the $5,973.73 to be applied toward the installation of vented hoods for the Dorothy Stevens Community Center and Central Fire Station.
MOVED: Karytko
SECONDED: Cluff
MODIFICATIONS: None
VOTE: 7 in favor, 0 opposed. The motion carried.

The Chair proceeded to the next item.

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d. Discuss Boards and Committees (resignations/appointments, if any)

- **Appointment of Resident being interviewed at the beginning of the meeting:**
  - Lisa Emmons Downtown Committee Vacancies: (1) Regular 2017
    (1) Alternate 2016

There were no public comments.

A motion was made to appoint Lisa Emmons as a Regular member on the Downtown Committee with a term expiring on June 30, 2017.

MOVED:	Donovan
SECONDED:	Karytko
MODIFICATIONS:	None
VOTE:	7 in favor, 0 opposed. The motion carried.

e. Discuss Any Other Business - None

The Chair proceeded to the next item.

10. SELECTMEN'S COMMENTS

a. Subcommittee Reports

Schulte attended the Recreation Committee meeting and reported that items covered are what came up in the meeting over the last several days.

Cluff attended an Economic Development meeting briefly and they are moving forward with the TIF expenditure will make a list of priorities what they would like done over the next few years.

Schulte also attended the monthly meeting of RSU21 strategic planning operation and he was pleased with the progress they are making.

b. Individual Selectmen Comments

Selectman Schulte
- Suggested that new Board members meet with departments in town on a structured basis.

Selectman Boothby
- No comments.

Selectmen Cluff
- No comments.

Selectman Karytko
- West Kennebunk Village Committee is excited to be receiving the appliances.
- The School Board for RSU21 has begun their financial deliberations and there is a budget meeting on Friday.

Selectman Beal
- No comments.

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Selectman Morin

- No comments.

Selectman Donovan

- On behalf of the Selectmen and the Town, he would like to extend the condolences to the family of Geraldine Waterhouse. He had the opportunity to speak with her one-on-one and found her to be a very intelligent and caring woman.

The Chair proceeded to the next item.

11. TOWN MANAGER'S COMMENTS/NOTES

a. Budget Meetings dates for review of the 2016-17 proposed budget are as follows:

Meeting #1	Tuesday, February 2	6:00 pm to 9:00 pm
Meeting #2	Thursday, February 4	6:00 pm to 9:00 pm
Meeting #3	Saturday, February 6	8:30 am to 11:30 am
Meeting #4	Thursday, February 11	6:00 pm to 9:00 pm
Meeting #5	Saturday, February 13	8:30 am to 11:30 am
Meeting #6	Tuesday, February 16	6:00 pm to 9:00 pm

Budget meeting is on Thursday night and they will be discussing public works and debt structure. Saturday's budget meeting will have capital equipment and roads discussions.

b. Public Meeting Notice for Mathew J. Lanigan Bridge Replacement Meeting – Wednesday, February 10th at 6:00 p.m. in the Kennebunk High School Auditorium.

The Chair proceeded to the next item.

12. EXECUTIVE SESSION(S)

a. Discuss Pending Litigation with the Town Manager, Finance Director and Town Attorney - Title 1 MRSA Sec. 405(6)(E)
b. Discuss an Economic Development Matter with the Town Manager, Development Director and Finance Director regarding an economic development matter where premature disclosure of the same would prejudice the competitive bargaining position of the Town relative to the same - Title 1 MRSA Sec. 405(6)(C)
c. Discuss a Personnel Issue with the Town Manager, Finance Director, Human Resource Director and Public Services Director - Title 1 MRSA Sec. 405(6)(A)
d. Discuss Salaries and Wages with the Town Manager, Finance Director and Human Resource Director - Title 1 MRSA Sec. 405(6)(A)

A motion was made to go into Executive Session at 9:45 p.m.

MOVED:	Donovan
SECONDED:	Cluff
MODIFICATIONS:	None
VOTE:	7 in favor, 0 opposed. The motion carried.

Upon coming out of executive session, the Board had nothing to report.

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13. ADJOURNMENT

A motion was made to adjourn the meeting at 11:00 p.m.

MOVED:	Donovan
SECONDED:	Cluff
MODIFICATIONS:	None
VOTE:	7 in favor, 0 opposed. The motion carried.

Deborah Beal, Secretary
Kennebunk Board of Selectmen

Minutes Approved: _____

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6.b.

STANDARD & POOR'S
RATINGS SERVICES
McGRAW HILL FINANCIAL

RatingsDirect®

Summary:

Kennebunk Town, Maine; General Obligation

Primary Credit Analyst:
Anthony Polanco, Boston 617-530-8234; anthony.polanco@standardandpoors.com

Secondary Contact:
Travis L McGahey, New York 212-438-7994; travis.mcgahey@standardandpoors.com

Table Of Contents

Rationale

Outlook

Related Criteria And Research

Summary:

Kennebunk Town, Maine; General Obligation

Credit Profile		
US$3.049 mil GO bnds ser 2016 dtd 03/01/2016 due 10/01/2030		
Long Term Rating	AAA/Stable	New
Kennebunk Twn GO		
Long Term Rating	AAA/Stable	Affirmed
Kennebunk Twn GO		
Unenhanced Rating	AAA(SPUR)/Stable	Affirmed

Many issues are enhanced by bond insurance.

Rationale

Standard & Poor's Ratings Services assigned its 'AAA' rating and stable outlook to Kennebunk Town, Maine's series 2016 general obligation (GO) bonds and affirmed its 'AAA' rating, with a stable outlook, on the town's existing GO debt.

The town's full-faith-and-credit pledge secures the bonds. Although the town is not restricted to a particular revenue source, Kennebunk could levy ad valorem property taxes for bond repayment, subject to limitations of the state's LD-1 legislation. Despite state limitations on levy limits, we did not make a rating distinction for the limited-tax GO pledge due to the town's flexibility under the levy limit. We understand officials plan to use series 2016 bond proceeds to fund various infrastructure and tax-increment financing projects and finance the purchase of new vehicles and equipment, in-line with the town's capital improvement plan (CIP).

The rating reflects our opinion of the following factors for Kennebunk, specifically its:

- Very strong economy, with access to a broad and diverse metropolitan statistical area (MSA);
- Strong management, with good financial management policies and practices under our Financial Management Assessment (FMA) methodology;
- Strong budgetary performance, with balanced operating results in the general fund and a slight operating surplus at the total governmental fund level in fiscal 2015;
- Very strong budgetary flexibility, with an available fund balance in fiscal 2015 of 23% of operating expenditures;
- Very strong liquidity, with total government available cash at 32.8% of total governmental fund expenditures and 7.3x governmental debt service, and access to external liquidity we consider strong;
- Very strong debt and contingent liability position, with debt service carrying charges at 4.5% of expenditures and net direct debt that is 32.6% of total governmental fund revenue, as well as low overall net debt at less than 3% of market value and rapid amortization, with 88% of debt scheduled to be retired within 10 years; and
- Strong institutional framework score.

Very strong economy

We consider Kennebunk's economy very strong. The town, with an estimated population of 11,042, is located in York County in the Portland-South Portland MSA, which we consider broad and diverse. The town has a projected per capita effective buying income of 145% of the national level and per capita market value of $203,387, which we calculated using the town's equalized state valuation. Overall, the town's market value grew by 4% over the past year to $2.2 billion in 2016. The county unemployment rate was 5.3% in 2014.

Kennebunk is on the southern coast of Maine, about 24 miles southwest of Portland, along Interstate 95. In addition to commuting into Portland for employment, residents could choose to work at one of the town's leading employers, such as the local school district (366 employees). Other leading employers include:

- Corning (335 employees), a medical-lab-equipment manufacturer;
- Kennebunk Savings Bank (150);
- Sunrise Senior Living (150); and
- Southern Maine Medical Center/Prime Care (150).

Besides various light-industrial and commercial enterprises, several shops, and art galleries, tourism is an important economic resource due to the town's access to the coast. The slated opening of the town's train station on the Downeaster Amtrak line in 2018 should further bolster tourism in the town; the station should strengthen Kennebunk's connection to Boston and other coastal cities.

Assessed valuation (AV) has grown modestly, yet consistently, each fiscal year since fiscal 2010. Management is projecting AV will continue to grow modestly. Officials expect strong housing starts; the construction of a bowling alley and restaurant downtown; the expansion of Kennebunk Savings Bank; a brewery; and a software company in the town's business park to contribute to ongoing property tax base growth, which we believe will cater to a stable budgetary environment. There is no taxpayer concentration with the 10 leading taxpayers accounting for a very diverse 7.9% of AV.

Strong management

We view the town's management as strong, with good financial management policies and practices under our FMA methodology, indicating financial practices exist in most areas, but that governance officials might not formalize or monitor all of them on a regular basis.

We view Kennebunk's revenue and expenditure assumptions as conservative, demonstrated by its record of outperforming the budget year after year. The town uses a zero-based approach to budgeting, supplemented by a three-year historical budget analysis. Management makes quarterly reports on budget-to-actual results to the town board. Although Kennebunk does not perform any long-term revenue and expenditure forecasts, it maintains a formal 15-year CIP that it updates annually, albeit without identifying funding sources. Management's formal investment policy calls for quarterly reports to the board on holdings and performance. The town does not have a debt management policy; it, however, maintains a formal reserve policy that targets a minimum 16.7% of unassigned general fund balance, which management adheres to currently.

Strong budgetary performance

Kennebunk's budgetary performance is strong in our opinion. The town had balanced operating results in the general fund of 0.4% of expenditures, and slight surplus results across all governmental funds of 1.3% of expenditures in fiscal 2015.

The town has a history of seven consecutive operating surpluses, which management attributes to conservative budgeting. Kennebunk typically appropriates reserves to balance the budget each year then replenishes those reserves, and it ends the fiscal year building fund balance. Management attributes positive fiscal 2015 results, after accounting for recurring transfers, to positive revenue variances across the board; expenditures, except for snow-and-ice removal, came in as expected.

With five months remaining in the current fiscal 2016, management expects to outperform the $36 million fiscal 2016 budget, which includes a $1.3 million appropriation that officials have included historically. Management attributes its expected $500,000 operating surplus to positive revenue variances across the board and expenditures coming in as budgeted.

We also believe Kennebunk maintains a stable and predictable revenue profile: Property taxes generate 85% of general fund revenue. We consider tax collections strong and stable, averaging 99.5% over the past five years. Therefore, we expect budgetary performance, guided by sound management practices and policies, to remain strong. In addition, we believe the town will likely maintain its positive record of stable operations, as it has done historically.

Very strong budgetary flexibility

Kennebunk's budgetary flexibility is very strong, in our view, with an available fund balance in fiscal 2015 of 23% of operating expenditures, or $7.9 million.

In our opinion, available reserves have consistently remained very strong over the past three fiscal years, ranging between 22.6% of expenditures and 25.8% of expenditures, with no plans to spend them down significantly. Despite an operating surplus posted in fiscal 2015, available fund balance decreased by about $400,000 to 22.6% of fiscal 2015 expenditures due primarily to the reclassification of some unassigned reserves as committed reserves. Nevertheless, reserve funding has complied with the town's reserve policy of 16.7% of expenditures. Due to Kennebunk's record of several consecutive operating surpluses, coupled with positive results projected for fiscal 2016, as well as a 3.4% levy increase in fiscal 2016 and another increase projected in fiscal 2017, we expect Kennebunk to continue to build on fund balance modestly, as it has done historically.

Very strong liquidity

In our opinion, Kennebunk's liquidity is very strong, with total government available cash at 32.8% of total governmental fund expenditures and 7.3x governmental debt service in 2015. In our view, the town has strong access to external liquidity if necessary.

Kennebunk's maintenance of its strong access to external liquidity, since it has issued GO bonds four times within the past 10 years, further enhances our view of its liquidity. The town does not currently have investments we consider permissive or aggressive because the entirety of its investment in governmental funds is certificates of deposit. We understand Kennebunk has not entered into any bank loans, direct-purchase debt, or contingent liquidity risks from

financial instruments with payment provisions that change upon the occurrence of certain events. The town has consistently had very strong liquidity; we do not expect these ratios to change, which is consistent with our view of Kennebunk's strong and stable budgetary performance.

Very strong debt and contingent liability profile

In our view, Kennebunk's debt and contingent liability profile is very strong. Total governmental fund debt service is 4.5% of total governmental fund expenditures, and net direct debt is 32.6% of total governmental fund revenue. Overall net debt is low at 2.5% of market value, and approximately 88% of the direct debt is scheduled to be repaid within 10 years, which are, in our view, positive credit factors.

Kennebunk has about $11.6 million of debt outstanding, and it currently expects to issue an additional $2.5 million of debt over the next two years to finance various road improvement projects. Officials, however, intend to amortize all medium-term debt plans within 10 years or less; we do not believe these plans will have a material effect on debt. The town currently plans to retire all current debt outstanding by 2031.

Kennebunk's combined required pension and actual other postemployment benefit (OPEB) contribution totaled 0.5% of total governmental fund expenditures in fiscal 2015. The town made its full annual required pension contribution in fiscal 2015.

Kennebunk contributes to the defined-benefit Maine Public Employees' Retirement System (MainePERS) for pensions. Associated costs, which account for less than 1% of expenditures, are not pressuring the budget because the system is currently 83% funded; the town has been meeting its pension requirements annually. Kennebunk offers employees not participating in MainePERS defined-contribution and deferred-compensation plans or a social security retirement program.

Kennebunk is a member of the Maine Municipal Employees' Health Trust, which sponsors an OPEB plan that provides health insurance to retiring employees. The town offers an implicit rate subsidy to retirees, paid by the retirees. In fiscal 2015, the town contributed $4,221 of its $31,484 annual required contribution. The OPEB plan is unfunded with an actuarial accrued liability of $258,827.

We believe that retirement costs do not currently have a material effect on finances or operations and that they will likely remain manageable within the next three years to four years.

Strong institutional framework

The institutional framework score for Maine municipalities is strong.

Outlook

The stable outlook reflects Standard & Poor's opinion of Kennebunk's strong management practices and policies that guide strong budgetary performance, which Standard & Poor's expects officials will maintain. In addition, we believe the town's very strong economy, budgetary flexibility, liquidity, and debt profile provide rating stability. Therefore, we do not expect to change the rating within the outlook's two-year period.

Although unlikely to occur, if financial performance were to deteriorate, contributing to reduced reserves to adequate levels, in-line with peers at a lower rating, we could lower the rating.

Related Criteria And Research

Related Criteria

- USPF Criteria: Local Government GO Ratings Methodology And Assumptions, Sept. 12, 2013
- USPF Criteria: Financial Management Assessment, June 27, 2006
- USPF Criteria: Debt Statement Analysis, Aug. 22, 2006
- USPF Criteria: Limited-Tax GO Debt, Jan. 10, 2002
- USPF Criteria: Assigning Issue Credit Ratings Of Operating Entities, May 20, 2015
- Ratings Above The Sovereign: Corporate And Government Ratings—Methodology And Assumptions, Nov. 19, 2013
- Criteria: Use of CreditWatch And Outlooks, Sept. 14, 2009

Related Research

- S&P Public Finance Local GO Criteria: How We Adjust Data For Analytic Consistency, Sept. 12, 2013
- Incorporating GASB 67 And 68: Evaluating Pension/OPEB Obligations Under Standard & Poor's U.S. Local Government GO Criteria, Sept. 2, 2015
- Institutional Framework Overview: Maine Local Governments

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.globalcreditportal.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com. Use the Ratings search box located in the left column.

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MOODY'S
INVESTORS SERVICE

CREDIT OPINION
11 February 2016

New Issue

Rate this Research

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Kennebunk (Town of) ME

New Issue - Moody's upgrades Kennebunk, ME's GO Bonds to Aa1

Summary Rating Rationale

Moody's Investors Service has upgraded to Aa1 from Aa2 the rating on the Town of Kennebunk, ME's $9.5 million in outstanding general obligation debt. Concurrently, Moody's has assigned a Aa1 rating to the town's $3 million 2016 General Obligation Bonds.

The upgrade to Aa1 reflects the town's sound fiscal management and multiple operating surpluses leading to strong reserve levels. The rating also incorporates the moderately sized tax base with above average wealth levels, below average debt burden, and low pension and OPEB liabilities.

Credit Strengths

» Healthy reserve position supported by a formal policy

» Strong and experienced management team

» Low fixed cost structure

Credit Challenges

» Moderate revenue raising ability due to LD-1

Rating Outlook

Outlooks are usually not assigned to local government credits with this amount of debt outstanding.

Factors that Could Lead to an Upgrade

» Significant tax base expansion and improvement in the demographic profile

» Multiple years of large surpluses that leads to a significant growth of reserve levels

Factors that Could Lead to a Downgrade

» Operating deficits resulting in a material decline in reserves or liquidity

» Deterioration in tax base or demographic profile

» Material growth in debt burden

Key Indicators

Exhibit 1

Kennebunk (Town of) ME	2011	2012	2013	2014	2015
Economy/Tax Base					
Total Full Value ($000)	$ 2,126,200	$ 2,128,450	$ 2,097,550	$ 2,085,300	$ 2,159,200
Full Value Per Capita	$ 196,907	$ 197,115	$ 194,254	$ 193,119	$ 199,963
Median Family Income (% of US Median)	141.2%	143.2%	145.9%	145.9%	145.9%
Finances					
Operating Revenue ($000)	$ 32,338	$ 32,372	$ 33,365	$ 35,121	$ 35,361
Fund Balance as a % of Revenues	24.6%	25.2%	25.2%	26.3%	26.5%
Cash Balance as a % of Revenues	34.4%	33.3%	29.6%	43.5%	36.4%
Debt/Pensions					
Net Direct Debt ($000)	$ 8,312	$ 7,469	$ 6,695	$ 10,770	$ 9,538
Net Direct Debt / Operating Revenues (x)	0.3x	0.2x	0.2x	0.3x	0.3x
Net Direct Debt / Full Value (%)	0.4%	0.4%	0.3%	0.5%	0.4%
Moody's - adjusted Net Pension Liability (3-yr average) to Revenues (x)	N/A	0.0x	0.1x	0.1x	0.2x
Moody's - adjusted Net Pension Liability (3-yr average) to Full Value (%)	N/A	0.0%	0.1%	0.2%	0.3%

Source: Moody's Investors Service

Detailed Rating Considerations

Economy and Tax Base: Modest Growth Expected for Coastal Tax Base with Above Average Wealth

The town's moderately-sized $2.2 billion tax base will continue to grow modestly given ample land available for development and the desirability of homes in this primarily residential community. Located on the coast, 24 miles southwest of Portland (Aa1 stable), assessed value has increased an average of 1.3% annually from fiscal 2011-2016, including 0.7% in fiscal 2016. Following two years of modest declines (2013-2014), equalized value increased 3.5% and 4% in 2015 and 2016. Future growth will be driven by ongoing commercial and residential development. Total building permit value increased to $28.3 million in fiscal 2015 from $21.2 million in 2014. In addition, the Amtrak Downeaster train from Boston will add a summer stop at Kennebunk next year. This should help spur additional tourism, which is already healthy and an important component to the economy.

Wealth levels are above average compared to the state and US with a median family income of $94,418 (154.5% of state and 145.9% of US). The strong equalized value per capita of $207,988 incorporates the number of second homes and high-valued waterfront properties as well as a growing commercial sector. York County's favorable location – in southeastern Maine bordering Cumberland County (Aa1), the economic hub of the state – contributes to the low countywide unemployment rate of 3.5% (3.9% state, 4.8% US).

Financial Operations and Reserves: Well-Managed Financial Position with Healthy Reserves

Kennebunk's financial management is very strong and includes conservative budgeting practices that consistantly balance recurring revenues and expenditures. The sustained structural operating balance has led to over five consecutive years of operating surpluses. Audited fiscal 2015 results reflect a $132,000 surplus which increased available General Fund balance (excludes nonspendable) to $9.4 million, or a healthy 26.5% of revenue. Positively, the majority of this amount ($7.7 million or 21.8%) remains unassigned. The town's formal policy stipulates that unassigned fund balance remain at a minimum of 16.7%, of the current budget's expenditures, and the town will often appropriate funds above that amount for capital projects, but never to support operating expenses.

The fiscal 2016 budget increased 4.9% from 2015 due to workers' compensation claims, recycling collection costs, and salary increases. The tax levy increased 3.4% (under the LD-1 cap). Management reports that operations are stable year to date and expects to end the year balanced or with another modest surplus.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moodys.com for the most updated credit rating action information and rating history.

The primary revenue source is property taxes (91.1% of fiscal 2015 revenues) and collections remain strong with over 97% collected within the current fiscal year. The town receives less than 3% of its annual revenues from the state, which is a credit strength given that the state has made large cuts to municipal revenue sharing in recent years.

LIQUIDITY

General Fund cash at the close of fiscal 2015 totaled $12.9 million, or a healthy 36.4% of revenues. The liquidity position has been relatively stable at the end of each fiscal year, averaging $11.9 million from fiscal 2010-2014.

Debt and Pensions: Manageable Long-Term Liabilities Enhance Credit Profile

The debt burden (0.5% of equalized value) is below average and will remain manageable given a strong commitment to pay-go capital spending, fast amortization, and limited future borrowing plans. The overall debt burden increases to 2.5% of equalized value when incorporating overlapping debt for York County and Regional School Unit 21 (Aa3). The overlapping debt burden is a notable increase from prior years due to the RSU's recent $45 million debt issuance to finance school renovations. The debt was approved by the three member towns.

The town maintains a 15 year Capital Improvement Plan that totals $27.7 million through fiscal 2031, which will be financed with both debt and pay-as-you-go financing.

DEBT STRUCTURE

All debt is fixed rate and amortization of principal is above average, with 88% repaid within ten years. Debt service costs of $1.6 million in fiscal 2015 comprised a modest 4.4% of expenditures.

DEBT-RELATED DERIVATIVES

Kennebunk has no derivatives.

PENSIONS AND OPEB

Kennebunk participates in the Maine Public Employees Retirement System's Consolidated Plan for Participating Local Districts, a multi-employer defined benefit retirement plan sponsored by the State of Maine (Aa2 stable). The town always funds its required contribution, which was $174,069 in fiscal 2015, or less than 1% of operating expenditures. The combined adjusted net pension liability, under Moody's methodology for adjusting reported pension data, is $4.9 million, or a below average 0.14 times operating revenues. Moody's uses the adjusted net pension liability to improve comparability of reported pension liabilities. The adjustments are not intended to replace the town's reported liability information, but to improve comparability with other rated entities. We determined the town's share of liability for the state-run plans in proportion to its contributions to the plans.

The OPEB liability is very modest at $260,000 and is limited to the value of its implicit rate subsidy to retirees that buy into the health insurance benefit plan offered to active employees. Total fixed costs for fiscal 2015, including debt service, required pension contributions and retiree healthcare payments, represented $1.7 million, or a below average and manageable 4.9% of operating expenditures.

Management and Governance

Town management is strong, as evidenced by a growing and healthy fund balance, formal fiscal policies, and multi-year capital planning. Maine towns have an institutional framework score of "Aa," or strong. Revenues are highly predictable and mostly consist of property taxes, with a smaller portion coming from state aid. Towns have moderate revenue-raising ability since property taxes are subject to the state property tax cap known as LD 1, although the cap can be exceeded by a majority vote of the legislative body. Expenditure predictability is moderate, as most expenditures are for education, general government and public safety. Towns have a moderate expenditure reduction ability due to public sector union presence.

Legal Security

The bonds are secured by the town's general obligation limited tax pledge, as debt service is subject to the state's property tax limitation known as LD-1.

Use of Proceeds

Bond proceeds will finance various capital improvements including infrastructure improvements and equipment and vehicle purchases.

Obligor Profile

The Town of Kennebunk has a population of 10,800 and is located on the coast of Maine in York County, approximately 24 miles southwest of Portland (Aa1 stable).

Methodology

The principal methodology used in this rating was US Local Government General Obligation Debt published in January 2014. Please see the Ratings Methodologies page on www.moodys.com for a copy of this methodology.

Ratings

Exhibit 2

KENNEBUNK (TOWN OF) ME

Issue	Rating
2016 General Obligation Bonds	Aa1
Rating Type	Underlying LT
Sale Amount	$3,049,000
Expected Sale Date	02/17/2016
Rating Description	General Obligation Limited Tax

Source: Moody's Investors Service

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REPORT NUMBER 1015293

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MOODY'S
INVESTORS SERVICE

8.a.

(Editor's note – capitalization, formatting, etc. will be adjusted before issuance)

Kennebunk Planning Survey

The Kennebunk Board of Selectmen and Town Manager are initiating a strategic plan and goal setting process early in 2016.[1] We have also charged a new town committee with the update of the Comprehensive Plan and Zoning Ordinance. We would like to ask you questions to help guide those processes. We are very much interested in input from residents (year-round and seasonal) and business property owners. One survey response per person, please. We may follow up with more detailed questions.

The survey has three sections:

1. Strategic planning for the Board of Selectmen
2. Comprehensive planning and land use questions for the Comprehensive Plan and Zoning Update Committee; and,
3. Demographic information about you to help better understand trends in the community.

Please take the time to complete this survey - your comments and observations will be anonymous: please feel free to be open and candid. Please note if there is a need to add additional comments to space provided or other ideas, there is space at the end of this survey to do so. Thank you for your participation.

Section 1: Selectmen Questions

1. Rate the communication between the community and Town elected and appointed officials:
   Excellent____ Good___ Fair___ Poor___ Don't Know___

   What improvements could be made? (e.g. website, mailings, meetings, more municipal TV channel shows)
   _____
   _____
   _____

2. Please rate the following in terms of your view of what Selectmen priorities should be:

	High	Medium	Low
a. Regular joint meetings with the School Board	_____	_____	_____
b. Improved dialogue related to financial planning	_____	_____	_____
c. A 5 year Capital Improvement Plan and financial strategy	_____	_____	_____
d. More citizen Involvement in decision making	_____	_____	_____
e. More cost sharing with neighboring communities	_____	_____	_____
f. Emphasis on support business and economic dev.	_____	_____	_____
g. Energy efficiency measures in public buildings	_____	_____	_____
h. Maintenance of small town community character	_____	_____	_____
i. More "user fees" to offset increases in to the tax rate (i.e. trash bags, beach parking, etc)	_____	_____	_____
j. Public Safety-Police, Fire, EMS, Emergency Management	_____	_____	_____
k. Public Works-Highways, road, drainage key infrastructure maintenance and upgrades	_____	_____	_____

[1] The Selectmen are working with Municipal Resources, Inc (MRI) to develop these strategies.

l. Land use Regulation, Zoning, Code Enforcement	____	____	____
m. Maintenance of town facilities, buildings, Parks	____	____	____
n. Cost and services of independent agencies Including water, sewer and power	____	____	____
o. Climate change-rising sea levels and more Severe weather events	____	____	____

3. If you choose, provide a description and recommendation for any that you ranked high:

_____

_____

4. Are there other areas of focus that should be considered in the discussion?

_____

_____

5. Are there any current services or programs offered by the Town that you feel are no longer viable or warrant continued support and should be eliminated or phased out? - If so please identify and explain your views.

_____

_____

6. Do you feel that the quality of service provided by Town Employees is? Good____ Fair____Poor____

7. Are you concerned with the potential for increases in your Sewer Fee charges due to EPA and capacity upgrades in your local sewer system: Yes_____ No_____ Don't Know_____

Section 2: Key Comprehensive Plan, Land Use and Zoning Questions

8. List the three most important challenges/opportunities facing Kennebunk today:

_____

_____

_____

Don't Know _____

9. What do you think the most important challenges/opportunities will be five years from now?

_____

_____

_____

Don't Know _____

10. The following are items that are often mentioned as being important to the long term "quality of life" here in Kennebunk. Please rank them in terms of importance to you:

	High	Medium	Low
a. Parking	____	____	____
b. Road Maintenance	____	____	____
c. Job Creation	____	____	____
d. Walkability	____	____	____
e. Neighborhood character	____	____	____
f. Parks	____	____	____
g. Open Space	____	____	____
h. Cultural activities	____	____	____
i. Community Events	____	____	____
j. Retail mix	____	____	____
k. Water quality (rivers and Ocean)	____	____	____
l. Beach and River Access	____	____	____
m. Sustainable Energy	____	____	____
n. Public Safety	____	____	____
o. Historic District Expansion	____	____	____
p. Kennebunk Train Service	____	____	____
q. Downtown Vitality	____	____	____
r. West Kennebunk Vitality	____	____	____
s. Lower Village Vitality	____	____	____

t. Waterhouse Center _____ _____ _____
u. Condition of Sidewalks _____ _____ _____
v. Bike lanes _____ _____ _____
w. Kennebunk Landing Area _____ _____ _____
x. Benches for sitting _____ _____ _____
y. Community Gardens _____ _____ _____
z. Accessible Restrooms _____ _____ _____
aa. Speed Enforcement _____ _____ _____
bb. Access to medical/Services _____ _____ _____
cc. Trolley Service _____ _____ _____
dd. Recreation Fields _____ _____ _____

Any further comments?

_____

_____

_____

11. Do you perceive a need for affordable housing in the following groups:
    i. young families yes____ No_____
    ii. the workforce yes____ No_____
    iii. seniors yes____ No_____

Why and if yes, where should the Town focus be?_____

_____

12. Should the Town consider adding areas devoted for future business parks or commercial areas, increasing the potential for new commercial tax revenue and jobs?
    i. Yes____No____ Don't Know____

13. Is the Town protecting its rivers, marshes, shoreland and other areas of scenic beauty and environmental importance?
    i. Yes____No____ Don't Know____

14. Would you support (through your tax dollars) the purchase of land or conservation easements for the purpose of conserving such resources?
    i. Yes____No____ Don't Know____

15. Should the Community continue to expand the use of building and architectural and site design standards to insure that commercial and business development is consistent with a small town atmosphere?
    i. Yes____No____ Don't Know____

16. Please check off the three most important reasons you moved or continue to live in Kennebunk:
    ____Closer to Family
    ____to raise a Family
    ____Proximity to work
    ____Small Town Atmosphere
    ____Village center atmosphere
    ____Character of Neighborhood
    ____Historic character of the community
    ____Access to the beach, coast and rivers
    ____School system quality
    ____Economic diversity in jobs and businesses in the community
    ____Proximity to rural/open space
    ____Property tax rate
    ____Services for Seniors
    ____Affordable housing

17. Do you support public and private services or facilities for seniors, and their caregivers, that would permit them to remain in their homes? Yes ____ No____ Don't Know____ Need More Information____

18. How important do you think it is to continue public improvements in the following:

	High	Medium	Low
a. Route 1 North improvements	_____	_____	_____
b. Route 1 South improvements	_____	_____	_____
c. Lower Village	_____	_____	_____
d. Parking in Lower Village	_____	_____	_____
e. Parking in Downtown	_____	_____	_____
f. Parking in West K.	_____	_____	_____

g. Landing Area/Summer Street _____ _____ _____
h. Areas for Active Recreation _____ _____ _____
i. Areas for Passive Recreation _____ _____ _____
j. Boat Access to rivers _____ _____ _____
k. Increasing Open space _____ _____ _____
l. Community design accessible to all (e.g. ADA sidewalks, entries) _____ _____ _____

m. Others _____ _____ _____ _____

19. With respect to future residential development in Kennebunk, do you think the town should (pick one):
    a. _____ Limit the amount of future residential development
    b. _____ Neither discourage or encourage residential growth, but be concerned with directing it to where public services and utilities are available
    c. _____ Residential development should be controlled by market forces, or
    d. _____ The town should actively promote residential development

20. With respect to future office or commercial growth in Kennebunk, do you think the Town should (pick one)::
    a. _____ Limit the amount of commercial and business growth
    b. _____ Neither discourage or encourage commercial and business growth, but should primarily be concerned with directing it to appropriate locations
    c. _____ Permit development to be controlled by market forces
    d. _____ Actively encourage new business and development

21. Are the present land use regulations in Town (zoning, subdivision, and site plan review) (pick one):
    a. _____ Too restrictive in telling property owners what they can and cannot do;
    b. _____ Strike a good balance between the need for land use regulation and property owners' rights; or
    c. _____ Are too lenient and do not provide enough protection for the environment and public.

22. Please list any other matters that you see as critically important to the long term quality of life in Kennebunk:

_____
_____
_____
_____
_____

Section 3: Key Demographic Characteristics

23. How long have you lived in Kennebunk:

____Less than 5 years ____5 - 15 years ____16 - 25 years ____More than 25 years (realign

24. In what area of Town do you live?

____ West Kennebunk

____ Lower Village

____Downtown

____Landing

____ Beach

____ If other, please specify_____

25. Which of the following statements best describes you? (please check all that apply)

____ I live in Kennebunk year round

____ I live in Kennebunk seasonally

____ I live in a single family home which I own

____ I live in a single family home which I rent

____ I live in an apartment I rent

____ I live in a condo which I own

____I live in a condo which I rent

___I live in a senior living facility

___I own a rental property

____If other, please specify

26. **Which of the following best describes you:**

___Married ____Single ____Divorced ____Widowed

27. **Which of the following best describes you:**

___18 years or younger ___19-39 years ___040- 49 years ___ 050-64 years ___ 065 - 79 years ___080 or older

28. **Which of the following best describes you: (select all that apply)**

a. I am retired ____
b. I am retired but work part-time ____
c. I work full-time ____
d. I work part-time ____
e. Unemployed, looking for work ____
f. I work in town ____
g. commute to work - between 10 & 25 miles (one way) ____
h. commute to work - between 25 & 50 miles (one way) ____
i. commute to work more than 50 miles (one way) ____
j. I am a telecommuter - work primarily from home ____
k. I operate a business from my home ____
l. If other, please specify: _____ ____

Which of the following best describes your annual household income? (Optional)

___Less than $10,000

___$10,000 to $19,999

___$30,000 to $49,999

___$50,000 to $74,999

___$75,000 to $99,999

___$100,000 to $149,000

___$150,000 to $199,000

___$200,000 or more

29. Further comments:

9.a

YES	**1,785**
NO	**339**

Referendum Question 5: Shall an ordinance entitled "2014 Amendments to the Harbor Ordinance" be enacted?

YES	**1,609**
NO	**411**

Referendum Question 6: To see if the Town will vote to authorize the Board of Selectmen to accept enforcement rights created by a document entitled "Declaration of Protective Covenants and Restrictions-Property of Kennebunk Land Trust-"Alewife Annex Preserve" (Map 003 Lot 010)," which Declaration grants the Town the right but not the obligation to enforce certain restrictive covenants concerning the use and maintenance of the Land Trust's Alewive Annex Preserve property, as further set forth in the attached Declaration of Protective Covenants and Restrictions, and to execute said Declaration on behalf of the Town.

YES	**1,774**
NO	**439**

Referendum Question 7: Shall an ordinance entitled "2014 Amendments to the Town's Zoning Ordinance to Adopt Changes to Article 10, Section 9 'Off-Street Parking'" be enacted?

YES	**1,284**
NO	**788**

Referendum Question 8: To see if the Town will vote to authorize the Board of Selectmen to sell that certain lot or parcel of land, commonly known as the Route One South Rest Area, located on the generally easterly side of Route One in South Kennebunk (approximately 14 acres in size; currently Assessor's map 059, Lot 34), and in connection therewith to see re-development proposals for that land, subject to such conditions as the Board of Selectmen deems in the Town's best interests.

[Explanatory Note: Roughly half the site is wetlands and the balance is currently used as a roadside rest area and winter-time snow dump. Conditions to be imposed by the Board will likely require a formal appraisal to determine the land's fair market value; a requirement to design and show a re-development plan to be built out within two years, such that price will not necessarily be the sole determining factor in the subsequent RFP award.]

YES	**1,708**
NO	**545**

Referendum Question 9: Shall the Town vote to amend the Kennebunk Zoning Ordinance (both map and text) by enacting the so-called Western Avenue Contract Zone, all as more particularly shown on the fragmentary map attached and the Contract Zoning Agreement between Seagrass Lane, LLC and the Town of Kennebunk on file in the Town Clerk's Office?

YES	**1,534**
NO	**613**

Town Meeting
6-10-14

KENNEBUNK REST AREA – ROUTE ONE SOUTH
Request for Proposals

August 18, 2015

BACKGROUND AND CONTEXT

The Rest Area on Route 1 south was identified during a property search for prospective businesses in need of space. The rest area is used lightly, primarily as a snow dump. The property consists of 14 acres; 4-5 acres are developable, the rest is, for the most part, wetland. The lot layout could serve as many as two businesses, provide access to rear property and be developed in conjunction with the Webhannet Place property, next door. As part of the land's redevelopment plan, a usable vehicular access way to the rear is preferred.

The concept of selling the property was presented to the Board of Selectmen in the spring of 2014. The decision to sell was put on the ballot in June of 2014 and approved by Kennebunk voters at that time. This RFP is the community's first entry into the market to gauge interest in this property.

COMMUNITY OBJECTIVES

Kennebunk's objectives are as follows:

1. sell the property to generate funds that can be used for other development projects;
2. assure potential access to rear properties;
3. assure that the contemplated use for the property is supportive of the goals of the comprehensive plan;
4. that the buyer of the site has the financial capacity and proven experience to bring the proposed project to consummation as efficiently as prudently possible;
5. that the project will create and or retain jobs within the community; and finally
6. that the buyer is sensitive to the environmental issues of the site and designs it appropriately.

This Request for Proposals (RFP) encourages proposals that will achieve the above objectives of the community while also maintaining community support for the project.

SITE DESCRIPTION

- the lot consists of 14.3 acres
- present use includes 300 s.f. of rest rooms (portable toilets) and an active snow dump permitted by the Town
- the site includes vernal pools with approved, established setbacks, as well as other wetland areas
- there are approximately 4-5 developable acres on the site
- there already exists 24,933 square feet of approved impervious surface
- the lot lies within the York Street Mixed Residential and Commercial Use District (MRCU)
- is listed on the Town's records as Town Tax Map 59, Lot 34

The lot is surrounded on all sides by existing commercial development. Residential development is well to the southeast of the property. A legal right of way for vehicular access to rear land shall be considered as part of this proposal.

ENVIRONMENTAL CONSTRAINTS

The lot was part of a larger wetland study, which is on file with the Town Office. There is also additional information that can found on file associated with the development of the snow dump, including a formal wetland delineation completed by Woodlot Alternatives as part of the approval of that use. A map of the site is attached. Each proposer is responsible for conducting his or her own "due diligence" regarding same.

UTILITIES

All typical urban utilities are available to the property for development. This shall be the responsibility of the Buyer to confirm in a more substantive due diligence investigation. There exists public water, sewer, and power. No gas is available at the site.

TRANSACTION STRUCTURE

The community is open to a variety of structures, but prefers a simple purchase and sale agreement. The community will enter into a written agreement to purchase with the selected developer and will impose deadlines for appropriate approvals (e.g. local application approvals, financing commitments) to insure that the project is completed within a two year period. The date for that final completion will be set when the agreement to purchase is signed. Final transfer of the property shall be by quitclaim deed.

PROPOSAL REQUIREMENTS & REVIEW PROCESS

PROPOSER'S RESPONSIBILITIES

The selected proposer will be responsible for payment of all costs and expenses in connection with the project including, but not limited to: any and all costs associated with putting together a response to this RFP; costs associated with securing necessary entitlements and environmental documentation; demolition, ground clearing, site preparation, and construction of new buildings; maintenance; underground utilities; insurance and taxes; permits and inspection fees; costs and mitigation fees associated with the development including school fees; and architectural, environmental, engineering, and other related work. Proposer will be responsible for all brokerage fees, if any.

The selected proposer will be required to:

- select the necessary multi-disciplinary team;
- coordinate the local approval process;
- obtain all necessary entitlements and permits;
- manage the work effort of the entire entitlement team, the architect, land planner, civil and other engineers, etc.

All proposals will have five (5) required sections and in the order as set forth below. Please label each section and number all pages.

SECTION 1 – LETTER OF INTENT
SECTION 2 – DEVELOPMENT PROGRAM
SECTION 3 – PROJECT TIMETABLE AND CRITICAL ENTITLEMENT ISSUES
SECTION 4 – KEY TEAM MEMBERS, PAST EXPERIENCE, AND FINANCIAL INFORMATION
SECTION 5 – STATEMENT OF FINANCIAL QUALIFICATIONS

A team of the Finance Committee, Town Manager, Finance Director and Economic Development Director will select the final developer. The RFPs will be scored, based on a 100 point system, as follows:

- Development Program: 40 points
- Project Timetable: 10 points
- Critical Review Issues: 10 points
- Team members and Information: 20 points
- Financial Qualifications: 20 points

At the end of the review process, the selection committee shall make a recommendation to the Board of Selectmen at a public meeting, where they will vote to make the final award to the chosen developer.

SECTION 1 – LETTER OF INTENT

This section shall include the proposal contact and responsible party information. Identify the lead proposing entity, and list the key team members (see Section 5). Set forth the scale of the development program, and summarize the critical elements of expected project timeline. Any other critical information can be summarized in this section. The letter of intent will include the following:

- **Purchase Price:** $_____, payable in full in cash at Closing, less deposits, as described below.
- **Close of Escrow:** Shall occur _____ (number of months from the Effective Date of the Agreement).
- **Initial Deposit:** Buyer will make an initial deposit of $_____ at the time a definitive Option and Purchase Agreement is agreed upon and executed, which funds will be immediately released to the Town, and is non-refundable under any and all circumstances, but applicable to the Purchase Price.

SECTION 2 – DEVELOPMENT PROGRAM

This section shall include a narrative description of the architectural and land planning theme for the project. Identify the planned improvements including the number of buildings by use, the estimated square footage devoted to each building and use, the approximate building footprints, the proposed unit mix with average unit sizes, amenities, parking, and public uses, if any. Initial drawings would be helpful, but not necessary.

SECTION 3 – PROJECT TIMETABLE AND CRITICAL REVIEW ISSUES

This section shall include a general development timetable showing the various planning and entitlement steps, duration, estimated starting period, and any phasing contemplated. *As to acquiring the reviews necessary for execution of the proposed development plan, please provide a narrative description of the issues the proposer has identified as critical for the property.*

SECTION 4 – KEY DEVELOPMENT TEAM MEMBERS, PAST EXPERIENCE, AND FINANCIAL INFORMATION

Provide the following information for each key member of the development team. It is anticipated that key members would include *the buyer/business, the* architect and/or land planner, entitlements counsel, equity partner, and other key members. Other team members such as civil engineer, traffic planner, or landscape architect, may be identified if the proposer believes that to do so would enhance his proposal, but there is no requirement to do so.

Specifically, provide the following information for each key team member:

- *Business name, location, website (if applicable)*
- Project Manager and key participants for this project, with resumes
- History of relationship with Kennebunk, if any
- Experience *with activities similar to the* project proposed with reference contacts
- Experience with public entities, preferably public land owners
- Identify all other projects in which the principals have been involved in York County.

SECTION 5 – STATEMENT OF FINANCIAL QUALIFICATIONS

Provide the following information:

- Is the *business a* subsidiary of, or affiliated with, any other corporation, corporations, partnerships or firms? If so, please specify. If the business is a subsidiary, please indicate the extent to which the parent entity will guarantee performance by the subsidiary;
- Has the business entity or its officers, principal members, shareholders or investors, or any of its parent, subsidiary or affiliated entities or other interested parties been adjudged bankrupt, either voluntary or involuntarily, within the past ten years? If so, explain; and
- Is there pending litigation against *the business* entity or its officers, principal members, shareholders or investors, or any parent, subsidiary or affiliated entities or other interested parties other than minor personal injury suits involving claims under $250,000? If so, explain.

  Item(s) submitted should be sufficient to permit the Town to determine the proposer's financial capacity for undertaking the development project and operating the facilities. The proposer may wish to mark the financial statements, as "CONFIDENTIAL" or "PROPRIETARY." As such, it will be treated as confidential by the Town to the full extent permitted by law.

SUBMISSION FORMAT, SCHEDULE, AND EVALUATION PROCESS

The proposer shall submit one (1) original and four (5) hard copies of a Proposal Package in 8.5" x 11" format, with one (1) copy unbound for ease of reproduction. The complete Proposal Package shall also be submitted digitally (PDF format is acceptable). The inclusion of large-scale drawings and exhibits is discouraged; if included, these shall be limited to no more than three (3) such pages in 11" x 17" format. Proposals must be organized according to the previous section, and must include at least the requested information.

Responses must be submitted no later than 2:30 pm, Wednesday, October 21st, to the Town Manager's office, Town of Kennebunk, 1 Summer Street, Kennebunk, ME 04043.

The Town contact person for all matters regarding this RFP is:

Mathew Eddy
604-1366
Meddy@kennebunkmaine.us

All correspondence regarding the RFP process must be in writing or by email.

EVALUATION PROCESS

The initial review will compare all proposals for compliance with the submission requirements. Any proposals with significant omissions may be rejected and the proposers will be notified of their failure to comply with the requirements of the RFP process. The Town reserves the right to request that proposers bring their submissions into compliance within a very short time period after such notification.

The Selection Committee shall review the proposals and request written clarification from proposers, if necessary. The review process may include requests for clarifications and one or more presentations by the proposers. At the conclusion of the review process, the Selection Committee will make a recommendation to the Board of Selectmen to select one proposer with whom to enter into an Option and Purchase Agreement. The Town reserves the right to terminate this process at any point prior to the selection of a proposer, and solicitation of proposals in no way obligates the Town to proceed with any agreement or development.

EVALUATION CRITERIA

Using the scoring system identified above, the town will consider the following general criteria in their review:

- Town Objectives as detailed herein;
- Proposer experience and reputation;
- Impact on the Town's ability to enhance long-term fiscal sustainability;
- Project quality;
- Design and construction capability and sensitivity to *environmental issues*;
- Project management capability, with a special emphasis on positive community engagement;
- Experience in public/private projects.

RFP EXHIBITS

Exhibit A: Property Aerial

PURCHASE AND SALE AGREEMENT

THIS AGREEMENT is made as of the _____ day of _____, 2016, by and between the TOWN OF KENNEBUNK, a municipal corporation existing under the laws of the State of Maine with a place of business in Kennebunk, Maine (the "Seller"), and BENJAMIN MEGGS, a resident of Wells, Maine (the "Purchaser"). This Agreement may be assigned by Purchaser to an entity owned by him with Seller's consent.

WHEREAS, Seller has several times solicited interest from prospective purchasers/developers regarding the purchase and subsequent development of the so-called Route One South Rest Area, namely a certain predominately unimproved lot or parcel of land, approximately fourteen (14) acres in size, with minor automobile parking improvements(s) thereon, located in Kennebunk on the generally easterly side of, and adjacent to, Route One between Kennebunk and Wells, also shown on the Town's Assessor's records as Map 58, Lot 11 (the "Property") with the intention of assisting a buyer in the re-development of the Property; and

WHEREAS, the Seller has reviewed competing proposals and selected the Purchaser and its most recent proposal for the sale and development of the Property;

NOW, THEREFORE, in consideration of the covenants hereinafter set forth, Purchaser and Seller hereby agree as follows:

1. ***Purchase and Sale***. Seller agrees to sell to Purchaser and Purchaser agrees to buy from Seller the Property, in fee simple, for the price and upon the terms and conditions set forth herein.

2. ***Purchase Price; Payment Terms***. The total purchase price for the Property shall be the greater of One Hundred Fifteen Thousand Dollars ($115,000.00) or the fair market value of the Property as determined by a Maine licensed appraiser in a USPAP-compliant appraisal to be completed at the expense of the Seller. If the appraised amount exceeds One Hundred and Fifteen Thousand Dollars ($115,000) the parties shall

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negotiate in good faith to adjust the purchase price, but Purchaser shall have no obligation to purchase and shall be entitled to terminate this Agreement and receive a full refund of all deposit monies upon request.

Purchaser shall pay Seller, contemporaneously with the execution of this Agreement, a deposit of Eleven Thousand Five Hundred Dollars ($11,500.00), to be held in escrow by Seller's legal counsel and which shall be credited toward the purchase price if the parties close on the sale of the Property; provided, (a) the deposit shall be forfeited if the Purchaser wrongfully fails to close under the terms of this Agreement, but (b) shall be returned to Purchaser upon request (without interest) if adverse environmental issues are discovered pursuant to paragraph 3 below.

3. ***Closing; Conditions Precedent***. Closing shall occur, except as may otherwise be provided herein, upon completion of the respective parties' obligations, as follows:

A. Seller's Obligations:

1. Provide a written report by a Maine-licensed professional as to whether the Property is impacted by one or more vernal pools and/or has other impediments to development as defined in the applicable Maine environmental laws; it being understood and agreed to by the parties that if the Property is so impacted in a way that makes the Purchaser's development proposal impracticable, this Agreement may be terminated and the Deposit shall be returned to the Purchaser; and

2. Provide an USPAP-compliant appraisal of the fair market value of the Property by a Maine licensed general appraiser.

B. Purchaser's Obligations:

1. Within 180 days of a positive finding on the environmental issues as referenced above, Purchaser must seek all federal (if any), State and local permits for his proposed development, including without limitation, all local site plan and related reviews and approvals (including obtaining any necessary building permit(s); State reviews and approvals; conduct a Stage 1 and a Stage 2 Environmental Assessment of the Property by a Maine-licensed professional, including delineation of any and all wetlands on the Property; provided, in the case of any extended review processes not caused by the delay of the Purchaser or its agents, the time limit shall be extended as long as the Purchaser demonstrates to the Seller that he is prosecuting the review and approval process(es) as diligently as reasonably possible and Seller's approval of any such request for extension of time shall not be unreasonably withheld, conditioned or delayed; and

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2. Prior to closing, Purchaser shall provide written assurance of funding for the Proposal, either by demonstrating cash availability or through a recognized lender.

4. ***Conveyance; Title***. At the Closing, Seller shall execute and deliver to Purchaser a quitclaim with covenant deed conveying the Property to Purchaser with clear and marketable title, free and clear of any and all encumbrances, including any mortgages or liens. If Purchaser identifies any title defects or other encumbrances that arose during Seller's period of ownership, Seller shall have a reasonable time period to cure any such defects upon notification by Purchaser. If Seller is unable to cure any such defects, Purchaser may either cancel this Agreement (and have his deposit returned) or close on the Property at his sole election.

The deed shall obligate the Purchaser to construct within twenty-four (24) months of the date of the deed a building of no less than twenty thousand (20,000) sq. ft. per the terms of his disclosed development proposal.

5. ***Prorations***. Seller and Purchaser shall each be responsible for payment of their own real estate transfer tax, if any, as provided under Maine law.

6. ***Risk of Loss; Continuing Occupancy***. Seller agrees that the risk of loss or damage to the Property by fire or otherwise prior to the transfer of title at the closing shall remain with Seller.

7. ***Default***. If either party shall fail to close in accordance with this Agreement, then the other party may either (a) seek to obtain specific performance or (b) cancel this Agreement.

8. ***Brokerage***. Purchaser and Seller each hereby represent and warrant to the other that there are no real estate brokers involved or real estate commissions or finder fees payable in connection with the sale of the Property, and each agrees to hold the other harmless with respect to the same; provided, however, that Buyer has agreed to compensate The Downing Agency, from his own funds at closing, a total of five percent (5%) of the sale price.

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9. ***Notices***. Any notices required or permitted hereunder shall be either hand-delivered or mailed by certified mail, return receipt requested as follows:

To Seller: Town of Kennebunk
Town Manager
Kennebunk Town Hall
One Summer Street
Kennebunk, ME 04043

with a copy to William H. Dale, Esq.
Town Attorney
Jensen Baird Gardner & Henry
P.O. Box 4510
Portland, ME 04112

To Purchaser: Benjamin Meggs
107 Glenwood Road
Wells, ME 04090

with a copy to Bruce M. Read, Esq.
Shepard & Read
93 Main Street
Kennebunk, ME 04043.

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10. ***Miscellaneous***. This Agreement shall be binding upon the heirs, successors and assigns of the parties. This Agreement represents the entire agreement of the parties, and any modification or amendment must be in writing, signed by the parties' duly authorized representatives.

With regard to the ES1 and ES2 reviews, if there are findings that require field remediation(s), the Seller will work in good faith with the Purchaser to seek funding for same through so-called "Brownfield" grants and/or loans through the U.S. EPA and/or the Maine DEP, even if that should require the Seller to retain ownership of the Property through the process. Purchaser shall have the right to terminate this Agreement and

receive a full refund of all deposit monies if, in his sole discretion, this process is too time consuming or impracticable.

Time is of the essence to this Agreement.

This Agreement shall be interpreted in accordance with the laws of the State of Maine excepting only its choice of law rules. Exclusive venue for any litigation arising hereunder shall be the Maine Superior Court (York County).

IN WITNESS WHEREOF, the parties, hereunto duly authorized, have executed this Agreement as of the day and year first above written.

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SELLER/Town of Kennebunk

_____
Witness

By: _____
Town of Kennebunk
Barry A. Tibbetts
Its Town Manager

PURCHASER/Benjamin Meggs

_____
Witness

By: _____
Benjamin Meggs