

Town of Cape Elizabeth, Maine
Annual Report
2013



Cape Elizabeth Community Center



TOWN OF CAPE ELIZABETH

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To the Citizens of Cape Elizabeth:

Submitted herewith is the Annual Report for 2013:

In the fiscal year which ended on June 30, 2013, there were only three new single family homes built in Cape Elizabeth. There were 7 condominiums constructed which resulted in ten new housing units. The second half of the year began to see us come out of the long recession. Cottage Woods, the first new significant subdivision since the recession began got underway during the summer. Eastman Meadows, a condominium project off Eastman Road, saw much sales activities.

The other major news of note in 2013 was the state government continuing to take away resources from municipalities and school departments including Cape Elizabeth. In 2013, the adopted state budget contained a \$188,236 cut in Cape Elizabeth in the state revenue sharing program. This was part of a legislatively enacted budget that overrode a gubernatorial veto as the governor had sought to eliminate the program which would have resulted in a \$640,000 cut. The state for the first time asked the school department to pick up part of the cost of teacher retirement. Since 1996, the state share of our budgets has gone from 20% to 8%.

In closing, I would like to thank Council Chair Jim Walsh for his leadership during 2013 and also the members of the town council and school board, all staff, volunteers and citizens for their continuing dedication to our community.

Respectfully submitted,

Michael K. McGovern, Town Manager

Town Appointed Officials- 2013

Town Manager

Michael K. McGovern

Assistant Town Manager

Debra M. Lane

Assessor

Matthew Sturgis

Auditor

Runyon Kersteen and Ouellette

Bond Counsel

Bruce A. Coggeshall

Chief of Police

Neil R. Williams

Code Enforcement Officer

Benjamin McDougal

Director of Public Works

Robert C. Malley

Emergency Preparedness Director

A. Charles Kennedy

Fire Chief

Peter Gleeson

General Assistance Administrator

Michael McGovern
Contracted to PROP

Harbormaster

Walter Gibson

Library Director

Jay Scherma

Museum at Portland Head Light Director

Jeanne Gross

Municipal Comptroller

Pauline Aportria

Town Attorney

Thomas G. Leahy

Town Clerk

Debra M. Lane

Town Engineer

Stephen D. Harding

Town Planner

Maureen O'Meara

Treasurer/Tax Collector

Michael K. McGovern

Tree Warden

Michael Duddy

Other Officials

CETV Coordinator- Wendy Derzawiec

Children's Librarian- Rachel Davis

Deputy Fire Chief-James Wilson

Deputy Fire Chief Eric Wellman

Deputy Fire Chief- Stephen Young

Deputy Town Clerk- Jacqueline Coy

Highway Supervisor-James Green

Police Captain-Brent Sinclair

Spurwink Church Greeter- Janet

Hannigan

Webmaster-Wendy Derzawiec

School Officials

Superintendent of Schools

Meredith Nadeau

Business Manager

Pauline Aportria

Director of Instructional Support

Jane Golding

Director of Instruction

Ruth Ellen Vaughan

Technology Coordinator

Erik Kramer (eff. To 11/15/2013)

Facilities Manager

Gregory Marles

Community Services Director

Russell Packett

Athletic Administrator

Jeffrey Thoreck

Cape Elizabeth High School

Jeffrey Shedd, Principal

Troy Henninger, Assistant Principal

Cape Elizabeth Middle School

Michael Tracy, Principal

Douglas Perley, Assistant Principal

Pond Cove Elementary School

Kelly Hasson, Principal

Julie Nickerson, Assistant Principal

BOARDS AND COMMISSIONS 2013

***Serving Second/Third Consecutive Term #Serving Unexpired Term**

TOWN COUNCIL

		TERM EXPIRES	
Frank J. Governali	18 Old Ocean House Road	12/2013	799-5842
Caitlin R. Jordan	83 Old Ocean House Road	12/2013	799-7743
Katharine N. Ray	532 Spurwink Avenue	12/2014	799-0179
David S. Sherman, Jr.	74 Hunts Point Road	12/2014	749-2668
Jessica L. Sullivan	38 Cranbrook Drive	12/2015	331-7199
James R. Wagner	30 Hannaford Cove Road	12/2015	400-6038
James T. Walsh, Chairman	23 Rock Crest Drive	12/2015	712-1586

SCHOOL BOARD

Michael C. Moore	10 Manor Way	12/2013	899-1678
Mary E. Townsend	5 Pearl Street	12/2013	767-6096
Joanna L. Morrissey	20 Old Fort Road	12/2014	799-5237
Elizabeth K. Scifres	22 Longfellow Drive	12/2014	
John C. Christie, III	6 Albion Road	12/2015	221-2915
David C. Hillman	22 Cranbrook Drive	12/2015	730-1444
Mary K. Williams-Hewitt	250 Ocean House Road	12/2015	899-2971

ASSESSMENT REVIEW, BOARD OF

David B. Scheffler*	12 Pheasant Hill Road	12/31/2013
Michael R. Connell	6 Gladys Road	12/31/2014
John McAnuff	65 Stonybrook Road	12/31/2015

COMMUNITY SERVICES ADVISORY COMMISSION

Carolyn Flaherty (School)	31 Cross Hill Road	12/31/2012
Courtney Thoreck (School)	44 Murray Drive	12/31/2012
Susan Haversat (Town) Resigned	12 McAuley Road	12/31/2013
Michael J. O'Connor (Town)	4 Hemlock Hill Road	12/31/2013
Nikki Dresser (Town)	921 Shore Road	12/31/2014
Elizabeth Mylroie (School)	5 Spoonrift Lane	12/31/2014
Fred Sturtevant (School)	9 Pond View Road	12/31/2014

CONSERVATION COMMISSION

Garvan D. Donegan	12 Cranbrook Drive	12/31/2013
John S. Marchewka	111 Old Ocean House Road	12/31/2013
Zach Matzkin	77 Scott Dyer Road	12/31/2013
Richard Bauman *	56 Cross Hill Road	12/31/2014
John J. Plainensek	16 Arrow Point Road	12/31/2014
Marti Blair	3 Cedar Ledge Road	12/31/2015
Mitch Wacksman	9 Bayberry Lane	12/31/2015

FORT WILLIAMS ADVISORY COMMISSION

Frank Butterworth *	21 McAuley Road	12/31/2013
Lise Pratt Secretary	32 Wood Road	12/31/2013
William Brownell *	9 Cedar Ledge Road	12/31/2014
Donald L. Head	12 Heron Point	12/31/2014
William E. Nickerson *	3 Thompson Road	12/31/2014
Gregg Frame	4 Dermot Drive	12/31/2015
Erin Grady	2 Emerald Way	12/31/2015

PERSONNEL APPEALS BOARD

Christopher Taintor *	6 Jordan Farm Road	12/31/2013
Roger A. Bishop	10 Leighton Farm Road	12/31/2014
Dawn M. Harmon	9 Blueberry Road	12/31/2015

PLANNING BOARD

Elaine S. Falender	16 Mares Hollow Lane	12/31/2013
Henry Steinberg	13 Hunts Point Road	12/31/2013
Josef Chalot	12 Channel View Road	12/31/2014
Peter L. Curry	8 Stonybrook Road	12/31/2014
Liza Quinn	24 Ocean View Road	12/31/2015
Carol Anne Jordan	21 Wells Road	12/31/2015
Victoria Volent	58 Cottage Farms Road	12/31/2015

RECYCLING COMMITTEE

Patt Salve Bothel	90 Ocean House Road	12/31/2013
Peter Frye	28 Southwell Road	12/31/2013
William H. Marshall	10 Wildwood Drive	12/31/2013
David C. Ernst *	4 Fox Hill Road	12/31/2014
John J. Kane *	6 Cape Woods Drive	12/31/2014
Jamie Garvin	76 Oakhurst Road	12/31/2015
Jessica D. Simpson	3 Manter Street	12/31/2015

RIVERSIDE MEMORIAL CEMETERY TRUSTEES

Beverly Brooking *	208 Two Lights Road	12/31/2013
Gerald B. Sherry	19 Starboard Drive	12/31/2014
Jessie Timberlake	19 Hunts Point Road	12/31/2015

THOMAS MEMORIAL LIBRARY TRUSTEES

RuthAnne Haley	49 Brentwood Road	12/31/2013
Molly MacAuslan	37 Park Circle	12/31/2013
Ken Piper Secretary	3 Birch Knolls	12/31/2013
Blaine S. Grimes	2 Park Circle	12/31/2014
Julia Bassett Schwerin	6 Cottage Lane #2	12/31/2014
Judith McManamy	6 Campion Road	12/31/2015
Lee Ruddy	1 Birchwood Road	12/31/2015

ZONING BOARD OF APPEALS

Jeffrey A. Schwartz	12 Manter Street	12/31/2013
Christopher Straw	597 Shore Road	12/31/2013
Joanna B. Tourangeau	36 Trundy Road	12/31/2013
Josh Carver	40 Stonybrook Road	12/31/2014
John C. Thibodeau	21 Salt Spray Lane	12/31/2014
Matthew Caton	88A Two Lights Road	12/31/2015
Barry D. Hoffman	291 Spurwink Avenue	12/31/2015

FAIR HEARING OFFICER - GENERAL ASSISTANCE

Michael F. Vaillancourt	55 Stonybrook Road	12/31/2014
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REGISTRAR OF VOTERS

Debra M. Lane		1/1/2015
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REGISTRATION APPEALS BOARD

David J. Backer, Chairman	2 Rugosa Way	Term to expire May 10, 2014
		Terms to expire May 13, 2016
Nolan L. Reichl	1 Rock Crest Drive	Democratic Town Committee Nomination
Karen M. Hessel (Alternate)	45 Wildwood Drive	Democratic Town Committee Nomination
Martin J. Sheehan	18 Star Road	Republican Town Committee Nomination
Janet M. Staples (Alternate)	27 Trundy Road	Republican Town Committee Nomination

TOWN CENTER PLAN COMMITTEE Established 2/11/2013

(Appointed 4/8/2013 terms to expire 12/31/2013)

Stephanie Carver	40 Stonybrook Road
Diane Hessler	17 Canterbury Way
Skip Murray	20 Grover Road
Stephen Parkhurst	21 Oakhurst Road
Lee Ruty	1 Birchwood Road
David Sherman	Town Council
Jamie Wagner	Town Council
Peter Curry	Planning Board
Mary Townsend	School Board

250th ANNIVERSARY COMMITTEE Established 6/10/2013

(Appointed 12/9/2013 terms to expire 12/31/2015)

Catherine Adams	15 Spoodrift Lane
Jane Beckwith	13 Oakwood Road
Carol Anne Jordan	21 Wells Road
Norman Jordan	359 Ocean House Road
Stephanie Korupp	26 Hunts Point Road
Darren McLellan	35 Alewife Cove
Barbara Powers	5 Fox Hill Road

Town Headlines 2013
from www.capeelizabeth.com
Thank you to Webmaster Wendy Derzawiec

12/12/2012

Town Council elects Jim Walsh as chairman for 2013

The Town Council formally elected Jim Walsh as their chairman for 2013, and re-elected Frank Governali to serve as chairman of the Finance Committee.

Walsh was first elected to the Town Council in November 2009 and re-elected this past November. He served as chairman of the council's ordinance subcommittee in 2011 and 2012. Walsh thanked fellow councilors for his election and said, "I look forward to a productive year for the Town Council and for the citizens of Cape Elizabeth."

Governali will lead the Finance Committee, a committee of the whole council, for the second consecutive year.

The council's election on Dec. 10, 2012 confirms the results of the Town Council's caucus held Nov. 7.

Succeeding Walsh as head of the ordinance subcommittee will be Kathy Ray; and Jessica Sullivan will lead the appointments subcommittee for a third year.

1/08/2013

Future of library services top among Town Council goals for 2013

The future of library services in Cape Elizabeth is a top goal for the Town Council for 2013. Councilors approved their list of goals and work plan for the coming year at their meeting Jan. 7, 2013.

The 18-point work plan builds upon goals accomplished in recent years, including the 2012 goal to hold a citizen vote on a new Thomas Memorial Library. "The Thomas Memorial Library was the subject of a citizen vote in November 2012 which did not approve \$6.0 million for a renovation and expansion of the current facility," reads the first bullet point of the council's 2013 work plan. "Most citizens who commented on the library plan indicated that some work is needed but there was insufficient support for the plan that was brought forward. In 2013, the Town Council will develop a process and a plan to determine the future of library services for the community."

The second goal in the council's list builds on a not-so-recent Town Council action - the 1993 plan for the Town Center. "2013 marks the 20th anniversary of adoption of the plan" the work plan reads. "The Town Council will appoint a committee to develop a new town center plan utilizing the current plan as a resource," it says.

The Shore Road Pathway, Fort Williams Master Plan and Future Open Space Preservation report are all goals completed in 2012 that will see further council consideration and support in 2013.

01/10/2013

Contingency, savings on fuel and health insurance expected to cover shortfall in school subsidy

Contingency funds, savings on fuel and savings on health insurance will allow Cape Elizabeth schools to weather a \$197,000 curtailment of state subsidy announced last month - but the superintendent of schools said the reduction will keep the School Department walking a "fine line" for the rest of the school year.

Gov. Paul LePage issued the curtailment order on Dec. 27, 2012, a move to reduce spending by \$35.5 million to balance the state budget. Part of that curtailment is a \$12.58 million reduction in general purpose aid for local schools for 2012-13.

"We are feeling like we will be able to get through the year without a significant impact on student programming at this point," Superintendent Meredith Nadeau said at the Jan. 8, 2013 meeting of the School Board. "But I think it's fair to say we'll be walking a fairly fine line for the remainder of the year," she said.

"The larger concern from my perspective is what happens if there are additional cuts proposed, as we may hear from a supplemental (state) budget when it is introduced in the next couple of weeks," Nadeau said.

School officials anticipated the curtailment - \$196,872 according to a spreadsheet published by the Department of Education - in November when the likelihood of a reduction was announced. The figure represents approximately 10 percent of Cape Elizabeth's state subsidy of \$2 million for 2012-13. The school's total budget for the fiscal year is \$21.8 million.

01/16/2013

Town announces beginning of Winnick Woods shrubland maintenance program

The Town of Cape Elizabeth, with support from the Wildlife Management Institute and the U.S. Fish and Wildlife Service, has announced the beginning of its [shrublands management project](#) at Winnick

The project involves removing most of the growth more than 15 feet, or with woody stems greater than 2 inches in diameter, from an approximately 12-acre portion of Winnick Woods.

The work will be done when the ground is frozen to minimize soil disturbance. Significant new growth is expected in the spring as the landscape reasserts itself as a shrubland.

The project is intended to provide wildlife habitat for New England Cottontail, as well as many other birds and wildlife that require rapidly diminishing shrubland habitat. The project will not impair or obstruct any of the trails at Winnick Woods.

Ordinance revision would put Community Services Advisory Commission under School Department governance

The Town Council will hold public hearings Monday, March 11, 2013 on two proposed changes to the Boards and Commissions Ordinance. One change addresses an inconsistency in the section regarding the Personnel Appeals Board; the other would completely move the [Community Services Advisory Commission](#) to the auspices of the School Department and School Board.

The Community Services Advisory Commission grew out of the Town Recreation Commission that was in place in the 1970s, Town Manager Michael McGovern said at the Feb. 11, 2013 meeting of the Town Council. The commission is defined in the Town's code of ordinance as a seven-member group appointed by the Town Council and by the School Board.

"But over time, Community Services has really become an integral part of the School Department," McGovern said.

Having the Town Council appoint members to the Community Services Advisory Commission is inconsistent with the Town [charter](#), which gives the School Department responsibility for care and management of the schools, he said.

02/15/2013

Council establishes committees to plan future of Town Center, Thomas Memorial Library

The Town Council on Feb. 11, 2013 established an ad hoc committee to plan for the future of the Thomas Memorial Library, and a second committee to update the 1993 plan for the Town Center.

Each committee is directed to work with the other to consider opportunities to enhance the Town Center.

Councilors approved the committee charges as first steps toward realizing two top goals for 2013:

- Planning for the future of the Thomas Memorial Library following the 2012 defeat of a \$6 million referendum to build a new library; library; and,
- Appointing a committee to develop a new plan for the Town Center, using the existing plan as a resource.

At the same meeting, councilors appointed from their members Jessica Sullivan, Kathy Ray and Frank Governali to serve on the **Library Planning Committee**; and David Sherman and Jamie Wagner to serve on the **Town Center Planning Committee**.

The Town Center Committee will ultimately have nine members, including five residents to be recruited and appointed by the council's appointments subcommittee; one Planning Board member and one School Board member. The library committee will also include a School Board member and a member of the library's trustees, but will not include at-large members of the community.

From 2008-2009, an ad hoc library [study committee](#) composed of the seven-member board of trustees, and representatives of the Town Council, Thomas Memorial Library Foundation and Cape Elizabeth Historical Preservation Society, formulated its recommendation to construct a new library to meet the needs of the community for the next 25 years. Funding for the plan failed at the polls in November 2012, but "most citizens who commented on the library plan indicated that some work is needed ..." according to the Town Council's goal document for 2013.

The adopted charge directs the five-member committee to take a "fresh look" at most recent library planning, seeking public input and considering lower-cost alternatives. Use of existing, unused spaces is suggested to achieve efficiencies.

The **Town Center Plan Committee** is also charged with taking a fresh look, but at the Town Center as a whole with the goal to support a vibrant, business- and pedestrian-friendly environment. The five residents appointed will include at least one Town Center business owner and one resident of the Town Center or adjacent neighborhood.

The committee will provide a status report to the Town Council within six months of its first meeting, and final recommendations by the end of the year. The library committee is expected to provide a "substantial" progress report in October, after which the council will consider future directions and actions.

At the School Board meeting Feb. 12, Chairman John Christie said the board would approve their nominations for membership to these committees at their March meeting.

03/21/2013

Conservation Commission working to update 2001 Greenbelt Plan

The Conservation Commission is working to update to the [Greenbelt Plan](#).

The first Greenbelt Plan was prepared in 1977, and a second was adopted in 1988. The current Greenbelt Plan, adopted in 2001, was awarded "Plan of the Year" by the Maine Association of Planners.

What is the greenbelt?

The greenbelt is a series of connected open spaces that provide public access to trails, and also function as wildlife corridors connecting large public open spaces. The greenbelt is most popular in Cape Elizabeth because of the network of public trails it connects.

When town residents were asked about what type of open space should be protected, 60 percent said "passive recreation" such as hiking and walking

Why prepare a greenbelt plan?

Planning for any purpose involves establishing priorities and efficiently targeting (usually limited) resources toward those priorities.

Greenbelt planning encourages a townwide perspective for establishing trails that connect neighborhoods to destinations. The Greenbelt Plan has also been used to enhance grant applications for open-space funding. It has also been a useful tool when the Planning Board is reviewing a development proposal and determining how open-space zoning standards will be met.

03/26/2013

Master Plan improvements underway at Fort Williams Park

Work began earlier this month on three projects recommended in the [2011 Master Plan Update](#) of Fort Williams Park. All three projects are being completely funded by revenues generated in the park, said Public Works Director Robert Malley. The work is being done by [Peters Construction](#), Inc. from Buxton, which submitted the low bid of \$145,000 for all three projects. There were 10 bidders.

The first project will create a **cul-de-sac at the north end of the Ship Cove parking lot**. It will make vehicular movements within the lot safer, allow for some additional parking spaces and create a new walkway to get pedestrians from Chapel Road to what will be a new, wider sidewalk along the entrance road.

The second project involves **replacing the concrete slab at Ship Cove** that was originally the foundation of a building identified on archived plans as the "Hydrogen Gas Generating House". "The slab has long been used as a group picnic area, but the concrete surface of the slab was severely cracked and did not have proper surface drainage," Malley said. A new slab is being poured within the existing exterior footings. The slab will be available for group picnics and outings, and will be able to accommodate a canopy once complete. Interested parties should contact the [Transportation and Facilities Department](#), 207-799-9574, for rental and fee information.

The third project involves **pedestrian improvements** where the Ship Cove parking lot meets the park entrance road. The approach to the parking lot will be realigned and will include plantings and new walkways. Some minor drainage improvements will also be undertaken as part of this project.

All three projects are expected to be completed by the third week in June. The three projects were identified as high priorities by the Fort Williams Advisory Commission. They received Town Council approval last May, when the fiscal 2013 budget was adopted. Seven other projects have been designated as priorities in the master plan and will be implemented over the next several years.

04/03/2013

Code Enforcement Department now accepting online applications for building, other permits

The Town of Cape Elizabeth's Code Enforcement Department is now accepting applications for many construction and land-use permits online.

The Town has contracted with Hawkeye Government Solutions to provide a web-based, [online permitting system](#) which allows customers to apply for various construction and other permits without having to fill out a paper form. Applications may be submitted with or without registering for an account, but account holders will be able to track their applications and submit future applications without having to re-enter information.

Permits that may be applied for online are:

- Accessory Use / Home Occupation

- Building
- Demolition
- Electrical Service
- Electrical Wiring
- Heating Permit
- Plumbing
- Short Term Rental
- Sign
- Subsurface Wastewater Disposal System

Customers may also use a credit card online to pay for their permit using a secure payment system.

04/10/2013

Massachusetts educator chosen as next Middle School principal

Dr. Michael Tracy, Principal of [Newbury Elementary School](#) in Newbury, Mass., has been appointed Cape Elizabeth Middle School principal beginning July 1.

The School Board approved Tracy's nomination for the 2013-14 school year at their meeting April 9, 2013.

"I think he will be a great addition not only to the Middle School but to our K-12 administrative team," Superintendent Meredith Nadeau said prior to the board's unanimous approval. "I think he brings a real enthusiasm for middle-level learning and a strong instructional leadership background," she said.

A committee of Middle School faculty, administrators and parents have been working since January reviewing resumes, interviewing candidates and visiting sites to develop this recommendation, Nadeau said. "I think the committee felt (Tracy) represented the qualities that they were looking for and I think he will be able to work really effectively with our faculty and with the students in our middle school," she said.

Tracy was also praised as a collaborative leader, recognizing the need to work as a K-12 system to best meet the needs of students, Nadeau said.

Tracy succeeds Steven Connolly, who resigned in November to take a new job as superintendent for MSAD/RSU 60 in North Berwick. Assistant Principal Doug Perley, newly hired last July, is currently serving as interim principal.

Tracy has ties to Maine as a 1993 graduate of Colby College, where he received a bachelor's degree in literature with a minor in education.

He has been principal at Newbury Elementary, a pre K-Grade 6 school of approximately 600 students and 85 staff members, since July of 2010. From 2005-2010 he was principal of Ralph B. O'Maley Middle School in Gloucester, Mass., where he was also assistant principal from 2000-2005.

At Newbury Elementary Tracy has lead data team meetings using data-driven dialogue, with particular attention to literacy, mathematics and Massachusetts Comprehensive Assessment System data, according to his resume. He also built a "Response to Intervention" system at the school and incorporated intervention blocks into the master schedule. He also implemented a new educator evaluation system.

He began his professional career as founder and administrator of a recreational day camp in Newbury in 1992-93.

He received his master's degree in education from Lesley College in Cambridge, Mass. in 2000, and doctorate in educational administration from Boston College in 2005.

Board Chairman John Christie thanked search committee members for volunteering the many hours necessary to find the right candidate. Board member Mary Townsend said she hopes a "meet and greet" might be scheduled to introduce Tracy to parents, students and staff before he begins work July 1..

04/11/2013

Superintendent outlines plan to pilot full-day kindergarten program next school year

The School Department is planning to pilot a full-day kindergarten program in the 2013-14 school year.

Superintendent Meredith Nadeau outlined plans to have two full-day kindergarten sessions at Pond Cove School at the April 9, 2013 School Board meeting [our half-day kindergarten sessions would also be offered, all using existing staff and space.

Currently kindergarten is taught in six half-day sessions.

Which of the 100 kindergarten students anticipated for next year will get to pilot full-day kindergarten will be determined by lottery, Nadeau said. "It isn't ideal, but I think it is a prudent way to test this out and move it forward and find out if this is something that has full community support and if it's going to be effective for our children and our community," said Nadeau.

Full-day kindergarten was a top issue for Cape residents who attended a community forum last October, Nadeau said. Full-day kindergarten may also boost achievement for students with special needs and students who qualify for free and reduced-price lunches, groups that have not achieved as well as other students in Cape Elizabeth, she said. "Several studies have shown greater lasting benefit from participation in full day programs than in half day programs," Nadeau said. "And there are more of those studies every day."

Cape Elizabeth staff agree with national reports citing more time with fewer students; opportunities for different types of learning experiences; fewer daily transitions and better transition to first grade among the many benefits of full-day kindergarten, Nadeau said.

No additional cost

An added benefit is that next year, Cape Elizabeth will be able to try full-day kindergarten at no additional cost. Officials had considered moving to a full-day program when the kindergarten wing was added to Pond Cove School 10 years ago, Nadeau said. An extended program, however, would have meant building additional classrooms. But next year, declining enrollment means the school will be able to create two full-day kindergarten sessions without adding staff or classroom space.

Plans are to bring one teacher from another grade to the kindergarten team, bringing the size of the team to four. A special-ed classroom in the kindergarten wing would be moved to another part of the

building so that all kindergarten classes will be in the same corridor, Nadeau said. Curriculum would remain the same. "It's the same curriculum, just more time to deliver the instruction," Nadeau said.

More than costs to consider

One School Board member, however, said costs should not be the only consideration. Michael Moore, chairman of the board's finance committee, said that given the benefits and proliferation of full-day kindergarten programs, it was "baffling" that Cape Elizabeth did not have one.

"I think if you didn't live in Cape Elizabeth you would be shocked to learn that a school system such as ours, that has such broad community support, does not have full-day kindergarten," Moore said. He said he has been arguing for full-day kindergarten for several years. "My argument is if we can justify it on an educational basis then we have to find the resources and allocate it as such," he said.

Nadeau said kindergarten students will be assessed throughout the pilot year to help guide the future. "Is that perfectly scientific? No, because it is a small sample size," she said. "We know what the primary research base tells us, but we're also going to have some indicators about how it's working locally."

The number of parents who sign up for the placement lottery will also indicate how well the program will be received.

In coming years, if enrollment continues to decline as predicted, space and staffing should not be major obstacles to continuing or expanding full-day kindergarten, Nadeau said. "I also think that if you think about the outcomes for students over time, it is reasonable for us to expect that as this program is fully implemented we will see reductions in special education referrals for example, the decreased need for literacy support for students moving forward through the elementary school years and beyond.

Lottery

Details of the lottery have not been determined, but Nadeau said parents will likely be asked to let the school know whether they want their kindergartners in one of the full-day sessions in the next few weeks. Some time after the school budget validation vote on May 14, lottery results will be announced and a waiting list will be created for families that were not selected.

Pond Cove School Principal Kelly Hasson has had first-hand experience with lottery systems in Portland schools, Nadeau said, and there are other models in schools throughout the country, usually for "choice" programs.

School Board members said they have received emails and apologized for the anxiety the lottery was producing. "I do realize for many families the lottery system isn't the best option," Moore said. "We understand that but it's the best way for us to transition and to pilot a program, so thank you for being patient and hopefully in the future there'll be full-day kindergarten, but we need to take it one step at a time."

Easement funds for kindergarten materials

In a related matter, board members learned April 9 that the School Department would receive \$5,000 as payment for an easement over the High School access road to be used by the owners of a gourmet deli set to open at 349 Ocean House Road. They supported Nadeau's suggestion that the funds be used to purchase kindergarten materials.

04/10/2013



Public Works staff named 'Roads Scholars' by Maine Department of Transportation

Public Works Department staff Jason Emery, left, and Jim Green proudly display "Roads Scholar" certification presented by the Maine Department of Transportation on April 4, 2013. (photo courtesy Todd Hubbard)

Two Public Works staff members, **James Green** and **Jason Emery**, are the first from Cape Elizabeth to be recognized as "Roads Scholars" by the Maine Department of Transportation.

They received their awards at a meeting of the Maine Chapter of the American Public Works, which was held last Thursday, April 4, 2013 in Waterville, said Public Works Director Robert Malley.

The distinction is awarded to candidates who successfully complete seven required training classes hosted by the [Maine Local Roads Center](#), which is part of the Community Services Division of MDOT. The classes include training in work zone safety, winter roads maintenance and roadway fundamentals.

Jim Green has been a member of the department for over 33 years and is currently the Supervisor of daily operations, which includes oversight of the Recycling Center and Riverside Cemetery. **Jason Emery** has worked full-time for the Town since January of 2000 as an equipment operator. He is also active in the Cape Elizabeth Fire Department, having recently served as captain of Engine 1 Company.



05/02/2013

Cape Elizabeth Public Works team takes first place in county snowplow 'roadeo' competition

Cape Elizabeth equipment operators Josh Dennison, left, and Darren Brown will go on to state competition as the first-place winners of the 2013 Cumberland County Snow Plow Roadeo, hosted by Portland Public Works May 1.

A team from Cape Elizabeth took first place in the 2013 Cumberland County Snow Plow Roadeo on May 1, 2013. The team of **Darren Brown** and **Josh Dennison** were assessed the lowest penalty points out of 22 teams to take first place, said Public Works Director Robert Malley. Both are equipment operators at Cape Elizabeth Public Works.

Each driver must maneuver a plow truck, with an attached wing plow, through a course constricted by obstacles, features and turns that simulates a typical snow plowing operation, Malley said.

05/21/2013

Ship Cove improvements first to greet visitors to Fort Williams Park this season



Sidewalk improvements at Fort Williams Park, near the entrance to the Ship Cove Beach parking lot. Photo courtesy Robert Malley

Work continues at Fort Williams Park on three projects recommended by the Fort Williams Advisory Commission and approved Town Council last year.

Peters Construction, Inc. of Buxton was awarded the bid to complete three priority projects recommended in the 2011 update of the 2003 Master Plan.

- A cul-de-sac and **parking capacity** is being added to the Ship Cove Parking Lot.
 - **Pedestrian safety** will also be improved; with new sidewalks, curbing and landscaping to enhance the immediate area.
- The work also includes a **new concrete slab** at the group picnic area overlooking Ship Cove.

All three projects should be completed by the second week in June. "The projects were funded 100 percent by revenues generated in the park," said Public Works Director Robert

06/07/2013

Winning bin design says it's cool to recycle

'We Reduce, Reuse and Recycle' is the message from Cape Elizabeth Middle Schools' winning design for the 2013 ecomaine 'Recycling is a Work of Art' contest. Photo courtesy ecomaine


Cape Elizabeth Middle School
2013

Cape Elizabeth Middle School is one of six winners in [ecomaine's](#) annual "Recycling is a Work of Art" contest.



The design, crafted by an eighth-grade student of art instructor Marguerite Lawler-Rohner, was applied to one of ecomaine's recycling bins for circulation among the waste-management company's 43 member communities.

Seventh- and eighth-graders did the painting, said Lawler-Rohner. The designer "wanted to show that we (kids) recycle, and reuse in Maine," Lawler-Rohner said.

The contest was open to schools, groups and individuals within ecomaine's service area.

It's the second year that Cape Elizabeth Middle School has submitted a winning design. As winners, Middle School students got to paint the design on one of the 'silver bullet' recycling bins with paint supplied by ecomaine.

"An important part of the (design) message is getting people's attention in a fun and positive way," said Shelley Dunn, communications manager for ecomaine. "It makes the silver bullets much more approachable and interesting. - It's very cool to recycle!" Dunn said.

Other winners in the 2013 contest are:

- Manchester Elementary School - [Photos](#)
- Manchester Town Hall
- Masebesic Middle School
- Monmouth Academy
- Kerrin Parkinson, South Portland

06/21/2013

CETV public-access Channel 3 going digital July 23

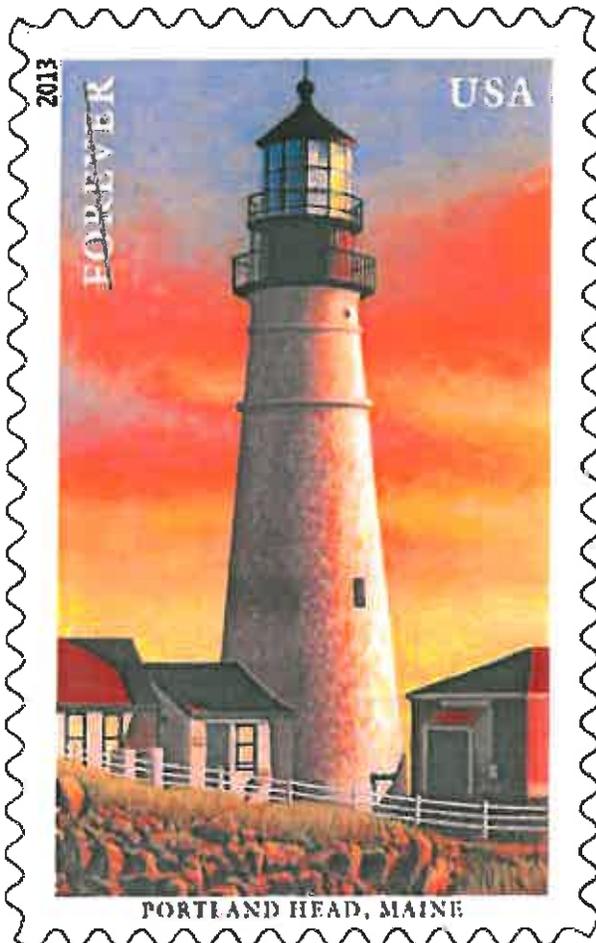
CETV Channel 3 is going digital. Time Warner Cable has announced that as of July 23, 2013, the signal for Cape Elizabeth's public access channel will be delivered in a digital format as part of the company's migration to all-digital content.

Customers who have digital service from Time Warner will see no change. The new signal will be "mapped" to Channel 3 so that customers with digital set-top boxes will still see Town meetings, the community bulletin board and other broadcasts on that channel. The same is true for customers who have CableCARDS or digital adapters, both issued by Time Warner.

Customers using televisions with QAM tuners to receive digital programming will be able to see CETV on Channel 121.2, although the actual channel number displayed may vary depending on the make and model. "In addition, it may be necessary to perform a new channel scan before you are able to view these channels," said Shelley Winchenbach, director of government relations for Time Warner in Maine and New Hampshire.

07/02/2013

Ceremony July 13 salutes Portland Head Light as feature in new stamp series



[Portland Head Light](#) is one of five coastal New England lighthouses included in a series of "Forever" stamps issued by the U.S. Postal Service this summer.

A dedication ceremony will be held at 10 a.m. Saturday, July 13, 2013, at Portland Head Light. Ceremonies will be held at the other featured lighthouses - Portsmouth Harbor (N.H.), Boston Harbor (Mass.), Point Judith (R.I.), and New London Harbor (Conn.) - at the same time.

TV personality Bill Green will be master of ceremonies for the Portland Head Light event, which will be attended by regional and national postal officials and include a presentation of the colors by a special U.S. Coast Guard Honor Guard.

Each of the five new stamps features an original acrylic painting by Howard Koslow based on recent photographs of the lighthouses, according to a press release from the Postal Service. The art directors were Howard E. Paine and Greg Breeding.

In addition to many other stamp projects, Koslow has produced the art for the entire Lighthouses series: the five lighthouses in the 1990 stamp booklet; the Great Lakes Lighthouses stamps issued in 1995; the Southeastern Lighthouses

stamps in 2003; the Pacific Lighthouses stamps in 2007; and the Gulf Coast Lighthouses stamps in 2009.

"The waters off the coast of New England have been a highway for ships since the earliest explorers came from Europe," the press release says. "The warm Gulf Stream flows from south to north, while the cold Labrador Current flows from north to south; these two currents make up the lanes of the highway, carrying ships along the busy Atlantic Coast.

"But the coastal waters are treacherous, the rocks and shoals a constant danger, and the changeable weather a challenge to navigation. New England's lighthouses have guided ships to safe harbor and

07/09/2013

State revenue, expenditure estimates reduce projected tax-rate increase for 2013-14

Municipal revenue sharing will be lower, the cost of the Homestead Exemption will be higher, but so will the state's school subsidy for 2013-14.

The bottom line? A lower anticipated tax rate for property owners in Cape Elizabeth.

Passage of the state budget last month caused the Town Council on July 8 to restate its municipal budget approval for 2013-14, one that increases anticipated revenues by a total of \$239,455 by also increases expenditures by \$38,242. "The changes have the effect of lowering the proposed tax rate from \$16.40 per \$1,000 valuation to \$16.28 per \$1,000 valuation," Town Manager Michael McGovern said in a [memo](#) to the Town Council.

The rate represents an increase of 2.8 percent over 2012-13, up 44 cents, but 12 cents less than what was adopted by the council in May and subsequently approved by voters for the school portion in the school-budget validation.

This restated budget approval reflects three revised estimates:

- State School Subsidy from \$2,192,506 to \$2,620,194 - an increase of \$427,688.
- Maine State Revenue Sharing from \$640,000 to \$451,764 - a decrease of \$188,236.
- Homestead Exemption local cost from \$157,000 to \$195,242 - an increase of \$38,242.

School expenditures will remain at \$22.5 million. The schools will not be spending the extra \$427,688 in state subsidy because part of the council's budget adoption in May stipulated that unanticipated state revenue would be used to reduce the property tax.

"There is a concern, however, that this is only anticipated revenue," McGovern said at the meeting July 8. "There could be a curtailment. If so, we would hold the schools harmless," he said.

The budget restatement says that if a curtailment of state school funding does occur, the town will make up the difference so that the authorized school expenditure amount is unchanged.

State budget ups and downs

"The (state) budget has had its ups and downs for Cape Elizabeth," McGovern said. At the June council meeting, officials braced for a possible \$215,500 reduction in revenue sharing that would have meant a higher tax rate than originally proposed. The adopted state budget includes a revenue-sharing reduction of \$188,236 for the town, and a \$38,242 increase in the cost of the Homestead Exemption to the town.

The [Homestead Exemption](#) gives Mainers who have kept their home as a primary residence for the last year a break by exempting \$10,000 of their property's value from taxation. The adopted state budget reduces the reimbursement to the town for that exemption by \$38,242.

The anticipated increase in school subsidy, however, offsets the reductions in state revenue sharing and reimbursement for the Homestead Exemption, resulting in a property tax rate that will likely be lower than councilors thought when the budget was adopted in May.

The town assessor is expected to commit and set the property tax rate in early August.

07/17/2013

Charles Road sewer improvement project nearing completion



Work on the Charles Road sanitary sewer and road improvement project is nearing completion. Photo courtesy Robert Malley

The Charles Road sanitary sewer improvement project is nearing completion, Public Works Director Robert Malley said in a statement July 16, 2013.

"All of the sanitary lines have been replaced, and new stormwater infrastructure has been installed,"

Malley said.

Work continues on pouring the new concrete sidewalks, which should be completed next week, he said. Base course paving is scheduled for this Friday, and the entire project is expected to be completed by Aug. 1.

Lighthouse lens, formerly on loan from Coast Guard, scheduled for disassembly



Fresnel lens, manufactured in Paris, France in 1874, on loan to the Town of Cape Elizabeth and on display in the foyer, is scheduled for disassembly next week.

The second-order Fresnel lighthouse lens that has been on display at Town Hall for the last 18 years may have a new home at the Maine Maritime Museum in Bath. Town Manager Michael McGovern said on July 19, 2013 that the lens, on display in the lobby outside the town clerk's office, is scheduled to be disassembled next week.

This spring officials were looking to move the lens to another Town Hall space to accommodate renovations there, but learned the cost of continued maintenance and display in a new place would be prohibitive. The Town Council, acting as the directors of the Museum at Portland Head Light, opted to return the lens to the U.S. Coast Guard.

In a telephone interview McGovern said that a qualified lampist and an assistant are expected to take the lamp apart next week, at a cost of \$8,431. Funds will come from the Museum at Portland Head Light, because the lamp is considered part of the museum collection.

The 19th-century lens was once used in the eastern tower at Two Lights. It has been on loan and displayed in the Town Hall since 1995.

07/23/2013

Vote completes town acquisition of 'Loveitt Heirs' open space

The town has completed an 18-acre puzzle it has been working on for the last six years. At their meeting July 8, 2013, the Town Council voted to accept the offer of Phillip Clifford, Sr. and Susan Clifford to sell their fractional interest in the so-called Loveitt Heirs' property, a parcel of approximately 18 acres located behind the Sherwood Forest neighborhood.

The new acquisition represents the last 3/112 interest in the property once owned by the heirs of Jedediah Loveitt. The parcel was recorded in the Cumberland County Registry of Deeds on Nov. 16, 1876, and is approximately one-fifth the size of Fort Williams Park. Its location makes it a key link between existing greenbelt properties and the developed Town Center.

The town began acquiring the property in 2007 through a series of purchases and foreclosures, with an eye toward maintaining it as open space. The main challenge has been identifying and contacting the myriad heirs to the property to obtain clear ownership.

"I think this is exciting that we're actually completing the town's acquisition of this parcel," said Town Councilor David Sherman. "I understand some of the reservations that have been expressed but I think it's a great thing for the town to accomplish," he said. The vote to accept the interest was unanimous, but Councilor Caitlin Jordan had indicated she did not think the town should spend \$8,000, which will come from the land-acquisition fund. However, the agreed-upon sum is less than what the owners had first proposed, Jordan said.

In addition to the \$8,000, the council's action promises posting a permanent sign explaining the history of the Loveitt parcel. Town Manager Michael McGovern said that once the sale closes, the next step is for the council to discuss what measures should be taken to add to property to the greenbelt.

08/09/2013

Chief announces promotion of police detective to sergeant



Paul Fenton, a detective with the Cape Elizabeth Police Department, has been promoted to sergeant effective Aug. 19, 2013.

Police Chief Neil Williams announced Fenton's promotion on Aug. 9.

Fenton steps into the sergeant's position following the retirement of Andrew Steindl, who completed a 25-year career in law enforcement this May. "Five officers then began an intense promotional process, which included a written exam, interview board, background, and prior work history," Williams said in an email announcement.

Fenton is a 1990 graduate of Cheverus High School and received a bachelors degree from Brandeis University in 1994. He is an emergency medical technician, a defensive tactics instructor and a member of the

Special Reaction Team, Williams said.

He joined Cape Elizabeth police as an officer in 1997, and in 2000 was promoted to detective. He is married and has two children.

08/13/2013

Council approves rules for 'street vending' in Fort Williams Park

The Town Council on Aug. 12, 2013 adopted rules regulating street-vendor activity at Fort Williams Park.

The adopted rules are essentially the same set that was tabled by the council in July: A maximum of eight artists or "street vendors" will be allowed to sell their wares at Fort Williams Park in a designated area near the entrance of the central parking lot, up the hill from Portland Head Light.

In July the council agreed to amend the miscellaneous offenses ordinance to grant them authority to create rules for the park, but tabled the actual rules pending a visit to the proposed site and discussion of legal responsibilities with the town's attorney. On July 30 councilors viewed the site they ultimately approved for street-vendor activity: An area extending 110 feet from the entrance to the central parking lot west toward Humphreys Road.

"I think it's the most suitable site, given all of the factors of the needs of the Fort and the needs of the prospective artists," Councilor Jessica Sullivan said at the meeting Aug. 15. "I thought it was the most reasonable, the most visible spot, so I'm very pleased to support it," she said. "People come down over the hill as they are heading for the lighthouse and the first thing they're going to see is the artists set up there," said Councilor Kathy Ray, adding that the town would work with artists who were concerned with the levelness or accessibility of the site.

The rules, which go into effect Aug. 19, 2013, will limit the number of artists or street vendors within the designated area to eight. The rules are intended to protect the character of Fort Williams Park while also protecting First Amendment rights to freedom of speech and expression. The council had directed the Fort Williams Advisory Commission to draft the rules in response to one artist's desire to sell his wares in the park.

The artist, Alewife Cove Road resident Kris Kristiansen, and his wife Marilyn spoke against the proposed rules at the July meeting, and Marilyn Kristiansen repeated those concerns before the council's vote Aug. 12.

"With currently one artist, the town's rules are overreaching and premature," Marilyn Kristiansen said. She said she and her husband still believe the rules infringe on First Amendment rights, subjecting artists to penalties and restrictions that are not imposed on permit-holding food vendors or on members of the general public. "We were pleased to read in the paper that the American Civil Liberties Union might offer their expert guidance. We feel a second, independent legal review of the rules will help to insure they are fair and just for everyone," Kristiansen said.

Fort Williams Park is in the third year of a pilot program where food vendors purchase permits to operate in four designated areas. The town also operates a museum and gift shop at Portland Head Light, which also produces revenue for the park.

Councilor Jamie Wagner, an attorney who said last month he wanted to study the case law surrounding rules for street vendors, said he too would support them as written. "I am a big advocate of a very broad view of First Amendment rights," Wagner said. "I do think, in the way they've been crafted, these rules are reasonable 'time and place' restrictions," he said. "I think the case law encourages us to be deliberative of these types of regulations but I'm comfortable that we're not prejudicing any individual from their First Amendment rights," Wagner said.

08/15/2013

Year-end statistics report only three new family homes built in fiscal 2013

Only three single-family homes were constructed last year in Cape Elizabeth. And, although he does not have the records to support it, the town manager believes that's probably the lowest number in 100 years.

"It's my guess maybe there were some times during the Depression that they only built that number of houses, but before that you had a lot of homes built in Cape Cottage Woods area so it's got to be at least 100 years since we've had that few single family homes built in Cape Elizabeth," said Town Manager Michael McGovern at the Aug. 12, 2013 meeting of the Town Council.

Records tracking the annual number of homes built go back about 30 years, McGovern said.

The statistic is among a host of facts gleaned for the annual town report at the end of each fiscal year June 30.

There were seven condominiums constructed in 2013, but only three new single-families, which should be of some relief to those who are concerned about growth and development, McGovern said.

08/13/2013

Town Hall chamber dais hosts its last meeting

Aug. 12, 2013 marked the last day the Cape Elizabeth Town Council would sit before its audience behind a four-foot high dais.



Town Hall chamber dais, pictured during the last Town Council meeting in which it was scheduled for use

The dais was scheduled the next day to be dismantled and removed from the meeting room, where it has been a fixture for the last 35 years. It will be replaced by a set of movable tables, from which the council and other public bodies will conduct their future business.

Councilors at their Aug. 12 meeting looked out at a chamber stripped of the carpet that covered what was once a school gym floor. New carpeting, as well as wiring to

mic the new meeting tables, were also scheduled to be installed the next day.

08/19/2013

Cape Elizabeth well represented in 16th annual TD Beach to Beacon

Cape Elizabeth was well represented in the 16th annual TD Beach to Beacon 10K held Aug. 3, 2013. The 684 residents crossing the finish line, led by Matt Rand, who was 28th overall with a time of 32:01. The top female competitor from Cape Elizabeth was Erin Hatton, 40:45. Cape Elizabeth's Christina Kouros, age 18, finished first among female wheelchair athletes with a time of 41:17, besting her 42:27 finish in the 2012 race.

08/23/2013



Shore Road Path connector construction moving right along

Work on the Shore Road Road Path connector sidewalk is continuing on schedule. Photo courtesy Robert Malley

Work on the Shore Road Road Path connector sidewalk is continuing on schedule.

The segment between Surf Road and Cottage Lane was completed last week and the remaining segment between the main gate and the former entrance to Fort Williams Park should be finished just after the Labor Day weekend, said Public Works Director Robert Malley.

The work is being done by Aceto Construction, Inc. of Buxton, who submitted the lowest bid for the project.

09/05/2013

Police collecting unused, unwanted medications at station Oct. 26

Cape Elizabeth police will hold a collection of unwanted medicine from 10 a.m.-2 p.m. Saturday, Oct. 26, 2013 at the Public Safety building, [325 Ocean House Road](#).

Unused and unwanted medications, both over-the-counter and prescription, will be collected and disposed in an environmentally safe way.

Police urge residents to take part in the collection to avoid accidental overdose and to keep medications out of the waste stream.

The collection is part of national [Drug Take Back Initiative](#), sponsored by the federal Drug Enforcement Administration.

09/10/2013

Council adopts rules to notify residents when neighbors get exterior building permits

Starting next month, the town will be notifying residents when their immediate neighbors take out a building permit for some outdoor renovations.

The Town Council on Sept. 9 approved amendments to the zoning ordinance which requires the town to notify neighboring residents when building permits are issued for construction 10 feet from a minimum setback, or or within 125 feet of a normal high water line.

Neighbors within 50 feet of the property will be notified. In most cases, the 50-foot radius will include all next-door neighbors and those across the street, Code Enforcement Officer Ben McDougal told councilors at their meeting Sept. 9, 2013.

"That's not a large administrative burden," said McDougal. "We're ready to implement it."

He said he anticipates his office will be sending out one or two notices a week under the new rules.

09/19/2013

School Department employees recognized for years of service

The School Department recognized 47 employees for years of service at 2013-2014 opening day activities Aug. 29, 2013. Superintendent Meredith Nadeau said that through the 2012-13 school year, three employees had 25 years of experience, two reached the 30-year mark, and five have more than 30 years experience. Topping the list of tenured employees is High School teacher Andrea Cayer, who has 38 years with Cape Elizabeth schools.

Here is the list employees who were recognized Aug. 29:

- **38 Years:** Andrea Cayer - HS Teacher
- **37 Years:** Richard Mullen - HS Teacher
- **33 Years:** Richard Whitten - Facilities & Transportation
- **32 Years:** Michael Efron - HS Teacher
- **31 Years:** John Casey - MS Teacher
- **30 Years**
 - Randy Dill - Facilities & Transportation
 - David Peary - HS Teacher
- **25 Years**
 - Janet Hoskin - Facilities & Transportation
 - Barbara McLean - PC Office
 - Belinda Snell - HS Guidance
- **20 Years**
 - Mary Dulac - PC Teacher
 - Pat Fowler - Facilities & Transportation
 - Claudia Racki - Central Office
 - Terese Roberts - MS Teacher
 - Tammy Thatcher - MS Teacher
 - Wendy Theriault - HS Ed Tech

- **15 Years**
 - Catherine Cornell- PC Teacher
 - Aaron Filieo - MS Teacher
 - Amy Kieran - PC Teacher
 - Scott Labbe - MS Teacher
 - Trina Richards - PC Ed Tech
 - Kate Thibeault - MS Guidance Office
 - Christine Tweedie - PC Teacher
- **10 Years**
 - Rebecca Bean - PC Teacher
 - Elaine Brassard - HS Teacher
 - Maureen Cahill - District OT
 - Jennifer Caswell- MS Ed Tech
 - Marianne Harrington - PC Teacher
 - Kristine Lewis - Food Service
 - Sharon McIntyre - PC Ed Tech
 - Melissa Morang - PC/HS Ed Tech
 - Kelly Phinney - Community Services
 - Mary Poker-Page - HS Teacher
 - Sharon Thompson - Food Service
 - Frank LaVerriere - Facilities & Transportation
- **5 Years**
 - Sarah Boeckel- HS Teacher
 - Marcia Chase - PC/MS Teacher
 - Jon Delisle - MS Teacher
 - Tabitha Eastman - MS Teacher
 - Andrea Fuller - Central Office
 - Mary Jane Ham - PC Teacher
 - Elizabeth Johnston - MS Teacher
 - Maryjane Johnston - PC Teacher
 - Regina Kazenski-Wilson - Food Service
 - Jean Lavallee - Food Service
 - Gretchen McCloy - MS Guidance
 - Sarah Steiner - HS Teacher

09/19/2013

Hearing set on master plan to alleviate overflow at Ottawa Road pump station

The Town Council will hold a **public hearing on Monday, Oct. 7, 2013** at Town Hall on a plan for alleviating sewer overflow at the Ottawa Road pump station.

The Combined Sewer Overflow Master Plan for Cape Elizabeth was drafted by the town, the City of South Portland and the Portland Water District in 2011 to address overflow at the Ottawa Road station, which handles waste from northern Cape Elizabeth and from South Portland.

When water from heavy rains infiltrates sewage pipes, the system becomes overwhelmed, causing sewage to bypass the pump station. The master plan focuses on identifying and eliminating sources of infiltration, and is a requirement for the station to continue its permit to operate.

At the council's meeting Sept. 9, Town Manager Michael McGovern said a representative of Wright-Pierce, the engineering firm that has been working on the plan with the town, the city of South Portland and the Portland Water District, will be at the hearing Oct. 7.

Since the master plan was drafted, the town has been waiting for approval from the Department of Environmental Protection.

09/24/2013

Greenbelt Plan update complete: Recommendation goes on to Town Council

After 10 months, the Cape Elizabeth Conservation Commission is done with its intensive work on updating the 2001 Greenbelt Plan.

At its Sept. 10 meeting, the all-volunteer commission voted to recommend the [draft 2013](#) plan to the Town Council. This most recent draft plan follows plans adopted in 1977, 1988 and 2001. The town has expanded the original greenbelt vision from 1977 of a trail from Fort Williams to Crescent Beach to 1,100 acres of permanently preserved town open space and 24 miles of greenbelt trails.

The plan includes three case studies of how having a plan enhances expansion of the greenbelt. The first looks at Great Pond; the second at the [Two Lights Trail](#)

The **third case study** features Robinson Woods II. In 2001, the land now known as that was privately owned by the Robinson family. The family permitted public access over the trails on the property. These trails were shown on the 2001 Greenbelt Plan Potential Trails Map and identified as one of the top five priorities.

10/09/2013

School Board adopts goals, objectives for five-year strategic plan

The School Board on Oct. 8, 2013 adopted a set of [goals and objectives](#) for its strategic plan.

The four goals, each with supporting objectives, support the mission and vision adopted by the board in May 2012.

School Board member Michael Moore said the goals and objectives will provide a framework for developing the strategic plan. "I believe in January or February we will be given more details, action items, and measurable benchmarks on how we're going to implement this program throughout the district," he said.

The goals were the subject of two public forums and a School Board workshop in September.

"I would just once again commend the direction that the district has chosen to take," said board member Mary Townsend, who is finishing her tenure on the board next month. "You're on the right track and I look forward to seeing how this grows," she said.

Developing and supporting a strategic plan is one of the School Board's [goals for 2013](#).

Strategic Plan Goals and Objectives for 2013-2018 Adopted October 8, 2013

Goal 1: Ensure opportunities for the success of all students by providing a high-quality and comprehensive instructional program.

Objectives:

- a. Narrow the achievement gap for vulnerable cohort groups and support all students in achieving academic growth.
- b. Ensure a well-articulated and coordinated K-12 curriculum which embeds [21st century skills](#) and knowledge and meets learning standards established by the State of Maine.
- c. Develop a standards-based assessment and reporting system profiling the educational skills, passions, and needs of all Cape Elizabeth students.

Goal 2: Expand learning opportunities for all students by cultivating an inclusive and supportive district culture.

Objectives:

- a. Strengthen community connections by developing and sustaining partnerships with local individuals, businesses, and organizations to reinforce the learning of 21st century skills in and outside of the classroom.
- b. Support the development of the traits of personal integrity, empathy, responsibility, respect for self and others, perseverance, independence, and collaboration.
- c. Expand students' understanding of global cultures and issues.

Goal 3: Increase student engagement in learning and teacher engagement in instruction.

Objectives:

- a. Increase the district's flexibility to transform the educational experience for students by becoming an [Innovative School District](#).
- b. Provide a variety of options for students to become college and career ready.
- c. Provide a variety of options for teachers to grow professionally that are connected to individual and district goals.

Goal 4: Align the district budget with strategic plan goals and target resources accordingly.

Objectives:

1. Adopt a multi-year Capital Improvements Plan for the school district.
2. Adopt annual budgets which support the work of the strategic plan.

11/05/2013

Jordan and Moore re-elected to municipal office; MacAuslan and Hubbs get nod for first terms

Two incumbents were re-elected and two newcomers were given the nod for three-year terms on the Town Council and the School Board on Election Day Tuesday, Nov. 5, 2013.

Municipal Election Results

Town Council (two seats):

Caitlin Jordan - 1352

- Imad Khalidi - 1324
- **Martha MacAuslan - 1448**

School Board (two seats):

- William Gross - 1188
- **Susana Measelle Hubbs - 1275**
- **Michael Moore - 1441**

Martha MacAuslan, who was also the highest vote-getter on the municipal ballot, was elected to a first term on the Town Council with 1,448. Caitlin Jordan was re-elected with 1,352 votes. Challenger Imad Kahlidi received 1,324 in the three-way race for two seats on the council.

In the School Board election, incumbent Michael Moore was re-elected to a second term with 1,441 votes. Newcomer Susana Measelle Hubbs was also elected to a School Board seat with 1,275 votes. William Gross, the third candidate in the race for two seats on the board, received 1,188 votes.

Cape voters favor all five referendum questions

In the state referendum election, Cape Elizabeth voters favored all five bond issue proposals, with the \$100 million bond issue for transportation infrastructure showing the highest approval, 2,059 votes in favor and 409 votes against in Cape Elizabeth.

Town Clerk Debra Lane reported a voter turnout of approximately 32 percent.

11/15/2013

Council accepts library report, looks to establish building committee next month

The Town Council will be looking to establish a building committee as a first step toward implementing the recommendations of the Thomas Memorial Library Planning Committee's [report](#), accepted by the council on Nov. 6, 2013.

The council voted to accept the committee's report with gratitude, and referred it to a Dec. 2 workshop where, councilors said, they would refine the charge of the building committee as they consider their goals for the coming year.

The 29-page report recommends new construction and renovation of the current library located at 6 Scott Dyer Road. The committee is recommending the Thomas Memorial Library retain its current town-center location, within its current footprint. A [concept plan](#) for the new library adds a second story to the portion of the library that was once the Pond Cove School Annex. The connector joining it with the original 1919 library building, which now houses the children's collection, would be closed and library use discontinued in the older building.

The report is a product of a planning committee which met 29 times in 31 weeks, from April-November 2013. It recommends a bond of no more than \$4 million for renovation and new construction, with an estimated \$4,000 for needed for fixtures and furnishings to be raised privately.

The council accepted the report unanimously and enthusiastically, but stopped short of voting to establish the building committee at the meeting. "Let's figure out what the committee's going to be and what exactly we want them to do," said Councilor Caitlin Jordan. Frank Governali, councilor who also served on the planning committee, said he too thought having an interim workshop was a good idea. "The community ought to have an opportunity to at least ask some questions before we vote on this," he said.

Molly MacAuslan, chair of the Library Planning Committee who presented the report to the council, said she appreciated the council's care in defining the charge, but also hoped the new committee could be established and ready with a library proposal in time for a November 2014 referendum. "My only concern is that is a quick time line," she said.

The former Spurwink School building - which housed the original 1919 library and now holds the children's collection - is not included in plan for renovation. Architect Richard Reed estimated the cost of addressing deficiencies in the small building "in the neighborhood of a couple of hundred thousand dollars", but that cost would depend on the scope of desired use, he said. The report does recommend the building be used as a temporary facility during renovation, but that the Town Council decide the future of the historic structure.

The council is expected to approve a charge for a library building committee at its meeting Dec. 9.

11/26/2013

Proposal for stormwater runoff grant gains conditional approval

A funding request for a project to alleviate effects of stormwater runoff into Trout Brook has been conditionally approved by the state Department of Environmental Protection.

In a Nov. 22, 2013 [letter](#) to Town Manager Michael McGovern, the DEP's Bureau of Land and Water Quality informed the town of conditional grant approval for the project proposed for the Walnut Hill Equestrian Center and at the Church of Jesus Christ of Latter-day Saints, both abutters of Trout Brook near the South Portland line.

Cape Elizabeth's project proposal is among 10 conditionally selected for the "2014 Grants for Nonpoint Source Pollution Control Projects, Watershed-based Plan Implementation."

In September the town submitted a package of proposed improvements for funding, including construction of a manure-storage shed and collection of water from the barn roof at the equestrian center; construction of two gravel wetlands, and rehabilitation of a detention basin upland of the brook; and, installation of an underdrain planted soil filter to capture parking-lot stormwater before it enters the brook. The grant would also include public outreach and education components.

Total cost of the project is estimated at \$182,567. At its September meeting, the Town Council agreed to contribute \$22,000 from its Community Fee Utilization Program fund, which holds development fees to help compensate for stormwater impact. The equestrian center is providing \$10,000, and all parties, including the City of South Portland and the Cumberland County Soil and Water Conservation District, are making in-kind contributions toward the 40-percent match requirement..

This award decision is subject to the final approval of the State Procurement Review Committee and the successful negotiation of a grant award, the letter says.

12/03/2013

Report suggests ordinance to govern outdoor shooting ranges

The Town Council is slated to consider a proposed ordinance for regulating shooting ranges.

A draft ordinance has been submitted for council consideration by Kenneth Cole, an attorney with Jensen, Baird, Gardner & Henry of Portland, who was retained by the town to look into whether the municipal government could enact such an ordinance.

The council is expected to refer the draft to its ordinance subcommittee at its next meeting, Dec. 9, 2013.

The draft is part of a [report](#) from Cole summarizing the research he conducted this summer. "My office researched the ability of Maine municipalities to regulate shooting ranges," Cole's report says. A [memo](#) written by Cole in July, and presented to the council in September, outlines the second-amendment protections afforded shooting ranges, but also the rights of a municipality to impose time, place and manner restrictions, "so long as the municipality shows some strong public-interest justification for the regulation".

Cole was hired by the town in response to complaints from residents of the Cross Hill subdivision about noise and safety concerns at the neighboring Spurwink Rod and Gun Club.

Current town [ordinance](#) prohibits the discharge of firearms with some exceptions, one of those being on property owned by the Spurwink Rod and Gun Club. The club's existence at its current Sawyer Road location gives it further protection from noise complaints under state law, according to Cole's July report, but the town may still regulate activity at new ranges, and expanded or new activity at "grandfathered" ranges.

Cole's ordinance proposal establishes a licensing procedure for shooting ranges. It proposes a committee, composed of two town councilors, a member of the Rod and Gun Club, a member of the public and the code-enforcement officer, to review license applications for compliance with standards for shot containment and noise mitigation. These ordinance standards are based on the National Rifle Association's Range Source Book, Cole's report says.

"Based on the various safety and noise concerns raised by the neighbors, the (proposed) ordinance contains specific management practices, hours of operation and liability insurance requirements. However, given the existing status of the Spurwink Rod and Gun Club, it also has considerable built-in flexibility with regard to the licensing requirements, and the time required to comply with them, including the ability of the council, as the final party who would grant such a license, to extend time limits and grant other exceptions," the report says.

Coles' research included federal and state law, ordinances from other municipalities, meetings with the Cross Hill neighbors and members of the Spurwink Rod and Gun Club, and a tour of the Sawyer Road facility.

The Spurwink Rod and Gun Club was established in 1952, according to a listing of Cape Elizabeth organizations in the 1965 historical retrospective "Collections from Cape Elizabeth, Maine".

The town has [documented](#) complaints about the shooting range since the mid 1990s. In 1999, residents from the neighboring Wells Road area petitioned the council to amend the firearms ordinance to govern hours and environmental issues at outdoor shooting ranges. The proposal was discussed at a workshop, but the council's preference to instead mediate between the two parties did not go forward.

TOWN OF CAPE ELIZABETH, MAINE

Annual Financial Report

For the Year Ended June 30, 2013

TOWN OF CAPE ELIZABETH, MAINE
Annual Financial Report
Year ended June 30, 2013

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TOWN OF CAPE ELIZABETH, MAINE
Annual Financial Report

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Independent Auditor's Report

To the Town Council
Town of Cape Elizabeth, Maine

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Cape Elizabeth, Maine, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Cape Elizabeth, Maine, as of June 30, 2013, and the respective changes in financial position, thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Cape Elizabeth, Maine's basic financial statements. The combining and individual fund financial statements and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the combining and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 2, 2013 on our consideration of the Town of Cape Elizabeth, Maine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Cape Elizabeth, Maine's internal control over financial reporting and compliance.



September 2, 2013
South Portland, Maine

TOWN OF CAPE ELIZABETH, MAINE
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2013

Introduction

As the Town Manager of the Town of Cape Elizabeth, Maine, I am pleased to provide a Management Discussion and Analysis as part of our annual financial statements.

The financial statements contained herein show all of the governmental and fiduciary funds of the Town of Cape Elizabeth, Maine. The total assets for all governmental activity equal \$48,896,462. The total net position is \$28,993,183. Net position includes \$20,426,134 net investment in capital assets, \$2,732,396 in restricted net position and \$5,834,653 in unrestricted net position. For the reporting period, the Town had a decrease in the fund balance for total governmental funds (from statement 4) of \$705,263. The fund balance for the General Fund on a budgetary basis decreased \$245,409. This is attributable to the planned utilization of carry forward balances. The School General Fund balance increased from \$1,002,013 to \$1,222,214 as a result of budgetary savings. The Town General Fund unassigned fund balance increased \$201,205.

The Statement of Net Position and the Statement of Activities

These statements provide an overview of the government as a whole. All of the current year's revenues are taken into account, regardless of when cash is received.

The *Statement of Net Position* provides a picture of the difference between assets and liabilities (including infrastructure). This is called *Net Position*. The *Statement of Activities* provides a look at how the net position has changed from the prior year to the current year.

In most years, increases or decreases in net position can show whether the Town is improving or deteriorating. Other factors need to be considered, such as changes in the Town's property tax base and the condition of the roads, to assess the overall health of the Town.

In the *Statement of Net Position* and the *Statement of Activities*, only one type of activities is presented:

- Governmental Activities – Most of the Town's basic services are reported here, including the General Government, Public Safety, Public Works, Health, Sanitation and Welfare, Recreation, Education and Libraries. Property taxes, intergovernmental revenue (primarily revenues from the State of Maine), and user fees finance most of these activities.

Fund Financial Statements

The *Fund Financial Statements* provide details of the Town's most significant funds – not the Town as a whole. The Town has one kind of fund; governmental, which uses the following accounting methods:

- *Governmental Funds* – Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term* view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs.

TOWN OF CAPE ELIZABETH, MAINE
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2013

The Town as Trustee

Reporting the Town's Fiduciary Responsibilities

The Town is the trustee, or *fiduciary*, for trust funds. These assets, because of a trust arrangement, can be used only for the trust beneficiaries. All of the Town's fiduciary activities are reported in the separate *Statements of Fiduciary Net Position* and *Changes in Fiduciary Net Position*. We exclude these activities from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Comparison of Information from Current Year and Prior Year

THE TOWN AS A WHOLE

The following information is a condensed version of the *Statement of Net Position*. Our analysis below focuses on the net position of the Town's governmental activities.

Governmental Activities Net Position

	2013	2012
Current and other assets	\$ 11,891,413	12,513,276
Capital assets	37,005,049	36,835,902
Total assets	48,896,462	49,349,178
Other liabilities	3,324,364	3,212,249
Long-term liabilities	16,578,915	18,891,272
Total liabilities	19,903,279	22,103,521
Net investment in capital assets	20,426,134	18,252,324
Restricted	2,732,396	3,021,539
Unrestricted	5,834,653	5,971,794
Total net position	\$ 28,993,183	27,245,657

Assets

Cash, Cash Equivalents and Investments

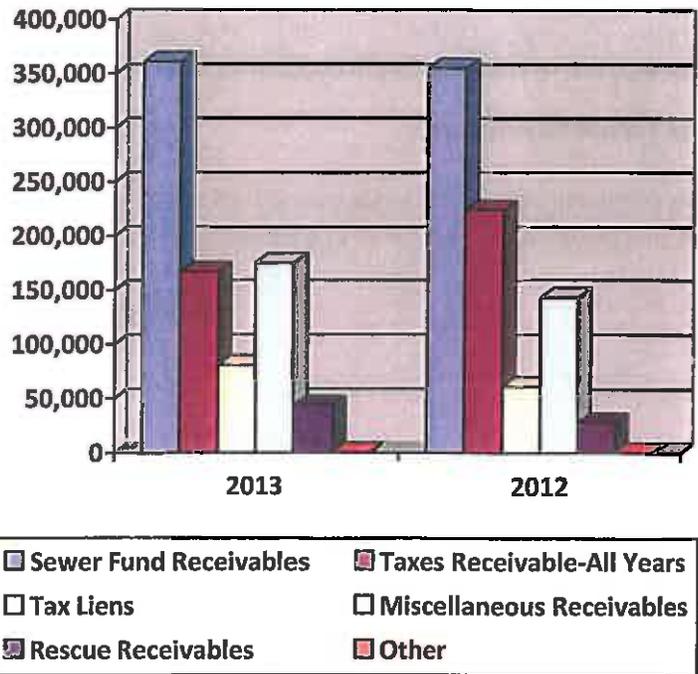
The portion of the fund balance in cash, cash equivalents and investments decreased \$665,917, from \$11,560,459 to \$10,894,542. The decrease is attributable to spending down assigned fund balances.

TOWN OF CAPE ELIZABETH, MAINE
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2013

Receivables

The Town continues to have an excellent record of tax receivables, maintaining the collection rate of the levy for the current year at 99.36%. The taxes receivable decreased from the prior year, due to continuing cooperation from taxpayers and an unemployment rate significantly below the national average. The sewer receivable increased slightly. The Town places tax liens on uncollected sewer fees, so eventually the entire receivable is paid.

	FY 2012	FY 2013
Sewer Fund Receivables	\$ 355,072	361,459
Taxes Receivable-Current Year	224,025	166,402
Taxes Receivable-Prior Yrs.	186	284
Tax Liens	61,374	80,830
Miscellaneous Receivables	142,877	174,919
Rescue Receivables	28,160	44,000
Tax Acquired Property	206	206
Total	\$ 811,900	828,100
% Sewer	44%	44%
% Taxes etc.	56%	56%



TOWN OF CAPE ELIZABETH, MAINE
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2013

Changes in Net Position

	<u>2013</u>	<u>2012</u>	<u>Change</u>
Sources of Revenues			
Program Revenues:			
Charges for services	\$ 5,079,106	4,911,542	167,564
Operating grants and contributions	4,235,013	5,264,981	(1,029,968)
Capital grants and contributions	756,290	-	756,290
Total program revenues	10,070,409	10,176,523	(106,114)
General Revenues:			
Property and other taxes	28,125,475	26,976,824	1,148,651
Grants and contributions not restricted to specific programs	902,984	973,187	(70,203)
Unrestricted investment income	122,110	58,320	63,790
Other	136,317	222,851	(86,534)
Total general revenues	29,286,886	28,231,182	1,055,704
Total revenues	39,357,295	38,407,705	949,590
Functional Expenses:			
General government	1,319,985	1,174,591	145,394
Public works	2,294,612	2,196,861	97,751
Facilities	334,992	291,201	43,791
Public safety	2,039,980	1,984,056	55,924
Human services	58,466	46,245	12,221
Cultural and parks	943,137	1,281,201	(338,064)
Education	24,169,179	23,643,004	526,175
School lunch	630,350	596,544	33,806
Intergovernmental assessments	1,019,311	1,013,039	6,272
Unclassified	2,195,830	2,210,612	(14,782)
Sewer	1,495,047	1,251,089	243,958
Capital maintenance	932,659	954,434	(21,775)
Interest on debt	176,221	277,245	(101,024)
Total expenses	37,609,769	36,920,122	689,647
Increase in net position	1,747,526	1,487,583	259,943
Net position – beginning of year	27,245,657	25,758,074	1,487,583
Net position – end of year	\$ 28,993,183	27,245,657	1,747,526

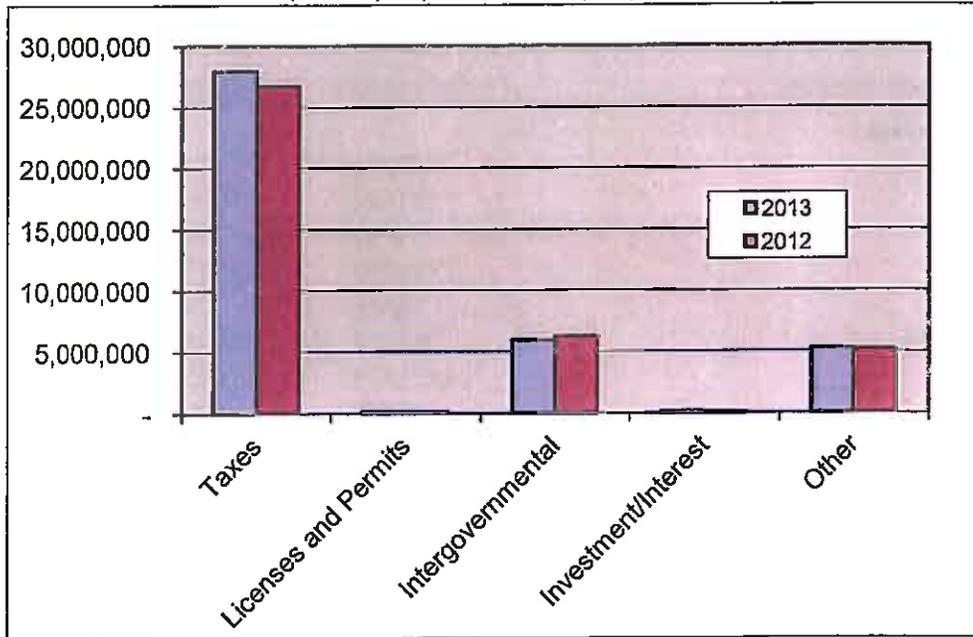
TOWN OF CAPE ELIZABETH, MAINE
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2013

Governmental Fund Revenues by Major Source

Property and other taxes amounted to 71.1% of revenue in FY 2013. This compares to 69.8% in FY 2012. Intergovernmental revenues decreased \$343,881 due to state budget cuts and a decline in MaineCare support. Investment income increased from \$58,320 to \$122,110. Overall, revenues were up \$1,030,590 or 2.7%. The total increase in revenue from taxes this past year was \$1,230,230 or 4.6% compared with 3.4% the previous year.

Revenues Chart

	2013	2012	\$ Change	% Change
Taxes	\$ 27,951,929	26,721,699	1,230,230	4.6%
Licenses and Permits	154,583	140,616	13,967	9.9%
Intergovernmental	5,894,287	6,238,168	(343,881)	-5.5%
Investment/Interest	122,110	58,320	63,790	109.4%
Other	5,217,386	5,150,902	66,484	1.3%
	\$ 39,340,295	38,309,705	1,030,590	2.7%



TOWN OF CAPE ELIZABETH, MAINE
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2013

Governmental Fund Expenditures

Total expenditures increased by \$1,653,740, or 4.3%. The increase was due to more spending for capital outlay, for schools and for sewers. Spending, excluding capital outlay, increased \$852,554 or 2.3%.

Expenditures changed as follows:

	2013	2012	\$ Change	% Change
General Government	\$ 1,055,123	965,257	89,866	9.3%
Public Works	1,723,157	1,643,224	79,933	4.9%
Facilities	334,992	291,201	43,791	15.0%
Public Safety	1,782,052	1,725,819	56,233	3.3%
Cultural and Parks	943,137	1,281,201	(338,064)	-26.4%
Human Services	58,466	46,245	12,221	26.4%
Education	25,019,569	24,316,858	702,711	2.9%
Intergovernmental Assessments	1,019,311	1,013,039	6,272	0.6%
Unclassified	2,166,373	2,151,037	15,336	0.7%
Sewer	1,495,047	1,251,089	243,958	19.5%
School Lunch Program	630,350	596,544	33,806	5.7%
Capital Outlay	2,755,968	1,954,783	801,185	41.0%
Non-School Debt Service	1,149,570	1,243,078	(93,508)	-7.5%
Total Expenditures	\$ 40,133,115	38,479,375	1,653,740	4.3%
Excluding Capital Outlay	\$ 37,377,147	36,524,592	852,555	2.3%

Transfers

In FY 2013, \$437,006 was transferred from the General Fund to the Community Services Fund as a planned contribution and the Community Services Fund received a \$21,000 grant from the Thomas Jordan Fund. The General Fund transferred a budgeted \$14,000 to the Turf Field Fund. \$480,000 was transferred from the school categorical funds for Medicaid. This was also planned as part of the transition away from reliance of funds from the American Recovery and Reinvestment Act (ARRA) funds. The subsequent FY 2014 school budget was adopted with a transfer of \$200,000.

The Overall Financial Position of the Town

The overall financial condition continued to be healthy in FY 2013. Despite a continuing tough economy nationally, the tax collection rate stayed above 99% of the current levy. The unassigned general fund balance remained a healthy \$3.1 million. The ratio of bonded debt to assessed value decreased from 1.10% to 0.97%. \$2.07 million was retired. The infrastructure is in good condition with police, fire, public works and community facilities having been built or substantially remodeled over the last 12 years. All school buildings have been recently renovated. 81% of all debt is to be retired in the next ten years with 100% of the debt to be retired in the next 15 years.

The Town's median household income in 1999 was \$72,359, the highest in Maine. Property values have moderated in the last three years after significant increases in previous years. Unemployment in the Portland MSA was at 5.6% in June 2013, compared to a state unemployment rate of 6.6% and a national rate of 7.6%.

TOWN OF CAPE ELIZABETH, MAINE
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2013

Significant Changes in Individual Fund Balances

	06/30/13	06/30/12	\$ Change	% Change
General Fund	\$ 5,214,928	5,313,731	(98,803)	-1.9%
School Categorical Funds	239,609	712,708	(473,099)	-66.4%
School Lunch Program	3,859	13,507	(9,648)	-71.4%
Sewer User Fund	1,268,073	1,299,931	(31,858)	-2.5%
Community Services Fund	24,778	47,056	(22,278)	-47.3%
Riverside Cemetery Capital Improvements	106,179	93,461	12,718	13.6%
Fort Williams Park Fund	123,263	178,909	(55,646)	-31.1%
Portland Head Light Fund	629,037	518,081	110,956	21.4%
Rescue Fund	206,108	194,526	11,582	6.0%
Cemetery Perpetual Care	334,939	346,019	(11,080)	-3.2%
Library Fund	180,599	173,406	7,193	4.1%
Land Acquisition Fund	72,747	213,379	(140,632)	-65.9%
Spurwink Church Fund	34,419	34,724	(305)	-0.9%
Thomas Jordan Fund	952,090	886,538	65,552	7.4%
Turf Field	146,009	131,304	14,705	11.2%
Infrastructure Improvement	191,176	168,102	23,074	13.7%
School Technology	-	107,694	(107,694)	100.0%

The General Fund and Fort Williams Park decreases reflects planned reductions in carry forward balances as projects were undertaken in FY 2013 including the Shore Road pathway. The Thomas Jordan Fund increased due to its investments. The Portland Head Light Fund increased due to good sales at the gift shop. The Community Services Fund decreased primarily due to revenue shortfalls at the fitness center. The Infrastructure Improvement Fund was established in FY 2007 and is receiving steady income. The Land Acquisition Fund assisted the Cape Elizabeth Land Trust with a property purchase.

The Sewer User Fund is benefiting from a three year implementation of sewer fee increases intended to meet the debt service expense of Portland Water District sewer plant upgrades begun in September 2010. The Portland Water District borrowed approximately \$2.5 million from the Maine State Revolving Loan Fund Program at a minimal interest rate. Funds which had been purposefully accumulated the past few years for capital needs are now being used for those needs.

Significant Budget Variances

There were no significant negative budget variances.

TOWN OF CAPE ELIZABETH, MAINE
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2013

Long-term Debt Activity

In the early part of the past decade, the Town completed a new police station, a new public works garage, a new community center, new town center fire station, a new kindergarten wing of the elementary school and renovations to the high school. Net bonded debt as of June 30, 2013 stood at \$16,053,817. This equated to 0.97% of assessed value and to \$1,781 net bonded debt per capita. The ratio of debt service to general governmental expenditures was 6.83% on June 30, 2013 compared to 7.75% on June 30, 2012.

Existing Debt Service Requirements			
Year	Principal	Interest	Total
2014	\$ 2,061,814	480,535	2,542,349
2015	1,969,708	428,449	2,398,157
2016	1,407,654	381,448	1,789,102
2017	1,385,648	340,584	1,726,232
2018	1,388,697	299,762	1,688,459
2019-2023	5,586,068	888,895	6,474,963
2024-2028	2,254,228	156,531	2,410,759
Totals	\$ 16,053,817	2,976,204	19,030,021

Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Michael McGovern, Town Manager at the Town of Cape Elizabeth, 320 Ocean House Rd., Cape Elizabeth, Maine 04107, or by phone at 207-799-5251 or by e-mail at michael.mcgovern@capeelizabeth.org

BASIC FINANCIAL STATEMENTS

TOWN OF CAPE ELIZABETH, MAINE
Statement of Net Position
June 30, 2013

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 10,345,064
Investments	549,478
Receivables:	
Accounts	174,919
Taxes and liens	247,722
Rescue (net of allowance for uncollectible of \$35,000)	44,000
Sewer fees (net of allowance for uncollectible of \$4,000)	361,459
Prepaid expenses	11,691
Inventory	157,080
Capital assets, not being depreciated	1,970,038
Capital assets, being depreciated	35,035,011
Total assets	48,896,462
LIABILITIES	
Accounts payable and other current liabilities	127,173
Accrued payroll	1,632,829
Compensated absences payable	953,360
Unearned revenues	190,108
Taxes collected in advance	12,490
Accrued interest	117,065
Other postemployment benefits liability	291,339
Noncurrent liabilities:	
Due within one year	2,336,472
Due in more than one year	14,242,443
Total liabilities	19,903,279
NET POSITION	
Net investment in capital assets	20,426,134
Restricted	1,464,323
Unrestricted	7,102,726
Total net position	\$ 28,993,183

See accompanying notes to financial statements.

TOWN OF CAPE ELIZABETH, MAINE
Statement of Activities
 For the Year Ended June 30, 2013

Functions/programs	Program revenues				Net (expense) revenue and changes in net position	
	Expenses	Charges for services	Operating grants and contributions	Capital grants and contributions	Primary Governmental activities	
					Primary Governmental	Governmental activities
Governmental activities:						
General government	\$	154,583	-	-	(1,165,402)	
Public works	2,294,612	92,840	81,912	756,290	(1,363,570)	
Facilities	334,992	194,410	-	-	(140,582)	
Public safety	2,039,980	253,586	66,592	-	(1,719,802)	
Human services	58,466	-	-	-	(58,466)	
Cultural and parks	943,137	6,573	-	-	(936,564)	
Education	24,169,179	1,261,929	3,990,943	-	(18,916,307)	
School lunch	630,350	525,136	95,566	-	(9,648)	
Intergovernmental assessments	1,019,311	-	-	-	(1,019,311)	
Unclassified	2,195,830	763,023	-	-	(1,432,807)	
Sewer	1,495,047	1,827,026	-	-	331,979	
Capital maintenance expenses	932,659	-	-	-	(932,659)	
Interest on debt	176,221	-	-	-	(176,221)	
Total governmental activities	37,609,769	5,079,106	4,235,013	756,290	(27,539,360)	
General revenues:						
Property taxes					26,185,607	
Excise taxes					1,749,144	
Interest and costs on taxes					34,178	
Franchise fees					156,546	
Grants and contributions not restricted to specific programs:						
State Revenue Sharing					649,052	
Homestead exemption					189,050	
Other intergovernmental revenues					64,882	
Unrestricted investment earnings					122,110	
Miscellaneous revenues					136,317	
Total general revenues					29,286,886	
Change in net position					1,747,526	
Net position - beginning					27,245,657	
Net position - ending					\$ 28,993,183	

See accompanying notes to financial statements.

TOWN OF CAPE ELIZABETH, MAINE
Balance Sheet
Governmental Funds
June 30, 2013

	General	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 9,286,316	1,058,748	10,345,064
Investments	-	549,478	549,478
Receivables:			
Accounts	145,178	29,741	174,919
Taxes receivable - prior years	284	-	284
Taxes receivable - current year	166,402	-	166,402
Tax liens	80,830	-	80,830
Tax acquired property	206	-	206
Rescue (net of allowance for uncollectible of \$35,000)	-	44,000	44,000
Sewer fees (net of allowance for uncollectible of \$4,000)	-	361,459	361,459
Prepaid expenditures	-	11,691	11,691
Inventory	-	157,080	157,080
Interfund loans receivable	-	2,492,824	2,492,824
Total assets	\$ 9,679,216	4,705,021	14,384,237
LIABILITIES			
Accounts payable and other current liabilities	127,173	-	127,173
Accrued payroll	1,632,829	-	1,632,829
Unearned revenue - other	-	190,108	190,108
Taxes collected in advance	12,490	-	12,490
Interfund loans payable	2,490,796	2,028	2,492,824
Total liabilities	4,263,288	192,136	4,455,424
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	201,000	-	201,000
Total deferred inflows of resources	201,000	-	201,000
FUND BALANCES			
Nonspendable	-	168,771	168,771
Restricted	1,224,714	239,609	1,464,323
Committed	-	3,696,730	3,696,730
Assigned	850,752	420,618	1,271,370
Unassigned	3,139,462	(12,843)	3,126,619
Total fund balances	5,214,928	4,512,885	9,727,813
Total liabilities, deferred inflows of resources, and fund balances	\$ 9,679,216	4,705,021	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	37,005,049
Other long-term assets are not available to pay for current period expenditures and, therefore, are unearned revenues in the funds.	201,000
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds:	
Compensated absences payable	(953,360)
Accrued interest	(117,065)
Other postemployment benefits liability	(291,339)
Capital leases	(525,098)
Bonds payable	(16,053,817)

Net position of governmental activities **\$ 28,993,183**

TOWN OF CAPE ELIZABETH, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2013

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$ 27,951,929	-	27,951,929
Licenses and permits	154,583	-	154,583
Intergovernmental	5,450,440	443,847	5,894,287
Investment income	24,632	97,478	122,110
Other	488,805	4,728,581	5,217,386
Total revenues	34,070,389	5,269,906	39,340,295
Expenditures:			
Current:			
General government	1,055,123	-	1,055,123
Public works	1,723,157	-	1,723,157
Facilities	334,992	-	334,992
Public safety	1,782,052	-	1,782,052
Cultural and parks	943,137	-	943,137
Human services	58,466	-	58,466
Education	22,902,807	2,116,762	25,019,569
Intergovernmental assessments	1,019,311	-	1,019,311
School lunch	-	630,350	630,350
Unclassified	1,252,538	913,835	2,166,373
Sewer	-	1,495,047	1,495,047
Capital improvements	2,284,153	471,815	2,755,968
Debt service	930,007	219,563	1,149,570
Total expenditures	34,285,743	5,847,372	40,133,115
Deficiency of revenues under expenditures	(215,354)	(577,466)	(792,820)
Other financing sources (uses):			
Lease proceeds	87,557	-	87,557
Transfers from other funds	480,000	472,006	952,006
Transfers to other funds	(451,006)	(501,000)	(952,006)
Total other financing sources (uses)	116,551	(28,994)	87,557
Net change in fund balances	(98,803)	(606,460)	(705,263)
Fund balances, beginning of year	5,313,731	5,119,345	10,433,076
Fund balances, end of year	\$ 5,214,928	4,512,885	9,727,813

See accompanying notes to financial statements.

TOWN OF CAPE ELIZABETH, MAINE
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2013

Net change in fund balances - total governmental funds (from Statement 4)	\$	(705,263)
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Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay (\$2,052,182) exceeded depreciation expense (\$1,883,035) in the current period.		169,147
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the change in unavailable revenues - property taxes.		17,000
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds. This is the change in accrued compensated absences (\$1,400); the change in accrued interest (\$14,142); and the change in other postemployment benefits liability (\$61,257).		(45,715)
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Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount of current year repayments (\$2,068,969).		2,068,969
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Capital lease proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which capital lease payments (\$330,945) exceeded capital lease proceeds (\$87,557).		243,388
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Change in net position of governmental activities (see Statement 2)	\$	1,747,526
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See accompanying notes to financial statements.

TOWN OF CAPE ELIZABETH, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2013

	Budgeted amounts		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues:				
Taxes	\$ 27,866,028	27,866,028	27,951,929	85,901
Licenses and permits	116,000	116,000	154,583	38,583
Intergovernmental	2,986,976	2,986,976	3,648,824	661,848
Investment income	25,000	25,000	24,632	(368)
Other	446,500	446,500	488,805	42,305
Total revenues	31,440,504	31,440,504	32,268,773	828,269
Expenditures:				
Current:				
General government	1,031,444	1,085,212	1,055,123	30,089
Public works	1,786,024	1,802,566	1,723,157	79,409
Facilities	349,961	349,961	334,992	14,969
Public safety	1,860,867	1,871,395	1,782,052	89,343
Cultural and parks	1,011,654	1,116,773	943,137	173,636
Human services	50,400	59,400	58,466	934
Education	21,758,817	21,758,817	21,247,797	511,020
Intergovernmental assessments	1,019,484	1,019,484	1,019,311	173
Unclassified	1,573,255	1,575,255	1,252,538	322,717
Capital improvements	693,248	2,297,920	2,196,596	101,324
Debt service	934,344	934,344	930,007	4,337
Total expenditures	32,069,498	33,871,127	32,543,176	1,327,951
Deficiency of revenues under expenditures	(628,994)	(2,430,623)	(274,403)	2,156,220
Other financing sources (uses):				
Transfer from special revenue funds	480,000	480,000	480,000	-
Transfer to special revenue funds	(437,006)	(437,006)	(437,006)	-
Transfer to capital projects funds	(14,000)	(14,000)	(14,000)	-
Carryforward balances and subsequent authorizations	-	1,801,629	-	(1,801,629)
Utilization of prior year surplus - School	250,000	250,000	-	(250,000)
Utilization of prior year surplus - Town	350,000	350,000	-	(350,000)
Total other financing sources	628,994	2,430,623	28,994	(2,401,629)
Net change in fund balance	-	-	(245,409)	(245,409)
Reconciliation to GAAP:				
Change in encumbrances			146,606	
Fund balance, beginning of year			5,313,731	
Fund balance, end of year	\$		5,214,928	

See accompanying notes to financial statements.

TOWN OF CAPE ELIZABETH, MAINE
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2013

		Private- purpose Trust Funds	Agency Funds
ASSETS			
Cash and cash equivalents	\$	90,242	172,554
Total assets		90,242	172,554
LIABILITIES			
Due to student groups		-	172,554
Total liabilities		-	172,554
Net Position			
Held in trust	\$	90,242	-

See accompanying notes to financial statements.

TOWN OF CAPE ELIZABETH, MAINE
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2013

		Private- purpose Trust Funds
Additions:		
Interest earned	\$	713
Donations		7,887
Total additions		8,600
Deductions:		
School scholarships		2,615
Total deductions		2,615
Change in net position		5,985
Net position, beginning of year		84,257
Net position, end of year	\$	90,242

See accompanying notes to financial statements.

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Cape Elizabeth, Maine was incorporated in 1765 and operates under a Council-Manager form of government, adopted by charter in 1967. Cape Elizabeth is located approximately five miles southeast of Portland along the southern Maine coast. The Council is comprised of seven members elected at-large for staggered three-year terms.

A. Reporting Entity

This report includes all funds of the Town. An analysis of certain criteria was made to determine if other governmental units should be included in this report. In evaluating how to define the reporting entity, for financial reporting purposes, management has considered all potential component units. The criterion used defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. Application of this criterion and determination of type of presentation involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government.

Blended component unit. The Museum at the Portland Head Light is a nonprofit 501 (c)(3), which is governed by a board of directors made up of Town Councilors. The Museum is reported as a special revenue fund and does not issue separate financial statements.

The accounting policies of the Town of Cape Elizabeth, Maine conform to accounting principles generally accepted in the United States of America as applicable to government entities. The following is a summary of the more significant of such policies:

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Town has elected not to allocate indirect costs among programs, functions and segments. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

Major individual governmental funds are reported as separate columns in the fund financial statements.

TOWN OF CAPE ELIZABETH, MAINE
Notes to Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period for property taxes and one year for all others. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as certain compensated absences and claims and judgments, are recorded only when the payment is due.

Those revenues susceptible to accrual are property taxes, interest, and charges for services. Other receipts and taxes become measurable and available when cash is received by the Town and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The Town reports the following major governmental funds:

The General Fund is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Additionally, the Town reports the following fund type:

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

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

Private-purpose trust funds are used to account for resources legally held in trust for the benefit of others.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are special funds overhead reimbursements and charges between the Town's sewer fund and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

TOWN OF CAPE ELIZABETH, MAINE
Notes to Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities, Deferred Inflows of Resources and Equity

Cash and Investments - Cash and cash equivalents are considered to be cash on hand, demand deposits and time deposits. Investments are stated at fair value.

Interfund Loans Receivable/Payable - Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as interfund loans or as interfund advances (i.e., the noncurrent portion of interfund loans).

Inventory - Inventory in the Portland Head Light Fund and the School Lunch Program consists of gift shop merchandise, food and supplies and is valued at the lower of cost (first-in, first-out basis) or market, and is offset with a non-spendable fund balance for inventories. Inventories of the School Lunch Program include the value of the U. S. Department of Agriculture commodities donated to the program.

Capital Assets - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the Town as assets with an estimated useful life in excess of one year and with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the primary government are depreciated using the straight-line method over the assets' estimated useful lives ranging from three to 60 years.

Deferred Inflows of Resources - In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises under a modified accrual basis of accounting that qualifies for reporting in this category, unavailable revenue from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Compensated Absences - Under the terms of personnel policies and union contracts, vacation and sick leave are granted in varying amounts according to length of service. All vacation and sick time is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-term Obligations - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities. Bond premiums and discounts, as well as issuance costs if material to basic financial statements, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

TOWN OF CAPE ELIZABETH, MAINE
Notes to Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Bond issuance costs, if material, are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Equity - Governmental Fund fund balance is reported in five classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which those funds can be spent. The five classifications of fund balance for the Governmental Funds are as follows:

- *Nonspendable* – resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact.
- *Restricted* – resources with constraints placed on the use of resources which are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or; b) imposed by law through constitutional provisions or enabling legislation.
- *Committed* – resources that are subject to limitations the government imposes on itself at its highest level of decision-making authority, and that remain binding unless removed in the same manner.
- *Assigned* – resources that are constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed.
- *Unassigned* – resources that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

The Town Council has the responsibility for committing fund balance amounts by vote and likewise would be required to modify or rescind those commitments by a similar vote. For assigned fund balance amounts, the Town Manager has the authority to assign unspent budgeted amounts to specific purposes in the General Fund at year-end. The Town Council approves the assigned amounts either before or after year-end.

Currently, the Town has a fund balance policy under which the Town will seek to have an unassigned General Fund fund balance of 8.33% of annual General Fund operating revenues. If the unassigned municipal (excluding schools) fund balance target is exceeded, excess fund between 100%-115% of the target shall be used to reduce the tax commitment in the next budget to be considered by the Town Council. Any amount over 115% of the target may be committed or assigned for any capital need or unanticipated expenditures or may be placed in an assigned fund for future property tax relief. In addition, in those years in which the General Fund fund balance is less than the targeted percentage, the balance may not be used to support the annual budget or for capital needs if the result will be an undesignated fund balance (a.k.a. unassigned) that is a percentage of operating revenues lower than the prior year’s percentage.

Should there be multiple sources of funding available for a particular purpose, it is the Town’s policy to expend currently budgeted resources first, and then use other sources in the order of restricted, then committed, then assigned amounts.

TOWN OF CAPE ELIZABETH, MAINE
Notes to Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Interfund Transactions - Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses in the reimbursing fund as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

Use of Estimates - Preparation of the Town's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent items at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

Comparative Data/Reclassifications - Comparative data for the prior year have been presented only for certain funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

E. Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds and capital leases payable and adding back any unspent proceeds.

Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Town's net investment in capital assets was calculated as follows at June 30, 2013:

Capital assets	\$ 65,700,433
Accumulated depreciation	(28,695,384)
Bonds and notes payable	(16,053,817)
<u>Capital leases</u>	<u>(525,098)</u>
<u>Net investment in capital assets</u>	<u>\$ 20,426,134</u>

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Budgets are adopted for the General Fund and several of the special revenue funds, and are adopted on a basis consistent with generally accepted accounting principles (GAAP), except for encumbrances and Maine Public Employees Retirement on-behalf payments. Maine Public Employees Retirement contributions are made by the State of Maine on behalf of the Cape Elizabeth School Department. These amounts have not been budgeted in the General Fund and result in a difference in reporting on a budgetary basis of accounting versus reporting under accounting principles generally accepted in the United States of America of \$1,801,616. These amounts have been included as inter-governmental revenue and education expenditures in the General Fund on Statement 4 (GAAP basis) and on the statement of activities. There is no effect on the fund balance or net position at the end of the year.

TOWN OF CAPE ELIZABETH, MAINE
Notes to Financial Statements, Continued

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY, CONTINUED

Each year, the Town Manager submits to the Town Council a budget for the ensuing fiscal year and an accompanying message. The Manager's message explains the budget both in fiscal terms and in terms of the work programs. It outlines the proposed financial policies of the Town for the coming fiscal year, describes the important features of the budget, indicates any major changes from the current year in financial policies, expenditures, and revenues, together with the reasons for such changes, summarizes the Town's debt position, and includes such other material as the Manager deems desirable. It also describes the tax impact of the proposed budget.

The School Department prepares a budget based on the 11 budget categories required by the Maine Department of Education. The budget goes to a public referendum and is passed either in part or in whole; and those parts that do not pass are resubmitted to public vote. Once all categories of the School Department budget pass the public vote, it is adopted by School Board vote and incorporated in the Town's budget.

Hearings are held to obtain public comments on the Town's budget. The budget is legally enacted by a council order for the total Town and the total School appropriation.

In addition, separate orders are adopted for the Community Services Fund, Sewer Fund, Portland Head Light Fund, Spurwink Church Fund, Riverside Cemetery Fund, Rescue Fund and the Thomas Jordan Fund. The level of control (level at which expenditures may not exceed budget) is the Department. Once adopted, only the Town Council can amend the budget.

At the end of the fiscal year, every General Fund appropriation that has not been expended or encumbered will lapse, except for appropriations for capital expenditures, which do not lapse until the purposes for which they were appropriated have been accomplished or abandoned.

The budgeted financial statements represented in this report reflect the final budget authorization, including all amendments. The revised budget presented for the General Fund in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund (Statement 6) includes various adjustments as follows:

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other financing sources (uses)</u>
2012-2013 budget as originally adopted	\$ 32,215,568	32,215,568	-
Overlay/abatements	453,936	453,936	-
Local homestead exemption	(149,000)	(149,000)	-
Interfund transfers	(480,000)	(14,000)	466,000
Utilization of prior year balances:			
Town	(350,000)	-	350,000
School	(250,000)	-	250,000
Assigned carry-forward balances – Town	-	1,016,474	1,016,474
Community services and pool local allocations	-	(437,006)	(437,006)
Budgetary adjustments:			
Subsequent authorizations and transfers	-	785,155	785,155
Total adjusted budget	\$ 31,440,504	33,871,127	2,430,623

TOWN OF CAPE ELIZABETH, MAINE
Notes to Financial Statements, Continued

CASH DEPOSITS AND INVESTMENTS

A. Deposits

Custodial Credit Risk-Town Deposits: Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does have a deposit policy for custodial credit risk that requires that the FDIC insure the deposit of funds in institutions. Any funds deposited above the \$250,000 insurance limit must be collateralized by the financial institution, or the excess funds be placed with other financial institutions. As of June 30, 2013, the Town reported deposits of \$10,607,860 with a bank balance of \$11,393,853. None of the Town's bank balances were exposed to custodial credit risk as they were covered by FDIC or additional insurance purchased on behalf of the Town by the respective banking institutions.

Deposits have been reported as follows:

Reported in governmental funds	\$ 10,345,064
<u>Reported in fiduciary funds</u>	<u>262,796</u>
<u>Total deposits</u>	<u>\$ 10,607,860</u>

B. Investments

At June 30, 2013, the Town had the following investments reported in governmental funds:

	<u>Fair value</u>
Mutual funds (1)	\$ 549,478

(1) Mutual funds are not considered securities and are exempt from credit risk disclosure.

Interest Rate Risk: The Town, in accordance with its investment policy, strives to maximize its return on investments while avoiding assuming unreasonable investment risks.

PROPERTY TAXES

Property taxes for the current year were committed on August 1, 2012 on the assessed value listed as of the prior April 1 for all real and personal property located in the Town. Interest was charged at 7% on all taxes unpaid as of October 2, 2012 and April 2, 2013. Assessed values are periodically established by the Town's Assessor at 100% of assumed market value.

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$304,937 for the year ended June 30, 2013.

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

Property taxes levied during the year were recorded as receivables at the time the levy was made. The receivables collected during the year and in the first sixty days following the end of the fiscal year have been recorded as revenues. The remaining receivables have been recorded as unavailable revenues – property taxes.

TOWN OF CAPE ELIZABETH, MAINE
Notes to Financial Statements, Continued

PROPERTY TAXES, CONTINUED

The following summarizes the 2013 and 2012 levy:

	<u>2013</u>	<u>2012</u>
Assessed valuation:		
Land	\$ 709,184,800	710,072,900
Buildings	937,352,400	937,055,100
Personal property	6,191,800	5,910,500
Total assessed valuation	\$1,652,729,000	1,653,038,500
Assessed valuation	1,652,729,000	1,653,038,500
Tax rate (per \$1,000)	15.84	15.18
Commitment	26,179,227	25,093,125
Supplemental taxes assessed	6,379	8,871
Total tax levy	26,185,606	25,101,996
Change in unavailable tax revenues	(17,000)	(98,000)
Total property tax revenues	26,168,606	25,003,996
Less:		
Collections and abatements	26,002,204	24,779,971
Current year receivables at June 30,		
2013 and 2012	\$ 166,402	224,025

	<u>2013</u>	<u>2012</u>
Due date(s)	10/2/12 4/2/13	10/4/2011 4/3/2012
Interest rate on delinquent taxes	7.00%	7.00%
Collection rate	99.32%	99.11%

CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2013 was as follows:

	Balance June 30, <u>2012</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2013</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,116,995	-	-	1,116,995
Construction in progress	209,918	1,680,697	1,037,572	853,043
Total capital assets, not being depreciated	1,326,913	1,680,697	1,037,572	1,970,038
Capital assets, being depreciated:				
Land improvements	669,581	-	-	669,581
Buildings and building improvements	39,800,766	-	-	39,800,766
Furniture and equipment	1,833,164	93,626	-	1,926,790
Vehicles	4,635,322	277,859	70,781	4,842,400
Infrastructure	15,453,286	1,037,572	-	16,490,858
Total capital assets being depreciated:	62,392,119	1,409,057	70,781	63,730,395

TOWN OF CAPE ELIZABETH, MAINE
Notes to Financial Statements, Continued

CAPITAL ASSETS, CONTINUED

Less accumulated depreciation for:				
Land improvements	\$ 215,754	44,639	-	260,393
Buildings and building improvements	15,299,329	1,143,647	-	16,442,976
Furniture and equipment	1,040,676	89,170	-	1,129,846
Vehicles	3,011,542	279,875	70,781	3,220,636
<u>Infrastructure</u>	<u>7,315,829</u>	<u>325,704</u>	<u>-</u>	<u>7,641,533</u>
Total accumulated depreciation	26,883,130	1,883,035	70,781	28,695,384
<u>Total capital assets being depreciated, net</u>	<u>35,508,989</u>	<u>(473,978)</u>	<u>-</u>	<u>35,035,011</u>
<u>Governmental activities capital assets, net</u>	<u>\$ 36,835,902</u>	<u>1,206,719</u>	<u>1,037,572</u>	<u>37,005,049</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 199,110
Public safety	257,928
Public works, including depreciation of general infrastructure assets	571,455
Education	825,085
Unclassified	29,457
<u>Total depreciation expense – governmental activities</u>	<u>\$ 1,883,035</u>

INTERFUND BALANCES

Individual interfund receivables and payables at June 30, 2013 were as follows:

	<u>Interfund receivables</u>	<u>Interfund payables</u>
<u>General Fund</u>	<u>\$ -</u>	<u>2,490,796</u>
Nonmajor special revenue funds:		
School Categorical Programs	218,203	-
School Lunch Program	-	2,028
Sewer User Fund	906,614	-
Community Services Fund	184,045	-
Portland Head Light	488,659	-
Rescue Fund	162,108	-
<u> Total nonmajor special revenue funds</u>	<u>1,959,629</u>	<u>2,028</u>
Nonmajor capital project funds:		
Land Acquisition Fund	72,747	-
Infrastructure Improvement	191,176	-
Turf Field	146,009	-
Fort Williams Park Fund	123,263	-
<u> Total nonmajor capital project funds</u>	<u>533,195</u>	<u>-</u>
<u>Totals</u>	<u>\$ 2,492,824</u>	<u>2,492,824</u>

TOWN OF CAPE ELIZABETH, MAINE
Notes to Financial Statements, Continued

INTERFUND BALANCES, CONTINUED

With the exception of certain trust funds and permanent funds, all cash of the Town is co-mingled in centralized cash accounts maintained within the General Fund, the practice of which results in the interfund balances listed above.

Individual fund transfers for the year ended June 30, 2013 were as follows:

	<u>Transfers in</u>	<u>Transfers out</u>
General Fund	\$ 480,000	451,006
Nonmajor special revenue funds:		
School Categorical Programs	-	480,000
Community Services Fund	458,006	-
Thomas Jordan Fund	-	21,000
Total nonmajor special revenue funds	458,006	501,000
Nonmajor capital projects fund:		
Turf Field	14,000	-
Totals	\$ 952,006	952,006

These transfers were budgeted transfers to fund certain activities.

STATUTORY DEBT LIMIT

In accordance with Maine law, no municipality shall incur debt for specified purposes in excess of certain percentages of state valuation of such municipality. At June 30, 2013, the Town complied with these limitations.

COMMITMENTS

As of June 30, 2013, the Town had ongoing commitments for the improvements of Starboard Drive and Charles Road. The construction contracts had remaining balances of \$79,049 and \$209,361 respectively, as of year-end.

CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2013 was as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Due within one year</u>
Governmental activities:					
General obligation bonds	\$ 18,122,786	-	2,068,969	16,053,817	2,061,814
Capital leases	768,486	87,557	330,945	525,098	274,658
Other post employment benefits	230,082	71,049	9,792	291,339	-
Accrued compensated absences	954,760	953,360	954,760	953,360	-
Governmental activity long-term liabilities	\$ 20,076,114	1,111,966	3,364,466	17,823,614	2,336,472

TOWN OF CAPE ELIZABETH, MAINE
Notes to Financial Statements, Continued

LONG-TERM DEBT

Long-term debt payable at June 30, 2013 is comprised of the following:

	<u>Amount of Original issue</u>	<u>Interest rate</u>	<u>Final maturity date</u>	<u>Balance end of year</u>
General obligation bonds				
2004 School Revolving Renovation Fund (1)	\$ 800,000	0%	2014	80,000
2004 School Renovation	3,725,000	3.00-4.36%	2024	1,970,000
2006 School Renovation	4,725,000	3.75-4.20%	2025	2,820,000
2006 Clean Water Revolving Fund	3,510,000	1.73%	2026	2,415,817
2006 Sewer bond	1,890,000	1.90%-5.50%	2027	1,323,000
2008 Capital improvements	2,550,000	3.25%-4.13%	2028	1,900,000
2009 Refunding bond	5,850,000	2.00%-2.75%	2020	3,185,000
2011 Refunding bond	2,110,000	2.00%-2.70%	2021	1,660,000
2012 Refunding bond	780,000	2.00%-2.50%	2022	700,000
Total general obligation bonds				16,053,817
Total				\$ 16,053,817

(1) The original amount of this note was for \$1,000,000, of which the State has forgiven \$200,000. The Town's outstanding portion at June 30, 2013 was \$80,000.

The Town is in compliance with all significant limitations and restrictions contained in the various bond indentures.

The annual requirements to amortize all debt outstanding at June 30, 2013 are as follows. Such amounts exclude overlapping debt requirements, but include School debt requirements to be reimbursed by the State of Maine.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 2,061,814	480,535	2,542,349
2015	1,969,708	428,449	2,398,157
2016	1,407,654	381,448	1,789,102
2017	1,385,648	340,584	1,726,232
2018	1,388,697	299,762	1,688,459
2019-2023	5,586,068	888,895	6,474,963
2024-2028	2,254,228	156,531	2,410,759
Totals	\$ 16,053,817	\$2,976,204	\$ 19,030,021

The State of Maine currently reimburses the Town for a portion of financing costs of school building and school bus purchases. Continuation of such reimbursements is dependent upon continued appropriations by the State Legislature.

CAPITAL LEASES

The Town has entered into eight lease agreements as lessee for financing of computers and technology equipment, a boiler, buses and a van. The lease agreements contain fiscal funding clauses that permit the Town to terminate the agreements on an annual basis if funds are not appropriated. However, these lease agreements qualify as capital leases, and therefore, have been recorded in the Town's statement of net position at the present value of the future minimum lease payments as of the date of their inception.

TOWN OF CAPE ELIZABETH, MAINE
Notes to Financial Statements, Continued

CAPITAL LEASES, CONTINUED

The following is a summary of equipment leased under capital lease agreements by the Town as of June 30, 2013:

Computer and technology equipment	\$ 726,301
Boiler	150,000
Buses	259,606
Van	25,325

The following is a schedule of the future minimum lease payments under the capital leases, and the present value of the net minimum lease payments at June 30, 2013:

Fiscal year ending	
<u>June 30,</u>	
2014	\$ 290,125
2015	142,907
2016	76,124
2017	44,258
Total minimum lease payments	553,414
<u>Less amounts representing interest</u>	<u>28,316</u>
Present value of future minimum lease payments	<u>\$ 525,098</u>

OPERATING LEASES

The Town has twelve operating lease agreements for rental of Town-owned buildings and land. Rental income from these operating leases for the year ended June 30, 2013 was \$ 51,777.

The following is a schedule of the future minimum rentals on operating leases as of June 30, 2013:

Fiscal year ending	
<u>June 30,</u>	
2014	\$ 62,927
2015	56,429
2016	55,961
2017	31,430
2018	15,793
2019-2023	12,500
2024-2028	5,000
Total of future rental income	<u>\$ 240,040</u>

OVERLAPPING DEBT AND OTHER CONTINGENCIES

Overlapping Debt

Cumberland County

The Town is subject to an annual assessment of its proportional share of Cumberland County expenses, including debt repayment, as determined by the percentage of the Town's state valuation to the County's state valuation. At June 30, 2013, the Town's share is \$1,608,478 (4.36%) of Cumberland County's outstanding debt of \$36,925,000.

TOWN OF CAPE ELIZABETH, MAINE
Notes to Financial Statements, Continued

OVERLAPPING DEBT AND OTHER CONTINGENCIES, CONTINUED

Portland Water District

The Town is served by the Wastewater Division of the Portland Water District ("PWD"), a wholly separate quasi-municipal entity whose operations are not part of the Town, for treatment of its wastewater. The Town owns and maintains the collector sewer lines and is responsible for the cost of their maintenance, improvements and expansion. The PWD owns and operates a sewer interceptor system, all pumping stations within the Town and a treatment plant in the Town for sewage delivered to the plant by the Town, for which the Town pays a monthly fee.

The Town is responsible for the entire debt service required to finance the PWD's treatment plant at the Spurwink Avenue Treatment Plant (the "Wastewater Fund Debt"). All Town users of the wastewater system pay monthly fees, based upon water volume, to support expenditures from the Sewer Fund, which are paid for these services. At June 30, 2013, the Town was responsible for \$2,544,500 of its portion of PWD's Wastewater Fund Debt (or 8.86% of PWD's \$28,725,760 total Wastewater Fund Debt).

Other Contingencies

Portland Water District - The Water Division of the PWD also provides water to the inhabitants of ten cities and towns within the Greater Portland Area (the "PWD Municipalities"), including the Town. The Water Division's debt is not a debt or obligation of the Town. However, under Title 35-A, Section 6103 of the Maine Revised Statutes, as amended (the "Act"), and pursuant to an agreement with nine of the ten PWD municipalities, the exception being the Town of Standish (the "Section 6103 Members"), in compliance with subsection 6 of the Act, the PWD possesses authority for taxation in the event of default in the payment of the indebtedness of the PWD incurred for water purposes (the "Water Fund Debt").

In the event of a default by PWD in the payment of the principal of, in interest on, its Water Fund Debt, the Trustees of the PWD have the authority to issue a warrant for payment of amounts necessary to cure the default to the assessors in each Section 6103 Member municipality within the PWD, including the Town.

Such assessment is allocated pro-rata, to each Section 6103 Member municipality based upon 100% of its respective equalized State Valuation. On this basis, at June 30, 2013, the Town was contingently responsible for approximately 6.65%, or \$2,065,931, of the PWD's \$31,085,441 Water Fund Debt.

ecomaine - ecomaine is a solid waste management corporation service 40 municipalities in Cumberland, Oxford, and York counties in Maine. Owned and controlled by 21 member communities, ecomaine creates electricity through its processing of waste and operates an extensive recycling program. The Town is a member community in ecomaine. Interlocal (waste handling) agreements between ecomaine and participating communities obligate the members to deliver certain solid waste produced within the community to ecomaine for processing and to make service payments and pay tipping fees for such processing. The Town has no explicit, measurable equity interest and therefore; has not reported an asset in these financial statements in connection with its participation in ecomaine. Selected balance sheet information for ecomaine for the year ended June 30, 2013 based on the most recent information available, includes total assets of \$60,282,199, total liabilities of \$17,775,424 and unrestricted net position of \$11,281,110. The liabilities include an accrual for landfill closure and postclosure care amounting to \$15,951,872. ecomaine has a plan to fund this liability in the form of a cash reserve over the period of years between 2011 and a projected closing date. The separate audited financial statements of ecomaine may be obtained from the Town's finance office.

TOWN OF CAPE ELIZABETH, MAINE
Notes to Financial Statements, Continued

RISK MANAGEMENT

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

Based on the coverage provided by the pools described above, as well as coverage provided by commercial insurance purchased, the Town is not aware of any material actual or potential claim liabilities, which should be recorded at June 30, 2013.

POSTCLOSURE CARE COSTS

Under existing state law, Maine communities have to close existing landfills under a state approved plan and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The Town closed its existing landfill during 1998 and the transfer station was modified to handle and transport future materials. The Town has estimated that there will be no significant postclosure care costs.

FUND BALANCES

At June 30, 2013, portions of the Governmental Funds fund balances were assigned, committed or restricted for future periods or classified as nonspendable for specific amounts as follows:

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Nonspendable:			
Portland Head Light - inventory	\$ -	140,378	140,378
School Lunch program - inventory	-	16,702	16,702
<u>Community services prepaid expenditures</u>	<u>-</u>	<u>11,691</u>	<u>11,691</u>
Total nonspendable	-	168,771	168,771
Restricted:			
School Department grants	-	239,609	239,609
School Department General Fund	1,222,214	-	1,222,214
<u>Town grants and donations</u>	<u>2,500</u>	<u>-</u>	<u>2,500</u>
Total restricted	1,224,714	239,609	1,464,323
Committed:			
Town capital projects:			
Land acquisition fund	-	72,747	72,747
Turf Field fund	-	146,009	146,009
Town special revenue funds:			
Sewer Fund – user fees	-	1,268,073	1,268,073
Community Services fund	-	13,087	13,087
Portland Head Light	-	488,659	488,659
Rescue fund	-	206,108	206,108
Riverside perpetual care fund	-	334,939	334,939
Library fund	-	180,599	180,599

TOWN OF CAPE ELIZABETH, MAINE
Notes to Financial Statements, Continued

FUND BALANCES, CONTINUED

	General Fund	Other Governmental Funds	Total
Thomas Jordan fund	\$ -	952,090	952,090
Spurwink church fund	-	34,419	34,419
Total restricted	-	3,696,730	3,696,730

Assigned:

Town capital projects:			
Roadway and drainage repairs	232,000	-	232,000
Library projects	101,707	-	101,707
Fort Williams tree planting	11,043	-	11,043
Police donations	8,186	-	8,186
Cruiser replacement	58,424	-	58,424
Records preservation	4,577	-	4,577
Family fun day	6,921	-	6,921
Town hall meetings spaces/office spaces	25,000	-	25,000
Election equipment	16,000	-	16,000
APP Geo Implementation	11,000	-	11,000
Fuel and food donations	5,376	-	5,376
Sidewalk Improvements	20,518	-	20,518
Town - re-appropriation of fund balance	350,000	-	350,000
Town capital project funds:			
Riverside Cemetery capital improvements	-	106,179	106,179
Infrastructure improvement	-	191,176	191,176
Fort Williams park	-	123,263	123,263
Total assigned	\$ 850,752	420,618	1,271,370

SUBSEQUENT EVENTS

The Portland Water District currently owns and operates the Ottawa Road Pump Station, which processes sanitary waste for both the Town of Cape Elizabeth and the City of South Portland. In 2009, the State of Maine Department of Environmental Protection (DEP) contacted the three entities about combined sewer overflows (CSOs) associated with the pump station. Combined sewer overflows occur during storm events when a mixture of wastewater and storm water runoff overflows the combined sewer collection system before receiving treatment at a licensed wastewater treatment facility. These discharges of diluted untreated wastewater violate both State and Federal water pollution laws. Municipalities or Sewer Districts that have CSOs are required to license them with the DEP. License requirements direct these communities to evaluate their CSO problems and determine cost effective solutions to abate them.

Recently, the three entities submitted a master plan for the CSOs from the pump station to the DEP, which the DEP approved in July 2013 and authorized the three entities to begin working on the abatement of CSOs. The plan is to be implemented over five years, beginning in fiscal year 2014 and ending in fiscal year 2018. The costs will be split 33% for the City of South Portland and 67% between the Town of Cape Elizabeth and the Water District. At this time, the costs are not estimable and therefore, the Town has not recorded a liability for the estimated project costs.

TOWN OF CAPE ELIZABETH, MAINE
Notes to Financial Statements, Continued

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM (Maine PERS)

Maine Public Employees Retirement System - District Group

The Town participates in the Maine Public Employees Retirement System, which is a single-employer public employee retirement system established by the Maine State legislature. The Maine Public Employees Retirement System provides retirement, disability, and death benefits to plan members and beneficiaries. Cost-of-living adjustments are provided to members and beneficiaries at the discretion of the state legislature. The authority to establish and amend benefit provisions rests with the state legislature.

All Town employees who were previously in the Town's District Group (prior to the Town opting out of the Maine Public Employees Retirement System) are eligible to participate in the system. As of June 30, 2013, the Town had three active covered employees, zero vested, inactive employee and 50 vested/retired employees.

Except for police officers and sergeants, the Town has elected not to participate in the Maine Public Employees Retirement System Consolidated Plan. New employees not eligible to participate in the Maine Public Employees Retirement System participate in the Town's ICMA Plan.

Employees are eligible for normal retirement upon attaining age 60 with ten or more years of service or after completing 25 or more years of creditable service prior to age 60.

Vested participants are entitled to a retirement benefit equal to a fraction (2%) of the average final compensation multiplied by the years of membership service (discounted for early retirement).

Funding Status and Progress - As of June 30, 2012, the most recent actuarial valuation date, the plan was 87.22% funded. The actuarial accrued liability for benefits was \$6.1 million, and the actuarial value of assets was \$5.3 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$780,810. The covered payroll (annual payroll of active employees covered by the plan) was \$122,815, and the ratio of the UAAL to the covered payroll was 636%.

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Significant methods and assumptions were as follows:

Actuarial valuation date	6/30/12
Actuarial cost method	Entry age normal
Amortization method	Level dollar
Remaining amortization period	12 years closed

Actuarial assumptions:

Investment rate of return	7.25%
Annual rate of salary increase	3.50%
Annual cost of living increase	3.12%
Average retirement age	60

For determining plan costs, assets are valued at "actuarial value". The actuarial value recognizes the assumed rate of investment return, plus one-third of the difference between the actual rate and the assumed rate.

TOWN OF CAPE ELIZABETH, MAINE
Notes to Financial Statements, Continued

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM (Maine PERS), CONTINUED

Maine PERS - Consolidated Plan – Police Officers and Sergeants

Description of the Plan - Effective July 1, 2008, the Town of Cape Elizabeth began offering participation in the Maine PERS Special Plan 2-C of the Consolidated Plan for all police officers and sergeants. The Maine Public Employees Retirement Consolidated Plan is a cost sharing multiple-employer public employee retirement system established by the Maine State legislature. Any officers and sergeants participating in this plan are responsible for any applicable buyback costs. Joining and buyback opportunities and deadlines are determined by Maine PERS. The Town does permit employee funded buybacks in accordance with Maine PERS regulations. The employee is responsible for the employee costs as determined by Maine PERS.

The Maine Public Employees Retirement System provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries.

The authority to establish and amend benefit provisions rests with the state legislature. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the Consolidated Plan. That report may be obtained by writing to Maine Public Employees Retirement System, 46 State House Station, Augusta, Maine 04333-0046 or by calling 1-800-451-9800.

Funding Policy - Plan members are required to contribute 6.5% of their annual covered salary and the Town is required to contribute an actuarially determined rate. The current rate is 7.5% of annual covered payroll for the Special Plan 2-C. The contribution rates of plan members and the Town of Cape Elizabeth are established and may be amended by the State legislature.

The Town's contribution to the Maine Public Employees Retirement System Consolidated Plan for the years ended June 30, 2013, 2012, and 2011 were \$59,056, \$48,204, and \$64,890, respectively.

Maine Public Employees Retirement System - Teacher's Group

Description of Plan - All schoolteachers, plus other qualified educators, participate in the Maine Public Employees Retirement System's teacher group. The teacher's group is a cost-sharing plan with a special funding situation, established by the Maine State legislature. The Maine Public Employees Retirement System provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The authority to establish and amend benefit provisions rests with the State Legislature.

The Maine Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the Teacher's Group. That report may be obtained by writing to Maine Public Employees Retirement System, 46 State House Station, Augusta, Maine 04333-0046 or by calling 1-800-451-9800.

Funding Policy - Plan members are required to contribute 7.65% of their compensation to the retirement system. The same statute requires the State of Maine Department of Education, to contribute the employer contribution which amounts to \$1,801,616 (15.86%) for the fiscal year 2013. There is no contribution required by the School except for federally funded teachers, for which the School contributed 16.33% of their compensation. This cost is charged to the applicable grant.

TOWN OF CAPE ELIZABETH, MAINE
Notes to Financial Statements, Continued

RETIREMENT PLANS

Defined Contribution Plan

The Town offers its regular employees and certain school employees not participating in the Maine Public Employees Retirement System a defined contribution money purchase plan created in accordance with Internal Revenue Code Section 401(a). In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings.

Employees are eligible to participate and are vested from the date of employment. The Town matches the employees' contribution to the plan up to 7% of compensation for the plan year. For the year ended June 30, 2013, the Town and School's contributions to the plan totaled \$208,327.

Deferred Compensation Plan

The Town of Cape Elizabeth offers all its employees not participating in Maine Public Employees Retirement System a deferred compensation plan created in accordance with Internal Revenue Code (IRC) Section 457. The plan permits participating employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Assets of the plan are placed in trust for the exclusive benefit of participants and their beneficiaries. Accordingly, the assets and the liability for the compensation deferred by plan participants, including earnings on plan assets are not included in the Town's financial statements.

Other

Additionally, the Town participates in the Social Security Retirement Program. The Town's contribution to Social Security (including Medicare) was approximately \$663,082 for the year ended June 30, 2013.

OTHER POST EMPLOYMENT BENEFITS

GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, was implemented, as required, by the Town of Cape Elizabeth, Maine for the year ended June 30, 2009. Under this pronouncement, it requires that the long-term cost of retirement health care and obligations for other postemployment benefits be determined on an actuarial basis and reported similar to pension plans.

The Town of Cape Elizabeth is a member of the Maine Municipal Employees Health Trust. The Trust is a multiple employer Voluntary Employee's Beneficiary Association. The Town is an individually rated member within the Association. The Trust issues a publicly available financial report. That report may be obtained by writing to the Maine Municipal Association at 60 Community Drive, Augusta, ME 04332.

The Health Trust contracted with an outside consultant to assist in the determination and valuation of the District's OPEB liability under GASB Statement 45. The consultants completed the latest OPEB liability actuarial valuation in October 2011.

Plan Descriptions – In addition to providing pension benefits, the Town provides health care benefits for certain retired employees. Eligibility to receive health care benefits follows the same requirements as MainePERS. Eligible retirees are required to pay 100% of the health insurance premiums to receive health benefit coverage. The Town of Cape Elizabeth has the authority to establish and amend the participation requirements. The MMEHT has the authority to establish and amend the benefits provided and the contribution requirements.

TOWN OF CAPE ELIZABETH, MAINE
General Fund
Comparative Balance Sheets
June 30, 2013 and 2012

	2013	2012
ASSETS		
Cash and cash equivalents	\$ 9,286,316	10,026,311
Taxes and liens receivable - current year	166,402	224,025
Taxes receivable - prior years	284	186
Tax liens	80,830	61,374
Tax acquired property	206	206
Accounts receivable	145,178	77,118
Total assets	\$ 9,679,216	10,389,220
LIABILITIES		
Accounts payable and other current liabilities	127,173	161,860
Accrued payroll	1,632,829	1,548,333
Taxes collected in advance	12,490	8,624
Interfund loans payable	2,490,796	3,172,672
Total liabilities	4,263,288	4,891,489
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	201,000	184,000
Total deferred inflows of resources	201,000	184,000
FUND BALANCES		
Restricted:		
Town grants and donations	2,500	6,887
School Department General Fund	1,222,214	1,002,013
Unspent bond proceeds	-	200,000
Assigned	850,752	1,166,474
Unassigned	3,139,462	2,938,357
Total fund balance	5,214,928	5,313,731
Total liabilities, deferred inflows of resources, and fund balance	\$ 9,679,216	10,389,220

TOWN OF CAPE ELIZABETH, MAINE
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis
For the Year Ended June 30, 2013
(with comparative actual amounts for the year ended June 30, 2012)

	2013		Variance positive (negative)	2012 Actual
	Revised budget	Actual		
Revenues:				
Taxes:				
Property taxes	\$ 26,179,228	26,179,228	-	25,093,125
Supplemental taxes	-	6,379	6,379	8,871
Change in deferred taxes	-	(17,000)	(17,000)	(98,000)
Excise taxes	1,646,800	1,749,144	102,344	1,691,116
Interest and costs on taxes	40,000	34,178	(5,822)	26,587
Total taxes	27,866,028	27,951,929	85,901	26,721,699
Licenses and permits:				
Auto registration fees	24,000	24,947	947	24,581
Building, electrical and plumbing fees	80,000	113,946	33,946	101,237
Town clerk fees	12,000	15,690	3,690	14,798
Total licenses and permits	116,000	154,583	38,583	140,616
Intergovernmental:				
State revenue sharing	640,000	649,052	9,052	631,898
Education - State subsidies	2,025,679	1,828,806	(196,873)	2,297,953
State agency clients	10,000	12,240	2,240	9,113
D.O.T. block grant	84,000	81,912	(2,088)	83,952
BETE reimbursement	3,147	-	(3,147)	-
Homestead revenue	189,050	189,050	-	218,553
Federal grants-capital contributions	-	756,290	756,290	-
Federal grants-public safety	-	66,592	66,592	-
Other miscellaneous - State and Federal	35,100	64,882	29,782	122,736
Total intergovernmental	2,986,976	3,648,824	661,848	3,364,205
Investment income:				
Investment earnings	25,000	24,632	(368)	49,116
Total investment income	25,000	24,632	(368)	49,116
Other revenues:				
Cable television franchise	155,000	156,546	1,546	157,125
Refuse disposal	70,000	92,840	22,840	107,029
School department	77,000	84,208	7,208	63,986
Police specials and fees	11,000	12,321	1,321	13,571
Library fines and fees	6,500	6,573	73	8,501
Miscellaneous donations	-	9,500	9,500	117,250
Community pool and fitness center	-	-	-	195,961
Miscellaneous	127,000	126,817	(183)	105,601
Total other revenues	446,500	488,805	42,305	769,024
Total revenues	31,440,504	32,268,773	828,269	31,044,660

TOWN OF CAPE ELIZABETH, MAINE
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis, Continued

	2013		Variance positive (negative)	2012 Actual
	Revised budget	Actual		
Expenditures:				
Current:				
General government:				
Administration	\$ 518,550	508,262	10,288	493,913
Assessing, codes and planning	372,837	388,543	(15,706)	349,759
Town council	500	195	305	40
Legal and audit	92,000	90,419	1,581	53,175
Elections	40,732	21,730	19,002	22,490
Boards and commissions	13,565	7,281	6,284	9,018
Public information	47,028	38,693	8,335	36,862
Total general government	1,085,212	1,055,123	30,089	965,257
Public works:				
General public works	1,083,190	1,037,677	45,513	922,046
Refuse disposal/recycling	719,376	685,480	33,896	721,178
Total public works	1,802,566	1,723,157	79,409	1,643,224
Facilities:				
Facilities and property management	193,868	197,388	(3,520)	160,921
Town hall maintenance	29,224	28,903	321	23,094
Library building	29,717	26,236	3,481	27,586
Town center fire station	23,467	18,910	4,557	19,232
Cape cottage fire station	7,920	5,968	1,952	5,410
Police station	65,765	57,587	8,178	54,958
Total facilities	349,961	334,992	14,969	291,201
Public safety:				
Fire department	297,640	266,569	31,071	254,706
Police department	1,208,250	1,167,847	40,403	1,127,172
Animal control	22,981	22,981	-	22,311
Public safety communications	161,852	157,953	3,899	155,684
WETeam	24,103	18,053	6,050	18,115
Miscellaneous public protection	152,873	145,654	7,219	144,705
Emergency preparedness	3,696	2,995	701	3,126
Total public safety	1,871,395	1,782,052	89,343	1,725,819
Cultural and parks:				
Library	600,183	503,431	96,752	459,624
Parks and grounds	494,529	418,062	76,467	429,830
Community pool	-	-	-	366,744
Trees	22,061	21,644	417	25,003
Total cultural and parks	1,116,773	943,137	173,636	1,281,201
Human services	59,400	58,466	934	46,245
Education:				
Regular instruction	9,677,009	9,423,026	253,983	8,856,763
Special education instruction	3,003,009	2,848,739	154,270	2,830,478
Career and technical education	56,003	56,003	-	45,136
Other instruction	700,059	696,238	3,821	632,985
Student and staff support	2,427,558	2,398,122	29,436	2,319,182
System administration	661,789	652,565	9,224	634,298
School administration	1,014,515	962,660	51,855	969,575
Transportation	657,105	653,607	3,498	646,530
Facilities maintenance	2,238,366	2,233,434	4,932	1,891,271
Debt service	1,323,404	1,323,403	1	1,357,916
Total education	21,758,817	21,247,797	511,020	20,184,134
Intergovernmental assessments	1,019,484	1,019,311	173	1,013,039

TOWN OF CAPE ELIZABETH, MAINE
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis, Continued

	2013			2012 Actual
	Revised budget	Actual	Variance positive (negative)	
Expenditures, continued				
Current, continued:				
Unclassified:				
Abatements/overlay	\$ 453,936	52,628	401,308	128,299
Insurance	97,900	87,806	10,094	94,801
Employee benefits	1,004,167	990,198	13,969	954,976
Contributions	12,500	10,191	2,309	5,940
Grants	6,752	104,211	(97,459)	55,685
Other	-	7,504	(7,504)	5,243
Total unclassified	1,575,255	1,252,538	322,717	1,244,944
Debt service (excluding School Department)	934,344	930,007	4,337	1,023,515
Capital improvements:				
Cruiser replacement	90,539	32,115	58,424	32,045
Roadway & drainage	453,580	473,431	(19,851)	327,152
Sidewalk improvements	42,443	24,432	18,011	5,764
Computer hardware and software	35,000	30,520	4,480	12,170
Town Hall roof and external repairs	70,750	70,869	(119)	26,487
Library improvements	44,516	30,596	13,920	13,617
Dump/plow replacement	150,000	141,678	8,322	-
Town Hall building	25,000	27,820	(2,820)	39,266
Election equipment	16,000	-	16,000	-
Town center building replacement	13,643	13,400	243	-
Cemetery stonewall	45,000	27,600	17,400	-
Shore road path	915,414	941,053	(25,639)	118,926
PD in vehicle cameras	6,000	6,000	-	-
Snow blower attachment	8,000	6,944	1,056	-
Work zone device trailer	2,500	1,720	780	-
Harbor master boat	10,000	-	10,000	-
MS fencing replacement	13,000	12,264	736	-
Athletic field fencing replacement	10,000	9,591	409	-
MS baseball infield reconstruction	12,000	11,935	65	-
CC rental building repairs	12,000	11,025	975	-
Radar units	3,000	1,990	1,010	-
Ladder truck refurbishment	75,000	69,460	5,540	-
ID Badge Update	4,380	4,380	-	-
Robinson Woods	200,000	200,000	-	-
Capital needs planning	30,000	32,329	(2,329)	-
Transfer station burglary cost	-	5,289	(5,289)	-
Fort Williams canopy grant	10,155	10,155	-	-
Public works miscellaneous equipment	-	-	-	9,753
Revaluation	-	-	-	747
Public works building repairs	-	-	-	9,669
Fire station repairs	-	-	-	25,740
Pool building repairs	-	-	-	15,491
Municipal energy project	-	-	-	51,278
Pool work	-	-	-	14,664
Fort Williams park	-	-	-	37,677
Future open space	-	-	-	38,275
Fire Department breathing apparatus	-	-	-	66,879
Pool boiler	-	-	-	39,916
Town hall area/server	-	-	-	4,529
Rebuild loader engine	-	-	-	11,607
Replace 1970 road grader	-	-	-	136,081
Public works used truck chassis	-	-	-	18,288
Library project design	-	-	-	44,350
Network server	-	-	-	26,000
Total capital improvements	2,297,920	2,196,596	101,324	1,126,371
Total expenditures	33,871,127	32,543,176	1,327,951	30,544,950
Excess (deficiency) of revenues over (under) expenditures	(2,430,623)	(274,403)	2,156,220	499,710

TOWN OF CAPE ELIZABETH, MAINE
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis, Continued

	2013		Variance positive (negative)	2012 Actual
	Revised budget	Actual		
Other financing sources (uses):				
Transfer from special revenue funds	\$ 480,000	480,000	-	-
Transfer to special revenue funds	(437,006)	(437,006)	-	(186,993)
Transfer to capital projects funds	(14,000)	(14,000)	-	(14,000)
Carryforward balances and subsequent authorizations	1,801,629	-	(1,801,629)	-
Proceeds from bonds issued	-	-	-	200,000
Refunding bonds issued	-	-	-	2,690,000
Payment to refunded bond escrow agent	-	-	-	(2,690,000)
Utilization of prior year surplus - School	250,000	-	(250,000)	-
Utilization of prior year surplus - Town	350,000	-	(350,000)	-
Total other financing sources (uses)	2,430,623	28,994	(2,401,629)	(993)
Net change in fund balance	-	(245,409)	(245,409)	498,717
Reconciliation to GAAP:				
Change in encumbrances		146,606		(49,229)
Fund balance, beginning of year		5,313,731		4,864,243
Fund balance, ending of year	\$	5,214,928		5,313,731

ALL OTHER GOVERNMENTAL FUNDS

TOWN OF CAPE ELIZABETH, MAINE
Combining Balance Sheet
All Other Governmental Funds
June 30, 2013

	Special Revenue Funds	Capital Projects Funds	Total Other Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 952,569	106,179	1,058,748
Investments	549,478	-	549,478
Receivables:			
Accounts	29,741	-	29,741
Rescue (net of allowance for uncollectible of \$35,000)	44,000	-	44,000
Sewer fees (net of allowance for uncollectible of \$4,000)	361,459	-	361,459
Prepaid expenditures	11,691	-	11,691
Inventory	157,080	-	157,080
Interfund loans receivable	1,959,629	533,195	2,492,824
Total assets	\$ 4,065,647	639,374	4,705,021
LIABILITIES AND FUND BALANCES			
Liabilities:			
Unearned revenue - prepaid services	190,108	-	190,108
Interfund loans payable	2,028	-	2,028
Total liabilities	192,136	-	192,136
Fund balances:			
Nonspendable	168,771	-	168,771
Restricted	239,609	-	239,609
Committed	3,477,974	218,756	3,696,730
Assigned	-	420,618	420,618
Unassigned	(12,843)	-	(12,843)
Total fund balances	3,873,511	639,374	4,512,885
Total liabilities and fund balances	\$ 4,065,647	639,374	4,705,021

TOWN OF CAPE ELIZABETH, MAINE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Other Governmental Funds
For the Year Ended June 30, 2013

	Special Revenue Funds	Capital Projects Funds	Total Other Governmental Funds
Revenues:			
Intergovernmental:			
Federal and State subsidies	\$ 421,739	-	421,739
Federal commodities	22,108	-	22,108
Investment income	95,252	2,226	97,478
Other:			
Building and park rentals and fees	7,135	187,275	194,410
Sewer assessments	1,827,026	-	1,827,026
Sale of cemetery lots	49,047	-	49,047
School lunch	525,136	-	525,136
Community services	1,177,721	-	1,177,721
Lighthouse admissions	49,036	-	49,036
Lighthouse gift shop sales	518,855	-	518,855
Rescue charges	241,265	-	241,265
Miscellaneous	125,520	20,565	146,085
Total revenues	5,059,840	210,066	5,269,906
Expenditures:			
Current:			
Educational/recreation program	2,116,762	-	2,116,762
School lunch	630,350	-	630,350
Unclassified:			
Church	7,735	-	7,735
Portland Head Light - operations and staff	210,045	-	210,045
Portland Head Light - gift shop costs	251,620	-	251,620
Rescue expenditures	229,683	-	229,683
Maintenance	63,064	-	63,064
Miscellaneous	1,688	150,000	151,688
Sewer	1,495,047	-	1,495,047
Capital improvements	144,274	327,541	471,815
Debt service	219,563	-	219,563
Total expenditures	5,369,831	477,541	5,847,372
Deficiency of revenues under expenditures	(309,991)	(267,475)	(577,466)
Other financing sources (uses):			
Transfer to other funds	(501,000)	-	(501,000)
Transfer from other funds	458,006	14,000	472,006
Total other financing sources (uses)	(42,994)	14,000	(28,994)
Net change in fund balances	(352,985)	(253,475)	(606,460)
Fund balances, beginning of year	4,226,496	892,849	5,119,345
Fund balances, end of year	\$ 3,873,511	639,374	4,512,885

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are established to account for resources obtained and expended for specific purposes that are restricted by law or administrative actions.

Special revenue funds are established for the following purposes:

School Categorical Programs

This fund accounts for various federal and state programs administered by the School Department.

School Lunch Program

This fund accounts for revenues and expenditures for school lunch purposes.

Sewer User Fund

This fund accounts for monies received from sewer user fees, sewer connection fees and contributions from the General Fund to this fund pursuant to the Town sewer ordinance. The fund also accounts for all sewer related expenditures.

Community Services Fund

This fund accounts for revenues and expenditures of the Community Services Program.

Portland Head Light

The Portland Head Light Fund accounts for the museum at Portland Head Light (a nonprofit 501(c)(3) organization), and the collection of donations and other funds for the Portland Head Light.

Rescue Fund

This fund accounts for revenues from ambulance billings and expenditures related to the Rescue.

Riverside Perpetual Care

The Riverside Memorial Park Trust Fund was established in 1945. The Treasurer of the Town receives and accounts for all funds collected. Disbursements are made in accordance with a budget approved by the Town Council each year.

Library Fund

The Library Fund accounts for various bequests and donations to the Thomas Memorial Library. Funds are disbursed to cover various library needs.

Thomas Jordan Fund

The Thomas Jordan Trust accounts for funds received from the Thomas Jordan investment, which is available to benefit the poor of the Town of Cape Elizabeth.

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS, CONTINUED

Spurwink Church Fund

The Spurwink Church Trust was established on February 14, 1983 by action of the Cape Elizabeth Town Council. The purposes of the Trust are to provide funds for the upkeep, maintenance and general repair of the Spurwink Church, and the premises upon which it is located, to provide funds for approved programs which may be held at the church, and for such other purposes which are not inconsistent with the above purposes and applicable law. Revenues are primarily derived from rental charges for use of the Church. Disbursements may be made only upon authorization of the Cape Elizabeth Town Council.

TOWN OF CAPE ELIZABETH, MAINE
 Nonmajor Special Revenue Funds
 Combining Balance Sheet
 June 30, 2013

	School Categorical Programs	School Lunch Program	Sewer User Fund	Community Services Fund	Portland Head Light	Rescue Fund	Riverside Perpetual Care	Library Fund	Thomas Jordan Fund	Spurwink Church Fund	Totals
ASSETS											
Cash and cash equivalents	\$ -	-	-	-	-	-	334,939	180,599	402,612	34,419	952,569
Investments	-	-	-	-	-	-	-	-	549,478	-	549,478
Accounts receivable	21,406	8,335	-	-	-	-	-	-	-	-	29,741
Rescue receivable (net of allowance for uncollectible of \$35,000)	-	-	-	-	-	44,000	-	-	-	-	44,000
Sewer fees receivable	-	-	-	-	-	-	-	-	-	-	-
allowance for uncollectible of \$4,000)	-	-	361,459	-	-	-	-	-	-	-	361,459
Prepaid expenditures	-	-	-	11,691	-	-	-	-	-	-	11,691
Inventory	-	16,702	-	-	140,378	-	-	-	-	-	157,080
Interfund loans receivable	218,203	-	906,614	184,045	488,659	162,108	-	-	-	-	1,959,629
Total assets	\$ 239,609	25,037	1,268,073	195,736	629,037	206,108	334,939	180,599	952,090	34,419	4,065,647
LIABILITIES AND FUND BALANCES											
Liabilities:											
Interfund loans payable	-	2,028	-	-	-	-	-	-	-	-	2,028
Unearned revenue - prepaid services	-	19,150	-	170,958	-	-	-	-	-	-	190,108
Total liabilities	-	21,178	-	170,958	-	-	-	-	-	-	192,136
Fund balances:											
Nonspendable	-	16,702	-	11,691	140,378	-	-	-	-	-	168,771
Restricted	239,609	-	-	-	-	-	-	-	-	-	239,609
Committed	-	-	1,268,073	13,087	488,659	206,108	334,939	180,599	952,090	34,419	3,477,974
Unassigned	-	(12,843)	-	-	-	-	-	-	-	-	(12,843)
Total fund balances	239,609	3,859	1,268,073	24,778	629,037	206,108	334,939	180,599	952,090	34,419	3,873,511
Total liabilities and fund balances	\$ 239,609	25,037	1,268,073	195,736	629,037	206,108	334,939	180,599	952,090	34,419	4,065,647

TOWN OF CAPE ELIZABETH, MAINE
 Nonmajor Special Revenue Funds
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 For the Year Ended June 30, 2013

	School Categorical Programs	School Lunch Program	Sewer User Fund	Community Services Fund	Portland Head Light	Rescue Fund	Riverside Perpetual Care	Library Fund	Thomas Jordan Fund	Spurwink Church Fund	Totals
Revenues:											
Intergovernmental:											
Federal and state subsidies	\$ 348,281	73,458	-	-	-	-	-	-	-	-	421,739
Federal commodities	-	22,108	-	-	-	-	-	-	-	-	22,108
Investment income	-	-	-	-	2,270	-	2,937	1,510	88,240	295	95,252
Other revenues:											
Building and park rentals and fees	-	-	-	-	-	-	-	-	-	7,135	7,135
Sewer assessments	-	-	1,827,026	-	-	-	-	-	-	-	1,827,026
Sale of cemetery lots	-	-	-	-	-	-	49,047	-	-	-	49,047
School lunch	-	525,136	-	-	-	-	-	-	-	-	525,136
Community services	-	-	-	1,177,721	-	-	-	-	-	-	1,177,721
Lighthouse admissions	-	-	-	-	49,036	-	-	-	-	-	49,036
Lighthouse gift shop sales	-	-	-	-	518,855	-	-	-	-	-	518,855
Rescue charges	-	-	-	-	-	241,265	-	-	-	-	241,265
Miscellaneous	117,377	-	-	-	2,460	-	-	5,683	-	-	125,520
Total revenues	465,658	620,702	1,827,026	1,177,721	572,621	241,265	51,984	7,193	88,240	7,430	5,059,840
Expenditures:											
Current:											
Educational/recreation program	458,757	-	-	1,658,005	-	-	-	-	-	-	2,116,762
School lunch	-	630,350	-	-	-	-	-	-	-	-	630,350
Unclassified:											
Church	-	-	-	-	-	-	-	-	-	7,735	7,735
Portland Head Light - operations and staff	-	-	-	-	210,045	-	-	-	-	-	210,045
Portland Head Light - gift shop costs	-	-	-	-	251,620	-	-	-	-	-	251,620
Rescue expenditures	-	-	-	-	-	229,683	-	-	-	-	229,683
Maintenance	-	-	-	-	-	-	63,064	-	-	-	63,064
Miscellaneous	-	-	-	-	-	-	-	-	1,688	-	1,688
Sewer - Operations and maintenance	-	-	165,735	-	-	-	-	-	-	-	165,735
Sewer - Portland Water District assessments	-	-	1,329,312	-	-	-	-	-	-	-	1,329,312
Capital improvements	-	-	144,274	-	-	-	-	-	-	-	144,274
Debt service	-	-	219,563	-	-	-	-	-	-	-	219,563
Total expenditures	458,757	630,350	1,858,884	1,658,005	461,665	229,683	63,064	-	1,688	7,735	5,369,831
Other financing sources (uses):											
Transfer to other funds	(480,000)	-	-	-	-	-	-	-	(21,000)	-	(501,000)
Transfer from other funds	(480,000)	-	-	458,006	-	-	-	-	-	-	458,006
Total other sources (uses)	(480,000)	-	-	458,006	-	-	-	-	(21,000)	-	(42,994)
Net change in fund balances	(473,099)	(9,648)	(31,858)	(22,278)	110,956	11,582	(11,080)	7,193	65,552	(305)	(352,985)
Fund balances, beginning of year	712,708	13,507	1,299,931	47,056	518,081	194,526	346,019	173,406	886,538	34,724	4,226,496
Fund balances, end of year	239,609	3,859	1,268,073	24,778	629,037	206,108	334,939	180,599	952,090	34,419	3,873,511

NONMAJOR GOVERNMENTAL FUND

CAPITAL PROJECT FUNDS

Capital project funds are established to account for resources obtained and expended for the acquisition of major capital facilities other than those employed in the delivery of services accounted for in enterprise funds.

The Town's capital project fund was established for the following purpose:

Riverside Cemetery Capital Improvements

The Riverside Capital Improvement Fund was established in 1993 to account for monies received for the purpose of cemetery expansion and improvement. Fifty percent of funds received for lot sales are recognized as revenues of this fund. Funds are used for capital improvements and equipment purchases.

School Technology

This fund is used to account for the lease proceeds and subsequent expenditures for school technology, including computer equipment.

Land Acquisition Fund

The Land Acquisition Fund receives donations, appropriations and the proceeds from the sale of Town property. In 1988, the Town Council voted to establish a policy that the account should recognize interest income on the fund principal, allocated to the account on an annual basis. Funds may be expended only with the authorization of the Town Council and are used for land purchases.

Infrastructure Improvement

This fund was established in 2007. The revenue from 30% of the building permits in excess of \$2,500 in estimated building value is placed in this account. Expenditures from the fund are made for improvements to the municipal infrastructure.

Turf Field

This fund is for the replacement of the monofilament surface of Hannaford Field. It was established in 2007 with a \$50,000 capitalization by the Town. The Town Council and School Board each budget \$7,000 annually as a contribution to this interest bearing fund.

Fort Williams Park Fund

This fund accounts for revenues from Fort Williams Park, which are used for the maintenance of the park.

TOWN OF CAPE ELIZABETH, MAINE
Nonmajor Capital Project Fund
Combining Balance Sheet
June 30, 2013

	Riverside	Fort									
	Cemetery	Williams	Land	Infrastructure	Turf	Williams	Land	Infrastructure	Turf	Williams	
	Capital	Park	Acquisition	Improvement	Field	Park	Acquisition	Improvement	Field	Park	Total
	Improvements	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	
ASSETS											
Cash and cash equivalents	\$ 106,179	-	-	-	-	-	-	-	-	-	106,179
Interfund loans receivable	-	-	72,747	191,176	146,009	123,263	-	-	-	-	533,195
Total assets	\$ 106,179	-	72,747	191,176	146,009	123,263	-	-	-	-	639,374
LIABILITIES AND FUND BALANCES											
Liabilities:											
Accounts payable	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-	-	-	-	-
Fund balances:											
Committed	-	-	72,747	-	146,009	-	-	-	-	-	218,756
Assigned	106,179	-	-	191,176	-	123,263	-	-	-	-	420,618
Total fund balances	106,179	-	72,747	191,176	146,009	123,263	-	-	-	-	639,374
Total liabilities and fund balances	\$ 106,179	-	72,747	191,176	146,009	123,263	-	-	-	-	639,374

TOWN OF CAPE ELIZABETH, MAINE
Nonmajor Capital Project Fund
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2013

	Riverside Cemetery Capital Improvements	School Technology	Land Acquisition Fund	Infrastructure Improvement	Turf Field	Fort Williams Park Fund	Total
Revenues:							
Building and other fees	-	-	-	36,114	-	151,161	187,275
Investment income	793	-	728	-	705	-	2,226
Other revenues	11,925	-	8,640	-	-	-	20,565
Total revenues	12,718	-	9,368	36,114	705	151,161	210,066
Expenditures:							
Donations	-	-	150,000	-	-	-	150,000
Capital improvements	-	107,694	-	13,040	-	206,807	327,541
Total expenditures	-	107,694	150,000	13,040	-	206,807	477,541
Other financing uses:							
Transfer from other funds	-	-	-	-	14,000	-	14,000
Total other financing uses	-	-	-	-	14,000	-	14,000
Net change in fund balances	12,718	(107,694)	(140,632)	23,074	14,705	(55,646)	(253,475)
Fund balances, beginning of year	93,461	107,694	213,379	168,102	131,304	178,909	892,849
Fund balances, end of year	\$ 106,179	-	72,747	191,176	146,009	123,263	639,374

FIDUCIARY FUNDS

PRIVATE-PURPOSE TRUST FUNDS

AGENCY FUNDS

TOWN OF CAPE ELIZABETH, MAINE
Combining Statement of Fiduciary Net Position
Fiduciary Funds - Private-purpose
June 30, 2013

	Seaside Cemetery	School Scholarship Trust	Zimpritch Library Trust	Total
ASSETS				
Cash and cash equivalents	\$ 503	63,196	26,543	90,242
Total assets	\$ 503	63,196	26,543	90,242
Net Position				
Held in trust	503	63,196	26,543	90,242
Total net position	\$ 503	63,196	26,543	90,242

TOWN OF CAPE ELIZABETH, MAINE
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Private-purpose
For the Year Ended June 30, 2013

	Seaside Cemetery	School Scholarship Trust	Zimpritch Library Trust	Total
Additions:				
Interest earned	\$ 4	551	158	713
Donations	-	100	7,787	7,887
Total additions	4	651	7,945	8,600
Deductions:				
School scholarships	-	2,615	-	2,615
Total deductions	-	2,615	-	2,615
Change in fiduciary net position	4	(1,964)	7,945	5,985
Net position, beginning of year	499	65,160	18,598	84,257
Net position, end of year	\$ 503	63,196	26,543	90,242

TOWN OF CAPE ELIZABETH, MAINE
Agency Funds
Statement of Changes in Balances
For the Year Ended June 30, 2013

	Balances beginning of year	Net additions/ (deductions)	Balances end of year
Activity funds:			
High School Student Activities	\$ 123,909	4,108	128,017
Middle School Student Activities	29,069	338	29,407
Pond Cove Student Activities	20,231	(5,101)	15,130
Total	\$ 173,209	(655)	172,554

TOWN OF CAPE ELIZABETH, MAINE
 Statement of Changes in Long-term Debt
 For the Year Ended June 30, 2013

	Interest rate	Final maturity date	Annual principal payments	Amounts authorized	Amount issued	Retired previous years	Balance beginning of year	Current Year		Balance end of year
								Issued	Retired	
General obligation bonds:										
2004 School Revolving Renovation Fund	0%	2014	Var.	800,000	(1)	800,000	160,000	-	80,000	80,000
2004 School Renovation	3.00-4.36%	2024	Var.	3,725,000		3,725,000	2,150,000	-	180,000	1,970,000
2006 School Renovation	3.75-4.20%	2025	Var.	4,725,000		4,725,000	3,055,000	-	235,000	2,820,000
2006 Clean Water Revolving Loan Fund	1.73%	2026	Var.	3,510,000		3,510,000	2,580,286	-	164,469	2,415,817
2006 Sewer bond	1.90%-5.50%	2027	Var.	1,890,000		1,890,000	1,417,500	-	94,500	1,323,000
2008 Capital Improvement	3.25%-4.13%	2028	Var.	2,550,000		2,550,000	2,030,000	-	130,000	1,900,000
2009 Refunding bond	2.00% - 2.75%	2020	Var.	5,850,000		5,850,000	4,065,000	-	880,000	3,185,000
2011 Refunding bond	2.00% - 2.70%	2021	Var.	2,110,000		2,110,000	1,885,000	-	225,000	1,660,000
2012 Refunding bond	2.00% - 2.50%	2022	Var.	780,000		780,000	780,000	-	80,000	700,000
Total general obligation bonds				25,940,000		25,940,000	18,122,786	-	2,068,969	16,053,817
				\$	25,940,000		18,122,786	-	2,068,969	16,053,817

(1) The original amount of this note was for \$1,000,000, of which \$200,000 has been forgiven by the State. The Town's outstanding portion at June 30, 2013 was \$80,000.

SCHEDULES

TOWN OF CAPE ELIZABETH, MAINE
 Government-wide Expenses by Function
 Last Ten Fiscal Years

Fiscal year	General government	Public works	Facilities (1)	Public safety	Human services	Cultural and parks	Education	School lunch	Inter-governmental assessments	Unclassified	Sewer	Capital maintenance expenses	Interest on long-term debt	Total
2013	\$ 1,319,985	2,294,612	334,992	2,039,980	58,466	943,137	24,169,179	630,350	1,019,311	2,195,830	1,495,047	932,659	176,221	37,609,769
2012	1,174,591	2,196,861	291,201	1,984,056	46,245	1,281,201	23,643,004	596,544	1,013,039	2,210,612	1,251,089	954,434	277,245	36,920,122
2011	1,257,993	2,237,584	241,459	2,059,682	52,482	1,130,800	23,709,591	571,477	968,416	1,937,776	1,204,064	787,528	396,145	36,554,997
2010	1,294,806	2,246,229	-	1,962,717	47,837	1,105,290	22,926,211	508,626	987,445	1,796,294	1,126,602	769,543	350,919	35,122,519
2009	1,429,466	2,315,932	-	1,894,280	38,715	1,099,461	22,172,897	503,904	1,030,500	1,848,362	1,083,662	1,798,901	456,013	35,672,093
2008	977,400	2,049,562	-	1,948,994	25,532	1,178,081	21,568,634	539,780	956,430	1,969,705	1,072,510	2,105,450	521,619	34,913,697
2007	1,285,025	1,577,438	-	1,836,578	37,184	1,104,212	20,586,488	509,629	907,928	1,859,966	1,046,395	708,414	574,772	32,034,029
2006	1,215,395	1,198,183	-	1,413,509	25,833	1,005,198	19,921,496	540,263	908,923	1,609,494	1,044,147	526,803	712,276	30,121,520
2005	1,199,990	1,722,222	-	1,456,877	24,251	955,527	18,524,705	556,757	876,464	1,973,055	1,046,826	1,111,066	580,196	30,027,936
2004	1,213,750	1,308,371	-	1,625,315	33,470	937,103	17,479,621	560,492	833,973	1,658,965	1,049,399	1,125,483	564,860	28,390,802

(1) The Town started budgeting facilities separately from other functions in 2011.

Table 2

TOWN OF CAPE ELIZABETH, MAINE
Government-wide Revenues
 Last Ten Fiscal Years

Fiscal year	Program Revenues			General Revenues					Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Taxes	Contributions not Restricted to Specific Programs	Unrestricted Investment Earnings	Miscellaneous		
2013	\$ 5,079,106	4,235,013	756,290	27,968,929	902,984	122,110	292,863	39,357,295	
2012	4,911,542	5,264,981	-	26,819,699	973,187	58,320	379,976	38,407,705	
2011	4,820,801	5,693,378	-	25,807,288	934,917	156,228	260,597	37,673,209	
2010	5,322,750	4,633,577	-	25,119,671	914,220	158,548	305,294	36,454,060	
2009	4,677,204	5,659,716	-	24,788,910	1,044,489	127,421	240,034	36,537,774	
2008	4,539,555	5,390,062	202,912	23,380,071	1,148,096	296,566	102,276	35,059,538	
2007	4,329,199	5,251,083	1,320,882	22,762,308	1,089,740	468,693	182,433	35,404,338	
2006	4,320,831	4,682,643	41,684	22,168,265	1,170,205	219,501	322,800	32,925,929	
2005	4,385,977	4,278,248	245,107	21,352,762	1,069,133	80,731	651,615	32,063,573	
2004	3,957,043	4,108,658	-	19,746,018	912,694	124,776	292,654	29,141,843	

TOWN OF CAPE ELIZABETH, MAINE
General Fund Expenditures by Function
 Last Ten Fiscal Years

Fiscal year	General			Cultural		Intergovernmental			Debt service (1)	Capital improvements	Other expenditures and transfers	Total
	government	Public works	Facilities (2)	Public safety	Parks	Human services	Education	assessment				
2013	\$ 1,055,123	1,723,157	334,992	1,782,052	943,137	58,466	21,247,797	1,019,311	930,007	2,196,596	1,703,544	32,994,182
2012	965,257	1,643,224	291,201	1,725,819	1,281,201	46,245	20,184,134	1,013,039	1,023,515	1,414,189	1,445,937	31,033,761
2011	963,702	1,681,078	241,459	1,674,776	1,130,800	52,482	19,332,876	968,416	1,011,252	926,646	1,613,872	29,597,359
2010	1,018,929	1,680,662	-	1,702,665	1,105,290	47,837	18,833,280	987,445	1,158,985	524,960	7,056,650	34,116,703
2009	1,116,039	1,761,263	-	1,742,865	1,192,979	38,715	18,858,306	1,030,500	1,234,894	674,850	1,304,201	28,954,612
2008	1,101,715	1,764,844	-	1,763,795	1,180,642	25,532	18,624,631	956,430	1,141,552	1,407,879	1,356,370	29,323,390
2007	1,044,204	1,708,817	-	1,634,144	1,104,212	37,184	18,019,154	907,928	1,069,754	1,276,419	1,400,253	28,202,069
2006	1,001,864	1,617,744	-	1,555,527	1,007,748	25,833	17,384,139	908,923	1,041,047	565,427	1,051,217	26,159,469
2005	978,190	1,632,315	-	1,510,851	955,867	24,251	16,265,351	876,464	1,117,157	952,293	1,145,370	25,458,109
2004	921,003	1,368,989	-	1,479,148	943,217	33,470	15,095,013	833,973	1,117,653	1,017,485	1,084,398	23,894,349

(1) Debt service does not include debt service expenditures for Education related issues, which are included in education.

(2) The Town started budgeting facilities separately from other functions in 2011.

TOWN OF CAPE ELIZABETH, MAINE
General Fund Revenues by Source
Last Ten Fiscal Years

Fiscal year	Property Taxes	Other taxes	Licenses and permits	Intergovernmental	Investment income	Other Revenues	Transfers and other financing sources	Total
2013	\$ 26,168,607	1,783,322	154,583	3,648,824	24,632	488,805	480,000	32,748,773
2012	25,003,996	1,717,703	140,616	3,364,205	49,116	769,024	3,177,818	34,222,478
2011	24,164,104	1,683,184	128,899	2,998,682	33,343	610,951	136,161	29,755,324
2010	23,415,310	1,704,361	148,480	2,290,148	88,070	702,968	6,179,270	34,528,607
2009	23,051,800	1,710,410	140,388	3,829,825	157,421	632,510	77,202	29,599,556
2008	21,592,164	1,787,907	209,615	4,146,634	215,040	842,871	232,803	29,027,034
2007	20,907,345	1,810,663	177,603	3,875,650	281,058	1,208,468	65,480	28,326,267
2006	20,325,648	1,842,617	200,246	3,506,598	178,700	605,493	66,224	26,725,526
2005	19,569,130	1,776,632	207,022	3,055,218	61,273	988,926	240,244	25,898,445
2004	18,011,051	1,750,967	219,503	2,863,105	32,602	624,379	283,286	23,784,893

Table 5

TOWN OF CAPE ELIZABETH, MAINE
Property Tax Rates - All Direct and Overlapping
Last Ten Fiscal Years

Fiscal year end	Direct		Overlapping	Total tax rate
	Town	School and Community Services	County	
2013	\$ 3.46	11.77	0.61	15.84
2012	3.48	11.10	0.60	15.18
2011	4.13	13.03	0.70	17.86
2010	4.19	12.63	0.72	17.54
2009	4.22	12.46	0.76	17.44
2008	3.84	11.91	0.71	16.46
2007	3.78	11.70	0.68	16.16
2006	3.59	11.65	0.68	15.92
2005	3.32	11.35	0.67	15.34
2004	3.15	10.40	0.65	14.20

TOWN OF CAPE ELIZABETH, MAINE
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal year		Current year's tax levy	Current year's end collections	Percent of current levy collected	Current year collections of prior year taxes	Total collections	Tax collections as percent of each year's levy
2013	\$	26,179,228	26,012,826	99.36%	204,471	26,217,297	100.15%
2012		25,093,125	24,869,100	99.11%	145,460	25,014,560	99.69%
2011		24,102,111	23,941,795	99.33%	161,370	24,103,165	100.00%
2010		23,412,446	23,256,304	99.33%	274,301	23,530,605	100.50%
2009		23,076,498	22,813,083	98.86%	152,550	22,965,633	99.52%
2008		21,592,439	21,435,863	99.27%	223,569	21,659,432	100.31%
2007		20,907,615	20,700,615	99.01%	102,547	20,803,162	99.50%
2006		20,325,647	20,203,369	99.40%	93,925	20,297,294	99.86%
2005		19,576,130	19,494,446	99.58%	90,516	19,584,962	100.05%
2004		18,011,051	17,934,733	99.58%	112,990	18,047,723	100.20%

Note: excludes supplemental taxes.

TOWN OF CAPE ELIZABETH, MAINE
Assessed and Estimated Actual Value of Property
Last Ten Fiscal Years

Fiscal year	Real estate assessed value	Personal property assessed value	Total		Ratio of total assessed value to total estimated actual value
			Assessed value	Estimated actual value (1)	
2013	\$ 1,646,537,200	6,191,800	1,652,729,000	1,685,400,000	98.06%
2012	1,647,128,000	5,910,500	1,653,038,500	1,710,750,000	96.63%
2011	1,343,498,400	6,003,900	1,349,502,300	1,789,750,000	75.40%
2010	1,328,858,200	5,944,900	1,334,803,100	1,784,100,000	74.82%
2009	1,319,023,300	4,170,400	1,323,193,700	1,828,400,000	72.37%
2008	1,306,507,000	5,176,600	1,311,683,600	1,942,000,000	67.54%
2007	1,291,025,600	5,320,414	1,296,346,014	1,756,550,000	73.80%
2006	1,270,558,500	6,097,800	1,276,656,300	1,580,600,000	80.77%
2005	1,270,176,100	5,859,700	1,276,035,800	1,424,950,000	89.55%
2004	1,260,569,600	5,735,700	1,266,305,300	1,217,450,000	104.01%

(1) Estimated actual valuation amounts are the state equalized values published by the Maine Bureau of Property Taxation.

Table 8

TOWN OF CAPE ELIZABETH, MAINE
Principal Taxpayers
For the Year Ended June 30, 2013

Name	Assessed valuation	% of total tax commitment
Sprague Corporation	\$ 13,825,300	0.84%
Inn By the Sea	11,187,600	0.68%
Haffenreffer, RF IV	5,863,700	0.35%
Health Care Property Investors Inc	5,786,300	0.35%
Purpoodock Club	4,612,600	0.28%
Rams Head Partners LLC/John Higgins	4,579,900	0.28%
McGinn Suzanne	4,138,400	0.25%
Cutler, Eliot R	4,057,200	0.25%
Central Maine Power	3,553,900	0.22%
Hansen, Lisa	3,419,600	0.21%

TOWN OF CAPE ELIZABETH, MAINE
Computation of Legal Debt Margin
For the Year Ended June 30, 2013

Total estimated actual valuation by State		\$	<u>1,685,400,000</u>
Legal debt margin:			
Debt limitation - 15% of estimated actual valuation			252,810,000
Debt applicable to debt limitation:			
Municipal	7.5%	126,405,000	5,946,380
School	10.0%	168,540,000	6,368,620
Storm and sanitary sewers	7.5%	126,405,000	3,738,817
Airport, water and special districts	3.0%	50,562,000	-
Total	28.0%	471,912,000	16,053,817
Total bonded debt applicable to debt limit			<u>16,053,817</u>
Legal debt margin			<u>\$ 236,756,183</u>

NOTE: Statutory debt limit is in accordance with 30 MRSA, Section 5061, as amended.

TOWN OF CAPE ELIZABETH, MAINE
Ratio of Net General Obligation Bonded Debt
to Assessed Value and Net General Obligation Bonded Debt Per Capita
Last Ten Fiscal Years

Fiscal year	Population (1)	Assessed value (2)	Net bonded debt (3)	Ratio of net bonded debt to assessed value	Net bonded debt per capita
2013	9,015	\$ 1,652,729,000	16,053,817	0.97%	1,781
2012	9,015	1,653,038,500	18,122,786	1.10%	2,010
2011	9,015	1,349,502,300	19,998,958	1.48%	2,218
2010	9,068	1,334,803,100	22,067,420	1.65%	2,434
2009	9,068	1,323,193,700	24,093,100	1.82%	2,657
2008	9,068	1,311,683,600	26,297,891	2.00%	2,900
2007	9,068	1,296,346,014	25,939,635	2.00%	2,861
2006	9,068	1,276,656,300	28,139,873	2.20%	3,103
2005	9,068	1,276,035,800	20,095,675	1.57%	2,216
2004	9,068	1,266,305,300	17,499,962	1.38%	1,930

(1) U. S. Bureau of the Census

(2) Amount from Table 7

(3) Excludes capital leases

TOWN OF CAPE ELIZABETH, MAINE
Ratio of Annual Debt Service Expenditures
for General Obligation Bonded Debt
to Total General Governmental Expenditures
Last Ten Fiscal Years

Fiscal year	Municipal debt service(1)	School debt service	Total debt service - bonded debt	Total general governmental expenditures	Ratio of debt service to general governmental expenditures
2013	\$ 930,007	1,323,403	2,253,410	32,994,182	6.83%
2012	1,023,515	1,357,916	2,381,431	30,731,943	7.75%
2011	1,011,252	1,391,680	2,402,932	29,383,359	8.18%
2010	1,158,985	1,468,285	2,627,270	28,351,703	9.27%
2009	1,234,894	1,565,811	2,800,705	28,954,612	9.67%
2008	1,141,552	1,620,233	2,761,785	29,323,390	9.42%
2007	1,069,754	1,670,233	2,739,987	28,202,069	9.72%
2006	1,041,047	1,659,191	2,700,238	26,159,469	10.32%
2005	1,117,157	1,287,460	2,404,617	25,458,109	9.45%
2004	1,117,653	934,184	2,051,837	23,656,290	8.67%

(1) Excludes sewer user debt paid in special revenue funds and school debt service budgeted in facilities maintenance.

TOWN OF CAPE ELIZABETH, MAINE
Computation of Direct, Overlapping and Contingent Debt
For the Year Ended June 30, 2013

Jurisdiction	Net general obligation bonded debt outstanding	Percentage applicable to government	Amount applicable to government
Direct:			
Town of Cape Elizabeth bonds and notes	\$ 16,053,817	100.00%	16,053,817
Overlapping debt:			
Cumberland County	36,925,000	4.36%	1,608,475
Portland Water District -- sewer debt	28,725,760	8.86%	2,544,500
Contingent debt:			
Portland Water District -- water debt	31,085,441	6.65%	2,065,931

TOWN STATISTICS

	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
BIRTHS	67	60	62	63	61	50	45	49	43	46
DEATHS	76	76	83	44	63	76	66	62	46	47
MARRIAGES	82	86	53	65	43	65	43	51	55	62
TOWN COUNCIL MEETINGS	20	21	16	13	18	17	26	21	26	28
TOTAL VALUATION (MILLIONS)	\$ 1,266.3	\$ 1,276.0	\$ 1,276.6	\$ 1,296.3	\$ 1,311.7	\$ 1,323.2	\$ 1,334.8	\$ 1,349.5	\$ 1,653.0	\$ 1,652.7
TOTAL TAX RATE	\$14.20	\$15.34	\$ 15.92	\$ 16.16	\$ 16.46	\$ 17.44	\$ 17.54	\$ 17.86	\$ 15.18	\$15.84
TOWN TAX RATE	\$ 3.08	\$ 3.31	\$ 3.39	\$ 3.59	\$ 3.67	\$ 4.05	\$ 4.03	\$ 4.01	\$ 3.37	\$3.37
SCHOOL TAX RATE	\$ 10.39	\$ 11.25	\$ 11.53	\$ 11.58	\$ 11.79	\$ 12.34	\$ 12.54	\$ 12.89	\$ 10.98	\$11.50
SEWER MIN. MONTHLY CHARGE	\$ 26.50	\$ 31.50	\$ 32.50	\$ 34.50	\$ 34.50	\$ 34.84	\$ 36.25	\$ 37.70	\$ 40.00	\$43.00
MUNICIPAL SPENDING	\$ 8,673,436	\$ 9,158,020	\$ 8,625,505	\$ 9,964,594	\$ 10,471,759	\$ 9,885,784	\$ 9,288,023	\$ 9,863,490	\$ 10,360,816	\$ 11,295,379
SCHOOL SPENDING	\$ 15,120,910	\$ 16,262,424	\$ 17,384,139	\$ 18,035,452	\$ 18,624,631	\$ 18,858,306	\$ 18,833,280	\$ 19,339,877	\$ 20,184,134	\$ 21,247,797
STATE REVENUE SHARING	\$ 706,460	\$ 714,064	\$ 664,774	\$ 702,395	\$ 740,197	\$ 667,238	\$ 599,840	\$ 610,263	\$ 631,898	\$ 649,052
STATE EDUCATION FUNDING	\$ 1,793,364	\$ 1,831,434	\$ 2,168,585	\$ 2,655,082	\$ 2,836,183	\$ 2,654,038	\$ 1,250,711	\$ 1,953,465	\$ 2,297,953.0	\$ 1,828,806
EXCISE TAX INCOME	\$ 1,713,906	\$ 1,736,255	\$ 1,802,245	\$ 1,767,055	\$ 1,745,840	\$ 1,654,447	\$ 1,629,716	\$ 1,637,278	\$ 1,674,638	\$ 1,733,151
MOTOR VEHICLE REGISTRATIONS	9,141	8,789	8,875	8,913	8,764	8,509	8,749	8,825	8,849	8,924
ONLINE MOTOR VEHICLE REGS	726	876	1,013	1,085	1,159	1,283	1,322	1,428	1,494	1,622
% VEHICLES REGISTERED ONLINE	7.9%	10.0%	11.4%	12.2%	13.2%	15.1%	15.1%	16.2%	16.9%	18.20%
REGISTERED VOTERS					6,947	7,441	7,654	7,507	7,886	7,865
UNDESIGNATED FUND BALANCE	\$ 1,358,438	\$ 1,844,642	\$ 2,060,845	\$ 2,093,201	\$ 2,151,825	\$ 2,164,739	\$ 3,061,548	\$ 2,787,407	\$ 2,938,357	\$ 3,139,462
TOTAL DEBT OWED	\$ 17,499,962	\$ 21,370,551	\$ 28,139,873	\$ 25,939,635	\$ 26,297,164	\$ 24,093,100	\$ 22,067,420	\$ 19,998,958	\$ 18,122,786	\$ 16,053,815
COMM SVCS PROGRAMS		632	668	674		717	687	709	748	994
LIGHTHOUSE VOLUNTEER HRS.	2,728	2,754	2,840	2,824	2,884	2,860	2,836	2,853	2,820	2,880
PTLD HEAD LIGHT GIFT SALES	\$ 501,905	\$ 460,110	\$ 460,558	\$ 479,987	\$ 508,334	\$ 458,200	\$ 501,919	\$ 519,281	\$ 505,801	\$ 518,855
NEW SINGLE FAMILY HOMES	30	25	27	10	8	11	12	16	12	3
SINGLE FAMILY HOMES REPLACED				1	3	2	1	1	4	1
NEW CONDOMINIUMS							0	0	0	7
POLICE ARRESTS	80	65	63	106	96	64	95	88	74	87
POLICE COMPLAINTS INVESTIG.	753	751	740	675	535	488	534	477	491	546
SUMMONSES	791	675	440	636	492	438	787	830	614	592
PARKING TAGS	323	256	125	206	111	149	118	103	224	120
RESCUE CALLS	551	572	499	485	477	443	445	422	613	617
FIRE CALLS	282	314	363	570	270	357	305	248	252	261
VEHICLE ACCIDENTS	131	120	126	106	118	94	69	77	96	83
WETTEAM CALLS	19	15	16	27	20	20	15	8	11	13
PUBLIC SAFETY TRAINING HOURS	4,925	4,650	4,311	4,304	3,120	3,825	3,606	2,922	2,243	6,605
PUB. SAFETY VOLUNTEER HRS.	12,083	14,573	10,485	11,835	10,501	11,689	10,123	9,996	10,750	11,286
FIRE/ POLICE UNIT CALLS	152	153	100	95	95	108	115	144	137	130
REGISTERED MOORINGS		92	90	95	103	96	84	89	76	67
SILVER BULLET BIN RECYCLING		949	696	760	1,037	1,146	1,160	1,262	1,147	1,130
TONS OF SOLID WASTE	3,652	3,687	3,724	3,978	3,275	2,877	2,626	2,603	2,523	2,493
MILES OF TOWN ROADS	59.62	59.62	62.09	62.36	62.36	62.36	62.36	62.36	62.36	62.36
INCHES OF SNOW PLOWED	44	102	47	55	103	81.1	37	78.7	74.2	98
MILES OF ROADS RESURFACED	1.95	1.23	0.82	2.09	2.25	2.75	2.48	1.93	2.06	0.35
SCHOOL POPULATION	1,809	1,819	1,838	1,813	1,784	1,738	1,708	1,705	1,683	1,670
FULL TIME EQUIV. TEACHERS	155	160	161	160	160	161	159	159	158	160
FULL TIME MUNICIPAL EMPLOYEES	58	58	58	57	55	54	53	50	48	48
LIBRARY CIRCULATION	113,326	124,218	131,165	135,483	138,338	157,352	156,948	149,590	150,267	152,657
PLANNING BOARD AGENDA ITEMS	46	64	32	24	27	18	35	20	28	18
PB WORKSHOP AGENDA ITEMS	28	28	25	20	27	21	23	26	20	21
ZONING BOARD AGENDA ITEMS	8	11	12	6	3	4	3	2	3	12

