

Town of Brunswick, Maine
Debt Disclosure and Public Statements
Policy and Procedures Manual

Introduction

This Debt Disclosure and Public Statements Policy and Procedures Manual (the “Disclosure Policy”) establishes a framework for compliance by the Town of Brunswick, Maine (the “Town”) with its disclosure and/or contractual obligations with respect to the securities it issues or that are issued on its behalf, pursuant to the requirements of the Securities Exchange Act of 1934, as amended, and the Securities Act of 1933, as amended, including, in particular, Rule 15c2-12, as amended, promulgated under the 1934 Act, and other applicable rules, regulations, and orders.

1. Definitions.

For purposes of this Disclosure Policy, certain terms have the meanings described as follows:

“*Annual Filing*” has the meaning given such term in Section 5.2.1.

“*Bond Counsel*” means counsel engaged from time to time by the Town to provide legal advice relating to municipal bonds.

“*Continuing Disclosure Document*” means financial and operating data and event notices filed with the MSRB through EMMA pursuant to Disclosure Agreements;

“*Disclosure Agreement*” means the provisions of each ordinance, order, resolution, or other agreement of the Town by which the Town undertakes to provide financial and operating data periodically, and timely notices of certain events, to the MSRB, whether expressly or as the only nationally recognized municipal securities information repository under SEC Rule 15c2-12.

“*Disclosure Coordinator*” means the Town Finance Director, unless and until otherwise specified under Section 4.1.1.

“*Disclosure Counsel*” means counsel which may be engaged from time to time by the Town to give advice to the Town in accordance with this Disclosure Policy.

“*Disclosure Documents*” means those items set forth under the “Public Statement” definition below.

“*Disclosure Officers*” means the officers, employees and agents of the Town charged with exercising the responsibilities of a Disclosure Officer under this Disclosure Policy, specifically the Town Finance Director/Treasurer, and as needed, the Municipal Advisor.

“*Disclosure Working Group*” for any Public Statement means the officers or employees of the Town charged with exercising the responsibilities of the Disclosure Working Group in preparing or checking the Public Statement under this Disclosure Policy, as described in Section 5.

“*EMMA*” means the Electronic Municipal Market Access System maintained by the MSRB.

“*Material*” when used with respect to a fact included in a disclosure document means, generally, that a reasonable investor likely would attach significance to it in making a decision to buy, hold, or sell Securities of the Town. When questions of materiality arise, Disclosure Counsel should be consulted.

“**MSRB**” means the Municipal Securities Rulemaking Board.

“**Municipal Advisor**” means the financial advisor retained by the Town to provide services with respect to the issuance of municipal securities.

“**Financial and Operating Data**” means information that the Disclosure Working Group deems material, based on prevailing industry standards.

“**Public Statement**” means any statement or other communication that is intended (or reasonably can be expected) to be accessible to and relied upon by investors in the Town’s Securities, including, as applicable:

- **Offering Documents:** Preliminary and final Official Statements and other documents by which Securities are offered to the public by the Town as well as solicitation statements by which the Town offers to purchase its Securities or requests consents or waivers regarding Securities;
- **Continuing Disclosure Documents:** financial and operating data and event notices filed with the MSRB through EMMA pursuant to Disclosure Agreements;
- **Other EMMA Filings:** other information filed with the MSRB through EMMA;

“**SEC**” means the United States Securities and Exchange Commission.

“**Securities**” means bonds, notes, certificates of obligation, certificates of participation, and other debt obligations or securities of the Town, or the payment of which the Town is obligated to support by a lease, contract, or other arrangement, that are sold to or otherwise held or traded in by the public.

“**Town**” means the Town of Brunswick, Maine, which includes the Brunswick School Department.

“**Town Finance Committee**” means the Finance Committee established by the Town Council of the Town of Brunswick, Maine.

2. Background.

2.1 Investor Reliance. The Town has issued and expects to continue to issue Securities in the public debt markets and, in connection therewith, to issue offering documents and to enter into continuing disclosure undertakings to update financial and operating information contained in the offering documents at least annually and to file timely notices of certain events with the MSRB through EMMA. Investors in the Town’s Securities rely on the filings and may rely on portions of the Town’s websites and other Public Statements in deciding whether to buy, hold, or sell the Town’s Securities.

2.2 Federal Securities Laws. Under federal securities laws, the Town must exercise reasonable care to avoid material misstatements or omissions in preparing Public Statements that are used to sell or tender for Securities in primary offerings, and it may not knowingly or recklessly include material misstatements or misleading statements in other Public Statements while its Securities are outstanding. Knowledge of any officer or employee of the Town as well as information in files of the Town may be imputed to the Town. Disclosure Counsel opinions may help to establish care, but are no defense to an action for failing to disclose or misstating a known material fact.

3. Purposes.

The purposes of this Disclosure Policy are to formally confirm and enhance existing policies and procedures regarding compliance with federal securities laws relating to disclosure in order to:

- 3.1 Comply with Law and Contract. To facilitate compliance with applicable law and existing contracts when preparing and distributing Disclosure Documents in connection with Securities offerings and Continuing Disclosure Documents, including the timely update and filing of Continuing Disclosure Documents; and
- 3.2 Reduce Liability. To reduce exposure (of the Town and its officials and employees) to liability for damages and enforcement actions based on misstatements and omissions in Disclosure Documents, and Continuing Disclosure Documents; and
- 3.3 Reduce Borrowing Costs. To reduce borrowing costs by promoting good investor relations, and
- 3.4 Protect the Public. To avoid damage to residents of the Town and other third parties that could result from misstatements or omissions in Disclosure Documents or Continuing Disclosures.

4. Policy.

It is the policy of the Town to comply fully with applicable securities law regarding disclosure in connection with the issuance of Securities and with the terms of its Disclosure Agreements.

4.1 Appointment of Disclosure Coordinator.

- 4.1.1 Selection. The Disclosure Coordinator is selected from time to time by the Town Manager, on the basis of his or her familiarity with particular aspects of the Town's disclosure and reporting matters or on his or her ability to effectively monitor and coordinate such disclosures and reporting based on his or her positions within the Town. At present time, the Disclosure Coordinator shall be the Finance Director of the Town.
- 4.1.2 Responsibilities. The Disclosure Coordinator is responsible, within his or her area of expertise, for:
 - (a) monitoring the compliance by the Town with this Disclosure Policy generally;
 - (b) serving as a "point person" for personnel to communicate issues or information that should be or may need to be included in any Offering Statement or Periodic Report;
 - (c) recommending amendment of this Disclosure Policy to the Town Finance Committee from time to time as necessary or appropriate;
 - (d) preparing and circulating a detailed time schedule for review and submission of information in connection with any Offering Statement;
 - (e) following up with others to make sure that assigned tasks have been completed on a timely basis and making sure that documents are filed on a timely basis;
 - (f) keeping informed regarding all of the Town's public disclosures;
 - (g) informing employees and agents of the Town who are responsible either to review or supply information for an Offering Statement or Periodic Report of the responsibilities of the Town and such employees through the distribution of existing manuals and policies of the Town regarding securities disclosure and

- through coordination with Disclosure Counsel, as needed; and
- (h) documenting the Town's disclosure processes generally (e.g., records of Disclosure Working Group meetings and conference calls, maintenance of reporting checklists as appropriate, internal certifications).

5. Procedures.

The following officials and employees of the Town shall implement the following procedures in preparing, checking, or issuing the following Offering Documents and Continuing Disclosure Documents.

5.1 Preliminary Official Statement and final Official Statement.

- 5.1.1 Working Group. The Disclosure Working Group for preliminary and final official statements (collectively, "Official Statement") issued in primary offerings shall consist of the following officers, advisors, and employees of the Town: Town of Brunswick Finance Director/Treasurer, Town Manager, the Town's Municipal Advisor, the Town's Bond Counsel, and where appropriate, the Brunswick School Department Business Manager. This Disclosure Policy envisions that the Town's senior officers, with assistance from outside consultants, will manage and oversee the production and vetting of primary offering documents and annual disclosure reports. The group should be inclusive enough so that there is a high likelihood that it will be able to recognize material misleading statements and/or omissions and also be able to command the attention of employees and others needed to assemble and vet the information to be disclosed.
- 5.1.2 Establishing Scope and Process. At the beginning of the disclosure process, the Disclosure Working Group will: (a) determine what information should be disclosed in the Official Statement to present fairly a description of the source of repayment and security for the securities being offered, including related financial and operating information (which may include a discussion of material risks related to investment in the securities); (b) assign responsibilities for assembling and verifying the information; and (c) establish a schedule for producing the information and the Official Statement that will afford sufficient time for final review by the Disclosure Working Group and the Disclosure Officers and the approvals required by this Disclosure Policy. While the information included in the last offering document may be used as a starting point, the Disclosure Working Group should be encouraged to provide suggestions for improvement and not assume it represents a complete list of what is currently required.
- 5.1.3 Assembling Current Information. The Disclosure Officers shall: (a) identify officers or employees of the Town and others who are likely to know or be able to obtain and verify required information; (b) request that they assemble, verify, and forward the information and also notify the Disclosure Officers of any other fact that they believe to be important to investors; and (c) establish a reasonable but sufficient deadline for producing the information. The Disclosure Officers should produce (or cause to be produced) a draft of the Official Statement based on the information that they receive. The Disclosure Officers shall assure that employees within their areas devote sufficient time and care to produce timely and accurate information, when requested. The Disclosure Officers shall distribute drafts of the Official Statement to the Disclosure Working Group for review together with a description of the process used to compile it and a list of facts, if any, that employees forwarded as important but are not included in

the draft. In addition to identifying which employees know the relevant facts, and asking that the facts be verified and provided, requests for information could take many forms, e.g., circulating data from the last Disclosure Document and asking that it be updated, or sending out a list of information to be provided, etc. However, to avoid possible material omissions, employees identified as having the facts should also be asked if there are other facts that they think investors would consider important in judging the issuer's future ability to pay. The disclosure working group should be informed of the process actually used to assemble the offering document so that the group will be able to gauge the reliability and completeness of disclosed information.

- 5.1.4 Review for Process, Accuracy, and Completeness. The members of the Disclosure Working Group shall review the draft Preliminary Official Statement and Disclosure Officers' process description to determine (and shall report to the Disclosure Officers as to) whether, based on information known or reported to them: (a) this Disclosure Policy was followed; (b) the material facts in the Public Statement appear to be consistent with those known to the members of the Disclosure Working Group; and (c) the Official Statement omits any material fact that is necessary to be included to prevent the Official Statement from being misleading to investors. The final or near-final draft of the Preliminary Official Statement, together with the Disclosure Officers' description of the process used to prepare and check the Preliminary Official Statement, shall be sent to the Town Finance Committee for review and comment. The Disclosure Officers shall take such action as may be necessary, based on feedback from the Disclosure Working Group and the Town Finance Committee, to enable the Disclosure Working Group to conclude that this Disclosure Policy was followed and that the Preliminary Official Statement and Official Statement is accurate and complete in all material respects.
- 5.1.5 Final Approval. The Disclosure Working Group shall approve the final draft of the Preliminary Official Statement and Official Statement.
- 5.1.6 Documentation of Procedures. The Disclosure Officers shall compile and retain a file of the actions taken to prepare, check, and approve the Preliminary Official Statement and Official Statement, including the sources of the information included, the comments and actions of the Disclosure Working Group, the description of the process followed by the Disclosure Officers, and Finance Committee review.

5.2 Annual Financial Information and Operating Data.

- 5.2.1 Working Group. The Disclosure Working Group for periodic/annual filings shall be informed of and review financial information and operating data to be filed with the MSRB pursuant to Disclosure Agreements (the "Annual Filing").
- 5.2.2 Assembling Current Information. The Disclosure Officers shall: (a) compile and maintain (and update after every issuance or defeasance of Securities) a list of all financial information and operating data required to be filed with the MSRB pursuant to each of the Disclosure Agreements; (b) assign responsibilities to officers, employees and agents for periodically assembling and verifying the data; (c) request that they assemble, verify, and forward the data to the Disclosure Officers and notify the Disclosure Officers if they have learned of any other fact that they consider to be material with respect to the information provided; and (d) establish a schedule for producing the data (and the Annual Filing document) that will afford sufficient time

for review by the Disclosure Working Group and the Disclosure Officers and the approvals required by this Disclosure Policy. The Disclosure Officers shall distribute drafts of the Annual Filing to the Disclosure Working Group for review together with a description of the process used to compile it.

- 5.2.3 Review for Process, Accuracy, and Completeness. The Disclosure Coordinator shall ensure that, when engaged, the Disclosure Counsel reviews the Annual Filing drafts and Disclosure Officers' process description to determine (and shall report to the Disclosure Officers as to) whether, based on information known or reported to them: (a) this Disclosure Policy was followed, (b) the material facts in the Annual Filing appear to be consistent with those known to the members of the Disclosure Working Group, and (c) the Annual Filing omits any material fact that is necessary to be included to prevent the Annual Filing from being misleading to investors. The Disclosure Officers shall take such action as may be necessary, based on feedback from the Disclosure Counsel, to enable the Disclosure Working Group to conclude that this Disclosure Policy was followed and that the Annual Filing is accurate and complete in all material respects.
- 5.2.4 Final Approval. The Disclosure Working Group shall approve the final draft of the Annual Filing. Its action, together with the Annual Filing and the Disclosure Officers' report regarding the process used to prepare and check the Annual Filing, shall be sent to the Town Finance Committee. The Annual Filing shall not be issued until approved by the Town Finance Committee
- 5.2.5 Posting. The Disclosure Officers shall file the Annual Filing with the MSRB through EMMA by the deadline established by law, regulation, and/or the Disclosure Agreements. The Disclosure Officers shall exercise reasonable care to file the Annual Filing in the format and with the identifying information required by law, regulation, and/or the Disclosure Agreements, including applicable CUSIP numbers for the Town's Securities.
- 5.2.6 Documentation of Procedures. The Disclosure Officers shall compile and retain a file of the actions taken to prepare, check, and approve the Annual Filing, including the sources of the information included, the comments and actions of the Disclosure Working Group, the Disclosure Officers' report regarding the process used to prepare and check the Annual Filing, and approvals of the Working Group and the Town Finance Committee.

5.3 Event Notices.

- 5.3.1 Identification of Reportable Events. The Disclosure Officers shall maintain a list of events of which the Town is required to provide notice to the MSRB pursuant to law, regulation, and/or the Disclosure Agreements. The Disclosure Officers (with the assistance of Members of the Disclosure Working Group) shall: (a) identify the officers, employees and agents of the Town who are most likely to first obtain knowledge of the occurrence of such events; and (b) request in writing that they notify the Disclosure Officers immediately after learning of any such event, regardless of materiality, and repeat such request in a quarterly reminder. The Disclosure Officers will establish a tickler system so that employees who are likely to first know about a covenant breach or tax event will know to share that information with the officer or employee charged with giving notice. Disclosure Officers will consider potential

triggering events, including but not limited to, issuance of annual financial information or audited financial statements; notice of failure to provide annual financial information on or before the date agreed to by the state or local government; principal and interest payment delinquencies; non-payment related defaults; unscheduled draws on debt service; reserves reflecting financial difficulties; unscheduled draws on credit enhancements reflecting financial difficulties; substitution of credit or liquidity providers, or their failure to perform; adverse tax opinions or events affecting the tax status of the security; modifications to rights of security holders; bond calls and tender offers; defeasances; release, substitution or sale of property securing repayment of the securities; rating changes; bankruptcy, insolvency or receivership; merger, acquisition or sale of all issuer assets; appointment of successor trustee.

- 5.3.2 Preparation of Event Notice. The Disclosure Officers shall: (a) assess the materiality of any reported event with the assistance of legal counsel and, if notice of the event must be given; (b) prepare an Event Notice giving notice of the event; and (c) except for notices of a rating change, bond call, or defeasance, forward the draft Event Notice to the Disclosure Working Group for their review. Event notices can have a significant impact on the market value of securities, so this Disclosure Policy requires that non-routine notices receive high-level review. In addition, unless the Town chooses to file notice of an event, whether or not it is material, this Disclosure Policy requires that Disclosure Counsel advise as to materiality before the Town decides that notice of an event should not be given because it is not material.
- 5.3.3 Review and Approval of Event Notice. The Working Group shall promptly review and approve or comment on the Event Notice. The Disclosure Officers shall incorporate such comments into the Event Notice to be filed with EMMA. The Disclosure Officers shall not file the Event Notice Statement until it is approved by the Working Group, unless the Event Notice: (a) gives notice of a rating change, bond call, or defeasance; or (b) such approval has not been received by the applicable Disclosure Agreement filing deadline.
- 5.3.4 Posting. The Disclosure Officers shall file the Event Notice with the MSRB through EMMA by the deadline established by law, regulation, or the Disclosure Agreements or, if the facts cannot be correctly and fairly described by the deadline, then as soon thereafter as possible. The Disclosure Officers shall exercise reasonable care to file the Event Notice in the format and with the identifying information required by the Disclosure Agreements, including CUSIP numbers for the applicable Securities.
- 5.3.5 Documentation of Procedures. The Disclosure Officers shall compile and retain a file of the actions taken to report each event and prepare, check, and approve the notice of the event, including the approvals of the Working Group, if obtained.

6. **Training.**

- 6.1 Personnel to be Trained. Each member of a Disclosure Working Group, the Disclosure Officers, and each officer or employee designated as a source of data or an Event Notice pursuant to this Disclosure Policy shall undergo periodic training.
- 6.2 Training Content. The training program and materials shall be prepared by or with the assistance of the Town's outside Disclosure Counsel and approved by the Town Manager. The training program shall impart the requirements of federal and state securities laws and

the Disclosure Agreements, the meaning of “material,” and the duties of such officers, employees and agents under this Disclosure Policy.

- 6.3 Training Frequency. Each affected officer and employee shall undergo training (a) promptly after being appointed to a position described in Section 6.1 and (b) annually hereafter.

7. Updates to Policies and Procedures.

- 7.1 Periodic Review. The Disclosure Policy shall be reviewed annually by the Disclosure Officers within 60 days of the posting of financial information and operating data. In addition, at any time all officers and employees of the Town are invited and encouraged to make recommendations for changes to this Disclosure Policy so that it fosters better compliance with applicable law, results in better information to investors, or makes the procedures required by this Disclosure Policy more efficient.
- 7.2 Recommendations for Change. Following receipt of any such recommendation, the Disclosure Officers shall give their advice regarding the recommendation to the Disclosure Working Group. The Disclosure Working Group shall consider the recommendation and advice, determine whether to propose a change to this Disclosure Policy, and submit such proposal to the Town Finance Committee for review and approval.
- 7.3 Changes to Disclosure Policy. The Finance Committee, with advice from Disclosure Counsel, shall approve and direct implementation of any change to this Disclosure Policy that is proposed by the Disclosure Working Group, does not change the fundamental policies or procedures established by this Disclosure Policy, and is determined by the Finance Committee to be advisable.

8. Miscellaneous.

- 8.1 Internal Use Only. This Disclosure Policy is intended for the internal use of the Town only and is not intended to establish any duties in favor of or rights of any person other than the Town.
- 8.2 Waiver of Procedures. Disclosure officers and the other officers, employees, and agents charged by this Disclosure Policy with performing or refraining from any action may depart from this Disclosure Policy when: (a) they in good faith determine that such departure is in the best interests of the Town and consistent with the duties of the Town under federal and state securities laws; (b) and receive pre-approval for such departure from the Town Manager. If any Disclosure Officer is charged by this Disclosure Policy with taking or refraining from such action, any such departure shall require approval of Disclosure Counsel. The Disclosure Working Group should be informed in writing of such waiver and a record of such waiver should be kept in the Town’s files.

9. Investor Inquiries.

All investor inquiries shall be managed by the Investment Inquiry Coordinator so that: (a) the responses do not contain a material misstatement or misleading omission; and (b) if the Town chooses for reasons of fairness, the responses do not disadvantage some investors relative to other investors. In instances where the investor inquiry elicits a response that is in substance already contained within a document previously provided to investors (Official Statement,

Annual Filing, Event Notice, etc.), then the response to the investor inquiry should be drawn from that document. In instances in which an investor inquiry elicits a response that is not already contained in such a document, the Investment Inquiry Coordinator shall ensure that information it provides to the investor does not contain a material misstatement or a misleading omission. The Town shall take caution not to provide “inside” information to one or a small group of investors that allows them to trade to the disadvantage of other investors. In these instances, the issuer may decide to prepare a carefully written response to the investor that it also disseminates to other investors on its websites or EMMA. Disclosures that materially advantage some investors over others can raise fairness concerns, particularly when those disclosures could reasonably be expected to influence the trading of Securities, so the Town might choose not to respond to investor inquiries with material, non-public information without making it available to all investors.

- 9.1 Investor Inquiry Coordinator. The Town Manager shall serve as the Investor Inquiry Coordinator.
- 9.2 Processing of Investor Inquiries. Except for communications that occur in connection with primary offerings, all inquiries from investors shall be managed by the Investment Inquiry Coordinator. If any other employee of the Town receives an inquiry from an investor, that employee shall refer such inquiry to the Investment Inquiry Coordinator.
- 9.3 Responses to Investor Inquiries. With respect to each inquiry from an investor: (a) if information necessary to respond to such inquiry has already been included in a Public Statement, then the Investment Inquiry Coordinator may respond to such inquiry from information in the Public Statement; and (b) if information necessary to respond to such inquiry is not obtainable from information included in a Public Statement, then the Investment Inquiry Coordinator shall determine the best manner to respond to such inquiry in a manner that assures that it is accurate, which may include convening a meeting of the Disclosure Working Group for broader inquiries or ones that require subjective judgment in responding.
- 9.4 Documentation. The Investment Inquiry Coordinator shall compile and maintain a record of investor inquiries and responses.

10. Periodic Check for Completeness.

- 10.1 Periodic Check for Material Developments. To the extent that the Town performs periodic closings of its accounting records, the Disclosure Officers shall promptly review these records, and request in writing that the members of the Disclosure Working Group and the persons described in Sections 5.1.3, 5.2.2, and 5.3.1 inform the Disclosure Officers of any event or fact that any of them believes to be important to investors and not previously disclosed pursuant to this Disclosure Policy and filed with the MSRB through EMMA.
- 10.2 Updating filings. This Disclosure Policy assumes that the Town will normally update its financial and operating data by filing with EMMA annually. The Town may choose to update their filed data more frequently in order better to market their bonds, or to assure that remarketings of their demand securities are done on the basis of current disclosure, or to reduce the risk that an official’s overly optimistic statement might be actionable given the total mix of available information about the Town. In that case, the procedures described in Section 5 should be used to produce periodic filings. The Town may consider filing more frequent updates: (a) when necessary to prevent remarketings based on

misleading disclosure due to material subsequent events or changes in financial condition or results, if it has outstanding demand securities that are remarketed on its credit; and (b) voluntarily to improve investor relations or to give its officials more freedom to speak without adverse repercussions.

- 10.3 Preparation and Approval of Supplemental Filing. The Disclosure Officers, with advice from Disclosure Counsel, shall determine whether changes in financial results of operation or condition from the prior year, or any event or fact reported pursuant to Section 5.3, would, if disclosed on EMMA, materially change the total mix of information about the Town that is available to investors on EMMA. If it would, they shall prepare a Public Statement disclosing such results, event, or fact with the advice of Disclosure Counsel and forward the Public Statement to the Disclosure Working Group for comment. The Disclosure Officers shall: (a) modify the Public Statement as they deem advisable on the advice of Disclosure Counsel to respond to comments from members of the Disclosure Working Group; and (b) submit the Public Statement to the Town Manager for approval.
- 10.4 Posting. After any such Public Statement is approved by the Town Manager, the Disclosure Officers shall file the Public Statement with the MSRB through EMMA. The Disclosure Officers shall exercise reasonable care to file the Public Statement with identifying information that includes all relevant CUSIP numbers for the Town's Securities. The Disclosure Officers shall notify the Town Manager of the filing of the Public Statement and shall provide the Town Manager with a link to the page on which the Public Statement is posted on EMMA. The Town Manager shall include the link on the Town's websites or post the Public Statement in the appropriate section of the websites.
- 10.5 Documentation of Procedures. The Disclosure Officers shall compile and retain a file of the actions taken to comply with this Section 11.

11. Adoption and Amendment

This Debt Disclosure Policy and Procedures Manual is adopted administratively through the Town Finance Committee, and may be amended from time to time, as necessary or appropriate, by the same process.

Presented to Finance Committee: August 16, 2018
Adopted by Finance Committee: August 16, 2018