

**AGENDA & PROPOSED ORDERS**  
**GORHAM TOWN COUNCIL**  
SPECIAL MEETING  
June 22, 2010 – 7:00 p.m.  
Gorham Municipal Center – Council Chamber

**PLEASE NOTE: The proposed orders on this agenda are suggested orders only and may change without notice prior to the meeting.**

In accordance with Section 2 of the Rules of Council, a Special Meeting of the Gorham Town Council is hereby called by Chairman Michael Phinney to be held in Council Chambers at the Gorham Municipal Center on Tuesday, June 22, 2010 at 7:00 p.m.

Pledge of Allegiance to the Flag

Roll Call

**New Business**

**Item #7862** Action to consider endorsing the Town's authority to take possession of tax acquired property located at 27 Preble Street. (Adm. Spon.)

**Proposed Order #7862** **ORDERED**, that the Town Council of the Town of Gorham, Maine, in Town Council assembled, in recognition that the property at 27 Preble Street has multiple foreclosed tax liens, endorse the Town's authority to take possession of this property, and;

**BE IT FURTHER ORDERED** that the Town Manager is authorized to take any necessary legal step to effect a reasonable transfer and protect the Town's property and protect the public health and welfare.

**Item #7863** Action to consider authorizing a bond for \$3.45 million for road work and a heavy rescue truck, as approved by Gorham voters on June 8, 2010.

**Proposed Order #7863** **WHEREAS**, the voters of the Town of Gorham, Maine (the "Town") on June 8, 2010 approved capital expenditures of a sum of money not to exceed (a) \$3,000,000 for improvements to roads in the Town and (b) \$450,000 for acquisition of a heavy rescue truck (collectively, the "Project"), and the issuance of up to \$3,450,000 general obligations bonds and/or notes of the Town to finance such costs; and

**WHEREAS**, the Town Council desires that General Obligations Bonds and/or Notes of the Town be issued to finance the Project; and

**NOW, THEREFORE**, be it voted, resolved, and ordered by the Town Council of Gorham, Maine in Town Council assembled:

**Section 1: Appropriation.** The sum of \$3,450,000 is hereby appropriated, from the proceeds of the Bonds and Notes herein authorized, to finance the costs (as herein defined) of the Project as follows: (a) \$3,000,000 for improvements to roads in the Town and (b) \$450,000 for acquisition of a heavy rescue truck.

**Section 2: Authorization of Bonds and Notes.** Pursuant to Maine law, the Town Charter of the Town, votes duly adopted by the

inhabitants of the Town at the Referendum Election duly called and held on June 8, 2010, and all other authority thereto enabling, there is hereby authorized and approved the issuance of general obligation bonds (the "Bonds") of the Town and/or temporary notes in anticipation thereof (the "Notes") in an aggregate principal amount not to exceed \$3,450,000. The Bonds shall be designated "Town of Gorham, Maine, [Year of Issuance] General Obligation Bonds" and any notes in anticipation thereof shall be designated "Town of Gorham [Year of Issuance] General Obligation Bond Anticipation Notes." The proceeds of the Bonds and any Notes shall be used to finance the costs of the Project.

**Section 3: Terms, Rates and Form.** The Treasurer is authorized to determine the date(s), form(s), interest rate(s) (which interest rate may be a fixed rate or a variable rate or some combination of the two), maturities and all other terms and details of each issue of the Bonds and the Notes, including the form and manner of their sale and award. Each Bond or Note issued hereunder shall be signed by the Treasurer and shall be countersigned by the Chair of the Town Council.

**Section 4: Redemption.** The Treasurer is authorized to provide that any of the Bonds and Notes be made callable, with or without premium, prior to their maturity, and each Bond or Note issued hereunder shall be signed by the Treasurer, shall be countersigned by the Chair of the Town Council, and shall be sealed with the seal of the Town, attested to by its Clerk.

**Section 5: Financial Advisor; Underwriter.** The Treasurer is authorized to select a financial advisor and/or an underwriter for the Bonds and Notes, and the Treasurer of the Town is authorized and empowered to execute and deliver such contracts or agreements as may be necessary or appropriate in connection therewith.

**Section 6: Official Statement.** The Treasurer is authorized to prepare, or cause to be prepared, a Notice of Sale and/or a Preliminary Official Statement and an Official Statement for use in the offering and sale of the Bonds and/or Notes, such Notice of Sale, Preliminary Official Statement and Official Statement to be in such form and contain such information as may be approved by the Treasurer, and the distribution of the Notice of Sale and/or Preliminary Official Statement and the Official Statement in the name of and on behalf of the Town in connection with offering the Bonds and/or Notes be and hereby is approved.

**Section 7: Paying Agent; Transfer Agent.** The Treasurer is authorized to select the registrar, paying agent and transfer agent (the "Transfer Agent") for the Bonds and Notes and to execute and deliver such contracts and agreements as may be necessary or appropriate to secure their services.

**Section 8: Registration.** The Bonds and Notes shall be transferable only on registration books of the Town kept by the transfer agent, and said principal amount of the Bonds or Notes of the same maturity (but not of other maturity) in the denomination of \$5,000 or any multiple

thereof (or such other minimum denomination as the Treasurer shall establish) upon surrender thereof at the principal office of the transfer agent, with a written instrument of transfer satisfactory to the transfer agent duly executed by the registered owner or his attorney duly authorized in writing. Upon each exchange or transfer of a Bond or Note the Town and the Transfer Agent shall make a charge sufficient to cover any tax, fee or any other governmental charge required to be payable with respect to such exchange or transfer, and with respect to such exchange or transfer, and subsequent to the first exchange or transfer, the cost of preparing new Bonds or Notes upon exchanges or transfer thereof to be paid by the person requesting the same.

**Section 9: Book Entry.** The Treasurer is authorized to undertake all acts necessary to provide, if deemed necessary or appropriate by the Treasurer in her discretion, for the issuance and transfer of such Bonds and Notes in book-entry form pursuant to the Depository Trust Company Book-Entry Only System, as an alternative to the provisions of the foregoing Order above regarding physical transfer of Bonds and Notes, and the Treasurer is authorized and empowered to enter into a Letter of Representation or any other contract, agreement or understanding necessary or, in her opinion, appropriate in order to qualify the Bonds or Notes for and participate in the Depository Trust Company Book-Entry Only System.

**Section 10: Exchanges and Transfers.** The Treasurer and Chair of the Town Council from time to time shall execute such Bonds or Notes as may be required to provide for exchanges or transfers of Bonds or Notes as heretofore authorized, all such Bonds or Notes to be executed as above described, and in case any officer of the Town whose signature appears on any Bond or Note shall cease to be such officer before the delivery of said Bond or Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery thereof.

**Section 11: Tax-Exempt Covenants.** The Treasurer is authorized to covenant and certify on behalf of the Town that no part of the proceeds of the issue and sale of the Notes or the Bonds authorized to be issued hereunder shall be used directly or indirectly to acquire any securities or obligations, the acquisition of which would cause such Notes or Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and that no part of the proceeds of the issue and sale of such Notes or Bonds (including any notes and bonds in renewal thereof) shall be used, directly or indirectly, in such manner which would cause the Notes or Bonds to be "private activity bonds" within the meaning of Section 141 of the Code. The Treasurer is hereby authorized to covenant and agree, on behalf of the City, for the benefit of the holders of the Bonds and Notes, that the City will file any required reports and take any other action that may be necessary to ensure that interest on the Bonds and Notes will remain

exempt from federal income taxation, and that the City will refrain from any action that would cause interest on the Bonds or Notes to be subject to federal income taxation.

**Section 12: Qualified Tax-Exempt Obligations.** To the extent permitted under the Code, the Treasurer is authorized to designate any of the Bonds or Notes authorized to be issued hereunder as qualified obligations for purposes of Section 265(b) of the Code.

**Section 13: Disclosure.** The Treasurer is authorized to covenant, certify and agree, on behalf of the Town, for the benefit of the holders of the Notes or Bonds, that the Town will file any required reports, make any annual financial or material event disclosure, and take any other action that may be necessary to insure that the disclosure requirements imposed by Rule 15c2-12 of the Securities and Exchange Commission, if applicable, are met.

**Section 14: Town Officials.** If any of the officers or officials of the Town who have signed or sealed the Bonds or Notes shall cease to be such officers or officials before the Bonds or Notes so signed and sealed shall have been actually authenticated or delivered by the Town, such Bonds or Notes nevertheless may be authenticated, issued, and delivered with the same force and effect as though the person or persons who signed or sealed such Bonds or Notes had not ceased to be such officer or official; and also any such Bonds or Notes may be signed and sealed on behalf of the Town by those persons who, at the actual date of the execution of such Bonds or Notes, shall be the proper officers and officials of the Town, although at the nominal date of such Bonds or Notes any such person shall not have been such officer or official.

**Section 15: Deputy Officers.** If the Treasurer, Chair of the Town Council or Clerk are for any reason unavailable to approve and execute the Bonds or Notes or any of the related financing documents, the person or persons then acting in any such capacity, whether as an assistant, a deputy, or otherwise, is authorized to act for such official with the same force and effect as if such official had herself performed such act.

**Section 16: Other Actions.** The Treasurer, Chair of the Town Council, Clerk and other appropriate officers of the Town are authorized and empowered to do all such acts and things, and to execute, deliver, file, approve, and record all such financing documents, contracts, deeds, assignments, certificates, memoranda, abstracts, and other documents as may be necessary or advisable, with the advice of counsel for the Town, including but not limited to any certificates, bond insurance agreements, notices of sale and other documents as may be necessary or appropriate in connection with the sale of the Bonds and Notes and any letter of credit agreement or liquidity facility agreement necessary to the issuance of any Bonds or Notes, to carry out the provisions of the resolutions heretofore adopted at this meeting in connection with the

Project, the execution, sale, and delivery by the Town of the Bonds and Notes and the execution and delivery of any related financing documents.

**Section 17: Costs; Reallocation.** The term “cost” or “costs” as used herein and applied to the Project, or any portion thereof, includes, but is not limited to (1) the purchase price or acquisition cost of all or any portion of the Project; (2) the cost of construction, building, alteration, enlargement, reconstruction, renovation, improvement, and equipping of the Project; (3) the cost of all appurtenances and other facilities either on, above, or under the ground which are used or usable in connection with the Project; (4) the cost of landscaping, site preparation and remodeling of any improvements or facilities; (5) the cost of all labor, materials, building systems, machinery and equipment; (6) the cost of land, structures, real property interests, rights, easements, and franchises acquired in connection with the Project; (7) the cost of all utility extensions and site improvements and development; (8) the cost of planning, developing, preparation of specifications, surveys, engineering, feasibility studies, legal and other professional services associated with the Project; (9) the cost of environmental studies and assessments; (10) the cost of financing charges and issuance costs, including premiums for insurance, interest prior to and during construction and for a period not to exceed three (3) years from the issue date of the Bonds or Notes, underwriters' fees and costs, legal and accounting fees and costs, application fees, and other fees and expenses relating to the financing transaction; and (11) the cost of all other financing authorized hereunder, whether related or unrelated to the foregoing. In the event that any proceeds of the Bonds or Notes remain unspent upon completion of a Project, or if the Town abandons a Project, or if the Town determines that there are excess funds not needed to pay costs of the Project, the Town reserves the right, to the extent permitted by the Town Charter, to reallocate unspent proceeds to the costs of other qualified projects approved, or to be approved, by the Town Council, or to apply unspent proceeds to the payment of debt service on the Bonds or the Notes.

**Section 18: Tax Levy.** In each of the years during which any of the Bonds or Notes issued hereunder are outstanding, there shall be levied a tax in an amount which, with other revenues, if any, available for that purpose, shall be sufficient to pay the interest on said Bonds or Notes, payable in such year, and the principal of such Bonds or Notes maturing in such year (except in the case of Notes to be refunded in that year by the issuance of Bonds).

**Section 19: Consolidation.** Any or all of the Bonds or Notes issued hereunder may be consolidated with and become a part of any other issue of temporary notes or general obligation bonds authorized to be issued by any previous or subsequent Order of the Town Council of the Town of Gorham.

**Section 20: Investment Earnings; Premium.** The investment earnings on the proceeds of the Bonds and Notes, if any, and the excess proceeds and premium of the sale of the Bonds and Notes, if any, are hereby appropriated for the following purposes, such proceeds to be held and applied in the following order of priority: (a) to any costs of the Projects in excess of the principal amount of the Bonds or Notes; and (b) in accordance with applicable terms and provisions of the Arbitrage and the Use of Proceeds Certificate delivered in connection with the sale of the Bonds or Notes.

**Section 21: Build America and RZEDB Bonds.** The Town is authorized, in lieu of the provisions of this Bond Order relating to the issuance of tax-exempt bonds, to issue all or any portion of any of the Bonds or Notes authorized by these Bond Orders as taxable governmental bonds, in accordance with the applicable requirements for Build America Bonds and/or for Recovery Zone Economic Development Bonds, if applicable, if the Chair of the Town Council and Treasurer determine that issuing such Bonds as taxable Build America Bonds or as taxable Recovery Zone Economic Development Bonds will result in a lower cost of funds to the Town, such determination to be conclusively evidenced by the execution of the Bonds by the Chair of the Town Council and the Treasurer, designating the same as “Build America Bonds” or as “Recovery Zone Economic Development Bonds”, as applicable. “Build America Bonds” mean Bonds issued as governmental bonds or notes bearing interest that is taxable for federal income tax purposes but with Federal subsidies in the form of either tax credits to holders or refundable tax credits payable to the Town as issuer, authorized under the American Recovery and Reinvestment Act of 2009, and Section 54AA of the Code, and any amendments of or successor provision to the foregoing. “Recovery Zone Economic Development Bonds” mean Bonds issued as governmental bonds or notes bearing interest that is taxable for federal income tax purposes but with Federal subsidies in the form of either tax credits to holders or refundable tax credits payable to the Town as issuer, authorized under the American Recovery and Reinvestment Act of 2009, and Sections 54AA and 1400U-2 of the Code, and any amendments of or successor provision to the foregoing. The Town Treasurer and the Chair of the Town Council are authorized to determine the form(s), terms, provisions and details of the Bonds, including: (a) the terms for any redemption of such Build America Bonds or Recovery Zone Economic Development Bonds prior to maturity; (b) the terms for any investment of up to 10% of the Bond proceeds in a debt service reserve fund; and (c) the decision whether to issue and sell one or more Bonds, in any combination of tax-exempt Bonds, taxable Build America Bonds, and/or taxable Recovery Zone Economic Development Bonds, in the aggregate principal amount of the loan, or to allocate and designate one or more of the Bonds, in whole or partial maturities, in varying principal amounts, as any of tax

exempt Bonds, Build America Bonds and/or Recovery Zone Economic Development Bonds; and the Treasurer and the Chair of the Town Council are further authorized: (a) to take such actions as may be required under applicable Federal law to cause such Bonds to qualify for treatment as Build America Bonds or Recovery Zone Economic Development Bonds, as applicable, (b) to designate all or a portion of the Bonds as Build America Bonds or Recovery Zone Economic Development Bonds, as applicable, (c) to obtain refundable tax credit payments and (d) to assign such refundable tax credit payments.

**Section 22: Reimbursement.** It is the intent of the Town Council that this Bond Order shall constitute the Town's declaration of official intent within the meaning of Treasury Regulation 1.150-2 to pay, on an interim basis, costs of the Project in an amount up to the principal amount of the Bonds to be issued, which costs the Town reasonably expects to reimburse with proceeds of the Bonds or Notes.

**ADJOURN**