

**AGENDA**  
**Gorham Town Council**  
**Special Meeting**  
**January 17, 2012 – 5:00 PM**  
**Conference Room A**

In accordance with Section 2 of the Rules of Council, a Special Meeting of the Gorham Town Council is hereby called by Chairman Brenda Caldwell to be held in Conference Room A at the Gorham Municipal Center, 75 South Street, on Tuesday, January 17, 2012 at 5:00 PM.

Item #8127      Action to consider authorizing the issuance of General Obligation Bonds.

Proposed

Order #8127      WHEREAS, the Town has previously issued its (a) \$21,225,000 General Obligation Bonds, dated as of September 1, 2002 (the “2002 Bonds”) which were issued to finance costs of a school construction project for the Middle School at Weeks Road and an expansion of the Baxter Memorial Library; (b) \$3,150,000 General Obligation Bonds, dated as of February 1, 2004 (the “2004 Bonds”) which were issued to finance costs of a new ariel platform fire truck, and demolition of the two oldest portions of the Shaw Middle School on South Street and renovations of the remaining structure to house the Superintendent of Schools office, the Town’s Recreation Department and a public meeting room, and replacement and improvement of the roof of the Narragansett School; (c) \$5,000,000 General Obligation Bonds, dated as of September 1, 2005 (the “2005 Bonds”) which were issued to finance costs of redesign, renovation and equipping of the former Shaw Middle School to serve as the new municipal center and other public facilities; and (d) \$4,000,000 General Obligation Bonds, dated as of May 1, 2008 (the “2008 Bonds”) which were issued to finance costs of improvements to various roads in the Town (the 2002 Bonds, the 2004 Bonds, the 2005 Bonds and the 2008 Bonds being collectively hereinafter called the “Prior Bonds”); and

WHEREAS, due to a decline in interest rates, the Town desires to refinance and refund the Prior Bonds through an advance refunding in order to obtain debt service savings;

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

Section 1: Authorization of Bonds. The issue and sale of the Town’s general obligation bonds in an aggregate principal amount not to exceed \$20,095,000 (the “Bonds”) to refund the Prior Bonds, or such portion thereof as determined by the Treasurer of the Town, is hereby authorized pursuant to the provisions of Section 5772 of Title 30-A of the Maine Revised Statutes, the Town Charter, referendum elections of the Town held on May 15, 2001, June 11, 2002, June 10, 2003, November 4, 2003, March 8, 2005, November 8, 2005 and November 6, 2007, orders of the Town Council adopted on August 6, 2002, January 13, 2004, September 6, 2005 and April 1, 2008, and all other authority thereto enabling. The Treasurer is hereby authorized to prepare, issue, and sell the Bonds at one time, or from time to time, as one or more separate bond issues, and to determine the date(s), form(s), denominations, interest rates (as term bonds or serial bonds or some combination thereof), maturities (with the last maturity not to exceed the maximum term permitted by law) and all other details, terms and provisions, not inconsistent herewith, including

the form and manner of their sale and award as he may approve, such approval to be conclusively evidenced by his execution thereof. The Bonds shall be designated "Town of Gorham, Maine, General Obligation Refunding Bonds." Each Bond 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. The Treasurer is hereby authorized to provide that any of the Bonds hereinbefore authorized be made callable, with or without premium, prior to their maturity.

Section 2: Contracts. The Treasurer is authorized to negotiate, execute and deliver, in the name of and on behalf of the Town such contracts, agreements, and other documents, including refunding escrow agreements, bond purchase agreements, and other agreements, instruments and certificates as may be necessary or appropriate as determined and approved by the Treasurer in connection with the issuance of the Bonds and the refunding of the Prior Bonds, or the portion thereof to be refunded as determined by the Treasurer, which documents shall be in such form and contain such terms and conditions, not inconsistent herewith, as may be approved by the Treasurer, such approval to be conclusively evidenced by his execution thereof.

Section 3: Financial Advisor; Underwriter. The Treasurer is hereby authorized to select a financial advisor for the sale of the Bonds and an underwriter for the Bonds, and the Treasurer of the Town be and hereby is authorized and empowered to execute and deliver such contracts or agreements as may be necessary or appropriate in connection therewith. The Bonds may be sold at a public or private sale and the Treasurer of the Town is authorized and empowered to arrange for the underwriting of the Bonds at private sale through negotiated agreement, compensation for such underwriting to be provided by negotiated fee payable out of a premium on the sale of the Bonds or in such other manner as approved by the Treasurer of the Town.

Section 4: Official Statement. The Treasurer is hereby authorized to prepare, or cause to be prepared, a Preliminary Official Statement and an Official Statement for use in the offering and sale of the Bonds, such Preliminary Official Statement and Official Statement to be in such form and contain such information as may be approved by the Treasurer, and that the distribution of the Preliminary Official Statement and the Official Statement in the name of and on behalf of the Town in connection with offering the Bonds be and hereby is approved.

Section 5: Transfer Agent; Escrow Agent; Verification Agent. The Treasurer is hereby authorized to select (a) the registrar, paying agent and transfer agent (the "Transfer Agent"), (b) a verification agent relating to the escrow for an advance refunding of the Prior Bonds or a portion thereof, and (c) an escrow agent for the refunding of the Prior Bonds or portion thereof, and to execute and deliver such contracts and agreements as may be necessary or appropriate to secure their services.

Section 6: Registration. The Bonds shall be transferable only on registration books of the Town kept by the Transfer Agent, and said principal amount of the Bonds 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, 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 upon exchanges or transfer thereof to be paid by the person requesting the same.

Section 7: Book Entry. The Treasurer is hereby authorized to undertake all acts necessary to provide, if deemed necessary or appropriate by the Treasurer in his discretion, for the issuance and transfer of such Bonds 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 the Treasurer is hereby authorized and empowered to enter into a Letter of Representation or any other contract, agreement or understanding necessary or, in his opinion, appropriate in order to qualify the Bonds for and participate in the Depository Trust Company Book-Entry Only System.

Section 8: Exchanges and Transfers. The Treasurer and Chair of the Town Council from time to time shall execute such Bonds as may be required to provide for exchanges or transfers of Bonds as heretofore authorized, all such Bonds to be executed as above described, and in case any officer of the Town whose signature appears on any Bond shall cease to be such officer before the delivery of said Bond, 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 9: Tax-Exempt Covenants. The Treasurer is hereby authorized to covenant and certify on behalf of the Town that no part of the proceeds of the issue and sale of 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 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 Bonds (including any bonds in renewal thereof) shall be used, directly or indirectly, in such manner which would cause the 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 Town, for the benefit of the holders of the Bonds, that the Town will file any required reports and take any other action that may be necessary to ensure that interest on the Bonds will remain exempt from federal income taxation, and that the Town will refrain from any action that would cause interest on the Bonds to be subject to federal income taxation.

Section 10: Disclosure. The Treasurer is hereby authorized to covenant, certify and agree, on behalf of the Town, for the benefit of the holders of the 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 11: Town Officials. If any of the officers or officials of the Town who have signed or sealed the Bonds shall cease to be such officers or officials before the Bonds so signed and sealed shall have been actually authenticated or delivered by the Town, such Bonds 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 had not ceased to be such officer or official; and also any such Bonds may be signed and sealed on behalf of the Town by those persons who, at the actual date of the execution of such Bonds, shall be the proper officers and officials of the Town, although at the nominal date of such Bonds any such person shall not have been such officer or official.

Section 12: Deputy Officers. If the Treasurer, Chair of the Town Council or Clerk are for any reason unavailable to approve and execute the Bonds 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 13: Other Actions. The Treasurer, Chair of the Town Council, Clerk and other appropriate officers of the Town are hereby 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 any letter of credit agreement or liquidity facility agreement necessary to the issuance of any Bonds, to carry out the provisions of the orders and resolutions heretofore adopted at this meeting in connection with the projects financed by the Prior Bonds, the execution, sale, and delivery by the Town of the Bonds and the execution and delivery of any related financing documents. The Treasurer is authorized to deposit the proceeds of the Bonds pursuant to the escrow deposit agreement, and to call for redemption and defease the Prior Bonds, or such portion thereof as determined appropriate by the Treasurer, which are to be advance refunded by the Bonds.

Section 14: Tax Levy. In each of the years during which any of the Bonds 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, payable in such year, and the principal of such Bonds maturing in such year.

Section 15: Qualified Tax-Exempt Obligations. To the extent permitted under the Code, the Treasurer is hereby authorized to designate any of the Bonds authorized to be issued hereunder as qualified obligations for purposes of Section 265(b) of the Code.

Section 16: Consolidation. Any or all of the Bonds issued hereunder may be consolidated with and become a part of any other issue of general obligation bonds authorized to be issued by any previous or subsequent Order of the Town Council of the Town of Gorham.

Section 17: Investment Earnings; Premium. The investment earnings on the proceeds of the Bonds, if any, and the excess proceeds and premium of the sale of the Bonds, if any, be and hereby are appropriated to be used to fund the refunding escrow for the Prior Bonds or the portion thereof to be advance refunded, to pay redemption premium on the Prior Bonds to be redeemed, to pay interest on the Prior Bonds or the Bonds and to pay issuance costs for the Bonds.

Section 18: Amendment of January 3, 2012 Bond Order. This Order amends, restates and supersedes in its entirety the Bond Order approved by the Gorham Town Council on January 3, 2012.

Adjourn to a workshop.