

**Board of Selectmen Meeting  
Village Fire Station – 32 North Street  
September 27, 2018 – 6:00 PM**

Minutes of the Selectmen's Meeting of September 27, 2018

**Selectmen Attending:** Stuart Barwise, Allen Daggett, Edward W. Hutchins, and Sheila Matthews-Bull

**Selectman Absent:** Patrick A. Briggs

**Others:** Michael Claus, Joe Cueter, Werner Gilliam, Alison Kenneway, Marc LaFlamme, Jennifer Lord, Arlene McMurray, Dan Place, David Powell, Craig Sanford, Chris Simeoni, Laurie Smith

**1. Call to Order.**

Chair Hutchins called the meeting to order at 6 PM.

**2. Approve the September 11 (AM meeting), and 13, 2018, selectmen meeting minutes.**

**Motion** by Selectman Daggett, seconded by Selectman Matthews-Bull, to approve the September 11, 2018, morning meeting minutes. **Vote:** 4-0.

**Motion** by Selectman Daggett, seconded by Selectman Matthews-Bull, to approve the September 13, 2018, morning minutes. **Vote:** 4-0.

**3. Public Forum (This is an opportunity for anyone who wants to address the Board of Selectmen with any issue that is not on the agenda.).**

There were no comments.

**4. Public Hearing to adopt the MMA Model Ordinance GA Appendices A to D for the period of October 1, 2018 – September 30, 2019.**

**Motion** by Selectman Barwise, seconded by Selectman Daggett, to open the public hearing to adopt the MMA Model Ordinance GA Appendices A to D for the period of October 1, 2018 – September 30, 2019. **Vote:** 4-0.

Chair Hutchins opened the public hearing at 6:01 PM.

General Assistant Director Alison Kenneway explained the GA Ordinance Maximums.

Chair Hutchins closed the public hearing at 6:04 PM.

**Motion** by Selectman Matthews-Bull, seconded by Selectman Hutchins, to adopt the MMA Model Ordinance GA Appendices A to D for the period of October 1, 2018 – September 30, 2019. **Vote:** 4-0.

**5. Police Presentation of Life Saving Awards and retirement recognition.**

Police Chief Craig Sanford presented a Life Saving Award to Chris Simeoni and Marc Laflamme. He said they both saved a life on two separate occasions. He also congratulated Simeoni on his retirement from the Kennebunkport Police Department after 20 years and presented him with a plaque. He was sorry to see him leave the department, but happy he will continue to work for the town in another capacity.

Simeoni thanked everyone and explained that his decision to leave the police force was to have more time to spend with his family.

Chief Sanford also welcomed Dan Place back to the department.

**6. Recertify the Wireless Telecommunications Ordinance for the November 6 election.**

Town Clerk Tracey O'Roak reported that this Ordinance was required by the Administrative Code to be recertified because some sections were missing when it was initially certified. (See Exhibit A)

**Motion** by Selectman Barwise, seconded by Selectman Matthews-Bull, to recertify the Wireless Telecommunications Ordinance for the November 6 election. **Vote:** 4-0.

**7. Consider purchase and sale agreement for property located at Tax Map 12, Block 5, Lot 21; Map 12, Block 5, Lot 21A; and Map 12, Block 5, Lot 22.**

**Motion** by Selectman Barwise, seconded by Selectman Daggett, to sign the purchase and sales agreement for property located at Tax Map 12, Block 5, Lot 21; Map 12, Block 5, Lot 21A; and Map 12, Block 5, Lot 22. **Vote:** 4-0.

Chair Hutchins mentioned that the public will have input on what this property will be used for.

**8. Authorize the town manager to execute all necessary documents for real estate closing regarding Tax Map 12, Block 5, Lot 21, Map 12, Block 5, Lot 21A; and Map 12, Block 5, Lot 22.**

**Motion** by Selectman Barwise, seconded by Selectman Matthews-Bull, to authorize the town manager to execute all necessary documents for real estate closing regarding Tax Map 12, Block 5, Lot 21, Map 12, Block 5, Lot 21A; and Map 12, Block 5, Lot 22. **Vote:** 4-0.

**9. Authorize bond resolution to issue up to \$10,000,000 in Bonds to acquire**

**Motion** by Selectman Barwise, I move that the resolution entitled, "Resolution to Authorize Town of Kennebunkport to issue up to \$10,000,000 in Bonds to Acquire Certain Parcels of Land," be adopted in form presented to this meeting and that an attested copy of said Resolution be filed with the minutes of this meeting. Seconded by Selectman Daggett. **Vote:** 4-0. (See Exhibit B).

**10. Award bid for bond anticipation note.**

**Motion** by Selectman Barwise, seconded by Selectman Daggett, to award the bid for the bond anticipation note to Norway Savings Bank with the discretion of the Town Manager and Treasurer to determine the term limits. **Vote:** 4-0.

**11. Presentation by Joe Cuetera, Financial Advisor of Moors & Cabot regarding bonding options.**

Joe Cuetera presented the attached PowerPoint presentation (See Exhibit C).

**Motion** by Selectman Daggett, seconded by Selectman Barwise, to authorize the Town Manager to hire Joe Cuetera to handle the bond sale. **Vote:** 4-0.

**12. Award bid for ¾ ton truck.**

Deputy Director of Public Works Chris Simeoni announced he solicited bids from five vendors and received two responses:

Key Ford	\$27,277
Yankee Ford	\$27,973

He recommends awarding the bid to Key Ford. He will purchase the truck with proceeds from the backhoe sale.

**Motion** by Selectman Barwise, seconded by Selectman Daggett, to award the bid for the ¾ ton truck to Key Ford at a cost of \$27,277. **Vote:** 4-0.

**13. Award purchase of fuel pumps for public works facility.**

Public Works Director Michael Claus reported that he received two quotes for fuel pumps replacement:

Portland Pump	\$10,353.19
Adam & Fogg Oil Equipment Company	\$11,605.00

Mr. Claus said he does not know of any other dealers in Maine who can service both the pumps and their fueling key system. He recommends awarding the bid to Portland Pump Company.

**Motion** by Selectman Daggett, seconded by Selectman Barwise, to award the bid for the replacement fuel pumps to Portland Pump Company at a cost of \$10,353.19. **Vote:** 4-0.

**14. Set public hearing date for the November 6 election for October 25.**

**Motion** by Selectman Matthews-Bull, seconded by Selectman Daggett, to set the public hearing date for the November 6 election for October 25. **Vote:** 4-0.

**15. Other business.**

There was no other business.

**16. Approve the September 27, 2018, Treasurer's Warrant.**

**Motion** by Selectman Daggett, seconded by Selectman Matthews-Bull, to approve the September 27, 2018, Treasurer's Warrant. **Vote:** 4-0.

**17. Adjournment.**

**Motion** by Selectman Barwise, seconded by Selectman Matthews-Bull, to adjourn. **Vote:** 4-0.

The meeting adjourned at 6:50 PM.

Submitted by Arlene McMurray  
Administrative Assistant

**RE-CERTIFICATION OF PROPOSED REVISIONS TO  
WIRELESS TELECOMMUNICATIONS ORDINANCE AND ORDER**

The municipal officers of the Town of Kennebunkport hereby re-certify to the municipal clerk of the Town of Kennebunkport pursuant to 30-A M.R.S. § 3002 that attached hereto is a true copy of the proposed revisions to the ordinance entitled "Wireless Telecommunications Ordinance" (the "Revised Ordinance"), to be voted on at a town meeting of the Town of Kennebunkport on November 6, 2018 under the article, "Shall an ordinance entitled 'Wireless Telecommunications Ordinance' be revised?"

It was recently brought to our attention that there were five missing sections in the original certified ordinance. Those sections were always intended to be included in the original proposal but were inadvertently omitted. We are re-certifying in order to meet the requirements of the Administrative Code. As further clarification, the new definitions proposed for the Land Use Ordinance will also be included in the Telecommunications Ordinance.

It is further Ordered, pursuant to 30-A M.R.S. § 3002(1) that the municipal clerk shall keep this certified copy as a public record and shall make copies of the Revised Ordinance available for distribution to the voters of the Town of Kennebunkport from the time of this certification. Copies of the Revised Ordinance shall also be attested by the Town Clerk and posted in the same manner as the warrant calling said town meeting and shall be made available to the voters at said town meeting.

Dated: September 27, 2018

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A majority of the municipal officers of the  
Town of Kennebunkport

A true copy of the proposed revisions to the Ordinance entitled, "Wireless Telecommunications Ordinance" is attached hereto.

Attest: \_\_\_\_\_  
Tracey O'Roak, Town Clerk  
Town of Kennebunkport

# **Wireless Telecommunications Ordinance PROPOSED**

## **AMENDMENT**

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### **Section 1. Title**

This Ordinance shall be known and cited as the "Wireless Telecommunications Facilities Siting Ordinance" of Kennebunkport, Maine (hereinafter referred to as the "ordinance").

## Section 2. Authority

This ordinance is adopted pursuant to the enabling provisions of Article VIII, Part 2, Section 1 of the Maine Constitution; the provisions of Title 30-A M.R.S.A., Section 3001 (Home Rule), and the provisions of the Planning and Land Use Regulation Act, Title 30-A M.R.S.A., Section 4312 et seq.

## Section 3. Purpose

The purpose of this ordinance is to provide a process and a set of standards for the construction of wireless telecommunications facilities in order to:

- Implement a municipal policy concerning the provision of wireless telecommunications services, and the siting of their facilities;
- Establish clear guidelines, standards and time frames for the exercise of municipal authority to regulate wireless telecommunications facilities;
- Allow competition in telecommunications service;
- Encourage the provision of advanced telecommunications services to the largest number of businesses, institutions and residents of Kennebunkport;
- Permit and manage reasonable access to the public rights of way of Kennebunkport for telecommunications purposes on a competitively neutral basis;
- Ensure that all telecommunications carriers providing facilities or services within Kennebunkport comply with the ordinances of Kennebunkport;
- Ensure that Kennebunkport can continue to fairly and responsibly protect the public health, safety and welfare;
- Encourage the colocation of wireless telecommunications facilities and alternative technologies, thus helping to minimize adverse visual impacts on the community;
- Enable Kennebunkport to discharge its public trust consistent with rapidly evolving federal and state regulatory policies, industry competition and technological development;
- Further the goals and policies of the comprehensive plan, while promoting orderly development of the town with minimal impacts on existing uses; ~~and~~
- Protect the scenic and visual character of the community; and
- Comply with the 2012 Spectrum Act and the Telecommunications Act of 1996 as each is amended.

## Section 4. Applicability

This local land use ordinance applies to all construction and expansion of wireless telecommunications facilities, except as provided in section 4.1.

**4.1 Exemptions:** The following are exempt from the provisions of this ordinance:

- A. ***Emergency Wireless Telecommunications Facility.*** Wireless communication facilities for emergency communications by public officials or any municipal or quasi-municipal organization currently served by the Town of Kennebunkports Communications Department including, without limitation, the KK&W Water District and colocation by any person or firm, public or private, on any tower owned or operated by the KK&W Water District provided colocation by any private person or firm shall be subject to site plan approval by the Planning Board in addition to other applicable provisions of this ordinance.
- B. ***Amateur (ham) radio stations.*** Amateur (ham) radio stations licensed by the Federal Communications Commission (FCC).
- C. ***Parabolic antenna.*** Parabolic Antennas less than seven (7) feet in diameter, that are an accessory use of the property.
- D. ***Maintenance or repair.*** Maintenance, repair or reconstruction of a wireless telecommunications facility and related equipment, provided that there is no change in the height or any other dimension of the facility.
- E. ***Temporary wireless telecommunications facility.*** Temporary wireless telecommunications facility, in operation for a maximum period of one hundred eighty (180) days.
- ~~F. ***Antennas as Accessory Uses.*** An antenna that is an accessory use to a residential dwelling unit.~~

## Section 5. Review and Approval Authority

**5.1 Approval Required:** No person shall construct or expand a wireless telecommunication facility without approval of the Code Enforcement Officer (CEO) or the Planning Board as follows:

- A. ***Expansion of an Existing Facility and Colocation.*** Approval by the CEO and issuance of a building permit is required for (1) any expansion of an existing wireless telecommunications facility that increases the height of the facility by no more than 20 feet; (2) accessory use of an existing wireless telecommunications facility; or (3) colocation on an existing wireless telecommunications facility or alternative tower structure; or (4) installation of small cell facilities on existing utility poles.
- B. ***New Construction.*** Approval of the Planning Board and issuance of a building permit is required for construction of all new wireless telecommunications facilities; and any expansions or substantial modifications of ~~an~~ existing wireless telecommunications facilities such as, but not limited to, that



increases in the height of the facility by more than 20 feet or new disturbed area or equipment cabinets outside the area occupied by the existing facility.

## 5.2 Approval Authority

In accordance with Section 5.1 above, the CEO or Planning Board shall review applications for wireless telecommunications facilities, and make written findings on whether the proposed facility complies with this Ordinance.

## Section 6. Approval Process

**6.1 Pre-Application Conference:** All persons seeking approval of the CEO or the Planning Board under this ordinance shall meet with the CEO no less than thirty (30) days before filing an application. At this meeting, the CEO shall explain to the applicant the ordinance provisions, as well as application forms and submissions that will be required under this ordinance.

**6.2 Application:** All persons seeking approval of the CEO or the Planning Board under this ordinance shall submit an application as provided below. The CEO shall be responsible for ensuring that notice of the application has been published in a newspaper of general circulation in the community.

A. ***Application for CEO Approval.*** Applications for permit approval by the CEO must include the following materials and information:

1. Documentation of the applicants right, title, or interest in the property where the facility is to be sited, including name and address of the property owner and the applicant.
2. A copy of the FCC license for the facility or a signed statement from the owner or operator of the facility attesting that the facility complies with current FCC regulations.
3. Identification of districts, sites, buildings, structures or objects, significant in American history, architecture, archaeology, engineering or culture, that are listed, or eligible for listing, in the National Register of Historic Places (see 16 U.S.C. 470w(5); 36 CFR 60 and 800).
4. Location map and elevation drawings of the proposed facility and any other proposed structures, showing color, and identifying structural materials.
- 4.5. For a proposed small cell facility: (a) name and address of the owner(s) of the utility pole; (b) utility pole number; (c) address of nearest property; and (d) structural analysis, signed by a Maine registered professional engineer, attesting to the ability integrity of the utility pole to support the small cell facility without any impact to the structural integrity of the utility pole or network of poles.
- 5.6. For proposed expansion of an existing facility, a signed statement that commits the owner of the facility, and his or her successors in interest, to:

1. respond in a timely, comprehensive manner to a request for information from a potential colocation applicant, in exchange for a reasonable fee not in excess of the actual cost of preparing a response;
2. negotiate in good faith for shared use by third parties;
3. allow shared use if an applicant agrees in writing to pay reasonable charges for colocation;
4. require no more than a reasonable charge for shared use, based on community rates and generally accepted accounting principles. This charge may include but is not limited to a pro rata share of the cost of site selection, planning project administration, land costs, site design, construction and maintenance, financing, return on equity, depreciation, and all of the costs of adopting the tower or equipment to accommodate a shared user without causing electromagnetic interference.

B. ***Application for Planning Board Approval.*** An application for approval by the Planning Board must be submitted to the Code Enforcement Officer. The application must include the following information:

1. Documentation of the applicants right, title, or interest in the property on which the facility is to be sited, including name and address of the property owner and the applicant.
2. A copy of the FCC license for the facility, or a signed statement from the owner or operator of the facility attesting that the facility complies with current FCC regulations.
3. A USGS 7.5 minute topographic map showing the location of all structures and wireless telecommunications facilities above 150 feet in height above ground level, except antennas located on roof tops, within a five (5) mile radius of the proposed facility, unless this information has been previously made available to the Town. This requirement may be met by submitting current information (within thirty days of the date the application is filed) from the FCC Tower Registration Database.
4. A site plan:
  1. prepared and certified by a Maine registered professional engineer ~~registered in Maine~~ indicating the location, type, and height of the proposed facility, antenna capacity, on-site and abutting off-site land uses, means of access, setbacks from property lines, and all applicable American National Standards Institute (ANSI) technical and structural codes;
  2. certification by the applicant that the proposed facility complies with all FCC standards for radio frequency emissions is required; and
  3. a boundary survey for the project performed by a land surveyor licensed by the State of Maine.
5. A scenic assessment, consisting of the following:

1. Elevation drawings of the proposed facility, and any other proposed structures, showing height above ground level;
2. A landscaping plan indicating the proposed placement of the facility on the site; location of existing structures, trees, and other significant site features; the type and location of plants proposed to screen the facility; the method of fencing, the color of the structure, and the proposed lighting method.
3. Photo simulations of the proposed facility taken from perspectives determined by the Planning Board, or their designee, during the pre-application conference. Each photo must be labeled with the line of sight, elevation, and with the date taken imprinted on the photograph. The photos must show the color of the facility and method of screening.
4. A narrative discussing:
  - i. the extent to which the proposed facility would be visible from or within a designated scenic resource,
  - ii. the tree line elevation of vegetation within 100 feet of the facility, and
  - iii. the distance to the proposed facility from the designated scenic resources noted viewpoints.
6. A written description of how the proposed facility fits into the applicants telecommunications network. This submission requirement does not require disclosure of confidential business information.
7. Evidence demonstrating that no existing building, site, or structure can accommodate the applicants proposed facility, the evidence for which may consist of any one or more of the following:
  1. Evidence that no existing facilities are located within the targeted market coverage area as required to meet the applicants engineering requirements,
  2. Evidence that existing facilities do not have sufficient height or cannot be increased in height at a reasonable cost to meet the applicants engineering requirements,
  3. Evidence that existing facilities do not have sufficient structural strength to support applicants proposed antenna and related equipment. Specifically:
    - i. Planned, necessary equipment would exceed the structural capacity of the existing facility, considering the existing and planned use of those facilities, and these existing facilities cannot be reinforced to accommodate the new equipment.
    - ii. The applicants proposed antenna or equipment would cause electromagnetic interference with the antenna on the existing towers or structures, or the antenna or equipment on the existing facility would cause interference with the applicants proposed antenna.

- iii. Existing or approved facilities do not have space on which planned equipment can be placed so it can function effectively.
- 4. For facilities existing prior to the effective date of this ordinance, the fees, costs, or contractual provisions required by the owner in order to share or adapt an existing facility are unreasonable. Costs exceeding the pro rata share of a new facility development are presumed to be unreasonable. This evidence shall also be satisfactory for a tower built after the passage of this ordinance;
- 5. Evidence that the applicant has made diligent good faith efforts to negotiate colocation on an existing facility, building, or structure, and has been denied access.
- 8. Identification of districts, sites, buildings, structures or objects, significant in American history, architecture, archaeology, engineering or culture, that are listed, or eligible for listing, in the National Register of Historic Places (see 16 U.S.C. 470w(5); 36 CFR 60 and 800).
- 9. A signed statement stating that the owner of the wireless telecommunications facility and his or her successors and assigns agree to :
  - 1. respond in a timely, comprehensive manner to a request for information from a potential colocation applicant, in exchange for a reasonable fee not in excess of the actual cost of preparing a response;
  - 2. negotiate in good faith for shared use of the wireless telecommunications facility by third parties;
  - 3. allow shared use of the wireless telecommunications facility if an applicant agrees in writing to pay reasonable charges for colocation;
  - 4. require no more than a reasonable charge for shared use, based on community rates and generally accepted accounting principles. This charge may include but is not limited to a pro rata share of the cost of site selection, planning project administration, land costs, site design, construction, financing, return on equity, depreciation, and all of the costs of adapting the tower or equipment to accommodate a shared user without causing electromagnetic interference. The amortization of the above costs by the facility owner shall be accomplished at a reasonable rate, over the useful life span of the facility.
- 10. A form of surety approved by the Planning Board to pay for the costs of removing the facility if it is abandoned.
- 11. Evidence that a notice of the application has been published in a local newspaper of general circulation in the community.

**6.3 Submission Waiver:** The CEO or Planning Board, as appropriate, may waive any of the submission requirements based upon a written request of the applicant submitted at the time of application. A waiver of any submission requirement may be granted only

if the CEO or Planning Board finds in writing that due to special circumstances of the application, the information is not required to determine compliance with the standards of this Ordinance.

#### 6.4 Fees:

- A. **CEO Application Fee.** An application for CEO approval shall include payment of an application fee as determined annually by the Board of Selectmen. of \$250. The application shall not be considered complete until this fee is paid. ~~The applicant is entitled to a refund of the application fee if the application is withdrawn within fifteen (15) days of date of filing, less all expenses incurred by the Town to review the application.~~
- B. **Planning Board Application Fee.** An application for Planning Board approval shall include payment of an application fee as determined annually by the Board of Selectmen. of \$500. The application shall not be considered complete until this fee is paid. ~~An applicant is entitled to a refund of the application portion of fee if the application is withdrawn within fifteen (15) days of date of filing, less all expenses incurred by the Town to review the application.~~
- C. **Planning Board Review Fee.** An applicant for approval by the Planning Board shall pay all reasonable and customary fees incurred by the Town that are necessary to review the application, including, without limitation, independent engineering, planning, legal or similar professional consulting services. Such review fee shall be assessed for the privilege of review and shall be payable without regard to consultation results or the outcome of the application. The review fee shall be paid in full prior to the start of construction. No building permit may be issued until all review fees have been paid in full.

That portion of the review fee not used shall be returned to the applicant within fourteen (14) days a reasonable period time after of the Planning Boards decision, once it has been determined that all associated costs have been paid.

**6.5 Notice of Complete Application:** Upon receipt of an application, the CEO shall provide the applicant with a dated receipt. Within five (5) working days of receipt of an application the CEO shall review the application and determine if the application meets the submission requirements. The CEO or Planning Board, as appropriate, shall review any requests for a waiver from the submission requirements and shall act on these requests prior to determining the completeness of the application.

If the application is complete, the CEO shall notify the applicant in writing of this determination and require the applicant to provide a sufficient number of copies of the application to the Planning Board, Code Enforcement Office, Police Department and Fire Department.

If the application is incomplete, the CEO shall notify the applicant in writing, specifying the additional materials or information required to complete the application.

If the application is deemed to be complete, and requires Planning Board review, the CEO shall notify all abutters to the site as shown on the Assessors records, by first-class mail, that an application has been accepted. This notice shall contain a brief description of the proposed activity and the name of the applicant, give the location of a copy of the application available for inspection, and provide the date, time, and place of the Planning Board meeting at which the application will be considered. Failure on the part of any abutter to receive such notice shall not be grounds for delay of any consideration of the application nor denial of the project.

**6.6 Public Hearing:** For applications for Planning Board approval under Section 5.1(B), a public hearing shall be held within 30 days of the notice of the complete application.

**6.7 ~~6.7~~ Approval:**

**A. CEO Approval.** Within thirty (30) days of receiving a complete application for approval under section 5.1(A), the CEO shall approve, approve with conditions, or deny the application in writing, together with the findings on which that decision is based. With the exception of applications for installation of a small cell facility, ~~the~~ the CEO shall approve the application if the CEO finds that the application complies with the provisions in Section 7.1 of this ordinance.

For a small cell facility, the CEO shall approve the application if the CEO finds the following:

(a) the small cell facility does not interfere with the safety and convenience of travel over the public right of way; other existing uses of the utility right of way, and shall not interfere with municipal emergency service communication equipment;

**B. (b) the small cell facility is not located within fifty (50) feet of a residence or sensitive population (including but not limited to schools, hospitals, nursing facilities etc.) If a small cell facility is proposed to be located within fifty (50) feet of a residence or sensitive population then the approval process outlined in 6.7D Planning Board Approval shall be followed.**

(b);

(c) The small cell facility is camouflaged such that it is visually unobtrusive as compared to the preexisting condition of the utility pole or nearby utility poles, including color and scale;

(d) The dimensions of the antenna does not exceed three (3) feet in height or two (2) feet in width and associated equipment has a maximum square footage of ten (10) square feet and height of two (2) feet;

(e) No part of the small cell facility projects from the utility pole further than four (4) feet from its existing height and two (2) feet from its existing width

**C. The small cell facility is proposed by a licensed provider who agrees to comply with all local ordinance, state and federal laws;**



A. The entity seeking approval for the small cell facility submits a written commitment to notify the Town within thirty days of cessation of use of the facility and to remove that facility within ninety (90) days of termination of use.

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The CEO shall notify all abutters of the decision to issue a permit under this section. The time period may be extended upon agreement between the applicant and the CEO.

B.D. Planning Board Approval. Within ninety (90) days of receiving a complete application for approval under section 5.1(BA) or one hundred fifty (150) days of receiving a complete application for approval under section 5.1(B), the Planning Board shall approve, approve with conditions, or deny the application in writing, together with the findings on which that decision is based. However, if the Planning Board has a waiting list of applications that would prevent the Planning Board from making a decision within the required ninety (90) day time period, then a decision on the application shall be issued within sixty (60) days of the public hearing, if necessary, or within 60 days of the completed Planning Board review. This time period may be extended upon agreement between the applicant and the Planning Board.

**6.8 Building Permit Required:** No wireless telecommunications facility shall be constructed or expanded without a building permit therefore issued by the CEO.

6.9 Zoning: Notwithstanding any provision in any municipal ordinance to the contrary, small cell facilities and colocated wireless telecommunications facilities or antennas installed on alternative tower structures shall be a permitted use in all zoning districts.

## **Section 7. Standards of Review**

To obtain approval from the CEO or the Planning Board, an application must comply with the standards in this section.

**7.1 CEO Approval Standards:** An application for approval by the CEO under Section 5.1(A) must meet the following standards.

- A. The proposed facility is an expansion, accessory use, or colocation to a conforming structure legally existing at the time the application is submitted.
- B. The applicant has sufficient right, title, or interest to locate the proposed facility on the existing structure.
- C. The proposed facility increases the height of the existing structure by no more than twenty (20) feet.
- D. The proposed facility will be constructed with materials and colors that match or blend with the surrounding natural or built environment, to the maximum extent practicable.

- E. The proposed facility, to the greatest degree practicable, shall have no unreasonable adverse impact upon districts, sites, buildings, structures or objects, significant in American history, architecture, archaeology, engineering or culture, that are listed, or eligible for listing, in the National Register of Historic Places (see 16 U.S.C. 470w(5); 36 CFR 60 and 800).

**7.2 Planning Board Approval Standards:** An application for approval by the Planning Board under Section 5.1(B) must meet the following standards.

- A. **Location.** New wireless telecommunications facilities installed on new towers may be permitted only in the following district as designated in the Kennebunkport Zoning Ordinance: Free Enterprise Zone.
- B. **Siting on Municipal Property.** If an applicant proposes to locate a new wireless telecommunications facility, or expand an existing facility on Town property, the applicant must show the following:
1. The proposed location complies with applicable municipal policies and ordinances.
  2. The proposed facility will not interfere with the intended purpose of the property.
  3. The applicant has adequate liability insurance and a lease agreement with the Town that includes reasonable compensation for the use of the property and other provisions to safeguard the public rights and interests in the property.
- C. **Design for Colocation.** A new wireless telecommunications facility and related equipment must be designated and constructed to accommodate expansion for future colocation of at least three additional wireless telecommunications facilities or providers. However, the Planning Board may waive or modify this standard where the district height limitation effectively prevents future colocation.
- D. **Height.** A new wireless telecommunications facility must be no more than 200 feet in height.
- E. **Setbacks.** A new or expanded wireless telecommunications facility must comply with the set back requirements for the zoning district in which it is located, or be set back one hundred five percent (105%) of its height from all property lines, whichever is greater. The setback may be satisfied by including the areas outside the property boundaries if secured by an easement. The following exemptions apply:
1. The setback may be reduced by the Planning Board upon a showing by the applicant that the facility is designed to collapse in a manner that will not harm other property.
  2. An antenna is exempt from the setback requirement if it extends no more than five (5) feet horizontally from the edge of the structure to which it is attached, and it does not encroach upon an abutting property.



2-3. This setback does not apply to the installation of colocated wireless telecommunication facilities or small cell facilities on alternative tower structures.

- F. **Landscaping.** A new wireless telecommunications facility and related equipment must be screened with plants from view by abutting properties, to the maximum extent practicable. Existing plants and natural land forms on the site shall also be preserved to the maximum extent practicable.
- G. **Fencing.** A new wireless telecommunications facility must be fenced to discourage trespass on the facility and to discourage climbing on any structure by trespassers.
- H. **Lighting.** A new wireless telecommunications facility must be illuminated only as necessary to comply with FAA or other applicable state and federal requirements. However, security lighting may be used as long as it is shielded to be down-directional to retain light within the boundaries of the site, to the maximum extent practicable.
- I. **Color and Materials.** A new wireless telecommunications facility must be constructed with materials and colors that match or blend with the surrounding natural or built environment, to the maximum extent practicable. Unless otherwise required, muted colors, earth tones, and subdued hues shall be used.
- J. **Structural Standards.** A new wireless telecommunications facility must comply with the current Electronic Industries Association/Telecommunications Industries Association (EIA/TIA) 222 Revision Standard entitled "Structural Standards for Steel Antenna Towers and Antenna Supporting Structures."
- K. **Visual Impact.** The proposed wireless telecommunications facility will have no unreasonable adverse impact upon designated scenic resources within the Town, as identified either in the Towns Comprehensive Plan, or by a State or federal agency.
  - 1. In determining the potential unreasonable adverse impact of the proposed facility upon the designated scenic resources, the Planning Board shall consider the following factors:
    - 1. The extent to which the proposed wireless telecommunications facility is visible above tree line, from the viewpoint(s) of the impacted designated scenic resource;
    - 2. The type, number, height, and proximity of existing structures and features, and background features within the same line of sight as the proposed facility;
    - 3. The extent to which the proposed wireless telecommunications facility would be visible from the viewpoint(s);
    - 4. The amount of vegetative screening;
    - 5. The distance of the proposed facility from the viewpoint and the facility's facility's location within the designated scenic resource; and
    - 6. The presence of reasonable alternatives that allow the facility to function consistently with its purpose.

- L. **Noise.** During construction, repair, or replacement, operation of a back-up power generator at any time during a power failure, and testing of a back-up generator between 8 a.m. and 9 p.m. is exempt from existing municipal noise standards.
- M. **Historic & Archaeological Properties.** The proposed facility, to the greatest degree practicable, will have no unreasonable adverse impact upon a historic district, site or structure which is currently listed on or eligible for listing on the National Register of Historic Places.

**7.3 Standard Conditions of Approval:** The following standard conditions of approval shall be a part of any approval or conditional approval issued by the CEO or Planning Board. Where necessary to ensure that an approved project meets the criteria of this ordinance, the Planning Board can impose additional conditions of approval. Reference to the conditions of approval shall be clearly noted on the final approved site plan, and shall include:

1. The owner of the wireless telecommunications facility and his or her successors and assigns agree to:
  1. respond in a timely, comprehensive manner to a request for information from a potential colocation applicant, in exchange for a reasonable fee not in excess of the actual cost of preparing a response;
  2. negotiate in good faith for shared use of the wireless telecommunications facility by third parties;
  3. allow shared use of the wireless telecommunications facility if an applicant agrees in writing to pay reasonable charges for colocation;
  4. require no more than a reasonable charge for shared use of the wireless telecommunications facility, based on community rates and generally accepted accounting principles. This charge may include, but is not limited to, a pro rata share of the cost of site selection, planning project administration, land costs, site design, construction and maintenance, financing, return on equity, depreciation, and all of the costs of adapting the tower or equipment to accommodate a shared user without causing electromagnetic interference. The amortization of the above costs by the facility owner shall be accomplished at a reasonable rate, over the life span of the useful life of the wireless telecommunications facility.
2. Upon request by the Town, the applicant shall certify compliance with all applicable FCC radio frequency emissions regulations.

## **Section 8. Amendment to an Approved Application**

Any changes to an approved application must be approved by the CEO or the Planning Board, in accordance with Section 5.

## **Section 9. Abandonment**

A wireless telecommunications facility that is not operated for a continuous period of twelve (12) months shall be considered abandoned. The CEO shall notify the owner of an abandoned facility in writing and order the removal of the facility within ninety (90) days of receipt of the written notice. The owner of the facility shall have thirty (30) days from the receipt of the notice to demonstrate to the CEO that the facility has not been abandoned.

If the Owner fails to show that the facility is in active operation, the owner shall have sixty (60) days to remove the facility. If the facility is not removed within this time period, the Town may remove the facility at the owner's expense. The owner of the facility shall pay all site reclamation costs deemed necessary and reasonable to return the site to its pre-construction condition, including the removal of roads, and reestablishment of vegetation.

If a surety has been given to the Town for removal of the facility, the owner of the facility may apply to the Planning Board for release of the surety when the facility and related equipment are removed to the satisfaction of the Planning Board.

## **Section 10. Appeals**

Any person aggrieved by a decision of the CEO or the Planning Board under this ordinance may appeal the decision to the Board of Appeals as an administrative appeal under the Zoning Ordinance. Written notice of an appeal must be filed with the Board of Appeals within thirty (30) days of the decision. The notice of appeal shall clearly state the reasons for the appeal.

## **Section 11. Administration and Enforcement**

The CEO, as appointed through either the Zoning Ordinance or by the Board of Selectmen or Town or City Council, shall enforce this ordinance. If the CEO finds that any provision of this ordinance has been violated, the CEO shall notify in writing the person responsible for such violation, indicating the nature of the violation, and ordering the action necessary to correct it. The CEO shall order correction of the violation and may take any other legal action to ensure compliance with this ordinance.

The Board of Selectmen, or its authorized agent, is authorized to enter into administrative consent agreements for the purpose of eliminating violations of this ordinance and recovering fines without court action. Such agreements shall not allow a violation of this ordinance to continue unless: (a) there is clear and convincing evidence that the violation occurred as a direct result of erroneous advice given by an authorized municipal official upon which the applicant reasonably relied to its detriment; (b) there is no evidence that the owner acted in bad faith; and (c) the removal of the violation will result in a threat to public health and safety or substantial environmental damage.

## **Section 12. Penalties**

Any person who owns or controls any building or property that violates this ordinance shall be fined in accordance with Title 30-A M.R.S.A. Section 4452. Each day such violation continues after notification by the CEO shall constitute a separate offense.

## **Section 13. Conflict and Severability**

### **13.1 Conflicts with other Ordinances**

Whenever a provision of this ordinance conflicts with or is inconsistent with another provision of this ordinance or of any other ordinance, regulation, or statute, the more restrictive provision shall apply.

### **13.2 Severability**

The invalidity of any part of this ordinance shall not invalidate any other part of this ordinance.

## **Section 14. Definitions**

The terms used in this ordinance shall have the following meanings:

"Alternative Tower Structure" Clock towers, bell steeples, light poles, water towers, electrical transmission line towers, smokestacks, existing buildings, and similar mounting structures that camouflage, or conceal the presence of an Antenna(s).

~~"Antenna" means any system of poles, panels, rods, reflecting discs or similar devices used for the transmission or reception of radio or electromagnetic frequency signals.~~

"Antenna/Antenna Array" A system of one or more rods, panels, discs or similar devices used for the transmission or reception of radio frequency signals. These include, but are not limited to, omnidirectional antennas (whips or rods), directional antennas (panels) and parabolic antennas (dish or disc).

**"Antenna Height"** means the vertical distance measured from the base of the antenna support structure at grade to the highest point of the structure, even if said highest point is an antenna. Measurement of tower height shall include antenna, base pad, and other appurtenances and shall be measured from the finished grade of the facility site. If the support structure is on a sloped grade, then the average between the highest and lowest grades shall be used in calculating the antenna height.

**"Colocation"** means the use of a wireless telecommunications facility by more than one wireless telecommunications provider.

**"Expansion"** means the addition of antennas, towers, or other devices to an existing structure.

**"FAA"** means the Federal Aviation Administration, or its lawful successor.

**"FCC"** means the Federal Communications Commission, or its lawful successor.

**“Height”** means the vertical measurement from a point on the ground at the mean finish grade adjoining the foundation as calculated by averaging the highest and lowest finished grade around the building or structure, to the highest point of the building or structure. The highest point shall exclude farm building components, flagpoles, chimneys, ventilators, skylights, domes, water towers, bell towers, church spires, processing towers, tanks, bulkheads, or other building accessory features usually erected at a height greater than the main roofs of buildings.

**“Historic or Archaeological Resources”** means resources that are:

1. Listed individually in the National Register of Historic Places or eligible for listing on the National Register;
2. Certified or preliminarily determined by the Secretary of the Interior as contributing to the historical significance of a registered historic district or a district preliminarily determined by the Secretary of the Interior to qualify as a registered historic district;
3. Individually listed on a state inventory of historic places in states with historic preservation programs approved by the Secretary of the Interior;
4. Individually listed on a local inventory of historic places in communities with historic preservation programs that have been certified by Secretary of the Interior through the Maine Historic Preservation Commission; or
5. Areas identified by a governmental agency such as the Maine Historic Preservation Commission as having significant value as an historic or archaeological resource and any areas identified in the Town's Comprehensive Plan, which have been listed or are eligible to be listed on the National Register of Historic Places.

**“Historic District”** means a geographically definable area possessing a significant concentration, linkage or continuity of sites, buildings, structures or objects united by past events or aesthetically by plan or physical development and identified in the Town's Comprehensive Plan, which is listed or is eligible to be listed on the National Register of Historic Places. Such historic districts may also comprise individual elements separated geographically, but linked by association or history.

**“Historic Landmark”** means any improvement, building or structure of particular historic or architectural significance to the Town relating to its heritage, cultural, social, economic or political history, or which exemplifies historic personages or important events in local, state or national history identified in the Town’s Comprehensive Plan, which have been listed or are eligible to be listed on the National Register of Historic Places.

**“Line of Sight”** means the direct view of the object from the designated scenic resource.

**“Parabolic Antenna”** (also known as a satellite dish antenna) means an antenna which is bowl-shaped, designed for the reception and or transmission of radio frequency communication signals in a specific directional pattern.

**“Principal Use”** means the use other than one which is wholly incidental or accessory to another use on the same premises.

**“Public Recreational Facility”** means a regionally or locally significant facility, as defined and identified either by State statute or in the Town’s Comprehensive Plan, designed to serve the recreational needs of Kennebunkport property owners.

**“Designated Scenic Resource”** means that specific location, view, or corridor, as identified as a scenic resource in the Town’s Comprehensive Plan or by a State or federal agency, that consists of:

1. a three dimensional area extending out from a particular viewpoint on a public way or within a public recreational area, focusing on a single object, such as a mountain, resulting in a narrow corridor, or a group of objects, such as a downtown skyline or mountain range, resulting in a panoramic view corridor; or
2. lateral terrain features such as valley sides or woodland as observed to either side of the observer, constraining the view into a narrow or particular field, as seen from a viewpoint on a public way or within a public recreational area.

**“Small Cell Facility”** An antenna, radio, power source and meter, disconnect switch, fiber optic cable, and supporting equipment, if any, installed on a utility pole owned by a regulated public utility and installed within the public right of way.

**“Targeted Market Coverage Area”** means the area which is targeted to be served by this proposed telecommunications facility.

**“Unreasonable Adverse Impact”** means that the proposed project would produce an end result which is:

1. excessively out-of-character with the designated scenic resources affected, including existing buildings, structures and features within the designated scenic resource, and
2. would significantly diminish the scenic value of the designated scenic resource.

**“Viewpoint”** means that location which is identified either in the Town's Comprehensive Plan or by a federal or State agency, and which serves as the basis for the location and determination of a particular designated scenic resource.

~~**“Wireless Telecommunications Facility” or “Facility”** means any structure, antenna, tower, or other device which provides radio/television transmission, commercial mobile wireless services, unlicensed wireless services, cellular phone services, specialized mobile radio communications (SMR), common carrier wireless exchange phone services, specialized mobile radio communications (SMR), common carrier wireless exchange access services, and personal communications services (PCS) or pager services.~~

**“Wireless Telecommunications Facility”** A facility that transmits, receives, distributes, provides or offers telecommunications services, radio or television signals, or any other spectrum-based transmissions/receptions, together, with the facility's associated antennas, microwave dishes, horns, cables, wires, conduits, ducts, lightning rods,



electronics and other types of equipment for the transmission, receipt, distribution or offering of such signals; wireless communication towers, antenna support structures, and other structures supporting said equipment and any attachments to those structures including guy wires and anchors, equipment buildings, generators, parking areas, utility services, driveways and roads and other accessory features.

"Wireless Telecommunications Facility—Colocated" A Wireless Telecommunications Facility that is installed on an Alternative Tower Structure instead of a new tower structure.

## **Section 15. Effective Date**

Notwithstanding any other provision of law to the contrary, this ordinance shall become effective immediately upon passage but shall be retroactive to any application not pending within the meaning of 1 M.R.S.A. Section 302 as of August 26, 1999.

# **ADDITIONAL AMENDMENTS TO LAND USE ORDINANCE**

Amend Article 2, Section 2.2 – Definitions as follows:

Alternative Tower Structure: Clock towers, bell steeples, light poles, water towers, electrical transmission line towers, smokestacks, existing buildings, and similar mounting structures that camouflage, or conceal the presence of an Antenna(s).

Antenna/Antenna Array: A system of one or more rods, panels, discs or similar devices used for the transmission or reception of radio frequency signals. These include, but are not limited to, omnidirectional antennas (whips or rods), directional antennas (panels) and parabolic antennas (dish or disc).

Small Cell Facility: An antenna, radio, power source and meter, disconnect switch, fiber optic cable, and supporting equipment, if any, installed on a utility pole owned by a regulated public utility and installed within the public right of way.

Wireless Telecommunications Facility: A facility that transmits, receives, distributes, provides or offers telecommunications services, radio or television signals, or any other spectrum-based transmissions/receptions, together, with the facility's associated antennas, microwave dishes, horns,

cables, wires, conduits, ducts, lightning rods, electronics and other types of equipment for the transmission, receipt, distribution or offering of such signals; wireless communication towers, antenna support structures, and other structures supporting said equipment and any attachments to those structures including guy wires and anchors, equipment buildings, generators, parking areas, utility services, driveways and roads and other accessory features.

Wireless Telecommunications Facility—Colocated: A Wireless Telecommunications Facility that is installed on an Alternative Tower Structure instead of a new tower structure.

September 27, 2018

Motion: I move that the resolution entitled, "Resolution to Authorize Town of Kennebunkport to Issue up to \$10,000,000 in Bonds to Acquire Certain Parcels of Land," be adopted in form presented to this meeting and that an attested copy of said Resolution be filed with the minutes of this meeting.

**RESOLUTION TO AUTHORIZE TOWN OF KENNEBUNKPORT TO ISSUE UP TO \$10,000,000 IN BONDS TO ACQUIRE CERTAIN PARCELS OF LAND**

Whereas, at a Special Town Meeting duly called and held on September 19, 2018, the voters of the Town of Kennebunkport (the "Town") authorized the Board of Selectmen to issue general obligation bonds or notes of the Town in a principal amount not to exceed \$10,000,000 to pay costs to acquire parcels of land comprising 85+/- acres and identified on the Kennebunkport Tax Maps at Map 12, Block 5, Lot 21 and Map 12, Block 5, Lot 21A, and Map 12, Block 5, Lot 22; (the "Project");

Now therefore, the Board of Selectmen hereby resolves as follows:

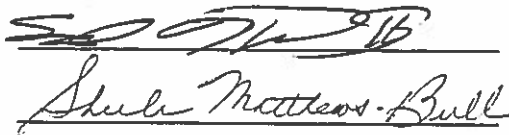
1. That pursuant to Special Town Meeting approval recited above and section 5772 of Title 30-A of the Maine Revised Statutes, the Treasurer of the Town is authorized to arrange for the issuance and sale of general obligation bonds and notes in anticipation thereof in an aggregate principal amount not to exceed \$10,000,000.00 (the "Bonds"), which Bonds are for the purpose of financing costs of the Project, and to determine the date(s), maturity(ies), denomination(s), interest rate(s), place(s) of payment, call(s) for redemption with or without premium, form(s), and other details of the Bonds not inconsistent herewith, including execution and delivery of the Bonds against payment therefor, as she may approve;
2. That the Bonds shall be signed by the Treasurer, countersigned by a majority of the Board of Selectmen, and attested by the Town Clerk under the official seal of the Town, if applicable, and otherwise be in such form and contain such terms and provisions not inconsistent herewith, as they shall approve, their approval to be conclusively evidenced by their execution thereof, and that any signature thereon may be by facsimile to the extent permitted by law;
3. That the Bonds be issued in the name of the Town and in registered form transferable only on the registration books of the Town, which registration books may be kept by the Town or its transfer agent, upon surrender thereof with a written instrument of transfer, duly executed by the registered owner or his/her attorney duly authorized in writing;
4. That in lieu of physical certificates of any of the Bonds, the Treasurer is authorized to undertake all acts necessary to provide 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 preceding paragraph above regarding physical transfer, and the Treasurer is authorized and empowered to enter into a Letter of Representation or any other contract, agreement or understanding necessary or, in the

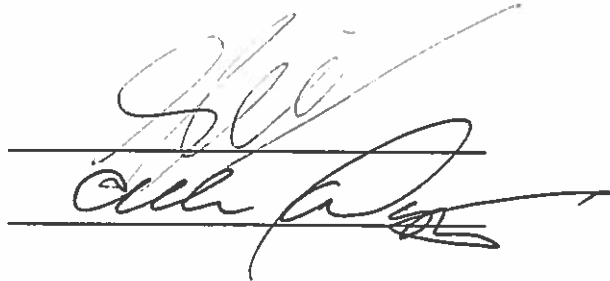
Treasurer's opinion, appropriate in order to qualify the Bonds for and participate in the Depository Trust Company Book-Entry Only System;

5. That the Treasurer, majority of the Board of Selectmen, and Clerk are authorized from time to time to execute such Bonds as may be required to provide for exchanges or transfers of Bonds authorized hereunder;
6. That the Treasurer and Town Manager, acting singly, are authorized to arrange for the sale of the Bonds at public or private sale to such parties, including the Maine Municipal Bond Bank, as the Treasurer or Town Manager determines to be in the Town's interest, to execute and deliver loan agreements and other contracts for that purpose, and to hire such financial advisors, underwriters, registrars, paying agents, transfer agents, and other consultants, if any, as the Treasurer or Town Manager deems necessary to assist with the sale of the Bonds, all on such terms not inconsistent with this Resolution as the Treasurer or Town Manager shall approve;
7. That the Treasurer is authorized to prepare, or cause to be prepared, a Preliminary Official Statement and an Official Statement for use in the offering and sale of any of the Bonds herein authorized, any such Preliminary Official Statement and Official Statement to be in such form and contain such information as may be approved by the Treasurer, with the advice of a financial advisor and/or bond counsel, and that the use and distribution of any such Preliminary Official Statement and Official Statement in the name and on behalf of the Town in connection with offering the Bonds for sale is approved;
8. That the Treasurer is 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, make any annual financial or material event disclosure, and take any other actions that may be necessary to ensure that the disclosure requirements imposed by Rule 15c2-12 of the Securities and Exchange Commission, if applicable, are met;
9. That the Bonds will not be designated as qualified tax-exempt obligations within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code")
10. That no part of the proceeds of the Bonds, as applicable, shall be used, directly or indirectly, to acquire any securities and obligations, the acquisition of which would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code;
11. That the Chair and the Treasurer, acting singly, are authorized, as applicable, to covenant on behalf of the Town to file any information report and pay any rebate due to the United States in connection with the issuance of the Bonds, to take all other lawful actions necessary to ensure the interest on the bonds will be excludable from the gross income of the owners thereof for purposes of federal income taxation and to refrain from taking any action which would cause interest on the Bonds to become includable in the gross income of the owners thereof;

12. That the Treasurer, Chair, Town Manager, and other proper officials of the Town are authorized and empowered in its name and on its behalf to execute and deliver on behalf of the Town such other documents and certificates as may be required in connection with the issuance and sale of the Bonds; do or cause to be done all such acts and things, not inconsistent herewith, as may be necessary or desirable in order to effect the issuance, sale and delivery of the Bonds and the accomplishment of the Project herein authorized;
13. That the Treasurer in consultation with Bond Counsel is authorized to implement written procedures with respect to the Bonds for the purpose of: (i) ensuring timely "remedial action" for any portion of the Bonds that may become "non-qualified bonds," as those terms are defined in the Code and regulations thereunder; and (ii) monitoring the Town's compliance following the issuance of the Bonds with the arbitrage, yield restriction and rebate requirements of the Code and regulations thereunder;
14. That if the Treasurer, Selectmen, or Clerk for any reason be unavailable to, as applicable, approve, execute, or attest the Bonds or any related financing documents, the person or persons then acting in any such capacity, whether as assistant, deputy, or otherwise, be authorized to act for such unavailable official with the same force and effect as if such official had himself/herself performed such act;
15. That if any of the officers or officials of the Town who have signed, attested, or sealed the Bonds shall cease to be such officers or officials before the Bonds so signed, attested, and sealed shall have been actually authenticated or delivered by the Town, such Bonds nevertheless may be authenticated, delivered, and issued with the same force and effect as though the person or persons who signed, attested, or sealed the Bonds had not ceased to be such officer or official; and also, any such Bonds may be signed, attested, or sealed on behalf of the Town by those persons who, at the actual date of execution of the Bonds, shall be the proper officers or officials of the Town, although at the nominal date of the Bonds any such person shall not have been such officer or official; and
16. That the Town Clerk file an attested copy of this Resolution with the minutes of this meeting.


Dated September 27, 2018

  
Shuli Matthews-Bull

  
Clerk

A majority of the Board of Selectmen

A true copy, attest:

  
Clerk, Town of Kennebunkport



MOORS & CABOT  
INVESTMENTS



## *Financing Considerations...*

**MOORS & CABOT, INC.**

*Established 1890*

*Banking & Advisory Group*  
One Federal Street  
Boston, Massachusetts 02110  
Member FINRA, NYSE and SIPC

**September 27, 2018**

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# MOORS & CABOT

INVESTMENTS

*Joseph P. Cuetara* is a Senior Vice President with Moors & Cabot's Capital Markets Division. His responsibilities include management of fixed-income sales, trading and underwriting. Furthermore, he has established the *Banking and Advisory Group* that provides consultative and advisory services to local municipalities for debt management, fiscal advice and access to debt markets through bond issues. Mr. Cuetara has been involved with the origination, sale and distribution of fixed-income securities for over 30 years. He started his career at the Federal Reserve Bank of Boston followed by the management of various bond departments in Boston, including Blyth Eastman Dillon and Moseley Hallgarten Estabrook & Weeden. He served as the National Sales Manager at the former Manufacturers Hanover Trust Company in New York City and as the head of Public Finance at Fleet Securities, in Portland, Maine and in Boston. Mr. Cuetara joined Moors & Cabot in 1998.

Mr. Cuetara received a Bachelor of Arts Degree in Economics from the University of Maine (Orono) in 1971 and attended the Graduate School at Clark University (Worcester, Massachusetts) as a Doctoral Candidate in Economics. He is registered with the Financial Industry Regulatory Authority as a General Securities Principal and Registered Representative (FINRA Series 7, 24, 63) and is registered with the Municipal Securities Rulemaking Board as a Municipal Advisor, Municipal Principal and Registered Representative (MSRB Series 50, 52, 53).

*Moors & Cabot, Inc.* ("Moors & Cabot") is a brokerage firm established in 1890. Its corporate headquarters are located at One Federal Street in Boston, Massachusetts. The firm is a 125+ years old, privately held, Massachusetts corporation and member of the New York Stock Exchange.

In January 1998, Moors & Cabot made a strategic decision to significantly expand its fixed-income activities by enlisting Joseph P. Cuetara to serve as a Senior Vice President & Manager in its Capital Markets Division. Mr. Cuetara enjoys over 45 years of securities market experience, of which the last 31 years have been focused on financial advisory. His responsibilities include management of all fixed-income sales, trading and underwriting. Through his creation of its *Banking & Advisory Group*, Moors & Cabot provides consultative and advisory services to local municipal entities for debt management, fiscal advice and access to the debt markets. The firm is now recognized as the "*preeminent distributor*" of Maine local tax-exempt obligations and the "*point of inquiry*" for local Maine municipal debt.

Our focus is to serve local municipal and quasi-municipal entities in the State of Maine. Our commitment is to provide local municipal entities with comprehensive advisory services to suit *its* unique needs. We develop a market strategy that optimizes *when* the debt should be sold. Considerations as to the technical as well as the fundamental aspects of the market become instrumental in developing these strategies. In summary, *we structure the financing and its timing to the issuer's benefit.*

Moors & Cabot has participated in fixed-income activities since its inception. Our continued existence demonstrates that Moors & Cabot has made a successful capital commitment *to the securities business ... as our only business.* Our familiarity and experience with local Maine financings *continues the tradition*, committed to providing continued market access to Maine communities.





## MOORS & CABOT INVESTMENTS

### Town asks voters for \$10M to buy property away from developer before subdivision is built

**KENNEBUNKPORT, Maine** — The Board of Selectmen is asking residents to approve \$10 million dollars in a last ditch attempt to buy an 85-acre parcel of land across from the Village Fire Station and secure it for the town, before the current owner moves forward with a planned multi-phased subdivision.

The land, off North Street, was purchased in January of 2006 from the Frink family by CDMK, LLC, a Massachusetts based development group, and approved that same year for a phased subdivision of 80 dwelling units — one dozen in a multiplex building, and the rest of the units in duplexes. The town had the opportunity to purchase the land then, but passed on it, something several members of the Board of Selectmen said was a mistake during Tuesday night's joint meeting with the town Budget Board.



Kennebunkport selectman Pal Briggs, left, and Town Manager Laurie Smith look over a housing project proposal in this 2016 York County Coast Star file photo. The selectmen are now asking voters to approve \$10 million in funding in an attempt to purchase 85 acres of property across from the Village Fire Station from a development group before it can build a subdivision there.

A special town meeting has been scheduled for 6 p.m. next Wednesday, Sept. 19 at the Village Fire Station on North Street. The full warrant article can be read on the town's website at [www.kennebunkportme.gov](http://www.kennebunkportme.gov).

The development project, named Olde Port Village, has hit numerous snags over the past 12 years, including last year when a mortgage foreclosure on the property loomed and the town asked voters to approve up to \$5 million to bid at a foreclosure auction. Foreclosure was avoided by developer Thomas Macone, and the auction never happened. Macone said last fall that he intended to continue with the permitting and site work.

Town Manager Laurie Smith told the selectmen and Budget Board members Tuesday that a number of people came to her last fall and expressed interest in the town owning the property if it ever became available again.

Smith met with Macone a few weeks ago to review the bonding requirements, which need to be met before the final stage of development begins. She asked him about the opportunity for the town to purchase the property, and Macone said his intent is to move forward with the project, which would begin construction on the condominiums shortly.

"My sense is he's very close to where he needs to be, and we would be seeing bulldozers and heavy equipment in there soon," Town Planner Werner Gilliam told both boards Tuesday.

Smith said the town did extensive research to determine what would be a fair market price to purchase the 85-acre parcel, knowing that other private developers could be making the same move to purchase it from CDMK.

"We are a public entity, so we have to do everything out in the open. This is the town's last opportunity to partake in a buying opportunity," Smith said.

Selectman Stuart Barwise said Tuesday that the town has done its homework on the price. While \$10 million dollars is a hefty price tag, Barwise noted that the location of the property, with access to downtown, and to all of the municipal infrastructure, is a rarity in Kennebunkport.

Selectman Pal Briggs said that it was a key opportunity for the townspeople to control what goes into such a central hub of a location. Briggs said voters supported the \$5 million last fall because if the town owns the property it will prevent someone from developing the parcel in a way that would not be in the best interest of the town.



## MOORS & CABOT INVESTMENTS

at its current location. There are a number of possibilities that would benefit our town, and this is our last shot at this," he said.

Barwise said he was strongly in favor of the town trying to purchase the property.

"I think this is a historic opportunity that we would be crazy not to give careful attention to. There aren't many places in Kennebunkport that have access to infrastructure and resources like this one does. It is truly unique. From the moment we passed on it 12 years ago to today we have had people tell us we missed an opportunity. They (CDMIK) haven't offered it for sale, but we want to make a run at it, and hopefully we will be successful. We have a chance to correct what many view as an oversight of the past. I'm coming out strongly in favor of doing this," Barwise said.

Comments from both the select and budget boards were universally in favor of putting the question before voters next week.

Budget Board member Kai Leffler said she was very much in favor of approving the \$10 million, noting that opportunities like this are very rare.

Smith said if townspeople support this next week, it would authorize her to move forward with an offer to CDMIK. If successful, the \$10 million would be bonded over a 20-year period.

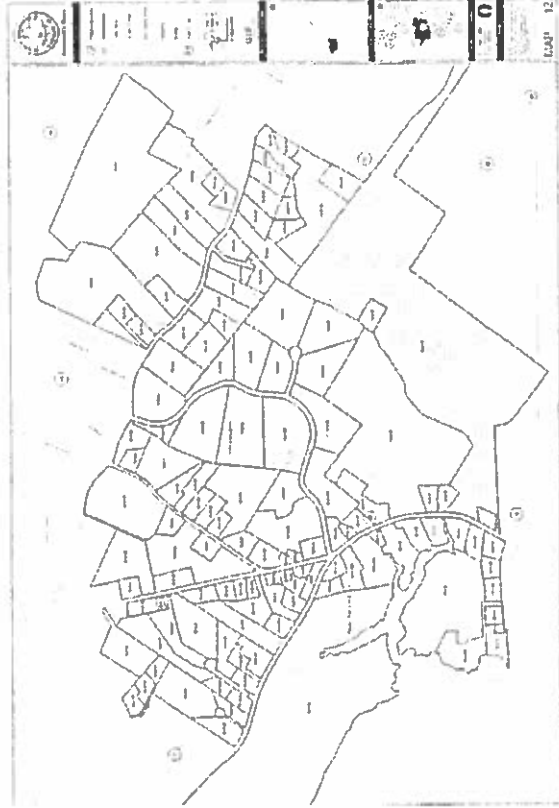
"That would be about \$700,000 a year which figures out to about 36 cents on the tax rate. It's about \$36 a year per \$100,000 in valuation," Smith said. "So if you have a \$400,000 house in Kennebunkport it would equate to \$144 a year — or \$12 a month."

As for the questions around plans for the property, Smith said her simple answer is, there is no plan.

"The property is valuable because of its size and location. People are concerned about development pressures, and housing needs, this could be an opportunity to plan something that integrates well and sets us in a new direction for the future," she said.

"This would be one of the best investments the town could make," Selectman Allen Daggett said.

Residents can vote on the measure during the special town meeting next Wednesday, Sept. 19 at 6 p.m. at the Village Fire Station on North Street



[illegible]



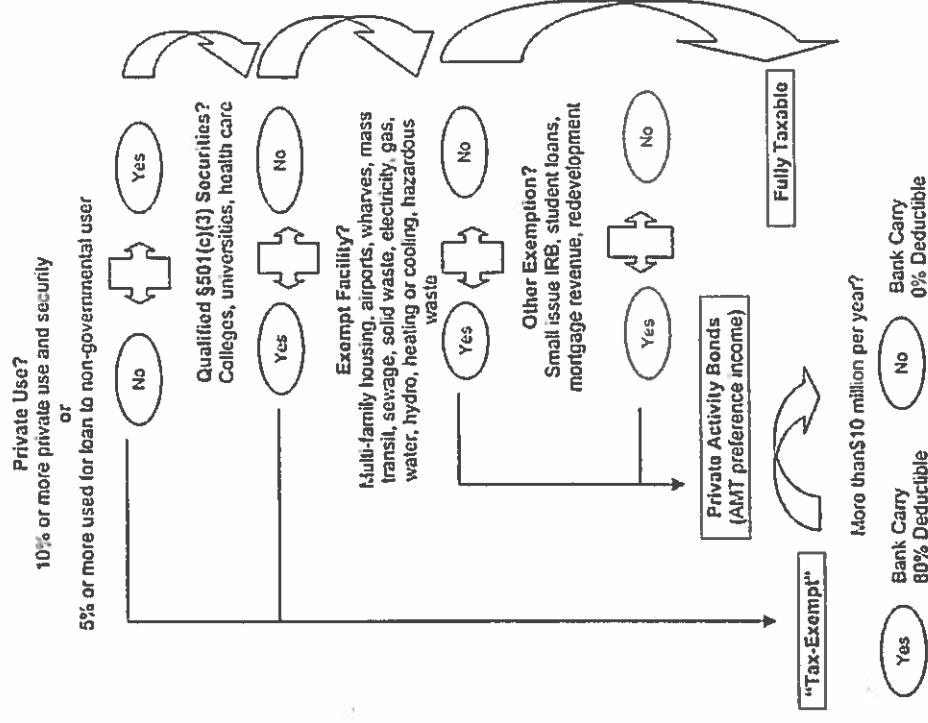
## Maine Revised Statutes, Title 30- A, Section 5772 (Municipalities)

A municipality may issue general obligation securities for funding or refunding all or part of its debt and for any purpose for which it may raise money.

- (1)(B) The period of anticipatory borrowing under this subsection shall not exceed 3 years and the time within which these securities are to become due shall not be extended by anticipatory borrowing (1) The time fixed in the vote authorizing their issue; or (2) If no term is specified in that vote, beyond the term permitted by law.
- (3) Securities may be in serial form payable in annual installments, which need not be equal, the total amount of which shall extinguish the entire issue at maturity. The first such installment must be payable within 5 years and the last such installment must be payable within 30 years after the date the securities are issued.
- (5) Term securities may be issued for a period not to exceed 10 years.

- (6) Securities may be issued which are subject to call for redemption with or without premium at the election of the municipality before the date fixed for final payment of the securities, provided: (A.) Specific authority to issue callable securities is contained in the vote authorizing their issue; and (B.) The securities when issued contain provisions setting forth: (1) The method by which the option to call may be exercised; (2) The procedure for payment in the event of call; and (3) The legal effect of making the call.

## Tax Code – Private Use



## Versus the Bond Bank

# Maine Municipal Bond Bank



(-) Market Rates higher up to 75 bps penalty; (-) fund neg arb in DSRF; (-) imbedded C of I

## GENERAL RESOLUTION PROGRAM

For municipalities, schools districts, water districts, sewer districts and other local governments requesting loan financing through the General Resolution program. Under this tax exempt bond financing program, the proposed debt will be paid from a General Resolution pledge of the municipality or municipalities. Click here to learn more about the approval and financing process of this program.

## A Case in Point ...

Maine Municipal Bond Bank sold its 2017B General Resolution Bonds on April 26, 2017 (rated Aa2.AA+). The most recent comparable public sale that we originated was for Aa2.AA City of Bath, on April 11. For comparison the following shows a \$10,000,000 financing at the Bath Net Interest Rate (on the left) compared to MMBB's Net Interest Rate that it charges the members of the 2017B Series pool. The 2.64% at the Bath rates compare to 3.29% for MMBB's pool members, or 64 basis points. A \$10 million, 20-year (and for our financings callable in 10 years with no penalty) shows a difference of approximately \$700,000.



# MOORS & CABOT INVESTMENTS

Bath, Maine - April 11, 2017 Sale  
2017 General Obligation Bonds  
Bath Scale - Modified Structure  
Savings Report

Savings Report						
Account No. 000000000000						
as of 04/01/2018						
Date	Principal	Coupon	Interest	Total	2017 SH	2017 SH
4/10/17			114,462.83	246,515.17	18,764.33	16
5/1/17			112,572.50	246,515.17	21,628.63	30
5/1/18	500,000.00	2.641150	112,572.50	246,515.17	24,492.93	44
5/1/19	500,000.00	2.641150	112,572.50	246,515.17	27,357.23	58
5/1/20	500,000.00	2.641150	112,572.50	246,515.17	30,221.53	72
5/1/21	500,000.00	2.641150	112,572.50	246,515.17	33,085.83	86
5/1/22	500,000.00	2.641150	112,572.50	246,515.17	35,950.13	100
5/1/23	500,000.00	2.641150	112,572.50	246,515.17	38,814.43	114
5/1/24	500,000.00	2.641150	112,572.50	246,515.17	41,678.73	128
5/1/25	500,000.00	2.641150	112,572.50	246,515.17	44,543.03	142
5/1/26	500,000.00	2.641150	112,572.50	246,515.17	47,407.33	156
5/1/27	500,000.00	2.641150	112,572.50	246,515.17	50,271.63	170
5/1/28	500,000.00	2.641150	112,572.50	246,515.17	53,135.93	184
5/1/29	500,000.00	2.641150	112,572.50	246,515.17	56,000.23	198
5/1/30	500,000.00	2.641150	112,572.50	246,515.17	58,864.53	212
5/1/31	500,000.00	2.641150	112,572.50	246,515.17	61,728.83	226
5/1/32	500,000.00	2.641150	112,572.50	246,515.17	64,593.13	240
5/1/33	500,000.00	2.641150	112,572.50	246,515.17	67,457.43	254
5/1/34	500,000.00	2.641150	112,572.50	246,515.17	70,321.73	268
5/1/35	500,000.00	2.641150	112,572.50	246,515.17	73,186.03	282
5/1/36	500,000.00	2.641150	112,572.50	246,515.17	76,050.33	296
5/1/37	500,000.00	2.641150	112,572.50	246,515.17	78,914.63	310
5/1/38	500,000.00	2.641150	112,572.50	246,515.17	81,778.93	324
5/1/39	500,000.00	2.641150	112,572.50	246,515.17	84,643.23	338
5/1/40	500,000.00	2.641150	112,572.50	246,515.17	87,507.53	352
5/1/41	500,000.00	2.641150	112,572.50	246,515.17	90,371.83	366
5/1/42	500,000.00	2.641150	112,572.50	246,515.17	93,236.13	380
5/1/43	500,000.00	2.641150	112,572.50	246,515.17	96,100.43	394
5/1/44	500,000.00	2.641150	112,572.50	246,515.17	98,964.73	408
5/1/45	500,000.00	2.641150	112,572.50	246,515.17	101,829.03	422
5/1/46	500,000.00	2.641150	112,572.50	246,515.17	104,693.33	436
5/1/47	500,000.00	2.641150	112,572.50	246,515.17	107,557.63	450
5/1/48	500,000.00	2.641150	112,572.50	246,515.17	110,421.93	464
5/1/49	500,000.00	2.641150	112,572.50	246,515.17	113,286.23	478
5/1/50	500,000.00	2.641150	112,572.50	246,515.17	116,150.53	492
5/1/51	500,000.00	2.641150	112,572.50	246,515.17	119,014.83	506
5/1/52	500,000.00	2.641150	112,572.50	246,515.17	121,879.13	520
5/1/53	500,000.00	2.641150	112,572.50	246,515.17	124,743.43	534
5/1/54	500,000.00	2.641150	112,572.50	246,515.17	127,607.73	548
5/1/55	500,000.00	2.641150	112,572.50	246,515.17	130,472.03	562
5/1/56	500,000.00	2.641150	112,572.50	246,515.17	133,336.33	576
5/1/57	500,000.00	2.641150	112,572.50	246,515.17	136,200.63	590
5/1/58	500,000.00	2.641150	112,572.50	246,515.17	139,064.93	604
5/1/59	500,000.00	2.641150	112,572.50	246,515.17	141,929.23	618
5/1/60	500,000.00	2.641150	112,572.50	246,515.17	144,793.53	632
5/1/61	500,000.00	2.641150	112,572.50	246,515.17	147,657.83	646
5/1/62	500,000.00	2.641150	112,572.50	246,515.17	150,522.13	660
5/1/63	500,000.00	2.641150	112,572.50	246,515.17	153,386.43	674
5/1/64	500,000.00	2.641150	112,572.50	246,515.17	156,250.73	688
5/1/65	500,000.00	2.641150	112,572.50	246,515.17	159,115.03	702
5/1/66	500,000.00	2.641150	112,572.50	246,515.17	161,979.33	716
5/1/67	500,000.00	2.641150	112,572.50	246,515.17	164,843.63	730
5/1/68	500,000.00	2.641150	112,572.50	246,515.17	167,707.93	744
5/1/69	500,000.00	2.641150	112,572.50	246,515.17	170,572.23	758
5/1/70	500,000.00	2.641150	112,572.50	246,515.17	173,436.53	772
5/1/71	500,000.00	2.641150	112,572.50	246,515.17	176,300.83	786
5/1/72	500,000.00	2.641150	112,572.50	246,515.17	179,165.13	800
5/1/73	500,000.00	2.641150	112,572.50	246,515.17	182,029.43	814
5/1/74	500,000.00	2.641150	112,572.50	246,515.17	184,893.73	828
5/1/75	500,000.00	2.641150	112,572.50	246,515.17	187,758.03	842
5/1/76	500,000.00	2.641150	112,572.50	246,515.17	190,622.33	856
5/1/77	500,000.00	2.641150	112,572.50	246,515.17	193,486.63	870
5/1/78	500,000.00	2.641150	112,572.50	246,515.17	196,350.93	884
5/1/79	500,000.00	2.641150	112,572.50	246,515.17	199,215.23	898
5/1/80	500,000.00	2.641150	112,572.50	246,515.17	202,079.53	912
5/1/81	500,000.00	2.641150	112,572.50	246,515.17	204,943.83	926
5/1/82	500,000.00	2.641150	112,572.50	246,515.17	207,808.13	940
5/1/83	500,000.00	2.641150	112,572.50	246,515.17	210,672.43	954
5/1/84	500,000.00	2.641150	112,572.50	246,515.17	213,536.73	968
5/1/85	500,000.00	2.641150	112,572.50	246,515.17	216,401.03	982
5/1/86	500,000.00	2.641150	112,572.50	246,515.17	219,265.33	996
5/1/87	500,000.00	2.641150	112,572.50	246,515.17	222,129.63	1010
5/1/88	500,000.00	2.641150	112,572.50	246,515.17	224,993.93	1024
5/1/89	500,000.00	2.641150	112,572.50	246,515.17	227,858.23	1038
5/1/90	500,000.00	2.641150	112,572.50	246,515.17	230,722.53	1052
5/1/91	500,000.00	2.641150	112,572.50	246,515.17	233,586.83	1066
5/1/92	500,000.00	2.641150	112,572.50	246,515.17	236,451.13	1080
5/1/93	500,000.00	2.641150	112,572.50	246,515.17	239,315.43	1094
5/1/94	500,000.00	2.641150	112,572.50	246,515.17	242,179.73	1108
5/1/95	500,000.00	2.641150	112,572.50	246,515.17	245,044.03	1122
5/1/96	500,000.00	2.641150	112,572.50	246,515.17	247,908.33	1136
5/1/97	500,000.00	2.641150	112,572.50	246,515.17	250,772.63	1150
5/1/98	500,000.00	2.641150	112,572.50	246,515.17	253,636.93	1164
5/1/99	500,000.00	2.641150	112,572.50	246,515.17	256,501.23	1178
5/2/00	500,000.00	2.641150	112,572.50	246,515.17	259,365.53	1192
5/2/01	500,000.00	2.641150	112,572.50	246,515.17	262,229.83	1206
5/2/02	500,000.00	2.641150	112,572.50	246,515.17	265,094.13	1220
5/2/03	500,000.00	2.641150	112,572.50	246,515.17	267,958.43	1234
5/2/04	500,000.00	2.641150	112,572.50	246,515.17	270,822.73	1248
5/2/05	500,000.00	2.641150	112,572.50	246,515.17	273,687.03	1262
5/2/06	500,000.00	2.641150	112,572.50	246,515.17	276,551.33	1276
5/2/07	500,000.00	2.641150	112,572.50	246,515.17	279,415.63	1290
5/2/08	500,000.00	2.641150	112,572.50	246,515.17	282,279.93	1304
5/2/09	500,000.00	2.641150	112,572.50	246,515.17	285,144.23	1318
5/2/10	500,000.00	2.641150	112,572.50	246,515.17	288,008.53	1332
5/2/11	500,000.00	2.641150	112,572.50	246,515.17	290,872.83	1346
5/2/12	500,000.00	2.641150	112,572.50	246,515.17	293,737.13	1360
5/2/13	500,000.00	2.641150	112,572.50	246,515.17	296,601.43	1374
5/2/14	500,000.00	2.641150	112,572.50	246,515.17	299,465.73	1388
5/2/15	500,000.00	2.641150	112,572.50	246,515.17	302,330.03	1402
5/2/16	500,000.00	2.641150	112,572.50	246,515.17	305,194.33	1416
5/2/17	500,000.00	2.641150	112,572.50	246,515.17	308,058.63	1430
5/2/18	500,000.00	2.641150	112,572.50	246,515.17	310,922.93	1444
5/2/19	500,000.00	2.641150	112,572.50	246,515.17	313,787.23	1458
5/2/20	500,000.00	2.641150	112,572.50	246,515.17	316,651.53	1472
5/2/21	500,000.00	2.641150	112,572.50	246,515.17	319,515.83	1486
5/2/22	500,000.00	2.641150	112,572.50	246,515.17	322,380.13	1500
5/2/23	500,000.00	2.641150	112,572.50	246,515.17	325,244.43	1514
5/2/24	500,000.00	2.641150	112,572.50	246,515.17	328,108.73	1528
5/2/25	500,000.00	2.641150	112,572.50	246,515.17	330,973.03	1542
5/2/26	500,000.00	2.641150	112,572.50	246,515.17	333,837.33	1556
5/2/27	500,000.00	2.641150	112,572.50	246,515.17	336,701.63	1570
5/2/28	500,000.00	2.641150	112,572.50	246,515.17	339,565.93	1584
5/2/29	500,000.00	2.641150	112,572.50	246,515.17	342,430.23	1598
5/2/30	500,000.00	2.641150	112,572.50	246,515.17	345,294.53	1612
5/2/31	500,000.00	2.641150	112,572.50	246,515.17	348,158.83	1626
5/2/32	500,000.00	2.641150	112,572.50	246,515.17	351,023.13	1640
5/2/33	500,000.00	2.641150	112,572.50	246,515.17	353,887.43	1654
5/2/34	500,000.00	2.641150	112,572.50	246,515.17	356,751.73	1668
5/2/35	500,000.00	2.641150	112,572.50	246,515.17	359,616.03	1682
5/2/36	500,000.00	2.641150	112,572.50	246,515.17	362,480.33	1696
5/2/37	500,000.00	2.641150	112,572.50	246,515.17	365,344.63	1710
5/2/38	500,000.00	2.641150	112,572.50	246,515.17	368,208.93	1724
5/2/39	500,000.00	2.641150	112,572.50	246,515.17	371,073.23	1738
5/2/40	500,000.00	2.641150	112,572.50	246,515.17	373,937.53	1752
5/2/41	500,000.00	2.641150	112,572.50	246,515.17	376,801.83	1766
5/2/42	500,000.00	2.641150	112,572.50	246,515.17	379,666.13	1780
5/2/43	500,000.00	2.641150	112,572.50	246,515.17	382,530.43	



## Scope of Services

Our proposed services encompass coordination of and assistance with all facets of structuring, originating, marketing, sale and closing of the issue. These services include our responsibility to:

- ✓ Structure the issue;
- ✓ Determine sale timing;
- ✓ Prepare the Preliminary and final Official Statement;
- ✓ Conduct due diligence meetings in preparation of sale;
- ✓ Arrange for the timely production and delivery of the financing documents to all parties including prospective bidders, KJIS, *The Bond Buyer* and Bloomberg;
- ✓ Adequately advertise the sale;
- ✓ Secure CUSIP numbers for the issue in a timely manner;
- ✓ Act as liaison and coordinate sale activities with pertinent state agencies, credit rating agencies, Bond Counsel, paying agent and others associated with the sale;
- ✓ Coordinate bid opening and/or pricing, verify pricing and notification of sale results and details;
- ✓ Work with Bond Counsel to assure timely availability of bonds at settlement;
- ✓ Coordinate closing with purchaser;
- ✓ Arrange for certification of the issue and delivery of the bonds for pre-closing;
- ✓ Prepare the calculation and assist in the preparation of the IRS Form 8038-G;
- ✓ Forward a sufficient supply of final Official Statements to the purchaser; and
- ✓ Submit the Official Statement and MSRB Form G-36(OS) to the NRMISIRs.

## Sealed Bid Sales

In preparing for the sale of bonds, the issuer must decide which mode of sale is likely to result in the lowest costs for its debt and to achieve other important policy objectives<sup>1</sup>. This decision is based on the characteristics of the issuer, market conditions, and the type of the financing that is being contemplated. Sealed bid sales enjoy benefits achieved through competition, such as being able to justify that the bonds were sold at the lowest interest cost given the prevailing market conditions or demonstrating to the public that the public access to bonds was conducted fairly.



## MOORS & CABOT INVESTMENTS

In preparing for the sale of bonds, the issuer must decide which mode is likely to result in the lowest costs for its debt and to achieve other important policy objectives. This decision is based on:

- The characteristics of the issuer,
- Market conditions, and
- The type of the financing that is being contemplated.

*It is important to note that an issue is not likely to meet all of the conditions that favor one mode of sale over the other. A primary objective in selecting the mode of sale is to choose the one that will generate the most interest for the issuers' bonds among underwriters and, more importantly, investors.*

Sealed bid sales enjoy benefits achieved through competition, such as being able to justify that the bonds were sold at the lowest interest cost given the prevailing market conditions or demonstrating to the public that the public access to bonds was conducted fairly; which must be weighed against reduced opportunities to generate prior investor interest in the securities.

Conversely, issuers contemplating a negotiated sale know that they have greater flexibility in structuring their financing, determining their offering date or in developing a marketing plan to attract investors; yet, they also risk that the price negotiated for the bonds may be lower than would have been obtained in a sealed bid offering.

*Regardless of the mode of sale that is chosen, the issuer needs to look for opportunities to achieve the most flexibility, the greatest competition, and the most knowledge in order to obtain the lowest overall cost of financing its debt. The table on the other side displays a summary of conditions favoring either mode of sale.*

It is arguable that a sealed bid sale forces the issuer to become hostage to the market as the time and sale date must be established well in advance. Thus, a penalty rate may be assigned to the issue if the inflexibility of this process forces the issuer into a temporarily weak market. However, the shrewd selection of an experienced Municipal Advisor mitigates this infrequent occurrence as the experienced advisor is qualified to project the forward calendar with a measurable level of certainty.

The Maine Municipal Bond Bank, established in 1972, has served local Maine communities well by pooling debt into a common plan of financing. This allowed the enjoyment of economies of scale vis-à-vis costs of issuance; as well as permitting lower quality credits more attractive rates. The give-up, however, was that the local credits' "name" in the market lost familiarity. Interestingly, the Bond Bank uses the negotiated sale mode.

In the last few years more and more issuers have recognized the merits in access to debt financing via an "individual sale". Since 1990 over 60 local municipal entities in Maine have sought this financing alternative. However, due to the unseasoned nature of local Maine names in the market, many issued through a negotiated sale.

**"Times have now changed ... for the better!"** Due to a greater application of ratings to "individual sale" issuers; and the greater frequency of issuance of a variety of local Maine names, many local issuers may now easily enjoy access to the market via the sealed bid mode. Thus, local municipalities may again borrow long-term debt at competitive rates, on their time frame, while satisfying the concern of its taxpayers that they are receiving the lowest interest rate for their debt. *Convenience and value!*



COMPETITIVE vs. NEGOTIATED SALES: Summary of Conditions Favoring Each Method of Sale		
DEBT STRUCTURE	CONDITIONS FAVORING A COMPETITIVE SALE	CONDITIONS FAVORING A NEGOTIATED SALE
Pledged Revenues	General Obligation or Strong System Revenue	Project Supported Revenues
Security Structure (for Revenue Bonds)	Conventional Resoluton and Cash Flow; Rate Covenant and Coverage	Unusual or Weak Covenants; Subordinated Debt
Debt Instrument	Traditional Serial and Term, Full Coupon Bonds	Use of Innovative Structuring, Derivative Products, Structure to Attract Particular Investors (e.g., Discount Bonds), etc
CREDIT QUALITY		
Rating	'A' or better	Below Single 'A'
Outlook	Stable	Weak but Improving, or Under Stress
ISSUER CHARACTERISTICS		
Type of Organization	Broad-Based General Purpose Borrower	Special Purpose, Independent Authority
Frequency of Issuance	Regular Borrower in Public Market	New or Infrequent Issuer
Market Awareness	Active Secondary Market with Broad Investor Base	Little or No Institutional Awareness of Issuer, Historical Anipathy
Investor Comfort	Well-Known, Stable Issuer	Issuer Experiencing Significant Financial, Legal or Other Problems
MARKET CONDITIONS		
Interest Rates	Stable; Predictable Market	Volatile or Declining Market
Supply and Demand	Strong Investor Demand, Good Liquidity, Light Forward Calendar	Oversold Market, Heavy Supply
POLICY CONSIDERATIONS		
Participation in Sale of Bonds	Broad Market Participation Desired for Sale of Bonds	Desire to Direct Business to DBE or Local/Regional Firms
Stimulation of Investor Interest	Broad Market Participation Desired for Purchase of Bonds	Desire to Direct Business to Local/Regional Investors

Source: *A Practitioner's Guide to Effective Debt Management: Competitive v. Negotiated* (1994). Government Finance Officers Association, Chicago, Illinois.





# MOORS & CABOT INVESTMENTS

## INFORMATION REQUIREMENTS TOWN OF KENNEBUNKPORT, MAINE

*We will require the following information prior to starting the Financing Process:*

### Financial:

- ☐ One (1) set of the FY 2017, 2016, 2015, 2014, 2013 Audit
- ☐ One (1) set of the FY 2018 Audit (when available)
- ☐ One (1) set of the FY 2018 and 2098 Budget
- ☐ One (1) current Capital Improvement Plan (if any)
- ☐ Amortization schedules of all prior debt, showing annual principal payments and each year's interest rate.

### Legal:

- ☐ One (1) copy of the Town's Charter (if any)
- ☐ One (1) copy of each Order that provided authorization for the project(s) to be financed
- ☐ One (1) copy of ballot(s) that the voters of the Town approved for each project, if required (and vote count, if available)
- ☐ A brief (one paragraph; or forward voter info materials, if available) summary description of the project(s) and project costs to be financed
- ☐ A list, by project, of the years that each project is to be amortized, and in which year that the first principal payment should occur

*Any files on websites or available electronically will be greatly appreciated.*

## ***Driving the Process.***

We typically provide our standard form of Chronology for each financing. This will identify all of the aspects of the financing process and provide the issuer with comfort that the financing(s) are proceeding on schedule. We find this to be a convenient tool in that it enables us to: (i) plan our respective schedules well in advance; (ii) provide the issue with a total overview of the process; and (iii) allow us to continually monitor the process, thus keeping on schedule throughout the financing.

In addition to the Chronology, we prepare a Distribution List of all parties who will be involved in the financing. This allows everyone to: (i) know who the responsible parties are; (ii) prevent inadvertently forgetting parties who should be informed; and (iii) have the correct addresses, telephone and facsimile numbers of all parties, for all parties. The entire Distribution receives notification of the proposed sale and a copy of the Chronology at the outset of the financing. As the financing process matures, all salient parties are notified as prescribed by the Chronology. Thus, all parties receive their respective instructions, requests and financing documents including Official Statements, in a timely manner.



# MOORS & CABOT

## INVESTMENTS

### DISTRIBUTION LIST TOWN OF HARPSWELL, MAINE 2018 GENERAL OBLIGATION BONDS Tax ID#01-6000193; Base CUSIP: 413589

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January, 2018							February, 2018							March, 2018							April, 2018						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
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29	30	31					29	30	31					24	25	26	27	28	29	30	24	25	26	27	28	29	30

### Chronology Relating to the Sale of Town of Harpswell, Maine 2018 General Obligation Bonds

DATE	ACTION
Mar 11, 2017	Town Meeting Approval
Nov 1	Start Project
Nov 30	Board of Selectmen approve Bond Resolution.
Jan 15, 2018	MLK Day (Market Closed).
Jan 16	Notify Bond Counsel, Paying Agent, Rating Agencies, CUSIP and First draft of POS distributed.
Feb 15	Second draft of POS & NOS distributed.
Mar 2	Due diligence (at Town Hall).
Mar 2	Receive Bond Opinion.
Mar 5	Final draft of POS.
Mar 5	POS and info to Rating Agencies
Mar 5	POS & NOS to printer.
Mar 9	Electronic posting of POS & NOS to rating agency and bidders.
Feb 19	Presidents' Day (Market Closed)
Mar 13	Moody's Rating Call
Mar 13	S&P Rating Call
Mar 13	Assignment of ratings.
Mar 20	Sale.
Mar 20	Award (11:10 AM-ish).
Mar 20	Notify Bond Counsel, Paying Agent, CUSIP and DTC.
Mar 20	Draft of IRS Form 8038-G.
Mar 28	Town executes Bonds and Closing Documents: deliver to Bond Co
Apr 2	FA receives and forwards Bonds and Opinion to Paying Agent.
Apr 3	DTC releases Settlement paperwork Bond Proceeds placed in ,
May 30	Repay B.N.



## Tax Aspects of Governmental Debt Issuance

### DECLARATION OF OFFICIAL INTENT

The Internal Revenue Service promulgated its final reimbursement regulations, effective March 2, 1992, with respect to expenses previously advanced from sources other than tax-exempt securities (e.g., reserves) whereby the borrower may wish to ultimately use tax-exempt bond proceeds to reimburse itself. One of the requirements is that the borrower make a "Declaration of Official Intent".

A Declaration of Official Intent is imperative for a governmental unit to the extent it intends to expend any monies prior to financing a project. Although certain "preliminary expenditures" are allowed under Treasury Regulation 1.103-18 without previously declaring official intent, any other monies expended prior to the date of the declaration are not eligible for tax-exempt financing.

The Declaration of Official Intent is an extremely straightforward process. Declaring official intent does not bind the government to go ahead with a financing, nor does it authorize the unit, or any of its officers, to proceed with the financing. It simply establishes the governmental entity's intent to reimburse itself for monies expended in pursuit of a project with proceeds of tax-exempt bonds.

### DEEMED QUALIFIED AND DESIGNATED

The Tax Reform Act of 1986, as amended, (i) eliminated the ability of bank portfolios to enjoy tax-exempt status from the purchase of certain municipal new issues (i.e., from "large issuers") and (ii) limited the ability of bank portfolios to enjoy only 80% of the tax-exemption of all other municipal issues (i.e., from "small issuers"). This is encompassed in the Internal Revenue Code of 1986, as amended (the "Code"), Section 265(B).

#### Q&D

In summary, the Code states that subject to an exception for the obligations of issuers of a limited amount of tax-exempt obligations for a calendar year (i.e., currently \$10 million), the Code denies a deduction for that portion of the interest expense of a financial institution that is allocable to interest received on bonds. To the extent that the municipal issuer issues an amount not greater than \$10 million in "new money" each calendar year, its bonds may be designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code and, in the case of certain financial institutions (within the meaning of Section 265(b)(5) of the Code), a deduction is allowed for 80% of that portion of such financial institutions' interest expense allocable to interest on bonds. The market may provide up to a 20 basis point (a basis point being .01%, the difference between 5.00% and 5.20% is 20 basis points) lower interest rate for an issue deemed qualified and designated ("Q&D").

#### Pooled Financings

While constituent issues that comprise a "pooled" financing, such as through a Bond Bank, may severally be small issuers the Code looks to the conduit, not the underlying municipal entities, as the issuer. Therefore, pooled issues do not typically enjoy Q&D status in that they historically borrow more than \$10 million in a calendar year. Thus, the potential for savings as a Q&D issue via a pooled financing is not typically available.

#### Summary

An issuer may structure and time their issues to allow Q&D status for projects, even though the actual project may exceed the \$10 million threshold. This is done with the issuance of Bond Anticipation Notes ("BANs") and/or separate bond issues which time the proposed issues appropriately to (i) comply with the Code, yet (ii) provide sufficient requisite proceeds through the project's phases.



#### ARBITRAGE/REBATE

The following intends to be a brief summary of some of the more significant provisions of the Internal Revenue Code of 1986, as amended, as they relate to the requirement that certain profits from the investment of bond proceeds be rebated to the United States government, pursuant to Section 148 of the Code.

#### Arbitrage Defined

True arbitrage is the selling of a security in one market and simultaneously buying a substantially equivalent security in another, for the purpose of making a profit on the price difference. This is most often done to take advantage of inefficiencies between two markets and, as such, may have a stigma because a profit results without added value being created.

As applied to municipal finance, however, arbitrage refers to selling securities (i.e., borrowing money) at tax-exempt rates and then investing unexpended proceeds at higher taxable rates. This generally results in a net profit for the amount invested which partially offsets the interest expense on the overall borrowing.

#### Arbitrage Abused

A few municipal issuers took serious advantage of the arbitrage opportunity. Further, the U.S. Treasury argued that municipal issuers in general had shown a tendency to maximize arbitrage profits. Therefore, the Treasury felt compelled to restrict the earnings on a municipal issue which seemed to be beyond monies raised for actual municipal purposes. The Treasury set regulations in 1989, as amended, which required certain profits from the investment of bond proceeds to be rebated to the Treasury.

The Code allows certain exceptions to rebate [26 CFR 1.148 of the Code]

#### Rebate Exceptions:

- (1) **"Small Issuer" Exception.** To the extent that a municipal issuer who has general taxing powers reasonably expects to issue not more than \$5 million in principal amount of debt for governmental purposes in a calendar year, no rebate need be calculated or paid; or
- (2) **"Additional School Small Issuer" Exception.** The above \$5 million may be increased by the lesser of: \$15 million (additional \$10 million) or so much as the aggregate face amount of bonds, attributable to financing the construction of public school facilities.

- (3) **"Six Month Expenditure" Exception.**  
Any municipal issuer who expends the entire proceeds of a debt issue within six months of the issuance date will not suffer a rebate calculation or payments; or

- (4) **"Eighteen Month Expenditure" Exception.** If the rebate requirement is met for all amounts not included in this exception, and all gross proceeds of this issue qualify for the initial temporary period under Section 1.148-2(e)(2) of the Treasury Regulations, no rebate will be owed if the proceeds are spent at least according to the following schedule:

	%	Time
(i)	10%	within six months
(ii)	60	within 12 months
(iii)	100	within 18 months

- (5) **"Construction Bonds" or "Twenty-four Month Construction" Exception.** If the proceeds of an issue are used to finance construction of property owned by a governmental unit no rebate will be owed if the proceeds are spent at least according to the following schedule:

	Time	%
(i)	10%	within six months
(ii)	45	within 12 months
(iii)	75	within 18 months
(iv)	100	within two years



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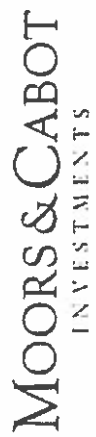
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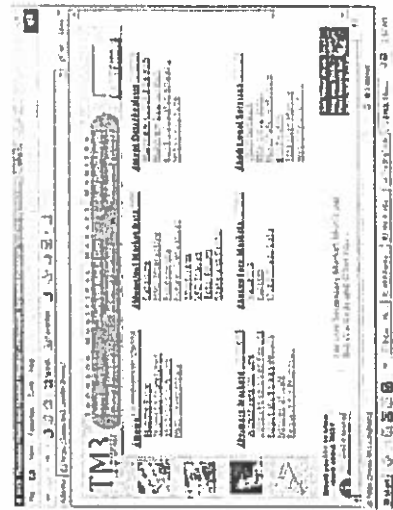
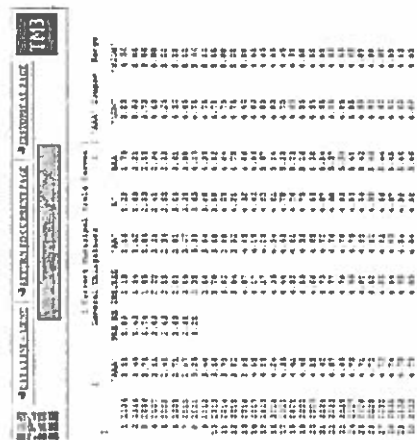
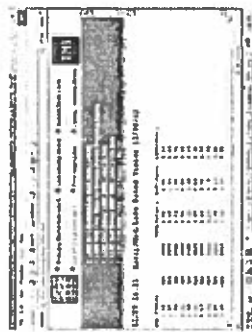
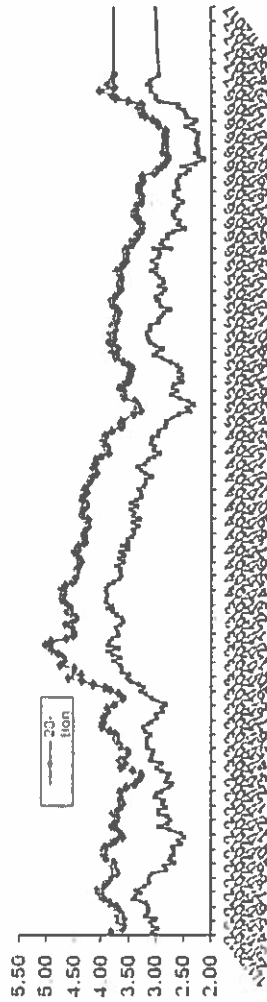
Sizing

Town of Scarborough, Maine - 2003 Bond Sizing (Principal Payments)  
(Sole & Deferred School Press Br & (m: Level Pst)

Year	Total	Amount	Total	Amount	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032	2032-2033	2033-2034	2034-2035	2035-2036	2036-2037	2037-2038	2038-2039	2039-2040	2040-2041	2041-2042	2042-2043	2043-2044	2044-2045	2045-2046	2046-2047	2047-2048	2048-2049	2049-2050	2050-2051	2051-2052	2052-2053	2053-2054	2054-2055	2055-2056	2056-2057	2057-2058	2058-2059	2059-2060	2060-2061	2061-2062	2062-2063	2063-2064	2064-2065	2065-2066	2066-2067	2067-2068	2068-2069	2069-2070	2070-2071	2071-2072	2072-2073	2073-2074	2074-2075	2075-2076	2076-2077	2077-2078	2078-2079	2079-2080	2080-2081	2081-2082	2082-2083	2083-2084	2084-2085	2085-2086	2086-2087	2087-2088	2088-2089	2089-2090	2090-2091	2091-2092	2092-2093	2093-2094	2094-2095	2095-2096	2096-2097	2097-2098	2098-2099	2099-2100	2100-2101	2101-2102	2102-2103	2103-2104	2104-2105	2105-2106	2106-2107	2107-2108	2108-2109	2109-2110	2110-2111	2111-2112	2112-2113	2113-2114	2114-2115	2115-2116	2116-2117	2117-2118	2118-2119	2119-2120	2120-2121	2121-2122	2122-2123	2123-2124	2124-2125	2125-2126	2126-2127	2127-2128	2128-2129	2129-2130	2130-2131	2131-2132	2132-2133	2133-2134	2134-2135	2135-2136	2136-2137	2137-2138	2138-2139	2139-2140	2140-2141	2141-2142	2142-2143	2143-2144	2144-2145	2145-2146	2146-2147	2147-2148	2148-2149	2149-2150	2150-2151	2151-2152	2152-2153	2153-2154	2154-2155	2155-2156	2156-2157	2157-2158	2158-2159	2159-2160	2160-2161	2161-2162	2162-2163	2163-2164	2164-2165	2165-2166	2166-2167	2167-2168	2168-2169	2169-2170	2170-2171	2171-2172	2172-2173	2173-2174	2174-2175	2175-2176	2176-2177	2177-2178	2178-2179	2179-2180	2180-2181	2181-2182	2182-2183	2183-2184	2184-2185	2185-2186	2186-2187	2187-2188	2188-2189	2189-2190	2190-2191	2191-2192	2192-2193	2193-2194	2194-2195	2195-2196	2196-2197	2197-2198	2198-2199	2199-2200	2200-2201	2201-2202	2202-2203	2203-2204	2204-2205	2205-2206	2206-2207	2207-2208	2208-2209	2209-2210	2210-2211	2211-2212	2212-2213	2213-2214	2214-2215	2215-2216	2216-2217	2217-2218	2218-2219	2219-2220	2220-2221	2221-2222	2222-2223	2223-2224	2224-2225	2225-2226	2226-2227	2227-2228	2228-2229	2229-2230	2230-2231	2231-2232	2232-2233	2233-2234	2234-2235	2235-2236	2236-2237	2237-2238	2238-2239	2239-2240	2240-2241	2241-2242	2242-2243	2243-2244	2244-2245	2245-2246	2246-2247	2247-2248	2248-2249	2249-2250	2250-2251	2251-2252	2252-2253	2253-2254	2254-2255	2255-2256	2256-2257	2257-2258	2258-2259	2259-2260	2260-2261	2261-2262	2262-2263	2263-2264	2264-2265	2265-2266	2266-2267	2267-2268	2268-2269	2269-2270	2270-2271	2271-2272	2272-2273	2273-2274	2274-2275	2275-2276	2276-2277	2277-2278	2278-2279	2279-2280	2280-2281	2281-2282	2282-2283	2283-2284	2284-2285	2285-2286	2286-2287	2287-2288	2288-2289	2289-2290	2290-2291	2291-2292	2292-2293	2293-2294	2294-2295	2295-2296	2296-2297	2297-2298	2298-2299	2299-2300	2300-2301	2301-2302	2302-2303	2303-2304	2304-2305	2305-2306	2306-2307	2307-2308	2308-2309	2309-2310	2310-2311	2311-2312	2312-2313	2313-2314	2314-2315	2315-2316	2316-2317	2317-2318	2318-2319	2319-2320	2320-2321	2321-2322	2322-2323	2323-2324	2324-2325	2325-2326	2326-2327	2327-2328	2328-2329	2329-2330	2330-2331	2331-2332	2332-2333	2333-2334	2334-2335	2335-2336	2336-2337	2337-2338	2338-2339	2339-2340	2340-2341	2341-2342	2342-2343	2343-2344	2344-2345	2345-2346	2346-2347	2347-2348	2348-2349	2349-2350	2350-2351	2351-2352	2352-2353	2353-2354	2354-2355	2355-2356	2356-2357	2357-2358	2358-2359	2359-2360	2360-2361	2361-2362	2362-2363	2363-2364	2364-2365	2365-2366	2366-2367	2367-2368	2368-2369	2369-2370	2370-2371	2371-2372	2372-2373	2373-2374	2374-2375	2375-2376	2376-2377	2377-2378	2378-2379	2379-2380	2380-2381	2381-2382	2382-2383	2383-2384	2384-2385	2385-2386	2386-2387	2387-2388	2388-2389	2389-2390	2390-2391	2391-2392	2392-2393	2393-2394	2394-2395	2395-2396	2396-2397	2397-2398	2398-2399	2399-2400	2400-2401	2401-2402	2402-2403	2403-2404	2404-2405	2405-2406	2406-2407	2407-2408	2408-2409	2409-2410	2410-2411	2411-2412	2412-2413	2413-2414	2414-2415	2415-2416	2416-2417	2417-2418	2418-2419	2419-2420	2420-2421	2421-2422	2422-2423	2423-2424	2424-2425	2425-2426	2426-2427	2427-2428	2428-2429	2429-2430	2430-2431	2431-2432	2432-2433	2433-2434	2434-2435	2435-2436	2436-2437	2437-2438	2438-2439	2439-2440	2440-2441	2441-2442	2442-2443	2443-2444	2444-2445	2445-2446	2446-2447	2447-2448	2448-2449	2449-2450	2450-2451	2451-2452	2452-2453	2453-2454	2454-2455	2455-2456	2456-2457	2457-2458	2458-2459	2459-2460	2460-2461	2461-2462	2462-2463	2463-2464	2464-2465	2465-2466	2466-2467	2467-2468	2468-2469	2469-2470	2470-2471	2471-2472	2472-2473	2473-2474	2474-2475	2475-2476	2476-2477	2477-2478	2478-2479	2479-2480	2480-2481	2481-2482	2482-2483	2483-2484	2484-2485	2485-2486	2486-2487	2487-2488	2488-2489	2489-2490	2490-2491	2491-2492	2492-2493	2493-2494	2494-2495	2495-2496	2496-2497	2497-2498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## Market Trend





## Industry Standard Definitions of NIC and TIC

"NET INTEREST COST (or "NIC") is a common method of computing the interest expense to the issuer of issuing bonds, which usually serves as the basis of award in a competitive sale. NIC takes into account any premium and discount paid on the issue. NIC represents the dollar amount of coupon interest payable over the life of a serial issue, without taking into account the time value of money (as would be done in other calculation methods, such as the "true interest cost" method). While the term "net interest cost" actually refers to the dollar amount of the issuer's interest cost, it is also used to refer to the overall rate of interest to be paid by the issuer over the life of the bonds. The formula for calculating the NIC rate is:

$$\frac{\text{Total Coupon Interest Payments} + \text{Discount (or - Premium)}}{\text{Bond Years}}$$

TRUE INTEREST COST (or "TIC") is also known as "Canadian Interest Cost". Under this method of computing the borrowing issuer's cost, interest cost is defined as the rate, compounded semi-annually, necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the new issue securities. TIC computations produce a figure slightly different from the net interest cost (NIC) method since TIC considers the time value of money while NIC does not."

Source: *Glossary of Municipal Securities Terms*, Municipal Securities Rulemaking Board, 1985.

The TIC bid discourages early year's high coupon or later year's deep discount bidding, and is most compatible with compliance with the issuer's concern with present value. Furthermore, this is currently the most commonly used method for bidding on bond issues.

The time value of money, or "Present Value" undertake computations that are used to determine whether or not a particular investment with a specified future cash flow is a good investment. This is based upon the premise that one dollar paid today is worth more than a dollar paid in future years. Present Value includes evaluating any borrowing where money is paid today over the future stream of such borrowing, to demonstrate the projected future expense. As such, an analysis assigns an implicit time value on money by measuring the effect of foregoing the return from potential future investment of money. In summary, the Absolute Savings are the actual numbers of dollars paid over the life of the issue. Present Value is the actual value today of amounts paid over the life of the issue.



# MOORS & CABOT

INVESTMENTS

## *Following the Bid ....*

- ☒ Provide for the entire interface for the closing, including arranging for certification of the bonds, their delivery to DTC and providing the purchaser with wire instructions and closing letters well in advance of the closing date;
- ☒ Provide debt service schedules, by project, and then consolidated into a common plan of financing;
- ☒ Provide these schedules to the Town, Bond Counsel and the Paying Agent;
- ☒ Incorporate final changes to the final Official Statement and arrange for a sufficient supply to be produced, thereon;
- ☒ Provide the purchaser with 100 copies of the final Official Statements;
- ☒ Further advise that the purchaser at its own expense, may obtain additional copies with our assistance, by arrangement with the printer;
- ☒ Complete drafts of the MSRB Form G-36(OS) and send final Official Statements to the MSRB and the NRSMIRs.

## *On the closing date ...*

- ☒ Obtain a release of the Opinion being held in escrow from Bond Counsel;
- ☒ Verify the wire transfer(s), notify the paying agent and the underwriter that the wires have been received ; and
- ☒ Settle the issue with DTC.

## *We also ....*

- ☒ Have software for calculations and have current IRS Forms 8038, 8038-G, 8038-GC and 8038-T, in-house;
- ☒ Are skilled in the proper calculations and preparation of these documents; and
- ☒ Will prepare a draft of the IRS Form 8038-G and provide this to Bond Counsel in a timely manner, before closing.

## **CUSIP Identification Numbers**

"It is anticipated that CUSIP identification numbers will be printed on the Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds will be paid for by the City provided, however, that the City assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers."

*CUSIP (Committee on Uniform Securities Identification Procedures) is an identification number assigned to each maturity of an issue, or to a unique interest rate of the same maturity, which is usually printed on the face of the individual certificate of an issue. CUSIPs are intended to help facilitate the identification and clearance of municipal securities.*





**MOORS & CABOT**  
INVESTMENTS

### *Continuing Disclosure*

"In order to assist the underwriter in complying with the Securities Exchange Commission's Rule 15c2-12 (the "Rule"), the City will covenant for the benefit of the owners of the Bonds to provide certain financial information and operating data relating to the Rule by not later than 270 days after the end of each fiscal year (the "Annual Report") and to provide notices of the occurrence of certain enumerated events, if material. The covenants will be contained in a "Continuing Disclosure Certificate" (the "Certificate"), the proposed form of which is provided in APPENDIX C. The Certificate will be executed by the signers of the Bonds, and incorporated by reference in the Bonds. The City has never failed to comply in all material respects with any previous undertakings to provide financial information or notices of material events in accordance with the Rule.



**MOORS & CABOT**  
INVESTMENTS



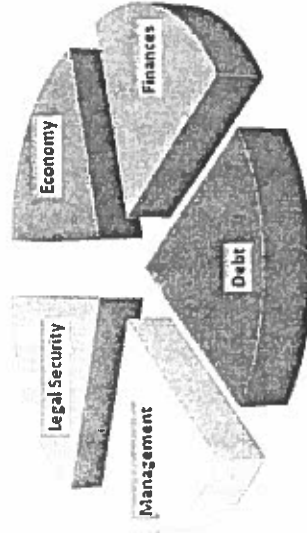
**EMMA<sup>®</sup> - Electronic Municipal Market Access**  
The Official Source for Municipal Disclosures and Market Data



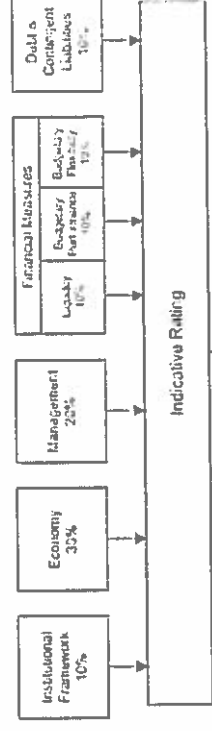
## **Annual Financial Disclosure Filing Workbook**

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## Rating Criteria



## S&P Methodology



## Moody's Methodology

Broad Rating Factor	Factor Weighting	Rating Sub-factor	Sub-factor Weighting
Economy/Tax Base	30%	Tax Base Size (full value)	10%
		Full Value Per Capita	10%
		Wealth (median family income)	10%
Finances	30%	Fund Balance (% of revenues)	10%
		Fund Balance Trend (5-year change)	5%
		Cash Balance (% of revenues)	10%
		Cash Balance Trend (5-year change)	5%
Management	20%	Institutional Framework	10%
		Operating History	10%
Debt/Pensions	20%	Debt to Full Value	5%
		Debt to Revenue	5%
		Moody's-adjusted Net Pension Liability (3-year trend) to Full Value	5%
		Moody's-adjusted Net Pension Liability (3-year trend) to Revenue	5%

- |  |   |
|--|---|
| <p><b>Credit Factors</b></p> <p><b>Economy</b></p> | <p><b>Potential Rating Change Driver</b></p> <ul style="list-style-type: none"> <li>Significant development in the local tax base driving continued growth in total property values.</li> <li>Increased or decreased diversification of local tax base.</li> <li>Loss of key industry or employer with no work-out plan.</li> </ul> |
| <p><b>Finances</b></p>                             | <ul style="list-style-type: none"> <li>Expected augmentation (or loss) of financial flexibility.</li> <li>Expectation that significant growth (or decline) of reserves will continue.</li> </ul>  |
| <p><b>Debt</b></p>                                 | <ul style="list-style-type: none"> <li>Significant increase in debt obligations without correlating development to offset tax-base leveraging.</li> <li>Utilization of debt structure not appropriately matched to asset's useful life.</li> </ul>  |
| <p><b>Management</b></p>                           | <ul style="list-style-type: none"> <li>Implementation of new strategies that are expected to augment (or detract) from operating flexibility.</li> <li>Change in political environment that affects ability to react to unanticipated events.</li> </ul>  |
| <p><b>Legal Security</b></p>                       | <ul style="list-style-type: none"> <li>Indenture for non-tax backed debt; Regulatory agency permission</li> <li>Financial flexibility: Unlimited, Limited or Restrictive.</li> </ul>  |



## Moody's Long-term Ratings

Moody's Investors Service ("Moody's") Bonds carrying the same rating are not claimed to be of absolutely equal quality, but are in a broad sense alike in position of risk. The ratings involve judgments about the future, including an appraisal of long-term risks and the recognition of many statistical and non-statistical factors. The quality of a bond may change over its life and therefore a change from the initial rating designation may occur at any time. Moody's applies numerical modifiers (1, 2 and 3) in each rating classification. The modifier '1' indicates that the issue ranks in the higher end of its gradation; the modifier '2' indicates a mid-range ranking; and the modifier '3' indicates that the issue ranks in the lower end of its category. The classes of gradation are:

Aaa ratings, assigned for issues judged to be of the best quality, carry the smallest degree of investment risk and are generally referred to as "glit edged". Interest payments are protected by a large or by an exceptionally stable margin and principal is secure. While the various protective elements are likely to change, such changes as can be visualized are most unlikely to impair the fundamentally strong position of such issues.

Aa ratings, assigned for issues judged to be of high quality by all standards and, together with Aaa, comprise what are generally known as "high grade" bonds. These are rated lower because margins of protection may not be as large as in Aaa issues, or fluctuation of protective elements may be of greater amplitude, or there may be other elements present which make the long-term risk appear somewhat larger than Aaa securities.

A ratings, assigned for issues judged to possess many favorable investment attributes, are considered upper-medium grade obligations. Factors giving security to principal and interest are considered adequate, but elements may be present which suggest a susceptibility to impairment sometime in the future.

Baa ratings, assigned for issues judged to be considered as medium-grade obligations, are neither highly protected nor poorly secured.

## S&P's Long-term Ratings

*Issue credit ratings are based, in varying degrees, on Standard & Poor's analysis of the following considerations: Likelihood of payment—capacity and willingness of the obligor to meet its financial commitment on an obligation in accordance with the terms of the obligation; Nature of and provisions of the obligation; Protection afforded by, and relative position of, the obligation in the event of bankruptcy, reorganization, or other arrangement under the laws of bankruptcy and other laws affecting creditors' rights.*

*Issue ratings are an assessment of default risk, but may incorporate an assessment of relative seniority or ultimate recovery in the event of default.*

### AAA

An obligation rated 'AAA' has the highest rating assigned by Standard & Poor's. The obligor's capacity to meet its financial commitment on the obligation is extremely strong.

### AA

An obligation rated 'AA' differs from the highest-rated obligations only by a small degree. The obligor's capacity to meet its financial commitment on the obligation is very strong.

### A

An obligation rated 'A' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong.

### BBB

An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.

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Plus (+) or minus (-)

The ratings from may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

## Speculative Grade

Ba or BB rated debt has less near-term vulnerability to default than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse business, financial or economic conditions which could lead to inadequate capacity to meet timely interest and principal payments.

B rated debt has greater vulnerability to default but currently has the capacity to meet interest payments and principal repayments. Adverse business, financial or economic conditions will likely impair capacity or willingness to pay interest and repay principal.

Caa or CCC rated debt has a current identifiable vulnerability to default, and is dependent upon favorable business, financial and economic conditions to meet timely payment of interest and repayment of principal. In the event of adverse business, financial or economic conditions, it is not likely to have the capacity to pay interest and repay principal.

Ca or CC ratings are typically applied to debt subordinated to senior debt that is assigned an actual or implied Caa or CCC rating.

C ratings are typically applied to debt subordinated to senior debt that is assigned an actual or implied Caa or CCC- rating. The C rating may be used to cover a situation where a bankruptcy petition has been filed, but debt service payments are continued.

Cl ratings are reserved for income bonds on which no interest is being paid.

D rated debt indicates payment default. This rating is also used upon the filing of a bankruptcy petition if debt service payments are jeopardized.

N.R. indicates that the debt is not rated by a bond rating agency.



# MOORS & CABOT INVESTMENTS

## Bond Rating Ranges

Investment Grade									
Prime	High Grade				Upper Medium Grade				Lower Medium Grade
Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3
AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-

### Moody's Investors Service

### Standard & Poor's Ratings Services

Interest Spread by Basis Points ("bp"); 1 bp = 0.01%; e.g.; 2.00% vs 2.01% = 1 bps

Prime	High Grade	Upper Medium Grade	Lower Medium Grade
Base	Base +10 to 15 bps; 3 to 5 bps within tranche	Base +25 to 40 bps; 5 to 10 bps within tranche	Base +50 to 90 bps; 10 to 25 bps within tranche
e.g., 2.00%	2.10% to 2.15%	2.25% to 2.40%	2.50% to 2.90%

RULE: 10 bps for \$10,000,000 for 20 years ≈ \$100,000



## MOORS & CABOT INVESTMENTS

### *Our Approach to the Rating Process ...*

If the Issuer wishes to sell its debt in the public market it is imperative that you are rated. This is consistent with industry standard for a public market issuer, such as the Issuer, and is especially appropriate as, due to the consolidations of many banks into a few, (a) its portfolios are being managed at its corporate headquarters (in most instances out of state); as well as (b) the consolidations of portfolio managers in its trust departments (again, in most instances out of state). This is exacerbated by (c) the shift of purchases of municipal debt from professional institutional money managers (having been the next largest purchasers of bonds) to individual ("retail") investors.

The above fundamental changes have been a catalyst for the *trend of seeking two ratings!* Other prospective Municipal Advisors may advise application to only one rating agency ... *"to save money"*. But we contend, and are able to prove quantitatively, that this is poor advice that will cost greater interest expense, that far outweighs the rating fee. Thus, despite the extra expense of a second rating, it has been our experience that there are benefits. Having two agencies review the credit provides:

- ✓ A competitive environment that encourages the other agency to "sharpen their pencil".
- ✓ Another view that mitigates the other agency's rating, if less than anticipated.
- ✓ An incentive to participate in site visits. Our S&P for visits were an incentive for Moody's.
- ✓ If the issue is insured a second rating would be obtained anyway. By applying for the rating before the sale, the issuer has the additional advantage of the uninsured "underlying" rating.
- ✓ Broader market access, in that "out-of-region" portfolios may require two ratings.

In this way we typically receive a more bidders and, thus, lower bids for our financings. Also, the market perceives (i) that if only

## THE BOND BUYER Market Values Moody's Ratings More than S&P's, Study Says

by Robert Nix  
DEC 12, 2011 6:38pm ET

Bond buyers place more weight on Moody's Investors Service ratings than on Standard & Poor's ratings, according to a recent Loop Capital Markets study.

Loop Capital also looked at bonds with a rating from only one of the two rating firms. The firm found that missing a Moody's rating had more than twice the impact on what the market would demand for yield as did missing a rating from S&P.

Loop Capital Markets examined 99,441 trades completed this year in its study. It created a multiple regression model with Moody's and Standard & Poor's letter ratings converted into numbers as independent variables. It also included the return on the S&P 500, a measure of volatility, coupon size, years to worst yield, and years to worst spread as independent interval variables. Finally, whether or not the bond was missing either a Moody's or S&P rating was included as a categorical independent variable. The dependent variable was the trading spread relative to Municipal Market Data's triple-A scale.

The unstandardized coefficient for the Moody's rating was 10.77 whereas for the Standard & Poor's rating it was 10.90. In other words, for each one-notch decrease in the Moody's rating there was an additional 16.77 basis point increase in the spread. The figures indicate that a one-notch shift from Moody's rating has 54% more impact than a one-notch shift from S&P.

The coefficient for missing Moody's rating is 13.61 as compared with a coefficient for missing S&P rating of 5.66. The statistics indicate that missing a Moody's rating, with all other factors held constant, has 110% more impact on the spread than missing a S&P rating.

The "R" values for these four independent variables are all below .0001. In other words, the statistical model says there is less than a one in 10,000 chance that these variables do not impact the dependent variable. The adjusted "R" square for the model is 0.66.

"It's better for issuers to be rated by both rating agencies, but if you're only going to have one you're better with Moody's," said Chris Moor, chief strategist for Loop Capital Markets.

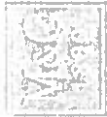
"We're not trying to improve S&P ... this general perception is already found in the marketplace ... The question for [research axes like Nick Larson] and I was it holds up to statistical scrutiny ... And the second thing was to see if these differences are large or small."

Loop is doing this study in part because the main market hasn't had much statistical study so, Moor said, "We feel it's important to bring a stronger quantitative edge to studying the market."

Asked to comment on the study, Moody's spokesman David Jacobson said, "This gets into the market pricing aspect, which is beyond what we cover or discuss, so we'll have to pass on this."

"We have not had the opportunity to review the full research, so we cannot comment on it," said S&P spokesman Danyala Fakhama.

 SOURCE MEDIA



# MOORS & CABOT

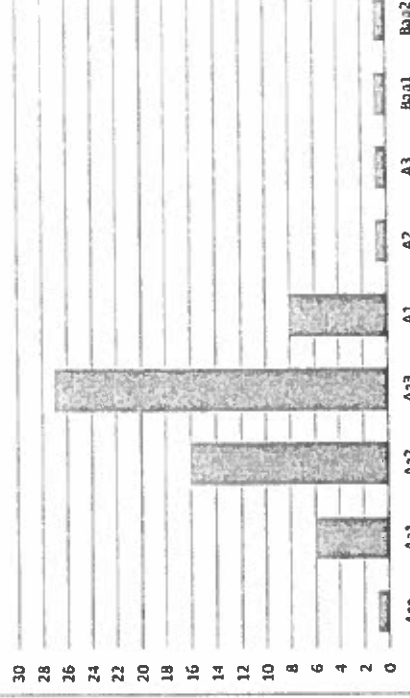
## INVESTMENTS

### Current Long-term Bond Ratings (Maine)

#### Local Maine Governments

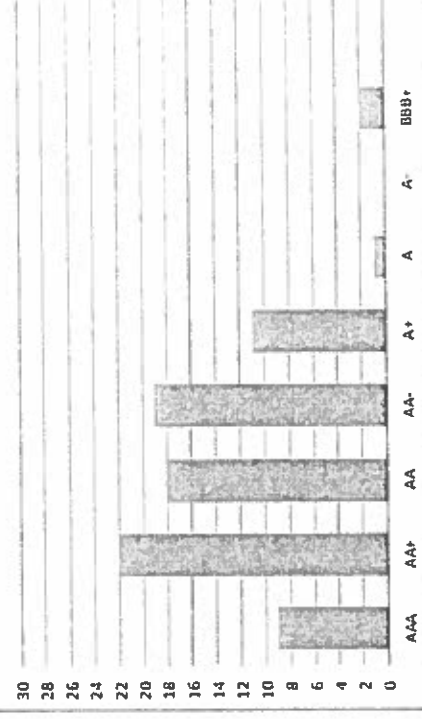
Municipality	Moody's Rating	S&P Rating	Municipality	Moody's Rating	S&P Rating
Allied	NR	AA	Somerset Cnty	Aa3	A+
Auburn	Aa3	AA-	South Berwick	Aa3	AA+
Augusta	NR	AA	South Portland	Aaa	AAA
Bangor	Aa2	AA-	St George	NR	AA+
Bar Harbor	Aa2	AAA	Topsham	NR	AA+
Bath	Aa3	AA	Waterville	Aa3	A+
Bridleford	Aa3	AA-	Wells	Aa2	AA+
Boothbay	Aa2	AA+	Westbrook	Aa3	AA
Brewer	Aa3	AA-	Windham	Aa2	AA
Brunswick	Aa2	AA+	Winslow	Aa3	AA-
Camden	NR	AA+	Winthrop	NR	AA-
Casco	Aa3	AA+	Yarmouth	Aa2	AA+
Cape Elizabeth	Aa1	AAA	York Cnty	NR	AA
Castine	Aa3	NR	York	NR	AAA
Cumberland	Aa3	AA+	District	NR	A+
Cumberland Cnty	Aa1	AA+	Auburn Sewer Dist	NR	A+
Dixfield	NR	AA-	Auburn Water Dist	NR	AA-
Ellsworth	Aa3	AA-	Brewer HSD	NR	AA-
Falmouth	Aa1	AAA	Brunswick & Tops WD	NR	A+
Farmington	NR	AA-	Cumberland Cnty Civic Cntr	NR	AA
Freeport	Aa2	AAA	eromaine	NR	AA
Gorham	Aa2	AA+	Freeport Swr	Aa3	NR
Gray	Aa2	AA+	Ken Lt & Pr	Aa3	BBB+
Hallowell	NR	A+	Kennebec WD	A1	NR
Hancock Cnty	Aa2	AA	Kennebunk Sewer District	A1	AA
Harpeswell	Aa2	AAA	Linc-Sag Jail Auth	A1	AA-
Hermon	A1	AA-	MSAD No. 15	Aa3	AA+
Islesboro	A3	AA	MSAD No. 51	Aa3	AA+
Kennebunk	Aa1	AAA	No Jay WD	Baa2	NR
Kittery	Aa2	AA+	Portland Jeppert	Baa1	BBB+
Knox Cnty	Aa2	AA	Portland Wtr Dis (Port Swr)	Aa1	AA
Lewiston	Aa2	AA-	Portland Wtr Dis (Wtr)	Aa3	AA
Madison	NR	A+	RSU No. 1	NR	AA
Manchester	NR	AA-	RSU No. 5	Aa3	AA-
New Gloucester	Aa3	AA+	RSU No. 13 (COPs)	A1	AA-
Old Orchard Beach	Aa3	AA+	RSU No. 21	NR	A+
Orono	Aa3	AA-	RSU No. 23	Aa3	AA+
Oxford	NR	AA-	RSU No. 57	A1	AA
Pan's Twn	NR	A+	Rumford WD	Aa2	AA
Pittsfield Twn	NR	A	So Berwick WD	A2	NR
Portland	Aa1	AA+	Vocational Region 8 MCST	A1	NR
Presque Isle	NR	A+	Wells-Ogunquit CSD	A1	AA-
Raymond	NR	AAA	Yarmouth WD	Aa3	AA+
Saco	Aa3	AA			A+
Scarborough	Aa3	AA+			

### Moody's Maine Local Government Ratings



Source: Moody's Investors Service (ratings as of May 15, 2018)

### S&P's Maine Local Government Ratings



Source: S&P Global Ratings (ratings as of May 15, 2018)

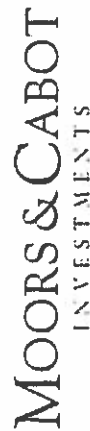


MOORS & CABOT  
INVESTMENTS

### ***Why Moors & Cabot?***

- *A difference in the delivery of services.*
- *Answering the question before it is asked ... or to answer the question that has not been thought of asking!*
- *Do not "learn on our client's dime" ... we innovate and find the solution.*
- *Proven experience ... both the regional and the national marketplace.*
- *Demonstrated exacting standards in the quality of the product that is delivered to the rating agencies.*
- *Extensive knowledge and experience ... State Rules and policy, the requirements of federal tax law, Maine statute and regulations.*
- *Your best advocate for your impression on the ratings agencies' debt, management and economic characteristics.*
- *A **distinction** in the quality of the delivery of investment banking services.*
- *The selection and appointment of Moors & Cabot as its Municipal Advisor for its financings is in the best interests of our clients.*

***We hope that you consider using our services***



We will provide Advisory Services to the Town at a rate per \$1,000 of par value of bonds issued by issue size as summarized in the below table; with a complete schedule to the right:

<u>Issue Size</u>	<u>(per 000)</u>	<u>(plus \$)</u>
Up to \$10,000,000	\$2.00	\$0
\$10,000,001 to \$20,000,000	\$1.50	\$5,000
\$20,000,001 to \$32,000,000	\$1.25	\$10,000
\$32,000,001 to \$50,000,000	flat	\$50,000
\$50,000,001 and greater	\$1.00	\$0

Printing Official Statement	\$2,000.00
pdf POS	800.00
i-Deal Prospectus (maximum)	1,500.00
Computer	300.00
Postage to Bidders	0.00
Overnight Mail	200.00
Advertising to Bidders	0.00
Bond printing; Transportation,	0.00
Other	0.00
<b>Total Advisory Expenses</b>	<b>\$4,800.00</b>

Our scale fee to originate and sell Bond Anticipation Notes ("BANs") is 50¢/000 plus expenses. We waive this fee(s) conditioned on our being the originator and seller of bond issues that provide permanent financing(s) for the BANs.

Financial Advisory Services for Bondholders

[illegible]