

REPORT OF THE  
GORHAM TOWN COUNCIL  
REGULAR MEETING  
Burleigh Loveitt Council Chambers  
August 2, 2022

Chairman Pratt opened the meeting. There were 14 members of the public in attendance.

Roll Call: Chairman Pratt, Councilors Shepard, Wilder Cross, Hartwell, Hager and Kuech. Also in attendance were Town Manager Ephrem Paraschak and Town Clerk Laurie Nordfors.

Moved by Councilor Hartwell, seconded by Councilor Shepard and VOTED to accept the minutes of the July 5, 2022 Regular Town Council Meeting and the July 19, 2022 Special Town Council Meeting.  
**6yeas**

### **Open Public Communications**

Andrew LaPlaca, Musket Drive expressed his concern regarding the vote at last meeting to accept Musket Drive as a public way.

### **Councilor Communications**

**Councilor Hager** explained his absences from the last two Council meetings due to a work conflict.

**Councilor Wilder Cross** pointed out that the Tuesday night concerts in the Gazebo will be ending next week. She recommends getting out to enjoy the great music.

**Councilor Hartwell** reported that the Ordinance Committee met on July 19th and discussed recreation impact fees and growth caps in rural zones. They also discussed the changes to the Fire Suppression Ordinance which is on the agenda tonight.

**Chairman Pratt** announced that there will be a blood drive at the Cressey Road Church Thursday, August 4<sup>th</sup>. He suggested donating blood if you can. He also attended the Cumberland County Advisory Finance Committee Meeting on July 13<sup>th</sup>, where they reported on the midterm financial checkup of Cumberland County.

### **Town Manager Report**

Town Manager Paraschak announced that applications for the States LD-290 Property Tax Stabilization Program for seniors are available on our website or in the Town Clerk's Office. He stated that this program will not impact taxes this year. He encouraged all to apply but reminded seniors to be cautious of the future of this law. He also reported that the Town wide re-Val is nearing completion and should wrap up within the next few weeks. He reminded citizens if they have any questions or concerns to call the Assessing Office.

## **School Committee Report**

### Bond Referendum Request

As you know, the School Committee voted to approve moving forward with a bond referendum request in the amount of \$20,025,956 involving six different projects. As a means to assist the Town Council in asking questions regarding these projects, we have developed a shared google doc Q&A sheet where Town Council members can ask questions and School Administration can provide answers in preparation for the public hearing that will take place in September.

This document can then become a matter of public record to assist citizens in understanding the various aspects of the bond request as well. A link has been sent to the Town Manager and to the Chair. We ask that you attempt to ask questions by August 19th so that we have time to provide full and detailed answers by the end of the month in preparation for your public hearing.

If you have questions, please ask. The Gorham School Committee looks forward to this important dialogue regarding addressing our ongoing capital facility's needs.

### Summer Projects

The summer months are busy months in schools when it comes to facilities! We have several major projects that we are focusing on in addition to our normal maintenance and cleaning activities across the schools. The biggest one is the GMS HVAC project. As seems to be the case with any major project these days, we have run into some supply chain issues.

At this time, we are focusing our efforts on the exterior mezzanine work and will likely have to delay additional work within the school itself until we have time during vacations throughout the year and/or during the summer of 2023. Luckily, we had already projected this project to be a two-year project so at this time, we still believe we can get what we need to accomplish before the start of school and then work to complete the project next summer.

Another one of our big projects has been the GHS gym floor and bleacher project! This project is going along well. The GHS floor looks great. We are currently waiting for parts (go figure) for the bleachers, but it looks like we will be on time to complete this project as well before the beginning of school.

We are also working to try and wrap up our lighting project work from last summer. Putting the finishing touches on this project has been difficult due to several factors, not the least of which is trying to work around the use of the fields, but this project should also be closed out completely by mid fall with some finishing up of some wiring and groundwork.

### Custodial Update

Work with our new custodial company seems to also be going very well. Benchmark actually started working with a few of our schools in June to get a "head start" on cleaning, which was much needed after the last year. Things are moving along nicely in this area as well, and although you'd never know it by walking through the buildings right now, they will be "sharp" by the time school begins on August 29th.

If you see any of our maintenance crew, please thank them for their incredible work! If it weren't for them, our schools would never be ready for reopening on time!

### Important Dates

Speaking of re-opening, here are the dates for schools this year:

- New bus routes for the 2022-23 school year will be posted on our website by August 22nd.

- New staff will arrive at our buildings on August 22nd and all staff will return for PD days on August 23-26th.

For students:

- Grades 6&9 first day will be August 29th
- Grades 1-5, 7-8 & 10-12 will be August 30th
- Kindergarten first day will be September 1st

We are looking forward to an incredible opening of another great school year!

#### **Public hearing #1**

##### **On Item #2022-04-11**

Public hearing to hear comment on a proposal to amend the Land Use and Development Code to allow mobile vending units in the Little Falls area. (Admin Spon.)

Chairman Pratt opened public hearing #1. There were no comments from the public and the hearing was closed.

#### **Proposed**

##### **Order #22-88**

Moved by Councilor Shepard, seconded by Councilor Hager and Ordered, that the Town Council amend the Land Use and Development Code to allow mobile vending units in the Little Falls area as follows:

#### **Proposed Amendments:**

|           |      |   |        |         |      |
|-----------|------|---|--------|---------|------|
| SECTION   | 2-16 | — | MOBILE | VENDING | UNIT |
| CHAPTER 2 |      |   |        |         |      |

8. In addition to the zoning districts that identify mobile vending units as a permitted use mobile vending units are also permitted in the Little Falls area identified as a Mobile Vending Unit Overlay District shown in the map below.



Order #22-88 was VOTED 6 yeas

## **Public hearing #2**

### **On item #2021-11-11**

Public hearing to hear comment on a proposal to amend the Land Use and Development Code to allow and add performance standards for outdoor dining. (Admin. Spon.)

Chairman Pratt opened public hearing #2. There were no comments from the public and the hearing was closed.

## **Proposed**

### **Order #22-89**

Moved by Councilor Hager, seconded by Councilor Wilder Cross and Ordered, that the Town Council amend the Land Use and Development Code to all and add performance standard for outdoor dining as follows:

**Moved by Councilor by Councilor Hager, seconded by Councilor Wilder Cross and VOTED to waive the Reading of Order #22-89 due to length. 6 years**

## Chapter 2 General Standards of Performance

### Section 2-18 – Outdoor Dining

1. Outdoor dining components must allow safe passage of pedestrian traffic. A continuous, unobstructed sidewalk passage of four (4) feet from the outer boundary of the seating area to the curb must be maintained. If the sidewalk passage is not straight due to existing obstacles, then additional width may be required. The Fire Department shall review the plan to see if four (4) feet is adequate for sidewalk maintained width.
2. Parking spaces may be converted for outdoor dining. Up to thirty three percent (33%) of the existing on-site parking spaces may be utilized if off-site or on-street parking is available within 0.25 miles or 1,320 feet of the front door to the restaurant. For existing businesses, this shall be reviewed by staff as a de minimis change to the existing site plan.
3. Request for the use of adjacent on-street parking spaces or right-of-way for outdoor dining installations requires Town Manager and if applicable, Maine DOT review and approval.
4. Egress must be maintained free of obstruction.
5. Permanent fixtures, such as awnings, may require a building permit.
6. Umbrellas do not require a permit. Umbrellas must be secured and maintain height clearance for sidewalk passage. Umbrellas may have embroidered or screen-printed logos advertising products.
7. Umbrellas and awnings must be kept in good condition without having tears, holes, extensively faded, and/or in a state of disrepair.
8. Fencing and barriers do not require a permit. Stanchions and ropes are encouraged. If barriers such as fencing are proposed, they must be free-standing, shall not exceed 42” in height and may not include commercial signage. Physical attachments to a building are not allowed. Sectional fencing is allowed with a high degree of visual transparency (at least 50% open).

9. Temporary tents or structures may be used. Building permits for temporary structures are required.
10. The applicant/owner is responsible for keeping the outdoor seating area clean.
11. No food shall be prepared in the designated outdoor dining area, unless the proper State permit is obtained.
12. Music may be played. However, the standards of Chapter 2 Section 2-1 Noise Abatement and Special Amusement Ordinance shall apply.
13. Flowers, planters, and exterior string lighting is allowed. Lights may not be blinking, running, or otherwise activated.

#### Chapter 1 Zoning Ordinance Section 1-9 Subsection 2 E. Performance Standards

##### 13. Lighting

k) The use of exterior string lighting shall be prohibited except as part of a seasonal holiday display is allowed only when associated with restaurant outdoor dining. Lights may not be blinking, running, or otherwise activated.

#### Chapter 1 Zoning Ordinance Section 1-10 Subsection 2 E. Performance Standards

##### 13. Lighting

m) The use of exterior string lighting shall be prohibited except as part of a seasonal holiday display is allowed only when associated with restaurant outdoor dining. Lights may not be blinking, running, or otherwise activated.

#### Chapter 2 Performance Standards SECTION 2-3 – SIGNS

##### D. PROHIBITED SIGNS, DISPLAYS, AND RELATED MATERIALS

g) Strings of Lights or Lighted Tubing: Strings of lights or lighted tubing that outlines a sign or a building or its major features such as roof lines, windows, or doors or that are used as an advertising feature to draw attention to the premises except for temporary holiday lighting, and decorations, or those allowed for restaurant outdoor dining. **Order #22-89 was VOTED 6 yeas**

**Public hearing #3  
on item #2022-08-01**

Public hearing to hear comment on a proposal to amend the Land Use and Development Code to allow heavy equipment sales and service in the Industrial and Roadside Commercial Districts. (Admin. Spon.)

Chairman Pratt opened public hearing #3. There were no comments from the public and the hearing was closed.

**Proposed  
Order #22-90**

Moved by Councilor Shepard, seconded by Councilor Hartwell, and Ordered, that the Town Council amend the Land Use and Development Code to all heavy equipment sales and service in the Industrial and Roadside Commercial Districts as follows:

Chapter 1: ZONING REGULATIONS

SECTION 1-11 ROADSIDE COMMERCIAL DISTRICT

B. PERMITTED USES

15) Heavy machinery and equipment retail sales & service.

SECTION 1-12 INDUSTRIAL DISTRICT

B. PERMITTED USES

14) Heavy machinery and equipment retail sales & service.

**Order #22-90 was VOTED 6 yeas**

**Public hearing #4  
On Item #2022-04-08**

Public hearing to hear comment on a proposal to amend the Fire Suppression Systems Ordinance (Admin. Spon.)

Chairman Pratt opened public hearing #4.

Mel Fernald, 24 Farrington Road voiced her concerns that the Ordinance is not specific to why yearly inspections on the anti-freeze loop are required and she would like the Council to table the item until more information is obtained.

The hearing was closed.

**Proposed  
Order #22-91**

Moved by Councilor Shepard, seconded by Councilor Hager and Ordered, that the Town Council amend the Fire Suppression Systems Ordinance as follows:

Section XII. Any structure containing a sprinkler/suppression system shall be required to have a yearly test completed on the system by a qualified, Maine-licensed sprinkler technician. A written copy of the yearly test report shall be forwarded to the Fire Chief's Office by the Maine-licensed technician, or his firm; however, if the technician, or his firm, is not paid in full for the inspection services within 30 days of the inspection, the Fire Department shall consider the inspection incomplete and in violation of this section of the Ordinance.

Notwithstanding this section, the owner of a one or two family dwelling with an NFPA 13D system, except for the antifreeze systems, may conduct the annual sprinkler inspection using an self- inspection form provided by the Fire Department if the owner has attended a training course provided by the Fire Department and is recertified every ~~third~~ fifth year with an on-line course, or equivalent, provided by the Fire Department. The completed self- inspection form shall be forwarded to the Fire Chief's Office.

Every ~~four (4)~~ five (5) years or when there is a change in ownership of the building, whichever occurs sooner, the sprinkler/suppression system, including any anti-freeze loops shall be inspected by a qualified, Maine-licensed sprinkler Technician and the report shall be forwarded to the Fire Chief's Office by the Technician or his firm.

Homeowners shall be provided with a notice from the Town on associated risks related with self-certification.

**Moved by Councilor Hartwell, seconded by Councilor Wilder Cross and VOTED to table Order 22-91 until next month to obtain more information from the Fire Chief. 4 yeas, 2 nays (Shepard, Kuech)**

**Item #2022-08-02**

Action to consider amending the Land Use & Development Code to comply with the Comprehensive Plan. (Ordinance Committee Spon.)

**Proposed  
Order #22-92**

Moved by Councilor Shepard, seconded by Councilor Hartwell and Ordered, that the Town Council instructs the Ordinance Committee to review revising standards for curb cuts on arterials and designated collectors, the creation of a White Rock Mixed-Use District, exploring a vernal pool transfer program, and developing a long-term plan for pedestrian improvements consistent with the Town's Comprehensive Plan.



Sam Purrington, 184 South Street voiced his support for this item and would like to see improvements for biking in the Village.

**Order #22-92 was VOTED 6 years**

**Item #2022-08-03**                      Action to consider vacating the unbuilt roads of Deacon's Field Road and Spiritwood Circle in the Blueberry Ridge Subdivision. (Councilor Phillips Spon.)

**Proposed**

**Order #22-93**                      Moved by Councilor Shepard, seconded by Councilor Kuech and Ordered, that the Town Council vacates Deacon's Field Road and Spiritwood Circle in order for the Gorham Planning Board to review an amended subdivision plan.

Julia Colpritts, owner of three lots in Blueberry Ridge Subdivision, explained how many lots will be available in the subdivision.

**Order #22-93 was VOTED 6 years**

**Item #2022-08-04**                      Action to consider adopting a makeup of the Robie Park Master Plan Steering Committee. (Admin. Spon.)

**Proposed**

**Order #22-94**                      Moved by Councilor Shepard, seconded by Councilor Wilder Cross and Ordered, that the Town Council approves a Robie Park Master Plan Steering Committee to provide recommendations to the Gorham Town Council on adoption of a revised Robie Park Master Plan as follows:

- 1 - Gorham Resident from the Robie Park Neighborhood
- 1 - Gorham Resident not from the Robie Park Neighborhood
- 1 - Member of the Gorham Business Community
- 1 - Member of the Gorham Conservation Commission
- 2 - Gorham Town Council Members
- 1 - Gorham School Committee Member

And; Be It Further Ordered, that the Appointments Committee advertises and provides recommendations to the Town Council on specific member appointments.

Moved by Councilor Kuech, seconded by Councilor Wilder Cross and VOTED to amend the order to add 1 (one) High School student to the committee as a non-voting member. **6 years**

Jackie Lortie, 18 Morrill Avenue and Mike Chabot, 17 Morrill Avenue spoke in support of the order.

**Order #22-94 was VOTED as amended. 6 years**

**Item #2022-08-05**

Action to consider adopting a town debt policy. (Finance Committee Spon.)

**Proposed**

**Order #22-95**

Moved by Councilor Hager, seconded by Councilor Hartwell and Ordered, that the Town Council adopts a debt policy as follows:

**Moved by Councilor by Councilor Shepard, seconded by Councilor Wilder Cross and VOTED to waive the Reading of Order #22-95 due to length. 6 years**

# Town of Gorham, Maine

## Debt Management Policy

The Gorham Town Council, understanding the importance of adequately managing its debt structure, hereby adopts a policy of debt management.

Management of the Town's debt and associated debt service costs is important to:

- ✓ Ensure that the Town's current rating of Moody's Aa2 and Standard and Poors AA+ or equivalent are maintained or improved.
- ✓ Ensure that the extent of debt relative to the Town's State Equalized Valuation and population are not excessive.
- ✓ Ensure that the life of debt issued does not exceed the useful life of the assets acquired with the debt proceeds.
- ✓ Provide necessary guidance during the development of the Town's Capital Improvement Program.

### A. Purposes and Uses of Debt Financing

Debt financing shall only be used to purchase capital assets or pursue capital projects, including infrastructure improvements and additions, when current revenues or fund balance are insufficient per fund balance policy adopted by the Town Council on April 5, 2011. The useful life of the asset or project shall exceed the payout schedule of any debt the Town assumes. Debt financing shall include general obligation bonds, revenue bonds, lease/purchase agreements, and other obligations permitted to be issued or incurred under Maine law.

### B. Governing Factors

The Town Council can authorize and issue general obligation securities, provided that no such securities shall be issued to finance a proposed capital expenditure over the amounts allowed in section 204.16 of the Town Charter unless such proposed expenditure shall first have been approved by referendum vote pursuant to section 901 of the Town Charter.

**Statutory Debt Limits:** The Legislature has established limits on the amount of debt that may be issued in 30-A MRSA, §5702. A municipality may further restrict the amount of the debt authorized by the Legislature.

Under §5702 and the exclusions in §5703, the following constitute the debt limits under statute as a percentage of the last full state valuation (the LFSV), 36 MRSA, §381, adjusted to 100%):

|  |              |
|--|--------------|
| School purposes --                     | 10.0% (LSFV) |
| Less state reimbursable portion, §5703 |              |
| Storm or sanitary sewers purposes --   | 7.5% (LSFV)  |
| Energy facility purposes --            | 7.5% (LSFV)  |
| Airport or special district purposes   | 3.0% (LSFV)  |
| Total of all debt less exclusions --   | 15.0% (LSFV) |

Amounts excluded from debt limitation:

The limitations on municipal debt in section 5702 shall not be construed as applying to any funds received in trust by any municipality, any loan which has been funded or refunded, notes issued in anticipation of federal or state aid or revenue sharing money, tax anticipation loans, notes maturing in the current municipal year, indebtedness of entities other than municipalities, indebtedness of any municipality to the Maine School Building Authority, debt issued under chapter 213 and Title 10, chapter 110, subchapter IV, obligations payable from revenues of the current municipal year or from other revenues previously appropriated by or committed to the municipality, and the state reimbursable portion of school debt. The limitations on municipal debt set forth in section 5702 do not apply to obligations incurred by one or more municipalities pursuant to Title 38, section 1304-B, with respect to solid waste facilities, which obligations are regulated in the manner set forth in Title 38, section 1304-B.

All calculations within this policy will also include debt service that is all or partially reimbursed, such as State School Funding.

The Town shall not issue debt to fund current or ongoing operations of the Town or Schools, except in the form of Tax Anticipation Notes (TANs) when applicable; in compliance with State law and in conformance with Internal Revenue Service (IRS) regulations.

The Town shall not lend its borrowing capacity to or guarantee debt of any other entity. At the Town's option, Industrial Revenue Bonds may be approved for use by the private sector, but any issuance of such Bonds shall not incur any liability to the Towns.

Maturity of debt obligations must be no more than the useful life of the capital investment being financed, or than the final maturity of refunded debt; pursuant to Maine law which may not exceed 30 years from issuance.

Refunding opportunities will be evaluated annually to achieve future interest cost savings.

Rules of borrowing and this Policy also cover lease purchases, as they are secured by the general obligation of the Town.

C. **Debt Limitations**

The Town shall not assume more tax-supported general-purpose debt than it retires each year without conducting an objective analysis as to the community's ability to assume and support additional debt service payments. When appropriate, self-supporting revenue bonds shall be issued before general obligation bonds.

The Town shall use an objective analytical approach to determine whether it can afford to assume new general-purpose debt beyond what it retires each year. This process shall compare generally accepted standards of affordability to the current values for the Town. The process shall also examine the direct costs and benefits of the proposed expenditures. The decision on whether or not to assume new debt shall be based on these costs and benefits, the current conditions of the municipal bond market, and the Town's ability to "afford" new debt as determined by the following standards

1. **Demand**—what is the need for borrowing

Demand is measured by the needs presented by the Capital Plan. It can also be based on opportunities that arise from time to time which require capital investment by the Town or emergency projects to ensure the safety and security of the Town.

2. **Capacity**—what is the maximum amount to borrow

The maximum amount to be borrowed at any given time will be determined by evaluating the following factors:

- a. Current and projected annual debt service level, based on current outstanding debt.
- b. Market conditions (ability to access the financing market, interest rates, etc.).
- c. Economic conditions, including cost of construction.
- d. Opportunity for participation in low interest financing programs, debt service reimbursement, grant opportunities, or other situations beneficial to the Town.

### 3. Affordability—what is the fiscal impact

A projection of annual debt service impact for each borrowing will be done, incorporating the elements of capacity. It will include budgetary impact, as well as a projection of tax impact. Debt service will be calculated as the annual amount needed to satisfy principal and interest payments, net of any applicable revenue. These standards shall include: debt as a percent of State value, debt service payments as a percent of current revenues and current expenditures, and the level of overlapping net debt of all local taxing jurisdictions.

#### a. Debt as a Percent of State Valuation:

The ratio of debt as a percent of State valuation is established by dividing outstanding debt by the most recently published State valuation for the Town.

Gorham's goal/policy limit for ratio of direct debt to state value is 3.25% for the School/Town combine.

The ratio of total debt (including overlapping debt) to state value should not exceed 3.75%.

#### **EXAMPLE**

FY2021 State Valuation: \$2,152,750,000

| FY2021 Debt:           | Maximum Limit    | Actual (FY2021)  |
|------------------------|------------------|------------------|
| Total Town/School Debt | \$69,000,000     | \$43,011,065     |
| Overlapping Debt       | <u>7,182,912</u> | <u>7,182,912</u> |
| Total Debt             | \$76,182,912     | \$50,193,977     |
| Town/School debt %     | 3.21%            | 2.00%            |
| Town Total debt %      | 3.54%            | 2.33%            |

Town/School debt: Town & School Debt / State Valuation

Total debt: Total Debt / State Valuation

#### b. Debt Service Payments as a Percent of Budget:

The ratio of annual debt service costs to budget is determined by dividing the sum of all principal and interest payments due in a fiscal year by the total appropriations.

Gorham's goal/policy limit for total debt service as percentage of budget is 25%

### **EXAMPLE**

FY2021 Town/School Appropriation: \$31,694,541

| FY2021 Debt:             | Maximum Limit | Actual (FY2021) |
|--------------------------|---------------|-----------------|
| Total Town/School Debt   | \$69,000,000  | \$43,011,065    |
| Annual debt service      | 7.923.635 **  | 5,077,714       |
| Debt Service % of Budget | 25.00%        | 16.02%          |

Debt Service % of Budget: Annual debt service / Town & School appropriations

c. Debt as an impact on taxpayers

No debt shall be incurred (except emergency debt for life safety) that impacts the percentage of property tax paid by a single family home more than 5% in any one year.

4. Debt Type—what is the best type of debt

Long Term Debt: The following are the types of long-term debt that can be issued by the Town of Gorham.

- a. General Obligation debt pledges the “full faith and credit” and the unlimited ad valorem taxing power of the Town of Gorham. While other revenue sources may be used for the payment of the debt, should those revenues not be sufficient, the Town pledges to use its power to tax to pay the debt service due.
- b. Limited Obligation debt, which may include revenue bonds, do not pledge the power of taxation but a particular revenue stream or revenue sources. The revenue pledge must be of sufficient amount to meet the debt service requirements of the bond.
- c. Refunding debt may be either General or Limited Obligation debt. The purpose of refunding debt is to take advantage of a reduction in interest rates and realize a savings in interest costs, restructure outstanding debt or to change burdensome bond covenants.

Short Term Debt: The following are the types of short-term debt which can be issued by the Town of Gorham – tax anticipation notes, bond anticipation notes, and revenue anticipation notes.

- a. Anticipation notes are issued as a bridge between the cash flow needs of the Town and the expectation of either a payment of taxes, a receipt of discrete

revenue, or the issuance of permanent bonds. By their nature, notes are usually issued for up to one year, but the term may be longer than a year but not longer than three years (30 MRSA, §5772 (1) (b)). The notes may be issued as either General Obligation or Limited Obligation.

5. Term—length of payback period

Financing shall be secured with the goal of paying back the debt over a term that is of the greatest benefit to the Town that does not exceed the economic life of the improvements financed. Generally, the term will be between 15 and 20 years and also based on the useful life of the asset and affordability of payback.

6. Payment Structure—how payments are applied

- a. Payments will be structured with level principal and declining interest over the life of the debt, except
- b. There shall be no debt structures, which include increasing debt service levels in subsequent years, with the exception being the first and second year of a bond payout schedule.
- c. There shall be no “balloon” bond repayment schedules, which consist of low annual payments and one large payment of the balance due at the end of the term.
- d. There shall always be at least interest paid in the first fiscal year after a bond sale and principal starting no later than the second fiscal year after the bond issue.
- e. Call provisions for bond issues shall be made as short as possible consistent with the lowest interest cost to the Town. When possible, all bonds shall be callable only at par.

7. Refunding— bond issuance, issued at a lower rate, used to pay off another outstanding bond

- a. Opportunities for refunding will be reviewed when issuing other GO bonds in order to package issues.
- b. Opportunities for refunding will be considered independently for issues where the net savings, after costs of issuance, is estimated to be at least 3% of the par amount (face value) of the bonds being refunded.

D. **Sale Process**

When the Town opts to go into the open market for its bond issues versus going through the Maine Municipal Bond Bank, the Town will use an independent Financial Advisor to

assist in the sale of all municipal borrowings. This allows the Town continued access to the bond market and ensures compliance with all Securities and Exchange Commission (SEC), Municipal Securities Rulemaking Board (MSRB) and IRS regulations. The Town shall use a competitive bidding process in the sale of debt unless the nature of the issue warrants a negotiated sale. The Town shall ~~attempt to~~ award the bonds based on a true interest cost (TIC) basis. True Interest Cost is the rate, which when used to discount total debt service payments, results in the bond purchase price. ~~However,~~ The Town shall ~~may~~ award notes ~~bonds~~ based on a net interest cost (NIC) basis as long as the independent Financial Advisor agrees that the NIC basis can satisfactorily determine the lowest and best bid. The Net Interest Cost is a common method of computing interest expense of a note ~~bond~~ issue, defined as Total Interest Payments + Discount or – Premium divided by Bond Years.

The Town may also enter into lease purchase agreements if it is determined to be cost effective.

Each issuance of general obligation debt will be evaluated to determine compliance with this policy, and that information will be submitted to the Town Council as they deliberate actions on financing approvals.

E. **Bond Counsel**

The Town will retain external bond counsel for all debt issues. All debt issued by the Town will include a written opinion by the bond counsel affirming that the Town is authorized to issue the debt, stating that the Town has met all state constitutional and statutory requirements necessary for issuance, and determining the debt's federal income tax status.

F. **Rating Agencies**

Full disclosure of operations and open lines of communication shall be made to the rating agencies. The Finance Director, with assistance of its independent Financial Advisor, shall prepare the necessary materials and presentation to the rating agencies. Credit ratings will be sought from at least Moody's and/or Standard & Poor's, as recommended by the Town's independent Financial Advisor.

It is the goal of the Town to maintain or improve these ratings, as it allows easy entry into the bond sale market and favorable interest rates. This policy in conjunction with other fiscal policies of the Town, overall good fiscal management and reliable reporting are critical in rating maintenance.

G. **Interest Earnings and/or Bond Premiums**

Bond Premiums received on the investment of the bond proceeds shall be used to cover bond issuance cost, assist in paying the interest due on bond issues and any potential arbitrage costs.



Interest earned on the investment of bond proceeds shall be used to assist in paying the interest due on bond issues and any potential arbitrage costs.

**H. Conduit Financings**

Conduit financings are securities issued by a government agency to finance a project of a third party, such as a non-profit organization or other private entity. The Town may sponsor conduit financings for those activities (e.g., economic development, housing) that have a general public purpose and are consistent with the Town's overall service and policy objectives. Unless a compelling public policy rationale exists, such conduit financings will not in any way pledge the Town's faith and credit.

**L. Disclosure Practices and Arbitrage Compliance**

The Town of Gorham will comply as required by federal regulations with respect to arbitrage and disclosure requirements.

The Town's debt information is part of the Comprehensive Annual Financial Report (CAFR). Annual debt service requirements are budgeted as part of the annual budget approval process. Bond ratings received by rating agencies are published and available for public review.

The Town Council and Finance Committee receive an annual report on the overall debt status of the Town in the form of the CAFR.

**Moved by Councilor Hartwell, seconded by Councilor Hager and VOTED to amend the order to change Section 3, B, Debt Service % from Budget, from 25% to 20%. 6 yeas**

**Order #22-95 was VOTED as amended 6 yeas**

|                         |  |
|-------------------------|--|
| <b>Item #2022-08-06</b> | Action to consider setting a date for a public hearing on consideration of a Gorham School Department Bond Referendum. (Councilor Pratt Spon.) |
|-------------------------|--|

**Proposed**

**Order #22-96**

Moved by Councilor Kuech, seconded by Councilor Hager and Ordered, that the Town Council sets September 6, 2022 as a public hearing on the Gorham School Department Bond Referendum; and

Be It Further Ordered that the Town Council instructs staff to advertise the public hearing with the requested amount and specific projects.

**Order #22-96 was VOTED 6 yeas**

**Item #2022-08-07**

Action to consider setting a public hearing for a charter amendment.  
(Councilor Pratt Spon.)

**Proposed**

**Order #22-97**

Moved by Councilor Shepard, seconded by Councilor Hager and Ordered, that the Town Council sets September 6, 2022 as a public hearing on amending the Gorham Town Charter, Sections 204.16 and 901.13, to amend the voter referendum cap to \$500,000 and link that number to the Consumer Price Index; and

Be It Further Ordered that the Town Council instructs staff to advertise the public hearing with the specific charter amendment language as required by law and prepared by legal counsel.

**Order #22-97 was VOTED 6 yeas**

**Item #2022-08-08**

Action to enter into executive session for a personnel matter. (Admin. Spon.)

**Proposed**

**Order #22-98**

Moved by Councilor Hager, seconded by Councilor Wilder Cross and Ordered, that the Town Council enters into executive session pursuant to 1 M.R.S.A. § 405(6) (A) for a personnel matter.

**Order #22-98 was VOTED 6 yeas**

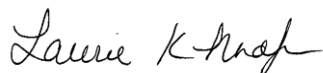
**Moved by Councilor Hager, seconded by Councilor Shepard and VOTED to come out of Executive Session. 6 yeas**

**Moved by Councilor Hartwell, seconded by Councilor Hager and VOTED to adjourn. 6 yeas**

Time of Adjournment: 9:25pm

A True Record of Meeting  
08-02-2022

ATTEST



Laurie Nordfors, Town Clerk  
08-03-2022









