

CITY OF SACO

PUBLIC HEARING

The Saco City Council will hold public hearings at 7:00 p.m. on Monday, August 31, 2009 at the City Hall Auditorium to consider the following:

BOND QUESTION FOR PAVING AND IMPROVMENTS OF PUBLIC STREETS

Question # 1

Shall the Order of the City Council of the City of Saco entitled "Order Authorizing the City of Saco to Borrow an Amount Not to Exceed \$2,300,000 for Paving and Improvement of Public Streets. It is estimated \$2,300,000 will cover most of the cost of paving of the Street List attached, as Exhibit A and other streets, as the need may arise", be ratified and approved?

Yes _____

No _____

ORDER AUTHORIZING THE CITY OF SACO

TO BORROW AN AMOUNT NOT TO EXCEED \$2,300,000

FOR PAVING AND IMPROVEMENT OF PUBLIC STREETS. IT IS ESTIMATED \$2,300,000 WILL COVER MOST OF THE COST OF PAVING OF THE STREET LIST ATTACHED AS EXHIBIT A AND OTHER STREETS AS THE NEED MAY ARISE.

BE IT ORDERED BY THE CITY COUNCIL OF THE CITY OF SACO, MAINE IN CITY COUNCIL ASSEMBLED:

1. Bonds Authorized. Pursuant to Maine law, including 30-A M.R.S.A. 5772 and Section 6.15 of the Charter of the City of Saco and all other authority thereto enabling, there is hereby authorized and approved the issuance of general obligation bonds (the "Bonds") of the City, and temporary notes in anticipation thereof (the "Notes"), in an aggregate principal amount not to exceed \$2,300,000. The Bonds shall be designated "City of Saco, Maine, General Obligation Bonds" and any notes in anticipation thereof shall be designated "City of Saco General Obligation Bond Anticipation Notes." The proceeds of the Bonds and any Notes shall used to finance the costs of paving and improvements of public streets in the City of Saco (the "Project") and reasonably related costs, including site work, appurtenances and other facilities reasonably related to the Project, including drainage facilities and manholes, the cost of planning, preparation of specifications, surveys, engineering, legal and other professional services associated with the Project, costs of issuance of the Bonds and any Notes, and capitalized interest prior to and during construction and for a period not to exceed three (3) years from the issue date of the Bonds or Notes. The City Council shall determine which streets or portions thereof are to be paved and improved.

2. Period of Utility. The estimated period of utility of the Project is twelve (12) years.

3. Tax Levy. Pursuant to Section 6.15 of the Charter of the City of Saco, an amount necessary to meet the annual payments of principal and interest on the Bonds (and any Notes not paid from the proceeds of Bonds issued hereunder) shall be included in the tax levy of the City each year until the debt represented by said Bonds and Notes is extinguished.

4. Details of Bonds. To the extent not inconsistent with this Order and the Charter of the City, the discretion to fix the date(s), maturity(ies) of the Bonds and/or Notes, denomination(s), interest rate(s), place(s) of payment, form(s) and other details of said Bonds and Notes, and to provide for the sale thereof, including execution of said Bonds and Notes on behalf of the City of Saco and delivery against payment therefore, is hereby delegated to the Treasurer and Mayor of the City of Saco. The Bonds shall be payable within a fixed term of years to be determined by the Mayor and Treasurer, not to exceed eight (8) years and thirty (30) days, and Notes in anticipation of Bonds shall not exceed a term of three (3) years from the date of the initial issuance of any Notes. Bonds shall be made payable as pertains to interest semi-annually and as pertains to principal in equal, annual serial installments, except that: (1) each year's installments may be adjusted to the nearest multiple of \$5,000; and (2) the amount of each year's installment may vary provided that it is equal to or greater than the installment due and payable in any succeeding year. The Bonds and any Notes shall contain such terms and provisions, not inconsistent herewith, as the Treasurer and Mayor may hereafter determine. All determinations by the Mayor and Treasurer shall be conclusively evidenced by their execution of the Bonds or Notes. The Treasurer and Mayor are authorized to provide that any of the Bonds and Notes be made callable, with or without premium, prior to their maturity. Each Bond or Note issued hereunder shall be signed by the Treasurer and countersigned by the Mayor. The Mayor and Treasurer are authorized to select a financial advisor and/or an underwriter for the Bonds and Notes, and the Mayor and Treasurer are authorized and empowered to execute and deliver such contracts or agreements as may be necessary or appropriate in connection therewith.

5. Sale of Bonds. The Treasurer is authorized to prepare, or cause to be prepared, a Notice of Sale and/or a Preliminary Official Statement and an Official Statement for use in the offering and sale of the Bonds and/or Notes, such Notice of Sale, Preliminary Official Statement and Official Statement to be in such form and contain such information as may be approved by the Treasurer. Distribution of the Notice of Sale and/or Preliminary Official Statement and the Official Statement in the name of and on behalf of the City in connection with offering the Bonds and/or Notes is hereby authorized and approved. The Treasurer is authorized to covenant, certify and agree, on behalf of the City, for the benefit of the holders of the Notes or Bonds, that the City will file any required reports, make any annual financial or material event disclosure, and take any other action that may be necessary to insure that the disclosure requirements imposed by Rule 15c2-12 of the Securities and Exchange Commission, if applicable, are met.

6. Alternate Method of Sale. In lieu or as an alternative to the method of offering of the Bonds described in section 5 above, the Treasurer is authorized to file an application for sale of the Bonds to the Maine Municipal Bond Bank (the "Bank"), and the Treasurer and Mayor are hereby authorized and empowered in the name and on behalf of the City to borrow up to \$2,300,000 from the Bank pursuant to a Loan Agreement between the City and the Bank providing for a loan from the Bank in the principal amount not in excess of \$2,300,000, and the Treasurer is authorized and empowered, in the name and on behalf of the City, to execute and deliver, under the seal of the City, attested by its Clerk, a Loan Agreement to be in the usual and ordinary form utilized by the Bank, which is hereby approved, and to contain such other terms and provisions, not contrary to the general tenor hereof, as the Treasurer may approve, with her approval to be conclusively evidenced by her execution thereof; the Treasurer and Mayor are further authorized to issue, sell and deliver to the Bank as evidence of the aforesaid loan of up to \$2,300,000 and against payment therefore, Bonds in a principal amount not to exceed \$2,300,000, such Bonds to mature and be payable on such dates and in such amounts as approved by the Treasurer and Mayor; to bear interest at the rates specified by the Bank, which rates shall be subject to approval by the Treasurer and Mayor, such approval to be conclusively evidenced by their execution and delivery of such Bonds, payable semi-annually; to be issued as a single, fully registered Bond in the an amount not to exceed \$2,300,000 maturing and payable in installments as aforesaid; to be signed by the Treasurer and countersigned by the Mayor, and sealed with the seal of the City, attested to by its Clerk; and the Treasurer, Mayor and other proper officials of the City be, and hereby are, authorized and empowered in its name and on its behalf, to do or cause to be done all such acts and things as may be deemed necessary or desirable in order to effect the borrowing from said Bank of up to \$2,300,000 and the issue and delivery to said Bank as evidence thereof of a corresponding principal amount of the Bonds of the City as authorized in this Order.

7. Tax Exempt Bonds. The Treasurer is authorized to covenant and certify on behalf of the City that: (a) no part of the proceeds of the issue and sale of the Notes or the Bonds authorized to be issued hereunder shall be used directly or indirectly to acquire any securities or obligations, the acquisition of which would cause such Notes or Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), (b) no part of the proceeds of the issue and sale of such Notes or Bonds (including any notes and bonds in renewal thereof) shall be used, directly or indirectly, in such manner which would cause the Notes or Bonds to be "private activity bonds" within the meaning of Section 141 of the Code, (c) all required information reports shall be filed and any rebate due to the United States in connection with the issuance of said Bonds and Notes shall be paid, and (d) the City shall take all other lawful actions necessary to insure the interest on the Bonds and Notes will be excluded 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 or Notes to become includable in the gross income of the owners thereof. The Treasurer is also authorized and empowered to designate the Bonds and/or Notes as qualified tax-exempt obligations for purposes of Section 265(b) of the Code, to the extent the election may be available and advisable as determined by the Treasurer.

8. Build America Bonds. Notwithstanding any contrary provisions in this Order, the City is authorized to issue all or any portion of any of the Bonds or Notes as taxable governmental bonds, in accordance with the applicable requirements for Build America Bonds, if the Mayor and Treasurer determine, in consultation with the financial advisor of the City, that issuing such Bonds and/or Notes as taxable Build America Bonds will result in a lower cost of funds to the City, such determination to be conclusively evidenced by the execution of Bonds or Notes by the Mayor and Treasurer, designating the same as "Build America Bonds." "Build America Bonds" mean Bonds or Notes issued as taxable governmental bonds or notes with Federal subsidies in the form of either tax credits to holders or refundable tax credits paid to the City as issuer, authorized under the American Recovery and Reinvestment Act of 2009, and Section 54AA of the Code, and any amendments of or successor provision to the foregoing. The terms for any redemption of such Build America Bonds prior to maturity shall be determined by the Mayor and Treasurer. The Treasurer and Mayor are authorized to take such actions as may be required under applicable Federal law to cause such Bonds or Note to qualify for treatment as Build America Bonds and to obtain refundable tax credit payments, including designation of all or a portion of the Bonds and/or Notes as Build America Bonds, election to have Section 54AA of the Code apply to such Bonds and/or Notes, and election irrevocably to have Section 54AA(g) of the Code apply to such Bonds and/or Notes, with the result that the City shall be entitled to the credit provided in Section 6431 of the Code.

9. Documents and Certificates. The Mayor, Treasurer, City Clerk and other appropriate officials of the City of Saco are authorized to execute and deliver on behalf of the City such other documents and certificates as may be required in connection with such Bonds and Notes, and to do or cause to be done all acts and things, not inconsistent herewith, as may be necessary or appropriate in order to effect the issuance, execution, sale and delivery of the Bonds and any Notes, and to carry out the provisions of this Order in connection with the Project.

10. Appropriation. The sum of \$2,300,000 is hereby appropriated to finance the Project costs, such amount to be raised by the issuance of the Bonds and/or Notes of the City. In addition, the investment earnings on the proceeds of the Bonds and Notes, if any, and the excess proceeds of the Bonds and Notes, if any, are hereby appropriated for the following purposes, such proceeds to be held and applied in the following order of priority: (a) to any Project costs in excess of the principal amount of the Bonds or Notes; and (b) in accordance with applicable terms and provisions of the Arbitrage and the Use of Proceeds Certificate delivered in connection with the sale of the Bonds or Notes.

11. Reimbursement. This Bond Order shall constitute the City's declaration of official intent within the meaning of Treasury Regulation 1.150-2 to pay, on an interim basis, costs of the Project in an amount up to the principal amount of the Bonds to be issued, which costs the City reasonably expects to reimburse with proceeds of the Bonds or Notes.

12. Referendum Vote. Pursuant to Section 6.15 of the Charter of the City, the following question shall be submitted to the voters of the City of Saco for ratification or rejection at a referendum vote to be held on November 3, 2009: "Shall the Order of the City Council of the City of Saco entitled 'Order Authorizing the City of Saco to Borrow an Amount Not to Exceed \$2,300,000 for Paving and Improvement of Public Streets. It is estimated \$2,300,000 will cover most of the cost of paving of the Street List attached, as Exhibit A and other streets, as the need may arise', be ratified and approved?"

13. City Clerk. A copy of this order shall be filed with the City Clerk.

EXHIBIT A

2010 PAVING AND IMPROVEMENTS OF PUBLIC STREETS

NAME	FROM STREET	TO STREET	LENGTH (mi)	ESTIMATED COST
ANDERSON LN.	FLAGPOND RD	END	0.04	\$ 2,415
BARTLETT ST.	COMMON ST.	END	0.04	\$ 4,829
BAYVIEW TERRACE	BAYVIEW RD.	END	0.21	\$ 20,825
BERRY ROAD	BOOM RD.	END	0.84	\$ 117,180
BOOM RD	OVERPASS	SKYLINE DRIVE	0.55	\$ 47,429
BOOM RD C	HIGH POINT DR	SMUTTY LN	0.60	\$ 51,740
BRADLEY ST- MDOT Match	SPRING ST.	TASKER ST	0.56	\$77,000
BRENDA CIRCLE	WENDY WAY	END	0.14	\$ 29,295
CANTARA AVE.	BRADLEY ST.	NYE ST.	0.17	\$ 10,995
CLARK ST.	UNION	MAIN	0.13	\$ 12,331
CROSS ST.	ELM ST.	MAIN ST.	0.09	\$ 16,478
DEERING ST.	WHARF ST.	BARTLETT ST.	0.09	\$ 15,694
DOUGLAS AVE.	HILLVIEW AVE.	JEFFERY	0.38	\$ 79,515
ELMWOOD DR.	FERRY RD.	END	0.36	\$ 37,253
FERRY LANE	FERRY RD.	END	0.19	\$ 14,746
FERRY RD	SEASIDE	BAYVIEW RD	1.13	\$ 116,933
FERRY RD B	BAYVIEW RD	GLENHAVEN CR	0.83	\$ 188,151
FERRY RD C	GLENHAVEN	ELMWOOD DR	0.63	\$ 59,760
FERRY RD D	ELMWOOD DR	OLD ORCHARD RD	0.48	\$ 53,810
FOSS RD.	RTE 112/BUXTON RD.	END	0.04	\$ 6,975
FOX HILL LANE	WILDWOOD DR.	END	0.07	\$ 8,451
GRAY AVE.	COMMON ST.	END	0.06	\$ 14,648
HILLVIEW AVE.	RTE 112	END	0.39	\$ 40,357
HILLVIEW AVE. EXT.	HILLVIEW AVE.	RTE 112	0.12	\$ 11,383
HUTCHINS ST.	MAIN ST.	LYMAN AVE.	0.13	\$ 10,089
JEFFERY AVE.	HILLVIEW AVE.	END	0.13	\$ 13,452
JENKINS RD	NORTH ST	WINDING BROOK	0.88	\$ 153,451
JENKINS RD B	WINDING BROOK	FLAGPOND RD	1.60	\$ 279,001
KING ST.	WASHINGTON AVE.	MAIN ST	0.47	\$ 98,348
LAFAYETTE ST.	MAY ST.	LILLIAN ST	0.29	\$ 25,008
LEBANON RD.	LINCOLN RD.	END	0.05	\$ 2,803
LILLIAN AVE.	LAFAYETTE ST	END	0.10	\$ 13,950
LINCOLN ST A	ELM ST.	MARKET ST.	0.52	\$ 67,262
LINCOLN ST B	MARKET ST	BOOM RD	0.70	\$ 72,436
MAIN AVE	CAMP ELLIS AVE	NORTH AVE	0.17	\$ 15,393
MARSHWOODS CIR.	BAYVIEW TERRACE	END	0.05	\$ 5,174
MCKENNEY RD	GRANT RD	MAST HILL RD	0.99	\$ 93,908
MECHANIC ST.	SPRING ST.	SCAMMON ST.	0.17	\$ 20,524
MICHELLE WAY	BERRY ROAD	END	0.23	\$ 23,801
MIDDLE ST.	COMMON ST.	BEACH ST.	0.04	\$ 6,209
NORTH ST- MDOT Match	ELM ST.	PARK ST.	0.54	\$117,400
NYE ST.	NORTH ST.	CENTRAL ST	0.26	\$ 40,804
OCEANVIEW CIR.	BAYVIEW TERRACE	END	0.05	\$ 4,958
OLD ORCHARD RD.	BEACH ST	TIMBER OAKS LN	0.86	\$ 179,956
PARK RD.	VIRGINIA AVE.	END	0.21	\$ 14,487
PEABODY LANE	ELMWOOD DR.	END	0.09	\$ 9,313
RICKER RD B	HOUSE #66	FLAG POND RD	0.63	\$ 109,857
SCHOOL ST.	WILLOW ST.	MAIN ST.	0.35	\$ 51,309
SMUTTY LN B	RT 5	BOOM RD	1.35	\$ 116,415
STOCKMAN AVE. EXT.	MABEL AVE.	END	0.07	\$ 7,244
SUMMER ST.	MAIN ST.	WINTER ST.	0.27	\$ 25,611
TIMBER OAKS LN.	OLD ORCHARD RD.	END	0.13	\$ 13,452
WENDY WAY	RTE 112	DOUGLAS AVE.	0.28	\$ 28,975
WHARF ST.	FRONT ST.	COMMON ST.	0.08	\$ 10,348
WINTER ST. EXT.	WINTER @ KING	KING ST.	0.18	\$ 37,665

Miles of Road: 20.01

City of Saco, Maine
Debt Service Summary
As of June 30, 2009

	City General Fund **			
	Principal	Interest	Agent Fees	Total
2010	\$ 963,566	\$ 332,993	\$ 5,840	\$ 1,302,400
2011	\$ 806,066	\$ 301,004	\$ 5,751	\$ 1,112,821
2012	\$ 806,066	\$ 274,441	\$ 5,662	\$ 1,086,169
2013	\$ 803,566	\$ 247,790	\$ 5,573	\$ 1,056,929
2014	\$ 801,066	\$ 221,142	\$ 5,484	\$ 1,027,692
2015	\$ 801,066	\$ 194,307	\$ 5,394	\$ 1,000,768
2016	\$ 726,066	\$ 168,969	\$ 5,155	\$ 900,190
2017	\$ 726,066	\$ 145,293	\$ 5,066	\$ 876,425
2018	\$ 481,066	\$ 126,466	\$ 2,833	\$ 610,364
2019	\$ 481,066	\$ 112,486	\$ 2,805	\$ 596,357
2020	\$ 290,000	\$ 99,535	\$	\$ 389,535
2021	\$ 290,000	\$ 87,425	\$	\$ 377,425
2022	\$ 290,000	\$ 75,315	\$	\$ 365,315
2023	\$ 290,000	\$ 63,111	\$	\$ 353,111
2024	\$ 290,000	\$ 50,760	\$	\$ 340,760
2025	\$ 290,000	\$ 38,355	\$	\$ 328,355
2026	\$ 290,000	\$ 25,950	\$	\$ 315,950
2027	\$ 215,000	\$ 13,545	\$	\$ 228,545
2028	\$ 215,000	\$ 4,515	\$	\$ 219,515
Total	\$9,855,661	\$2,583,403	\$ 49,563	\$12,488,627

retiring
debt

\$ 189,579
\$ 216,231
\$ 245,471
\$ 274,708
\$ 301,632
\$ 402,209
\$ 425,974
\$ 692,036 \$2,747,840
\$ 708,043
\$ 912,865
\$ 924,975
\$ 937,085
\$ 949,289
\$ 961,640
\$ 974,045
\$ 986,450
\$ 1,073,855
\$ 1,082,885

** excludes School and WWTP debt