

**Special Board of Selectmen's Meeting**  
**September 2, 2010**  
**4:00 p.m. – Southwest Harbor Town Office**

**MINUTES OF MEETING**

I. Call to Order/Roll Call: The meeting was called to order at 4:00 p.m. Present: Ralph Dunbar, Jr., George Jellison, Jr., David Minctons, Trudy Bickford, Town Manager; Robin M. Bennett, Emergency Management Director; Pat Biegler; absent: Dorr Wilson.

II. Water-Sewer Bond Re-financing Document Execution – It was Moved Bickford and Seconded Jellison that the Board of Selectmen approve the following: That pursuant to the Constitution and laws of the State of Maine and authority granted by Section 5772 of Title 30-A of the Maine Revised Statutes, as amended, and action of the voters of the Town at a town meeting duly called and legally held on August 31, 2010, and any other applicable authority under the Laws of the State of Maine thereto enabling, the Town of Southwest Harbor is hereby authorized to borrow from the Maine Municipal Bond Bank (the "Bond Bank") a principal amount not to exceed Two Million Two Hundred Seventy-Three Thousand Eight Hundred Sixty-Six Dollars (\$2,273,866), the proceeds of the loan to be used to repay and refinance up to six bonds issued for water and sewer projects in the Town of Southwest Harbor as follows: 1) 2004 General Obligation Wastewater Bond in a principal amount of \$617,000 issued on November 17, 2004 at an interest rate of 4.50%; 2) 2003 General Obligation Bond Wastewater Bond in a principal amount of 570,000, issued on November 20, 2003 at an interest rate of 4.75%; 3) 2003 General Obligation Bond Wastewater Bond in a principal amount of \$173,000, issued on November 20, 2003 at an interest rate of 4.75%; 4) 1998 General Obligation Water Bond in a principal amount of \$402,000, issued on November 20, 2003 at an interest rate of 4.75%; 5) 1998 General Obligation Water Bond in a principal amount of \$800,000, issued on December 9, 1998 at an interest rate of 4.75%; and 6) 1991 General Obligation Water Bond in a principal amount of \$424,000, issued on June 20, 1990 at an interest rate of 6.0% (the "Project"), said loan to be evidenced by the 2010 General Obligation Bond of the Town of Southwest Harbor, for a term not to exceed twenty-four (24) years, to be executed on behalf of the Town by the Town Treasurer and counter-signed by at least a majority of the Board of Selectmen and to be at such interest rates may be established by the Bond Bank and approved by the Treasurer and majority of the Selectmen with such maturities, and to be on such further terms and conditions as may be prescribed by the lender (the "Bond").

That the Town Treasurer or the Chairman of the Board of Selectmen of the Town be and each of them hereby is authorized for the foregoing purposes to make application to the Maine Municipal Bond Bank for sale of the Bond, and to execute a Loan Agreement with the Bond Bank in such form as the Bond Bank may require, and further, that the Town Treasurer, Clerk and Chairman of the Board of Selectmen be and each of them hereby is authorized to take such action to execute any and all documents, affixing the seal of the

Town where necessary, in order to carry into effect the full intent of the foregoing votes or any of them.

That all actions heretofore taken by the municipal officers of the Town of Southwest Harbor relating to the issuance of the Bond to the Maine Municipal Bond Bank and they are hereby ratified, approved and confirmed.

That pursuant to the requirements of the Internal Revenue Code of 1986, as amended, the Town designates the Bond to be a "qualified tax exempt obligation" of the Town, and that the Town shall not issue in 2010 an aggregate total amount of qualified tax exempt obligations in excess of \$30,000,000. Further, the Town does not reasonably expect to issue qualified tax exempt obligations in an amount in excess of \$5,000,000 during 2010.

That the Town shall take any and all actions required under the Internal Revenue Code of 1986, as amended, to maintain the tax exempt status of the interest on the Bond, and to maintain the status of the Bond as a "qualified tax exempt obligation" of the Town, and that the Bond may be subject to such further terms and conditions as may be agreed to by a majority at least of the Board of Selectmen and the Treasurer of the Town to carry into effect the full intent of this vote.

That one or more Bonds in the aggregate principal amount of \$2,273,866 may be sold to the Maine Municipal Bond Bank.

That authority to allocate and designate one or more of the Bonds, in whole or partial maturities, in varying principal amounts, as any of tax exempt, Build America Bonds, recovery zone economic development bonds, qualified school construction bonds and/or qualified energy conservation bonds is hereby delegated to the Chairman or the Treasurer of the Town.

That authority to invest that portion Bonds constituting the debt service reserve fund in a taxable bond issued by the Bond Bank is hereby delegated to the Chairman or the Treasurer of the Town.

That the law firm of Eaton Peabody is hereby designated as bond counsel for the Town to advise the Town with respect to the issuance and sale of the Bond, and to prepare documents and render opinions as may be necessary or convenient for the purpose.

That the Town Treasurer or the Chairman be and each of them hereby is authorized for the foregoing purposes to make application to the Maine Municipal Bond Bank for sale of the Bond, and to execute a Loan Agreement with the Bond Bank in such form as the Bond Bank may require, and further, that the Town Treasurer, Clerk and Chairman of the Board of Selectmen be and each of them hereby is authorized to take such action to execute any and all documents, affixing the seal of the Town where necessary, in order to carry into effect the full intent of the foregoing votes or any of them. Vote 4 – 0 –  
Motions passed.

III. Wesley Avenue-Mansell Lane Bond Document Execution: It was Moved Jellison and Seconded Minctons that the Board approve the following: That pursuant to the Constitution and laws of the State of Maine and authority granted by Section 5772 of Title 30-A of the Maine Revised Statutes, as amended, and action of the voters of the Town at a town meeting duly called and legally held on August 31, 2010, and any other applicable authority under the Laws of the State of Maine thereto enabling, the Town of Southwest Harbor is hereby authorized to borrow from the Maine Municipal Bond Bank (the "Bond Bank") a principal amount not to exceed One Million Six Hundred Seventy-Eight Thousand Dollars (\$1,678,000) the proceeds of the loan to be used to finance improvements to the Town's infrastructure systems including, but not limited to road, water, sewer and stormwater improvements on Wesley Avenue and Mansell Lane in the Town of Southwest Harbor (the "Project"), said loan to be evidenced by the 2010 General Obligation Bond of the Town of Southwest Harbor, for a term not to exceed twenty-one (21) years, to be executed on behalf of the Town by the Town Treasurer and counter-signed by at least a majority of the Board of Selectmen and to be at such interest rates may be established by the Bond Bank and approved by the Treasurer and majority of the Selectmen with such maturities, and to be on such further terms and conditions as may be prescribed by the lender (the "Bond").

That the Town Treasurer or the Chairman of the Board of Selectmen of the Town be and each of them hereby is authorized for the foregoing purposes to make application to the Maine Municipal Bond Bank for sale of the Bond, and to execute a Loan Agreement with the Bond Bank in such form as the Bond Bank may require, and further, that the Town Treasurer, Clerk and Chairman of the Board of Selectmen be and each of them hereby is authorized to take such action to execute any and all documents, affixing the seal of the Town where necessary, in order to carry into effect the full intent of the foregoing votes or any of them.

That all actions heretofore taken by the municipal officers of the Town of Southwest Harbor relating to the issuance of the Bond to the Maine Municipal Bond Bank and they are hereby ratified, approved and confirmed.

That pursuant to the requirements of the Internal Revenue Code of 1986, as amended, the Town designates the Bond to be a "qualified tax exempt obligation" of the Town, and that the Town shall not issue in 2010 an aggregate total amount of qualified tax exempt obligations in excess of \$30,000,000. Further, the Town does not reasonably expect to issue qualified tax exempt obligations in an amount in excess of \$5,000,000 during 2010.

That the Town shall take any and all actions required under the Internal Revenue Code of 1986, as amended, to maintain the tax exempt status of the interest on the Bond, and to maintain the status of the Bond as a "qualified tax exempt obligation" of the Town, and that the Bond may be subject to such further terms and conditions as may be agreed to by

a majority at least of the Board of Selectmen and the Treasurer of the Town to carry into effect the full intent of this vote.

That one or more Bonds in the aggregate principal amount of \$1,678,000 may be sold to the Maine Municipal Bond Bank.

That authority to allocate and designate one or more of the Bonds, in whole or partial maturities, in varying principal amounts, as any of tax exempt, Build America Bonds, recovery zone economic development bonds, qualified school construction bonds and/or qualified energy conservation bonds is hereby delegated to the Chairman or the Treasurer of the Town.

That authority to invest that portion Bonds constituting the debt service reserve fund in a taxable bond issued by the Bond Bank is hereby delegated to the Chairman or the Treasurer of the Town.

That the law firm of Eaton Peabody is hereby designated as bond counsel for the Town to advise the Town with respect to the issuance and sale of the Bond, and to prepare documents and render opinions as may be necessary or convenient for the purpose.

That the Town Treasurer or the Chairman be and each of them hereby is authorized for the foregoing purposes to make application to the Maine Municipal Bond Bank for sale of the Bond, and to execute a Loan Agreement with the Bond Bank in such form as the Bond Bank may require, and further, that the Town Treasurer, Clerk and Chairman of the Board of Selectmen be and each of them hereby is authorized to take such action to execute any and all documents, affixing the seal of the Town where necessary, in order to carry into effect the full intent of the foregoing votes or any of them. Vote: 4 – 0 – Motions passed.

IV. Emergency Management – Hurricane Earl: Biegler informed the Board of the things that need to be considered concerning the impending hurricane and requested that the Board authorize the activation of the Emergency Ops Center where decisions will be made concerning issuance of a declaration of emergency if needed. The Board has the option to have a rep at the meeting and making decisions throughout the time period or authorize the Town Manager to be decision maker for emergency declaration.

It was Moved Jellison and Seconded Bickford to activate the Emergency Operations Center: Discussion: Jellison asked if Dever will be running the operation in the Harbor. Bennett said he is still an employee of the Town, and will be acting in that capacity. She told the Board there is no additional exposure whether he is working full time or part time. Vote: 4 – 0

It was Moved Dunbar and Seconded Minctons to appoint Town Manager Bennett to represent the Town in declaring a State of Emergency if needed, and to make decisions on other such services as may be required during that time. Vote: 4 – 0.

Chairman Dunbar said he feels the Harbor is in limbo and would like the Board to meet next week to hire a Harbormaster. The Board, after some discussion, felt the process of hiring a Harbormaster should be accomplished as thoroughly and swiftly as possible, as outlined in the previous meeting, by the Town Manager.

Dunbar expressed concern that the Mansell Lane Project will interfere with the transport of boats to and from the Harbor, and asked that the work on that road be timed to allow as little disruption as possible.

V. Adjournment: It was Moved Minctons and Seconded Bickford to adjourn the meeting at 4:50 Vote: 4 - 0.