

THE BOND ISSUER

Maine Municipal Bond Bank—General Resolution Newsletter

December 1, 2021

We're Back!

Welcome to the Winter Edition of our General Resolution Newsletter. In this newsletter you will find our 2021 Fall rates, a few ways to update contact information when you have a change in staff, and other programs we offer here at the Bond Bank.

Upcoming Topics:

- 2021B Fall Sale Results
- Program Overview
- General Information
- How to Update Contact Information
- Spring Sale Key Dates
- Other Programs We Offer

Eligible Projects

Governmental entities should consult with their local bond counsel early in the process to determine whether a project qualifies for tax-exempt bond financing. Examples of what tax-exempt bond proceeds can be used for include new construction, upgrade, addition or replacement of the following:

- Public Buildings
- Sewer Systems
- Educational Facilities
- Equipment Purchases
- Road and Bridges



[Source](#)

Contact us when you need capital financing for your next project. Let us put our excellent credit ranking to work for you.

Recap of our Fall Sale

Our Fall sale which closed on November 4th, totaled \$12,801,695.00 between a total of 14 governmental units. The terms of these loans range from 5-28 years.

Both Ashland Water and Sewer District and Town of Hartford are new borrowers to the Bond Bank.

2021 Fall Loan Rates

5 years	0.8807%
10 years	1.3873%
15 years	1.9188%
20 years	2.2715%
28 years	2.8556%



Maine Municipal Bond Bank

General Resolution Program

2021B FALL APPLICANTS

GOVERNMENTAL UNITS	TERM	TOTAL
Ashland Water and Sewer District	20	\$225,000.00
Town of Chebeague Island	6	\$124,000.00
City of Presque Isle	10	\$1,750,000.00
Town of Hampden	27	\$2,500,000.00
Town of Monson	10	\$600,000.00
Town of New Gloucester	5	\$450,000.00
Northport Village Corporation	28	\$1,586,248.00
Town of Readfield	15	\$395,000.00
Town of Freeport	10	\$634,000.00
Town of Hartford	10	\$1,400,000.00
Presque Isle Utilities District	15	\$400,000.00
Town of Liberty	11	\$339,503.00
Farmington Village Corporation	16	\$1,607,944.00
Portland Water District (Westbrook project)	20	\$175,000.00
Portland Water District (Windham project)	26	\$615,000.00
TOTAL		\$12,801,695.00

General Bond Resolution Program



General Bond Resolution Program (GBR) has over a forty-eight year history of providing Maine's cities, towns, school systems, water and sewer districts, and other governmental entities access to low cost funds through the sale of its highly rated tax-exempt bonds. Capital financing through the GBR allows borrowers to take advantage of the Bond Bank's high investment grade rating, low interest rates and reduced issuance and post issuance costs. Below are a few details of the GBR program.

Local Bond Counsel

MMBB requires borrowers to hire local bond counsel from the Bond Bank's approved counsel list. It is strongly recommended that hiring local bond counsel happen before completing the financing application. Local bond counsel brings expert knowledge to the authorization process regarding procedures and related state/federal regulations of tax-exempt bond issuance. Local bond counsel is a valuable resource and will guide you through the referendum process, drafting the warrant, and obtain necessary vote by governing body. They also prepare the following documents: Certificate of Clerk, Non-Litigation Certificate, Local Municipal Bond, Tax Certificates, Legal Opinion, and the Loan Agreement with MMBB.

Application Process

Once a project is deemed eligible for the GBR, an application should be completed by the prospective borrower and submitted to the Bond Bank. Applications and corresponding detailed instructions may be obtained by contacting the MMBB or downloaded by visiting our website at www.mmbb.com. Each application must be submitted with documents pertaining to the financial characteristics of the municipality requesting finances.

Borrowing Process

Traditionally, twice a year, the MMBB General Bond Resolution Program will consolidate eligible applications and engage in a bond sale to various individual and corporate investors on behalf of its applicants. The GBR Program does not provide interim financing. If funds are needed before a bond issue, the borrower can obtain a Bond Anticipation Note (BAN) from a local bank. All municipalities participating in a bond sale will receive their funds in the form of a wire transfer on the day of closing. From submission of application to receipt of funds the bond issuance process usually lasts three to four months.

Repayment Structure

Typically repayment terms fall between 5 and 30 years. In all cases, the maximum loan term may not exceed the useful life of the financed asset. Annual debt service payments are due twice a year thirty days in advance of November 1st and May 1st. The borrower is responsible for the full term of principal and interest payments as disclosed in the loan agreement and debt service schedule. The payments can be structured in a number of ways:

1. Level Debt Service-annual principal and interest payments remain the same each fiscal year creating level debt service payments through out the life of the loan.
2. Level Principal Payments – annual principal payments remain the same each year of the loan, with total payments decreasing each year over the life of the loan.
3. Stepped Payments – annual principal payments increase or decrease with each year creating a stepped repayment schedule. The increase or decrease of the principal amounts may be determined by the borrower.

Financial Characteristic Considered

Statistical and financial information reviewed includes, but is not limited to :

- Makeup of local taxpayer and employment base
- Fund Balance to expenditure ratios
- State Valuation and Debt limit
- Tax collection history and mill rates
- Level of indebtedness – including existing, overlapping and proposed
- Debt ratios
- Undesignated fund balance trends
- Population trends
- Purpose of financing

Looking forward.... Key Spring Issuance Dates

February						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28					

March						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

April						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

May						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

- Wednesday, February 9—Application Deadline
- Wednesday, March 16—Application Approval (Board Meeting)
- Monday, April 4—Preliminary Documents due from Bond Counsel
- Week of April 18—Pricing Week
- Monday, May 9—Final Documents due from Bond Counsel
- Thursday, May 19—Closing (Bond proceeds available)

Do you have a change in staff and need to update your contacts?

There's a few easy ways to get this done. You can go to our website at mmbb.com and click Borrowers in the top heading. Select your municipality from the drop down and select load loans. Once all of your loans have loaded, there is a "Contact Information" that is the first section on the page. Just click "Add or Update Contact" and our team will make this update. You can also email mcarlow@mmbb.com with who you are replacing and/or adding and the update will be made.

If you have any questions, please reach out to us!

Check out our other programs

Aside from our General Resolution program, we also offer a few other programs at the Bond Bank.

- **Clean Water State Revolving Loan Fund** in cooperation with the Maine Dept. of Environment Protection.
- **Drinking Water State Revolving Loan Fund Programs** in cooperation with the Maine Dept. of Human Services.
- **School Revolving Renovation Fund Program** in cooperation with the Maine Dept. of Education.
- **Maine PowerOptions Program** is an energy-purchasing consortium that serves as an aggregator for Maine's local governmental and non-profit organizations.

Check out more information on these programs [here](#).

General Resolution

General Information

Created in 1973 by the Maine State Legislature, the General Bond Resolution Program and the Maine Municipal Bond Bank have more than a forty year history of providing Maine's cities, towns, school systems, water and sewer districts, and other governmental entities access to low cost funds through the sale of its highly rated tax-exempt bonds. Capital financing through the General Bond Resolution Program allows borrowers to take advantage of the Bond Bank's high investment grade rating, low interest rates and reduced issuance and post issuance costs.

We look forward to working with you!

Making A Difference for Maine's Communities

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Contact Us:

For more information on the General Resolution program, please contact:

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In the meantime...

Visit us on the web at www.mmbb.com to download a copy of the loan schedule, application, obtain a list of approved bond counsel, and much more.

