



**CITY OF SOUTH PORTLAND, MAINE
\$9,192,000
2020 GENERAL OBLIGATION BONDS**

SEALED PROPOSALS will be received by the City of South Portland, Maine at the office of Moors & Cabot, Inc., One Federal Street, 19th Floor, Boston, Massachusetts until:

11:00 O’CLOCK A.M. (E.D.S.T.) TUESDAY, AUGUST 11, 2020

at which time and place all such proposals will be publicly opened and announced for the sale of \$9,192,000 2020 General Obligation Bonds (the “Bonds”) of the City of South Portland, Maine (the “City”). The Bonds will be payable annually on August 15 of each year as follows:

<u>Amount</u>	<u>Year of Maturity</u>	<u>CUSIP</u>	<u>Amount</u>	<u>Year of Maturity</u>	<u>CUSIP</u>
\$537,000	2021	8395504L1	\$385,000	2031	8395504W7
535,000	2022	8395504M9	385,000	2032	8395504X5
535,000	2023	8395504N7	385,000	2033	8395504Y3
535,000	2024	8395504P2	385,000	2034	8395504Z0
535,000	2025	8395504Q0	385,000	2035	8395505A4
535,000	2026	8395504R8	385,000	2036	8395505B2
535,000	2027	8395504S6	385,000	2037	8395505C0
535,000	2028	8395504T4	385,000	2038	8395505D8
535,000	2029	8395504U1	380,000	2039	8395505E6
535,000	2030	8395504V9	380,000	2040	8395505F3

This Notice of Sale sets forth only a brief summary of certain provisions of the Bonds. For additional information pertaining to the Bonds, a prospective bidder should refer to the City’s Preliminary Official Statement dated July 31, 2020 with respect to the Bonds (the “Preliminary Official Statement”). In the event of any conflict between the Preliminary Official Statement and this Notice of Sale, the Preliminary Official Statement shall control.

The Bonds will be dated August 27, 2020 and will bear interest (accrued on the basis of a 360-day year with twelve 30-day months), payable on February 15, 2021 and semi-annually thereafter on August 15 and March 1 of each year until maturity, or redemption prior to maturity. Purchases of the Bonds will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof, and with one Bond in a denomination of \$2,000 that will mature on August 15, 2021. It is expected that the Bonds, in definitive form, will be available for delivery on or about August 27, 2020.

Bonds maturing on and before August 15, 2030 are not subject to optional redemption prior to their stated dates of maturity. Bonds maturing on or after August 15, 2031 are subject to redemption prior to their stated dates of maturity, at the option of the City, on and after August 15, 2030, as a whole or in part at any time, in such order of maturity as the City, in its discretion, may determine at a price of par (100% of original stated amount of value at maturity), together with interest accrued and unpaid to the redemption date, if any.

The Bonds will be issued by means of The Depository Trust Company’s Book-Entry-Only System with no physical distribution of Bond certificates made to the public. One Bond certificate for each maturity will

be issued to The Depository Trust Company, New York City, New York (“DTC”) and immobilized in their custody. The Book-Entry Only System will be employed, evidencing ownership of the Bonds in principal amounts of \$5,000, with transfers of ownership effected on the records of DTC and its Participants pursuant to rules and procedures established by DTC and its Participants. The winning bidder (the “purchaser”), as a condition to delivery of the Bonds, shall be required to deposit the Bond certificates with DTC, registered in the name of Cede & Co. Principal of and interest on the Bonds will be payable in Clearing House Funds to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC. Transfer of principal and interest payments to Beneficial Owners will be the responsibility of such Participants and other nominees of Beneficial Owners. The City will not be responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its Participants or persons acting through such Participants.

The original Bond certificates to be immobilized at DTC will be prepared under the supervision of and authenticated by U.S. Bank National Association, Boston, Massachusetts, Paying Agent, and their legality approved by Jensen Baird Gardner & Henry of Portland, Maine, Bond Counsel, whose opinion will be furnished to the purchaser without charge.

The legal opinion of Jensen Baird Gardner & Henry of Portland, Maine, Bond Counsel, will be provided to the original purchaser and will indicate that the Bonds are valid general obligations of the City of South Portland, Maine (the “City”) and, unless paid from other sources, are payable as to both principal and interest from ad valorem taxes that are subject to limitation unless certain procedural requirements under Title 30-A, Section 5721-A of the Maine Revised Statutes, as amended, are met, in which case such ad valorem taxes may then be levied without limit as to rate or amount upon all the property within the territorial limits of the City and taxable by it, except to the extent that the City may enter into an agreement under Title 30-A, Chapter 223, Subchapter V of the Maine Revised Statutes, as amended, to share its assessed valuation with another municipality and except to the extent that the City establishes or has established development districts either as tax increment financing districts or affordable housing development districts pursuant to Title 30-A, Chapters 206 and former 207 (now repealed) of the Maine Revised Statutes, as amended, the captured tax increment of which may not be available for payment of debt service on the Bonds. Bonds issued for school improvements that will be included in the school budget are not subject to the property tax limit set forth in Title 30-A, Section 5721-A of the Maine Revised Statutes, as amended. The Director of Finance has certified that no agreements under Chapter 223, Subchapter V, to share assessed valuation with another municipality, now exist. The City has established certain tax increment financing districts and elected to retain a portion of the tax increment on the captured assessed value of the property in the districts to pay costs of the development projects described in the development programs adopted with respect to the districts. Within the limits established by statute, the City has the right to designate additional development districts pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended. The opinion will indicate that the enforceability of the obligations of the City, including the Bonds, may be limited by bankruptcy, insolvency, moratorium and other laws affecting the rights and remedies of creditors generally, and are subject to general principles of equity. The opinion will be dated and given on and will speak as of the date of original delivery of the Bonds to the original purchasers.

The City will not designate the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code.

There is no litigation, threatened or pending, affecting the validity of the Bonds, the corporate existence or the boundaries of the City, or the title of the present officers to their respective offices, and the purchaser or purchasers will be furnished with a certificate to this effect.

Bid Specifications

Bids must specify the amount bid for the Bonds, not less than 100.000% of the par value of the issue and:

- All Bonds maturing in any one year must carry the same interest rate and each interest period shall be represented by one interest rate. Bids which include split or supplemental interest rates will not be considered;
- **Serial Bonds:** The Bonds will be issued as Serial Bonds and no proposal to consolidate maturities into a Term Bond(s) will be considered;
- **Minimum Bid:** Only bids at or greater than 100.7887290% of the issue amount (or \geq \$72,500.00 bid premium) will be accepted;
- **Application of Bid Premium:** Bid premium may be used to apply funds pay for costs of issuance, capitalized interest or, if to the projects, may reduce the annual amount(s) of Bonds issued to finance the projects;
- Should the City apply bid premium to reduce the amount of Bonds issued, the City will apply the same percentage amount of underwriters spread per thousand to the reduced issue amount;
- The original purchaser must also pay an amount equal to the interest on the Bonds accrued to the date of delivery, if any;
- A “Good Faith” deposit is not required.

As between proposals which comply with this Notice, the Bonds will be sold to the bidder whose proposal offers to purchase all of the Bonds at the lowest True Interest Cost (“TIC”), that is, the annual interest rate, compounded semiannually, which when used to discount **to the August 27, 2020 delivery date** all payments of principal and interest payable on the Bonds results in an amount equal to the purchase price for the Bonds including accrued interest to the date of delivery but which will include any premium bid thereon. The TIC should be computed to four decimal places. Bids must be submitted:

- (a) In a sealed envelope marked “Proposal for Bonds” and addressed to the City of South Portland, Maine, c/o Moors & Cabot, Inc. – Banking & Advisory Group, One Federal Street, Boston, MA 02110;
- (b) Although telephone bids will not be accepted by the City, the Municipal Advisor will prepare sealed bids as agent for the bidder, per telephone instructions received at (617) 314-0258 *prior to sale time on Tuesday, August 11, 2020*. The Municipal Advisor shall not be responsible for any errors or omissions in connection with bids submitted as agent on behalf of bidders. The Municipal Advisor may be contacted as follows:

Joseph P. Cuetara, Senior Vice President
Moors & Cabot, Inc. – Banking & Advisory Group
One Federal Street, 19th Floor
Boston, MA 02110
jcuetara@moorscabot.com

- (c) Via FACSIMILE copy to the Municipal Advisor at (617) 314-0258 *received not later than sale time on Tuesday, August 11, 2020*; or
- (d) Electronically via i-DealSM *PARITY*[®] in accordance with this Notice of Sale, until 11:00 A.M. (E.D.S.T.), but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in *PARITY*[®] conflict with this Notice of Sale, the terms of this Notice of Sale shall control. Each bidder submitting an electronic bid understands and agrees by doing so that it is solely responsible for all arrangements with *PARITY*[®], that the City neither endorses nor

encourages the use of *PARITY*[®], and that *PARITY*[®] is not acting as an agent of the City. Instructions and forms for submitting electronic bids must be obtained directly from *PARITY*[®]. For further information about *PARITY*[®], potential bidders should contact Dalcomp at 1359 Broadway, 2nd Floor, New York, New York 10018, telephone (212) 849-5021.

The City assumes no responsibility for ensuring or verifying bidder compliance with *PARITY*[®] procedures. The City shall be entitled to assume that any bid received via *PARITY*[®] has been made by a duly authorized agent of the bidder. The City, the Municipal Advisor and Bond Counsel assume no responsibility for any malfunction of the *PARITY*[®] system, any failure of a bid to be received by the official time, or any error contained in any bid submitted electronically. The official time for receipt of bids will be determined by the City at the place of bid opening, and the City shall not be required to accept the time kept by *PARITY*[®] as the official time. In the event of a malfunction of the *PARITY*[®] system, bidders should submit their bids as discussed in the above (a), (b) or (c) manner on the PROPOSED FORM OF BID LETTER attached hereto.

The City reserves the right to reject any or all proposals and to reject any proposal not complying with this Notice of Sale, and, so far as permitted by law, to waive any irregularity or informality with respect to any proposal. A final decision as to the award of the bid rests with and is subject to confirmation by the Director of Finance of the City. When the successful bidder has been ascertained, the City will notify such bidder.

The City has not contracted for the issuance of any policy of municipal bond insurance for the Bonds. If the Bonds qualify for issuance of any such policy or commitment therefore, any purchase of such insurance or commitment shall be at the sole option and expense of the bidder and any increased costs of issuance or delivery of the Bonds resulting by reason of such insurance shall be paid by such bidder. Proposals shall not be conditioned upon the issuance of any such policy or commitment and any failure of the Bonds to be insured or of any such policy or commitment to be issued shall not in any way relieve the purchaser of their contractual obligations arising from the acceptance of their proposal for the purchase of the Bonds.

The Municipal Advisor intends to provide the purchaser of the issue with CUSIP identification numbers as is discussed in the Preliminary Official Statement, in compliance with MSRB Rule G-34, (a)(i) (A)-(H). As is further discussed in Rule G-34 the purchaser, as the “dealer who acquires” the issue, is responsible for the registration fee to the CUSIP Bureau for this service. 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 charges that may be imposed for the assignment of such numbers.

Additional information concerning the City of South Portland, Maine and the Bonds is contained in the Preliminary Official Statement dated July 31, 2020 which has been distributed and to which prospective bidders are directed. Such Preliminary Official Statement is provided for informational purposes only and is not a part of this Notice of Sale. A copy of the Issuer’s Preliminary Official Statement dated July 31, 2020 may be obtained by contacting: Moors & Cabot, Inc. – Banking & Advisory Group, One Federal Street, Boston, MA 02110; by telephone at (617) 314-0258; email jcuetara@moorscabot.com.

The Preliminary Official Statement is in a form “deemed final” by the issuer for purposes of Rule 15c2-12(b)(1) promulgated by the Securities and Exchange Commission (the “SEC”) but is subject to revision, amendment and completion in a final Official Statement.

The City agrees to advise the purchaser, by written notice, of any developments that impact the accuracy and completeness of the key representations (within the meaning of SEC Rule 15c2-12) contained in the final Official Statement, which may occur during the period commencing on the date of the acceptance by the City of its proposal and ending on the 90th day next following such date of acceptance, unless such

final Official Statement is available from a “nationally recognized municipal securities information repository”, in which event such period shall end on the 25th day.

In order to assist bidders in complying with Rule 15c2-12(b)(5), the City will undertake to provide annual reports and notices of certain material events. A description of this undertaking is set forth in the Preliminary Official Statement.

A pdf word-searchable electronic version of the final Official Statement will be prepared and distributed for this issue at the City’s expense within seven (7) business days after the date of the award of the Bonds. If desired, the purchaser will be furnished up to 100 copies of the final Official Statement prepared for this issue at the City’s expense within seven (7) business days after the date of the award of the Bonds. Additional copies may be obtained by the purchaser at its own expense by arrangement with the printer.

We will rely upon the original purchaser to file with DTC’s Web Underwriting Service (WUN); file with the MSRB pursuant to its Rule G-32; and to affect the electronic filing of the final Official Statement to <http://emma.msrb.org/submit> as the original purchaser’s responsibility. U.S. Bank National Association, as Paying Agent, will keep the original opinion and certificates and copies of the supporting documents which may be examined at its office in Boston, Massachusetts, upon reasonable notice.

As of the date of delivery of the Bonds and as a condition precedent to the delivery of the Bonds by the City, the successful bidder shall furnish to the City a certificate in a form provided by and acceptable to Bond Counsel (the “Issue Price Certificate”). The Issue Price Certificate shall state that it is made on the best knowledge, information and belief of the successful bidder after appropriate investigation. The Issue Price Certificate shall set forth:

- (i) The “issue price” of the Bonds as defined in Treasury Regulation §1.148-1(f);
- (ii) The weighted average maturity of the Bonds as defined in the Internal Revenue Service’s “Instructions for Form 8038-G” for Line 21(d);
- (iii) The yield of the Bonds (sometimes referred to as the arbitrage yield) as defined in the Internal Revenue Service’s “Instructions for Form 8038-G” for Line 21(e);
- (iv) That the issue price of the Bonds does not exceed the fair market value of the Bonds as of such date of sale; and

On or prior to the date of delivery of the Bonds, the successful bidder shall furnish to the City a certificate acceptable to Bond Counsel generally to the effect that (i) as of August 11, 2020, (the “Sale Date”), the Original Purchaser had offered *or reasonably expected to offer* all of the Bonds to the general public (excluding bond houses, brokers, or similar persons acting in the capacity of underwriters or wholesalers) in a bona fide public offering at the prices set forth in such certificate, plus accrued interest, if any, (ii) such prices represent fair market prices of the Bonds as of the Sale Date, and (iii) as of the date of such certificate, all of the Bonds have been offered to the general public in a bona fide offering at the prices set forth in such certificate, and at least 10% of each maturity of the Bonds actually has been sold to the general public at such prices. To the extent the certifications described in the preceding sentence are not factually accurate with respect to the reoffering of the Bonds, Bond Counsel should be consulted by the bidder as to alternative certifications that will be suitable to establish the “issue price” of the Bonds for federal tax law purposes. If a municipal bond insurance policy or similar credit enhancement is obtained with respect to the Bonds by the successful bidder, such bidder will also be required to certify as to the net present value savings on the Bonds resulting from payment of insurance premiums or other credit enhancement fees.

Further Discussion of Issue Price Certificate.

Competitive Sale Requirements Met. If the competitive sale requirements set forth in Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price

of the Bonds) are satisfied, the Issue Price Certificate will establish the issue price of the Bonds under Treasury Regulation Section 1.148-1(f)(2)(iii). To that end, the Municipal Advisor will certify to the successful bidder that the following conditions are true:

- (1) The City has disseminated this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential investors;
- (2) All bidders had an equal opportunity to bid;
- (3) The City received bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) The City awarded the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid and each bidder, by submitting its bid, agrees that it shall be deemed to confirm that it has an established industry reputation for underwriting new issuances of municipal bonds and that is an “underwriter” that intends to reoffer the Bonds to the public.

Competitive Sale Requirements Not Met. If the competitive sale requirements set forth in Treasury Regulation Section 1.148-1(f)(3)(i) are not satisfied, the City shall so advise the winning bidder. If such competitive sale requirements are not met, the Issue Price Certificate will establish the issue price of the Bonds under Treasury Regulation Section 1.148-1(f)(2)(i), as follows:

- (i) The City shall treat the first price at which 10% of a maturity of the Bonds (the “10% test”) is sold to the public as the issue price of that maturity, applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The winning bidder shall advise the City if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds. The City will not require bidders to comply with the “hold-the-offering-price rule” and therefore does not intend to use the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity. Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied. Bidders should prepare their bids on the assumption that all of the maturities of the Bonds will be subject to the 10% test in order to establish the issue price of the Bonds.
- (ii) Until the 10% test has been satisfied as to each maturity of the Bonds, the winning bidder agrees to promptly report to the City and the Municipal Advisor the prices at which the unsold Bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until the 10% test has been satisfied as to all Bonds. The successful bidder shall be obligated to report each sale of Bonds to the Municipal Advisor until notified in writing by the City or the Municipal Advisor that it no longer needs to do so.

Moors & Cabot, Inc. has acted as Municipal Advisor to the City with respect to the issuance of the Bonds pursuant to Municipal Securities Rulemaking Board Rule G-23. Moors & Cabot, Inc. does not intend to submit its bid on, or participate in an underwriting syndicate for the public distribution of, the Bonds.

It is expected that the Bonds, in definitive form, will be available for delivery on or about August 27, 2020, against payment of the purchase price in Federal Reserve funds payable to the order of the “City of South Portland, Maine”, and will be delivered to The Depository Trust Company, New York City, New York.

July 31, 2020

CITY OF SOUTH PORTLAND, MAINE

By: Gregory N. L’Heureux
Director of Finance

CITY OF SOUTH PORTLAND, MAINE
\$9,192,000
2020 GENERAL OBLIGATION BONDS

Sale Date: August 11, 2020

Gregory N. L'Heureux, Director of Finance
 City of South Portland
 c/o Moors & Cabot, Inc.
 Banking & Advisory Group
 One Federal Street, 19th Floor
 Boston, MA 02110

Dear Mr. L'Heureux:

In accordance with the provision of the Notice of Sale dated July 31, 2020, which Notice is made a part of this proposal, we offer to purchase \$9,192,000 2020 General Obligation Bonds of the City of South Portland, Maine, at par and accrued interest to date of delivery plus a premium of \$_____ ⁽¹⁾, which represents a TIC of _____%, and bearing interest at the rates of:

<u>August 15,</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>August 15,</u>	<u>Amount</u>	<u>Interest Rate</u>
2021	\$537,000	%	2031	\$385,000	%
2022	535,000	%	2032	385,000	%
2023	535,000	%	2033	385,000	%
2024	535,000	%	2034	385,000	%
2025	535,000	%	2035	385,000	%
2026	535,000	%	2036	385,000	%
2027	535,000	%	2037	385,000	%
2028	535,000	%	2038	385,000	%
2029	535,000	%	2039	380,000	%
2030	535,000	%	2040	380,000	%

NOTE: ⁽¹⁾ Only bids at or greater than 100.7887290% of the issue amount (or ≥ \$72,500.00 bid premium) will be accepted.

The undersigned hereby acknowledges receipt of the Preliminary Official Statement dated July 31, 2020, and the terms thereof are expressly made a part of this bid.

SUMMARY	
Summary made as requested in the Notice of Sale from delivery date of August 27, 2020:	
Total Interest Expense	\$ _____
(Less Premium)	(\$ _____)
Net Total Interest Expense	<u>\$ _____</u>
True Interest Rate (TIC)	_____ %

Respectfully submitted,

 (Company) (DTC #)

 (By)

 (Address)

() _____
 (Telephone)

Moors & Cabot, Inc. of Boston, Massachusetts will assist in the submitting of bids on this issue. Please mail your signed bid form in advance and telephone or send via facsimile final figures before the sale time. Telephone: (617) 314-0258; Facsimile: (617) 314-0258.

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