



Susana Measelle Hubbs &lt;susana.hubbs@capeelizabeth.org&gt;

## [CE SBAC] Thoughts on recent meetings

1 message

**Kevin Justh** <kevinjusth@gmail.com>  
To: cesbac@capeelizabethschools.org

Sat, Jan 20, 2024 at 7:15 PM

Dear SBAC - First off thank you for all of your hard work. I know sometimes an empty room might make you think folks aren't paying attention, and to be sure there are many who will wait until the last minute to review everything, but there are many people watching on CETV and reviewing materials in the days after each meeting.

I look forward to your presentation on February 1. In particular, I'd encourage the finance portion to encompass a tax history that includes recent reval statistics. Specifically, I'd encourage the SBAC and town generally to address the following:

- Cape Elizabeth has gone from a full value mill rate of \$15.79 in 2013 to \$10-\$11 as of 2023. This is a cumulative tax decrease of 30-35% over the past decade.
- This reflects Cape's long-standing strategy of (i) not pursuing long-term debt for capital improvements, and (ii) an understanding that our largest capital infrastructure (our schools) would eventually require significant taxpayer investment.
- The town has intentionally built capacity for major capital investment
- The town could, if community sentiment allows, pursue strategies to minimize the future tax impact in the current municipal budget cycle
- The town retains policy solutions to increase the tax and fee base, some of which appears to have broad community support, some of which would likely require further discussion more broadly
- One particularly important note from Joe Cutera related to how Cape has minimal to no long term debt, which makes the pain of tax increases unique to Cape as opposed to towns which utilize common municipal finance strategies to finance long-term infrastructure. This should be a flashing red light that this current project can be a catalyst to implement such a plan.
- While a 30 year bond would be a likely solution to new construction or substantial renovation, I would caution that a bond term has to be linked to useful life...a renovation with an expected 20 year term could likely only be financed over 20 years.
- Not to be confused with the above, there is a reason that municipal finance is considered on a 10 year timeframe - any long term plan would have a significant portion of debt refunded after 10 years, to ensure that the town has a sustainable amount of long term debt so that our capital plans do not have to rely on tax increases, as Joe pointed out that Portland is doing (and as Scarborough, Cumberland, and several other peer towns have done.)
- As you consider options, I would suggest you think of not just needs and cost, but time. One way to think about the last proposal rejection wasn't just that the town rejected \$106 million, but it rejected the concept of not needing another major school project for likely 20 years. So now we

have to think of shorter, but it can't be too short. A solution that lasts 15 years seems like the next logical solution. I'm not sure what that solution is, and frankly none of you should be sure either, but the time aspect of this is critical. And this is a tough one, because there are likely many who would not plan to live in Cape for the duration of another bond issue; just as there are some (and I include myself in this group) who plan to live here for another 4-5 major school bond issuances. Balancing that timeline is a key piece of your charge.

Also, a couple of observations about the initial design proposals and how to communicate those to the public:

- I don't know if "agile classrooms" is the best term...as the parent of a kid who is now at CEHS but was at both CEMS and PC, the CEMS classrooms were comically small and at least one was 1/2 unusable due to HVAC equipment and noise.
- A small piece, but an important one given other conversations in town, the previous proposal called for relocation of fields on the school campus. A couple of the initial proposals would remove fields entirely. There are some ongoing discussions around other parts of town and creation of new fields, but to the extent a final proposal removes fields, the town should engage quickly with the community on alternatives (i.e. field construction at Fort Williams, turf and light other school fields, etc.) The town would not want to invest capital in other projects that conflicts with what the SBAC is contemplating.

Again thank you all for your hard work, you will have some decisions to make that will be unpopular to some segment of the community, and that's a difficult ask for a group of citizen volunteers. And this isn't all on you - the public has to do their work, and the community has to make some decisions about whether we're going to support all of the other policies that impact taxes on both sides of the ledger.

With continued appreciation,  
Kevin Justh  
9 Spruce Lane

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