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[CE SBAC] Finance Exploration and Survey Result Analysis

1 message

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To: "SBAC (CE School Building Advisory Cmte)" <cesbac@capeelizabethschools.org>, Bruce Lockwood <blockwood@portlandresearch.com>, Chuck Adam <Chuck.Adam@turntown.com>, "Lisa D. Sawin" <LSawin@harriman.com>, "Emilie B. Waugh" <EWaugh@harriman.com>

Hi all,

Apologies in advance for the long email (it is long! it is dense!), but I do hope you take the time to read if you have the time today as not only have I put a lot of work into these items but I also think there is content here that could really change how we are thinking about these concepts.

I have spent some time with the survey data and finances over the weekend and have three attachments I would like to share with you in preparation for tonight's meeting. I would appreciate if these were put on the meeting material package so when I bring them up this evening they are available for any members of the public who might be following along. I will caveat that this is my work alone and has not been validated by the committee. They also go in order from least to most interesting/compelling in case you'd prefer to start at 3 :).

1) [Spreadsheet 'Where are the No Voters Today?](#)

This spreadsheet breaks down where the no voters have moved and attempts to extrapolate where the 62% who voted no in 2022 are today. This one is fairly simple/rudimentary and is based on data from Bruce's slide deck from Thursday, slide #15. I think makes a compelling argument that many people who voted no in 2022 are now willing to support c or e (so willing to support a 100M bond project)

2) [Spreadsheet: Why Don't The Surveys Reflect the Vote?](#)

The biggest issue that has been on my mind with the survey this week (and honestly with the previous survey) is why the voter behavior does not match up with their responses. Only 13% of respondents in 2023 said they would support paying anything (14% if you include those who voted for 20% or more) and yet 38% voted yes to a bond widely believed to result in a 20%+ tax hike. I started out with some basic ratios creating relationships between our results and IRL voter behavior.

If you use these divisions to extrapolate current voter behavior then **you get a today-vote result of somewhere 54%-60% in favor.**

I then backed into some more complicated math to see what would happen if you looked at survey respondents that committed to an action (excluding the Do Not Knows and Don't Want to Says) and weighted them. Bruce/Michael I would love to get your opinion on this methodology/concept.

3) [Concept Get Creative](#)

This spreadsheet explores ways that creative financing can reduce the peak tax impact.

We have a 'peak tax increase' problem for all the options before us. But there are ways we could blunt the peak of the mountain so to speak. Injecting 1M into the first three years of funding (private funding? other sources?) can reduce the peak year's tax impact by a full percent. If we raised 10M in private funding, what could that do to impact the peak tax year (spoiler, a lot).

You can play around with the inputs here and note the numbers are SLIGHTLY different then the numbers in the finance spreadsheet because I build this based around monthly payments but it is very close (less than \$100 delta here and there). If you look at the prepopulated scenario though you see that **if we privately raised 5M to reduce debt taken, and then raised another 3.5M that we deploy strategically over 3-5 years and we find 500k in revenue from sources like the Fort, the peak impact of option E is 9.85%**. To me, raising 5-10M to support this project feels very feasible. Gaining some revenue from the fort seems very feasible. These are real things we could do to reduce tax burden on citizens.

Finding additional revenue can bring down the height of the entire mountain. [Parking at the Fort is currently bringing in about 770k a year](#). That comes from parking that isn't year round, is very cheap (relatively speaking) and doesn't cover the whole park. Let's say conservatively we could raise another 500k in revenue at the Fort yearly (add some food trucks? increase parking fees? expand paid parking areas/times?). The injection of this money could bring the impact down across the board.

This spreadsheet explores the ways that we can use alternative funds not just to help us create the project but specifically to help us blunt the impact on taxpayers.

Finding a way to pay for something is more than just figuring out the loan amortization. It is also looking at all the other resources and paths we have available to make the monthly payments. If I have to finance a new roof, maybe I start driving for uber to help make up the difference between what I can afford and what I truly need. Of course pursuing these types of paths would only be possible if the Town Council took up these ideas but I firmly believe there IS money to be found in town if we start looking. We. have an obligation to turn over all the sofa cushions and this spreadsheet looks at just how much benefit we could gain from what we find under them.

Thanks all, see you tonight...

CS

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