



School Facilities Ad Hoc Committee

Committee Co-Chairpersons

Marnie Morrione, Chair, Portland Board of Education • Ethan K. Strimling, Mayor

David Brenerman, District 5 City Councilor

Justin Costa, District 4 City Councilor

Stephanie Hatzenbuehler, District 4 Board of Education

Nicholas M. Mavodones, At-Large City Councilor

Sarah J. Thompson, At-Large Board of Education

Anna Trevorrow, At-Large Board of Education

Tuesday, November 8, 2016
5:00pm – 7:00pm
City Hall – Council Chamber

Meeting Minutes & Notes

The meeting began at 5:04pm.

Attendance:

Mayor Strimling, School Board Chair Marnie Morrione (Committee Co-Chairs)

Superintendent Xavier Botana

Councilors: David Brenerman, Justin Costa, Nicholas Mavodones

School Board Members: Stephanie Hatzenbuehler, Sarah Thompson, Anna Trevorrow

Deputy City Manager Anita LaChance

Special Assistant to the Mayor Jason J. Shedlock

City Finance Director Brandan O'Connell

Bond Counsel Jim Saffian

Mayor Strimling and Board Chair Morrione began the meeting by welcoming the Committee members and the public and letting the attendees know the purpose of the evening. This meeting would consist of a review of the financial section of the master question and answer document, which can be viewed in its entirety at <http://www.portlandmaine.gov/1803/School-Facilities-Ad-Hoc-Committee>. Mayor Strimling also noted that as it was Election Day, without objection, the Committee would endeavor to finish their work by approximately 6:30pm.

Brendan O'Connell, City Finance Director and Jim Saffian, Bond Counsel, were available to present more detailed information and answer Committee members' questions.

The minutes of the October 6th meeting of the School Facilities Ad Hoc Committee were approved unanimously.

The following questions/concerns/statements were raised as the Committee proceeded with the meeting:

1. If Portland residents vote to approve a bond, is that decision final and irreversible?

- a. The Council can vote to rescind the bonding language.
2. While it is permissible for the Council to move to amend the City's bonding guidelines (to raise the bond limit) it may have an impact on the City's financial rating. The current guidelines were developed through an extensive process.
3. Regarding previous cycles of major capital investments in schools, as debt is retired, new projects have been added, though this did not happen consistently. It was noted that it is not necessarily wise, however, to simply add debt when debt retires; a fuller look at the city's financial picture should occur.
4. When bonding for our schools, would it make more financial sense to do it all at once, or separately?
 - a. It would be more efficient to bond at once, though a drawback to that approach is bonding will close the window on the possibility of state subsidy.
5. Can we be general enough in our referendum language to allow for room to use state funds for projects instead if and when they become available?
 - a. The state would likely take a restrictive view of any attempt to both bond locally as well as seek state funding. The state would withdraw consideration for funding any project, however broadly defined, that is voted upon at the local level.
6. Can we only bond for a portion of a project, and apply for state funding for the rest of the cost?
 - a. While technically this scenario might be a possibility, the state would likely take a dim view of any attempt to bifurcate the process. It was further noted that it would be difficult to do this, since the state process involves numerous demands that are not present when a project is funded locally. It was stated that we should commit to decide one way or another and be as clear and direct as possible to the voters and to the state during this process.
7. Bonding can occur over the course of multiple years, pause if need be or action can be taken to rescind the bonding decision and approach the state based on financial conditions and other factors that may affect the city, the schools, and their budget.
8. Questions were raised on the responsible party of the narrative portions of the answers provided to the Committee.
 - a. Numbers were received by, and answers were reviewed by, the Finance Director. A working group of consisting of Deputy City Manager LaChance, Mayor Strimling, Board Chair Morrione and Superintendent Botana have been meeting regularly to develop all answers, including the finance-focused examples discussed at the current meeting.
9. After discussion on the topic, a desire was expressed to get an official memo from the Finance Director answering the questions, rather than the working group writing the answers. It was further noted that the bonding amount would be paid back over 20 years.
 - a. Brendan O'Connell stated that he would formulate a memo in response to this request.
10. There was a request for the assumptions used to develop the financial answers to be clearly articulated in writing, including information on scenarios, valuations, other impacts on the tax rate, etc.

11. There was a concern that the financial assumptions were based on a scenario that included items that have not been historically funded. A desire was expressed to see a realistic financial projection based on the premise of the current level of CIP funding. It was further noted that which it's results will likely align with current requests, any new capital improvement needs based on the school facilities assessment (a first draft to be reviewed mid-November) are not yet included in any CIP requests.
12. The Committee discussed the apparent scheduling conflicts that are arisen surrounding the two previously-scheduled and upcoming Committee meetings. Mayor Strimling stated that new meetings date options would be submitted to the Committee for their review.

The meeting adjourned at 6:35pm.

Submitted by Jason J. Shedlock, Special Assistant to the Mayor & Council