

# MEMO

Date: June 7, 2021

To: Matthew Sturgis, Town Manager

From: John Quartararo, Finance Director

Re: School Project – Short Term Financing

CC: Debra Lane, Town Clerk

I received a written request signed by Marcia Weeks, School Business Manager requesting that the Town approve \$300,000 in short-term financing for the school project. That request is included with this memo. The request is being made according to the requirements of the policy adopted on May 10, 2021 by the Town Council.

The purpose of the funds is to pay the cost of the concept design for the school construction project. The Council approved a bond order allowing the Town to borrow the \$300,000 but as was discussed during the adoption of the short-term financing policy, we would be using the Town's cash resources to temporarily fund the project rather than pay the costs of debt issuance.

1. Project name – School Concept Project
2. Sponsor – Cape Elizabeth School department
3. The use of the Town's cash resources will not have a detrimental impact on the Town's Finances.
4. The request of \$300,000 does not exceed the policy limit of \$500,000.
5. The maturity date for this authorization is one-year from the date of approval, subject to additional extensions per the policy.
6. The estimated date of issuance of the permanent financing is dependent upon the anticipated referendum in June 2022:
  - a. If the referendum is approved the short-term financing would be paid off by a bond anticipation note for the bond amount approved by the referendum;
  - b. If the referendum is not approved, the authorized \$300,000 in bonds would be issued during the summer of 2022.

Suggest Council order language is:

*Ordered that a short-term financing of \$300,000 for the School Department's School Concept Project is hereby approved per the policy adopted May 10, 2021 and the following additional policy requirements:*

1. *Project name – School Concept Project*
2. *Sponsor – Cape Elizabeth School department*
3. *The use of the Town's cash resources will not have a detrimental impact on the Town's Finances.*
4. *The request of \$300,000 does not exceed the policy limit of \$500,000.*
5. *The maturity date for this authorization is one-year from the date of approval, subject to additional extensions per the policy.*

6. *The estimated date of issuance of the permanent financing is dependent upon the anticipated referendum in June 2022:*
  - a. *If the referendum is approved the short-term financing would be paid off by a bond anticipation note for the bond amount approved by the referendum;*
  - b. *If the referendum is not approved, the authorized \$300,000 in bonds would be issued during the summer of 2022.*

# Cape Schools Open Minds and Open Doors

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Superintendent of Schools

**Catherine A Stankard**  
Director of Teaching and Learning

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## **CAPE ELIZABETH SCHOOLS**

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**Marcia Abbott Weeks**  
Business Manager  
mweeks@CapeElizabethSchools.org

June 7, 2021

Dear Town Council,

The School Department is asking for the Town Council to authorize financing in the amount of \$300,000.

The intent is to finance the cost of the concept design for the new construction of Pond Cove/Middle School. The competitive RFQ process resulted in the selection of Colby Company and Scott Simons Architects.

Thank you very much for your consideration.

Sincerely,



Marcia Abbott Weeks  
Business Manager