

Mayor and Council Offices

Mark Dion

Mayor

April 2, 2025



Testimony of Mayor of the City of Portland, Mark Dion

Before

Joint Standing Committee on State and Local Government

In Opposition to

LD 1013 – An Act to Protect Taxpayers by Requiring Referenda on Significant Municipal Debt

April 2, 2025

Senator Baldacci, Representative Salisbury, and distinguished members of the Committee on State and Local Government,

I am writing on behalf of the City of Portland to express our strong opposition to LD 1013, which would require municipalities to hold a referendum vote for any bond issuance over \$10 million and restrict such votes to the November election.

While I appreciate the intent to safeguard public resources, this legislation represents a significant infringement on local governance and would create new obstacles to timely, effective investment in municipal infrastructure. Portland is a charter city with an established process for approving capital bonds, including both Council authorization and, when appropriate, voter referenda. Our city charter reflects a thoughtful, community-informed balance between fiscal responsibility, transparency, and flexibility. LD 1013 would override that balance and diminish the ability of local governments to manage their own finances in a manner responsive to community needs.

Of particular concern is the limitation of bond votes to the November election. Portland frequently undertakes complex, time-sensitive capital projects that require strategic alignment of multiple funding sources, including federal, state, and private investment. Imposing a mandatory delay of several months or, in some cases, nearly a year before securing bond authorization could jeopardize these projects. Escalating construction costs, missed grant deadlines, and disruptions to coordinated implementation are all real and foreseeable consequences of this proposed mandate.

Municipal capital planning is often structured over multiple years and phases. Rigid constraints on the timing and method of bond approval make it difficult for cities like Portland to deliver large-scale infrastructure, housing, and public service projects efficiently. Our residents rely on us to be good stewards of their tax dollars and to act decisively when critical needs arise. This bill would limit our ability to do both.

To illustrate how Portland currently balances discretion and accountability in bond issuance, I offer two examples. In 2012, the City Council authorized the issuance of general obligation bonds totaling approximately \$168.95 million to finance the city's Combined Sewer Overflow Program. This decision was made following a public hearing, as stipulated by the City Charter, and did not involve a citywide referendum. Conversely, for substantial projects like new school constructions or major waterfront infrastructure improvements, the Council has historically chosen to place bond questions on the ballot, allowing residents to vote directly on these significant financial commitments. This approach reflects a balance between the Council's charter-granted authority and a commitment to public participation in decisions involving large-scale municipal investments.

This practice underscores the Council's discretion in determining how best to finance capital projects, taking into account factors such as project scale, public interest, and financial impact. Portland's model of governance offers both flexibility and transparency. LD 1013 would erode that balance and create unnecessary barriers to responsible public investment.

For these reasons, I respectfully urge you to vote "Ought Not to Pass" on LD 1013. Thank you for your consideration and for your continued service to the people of Maine.

Sincerely,

Sincerely,

A handwritten signature in blue ink, appearing to read "Mark Dion", with a stylized flourish at the end.

Mark Dion
Mayor
City of Portland, Maine