

**Finance Committee  
Meeting Minutes  
Tuesday, January 19, 2010  
Room 24 – 5:30 - 7:00 p.m.**

Attendees: Chairman Duson, Councilor Anton, Councilor Coyne, Joe Gray, Ellen Sanborn, Suzanne Knight, Anita LaChance, Paul Bradbury, Pat Finnigan, Rick Marston, and members of the public.

**Item 1: Jetport Financing Items**

The Jetport needs three appropriations and two financing authorizations directly related to the expansion project cash flow for federally funded projects (AIP). Chair Duson asked for council comment and then opened up for public comment. One member of the public commented. Councilor Anton made motion to pass the three appropriation orders and two authorization orders for the Jetport Terminal expansion and Apron & Deicing Fluid Building, seconded by Councilor Coyne. Motion passed unanimously 3-0.

**Item 2: Review of EFT program for taxpayers**

Memo and handouts explaining this new proposed program were provided to committee members. Ellen said this new program will allow taxpayers the opportunity to automatically transfer funds electronically from their bank account to pay their tax bill in monthly amounts. This would be a convenience for taxpayers and she expects few taxpayers will be interested in the program. This is completely voluntary. The Finance Department wants to offer this service and is looking for formal approval of the plan. Councilor Coyne asked if this was interest bearing. Ellen said no and stated that this is not an escrow account. A description of this program is going to be on the City of Portland's website along with the enrollment form. The program will be implemented during the month of March and the first of 12 payments will start in April. These payments will be applied to the FY2011 real estate invoice. This service would be offered only to taxpayers who are current. Ellen Sanborn stated this is geared towards people with fixed incomes as it allows them to pay over time like other utilities that offer monthly budget plans. Public comment was taken. Chair Duson asked committee members to approve this program for tax payers. Action approved 3:0.

**Item 3: Second Quarter Budget Report**

Ellen provided the second quarter budget status report and explained this is the standard report brought to committee over the past few years. She said they are making mid-year budget adjustments and need to continue looking at making additional cuts. The Governor's cuts were unexpected in volume. Ellen said the cuts were primarily in supplies, travel and training and things that were not absolutely necessary. More significant items, like the striping contract of \$120,000 were going to be delayed to July 2010, so it will go into next year's budget. Joe is hoping for about a million dollars to cut out of the budget. Jill asked if there were any major concerns. Ellen stated not at this point. Joe said it is hard to give definitive answer, we made a million dollar adjustment year ago. The impact of the Governor's budget is hitting us hard. Jill asked about the plan to hold vacancies since she saw an ad in the paper for an HR position. Joe had a meeting with HR to see if we will go ahead and fill and Ellen added it is safe to assume a

cost saving would be recognized because the position would be vacant for a majority of the year. Joe added a large portion of the Governor's cuts will affect general assistance. Ellen reminded everyone that for this FY it was agreed with unions and that we would not have any layoffs, and in return the union would not get their COLA increases, therefore layoffs are not option for FY10. Councilor Anton asked about the pension obligation bonds and where we stand with refinancing them and the budget impact. Ellen responded that the pension obligation bond is \$8.3 million. Jill would like to be an informed advocate of these decisions. Ellen added there is a bond sale for CIP and a refinance of 1999 bonds on February 6<sup>th</sup> that will have a positive impact. We can make a few hundred thousand dollars that will make a difference on the refinanced bonds.

#### **Item 4: Discussion on impacts of State budget cuts**

Councilor Anton asked how the State budget cuts would translate in terms of revenue impacts. Joe said the cuts to state aid include Medicaid, 10% on EMS reimbursements and the Barron Center will be affected. He said that the social services reimbursement of \$1.2 million for a total of \$4 million cut on the city side. Joe said that \$150,000 in cuts in road maintenance and they will be delaying the homestead reimbursement for August. He is hoping the impact won't be as great as in the past few years. Jill suggested creating a chessboard to see what pieces are impacted and putting together a public piece, possibly join with the school committee showing what we've been confronted with A to Z. Ellen suggested that the meeting on 2/25 be joint with the school.

#### **Item 5: Work Plan Review**

Ellen provided a work plan review with draft agendas of items members provided. Ellen brought up schedules for April/May. Ellen asks for the members to coordinate their schedules and noting that the first review of the School budget has to go to council on 4/26. Joe mentioned that there are a couple of meetings with the school committee regarding their budget.

Councilor Anton voiced his concerns about energy savings on utility purchases being put out into October. Ellen said she was 98% certain that the contracts did not expire until 2011. She gets that information and the dates. Another concern from Anton was the on the pension bonds and whether we can take action or not on these. Ellen explained that there is not a lot we can do differently on these bonds in the next couple of months. She can get a plethora of information. If we want to shuffle things around on the agenda we can still do this as time goes on. Anton mentioned that the energy performance contract reports are due back in March/April. Jill will get with Councilor Marshall and see what kind of schedule he is on and possibly suggest a joint meeting in March to discuss this or at least get an update on their progress.

#### **Item 6: Public Comment Comprehensive Annual Financial Report (CAFR)**

The committee took public comments on the CAFR and one member of the public responded.

#### **Item 7: Other Business**

Jill asked if there was any further business to discussion. There was none and the meeting was adjourned.