

**Finance Committee Minutes
Joint with School Finance Committee
March 31, 2009 - PATHS**

Attendees: Chair Snyder, Sarah Thompson, Jeannie Wynot-Vickers, Herb Hopkins, Jamiey Caron, Jill Blackburn, Joline Hart, Peter Eglinton, Barbara Dee and Marnie Morrione. City Finance Chair Mavodones, Councilor Anton (Councilor Waxman absent), Joe Gray, Ellen Sanborn, Anita Lachance and Suzanne Knight.

5:30 p.m. – Joint Finance Committee meeting

1) *School Committee's Finance Subcommittee proposed budget*

Chair Snyder called meeting to order. Prior to going into subcommittee she wanted to update the Council on the status of the School budget. She is grateful for the groundwork set by prior committees and feels that communication about expectations has yielded a better product. Since the last joint meeting, they have continued to meet with cost centers and have deliberated which has resulted in \$832,000 cut from the budget.

This results in a \$1.7 million increase for FY10, which results in a 2.4% increase to local taxes. They reviewed lines to achieve savings and were able to cut \$38,000 in the waste disposal line. They voted as a Committee to set aside the \$100,000 allocation from the Superintendent's line and move it to the School Committee administrative line. The Committee felt it important to set this money aside providing the incoming superintendent with some flexibility and having the School Committee involved. They also voted for an additional \$50,000 for elementary foreign language and hope to phase in a program to rebuild foreign language. They will present these two amendments as a second read. They had the first reading on the budget on March 25th and will have the second reading tomorrow.

Jeannie was pleased to announce that she just found out the school will be receiving stabilization funding from the State. This is EPS stabilization money that will bump up for two years then disappear in the third year. She said that they will also be receiving stimulus funding through Title 1 which comes with restrictions and required guidelines. These funds can be used for special education and disadvantage youth.

Chair Snyder asked Jeannie to explain how the stimulus funds would be used. She said that they are looking at needs in the short term, mainly the State laptop program. They will also be looking to purchase lifetime licenses. She said that they tried to keep things out of the budget that could be purchased by stimulus money. This will benefit a certain group of children. Middle school laptops will move down to elementary and be replaced.

Jeannie said the increased stabilization funds is exciting for Portland as they projected flat funding and that some districts lost money because of penalties for not consolidating. This \$2.6 million works out in their favor and if it works its way down

they could have a significant impact on the tax base. Herb Hopkins provided handouts that he compiled yesterday once he received information from the State.

Ellen suggested to Jeannie that with this additional funding they may want to consider paying off the deficit as well. Jeannie said they will be discussing this in their subcommittee. Chair Mavodones and Jamiey agree with Ellen that it is fiscally prudent to payback the deficit.

Councilor Anton asked Joe if he would weigh in with where the City budget is. Chair Mavodones said the Finance Committee has not received the City Manager's budget. Joe explained that he will submit his budget next Monday and that it is no secret with what is happening with Portland and surrounding communities. He said that the City is seeing a decline in revenues, such as excise tax, revenue sharing and building permits in the neighborhood of around \$2.3 million. He has been faced with a difficult situation and has asked unions for a wage freeze. Today two unions stated they are not willing to forgo a wage freeze. He also met with the press also today and stated that his door continues to be open to negotiation and hopes the other unions will agree to a wage freeze. Chair Mavodones said they had received an email from the Mayor asking to refer all questions regarding this to the City Manager as this needs to stay within the bargaining units. Ellen explained that non-union personnel will not be receiving a COLA and the budget has been adjusted.

2) Information Binder

Chair Snyder and the School's Finance Committee have provided a 26 tab binder of requested information to Councilors.

Chair Mavodones thanked the School Committee for the binder of information and has found it extremely helpful. Chair Snyder said these were great questions being raised and that they felt they were worth going through. She said that this is the second year of looking carefully at FTEs and that they don't always balance. Jeannie explained that student's needs change throughout the year and that FTEs shift all the time. For instance, they have cut four food service workers who do not work full time. Therefore the data is unreliable because of the variance in salaries. Jeannie said that last year's FTEs were totally inaccurate and that they have matched up this year's line by line and the amount of money being budgeted is correct. She provided a couple of examples. Councilor Anton asked Joe what the Council authorizes when they vote on budgets regarding staffing and were discretion lies. Joe explained that the Council received positions by department showing how these positions are funded and that positions need to be approved by the City Manager. Ellen explained that all grant employees are aware that they are grant funded. She said that there is now a requirement around hiring school employees that wasn't in place two years ago, as they now bring each position before the School Committee for approval.

Chair Snyder said that there is a PowerPoint presentation on their website that talks about the 23.6 positions cut and when you look at the FTEs it does not show that difference. She said the reason is that we are not talking positions when we talk

about FTEs. Jeannie said that her presentation identified these positions. Chair Snyder said that the new software required for State reporting will help in tracking this and she expects that this report will be accurate and easier to generate.

Sarah Thompson said they had met with the Maintenance Director, Doug Sherwood, to talk about budget drivers and he said that there was a 213% increase on the City side of grounds and she asked for a breakdown. Anita said she is not sure where he came up with that percentage increase. She said overall grounds were up by 2.6% due to snow expenses from Public Services. She will check out the numbers and provide clarification.

Councilor Anton asked about the sustainability plan regarding community centers saying that the Finance Committee has had a discussion with the Library. Anita has tried to capture community center costs and feels this could be refined with the opportunity in the energy audit.

Debt service and short term borrowing for books and technology was discussed. Ellen said the City does not have any short term borrowing planned as part of the FY2010 budget. She said that the 08 CIP bonds will be sold within the next three weeks; Ocean Avenue School in the fall and the CSO is ongoing with the State.

Discussion was held on areas to use stimulus money. Jamiey said that he only found out in the past week or two that they were not going to have CIP funds. He is concerned because 17 busses need to be replaced in the next couple of years and feels that they need to layout terms for capital purchases. Jeannie said she would like to be able to use stimulus money to have the schools go wireless. She would like to add two staff to their IT department. They have 3,000 computers and maintain them throughout the year with three staff. They currently pay teachers stipends and they are getting pulled out of class to fix things.

3) *Status of School-City Review of FY09 YTD*

Chair Snyder put this on the agenda as there were questions on the February numbers. Jeannie said that they have hired an accountant and Suzanne helped them with the process. Jeannie thanked Suzanne for spending a great deal of time helping them out in their Finance department and that they are waiting for April third quarter figures.

7:00 p.m. – School Committee Finance Subcommittee meeting

Budget Deliberations