

**Finance Committee Meeting
April 30, 2010
11:00 a.m., Room 24**

Attendees: Chair Duson, Councilor Anton, Councilor Coyne, Councilor Skolnik, Joe Gray, Anita LaChance, Ellen Sanborn, Chief Craig, Assistant Chief Sauschuck, Doug Gardner, Staff members and members of the public.

Chair Duson called the meeting to order and explained that this meeting was scheduled to make decisions in terms of the budget to move it forward to full Council on Monday night.

Library Information: Ellen pointed out that there was information in the packet regarding the reallocation of funds from the closing of branches. Maurice Fisher explained that with the flat funding from the city, they are proposing to close three of the six branch libraries; Munjoy Hill, Reiche and Riverton which are all located within schools and totals \$281,000. He explained that the money was reallocated to the collection budget of \$70,000, which is used for books, online and technology supplies; \$125,000 to the increase in wages throughout the system; and \$55,000 to add the 6th day at the main library. He explained that last year the library employees agreed to no pay raises. The balance of savings is approximately \$30,000 and will be used for a portable library which will reach out to all neighborhoods. They are receiving a \$40,000 grant from the Davis foundation which will help with this. Councilor Anton asked what it would cost to restore the Riverton branch library. Morris said the cost to run Riverton is \$90,000 of which \$75,000 is personnel costs with the remaining for operating costs.

Councilor Anton said he is resigned to branch closing, with Munjoy and Reiche being appropriate at this time. He is concerned about the closure of the Riverton branch. Councilor Anton said he understands that the 4% salary increase is larger than the City side and asked them prospectively to interact with the City's resources to get their labor cost in sync. Chairman Duson said she is not inclined to change the recommendation, however would like an update on the portable library and is concerned with the sustainability of the program to make sure this innovation continues. Councilor Coyne is also concerned with the timing closing of the Riverton branch with the implementation of the portable library.

Tax Rate and Revenue Sources

Ellen said currently the City & School combined rate is 1.2%. She said there is additional revenue anticipated from an increase in vital records fees through the state of \$75,000. Also, the Committee expressed interest in discussing use of property sale proceeds to reduce the tax burden. The pending sales of property on Riverside Street at \$900,000 and the Adams School at \$240,000 are the only imminent options at this time. Discussion was held on applying this revenue to reduce the total tax rate increase.

Councilor Anton's concern is about having budget hole this year and using either sale proceeds or fund balance and where that will bring us in following years. Councilor Coyne is interested other ways to reduce the tax increase and is concerned about using fund balance.

Councilor Anton asked about the balance of the sale proceeds and how it would be framed in the Committee recommendation if they wanted to recommend reserving funds for capital projects. Ellen said that it could be indicated in the budget recommendation and that as these purchase and sale agreements come to the Council for approval there should be accompanying orders to reserve the funds. Joe said he would like to create a reserve fund to look at relocating our Public Services department, which the Committee had discussed previously. **Finance Committee supported 3-0 to apply \$75,000 in additional Clerk fees and \$313,500 in land sale proceeds to reduce the tax levy.**

Decision Items:

Trash bag fees: Mike Bobinsky provided a memo outlining the inception of trash bag fees and some history. Councilor Anton is opposed to increasing the trash bag fees and would rather see the revenue raised from taxes. He provided a handout comparing the cost increase to residents – tax increase v. bag fee increase. Discussion was held on keeping this increase in bag fees as part of the budget. Chair Duson feels that it makes more sense to go with a bag fee increase. Councilor Coyne agrees with Chair Duson, and noted that the cost is still much lower than other communities. **Finance Committee supported 2-1 to leave this fee increase within the FY11 budget, with Councilor Anton opposed for reasons stated.**

Peaks Island Police Coverage

Ellen stated material has been provided about island public safety for both Long and Chebeague Island, which is covered by the County, along with other documentation. Discussion was held on responding to emergencies with one officer. Chief Craig pointed out that Vinalhaven has 300 more residents than Peaks Island and they only have one officer. He said he understands the islanders concerns but with a tight budget and the current statistics on the island he feels they are sufficiently covered. Assistant Chief Sauschuck said that the island officers will be equipped with tasers.

Councilor Anton accepts the recommendation, but he would like to retain the current staffing through first quarter of the fiscal year. He is proposing to keep staffing for the full summer. Anita clarified that they are cutting 4 positions effective July 1st. and they are vacant so maintaining the island service would impact mainland staffing. Chief Craig felt that in order to obtain this he would have to eliminate their undercover operation. After calculating the coverage that Councilor Anton is proposing, Joe said it would cost approximately \$64,000.

Chairman Duson said this could be put into a contingency in assessing the budget reduction, but not stressing where the department allocates it. Councilor Anton recommended \$40,000. Councilor Coyne said he is not comfortable guessing at an

amount to add to the budget without knowing what amount would be needed. Based on previous discussion and options provided by the Department, the **Finance Committee supported 3-0 adding \$26,334 to the Police Department budget for Peaks Island coverage.**

Elder Outreach Nurse

Joe explained that there is an opportunity through a United Way grant as a funding source for the Senior Outreach Nurse Program. He said the deadline for application is in May and they should find out by the end of June. Doug Gardner said this opportunity fits nicely and is in line with what seniors need. The position would not be added back into the proposed budget, but if successful in receiving the grant funding the program would continue through a contractual relationship with the Portland Housing Authority.

Multicultural & Economic Development Positions

Joe had previously provided a memo outlining his proposal on changing duties of the multicultural position and reducing it to half time. He explained that the affirmative action functions will become part of the Human Resources Department.

Greg Mitchell provided memo describing available Urban Development Action Grant funds as part of the Downtown Portland Corporation. This discussion related to the idea of using UDAG funds to offset the reinstatement of the Business Development Representative position and to restore the multicultural position to full time. In order to be eligible, multicultural functions would include business development for minority businesses, and the City Manager has worked on a revised job description to reflect this. Councilor Anton is concerned that we are buying a year and that UDAG funds will not be available going forward, however feels this is a wise move for this year. Councilor Coyne has received a number of emails supporting these positions and is supportive of adding the \$83,000 back into the budget and using the UDAG to fund them. **Finance Committee supported 3-0 to add \$83,275 into the budget--\$29,728 for the Multicultural position and \$53,547 for the Business Development Representative.**

Other Items:

Parking smart program – All Finance Committee members support this concept and agree this is a good idea. Councilor Anton would like to set aside an amount for meter upgrades. Ellen pointed out that there are fees associated with these types of programs and this needs more research. She feels it's important to find out the cost and find the right program compatible with the City's meters. Councilor Anton would like people to be able to park downtown without having to use quarters. After discussion, it was agreed to discuss the parking smart program with the capital improvement program. Joe agreed to bring a plan back to the committee.

Peaks Island Council Use of Funds – The Peaks Island Council requested approval to use \$5,000 of their FY2011 allocation from the City Council to offset lost HCD funding to Peaks Island Children's Workshop. Based on the original Council action that established funding for PIC, past allocations have been restricted to mainland parking or

transportation. Chair Duson is opposed to this as it was requested through CDBG and was denied. Councilor Anton said he would sponsor this and supports this request. Councilor Coyne also supports this as the feels the mainland takes care of children through recreation programs and Peaks should be allowed to do the same. **Finance Committee supported 2-1 to recommend to the City Council allowing Peaks Island Council to use \$5,000 of their FY2011 allocation to fund Peaks Island Children's Workshop.**

Library – Riverton Branch

Discussion was held on adding \$90,000 to the Library contribution amount in order to restore the Riverton library branch through the transition of implementing the portable library program. Chair Duson would like to add this back in, but also would like a follow up on the implementation plan and progress. **Finance Committee supported 3-0 to add \$90,000 to the Library contribution for the purpose stated above.**

Final Budget Recommendation

The final budget for City General and Enterprise Fund operations recommended by the Finance Committee is \$196,256,415, an increase of \$7.2 million or 3.8%. Taxes needed to support this budget are \$67,024,080, an increase of \$626,729 or 0.9%. The tax rate for City operations is \$8.94, an increase of \$.09 cents.

Combined with the recommended School Department budget, total taxes needed to support City and School budgets is \$134,384,704, an increase of \$1.3 million or 1%. The associated tax rate for FY2011 is \$17.92, an increase of \$0.18 cents or 1%.