

**Finance Committee
Meeting Minutes
Tuesday, August 11, 2009
Room 24 – 4:00 p.m.**

Attendees: Chairman Mavodones, Councilor Anton, School Chair Kate Snyder, James Morse, Herb Hopkins, Sarah Thompson, Jaimey Caron, Joseph E. Gray, Jr., Anita LaChance, Suzanne Knight, Sally Deluca, Doug Gardner, Morris Fisher, Nate Smith, and Clare Hannon.

After introductions were made, Chairman Mavodones called the meeting to order.

Discussion on Community Center Budgeting

Chairman Mavodones explained that during the budget process it was agreed that we should have discussions about community center budgeting. At Councilor Anton's request, Anita pulled together costs associated with community centers and provided a breakdown by each center. Councilor Anton said his observation through budget season is that there is a significant amount of work allocated across various departments which is not readily visible. The City put capital in to build these centers and the programming lives across a lot of different departments. He explained that when this was discussed at budget time it didn't appear to have clear functions. Councilor Anton said it has been raised on the school side about fairness of costs, but there is a lack of clarity as to who does what and what goes where. He would like to have a community center cost center in the budget.

Chairman Mavodones feels that we will need to have further discussions on this topic. James said that he has had a couple of conversations with Sally regarding the community centers and is looking at how the schools can work more closely with recreation. He hopes this effort will enhance each other's programs.

Chair Snyder said that what she has noticed is some level of confusion on how we budget for community center related costs on the school side. She would like to clarify costs in terms of budgeting. She feels that it is helpful to see costs like the handout. Jaimey feels it important to identify what real costs are and to put money in the one account managed by one person. Sarah said her concern was on staffing such as custodial services under school budget and also utilities. She said they don't capture revenues from the pool, but they heat them.

Doug explained his department provides health services at Riverton and Reiche Schools, with the bulk at Riverton. He said the Oral Health Program runs out of Riverton but services several schools.

Sally explained that the community centers at Riverton and Reiche were built in the 1970's designed for recreation and at that time every child received swim classes. She believes that is the reason the school has been paying for pool services. Both Portland

and Deering High School's swim teams occupy the pools from November through April. It is a loss in revenue for the city, but we don't charge the schools back for utilities. She said that we don't have a free standing community center and that our centers are attached to the schools.

Nate explained that the library is in a financially challenging position and that it is undeniable that community centers provide value. On the other hand, he said the library is close to being in a triage mode with budget challenges. He explained that if the library has to choose between funding a core library or branch libraries they would fund the core library. The library has been pursuing with other partnerships ways to serve communities. Nate feels that in a worst case scenario they will have to shut down some of the branches. They have already shut down the main branch one day a week. This discussion and Reiche in particular has triggered a lot of efforts to find other resources to keep the libraries open and it is a work in progress.

Morris said they have been meeting with staff in each branch library over the last year. He said they are only staffing 20 hours per week and have been trying to run them efficiently. He feels that people want the presence of a library and look at the librarians as being key to these community centers. They will try to continue to provide services for as long as they can in these difficult economic times.

Anita said this is a real complicated animal and they will continue to coordinate with the library and school as it makes sense to utilize the space we have. Joe said this is one of the big picture areas that will be looked at carefully. There are a lot of resources that go into these community centers and the question is whether or not we are able to afford four community centers. He would like to see if these services can be provided in a more effective way. Joe also believes it is going to be difficult to continue to rationalize these costs.

Nick feels there is a large group of constituents that support these centers. Sally pointed out that three of the community centers are in the poorest areas where children can walk to them. Councilor Anton feels the budget challenges the library faces are the same as the school and recreation departments. There is a common challenge here. We built these spaces attached to schools and closing them doesn't make sense. He feels that occupancy needs to be a collaborative decision.

James said that many people who have no connection with schools are utilizing these facilities. This is a comprehensive model and whatever can be done to sustain these centers should be done. There needs to be a balance in terms of programming and costs. He understands that it is going to be a very difficult budget season coming up and fears that the school could possibly lose \$4 million in funding. He is very supportive of the programming that Sally has put in place.

Doug said in looking at direct costs if there are additional costs that would be added to these programs he is not sure they would be able to continue to operate health programs as they have no means to absorb it.

Nate knows that the coming year or two will be challenging and hopes this is a valley that they can get through. Joe said the issue is how to cover the dip. Jaimey explained that on the school side they are facing serious curtailments and are hopeful they will see revenues come back. They are looking out at a five-year period at different scenarios and options.

Councilor Anton agrees with the short-term/long-term observation. He asked that if it is concluded that these community centers are not viable can they be converted to school space. Also in the short term, he is wondering what Ameresco has to say about the swimming pools. Anita said they are recommending solar thermal hot water heating covering at the pools. Jaimey said he thought there might be some air handling changes also. Sally said that in 2002 there was major work done on the air handling system at Riverton.

Joe said going forward he would like to know what the Finance Committee wants to see come out of this. This is a big picture item and he would like to know where the consensus lies as he will be looking at this in September. Chairman Mavodones said this work needs to be collaborative. Jaimey would like to see the bigger picture on ways they can be more efficient as a group. Chair Snyder said that the school is committed to multi-year budgeting and will be looking to do things differently to improve their produce and improve efficiencies. She said that we all want to continue services, and should collaboratively look at opportunities for efficiencies and cost savings. Sarah feels that this has already been done at the East End school and suggested it be used as a model. Morris said that there weren't any cost savings at East End but feels that collaboration exists.

Chairman Mavodones was on the building committee for the East End project and feels that this model is something to be looked at and discussed. He understands that school libraries are different from public libraries, but feels it is worth looking into.

Nate said there is fundamental tension between children reading, adult reading, and safety issues that make this challenging and complicated, and if you make it work can it really save money. Jaimey said he understands there are always going to be obstacles and challenges, but feels that the community will support this. He said right now it is hard to see the full picture. Councilor Mavodones said it would be beneficial for the school and library folks to discuss this further.

Councilor Anton feels we need to look at next steps. Everything that has been discussed today has been addressed before through the sustainability plan. We have talked about the libraries over the last couple of years. He would like to see Joe in collaboration with the library and schools put together a programmatic and financial plan for these centers outlined by each program and costs identifying whether the program is permanent. He would like this to contemplate efficiencies, cost savings and capital investment opportunities. He would like to have discussions with communities sooner rather than later before we begin the budget cycle.

Morris said that from the library's perspective they can't look at this in a vacuum. They are trying to get away from locations and provide the mission for a good system. He is challenged by what Councilor Anton is asking for. He feels that flat funding across the board will eliminate these library branches. Councilor Anton said he doesn't want to create tension between the library and city or school and city. He said he is driving at literacy and learning works and alternative ways to deliver these services. He would like alternative cost savings proposals on the table. Councilor Anton would like to see these community centers running as efficiently as possible.

Councilor Mavodones understands that we are all in the same boat knowing next year is going to be very difficult and feels the City was fortunate that unions were able to make concessions on pay. He said we need to look at different scenarios.

Nate said that he would be happy to follow up on the East End issue. Nate asked Jaimey to speak to staff to see if it this is workable. Jaimey feels the libraries would get more equities across communities and is willing to explore different structures. He feels that having this in one area will help the community see the value. Jaimey said that right now it is so fractured it's hard to see all the different aspects and if it is simplified the community will step up and support these.

Councilor Mavodones said that through these conversations we all agree that people support schools, recreation programs and the libraries. He said the consensus is that the funding piece for these community centers needs to be clearer and that programming needs to be outlined with costs.