Remote Finance Committee
Meeting Agenda
Thursday, July 17, 2025
5:00 PM

MEMBERS
Councilor April Fournier, Chair
Councilor Benjamin Grant
Councilor Wesley Pelletier
Mayor Mark Dion (Ex-Officio)

Remote via Zoom

PUBLIC COMMENT INFORMATION

To submit written public comment on an agenda item for which public comment is being accepted, email finance@portlandmaine.gov. Submissions must be received by 12:00 pm the day before the Finance Committee meeting to guarantee their inclusion in the agenda packet. All submissions must include the commenter's name and legal address. To help ensure your comment is submitted for the correct item, please include the name of the agenda item (see below).

ZOOM MEETING INFORMATION

This meeting will take place remotely using Zoom. This meeting will be held remotely pursuant to the Remote Meeting Policy adopted by the Portland City Council. Allow your computer to install the free Zoom app to get the best meeting experience. If you are not able to attend live, a recording will be available in the Agenda Center following the meeting. For agenda items where public comment is scheduled, you will need to use the "raise your hand" feature. To raise your hand via the telephone, please hit *9. You will be unmuted by the host when it is time for public comment.
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International numbers available: https://portlandmaine-gov.zoom.us/u/kdZEncbpTF

1. Introductions

2. Approval of May 15, 2025 Meeting Minutes

3. Review of American Rescue Plan Project Status - Obligation Deadline and Spending Deadline

The City of Portland completed the obligation of 100% of our American Rescue Plan Act (ARPA) funds in accordance with US Treasury Compliance and Reporting guidance by the December 31, 2023 deadline. The City and our community partners have spent nearly 90% of our American Rescue Plan Act funds and spending must be completed by December 31, 2026. City staff will review the status of each open ARPA project with updates and anticipated spending schedules. This is a discussion item only, no action will be taken at the current meeting.

4. $20 Minimum Wage Proposal - Public Hearing

At their June 23, 2025 meeting, the Portland City Council held a first read on Order 239-24/25 Setting Election Date on an Amendment to Chapter 33 of the Portland City Code RE: an Act to Increase Portland's Minimum Wage - Sponsored by the Housing & Economic Development Committee, Councilor Pious Ali, Chair. At the current Finance Committee meeting, the Committee will provide the public with an additional opportunity for public comment on this item. The City Council second read and vote on this item will occur no later than August 11, 2025 (currently scheduled for July 14, 2025 but being recommended for postponement to August 11, 2025).

5. Future Meeting Dates / Topics

a. *August - No Meeting*
b. *September topics - FY26 Budget and Tax Commitment Update, PILOT, P-STEP expansion*

6. Adjournment

From: Brendan T. O'Connell - Finance Director

To: Danielle P. West, City Manager
CC: Greg Jordan and Dena Libner, Assistant City Managers
Date: July 17, 2025
Re: American Rescue Plan Act - Project Updates

Background

Under the United States American Rescue Plan Act (ARPA) of 2021, the City of Portland was issued $46,290,625 in recovery funds to replace lost revenues and respond to the COVID-19 pandemic. The City utilized a public participatory process to set priorities for the funding. The City Council appropriated the American Rescue Plan Act funds over a number of years.
The funding was fully obligated by the City in advance of a December 31, 2024 obligation deadline and now must be fully expended by the December 31, 2026 spending deadline.

Over a dozen projects have already been completed and associated funding has been fully expended. The City still has approximately $4.8M in ARPA funds remaining on other projects which must be expended prior to the spending deadline. These funds have all already been fully obligated by contract and fully expected to be spent prior to the deadline. A breakdown of each project with funds remaining is listed below, including initial allocation, funding spent as of June 30, 2025, and funds remaining to be spent. Each of these projects are discussed in more detail later in this memo.

Project	Allocation	Funds Spent as of June 30, 2025	Funds remaining
Kiwanis Pool	$3,798,214	$1,591,260	$2,206,954
MaineHealth - CAMP	$1,000,000	$187,583	$812,417*
PPL - COVID(HVAC)	$569,790	$60,474	$509,316
MSHA - Encampment	$229,385	$0	$229,385
GPH - Recuperative Care	$565,000	$283,661	$281,339*
Restrooms	$600,000	$388,687	$211,313
Childcare	$500,000	$351,485	$148,515
MMC - Outreach	$500,000	$382,941	$117,059*

Alternative Response Program	$85,000	$0	$85,000
Ashlea's Place	$750,000	$680,306	$69,694
Tree Canopy	$250,000	$160,323	$89,677
Hope Acts	$200,000	$175,000	$25,000
Electrify! Programs	$200,000	$176,018	$23,982
Small Business Assistance	$700,000	$681,415	$18,585
Community Dental	$490,000	$475,800	$14,200
Trash Barrels	$125,000	$117,601	$7,399
Crisis Training	$40,000	$32,980	$7,020
Recovery Center	$125,000	$118,893	$6,107
All Other Projects (Completed and Fully Expended)	$35,563,236	$35,563,236	$0
GRAND TOTALS	**$46,290,625**	**$41,427,663**	**$4,862,962**

* Three projects have recently submitted requests for reimbursement (post June 30, 2025). The following amounts are under review and will be processed for disbursement in the coming weeks. Remaining funds, assuming these reimbursements are approved, will be as follows:

- Maine Health - CAMP: Approximately $554,140
- MMC - Project CONNECT(Outreach) : Approximately $23,000
- Greater Portland Health - Recuperative Care: Fully Expended and Complete

Kiwanis Community Pool Replacement - The Portland Community Pool project is well underway. 100% of these project funds have been obligated, primarily within a construction contract with Blaine Casey Contractors. Design and permitting concluded in 2024, followed by demolition in early spring 2025. A groundbreaking ceremony was held on June 5, 2025, and construction is currently in progress, with completion anticipated by June 2026 (currently on schedule). Funding from ARPA has covered design, construction documentation, and construction of the new aquatic facility. Current construction milestones include earthwork, utilities, foundations for support buildings, a site retaining wall, pool reinforcement, and sub-slab plumbing and drainage. Remaining ARPA funds will be disbursed to the contractor as construction progresses through Summer and Fall 2025 with private funds to be used in late 2025 and early 2026. Our private fundraising efforts have met their initial goal of $1M .

Maine Health - CAMP - The Comprehensive Addiction Management Program (CAMP), located at 576 St. John Street, officially launched in February 2024 following the completion of renovations. By Fall 2024, CAMP was serving 120 patients with low-barrier care for substance use disorder and anticipates continued growth. Funding for the program supports staff and is projected to be fully utilized in advance of the December 31, 2026 deadline.

Portland Public Library (PPL) - Reimbursement of COVID-related expenses - This project received additional funds, reallocated from the Expo Center ($475,000), to improve and upgrade the HVAC system at the main branch. The project is expected to be completed by the end of 2025 and the majority of these funds are covered under a project contract with Trane.

Housing Opportunities for People in Encampments Program - The City Council authorized the Housing Opportunities for People in Encampments (HOPE) Program in February 2024, reallocating ARPA funding for this new initiative. The first year of the pilot proved successful, enrolling 85 individuals and housing 45, despite a voucher freeze. Staff creatively collaborated with landlords to overcome the challenges of obtaining housing vouchers. Collectively, these housed individuals had spent over 7,000 nights in shelters, accumulating nearly 20 years of homelessness. The program is anticipated to continue for another year, with full utilization of its ARPA funds expected by the end of 2025.

Public Restrooms - With an allocation of $600,000 to add and/or improve existing public restrooms, the City was able to utilize funding towards the fabrication and installation of 2 new vaulted toilets in Deering Oaks Park, retrofit the existing unit to hold more waste in Deering Oaks (Park Ave), retrofit and add a vault to the Eastern Promenade unit, retrofit and add a vault to the Commercial Street unit, retrofit and add a vault to the Fox Field unit, and installed two new vaulted units at Preble Field. Additionally, five (5) new units are currently being fabricated for Lower Valley Street (1), Eastern Prom Boat Launch area (2), Spring/High Street Parking Lot (1), and Bayside Trail (1). The remaining bathrooms are anticipated to be completed and all remaining funding is expected to be utilized by the end of 2025.

Funding to Address Childcare Needs - The City of Portland continues to make significant strides in supporting accessible and affordable childcare options for its residents, primarily through the successful implementation of the Childcare Voucher Program and the ongoing availability of the Growing Childcare Grant Program. The Childcare Voucher Program has consistently utilized its allocated funds. Out of an initial allocation of $160,000, approximately $88,000 remains, indicating a steady and consistent benefit to eligible families. The Growing Childcare Grant Program has assisted 28 providers to date, opening up an estimated 125 slots. The remaining $50,000 is expected to be fully expended prior to June 30, 2026.

Maine Medical Center - Psychiatry Outreach Program - Renamed as Project CONNECT, the custom mobile health unit was launched in mid-June of 2024 and began providing clinical services on July 1, 2024, reaching individuals experiencing homelessness at various sites. Project Connect is collaborating with several organizations, such as Milestone Recovery, Greater Portland

Health, and City of Portland Harm Reduction Services. This program has nearly expended all of its awarded funding, and is expected to utilize all of its funding by the end of calendar year 2025.

Behavioral Health Alternative Response Program - An Alternate Responder was successfully hired this May and began work in June, and will focus on calls related to homelessness, substance use, and mental health crises. The position aims to provide a non-law enforcement response to calls triaged through the emergency communications center, specifically for well-being checks, behavioral health issues, and non-criminal drug-related incidents. The Alternate Responder will offer intervention, referrals, advocacy, and service facilitation and is expected to respond to over 600 calls within a one-year period. These funds will begin to be utilized starting in August.

Spurwink - Ashlea's Place - Ashlea's Place houses six residents with 24/7 weekday support, including overnight staff, focusing on maintenance and resident involvement. The program serves individuals experiencing long-term homelessness, co-occurring mental illness, substance use disorder, and assists with daily living, crisis management, and apartment upkeep. This project is on track to utilize all funding by March 31, 2026 with under $70,000 remaining as of June 30, 2025.

Tree Canopy Funding - This project successfully planted 80 trees in the Bayside neighborhoods, nearly quadrupling the annual planting capacity of the city's forestry team in this area. All 80 trees were planted in larger tree wells with appropriate planting mix. The project is on track to fully utilize its remaining $89,677 before the end of the year.

Hope Acts - From April 1, 2025 to June 30, 2025, a total of 1,268 client meetings were held, with immigration and housing services being the primary needs. The organization completed 502 housing-related meetings and secured housing for 14 new households, while continuing to support 250 previously housed households. This project is on track to utilize its remaining $25,000 in funding by September 30, 2025.

Electrifying Everything - The Electrify Bikes! program, launched in the summer of 2024, successfully distributed over $100,000 to 68 low-income Portland residents for the purchase of electric bikes. This past year, the DIY Electrify! program provided 182 residents with $250 rebates each for select weatherization and efficiency items. Remaining funds are now being rapidly distributed for a second round of E-Bike rebates, projected to benefit an additional 35-40 residents.

Continuation of Economic Development Programs - The majority of the funds have been allocated and committed to 135 businesses with low-income owners around Portland. A small remaining balance of just under $5,000 is anticipated to be granted by the Portland Development Corporation (PDC) during their upcoming meeting on July 17, 2025.

Community Dental - This project's funds have supported dental care for low-income individuals, specifically by funding essential dental supplies, equipment, and salaries. This vital assistance has enabled Community Dental to continue its mission of providing affordable and dependable dental services. This project is on track to utilize all funding.

Replacement and Adding of Big Bellys and Trash Barrels - Since the beginning of this project, 20 in-ground trash barrels that can hold 300 gallons of debris have been purchased, with only a few left to be installed. Additionally, a crane needed to be added to an existing Parks dump truck to be able to lift these bags out of the ground. Staff also purchased an additional 15 standard park barrels that have a 30-gallon capacity to place in high-use areas or replace barrels that are no longer serviceable.

Mental Health Crisis Training - The Portland Police Department's mental health and wellness project for sworn officers and civilian emergency communications personnel has two main components: Mental Health First Aid (MHFA) Instructor Training and On-site Wellness Services. Behavioral Health Unit and Peer Support personnel will be trained as MHFA instructors to offer flexible, in-house training on identifying and responding to mental health and substance use challenges. A public safety psychologist will provide weekly one-on-one readiness visits for stress management, coping strategies, and post-critical incident support. This project is on track to utilize all funding before the end of the year.

Portland Recovery Center - The Portland Recovery Community Center's (PRCC) World Recovery Cafés focused on participants' encounters with systemic obstacles during recovery and brainstorming solutions. Following a mid-year assessment, PRCC revamped the program. They fostered collaborations with local groups to enhance participation and planning. Accessibility was boosted by extending event hours throughout weekdays and weekends. By December 31, 2024, PRCC had hosted 33 events across 8 series, reaching 476 individuals. Post-restructuring, attendance surged from 8.4 to 17.7 for World Cafés and 7.2 to 23.9 for Recovery Cafés. This project is on track to fully expend its allocated funds.

From: Brendan T. O'Connell - Finance Director
To: Portland City Council
CC: Danielle P. West, City Manager
Date: July 15, 2025
Re: Fiscal Impact of Proposed $20 Minimum Wage - Updated for 2025 Proposal

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Executive Summary: This memo is intended to estimate the fiscal impact of the staggered increase to a $20 minimum wage on the City of Portland as proposed by the "Increase Minimum Wage to $20" proposal currently in front of the Housing and Economic Development Committee. The overall City mill rate is split into three portions, General Fund (currently $6.57), Cumberland County Tax ($0.56) and Portland Public Schools (currently $7.88), for a combined FY25 overall mill rate of $15.01 This memo covers the impact to the City portion of the mill rate only (the $6.57, or approximately 44% of the overall mill rate) as City staff do not have access to detailed Cumberland County or Portland Public Schools salary data.

In addition to the direct cost of increased wages for municipal workers currently earning under $17 - $20 per hour (impacts vary by year based on the proposal) there will also be impacts to wages for City workers currently earning just above those thresholds. The direct impact is a simple calculation based on current versus proposed wages. The indirect impact requires some assumptions which are outlined in the Additional Information and Calculation Assumptions portion of this memo. There will also be an impact on costs of labor for the City of Portland budget related to external contractors subject to the new proposal that is not included here.

A summary of the total estimated fiscal impact is included below. The estimated addition to just the municipal portion of the mill rate is 67 cents over the three year period required for a fiscal impact note. For a homeowner with a home valued at $500,000, they would pay an estimated additional $333 over the three year period covered by the fiscal impact note (FY27, FY28, FY29). A brief analysis and the assumptions used in the fiscal impact calculations are included in the body of the memo.

FISCAL IMPACT NOTE - BY FISCAL YEAR	2026		2027		2028		2029	
New Program Cost Data:	City Rate	City / Sch Combined Rate	City Rate	City / Sch Combined Rate	City Rate	City / Sch Combined Rate	City Rate	City / Sch Combined Rate
Example:								
ADD: NEW ITEM ANNUAL EXPENDUTURES		$0		$3,142,900		$3,326,420		$3,632,607
LESS: TOTAL NEW ITEM ANNUAL REVENUES		$0		$0		$0		$0
=NEW ITEM NET TAX RATE IMPACT PROJECTION	$0	$0	$3,142,900	$3,142,900	$3,326,420	$3,326,420	$3,632,607	$3,632,607
New Program Impact to the Tax Rate	$0.0000	$0.0000	$0.2075	$0.2075	$0.2196	$0.2196	$0.2399	$0.2399
New Program % Impact on Tax Rate	0.0000%	0.0000%	3.1586%	1.3825%	3.3430%	1.4633%	3.6508%	1.5980%
Tax Rate Inlcuding New Program	*$15.01*	*$15.01*	*$15.22*	*$15.22*	*$15.23*	*$15.23*	*$15.25*	*$15.25*

As with any future fiscal year analysis, all of these assumptions / estimates would still require City Council approval before they become new costs in each applicable budget year. This even includes the wage adjustments for those currently making below $20, as the City could seek to make changes to how services are delivered in an impact to offset cost increases.

Additional Information and Calculation Assumptions:

For those who have not had the chance to see the latest version of the proposal, it includes a new minimum wage of $17 per hour effective 7/1/26 (due to concerns raised by City staff around required implementation of a new minimum wage in the middle of a fiscal year). The revised proposal would continue to increase minimum wages annually, to $18.00 per hour effective 1/1/27, to $19.00 per hour effective 1/1/28, and to $20.00 per hour effective 1/1/29. After 2029, future increases would be indexed to inflation as measured by the Consumer Price Index for All Urban Consumers. This memo only calculates the fiscal impact for a three year period (in this case FY27, FY28, and FY29). Please note, the City does not have any tipped workers / employees who may fall into special categories of minimum wage. Please also note, the current minimum wage in Portland ($15.50/hour) is higher than the State of Maine minimum wage ($14.65/hour).

The City has several categories of employees including full time, part time, temporary and seasonal. Including all categories, the City issued over 2000 W2's in 2024. Based on rates of pay for the most recently completed fiscal year, the City has just over 610 employees who earned between $15 and $20 per hour for the period ending 6/30/24 ("wage data"), primarily part time, seasonal and temporary employees. The City also had 368 employees in the $20 - $25 per hour wage bands, 377 employees in the $25 - $30 per hour wage bands, and 691 employees in the $30+ per hour wage bands.

A key assumption in these cost estimates is that the City will not change the services it provides in future fiscal years (i.e. the types of jobs, wages, and hours worked during the year ended 6/30/24 will remain applicable to future fiscal years). For employees in the $15 - $20 per hour wage bands, we have calculated the fiscal impacts of increases as proposed by year by comparing current hourly wages vs those in the proposal. In general, this category of employees and hours does not include significant levels of overtime work, so the impact to OT was excluded for purposes of this analysis. When compared to the current minimum wage, there is a $1.50 base wage increase for the second half of 2026, another $1 base wage increase in 2027, another $1 base wage increase in 2028 with an additional $1 base wage increase in 2029 - a total of a $4.50 increase from the current City of Portland minimum wage over the phase in period. The estimated impact by calendar year compared to the wage data analyzed is as follows:

7/1/26 through 12/31/26 - $17 minimum wage - $33,861
1/1/27 through 12/31/27 - $18 minimum wage - $128,234
1/1/28 through 12/31/28 - $19 minimum wage - $306,494
1/1/29 through 12/31/29 - $20 minimum wage - $518,325
Total estimated impact: $986,914

The City and our City labor unions have various job categories and classifications ("job grades") based on employee duties and skill levels required. These jobs are categorized in our pay scale based on job grade. Our fiscal impact analysis makes the assumption that the significant increase in wages for employees in the $15-20 category (up to 29% for some employees) will have an impact on wages and union wage increase requests within the other wage categories / wage bands of employees. For employees in the $20 - $25 per hour and $25 - $30 per hour bands we have assumed identical dollar amount increases in each calendar year vs minimum wage ($1.50, $1.00, $1.00 and $1.00 for 2026 through 2029 respectively) to maintain spacing and avoid compression between the various job grades for different skill level positions (so supervisors do not begin to make less than the employees they supervise, etc.). For those employees making above $30 per hour we have only assumed ½ of the dollar increases per calendar year ($0.75, $0.50, $0.50 and $0.50 for 2026 through 2029 respectively) - so there will be some additional wage compression and a smaller difference between different job grades / different skill level positions.

Staff consulted with Human Resources on potential cost benefits of an increased minimum wage, (for example, a cost savings estimate related to reduced employee turnover) but it was determined this was not something HR could reasonably calculate. Human Resources Director Anne Torregrossa will be in attendance at the Committee's July 17th meeting to answer any questions on the factors that could be considered.

In total for FY2027, the estimated fiscal impact to wages including all wage categories is expected to result in an additional cost of $3.1M. For FY2028, that estimated impact rises to $3.3M. For FY2029, the estimated impact rises to $3.6M. The additional costs in the fiscal impact note are shown annually, and reflect the estimated additional amount of funds that would need to be collected from taxpayers on an annual basis. The total impact over the three year period is an additional required collection of property taxes of an estimated $10.1M. These cost increases are for the City / municipal portion of the mill rate alone, and trigger an increase by year of 21 cents for 2027, 22 cents for 2028, 24 cents for 2029. Please note, these figures do NOT include potential cost increases for Cumberland County and the Portland Public Schools - the cost of those services to City taxpayers will also rise and trigger further increases to the overall tax rate.

Tiffany Mullen <tgm@portlandmaine.gov>

Portland City Finance Committee- Testimony for 7/17 Committee Re: $20 Minimum Wage

'Karen MacDonald-Fowler' via Finance <Finance@portlandmaine.gov> Thu, Jul 10, 2025 at 2:00 PM
Reply-To: Karen MacDonald-Fowler <KMacDonald-Fowler@portresources.org>
To: "finance@portlandmaine.gov" <finance@portlandmaine.gov>, "mdion@portlandmaine.gov" <mdion@portlandmaine.gov>, "wpelletier@portlandmaine.gov" <wpelletier@portlandmaine.gov>, "bgrant@portlandmaine.gov" <bgrant@portlandmaine.gov>, "afournier@portlandmaine.gov" <afournier@portlandmaine.gov>

Dear Mr. Mayor and Portland City Finance Committee Members,

My name is Karen MacDonald, I am the executive director of Port Resources, a nonprofit social services organization supporting individuals with intellectual disabilities and autism. I support individuals who live in group homes and independent apartments across many districts of Portland. I am providing this letter of testimony to share my grave concerns about the devastating impact implementing a mandated $20.00 an hour minimum wage would have on our workforce and vulnerable clients.

We support nine group homes and twelve independent living apartments within Portland. These Portland programs support over forty clients and employ sixty team members.

Our funding comes through the State's MaineCare program. An hourly rate is set by the State which we receive for each hour of service we provide. This rate is non-negotiable and there is no mechanism to receive higher funds should higher expenses get passed onto us. We spend a lot of time advocating for higher rates in order to pay higher wages, however higher rates needed to allow us to meet this minimum wage are not forthcoming in the State budget. We do not have large endowments or land trusts to draw from; we operate from our rate revenue and there is no way to stretch these dollars.

A forced higher minimum wage, before there are adequate rates to cover it, becomes an unfunded mandate, which erodes our ability to maintain a stable organization and would force our services out of Portland.

We are an incredibly resourceful organization and do our best with the funds we do receive but these resources can only stretch so far. Out of this rate we must cover the hour of direct care provided and all taxes and benefits that go with it, often this is at an overtime rate due to staffing shortages. We must cover all program related costs including things like transportation for our clients, training for staff, tech equipment and licensing expenses, and we must cover our general and administration costs which cover administration, supervision, clinical support, our electronic health record, insurance, unfunded mandates and other indirect expenses. Over two thirds of this hourly rate goes toward direct care costs and the remainder covers all other aspects of doing this service. At our current rate, we just break even. The proposed change to go to a $20.00 per hour minimum wage would simply decimate us. Just for our Portland-based workforce, this increase would cost us, conservatively, an additional $312k annually. We have absolutely no way to absorb this.

To be clear, Port Resources absolutely supports our team members getting higher wages, we spend a lot of time educating State leadership about the critical need for these services and why paying our team members a living wage is imperative to maintaining a vital workforce. The current proposal does not achieve this goal for our workforce, it will simply drive us out of Portland because there would be no way to cover these additional expenses, and that doesn't even come close to what it would cost to expand the higher wages across our entire organization. We need higher rates to be able to pass along higher wages- and that is simply not in the State budget.

Port Resources is a thoughtful and financially mindful nonprofit. We do not have land trusts, or huge endowments. We are a fee for service organization; we have no hidden treasures or deep pocket investors and donors. We are a humble human service nonprofit, providing support to some of Maine's most vulnerable residents in their community of choice.

Portland is such a wonderful place for our clients to live and for our team members to work; but this change would make it untenable for our organization to sustain our services here. No one wants to move. Individuals we support who live in Portland love living in this city. This is their community; this is their home.

Thank you for your time and truly hearing our grave concerns. We hope that consideration will be made for the future wellbeing of Portland's most vulnerable residents who would be so negatively impacted by this change.

Sincerely,

Karen D. MacDonald

Executive Director- Port Resources

Karen D. MacDonald-Fowler (she/her)
Executive Director

Port Resources
280 B Gannett Drive
South Portland, Maine 04106

207/828-0048 ext. 101
207/772-3743 fax

kmacdonald-fowler@portresources.org

At Port Resources, our mission is to help everyone find their place in the world. This means we continually celebrate the diverse community different individuals cultivate. As an equal opportunity employer, we stay true to our mission by ensuring that our place can be anyone's place.

Please Visit Our Website at www.portresources.org

Proud Member Of MACSP Maine Association For Community Service Providers

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Tiffany Mullen <tgm@portlandmaine.gov>

The Cedars Finance Committee Testimonial Submission

1 message

Katharine O'Neill <KO'Neill@thecedarsportland.org> Wed, Jul 16, 2025 at 10:41 AM
To: "finance@portlandmaine.gov" <finance@portlandmaine.gov>

Good morning –

Attached is my submission for tomorrow evening's Finance Committee remote meet at 5PM.

The testimonial will address the minimum wage ordinance.

Thank you,

Katharine O'Neill

Chief Operating Officer
The Cedars
630 Ocean Avenue

Portland, ME 04103
207-221-7000 ext #3562

Opposition to Minimum Wage Ordinance July 2025.pdf
89K

Opposition to the $20 Minimum Wage Proposal – City of Portland

Katharine O'Neill, Chief Operating Officer, The Cedars
630 Ocean Avenue, Portland, ME 04103

July 17, 2025

Good evening. My name is Katharine O'Neill, and I serve as the Chief Operating Officer of The Cedars located on Ocean Avenue. I appreciate the opportunity to speak with you today in opposition to the proposed minimum wage ordinance, which would make Portland's minimum wage among the highest in the nation.

The Cedars—formerly known as the Jewish Home for Aged—is a nonprofit organization that has proudly served Maine's older adults for 96 years. We offer a full continuum of care, including independent living, assisted living, short-stay rehabilitation, and skilled nursing/long-term care, the latter of which we have provided for over 75 years.

As a mission-driven organization, The Cedars is committed to delivering high-quality, person-centered care. We give back to the community through innovative resident programming, by serving as a clinical teaching site for local colleges and universities, and by caring for some of Maine's most vulnerable citizens. We deeply value our staff, who are the backbone of our organization, and we invest in them accordingly. Since 2020, we have increased wages for our direct care staff by 45% to remain competitive. We also offer a licensed "Earn While You Learn" CNA training program through DHHS, which has proven to be a successful pipeline for dedicated caregivers—many of whom are immigrants building new lives in the U.S.

Our long-term care and short-stay rehabilitation services are the most labor-intensive, costly, and highly regulated components of our operations. They are also in high demand, as we admit patients directly from hospitals that are at or near full capacity. The majority of our reimbursement comes from Medicaid, Medicare, and Managed Medicare, with a smaller portion from private pay.

However, we are facing significant financial headwinds. The recent federal budget includes over $1 trillion in Medicaid cuts, and Maine's Medicaid budget gap is already leading to reduced payments to hospitals—with nonprofit nursing homes likely next. Over the past decade, 26 nursing homes have closed in Maine due to financial strain. The Cedars and other providers are at a breaking point.

If Portland enacts this proposed minimum wage ordinance, the resulting increase in labor costs and wage compression will jeopardize our ability to continue offering these essential services. We respectfully urge the City Council to reject this proposal and instead maintain the current ordinance, which already adjusts annually based on 100% of inflation.

Thank you for your time and consideration.

Tiffany Mullen <tgm@portlandmaine.gov>

Minimum wage input

1 message

'Mary Alice Scott' via Finance <Finance@portlandmaine.gov> Wed, Jul 16, 2025 at 5:05 PM
Reply-To: Mary Alice Scott <mascott@nonprofitmaine.org>
To: April Fournier <afournier@portlandmaine.gov>, Ben Grant <bgrant@portlandmaine.gov>, "wpelletier@portlandmaine.gov" <wpelletier@portlandmaine.gov>, "mdion@portlandmaine.gov" <mdion@portlandmaine.gov>, "finance@portlandmaine.gov" <finance@portlandmaine.gov>

Dear Finance Committee,

Ahead of tomorrow's Finance Committee meeting, I wanted to share a little bit of information that may be useful as you consider the minimum wage proposal.

As you can imagine, our membership does not tend to have a unified opinion when it comes to issues like minimum wage increases. In general, we summarize our position as "moral support, operational anxiety."

Nonprofits often recognize that many of our programs and services are needed because minimum wage hasn't kept up over time, and too many workers are not paid living wages for their labor. It's an equity issue, and MANP has done a lot of work ourselves over the past several years related to salary transparency (and requiring it on our job board), and creating a transparent compensation philosophy. Through these changes, we're hoping to lead organizations toward improved practices when it comes to paying employees fairly. We also release a compensation report every two years, which we use to highlight and encourage employers to use a living wage analysis as part of setting their compensation.

At the same time, nonprofits are employers with unique constraints. Unlike for-profit businesses, most nonprofits cannot simply charge more to their community in order to make up for increased costs. Even public-facing organizations that charge for services are often operating those programs at a loss, while fundraising elsewhere to make up the difference.

Many nonprofits rely on reimbursements that are set by state or federal contracts. Generally, these contracts do not have "re-openers" contained within them, meaning that if the conditions of the contract change mid-stream (like a required wage increase), the nonprofit cannot access a higher reimbursement rate. At the state level, increased reimbursement rates in contracts are piecemeal and very difficult to successfully get through the appropriations process. We've been doing a survey about government contracting, and so far, 70% of respondents say that state government contracts do not cover adequate administrative or indirect costs.

Finally, it's worth noting that the context for nonprofits right now is extremely challenging. In the spring, we held a community forum related to federal executive actions, and conducted a live poll. In it, 57% of organizations said that "uncertainty of future funding / inability to plan" was one of their top two concerns. Our job board postings from January-June 2025 are down about 20% from 2024.

This is a particularly challenging moment for nonprofit organizations, and we fully expect to see reductions in critical safety net programming, services, and likely some organizational closures in the coming months.

I hope this is useful – thanks for your time.

Mary Alice

Mary Alice Scott

she / her / hers (Why Pronouns Matter)

Public Affairs Manager

Maine Association of Nonprofits

(207) 871-1885

Save the Date: ***Together for Good – Maine's Nonprofit Gathering*** **is happening December 4, 2025, in Portland! Learn more at** www.nonprofitmaine.org/blog/**2025-maine-nonprofit-gathering**

Tiffany Mullen <tgm@portlandmaine.gov>

Public Comment on Portland Minimum Wage Order 239-24/25

1 message

'Angela Westhoff' via Finance <Finance@portlandmaine.gov> Thu, Jul 17, 2025 at 10:25 AM
Reply-To: Angela Westhoff <AWesthoff@mehca.org>
To: "finance@portlandmaine.gov" <finance@portlandmaine.gov>, "mdion@portlandmaine.gov" <mdion@portlandmaine.gov>, "wpelletier@portlandmaine.gov" <wpelletier@portlandmaine.gov>, "afournier@portlandmaine.gov" <afournier@portlandmaine.gov>, "bgrant@portlandmaine.gov" <bgrant@portlandmaine.gov>
Cc: "publiccomment@portlandmaine.gov" <publiccomment@portlandmaine.gov>

To: Mayor Dion and Members of City of Portland Finance Committee

Fr: Angela Westhoff, President/ CEO, Maine Health Care Association

Re: An Act to Increase Portland's Minimum Wage

Please see the attached testimony regarding **An Act to Increase Portland's Minimum Wage-- Order 239-24/25: Order Setting Election Date on an Amendment to Chapter 33 of the Portland City Code.**

I do plan to attend tonight's Finance Committee meeting via Zoom.

Thank you,

Angela

--

Angela Cole Westhoff, CAE

President/ CEO

Maine Health Care Association

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Maine Health Care Association

Westhoff_MHCA_Testimony_Portland_Min_Wage_2025.pdf
144K

Testimony of Angela Westhoff, President & CEO
Maine Health Care Association

Before the Finance Committee, City of Portland on July 16, 2025

Re: An Act to Increase Portland's Minimum Wage
Order 239-24/25: Order Setting Election Date on an Amendment to Chapter 33 of the Portland City Code

Mayor Dion and honorable members of the City of Portland's Finance Committee:

My name is Angela Westhoff, and I serve as the President & CEO of the Maine Health Care Association. We represent approximately 200 nursing homes, assisted living centers, and residential care facilities across the state and specifically several long term care facilities located in Portland, ME. Our mission is to empower members to ensure the integrity, quality, and sustainability of long term care in Maine.

I am testifying today in opposition to Order 239-24/25 regarding **An Act to Increase Portland's Minimum Wage** and setting an election date to amend Chapter 33 of the Portland City Code. Maine has experienced a cascade of long term care home closures. Since 2014, 29 nursing homes have closed. More specifically, there have been over 50 closures or conversions of nursing homes to lower acuity of care settings during the same time period. Access to long term care supports and services in Maine is severely challenged.

Maine is the oldest state in the nation by a wide margin. Of those who live in the Pine Tree State, nearly 1 in 4 is 65 years old or older. As the baby boomer population continues to age, we will have even fewer beds available once they reach the need for this level of care.

The escalating rate of closures is happening because of low reimbursement rates, record inflation levels, and increased labor costs. We appreciate the intent of raising minimum wage for workers; however, health care facilities including nursing homes, residential care facilities and assisted living homes are dependent upon a set reimbursement rate. Facilities are struggling because most of our residents rely on MaineCare (Medicaid) and it already does not cover the full cost of providing long term care. In addition, the pandemic dramatically impacted our workforce. We estimate we lost between 10 and 15% of caregivers. While there has been some progress in recovery, long term care still lags behind all other health care sectors in restoring its workforce.

In 2021, the Maine Legislature passed a law regarding minimum wage for direct caregivers, also known as “essential support workers” (Public Law 2021, Chapter 398, Part AAAA). Essentially, this law requires that providers’ rates be increased in order to cover at least 125% of the state minimum wage, including taxes and benefits. So if the City of Portland raises wages independent of state law, long term care providers will be caught in the untenable position of not receiving corresponding increases in their reimbursement rate to offset this increase in their labor rates.

Wages in our sector have already increased by over 30% over the last few years, but Medicaid reimbursement rates are tied to state and federal dollars that have not kept pace. Our homes are already struggling to keep up with rising costs of labor, food, medical supplies, heating oil, etc. Not to mention with the recent passage of the federal reconciliation bill, states will have fewer dollars to support Medicaid programming. There is great uncertainty with respect to decreased federal funding, but in their July 11th blog post Maine DHHS officials are citing “increased administrative burden and increased financial risk for Medicaid financing, compromising the state’s ability to ensure stable and adequate funding for the program.”

The fragility of the long term care sector is very real and should not be underestimated. More homes will be forced to limit their beds, or worse close their doors, if these economic pressures continue to mount with no additional revenue. We urge the Portland City Finance Committee and the City Council to not proceed with this minimum wage increase at this time.

Thank you and I would be happy to answer any questions.