

An increase in the TIF value and what it means for Saco

RAD #1826

FY18 Recommended Expenditure Budget

	2014-2015	2015-2016	2016-2017	2017-2018			Budget
	Actual	Actual	Adopted	Directive	RAD	REC	
Expenditures							
Salary and Wages	8,989,385	8,886,582	9,449,367	9,503,800	438,031	193,654	9,697,454
Overtime	925,785	865,403	846,200	836,000	30,000	0	836,000
Fringe Benefits	3,392,667	3,500,022	3,636,891	3,755,909	129,033	56,054	3,811,963
Travel and Training	127,380	105,034	131,125	135,465	500	0	135,465
Program Expense	1,852,530	1,891,109	2,037,251	1,957,858	75,709	27,468	1,985,326
Equipment	365,721	459,738	366,640	360,566	16,350	687	361,253
Supplies	458,835	392,487	432,914	458,052	88,500	71,999	530,051
Maintenance and Parts	533,936	527,959	647,500	435,974	13,000	6,937	442,911
Utilities and Fuel	1,329,764	1,208,179	1,267,391	1,146,056	8,925	5,499	1,151,555
Contracts	752,270	802,743	658,130	640,238	283,045	68,287	708,525
Other	271,159	232,829	185,200	180,417	-60,300	800	181,217
Vehicles	96,035	104,014	103,140	97,500	0	0	97,500
Insurance	182,546	203,436	184,000	184,000	14,025	5,000	189,000
Fees	588,979	608,601	756,971	754,225	1,200	1,200	755,425
Capital and Debt Service	4,202,822	3,889,785	4,509,629	3,906,161	45,470	45,470	3,951,631
General Assistance	164,630	139,630	133,050	130,350	0	0	130,350
County Tax	1,231,018	1,243,927	1,265,983	1,283,733	0	0	1,283,733
School Tax	20,722,537	21,764,772	22,214,912	24,711,375	0	0	24,711,375
Interfund Transfer	1,059,520	1,228,534	999,719	819,182	500,000	0	819,182
Total Expenditures	47,247,520	48,054,783	49,826,013	51,296,861	1,583,488	483,055	51,779,916

New valuation totals

- Saco Community as a whole is growing by roughly \$60,000,000
- \$35,000,000 is taxable assessed value
(this amount is reflected in the “Suggested Changes to the Recommended Budget” excel calculator and offsets the mill rate from \$20.62 to \$20.28 as of 4-12-17).
- \$15,000,000 is the estimated new growth in the Downtown Development district
- \$10,000,000 is the estimated new growth in the Chinburg / Mill building #4 TIF

Estimated TIF values

- Downtown Development District

$$\$15,000,000 * .020 = \$300,000$$

- Chinburg / Mill Building #4

$$\$10,000,000 * .020 = \$200,000$$

\$500,000

How do we account for that money coming in?

- The entities pay their property tax bill
 - an additional revenue for the city in the property tax line
- That money is then transferred (Interfund transfer to the specific Special Revenue Fund) as an expense in the General Fund.
- The net effect is \$0 on the General fund and seen as a revenue in the particular TIF district.
- The original RAD did not have both the revenue and the appropriation as it was a placeholder for presentation.

What is Council's action here?

- The City Administrator did not include it as part of the budget, as it a concept which warranted a greater explanation.
- Movement of TIF money artificially inflates the expenditure budget, but is required for auditing purposes.
- The budget document does not currently include the revenue side, because we were unsure of the new value at the time.
- These actions could be recognized as a single action and I've included them as the first action on the RAD calculator.