



CITY OF SACO, MAINE

Administration
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BUDGET MEMORANDUM

TO: Mayor Michaud and Saco City Council
FROM: Kevin L. Sutherland, City Administrator
DATE: April 10, 2017
RE: **What could be included in the proposed Economic Development Fund**

The Economic Development Director has proposed using funds from the Economic Development Fund to pay for Economic Development related uses.

The initially contemplated set of uses, included:

RAD #1815 – The Economic Development Department (in current form)	210,102
RAD #1814 – An additional staff member – Economic Development Associate	71,145
RAD #1816 – Downtown residential weatherization and energy improvement	75,000
RAD #1817 – commercial façade program	50,000
Saco Maine Street – cover all expenses – directive and requested	55,000
Chamber of Commerce and Saco Biddeford Economic Development Commission	<u>14,000</u>
	475,247

This total can be found in Section 7 Page 3 of the budget book (PDF 115). This Economic Development Fund was originally created for the purpose of developing and expanding industrial parks. When the Downtown TIF was set to expire last year, we moved the remaining funds into this account in order to preserve them from being returned to the state. If Council would like to see these funds used in fiscal year 2018 to offset the general fund, we'll need to make some updates to the allowed uses of the funds.

Administration will bring these ordinance changes to the council over the next month starting with tonight's workshop.

After further review of the information above, to shift the appropriate costs from the general fund to the Economic Development Fund, Council will need to amend the budget to reflect:

RAD #1813 – moves half FTE to Planning	(22,019)
RAD #1815 – the Economic Development Department	210,103
RAD #1814 – an additional staff member – Economic Development Associate	97,164
RAD #1817 – commercial façade program	50,000
Saco Maine Street – cover all expenses – directive and requested	55,000
Chamber of Commerce and Saco Biddeford Economic Development Commission	<u>14,000</u>
	404,248

This removes the residential weatherization and energy improvement program, accurately reflects the costs associated with the new position, and shows the costs in and out for the half an FTE being transferred to the Planning Department.

If Council were to support all of these initiatives, how much of this would result in relief to the general fund?

Economic Development Department	210,103
Saco Maine Street	<u>39,603</u>
Total	249,706