



MEMORANDUM

TO: Mayor Lovell and City Council
FROM: Glenys Salas, Finance Director & Treasurer
DATE: 4/16/2019
RE: **Findings & Updates to the Recommended Budget**

As part of the FY2020 Budget process, City staff did their best to gather all relevant numbers and forecasts prior to finalizing the Directive and Recommended Budgets. However, new items are continuing to come in that relate to FY2020 and we want to maintain transparency with Council throughout the process on these new items and how they would impact both the total budget numbers and the estimated Mil Rate.

New items are added to the bottom of the Mil Rate Calculator for review by City Council. More formal RADs to reflect these adjustments will be included as part of the final Approved Budget Book for reference. You will note that these adjustments and changes do not affect the estimated Mil Rates under the "2020 Directive" and "2020 Recommended" columns at the top of the Mil Rate Calculator. Those numbers will not change because they are tied to the printed budget books, which cannot change. Only the "2020 As Selected" column will update to reflect these changes.

This should be considered a continuation of my memo from 4/8/2019

Change 7 – Missed COLA Increase

Because of the timing of turnover in the Planning & Economic Development department last year, a COLA increase was missed. This corrects that with an increase in the amount of \$935 to the budget.

Change 8 – Saco Biddeford Chamber of Commerce Paid from TIFs

The Saco Biddeford Chamber of Commerce allocation was budgeted for in both the General Fund and the Economic Development fund. This change reduces the General Fund budget by \$5000.

Part of the problem was that the account for the Chamber (10620-500709-00000) was mis-labeled Biddeford Saco Area Economic Development. I have updated the name of the account so there will not be any confusion going forward. You will see this change in the final budget books:

10620 - 500709 - 00000	Bidd Saco Area Econ. Dev.
	
10620 - 500709 - 00000	Biddeford Saco Chamber

Change 9 – Splitting the EDC budget from the Southern Maine Finance Agency

The Southern Maine Finance Agency (formerly Biddeford Saco Area Economic Development Corporation) was budgeted for in the same line as the City of Saco's own Economic Development Commission. This created some confusion as to the actual approved amount for the SMFA. Therefore,

we are breaking the two agencies out separately, with \$9000 allocated SMFA (in line with history) and \$1000 reserved for EDC supplies and expenses. This will have a net \$0 impact on the General Fund.

10620 - 500710 - 00000	Economic Development Comm	\$10,000
		
10620 - 500710 - 00000	Economic Development Comm	\$1,000
10620 - 500720 - 00000	South. Maine Finance Agency	\$9,000

Change 10 – Realigning Use of TIF Funds

New findings on allowable use of TIF funds revealed that the planned coverage of the principal payment on the Public Works facility bond was not an allowed use. This change realigns the use of TIF funds such that they are used to cover Tri-City Transit and a portion of the Infrastructure Bond.

Change 11 – Return Electrical Inspector to Full Budget

After our Code Enforcement presentation, we discovered that the funds for the electrical inspector had been reduced in error during the process of auditing employee salaries. This change returns the budget for this critical support staff to full budget at an increase of \$7000. This change is well covered by the growth in Inspection fees over the last few years.