

FY19 Budget Recap

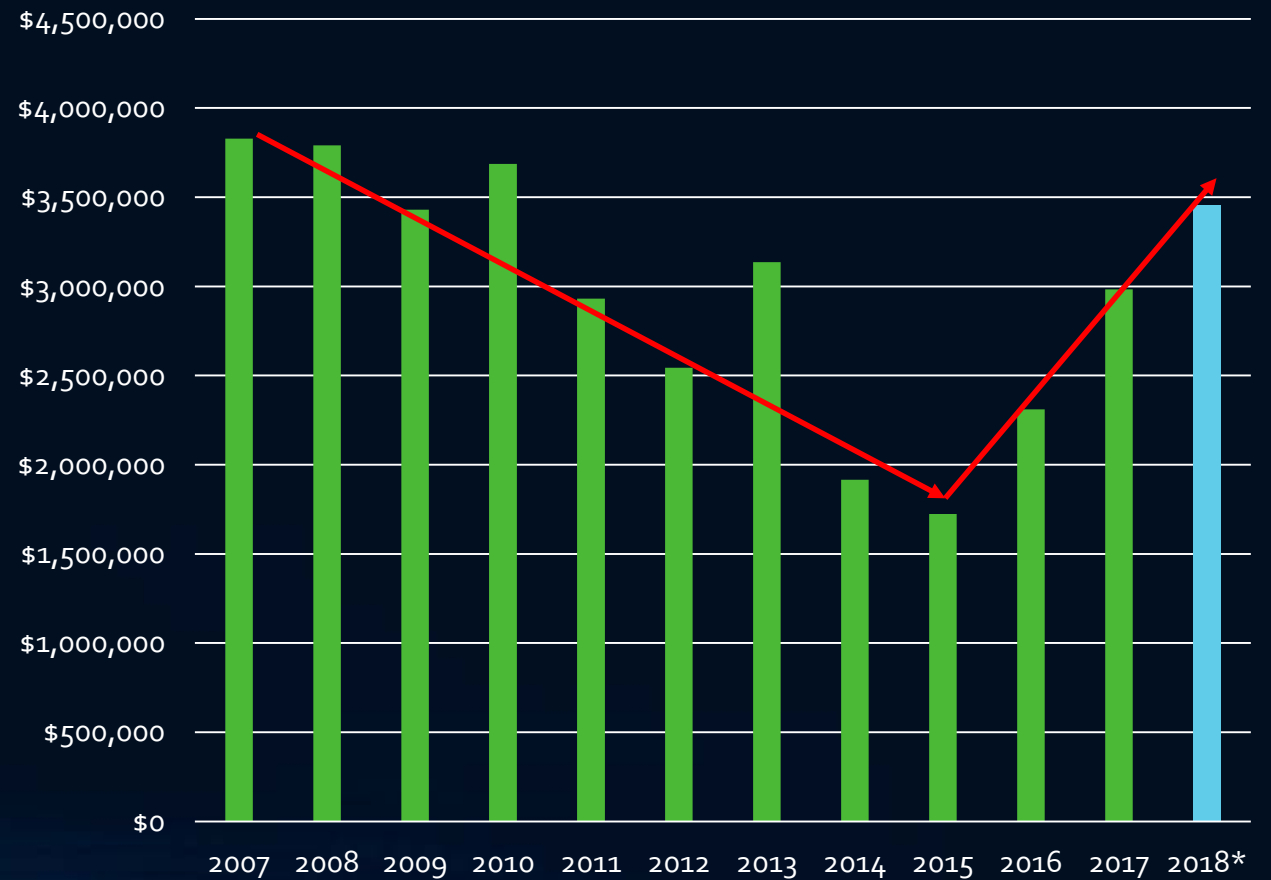
JULY 1, 2018 TO JUNE 30, 2019

May 8, 2018



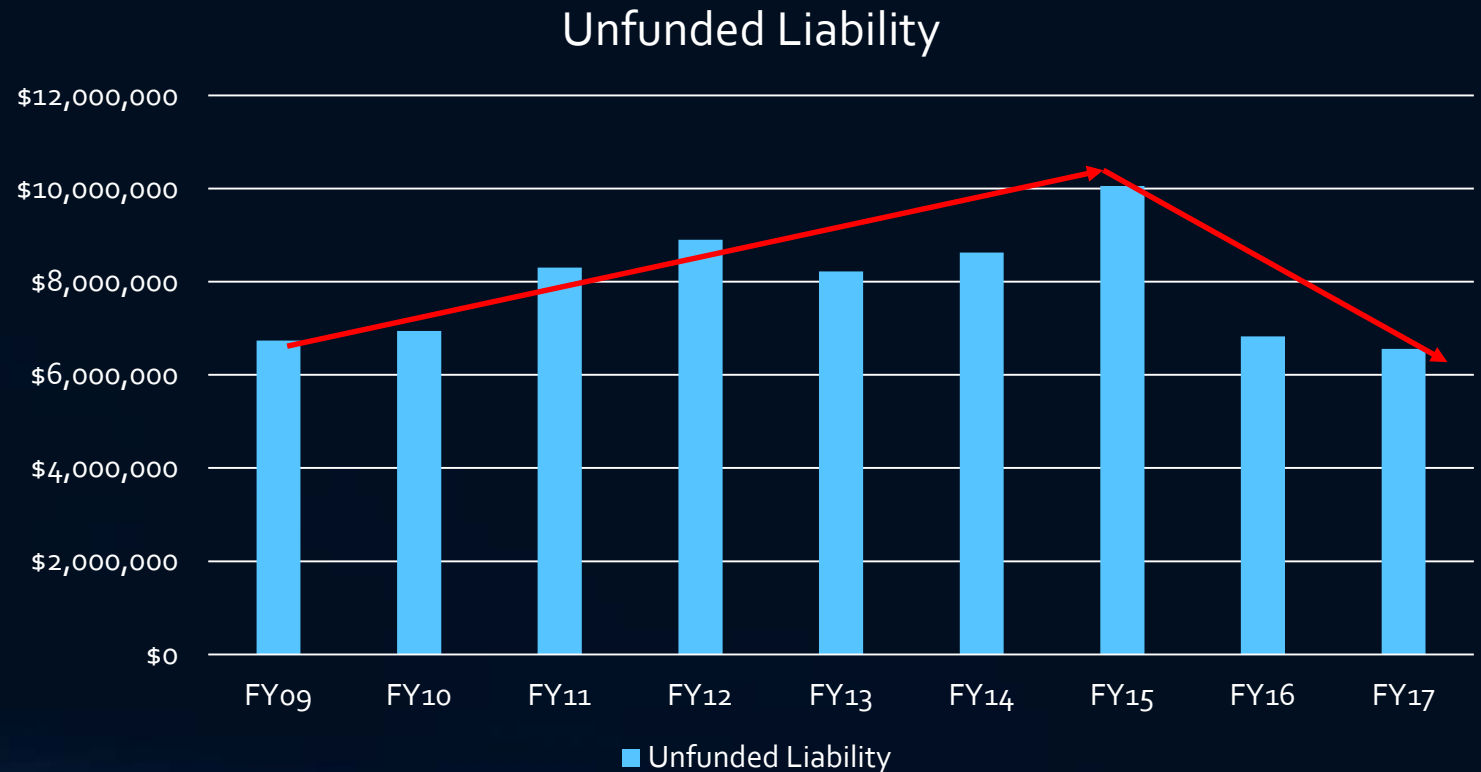
Choosing Long Term Stability vs Short Term

- Increasing fund balance



Choosing Long Term Stability vs Short Term

- Increasing fund balance
- Decrease unfunded liabilities



Choosing Long Term Stability vs Short Term

- Increasing fund balance
- Decrease unfunded liabilities
- Reducing old longevity bonus (unfunded liability)

Real Savings:

\$80,881.67 one time

\$4,102.01 annually

plus compounding of wage increases

In 2016:

Unfunded liability \$483,710.83*

Annually increasing at 24,532.88*

*Plus cost of wage increases

In 2019 if left unchanged:

Liability projection: \$608,987.16

Increasing annually 26,897.74

Actual (after FY19 payment):

\$ 85,259.00

(last payment in FY20)

annual payment

21,230

Choosing Long Term Stability vs Short Term

- Increasing fund balance
- Decrease unfunded liabilities
- Reducing old longevity bonus (unfunded liability)
- Reduced liability associated with 100% payout of sick leave*

FY 18 Reduced liability by \$110,000

Choosing Long Term Stability vs Short Term

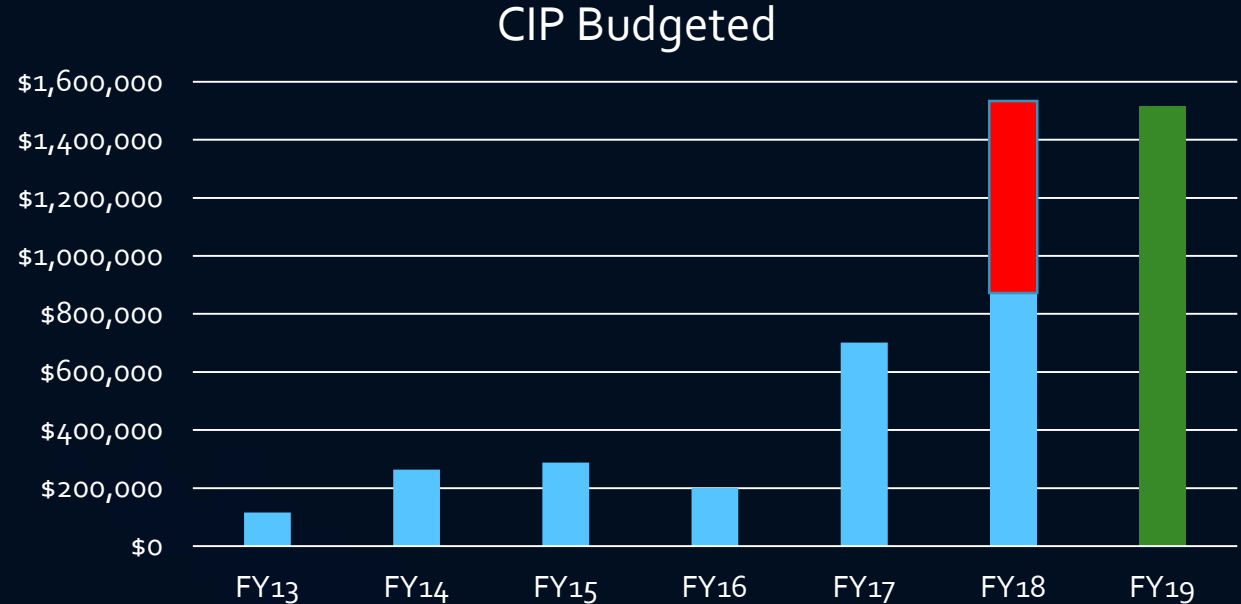
- Increasing fund balance
- Decrease unfunded liabilities
- Reducing old longevity bonus (unfunded liability)
- Reduced liability associated with 100% payout of sick leave*
- Reduced annual liability associated with allowing cash in of vacation pay*

FY 19 reduced annual liability by \$30,000

*Few or no communities offer this benefit

Choosing Long Term Stability vs Short Term

- Increasing fund balance
- Decrease unfunded liabilities
- Reducing old longevity bonus (unfunded liability)
- Reduced liability associated with 100% payout of sick leave*
- Reduced annual liability associated with allowing cash in of vacation pay*
- Increase spending on capital annually



*Few or no communities offer this benefit

Existing Challenges in FY19 Budget

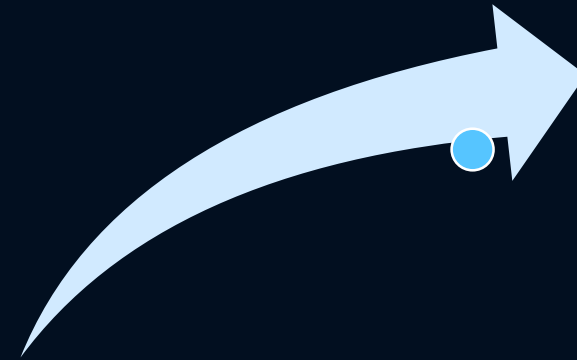
- One time transfers to increase capital spending \$588,471
- Unallocated reduction to tax commitment \$250,000
- **Total** **\$838,471**

Tax rate impact

\$0.37

Tax Incremental Financing (TIF) Impact

- TIF 101
 - Tax sheltering effect
 - State determination of assessed value of City impacts
 - General purpose aid to education
 - \$12,490,595 in FY18
 - State Revenue Sharing
 - \$1,360,000 in FY18 (should have been approximately \$3,400,000 if no raid)
 - Payment for York County Tax
 - \$1,299,010 in FY18



As valuation increases, negative impacts occurs 2-3 years later; for Biddeford, the impact is 48%-mostly in education

Advantage of TIF

NEW VALUE DOES NOT COUNT

- New incremental value in TIF does not count as far as state value is concerned
- Mitigates new values
- Like making 48% return

PROPOSED TIF FUNDS TO SUPPORT GENERAL FUND

- \$30,000 General Admin costs
- \$175,000 Plow truck
- \$90,000 ED staff support
- \$25,000 Marketing
- \$43,617 Beautification funds
- **\$363,617 Total**

Taxpayer value is equal to \$757,535 if not paid by TIF; \$0.33 on tax rate savings

Budget Committee Summary

- Elimination of 2 FT positions
 - PWD because of \$250,000 reduction
 - 1 PWD position on 1.1.19; going to automated trash pickup for half city
- Continue to fund Opiate Outreach Program after state grant runs out
- Fund Mgt Analyst/Intern Position (Summer Only)
- Fund Communications & Civic Engagement Position
- Fund Additional HR Position (effective 1.1.19)
- Fund Additional Summer Help for Parks, Fields and Downtown Plants
- Capital funding
 - \$1,515,547-same as FY18 (\$588,471 of one time transferred last year)
- Municipal spending up 2.17% or \$679,058
- Non-property tax revenues down \$161,674 or -0.15%

Tax Rate Implications

	<u>FY19</u>	<u>Change</u>
• Net Municipal	\$21,450,321	\$840,732
• Net School	\$22,275,952	\$ 18,136
• Net County	\$ 1,284,426	(\$ 14,584)
• Overlay, TIF	<u>\$ 1,623,429</u>	<u>\$ 13,942</u>
• Total	\$46,634,128	\$858,226
• Tax Rate (without adjustments to values)*	\$20.31	\$0.24 1.2%
• Tax Rate (with adjustments to values)*	\$20.00	(\$0.06) (0.03%)

Impact on Median Home (With Homestead)

- 2014 Taxes \$4,114.29
- 2015 Taxes \$4,023.98
- 2016 Taxes \$4,125.69
- 2017 Taxes \$4,109.03
- 2018 Taxes \$4,052.13
- 2019 Taxes* \$4,100.76*

