

South Portland City Council
Position Paper of the City Manager

Subject:

RESOLVE #5-13/14 – Approving an Appropriation Transfer Resolve for the Property Tax Assistance Program. Passage requires majority vote.

Position:

As was discussed at the April 14th workshop, the amount of applications received and amount of funds qualified under the local senior property tax assistance program exceeds the amount of funds available. As of April 17, 2014, the City has received 159 applications qualifying for \$58,395 in assistance. Based on that, Sec. 10-1205 of the ordinance requires the Finance Director to calculate the pro rata share of funds available.

Sec. 10-1205. Determination of Eligibility and Amount of Eligibility

If the Finance Director determines that the applicant is eligible to participate in the Program, he/she shall determine the total amount of such eligibility. Eligibility shall be the lesser of the following amounts:

a. The amount of credit qualified for under the Property Tax Fairness Credit program; or

b. A pro rata share of available monies in the Program Fund based on the amount of one's State Property Tax Fairness Credit; or

c. \$400.00.

The Finance Director shall report to the City Council in May of each year the projected payments and number of eligible applicants requesting assistance from the Program Fund.

Under the present funding, each applicant would receive approximately 56.06% of the amount they qualified to receive from the State. For example a person qualifying for the maximum of \$400 from the State would receive \$224.24 from the City under the pro rata share formula. Councilors have expressed the desire to review the budgeted amount versus requested amount prior to city staff distributing the funding on a pro rata basis. The City Council has two options in addressing the overage in the budget:

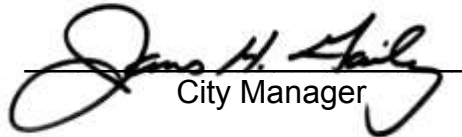
1. The Council can proceed with the pro rata share as required by Ordinance; or

2. The Council can vote on 4/23/14 to transfer \$15,000 from the Contingency reserve account to provide additional funding to the program.

By transferring the \$15,000 this will bring the budget closer to the qualified amount. The pro rata share would then increase to appropriately 81.75% of the amount qualified under the State program. Under the revised funded amount, a person qualifying for the maximum of \$400 from the State would receive \$326.98 from the City under the pro rata share formula.

Requested Action:

Council passage of RESOLVE #5-13/14.


City Manager



CITY OF SOUTH PORTLAND

GERARD A. JALBERT
Mayor

JAMES H. GAILEY
City Manager

SUSAN M. MOONEY
City Clerk

SALLY J. DAGGETT
Jensen Baird Gardner & Henry

IN CITY COUNCIL

RESOLVE #5-13/14

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District Two
PATRICIA A. SMITH

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MELISSA E. LINSOTT

District Four
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District Five
GERARD A. JALBERT

At Large
MAXINE R. BEECHER

At Large
THOMAS E. BLAKE

**THE COUNCIL OF THE CITY OF SOUTH PORTLAND HEREBY
RESOLVES,**

That \$15,000 be transferred from the FY 2013/2014 Contingency Reserve appropriation to the FY 2013/2014 City Council -Property Tax Reimbursement appropriation.

Fiscal Note: \$15,000 – Transfer of funds

Dated: April 23, 2014