

## WHAT IS TIF FUNDING?

**What exactly is the Manteno TIF?** Residents may have heard about TIF-funded projects and wondered why the village would be spending so much money on streetscape, downtown cameras or property—especially when it is no secret that revenues are way down for the village. How can this make sense? We are struggling financially, but we continue to spend? Why not spend that money on something we really NEED—repair streets, build schools, eliminate quarry blasting, provide more services to the residents? Or for that matter, why not STOP SPENDING and tighten the belt like most families need to—lower taxes or fees and give the residents a break!?

The answers to these questions are not really complicated, but begin with how the Village is financially structured. The accounts of the Village are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenses. The key word is SEPARATE. This is not the same as a single family with several savings and checking accounts. It's more similar to different households within a neighborhood. You certainly do not pay your neighbor's bills, even if you have more money than your neighbor. *(The Village also is not the same entity as the School District, Fire Protection District, or Manteno Township. Although the Village works closely with these other governmental bodies and your property taxes get split between us (as well as other taxing districts), the services we all provide to the community are separate. Remember, the Village will only receive about 10% of the total amount of property tax you pay. As an example, for every \$1,000 in property tax, the Village gets approximately \$100; for a \$6,000 property tax bill \$600 would be for Village services.)*



General Fund



Sewer Fund



TIF Fund


The GENERAL FUND is used to account for all financial resources except those required to be accounted for in other funds. General Fund activity includes general administration, building department, police, streets and alleys, community center and parks, with funding coming mainly from taxes and fees. The three largest sources of revenue are the village's portion of your property tax (31% of all revenue) and a share of state income and sales taxes (together account for 32%) provided by the Illinois state government. It is no surprise that the General Fund has experienced a significant drop in revenues over the last two years due to difficult economic times. However, the Village Board has dealt with our financial issues in an aggressive manner, making difficult cuts in the budget as necessary. These are tough financial times and the Board has been fully engaged in making the best decisions possible for the village. Major "belt-tightening" has occurred in all areas of General Fund activities.

(over)

The SEWER FUND includes all operations and maintenance work dealing with collecting storm water and treating waste water and is funded by user fees—your monthly sewer bill accounts for 86% of revenue for this fund. This fund operates in a manner similar to private business where the intent is that the cost of providing the service is financed primarily through user charges. Through consultant studies and expert analysis, the Village makes sure that these charges are appropriate. If rates are set too high, an undue burden is placed upon the community, but if rates are insufficient to meet costs a larger problem will overtake us as we struggle to maintain the system.

TAX INCREMENT FINANCING (TIF) was established in 1986 with the support of all local taxing districts—Manteno School District, Manteno Township, Manteno Road Commissioner, Manteno Township Tax Assessor, Manteno Fire Protection District, Manteno Library District, Kankakee County and Kankakee County Community College. The districts made the decision to allow 100% of the property taxes above a base amount (established in 1986) **from a certain area**—downtown Main Street and Locust Street (Route 50)—to be utilized through 2021 to revitalize and rehab that same business area under strict state guidelines. All revenues in the TIF FUND are legally restricted to expenditures for specified purposes ONLY within TIF District boundaries.

Major infrastructure projects have been completed over the years, as well as significant aesthetic improvements. Most, if not all, of this work would not have been possible without the designation of this area as a TIF district and the ability to use the specified funds. One of the main objectives of establishing TIF is to increase the Equalized Assessed Valuation (EAV) so that all of our taxing districts would eventually gain from the additional tax revenue generated from property in the TIF area. In actuality, all Manteno residents have benefited from the TIF improvements as our downtown is not only beautiful, but vibrantly alive with wonderful businesses.



Any use of TIF funds is always held up against the Plan goals to make sure that the expenditure is appropriate. Those goals include: reduce/prevent blight (deterioration), enhance the tax base, assist private investment through financial incentives, maintain public infrastructure, promote & provide safe, modern commercial & government services, create new permanent jobs, enhance the downtown business district, provide streetscape, signage & related improvements, and support parking & traffic flow improvements. Another important goal is to **complete the projects in an expeditious manner**, which encourages the Village Board to prioritize projects, conduct careful evaluations and then promptly utilize available TIF funds for the intended purpose. To facilitate professional end results, consultants have often assisted with plan and design work for major TIF undertakings. Presently, Hitchcock Design is working with the Village on a Main Street Business Strategy which includes plans to invigorate existing businesses and provide “destination” locations in our downtown. Concurrently, we are considering options for a Village Hall addition or relocation—one of the specifically identified projects in the TIF Plan, as well as one of the top priorities selected by the Village Board during a recent TIF workshop. Funds will also be directed to complete infrastructure improvements and economic incentive agreements. An active TIF Fund makes a successful TIF District!