



MIDDLETOWN

Rhode Island

PUBLIC AFFAIRS

TOWN OF MIDDLETOWN

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To: Town Administrator Shawn J. Brown
From: Matt Sheley, Public Affairs Officer
Subject: Budget Question & Answer Sheet
Date: June 1, 2022

Shawn, in light of the upcoming discussion about the proposed Fiscal 2023 budget, here are some questions I feel need to be answered to help residents, businesspeople and others understand the numbers better. Obviously, this is all subject to change as things evolve over time, with the Town Council determining the bottom line and everything about the budget.

1. So, what's the proposed Fiscal 2023 budget?
 - As it stands today, the preliminary budget for Fiscal 2023 is \$79.7 million.
2. How does that compare to the current Fiscal 2022 numbers?
 - The adjusted Fiscal 2022 budget is \$78.4 million, meaning the proposed number is about 2 percent more than the current figures.
3. Most importantly, what's the preliminary tax rate for 2022-2023?
 - The proposed residential-owner occupied tax rate for Fiscal 2023 is \$11.93 per \$1,000 of assessed value, a 9-cent decrease. Yes, decrease. The preliminary regular residential tax rate is \$12.83 per \$1,000, an 81-cent jump. The proposed commercial tax rate is \$17.68 per \$1,000, a 45-cent increase.
4. I applied for Tiered Residential Tax Program relief earlier this month. How is my residential tax rate impacted?
 - Some people say taxes never go down. Well, if you were approved for the Tiered Residential Tax Program tax relief from the Town Council, the tax rate on your property actually drops 9 cents per \$1,000 for Fiscal 2023 if the numbers aren't changed. That means if you own a home assessed at \$400,000, your tax bill is expected to go down \$36. Sure, it's not a huge amount, but certainly not an increase either.
5. Where is my tax dollar going?
 - Although a detailed breakdown of the proposed Fiscal 2023 budget hasn't been released yet, generally 65 to 70 cents of every tax dollar goes to fund education. Emergency services take up the the second largest percentage followed by public works and other related town services.

6. Are the existing services I've come to expect from the town going to be changed as a result of this budget? If so, how?
 - With every budget, we like to think there's positive momentum in at least some areas as a result of the budget. This year, we're focusing on the Fire Department, which is seeing a noteworthy decline in the reliance on mutual aid from our neighboring communities as well as better service from the addition of eight new firefighters. As part of this budget, the town is assuming more of the responsibility for paying for those positions as the federal SAFER grant dollars are reduced.
 - We're looking to add three new people to the town's Department of Public Works — a deputy director as well as two laborers. Despite having one new hire in the current Fiscal 2022 budget, things are still leaner than they should be with the department. That means we're not able to handle as many projects in house as we'd like. If approved, the deputy director would be responsible for overseeing our stormwater management program, which is becoming more integral in making sure our drinking water supply is clean and abundant.
 - With all the talk about regionalization of our schools with Newport, there have been questions about how after-school programs and other outreach will be handled. In the proposed Fiscal 2023 budget, about \$900,000 has been set aside to create a new Middletown Office of Children, Youth & Learning. The aim of the department is to better coordinate all the community's offerings outside the classroom and bolster school-to-career programs too, seen as vital to help those not heading to college to thrive after they leave Middletown High.
 - Last summer, our public safety intern program run by the Police Department was a success. Not only were we able to address quality of life items in a proactive manner, but there was more of a low-key police presence everywhere in town. When it came to hiring new officers, more than one of those who served as a public safety intern was hired, not only because they were the best candidates, but they had a level of familiarity with the department. In the Fiscal 2023 numbers, the Police Department is seeking a couple more public safety interns to keep things heading in the right direction.

7. What new programs or services am I getting from this budget?
 - In addition to the school Outreach Program described above, the Town Council also okayed a new Tiered Residential Tax Program over the winter that was rolled out as part of the Fiscal 2023 tax bills. The full impact of the program intended to help those who call Middletown home will evolve over the next year.

8. Are there any layoffs or major cuts for the town in this budget?
 - No, layoffs and sweeping cuts are not proposed for the town's budget for Fiscal 2023. Local residents and business people can expect the same services they already receive.

9. How about things on the school side of the budget given recent issues?
 - Obviously, it's been a difficult situation on the school side over the past year plus. Town officials said as part of this budget, the anticipated \$1.2 million shortfall will be addressed. That will be done by taking a less aggressive position with its pension and OPEB obligations. Rather than paying extra, the town will set aside the minimum for pension and OPEB in Fiscal 2023, but ramp those payments back up again in Fiscal 2024. The town is also expected to use some of the American Rescue Plan Act funding to help make sure a structural deficit for the schools doesn't carry over from year to year.

10. Does this budget continue to move Middletown in a positive direction?
 - Simply, yes. Town officials noted this is the first budget in several years where the specter of COVID-19 isn't hanging over everything. That should help free up funding to address other pressing areas. At the same time, if the budget is approved, the public works, after-school offerings and other areas will see some growth. Still, with the fluid state of the economy, local leaders said the town isn't being too aggressive and are very cognizant that every dollar matters.

11. How does the school construction bond that's being discussed impact the tax rate?
 - Even if the school bond is okayed by voters on Election Day Nov. 8, it's unlikely that money would hit the tax rate this fiscal year.

12. Is it okay that Middletown is looking to take on all this debt?
 - On the surface, \$235 million is a lot of debt, no one is doubting that. However, when all the reimbursements and bonuses from the state Department of Education are factored in, the town will be responsible for about \$46 million for all new schools. That's compared to at least \$190 million for "Band-Aids" on the existing buildings, all which are at least 50 years old. Speaking with town bond counsel, Middletown's finances and bond rating are not expected to be impacted negatively by the school construction bond.

13. What's the situation with the beach parking stickers? Is the price changing there?
 - As things stand now, everything remains the same with the beach parking rates and related recreational fees in Fiscal 2023. For the latest details, visit <https://mdl.town/BeachStickers> online.

14. How about the sewer rate? Is that staying the same?
 - Calculations from the town actually show the average single family user can expect to see their sewer bill decrease in Fiscal 2023 by a little more than \$40. While sewer fees are going up, the increase is less than 2 percent from \$16.78 per 1,000 gallons to \$17.21 per 1,000 gallons. There's no Inflow & Infiltration fee in Fiscal 2023 and the customer service charge is also slated to drop by 3 cents to \$38.54. Importantly, water usage for the average home is projected to decrease from 45,524 gallons to 43,017 gallons.

15. I like the town's "Pay-As-You-Throw" trash and recycling program. Is the one-time user fee and cost of the yellow bags changing?
- Right now, no changes are anticipated. However, because the town is going out to bid for a new hauling contract, there could be changes depending on how those numbers come back. The Town Council is slated to receive the bids for the waste hauling contract at its June 6 session.
16. Is the town taking care of its pension and Other Post Employment Benefit obligations?
- Because of aggressive planning and management, Middletown remains one of the top communities in Rhode Island funding its pension and OPEB requirements. As part of the Fiscal 2023 budget, the Town will ease off the gas a bit and make at least its minimum required payments. And the excess money that move generates is planned to help deal with the deficit on the school side. Moving forward, the answer to the question is "Yes," the town remains firmly on top of its pension and OPEB obligations.
17. Overall, how would the describe this budget?
- Across the country, you hear of municipalities working harder than ever before to make the most of every tax dollar. Middletown is no different. This budget continues to move the community, our schools and public services in a positive direction without stressing limits.
18. How can I submit comments on the proposed budget and what I'd like to see as priorities?
- Public hearings on the proposed budget are planned for June 15 and June 23, where people can ask any questions and provide comments on the numbers. Both sessions start at 6 pm in Town Hall, 350 East Main Road.
19. I want more information about the proposed budget. Where can I find those details?
- The Town's Finance Department regularly updates its webpage at <https://www.middletownri.com/161/Finance-Department>. The webpage "Middletown Shares" at <https://mdl.town/Shares> will serve as a clearinghouse for Fiscal 2023 budget information. There's also a comment section, where residents and businesspeople can offer their input to get a dialogue going about the numbers. As it gets closer to the public hearings in June, hard copies of the proposed budget will also be available at the finance office of Town Hall, the Middletown Public Library and Middletown Senior Center.

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