



MIDDLETOWN
Rhode Island

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FISCAL 2023 BUDGET ADOPTED

MIDDLETOWN, R.I. (JULY 5, 2022) – A new \$79.7 million budget is in place for the Town of Middletown for Fiscal 2023.

On Tuesday night from Town Hall, the Town Council approved the numbers and a residential tax rate of \$12.02 per \$1,000 of assessed value, the same adjusted rate as Fiscal 2022. The nonresidential tax rate is \$12.92 per \$1,000 and the commercial rate is \$17.85 per \$1,000.

Town officials said the new budget continues to move the community in a positive direction and provides the same — or improved services — across the board without the sweeping staffing cuts plaguing some other Rhode Island communities.

Council President Paul M. Rodrigues said it was a tough budget season and he thanked his colleagues, the town staff and residents and business people for their continued support for Middletown.

“I think as I look at this plan to move forward, it’s a solid plan,” council President Paul M. Rodrigues said. “I think it gets us where we need to be in short order as a community.”

“We want to make sure we have a budget going into next year that we can be certain will fund operations so we don’t have this recurring challenge...” Town Administrator Shawn J. Brown said. “Obviously, we always appreciate the support from the council and your understanding this year.”

The news came as the School Committee voted earlier in the day to have the town’s Finance Department continue to approve all educational expenditures until the end of Fiscal 2023 — or June 30, 2023.

Previously, council members — led by Rodrigues — said they would not approve a Fiscal 2023 school budget with a 4 percent increase without that continued additional fiscal oversight.

They said that was true because staffing in the school business office was down and the interim business manager left her position recently, something that was known when she took the job on a fill-in basis initially.

And given the prospect of regionalizing schools with Newport, town officials said they thought the Middletown school business office would probably have a tough time finding a replacement.

Early in the budget process, town officials learned the schools were deep in the red with their Fiscal 2021 and 2022 budgets. To cover most of the \$1 million plus deficit in Fiscal 2021, the schools used fund balance and implemented a mix of cuts. However, with essentially no fund balance remaining, school officials said they were going to need more help to balance the Fiscal 2022 numbers.

In addition to overseeing the school’s spending, town officials came up with an aggressive five-year plan to build a mix of tax and American Rescue Plan Act funding into the Fiscal 2023 budget to smooth out the impact of the close to \$5 million structural deficit.

In Year 1 (Fiscal 2023), \$800,000 in ARPA money would be used along with \$100,000 in tax dollars. By Year 5 (Fiscal 2027), all the \$900,000 in deficit reduction money would be built into the tax rate.

The way the education budget is structured, there's a \$500,000 contingency built into the numbers for unexpected and unplanned items on the school side. That money — if needed — will allow the schools to nimbly address shortfalls and other places where assistance might be needed.

School board Chairwoman Theresa Spengler thanked the council and town for their work to help get the School Department's books squared away moving forward.

"I really think it is time to move forward," Spengler said. "We appreciate the town supporting the funds, which is necessary to keep our schools going obviously assisting us with rectifying the deficit that occurred."

According to the numbers, the residential-owner occupied tax rate for Fiscal 2023 is expected to be \$12.02 per \$1,000 of assessed value, which is the same as today. That means a home assessed at \$400,000 should see the same tax bill in Fiscal 2023 as today.

For those who aren't eligible for the TRTP, the residential tax rate is \$12.92 per \$1,000, a 90-cent hike. For commercial properties, the proposed tax rate is \$17.85 per \$1,000, a 62-cent increase. On the plus side, the motor vehicle tax bill is expected to be phased out completely as part of this Fiscal 2023 budget.

In terms of utilities and recreation, the fees and yellow bags to participate in the town's "Pay-As-You-Throw" program and park at Second and Third beaches were staying the same. The sewer rate billed by Newport is expected to go up about \$40 for a single family home. The new rate is \$17.21 per 1,000 gallons of use, a 2 percent hike from \$16.78 per 1,000.

According to town staff, tax bills are expected to be mailed in early August provided no issues come up.

For more details on the budget, visit the Town Clerk's office in Town Hall, the Middletown Public Library and the Middletown Senior Center. Details are also posted at <https://mdl.town/shares> online. That includes a complete copy of the budget and a Question and Answer sheet about the Fiscal 2023 numbers.

<https://www.middletownri.com/DocumentCenter/View/5173/NYCU-Fiscal-2023-Budget-Adopted>

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