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TOWN COUNCIL WANTS MORE INFO BEFORE APPROVING BUDGET

MIDDLETOWN, R.I. (JULY 26, 2023) – The Town Council wants some answers from the School Department before approving a budget for Fiscal 2024.

At a second public hearing on the proposed \$84.1 million budget Wednesday night in Town Hall, council members said there open questions about the cost of special education and other programs.

Until those items were satisfied, council members said they weren't comfortable with okaying the overall budget, which represents a \$3.2 million increase in spending from Fiscal 2023.

In response, education officials said they would try their best to provide all the information and backup the council was seeking as soon as possible.

They were also clear the budget delay would not impact the opening of the 2023-24 school year one bit.

"We're going to open school on time," Superintendent Rosemarie K. Kraeger said after the meeting. "Right now with the budget being what it is, we can only spend what we could last year, but I can assure everyone, the council, the community, our parents and students, this will not impact our instruction in the classroom or our school children."

Kraeger went onto say she understood all of the comments from the council and public and would work hard over the next several weeks to have a strong opening on Sept. 6.

"The town and our Town Administrator (Shawn J. Brown) and his staff have gone above and beyond to help us through this and we can't thank them enough," Kraeger said. "I will say to all the parents and students out there reading my comments that this will not adversely effect our schools. We will have a strong opening on time and with our usual welcoming teachers and staff and we look forward to getting the Town Council the answers they're looking for."

The council is slated to meet Monday night at 6 pm in Town Hall to approve a resolution that allows the community to spend at the same levels as the Fiscal 2023 budget. The current Fiscal 2024 year began on July 1.

A date for the council to discuss the proposed Fiscal 2024 numbers was not set Wednesday night. Several council members said they had just received several detailed financial reports from the School Department earlier in the day and wanted time to review them before voting on the final 2023-2024 numbers.

Even before Wednesday night, this year's annual budget process has been more complicated than normal for several reasons.

In addition to rising costs almost across the board, the financial impact of wages and benefits has hit the community's pocket book too.

Middletown has also seen a bump in expenses associated with special education due to the dissolution of the regional collaborative that had been providing those services for decades.

Local leaders also point to the sharp loss in state aid and revenues, part of the reason for asking to exceed the Rhode Island 4 percent cap on taxes by close to \$931,000. The other is associated with a close to \$485,000 payment for an open space bond.

Then, there's all the work associated with the proposed middle-high school on the Nov. 7 special election ballot that's commanded the time and attention of area officials.

If the proposed budget is approved "as is," the residential tax rate is expected to be \$12.62 per \$1,000 of assessed value, or \$303 more for the average local homeowner. That's compared to \$13.54 per \$1,000 for nonresidents, or \$372 more for the average property owner not participating in the Tiered Residential Tax Program. For commercial property owners, the proposed tax rate is \$18.72 per \$1,000, an 87-cent jump from the current \$17.85 per \$1,000. A nickel on the tax rate is approximately \$180,000.

Since the beginning of the budget preparation process, Brown said it was critical for Middletown to get its school spending under control without adversely impacting what happens in the classroom. If the Fiscal 2024 budget is approved, the School Department finance office would be merged into the town's fiscal operations.

If the council okays the Fiscal 2024 budget, the School Department was expected to receive close to \$46 million, including a \$32.2 million contribution from the town. That contribution was up from close to \$30 million in the Fiscal 2023 numbers — or a close to a 5.1 percent rise.

At the same time, the proposed sewer rate was expected to drop two cents in Fiscal 2024 to \$17.19 per 1,000 gallons of use. However, because of an increase of forecasted usage going up by more than 2,200 gallons, the charge for the average home was expected to rise by about \$37 in Fiscal 2024.

The preliminary budget town's "Pay-As-You-Throw" curbside trash and recycling showed the enterprise program continued to work well. However, due to rising costs and tipping fees to get rid of garbage at the Central Landfill in Johnston, the proposed annual costs to use the program was expected to go up to \$160, a \$19 jump. If approved, it would be the first time the town increased the "Pay-As-You-Thrown" price in nine years.

As for the beach fees, town officials said the price of an annual parking pass was expected to rise to \$80 for residents and \$160 for nonresidents. The current seasonal parking fee of \$70 for residents and \$140 for nonresidents has been in place since Fiscal 2011 — or more than a decade.

Town officials said the surging labor costs and extension of hours the beaches were staffed was a contributing factor. Second and Third beaches are now opened from 8 am-6 pm daily through the Labor Day weekend.

Based on the numbers presented Monday night, if the bond is approved, taxpayers are expected to pay close to \$685,000 in Fiscal 2024 for interest. The town administrator Brown said the taxes would not increase in Fiscal 2024 because those payments would be covered by not making excess payments for Other Post Employment Benefits. However, he

was clear the town would continue to make its annual contribution to the OPEB benefits, just not extra funding.

To view the town presentation discussed Wednesday night, visit <https://www.middletonri.com/DocumentCenter/View/9148/Second-Public-Hearing-Presentation-FY2024-Budget-Handout> online.

Document Link: <https://www.middletonri.com/DocumentCenter/View/9149/NYCU-Wait>

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