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**Town of
East Greenwich
2023-2024 Budget
Discussion**

Provided by

Andrew E. Nota, Town Manager

Patricia Sunderland, Finance Director

**Town and School Joint Meeting
February 7, 2023**

2023 Budgetary Projections

- Revenues

- Levy trend 2023 vs 2022

- Jan, 2022 – 51.56% coll
- Jan, 2023 – 51.33% coll (-0.234%)

- Assumptions:

- Rossi Collections – MV & PP
- DMV Blocks – still owe 2021
- Courtesy Delinquent notices sent (RE & PP)

- Projecting 98.0% rate – Established Goal

- 2022 Audited – 97.92%

- Est. Budgetary Surplus \$535K assuming trends remain consistent from prior year, specifically in Tax Revenue, Departmental Revenues, and Real Estate Conveyance Tax.



2023 Expenditure Projections

- Expenditures
 - As of January 2023
 - 58.2% expended
 - Estimated Deficit - \$100,741 (absorbed CBA Impact)
 - Unknown but assumptions based on prior 5 years trend:
 - Snow Storms
 - Emergencies
 - Public Safety min manning = OT
 - Filling of Vacancies
 - 2022 Audited GAAP Surplus - \$390,707 which includes Transfers to Capital Reserves of \$590,000.
- At this stage, we are **not** anticipating any additional surplus dollars to be transferred to capital reserves, rather the budgetary surplus will supplant the use of fund balance in the FY 2023 budget.





FY 2024 - Intergovernmental Aid

- State Aid to Education - \$5,741,912 (Governor's Recommended Education Aid as of 1/19/23); subject to availability of funds, data updates, GA approval:
 - Increase of \$1,039,516 over the current year (\$4,702,396).
- Municipal State Aid – approx. \$125,000 anticipated increase:
 - Meal & Beverage Tax – \$100,000 increase over current year;
 - Excise Tax Phase Out – \$2,417,332 -Level funded due to acceleration of the phase out;
 - Corporation Tax - \$162,262 – level funded from current year;
 - Pilot - \$25,000 inc. over current year.
- School Construction Aid - \$1,365,864 estimate based on completion status of bonded projects:
 - Increase of \$26,565 over the current year (\$26,565).



STATISTICAL PROFILE

Tax Growth

5 Year Property Tax Levy - History		includes debt service						
Fiscal Year	Town	School	Library	Total	\$ Increase	% Increase		
2017-2018	19,550,170	36,099,506	520,235	56,169,911	(\$849,498)	-1.49%		
2018-2019	18,113,939	37,342,968	525,000	55,981,907	(\$188,004)	-0.33%		
2019-2020	17,968,850	38,375,115	536,232	56,880,197	\$898,290	1.60%		
2020-2021	17,765,565	39,631,981	536,232	57,933,778	\$1,053,581	1.85%		
2021-2022	19,180,472	40,233,097	536,232	59,949,801	\$2,016,023	3.48%		
5 Year Average Increase	\$18,515,799	\$38,336,533	\$530,786	\$57,383,119	\$586,078	1.02%		



EXISTING MUNICIPAL DEBT LEVEL

OUTSTANDING DEBT LEVEL								
Bond Name	Issue Date	June 30, 2023	June 30, 2024	June 30, 2025	June 30, 2026	June 30, 2027	June 30, 2028	June 30, 2029
Town Debt								
\$2M Road and Bridge Bond - 2015	05/14/15	471,000	237,000	0	0	0	0	0
\$5M Road and Bridge Bond - 2017	05/30/17	3,861,000	3,623,000	3,381,000	3,135,000	2,884,000	2,628,000	2,366,000
\$2.7M Capital Equip Bond - 2020	07/30/20	1,925,000	1,540,000	1,155,000	770,000	385,000	0	0
\$450,000 Open Space - 2022	11/01/22	456,618	411,618	365,718	319,818	273,918	228,018	182,118
Subtotal Town Debt		\$6,713,618	\$5,811,618	\$4,901,718	\$4,224,818	\$3,542,918	\$2,856,018	\$2,548,118
School Debt								
\$10.635M RIHEBC - Repair & Rehab	12/02/10	3,545,000	2,954,167	2,363,333	1,772,500	1,181,667	590,833	0
\$.785M Capital Equip Bond - 2020	07/30/20	575,000	460,000	345,000	230,000	115,000	0	0
\$29.665M RIHEBC Refunding - 2020	10/22/20	27,740,000	25,665,000	23,590,000	21,940,000	20,275,000	18,590,000	16,880,000
\$2.045M Direct Purchase School Bond	11/01/22	2,038,382	1,838,382	1,634,282	1,430,182	1,226,082	1,021,982	817,882
\$.200M Taxable Direct Purchase Schoo	11/01/22	200,000	160,000	120,000	80,000	40,000	0	0
Subtotal School Debt		\$34,098,382	\$31,077,549	\$28,052,615	\$25,452,682	\$22,837,749	\$20,202,815	\$17,697,882
Land Trust Debt								
\$350,000 Impr to Boesch Farm 2014	07/10/14	\$100,000	\$65,000	\$30,000	\$0	\$0	\$0	\$0
Subtotal School Debt		\$100,000	\$65,000	\$30,000	\$0	\$0	\$0	\$0
Wastewater Debt								
\$7.6M Open Space & Drainage 2006 *	12/21/06	2,155,000	1,739,000	1,316,000	885,000	447,000	0	0
\$2.9M Sewer Projects 2009 *	12/21/06	1,006,976	875,373	740,374	601,129	457,639	309,904	157,924
\$3M Sewer Projects 2010 (B) CW Loan	06/24/10	1,563,000	1,411,000	1,254,000	1,092,000	925,000	752,000	574,000
\$5.055 2008 GO Refunding 2016*	09/08/16	1,720,000	1,425,000	1,130,000	840,000	555,000	275,000	0
\$6M Sewer Projects 2016 *	06/02/16	4,318,000	4,025,000	3,727,000	3,424,000	3,116,000	2,802,000	2,481,000
Subtotal Wastewater Debt		\$10,762,976	\$9,475,373	\$8,167,374	\$6,842,129	\$5,500,639	\$4,138,904	\$3,212,924
Total Municipal Debt		\$51,674,976	\$46,429,540	\$41,151,707	\$36,519,629	\$31,881,306	\$27,197,737	\$23,458,924
General Fund Debt		\$40,812,000	\$36,889,167	\$32,954,333	\$29,677,500	\$26,380,667	\$23,058,833	\$20,246,000

**Issued \$2.2M in School Bonds – Nov, 2022
And \$.450M in Open Space Bonds – Nov, 2022**



Debt Service Required Property Tax Need

AII MUNICIPAL DEBT SERVICE PROGRAM FY 2023-2024 THROUGH FY 2028-2029

Debt Service Function	FY 2022-2023	FY 2023-2024	FY 2024-2025	FY 2025-2026	FY 2026-2027	FY 2027-2028	FY 2028-2029
Existing Municipal Debt Service							
School Debt Service	\$3,989,438	\$4,258,842	\$3,808,259	\$3,795,443	\$3,783,888	\$3,774,573	\$3,607,216
Town Debt Service	992,145	1,042,006	1,034,278	787,736	781,414	774,559	385,207
Wastewater Debt Service	2,288,749	1,550,702	1,538,340	1,523,367	1,507,705	1,494,702	1,029,019
Subtotal Municipal Debt Service	\$7,270,332	\$6,851,550	\$6,380,877	\$6,106,545	\$6,073,007	\$6,043,834	\$5,021,443
Proposed New Debt Issues							
New Municipal Debt	\$0	\$0	\$0	\$1,040,000	\$1,495,000	\$1,572,000	\$1,532,000
New School Debt \$2.4M 20 Yrs.	0	0	140,400	137,280	134,160	131,040	127,920
Subtotal Planned New Debt Service	\$0	\$0	\$140,400	\$1,177,280	\$1,629,160	\$1,703,040	\$1,659,920
Total Debt Service	\$7,270,332	\$6,851,550	\$6,521,277	\$7,283,825	\$7,702,167	\$7,746,874	\$6,681,363
Town and School Debt Service	\$4,981,583	\$5,300,848	\$4,982,937	\$5,760,458	\$6,194,462	\$6,252,172	\$5,652,344
Less Other Income							
School Housing Aid & Federal Credit	\$1,896,901	\$1,961,199	\$1,805,161	\$1,802,735	\$1,800,751	\$1,799,550	\$1,796,672
Total Third Party Revenue	\$1,896,901	\$1,961,199	\$1,805,161	\$1,802,735	\$1,800,751	\$1,799,550	\$1,796,672
Total Property Tax Need	\$3,084,682	\$3,339,649	\$3,177,777	\$3,957,723	\$4,393,711	\$4,452,621	\$3,855,672



2023 Six Year Capital Improvement Program

SIX YEAR FUNDING ELEMENT - FY 2023-2024 THROUGH FY 2028-2029

Program Type	Adopted 6-Year Program	Proposed 6-Year Program	Municipal Bonds	Undefined Funding Sources	Secured and Available Funds	Future CIP Income	Funds from Fund Balance or Oper. Trans.	Municipal Impact Fees
General Municipal Programs								
Recreation Program/Land Acquisition & Develo	\$2,570,000	\$2,337,000	\$29,000	\$0	\$571,000	\$1,737,000	\$0	\$0
Public Works Program/Highway Facility Upgrad	\$29,007,024	27,734,173	16,050,000	6,347,673	0	4,736,500	600,000	0
Police Department Program	\$840,825	934,700	0	0	0	884,700	50,000	0
Fire Department Program	\$3,858,065	3,770,000	1,500,000	0	100,000	2,170,000	0	0
Information Technology Program	\$260,000	315,000	0	0	134,337	180,663	0	0
Public Safety Communications Program	\$1,086,073	1,086,073	0	0	41,000	1,045,073	0	0
Property Revaluation Program	\$400,400	403,300	0	0	235,966	167,334	0	0
Town Hall Improvements	\$677,000	677,000	0	0	337,400	339,600	0	0
Planning Program Reserve	\$186,000	286,000	0	0	134,077	126,923	25,000	0
General Municipal Program Total	\$38,885,387	\$37,543,246	\$17,579,000	\$6,347,673	\$1,553,780	\$11,387,793	\$675,000	\$0
School Department Programs								
Building Improvement Program	\$4,215,000		\$0					\$0
School Department Program Total	\$4,215,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Wasterwater Treatment Program								
Equipment Replacement/Building Improvement	\$5,350,000	4,930,000	3,000,000	0	0	1,930,000	0	0
Wastewater Treatment Total	\$5,350,000	\$4,930,000	\$3,000,000	\$0	\$0	\$1,930,000	\$0	\$0
TOTAL Six Year Program	\$48,450,387	\$42,473,246	\$20,579,000	\$6,347,673	\$1,553,780	\$13,317,793	\$675,000	\$0



Projected Bonding Projects

GENERAL OBLIGATION BOND LOADING SCHEDULE

	2022-2023 Planned	2023-2024 Year #1	2024-2025 Year #2	2025-2026 Year #3	2026-2027 Year #4	2027-2028 Year #5	2028-2029 Year #6	TOTAL (Six-Years)
General Municipal Programs								
Highway Facility Upgrade & Salt Barn	0	0	6,000,000	6,000,000	0	0	0	12,000,000
Road Improvement Program	0	0	4,000,000	0	0	0	0	4,000,000
Fire Department	0	0	0	0	0	1,500,000	0	1,500,000
School Department Programs								
School Facilities	2,200,000	2,400,000	0	0	0	0	0	2,400,000
Utility Department Programs								
Wastewater Treatment Facility	4,500,000	0	0	0	0	0	0	0
Total Long Range Program	\$6,700,000	\$2,400,000	\$10,000,000	\$6,000,000	\$0	\$1,500,000	\$0	\$19,900,000
Total Bonding Program - 7 Years								\$26,600,000



Unassigned Fund Balance June 30, 2019 restated	\$7,450,625
Fund Balance as a % of FY 2019-2020 Budget	11.79%
Unassigned Fund Balance June 30, 2020	\$8,071,823
Fund Balance as a % of FY 2020-2021 Budget	12.59%
Unassigned Fund Balance June 30, 2021	\$9,123,666
Fund Balance as a % of FY 2021-2022 Budget	13.70%
Unassigned Fund Balance June 30, 2022	\$9,172,205
Fund Balance as a % of FY 2022-2023 Budget	13.38%
ESTIMATED FY 2022-2023 Operating Surplus	\$535,000
Funds Forwarded to Finance 2023-2024 CIP Initiatives	0
Projected Unassigned Fund Balance June 30, 2023	\$9,707,205
Fund Balance as a % of FY 2023-2024 Budget (assuming 3% increase)	13.75%

GENERAL FUND UNASSIGNED FUND BALANCE

- **Fund Balance Policy at 17% benchmark, would require \$11,649,985 Unassigned Fund Balance with FY2023 Budget Program of \$68,529,325**