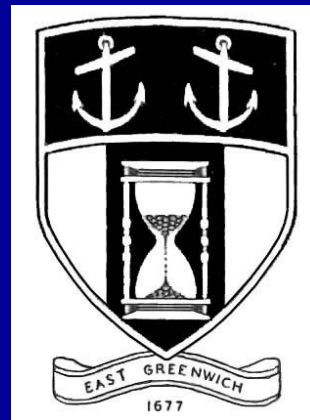


# TOWN OF EAST GREENWICH

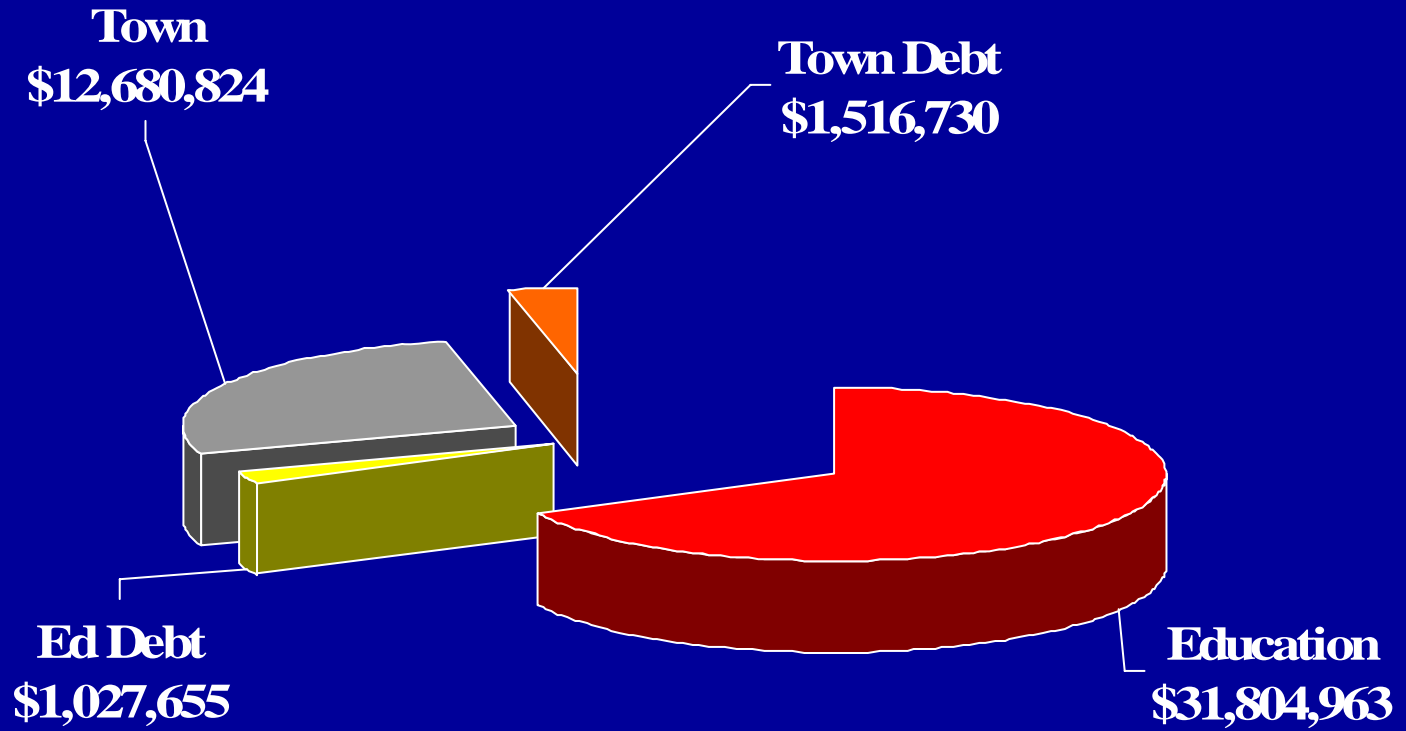


## BUDGET FISCAL YEAR 2009

# Town Of East Greenwich – FY09 Budget

	<b>FY 2008</b>	<b>FY 2009</b>	<b>AMOUNT INCREASE</b>	<b>PERCENT INCREASE</b>
<b>MUNICIPAL</b>	<b>\$ 14,450,787</b>	<b>\$ 15,225,209</b>	<b>\$ 774,422</b>	<b>5.36%</b>
<b>EDUCATION</b>	<b>\$ 30,889,947</b>	<b>\$ 31,804,963</b>	<b>\$ 915,016</b>	<b>2.96%</b>
<b>TOTAL</b>	<b>\$ 45,340,734</b>	<b>\$ 47,030,172</b>	<b>\$ 1,689,438</b>	<b>3.73%</b>

# Town Of East Greenwich – FY09 Budget



# Town Of East Greenwich – FY09 Budget

- Senate Bill S-3050 (R.I.G.L. 44-5-2)
  - Property tax relief
  - Cap is on the tax levy or tax revenue raised
  - The amount of tax revenue increase from one year to the next is limited to the following:
    - FY2007 – 5.5%
    - FY2008 – 5.25%
    - FY2009 – 5.00% to be reduced by .25% for each subsequent year.

# Town Of East Greenwich – FY09 Budget

- Senate Bill S-3050 (R.I.G.L. 44-5-2)
  - Does not cap expenditures by the municipality departments (DPW, Police, Education, etc.)
  - Requested budget for Education can not be greater than 5% (FY2009) above last year's tax supported contribution.
  - The amount is not an entitlement, but a maximum contribution that may be proposed.
  - There is no obligation on the part of the Town Council or FTM to appropriate a certain amount.

**Total Revenue Increase** **1,689,437**

Based on max levy of 5%

**Requested Budget Increases**

School 1,449,816

Town 1,007,621

Total Increase **2,457,437**

**Shortfall - revenue does not cover requests** **(768,000)**

**Proposed Reductions to present balanced budget**

**Town** **233,199**

(department requests, trash contract, health insurance)

**School**

Seascape 115,000

Ground Maintenance/snow removal

Trash - Included in Town's budget 70,000

Audit - Included in Town's budget 16,000

Use of fund balances in WB Health 250,000

Retirements and Health Insurance 83,000

Total **534,000**

# Town Of East Greenwich – FY09 Budget

<b>Recommended adjustment</b>	<b>Real Cut?</b>	<b>Service Provider FY 2008</b>	<b>Service Provider FY 2009</b>	<b>West Bay Surplus</b>
				\$ 750,000
Seascape \$115,000	NO	School	Town	
Trash contract \$70,000	NO	School	Town	
Audit \$16,000	NO	School	Town	
Retirements / Health Ins \$83,000	YES			
West Bay Health \$250,000	NO			( \$ 250,000)
Remaining Surplus				\$ 500,000

# Town Of East Greenwich – FY09 Budget

- The proposed budget for the municipality...
  - Complies with SB S-3050
  - Does not require cuts to programs or services
  - Does not eliminate positions other than through normal attrition and retirement
  - The proposed tax rate would be \$14.10 which is an increase of \$.56 or 4.1%.



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Administration  
BUDGET OFFICE/MUNICIPAL AFFAIRS  
One Capitol Hill  
Providence, RI 02908-5873

OFFICE (401) 222-2867

FAX (401) 222-3809

April 8, 2008

William Sequino  
Town Manager  
Town of East Greenwich  
East Greenwich, RI 02818

Dear Bill,

You have asked for assistance in clarifying amounts that may be requested by and appropriated to School Committees from town funds.

There is no obligation on the part of a Town Council or FTM to appropriate a certain amount. Rather, the statutory limitation provided for in 16-2-21 references limitations on what the School Committee can request from "municipal funds (exclusive of state and federal aid)", not on the obligation of the town to appropriate (whether it be more or less than what was officially requested). For the FY 2009 budget, the School Committee may request up to 5% from "municipal funds".

The substance of the tax cap as provided for in Section 44-5-2 of the RI General Laws limits the maximum property tax levy. For the FY 2009 budget, the town is limited to a tax levy increasing 5%. We have notified you and the finance director that for FY 2009 (tax year 2008) the maximum levy for East Greenwich will be \$39,612,489, an increase of 5% or \$1,886,309 over the FY 2008 levy of \$37,726,180. There is no cap on spending by the town. The cap only applies to the property tax levy.

I hope this communication is responsive to your request.

Sincerely,

Peder Schaefer  
Chief Budget Analyst

# 6-Year School Budget Projections with Tax Levy Cap + Proposed Budget Cuts

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Total Cumulative* Expenditures at 5% (Baseline):	\$211,235,784
Total Cumulative* Expenditures with Tax Levy Cap:	\$207,702,790
<b>Total Expenditure cuts needed to meet Cap:</b>	<b>\$ 3,532,994</b>

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Total Cumulative* Expenditures with Cap plus proposed Budget Cuts for FY 2009:	\$203,949,782
<b>Additional amount of expenditure cuts needed:</b>	<b>\$ 3,753,008</b>
<b>Total Expenditure cuts needed due to Budget Cut:</b>	<b>\$ 7,286,002</b>

\* 6-Year Cumulative Expenditures for FY 2008 – FY 2013