

The Town of East Greenwich

Proposed Fiscal Year 2019 Budget: Review and Analysis

May 30, 2018

Gayle A. Corrigan

Town Manager

REVISIONS

Revisions from May 14, 2018

- Updated Tax Disclosure – 3.98% increase with \$23.91 proposed rate
- Incorporates changes to estimated net assessment and motor vehicles
- Increase \$9,439 proposed levy
- Correction of Police Department clothing allowances – increase \$69,450
- Decrease School Department appropriation - \$62,856

CHALLENGES

CONTRACTS :

FIRE DEPARTMENT

Fire Department Cost Comparison

BARRINGTON

FY18 Budget \$2.38 million

FY18 Overtime \$78,000

FY17 Actual \$77,195

FY17 Employees 23

EAST GREENWICH

FY18 Budget \$4.16 million

FY18 Overtime \$789,724

FY17 Actual \$645,526

FY17 Employees 39

Fire Department Cost Comparison

WARWICK

FY18 Budget \$20.4 million

FY18 Overtime \$1,729,049

FY17 Actual \$1,459,289

FY17 Employees 227

EAST GREENWICH

FY18 Budget \$4.16 million

FY18 Overtime \$789,724

FY17 Actual \$645,526

FY17 Employees 39

4⁰% TAX INCREASES

TAX CAP 4%

2018
BUDGET

\$61,958,368

EXPECTED
INCREASES

SCHOOL	\$1,396,295
FIRE OVERTIME	\$650,000
OPEB ARC	\$3,400,000
CAPITAL EXPENSE	\$1,000,000
ETC	!!!!

\$6,446,295

2019 BUDGET
WITH 4% CAP

\$63,819,851

Compounding Effect of 4% Tax Increases

- | | |
|---------------------------|-----------------|
| • FY 24 - \$68.4 million | \$11,810 median |
| • FY 29 - \$83.2 million | \$14,368 median |
| • FY 34 - \$101.2 million | \$17,482 median |
| • FY 39 - \$123.1 million | \$21,270 median |

Final Analysis

- Projecting deficits for both Town and School side for FY18
- Not enough tax revenue to cover contractual obligations for combined school/town
- Debt has climbed to 10% of total budget
- Potential for bond rating downgrade
- All major contracts up for negotiation in FY19
- Structural changes needed
- 2% increase - \$1.119,325 from budget or fund balance