

The Town of East Greenwich

Proposed Fiscal Year 2019 Budget: Revisions

June 4, 2018

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Town Manager

REVISIONS

From May 30, 2018

Town Budget Cuts

- Reduction **\$904,079** from Town Budget
 - Eliminate **\$350,000** OPEB contribution
 - Eliminate **\$402,652** capital items
 - Cut **\$151,428** other line items

Capital Expenditure Cuts

• DPW Dump F-550 and plow	\$73,000
• Parks Mowing tractor	\$107,000
• Police Vehicles	\$91,652
• Fire SCBA	\$60,000
• Fire Hydraulic Rescue Tools	\$49,000
• Harbormaster Boat	\$25,000
TOTAL CUTS	\$402,652

Revised FY19 Capital Expenditure Budget

• Bombadier sidewalk plow	\$145,000
• DPW dump truck	\$133,000
• Town hall slate roof	\$210,835
• Parks dump truck	\$77,566
• School building safety	\$100,070
• Harbormaster Boat	\$20,000
TOTAL FY19	\$686,471

Increase School Department Funding

- Increase School Department \$500,000 from FY18 - **\$34,965,569**
 - FY 18 appropriation - \$34,018,906
 - FY 18 administrative costs - \$446,663
 - FY 19 additional appropriation - **\$500,000**

4⁰% TAX INCREASES

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 |

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

0% TAX INCREASE

\$1,104,622 from fund balance

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
- 0% increase - \$1,104,622 from fund balance