

**AGENDA**  
**Town Council**  
**Town of East Greenwich**  
**Special Session**  
**June 5, 2017 at 7:00 PM**  
**Swift Community Center, 121 Peirce Street, East Greenwich, RI 02818**

**(Any matter listed on this agenda is subject to a vote by the Town Council.)**

- (1) Call to Order and Pledge of Allegiance to the American Flag
- (2) Public Hearing
  - (a) FY 2018 Operating Budget
- (3) New Business
  - (a) An ORDINANCE to amend the Charter and the Code of the Town of East Greenwich to strike and revise language throughout referring to the Financial Town Meeting which voters approved to eliminate at the November 2016 election (FIRST READING AND INTRODUCTION).

Posted June 2, 2017 in accordance with RIGL 42-46-6 at EG Town Hall, EG Library, Swift Community Center, EG Town Website and Secretary of State website. Individuals requesting interpreter services for the hearing impaired must notify the Town Clerk's office at (401) 886-8604 via RI Relay #711 (800-745-5555 TTY) or in writing, at least forty-eight (48) hours in advance of the hearing date.

## TOWN COUNCIL AGENDA TRANSMITTAL FORM

Town Council Meeting Date: **6/5/2017**

1. Agenda item (List as it should appear on the agenda)  
**FY 2018 Operating Budget**
2. Submitted by (List department and individual, if necessary)  
**Town Clerk**
3. Provide a brief description of the item and why it is on the agenda
4. Contact person and phone number for questions  
**Thomas Coyle, III 401-886-8665**

### ATTACHMENTS:

Description	Type
<input type="checkbox"/> Advertisement	Backup Material
<input type="checkbox"/> Slide Presentation Providence Analytics	Backup Material

## TOWN OF EAST GREENWICH

### NOTICE OF PROPOSED PROPERTY TAX RATE CHANGE

The Town of East Greenwich proposes to decrease its property tax levy to \$56,354,769 in the 2017-2018 budget year; The property tax levy for this year is \$57,019,409. THIS IS A PROPOSED DECREASE OF (1.17%).

It has been estimated that the proposed decrease in property tax revenues would result in a property tax rate of \$ 23.67 per \$1,000 of assessed valuation for real estate and \$ 23.67 per \$1,000 of assessed valuation for tangible personal property. The current FY 2017 property tax rate for the Town is \$ 24.09 per \$1,000 of assessed valuation for real estate and tangible personal property.

The property tax levy for the 2017-2018 budget year also includes motor vehicles at an unchanged tax rate of \$ 22.88 per \$1,000 of assessed valuation in accordance with state law.

A property tax rate of \$ 24.96 for real estate and \$ 24.96 for tangible personal property would be needed in the coming budget year to raise the maximum levy authorized by section 44-5-2 of the general laws.

The Town of East Greenwich's budget will be considered on June 5, 2017 at 7:00 PM at Swift Gymnasium in East Greenwich.

The above property tax estimates have been computed in a manner approved by the Rhode Island Department of Revenue.

Thomas E. Coyle, III

Town Manager  
Town of East Greenwich

Executrix; creditors must file their claims in the office of the probate clerk within the time required by law beginning May 4, 2017.

**RICE, MARIAN E. a/k/a MARIAN ELIZABETH RICE, estate:**

Wayne R. Rice of the Town of South Kingstown, village of West Kingston, has qualified as Executor; creditors must file their claims in the office of the probate clerk within the time required by law beginning May 4, 2017.

**SCASINO, FLORA, estate:**

Josephine Scasino of the City of Warwick (*East Greenwich mailing address*) has qualified as Executor; creditors must file their claims in the office of the probate clerk within the time required by law beginning May 4, 2017.

**DIANNE POTTER  
DEPUTY TOWN CLERK**

# Town of East Greenwich Budget Review

Independent Budget Analysis

Gayle Corrigan

Linda Dykeman

June 5, 2017

# Assignment

Independent budget review of Fiscal Year 2018 proposed budget of the Town of East Greenwich, including the East Greenwich School Department:

- ✓ Identify structural deficiencies
- ✓ Identify solutions
- ✓ Propose balanced Fiscal Year 2018 budget for the Town of East Greenwich

# Methodology

- ☐ Review Town Charter
- ☐ Historical cost comparison (FY14, FY15, FY16, estimated FY17)
- ☐ Review source documents
  - ✓ Payroll report
  - ✓ Collective bargaining agreements and other contracts
  - ✓ Tuition and transportation invoices
- ☐ Interviews school and town personnel, partners

# Town-wide Deficiencies

- ☐ Lack of transparency and accurate reporting
- ☐ Numerous misleading budget practices and inaccurate budget assumptions
  - Revenue side
  - Expense side
- ☐ Systemic purchasing inefficiencies
- ☐ Fiscally unsustainable collective bargaining agreements
- ☐ Short-sighted employment practices and benefits decisions

# Lack of Transparency and Accurate Reporting

## **Town**

- ☐ Lack of allocations of benefits to departments; true department costs unknown
- ☐ Lack of budget to actual analysis
- ☐ Lack of 3-5 year budget projections
- ☐ Town control of all accounting inhibits proper UCOA reporting

## **School Department**

- ☐ Incorrect UCOA accounting potentially skew reporting to RIDE and may impact state aid
- ☐ Lack of budget to actual analysis
- ☐ Lack of 3-5 year budget projections
- ☐ Lack of accurate fiscal impact statements



# Misleading Budget Practices and Inaccurate Budget Assumptions - Revenues

## **Town**

- ☐ Under-budgeting prior year tax revenue
  - Historical average = \$1.093m
  - FY17 & FY18 budget = \$700k
- ☐ Failing to acknowledge and respond to \$325k lost Fire Department revenue FY15-FY16

## **School Department**

- ☐ Raiding Fund Balances
- ☐ Reliance on one-time revenue sources
  - National Grid
  - Wireless Initiative

# Town and School Department Revenues – Lack of Cost/Benefit Analyses

## **Town**

- ❑ New England Tech revenue agreement not analyzed
  - Does stagnant annual fee of \$418k represent true cost of providing services to expanding facility?

## **School Department**

- ❑ Aviation Academy
  - Does loss-making career preparatory program, serving 7 out-of-town students in FY18 make sense for East Greenwich taxpayers?

# Misleading Budget Practices and Inaccurate Budget Assumptions - Expenses

## Town

### ☐ Under-budgeting claims reserves

- FY 17 & FY18 actual= \$-717,872
- FY17 & FY18 budget = \$4,000

### ☐ Under-budgeting fire overtime

- FY15-FY17 average= \$620k
- FY18 budget = \$450k

### ☐ Separation costs not budgeted

## School Department

### ☐ Under-budgeting high-cost special education

- FY17 Tuitions actual = \$1,447,454
- FY17 Tuitions budget = \$1,091,357
- All line items FY17 = \$-784,655

### ☐ Under-budgeting without plans for cost reductions

- Substitute teachers
- Life insurance

# Systemic Purchasing Inefficiencies

## **Town**

- ☐ Purchasing by inertia
- ☐ Last insurance RFP in 2003; last independent insurance review in 2006
- ☐ Not aggressively pursuing new relationships (e.g., Rescue Run Billing and Audit Services RFPs)
- ☐ Limits school purchasing efficacy (e.g., document storage space)

## **School Department**

- ☐ Limited controls for purchasing (e.g., approvals without complete documentation)
- ☐ Reactive not proactive purchasing
- ☐ Transportation RFP; one respondent
- ☐ No last-look person at schools

# Entering into Fiscally Unsustainable Collective Bargaining Agreements

## **Town**

### ☐ Collective Bargaining Agreement with IAFF

- Increases to costs at a time when Town experienced revenue reduction
- FY17 – one floater permanent
- FY18 – one floater permanent
- FY19 – remaining two floaters permanent

## **School Department**

### ☐ Collective Bargaining Agreement with NEARI

- Inaccurate fiscal impact statement
  - Not compounded year-over-year
- Buy-back implications not considered; potentially short-term savings outweighed by long-term expense

# Short-Sighted Employment Practices and Benefit Decisions

## **Town**

- ☐ Hiring solely laterals for Fire Department – FY17
- ☐ Generous health benefits compared to other municipalities

## **School Department**

- ☐ High turnover in financial and administrative positions
- ☐ 70% top-tier teachers FY17
- ☐ 80% top-tier teachers projected by FY19
- ☐ Lack of understanding of the self-funded benefits plan

# Why One Town Now?

- ☐ Acknowledge and confront fiscal challenges
- ☐ Reduce and rebalance spending to reflect broader community priorities while maintaining educational excellence
- ☐ Lessen pain to implement viable changes
- ☐ Start targeted investments for the future – two-year minimum
- ☐ Shared commitment to One Town

# Opportunities for Consolidation

- ☐ Finance
- ☐ IT
- ☐ Human Resources
- ☐ Purchasing – non-educational items
- ☐ Risk Management
- ☐ Benefits (FY19)



# Town of East Greenwich Fiscal Year 2018 Revised Budget

- ☐ No increases School Department and library
- ☐ Consolidations
  - ✓ School Department administrative salaries paid by Town
  - ✓ Addition of director of curriculum position
- ☐ Corrections over/under budgeting discrepancies
- ☐ Line items reductions/negotiations
- ☐ Reduction of capital spending
- ☐ Preservation of \$700k prior year tax revenue budget line item

# Town of East Greenwich – Revised 2018 Budget

Function or Purpose	Approved Budget for Year 2017	Proposed Budget Year 2018	Revised Proposed Budget Year 2018	Variance
<b>EXPENDITURES</b>				
1. General Government	1,970,781	1,973,629	2,294,593	-320,964
2. Financial Administration	572,359	656,334	768,107	-111,773
3. Public Safety	3,460,103	3,498,112	3,454,261	43,851
4. Public Works	2,812,023	2,876,273	2,876,273	0
5. Public School Operations	34,018,906	34,018,906	34,018,906	0
6. Public Library	520,235	531,218	520,235	10,983
7. Recreation and Parks	636,426	646,529	646,529	0
8. Health and Sanitation	883,517	939,606	939,606	0
9. Employee Benefits	5,595,672	5,990,114	5,929,595	60,520
10. Human Services & Agency Grants	267,826	274,885	267,385	7,500
11. Debt Service	6,604,753	5,527,165	5,550,922	-23,757
12. Capital Improvements	850,500	850,500	515,589	334,911
13. Contingencies	12,500	12,500	12,500	0
14. Fire Department	3,985,270	4,162,597	4,163,868	-1,271
<b>TOTAL EXPENDITURES</b>	<b>\$ 62,190,871</b>	<b>\$ 61,958,368</b>	<b>\$ 61,958,368</b>	
<b>REVENUES</b>				
1. Local Property Taxes	56,542,227	55,912,447	55,924,347	-11,900
2. Local Non-Property	3,197,939	3,291,074	3,279,174	11,900
3. State	2,450,705	2,754,847	2,754,847	-
<b>TOTAL REVENUES</b>	<b>\$ 62,190,871</b>	<b>\$ 61,958,368</b>	<b>\$ 61,958,368</b>	

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2. Submitted by (List department and individual, if necessary)  
**Town Clerk**
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**Leigh Carney 401-886-8604**

### ATTACHMENTS:

Description	Type
<input type="checkbox"/> DRAFT Ordinance	Ordinance

AN ORDINANCE TO AMEND THE CHARTER AND THE CODE OF THE TOWN OF EAST GREENWICH TO STRIKE AND REVISE LANGUAGE THROUGHOUT REFERRING TO THE 'FINANCIAL TOWN MEETING' WHICH VOTERS APPROVED TO ELIMINATE AT THE NOVEMBER 2016 ELECTION.

The Town Council of the Town of East Greenwich hereby ordains:

Section 1. The Charter of the Town of East Greenwich is hereby amended as follows:

**~~§ C-26. Borrowing in anticipation of taxes.~~**

~~Borrowing in anticipation of taxes shall require the approval of the Financial Town Meeting in accordance with existing state law.~~

**~~§ C-27. Issuance of bonds.~~**

~~The qualified electors of the Town may at an annual or special Financial Town Meeting authorize the borrowing of money and the issuance of bonds or notes pursuant to the statutes now or hereafter in effect.~~

**§ C-33. Public hearing on recommended budget. [Amended 11-3-1992; 11-2-2004]**

The School Committee shall hold a public hearing on its proposed budget on or before ~~March~~ **April** 1 of each year, and shall submit its budget to the Town Manager on or before ~~March~~ **April** 15 of each year. All other Town departments shall submit their proposed budgets to the Town Manager on or before ~~February~~ **March** 15 of each year. On or before ~~February~~ **March** 15 of each year, the Town will notify residents by newspaper of general circulation, and by the Town website or other electronic means, that a copy of the proposed Town budget will be available for review at the Town Hall and on the Town website by ~~April-15~~ **May 1** of each year. The Town Manager shall transmit the Town budget to the Town Council on or before ~~April~~ **May** 1 of each year. The Town Council shall hold a public hearing on the recommended budget on or before ~~April~~ **May** 15 of each year. The Town Clerk shall prepare sufficient copies of the budget to be available for public distribution prior to the hearing.

**§ C-34. Recommended Budget. [Amended 11-3-1992; 11-2-2004]**

The Town Council may revise the budget as submitted by the Town Manager and shall adopt a ~~recommended~~ budget ~~for presentation to the Financial Town Meeting~~ on or before ~~May-15~~ **June 10** of each year. Any changes following the public hearing on the recommended budget will be highlighted in the adopted budget. A copy of the adopted budget will be available for review at the Town Hall and on the Town website ~~no later than 15 days prior to the Financial Town Meeting~~. If the Town Council recommends an increase in the total expenditures as proposed by the Town Manager, it shall also provide for increasing the total anticipated revenues and shall indicate the

revenues necessary to maintain a balance between revenues and expenditures. No revenue from any source other than the tax levy shall be included in the budget as recommended by the Town Council unless the facts clearly warrant the expectation that such amount actually will be realized in cash during the budget year.

~~§ C-35. Electors not restricted.~~

~~The preparation of a proposed budget by the Town Manager and of a recommended budget by the Town Council shall not be construed to impair or restrict the powers of the electors in the Financial Town Meeting to impose a tax or for the expenditure of money in the Town, or as otherwise provided in this Charter.~~

**§ C-36. Publication of budget.**

A copy of the budget, as finally adopted ~~by the Town Council by Financial Town Meeting~~, shall be certified by the Town Clerk and filed in the office of the Town Treasurer. Sufficient copies of the budget shall be made available by the Town Clerk for the use of all offices, departments and agencies and for the use of interested persons.

~~ARTICLE VI~~

~~Financial Town Meeting~~

~~§ C-41. Time and purpose. [Amended 11-3-1992; 11-7-2000; 11-2-2004]~~

~~§ C-42. Notice.~~

~~§ C-43. Subjects requiring special notice.~~

~~§ C-44. Special meetings~~

~~§ C-45. Restriction of special meetings~~

~~§ C-46. Financial proposals. [Amended 11-7-2000; 11-2-2004]~~

~~§ C-47. Powers of electors.~~

~~§ C-48. Moderator.~~

~~§ C-49. Duties and powers of Moderator.~~

~~ARTICLE VII~~

~~Financial Town Meeting Procedures~~

~~§ C-50. Quorum. [Amended 11-7-2000; 11-2-2004]~~

~~§ C-51. Voting. [Amended 11-3-1992; 11-2004]~~

~~§ C-52. Vote by ballot.~~

~~§ C-53. Balloting on appropriation for the construction of schools, on the issuance of bonds for  
——— school purposes and on appropriation for purchase of land for school purpose.~~

~~§ C-54. Adjourned meetings.~~

~~§ C-55. Notice of adjourned meeting.~~

~~§ C-56. Procedure of adjourned meetings.~~

~~§ C-57. Record of proceedings.~~

~~§ C-58. Recessed meetings [Amended 11-3-1992; 11-2-2004]~~

~~§ C-59. Procedure if budget is rejected. [Added 11-2-2004]~~

## ARTICLE VIII

### Town Council

#### § C-65 Compensation.

Each member of the Town Council shall receive such individual compensation for the performance of his or her duties or for the expenses of his or her office as may be fixed from time to time by the ~~Financial Town Meeting~~ Town Council and in accordance with the Charter.

#### § C-67. Powers and duties. [Amended 11-4-1986; 11-7-2000]

All legislative powers of the Town shall be vested in the Town Council except those delegated with this Charter. The Town Council may enact, repeal or amend ordinances relating to the Town's property, affairs and government subject to provisions of the State Constitution and laws enacted by the General Assembly in conformity with the powers reserved to the General Assembly. The Town Council may exercise all additional powers and authority that are consistent with this Charter, and have been granted to it by this Charter, **or by** the Constitution or laws of the state ~~or by the Financial Town Meeting~~. Without limiting the generality of the foregoing, the Town Council has and exercises the following specific powers:

- M. To take any action necessary ~~to give effect to any vote of the Financial Town Meeting~~ authorizing the issuance of bonds for any purpose, including borrowing in anticipation of taxes, and to complete all the details of the bond transaction in accordance with the laws of the state.

## ARTICLE XIV

**Town Clerk****§ C-89. Powers and duties of the Town Clerk.**

The Town Clerk shall be the ~~Clerk of the Financial Town Meeting~~, Clerk of the Town Council, Clerk of the Probate Court, Clerk of the Board of Canvassers and the Recorder of Deeds.

## ARTICLE XXIII

**Public Schools****§ C-123. School Committee.**

C. Compensation. The School Committee may receive such annual compensation as may from time to time be fixed by the Town Council and by the Financial Town Meeting in accordance with the Charter.

Section 2. The Code of the Town of East Greenwich is hereby amended as follows:

## CHAPTER 34: BOARDS, COMMITTEES AND COMMISSIONS

## ARTICLE VIII AFFORDABLE HOUSING COMMISSION

**§ 34-30 Operation; powers and duties.**

- A. The Town Manager or designee shall be responsible for the carrying out of the functions, duties and purposes of the Affordable Housing Commission and shall perform these and such additional duties as assigned by the Town Council.
- B. Budget. The budget of the Commission shall be approved at Financial Town Meeting by the Town Council and subject to all Town policies and procedures.

## CHAPTER 143: LAND TRUST

**§ 143-4 Rules and regulations; budget; release of funds.**

- A. The Trustees shall adopt reasonable rules and regulations governing the conduct of Trust affairs, including the acquisition and management of its holdings, not inconsistent with the provisions of this chapter. All rules and regulations of the Trust are subject to the approval of the Town Council. Decisions of the Trustees shall be by a majority of those present and voting, excepting in decisions on the acquisition of land, easements, rights-of-way, and other uses referred to in § 143-1, which must be by a majority vote of all

ORDINANCE NO.

ADOPTED:

Trustees. The Trustees shall prepare a budget that must be sent to the Town Manager for review and, after his/her review, ~~be reviewed by the Town Council and then~~ be presented to the ~~Financial Town Meeting~~ Town Council for final approval.

Section 3. The passage of this ordinance is subject to approval of enabling legislation pending at the General Assembly.

DRAFT