

Report of the Barrington Committee on Appropriations Proposed Fiscal Year 2016 Budget

Geoffrey Grove, Chair
Chad Mollica, Vice Chair
Peter Clifford
Peter Dennehy
Melissa Horne

Outline

- ▶ The rate and the levy
- ▶ 5 year Budget History
- ▶ Proposed FY2016 Budget
- ▶ Motor Vehicles Tax
- ▶ Proposed FY2016 School Budget
- ▶ Education Cost per Student
- ▶ Proposed FY2016 Municipal Budget
- ▶ Proposed FY2016 Capital Budget
- ▶ Conclusions and Observations
- ▶ Appendix A – Impact of Revaluation

Getting Right to the Point

CURRENT TAX RATE is \$18.30 per thousand

Proposed FY2016 TAX RATE: \$18.21
per thousand

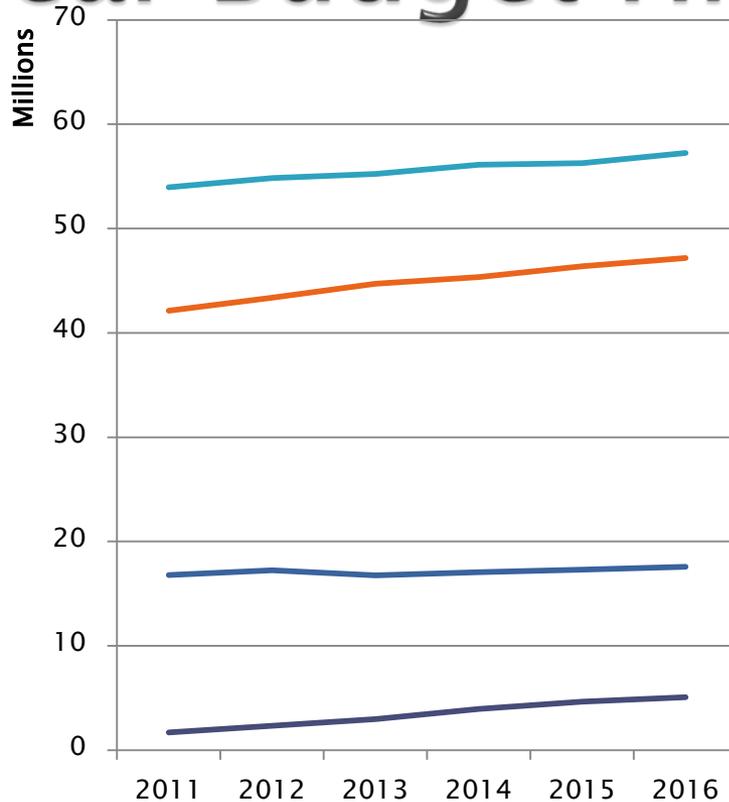
A decrease of \$.09 per thousand (.49%)

CURRENT TAX LEVY is \$56,285,217

Proposed FY2016 TAX LEVY is:
\$57,243,617

An increase of 1.7%

5 Year Budget History



	Average Annual Increase	Proposed 2016 Increase
Property Tax Levy	1.11%	1.70%
School Expense	2.22%	1.71%
Municipal Expense	0.75%	1.51%
State School Aid	20.56%	9.07%

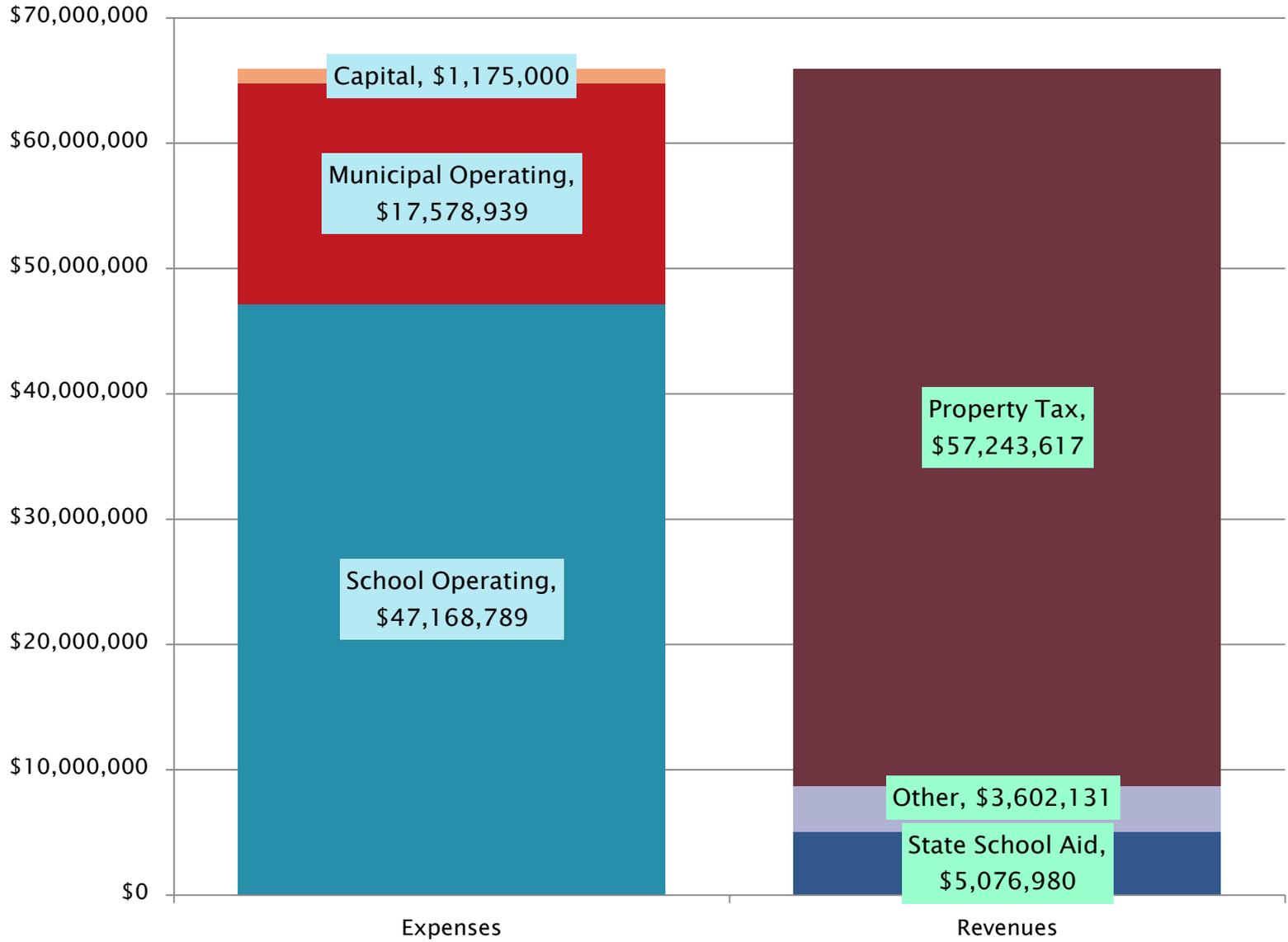
School expense is growing faster than Municipal expense. However, revised School Aid Funding Formula has offset much of school expense increase, so far.

Proposed Town Budget – July 1, 2015 to June 30, 2016

	School Operating	Municipal Operating	Capital	State School Aid	Other	Property Tax
Expenses	\$47,168,789	\$17,578,939	\$1,175,000			
Revenues				\$5,076,980	\$3,602,131	\$57,243,617
% of Total	71.6%	26.7%	1.8%	7.7%	5.5%	86.8%

FY 2016 Real Estate Tax Rate:

$$\frac{\text{Real Estate Tax Levy}}{\text{Real Estate Tax Base (in thousands)}} = \frac{\$51,080,459}{\$2,811,252} = \$18.17$$



Motor Vehicle Tax

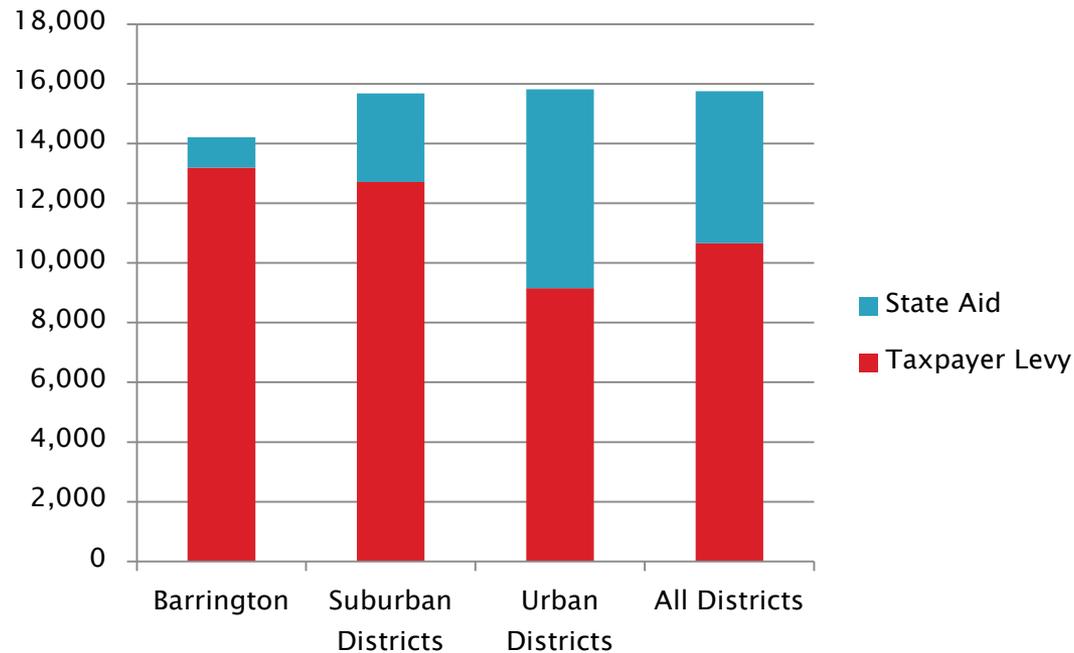
- ▶ Appropriations voted to increase the exemption from \$1,500 (current) to \$2,000
- ▶ This will shift \$94,388.48 from Motor Vehicle to Real Estate
- ▶ This will add \$.0331 to the FY2016 tax rate
- ▶ This will lower the car tax for many people

Proposed School Budget

- ▶ Proposed School Operating Budget is \$47,168,789
 - Increase over last year of \$793,325 (1.7%)
- ▶ Anticipated enrollment is 3,209 (-2.0% from last year)
- ▶ Cost per student is \$14,698
 - Increase over last year is \$535 (3.7%)

	FY 2015	FY 2016	Increase	% Increase
Salaries	\$29,177,016	\$29,795,234	\$618,218	2.1%
Benefits	10,485,353	10,727,849	242,496	2.3%
Purchase Prof & Tech Services	906,735	1,125,401	218,666	24.1%
Purchase Property Services	844,539	859,571	15,032	1.8%
Other Purchase Services	3,239,737	2,877,062	-362,675	-11.2%
Supplies	1,581,030	1,627,896	46,866	3.0%
Property & Education Equipment	88,535	100,934	12,399	14.0%
Dues, Fees & Miscellaneous	52,519	54,842	2,323	4.4%
Total	\$46,375,464	\$47,168,789	\$793,325	1.7%

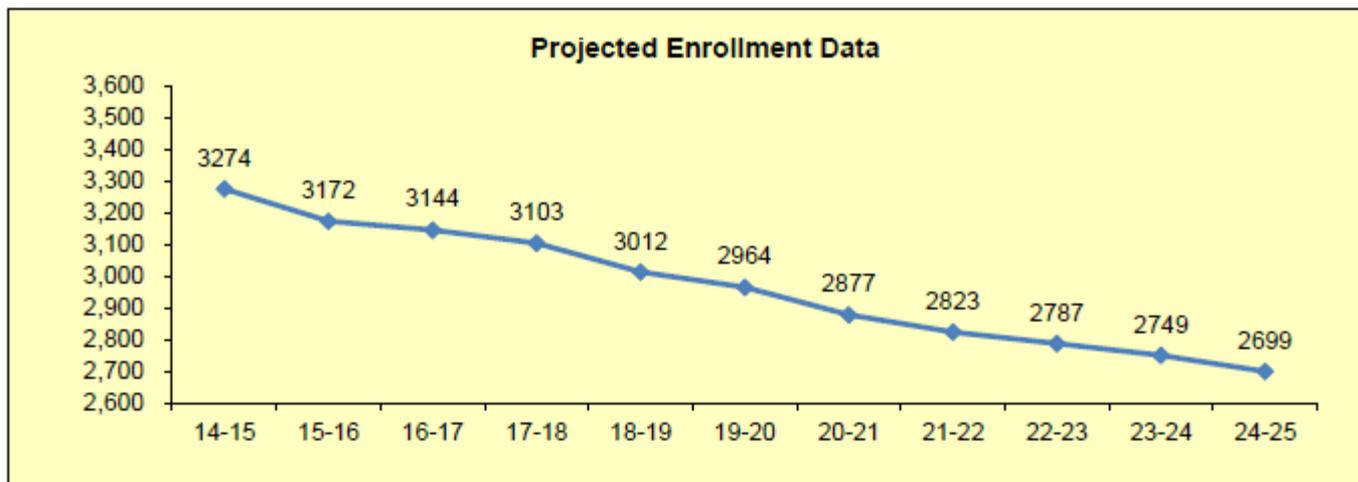
Education Cost per Student



- ▶ *Cost per student is below state averages
- ▶ *State aid is below state averages
- ▶ *Cost to taxpayer is above state averages

(*Based on the FY 2013 data compiled by the RI Department of Education)

NESDEC Projected Enrollment											
GRADE	14-15	15-16	16-17	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25
Pre-K to 3 *	896	836	785	778	744	736	756	744	744	743	743
4 - 5	502	516	520	480	475	469	413	417	437	426	426
6 - 8	823	808	757	756	761	737	720	685	654	628	622
9 - 12	1053	1012	1082	1089	1032	1022	988	977	952	952	908
TOTAL	3274	3172	3144	3103	3012	2964	2877	2823	2787	2749	2699



Source: New England School Development Council (NESDEC)

Note: NESDEC projected enrollment does not take into consideration implementation of All Day Kindergarten Program

Projections beyond five years become less reliable as other factors influence enrollment

Proposed Municipal Budget

- ▶ Proposed Municipal Operating Budget is \$17,578,939
 - Increase over last year is \$262,182 (1.51%)

	FY 2015	FY 2016	Increase	% Increase
Public Safety	\$4,551,526	\$4,670,628	\$119,102	2.6%
Personnel Charges (benefits)	3,705,936	3,843,500	137,564	3.7%
Public Works	2,247,327	2,268,471	21,144	0.9%
Debt Service	2,086,471	2,003,217	-83,254	-4.0%
Administrative	1,812,414	1,841,041	28,627	1.6%
Library	1,245,511	1,260,134	14,623	1.2%
Refuse Collection Contract	895,197	913,101	17,904	2.0%
Other	772,375	778,847	6,472	0.8%
	Total \$17,316,757	\$17,578,939	\$262,182	1.5%

Proposed Capital Budget

- ▶ Proposed Capital Budget is \$1,175,000
- ▶ Capital expenditures are generally considered to be large and/or one time asset purchases
- ▶ The Capital Improvement Planning (CIP) subcommittee of the Planning Board reviewed the proposals of all Town departments and made their recommendation to Appropriations.

Conclusions

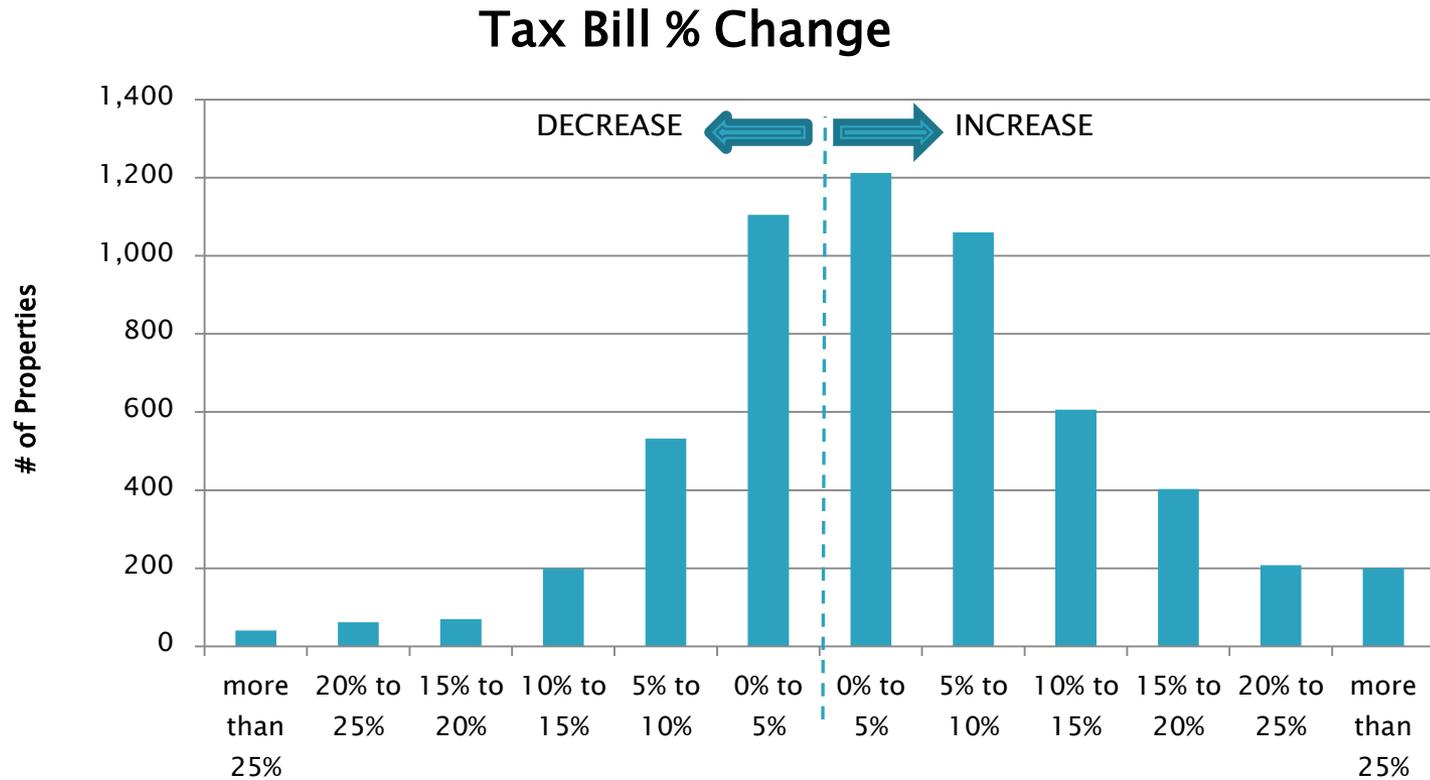
- ▶ The Appropriations Committee believes that the proposed budgets are reasonable
- ▶ While the School operating expenses drive the tax rate, our cost per student is well below the state average
- ▶ Our per capita tax rate is *above* the state average because the state education aid that we receive is *below* the state average
- ▶ The proposed tax levy increase is 1.7%, but many properties will experience significant tax changes (positive and negative) due to revaluation

Observations

While the proposed FY 2016 budget addresses near term requirements, there are several challenges for the future:

- Reduced school aid due to completion of revised formula phase-in and forecasted declining school enrollment
 - Funding for a new middle school
 - Full funding of pensions for school & municipal employees
 - Mutually beneficial collective bargaining agreements
- 

Appendix – Impact of Revaluation



The 1.7% tax increase will not be felt equally

Property Value Distribution (k\$)

