

TOWN COUNCIL/SCHOOL COMMITTEE

INITIAL BUDGET HEARING



DECEMBER 18, 2013

Goals to be Accomplished

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- Provide general information relative to South Kingstown's Budget Development and Adoption Process.

- Provide documentation relative to base budget development starting points.
 - Property tax projections
 - New projects and other cost factors
 - Contractual obligations

- Solicit comments from the public relating to the general goals and objectives of the budget for the ensuing year.

Budget Development and Adoption Process

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- November 7, 2006 adoption of amendments to the South Kingstown Town Charter.

- Meeting Schedule Published in December 12, 2013 edition of the *South County Independent*.

- Meeting Schedule is also available on the Town's Web Site – www.southkingstownri.com and at the Town Hall and Town Libraries.

Town of South Kingstown Budget Adoption Process

Approved November 7, 2006



Prior to December 31

A summary of the budget process and tentative schedule prepared for public distribution and published by Town Clerk.

December 1 - January 15

Public Hearing to discuss goals and objectives of budget.

February 14

School Committee submits its budget to Town Manager.

March 1

Town Manager's Proposed Budget submitted to Town Council.

The Town Council reviews in public workshops the Town Manager's Proposed Budget.

March 1 - March 22

On or before March 22

Town Council adopts Preliminary Budget.

Town Council holds two Public Hearings, on separate days, on both the Municipal and the School Budgets.

March 23 - April 18

March 23 - April 21

Qualified Electors may submit petitions for revisions or additions by Town Council prior to final adoption of budget.

25 Signatures Required

Town Council's final approval of budget.

On or before May 1

On or before May 12

Qualified Electors may submit petitions to go to referendum to Town Clerk.

200 Signatures Required

If no petitions to go to referendum are submitted.

On or before May 16

Verification of petitions to go to referendum.

Tuesday in June following the first Saturday

Budget Referendum.

FINAL MUNICIPAL BUDGET ADOPTION

Schedule of Meetings

December 2013			
18 (Wed)	7:00 pm	Initial Budget Hearing	Town Council /School Committee
January 2014			
8 (Wed)	6:30 pm	CIP ws #1	Town Council
9 (Thurs)	6:30 pm	CIP ws #2	Town Council
15 (Wed)	6:30 pm	CIP ws #3	Town Council/ School Committee
27 (Mon)	7:30 pm	CIP public hearing and adoption (part of regular session)	Town Council
March 2014			
3 (Mon)	6:30 pm	Budget ws #1	Town Council
4 (Tues)	6:30 pm	Budget ws #2	Town Council
5 (Wed)	6:30 pm	Budget ws #3	Town Council/ Human Svc Agencies
12 (Wed)	7:00 pm	Budget ws #4	Town Council/ School Committee
17 (Mon)	5:00 pm	Preliminary Budget Adoption	Town Council
April 2014			
9 (Wed)	7:00 pm	Budget Public Hearing #1	Town Council/ School Committee
10 (Thurs)	7:00 pm	Budget Public Hearing #2	Town Council/ School Committee
28 (Mon)	7:00 pm	Final Budget Adoption	Town Council

New Governmental Financial Management System (GFMS)

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Munis Financial Systems

- *Go Live October 1, 2013*
 - General Ledger
 - Purchasing
 - Accounts Payable
 - Budgeting
- *Go Live January 1 - April 1, 2014*
 - Payroll
 - Human Resources
- *Go Live March 1, 2014*
 - Fixed Assets

Vision Governmental Solutions

- *Go Live October 1 - December 1, 2013*
 - Tax Assessment and Collection
- *Go Live March 1 – July 1, 2013*
 - Utility Billing and Collection

ViewPoint Governmental Solutions

- *Go Live April 1 - July 1, 2014*
 - Licensing
 - Permitting

Importance of GFMS

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- Town and School Payroll will be processed in- house. *Will provide enhanced management report and cost monitoring capabilities.*
- Real Time access to all Financial Systems and Data Sets.
- Integration of School and Financial Reporting Systems.
- Paperless Requisition and Purchasing Systems.
- Fully Integrated Human Resources Program.

FY 2014-2015 Budget Presentation

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- Introduction of Chart of Accounts for All Municipal Funds - provide greater data base management flexibility and costing analysis.
- The General Fund, Special Revenue Funds and Enterprise Funds shall be restructured and restated to allow for greater detail and transparency.
 - Costs associated with employment benefits will be presented as a component of each operating program.
 - Direct costs will be identified and incurred within the program activity requiring the expenditure, rather than through a central account requiring periodic back-charging.
 - Inter-fund purchase of goods and services will be eliminated to ensure more accurate and timely cost accounting.
 - The restructure of operating budgets will impact both Revenue and Expenditure Groups.
 - Personnel time allocations will allow budgeting for personnel/benefits across multiple Funds.

Expected Budgetary Impact

- All FY 2012-2013 and FY 2013-2014 Budgets (Revenues and Expenditures) will need to be restated using the new Chart of Accounts. The FY 2013-2014 Budget restatement will allow direct comparison to proposed funding for the 2014-2015 Fiscal Year.
- The Town Council will be requested to amend the Town Code to reflect the revised Budget Structure in Article 6 Section I.
- The Town Council will also be requested to adopt the restated FY 2013-2014 Municipal Funds as global amendments to the Adopted FY 2013-2014 Municipal Budget Program.

Senate Bill S-3050, Adopted by the General Assembly during the 2006 Legislative Session

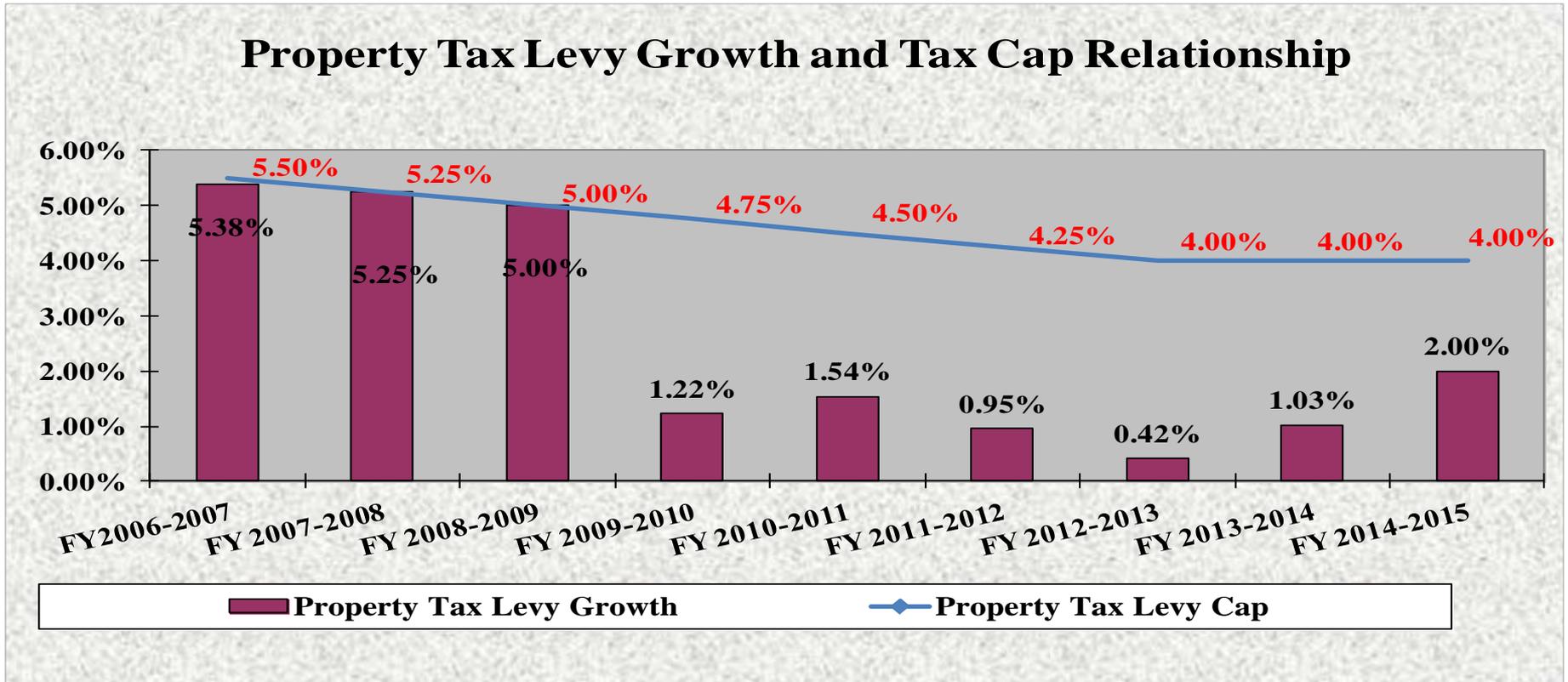
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- This Legislative Act reduces the percentage increase a city or town may increase property taxes over the previous year.

Tax Levy Cap Reduction	
FY 2007	5.50%
FY 2008	5.25%
FY 2009	5.00%
FY 2010	4.75%
FY 2011	4.50%
FY 2012	4.25%
FY 2013	4.00%
FY 2014	4.00%
FY 2015	4.00%

Town Experience to Date & Forecast

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RI Economic Landscape

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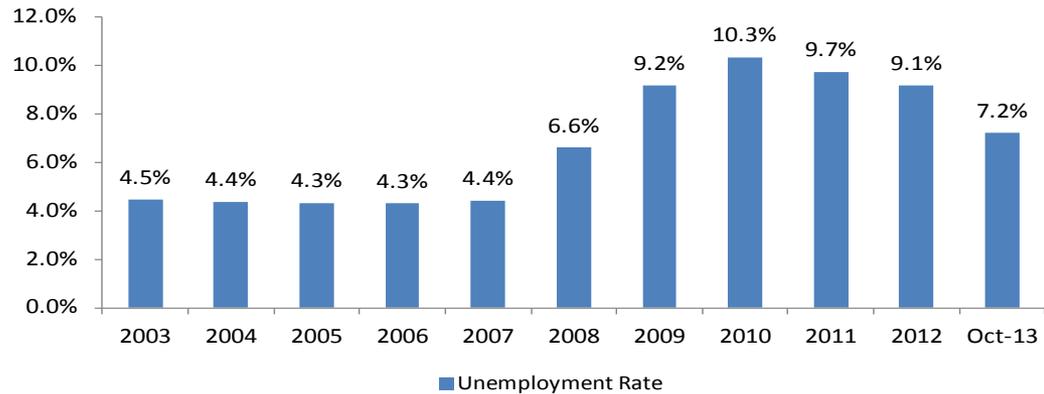
November Revenue Estimating Conference Brief Employment Issues

- While the country as a whole has recouped 68.6 percent of the jobs lost in the Great Recession, RI has recouped less than 30%. Full recovery of the labor market is not expected before the end of calendar year 2018.
- The total labor force of 522,232 in August 2013 is at its lowest point since July 2002.
- Unemployment rate has fluctuated between 9.1 percent and 8.8 percent from March through August of this year. (The rate increased to 9.2 percent in October 2013.)
- The majority of jobs recovered have been in low-wage industries.

SK Unemployment Rate History

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SK Labor Force Unemployment Rate



RI Economic Landscape

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- The State Budget closed FY 2013 with a \$97 million surplus position and FY 2014 remains on a positive track at \$42.4 million. FY 2015 forecasts a \$140 million shortfall.
- Unfortunately, general revenue deficits in the out-years are projected to grow by approximately \$400 million or roughly 12 percent of available revenue in FY 2018.
- Major concern over projected losses associated with gambling revenue in out-years.
- Projected expenditure growth continues to outpace revenue growth.

Municipal Landscape

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- The Property Tax Cap of 4% annual levy increase is a limit **NOT** a goal to obtain within the budget process.
- SK should continue to maintain an Unassigned General Fund Balance of between 12.5% and 16.7% of the current Operating General Fund.
- As of June 30, 2013 a 13.70% (\$10.16 Million) Unassigned Fund Balance in the General Fund.
- SK has no Private Pension Plans and our Combined MERS Plans have an Unfunded Liability as of June 30, 2013 of 14.7%, up from 13.6% as of June 30, 2012.
- SK continues to reduce its Bonded Indebtedness and where appropriate refinance existing debt as a means of reducing future debt service requirements.

Property Tax Levy & Expenditures

Four Year History

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TOWN OF SOUTH KINGSTOWN MUNICIPAL BUDGET TRENDS								
Fiscal Year	2010-2011	Percent	2011-2012	Percent	2012-2013	Percent	2013-2014	Percent
Assessment Date	12/31/2009	Share	12/31/2010	Share	12/31/2011	Share	12/31/2012	Share
Property Tax Distribution								
Municipal Share	\$14,287,851	21.81%	\$14,789,996	22.37%	\$15,389,962	23.18%	\$15,329,725	22.85%
School Share	49,952,245	76.26%	50,067,687	75.72%	49,758,058	74.94%	50,455,661	75.21%
Overlay	1,259,336	1.92%	1,263,149	1.91%	1,251,762	1.89%	1,296,731	1.93%
Total Property Tax Levy	\$65,499,433	100.00%	\$66,120,832	100.00%	\$66,399,782	100.00%	\$67,082,117	100.00%
Increase Over Prior Year	\$995,258	1.54%	\$621,399	0.95%	\$278,950	0.42%	\$682,335	1.03%
Tax Rate Distribution								
Municipal Share	\$3.16	22.24%	\$3.31	22.80%	\$3.42	23.62%	\$3.60	23.29%
School Share	11.03	77.76%	11.20	77.20%	11.08	76.38%	11.87	76.71%
Total Property Tax Rate	\$14.19	100.00%	\$14.51	100.00%	\$14.50	100.00%	\$15.47	100.00%
Tax Rate Increase	\$2.10	17.36%	\$0.32	2.26%	(\$0.01)	-0.08%	\$0.97	6.71%
Municipal Expenditure Program								
Municipal Program	\$19,254,033	26.45%	\$19,812,157	27.00%	\$20,171,016	27.50%	\$20,611,625	27.78%
School Fund Transfer	47,909,928	65.83%	48,216,336	65.71%	48,364,159	65.95%	49,131,442	66.22%
Capital Budget	1,221,000	1.68%	1,239,000	1.69%	1,210,000	1.65%	1,232,000	1.66%
School Debt Service	3,164,869	4.35%	2,888,815	3.94%	2,370,336	3.23%	2,115,579	2.85%
Town Debt Service	1,233,423	1.69%	1,215,742	1.66%	1,220,901	1.66%	1,104,694	1.49%
General Fund	\$72,783,253	100.00%	\$73,372,050	100.00%	\$73,336,412	100.00%	\$74,195,340	100.00%
Plus 3rd Party School Aid	\$11,702,035	13.85%	\$10,277,658	12.29%	\$9,886,241	11.88%	\$9,494,058	11.34%
School/Municipal Cost	\$84,485,288		\$83,649,708		\$83,222,653		\$83,689,398	

General and School Revenues Four Year History

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TOWN OF SOUTH KINGSTOWN MUNICIPAL BUDGET TRENDS								
Fiscal Year	2010-2011	Percent	2011-2012	Percent	2012-2013	Percent	2013-2014	Percent
Assessment Date	12/31/2009	Share	12/31/2010	Share	12/31/2011	Share	12/31/2012	Share
General Fund Revenue Statement								
Current Yr Property Taxes	\$64,240,096	88.26%	\$64,857,683	88.40%	\$65,148,020	88.83%	\$65,785,386	88.67%
Prior Year Taxes and Penalty	845,000	1.16%	815,000	1.11%	825,000	1.12%	890,000	1.20%
State Aid	2,190,768	3.01%	2,348,749	3.20%	2,394,693	3.27%	2,376,063	3.20%
Local Revenue	4,307,389	5.92%	4,150,618	5.66%	3,968,699	5.41%	4,143,891	5.59%
Fund Balance Forwarded	1,200,000	1.65%	1,200,000	1.64%	1,000,000	1.36%	1,000,000	1.35%
Total Revenues	\$72,783,253	100.00%	\$73,372,050	100.00%	\$73,336,412	100.00%	\$74,195,340	100.00%
School Fund Revenue Statement								
General Fund Tax Transfer	\$47,909,928	82.34%	\$48,216,336	82.51%	\$48,364,159	83.03%	\$49,131,442	83.81%
State Aid	8,939,650	15.36%	8,828,084	15.11%	8,513,652	14.62%	8,131,786	13.87%
Local Revenue	1,338,008	2.30%	1,390,125	2.38%	1,372,589	2.36%	1,362,272	2.32%
Total Revenues	\$58,187,586	100.00%	\$58,434,545	100.00%	\$58,250,400	100.00%	\$58,625,500	100.00%
Combined Revenue Statement								
Property Taxes	\$65,085,096	78.36%	\$65,672,683	78.56%	\$65,973,020	79.27%	\$66,675,386	79.67%
State Aid	11,130,418	13.40%	11,176,833	13.37%	10,908,345	13.11%	10,507,849	12.56%
Local Revenues	6,845,397	8.24%	6,740,743	8.06%	6,341,288	7.62%	6,506,163	7.77%
Total Revenues	\$83,060,911	100.00%	\$83,590,259	100.00%	\$83,222,653	100.00%	\$83,689,398	100.00%

Preliminary Budget Development Guidance

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Preliminary Expenditure Considerations:

- ❑ No increase from FY 2013-2014 services levels.
- ❑ \$25,000 increase in the cost of conducting elections in FY 2015.
- ❑ Salary increases for all municipal employees of approximately 2% have been included in the Pro-forma budget.
- ❑ 2% increase in the cost of health care has been factored into the Pro-forma budget. (Employee Co-Share rates range from 17.5% to 20.0%)
- ❑ Estimated \$340,000 increase in municipal retirement costs.
- ❑ Municipal and School Net Debt Service cost reductions of \$352,000.
- ❑ \$54,000 increase in Capital Budget Funding.
- ❑ No more than a 2% increase in Property Tax Transfer to the School Fund.

Preliminary Budget Development Guidance

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Preliminary Revenue Considerations:

- ❑ Town to maintain exemption value of \$3,000 per vehicle.
- ❑ State to maintain the Motor Vehicle Reimbursement Program at \$500 per vehicle.
- ❑ Non-property local revenues will increase by 1% over current year levels.
- ❑ State Aid will continue to support approximately 3% of the projected FY 2014-2015 General Fund.
- ❑ Unassigned Fund Balance forwarded to FY 2014-2015 will be increased by approximately \$100,000.
- ❑ Net Taxable Property Roll increase of 1% or net \$35 million that will yield approximately \$560,000 in new property tax income.

Property Tax Roll History

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**Taxable Property Base (in Millions)
Exclusive of Motor Vehicles**



Revaluations FY 2006, FY 2009 and FY 2012

Property Tax Roll Projection

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<i>Taxable Property List</i>	2011-2012 Taxable Property	2012-2013 Taxable Property	2013-2014 Taxable Property	2014-2015 Taxable Property	Increase (Decrease) From Prior Year
Taxable Land /Buildings	\$4,125,382,590	\$4,150,727,192	\$3,946,264,414	\$3,985,727,058	\$39,462,644
Tangible Property	221,827,156	202,728,309	174,040,007	170,000,000	(4,040,007)
Total Taxable Property	\$4,347,209,746	\$4,353,455,501	\$4,120,304,421	\$4,155,727,058	\$35,422,637
Less Exemptions	(\$9,954,001)	(\$9,627,415)	(\$8,839,487)	(\$8,500,000)	\$339,487
Net Taxable Property	\$4,337,255,745	\$4,343,828,086	\$4,111,464,934	\$4,147,227,058	\$35,762,124
Taxable Property Growth - %	0.23%	0.15%	-5.35%	0.87%	0.87%
Taxable Property Growth - \$	\$10,131,516	\$6,572,341	(\$232,363,152)	\$35,762,124	
Net Motor Vehicles -Roll	\$169,817,200	\$183,173,665	\$186,858,255	\$188,000,000	\$1,141,745
Less Exemptions	0	(922,154)	(981,596)	(981,596)	0
Fixed Portion of Tax Roll	\$169,817,200	\$182,251,511	\$185,876,659	\$187,018,404	\$1,141,745
Total Taxable Property	\$4,507,072,945	\$4,526,079,597	\$4,297,341,593	\$4,334,245,462	\$36,903,869
FY 2014-2015 Assumes a 1% Growth in Taxable Property Assumes a \$4 million Decrease in Tangible Property Assumes a \$1.1 million increase in Motor Vehicle Values	Fixed Portion of Tax Roll				
	Motor Vehicle		\$187,018,404		\$3,499,114
	Motor Vehicle -Rate				\$18.71
	Total Fixed Roll		\$187,018,404		\$3,499,114
	Total Tax Need				\$68,423,759
	Taxes to be Raised - Non-Fixed				\$64,924,645
	FY 2014-2015 Property Tax Rate				\$15.65
	Non-Fixed Portion of Roll				\$4,147,227,058
			FY 2013-2014 Property Tax Rate	\$15.47	

Property Tax Roll Classification

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FY 2013-2014 - Roll					\$15.4700	
	December 2011 Taxable Value	December 2012 Taxable Value	Increase Over Prior Year - \$	Percentage Change	Tax Levied	% of Total
Residential	\$3,752,883,538	\$3,560,466,949	(\$192,416,589)	-5.13%	\$55,080,426	82.11%
Commercial	526,801,209	487,305,270	(39,495,939)	-7.50%	7,538,613	11.24%
Industrial	32,055,700	31,849,800	(205,900)	-0.64%	492,716	0.73%
Utilities	41,715,054	40,682,402	(1,032,652)	-2.48%	\$629,357	0.94%
Total Value	\$4,353,455,501	\$4,120,304,421	(\$233,151,080)	-5.36%	\$63,741,112	95.02%
Less Exemptions	(9,627,415)	(8,839,487)	787,928	-8.18%	(136,747)	-0.20%
Flexible Tax Base	\$4,343,828,086	\$4,111,464,934	(\$232,363,152)	-5.35%	\$63,604,365	94.82%
Motor Vehicles - \$18.71	183,173,665	186,858,255	3,684,590	2.01%	3,496,118	5.21%
Less Exemptions	(922,154)	(981,596)	(59,442)	6.45%	(18,366)	-0.03%
Net Motor Vehicles	182,251,511	185,876,659	3,625,148	1.99%	3,477,752	5.18%
Total Tax Roll/Levy	\$4,526,079,597	\$4,297,341,593	(\$228,738,004)	-5.05%	\$67,082,117	100.00%

Proforma Budget FY 2014-2015

General Fund Expenditure Statement	2013-2014 Adopted	2014-2015 ProForma	Increase Over (Under) Adopted Budget	Increase Percent
Town				
Operating Program	\$20,611,625	\$21,414,336	\$802,711	3.89%
Municipal Debt Service	1,104,694	1,084,719	(19,975)	-1.81%
Capital Program				
Annual Element	\$1,232,000	\$1,286,000	\$54,000	4.38%
Transfer to Schools				
Operations	\$49,131,442	\$50,114,071	\$982,629	2.00%
School Related Debt Service	2,115,579	1,735,546	(380,033)	-17.96%
Total General Fund	\$74,195,340	\$75,634,671	\$1,439,332	1.94%
Total Municipal Program	\$22,948,319	\$23,785,055	\$836,736	3.65%
Total School Program	51,247,021	51,849,617	602,596	1.18%
Total General Fund	\$74,195,340	\$75,634,671	\$1,439,332	1.94%

Proforma Budget FY 2014-2015

General Fund Revenue Statement	2013-2014 Adopted	2014-2015 ProForma	Increase Over (Under) Adopted Budget	Increase Percent
Current Year Tax Levy	\$65,785,386	\$67,100,552	\$1,315,167	2.00%
Prior Year Taxes and Penalty	890,000	898,900	8,900	1.00%
Federal PILOT	15,000	15,000	0	0.00%
State Revenue Sources	2,376,063	2,362,363	(13,700)	-0.58%
Local Revenues	4,128,891	4,170,180	41,289	1.00%
Unassigned Fund Balance	1,000,000	1,087,676	87,676	8.77%
Total Revenues	\$74,195,340	\$75,634,671	\$1,439,332	1.94%
Non-Property Tax Revenue	\$8,409,954	\$8,534,119	\$124,165	1.48%

General Fund Forecast	2013-2014 Adopted	2014-2015 Pro-Forma	Increase Dollars	Increase Percent
<u>Revenue Program</u>				
Property Tax	\$65,785,386	\$67,100,552	\$1,315,167	2.0%
Prior Year Taxes & Interest Penalty	890,000	898,900	8,900	1.0%
Federal PILOT	15,000	15,000	0	0.0%
State Aid - Total	2,376,063	2,362,363	(13,700)	-0.6%
Local Revenues	4,128,891	4,170,180	41,289	1.0%
Unassigned Fund Balance	1,000,000	1,087,676	87,676	8.8%
Total Revenues	\$74,195,340	\$75,634,671	\$1,439,332	1.9%
<u>Expenditure Program</u>				
Payroll	\$11,093,219	\$11,370,549	\$277,330	2.5%
Health Dental & Life	2,535,283	2,585,989	50,706	2.0%
Pension	1,147,557	1,489,544	341,987	29.8%
OPEB	270,000	270,000	0	0.0%
FICA, Unemployment, Worker Comp.	994,834	1,024,679	29,845	3.0%
Total Personnel Related Costs	\$16,040,893	\$16,740,761	\$699,868	4.4%
Purchased Services	\$1,533,518	\$1,568,022	\$34,504	2.3%
Operating Expenses	1,790,070	1,830,347	40,277	2.3%
Other Expenses	1,247,145	1,275,206	28,061	2.3%
Capital Expenses	1,232,000	1,286,000	54,000	4.4%
Debt Service	3,220,273	2,820,265	(400,008)	-12.4%
School Transfer	49,131,442	50,114,071	982,629	2.0%
Non Personnel Related Costs	\$58,154,448	\$58,893,910	\$739,462	1.3%
Total Expenditures	\$74,195,341	\$75,634,671	\$1,439,330	1.9%

Proforma

FY 2014-2015 Tax Distribution

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Fiscal Year 2014-2015			
Adopted Budget Program	Town	School	Total
Appropriation	\$23,785,055	\$51,849,617	\$75,634,671
Less Non-Property Tax Revenue	(7,775,797)	(758,322)	(8,534,119)
Property Tax Need	\$16,009,258	\$51,091,295	\$67,100,553
Percent of Overlay	23.86%	76.14%	100.00%
Overlay & Elderly Abatements	\$333,879	\$1,065,529	1,399,408
Proration and Roll Additions	(23,859)	(76,141)	(100,000)
Gross Tax Levy	\$16,319,278	\$52,080,682	\$68,399,960
Motor Vehicle Excise Tax	(834,840)	(2,664,274)	(3,499,114)
Net Property Tax Levy	\$15,484,438	\$49,416,408	\$64,900,846
Dec. 2012 Tax Roll			\$4,147,227,059
Tax Distribution - FY 2015	\$3.73	\$11.92	\$15.65
Tax Distribution - FY 2014	\$3.60	\$11.87	\$15.47
Increase (Decrease)	\$0.13	\$0.05	\$0.18
Property Tax Levy Increase - \$			\$1,317,843
Property Tax Levy Increase - %			1.96%
<i>Rounding may distort addition totals</i>			

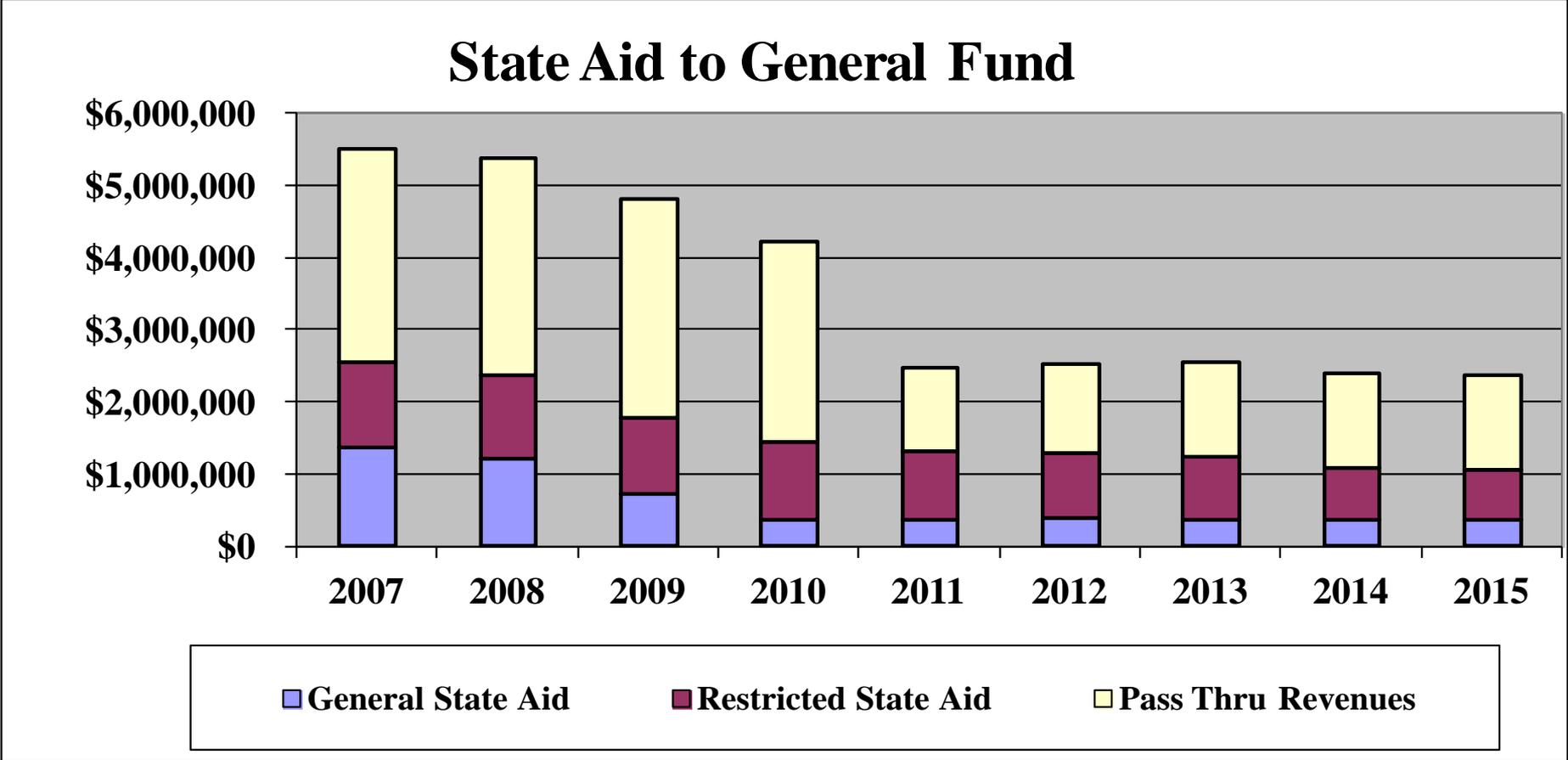
Municipal and School Debt Service

Municipal and School Debt Program	2013-2014	2014-2015	Increase (Decrease)
Existing Debt Service Requirement	\$3,476,584	\$3,079,750	(\$396,834)
Recommended New Debt Service	0	0	\$0
Projected Gross Debt Service Requirement	\$3,476,584	\$3,079,750	(\$396,834)
Existing Debt Third Party Revenue Sources	\$1,402,240	\$1,357,347	(\$44,893)
Future Debt Third Party Revenue Sources	0	0	0
Projected Third Party Revenues Servicing Debt	\$1,402,240	\$1,357,347	(\$44,893)
Projected Net Debt Service Requirement	\$2,074,344	\$1,722,403	(\$351,940)
Projected Property Tax Rate for Debt Service	\$0.51	\$0.42	(\$0.09)
Gross Debt Level for Existing Debt	\$16,885,894	\$14,340,977	(\$2,544,917)
Recommended New Debt	0	0	0
Projected Gross Debt Level	\$16,885,894	\$14,340,977	(\$2,544,917)
Less 30% of School Debt - State Aid Reimbursement	\$2,604,409	\$2,171,436	(\$432,973)
Less Debt Retired by Water Fund	0	0	0
Less Debt Retired by Wastewater Fund	271,000	246,000	(25,000)
Less Debt Retired by Neighborhood Guild Fund	100,000	50,000	(50,000)
Projected Net Debt Level	\$13,910,485	\$11,873,541	(\$2,036,944)

State Aid to General Fund

	Actual FY 2007	Actual FY 2008	Actual FY 2009	Actual FY 2010	Actual FY 2011	Actual FY 2012	Actual FY 2013	Adopted FY 2014	Proposed FY 2015
General State Aid									
General Revenue Sharing	\$1,011,722	\$873,061	\$390,437	\$0	\$0	\$0	\$0	\$0	\$0
Payment in Lieu of Taxes	121,138	121,138	118,511	139,325	124,230	160,632	151,238	145,900	154,721
State Library General Aid	194,843	173,094	166,635	175,702	184,634	190,577	184,004	190,519	190,183
State Library Endowment Fund	21,749	21,748	23,027	23,644	31,366	12,467	12,589	13,426	13,000
General State Aid	\$1,349,452	\$1,189,041	\$698,610	\$338,671	\$340,230	\$363,676	\$347,831	\$349,845	\$357,904
Aid Reductions		(\$160,410)	(\$490,431)	(\$359,939)	\$1,559	\$23,446	(\$15,845)	\$2,014	\$8,059
Construction Program Reimbursement						Estimated FY 2012	Proposed FY 2013	Adopted FY 2014	Proposed FY 2015
Chapter 26, School Housing	\$1,134,488	\$1,116,126	\$1,009,808	\$1,042,384	\$942,636	\$907,030	\$855,370	\$710,892	\$678,161
State Library Const. Reimb.	53,361	50,971	48,562	46,138	17,378	10,593	9,208	8,811	0
Restricted State Aid	\$1,187,849	\$1,167,097	\$1,058,370	\$1,088,522	\$960,014	\$917,623	\$864,578	\$719,703	\$678,161
Pass Thru Aid				Actual FY 2010	Actual FY 2011	Estimated FY 2012	Proposed FY 2013	Adopted FY 2014	Proposed FY 2015
Public Service Corporations Tax	\$275,088	\$271,798	\$245,156	\$271,518	\$302,307	\$344,852	\$368,741	\$368,741	\$381,247
M.V. Tax Phase Out	2,165,338	2,167,848	2,178,075	1,876,190	168,739	167,774	165,446	167,774	146,786
Meal Tax Income	481,412	511,101	507,472	533,328	574,603	589,545	656,770	650,000	673,559
Hotel Tax	62,507	68,169	112,015	101,463	112,583	118,700	126,890	120,000	124,706
Pass Thru Revenues	\$2,984,344	\$3,018,916	\$3,042,718	\$2,782,499	\$1,158,232	\$1,220,871	\$1,317,847	\$1,306,515	\$1,326,298
General Fund State Aid Total	\$5,521,645	\$5,375,054	\$4,799,698	\$4,209,692	\$2,458,476	\$2,502,170	\$2,530,256	\$2,376,063	\$2,362,363
Increase / (Decrease) in Aid		(\$146,591)	(\$575,357)	(\$590,006)	(\$1,751,216)	\$43,694	\$28,086	(\$154,193)	(\$13,700)
Total Municipal Budget	\$68,405,793	\$71,476,798	\$74,244,524	\$73,450,207	\$72,783,253	\$73,372,050	\$73,336,412	\$74,195,340	\$75,634,671
State Aid as % of Gen. Fund	8.1%	7.5%	6.5%	5.7%	3.4%	3.4%	3.5%	3.2%	3.1%

State Aid to General Fund



Capital Budget FY 2014-2015

Capital Budget Program	2013-2014 Adopted	2014-2015 Proposed	Increase (Decrease)
General Fund	\$1,232,000	\$1,286,000	\$54,000
Water Enterprise Fund	102,000	180,000	78,000
Wastewater Enterprise Fund	325,000	403,500	78,500
School Fund	255,000	300,000	45,000
Total Capital Budget Program	\$1,914,000	\$2,169,500	\$255,500
Capital Improvement Program	2013-2014 Adopted 6-Year Plan	2014-2015 Proposed 6-Year Plan	Increase (Decrease)
Annual Funding Element	\$12,183,000	\$12,672,500	\$489,500
Bonding Program Element	20,379,010	24,095,000	3,715,990
Total Proposed Program	\$32,562,010	\$36,767,500	\$4,205,490
Less Pay-As-You-Go Transfers	(\$4,506,000)	(\$5,435,000)	(\$929,000)
Net Capital Program	\$28,056,010	\$31,332,500	\$3,276,490

School Retirement System

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School Fund					
Certified Teachers	FY 2012	FY 2013	FY 2014	FY 2015	Increase
State -40%	8.93%	8.12%	8.67%	9.19%	0.52%
Municipal - 60%	13.23%	12.17%	12.86%	13.41%	0.55%
Contribution Rate	22.16%	20.29%	21.68%	22.60%	0.92%
Salary Estimate	\$27,320,650	\$28,345,174	\$27,135,411	\$27,678,119	\$24,262,724
Contribution - \$	\$3,596,668	\$3,450,742	\$3,415,395	\$3,596,636	\$181,241
Non Certified Employees					
Contribution Rate	8.59%	11.41%	11.75%	12.57%	0.82%
Payroll	\$5,554,460	\$5,762,752	\$5,569,872	\$5,681,269	\$111,397
Contribution - \$	\$477,824	\$657,530	\$654,460	\$714,136	\$59,676
Projected Total Costs	\$4,074,492	\$4,108,272	\$4,069,855	\$4,310,771	\$240,916

Municipal Retirement System

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Fiscal Year	Police 102.50%			General 102.25%		
	Rate	Salary	Employer Cost	Rate	Salary	Employer Cost
FY2014	15.02%	\$3,192,510	\$479,515	11.75%	\$5,386,418	\$632,904
FY 2015	22.79%	3,272,323	745,762	12.57%	5,507,612	692,307
FY 2016	24.71%	3,354,131	828,806	12.25%	5,631,534	689,863
FY 2017	24.81%	3,437,984	852,964	12.84%	5,758,243	739,358
FY 2018	24.84%	\$3,523,934	\$875,345	12.71%	\$5,887,804	\$748,340
				Rate includes 1% Defined contribution		

Fiscal Year	EMS 102.25%			Totals		
	Rate	Salary	Employer Cost	Salary	Employer Cost	Increase
FY2014	4.16%	\$844,667	\$35,138	\$9,423,595	\$1,147,557	
FY 2015	5.96%	863,672	51,475	9,643,607	1,489,544	\$341,987
FY 2016	5.34%	883,105	47,158	9,868,769	1,565,826	76,282
FY 2017	7.02%	902,974	63,389	10,099,202	1,655,711	89,885
FY 2018	7.26%	\$923,291	\$67,031	\$10,335,029	\$1,690,716	\$35,005

Municipal Retirement System

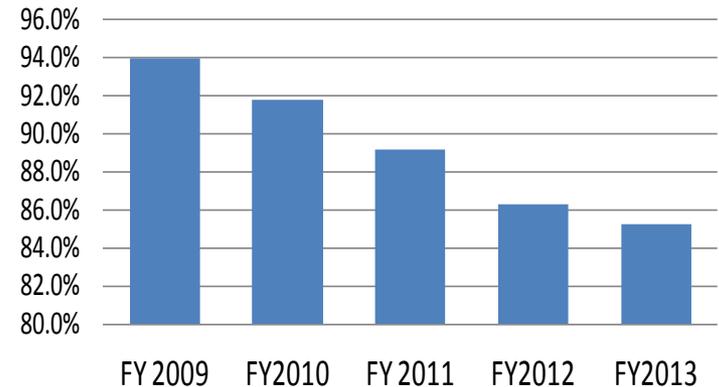
Retirement Liability				30-Jun-12
Employee Group	Assets	Liability	Net Value	Funding Ratio
Police	\$20,524,828	(\$25,813,485)	(\$5,288,657)	79.5%
EMS	2,957,953	(2,507,988)	449,965	117.9%
Municipal	45,016,206	(51,041,274)	(6,025,068)	88.2%
Total	\$68,498,987	(\$79,362,747)	(\$10,863,760)	86.3%

Employee Group	Employees	Age	Service	Salary
Police	47	39.5	11.5	\$58,342
EMS	17	38.9	9.0	45,777
Municipal	321	52.2	13.1	37,020
Total Membership	385	43.5	11.2	\$40,010

Retirement Liability				30-Jun-13
Employee Group	Assets	Liability	Net Value	Funding Ratio
Police	\$20,416,885	(\$26,901,814)	(\$6,484,929)	75.9%
EMS	2,957,953	(2,507,988)	449,965	117.9%
Municipal	46,756,665	(52,829,436)	(6,072,771)	88.5%
Total	\$70,131,503	(\$82,239,238)	(\$12,107,735)	85.3%

Employee Group	Employees	Age	Service	Salary
Police	49	39.3	11.3	\$58,448
EMS	16	37.6	9.4	46,574
Municipal	322	52.7	13.5	38,054
Total Membership	387	43.2	11.4	\$40,988

Pension Assets as a Percent of Plan Liabilities



General Fund

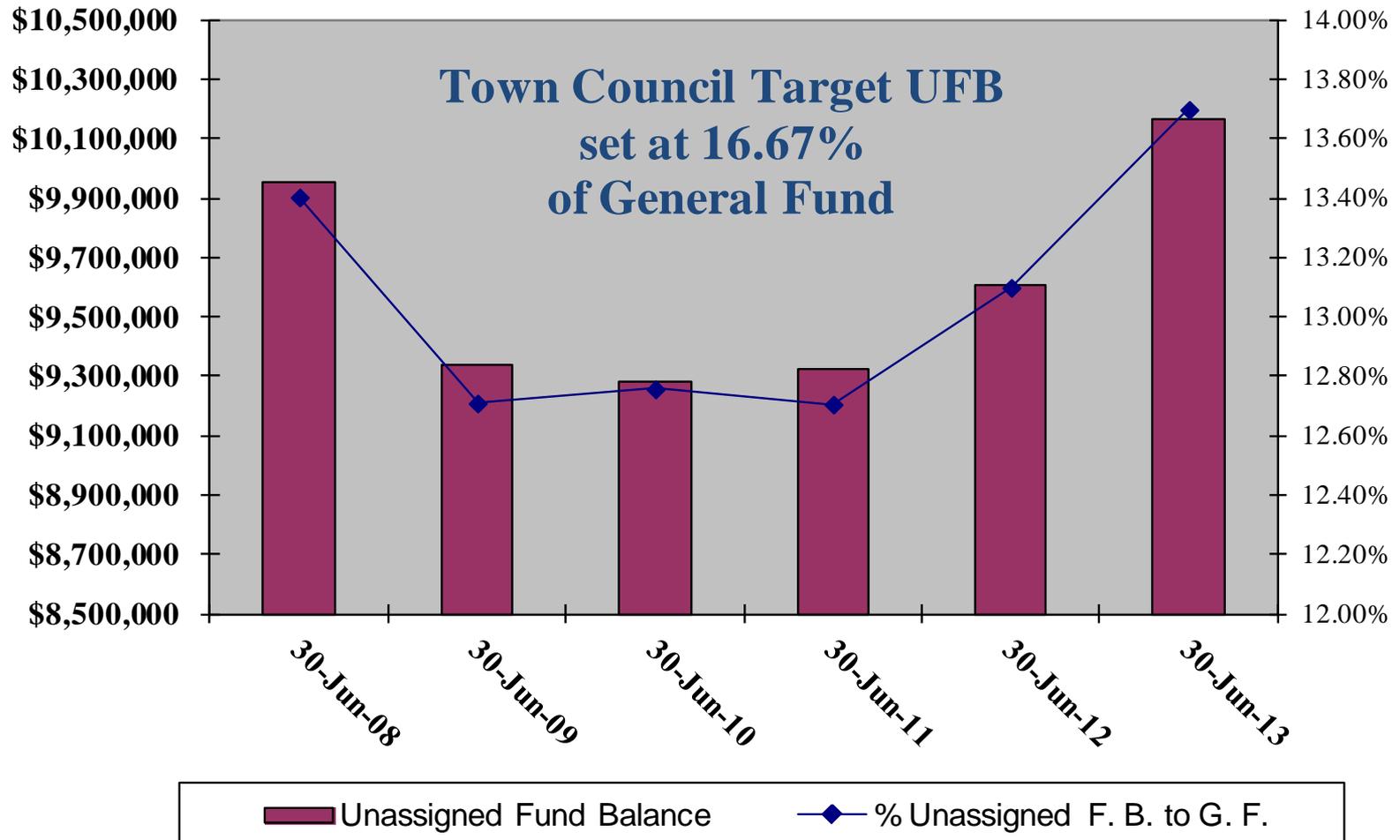
Unassigned Fund Balance

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Unassigned Fund Balance June 30, 2011		\$9,323,111
Fund Balance as a % of 2011-2012 General Fund		12.71%
2011-2012 Operating Surplus		\$1,294,827
Change in Prepaid Expenses		(11,288)
Funds Forwarded to Finance 2012-2013 Program		(1,000,000)
Unassigned Fund Balance June 30, 2012		\$9,606,650
Fund Balance as a % of 2012-2013 General Fund		13.10%
2012-2013 Operating Surplus		\$1,555,855
Change in Prepaid Expenses		1,258
Funds Forwarded to Finance 2013-2014 Program		(1,000,000)
Unassigned Fund Balance June 30, 2013		\$10,163,763
Fund Balance as a % of 2013-2014 General Fund		13.70%

General Fund Unassigned Fund Balance

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Municipal Labor Contract Requirements

Municipal Program					
Salary Increases	EMS	Police	Council 94	Non Organized	NEA - RI Budgeted
2012-2013	2.00%	0.00%	2.00%	2.00%	2.25%
2013-2014	2.00%	4.00%	2.00%	2.00%	2.00%
2014-2015	2.00%	2.00%	2.00%	2.00%	2.00%
2015-2016	2.00%	2.00%	2.00%	2.00%	2.00%
Municipal Program					
Health Care Co-Share Summary	EMS	Police	Council 94	Non Organized	NEA - RI Budgeted
Hired Prior to August 1, 2002					
After July 1, 2014	20.00%	17.50%	17.50%	17.50%	17.50%
After July 1, 2015	20.00%	19.00%	17.50%	17.50%	17.50%
After July 1, 2015	20.00%	20.00%	20.00%	20.00%	17.50%
Hired After August 1, 2002					
After July 1, 2014	20.00%	20.00%	17.50%	17.50%	17.50%
After July 1, 2015	20.00%	20.00%	20.00%	20.00%	17.50%

Water Enterprise Fund

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- The South Shore and Middlebridge Water Systems are required to restructure their current billing practices for FY 2014-2015.
- In accordance with RIGL §45-39.1-5 and §46-15.8-4 all public water systems must provide for quarterly billing.
- New quarterly billing system will replace the current program (annual billing with semi-annual payment requirements) and will substantially revise pricing schedules based on the State goal of reducing water consumption.
- In addition, United Water is proposing a 40% rate increase for the sale of wholesale water. Should the PUC approve any or all of this request, an additional burden will be placed on the new water rate structure.



END OF PRESENTATION

Initial Budget Hearing ~ December 18, 2013