

***TOWN OF  
SOUTH  
KINGSTOWN  
RHODE ISLAND***

***FY2009-2010***

***TOWN COUNCIL  
PRELIMINARY BUDGET***

***ALL FUNDS***

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# **TOWN OF SOUTH KINGSTOWN, RHODE ISLAND**

**TOWN COUNCIL**

**PRELIMINARY**

**2009-2010 FISCAL YEAR**

**MUNICIPAL BUDGET PROGRAM**

**MARCH 2009**



**THE HONORABLE TOWN COUNCIL**

**KATHLEEN A. FOGARTY, PRESIDENT**

**MARY S. EDDY, VICE PRESIDENT**

**CAROL HAGAN MCENTEE**

**JAMES W. O'NEILL**

**ELLA M. WHALEY**

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**TOWN OF SOUTH KINGSTOWN  
TOWN MANAGER**

**BUDGET MESSAGE  
FY 2009-2010  
ALL MUNICIPAL FUNDS**

**TO: THE CITIZENS OF SOUTH KINGSTOWN**

**FROM: SOUTH KINGSTOWN TOWN COUNCIL**

**DATE: MARCH 2009**



In accordance with the Town Charter, we have prepared the Town Council's Preliminary Municipal Budget Program for the 2009-2010 fiscal year. The budget program is of a zero-base nature with cost presentation by readily identifiable service functions.

The 2009-2010 fiscal year program presents detailed accounts of eight independent funds. A listing of the funds presented in this document is as follows:

<b>Revised March 4, 2009 2009-2010 Budget Program All Funds</b>	<b>2007-2008 Actual</b>	<b>2008-2009 Adopted</b>	<b>2008-2009 Estimated</b>	<b>2009-2010 Proposed</b>	<b>Increase Over (Under) Adopted Budget</b>	<b>Increase Percent</b>
General Fund	\$71,207,300	\$74,244,524	\$73,612,954	\$73,450,207	(\$794,317)	-1.07%
School Fund	56,909,717	59,867,034	59,566,087	59,611,963	(255,071)	-0.43%
Water Fund	835,911	954,545	910,408	939,239	(15,306)	-1.60%
Wastewater Fund	3,127,558	3,283,331	3,105,579	3,317,788	34,457	1.05%
Solid Waste Fund	897,632	575,098	393,763	434,858	(140,240)	-24.39%
Peace Dale Office Building	96,326	79,069	75,458	78,732	(337)	-0.43%
Neighborhood Guild	802,847	892,749	875,849	849,659	(43,090)	-4.83%
Senior Services Program	763,277	800,411	771,281	753,021	(47,390)	-5.92%
<b>Total Program</b>	<b>\$134,640,568</b>	<b>\$140,696,761</b>	<b>\$139,311,378</b>	<b>\$139,435,467</b>	<b>(\$1,261,294)</b>	<b>-0.90%</b>
Less Inter-Fund Transfers	46,047,587	48,348,135	48,348,135	48,347,349	(786)	0.00%
<b>Net Municipal Program</b>	<b>\$88,592,981</b>	<b>\$92,348,626</b>	<b>\$90,963,243</b>	<b>\$91,088,117</b>	<b>(\$1,260,509)</b>	<b>-1.36%</b>

**GENERAL FUND OVERVIEW**

For the 2009-2010 fiscal year, a total General Fund Program in the amount of \$73,450,207 is proposed. This funding proposal represents a \$794,317 or 1.07% decrease from the current year appropriation of \$74,244,524. A functional breakdown of the Proposed Fiscal Year 2009-2010 budget is shown on the following page.

The following summary provides line item detail for both the appropriation and revenue programs:

General Fund Expenditure Statement	2007-2008 Actual	2008-2009 Adopted	2008-2009 Estimated	2009-2010 Proposed	Increase Over (Under) Adopted Budget	Increase Percent
<b>Town</b>						
Operating Program	\$18,993,345	\$19,905,880	\$19,359,252	\$19,363,407	(\$542,473)	-2.73%
Municipal Debt Service	1,529,619	1,386,225	1,386,225	1,346,279	(39,946)	-2.88%
<b>Capital Program</b>						
Annual Element	1,499,711	1,530,000	1,529,058	1,406,000	(124,000)	-8.10%
<b>Transfer to Schools</b>						
Operations	45,628,503	47,909,928	47,909,928	47,909,928	0	0.00%
School Related Debt Service	3,556,123	3,512,491	3,428,491	3,424,593	(87,898)	-2.50%
<b>Total General Fund</b>	<b>\$71,207,300</b>	<b>\$74,244,524</b>	<b>\$73,612,954</b>	<b>\$73,450,207</b>	<b>(\$794,317)</b>	<b>-1.07%</b>
Total Municipal Program	\$22,022,675	\$22,822,105	\$22,274,535	\$22,115,686	(\$706,419)	-3.10%
Total School Program	49,184,626	51,422,419	51,338,419	51,334,521	(87,898)	-0.17%
<b>Total General Fund</b>	<b>\$71,207,300</b>	<b>\$74,244,524</b>	<b>\$73,612,954</b>	<b>\$73,450,207</b>	<b>(\$794,317)</b>	<b>-1.07%</b>

General Fund Revenue Statement	2007-2008 Actual	2008-2009 Adopted	2008-2009 Estimated	2009-2010 Proposed	Increase Over (Under) Adopted Budget	Increase Percent
Current Year Tax Levy	\$59,773,946	\$62,523,893	\$62,730,000	\$63,223,529	\$699,636	1.12%
Prior Year Taxes and Penalty	843,276	650,000	825,000	750,000	100,000	15.38%
Payment in lieu of Taxes	208,125	224,160	237,773	245,362	21,202	9.46%
Other Fund Transfers	718,214	596,249	686,261	661,802	65,553	10.99%
State Revenue Sources	5,375,054	5,305,673	4,379,776	4,139,156	(1,166,517)	-21.99%
Local Revenues	4,162,080	3,565,615	3,377,775	3,049,080	(516,535)	-14.49%
School Fund Transfers	131,032	178,934	178,934	181,278	2,344	1.31%
Undesignated Fund Balance	1,200,000	1,200,000	1,200,000	1,200,000	0	0.00%
<b>Total Revenues</b>	<b>\$72,411,728</b>	<b>\$74,244,524</b>	<b>\$73,615,519</b>	<b>\$73,450,207</b>	<b>(\$794,317)</b>	<b>-1.07%</b>
Non-Property Tax Revenue	\$12,637,781	\$11,720,631	\$10,885,519	\$10,226,678	(\$1,493,953)	-12.75%
<b>Operational Surplus</b>	<b>\$1,204,427</b>	<b>\$0</b>	<b>\$2,565</b>	<b>\$0</b>		

**I. GENERAL FUND REVENUE STATEMENT**

**A. PROPERTY TAX PROGRAM**

To support the 2009-2010 fiscal year appropriations, a property tax rate of \$12.09 per thousand dollars of assessed valuation will be necessary. This is a tax rate increase of \$0.12 or 1.04% more than the current year rate of \$11.97. The estimated school-related tax rate is \$9.58, a decrease of \$0.03 per thousand below the current year rate of \$9.61. The town-related tax rate is projected at \$2.51, an increase of \$0.15 per thousand over the current year rate of \$2.36.

A full documentation of the method used to calculate the projected Property Tax Rate for the 2009-2010 Fiscal Year is as follows:

Fiscal Year 2009-2010			
Proposed Budget Program	Town	School	Total
Appropriation	\$22,115,686	\$51,334,521	\$73,450,207
Less Non-Property Tax Revenue	(8,962,315)	(1,264,363)	(10,226,678)
<b>Property Tax Need</b>	<b>\$13,153,371</b>	<b>\$50,070,158</b>	<b>\$63,223,529</b>
Percent of Overlay	20.80%	79.20%	100.00%
Overlay & Elderly Abatements	\$278,103	\$1,058,638	\$1,336,741
Proration and Roll Additions	(15,603)	(59,397)	(75,000)
<b>Gross Tax Levy</b>	<b>\$13,415,871</b>	<b>\$51,069,400</b>	<b>\$64,485,270</b>
Motor Vehicle and Inventory Tax	(388,669)	(1,479,524)	(1,868,194)
<b>Net Property Tax Levy</b>	<b>\$13,027,202</b>	<b>\$49,589,875</b>	<b>\$62,617,077</b>
Estimated Dec. 2008 Tax Roll - .60% Growth			\$5,177,606,831
<b>Tax Distribution - FY 2010</b>	<b>\$2.51</b>	<b>\$9.58</b>	<b>\$12.09</b>
<b>Tax Distribution - FY 2009</b>	<b>\$2.36</b>	<b>\$9.61</b>	<b>\$11.97</b>
<b>Increase (Decrease)</b>	<b>\$0.15</b>	<b>\$0.03</b>	<b>\$0.12</b>
<b>Percent Increase</b>	<b>6.45%</b>	<b>-0.30%</b>	<b>1.04%</b>
<b>Maximum Tax Rate @ 4.75% Cap</b>	<b>\$2.61</b>	<b>\$9.92</b>	<b>\$12.53</b>
<b>Over (Under) CAP</b>	<b>(\$0.09)</b>	<b>(\$0.35)</b>	<b>(\$0.44)</b>
<i>Rounding may distort addition totals</i>			

A more detailed identification of specific areas requiring direct property tax rate increases is presented in the chart shown below. It is noted that all costs identified are net of specific revenues generated by each of the categorical areas. Tax rates are stated inclusive of each budget element's share of tax overlay requirements.

Tax Distribution	2008-2009		2009-2010		Levy and Rate Increase	
	Program Cost	Prop. Tax Rate	Program Cost	Prop. Tax Rate	Increase Over FY 2008-2009	
School Fund Tax Transfer	\$47,081,848	\$9.17	\$47,450,367	\$9.16	\$368,518	(\$0.01)
School Debt Service	2,233,390	0.44	2,139,509	0.41	(93,881)	(0.02)
Municipal Debt Service	898,868	0.18	870,570	0.17	(28,297)	(0.01)
Capital Budget	1,012,197	0.20	897,309	0.17	(114,888)	(0.02)
Municipal Operating Program	10,216,921	1.99	11,259,322	2.17	1,042,401	0.18
<b>Total Program</b>	<b>\$61,443,224</b>	<b>\$11.9692</b>	<b>\$62,617,077</b>	<b>\$12.09</b>	<b>\$1,173,853</b>	<b>\$0.12</b>
<i>Rounding may distort addition totals</i>						

A review of the growth of the tax levy over the past five years and the levy proposed for FY 2009-2010 is as follows:

Property Tax Levy - History					
Fiscal Year	Town	School	Total	\$ Increase	% Increase
2004-2005	\$10,222,443	\$40,917,350	\$51,139,793		
2005-2006	10,804,365	43,918,543	54,722,908	\$3,583,115	7.01%
2006-2007	11,194,156	46,471,488	57,665,644	2,942,736	5.38%
2007-2008	11,905,550	48,787,011	60,692,561	3,026,917	5.25%
2008-2009	12,578,775	51,148,217	63,726,992	3,034,431	5.00%
2009-2010	13,415,871	51,069,400	64,485,270	758,278	1.19%
<b>Increase</b>	<b>\$3,193,428</b>	<b>\$10,152,049</b>	<b>\$13,345,478</b>	<b>\$13,345,478</b>	<b>26.1%</b>
<b>Five Year Average</b>					<b>5.2%</b>

**Maximum Property Tax Levy**

Prior to the adoption of Senate Bill - 3050 Sub A at the close of the 2006 legislative session, Rhode Island had a 5.5% cap on property tax growth in all cities and towns. Communities that experienced rapid growth in their property tax base were able to live under the existing cap by applying the cap growth restriction to its prior year's tax rate, rather than its tax levy. The State's enactment of the 2006 amendments to the local property tax cap provisions revised the tax cap to apply only to the prior year levy beginning in FY 2007-2008 and to further reduce the cap to 4% by FY 2012-2013 in 0.25% increments. For FY 2009-2010 the State imposed property tax levy cap is a 4.75% increase over the FY 2008-2009 Property Tax Levy.

It is proposed to limit Property Tax Levy growth generated in FY 2009-2010 to 1.19%, or \$758,278 more than the current year property tax levy. It is noted that the actual levy increase provided through the Flexible Tax Roll will actually increase by \$1,173,853 or 1.9%. This differential is due to an anticipated \$22 million drop in taxable motor vehicle values in FY 2009-2010. Essentially, motor vehicles taxes will generate \$416,510 less in FY 2009-2010 than in the current year.

A summary of the proposed levy growth is presented as follows:

	Adopted FY 2008-2009 Tax Levy	Maximum FY 2009-2010 Tax Levy	Proposed FY 2009-2010 Tax Levy	Amount Below Tax Cap
Property Tax Levy	\$63,726,992	\$66,754,024	\$64,485,270	\$2,268,754
Increase in Levy	\$3,034,431	\$3,027,032	\$758,278	
Percent Increase	5.00%	4.75%	1.19%	74.9%
Property Tax Rate	\$11.97	\$12.53	\$12.09	\$0.44

A breakdown of property tax needs for Fiscal Year 2009-2010 by the municipal program inclusive of all municipal and school related debt service and the property tax transfer to the School Fund is presented on the following page.

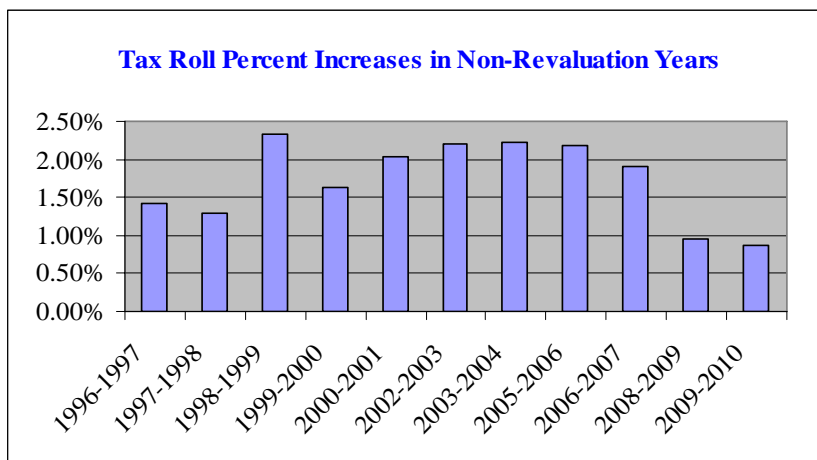
	Municipal & All Debt	School Transfer	Total
<b>Property Tax Levy Growth</b>			
FY 2008-2009 Property Tax Levy	\$14,613,965	\$47,909,928	\$62,523,893
Overlay Distribution	281,205	921,894	1,203,099
<b>Total Tax Levy</b>	<b>\$14,895,171</b>	<b>\$48,831,822</b>	<b>\$63,726,992</b>
FY 2008-2009 Tax Distribution Percentage	23.4%	76.6%	100.0%
<b>Property Tax Levy Growth</b>			
FY 2009-2010 Property Tax Levy	\$15,313,601	\$47,909,928	\$63,223,529
Overlay Distribution	305,611	956,130	1,261,741
<b>Total Tax Levy</b>	<b>\$15,619,212</b>	<b>\$48,866,058</b>	<b>\$64,485,270</b>
<b>Increase in Property Tax Levy</b>	<b>\$724,042</b>	<b>\$34,236</b>	<b>\$758,278</b>
FY 2009-2010 Tax Distribution Percentage	24.2%	75.8%	100.0%

**Taxable Property Roll**

The estimated value of the FY2009-2010 Property Tax Roll is based on actual growth over the past three years and adjusted for the value of veteran-related assessment reductions and is defined as follows:

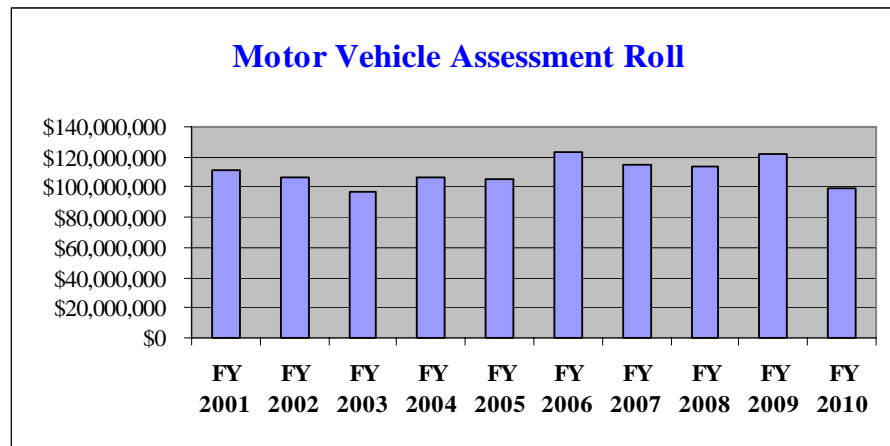
Taxable Property List	2006-2007 Taxable Property	2007-2008 Taxable Property	2008-2009 Taxable Property	2009-2010 Estimated Taxable Property	2009-2010 Increase Over Prior Year
Taxable Land /Buildings	\$3,878,512,967	\$4,869,542,901	\$4,916,170,101	\$4,944,021,030	\$27,850,929
Tangible Property	196,074,415	228,956,798	230,002,495	246,314,249	16,311,754
<b>Total Taxable Property</b>	<b>\$4,074,587,382</b>	<b>\$5,098,499,699</b>	<b>\$5,146,172,596</b>	<b>\$5,190,335,279</b>	<b>\$44,162,683</b>
Less Exemptions	(\$11,706,398)	(\$13,695,100)	(\$12,728,448)	(\$12,728,448)	\$0
<b>Net Taxable Property</b>	<b>\$4,062,880,984</b>	<b>\$5,084,804,599</b>	<b>\$5,133,444,148</b>	<b>\$5,177,606,831</b>	<b>\$44,162,683</b>
<b>Taxable Property Growth -%</b>	<b>1.92%</b>	<b>25.15%</b>	<b>0.96%</b>	<b>0.86%</b>	<b>0.86%</b>
<b>Taxable Property Growth - \$</b>	<b>\$76,388,671</b>	<b>\$1,021,923,615</b>	<b>\$48,639,549</b>	<b>\$44,162,683</b>	
Net Motor Vehicles -Roll	\$114,746,483	\$113,407,563	\$122,061,342	\$99,800,000	(\$22,261,342)
Retail/Wholesale Inventory	15,560,824	17,486,558	0	0	0
<b>Fixed Portion of Tax Roll</b>	<b>\$130,307,307</b>	<b>\$130,894,121</b>	<b>\$122,061,342</b>	<b>\$99,800,000</b>	<b>(\$22,261,342)</b>
<b>Total Taxable Property</b>	<b>\$4,193,188,291</b>	<b>\$5,215,698,720</b>	<b>\$5,255,505,490</b>	<b>\$5,277,406,831</b>	<b>\$21,901,341</b>

A 0.86% increase in the value of taxable land, building, and tangible property is forecast for the December 31, 2008 property tax roll. As noted in the chart below, the projected rate of growth is the smallest rate of growth in taxable property over the past 14 years that did not include a revaluation.



It is noted that the estimated value of the Motor Vehicle Excise Tax Roll is projected to decrease by \$22,261,342 in taxable property. This projection is based on an anticipated slow down in the purchase of new vehicles and the frozen vehicle exemption value of \$6,000 per vehicle. A detailed review of this database will occur over the next six weeks. Subsequent to this review, an updated projection of the taxable value of the Motor Vehicle Roll will be provided to the Town Council.

The chart below illustrates the value variances associated with the taxable motor vehicle roll over the past ten years:



### *Property Tax Levy Adjustments*

In calculating the Fiscal Year 2009-2010 property tax program, a reserve must be established to account for four factors that impact property tax collection. The first is the need to establish a \$916,741 or 1.45% tax overlay (up from an \$813,099 (1.3%) overlay in the current year). A tax overlay is an accounting method that is employed to recognize that all property taxes that are levied (billed) are not collected in the year in which they are due. Due to continued deterioration in the economic condition of the State and its potential impact on the rate of current year property tax collections, it is proposed to increase the tax overlay by 15 basis points. Second, a tax reserve of \$80,000, the same as in the current year, will be set aside to account for erroneous assessments that must be removed from the certified Tax Roll. Third, a \$340,000 reserve is needed to account for abated taxes associated with the Elderly Property Tax Abatement Program. Fourth, a positive value reserve is also proposed to account for property taxes levied after the certification of the official tax roll. The Town levies additional taxes for properties under construction as of December 31<sup>st</sup> that obtain a Certificate of Occupancy within the next calendar year. The estimated value of these “prorated” taxes is \$75,000, the same amount budgeted in the current year.

A summary of the Property Tax Adjustments Reserve is presented below:

Property Tax Collection	FY 2007-2008 - Budgeted		FY 2008-2009 - Budgeted		FY 2009-2010 - Proposed	
Budgeted Property Tax Need	\$59,587,074		\$62,523,893		\$63,223,529	
Overlay Requirement	774,632	1.30%	813,099	1.30%	916,741	1.45%
Erroneous Assessments	80,000	0.13%	80,000	0.13%	80,000	0.13%
Elderly Program	400,855	0.67%	385,000	0.62%	340,000	0.54%
<b>Total Property Tax Need</b>	<b>\$60,842,561</b>	<b>2.11%</b>	<b>\$63,801,992</b>	<b>2.04%</b>	<b>\$64,560,270</b>	<b>2.11%</b>
Proration Value	(150,000)	-0.25%	(75,000)	-0.12%	(75,000)	-0.12%
<b>100% Collection</b>	<b>\$60,692,561</b>		<b>\$63,726,992</b>		<b>\$64,485,270</b>	
<b>Projected Collection</b>	<b>\$59,587,074</b>	<b>98.18%</b>	<b>\$62,730,000</b>	<b>98.44%</b>	<b>\$63,223,529</b>	<b>98.04%</b>

The current year collection rates of the net tax levy over the past ten year period were as follows:

1999-2000	98.53%	2004-2005	99.37%
2000-2001	98.58%	2005-2006	99.34%
2001-2002	98.72%	2006-2007	99.30%
2002-2003	98.90%	2007-2008	99.12%
2003-2004	99.16%	2008-2009 - Estimate	98.90%

**Prior Year Tax and Interest Penalty Collection**

Property taxes collected in a later fiscal period than the year in which they are levied are recorded as a "prior year tax." Prior year taxes are estimated to generate \$400,000 in the 2009-2010 fiscal year, a \$75,000 decrease from the estimated income to be collected in the current year. It is anticipated that the value of interest penalties made on delinquent property tax payments will be \$350,000 for the 2009-2010 fiscal year, which is \$25,000 more than the amount budgeted in the current year. It is noted that the Town provides the taxpayer with a ten (10) business day "interest-free period" after a tax collection due date before an interest penalty is assessed.

**Payment in Lieu of Tax (PILOT) Income**

The Town collects payments annually from organizations that own tax-exempt property in South Kingstown. A summary of these organizations and the projected income anticipated to be received is as follows:

PILOT Payment Schedule	2007-2008 Actual	2008-2009 Adopted	2008-2009 Estimated	2009-2010 Proposed
US Fish and Wildlife - Trustom Pond	\$33,465	\$30,000	\$30,000	\$30,000
South County Hospital	152,964	159,083	159,076	162,003
South Kingstown Housing Authority	6,718	2,500	2,500	2,500
Camp JORI	7,134	7,419	7,417	7,553
SK Land Trust	3,115	3,240	3,239	3,299
Welcome House	4,729	4,918	4,917	5,007
La Casa Senior Housing <sup>1</sup>	0	17,000	30,624	35,000
<b>Total PILOT Payments</b>	<b>\$208,125</b>	<b>\$224,160</b>	<b>\$237,773</b>	<b>\$245,362</b>

<sup>1</sup> La Casa paid property taxes of \$17,992 in FY 2007-2008. The facility, once occupied, is no longer considered taxable property and becomes subject to PILOT payments equal to eight percent of gross rent receipts.

**B. OTHER FUND TRANSFERS**

Transfers from other governmental and proprietary funds are budgeted as revenue accounts in the General Fund. These revenues partially offset the cost of planned projects and debt service payments that are budgeted in the General Fund. A summary of these "Other Fund" Transfers planned for the 2009-2010 fiscal year is as follows:

Transfers to General Fund	2007-2008 Actual	2008-2009 Adopted	2008-2009 Estimated	2009-2010 Proposed	Increase Over (Under) Adopted Budget
Education Fair Share Fees	\$200,000	\$100,000	\$100,000	\$80,000	(\$20,000)
Recreation Fair Share Fees	102,579	97,984	97,984	96,139	(1,845)
Open Space Fund	350,000	325,000	325,000	325,000	0
Wastewater Fund	32,200	33,500	33,500	34,000	500
Water Fund	17,500	18,200	18,200	18,700	500
Solid Waste Fund	13,235	13,765	13,765	14,000	235
South Road School Reserve Fund	0	0	90,012	86,163	86,163
Neighborhood Guild	0	5,000	5,000	5,000	0
Peace Dale Office Bldg	2,700	2,800	2,800	2,800	0
<b>Total Transfers from Other Funds</b>	<b>718,214</b>	<b>\$596,249</b>	<b>\$686,261</b>	<b>\$661,802</b>	<b>\$65,553</b>

It is noted that Fund transfers from the Education and Recreation Fair Share Fees Reserve and the Open Space Fund are used to pay a portion of the costs associated with municipal debt service. A \$20,000 decrease in Education Fair Share Fees is forecast for FY 2009-2010 - the result of a slow down in the construction of new residential single household units. A \$1,845 decrease is also forecast in Recreation-related Fair Share Fees to reflect the actual costs associated with recreation related debt service. The funding transfer from the Open Space Fund is anticipated to remain at the current year level which reflects a continued slowdown in real estate sales. The slowdowns in the real estate and credit markets have also reduced forecasted income from Real Estate Conveyance Taxes. Funding from the various utility funds and the Neighborhood Guild and Peace Dale Office Building Funds are used to reimburse the General Fund for administrative services provided in the management of those funds. A funding transfer of \$86,163 from the South Road School Reserve Fund is also proposed in FY 2009-2010. This transfer will reimburse the General Fund for all debt service costs associated with retiring outstanding general obligation bonds associated with the South Road Elementary School.

Payments from the School Fund to the General Fund during the 2009-2010 fiscal year are anticipated to offset costs incurred in the General Fund for School-related purposes, as shown below:

Transfers To General Fund From School Fund	2007-2008 Actual	2008-2009 Adopted	2008-2009 Estimated	2009-2010 Proposed	Increase Over (Under) Adopted Budget
School Crossing Guards	\$75,200	\$81,400	\$81,400	\$82,000	\$600
Payroll & Accounting	5,800	6,000	6,000	6,300	300
School Field Maint. Reimb.	46,732	48,134	48,134	49,578	1,444
Energy Saving Transfer to Debt Svc.	0	40,000	40,000	40,000	0
Alarm System Equipment	3,300	3,400	3,400	3,400	0
<b>Total Transfer From School Fund</b>	<b>\$131,032</b>	<b>\$178,934</b>	<b>\$178,934</b>	<b>\$181,278</b>	<b>\$2,344</b>

**C. STATE REVENUE PROGRAM**

The State of Rhode Island, due to an anticipated State Budget shortfall of between \$360 and \$420 million in the current fiscal year, will substantially reduce the amount of General State Aid to Municipalities in FY 2008-2009. It is also anticipated that additional reductions in State revenue transfers to municipal entities will occur in FY 2009-2010.

The impact associated with the loss of State Revenue Sharing will be far reaching and require realignment of municipal budget programs. Since there is little likelihood of the State reinstating traditional revenue sharing programs in the near term (3 years), structural changes must be made at the local level to bring expenditure programs in line with reduced revenue expectations.

State aid to cities and towns can be classified into three categories. 1.) General aid payments, conveyed to municipalities to be used for general government purposes. Examples include general revenue sharing aid and state payments in lieu of taxes. 2.) Restricted aid, used for specific purposes or are reimbursements to the municipality for costs incurred for specific projects. Examples of restricted aid include general library aid, state aid reimbursement of library and school construction projects, and vehicle excise phase-out payments. 3.) The third category of state aid is identified as “pass through” funds. Meal and Hotel Taxes are collected by the state and distributed back to the municipality in which the taxes were paid, and Public Services Corporation Taxes whereby the State collects taxes from telecommunications and utilities and passes back to the communities the revenues collected.

A summary of the General State Aid Programs is presented as follows:

Rhode Island General Aid Program	2007-2008 Actual	2008-2009 Adopted	2008-2009 Estimated	2009-2010 Proposed	Increase Over (Under) Adopted
<b>General Aid Programs</b>					
General Revenue Sharing & PILOT	\$994,199	\$935,822	\$118,511	\$0	(\$935,822)
General Library and Endowment Aid	194,842	189,662	189,662	189,662	0
<b>Total</b>	<b>\$1,189,041</b>	<b>\$1,125,484</b>	<b>\$308,173</b>	<b>\$189,662</b>	<b>(\$935,822)</b>
<b>Property Tax Rate Impact</b>	<b>\$0.23</b>	<b>\$0.22</b>	<b>\$0.06</b>	<b>\$0.04</b>	<b>(\$0.18)</b>
<b>Pass-Through Programs</b>					
Public Services Corp. Tax	\$271,798	\$271,798	\$245,156	\$245,156	(\$26,642)
Meal Tax Income	511,101	490,000	495,000	500,000	10,000
Hotel Tax	68,169	70,000	95,000	100,000	30,000
<b>Total</b>	<b>\$851,068</b>	<b>\$831,798</b>	<b>\$835,156</b>	<b>\$845,156</b>	<b>\$13,358</b>
<b>Property Tax Rate Impact</b>	<b>\$0.17</b>	<b>\$0.16</b>	<b>\$0.16</b>	<b>\$0.16</b>	<b>\$0.00</b>
<b>State Aid Reimbursement Programs</b>					
School Housing Aid	\$1,116,126	\$1,099,827	\$1,009,808	\$1,058,200	(\$41,627)
Motor Vehicle Tax Phase Out	2,167,848	2,200,000	2,178,075	2,000,000	(200,000)
Library Construction Aid	50,971	48,564	48,564	46,138	(2,426)
<b>Total</b>	<b>\$3,334,945</b>	<b>\$3,348,391</b>	<b>\$3,236,447</b>	<b>\$3,104,338</b>	<b>(\$244,053)</b>
<b>Property Tax Rate Impact</b>	<b>\$0.66</b>	<b>\$0.65</b>	<b>\$0.63</b>	<b>\$0.60</b>	<b>(\$0.05)</b>
<b>Total State Revenues</b>	<b>\$5,375,054</b>	<b>\$5,305,673</b>	<b>\$4,379,776</b>	<b>\$4,139,156</b>	<b>(\$1,166,517)</b>
<b>Property Tax Rate Impact</b>	<b>\$1.06</b>	<b>\$1.03</b>	<b>\$0.85</b>	<b>\$0.80</b>	<b>(\$0.23)</b>

**General Aid Programs**

As noted above, no General Revenue Sharing and Payment in Lieu of Taxes funding are anticipated in FY 2009-2010. Also noted is the unanticipated loss of \$860,708 in current year GRS funding that was included in the State’s FY 2009 budget for funding to the Town’s General Fund.

It is anticipated that the State will continue to provide level funding of the general library aid.

***Pass-Through Aid Programs***

Public Service Corporation Tax. The tangible personal property of telegraph, cable, and telecommunications corporations are exempted from local taxation but not from taxation by the State. Funds collected by the state from this tax are distributed to cities and towns on the basis of the ratio of the city or town population to the population of the State as a whole. For the 2009-2010 fiscal year, the Town is projecting funding of \$245,156 from this program. Although this estimate is the same amount anticipated to be received in the current year, it is \$26,642 less than the FY 2008-2009 adopted budget.

Hotel Tax. The State levies a 6% surcharge upon the consideration charged for occupancy of any space furnished by any hotel in the State, in addition to normal State sales taxes. Of the total surcharge, the State returns to the host community 33.3% of total revenues collected, 39.2% of the total surcharge goes to the Regional Tourism Council, 5% goes to the Roger Williams Reserve Fund, and the remaining 22.5% is forwarded to the RI Economic Development Corporation to be used for tourism promotion. For FY 2009-2010, the Town is estimating \$100,000 in program revenue, up \$30,000 over the budgeted amount in the current year.

Meal Tax. In 2003, the General Assembly authorized an additional 1% tax on the sale of all prepared foods and meals served by any food service provider. Receipts from this tax program are collected by the State and transferred to the municipality where the sale occurred. For FY 2009-2010, an estimated \$500,000 in income has been budgeted, up \$10,000 from the budgeted amount in the current year.

***State Aid Reimbursement Programs***

Library Construction Aid. This program provides financial support for local public library services and for the construction and capital improvements of any free public library. Annual funding in the past had been based on a 25% reimbursement of the amount locally appropriated and expended for library services in the prior fiscal year. For FY 2009-2010, funding is anticipated at \$46,138, a decrease of \$2,426 from the FY 2008-2009 adopted budget.

Motor Vehicle Excise Tax Phase-Out. A \$200,000 decrease in funding of this program is anticipated in FY 2009-2010. The program currently exempts from taxation the first \$6,000 in motor vehicle value. The Town is projected to receive \$2,178,075 in FY 2008-2009. It is estimated that due to the poor economy, the value of the motor vehicle roll will decline in FY 2009-2010, thereby reducing the value of state reimbursement to an estimated \$2,000,000. Should the Governor and General Assembly revise program funding in FY 2010, budgetary adjustments shall be necessary.

School Construction Aid. The State provides local school districts with partial reimbursement for approved school construction projects. The reimbursement rate for the South Kingstown School District is 30% of the debt service cost of an approved project. For FY 2009-2010 we anticipate state school construction reimbursement of \$1,058,200, \$41,627 less than the current year budget.

**D. LOCAL PROGRAM-GENERATED REVENUES**

Local program-generated revenues are projected to yield \$3,049,080 during the 2009-2010 fiscal year. This is a decrease of \$516,535 from the current year adopted budget of \$3,565,615. Revenue sources expected to experience decreases of more than \$10,000 during FY2009-2010 are presented below:

	2007-2008 Actual	2008-2009 Adopted	2008-2009 Estimated	2009-2010 Proposed	Increase Over (Under) Adopted Budget
<b>Departmental Revenues</b>					
Building Inspection Fees	\$375,599	\$350,000	\$310,000	\$300,000	(\$50,000)
Non-Business Licenses and Fees	\$374,028	\$364,000	\$280,000	\$270,000	(\$94,000)
Real Estate Conveyance Fees	\$107,724	\$85,000	\$55,615	\$55,615	(\$29,385)
Investment Income (Short Term)	\$1,289,760	\$775,000	\$825,000	\$500,000	(\$275,000)
Library System Income	\$135,714	\$121,800	\$114,670	\$110,000	(\$11,800)
Police Department Revenues	\$394,225	\$333,750	\$246,375	\$199,610	(\$134,140)

Building Inspection Fees. Collection of building-related fees for the current fiscal year is forecast at \$310,000 or \$40,000 less than was budgeted. It is projected that income in the 2009-2010 fiscal year will continue to decline down to \$300,000 due to continued poor economic conditions.

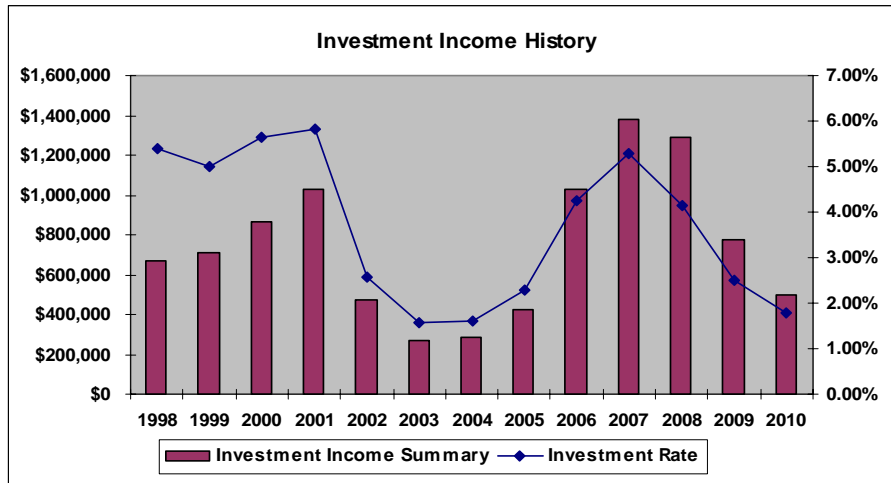
Non-Business Licenses and Fees. The principal source of income in this account is associated with recording fees generated from the sale of real estate. With the slow-down occurring in the real estate market, less property is selling and as such, the income generated from this source diminishes accordingly. A summary of revenues generated from this account is as follows:

	2007-2008 Actual	2008-2009 Adopted	2008-2009 Estimated	2009-2010 Proposed	Increase Over (Under) Adopted Budget
<b>Non-Business Licenses and Fees</b>					
Recording Fees	\$321,926	\$304,000	\$245,000	\$226,500	(\$77,500)
Probate Fees	43,359	51,200	35,800	35,000	(16,200)
Dog Licenses	7,634	7,800	6,450	7,500	(300)
Marriage Licenses	1,080	1,000	1,225	1,000	0
Hunting/Fishing fees	29	0	25	0	0
<b>Total Program Cost</b>	<b>\$374,028</b>	<b>\$364,000</b>	<b>\$288,500</b>	<b>\$270,000</b>	<b>(\$94,000)</b>

Real Estate Conveyance Tax. The local share (\$2.20 per \$1,000 of Real Estate Sale Values) of this \$4.00 per \$1,000 tax collected at the time of real estate recording is projected to generate \$245,000 in FY 2009-2010. Of this sum, 77.3% will be transferred to the Open Space Reserve Fund. The remaining \$55,615 will be received as local revenue to the General Fund in FY 2009-2010.

	2007-2008 Actual	2008-2009 Adopted	2008-2009 Estimated	2009-2010 Proposed	Increase Over (Under) Adopted Budget
<b>Real Estate Conveyance Taxes</b>					
Open Space Reserve	\$366,831	\$289,450	\$189,385	\$189,385	(\$100,065)
General Fund	107,724	85,000	55,615	55,615	(29,385)
<b>Total Program Cost</b>	<b>\$474,555</b>	<b>\$374,450</b>	<b>\$245,000</b>	<b>\$245,000</b>	<b>(\$129,450)</b>

Short Term Investment Income. Investment income for FY2009-2010 is projected in the amount of \$500,000 or \$275,000 less than was budgeted in the current fiscal year. The fluctuation of short-term investment interest rates that react to shifts in the national economy requires conservative budget estimate planning. The chart on the following page shows an eleven year history and two year forecast documenting Investment Income earnings.



Library System Income. Locally generated revenue for the Peace Dale Library is projected to decline by \$11,800 in FY 2009-2010. This decline is the result of stock market losses within the Library's Endowment Fund, as detailed below:

	2007-2008 Actual	2008-2009 Adopted	2008-2009 Estimated	2009-2010 Proposed	Increase Over (Under) Adopted Budget
<b>Library Aid</b>					
Kingston Endowment	\$28,926	\$27,000	\$30,400	\$30,000	\$3,000
Peace Dale Endowment	78,423	65,000	54,300	50,000	(15,000)
Petty Cash	28,365	28,000	27,951	28,000	0
Mabel Smith Trust	0	1,800	2,019	2,000	200
Library Endowment Grant	21,748	21,749	23,027	23,027	1,278
State Grant	173,094	167,913	166,635	166,635	(1,278)
<b>Total Library Revenues</b>	<b>\$330,556</b>	<b>\$311,462</b>	<b>\$304,332</b>	<b>\$299,662</b>	<b>(\$11,800)</b>
Library Program Cost	934,506	966,547	959,284	952,252	(14,295)
<b>Property Tax Need</b>	<b>\$603,950</b>	<b>\$655,085</b>	<b>\$654,952</b>	<b>\$652,590</b>	<b>(\$2,495)</b>

Police Department Revenues. A summary of Police Department related revenues of \$199,610 projected for the 2009-2010 fiscal year is presented below:

Police Department Revenues					
	2007-2008 Actual	2008-2009 Adopted	2008-2009 Estimated	2009-2010 Proposed	Increase Over (Under) Adopted Budget
<b>Source</b>					
Parking Fines	\$19,740	\$16,500	\$19,000	\$18,000	\$1,500
RI Traffic Tribunal	288,000	271,000	182,400	140,560	(130,440)
Vehicle Identification # Check Fees	6,610	7,000	7,000	7,500	500
Accident/Complaint Copy Fees	1,255	1,250	1,000	1,000	(250)
Police Vehicle User Fees	75,910	35,000	34,425	30,000	(5,000)
Miscellaneous	2,710	3,000	2,550	2,550	(450)
<b>Total Revenues</b>	<b>\$394,225</b>	<b>\$333,750</b>	<b>\$246,375</b>	<b>\$199,610</b>	<b>(\$134,140)</b>

Income from traffic related fines is projected to decrease by \$130,440 in FY 2009-2010. This reduction is due to a decrease in patrol hours dedicated specifically to traffic surveillance, a reduction in the number of department issued traffic citations, and a declining value associated with citations issued by the department.

**E. UNDESIGNATED FUNDS FORWARDED TO FISCAL YEAR 2009-2010 GENERAL FUND**

Undesignated funds forwarded to the General Fund are targeted either to meet “one time” capital costs or to minimize the need for property tax support of the general operating program. Funding to meet operating program expenses is considered a base revenue since it must be provided on an annual basis or the property tax need in the following year will have to increase in direct proportion to the reduction in undesignated funding support. Funding for “one time” capital projects does not have the same effect since there are no recurring program expenses. For the 2009-2010 fiscal year, it is proposed to use \$1,200,000 from the General Fund’s Undesignated Fund Balance as follows:

<b>Undesignated Fund Balance June 30, 2008</b>	<b>\$9,950,261</b>
<b>Fund Balance as a % of 2008-2009 General Fund</b>	<b>13.40%</b>
2008-2009 Projected Operating Surplus (Deficit)	\$2,565
Change in Prepaid Expenses	0
Funds Forwarded to Finance 2008-2009 Program	(1,200,000)
<b>Undesignated Fund Balance June 30, 2009</b>	<b>\$8,752,826</b>
<b>Fund Balance as a % of 2009-2010 General Fund</b>	<b>11.92%</b>
2009-2010 Projected Operating Surplus	\$100,000
Change in Prepaid Expenses	0
Funds Forwarded to Finance 2009-2010 Program	(1,200,000)
<b>Undesignated Fund Balance June 30, 2010</b>	<b>\$7,652,826</b>
<b>Fund Balance as a % of 2010-2011 General Fund</b>	<b>10.12%</b>

The General Fund’s Undesignated Fund Balance should be between ten (10%) and fifteen (15%) percent of the value of the General Fund. The value of the Undesignated Fund Balance as of June 30, 2008 was \$9,950,261 or 13.4% of the adopted FY 2008-2009 General Fund. The planned use of \$1,200,000 in funding support for the 2009-2010 fiscal year will provide a projected Undesignated Fund Balance of \$7,652,826 or 10.12% of the Proposed General Fund at the close of FY 2009-2010.

The General Fund budget has traditionally been prepared in a highly conservative manner. The revenue and expense statements are structured to yield a surplus at or slightly below the value of funds being forwarded from the General Fund’s Undesignated Fund Balance. In this manner the value of the Undesignated Fund Balance remains relatively unchanged. This budget development strategy is also important during those periods when unanticipated events adversely impact the budget program.

The State’s decision to withdraw funding of over \$860,000 in State Aid during the current fiscal year and the predicted loss of over \$500,000 in local revenues this year due to the rapidly deteriorating economy exemplifies the types of events that seriously impact our operational programs and require a “takedown” of our Undesignated Fund Balance. The Town’s financial position remains strong and can accommodate short term local revenue impacts associated with a faltering economy, provided that necessary expenditure reductions outlined in this budget document are implemented to address the long term loss of State revenues.

## II. GENERAL FUND EXPENDITURE STATEMENT

The General Fund is divided into six major sections:

- A. General Fund Operating Program - provides for the cost of operating all municipally administered programs.
- B. Capital Budget Program - provides the first-year funding requirements of the Town's Capital Improvement Program.
- C. Debt Service Payments - provides payments for all school and municipal debt programs that are due during the Fiscal Year.
- D. Transfer to Utilities Funds - provides the necessary municipal subsidy to keep these programs operating at a level whereby projected incomes are equal to anticipated expenses.
- E. Transfer to Senior Services - provides the necessary property tax support to operate the Senior Transportation, Adult Day Services, Elderly Nutrition, and Senior Center programs.
- F. Transfer to School Fund - provides property tax support necessary to meet the approved cost of elementary and secondary education. It is noted that the debt service for all school buildings is provided through the General Fund.

A summary of the General Fund Program is as follows:

General Fund Functional Distribution	2007-2008 Actual	2008-2009 Adopted	2008-2009 Estimated	2009-2010 Proposed	Increase Over (Under) Adopted Budget	Increase Percent
General Administration	\$3,089,085	\$3,201,295	\$3,018,892	\$2,960,213	(\$241,082)	-7.53%
Public Safety Program	6,448,312	6,794,806	6,555,967	6,577,843	(216,963)	-3.19%
Public Services Program	2,165,418	2,251,729	2,215,200	2,284,306	32,577	1.45%
Human Services Program	183,987	188,927	188,927	166,750	(22,177)	-11.74%
Senior Program Transfer	395,469	414,052	414,052	414,396	344	0.08%
Parks and Recreation Program	1,314,745	1,364,131	1,329,042	1,320,469	(43,662)	-3.20%
Library Services Program	934,506	966,547	959,284	952,252	(14,295)	-1.48%
Employment Services Program	4,461,823	4,724,393	4,677,888	4,687,179	(37,214)	-0.79%
<b>Operating Program Total</b>	<b>\$18,993,345</b>	<b>\$19,905,879</b>	<b>\$19,359,252</b>	<b>\$19,363,407</b>	<b>(\$542,472)</b>	<b>-2.73%</b>
Debt Service Program	\$5,085,741	\$4,898,716	\$4,814,716	\$4,770,872	(\$127,844)	-2.61%
Capital Improvements	1,499,711	1,530,000	1,529,058	1,406,000	(124,000)	-8.10%
School Fund Tax Transfer	45,628,503	47,909,928	47,909,928	47,909,928	0	0.00%
<b>Functional Distribution Total</b>	<b>\$71,207,300</b>	<b>\$74,244,523</b>	<b>\$73,612,954</b>	<b>\$73,450,207</b>	<b>(\$794,316)</b>	<b>-1.07%</b>

### A. GENERAL FUND OPERATING PROGRAM

A General Fund Operating Program in the amount of \$19,363,407 is proposed for Fiscal Year 2009-2010, which is \$542,472 or 2.73% less than the adopted Fiscal Year 2008-2009 program. It is noted that only the Public Services and the Senior Services Tax Transfers are proposed at higher levels than the current year. The proposed program reductions presented in this budget document are the direct result of three key factors: loss of State Aid to Cities and Towns, the poor condition of the local and State economy, and the local taxpayers' ability to pay a high property tax burden.

The State's planned cancellation of the General Revenue Sharing Program and the belief that reinstatement is not anticipated in the foreseeable future will create a structural imbalance in the

General Fund unless major spending reductions are instituted. Forecasted losses in state revenue transfers to the Town's Operating Program will amount to \$1,138,248 in FY2009-2010. In addition to the anticipated loss of State Revenue Sharing, the downturn in the local economy, driven by high unemployment and poor economic conditions, will result in the projected collection of \$516,535 less in local revenue during FY 2009-2010 than was budgeted in the current year.

These unprecedented revenue losses mandate restructuring of the municipal program. A summary of planned reductions is as follows:

<b>General Fund Reductions</b>				
<i>Specific Personnel Reductions</i>	<b>FTE</b>	<b>Salary</b>	<b>Benefits</b>	<b>Total</b>
Part Time Clerk - Town Clerk's Office	0.29	\$10,197	\$780	\$10,977
Office Clerk II - Switchboard Operator	1.00	36,469	18,347	54,816
Part Time Custodian - Town Hall	0.21	5,737	439	6,176
GIS Technician	0.60	30,298	12,234	42,532
Part Time Clerk - Planning Department	0.20	5,711	437	6,148
Assistant Building Inspector	1.00	42,826	19,273	62,099
Police Officers	2.00	71,092	40,322	111,414
Traffic Awareness Program - Police Dept.	0.50	42,806	3,275	46,081
Part Time Animal Control Officer	0.50	16,255	1,244	17,499
Assistant Communications Superintendent	0.50	20,384	10,003	30,387
Harbor Patrol Assistants	0.32	7,230	553	7,783
Part Time Engineer - Public Services	0.10	7,500	574	8,074
Light Equipment Operator - Highway Dept.	1.00	35,010	18,134	53,144
Part Time Highway Laborer - Summer	0.23	5,040	386	5,426
Public Grounds Foreman - Parks Depart.	1.00	35,656	18,228	53,884
Peace Dale Library - Sunday Hours	0.10	4,304	329	4,633
Robert B Hale Library - Reduced Hours	0.10	7,160	548	7,708
Part Time Library Aid Hours - RB Hale	0.10	922	71	992
<b>Specific Reductions</b>	<b>9.75</b>	<b>\$384,597</b>	<b>\$145,175</b>	<b>\$529,772</b>
<i>General Personnel Program Reductions</i>				
Cost of not providing a 2% Wage Increase		\$167,673	\$19,580	\$187,253
10% Co-Share Floor - All Personnel			66,494	66,494
<b>General Reductions</b>		<b>\$167,673</b>	<b>\$86,074</b>	<b>\$253,747</b>
<b>Total Personnel Program Reductions</b>	<b>9.75</b>	<b>\$552,270</b>	<b>\$231,249</b>	<b>\$783,519</b>
<i>Non Personnel Related Reductions</i>				
Operating Program Reductions				\$93,393
Human Service Agencies & Municipal Boards				32,277
School Debt Service - 1% Interest Rate Reduction				12,000
Capital Improvement Program - Various Programs				124,000
<b>Total Non Personnel Reductions</b>				<b>\$261,670</b>
<b>Total General Fund Reductions</b>				<b>\$1,045,189</b>

***Personnel Program Reductions***

It is proposed to reduce the full time General Fund work force by 7.1 Full Time Equivalent (FTE) positions. All but two of these positions are vacant at this time. One retirement is anticipated that will reduce to one the number of employees to be displaced due to these reductions. It is noted that the current work schedules of five part time employees will be reduced by approximately 50% to accommodate the projected reduction in part time hours planned for FY 2009-2010.

Other programmatic changes include a reduction in the number of hours budgeted for the Police Department's Traffic Awareness Program from 40 to 15 hours per week, and a reduction in the number of hours that the Robert Beverly Hale Library is open per week, as well as the elimination of Sunday hours at the Peace Dale Library from November to March in FY 2009-2010. A reduction in the number of hours that part-time Animal Control Officers patrol the Town on weekdays after 4 pm and weekends is also planned.

The estimated value of the structural changes planned in the personnel program will reduce municipal spending by \$529,772.

### ***General Personnel Program Adjustments***

All four municipal labor contracts expire June 30, 2009. No salary increases are budgeted for FY 2009-2010. It is noted that had there not been the loss of the State Aid Program, a two percent (2%) salary increase would have been factored into the FY 2009-2010 municipal program. The cost associated with a 2% salary increase and associated employment benefit costs is estimated at \$187,253. (Salary increases associated with "step increases" identified in existing collective bargaining agreements have been incorporated into the budget document.) In addition to budgeting for no municipal employee salary increases in FY 2009-2010, the proposed budget reflects the health care co-share floor increasing to 10% of the working rate of the employee's health care plan. This planned increase will impact all employees hired prior to August 1, 2002 who currently contribute less than 10% co-share to offset the cost of health care benefits. The cost saving associated with this budgeted increase in co-share cost amounts to \$66,494.

Should any of the successor labor contracts be unable to settle in accordance with the above terms, additional personnel reductions will need to be implemented to offset any increase in contract costs.

### ***Non Personnel Related Reductions***

The severity of the structural adjustments needed to offset the forecasted losses in the General Fund Revenue Statement also requires significant reductions in non-personnel related areas. Substantial reductions totaling \$93,393 have been made in many operating departments relative to materials and supplies and contractual services. Impacted areas are specifically identified in the General Fund Line Item Detail section of this budget document.

Funding contributions made to many Human Service Agencies and Service Organizations have also been cut back by \$32,277 to reduce the overall municipal tax burden. Budgetary detail relative to proposed funding levels can be found in the General Fund narrative section.

The planned sale of \$1.2 million in school debt has been recalculated at a 4.5% increase (down from 5.5% noted in the CIP). Projected savings associated with this revision amount to \$12,000.

As detailed on page 21 of this message, the proposed FY 2009-2010 element of the Town Council's Adopted Capital Improvement Program reflects a \$124,000 reduction.

While the planned decrease of \$1,045,189 included in the General Fund budget will result in reducing the level of municipal services provided, reducing the contributions made to outside agencies, and reducing the scope of the Town's Capital Improvement Program, the changes are necessary to protect the long term financial integrity of the community.

**MUNICIPAL PERSONNEL PROGRAM.** A \$542,472 decrease in the cost of the General Fund Personnel Program for Fiscal Year 2009-2010 is proposed.

***1. Proposed Personnel Program***

The projected cost of salary and employment benefits for the FY2009-2010 municipal program is presented as follows:

Personnel Program	2007-2008 Adopted	2008-2009 Adopted	2009-2010 Proposed	Increase Dollars	Increase Percent
Full Time	\$8,535,552	\$8,725,508	\$8,460,206	(\$265,302)	-3.04%
Part Time	641,053	659,753	598,611	(61,142)	-9.27%
Seasonal	372,633	410,155	369,445	(40,710)	-9.93%
Overtime	741,033	766,955	640,557	(126,398)	-16.48%
Longevity/Other	202,103	285,742	291,518	5,776	2.02%
<b>Total</b>	<b>\$10,492,374</b>	<b>\$10,848,113</b>	<b>\$10,360,337</b>	<b>(\$487,776)</b>	<b>-4.50%</b>
<b>Full Time - Employment Benefits</b>					
Retirement	\$922,170	\$893,836	775,513	(\$118,323)	-13.24%
Health Care - Full Time	2,048,537	2,158,927	1,918,568	(240,359)	-11.13%
Life Insurance	11,211	11,142	10,835	(307)	-2.76%
<b>Total Cost</b>	<b>\$2,981,918</b>	<b>\$3,063,905</b>	<b>\$2,704,916</b>	<b>(\$358,989)</b>	<b>-11.72%</b>
Employees	180.35	178.75	172.15	(6.60)	-3.69%
Cost Per Employee	\$16,534	\$17,141	\$15,713	(\$1,428)	-8.33%
Benefits % of Average Salary	34.9%	35.1%	32.0%	-3.1%	-8.83%
<b>Program Category</b>					
Personnel	\$10,492,374	\$10,848,113	\$10,360,337	(\$487,776)	-4.50%
Employment Benefits	2,981,918	3,063,905	2,704,916	(358,989)	-11.72%
<b>Total Personnel</b>	<b>\$13,474,292</b>	<b>\$13,912,018</b>	<b>\$13,065,253</b>	<b>(\$846,765)</b>	<b>-6.09%</b>
Total Operating Program	\$19,162,323	\$19,905,880	\$19,363,408	(\$542,472)	-2.73%
<b>Personnel Program as a % of Operating Program</b>	<b>70.32%</b>	<b>69.89%</b>	<b>67.47%</b>		

***2. Personnel Allocation Revisions***

For the 2009-2010 fiscal year, 172.15 Full Time Equivalent (FTE) employees are proposed, a decrease of 6.60 FTEs from the current base year allocation of 178.75 full time positions.

***3. General Municipal Employees Longevity Program***

Existing Labor contracts with general government employees of the Town provide for longevity payments to all full and part time (on a prorated scale) employees, having more than four (4) years of service with the Town, based on the schedule appearing on the following page.

<b>Longevity Schedule</b>	<b>FY 2009-2010</b>
DPW, Recreation, Animal Control and Police Dispatchers - Council 94	\$104.00 Per Year of Service
General Municipal Employees – NEA	\$104.00 Per Year of Service
EMS Employees – IAFF	\$93.60 Per Year of Service
Non-Organized Municipal Employees	\$104.00 Per Year of Service
Sworn Police Officers	3% of Salary – between 5 and 10 years of service 5% of Salary - between 10 and 15 years of service 7% of Salary – between 15 and 20 years of service 9% of Salary – over 20 years of service

The cost of the Town’s Longevity program for the 2009-2010 Fiscal Year is \$281,241. (Police officer longevity amounts to \$111,223 and is budgeted in the Police Department’s full time salaries account; all other municipal employees’ longevity (\$170,018) is budgeted in each department’s longevity accounts.)

**4. Employee Retirement Severance Cost**

The FY 2009-2010 General Fund includes a \$100,000 transfer from the police department account to the “Compensated Absences Reserve Fund.” All costs associated with retiring employee severance costs shall be paid through the departing employee’s department appropriation (if funds are available) or through the Compensated Absences Reserve Fund. In total, ten employees could potentially seek retirement status prior to the close of the 2009-2010 Fiscal Year. The status of the Compensated Absences Reserve Fund is as follow:

<b>Undesignated Fund Balance - June 30, 2008</b>	<b>\$381,440</b>
FY 2008-2009 Payouts to Date	(47,282)
FICA Required	(3,617)
Amount to be Funded through FY 2009 Police Budget	100,000
Additional Retirement Costs - FY 2008-2009	(199,602)
<b>Undesignated Fund Balance - June 30, 2009</b>	<b>\$230,940</b>
Estimated FY 2009-2010 Transfer from General Fund	100,000
FY 2009-2010 Payouts - Estimate Only	(150,000)
<b>Undesignated Fund Balance - June 30, 2010</b>	<b>\$180,940</b>

**5. Employee Health Insurance Costs**

Beginning on August 1, 2002 the Town implemented an Employee health care Co-Share requirement for all new municipal employees. In subsequent years, all pre-August 1, 2002 employees were also required to contribute to the cost of their health care benefit. For FY 2009-2010 employee health care co-share of at least 10% is anticipated. All municipal labor contracts will need to be amended to allow for this increased cost sharing by pre August 1, 2002 employees. All post August 1, 2002 employees will continue to pay higher co-share rates as required in their existing labor contracts.

Budgeted Employee Co-Share Requirements for FY 2009-2010 are as follows:

Employment Date	Pre- August 2002 Employees		Post- August 2002 Employees
Labor Group	Existing Contracts	Budgeted FY 2009-2010	Budgeted FY 2009-2010
Admin/Non-Organized	5%	10%	10%
IAFF (EMT's only)	5%	10%	20%
Council 94 (Laborers)	7%	10%	15%
IBPO Sworn Police	5%	10%	20%
NEA (Town Hall Employees)	Sliding Scale up to 6% (1% per \$10,000 earned)	10%	10%

A five percent increase in the General Fund's Health and Dental Care Transfer to the Health Care Reserve Fund is proposed for FY2009-2010. General Fund related Health Care Funding for the 2009-2010 fiscal year is proposed at \$2,913,895 or \$138,757 more than the current year appropriation of \$2,775,318. The Town and School Department contracted with the West Bay Health Care Collaborative in the current fiscal year on a "cost plus" policy basis. West Bay purchases Health Care services through RI Blue Cross and Blue Shield.

It is noted that effective with the start of the 2008-2009 fiscal year, the Town began to account for and reserve funds to meet anticipated costs associated with "Other Post-Employment Benefits" (OPEB). OPEB costs associated with post employment health care benefits include the annual payments to meet all unfunded accrued liability associated with both current and retired General Fund employees that are entitled to some form of employer paid health care benefits in retirement and the current year cost associated with OPEB benefits that current employees will earn in FY 2009-2010. The projected OPEB related costs for FY 2009-2010 include \$445,509 in payments to meet existing retiree health care costs and \$282,592 in earned retirement benefits for current employees.

As of June 30, 2008, the Health Care Reserve Fund had an undesignated fund balance of \$1,517,735. The Unrestricted Fund Balance of the Health Care Reserve Fund includes \$1,251,321 in Town Funds and \$266,414 in School Funds.

**6. Retirement System Contribution**

All municipal employees are required to join the State administered Municipal Retirement System as a condition of employment. Municipal employees are placed in one of three independent retirement plans. The general municipal employees contribute seven (7%) percent of their gross earnings, exclusive of overtime, to participate in a 30-Year Retirement Plan with COLA. Police and EMS personnel participate in a 20-Year Retirement Plan with COLA and are required to make a payroll contribution equal to 9% of salary. The State Retirement Board uses an annual actuarial study to determine the "Employer's Contribution Rate" for each of the three retirement plans.

Employer required rates established by the State Retirement Board for the 2009-2010 Fiscal Year are presented as follows:

Retirement Contributions - General Fund					
Employee Group	FY 07 Rate	FY 08 Rate	FY 09 Rate	FY 10 Rate	Decrease
Police	13.89%	16.29%	14.39%	12.24%	-2.15%
EMS	9.89%	10.49%	6.53%	6.08%	-0.45%
Municipal	4.82%	6.68%	7.81%	6.92%	-0.89%
Employee Group	FY 07 Cost	FY 08 Cost	FY 09 Cost	FY 10 Cost	Decrease
Police	\$385,411	\$475,858	\$405,357	\$344,521	(60,836)
EMS	69,297	76,435	48,853	45,963	(2,890)
Municipal	240,160	341,876	411,626	355,029	(56,597)
<b>Total Cost</b>	<b>\$694,868</b>	<b>\$894,169</b>	<b>\$865,836</b>	<b>\$745,513</b>	<b>(\$120,323)</b>

For the 2009-2010 fiscal year, employer retirement contributions and \$30,000 in non-state associated retirement funding are proposed at \$775,513 - \$118,323 less than the current year appropriation.

It is noted that the Town provides one retired member of the police department and the spouse of a deceased member with an annual direct pension. These two individuals were not required to join the State retirement system when the Town agreed to participate in this retirement program in 1963. The FY 2009-2010 cost of the "Direct Pay" Police Pensions amounts to \$21,245 and is inclusive of a 3% COLA.

Municipal Insurance. The cost of municipal insurances is projected to decrease by \$20,000 in the 2009-2010 fiscal year.

	2007-2008 Actual	2008-2009 Adopted	2008-2009 Estimated	2009-2010 Proposed	Increase Over (Under) Adopted Budget
<b>Municipal Insurance</b>					
Liability & Property	\$293,605	\$337,646	\$283,364	\$290,000	(\$47,646)
Excess Liability	50,320	57,868	48,732	57,000	(868)
Life Policies	11,061	12,460	11,451	11,451	(1,009)
Deductibles	6,791	15,862	25,209	21,613	5,751
<b>Total Program Cost</b>	<b>\$361,777</b>	<b>\$423,836</b>	<b>\$368,756</b>	<b>\$380,064</b>	<b>(\$43,772)</b>
Other Fund Reimbursement	(\$168,553)	(\$193,836)	(\$162,756)	(\$170,064)	\$23,772
<b>General Fund Share</b>	<b>\$193,224</b>	<b>\$230,000</b>	<b>\$206,000</b>	<b>\$210,000</b>	<b>(\$20,000)</b>

## B. CAPITAL BUDGET PROGRAM

A capital budget element of \$1,406,000 is proposed for Fiscal Year 2009-2010, which is a decrease of \$124,000 from the current year appropriation of \$1,530,000. During the current year, \$500,000 in revenue from the General Fund's Undesignated Fund Balance was used to offset an equal amount of property tax support associated with the Capital Budget. For the 2009-2010 fiscal year, it is proposed to use the same level of funding from the General Fund Balance.

A summary of the FY2009-2010 Capital Budget is presented as follows:

<b>Capital Budget</b>	<b>2007-2008 Adopted</b>	<b>2008-2009 Adopted</b>	<b>2009-2010 Proposed</b>	<b>Increase Dollar</b>
Recreational	\$192,000	\$208,000	\$175,000	(\$33,000)
Public Services	868,000	887,000	846,000	(41,000)
Public Safety	332,000	287,000	225,000	(62,000)
General Municipal	133,000	148,000	160,000	12,000
<b>Annual Capital Budget</b>	<b>\$1,525,000</b>	<b>\$1,530,000</b>	<b>\$1,406,000</b>	<b>(\$124,000)</b>
<i>Less Revenues From Undesignated Fund Balance</i>				
Public Safety Program	\$280,000	\$0	\$220,000	\$220,000
Public Services Program	157,000	500,000	100,000	(400,000)
Recreational Program	20,000	0	40,000	40,000
Municipal Program	43,000	0	140,000	140,000
<b>Fund Balance Total</b>	<b>\$500,000</b>	<b>\$500,000</b>	<b>\$500,000</b>	<b>\$0</b>
<b>Property Tax Support</b>	<b>\$1,025,000</b>	<b>\$1,030,000</b>	<b>\$906,000</b>	<b>(\$124,000)</b>

The Revised Capital Budget proposed for inclusion in the FY 2009-2010 General Fund proposes a \$124,000 reduction in the General Fund's Capital Budget that was a component of the Town Council's Adopted Capital Improvement Program, as detailed below:

<b>Revised March 17, 2009 Capital Improvement Program - Restated</b>	<b>Adopted 2009-2010</b>	<b>Proposed Reductions</b>	<b>Revised 2009-2010</b>
Old Mountain Field - In Line Skating	\$20,000	(\$20,000)	\$0
Parks Maintenance Trailer	7,000	(7,000)	0
Road Program - Road Reconstruction	650,000	(30,000)	620,000
Public Works Equipment - Jet Vac Truck	90,000	(30,000)	60,000
Harbor Patrol Engine	17,000	(17,000)	0
Public Safety Building Reserve	10,000	(5,000)	5,000
Communications Department - Cable	10,000	(5,000)	5,000
EMS Facilities Improvements	20,000	(10,000)	10,000
<b>Total - Reduced Projects</b>	<b>\$824,000</b>	<b>(\$124,000)</b>	<b>\$700,000</b>
Adopted Projects - Unchanged	706,000	0	706,000
<b>Total - Revised Capital Budget</b>	<b>\$1,530,000</b>	<b>(\$124,000)</b>	<b>\$1,406,000</b>

**C. DEBT SERVICE PAYMENTS**

For the 2009-2010 fiscal year, debt service payments shall require a property tax rate of \$0.58 per thousand dollars of assessed value, which is approximately \$0.03 less than the current year rate. School-related debt service, net of non-property tax revenues, will cost \$0.41 per thousand, a three cent decrease from the current year rate of \$0.43 per thousand. Municipal debt service requirements will require a tax rate of \$0.17 per thousand, which is the same rate as in the current year.

It is noted that debt service payments are based on paying all costs associated with existing bonds and first year payments on the sale of \$1.2 million in new school improvement bonds to be sold in May 2009, at a projected interest rate of 4.50% per annum. First year debt service payments associated with this new long-term debt issue shall begin in FY 2009-2010.

A summary of the General Fund's Debt Service Program for FY 2009-2010 is presented as follows:

<b>Debt Service Program</b>	<b>Actual 2007-2008</b>	<b>Budgeted 2008-2009</b>	<b>Proposed 2009-2010</b>	<b>Increase (Decrease)</b>
School Debt Service	\$3,556,123	\$3,512,491	\$3,424,593	(\$87,898)
Municipal Debt Service	1,529,619	1,386,225	1,346,279	(39,946)
<b>Gross Debt Service</b>	<b>\$5,085,741</b>	<b>\$4,898,716</b>	<b>\$4,770,872</b>	<b>(\$127,844)</b>
<i>Less 3rd Party Revenues</i>				
Library Aid	\$50,971	\$48,564	\$46,138	(\$2,426)
Recreation Impact Fees	102,579	97,984	96,139	(1,845)
Transfer From O. S. Reserve	350,000	325,000	325,000	0
M. V. & Inventory Taxes	121,473	116,422	89,806	(26,616)
State Construction Aid	1,116,126	1,009,808	1,058,200	48,392
School Fund Energy Savings	0	40,000	40,000	0
South Road School Fund Transfer	0	90,012	86,163	(3,849)
School Impact Fees	200,000	100,000	80,000	(20,000)
<b>Other Revenues - Total</b>	<b>\$1,941,149</b>	<b>\$1,827,790</b>	<b>\$1,821,446</b>	<b>(\$6,344)</b>
<b>Net Property Tax Required</b>	<b>\$3,144,592</b>	<b>\$3,070,926</b>	<b>\$2,949,426</b>	<b>(\$121,500)</b>
<b>(Below)/Over Budgeted</b>				
<b>Tax Rate Per Thousand</b>	<b>\$0.62</b>	<b>\$0.61</b>	<b>\$0.58</b>	<b>(\$0.03)</b>

**D. TRANSFER TO UTILITIES FUNDS**

**Water Enterprise Fund.** A Water Division Program in the amount of \$939,349 is proposed for the 2009-2010 fiscal year, which is \$15,196 less than the current year program appropriation. A comparison of program elements is shown as follows:

<b>Water Enterprise Fund</b>	<b>2007-2008</b>	<b>2008-2009</b>	<b>2008-2009</b>	<b>2009-2010</b>	<b>Increase</b>
<b>Revised March 3, 2009</b>	<b>Actual</b>	<b>Adopted</b>	<b>Estimated</b>	<b>Proposed</b>	<b>Dollars</b>
Operating Expense	\$583,808	\$644,603	\$612,077	\$634,682	(\$9,921)
Materials & Supplies	22,513	24,408	25,000	28,210	3,802
Debt Service	9,500	95,000	82,797	85,813	(9,187)
Capital Improvements	60,442	55,000	55,000	55,000	0
System Wide Depreciation	159,648	135,534	135,534	135,534	0
<b>Total Program</b>	<b>\$835,911</b>	<b>\$954,545</b>	<b>\$910,408</b>	<b>\$939,239</b>	<b>(\$15,306)</b>

The significant cost increase associated with the wholesale purchase of water from United Water of RI (UWRI) is forecast during the 2009-2010 fiscal year. UWRI will be filing for a 15-20% rate increase in their current rate structure. All water sold through the Town's two public water systems is purchased from United Water. Cost decreases associated with personnel salary and benefit requirements are also anticipated in FY 2009-2010.

The user rates currently in effect since July 2008 are as follows: residential dwelling unit base minimum of \$165 per year; additional unit charge of \$69 per year. An excess consumption charge of \$2.58 was established for all excess consumption over the 5,000 cu.ft. minimum allowance after July 1, 2008. No changes in existing user rates are proposed for FY 2009-2010.

A summary of the Rate Base Revenue Program is as follows:

<b>FY 2009-2010 Metered Sales Estimated</b>				
<b>Base User Fees</b>	<b>Number of Units</b>	<b>Assessment Rate</b>	<b>Minimum Allowance (cu.ft.)</b>	<b>Total</b>
Total Accounts	2,752	\$165	5,000	\$454,080
Additional Units	577	\$69	2,000	\$39,813
Total Minimum Sales				\$493,893
Over Sized Meters				\$8,000
Prorated New Accounts				\$3,500
<b>Excess Water User Fees</b>	<b>Excess Consumption</b>	<b>Assessment Rate</b>	<b>Excess Allowance (cu.ft.)</b>	<b>Total</b>
Excess Sales	7,800,000	\$2.58	100	\$201,240
<b>Total Metered Sales Income</b>				<b>\$706,633</b>

**Wastewater Enterprise Fund.** For FY2009-2010, it is anticipated that the Wastewater Program will treat approximately 985 million gallons of wastewater from South Kingstown, Narragansett and URI users and 5.1 million gallons of septage from South Kingstown and Narragansett outlying property owners.

A three-year summary comparison of the Wastewater Program is as follows:

<b>Revised March 4, 2009</b>	<b>2007-2008</b>	<b>2008-2009</b>	<b>2008-2009</b>	<b>2009-2010</b>	<b>Inc. Over</b>
<b>Expenditure Summary</b>	<b>Actual</b>	<b>Adopted</b>	<b>Estimated</b>	<b>Proposed</b>	<b>Prior Year</b>
<b>Operations Program</b>					
Operating Expenses	\$2,417,868	\$2,589,095	\$2,461,343	\$2,568,086	(\$21,009)
<b>Net Operating Program</b>	<b>\$2,417,868</b>	<b>\$2,589,095</b>	<b>\$2,461,343</b>	<b>\$2,568,086</b>	<b>(\$21,009)</b>
<b>Non-Operational Expenses</b>					
Debt Service	\$16,914	\$92,729	\$92,729	\$92,387	(\$342)
Depreciation Expenses	587,142	346,507	346,507	372,314	25,807
Capital Budget	104,233	250,000	200,000	280,000	30,000
Contingency	1,401	5,000	5,000	5,000	0
<b>Non-Operational Expenses</b>	<b>\$709,690</b>	<b>\$694,236</b>	<b>\$644,236</b>	<b>\$749,701</b>	<b>\$55,465</b>
<b>Total Program</b>	<b>\$3,127,558</b>	<b>\$3,283,331</b>	<b>\$3,105,579</b>	<b>\$3,317,788</b>	<b>\$34,457</b>
<b>Revenue Summary</b>					
South Kingstown (Rate Payers)	\$1,352,517	\$1,455,910	\$1,460,474	\$1,494,328	\$38,418
South Kingstown (Other Sources)	94,645	159,213	144,212	157,451	(1,763)
S.K Retained Earnings	153,642	49,337	(45,594)	4,441	(44,896)
S.K General Fund Transfer	23,615	24,155	0	23,025	(1,130)
Septage Income	276,726	318,000	306,000	306,000	(12,000)
Narragansett	666,201	747,458	700,197	763,247	15,789
University of RI	583,827	529,258	540,289	569,295	40,037
<b>Total Revenues</b>	<b>\$3,151,173</b>	<b>\$3,283,331</b>	<b>\$3,105,578</b>	<b>\$3,317,788</b>	<b>\$34,457</b>

The Wastewater Division anticipates a number of expenditure increases in the upcoming fiscal year. Increased electrical utility costs will impact the Wastewater Division due to heavy electrical consumption associated with the treatment plant's aeration system and complex pumping infrastructure. Increases in pump station utility costs, especially the larger Silver Lake and Kingston pump stations, are also expected.

Although utility costs continue to escalate, personnel and employee benefit costs are expected to decrease for FY 2009-2010 as a result of no salary increase being budgeted for departmental personnel and the elimination of an unfilled GIS Technician position, a portion of which is paid for by the Wastewater Fund.

In order to offset increasing expenditures associated with depreciation and electric utility associated costs, a rate increase for the excess wastewater charge is proposed for FY2009-2010. The current rate structure established in June 2008 is as follows: minimum yearly user fee of \$220 for a single family dwelling with an allocation of 10,000 cu. ft., and an excess rate of \$2.55 per 100 cu. ft for consumption in excess of the 10,000 cu. ft. minimum allowance, that is processed after July 1, 2008.

The proposed excess discharge rate is \$2.65 per 100 cu. ft. (up from \$2.55 per 100 cu. ft.) for any excess discharge (over the first 10,000 cu. ft) entering the system after July 1, 2009.

A summary of the Rate Base Revenue Program is as follows:

<b>South Kingstown Wastewater User Fee Summary</b>					
	<b>User Rate</b>	<b>Units</b>	<b>Actual 2007-0008</b>	<b>Estimated 2008-2009</b>	<b>Proposed 2009-2010</b>
Residential Rate- FY 08	\$200	5,289	\$1,057,800		
Residential Rate- FY 09	\$220	5,326		\$1,171,720	
Residential Rate- FY 10	\$220	5,396			\$1,187,120
<b>Excess Consumption (in Cubic feet)</b>					
			9,883,700	10,587,409	10,338,752
<b>Excess Billing Rate on Prior Year Volume</b>					
			\$2.20	\$2.35	\$2.55
<b>Excess Revenue - Billed at Prior Year Rate (Consumption/100*Rate)</b>					
			\$217,441	\$248,804	\$263,638
<b>Special Users</b>					
			41,703	39,950	43,570
<b>Total</b>			<b>\$1,316,944</b>	<b>\$1,460,474</b>	<b>\$1,494,328</b>

**Solid Waste Enterprise Fund.** The Solid Waste Division facilities currently consist of the Rose Hill Regional Transfer Station (RHRTS) - a commercial recycling building and a residential recycling center. The primary mission of the Solid Waste Enterprise Fund is to provide residents of South Kingstown a means of proper solid waste disposal at an affordable price, while ensuring that residential users are recycling materials to the greatest extent possible.

The RHRTS began operation on December 13, 1983 serving as a regional solid waste disposal and recycling processing facility for the communities of South Kingstown and Narragansett. Operation of this facility and associated hauling of refuse to the RI Resource Recovery Corporation (RIRRC) Central Landfill has been performed on a contractual basis since 1984.

In November 2007, the Town Council authorized an award of bid to Waste Haulers, LLC, of Johnston, RI to provide RHRTS privatized operations for a five- (5) year period. This contract award provides the Town a long-term contract with disposal fee stability for the near future.

In order to ensure that all residents are meeting minimum recycling diversion levels, the Town Council adopted amendments to the Solid Waste Management Ordinance in May 2008, requiring each and every curbside residential customer to recycle State mandated recyclable commodities.

In order to facilitate maximum recycling efforts, the Town secured a \$900,000 grant award from RIRRC in September 2007 to implement a comprehensive Town-wide recycling program. The majority of grant funding, which runs through June 30, 2010, has been used to procure 64 gallon rolling recycling totes for residents opting for private curbside recycling service. Funding has also been used to hire a part-time Recycling coordinator and institute a Town-wide public outreach and education program.

Effective January 1, 2008, the Town's municipal solid waste cap is allocated differently than in prior years. Private refuse haulers that collect curbside residential waste must secure a haulers license issued by the Town. As a condition of license approval, the hauler must provide the Public Services Department a customer roll, whereby municipal solid waste (MSW) tonnage is allocated to the hauler based upon their number of customers. As such, the total amount of annual municipal tonnage is expected to be less in FY 2008-2009 and 2009-2010 than in prior years.

The Public Services Department will track recyclable commodity tonnage for each hauler to ensure that minimum recycling diversion rates are met. FY2009-2010 represents the first full year of the town's curbside residential recycling program. As residents become more accustomed to separating recyclables from their solid waste stream, dramatic increases in recycling tonnages can be expected.

**E. TRANSFER TO SENIOR SERVICES**

The proposed FY2009-2010 operating budget for the Senior Services Department is \$753,021 representing a decrease of \$47,390 from the adopted FY 2008-2009 program funding level of \$800,411. A general fund transfer of \$414,396 is proposed for FY 2009-2010, representing an increase of \$346 more than the general fund transfer for FY 2008-2009 of \$414,050. It is estimated that \$568,557, or 75.5% of the total cost for Senior Services will be funded from local (South Kingstown, Narragansett and North Kingstown) revenue sources.

A summary of the FY 2009-2010 Senior Services Program is shown below:

	<b>2007-2008</b>	<b>2008-2009</b>	<b>2008-2009</b>	<b>2009-2010</b>	<b>Increase</b>
<b>Senior Services Program</b>	<b>Actual</b>	<b>Adopted</b>	<b>Estimated</b>	<b>Proposed</b>	<b>Over PY</b>
Senior Transportation Program	\$65,820	\$78,849	\$77,376	\$79,390	\$541
Senior Nutrition Program	97,761	104,325	99,865	103,377	(948)
Adult Day Services Program	341,637	330,425	324,053	293,579	(36,846)
Senior Services Center	258,059	286,812	269,987	276,675	(10,138)
<b>Senior Services Program Cost</b>	<b>\$763,277</b>	<b>\$800,411</b>	<b>\$771,281</b>	<b>\$753,021</b>	<b>(\$47,390)</b>
South Kingstown General Fund Transfer	\$395,469	\$414,050	\$414,050	\$414,396	\$346
Narragansett Contribution	104,704	112,045	112,043	98,563	(13,482)
North Kingstown Contribution	0	0	45,144	55,598	55,598
<b>Total Municipal Support</b>	<b>\$500,173</b>	<b>\$526,095</b>	<b>\$571,237</b>	<b>\$568,556</b>	<b>\$42,461</b>

Senior Services Program revenues to be contributed by the Town's General Fund are documented as follows:

	<b>2007-2008</b>	<b>2008-2009</b>	<b>2008-2009</b>	<b>2009-2010</b>	<b>Increase</b>
<b>South Kingstown Contributions</b>	<b>Actual</b>	<b>Adopted</b>	<b>Estimated</b>	<b>Proposed</b>	<b>Over PY</b>
Senior Transportation	\$66,883	\$78,849	\$78,849	\$79,390	\$541
Senior Nutrition	58,142	60,683	60,683	66,814	6,131
Adult Day Services	122,089	71,172	71,172	42,259	(28,913)
Senior Center	148,355	203,346	203,346	225,933	22,587
<b>Total General Fund Transfer</b>	<b>\$395,469</b>	<b>\$414,050</b>	<b>\$414,050</b>	<b>\$414,396</b>	<b>\$346</b>

The FY 2009-2010 Senior Services Program also includes program revenue supports from the Towns of Narragansett and North Kingstown, as follows:

Narragansett Contributions	2007-2008 Actual	2008-2009 Adopted	2008-2009 Estimated	2009-2010 Requested	Increase Over PY
Senior Services Program					
Adult Day Services	\$63,115	\$57,767	\$57,765	\$39,341	(\$18,426)
Senior Nutrition Program	26,589	34,278	34,278	34,222	(56)
Senior Services Center	15,000	20,000	20,000	25,000	5,000
<b>Total Appropriations</b>	<b>\$104,704</b>	<b>\$112,045</b>	<b>\$112,043</b>	<b>\$98,563</b>	<b>(\$13,482)</b>

North Kingstown Contribution	2007-2008 Actual	2008-2009 Adopted	2008-2009 Estimated	2009-2010 Requested	Increase Over PY
Adult Day Services	\$0	\$0	\$45,144	\$55,598	\$55,598
<b>Total Appropriation</b>	<b>\$0</b>	<b>\$0</b>	<b>\$45,144</b>	<b>\$55,598</b>	<b>\$55,598</b>

The third major funding source of the Senior Services Program is income from the State Department of Elderly Affairs. As noted below, the State continues to reduce program support for senior service programs as has been the practice over the last two fiscal years. A summary of current and projected State Elderly Affairs funding levels is presented below:

State Grant Program Assistance	2007-2008 Actual	2008-2009 Adopted	2008-2009 Estimated	2009-2010 Proposed	Increase Over PY
Adult Day Services Program	\$92,088	\$96,368	\$91,044	\$92,592	(\$3,776)
Senior Nutrition Program	9,364	9,364	4,682	2,341	(7,023)
Senior Services Center	24,004	18,966	16,483	11,742	(7,224)
<b>Senior Services Program Cost</b>	<b>\$125,456</b>	<b>\$124,698</b>	<b>\$112,209</b>	<b>\$106,675</b>	<b>(\$18,023)</b>

**F. TRANSFER TO SCHOOL FUND**

For the 2009-2010 fiscal year, the School Committee has proposed a \$59,611,963 School Fund Budget, representing a \$255,071 or 0.43% decrease under the current year School Program of \$59,867,034.

Property tax support necessary to fund the School Committee's proposed program and School Debt Service costs would amount to \$51,069,400 a decrease of \$78,817 or 0.2% less than the current year appropriation of \$51,148,069 as shown below:

<b>School Program Tax Requirements</b>	<b>School Comm. Adopted 2007-2008</b>	<b>School Comm. Adopted 2008-2009</b>	<b>School Comm. Proposed 2009-2010</b>	<b>School Comm. Incease 2009-2010</b>
<b>School Program</b>				
School Operating Fund Transfer	\$45,628,503	\$47,909,928	\$47,909,928	\$0
School Debt Service Cost	3,569,697	3,512,491	3,424,593	(87,898)
Less School Revenues	(1,299,822)	(1,239,827)	(1,264,363)	(24,536)
<b>Direct School Related Tax Support</b>	<b>\$47,898,378</b>	<b>\$50,182,592</b>	<b>\$50,070,158</b>	<b>(\$112,434)</b>
Tax Overlay/Proration	888,633	965,625	999,242	33,617
<b>Total School Related Tax Support</b>	<b>\$48,787,011</b>	<b>\$51,148,217</b>	<b>\$51,069,400</b>	<b>(\$78,817)</b>
Motor Vehicle & Inventory Taxes	(1,732,898)	(1,832,985)	(1,479,524)	\$353,461
<b>School Related Tax Need</b>	<b>\$47,054,113</b>	<b>\$49,315,232</b>	<b>\$49,589,875</b>	<b>\$274,644</b>
<b>Percent Increase</b>	<b>5.3%</b>	<b>4.8%</b>		<b>0.6%</b>
<b>School Related Property Tax Rate</b>	<b>\$9.25</b>	<b>\$9.61</b>	<b>\$9.58</b>	<b>(\$0.03)</b>
<b>Taxable Roll (000)</b>	<b>\$5,084,805</b>	<b>\$5,133,444</b>	<b>\$5,177,607</b>	<b>\$5,177,607</b>

**SCHOOL FUND FINANCIAL POSITION**

The School Department estimates that it will close the current fiscal year with a \$276,318 operating surplus. This estimate is based on under-spending the adopted School Fund by \$211,317 and receiving \$65,000 more in revenues than forecast in the School Committee's Adopted FY 2008-2009 Revenue Statement.

The Town Administration believes that the School Committee's projected surplus for FY 2008-2009 is extremely optimistic. Projected State Aid income appears to include Professional Development funding of \$159,933 and lottery income of \$65,000. The Governor's Supplemental budget proposed deleting these funding components from the FY 2008-2009 State Aid to Education Program. The Town Administration is also concerned that several expenditure projections within the FY 2008-2009 school budget may need to be increased.

**SCHOOL FUND EXPENDITURES**

A review of school program growth, property tax funding, and student enrollment history for the school fund over the past five-year period is presented below:

<b>School Fund Expenditure History</b>	<b>School Fund</b>	<b>Increase</b>	<b>Percent</b>
2003-2004	\$47,644,759	\$2,994,557	6.7%
2004-2005	48,317,897	673,138	1.4%
2005-2006	51,030,593	2,712,696	5.6%
2006-2007	54,933,582	3,902,989	7.6%
2007-2008	56,909,717	1,976,135	3.6%
<b>Five -Year Change</b>		<b>\$12,259,515</b>	<b>25.0%</b>
<b>Annual Average Increase</b>		<b>\$2,451,903</b>	<b>4.97%</b>
2008-2009 - Estimated	\$59,566,087	\$2,656,370	4.7%
<b>TCouncil Recommended FY 2010</b>	<b>\$59,611,963</b>	<b>\$45,876</b>	<b>0.1%</b>

As noted above, the School Fund has grown at an average annual rate of 4.97% or \$2,451,903 per year over the past five years. The School Fund is projected to expend \$59,655,717 in the 2008-2009 fiscal year. This is an increase of \$2,746,000 or 4.7% more than the actual expenditures in FY 2007-2008.

**PROPERTY TAX SUPPORT**

Growth in property tax funding to support the School Fund over the most recent five-year term rose at an annual rate of 5.6% as documented in the chart below. It is noted that increases in property taxes forwarded to the School Fund for both FY 2007-2008 and FY 2008-2009 were set at the maximum allowable increase in accord with the provisions of the State mandated property tax cap. For FY 2007-2008 the increase was 5.25% and for FY2008-2009 the increase was 5% over the prior year tax transfers. Based on current economic conditions, no increase is proposed for the FY 2009-2010 property tax transfer to the School Fund.

<b>Property Tax To School Fund</b>	<b>Tax Transfer</b>	<b>Increase</b>	<b>Percent</b>
2004-2005	\$37,633,138	\$1,061,232	2.90%
2005-2006	40,733,077	3,099,939	8.24%
2006-2007	43,352,497	2,619,420	6.43%
2007-2008	45,628,503	2,276,006	5.25%
2008-2009	47,909,928	2,281,425	5.00%
<b>Five -Year Change</b>		<b>\$11,819,631</b>	<b>27.82%</b>
<b>Annual Average Increase</b>		<b>\$2,363,926</b>	<b>5.56%</b>
<b>2009-2010 (TC Recommended )</b>	<b>\$47,909,928</b>	<b>\$0</b>	<b>0.00%</b>

**STUDENT ENROLLMENT AND COST HISTORY**

The loss in student enrollment over the past ten years and the resulting “cost per pupil” for both the total budget program and property tax share are as follows:

<b>Ten-Year Student Enrollment and Cost History</b>				
<b>Year</b>	<b>Students</b>	<b>Increase/ (Decrease)</b>	<b>Cost per Pupil Total Cost</b>	<b>Cost per Pupil Property Tax</b>
1999-2000	4,383	83	\$7,877	\$5,733
2000-2001	4,365	(18)	8,447	6,084
2001-2002	4,321	(44)	9,557	7,110
2002-2003	4,238	(83)	10,536	7,978
2003-2004	4,175	(63)	11,412	8,760
2004-2005	4,072	(103)	11,866	9,242
2005-2006	3,914	(158)	13,038	10,407
2006-2007	3,853	(61)	14,257	11,252
2007-2008	3,708	(145)	15,348	12,305
2008-2009 - Estimated	3,599	(109)	16,551	13,312
<b>Ten-Year Increase (Decrease)</b>		<b>(701)</b>	<b>\$9,547</b>	<b>\$8,224</b>
<b>Average Annual Increase (Decrease)</b>		<b>-1.8%</b>	<b>9.0%</b>	<b>10.2%</b>
<b>Estimated 2009-2010</b>	<b>3,486</b>	<b>(113)</b>	<b>\$17,107</b>	<b>\$13,744</b>

Student enrollment has decreased by approximately 1.8% per year, while the cost per pupil measured to total expenditures of the school fund has grown at a rate of 9.0% per annum. The cost per pupil for that portion of school fund expenses supported by property taxation grew at an average annual rate of 10.2%. Based on projected enrollments, the cost per pupil will increase \$557 or 3.4%, and the cost per pupil (Property Tax only), will increase \$432 or 3.2% in FY 2009-2010.

**STATE AID TO EDUCATION HISTORY**

Prior to FY 1996-1997, State Aid to Education was provided to school districts using a formula-based reimbursement method that recognized the number of students enrolled and the community’s ability to generate property tax revenues. In FY 1995-1996, State Aid to Education provided South Kingstown with a reimbursement share of 28.9% of the School Fund actual expenditures. Subsequent to FY 1995-1996 all increases in State Aid to Education have been at the direction of the General Assembly through the annual State Budget appropriation process.

A summary of the impact of State Aid to Education over the past fourteen years is presented on the following page.

State Aid to Education - Actual	State Aid to Education	Increase Dollars	Increase Percent	Percent of Budget
1995-1996	\$7,433,939			28.9%
1996-1997	7,539,672	\$105,733	1.4%	27.2%
1997-1998	7,787,461	247,789	3.3%	26.7%
1998-1999	7,925,315	137,854	1.8%	25.3%
1999-2000	8,468,206	542,891	6.9%	24.5%
2000-2001	8,892,981	424,775	5.0%	21.5%
2001-2002	9,221,139	328,158	3.7%	20.7%
2002-2003	9,598,923	377,784	4.1%	20.1%
2003-2004	9,766,903	167,980	1.7%	20.2%
2004-2005	9,766,903	0	0.0%	20.2%
2005-2006	9,948,816	181,913	1.9%	19.5%
2006-2007	10,569,749	620,933	6.2%	19.2%
2007-2008	10,548,698	(21,051)	-0.2%	18.5%
2008-2009 Estimated	10,613,698	65,000	0.6%	17.7%
2009-2010 Estimated	10,364,027	(249,671)	-2.4%	17.4%
<b>14-Year Change</b>		<b>\$2,930,088</b>	<b>39.4%</b>	<b>-11.5%</b>
<b>Annual Average Increase/Decrease</b>		<b>\$209,292</b>	<b>2.8%</b>	<b>-0.83%</b>

Over the past 14 years, State Aid to the South Kingstown School District has averaged a 2.8% annual rate of growth or \$209,292 per year.

**SCHOOL FUND FOR 2009-2010 FISCAL YEAR**

*School Fund Revenue Statement*

A summary of the School Fund's Revenue Statement for the 2009-2010 fiscal year is presented below:

School Fund Revenue Statement	Actual 2007-2008	Budgeted 2008-2009	Estimated 2008-2009	Preliminary Sch. Comm. 2009-2010	Final School Committee 2009-2010	Revisions Over (Under) Current Year
General State Aid	\$10,548,698	\$10,548,698	\$10,613,698	\$10,388,765	\$10,364,027	(\$184,671)
<b>Total State Aid</b>	<b>\$10,548,698</b>	<b>\$10,548,698</b>	<b>\$10,613,698</b>	<b>\$10,388,765</b>	<b>\$10,364,027</b>	<b>(\$184,671)</b>
Tuition Income	\$127,186	\$125,185	\$125,185	\$125,185	\$125,185	\$0
School Trust Funds	23,046	20,000	20,000	20,000	20,000	0
Designated Funds - Paving Program	0	85,000	85,000	0	0	(85,000)
Designated Funds - General Program	335,000	335,000	335,000	374,600	374,600	39,600
Medicaid	800,296	801,223	801,223	776,223	776,223	(25,000)
Miscellaneous	76,492	42,000	42,000	42,000	42,000	0
<b>Total Local Revenues</b>	<b>\$1,362,020</b>	<b>\$1,408,408</b>	<b>\$1,408,408</b>	<b>\$1,338,008</b>	<b>\$1,338,008</b>	<b>(\$70,400)</b>
<b>Property Tax Appropriation</b>	<b>\$45,628,503</b>	<b>\$47,909,928</b>	<b>\$47,909,928</b>	<b>\$48,389,027</b>	<b>\$47,909,928</b>	<b>\$0</b>
<b>Total Revenues</b>	<b>\$57,539,221</b>	<b>\$59,867,034</b>	<b>\$59,932,034</b>	<b>\$60,115,800</b>	<b>\$59,611,963</b>	<b>(\$255,071)</b>

***School Fund Expenditure Statement***

The School Fund Expenditure Statement for the 2009-2010 Fiscal Year is presented below:

<b>School Fund Expenditure Statement</b>	<b>Actual 2007-2008</b>	<b>Budget 2008-2009</b>	<b>Estimated 2008-2009</b>	<b>Preliminary Sch. Comm. 2009-2010</b>	<b>Final School Committee 2009-2010</b>	<b>Decrease below Current Year Over Budget</b>
Total Salaries	\$33,290,742	\$33,938,835	\$34,233,044	\$34,131,430	\$33,994,697	(\$238,347)
Total Benefits	13,661,706	14,962,956	14,946,271	15,289,999	15,150,590	204,319
Purchased Services	8,349,045	9,144,108	8,537,082	8,981,822	8,822,579	285,497
Materials and Supplies	1,014,318	1,129,177	1,161,616	1,153,226	1,095,074	(66,543)
Capital Outlay	447,312	534,438	520,354	383,943	373,643	(146,711)
Other Objects & Encumbrances	146,594	157,520	167,720	175,380	175,380	7,660
<b>Total Expenditures</b>	<b>\$56,909,717</b>	<b>\$59,867,034</b>	<b>\$59,566,087</b>	<b>\$60,115,800</b>	<b>\$59,611,963</b>	<b>(\$255,071)</b>
<b>Budget Reductions</b>				<b>(\$479,099)</b>	<b>(\$503,837)</b>	<b>(\$982,936)</b>

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The development of the FY2009-2010 Municipal Budget Program involved the dedicated work of the entire administrative staff. We wish to formally recognize all the staff and thank them for their unselfish assistance.

We look forward to presenting the municipal budget program to the citizens of our community in the coming month.

**SOUTH KINGSTOWN TOWN COUNCIL**

Kathleen A. Fogarty, President  
Mary S. Eddy, Vice President  
Carol Hagan McEntee  
James W. O'Neill  
Ella M. Whaley

Class Description	2007-2008 Actual	2008-2009 Adopted	2008-2009 Estimated	2009-2010 Requested	2009-2010 Proposed	Increase Dollars
<b>GENERAL FUND BUDGET PROGRAM SUMMARY</b>						
110 Town Council	\$12,305	12,950	\$12,950	\$12,950	\$12,850	(\$100)
120 Budget Adoption Process	676	9,419	8,750	9,667	9,608	189
210 Municipal Legal Services	158,348	163,216	163,216	166,380	163,216	0
220 Probate Court	4,000	4,000	4,000	4,000	4,000	0
310 Town Clerk's Office	256,135	265,607	261,992	259,226	259,382	(6,225)
350 Public Information	2,907	4,847	4,000	4,847	4,847	0
410 Canvassing Authority	47,012	79,263	83,715	39,234	39,234	(40,029)
510 Town Manager's Office	298,635	312,809	267,576	316,178	311,919	(890)
520 Personnel Program	66,090	85,092	78,953	85,204	77,684	(7,408)
530 League of Cities and Towns - Dues	11,115	11,115	11,115	11,115	11,115	0
540 Town Hall Operations	217,529	222,455	196,919	220,975	177,413	(45,043)
610 Finance Department	429,973	464,190	462,065	465,924	463,424	(766)
620 Tax Assessor's Office	230,178	240,184	239,774	240,054	240,054	(130)
630 Assessment Board of Review	630	430	400	400	400	(30)
640 Data Processing Department	209,709	235,422	229,152	237,665	236,110	688
645 Geographic Information System	103,563	113,980	83,207	89,570	86,020	(27,960)
650 Municipal Audit	12,150	19,275	19,275	22,275	22,275	3,000
710 Planning Board	2,840	4,680	3,160	4,680	4,680	0
720 Planning Department	311,691	321,836	300,871	302,877	292,166	(29,670)
730 Zoning Board of Review	64,790	14,050	10,843	12,900	12,850	(1,200)
740 Building and Zoning Inspection	266,503	278,375	277,859	277,531	227,965	(50,410)
810 Police Department	4,987,330	5,237,138	5,038,977	5,193,361	5,072,971	(164,167)
820 Animal Control - Road	79,073	82,416	82,028	82,197	67,911	(14,505)
830 Animal Control - Shelter	126,980	148,361	143,008	143,884	143,884	(4,477)
840 Communication Department	206,804	212,174	223,217	199,904	183,761	(28,413)
850 Outside Radio Services	9,793	10,660	10,660	5,155	5,155	(5,505)
860 Harbor Patrol Program	38,367	40,600	38,753	38,945	32,215	(8,385)
870 Contribution to Fire Companies	3,600	3,600	3,600	3,600	3,600	0
880 Emergency Medical Services	996,364	1,059,857	1,015,724	1,068,345	1,068,345	8,488
910 Public Services -Administration	266,133	258,055	211,868	256,959	252,461	(5,594)
920 Streets and Highway Department	1,711,730	1,764,535	1,774,193	1,800,597	1,794,836	30,301
950 Tree Management Program	23,533	30,984	30,984	30,984	23,984	(7,000)
960 Street Lighting Services	140,407	174,000	174,000	200,000	190,000	16,000
970 Transfer to Wastewater Fund	23,615	24,155	24,155	24,155	23,025	(1,130)
1005 Contributions to Outside Agencies	579,456	602,979	602,979	636,288	581,146	(21,833)
1110 Recreation Department	1,307,424	1,356,631	1,321,942	1,322,167	1,313,269	(43,362)
1120 Contribution to Parades	7,321	7,500	7,100	7,500	7,200	(300)
1210 Municipal Public Libraries	934,506	966,547	959,284	967,144	952,252	(14,295)
1300 Municipal Boards and Outside Groups	36,683	33,100	33,100	38,700	23,000	(10,100)
1410 Municipal Insurance	193,224	230,000	206,000	240,000	210,000	(20,000)
1420 Unemployment Compensation	44,028	10,000	30,000	40,000	40,000	30,000
1510 Social Security Contribution	773,315	824,669	815,000	810,000	786,526	(38,143)
1520 Contribution to Retirement System	885,993	893,836	880,000	775,000	775,513	(118,323)
1530 Municipal Health Insurances	2,522,853	2,775,138	2,775,138	2,913,895	2,913,895	138,757
1540 Direct Police Pension	20,254	20,750	20,750	21,245	21,245	495
1550 Worker Compensation	215,380	200,000	157,000	210,000	150,000	(50,000)
1810 General Fund Contingency	152,400	75,000	60,000	75,000	70,000	(5,000)
<b>Total Operating Program</b>	<b>\$18,993,345</b>	<b>\$19,905,880</b>	<b>\$19,359,252</b>	<b>\$19,888,677</b>	<b>\$19,363,407</b>	<b>(\$542,473)</b>

Class Description	2007-2008 Actual	2008-2009 Adopted	2008-2009 Estimated	2009-2010 Requested	2009-2010 Proposed	Increase Dollars
<b>Total Operating Program</b>	<b>\$18,993,345</b>	<b>\$19,905,880</b>	<b>\$19,359,252</b>	<b>\$19,888,677</b>	<b>\$19,363,407</b>	<b>(\$542,473)</b>
1621 Municipal Debt Service	\$1,529,619	\$1,386,225	\$1,386,225	\$1,346,279	\$1,346,279	(\$39,946)
1710 Capital Budget	1,499,711	1,530,000	1,529,058	1,530,000	1,406,000	(124,000)
1610 Transfer to School Fund	45,628,503	47,909,928	47,909,928	48,868,127	47,909,928	0
1620 School Debt Service	3,556,123	3,512,491	3,428,491	3,436,593	3,424,593.0	(87,898)
<b>Total General Fund Program</b>	<b>\$71,207,301</b>	<b>\$74,244,524</b>	<b>\$73,612,954</b>	<b>\$75,069,676</b>	<b>\$73,450,207</b>	<b>(\$794,317)</b>
<b>Estimated Expenditures Under (Over) Budget</b>			<b>\$631,570</b>			

**GENERAL FUND REVENUE PROGRAM SUMMARY**

Class	Description	2007-2008 Actual	2008-2009 Adopted	2008-2009 Estimated	2009-2010 Requested	2009-2010 Proposed	Increase Dollars
41101	Current Taxes	\$59,773,946	\$62,523,893	\$62,730,000	\$64,499,128	\$63,223,529	\$699,636
41201	Prior Year Taxes	468,813	325,000	475,000	400,000	400,000	75,000
41301	Interest On Taxes	374,463	325,000	350,000	350,000	350,000	25,000
41401	Payment In Lieu Of Taxes	208,125	224,160	237,773	245,362	245,362	21,202
	<b>Property Taxes</b>	<b>\$60,825,348</b>	<b>\$63,398,053</b>	<b>\$63,792,773</b>	<b>\$65,494,490</b>	<b>\$64,218,891</b>	<b>\$820,838</b>
43502	General State Aid	\$994,199	\$935,822	\$118,511	\$118,511	\$0	(\$935,822)
43503	Public Service Corporations Tax	271,798	271,798	245,156	245,000	245,156	(26,642)
43505	Meal Tax Income	511,101	490,000	495,000	490,000	500,000	10,000
43507	Chapter 26, School Housing	1,116,126	1,099,827	1,009,808	1,058,200	1,058,200	(41,627)
43508	State Library Const. Reimb.	50,971	48,564	48,564	46,138	46,138	(2,426)
43509	State Library General Aid	173,094	167,913	166,635	166,635	166,635	(1,278)
43510	State Library Endowment	21,748	21,749	23,027	23,027	23,027	1,278
43512	M.V. Tax Phase Out	2,167,848	2,200,000	2,178,075	2,178,075	2,000,000	(200,000)
43516	Hotel Tax	68,169	70,000	95,000	95,000	100,000	30,000
	<b>State Revenue Transfers</b>	<b>\$5,375,054</b>	<b>\$5,305,673</b>	<b>\$4,379,776</b>	<b>\$4,420,586</b>	<b>\$4,139,156</b>	<b>(\$1,166,517)</b>
45011	Transfer from Education Impact Fees	\$200,000	\$100,000	\$100,000	\$80,000	\$80,000	(\$20,000)
45012	Transfer from Recreation Impact Fees	102,579	97,984	97,984	96,139	96,139	(1,845)
45014	Transfer from Open Space Fund	350,000	325,000	325,000	325,000	325,000	0
45021	Transfer from South Road Reserve Fund	0	0	90,012	86,163	86,163	86,163
46114	Transfer from Wastewater Fund	32,200	33,500	33,500	34,000	34,000	500
46115	Transfer from Water Fund	17,500	18,200	18,200	18,700	18,700	500
46116	Transfer from Solid Waste Fund	13,235	13,765	13,765	14,000	14,000	235
46119	Transfer from Neighborhood Guild	0	5,000	5,000	5,000	5,000	0
46120	Transfer from Peace Dale Office Bldg	2,700	2,800	2,800	2,800	2,800	0
	<b>Transfer From Other Local Funds</b>	<b>\$718,214</b>	<b>\$596,249</b>	<b>\$686,261</b>	<b>\$661,802</b>	<b>\$661,802</b>	<b>\$65,553</b>
47403	School Crossing Guards	\$75,200	\$81,400	\$81,400	\$84,000	\$82,000	\$600
47406	Payroll & Accounting	5,800	6,000	6,000	6,300	6,300	300
47407	Jr. High Field and Prout Maintenance	46,732	48,134	48,134	49,578	49,578	1,444
47408	Energy Saving Transfer to Debt Service	0	40,000	40,000	40,000	40,000	0
47501	Alarm System Materials	3,300	3,400	3,400	3,400	3,400	0
	<b>Transfer From School Fund</b>	<b>\$131,032</b>	<b>\$178,934</b>	<b>\$178,934</b>	<b>\$183,278</b>	<b>\$181,278</b>	<b>\$2,344</b>
44170	Town Clerk Bus License & Fees	\$72,330	\$69,000	\$67,430	\$69,000	\$69,000	\$0
44175	Bldg Inspector License & Fees	375,599	350,000	310,000	300,000	300,000	(50,000)
44180	Non-Business License & Fees	374,028	364,000	280,000	270,000	270,000	(94,000)
44181	Real Estate Conveyance Tax	107,724	85,000	55,615	55,615	55,615	(29,385)
44190	Rental Of Town Properties	277,332	270,000	270,000	270,000	270,000	0
45001	Investment Income - Short Term	1,289,760	775,000	825,000	500,000	500,000	(275,000)
46101	Police Department Revenue	394,225	333,750	246,375	246,550	199,610	(134,140)
46102	E. M. S. Reimbursement	300,000	375,000	375,000	425,000	425,000	50,000
46104	Park Rental Income	15,737	16,000	16,000	16,000	16,000	0
46105	Town Beach	88,387	78,350	80,000	80,950	80,950	2,600
46106	Misc Beach Receipts	1,874	1,900	1,600	1,900	1,900	0
46107	Boat Mooring Fees	9,704	13,500	13,500	13,500	13,500	0
46108	Animal Control Fees	4,030	4,000	4,000	4,000	4,000	0
46109	Public Libraries	135,697	121,800	114,670	122,000	110,000	(11,800)
46110	Dog/Cats Licenses & Fines	4,765	4,000	5,000	4,000	5,000	1,000
46111	Recreation - Athletics/Leisure Services	200,869	188,350	195,000	198,895	198,895	10,545
46112	Recreation - Self-Support Programs	99,810	110,100	110,000	123,260	123,260	13,160
46113	Planning Department	179	400	200	400	400	0
46117	Communications Department	5,904	14,000	6,000	7,000	7,000	(7,000)
46118	Interfund Computer Services	98,350	101,235	101,235	101,235	101,235	0

Class Description	2007-2008 Actual	2008-2009 Adopted	2008-2009 Estimated	2009-2010 Requested	2009-2010 Proposed	Increase Dollars
46121 Recreation Outside Service	\$4,420	\$16,450	\$16,450	\$17,975	\$17,975	\$1,525
46122 Creative Activities - Hazard Trust	19,624	16,000	12,000	12,000	12,000	(4,000)
46123 Creative Activities - Pre-School	62,370	61,080	62,000	63,240	63,240	2,160
46124 Creative Activities - Other Programs	5,438	6,000	6,000	5,500	5,500	(500)
46126 GIS Program - Map Sales	1,245	1,500	1,500	1,500	1,500	0
46129 Animal Shelter - Narragansett	55,000	57,200	57,200	59,000	59,000	1,800
48601 Miscellaneous Revenues	128,560	112,000	121,000	121,000	115,500	3,500
48605 Copy Machines Income	29,121	20,000	25,000	20,000	23,000	3,000
<b>Local Revenues</b>	<b>\$4,162,080</b>	<b>\$3,565,615</b>	<b>\$3,377,775</b>	<b>\$3,109,520</b>	<b>\$3,049,080</b>	<b>(\$516,535)</b>
49001 Designated Fund Balance - Base	\$700,000	\$700,000	\$700,000	\$700,000	\$700,000	\$0
49018 Designated Fund Balance - School	0	0	0	0	0	0
49019 Designated Fund Balance - CIP	500,000	500,000	500,000	500,000	500,000	0
<b>Fund Balance Forward</b>	<b>\$1,200,000</b>	<b>\$1,200,000</b>	<b>\$1,200,000</b>	<b>\$1,200,000</b>	<b>\$1,200,000</b>	<b>\$0</b>
<b>Total General Fund</b>	<b>\$72,411,729</b>	<b>\$74,244,524</b>	<b>\$73,615,519</b>	<b>\$75,069,676</b>	<b>\$73,450,207</b>	<b>(\$794,317)</b>
<b>Program Surplus (Deficit)</b>	<b>\$1,204,428</b>	<b>\$0</b>	<b>(\$629,005)</b>	<b>\$0</b>	<b>\$0</b>	
<b>Property Tax Rate</b>	<b>\$11.51</b>		<b>\$11.97</b>	<b>\$0.00</b>	<b>\$12.09</b>	<b>\$0.12</b>
<b>Estimated Surplus Position FY 2008-2009</b>			<b>\$2,565</b>			