

TOWN OF TIVERTON, RHODE ISLAND

OFFICE OF TOWN ADMINISTRATOR

January 15, 2020

Tiverton Town Council
Tiverton Budget Committee
Town Hall
343 Highland Road
Tiverton, RI 02878

Re: Fiscal Year 2021 Preliminary Budget Request

Dear Councilors and Commissioners:

Enclosed please find the Preliminary Municipal Budget Request for fiscal year 2020-2021 (FY21). This submittal is in accordance with section 301(a)(2) of the Town Charter. Thanks to the Town Clerk and Town Treasurer, it also includes their requests. Backup materials for various budget items will be available in the customary binders, which we expect to complete today.

This is still very much a preliminary request. Adjustments were made until very recently, in consultation with department heads, with several adjusting their initial requests. We realize that more time and adjustment will be needed, which I hope can be achieved by continuing to work together. The total request at this time, not including the School Department budget, is \$24,377,310, covering projected cost of municipal operations as well as capital needs. This is similar to last year's request for 24,075,682, but, like that request, represents a significant increase over the approved budget for the current fiscal year. Once again, the largest percentage increase is in the capital portion: 44% (\$605,477). This is in part because several requests that were not funded last year are included again this year; and in part because of major new expenses such as \$500,000 for construction of a recycling center. On the operational side, too, however, there are significant increases, such as an increase of \$420,600 in the cost of trash pickup and disposal after the landfill closes, and salary increases pursuant to collective bargaining agreements (police and fire) that were approved last year. Two more contract proposals (Teamsters and AFSCME) are in the tentative agreement stage. The associated cost has been estimated but not yet included in the respective department budgets, pending ratification of the contracts by the Council and the union membership. Reserve funding, however, has been included.

Efforts have been made by department heads and myself to offset major increases by requesting level funding in many line items, and proposing reductions where possible. We have also once again tried to plan for, and spread out, capital expenditures over five years. An updated 5-year Capital Plan is included with this submittal.

Last year's transmittal letter touched on several issues that remain important. They include:

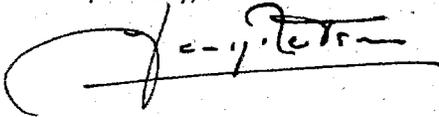
- The Town still has a backlog of capital needs that will only grow if we ignore them or limit ourselves to band-aid solutions.
- The Town could catch up more quickly on capital needs by applying casino revenue in a way that avoids a significant increase in the tax rate. That option was rejected last year, but it remains

true that prudent capital investment will not only produce tax benefits on an annual basis, but also help stabilize the tax rate long term (i.e. avoid wild fluctuations). This can also help the need for "emergency" expenditures that are often more expensive.

- Consideration should be given to letting funds that remain in capital accounts at the end of a fiscal year "roll over" to the next year in more line items or categories than is currently allowed, subject to explanation and justification by department heads, as well as review and approval by the Council. This would provide more flexibility to address new priorities and/or use more cost-effective alternatives.

The department heads and I will do what we can to assist you in the process of further refining and finalizing the budget request.

Respectfully,



Jan H. Reitsma
Town Administrator

C: Superintendent Peter Sanchione
School Committee
Department Heads