



FY 2026 Budget First Public Hearing

TOWN OF MIDDLETOWN





Budget Challenges

- Capital/Infrastructure Needs
- Economy/Inflation/Tariffs



General Fund Expenditures

	FY 25 Amended Budget	Proposed FY26 Budget	\$ Change	% Change
Capital Expenditures (School Department)	\$ 4,669,062	\$ 300,000	\$ (4,369,062)	(93.6)%
Capital Expenditures (Town)	\$ 1,265,259	\$ 3,562,618	\$ 2,297,359	181.6 %
Education	\$ 45,227,349	\$ 45,279,270	\$ 51,921	0.1 %
Debt Service	\$ 7,291,512	\$ 11,809,570	\$ 4,518,058	62.0 %
Finance / Administration	\$ 1,373,938	\$ 1,334,064	\$ (39,874)	(2.9)%
General Government	\$ 3,455,013	\$ 3,486,327	\$ 31,314	0.9 %
Building / Planning	\$ 1,250,781	\$ 830,736	\$ (420,045)	(33.6)%
Police Protection	\$ 8,160,609	\$ 8,123,157	\$ (37,452)	(0.5)%
Fire Protection	\$ 6,040,579	\$ 6,264,634	\$ 224,055	3.7 %
Public Works	\$ 4,101,612	\$ 3,196,717	\$ (904,895)	(22.1)%
Grant Expenditures	\$ 1,257,067	\$ 486,301	\$ (770,766)	(61.3)%
Other Associated Activities	\$ 4,722,997	\$ 4,957,636	\$ 234,639	5.0 %
Transfers Out To Other Funds	\$ 3,512,183	\$ 3,700,910	\$ 188,727	5.4 %
Total	\$ 92,327,961	\$ 93,331,940	\$ 1,003,979	1.1 %



Town Departments Increase/Decrease

- Capital Expenditures (Town)-Fire Station upgrades, Fire Pumper/Tanker, DPW Vehicle/Equipment Replacement Program, and Town Drainage Design Projects
- Education-Although the year to year comparison remain almost neutral, funding from the town continues to increase to offset any non tax revenue decreasing. Increase is mostly salary and benefits
- Debt Service- School Bond payment, Library BAN Payment becomes due
- Finance/Administration- Decrease-adjustment of benefits
- General Government- Increase- savings in departments is offset by addition of Shared Facilities
- Building/Planning- Decrease-Comprehensive community plan services no longer budgeted
- Police Protection-Decrease- COPS Grant Award offsets increases
- Fire Protection- Increase-Contractual raises, healthcare increases
- Public Works- Decrease-Prior Year Paving
- Grant Expenditures-Decrease- No SAFER application, Police HVAC Grant
- Other Associated Activities-Increase-Library CBA, Contingency
- Transfers Out To Other Funds - Increase- Increase to CIP based on increase to tax levy and Town Shared Services



Proposed Rate & Levy

Rate				
	<u>Current Tax Rate</u>	<u>Proposed Rate</u>	<u>\$ Increase /1,000</u>	<u>% Increase</u>
Real Estate Tax Rate Middletown resident	\$ 8.66	\$ 9.12	\$0.46	5.31 %
Real Estate Tax Rate Non-resident	\$ 11.26	\$ 11.85	\$0.59	5.24 %
Commerical Tax Rate	\$ 12.98	\$ 13.66	\$0.68	5.24 %
Personal Property	\$ 18.70	\$ 18.70	\$—	— %
Levy				
Town 15% of increase			\$ 310,742	
School Bond Debt Service 11% of increase			\$ 229,956	
School 73% of increase			\$ 1,465,557	
Total increase in budgeted levy			\$ 2,006,255	3.57 %

A nickel on the tax rate is equivalent to approximately \$260,000
 Approximately \$240,000 remain to reach a 4% increase on the budgeted tax levy

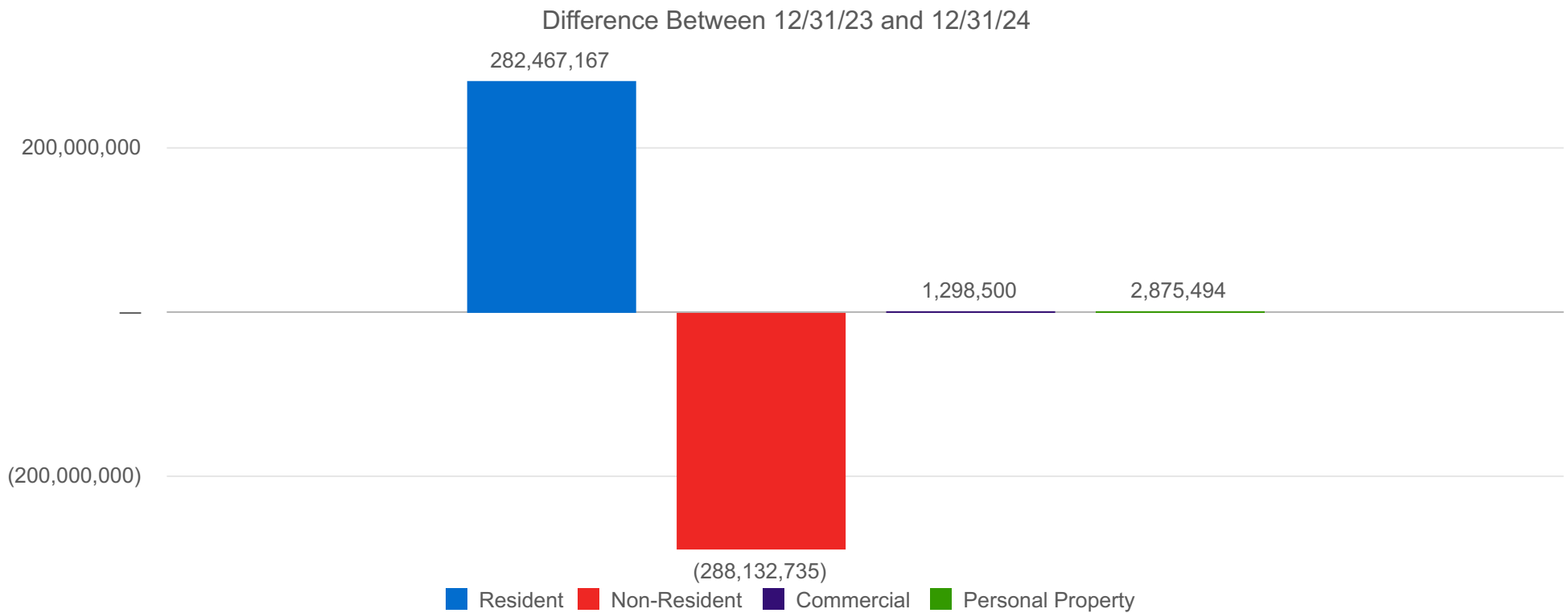


Net Assessments Comparison

	Actual Net Assessment 12/31/2023	Estimated Net Assessment 12/31/2024	Increase / (Decrease)	% Change
Resident Residential Real Estate	2,103,358,757	2,385,825,924	282,467,167	13.4%
Non-Resident Residential Real Estate	2,095,577,965	1,807,445,230	(288,132,735)	(13.7)%
Commerical Real Estate	1,007,055,500	1,008,354,000	1,298,500	0.1%
Personal Property	108,786,189	111,661,683	2,875,494	2.6%



Net Assessment Comparison Between 12/31/23 and 12/31/24





Normalized Tax Rate*

Normalized Rate Comparison				
	<u>Current Tax</u> <u>Rate</u>	<u>Normalized</u> <u>Rate</u>	<u>\$ Increase /1,000</u>	<u>% Increase</u>
Real Estate Tax Rate Middletown resident	\$ 8.66	\$ 8.78	\$0.12	1.39 %
Real Estate Tax Rate Non-resident	\$ 11.26	\$ 11.41	\$0.15	1.33 %
Commerical Tax Rate	\$ 12.98	\$ 13.16	\$0.18	1.39 %
Personal Property	\$ 18.70	\$ 18.70	\$—	— %

*Normalized Rate calculated based on a 0% increase on the Tax Levy



Impact on Median Taxpayer

Real Estate Middletown Resident: Median Home Assessment: \$634,150

Real Estate Middletown Non-Resident: Median Home Assessment: \$667,700

Real Estate Middletown Commercial: Median Home Assessment: \$876,500

	<u>Current Taxes</u>	<u>Proposed Taxes</u>	<u>\$ Change</u>	<u>% Change</u>
RE Resident	\$ 5,492	\$ 5,783	\$ 291	5.3 %
RE Non-Resident	\$ 7,518	\$ 7,912	\$ 394	5.2 %
Commerical	\$ 11,377	\$ 11,973	\$ 596	5.2 %



Requested Town Appropriation to School Department

<u>Unrestricted Appropriation:</u>	<u>FY 26 Amount</u>
Fiscal Year 2025 Amount	\$ 31,638,937
4% Increase	1,265,557
Total Unrestricted Appropriation	32,904,494
<u>Other Appropriations:</u>	
Deficit Reduction Plan-Local Portion (Year 4 of 5)	700,000
Deficit Reduction Plan-ARPA Portion (Year 4 of 5)	200,000
Shared Services	240,000
Total Other Appropriations:	1,140,000
<u>Total Town Appropriation</u>	\$ 34,044,494



Library Funding

Appropriation:

	<u>Amount</u>
Fiscal Year 2025 Tax Revenue Amount	\$ 743,642
Fiscal Year 2025 Budget Non-Tax Revenue	202,505
Total FY 2025 Library Budget	\$ 946,147

Additional Funding:

4% Increase to FY 2025 Tax Revenue Amount	29,746
Additional Tax Increase Included in the FY 26 Proposed Budget	100,415
Total FY 26 Town Administrator Proposed Budget	\$ 1,076,308
% Increase Compared to Prior Year Budget	14 %



Civic Appropriations

	FY 26 Proposed Budget	Committee Recommendation
General Fund Allocation	\$ 161,845	\$ 166,950
Parks & Recreation Allocation	\$ 120,728	\$ 125,000
Total	\$ 282,573	\$ 291,950
 Difference	 \$ 9,377	



Sewer Fund

FY2025 Amended Budget	\$ 7,444,756	
Compensation	4,184	
Benefits	16,416	
Operating	1,003,650	City of Newport Contract/Long Wharf Middletown Share Upgrades (806K), SSES Study (200K-Fund Balance) Facilities Plan (350K-Fund Balance)
Debt Service	(143,989)	2004A Loan paid off
Capital	<u>(395,000)</u>	
FY 2026 Proposed Budget	\$ 7,930,017	
\$ increase	\$ 485,261	
% increase	7%	



Sewer Fund

- Sewer maintenance fee/\$1,000 gal increase to \$19.39 or \$1.34 over prior year
- Customer service charge increase to \$44.93 or \$5.06 over prior year
- Water usage increase from 42,452 gallons to 43,582 gallons
- Average single family user fee increase to \$889.98 or \$83.85 over the prior year

	FY2025	FY2026 Proposed	\$ Change	% Change
Sewer Maintenance Fee/1,000 gallons	\$ 18.05	\$ 19.39	\$ 1.34	7 %
Avg. Single Family water Usage (gals)	42,452	43,582	1,130	3 %
Average Single Family User Fee	\$ 766.26	\$ 845.05	\$ 78.79	10 %
Excess Inflow and Infiltration	\$ —	\$ —	\$ —	— %
Customer Service Charge	\$ 39.87	\$ 44.93	\$ 5.06	13 %
Total Average Per User Charge	\$ 806.13	\$ 889.98	\$ 83.85	10 %



Refuse & Recycling Fund

FY2025 Amended Budget	\$ 1,414,510	
Compensation	15,318	
Benefits	3,584	
Operating	47,177	Increase in operations
Grant	<u>\$ (51,750)</u>	Composting Grant
FY 2026 Proposed Budget	\$ 1,428,839	
\$ increase	\$ 14,329	
% increase	1%	



Refuse & Recycling Fund

- Increase of \$5 to the Annual Pay-As-You-Throw Permit to be \$185
- \$26,664 of fund balance is proposed in the FY26 budget to offset the fee increase over two years
- \$20K of fund balance being proposed to be used for tote replacement program
- Elimination of the 8-gallon bag

Fiscal Year	Permit Amount
FY 15-24	\$ 141
FY 25	\$ 180
Proposed FY 26	\$ 185



Upcoming Challenges

- Economy/Inflation/Tariffs
 - School Bond #2
- Identifying (spending) efficiencies
 - Town/School facility maintenance program
 - Reimagine town/school wellness programs
- Continuation of implementing current projects
- Relocation after construction projects are complete
- Housing
- Comprehensive land use plan



Next Steps

May 28, 2025

Second Public Hearing

May 28, 2025

Town Council Budget Ordinance
Adoption

30 Days After
Adoption

School Committee Adopts Budget

30 Days After Final
Action

Five-Year Forecast Submitted to the
State of Rhode Island's Division of
Municipal Finance