

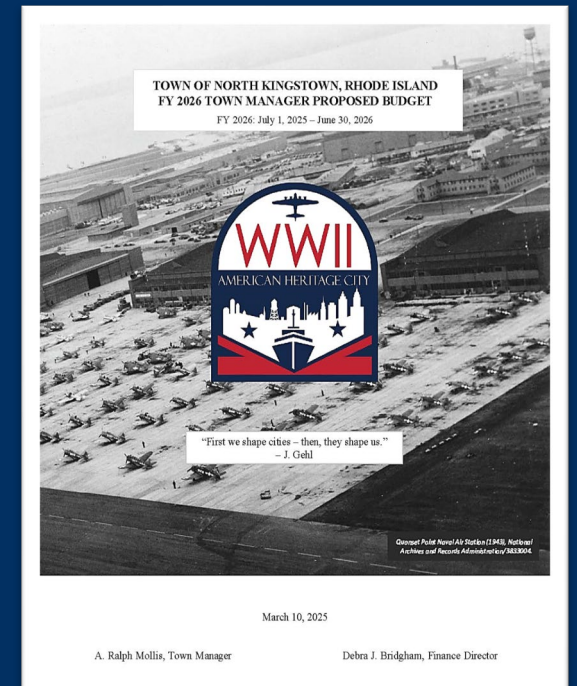


PUBLIC HEARING
TOWN OF NORTH KINGSTOWN, RI

FY2026 PRELIMINARY BUDGET

APRIL 21, 2025

A. RALPH MOLLIS, TOWN MANAGER





In accordance with the Charter of the Town of North Kingstown, we hold the Public Hearing tonight for the FY 2026 Annual Budget (July 1, 2025 – June 30, 2026).

The School Department Budget Public Hearing will immediately follow at 7:00 p.m.

A. Ralph Mollis,
Town Manager

BUDGET PROCESS & ACKNOWLEDGEMENTS

TOWN COUNCIL

While tonight is the Public's Hearing, the Council has been actively involved in the budget process, accepting the Proposed Budget on March 10th, meeting with each Department Head to review each department's budgets in a nearly 12-hour work session on March 18th, and continuing with follow-up with my office on any remaining questions. Today's discussion will be followed by a discussion on April 28th, with what is planned to be an adoption of the budget at that Council meeting.

DEPARTMENT HEADS

I would like to acknowledge our tremendous team of Department Heads that are here tonight to answer questions, and thank them for their dedication and hard work in addressing this challenging budget by proposing spending plans that not only continue our outstanding municipal services and progress on exciting initiatives, but keep in mind potential impacts on our taxpayers.



Our budget process and resulting [Budget Book](#) has been recognized by the Government Finance Officers Association for its format, transparency, and the wealth of information it provides. I want to thank Deb Bridgham, Finance Director, and Kate Glass, of my office, for their work on this Book.



Town of
North Kingstown

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AMERICAN WWII HERITAGE CITY



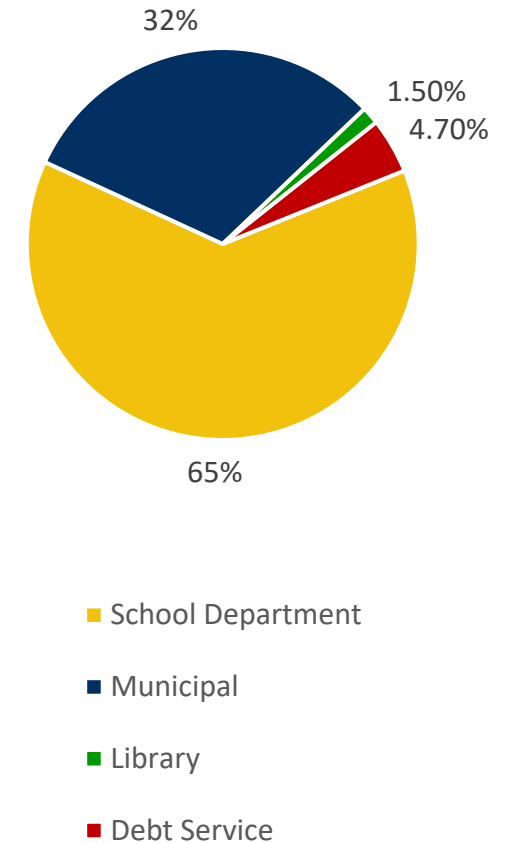
This budget has indeed been challenging.

Current economic conditions coupled with many factors, made it live up to what I had at several points previously predicted, that it would our most challenging budget to date:

- the state-mandated statistical property revaluation
- the state deficit
- reduction in state aid to education
- the impacts of an increased minimum wage
- labor negotiations with our employees earning less than their peers
- two significant bond projects
- and something I'll touch on later that came up after we prepared our preliminary budget, higher than anticipated increases in the cost of health care.

FY26 BUDGET OVERVIEW

	FY 2025	FY 2026	% CHANGE
MUNICIPAL EXPENDITURES (ADMINISTRATION, IT, SENIOR CENTER, RECREATION, PLANNING, CIVIC CONTRIBUTIONS, UTILITIES, ETC.)	38,921,695	40,276,780	3.4%
SCHOOL DEPARTMENT (TOWN APPROPRIATION)	61,416,009	63,504,153	3.4%
QUONSET DEVELOPMENT CORPORATION MUNICIPAL SERVICES	691,015	757,347	9.6%
LIBRARY	1,700,791	1,761,141	3.6%
DEBT SERVICE	5,258,039	5,849,317	11.25%
STATE AID TO EDUCATION	13,494,792	13,462,455	0%





SCHOOL APPROPRIATIONS BY MUNICIPALITY

Statistically, North Kingstown has been one of the most generous communities in all of Rhode Island in our annual appropriation to our School Department, with a 3.3% annual increase over the past four years.

In comparison, other communities provided an average of a 1.69% during this same time period.

These investment have paid off. We have a state-of-the-art education system that also provides outstanding non-academic services to educate our youth.

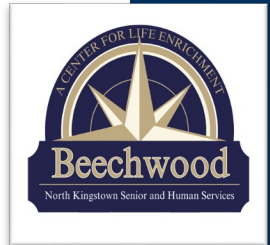
	FY 2022	FY 2023	FY 2024	FY 2025	4-YR AVERAGE
NORTH KINGSTOWN	3.7%	2.5%	3.9%	3.1%	3.3%
EAST PROVIDENCE	1.3%	4.0%	3.7%	2.6%	2.9%
LITTLE COMPTON	2.6%	3.4%	2.3%	3.0%	2.9%
FOSTER	1.0%	5.2%	1.6%	2.8%	2.6%
PORTSMOUTH	2.3%	1.7%	3.4%	2.7%	2.5%
COVENTRY	3.3%	2.9%	1.0%	1.0%	2.0%
NEW SHOREHAM	1.9%	1.9%	3.0%	4.0%	2.7%
SCITUATE	2.8%	2.3%	1.3%	3.0%	2.4%
EAST GREENWICH	1.8%	1.7%	2.5%	4.0%	2.5%
NARRAGANSETT	1.5%	2.0%	1.3%	2.4%	1.8%
LINCOLN	0.3%	1.8%	2.5%	2.9%	1.9%
SMITHFIELD	1.0%	1.0%	2.3%	3.4%	1.9%
BURRILLVILLE	0.0%	2.1%	1.2%	1.9%	1.3%
NEWPORT	1.0%	0.0%	2.0%	3.4%	1.6%
WESTERLY	1.2%	0.0%	0.0%	0.0%	0.3%
WOONSOCKET	0.0%	0.9%	0.0%	0.1%	0.3%
NORTH PROVIDENCE	0.0%	0.0%	0.0%	2.5%	0.6%



I want to recognize and thank Superintendent Duva and his team on their work on the partnership we have formed through FY25, and especially for his and their transparency, communication, and willingness to work together.

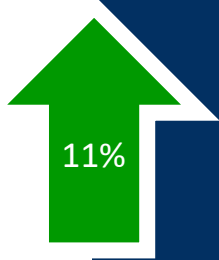
FY2026 PROPOSED BUDGET: MUNICIPAL HIGHLIGHTS

The FY26 Budget funds wellness initiatives, Post Road improvements, Recreation programs, our highly sought-after and affordable summer camp, a community policing initiative, utility savings, and initial funding for our upcoming school and public safety projects.



SENIOR & HUMAN SERVICES

FY26 Proposed Budget includes a 6.4% increase for the Senior & Human Services, reflecting the growth in programming and return to pre-COVID participation levels with 56,846 visits in 2024 -- a 131% increase from 2021.



INFORMATION TECHNOLOGY

Receiving the endorsement of our ITAC Committee, we are funding an increase in our IT Department to continue to protect our IT infrastructure, replace end-of-life equipment, and invest in modern hardware and software to strengthen our cybersecurity defenses.

ROAD PAVING & MAINTENANCE



Continuation of our commitment to improve over 150 miles of paved roads in our community.

ENTERPRISE FUNDS

In addition to our General Fund, we fund our vital and award-winning Enterprise Funds.

Totaling 12.7 million, these are self-supporting funds through revenues raised by users of these services. They are not funded via taxpayer dollars or General Fund revenues.



	FY 25 REVENUES	FY 26 REVENUES
GOLF COURSE	2,354,300	2,378,250
MUNICIPAL COURT	202,096	301,363
SEWER	2,044,993	2,108,504
TRANSFER STATION	1,276,880	1,263,871
WATER	6,900,474	5,924,994
ALLEN HARBOR	476,900	438,805

FY 25 EXPENDITURES	FY 26 EXPENDITURES
2,315,110	2,378,250
202,096	301,363
2,419,412	2,280,198
1,390,103	1,385,636
6,900,475	5,924,994
437,657	450,273

FUNDING OUTSIDE OF OUR MUNICIPAL BUDGET

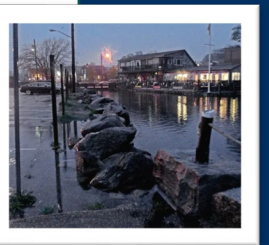
While not funded entirely from our Budget, we're also excited about other initiatives taking place here in North Kingstown:

POST ROAD/WEST MAIN ST. SIDEWALKS



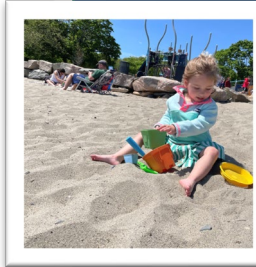
\$8M estimated cost, covered by federal loans, grants, and state funds to replace sidewalks in disrepair and install sidewalks, drainage, and ADA accessibility where they don't current exist along approx. 2.5 miles of a heavily trafficked transportation artery and connection to other communities.

WICKFORD WATERFRONT PROJECT



Project to address climate resiliency of our Brown St. Municipal Parking Lot in Wickford Village, to include the reconstruction of an existing seawall inline with RI Historic Preservation Commission guidelines to minimize flooding, regrading of the parking lot, installation of pervious paving, the incorporation of bioswales in upgraded landscaping, lighting and signage

SEA WALL REVETMENT AT TOWN BEACH



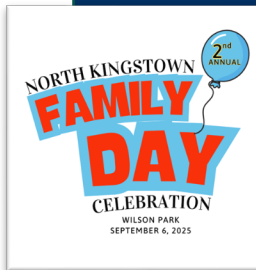
Funded by an OSCAR grant from CRMC, the Town will be able to procure \$300,000 in engineering services to design a project redesigning the existing sea wall which has sustained damage from storms and building on earlier collaborations with Save The Bay and CRMC for technically feasible solutions to enhance long-term resiliency at our Town Beach.

RENOVATIONS TO YORKTOWN PARK



Funded in FY25 with ARPA funds, the significant construction at Yorktown Park includes grading and drainage improvements, walkway repairs, landscaping, new playground equipment, pavilion repairs, improved lighting, upgraded seating, workout and play features, as well as permanent yard game installations.

NORTH KINGSTOWN FAMILY DAY



Community-funded through individual donations and in-kind and business sponsorships, Family Day 2025 will provide a free day of fun to residents and family members of all ages at Wilson Park. It will showcase community organizations, offer fun interactions with our Public Safety departments, and much more to continue the momentum and community spirit that started with our 1st Family Day commemorating our 350th Anniversary last year.

ASSET MANAGEMENT COMMISSION

Recognizing the hard work and efforts of our Asset Management Commission, this FY26 Budget also addresses many of the priorities they listed in the Capital Improvement Plan:

- the Water Department's Well 3 Replacement Project
- replacement of Water Line Infrastructure along Post Road and Poplar Point
- assessment and review of our water lines
- continued road maintenance
- renovations at the Municipal Office Building
- HVAC improvements at our Senior Center
- Community Center improvements
- a 2nd Annual Family Day celebration
- and many other infrastructure improvements.

AMC Recommended Projects by Fund

PROJECT	General Fund	Enterprise Funds	Authorized Bonds	Unauthorized Bonds	Grants/Other	Unallocated
Well 3 Replacement Project	\$0	\$600,998	\$0	\$0	\$0	\$0
Water Main Condition Assessment	\$0	\$150,000	\$0	\$0	\$0	\$0
Poplar Point New Water Main Planning	\$0	\$50,000	\$0	\$0	\$0	\$0
Golf Course Irrigation Pond	\$0	\$76,500	\$0	\$0	\$0	\$0
Road Maintenance	\$1,609,824	\$0	\$0	\$0	\$390,931	\$0
Municipal Office Building	\$40,000	\$0	\$0	\$0	\$1,250,000	\$0
Air Handler / Air Exchanger Replacement	\$0	\$0	\$0	\$0	\$0	\$106,000
HVAC Control System Expansion & Upgrade	\$0	\$0	\$0	\$0	\$0	\$12,700
Beach Wall	\$60,000	\$0	\$0	\$0	\$305,000	\$0
Facility Improvements/ Maintenance	\$800,000	\$0	\$0	\$0	\$0	\$0
Senior Center HVAC Improvements (ongoing)	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$7,927,124	\$1,975,898	\$148,000	\$19,120,000	\$2,945,931	\$125,300

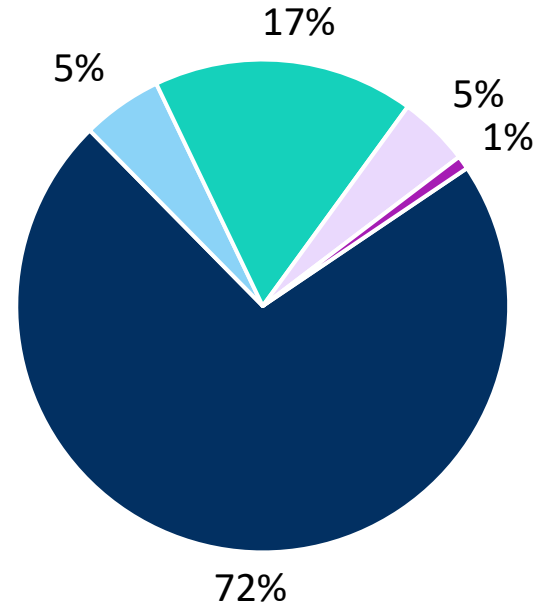
Note this does not include the school projects nor 2024 Bond Referendum Projects

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CIP Rankings

- Four Funding Sources
 - Enterprise Funds
 - Non-Enterprise Funds
 - School Revolving Fund Projects
 - School Unfunded Projects
- All 8 members submitted priority rankings
 - 1 being lowest priority; 5 being highest priority
 - 40 would be highest possible score
- Projects funded by the recently passed Bond Referendum were excluded from this analysis

FUNDING THE FY26 BUDGET



Revenue in our budget provides us with funding to attain our goals and sustain our accomplishments.

Our budget includes PILOTs at Quonset which providing over 5% of our revenue directly from tax agreements from more than 300 employers within QDC.

Our tax rates are among the lowest in Rhode Island because of our successes with these PILOTs, interest revenue from our surplus, our Finance Department’s efforts to maximize revenues, our successful grant applications, and a strong cash balance.

RESIDENTIAL, COMMERCIAL & TANGIBLE TAXES	90,082,587	72%
QUONSET BUSINESS PARK PILOTS	6,595,027	5%
STATE AID/MOTOR VEHICLE REIMBURSEMENTS	21,403,512	17%
DEPARTMENTAL REVENUES & ALL OTHERS	5,812,434	5%
HOTEL, MEAL & BEVERAGE TAXES	1,112,956	1%

TAX EXEMPTIONS

With this budget we are able to maintain the Town Council's and Town's commitment to provide significant assistance to generations of residents with **over \$3.8 million in direct tax relief** through tax exemptions.

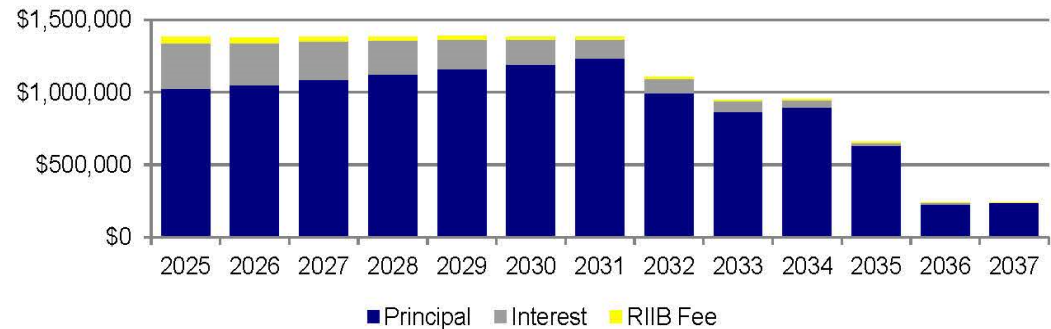
FY 2024	TAX RATE 14.34	#	TOTAL EVALUATION ELIGIBLE
BLIND	6,883	16	480,000
SR. INCOME	231,594	135	16,150,230
DISABLED	5,081	8	354,340
GOLD STAR	473	3	33,000
INCOME	3,080	5	214,775
VETERAN	217,385	1,208	15,159,330
VETERAN DISABLED	12,771	61	890,60
DISABLED H.	5,406	1	377,000
FLAT ELDERLY	959,776	2,231	66,930,000
HOMESTEAD	2,429,274	6,612	169,405,453
TOTAL	3,871,724	10,280	269,994,728

DEBT

The debt portion of our budget is up over 11% this year due to the initial financing, through bans, of our public safety complex bond and school bond.

This figure will grow dramatically over these next 1-3 years as we begin fully financing these projects. As you can see from this slide, we are attempting to time the financing of these bonds with the debt cliff, along with the interest rate futures, to lessen the burden on taxpayers.

Enterprise Fund Debt
As of June 30, 2024

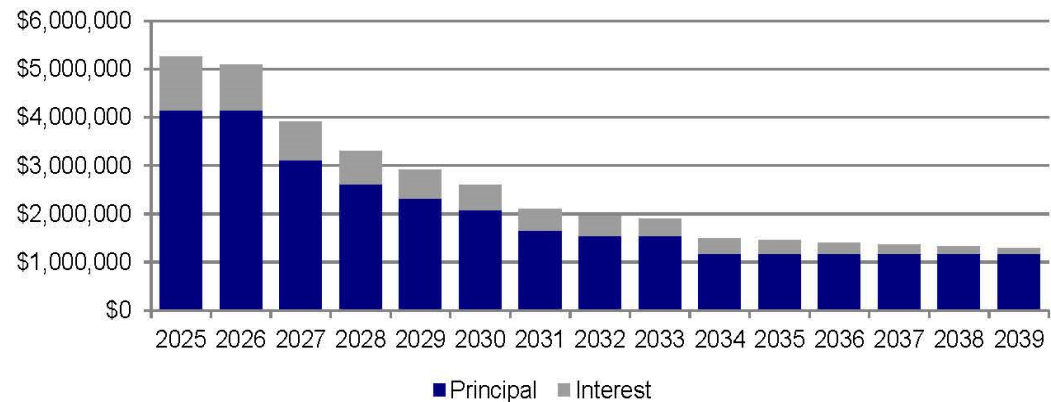


Average Annual Debt Service \$1,064,647
Maximum Annual Debt Service \$1,388,155

Callable \$2,385,000
Average Life 5.97 Years

Ratings: Moody's Aa2
Standard & Poor's AA+

General Fund Debt
As of June 30, 2024



Average Annual Debt Service \$2,216,786
Maximum Annual Debt Service \$5,258,038

Callable \$16,235,000
Average Life 6.836 Years

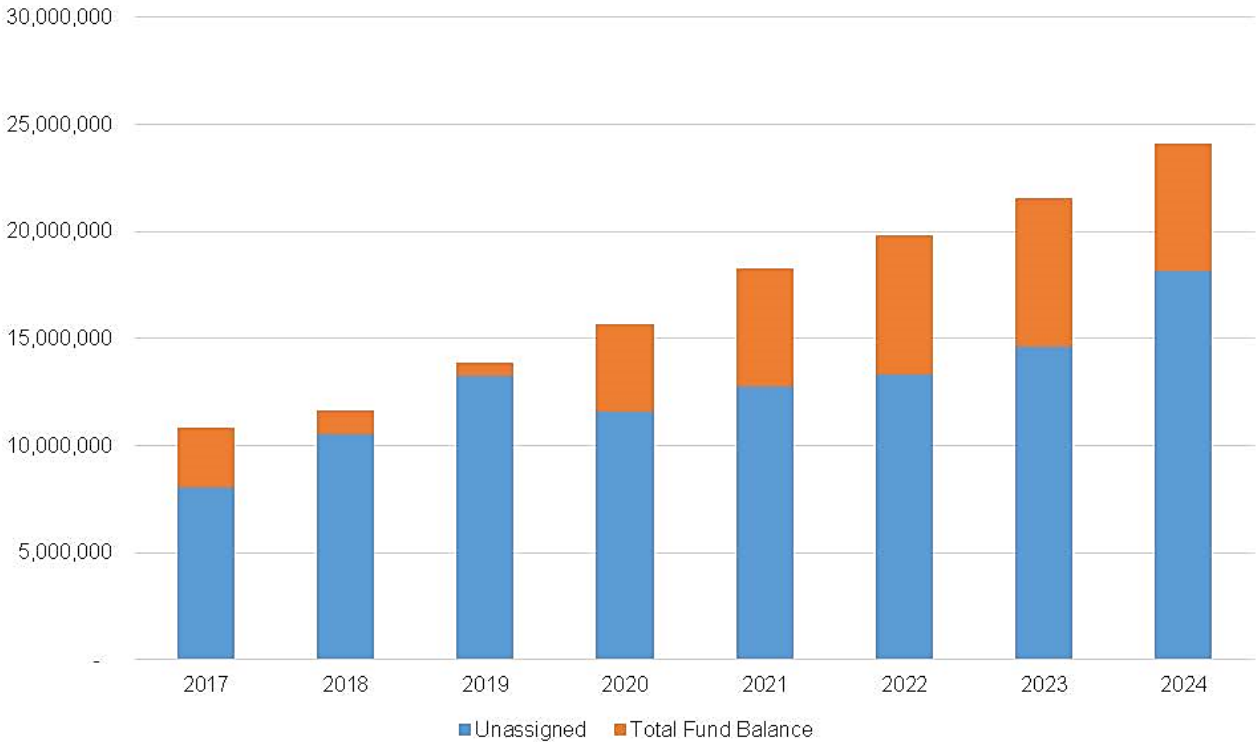
FUND BALANCE

The Proposed FY26 Tax Rate reductions are possible due to our solid financial foundation, producing continuous balanced budgets and an unrestricted Surplus/Fund Balance growth from \$7.5M in 2017, to \$18.2M in 2024.

Having a substantial fund balance assists us in providing interest revenue which reduces our tax rate and provides advantageous interest rates when going out to bond. These are substantial and cost savings benefits.

While we always want to avoid using this one-time revenue for annual expenditures, we are looking to utilizing this fund balance more aggressively in the coming years to, once again, lessen the burden on taxpayers in a challenging economy with reduced state aid to education and a continued and growing cost of doing business.

Fund Balance: Last Eight Years



FY26 BUDGET PROPOSED EXPENDITURE SUMMARY

The effects of the surprising increases in health care costs, to be greater than we had originally budgeted for, are shown here. To account for this change, we have an adjusted increase in \$224,589 in addition to our March 10th request.

We will review this with Town Council at the April 28th meeting as it will require an amendment to the budget. We are confident that we can cover this additional and unexpected cost without change to the tax rate originally proposed; tangible figures came in greater than expected, and we will use some of our premium offset funds in this year's budget while continuing to aggressively pursue increased tax collection percentages.

Debt	5,258,039	5,849,317	5,849,317	0
Library State Aid	269,466	297,906	297,906	0
Library Appropriation	1,431,325	1,463,235	1,486,668	23,433
School State Aid	13,448,838	13,424,235	13,424,235	0
School Restricted Aid	45,954	38,220	38,220	0
School Town Appropriation	61,416,009	63,504,153	63,504,153	0
Capital Appropriation	0	0	0	0
Total	121,482,341	125,611,193	125,835,781	224,589

EXPENDITURE SUMMARY	Adopted FY25	Mgr. FY26	Revised FY26	+ Funding
Town Council	70,964	59,464	59,464	0
Town Manager	326,873	332,428	333,265	837
Human Resource	1,370,120	1,412,409	1,461,972	49,562
Town Clerk	514,922	543,098	545,840	2,742
Board Of Canvasser	165,607	119,271	119,897	626
Legal Services	180,000	173,000	173,000	0
Finance	1,956,670	1,929,418	1,926,009	-3,410
Assessor	375,373	339,367	340,512	1,144
Technology	1,022,059	1,137,376	1,138,431	1,055
Planning	845,368	854,252	865,761	11,509
Code Enforcement	635,297	662,043	663,937	1,894
Senior Center	662,434	704,820	705,248	428
Recreation	1,220,253	1,355,962	1,360,187	4,226
Dispatch	832,655	948,218	951,078	2,860
Fire	11,667,804	12,226,387	12,281,356	54,969
Police	9,807,387	10,123,000	10,178,538	55,538
Animal Control	139,301	144,869	145,500	631
Harbor Master	147,528	152,083	152,976	893
PW-Admin	404,319	443,676	445,708	2,032
PW-Engineering	487,049	502,007	504,496	2,489
PW-Highway	3,043,510	3,093,601	3,100,731	7,129
PW Facilities	1,681,108	1,668,117	1,672,117	4,001
Utilities	1,119,374	1,129,875	1,129,875	0
Civic Contributions	245,720	222,037	222,037	0
QDC	691,015	757,347	757,347	0
Sub-Total	39,612,710	41,034,127	41,235,283	201,155

TAX RATES

While it is very preliminary, we understand there is concern about the tax rate resulting from the historic increase in property values from the recent state-mandated statistical revaluation.

	FY 2025 ACTUAL		FY 2026 PROPOSED BUDGET
RESIDENTIAL	14.34	↓	11.05
COMMERCIAL	16.28	↓	14.79
TANGIBLE/PERSONAL PROPERTY	17.28		17.85
*HOMESTEAD EXEMPTION RATE (5% REDUCTION)	13.62	↓	10.50

These reductions are possible due to our solid financial foundation, producing continuous balanced budgets and an unrestricted Surplus/Fund Balance growth shown on the next slide.



Town of North Kingstown

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April 21, 2025

PUBLIC HEARING FY26 BUDGET

Thank you.

A. Ralph Mollis,
Town Manager