MICHAEL STAMPFLER
Town Manager

BRIAN M. SILVIA
Finance Director

Town of West Warwick
Finance Department
1170 Main Street West Warwick, RI 02893
Phone: 401 827-9021 Fax: 401 822-9263

20 DEC 2012 AM9:36

To: Rosemary Booth Gallogly, Director of the Department of Revenue
Dennis Hoyle, Auditor General

From: Brian Silvia, Finance Director BMS

CC: Michael Stampfler, Town Manager
West Warwick Town Council
Susanne Greschner, Chief – Division of Municipal Finance

Date: December 19, 2012

Re: Funding Improvement Plan

The Town of West Warwick, through the action of the town council at a December 18, 2012 meeting have adopted a funding improvement plan to address the town's locally administered pension fund which is currently listed in critical status. The attached documents detail the components of the adopted working plan of the town.

The town is currently in the process of preparing the funding improvement plan in the format detailed in a letter from Rosemary Booth Gallogly dated October 21, 2012. The Town of West Warwick's funding improvement plan will be distributed in the proper format on or before January 14, 2013.

TOWN OF WEST WARWICK

RESOLUTION

OF

TOWN COUNCIL

2012 –

SUBJECT: SUBMISSION OF TOWN OF WEST WARWICK CORRECTIVE ACTION PLAN TO THE STATE OF RHODE ISLAND

RESOLVED THE TOWN COUNCIL HEREBY DIRECTS THE TOWN MANAGER TO SUBMIT THE CORRECTIVE ACTION PLAN INTRODUCED TO AND APPROVED BY THE TOWN COUNCIL AT THE DECEMBER 18, 2012 TOWN COUNCIL MEETING TO THE STATE OF RHODE ISLAND

PASSED AND APPROVED THIS 18TH DAY OF DECEMBER, 2012

APPROVED: _____

DAVID GOSSELIN, JR., TOWN COUNCIL PRESIDENT

ATTEST: _____

LAURENT E. LAMOTHE, COUNCIL CLERK

TOWN OF WEST WARWICK
Office of the Town Manager
Phone: (401) 822-9219 E-Mail: mstampfler@westwarwickri.org

INTER OFFICE MEMORANDUM

To: President Padula and Members of the Town Council

Date: October 3, 2012

From: Michael L. Stampfler, Town Manager

RE: Town of West Warwick, Rhode Island Proposed Corrective Action Report

At issue is the continued local operation of the Town or the possibility of State of Rhode Island imposition of a Budget Commission or other action the State may see fit as prescribed by law.

The communication dated August 20, 2012 from Director of Revenue Rosemary Gallogly details the issues the Town must address by November 11, 2012: to address these issues a variety of actions are necessary. These actions are documented in detail in the attached material but are summarized in the following pages.

atb

Town of West Warwick, Rhode Island

Proposed Corrective Action Report

October 3, 2012

At issue is the continued local operation of the Town or the possibility of State of Rhode Island imposition of a Budget Commission or other action the State may see fit as prescribed by law.

The communication dated August 20, 2012 from Director of Revenue Rosemary Gallogly details the issues the Town must address by November 11, 2012: to address these issues a variety of actions are necessary. These actions are documented in detail in the following material but are summarized as:

1.) Utilize the authority already provided the Town by the State of Rhode Island under "S 3050" regarding levying of property taxes and utilize that authority to its potential and as necessary.

2.) Seek and receive concessions from labor including:

a. Suspension of ALL minimum manning requirements where present until the time when the immediate severe fiscal crisis is abated (the fiscal year ending June 20, 2017, as projected).

b. Reduce all overtime expense by 65% to a maximum total annual overtime Town-wide of $500,000.

c. Obtain all pension concessions for union/non-union/retirees as put forward by the Nyhart Retirement Plan Design report dated September 24, 2012.

d. Authorize no salary/wage increases for union/non-union in any years until the immediate severe fiscal crisis is abated (the fiscal year ending June 2017, as projected).

e. Obtain concessions to revise Dental Benefit and Health Care benefit co-pays to evolve to an 80/20 employer/employee ratio.

3.) Provide for the critical and necessary capital improvements to be made annually to meet the needs of the Town so as to address aging infrastructure while providing an ability to effectively address public health, safety, and welfare issues.

4.) Adequately provide school funding to comply with the "Basic Education Program" and the state mandated Maintenance of Effort (Rhode Island General Law 16-7-23) in accordance with, and as indicated in, the draft Corrective Action Report of the School Committee dated September 21, 2012 (to be revised on October 3, 2012).

5.) Improve the annual property tax collection rate from the current 96.5% and obtain the delinquent taxes owed by West Warwick residents from the State.

6.) Insure a 5% annual Budget Reserve to meet emergencies, to meet accepted accounting practices, and to comply with Town Home Rule Charter Section 504 Re: Cash Reserve fund.

7.) Retain special legal counsel to pursue the issues related to labor contracts/negotiations in concert with the Town Manager.

TOWN OF WEST WARWICK ANALYSIS/20 YEAR BUDGET PROJECTION

Proposed Corrective Action Plan

(Based on the September 24, 2012 Nyhart- Retirement Plan Design Report & for filling the State of Rhode Island budget requirements)

October 3, 2012

Table of Contents

- Introduction
  Letter from Rosemary Booth Gallogly, Director of the Department of Revenue for the State of Rhode Island August 20, 2012.
- Page 1

  "Town of West Warwick Analysis/5 Year Budget Projections preparatory for Corrective Action Plan due November 11, 2012", July 20, 2012

- Pages 2-4

  "Town of West Warwick Analysis/ 20 Year Budget Projections Proposed Corrective Action Plan based on the September 24, 2012 Nyhart- Retirement Plan Design Report & for Filling State of Rhode Island Budget Requirements", October 3, 2012

- Pages 5-14

  "Town of West Warwick Draft- Capital Improvement Plan 2013-2023", October 3, 2012

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Revenue
Rosemary Booth Gallogly, Director
One Capitol Hill
Providence, RI 02908-5855

TEL: (401) 574-8999
FAX: (401) 574-8997
TDD: (401) 222-1227

August 20, 2012

Mr. Michael Stampfler
Town Manager
West Warwick Town Hall
1170 Main Street
West Warwick, RI 02893

Dear Mike:

It was good to meet with you last Thursday to discuss the Town of West Warwick's finances. As I indicated, the State Department of Revenue is concerned about the Town of West Warwick's financial condition. The Town of West Warwick, including the School Department has significant challenges ahead. I expect that we will be meeting on a regular basis to track the Town's progress. I see five major challenges:

1. rebuilding capacity in financial management staff as a result of attrition
2. addressing cumulative school deficit
3. addressing projected operating deficits over the next 5 years
4. addressing large pension and OPEB unfunded liabilities
5. creation of a capital budget to address infrastructure needs

As you know, the Rhode Island General Assembly passed a law (R.I. Gen. Law 45-9-1 et seq. ("An Act Relating to Cities and Towns - Providing Financial Stability") which provides additional mechanisms for the State to use in working with cities and towns experiencing financial distress. The law gives the State, acting primarily through the Department of Revenue, the power to exercise increasing levels of support depending upon the specific circumstances by taking control of a municipality's fiscal issues.

As I discussed at a public meeting in May of 2012, the Town's locally-administered pension plan is in "critical" status, is only 26% funded, and must be addressed. By state law, the Town's leaders must present funding improvement plans to the Study Commission on Locally-Administered Pension Plans ("Commission") by November 11, 2012. The Commission has issued guidelines for municipalities to refer to when developing their plans. The state law does not provide for any waivers on these requirements, including the due date.

Under the above-referenced law, the State reserves its right to examine the Town's finances based on the Town's current and projected financial situation and the downgrading of the Town's credit rating by two of the nationally recognized rating agencies. The town was downgraded by

Moody's from A1 (Neg) to Baa1 (Neg) on August 10, 2011 and Fitch assigned a negative watch to its BBB+ (Neg) rating on July 24, 2012.

Please do not hesitate to call myself or Susanne Greschner, the Chief of Municipal Finance, if you have any questions.

Sincerely,

Rosemary Booth Gallogly

Rosemary Booth Gallogly
Director

CC: Governor Lincoln D. Chafee
Dennis Hoyle, Auditor General
Susanne Greschner, Chief Division of Municipal Finance
Kenneth Sheehan, School Superintendant
James Williamson, School Committee Chair
Malcolm Moore, Town Finance Director
Angelo Padula, Town Council President

TOWN OF WEST WARWICK, RHODE ISLAND
ANALYSIS/5 YEAR BUDGET PROJECTION
PREPARATORY FOR CORRECTIVE ACTION PLAN DUE NOVEMBER 1, 2012

REVENUE DETAIL	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
PROPERTY TAXES:	52,446,034	54,321,610	54,938,881 (a)	55,556,152 (a)	56,173,423 (a)
STATE REVENUE:	21,244,215	21,189,984	21,489,984 (b)	21,789,984 (b)	22,089,984 (b)
TOWN REVENUE:	1,826,500	1,886,500	1,886,500	1,886,500	1,886,500
SCHOOL GRANTS/MISC:	1,384,504	1,384,504	1,384,504	1,384,504	1,384,504
MISCELLANEOUS:	577,749	158,999	158,999	158,999	158,999
OTHER FINANCING:	321,650	697,789 (c)	321,650	321,650	321,650
TOTAL REVENUE	**77,800,652**	**79,639,386**	**80,180,518**	**81,097,789**	**82,015,060**

EXPENSE DETAIL	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
SALARIES:	13,170,656	13,347,389	13,768,508 (d)	13,768,508	13,768,508
BENEFITS: (e)	4,935,464	4,892,075	5,533,855	6,054,647	6,596,170
TOWN PENSION:	1,000,000	2,165,724	6,000,184 (f)	5,957,260 (f)	6,219,456 (f)
TOWN OPEB:	1,396,499	1,493,556	2,791,360 (g)	3,097,058 (g)	3,559,605 (g)
OPERATING:	5,033,282	5,049,682	5,049,682	5,049,682	5,049,682
OTHER:	862,040	1,226,203 (h)	898,203	898,203	1,226,203 (h)
EDUCATION: (i)	45,515,726	44,538,726	46,545,238	48,141,149	49,510,970
EDUCATION PENSION:	0	1,000,000	1,299,816 (f)	1,598,240 (f)	1,600,487 (f)
EDUCATION OPEB:	2,993,000	2,970,000	2,800,000 (g)	2,690,000 (g)	2,430,000 (g)
CAPITAL:	242,925	310,645	310,645	310,645	310,645
DEBT SERVICE:	2,651,060	2,645,386	2,747,632	2,645,831	2,431,770
NOT BUDGETED:	0	1,095,862 (j)	0	0	0
TOTAL EXPENSE	**77,800,652**	**80,735,248**	**87,745,123**	**90,211,223**	**92,703,496**

YEARLY (DEFICIT)	-	**(1,095,862)**	**(6,468,743)**	**(1,548,829)**	**(1,575,002)**
CUMULATIVE (DEFICIT)	-	**(1,095,862)**	**(7,564,605)**	**(9,113,434)**	**(10,688,436)**

(a) Property Taxes annually increased 617,271, per Ray Beattie memo dated 7/17/2012
(b) State Revenue annually increased 300,000, per the schools FY 2013 budget
(c) Other Financing increased 376,139, Council approved the use of fund balance as revenue to balance budget on 5/8/2012
(d) Salary increased by 2.5% per contract on 6/30/2013 for FY 2014
(e) Blue Cross increased 8.5% per year - using blue cross estimates
(e) Delta Dental increased 5% for FY 2011 - FY 2012, 6% for FY 2013 - FY 2014, and estimated 6% for FY 2015 - FY 2016 - using Delta Dental numbers
(f) Pension contribution funded to 60% level, per state letter dated 7/3/2012 and Nyharts 7/16/2012 Revised Management Summary of 7/1/2011 actuarial valuation report
(g) OPEB contribution funded to 60% level over 20 years, in anticipation of state pension regs, per the 7/1/2010 USI postretirement welfare benefit actuarial valuation report
(h) Revaluation expense of 328,000. The assessor performes every three years per state law 44-5-11.5
(i) Budget numbers are from the schools FY 2013 budget, increases projected at 4.4% for FY 2014, 3.52% for FY 2015 and 2.12% for FY 2016
(j -m) Council approved unbudgeted expenses

(j)	400,000	Civic center fire code upgrades, per lease agreement Article VII Section 5, approved by Council Resolution 2011-171
(k)	275,000	Town match for DEM grants per Ray Beattie email dated 4/5/2012
(l)	270,862	School to receive 29,100,000 in FY 2013, which is 270,862 above the budgeted amount of 28,829,138. Town to restore 5% cut in FY 2011 - FY 2013. 1.3 million in the (due to) school line item, to be paid to school. All per consent judgement dated 7/12/2012.
(m)	150,000	Bond epense for fire code upgrades to schools, per the decision of the Fire Safety Code Board of Appeal signed 5/10/2011
	1,095,862	

TOWN OF WEST WARWICK, RHODE ISLAND
ANALYSIS/20 YEAR BUDGET PROJECTION
PROPOSED CORRECTIVE ACTION PLAN
BASED ON THE SEPTEMBER 24, 2012 NYHART - RETIREMENT PLAN DESIGN REPORT
AND FOR FILLING STATE OF RHODE ISLAND BUDGET REQUIREMENTS

REVENUE DETAIL	FY 2012	FY 2013	PROPOSED FY 2013	FY 2014	PROPOSED FY 2014	FY 2015	PROPOSED FY 2015	FY 2016	PROPOSED FY 2016
PROPERTY TAXES:	52,446,034	54,321,610	54,321,610 (a)	54,938,881 (n)	56,922,599 (n)	55,556,152 (n)	59,091,939 (n)	56,173,423 (n)	61,353,871
STATE REVENUE:	21,244,215	21,189,984	21,783,626 (b)	21,489,984 (o)	22,210,557 (b)	21,789,984 (o)	22,795,233 (b)	22,089,984 (o)	23,206,703
TOWN REVENUE:	1,826,500	1,886,500	1,886,500	1,886,500	1,886,500	1,886,500	1,886,500	1,886,500	1,886,500
SCHOOL GRANTS/MISC:	1,384,504	1,384,504	1,384,504	1,384,504	1,384,504	1,384,504	1,384,504	1,384,504	1,384,504
MISCELLANEOUS:	577,749	158,999	158,999	158,999	158,999	158,999	158,999	158,999	158,999
OTHER FINANCING:	321,650 (c)	697,789 (c)	697,390	321,650 (p)	974,482	321,650 (p)	841,948	321,650 (p)	796,384
TOTAL REVENUE	**77,800,652**	**79,639,386**	**80,232,629**	**80,180,518**	**83,537,641**	**81,097,789**	**86,159,123**	**82,015,060**	**88,786,961**

EXPENSE DETAIL	FY 2012	FY 2013	PROPOSED FY 2013	FY 2014	PROPOSED FY 2014	FY 2015	PROPOSED FY 2015	FY 2016	PROPOSED FY 2016
SALARIES:	13,170,656	13,347,389 (q)	12,522,389 (d)	13,768,508 (q)	12,620,389	13,768,508 (q)	12,620,389	13,768,508 (q)	12,620,389
BENEFITS: (e)	4,935,464	4,892,075 (r)	4,135,631	5,533,855 (r)	4,434,676	6,054,647 (r)	4,755,727	6,596,170 (r)	5,102,707
TOWN PENSION:	1,000,000	2,165,724 (f)	3,244,549 (f)	6,000,184 (f)	4,040,000 (f)	5,957,260 (f)	4,213,000 (f)	6,219,456 (f)	4,378,000
TOWN OPEB:	1,396,499	1,493,556 (g)	1,493,556 (g)	2,791,360 (g)	2,791,360 (g)	3,097,058 (g)	3,097,058 (g)	3,559,605 (g)	3,559,605
OPERATING:	5,033,282	5,049,682	5,049,682	5,049,682	5,049,682	5,049,682	5,049,682	5,049,682	5,049,682
OTHER:	862,040 (h)	1,226,203 (h)	1,226,203	898,203	898,203	898,203	898,203 (h)	1,226,203 (h)	1,123,203
EDUCATION: (i)	45,515,726	44,538,726	43,983,275	46,545,238	46,885,054	48,141,149	48,752,390	49,510,970	50,090,660
EDUCATION PENSION:	0	1,000,000	1,555,451 (f)	1,299,816 (f)	960,000 (f)	1,598,240 (f)	987,000 (f)	1,600,487 (u)	1,022,000
EDUCATION OPEB:	2,993,000	2,970,000 (x)	2,970,000 (g)	2,800,000 (g)	2,800,000 (g)	2,690,000 (g)	2,690,000 (g)	2,430,000 (g)	2,430,000
CAPITAL:	242,925	310,645	310,645	310,645	310,645	310,645	310,645	310,645	310,645
DEBT SERVICE:	2,651,060	2,645,386	2,645,386	2,747,632	2,747,632	2,645,831 (t)	2,785,031	2,431,770 (t)	3,100,070
NOT BUDGETED:	0 (i)	1,095,862 (j)	1,095,862	0	0	0	0	0	0
SURPLUS REIMBURSEMENT	0	0	0	0	0	0	0	0	0
TOTAL EXPENSE	**77,800,652**	**80,735,248**	**80,232,629**	**87,745,123**	**83,537,641**	**90,211,223**	**86,159,124**	**92,703,496**	**88,786,961**
YEARLY (DEFICIT)		**(1,095,862)**	**-**	**(6,468,743)**	**0**	**(1,548,829)**	**(1)**	**(1,575,002)**	**0**
CUMULATIVE (DEFICIT)		**(1,095,862)**	**-**	**(7,564,605)**	**0**	**(9,113,434)**	**(0)**	**(10,688,436)**	**(0)**

(a) Property Taxes annually increased 617,271, per Ray Beattie memo dated 7/17/2012.
(b) State Revenue annually increased 300,000, per the schools FY 2013 budget.
(c) Other Financing increased 376,139, Council approved the use of fund balance as revenue to balance budget on 5/8/2012.
(d) Salary increased by 2.5% per contract on 6/30/2013 for FY 2014.
(e) Blue Cross increased 8.5% per year - using blue cross estimates.
(e) Delta Dental increased 5% for FY 2011 - FY 2012, 6% for FY 2013 - FY 2014, and estimated 6% for FY 2015 - FY 2016 - using Delta Dental numbers.
(f) Pension contribution funded to 60% level, per state letter dated 7/3/2012 and Nyhart's 7/16/2012 Revised Management Summary of 7/1/2011 actuarial valuation report.
(g) OPEB contribution funded to 60% level over 20 years, in anticipation of state pension regs, per the 7/1/2010 USI postretirement welfare benefit actuarial valuation report.
(h) Revaluation expense of 328,000. The assessor performs every three years per state law 44-5-11.5.
(i) Budget numbers are from the schools FY 2013 budget, increases projected at 4.4% for FY 2014, 3.52% for FY 2015 and 2.12% for FY 2016.
(j -m) Council approved unbudgeted expenses:

(j)	400,000	Civic center fire code upgrades, per lease agreement Article VII Section 5, approved by Council Resolution 2011-171.
(k)	275,000	Town match for DEM grants per Ray Beattie email dated 4/5/2012.
(l)	270,862	School to receive 29,100,000 in FY 2013, which is 270,862 above the budgeted amount of 28,829,138. Town to restore 5% cut in FY 2011 - FY 2013. 1.3 million in the (due to) school line item, to be paid to school. All per consent judgment dated 7/12/2012.
(m)	150,000	Bond expense for fire code upgrades to schools, per the decision of the Fire Safety Code Board of Appeal signed 5/10/2011.
	1,095,862	

(n) (Plan-1) Property tax levy increases capped at 4% annually. For fiscal years 2014 - fiscal year 2032, the proposed levy increase ranges from 2.08% to 4.00%.
(o) (Plan-2) Per the R.I. Department of Education, the increase in state aid for education for West Warwick from FY-13 through FY-18 is $411,00 annually.
(o) (Plan-3) The funds received from the state related to West Warwick being a distressed community has been removed following FY-2013 as these funds are not guaranteed going forward.
(p) (Plan-4) Amounts ranging from $474,734 to $652,832 will be drawn from the town's reserve fund to help balance the budgets of fiscal years 2014 - 2016.
(q) (Plan-5) The over time budgets of both the Police & Fire Departments have been reduce by half or greater with a projected savings of $825,000 annually.
(r) (Plan-6) A projected savings of $275,000 has been included in FY-2013 related to a revision within the prescription drug policy for active employees.
(r) (Plan-7) A projected savings of $100,000 has been included in FY-2013 related to a plan redesign to the town's dental plan for active employees.
(r) (Plan-8) A projected reduction of $1,800,000 has been included in FY-2013 related to retiree medical premium savings, per the Nyhart Report.
(s) (Plan-9) There is a projected 2% annual increase to the school department's local appropriation beginning in FY-2017 through FY-2032.
(t) (Plan-10) The town completed a capital improvement plan with funding from debt service for fiscal years 2015 through fiscal year 2032.
(Plan-11) The pension contributions of the school department were provided by Nyhart, through FY-2018 with the remaining years calculated by the Finance Department of West Warwick.
(Plan-12) Repayment of reserve funds used to balance the budgets of fiscal years 2013 through 2016.

* Changes proposed are highlighted in yellow.

TOWN OF WEST WARWICK, RHODE ISLAND
ANALYSIS/20 YEAR BUDGET PROJECTION
PROPOSED CORRECTIVE ACTION PLAN
BASED ON THE SEPTEMBER 24, 2012 NYHART - RETIREMENT PLAN DESIGN REPORT
AND FOR FILLING STATE OF RHODE ISLAND BUDGET REQUIREMENTS

REVENUE DETAIL	PROPOSED FY 2017	PROPOSED FY 2018	PROPOSED FY 2019	PROPOSED FY 2020	PROPOSED FY 2021	PROPOSED FY 2022	PROPOSED FY 2023	PROPOSED FY 2024
PROPERTY TAXES:	(n) 63,209,764	(n) 64,760,248	(n) 66,635,586	(n) 68,541,429	(n) 70,503,685	(n) 72,066,718	(n) 73,553,835	(n) 75,036,976
STATE REVENUE:	(o) 23,618,173	(o) 24,029,643	(o) 24,029,643	(o) 24,029,643	(o) 24,029,643	(o) 24,029,643	(o) 24,029,643	(o) 24,029,643
TOWN REVENUE:	1,886,500	1,886,500	1,886,500	1,886,500	1,886,500	1,886,500	1,886,500	1,886,500
SCHOOL GRANTS/MISC:	1,384,504	1,384,504	1,384,504	1,384,504	1,384,504	1,384,504	1,384,504	1,384,504
MISCELLANEOUS:	158,999	158,999	158,999	158,999	158,999	158,999	158,999	158,999
OTHER FINANCING:	319,825	320,032	319,177	317,523	314,984	313,274	309,837	309,204
TOTAL REVENUE	**90,577,765**	**92,539,926**	**94,414,409**	**96,318,598**	**98,278,315**	**99,839,638**	**101,323,318**	**102,805,826**

EXPENSE DETAIL	PROPOSED FY 2017	PROPOSED FY 2018	PROPOSED FY 2019	PROPOSED FY 2020	PROPOSED FY 2021	PROPOSED FY 2022	PROPOSED FY 2023	PROPOSED FY 2024
SALARIES:	(q) 12,620,389	(q) 12,620,389	(q) 12,620,389	(q) 12,620,389	(q) 12,620,389	(q) 12,620,389	(q) 12,620,389	(q) 12,620,389
BENEFITS:	(r) 5,478,487	(r) 5,884,093	(r) 6,322,506	(r) 6,796,407	(r) 7,308,695	(r) 7,862,504	(r) 8,461,229	(r) 9,108,542
TOWN PENSION:	(f) 4,593,000	(f) 4,853,000	(f) 5,087,250	(f) 5,329,500	(f) 5,571,750	(f) 5,659,767	(f) 5,910,092	(f) 6,160,417
TOWN OPEB:	(g) 3,719,544	(g) 3,849,729	(g) 3,984,469	(g) 4,123,925	(g) 4,268,263	(g) 4,417,652	(g) 4,572,270	(g) 4,732,299
OPERATING:	5,121,236	5,194,222	5,268,667	5,344,601	5,422,053	5,501,055	5,581,636	5,663,830
OTHER:	898,203	898,203	(h) 1,123,207	898,203	898,203	(h) 1,123,210	898,203	898,203
EDUCATION:	(s) 51,005,292	(s) 51,940,589	(s) 52,448,640	(s) 52,974,820	(s) 53,511,284	(s) 54,094,956	(s) 54,650,535	(s) 55,216,873
EDUCATION PENSION:	(u) 1,107,000	(u) 1,147,000	(u) 1,212,750	(u) 1,270,500	(u) 1,328,250	(u) 1,349,233	(u) 1,408,908	(u) 1,468,583
EDUCATION OPEB:	(g) 2,479,696	(g) 2,566,486	(g) 2,656,313	(g) 2,749,284	(g) 2,845,509	(g) 2,945,101	(g) 3,048,180	(g) 3,154,866
CAPITAL:	310,645	310,645	310,645	310,645	310,645	310,645	310,645	310,645
DEBT SERVICE:	(t) 3,244,272	(t) 3,275,573	(t) 3,379,574	(t) 3,280,325	(t) 3,578,276	(t) 3,510,127	(t) 3,517,628	(t) 3,471,179
NOT BUDGETED:	0	0	0	0	0	0	0	0
SURPLUS REIMBURSEMENT	0	0	0 (V)	620,000 (V)	615,000 (V)	445,000 (V)	343,604	0
TOTAL EXPENSE	**90,577,766**	**92,539,927**	**94,414,410**	**96,318,599**	**98,278,316**	**99,839,639**	**101,323,319**	**102,805,827**
YEARLY (DEFICIT)	**(0)**	**(0)**	**0**	**(0)**	**(0)**	**(0)**	**0**	**0**
CUMULATIVE (DEFICIT)	**(1)**	**(1)**	**(1)**	**(1)**	**(1)**	**(2)**	**(1)**	**(1)**

(a) Property Taxes annually increased 617,271, per Ray Beattie memo dated 7/17/2012.
(b) State Revenue annually increased 300,000, per the schools FY 2013 budget.
(c) Other Financing increased 376,139, Council approved the use of fund balance as revenue to balance budget on 5/8/2012.
(d) Salary increased by 2.5% per contract on 6/30/2013 for FY 2014.
(e) Blue Cross increased 8.5% per year - using blue cross estimates.
(e) Delta Dental increased 5% for FY 2011 - FY 2012, 6% for FY 2013 - FY 2014, and estimated 6% for FY 2015 - FY 2016 - using Delta Dental numbers.
(f) Pension contribution funded to 60% level, per state letter dated 7/3/2012 and Nyhart's 7/16/2012 Revised Management Summary of 7/1/2011 actuarial valuation report.
(g) OPEB contribution funded to 60% level over 20 years, in anticipation of state pension regs, per the 7/1/2010 USI postretirement welfare benefit actuarial valuation report.
(h) Revaluation expense of 328,000. The assessor performs every three years per state law 44-5-11.5.
(i) Budget numbers are from the schools FY 2013 budget, increases projected at 4.4% for FY 2014, 3.52% for FY 2015 and 2.12% for FY 2016.
(j -m) Council approved unbudgeted expenses:

(j)	400,000	Civic center fire code upgrades, per lease agreement Article VII Section 5, approved by Council Resolution 2011-171.
(k)	275,000	Town match for DEM grants per Ray Beattie email dated 4/5/2012.
(l)	270,862	School to receive 29,100,000 in FY 2013, which is 270,862 above the budgeted amount of 28,829,138. Town to restore 5% cut in FY 2011 - FY 2013. 1.3 million in the (due to) school line item, to be paid to school. All per consent judgment dated 7/12/2012.
(m)	150,000	Bond expense for fire code upgrades to schools, per the decision of the Fire Safety Code Board of Appeal signed 5/10/2011.
	1,095,862	

(n) (Plan-1) Property tax levy increases capped at 4% annually. For fiscal years 2014 - fiscal year 2032, the proposed levy increase ranges from 2.08% to 4.00%.
(o) (Plan-2) Per the R.I. Department of Education, the increase in state aid for education for West Warwick from FY-13 through FY-18 is $411,00 annually.
(o) (Plan-3) The funds received from the state related to West Warwick being a distressed community has been removed following FY-2013 as these funds are not guaranteed going forward.
(p) (Plan-4) Amounts ranging from $474,734 to $652,832 will be drawn from the town's reserve fund to help balance the budgets of fiscal years 2014 - 2016.
(q) (Plan-5) The over time budgets of both the Police & Fire Departments have been reduce by half or greater with a projected savings of $825,000 annually.
(Plan-6) A projected savings of $275,000 has been included in FY-2013 related to a revision within the prescription drug policy for active employees.
(Plan-7) A projected savings of $100,000 has been included in FY-2013 related to a plan redesign to the town's dental plan for active employees.
(r) (Plan-8) A projected reduction of $1,800,000 has been included in FY-2013 related to retiree medical premium savings, per the Nyhart Report.
(s) (Plan-9) There is a projected 2% annual increase to the school department's local appropriation beginning in FY-2017 through FY-2032.
(t) (Plan-10) The town completed a capital improvement plan with funding from debt service for fiscal years 2015 through fiscal year 2032.
(u) (Plan-11) The pension contributions of the school department were provided by Nyhart, through FY-2018 with the remaining years calculated by the Finance Department of West Warwick.
(v) (Plan-12) Repayment of reserve funds used to balance the budgets of fiscal years 2013 through 2016.

* Changes proposed are highlighted in yellow.

TOWN OF WEST WARWICK, RHODE ISLAND
ANALYSIS/20 YEAR BUDGET PROJECTION
PROPOSED CORRECTIVE ACTION PLAN
BASED ON THE SEPTEMBER 24, 2012 NYHART - RETIREMENT PLAN DESIGN REPORT
AND FOR FILLING STATE OF RHODE ISLAND BUDGET REQUIREMENTS

REVENUE DETAIL	PROPOSED FY 2025	PROPOSED FY 2026	PROPOSED FY 2027	PROPOSED FY 2028	PROPOSED FY 2029	PROPOSED FY 2030	PROPOSED FY 2031	PROPOSED FY 2032
PROPERTY TAXES:	(n) 77,315,240	(n) 79,604,760	(n) 81,809,400	(n) 84,228,036	(n) 86,408,678	(n) 88,739,902	(n) 91,801,680	(n) 94,165,871
STATE REVENUE:	(o) 24,029,643	(o) 24,029,643	(o) 24,029,643	(o) 24,029,643	(o) 24,029,643	(o) 24,029,643	(o) 24,029,643	(o) 24,029,643
TOWN REVENUE:	1,886,500	1,886,500	1,886,500	1,886,500	1,886,500	1,886,500	1,886,500	1,886,500
SCHOOL GRANTS/MISC:	1,384,504	1,384,504	1,384,504	1,384,504	1,384,504	1,384,504	1,384,504	1,384,504
MISCELLANEOUS:	158,999	158,999	158,999	158,999	158,999	158,999	158,999	158,999
OTHER FINANCING:	305,724	305,053	301,323	296,206	288,889	284,867	280,802	279,012
TOTAL REVENUE	105,080,610	107,369,459	109,570,369	111,983,888	114,157,213	116,484,415	119,542,128	121,904,529

EXPENSE DETAIL	PROPOSED FY 2025	PROPOSED FY 2026	PROPOSED FY 2027	PROPOSED FY 2028	PROPOSED FY 2029	PROPOSED FY 2030	PROPOSED FY 2031	PROPOSED FY 2032
SALARIES:	(q) 12,620,389	(q) 12,620,389	(q) 12,620,389	(q) 12,620,389	(q) 12,620,389	(q) 12,620,389	(q) 12,620,389	(q) 12,620,389
BENEFITS:	(r) 9,808,419	(r) 10,565,160	(r) 11,383,422	(r) 12,268,243	(r) 13,225,078	(r) 14,259,830	(r) 15,378,889	(r) 16,589,170
TOWN PENSION:	(f) 6,410,742	(f) 6,661,067	(f) 6,913,815	(f) 7,191,595	(f) 7,469,375	(f) 7,747,155	(f) 8,024,935	(f) 8,302,715
TOWN OPEB:	(g) 4,897,930	(g) 5,069,357	(g) 5,246,785	(g) 5,430,422	(g) 5,620,487	(g) 5,817,204	(g) 6,020,806	(g) 6,231,534
OPERATING:	5,747,667	5,833,181	5,920,405	6,009,374	6,100,122	6,192,685	6,287,099	6,383,402
OTHER:	(h) 1,123,213	898,203	898,203	(h) 1,123,216	898,203	898,203	(h) 1,123,219	898,203
EDUCATION:	(s) 55,794,131	(s) 56,382,471	(s) 56,981,481	(s) 57,585,933	(s) 58,201,962	(s) 58,829,736	(s) 59,469,423	(s) 60,121,191
EDUCATION PENSION:	(u) 1,528,258	(u) 1,587,933	(u) 1,648,185	(u) 1,714,405	(u) 1,780,625	(u) 1,846,845	(u) 1,913,065	(u) 1,979,285
EDUCATION OPEB:	(g) 3,265,287	(g) 3,379,572	(g) 3,497,857	(g) 3,620,282	(g) 3,746,991	(g) 3,878,136	(g) 4,013,871	(g) 4,154,356
CAPITAL:	310,645	310,645	310,645	310,645	310,645	310,645	310,645	310,645
DEBT SERVICE:	(t) 3,573,930	(t) 4,061,481	(t) 4,149,182	(t) 4,109,383	(t) 4,183,334	(t) 4,083,585	(t) 4,379,786	(t) 4,313,637
NOT BUDGETED:	0	0	0	0	0	0	0	0
SURPLUS REIMBURSEMENT	0	0	0	0	0	0	0	0
TOTAL EXPENSE	105,080,610	107,369,459	109,570,368	111,983,887	114,157,212	116,484,413	119,542,127	121,904,528
YEARLY (DEFICIT)	0	0	0	0	0	(0)	0	(0)
CUMULATIVE (DEFICIT)	(0)	(0)	0	1	1	1	1	1

(a) Property Taxes annually increased 617,271, per Ray Beattie memo dated 7/17/2012.
(b) State Revenue annually increased 300,000, per the schools FY 2013 budget.
(c) Other Financing increased 376,139, Council approved the use of fund balance as revenue to balance budget on 5/8/2012.
(d) Salary increased by 2.5% per contract on 6/30/2013 for FY 2014.
(e) Blue Cross Increased 8.5% per year - using blue cross estimates.
(e) Delta Dental increased 5% for FY 2011 - FY 2012, 6% for FY 2013 - FY 2014, and estimated 6% for FY 2015 - FY 2016 - using Delta Dental numbers.
(f) Pension contribution funded to 60% level, per state letter dated 7/3/2012 and Nyhart's 7/16/2012 Revised Management Summary of 7/1/2011 actuarial valuation report.
(g) OPEB contribution funded to 60% level over 20 years, in anticipation of state pension regs, per the 7/1/2010 USI postretirement welfare benefit actuarial valuation report.
(h) Revaluation expense of 328,000. The assessor performs every three years per state law 44-5-11.5.
(i) Budget numbers are from the schools FY 2013 budget, increases projected at 4.4% for FY 2014, 3.52% for FY 2015 and 2.12% for FY 2016.
(j -m) Council approved unbudgeted expenses:

(j)	400,000	Civic center fire code upgrades, per lease agreement Article VII Section 5, approved by Council Resolution 2011-171.
(k)	275,000	Town match for DEM grants per Ray Beattie email dated 4/5/2012.
(l)	270,862	School to receive 29,100,000 in FY 2013, which is 270,862 above the budgeted amount of 28,829,138. Town to restore 5% cut in FY 2011 - FY 2013. 1.3 million in the (due to) school line item, to be paid to school. All per consent judgment dated 7/12/2012.
(m)	150,000	Bond expense for fire code upgrades to schools, per the decision of the Fire Safety Code Board of Appeal signed 5/10/2011.
	1,095,862	

(n) (Plan-1) Property tax levy increases capped at 4% annually. For fiscal years 2014 - fiscal year 2032, the proposed levy increase ranges from 2.08% to 4.00%.
(o) (Plan-2) Per the R.I. Department of Education, the increase in state aid for education for West Warwick from FY-13 through FY-18 is $411,00 annually.
(o) (Plan-3) The funds received from the state related to West Warwick being a distressed community has been removed following FY-2013 as these funds are not guaranteed going forward.
(p) (Plan-4) Amounts ranging from $474,734 to $652,832 will be drawn from the town's reserve fund to help balance the budgets of fiscal years 2014 - 2016.
(q) (Plan-5) The over time budgets of both the Police & Fire Departments have been reduce by half or greater with a projected savings of $825,000 annually.
(r) (Plan-6) A projected savings of $275,000 has been included in FY-2013 related to a revision within the prescription drug policy for active employees.
(r) (Plan-7) A projected savings of $100,000 has been included in FY-2013 related to a plan redesign to the town's dental plan for active employees.
(r) (Plan-8) A projected reduction of $1,800,000 has been included in FY-2013 related to retiree medical premium savings, per the Nyhart Report.
Plan-9) There is a projected 2% annual increase to the school department's local appropriation beginning in FY-2017 through FY-2032.
(t) (Plan-10) The town completed a capital improvement plan with funding from debt service for fiscal years 2015 through fiscal year 2032.
(u) (Plan-11) The pension contributions of the school department were provided by Nyhart, through FY-2018 with the remaining years calculated by the Finance Department of West Warwick.
(v) (Plan-12) Repayment of reserve funds used to balance the budgets of fiscal years 2013 through 2016.

* Changes proposed are highlighted in yellow.

Town of West Warwick, RI
DRAFT - Capital Improvement Plan
Fiscal Years 2013 - 2023

Town of West Warwick, RI
DRAFT - Capital Improvement Program Department Totals
Summary Report by year
Yearly Expenses

	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	Dept. Total	Funding Source				
												General Fund	Enterprise	Authorized Bonds	Unauthorized Bonds	Grants/Other
Fire Department	$789,639.00	$73,196.00	$815,421.00	$38,028.00	$32,500.00	$213,996.00	$0.00	$0.00	$213,996.00	$0.00	$2,176,776.00	$438,844.00	$912,932.00	$0.00	$0.00	$825,000.00
Information Technology	$70,000.00	$70,000.00	$70,000.00	$70,000.00	$70,000.00	$70,000.00	$70,000.00	$70,000.00	$70,000.00	$70,000.00	$700,000.00	$700,000.00	$0.00	$0.00	$0.00	$0.00
Recreation	$53,350.00	$9,000.00	$0.00	$0.00	$9,000.00	$25,000.00	$0.00	$0.00	$0.00	$34,000.00	$130,350.00	$130,350.00	$0.00	$0.00	$0.00	$0.00
Public Works	$154,800.00	$5,355,531.00	$150,000.00	$0.00	$362,731.00	$4,800.00	$26,000.00	$5,212,731.00	$150,000.00	$13,500.00	$11,430,093.00	$1,274,093.00	$0.00	$10,000,000.00	$0.00	$156,000.00
Police Department	$428,114.00	$217,673.00	$182,198.00	$227,114.00	$172,281.00	$165,073.00	$158,490.00	$158,490.00	$158,490.00	$165,073.00	$2,032,996.00	$765,596.00	$0.00	$0.00	$0.00	$1,267,400.00
Sewer Department	$80,000.00	$120,000.00	$180,000.00	$940,000.00	$2,530,000.00	$135,000.00	$110,000.00	$1,475,000.00	$210,000.00	$1,440,000.00	$7,220,000.00	$0.00	$2,120,000.00	$5,100,000.00	$0.00	$0.00
Building Department	$3,000.00	$55,000.00	$170,000.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$228,000.00	$228,000.00	$0.00	$0.00	$0.00	$0.00
Grand Total:	**$1,578,903.00**	**$5,900,400.00**	**$1,567,619.00**	**$1,275,142.00**	**$3,176,512.00**	**$613,869.00**	**$364,490.00**	**$6,916,221.00**	**$802,486.00**	**$1,722,573.00**	**$23,918,215.00**	**$3,536,883.00**	**$3,032,932.00**	**$15,100,000.00**	**$0.00**	**$2,248,400.00**
											Totals					
Enterprise Funds	$322,470.00	$120,000.00	$422,470.00	$940,000.00	$30,000.00	$348,996.00	$110,000.00	$275,000.00	$423,996.00	$40,000.00	**$3,032,932.00**					
Grants	$617,016.00	$190,751.00	$523,126.00	$163,042.00	$169,709.00	$110,501.00	$103,918.00	$155,918.00	$103,918.00	$110,501.00	**$2,248,400.00**					
Sewer Bonds					$2,500,000.00			$1,200,000.00		$1,400,000.00	**$5,100,000.00**					
Auth Bonds		$5,000,000.00						$5,000,000.00			**$10,000,000.00**					
Debt Service																
General Fund	$639,417.00	$589,649.00	$622,023.00	$172,100.00	$476,803.00	$154,372.00	$150,572.00	$285,303.00	$274,572.00	$172,072.00	**$3,536,883.00**					
											$23,918,215.00					

Town of West Warwick, RI
DRAFT - Capital Improvement Program Department Totals
Fire Department
Yearly Expenses

Fire Department	Expense											Funding Source				
	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	Project Total	General Fund	Enterprise	Authorized Bonds	Unauthorized Bonds	Grants/Other
Pumper Truck	$450,000	$0	$450,000	$0	$0	$0	$0	$0	$0	$0	$900,000	$90,000				$810,000
Hose	$9,520	$0	$9,520	$0	$0	$0	$0	$0	$0	$0	$19,040	$19,040				
Station 3 Repairs	$15,295	$0	$0	$0	$0	$0	$0	$0	$0	$0	$15,295	$15,295				
Rescue Boat	$19,936	$0	$0	$0	$0	$0	$0	$0	$0	$0	$19,936	$4,936				$15,000
Digitize 3505 Receiver	$39,040	$0	$0	$0	$0	$0	$0	$0	$0	$0	$39,040	$39,040				
Compressor	$7,850	$0	$0	$0	$0	$0	$0	$0	$0	$0	$7,850	$7,850				
XTC 1500 Dig. Port. Radios	$5,528	$5,528	$5,528	$5,528	$0	$0	$0	$0	$0	$0	$22,112	$22,112				
LifePak 15 V2	$28,474	$0	$28,474	$0	$0	$0	$0	$0	$0	$0	$56,948		$56,948			
Rescue Vehicle	$213,996	$0	$213,996	$0	$0	$213,996	$0	$0	$213,996	$0	$855,984		$855,984			
Air Bag Control Unit	$0	$5,600	$0	$0	$0	$0	$0	$0	$0	$0	$5,600	$5,600				
Scott SCBA Cylinders	$0	$29,568	$30,624	$0	$0	$0	$0	$0	$0	$0	$60,192	$60,192				
Scott Air Pak-75 Harnesses	$0	$32,500	$32,500	$32,500	$32,500	$0	$0	$0	$0	$0	$130,000	$130,000				
Battalion Chief's Vehicle	$0	$0	$44,779	$0	$0	$0	$0	$0	$0	$0	$44,779	$44,779				
Project Totals:	**$789,639**	**$73,196**	**$815,421**	**$38,028**	**$32,500**	**$213,996**	**$0**	**$0**	**$213,996**	**$0**	**$2,176,776**	**$438,844**	**$912,932**	**$0**	**$0**	**$825,000**

Town of West Warwick, RI
DRAFT - Capital Improvement Program Department Totals
Police Department
Yearly Expenses

Police Department	Expense											Funding Source				
	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	Project Total	General Fund	Enterprise	Authorized Bonds	Unauthorized Bonds	Grants/Other
Radio System	$92,188	$17,548	$17,548	$17,548	$17,548	$10,340	$10,340	$10,340	$10,340	$10,340	$214,080					$214,080
In-Car Camera	$25,950	$16,500	$16,500	$16,500	$0	$0	$0	$0	$0	$0	$75,450	$47,450				$28,000
Computer Upgrades	$19,713	$19,713	$19,713	$64,629	$26,296	$26,296	$19,713	$19,713	$19,713	$26,296	$261,795					$261,795
Property Room	$9,200	$0	$0	$0	$0	$0	$0	$0	$0	$0	$9,200	$9,200				
Bullet Resistant Vest	$8,437	$8,437	$8,437	$8,437	$8,437	$8,437	$8,437	$8,437	$8,437	$8,437	$84,370	$50,620				$33,750
Handgun Replacement	$0	$35,475	$0	$0	$0	$0	$0	$0	$0	$0	$35,475	$14,850				$20,625
Police Fleet	$120,000	$120,000	$120,000	$120,000	$120,000	$120,000	$120,000	$120,000	$120,000	$120,000	$1,200,000	$495,100				$704,900
Interview Room	$7,626	$0	$0	$0	$0	$0	$0	$0	$0	$0	$7,626	$3,376				$4,250
Cell Block Mod.	$145,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$145,000	$145,000				
Project Totals:	**$428,114**	**$217,673**	**$182,198**	**$227,114**	**$172,281**	**$165,073**	**$158,490**	**$158,490**	**$158,490**	**$165,073**	**$2,032,996**	**$765,596**	**$0**	**$0**	**$0**	**$1,267,400**

Town of West Warwick, RI
DRAFT - Capital Improvement Program Department Totals
Parks & Recreation
Yearly Expenses

Recreation Department	Expense											Funding Source				
	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	Project Total	General Fund	Enterprise	Authorized Bonds	Unauthorized Bonds	Grants/Other
Dump Truck	$50,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$50,000	$50,000				
F-150 Pick-up Trucks		$0	$0	$0	$0	$25,000	$0	$0	$0	$25,000	$50,000	$50,000				
Lawn Mowers	$0	$9,000	$0	$0	$9,000	$0	$0	$0	$0	$9,000	$27,000	$27,000				
Chemical Spray Rig	$3,350	$0	$0	$0	$0	$0	$0	$0	$0	$0	$3,350	$3,350				
Project Totals:	**$53,350**	**$9,000**	**$0**	**$0**	**$9,000**	**$25,000**	**$0**	**$0**	**$0**	**$34,000**	**$130,350**	**$130,350**	**$0**	**$0**	**$0**	**$0**

Town of West Warwick, RI
DRAFT - Capital Improvement Program Department Totals
Public Works
Yearly Expenses

Public Works	Expense											Funding Source				
	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	Project Total	General Fund	Enterprise	Authorized Bonds	Unauthorized Bonds	Grants/Other
Back Hoe	$0	$103,300	$0	$0	$0	$0	$0	$0	$0	$0	$103,300	$103,300				
Recycling Truck	$0	$212,731	$0	$0	$212,731	$0	$0	$212,731	$0	$0	$638,193	$482,193				$156,000
5-7 Yard Dump Truck	$150,000	$0	$150,000	$0	$150,000	$0	$0	$0	$150,000	$0	$600,000	$600,000				
Computer Replacement	$4,800	$0	$0	$0	$0	$4,800	$0	$0	$0	$0	$9,600	$9,600				
Copier/Printer	$0	$13,500	$0	$0	$0	$0	$0	$0	$0	$13,500	$27,000	$27,000				
Director's Vehicle	$0	$26,000	$0	$0	$0	$0	$26,000	$0	$0	$0	$52,000	$52,000				
Road Paving/Drainage	$0	$5,000,000	$0	$0	$0	$0	$0	$5,000,000	$0	$0	$10,000,000			$10,000,000		
Project Totals:	**$154,800**	**$5,355,531**	**$150,000**	**$0**	**$362,731**	**$4,800**	**$26,000**	**$5,212,731**	**$150,000**	**$13,500**	**$11,430,093**	**$1,274,093**	**$0**	**$10,000,000**	**$0**	**$156,000**

Town of West Warwick, RI
DRAFT - Capital Improvement Program Department Totals
Building Inspection
Yearly Expenses

Building Department	Expense											Funding Source				
	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	Project Total	General Fund	Enterprise	Authorized Bonds	Unauthorized Bonds	Grants/Other
Boiler Conversion	$3,000	$45,000	$0	$0	$0	$0	$0	$0	$0	$0	$48,000	$48,000				
Handicap Elevator		$10,000	$170,000	$0	$0	$0	$0	$0	$0	$0	$180,000	$180,000				
Project Totals:	**$3,000**	**$55,000**	**$170,000**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$228,000**	**$228,000**	**$0**	**$0**	**$0**	**$0**

Town of West Warwick, RI
DRAFT - Capital Improvement Program Department Totals
Sewer Department
Yearly Expenses

Sewer Department	Expense 2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	Project Total	Funding Source General Fund	Enterprise	Authorized Bonds	Unauthorized Bonds	Grants/Other
Vehicle Replacements	$30,000	$40,000	$180,000	$40,000	$30,000	$110,000	$60,000	$275,000	$110,000	$40,000	$915,000	$0	$915,000			
Electrical Upgrades	$50,000	$40,000	$0	$100,000	$0	$25,000	$50,000	$0	$100,000	$0	$365,000	$0	$365,000			
Hilltop Pump Station	$0	$40,000	$0	$0	$0	$0	$0	$0	$0	$0	$40,000	$0	$40,000			
West Warwick Ave Pipe Replacement	$0	$0	$0	$0	$2,500,000	$0	$0	$0	$0	$0	$2,500,000			$2,500,000		
Quaker Lane Pump Sta.	$0	$0	$0	$800,000	$0	$0	$0	$0	$0	$0	$800,000	$0	$800,000			
Collection System-Tiogue	$0	$0	$0	$0	$0	$0	$0	$1,200,000	$0	$0	$1,200,000	$0	$0	$1,200,000		
Collection System-Clyde	$0	$0	$0	$0	$0	$0	$0	$0	$0	$1,400,000	$1,400,000	$0	$0	$1,400,000		
Project Totals:	**$80,000**	**$120,000**	**$180,000**	**$940,000**	**$2,530,000**	**$135,000**	**$110,000**	**$1,475,000**	**$210,000**	**$1,440,000**	**$7,220,000**	**$0**	**$2,120,000**	**$5,100,000**	**$0**	**$0**

Town of West Warwick, RI
DRAFT - Capital Improvement Program Department Totals
Planning Department
Yearly Expenses

Information Technology	Expense											Funding Source				
	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	Project Total	General Fund	Enterprise	Authorized Bonds	Unauthorized Bonds	Grants/Other
Technology Systems and Hardware Lifecycle Program	$70,000	$70,000	$70,000	$70,000	$70,000	$70,000	$70,000	$70,000	$70,000	$70,000	$700,000	$700,000				
Project Totals:	**$70,000**	**$70,000**	**$70,000**	**$70,000**	**$70,000**	**$70,000**	**$70,000**	**$70,000**	**$70,000**	**$70,000**	**$700,000**	**$700,000**	**$0**	**$0**	**$0**	**$0**

Town of West Warwick, RI
DRAFT - Capital Improvement Plan
Debt Service Schedule
GO Bond and Capital Leases

FISCAL YEARS	FY15 GO Bond	FY20 GO Bond	FY25 GO Bond	FY30 GO Bond	FY14 Lease	FY15 Lease	FY16 Lease	FY17 Lease	FY18 Lease	FY19 Lease	FY20 Lease	FY21 Lease	FY22 Lease	FY23 Lease	FY24 Lease	FY25 Lease	FY26 Lease	FY27 Lease	FY28 Lease	FY29 Lease	FY30 Lease	FY31 Lease	FY32 Lease	Total
FY2013																								$ -
FY2014																								$ -
FY2015					$139,200																			$ 139,200
FY2016	$400,000				$140,600	$127,700																		$ 668,300
FY2017	$402,500				$141,850	$129,400	$138,750																	$ 812,500
FY2018	$399,500				$137,950	$130,950	$135,150	$40,250																$ 843,800
FY2019	$401,250				$139,050	$127,350	$136,550	$39,200	$104,400															$ 947,800
FY2020	$402,500					$128,750	$137,800	$38,150	$106,700	$34,650														$ 848,550
FY2021	$403,250	$400,000					$133,900	$37,100	$103,850	$33,750	$34,650													$ 1,146,500
FY2022	$403,500	$402,500						$36,050	$106,000	$32,850	$33,750	$63,700												$ 1,078,350
FY2023	$398,250	$399,500							$103,000	$31,950	$32,850	$62,050	$58,250											$ 1,085,850
FY2024	$402,750	$401,250								$36,050	$31,950	$65,400	$61,750	$40,250										$ 1,039,400
FY2025	$401,500	$402,500									$36,050	$63,600	$60,100	$39,200	$139,200									$ 1,142,150
FY2026	$399,750	$403,250	$400,000									$61,800	$58,450	$38,150	$140,600	$127,700								$ 1,629,700
FY2027	$402,500	$403,500	$402,500										$61,800	$37,100	$141,850	$129,400	$138,750							$ 1,717,400
FY2028	$399,500	$398,250	$399,500											$36,050	$137,950	$130,950	$135,150	$40,250						$ 1,677,600
FY2029	$401,000	$402,750	$401,250												$139,050	$127,350	$136,550	$39,200	$104,400					$ 1,751,550
FY2030	$401,750	$401,500	$402,500													$128,750	$137,800	$38,150	$106,700	$34,650				$ 1,651,800
FY2031	$401,750	$399,750	$403,250	$400,000													$133,900	$37,100	$103,850	$33,750	$34,650			$ 1,948,000
FY2032	$401,000	$402,500	$403,500	$402,500														$36,050	$106,000	$32,850	$33,750	$63,700		$ 1,881,850
FY2033	$399,500	$399,500	$398,250	$399,500															$103,000	$31,950	$32,850	$62,050	$58,250	$ 1,884,850
FY2034	$402,250	$401,000	$402,750	$401,250																$36,050	$31,950	$65,400	$61,750	$ 1,802,400
FY2035	$399,000	$401,750	$401,500	$402,500																	$36,050	$63,600	$60,100	$ 1,764,500
FY2036		$401,750	$399,750	$403,250																		$61,800	$58,450	$ 1,325,000
FY2037		$401,000	$402,500	$403,500																			$61,800	$ 1,268,800
FY2038		$399,500	$399,500	$398,250																				$ 1,197,250
FY2039		$402,250	$401,000	$402,750																				$ 1,206,000
FY2040		$399,000	$401,750	$401,500																				$ 1,202,250
FY2041			$401,750	$399,750																				$ 801,500
FY2042			$401,000	$402,500																				$ 803,500
FY2043			$399,500	$399,500																				$ 799,000
FY2044			$402,250	$401,000																				$ 803,250
FY2045			$399,000	$401,750																				$ 800,750
FY2046				$401,750																				$ 401,750
FY2047				$401,000																				$ 401,000
FY2048				$399,500																				$ 399,500
FY2049				$402,250																				$ 402,250
FY2050				$399,000																				$ 399,000
TOTAL	**$8,023,000**	**$8,023,000**	**$8,023,000**	**$8,023,000**	**$698,650**	**$644,150**	**$682,150**	**$190,750**	**$523,950**	**$169,250**	**$169,250**	**$316,550**	**$300,350**	**$190,750**	**$698,650**	**$644,150**	**$682,150**	**$190,750**	**$523,950**	**$169,250**	**$169,250**	**$316,550**	**$300,350**	**$39,672,850**

West Warwick Public Schools

Kenneth M. Sheehan
Superintendent of Schools
401-821-1180
FAX: 401-822-8463

Administration Building
Miriam A. Duffy School
10 Harris Avenue
West Warwick, RI 02893

September 21, 2012

Mr. Michael Stampfler
Town Manager
Town of West Warwick
West Warwick Town Hall
1170 Main Street
West Warwick, RI 02893

24 SEP 2012 PM2:15

Dear Mr. Stampfler:

With regard to your letter of 8-21-12 requesting a "corrective action" report for the accumulated deficit of the West Warwick School Department, please be advised that following many, many hours of tedious research, data compilation, and several meetings, said report has been completed and unanimously approved by the School Committee.

24 SEP 2012 PM2:15

The West Warwick Public Schools recognize, through a settlement agreement with the West Warwick Town Council, a school department unaudited negative fund balance of $1,662,892.00. The Deficit Reduction Plan covers a 5-year period of time (FY 13-17) whereby $332,597.00 will be reallocated from the school department budget for the referenced period.

In addition, it would be very shortsighted to look at this deficit in isolation. The extended forecast for the FY 14 school budget is $50,645,054.00, which is an increase of $1,562,754.00 to the current operational school budget. Accordingly, our deficit reduction plan takes into consideration both the accumulated deficit and the anticipated increase in the FY 14 operational budget. Considering budget forecasts beyond FY 14 would not be prudent due to the numerous components and variables (which are unknown at this time) that could greatly impact future finances.

Said deficit reduction plan has been attached for your review and inclusion in the town's overall report. Additionally, a summary of "cost-cutting" measures taken by the school department from FY 2009 to FY 2013 has also been attached for your information.

Please contact me if you have any further questions or comments regarding this matter.

Sincerely,

Kenneth M. Sheehan

Kenneth M. Sheehan
Superintendent of Schools

The West Warwick Public Schools do not discriminate on the basis of age, sex, race, religion, national origin, color or handicap in accordance with applicable laws and regulations.

TTY 1 800 745 5555 VOICE 1 800 745 6575

WEST WARWICK PUBLIC SCHOOL DEPARTMENT

Deficit Reduction Plan (FY 2013-17)

The West Warwick Town Appropriation for the FY 12-13 School Budget is $29,100,000.

The West Warwick School Committee is asking for an increase in the town's appropriation to the school department of $891,484. The School Department's budget for FY 13-14 would be $29,991,481. (This was the Maintenance of Effort amount that was established by Judge Rubine in Superior Court in the Spring of 2012.)

Of the newly established school department budget of $29,991,481., $332,579. would be paid directly to the town each year for 5 years, which would pay off the school deficit of $1,662,892.

The FY 13-14 Projected Budget is $50,645,054. This is an increase of $1,562,754. from FY 12-13.

Reduction Plan for FY 13-14

• Additional Town Appropriation	$ 558,905.
• Anticipated Increase in State Aid	$ 372,340.
• Reduction in Extracurricular/Athletic Operational Budget	$ 44,000.
• Reduction in FY 13-14 Teaching Positions	$ 338,049.
• Reduction in Special Education Tuitions	$ 88,000.
• Anticipated Savings from Council 94 Negotiations	$ 60,000.
• Reduction in Teacher Assistant Positions	$ 101,460.
Total for FY 13-14	$1,562,754

During FY 12-14, additional cost savings will also be explored (example)

- Conduct an internal Education Program Audit for B.E.P. compliance
- Review policies/protocols/regulations for students applying for a Career/Technical/Vocational education
- Conduct a feasibility study regarding the possibility of reorganizing the School Department Business Office.
- Exploration of Town/School Department Consolidation
- Review state mandates for possible waiver submission,
  (Ex) – School-Nurse Teachers
  Vocational/Career Centers
  Private School Transportation/Textbooks
  Athletic User Fees

WEST WARWICK PUBLIC SCHOOLS

CONTRACT CONCESSIONS, SCHOOL CLOSINGS, WORKFORCE REDUCTIONS AND PROGRAM ELIMINATIONS FROM FY 2009 THROUGH FY 2013

FY 2009

- Renegotiated contract with the West Warwick Teachers' Alliance (WWTA). Contract originally had a 2.95% increase and a 2.5% increase slated for fiscal years '09 and '10. The WWTA agreed to give up increases and roll salaries back to the 07-08 salary schedule.
- The teachers have remained on the 07-08 salary schedule through FY 12.
- The WWTA also agreed to changes in healthcare benefits and an increase in co-share of healthcare premiums to 15%.
- The WWTA also made other concessions which are outlined on the enclosed Fiscal Impact Statement.
- Negotiated a new three-year contract with our non-certified employees represented by RI Council 94. They agreed to no salary increases over the life of the contract.
- RI Council 94 also agreed to changes in healthcare benefits and an increase in their co-share to 10% of healthcare premiums.

FY 2010

- Reduced workforce by 27 full-time positions.

FY 2011

- Closed the Maisie E. Quinn Elementary School which housed approximately 350 students in Grades Pk-5.
- Moved Grade 5 students to the John F. Deering Middle School and created a 5-8 middle school.
- Reduced workforce by 9 full-time positions.

FY 2012

- Central Administration Reorganization
- Unable to budget funds for the Municipal Pension Fund

FY 2013

- Reduction of 3 Administrative Positions
  28 Educational Programs/Teaching Positions (PreK-12)
- Reinstatement of the employer contribution to the Municipal Pension Plan in the amount of $1,000,000.
- Negotiations with the WWTA for a successor contract yielded concessions equaling $2,750,000.00 over a three-year period of time.
- R.I. Council 94 (Classified Staff) currently in mediation and possibly headed to arbitration.

The following pages detail the School Committee's Educational Budget Plan for FY 12 which totals $48,508,700, an increase of $158,494 from FY 11.

As the economy remains stagnant, so too does our Educational Budget. Since FY 2007, revenues to support education have essentially remained the same. In FY 2007, education revenues totaled $48,097,350. Five years later, revenue projections to support education are estimated at $48,508,726. In FY 2008, education revenues peaked at $51,055,311 but those funds were decreased the following year when State Education Aid for West Warwick was reduced by over $2 million.

It has been a challenge for the district these past several years to maintain balanced budgets while at the same time implementing the State's Basic Education Plan (the BEP). In order to accomplish this, the West Warwick School Committee, the administration, the West Warwick Teachers' Alliance, and Council 94 have worked collaboratively to realize upwards of $7 million dollars in savings since FY 2008. Some of the major savings were accomplished by:

- Freezing wages at FY 08 salary levels
- Reducing health insurance benefit levels
- Increasing employee co-pays to 15%
- Eliminating (a net) thirty five (35) full time positions
- Closing a K-5 elementary school
- Establishing in-house programs to eliminate costly tuitions for out of district special education placements

At the same time, while addressing the on-going budget problems, the district has 1) been able to maintain its core education programs, 2) continued to provide quality after school programming, 3) maintained safe, clean buildings for students and staff, 4) reduced its accumulated deficit from $3 million in FY 09 to under $2 million (estimated at the end of FY 11), and most importantly, 4) realized significant increases in student achievement in math, reading and writing across all grade levels as measured by the State's NECAP (New England Common Assessment Program) test results.

The 2010 NECAP results show West Warwick students are making significant progress in all academic areas across all grade levels. In reading, West Warwick was singled out in *Rhode Island's NECAP Math, Reading, and Writing Results for Grades 3-8, and 11*, as **the only** district in the State to make reading gains as a whole district. Across the district the percentage of students labeled a proficient or proficient with distinction increased from 66% to 72%.

Students in grades 8 and 11 made the most impressive gains with 81% and 82% respectively recording proficient and/or proficient with distinction on their NECAP assessment.

The district has recently strengthened its efforts in professional development focusing on mathematics instruction, and those efforts are paying off as a positive trend continues for all subgroups (elementary, middle and high school). Although our elementary and middle schools have the highest achievement levels in NECAP assessments, our high school made statistically significant gains this year.

In writing, our students continue to make gains as well, and all of our students scored better than the state average in each of the grade levels tested.

Despite successfully addressing our financial and academic challenges the past several years, it will be a monumental undertaken, by all stakeholders, to sustain our recent success going forward. Both FY 12 and, looking ahead, FY 13 present extraordinary challenges to the district.

In FY 12 the district is only budgeting $40 per student for instructional supplies. This amount is substantially below the state average and it is a major concern for the district as we continue to struggle providing our teachers and students with instruction materials, new textbooks, the latest technology and other educational opportunities that enhance teaching and learning.

In addition, no funds have been budgeted for the Municipal Pension Plan. The district simply does not have the resources to make the required contribution in FY 12. It will be mandatory to make up for this in FY 13.

In FY 13, our budget challenges will be immense. It is possible, worst case scenario, that the district will be looking at addressing a shortfall in revenues between $4 million to $5 million dollars. In FY 13, the district will lose approximately $900,000 in Federal Funds (Education Job Fund) that are being used in FY 12 to support the Educational Budget. These funds are one time and expire at the end of FY 12. In addition, health care costs will most likely increase, and pension costs could increase significantly. These two items alone could increase the school budget by $2 to $3 million dollars.

As we attempt to solve our fiscal problems the district will be addressing the following education initiatives over the course of the next two to three years. These initiatives include but are not limited to:

- Implementing the State's new teacher/administrator evaluation program
- Developing a new five year strategic plan for the district
- Develop, maintain and implement a new student/teacher data system to comply with RIDE's Strategic Plan
- Implementation of the RTTT (Race to the Top) grant and the entire "scope of work" associated with this state initiative

- Provide additional professional development in regards to 1) Teacher Evaluations, 2) Response to Intervention, and 3) Common Core State Standards in ELA, Math, Social Studies and Science
- Develop extended learning opportunities for students and adults
- Align and coordinate the transition from NECAP state testing to the new student assessment system (PARCC)
- Develop local data and collaboration systems to support the full implementation of the new State Educator Evaluation System
- Implementation of the RIDE audit recommendations for the Special Needs and Title I programs
- Provide for personnel which will be necessary to achieve compliance regarding the teacher and administrator evaluation system

As we have shown recently, working collaboratively, the community can successfully overcome insurmountable fiscal and academic challenges. In order for our students to continue to receive a quality education without any disruption in services, or reduction in essential educational programming it is imperative that all stakeholders once again successfully work together to meet the challenges that are already at our door step.

West Warwick Public Schools

Kenneth M. Sheehan
Superintendent of Schools
401-821-1180
FAX: 401-822-8463

Administration Building
Miriam A. Duffy School
10 Harris Avenue
West Warwick, RI 02893

MEMORANDUM

3 OCT 2012 AM9:54

TO: Michael Stampfler
Town Manager

FROM: Kenneth M. Sheehan KMS.
Superintendent of Schools

DATE: October 2, 2012

SUBJECT: West Warwick Public Schools Reaction to September 26, 2012 Memos and School ARC Projections

The Special School Committee meeting scheduled for Wednesday, October 3, 2012, has been cancelled by the West Warwick School Committee, due to circumstances beyond their control. In reaction to this, I have met with individual members of the School Committee to address your three correspondences of Wednesday, September 26, 2012.

The major topic of discussion was how will this additional "Pension Contribution" of $555,451 from the school department affect the newly developed "Deficit Reduction Plan."

This topic will be an agenda item for the October 9, 2012 School Committee meeting. However, I thought you would like to have the preliminary results of the discussions with some individual School Committee members.

The School Committee recognizes that with the implementation of the new deficit reduction plan very little is left to cut from the school department budget and still be able to implement the B.E.P. and state education mandates.

Therefore, there are very few options available.

The first option is to ask for an additional appropriation from the Town of West Warwick. This could be realized through a supplemental tax increase or take this amount ($555,451) from the rainy day fund.

The second option is more financially sound and feasible. This plan would view the additional amount of money owed to the pension fund over a 3-year period of time (FY 13-15).

Please reference: Odom Tayt's letter to Brian Silvia dated Wednesday, September 26, 2012 (3:53 P.M.)
Subject: School ARC Projections.

The West Warwick Public Schools do not discriminate on the basis of age, sex, race, religion, national origin, color or handicap in accordance with applicable laws and regulations.

TTY 1 800 745 5555 VOICE 1 800 745 6575

The total amount of the ARC after changes for (FY 2013-2015) is $3,502,451.

The school department is prepared to budget for this amount of money in the following manner:

FY 2012-2013 - $1,000,000.
FY 2013-2014 - $1,251,225.
FY 2014-2015 - $1,251,226.

The total pension contribution from FY 13-15 would equal the amount required under the new ARC -- $3,502,451.00.

The School Committee will be discussing and voting on these options and others, if possible, on Tuesday, October 9, 2012, during their regular School Committee meeting.

If any further information is needed, please contact me at your earliest convenience.

Thank you.

KMS:mmc