

Budget Forecasting Report for FY26
Executive Summary

Members of Budget Forecasting Committee (BFC)

Cynthia Rosengard (Chair of BFC & Chair of Committee on Appropriations)
Jim Sanderson (Vice Chair of BFC & Member of Committee on Appropriations)

Braxton H. Cloutier (President of Town Council)
Kate Berard (Vice President of Town Council)

TJ Peck (Chair of School Committee)
Tim McNamara (School Committee Member)

Richard Staples (Town Moderator)

Advisors to BFC

Phil Hervey (Town Manager)
Maryanne Crawford (Town Finance Director)

Robert Wargo (Superintendent of Barrington Public Schools)
Doug Fiore (Finance Director of Barrington Public Schools)

Background

The **Budget Forecast Committee (BFC)** was formed in 2011 to encourage improved planning, collaboration, and goal setting by the Town Council, the School Committee, the Committee on Appropriations and the community at-large. In its current form, the BFC includes two members each from the Town Council, the School Committee, and the Committee on Appropriations as well as the Town Moderator – all of whom have votes. The BFC is advised by the Municipal and School administrators and finance directors. Typically, open meetings are held monthly in the fall with a full joint meeting of the Town Council, School Committee, and Committee on Appropriations in January to review the report in preparation for the upcoming budget discussions that commence in March. The charge of the BFC is to create a document that can be used by all parties to understand the current financial situation and to allow for more informed long-term planning as “an effective forecast allows for improved decision-making in maintaining financial discipline and delivering essential community services.” (<http://www.gfoa.org/financial-forecasting-budget-preparation-process>).

A **budget forecast** provides a long-term, comprehensive financial perspective using both known information and hypotheses or assumptions. A budget, in contrast, is a specific plan detailing service delivery in the upcoming fiscal year. Budget forecasting is considered best practice and is required by [RI Law § 44-35-10](#). Bond rating agencies look favorably on communities that

participate in meaningful budget forecasting. It is important to understand, however, that these projections are not inalterable prophecies, but offer guidelines and suggestions which can be adjusted as necessary. It is the intent of the BFC to continue to meet every fall prior to the budget season to adjust these projections and to update the document as appropriate, in order to inform the shorter- and longer-range planning for both the town and the schools.

Each year, the town and schools each develop a **5-year budget forecast** for compliance with Rhode Island state requirements. The submitted forecast document assumes stability of revenue, property values, debt service, state/federal mandates and state/federal support. The submitted forecast also includes revenue and expenditures outside of the operating budget, including state support of food services, block funding...etc. This is known a “basic forecast.” This BFC document includes information in the submitted forecast and allows for discussion of upcoming initiatives, potential capital expenditures and other significant changes which may require attention in the next 5 – 10 years. As many of these are not well-delineated yet, the numbers are not necessarily included unless they are available – but the opportunity to be aware of them is important to the larger planning conversations. Consequently, it is not possible to do a side-by-side comparison of the submitted forecast and the BFC document, as items are edited by committee approval to represent the forecasted operating budgets. We think of this as an “expanded forecast.”

The **structure of the Town Budget** includes expenses and revenues. There are municipal operating budget and capital request, school operating budget and capital request, and debt service expenses. The operating budgets are the financial plans that detail how our municipality and school department will spend money on day-to-day operations. The Municipal Capital Improvement Plan is prepared by the Planning Board and includes projects that fit into one of the following categories: land acquisition, construction of new buildings or facilities (including pre-construction projects), improvements to existing buildings or facilities, and purchase of major equipment that is expected to last more than two years and cost more than \$1,000. The School Capital request has, in recent years, focused on support for the BPS one-to-one program and computing resources for the district. On the revenue side, the budget is made up of property taxes, non-tax revenue, school state aid and school Medicaid.

A question that comes up every year is how to understand the **difference between the tax levy and the tax rate**. The tax levy is the total amount of taxes that need to be collected to operate the town and schools. It is determined after account for all other revenue sources, including state aid and non-property tax revenue. The tax levy is approved by residents at the Financial Town Meeting in May (for the coming year) and will be approved by residents who vote in the Financial Town Referendum (for 2026 and beyond). The tax rate is the individual dollar rate per thousand of assessed value of a given property that is used to calculate the yearly tax bill. It is affected by the total amount of the tax levy and the assessment of all property in Barrington. The tax levy is determined by taking the Town Budget (including municipal and school expenses) and subtracting the non-property tax revenue (both municipal and school aid/school Medicaid). Then the tax rate is calculated by dividing the tax levy by the total value of property in Barrington.

Budget Forecast

Before presenting this year's forecast, it is important to review how the BFC has done at forecasting in the recent past. The table below shows the **forecasted and budgeted property taxes** for the past twelve years. The amounts in the forecasted column represent the figures that were included in the forecast from the previous year. The third column includes the percent increase in budgeted property taxes from the previous year and the difference and percent difference columns present how far off the forecast was from what was budgeted that year. Please note that 2014 was the year when the 4% cap on property tax increases were instituted in Rhode Island and that 2018 was the year that the Barrington Middle School bond and increase in the tax cap were approved by taxpayers.

Fiscal Year	Budgeted Property Taxes	% Increase in Budgeted Property Taxes	Forecasted Property Taxes	Difference	% Difference
FY24	\$69,432,152	3.84%	\$67,899,412	\$1,532,740	2.3%
FY23	\$66,865,925	2.28%	\$66,762,445	\$103,480	0.16%
FY22	\$67,592,982	1.30%	\$68,647,000	-\$1,054,018	(1.5%)
FY21	\$66,730,400	2.44%	\$65,558,405	\$1,171,995	1.8%
FY20	\$65,142,459	1.04%	\$65,578,037	-\$435,476	(0.7%)
FY19	\$64,470,948	2.44%	\$65,623,672	-\$1,152,724	(0.18%)
FY18	\$62,936,487	8.23%	\$59,641,892	\$3,294,595	5.5%
FY17	\$58,151,335	1.59%	\$58,944,109	-\$792,774	(1.3%)
FY16	\$57,243,617	1.70%	\$57,175,065	\$68,552	0.1%
FY15	\$56,285,217	0.32%	\$57,495,850	-\$1,210,633	2.1%
FY14	\$56,107,889	1.56%	\$56,223,610	-\$115,721	(0.2%)

Here is this year's budget forecast for **expenditures**:

Fiscal Year	Municipal			Schools		Total
	Operating	Capital	Debt	Total Operating [Local Exp.]	Capital	
FY25	\$21,912,238	\$1,691,500	\$6,255,837	\$65,596,225 [\$53,870,019]	\$388,595	\$95,844,395
FY26	\$22,742,282	\$1,910,200	\$6,773,950	\$68,220,074 [\$56,009,984]	\$388,595	\$100,035,101
FY27	\$23,500,523	\$1,577,200	\$8,883,169	\$70,948,877 [\$58,263,596]	\$388,595	\$105,298,364
FY28	\$24,205,679	\$1,542,000	\$10,926,167	\$73,786,823 [\$60,691,208]	\$388,595	\$110,849,264
FY29	\$25,596,795	\$1,612,200	\$12,393,570	\$76,738,305 [\$62,954,290]	\$388,595	\$116,729,465

Here is this year's budget forecast for **revenues** – note that the revenues that come to the Town are used to support both the municipal services and the schools.

Fiscal Year	Municipal		Schools		Total
	Property Tax	Non-Tax Revenue	Medicaid	Aid/Other	
FY25	\$72,081,803	\$11,647,791	\$300,000	\$11,814,801	\$95,844,395
FY26	\$75,750,338	\$11,686,078	\$325,000	\$12,273,685	\$100,035,101
FY27	\$80,498,801	\$11,725,687	\$325,000	\$12,748,876	\$105,298,364
FY28	\$85,598,744	\$11,766,301	\$350,000	\$13,134,219	\$110,849,264
FY29	\$90,748,910	\$11,807,955	\$350,000	\$13,822,600	\$116,729,465

Here is this year's budget forecast of the **tax levy projections** – note that the debt service projections include consideration of the school building projects funding which may be subject to change.

Fiscal Year	Town Budget	Debt Service	Town Non-Tax Revenue	Property Tax Levy	Total Change	% Change
FY25	\$83,729,594	\$6,255,837	(\$11,647,791)	\$72,081,803	\$2,649,651	3.8%
FY26	\$87,436,416	\$6,773,950	(\$11,686,078)	\$75,750,338	\$3,668,535	5.1%
FY27	\$92,224,488	\$8,883.169	(\$11,725,687)	\$80,498,801	\$4,748,463	6.3%
FY28	\$97,365,045	\$10,926,167	(\$11,766,301)	\$85,598,744	\$5,099,943	6.3%
FY29	\$102,556,865	\$12,393,570	(\$11,807,955)	\$90,748,910	\$5,150,166	6.0%

Our **pensions** are tied to the state programs to which we continue to make the required contributions. Overall, we are continuing a slow and steady climb toward appropriately funded pensions. Generally, it is not considered prudent to make additional contributions beyond what is calculated as required. The calculations for investments and payments adjust annually.

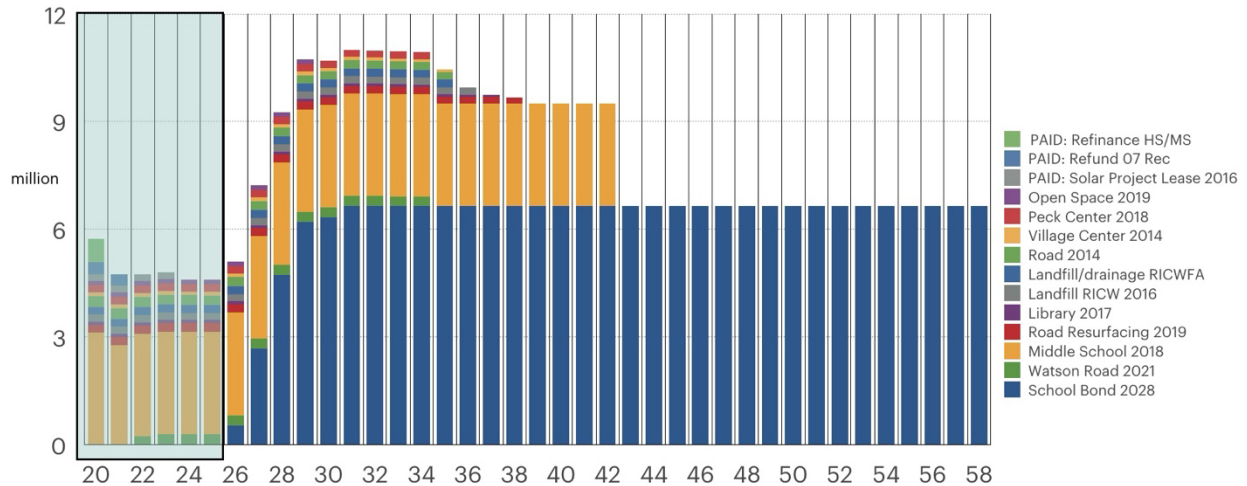
Pensions	Funded Ratio	Unfunded Liability*	Pension FY25 Req. Annual Contrib. % of Payroll	Contrib. FY24 (actual)	Contrib. FY25 (budgeted)	Pension FY26 Req. Annual Contrib. % of Payroll
Barrington Fire (25)	96.2%	\$238,611	10.45%	\$238,517	\$270,906	8.98%
Barrington Police	76.8%	\$4,065,202	31.03%	\$615,384	\$820,457	30.20%
Barrington Fire (20)	62.4%	3,415,551	\$342,484	\$535,633	\$555,547	\$348,011
Barrington COLA (Municipal)	94.8%	\$2,292,244	8.52%	\$446,271	\$420,881	8.41%
Teachers (1.4% of state plan**)	61.5%	\$33,473,013	15.03%	\$4,570,009	\$4,779,544	15.10%
OPEB	126.4%	\$4,023,037	N/A	\$0	\$0	\$0

*As of 6/30/24

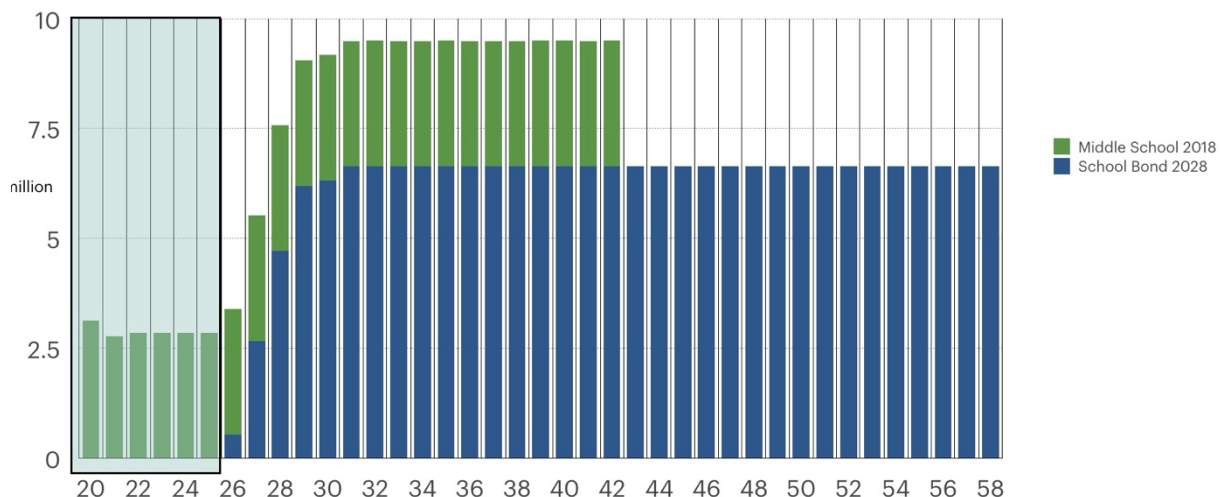
** As of 6/30/21

The **debt service schedule** represents current and project debt service. As new bonds are required for upcoming capital improvements, new debt will be added. Debt service is listed from oldest to newest. Please note that some debt has been paid off as noted in the key but has been left on the graph to demonstrate reduced debt (the shaded area in each graph represents past debt).

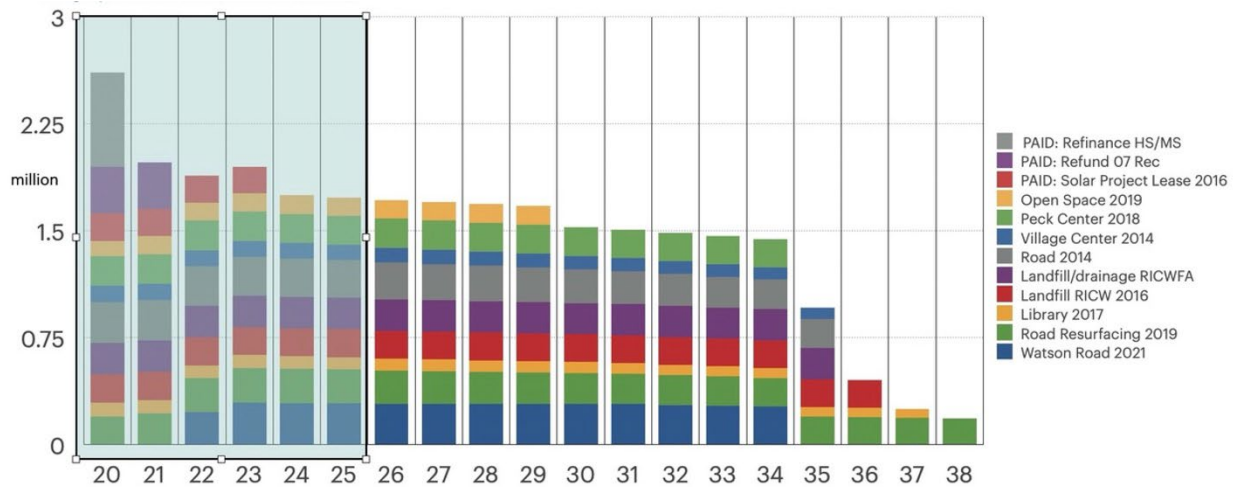
Total Debt Service (including both Municipal and School-related debts). In this and the following graphs, the y-axis represents millions of dollars while the x-axis represents the years of payment on the debt.



This is the portion of the **debt service schedule that is school-related** (including the Middle School bond from 2018 and the projected debt for the upcoming School Building Projects bond of 2028).



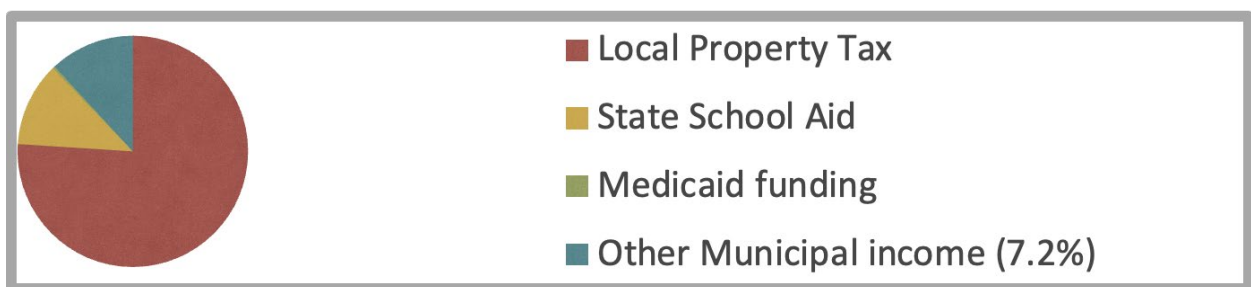
This is the portion of the debt service that is related to **municipal projects**.



Contextual Factors

Our **strengths** include, being a community that is located on the Narragansett Bay, which provides multiple local resources and proximity to both Providence and Boston metropolitan areas. We enjoy a vibrant and active Business Association. Barrington's high performing schools are recognized both national and internationally, with a relatively low cost-per-student compared with other communities in New England. Our community includes engaged community member volunteers and active public and private community partners. Both municipal and school leaders are intentional about seeking and using grant-funding for their projects.

Our **challenges** include a high dependence on property taxes (as depicted in the pie chart below). Barrington, due to its location, is susceptible to climate change and the potential for extreme weather events. Our infrastructure needs regular maintenance, renovation, or replacement. Most of our budgets go to on-going salary, benefit, and pension/OPEB obligations for employees. Our small size makes us susceptible to out-sized impacts from small changes and limits our ability to negotiate as competitively for contracted services. We also have limited affordable, accessible, and appropriate housing stock.



Some of the **potential and unpredictable variables** that we face include: inflation, market volatility and state funding revenue unknowns make budget forecasting, in general, susceptible

to those changing realities. Additionally, as a coastal community, as referenced above, we are particularly susceptible to sea level rise and extreme weather effects that can bring unpredictable costs with them. In planning for the future, Barrington must also assess local variables such as the impact of housing developments; sewer infrastructure, BCWA service and related contracts; infrastructure repair, renovation, and replacement; athletic fields/beach/trail upkeep; economic assistance to residents; overtime costs; variability of special education costs; projected school enrollments; contract negotiations with employee groups; and unfunded school mandates.

Fortunately, Barrington is known for **sound financial management**. Barrington enjoys a Moody's aA1 and S&P AAA ratings, which allow for low borrowing costs. Barrington has these favorable ratings because of our established long-term sound financial management; the avoidance of deficit spending; the maintenance of fund-balances; our tax capacity; the ways in which we have supported and continue to support infrastructure through Capital Budgets; and our post-employment benefits (OPEB) reserves are well-funded. And Barrington continues to prioritize efforts to **increase savings** through joint purchasing agreements, grants, and shared services with neighboring communities/programs. Examples include: joint environmental grants; shared energy savings programs with the League of Cities and Towns; shared public works support with local towns and mutual aid; Barrington Public Schools also uses options for purchasing through multiple local, state, and national collaboratives and shares health and other insurance costs by utilizing the Trust. Additionally, the town and schools re-evaluate services and initiatives regularly by utilizing pre-contracting services, if available to lock in savings; maximizing energy efficiency and renewable energy projects; identifying potential efficiencies or consolidation across municipal and school programs and evaluating programs in a regular, systematic, and responsible way; seeking legislative relief from state and RIDE unfunded mandates; and using contract negotiations to find opportunities for improving/modifying benefits packages.

Budget Review Process

In March, the Committee on Appropriations will begin meeting to receive and review the proposed Municipal and School budgets for fiscal year 2026 and prepare a budget for taxpayers to discuss and affirm at the Financial Town Meeting. Below is the schedule of meeting dates and topics. All meetings are hybrid – meaning that members of the public can either attend in person or virtually to provide comment and ask questions. We look forward to active participation in this process from members of the Barrington community.

DATE	TOPIC
Tuesday, March 4, 2025	School Budget Presentation (Operating & Capital)
Tuesday, March 11, 2025	Municipal Budget Presentation (Operating & Capital)
Tuesday, March 18, 2025	Discussion of School & Municipal Budgets
Tuesday, March 25, 2025	Discussion of Municipal & School Budgets
Tuesday, April 8, 2025	Discussion of School & Municipal Budgets & Vote on Proposed Budgets
Tuesday, April 22, 2025	Budget Hearing Preparation
Tuesday, May 14, 2025	Budget Hearing
Tuesday, May 28, 2025	Financial Town Meeting
Tuesday, June 3, 2025	Financial Town Meeting Debrief & Organizational Meeting

Questions regarding the Budget Forecasting Committee's process or any part of this report can be directed to the Chair of the Committee on Appropriations (COA@barrington.ri.gov or 401-247-1900, extension

Appendix A: Facilities Master Plan

Please see <https://www.barringtonschools.org/page/barrington-school-building-committee> for up-to-date information on BPS facilities priorities.

Appendix B: Sound Financial Practices/Avoiding Borrowing

Schools:

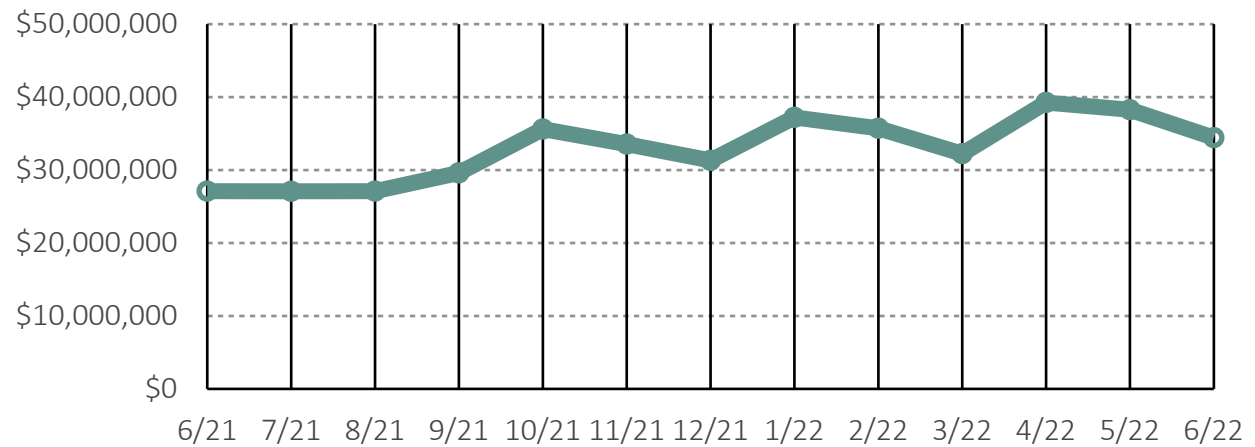
The schools' fund balance/spending policy "is intended to provide guidelines for budget decisions relative to the appropriate use of resources and the maintenance of adequate reserves sufficient to ensure that programs and services continue to students when unanticipated expenditures, emergencies, and/or fluctuations in revenue sources occur...After completion of the annual audit, if the undesignated fund balance exceeds 2% of the prior year's operating budget, the excess funds shall be designated assigned for capital projects and will be transferred into the applicable Improvement Capital Reserve Funds for use on non-recurring expenditures." In the last nine years, many projects have been completed, with a 35% reimbursement from RIDE rolled back into the capital fund. No bonds have been issued to cover these capital projects. Projects are listed below. The full policy can be found here: [Barrington Schools Fund Balance Spending Policy](#)

Projects completed since 2016 using the fund balance and the 35% reimbursement from RIDE (minimum of \$1.578M)

Project	School	Completed	Total Cost of Project
Parking Lot	Primrose	FY16	\$665,793
Pre-School Playground	Primrose	FY16	\$117,473
Removal Underground Tank (Primrose/Hampden/Nayatt)	K-3's	FY16 & FY17	\$70,423
Water main upgrade	Primrose	FY17	\$20,200
Water main upgrade	Nayatt	FY16	\$22,580
Office Civil Rights - ADA	High School	FY16	\$130,858
Immediate Health & Safety - Phase I: ADA, Bathrooms, ramps, railings	K-3's	FY16	\$1,207,870
Immediate Health & Safety - Phase II: Office Security and Nurses Rooms	Nayatt, Primrose, HM	FY17	\$522,680
Asbestos removal and abatement	Nayatt, Primrose	FY18	\$51,300
Parking Lot Improvements	Nayatt	FY19	\$934,784
Life Skills Kitchen Installation	High School	FY20	\$35,051
Installation of HVAC Split for 2 rooms	Sowams	FY20	\$8,798
Installation of Air Condition Unit	Hampden Meadows	FY20	\$7,573
Boiler Replacement	Hampden Meadows	FY21	\$104,674
HVAC-Assessment and Repairs and Maintenance (COVID)	High School	FY21	\$82,649
HVAC-Assessment and Repairs and Maintenance (COVID)	Hampden Meadows	FY21	\$30,890
HVAC-Assessment and Repairs and Maintenance (COVID)	Sowams	FY21	\$29,757
HVAC-Assessment and Repairs and Maintenance (COVID)	Nayatt	FY21	\$21,696
HVAC-Assessment and Repairs and Maintenance (COVID)	Primrose Hill	FY21	\$6,486
Bleacher Repair	High School	FY22	\$16,990
PACO Grundfos Pump	High School	FY22	\$10,299
Exterior Doors	Hampden Meadows	FY22	\$19,470
Site Plans for Drainage for Parking Lot	Hampden Meadows	FY22	\$5,850
Striping of HS Track	High School	FY22	\$2,575
BHS Building Management System	High School	FY23	\$341,191
Primrose modular expenses not covered by State Art's grant	Primrose Hill	FY23	\$39,954
Total			\$4,507,864
35% Reimbursement			(\$1,577,752)

Municipal:

If we did not have money in the general fund on June 30th of each year, we would need to access TANS (Tax Anticipation Notes, requiring interest and fees) to cover costs over the summer. Below is the data on Barrington's general fund.



Appendix C: State and Federal Mandates That Impact Tax Levy, Funding, and Expenses

State and federal mandates that impact the tax levy, funding and expenses include:

- The [Basic Education Plan](#) (with definition of basic education mandating services and programs) provided at no direct cost to children/families (e.g., no athletic, extracurricular, or field trip fees [Rhode Island Field Trip Law](#)).
- Individuals with Disabilities Education Act ([IDEA](#)) requirements.
- Multi Language Learners ([MLL](#)) requirements.
- [Transportation](#) requirements (including seats, bus monitors, others).
- State transparency reporting, including mandated annual audits, reporting requirements, quarterly report to the state (budget versus actual).
- New legislation related to school governance and organization, with significant responsibility shifted to building principals and school improvement teams.
- 5-year State Budget Forecast Changes
- RIDE Curriculum Requirements

- Others:
 - New Housing Law
 - Various labor related laws, mandates, and requirements
 - Building permit regulations
 - Contract continuation
 - Early voting requirements

RI Law 44-5-2

Rhode Island General Law 44-5-2 limits the maximum increase in the tax levy each year. The statute prohibits the total levy from exceeding a 4% increase over the levy from the prior year. This law is sometimes misunderstood to mean that an individual tax bill cannot increase 4% from the prior year but that is not the case. Although the total levy is limited to a maximum increase of 4%, individual property values will fluctuate. If your property value increases or decreases more than the average, your tax bill will increase more or less than the tax bill for other properties. (adapted from the Woonsocket Tax Assessor's page).

Appendix D: References for Comparison to Other Communities

Compared with other communities, Barrington property tax rates in Rhode Island for FY25 ranked 11th out of 29 in the state ([Rhode Island Tax Rates FY25](#)). For levy per capita in Rhode Island, FY24, Barrington ranked 3rd out of 39 in the state ([FY24 Rhode Island Tax Levy Per Capita](#)). Barrington's cost per pupil for FY23 was 34th out of 36 public LEAs (school districts, including regionalized school districts) in Rhode Island. Only Cumberland and North Smithfield are lower or equivalent ([FY23 Per Pupil Costs in RI](#)).