

**CHARLESTOWN  
BUDGET COMMISSION**

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**MEMORANDUM**

To: Honorable Town Council

From: The Budget Commission

Re: Transmittal Letter

Date: March 13, 2026

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We are pleased to provide the budget proposal for Fiscal Year 2027. This budget will enable our town to maintain its position as one of the lowest tax-rated communities in Rhode Island while providing a high level of professional services. Achieving this balance is particularly challenging as expenditures continue to trend upward.

This year we propose that the Town of Charlestown increase its property net tax levy in fiscal year 2027 to approximately \$25,081,575, from \$24,469,850 in 2026. This is a proposed net tax levy increase of 2.5%. The projected estimated tax rate, based on the recommended budget, is \$5.02 per one thousand dollars of valuation which is a significant decrease from the 2026 rate of \$5.93 as a result of this year's re-valuation. This tax rate is based upon the estimated statement of assessed valuations by the Town Tax Assessor which has increased from \$4,230,481,938 to \$5,136,329,259, representing a 21% overall growth. The total fiscal year 2027 budget recommendation is \$31,915,106, an increase of \$1,509,473 or 4.96% from last year's budget of \$30,405,633.

**Budget highlights:**

The budget provides for a continuation of services that benefit residents of all ages as well as maintaining the quality of life in Charlestown with minimal additional investments. Town finances have continued to improve as a result of a focus in the past few years of raising the unassigned fund balance in compliance with the town's policy as well as working toward smoothing annual maintenance and capital investment costs. This budget also includes implementing a vehicle lease program for town staff vehicles which is projected to stabilize fleet replacement costs and reduce long-term capital expenditures. In addition, the union contracts completed in 2025 have solidified our town department structure and employee costs.

Major areas of growth in expenditures proposed for this year include:

- The Chariho School budget allocated to Charlestown has a projected increase of \$812,962.

- Employee costs continue to increase as a result of new union contracts in all of our bargaining units which has the benefit of stabilizing our costs through 3-year agreements effective in 2025.
- Employee health insurance and other benefits costs increasing \$110,569.
- Costs of the Charlestown Ambulance Service are increasing as a result of the 3-year Agreement entered into in 2024 with the 3<sup>rd</sup> of 3 annual step increase of \$200,000 included in the budget.
- General inflation has increased costs of purchased services and goods across many departments.
- The only staffing change in the budget is to add a part time driver for the new Senior Center van acquired at no cost to the Town through a RIPTA and \$30,000 in already allocated ARPA funds.
- Costs to administer the elections during the year are planned to increase \$46,220 as this is a federal election year.
- While the Capital and Improvements budget proposed is consistent with the prior year it does include \$300,000 for a new 5-year capital fund to start addressing deferred maintenance items for town buildings. This is to implement long range maintenance strategies rather than having to react to emergency needs with costly repairs. With this change the unassigned fund balance stays strong at a projected 25.06% which is at the high end of the range which the Town Council amended to 20-25% down from 23–33% in June 2025.

Major revenue changes other than the proposed tax change include:

- An Increase in State Hotel tax allocation to Charlestown of \$167,279.
- An increase in projected Real Estate Transfer Stamp income of \$275,000 as the state has increased the recording rate applicable that will be collected by the town.
- The Budget committee recommends increasing beach parking rates on average 10%. The state has implemented a 7% tax on short term parking which will need to be collected as a pass through. As a result, parking costs charged will change, so the Budget committee felt that it would be best to increase the parking rates such they would still remain as whole dollar amounts after the tax while also increasing the seasonal and cottage pass rates to reflect the increasing costs of supporting and staffing the beaches.

In closing, we want to extend our sincere appreciation for the collective effort that has gone into developing this Town budget proposal. The challenges posed by increased costs were met with determination and teamwork through the collaboration of the Budget Commission, Town Administrator and Staff, and the engaged citizens of our town.

Together, we have developed a budget that effectively addresses the needs of the Town while ensuring the delivery of a high quality of services to our residents. It's a testament to our ability to work together in the face of many challenges that exist in an ever-evolving community.

As we look forward, let's remain committed to our shared goals and continue collaborating for the betterment of all our citizens.

Appendix

**Budget Expenditures Analysis:**

BUDGET COMMISSION RECOMMENDATION FOR FY2027 EXPENDITURES AND COMPARISON WITH THE PREVIOUS FISCAL YEAR

	EXPENDITURES			
	2026	2027	\$ Change	% Change
Department Expenditures	\$ 14,948,462	\$ 15,630,665	\$ 682,203	4.56%
Debt Service	\$ 297,415	\$ 295,463	\$ (1,952)	-0.66%
Chariho School Budget	\$ 13,945,937	\$ 14,758,899	\$ 812,962	5.83%
<b>Operating Exp. Before Capital Transfers</b>	<b>\$ 29,191,814</b>	<b>\$ 30,685,027</b>	<b>\$ 1,493,213</b>	<b>5.12%</b>
Capital Expenditures	\$ 488,269	\$ 505,079	\$ 16,810	3.44%
Transfers Out	\$ 725,550	\$ 725,000	\$ (550)	-0.08%
<b>Total Capital and Transfers</b>	<b>\$ 1,213,819</b>	<b>\$ 1,230,079</b>	<b>\$ 16,260</b>	<b>1.34%</b>
<b>Total General Fund Expenditures</b>	<b>\$ 30,405,633</b>	<b>\$ 31,915,106</b>	<b>\$ 1,509,473</b>	<b>4.96%</b>

Budgeted Departmental Expenditures for Fiscal Year 2027(FY27) amount to \$15,630,665, compared to \$14,948,462 in FY26, representing an increase of \$682,203 or 4.56% over the prior year.

Budgeted Debt Service items amount to \$295,463 for FY27 compared to \$297,415 for FY26, reflecting a small decrease of \$1,952, or 0.66%.

The Charlestown portion of The Chariho School Budget is \$14,758,899 for FY27, compared to \$13,945,937 in FY26, indicating an increase of \$812,962 or 5.83%.

FY27 Budgeted Capital Expenses have increased to \$505,079 from \$488,269 in FY26, an increase of \$16,810 or 3.44%.

## Budget Revenue Analysis:

BUDGET COMMISSION RECOMMENDATION FOR FY2027 REVENUE AND COMPARISON WITH THE PREVIOUS FISCAL YEAR

	REVENUES			
	2026	2027	\$ Change	% Change
General Fund Tax Revenue- Current Year	\$ 24,469,850	\$ 25,081,575	\$ 611,725	2.50%
General Fund Tax Revenue- Prior Years	\$ 250,000	\$ 250,000	\$ -	0.00%
Interest Taxes	\$ 125,000	\$ 150,000	\$ 25,000	20.00%
Payment In Lieu of Tax	\$ 9,500	\$ 9,800	\$ 300	3.16%
State Aid - Education	\$ 1,517,657	\$ 1,525,000	\$ 7,343	0.48%
State Aid Municipal	\$ 1,521,377	\$ 1,707,913	\$ 186,536	12.26%
Licenses, Permits, Fees	\$ 424,000	\$ 705,000	\$ 281,000	66.27%
Departmental & Other Revenue	\$ 2,088,249	\$ 2,485,818	\$ 397,569	19.04%
<b>Operating Revenue before Transfers</b>	<b>\$ 30,405,633</b>	<b>\$ 31,915,106</b>	<b>\$ 1,509,473</b>	<b>4.96%</b>
Total Transfers	\$ -	\$ -	\$ -	0.00%
<b>Total General Fund Revenues</b>	<b>\$ 30,405,633</b>	<b>\$ 31,915,106</b>	<b>\$ 1,509,473</b>	<b>4.96%</b>

The FY27 Budgeted General Fund current year tax revenue is \$25,081,575 compared to \$24,469,850 in FY26, representing an increase of \$611,725 or 2.50%.

FY27 Budgeted Education State Aid is \$1,525,000 compared to \$1,517,657 in FY26, reflecting a slight increase.

FY27 Budgeted Municipal State Aid is \$1,707,913 compared to \$1,521,377 in FY26, indicating a significant increase of \$186,536 or approximately 12.26%.

Budgeted Revenues for Licenses, Permits, and Fees also increase significantly to \$705,000 in FY27 compared to \$424,000 in FY26, marking an increase of \$281,000, or 66.27%.

FY27 Departmental & Other Revenues increased to \$2,485,818 from \$2,088,249 in FY26, showing an increase of \$397,569, or 19.04%.

The overall FY27 budget increased to \$31,915,106 from \$30,405,633 for FY26, indicating an increase of \$1,509,473 or 4.96%.