



HOUSING
STUDY CONTINUES



HOSPITAL
LAUDS CENTER



TOWN COUNCIL
PRIORITIES SET



SCHOOL PLANS
IN THE WORKS



Fiscal 2024 Budget Prep Begins Rough Year Forecasted Ahead

The Town of Middletown has officially started its budget process.

Per state statute, the schools provided an early look at the preliminary Fiscal 2024 numbers to the Town Council for the first time Tuesday night at Town Hall.

Based on the preliminary totals, school officials said they were facing continued issues with the education budget and would likely have to ask for a 4 percent budget increase in the upcoming fiscal year.

Superintendent Rosemarie K. Kraeger said there were a variety of concerns, everything from the declining conditions of the buildings, struggling English Language Learner (ELL) population, contractual increases and the potential dissolution of the Newport County Regional Special Education, among other problems.

Totals from the town’s Finance Department indicated the schools could receive up to \$1,142,000 under state law.

“The 4 percent will not be enough,” Kraeger told the council.

In response, council President Paul M. Rodrigues said based on the needs identified by Kraeger, it would likely be much more.

“You’re probably talking, with everything you said tonight, probably \$2 to \$3 million — or more,” Rodrigues said. “I don’t want to be the bearer of bad news, but I’m not sure that can happen.”

Kraeger thanked the council for going above and beyond for the schools in the current Fiscal 2023 budget.

In addition to providing a 4 percent budget hike, she said the council set aside \$900,000 in American Rescue Plan Act money as well as \$500,000 in discretionary money, \$200,000 for the fine arts program and funding for the school’s “Beyond the Bell” efforts. That’s about \$2 million more than what is the maximum under state law.

Kraeger said state aid was likely down — potentially more than \$800,000 — but the demands on the school system continued.



Throughout her 30-minute presentation, she did not mention the ongoing education deficit, which was last reported at \$2 million.

To help provide a better accounting of the school's books, Kraeger said the town and schools were investigating combining finance and business service offices.



Council Vice President Thomas Welch III and others had questions about how in a community facing an affordable housing crisis, the school's were seeing a rise in some of the most vulnerable populations like English Language Learners. Kraeger said the schools were looking at close to \$1 million in new costs for all the ELL teachers needed.

"On one hand, we're talking about affordable housing because there's no place to live, yet the people who are most needy somehow got here and are in our schools?" Welch asked. "I can't (understand it)."

Town Administrator Shawn J. Brown said there were issues on the town side too.

No. 1 was the economy and the potential recession on the way. He also cited the need to balance the school budget, the state aid funding formula and figuring out what to do with the school buildings.

Based on rising costs of labor, Brown said it was expected the cost of beach parking would go up in the summer of 2023. At the same time, Brown said rising tipping fees and other expenses would likely result in a

recommendation to boost the annual "Pay-As-You-Throw" trash and recycling cost.

The School Committee submits its proposed budget to Brown on March 22. From there, Brown must file proposed numbers for the enter town on April 1.

Public hearings on the preliminary financials are slated for June 14 and June 21. The date and location for those sessions had not been finalized.

Pros & Cons Of Affordable Housing Study Of School Sites Continues

The Town Council heard the positives and negatives of affordable housing at the former Peckham and Oliphant school buildings.

At a well-attended meeting in Town Hall, everyone seemed to agree more affordable housing was needed, but some said the plans before local leaders were a stretch.

Under the latest proposal, up to 40 units would be put at 26 Oliphant Lane, with another 20 units at 650 Green End Ave. next to the Middletown Senior Center.

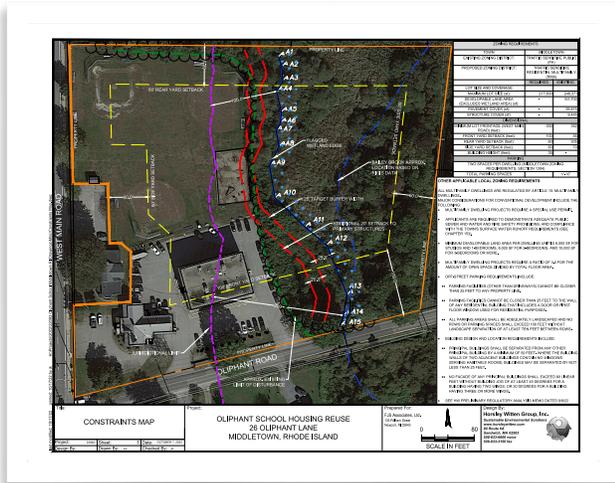
Council President Paul M. Rodrigues said no final decisions had been made and there were no easy answers, but Middletown had to pull together.

After two hours of discussion, the council unanimously approved sending the plans to a 30 percent phase, which would provide more specifics without giving final approval.

"Why bother doing this if we're not helping Middletown people..." Rodrigues asked. "We're elected to take care of our people the best we can and that's what we're trying to do. I know there are folks here who don't want it. I get that and we understand that.

"When I grew up here...those were all farms. All Green End Avenue was all farms. There were no houses there. There was no

development like it is now. Do you think we wanted that? We didn't want that. We'd love to have it still be farms, but we're a community and we do things together. Communities change over time and you have to adapt to that and try to be as proactive as you can for that to meet the needs of that community."



A Dec. 7, 2022 piece in the Wall Street Journal said the housing market is tough.

The story "What's Going On With The Housing Market?" detailed how higher interest rates and low inventory has gridlocked housing sales across the nation.

The result was a sharp housing "slump" over the summer, something that's continued into the fall and winter as mortgage rates went to 20 year highs.

The news is no different locally. Town leaders and residents typically cite the cost of housing as the No. 1 issue facing Middletown.

At her first council meeting, Emily Tessier mentioned how younger people like her and her friends have a tough time staying because there aren't enough choices and those that exist are far out of their budgets.

Realtor.com lists four homes for sale in Middletown under \$500,000, with a total of 16 on the market. The high is \$7.925 million for a four-bedroom on Kane Avenue.

That's not to say new housing isn't on the horizon in Middletown. There are about 500 units of new housing okayed or seeking approval. Of those, about 200 are projected to be "affordable" or "workforce" housing.

If the projects progress, town officials have said local tax dollars will not be used to pay for the work. Rather, the cost of affordable housing will be covered through federal programs that support affordable housing in communities like Middletown.

The town affordable housing consultant Frank Spinella said the way the project is currently envisioned, Middletown would retain ownership of the proposed sites and arrange long-term leases with developers.

Spinella said data shows 5.16 percent of Middletown's housing was "affordable," or about 355 units. Under state regulations, Spinella said Middletown is supposed to have at least 10 percent, or 300 units more.

State figures showed renters would need to earn about \$68,000 annually to afford such an apartment.



The figures indicated the average price for a two-bedroom apartment in Middletown including utilities was \$1,724 in 2021. That's up \$279 from 2016, when the average price for the same unit was \$1,446. The U.S. Department of Housing and Urban Development says affordable housing is "generally defined as housing on which the occupant is paying no more than 30 percent

of gross income for housing costs, including utilities.”

Spinella said the project could have been pushed through by the town without input from residents and neighbors. But because the current council — and 2020-2022 council — made it clear they wanted the project to fit in the community, the project is going through the normal review process.

Oliphant Lane resident Scott Jestings said redeveloping the Oliphant School site would trigger problems on Oliphant Lane — and downstream on Forest Avenue and Commodore Perry Village as well.

“I’m just really, really concerned with them doing anything with Oliphant School because of the water,” Jestings said.

Planning Board member Arthur Weber said the affordable housing issue was

important and not going away. Weber said regardless of what the rules say, he couldn’t understand why Oxbow Farms and trailer homes weren’t considered “affordable.”

Barton Lane resident Laurie Bradley asked why the Linden Park property wasn’t being considered anymore when it seemed far better than the Oliphant Lane location.

“Affordable housing is very important in this town, but I believe Oliphant Lane is a poor site,” Bradley said.

Middletown High Class of 2019 grad Chris Bove said young people were not being considered enough.

“To say you just want this for seniors because they have the highest need simply isn’t true,” Bove said.

Senior Center Earns Honors

Newport Hospital Applauds Work In The Community

The Middletown Senior Center was recently recognized for its outstanding work in the community by the Newport Hospital Senior Leadership Team.

One of a number of outreach programs run by the Powel Avenue medical and wellness center, hospital staff presented a \$1,290 check to the senior center.

Newport Hospital Director of Patient Experience Pamela McLaughlin said hospital employees create, donate and then buy tickets for a chance to win different baskets filled with gifts and treats during their annual holiday celebration, with every dollar raised going towards the program.

The Pell School “Backpack Program” in Newport and “The Tomorrow Fund” at Hasbro Children’s Hospital in Providence also were recipients of the hospital’s support.

“When I saw that check, chills went down my spine,” Middletown Senior Center Director Arleen Kaull said to the applause of the crowd. “Newport Hospital has always

been so supportive of the senior center, but this really goes above and beyond.”

“We’re proud to be here today and this is truly one of our labors of love,” McLaughlin said. “It was up to the committee where this funding should go and the Middletown Senior Center makes sense on so many levels.”

Moving forward, both Kaull and McLaughlin pledged to cement the positive relationship further.

“This is a real honor and a privilege,” Kaull said. “We’re lucky to have such a quality hospital — Newport Hospital — here and they provide an array of services for everyone, not just our seniors.”



Town Council Talks Strategic Priorities

Newport Hospital Applauds Work In The Community

Growing affordable housing and building new schools are among the top priorities for the Town of Middletown in the next two years.

Each were identified during a recent strategic planning session led by Vince Petronio. Petronio is a professor emeritus at the University of Rhode Island.

Throughout the free flowing discussion, Petronio urged the council to remember concepts were free, but bringing them fruition wasn't always as straightforward as many would like.

"The ideas are cheap, they're easy to come up with," Petronio said. "Making them happen is what's tough."

The last time the council approved a strategic plan was two years ago almost to the day, then called a "priority list."

Housing was the No. 1 priority then followed by education, finances and taxes, the West Main Road development, short-term rentals and water issues.

Opening the meeting, Petronio said it was good to be back in Middletown, leading another strategic planning discussion.

Setting the ground rules, Petronio said he would act as the gatekeeper, keeping things light, but moving along quickly.

From there, Petronio asked council members and Town Administrator Shawn J. Brown to list some of the bigger issues they saw facing the community.

Council Vice President Thomas Welch III was the first to chime in, saying new school

buildings was something that needed to be on the council's agenda.

Everything from improving the town's affordable housing, beefing up Middletown's tax base and upgrading the quality of public education to making Second and Third beaches more profitable, solving the community's stormwater woes and upgrading the town's infrastructure were among the two dozen suggestions that came forward.

Petronio said each had merits of their own, but in order to be truly effective, it was critical for the council to move past the talking phase and into the action phase.

Reflecting on his own experiences, Petronio said he's involved in community groups where they talk about

concepts for years without accomplishing anything. And because everything goes back to money and affordability, Petronio said town officials have to be realistic.

"We could come up with the best ideas in the world, but if there's no way to fund that, it's wasted energy here," Petronio said.

Council members agreed, saying they were working hard, juggling the priorities as best as possible with the available resources.

"We have all these things going on," council President Paul M. Rodrigues said. "Let's get going and figure out how we're going to achieve this...Financially, we're only able to do so much. If we keep going in different directions, nothing is going to get done."

"Ultimately, it's what's best for the Town of Middletown, whether it's my idea or not," Petronio said.



Middletown Moving Forward With School Plans — Without Regionalization

Combined Middle-High School New Focus North Of Gaudet

The Town of Middletown looks like it's going to pursue a new middle-high school — on its own.

The latest proposal emerged at a school building summit in Town Hall, co-sponsored by the Town Council, School Committee and School Building Committee.

If the project is put forward by the town and approved by voters at a special election — potentially as soon as this spring — the new 231,000-square-foot building would be built on multi-use fields just north of Gaudet Middle School on Aquidneck Avenue.

community had exhausted all reasonable opportunities now to combine schools or districts with neighboring communities — including the City of Newport.

“It’s a big stretch...” council President Paul M. Rodrigues said. “We need to figure out what the impact is to the residents. Again, it all comes down to dollars. We wish we could do it all right now. We wish we were getting that 80 percent. (It’s) a no brainer, but we’re not. We need to figure out what’s best for the community as a whole today, tomorrow and 30, 40, 50 years down the road.”

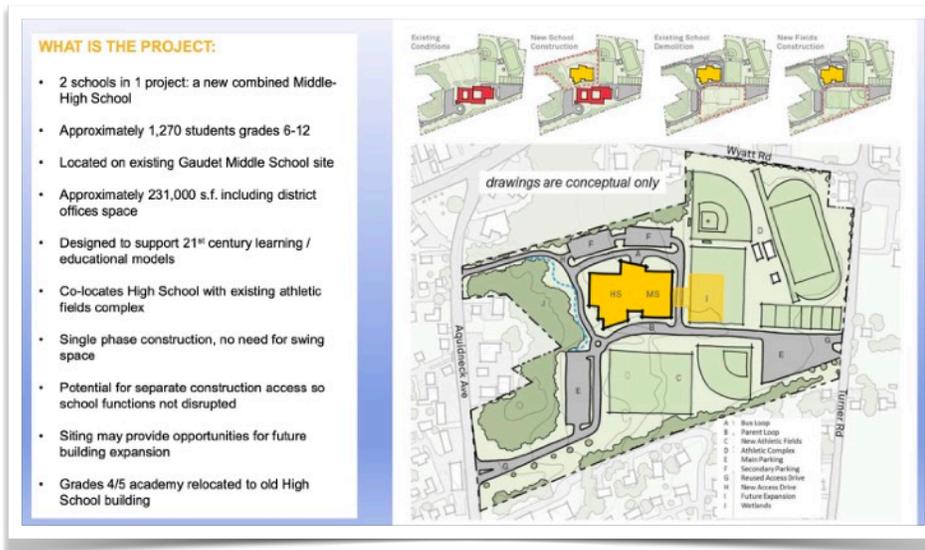
“I am very impressed...The presentation you put together tonight was very good, very all encompassing,” council Vice President Thomas Welch III said. “I think it shows that the council and School Committee, we all seem to be on the same page. Everybody seems to be excited about it.”

“We want the same things (the Town Council) wants too. These numbers scare us sometimes too,” School Building Committee Co-Chairman Charlie Roberts said. “What scares us the most is not doing anything and what

that’s going to cost us in the long run if we don’t take advantage of these incentives.”

Under the current proposal, Aquidneck and Forest Avenue elementary schools would remain. However, \$20 million was set aside in the proposed \$190 million bond for upgrades to stabilize those schools for the foreseeable future.

Longterm, education officials said the goal was to build a new combined pre-



The preliminary price tag for the new school and administrative offices was \$190 million. Based of early totals, the Rhode Island Department of Education (RIDE) would pay about \$83 million of that number. The town was also pursuing bonus payments through the state that could bring the total reimbursements up to 60 percent.

As part of the discussion, local leaders said while the door was always open, the

kindergarten through fifth grade center, likely at the current location of Middletown High.

But financial advisors and town leaders said Middletown doesn't have the bonding capacity to borrow enough money to pay for that work now.

Another \$7 million was also designated for new administrative offices on the middle-high school campus, something several council members said they'd like to reconsider. Instead, they said they'd rather see those facilities relocated to existing spaces and potentially lower the debt load or apply it to new learning spaces.

Because of the compressed timeline, school consultants said they would be using the next five weeks doing educational planning, site investigations and concept designs.

From there, partial schematic designs for the new middle-high school would progress through early May.

Building committee members said the way the middle-high school is being designed, there would be room for additions, should Middletown see an influx of new students.

Due to illnesses among top town staff, the specific impacts on the tax rate of the preliminary bond were not available.

Rodrigues said without a significant focus on career tech and courses geared toward students who were heading out into the work force, he'd have concerns. Based on estimates, the new middle-high school would have a useful life of at least 50 years.

Councilman Christopher Logan said flexibility was critical for the building itself —

as well as a strict separation between the middle school and high school.

"We're talking about two schools on one campus, sixth through eighth and nine through twelve," Logan said. "There's a significant difference between a 12-year-old and an 18-year-old."

In response, building committee members said the school would be laid out with that specifically in mind. That way, there would be a division among the schools, but they could capitalize on shared resources like the gym and auditorium.

Councilman Dennis Turano said it was important the town got the project right, especially with the sums being discussed.

"The legislators need to stand up. We need to talk to the governor," Turano said. "He's all about schools. He's all about affordable housing. Let's not get pressured into something because we need the dollars."

According to a November 2021 report,

Middletown's four schools need extensive improvements. DBVW Architects of Providence found at least \$190 million in repairs were required to the 60-year-old plus buildings. That includes asbestos and mold remediation, upgrades to air handling systems and other costly projects.

In response, Middletown and Newport officials put an innovative plan before voters on Election Day 2022 to combine school districts through a regional school board. As part of that proposal, Middletown also sought \$235 million in bonds for the construction of three new schools in town, more than 80 percent of the cost which would have been covered by the state.



On Nov. 8, Newport voters scuttled the project, leaving at least \$50 million in state reimbursements on the table. Within days, residents learned the Rogers High School project was \$20 million plus in the hole and deep cuts were needed to the original project.

That triggered a restart of regionalization talks — including two “Community Conversations” about education sponsored by “Newport This Week” newspaper — but those failed to find common ground.

At a recent meeting, the School Building Committee voted to support construction of a new state-of-the-art grade 6-12 school on the Gaudet field site.

Because of pending deadlines on state school reimbursement aid, town officials said the community can’t wait until November 2024 to put its plans before voters.

Instead, a special election is being considered, potentially as early as April. Town Administrator Shawn J. Brown has said when that is all depends on how quickly the town can get enabling legislation to the General Assembly and other related issues.

A Jan. 25 report from Hilltop Securities — one of the town’s financial advisors — indicated the town could absorb the \$190 million proposal without exceeding the community’s bonding limits.

Hilltop said that would be done by taking a “two-bond approach” for the school construction project. Under those details, Middletown would issue bonds to pay for the project first during the spring of 2023 and then again in spring of 2026 rather than all at once.

That way, Hilltop indicated Middletown could get the lowest cost of borrowing, maintain budget flexibility and maximize the debt service reimbursements from RIDE.

Including a potential \$5.4 million open space bond and \$25 million library construction bond, the total annual net debt service payment was projected at close to \$6.5 million.