**TOWN COUNCIL WORK SESSION**

**December 20, 2010**

A pre-budget work session of the Jamestown Town Council and the Jamestown School Committee was called to order in the Jamestown Town Hall Rosamond A. Tefft Council Chambers at 93 Narragansett Avenue at 6:03 p.m. by Council President Michael Schnack.

The following members were present:

Michael Schnack, President

Michael White

William Murphy

Ellen Winsor

Absent:

Robert Bowen, Vice President

School Committee Members present:

Catherine L. Kaiser, Chairperson

Dana K. Long

Julia K. Held

Julie A. Kallfelz

Absent:

B. J. Whitehouse

Also present:

Marcia Lukon, School District Superintendent

Jane Littlefield, School District Finance Director

Bruce R. Keiser, Town Administrator

Peter D. Ruggiero, Town Solicitor

Cheryl Fernstrom, Town Clerk

**Budget Issues for FY 2011 (July 1, 2010 to June 30. 2011) and FY 2012 (July 1, 2011 to June 30, 2012).** School Committee Chair Cathy Kaiser expressed concern as there is no more stimulus money, which supplanted a portion of State aid. Town Administrator Bruce Keiser referenced the budget summit he attended on Friday hosted by Governor-elect Lincoln Chafee. Governor-elect Chafee strongly supports a 1% sales tax surcharge to help solve the $300,000,000 budget deficit, and his number one priority is education. On the municipal side, all revenue sharing is lost, and there is no other well to go to for cities and towns. Under the new funding formula, Jamestown was scheduled to lose education money in the amount of $20,000 per year for 10 years starting in 2012; however, if the statewide “pot” of aid is reduced, Jamestown’s loss could increase.

Town Administrator Keiser distributed a FY2011/12 Revenue Outlook. The mandated property tax cap for FY 2011/12 is 4.25%, which is a maximum tax levy increase of $750,007; $275,026 for the town (36.7%) and $474,981 for the schools (63.3%), which is the most that can be raised. Revenue growth, which includes construction, is estimated at $21,500,000 (1%). The levy increase is not a tax rate limitation; it is a tax growth limitation. The estimated new growth revenue is $195,000, and the estimated tax rate increase is $.25. Non property tax revenues for 2010/11 were reviewed. Conveyance taxes have leveled off due to the recession at $150,000, formerly $250,000. Investment interest has seen significant drops in recent years. General revenue sharing and the motor vehicle reimbursement have been eliminated. Library aid is also being attacked. The audited statements will be released January 3, 2011 and should reflect a small surplus, with a fund balance of $3,600,000. The School Department will have a healthy fund balance as well. Discussion ensued regarding State education funding.

Town Administrator Keiser stated the town has reached tentative agreements with two of three Unions, and the Teachers’ Union contract has been signed. Salary/wage increases, Health Savings Accounts to reduce medical insurance premiums, staffing reductions at the Police Department and elimination of the grandfathered 1% co-share for long-time employees were referenced. The municipal side of the budget is very manageable and in fairly good shape, after a couple of bad years. The only major expenditures will be new initiatives for EMS improvements. Council President Schnack asked if the School Department will be able to discuss HSA’s. School Committee Chair Kaiser stated the Union could be invited back to the bargaining table to discuss this option. The HSA is voluntary and employees can opt for a $250 deductible instead. For many employees it is advantageous to go to HSA’s as it lowers costs and co-pays. Discussion ensued regarding the evening out of co-pays and premiums. With the HSA option, money left over at the end of the year can be kept in each employee’s account and accumulated. The first year the town is matching the funding 50/50. It appears all unions may agree to this, with a start date of February 1, 2011. Cathy Kaiser stated it makes more sense to attempt this option next year, as negotiations with the Teacher’s Union just closed.

Council President Schnack referenced some obstacles going forward. School Committee Chair Kaiser referenced the new mandated teacher evaluation system that will require much more administrative time. A new Basic Education Program (BEP) was adopted by the Board of Regents as of July 1, 2010. Bringing the school department into compliance with the new requirements will be expensive. In addition the new core standards in English, Language, Art and Math have been adopted. The NECAP will be replaced by new assessment standards and testing. School Superintendent Marcia Lukon stated that what the School Department has done over the last three years is focused in the right direction. Town Councilor Ellen Winsor asked if the School Department is anticipating hiring consultants regarding the magnate school for STEM (Science, Technology, Engineering and Math) grants to determine additional costs to Jamestown to participatein the program. Superintendent Lukon stated it is yet undecided, we are aware of the needs and will have to deal with them. There are fewer military families with students at North Kingstown High School this year. NEWC is expanding, and they seem to have younger families. We are seeing more Air Force officers’ families in Jamestown at the present time.

Councilor Winsor referenced the magnet school for high achieving students (different from a charter school). Superintendent Lukon referenced the grant application and stated we have not heard on this as yet. There is good support for this type of school/program and Jamestown would have limited seats in the program. As Jamestown pays tuition for high school students already this will probably be a wash. As this concept would be a school within a school, the core services are already there. The current talk is the best place for this is Portsmouth High School. SORICO seems to be disbanding, and Jamestown has no students in the existing programs. Over time local districts have found solutions for their problems and SORICO no longer needs the 25,000 sq. foot building.

Town Councilor William Murphy commented on the recovery that is not happening here in RI and how this may compound things for next year. Council President Schnack commented on the town budget for the remainder of the year. School Superintendent Lukon and School Committee Chair Kaiser comment that this year’s budget is on track, and recent negotiations helped. Unless the State reduces aid during the course of the year, as it did last May, the district does not anticipate any budget setbacks. The dynamics of the General Assembly will change after the inauguration, as major influences and leaders are gone. The State burden created by Central Falls was referenced. The budget process begins at the end of January.

Public comment.

Jerry Scott, Walcott Avenue. Mr. Scott inquired about the only increases being in EMS. He was informed the proposed increases in EMS would be for the development of Cardiac Care or Advanced Life Support and the use of professional personnel and not relying totally on volunteer resources.

Town Council President Schnack thanked everyone for their input and for attending.

**Adjournment.** There being no further discussion, the Town Council/School Committee pre-budget work session was adjourned at 6:40 p.m.

Attest:

Cheryl A. Fernstrom, CMC, Town Clerk

Copies to: Town Council (5)

Town Administrator

Town Solicitor