**TOWN COUNCIL WORK SESSION**

**December 5, 2016**

 **I. CALL TO ORDER**

The Joint Jamestown Town Council and School Committee Pre-Budget Work Session was called to order at 5:32 p.m. in the Jamestown Town Hall Rosamond A. Tefft Council Chambers at 93 Narragansett Avenue by Council President Trocki.

**II. ROLL CALL**

Town Council members present:

Kristine A. Trocki, President

Michael G. White, Vice President

Blake A. Dickinson

Mary E. Meagher (arriving late)

Eugene B. Mihaly

School Committee members present:

B. J. Whitehouse

Agnes C. Filkins

Sally A. Schott

Dorothy Strang

School Committee members absent:

Sarah R. Baines

Also present:

Andrew E. Nota, Town Administrator

Christina D. Collins, Finance Director

Michael Convery, Acting School Superintendent

Ken Duva, New School Superintendent

Jane Littlefield, Director of Finance

Nate Edmunds, Lawn School Principal

Carol Peterson, Melrose School Principal

Peter Anderson, Director of Facilities Maintenance

Cheryl A. Fernstrom, Town Clerk

Introductions for Town Council and Administrative staff and School Committee and Administrative staff begin the session. Superintendent Duva distributed the Proposed FY 2018 Budget; Town Administrator Nota distributed the Initial Budget Hearing document.

**III. JOINT TOWN COUNCIL AND SCHOOL COMMITTEE WORK SESSION BUDGET ISSUES FOR FY 2016 (JULY 1, 2016 TO JUNE 30, 2017) and**

**BUDGET ISSUES FOR FY 2017 (JULY 1, 2017 TO JUNE 30, 2018)**

Superintendent Duva and Superintendent Convery conducted budget review:

Program Budget – to fund expenses related to:

* Needs of known student population – projected enrollment; EIP’s, 504’s, ELL’s military children
* Strategic goals set by District Strategic Plan
* Zero based budgeting – developed using RIDE’s Chart of Acounts
* Develop and implement standards-based curriculum
* Integration of technology
* Professional development
* Contract negotiations

Review and discussion ensued.

Factors Contributing to Need for Budget Fluidity

* Student population shifts throughout the year
* Enrollment, grade levels, and specific needs of new students including: special education services, K-8 v high school students, ADA requirements, ELL requirements, military students, out-of-district students, charter schools and career and technical schools (MET)

Review and discussion ensued.

Zero Based Budgeting – All expenses justified for each new period

* Continual improvement = continual change
* Continual change = need for budget fluidity
* Fluidity = as needs change so may allocations for staffing, programs, instructional materials and technology

Review and discussion ensued.

Comprehensive Educational Reform - Continual changes require

new learning by Administrators and Teachers

* New guidance from ESSA (Every Student Succeeds Act)
* Educator evaluation using RIDE’s model
* Requirements for data collection, analysis and reporting
* Implementation of Common Core State Standards/New Science Standards
* Development of effective teaching of “guaranteed and viable” curricula
* New uses of technology by administrators and teachers
* Continue support for integration of technology
* PARCC continuance as statewide assessment

Review and discussion ensued.

Major Cost Factors

* Contractual obligations (negotiations with JTA), salaries, benefits
* State and Federal mandates and regulations
* Tuitions (NK, Narragansett, Charter Schools, Out-of-District)
* 2nd year for Narragansett; 139 students @ NK, 19 @ Narragansett 9 @ MET School
* Transportation (last year for First Student Contract)
* Plant Operations
* Capital Budget – 5-year plan

Review and discussion ensued.

Special Services Budget Factors

* Compliance with Federal and RI regulations for children with disabilities
* IEP requirements for individual students – impacts on staffing and programs
* Salaries and benefits for special services staff
* Professional development in instructional strategies to close achievement gaps/curriculum and assessments aligned to Common Core Standards
* Out-of-district tuitions and transportation

Review and discussion ensued. New Student Services Director Erica Dickson comes on board January 9th.

Unknowns

* Federal and state aid funding
* Health insurance premium increases
* Out-of-district transportation costs
* Tuitions – out-of-district special education, charter and CTE tuitions
* Out-of-district placements
* Incoming students and needs

Review and discussion ensued.

Operating Budget History

FY 2013 $11,923,787 FY 2014 $11,638,648

FY 2015 $11,583,891 FY 2016 $11,652,671

 FY 2017 $11,860,021

 FY 16 – FY 17 $ 207,350 increase 1.78%

 FY 13 – FY 17 $ 63,766 decrease (.53%)

Review and discussion ensued. Every $23,000 = 1¢ on the tax rate

Town Administrator Nota reviewed the Initial Budget Hearing document:

Goals to be accomplished

* General information on budget development and adoption process
* Documentation relative to base budget development – property tax projections, cost factors, contractual obligation
* Solicit comments from Town Council, School Committee and public re: goals, objectives

Review and discussion ensued.

Budget Development and Adoption Process

* Meeting scheduled published in the Jamestown Press
* Meeting schedule available on Town website, Town Hall and Library

Budget Schedule and Related Meetings

* Tentative Budget schedule and related meetings reviewed for December to June
* Budget submittal – 90 days prior to FTM
* Budget adoption – 30 days prior to FTM

Review and discussion ensued.

Budget Cap

* Senate Bill 3050 allows maximum 4% increase
* Combined School and Town budget cannot exceed 4% increase in property tax

Preliminary Budget Development Guidance

* Draft expenditure summary assumes:
1. No increase in FY 2017-18 services level
2. 2.5% increase in salary costs (per union contracts)
3. 5% - 10% health care cost increase
4. Retirement costs remain stable
5. Town and school debt service (FY2016-2017 Capital improvement program) remain stable
6. Predicted $72,500 Capital Program Funding increase
7. Town OPEB investment to begin in FY 2018 and Police Pension to adhere to ARC requirement
* Pro-forma budget development – preliminary Revenue assessment assumes:
1. State will maintain motor vehicle reimbursement program - $500 per vehicle
2. Town to maintain exemption value at $6,000 per vehicle
3. Undesignated fund balance to FY 2017-2018 to be maintained at $150,000 or eliminated
4. Possible Taxable Property Roll increase projection at .5% or $10,983,091

Review and discussion ensued.

Property Tax Roll History

Total taxable property:

2012-2013 $2,020,976,666 2013-2014 $2,165,340,838 2014-2015 $2,179,117,027

2015-2016 $2,196,813,401 2016-2017 $2,266,741,063 2017-2018 $2,277,724,154

Review and discussion ensued.

Moody’s Assigns Aa1 Rating in 2016

* Aa1 rati g reflects the town’s solid financial position resulting from its multi-year trend of growing reserves and reflects the town’s affluent residential tax base, low debt burden and manageable pension and OPEB obligations.
* Credit strengths include reserve levels, above average income ;eve;s. manageable debt and liabilities, low taxpayer concentration
* Credit challenges include lack of diversity for property classes and minimal commercial/industrial property

Review and discussion ensued.

Municipal Debt Service

Total Debt Service: 2014/2015 $817,392; 2015/2016 $867,422;

 2016-2017 Adopted Budget $818,995;

 2017/2018 Proposed Budget $1,012,670;\* 23.65% increase

 \*includes Fire Station and equipment

Review and discussion ensued.

Capital Program FY 2018

2014-2015 $1,407,000; 2015-2016 $11,283,500;

2016-2017 Adopted $1,213,500 2017-2018 Projected $1,286,000

Average allocation FY 2009-2018 $1,035,943

Review and discussion ensued.

Municipal Labor Contract Requirements

 NAGE 68 & 69 Police Non-Union

2015-2016 2.5% 2.5% 2.5%

2016-2017 3.0% 2.0% 3.0%

2017-2018 2.5% To be negotiated 2.5%

Review and discussion ensued.

Municipal Retirement System

Municipal 88.0% funded

Police 101.2% funded

The pension funds are in good shape. Review and discussion ensued.

OPEB

Town/Police Accrued Liability 6/30/2015 $3,986,577

School Dept. Accrued Liability 6/30/2015 $6,078,910

Review and discussion ensued.

School Committee Chair Whitehouse noted the high Moody’s rating for a town of our size. President Trocki noted we are all on the same page and the Council looks forward to our next Town and School meeting. School Director of Finance Littlefield noted the School Budget will be finalized February 23, 2017. Finance Director Collins noted the four budget workshops scheduled for the Town in March and April.

**IV. ADJOURNMENT**

There being no further business to discuss, the work session was adjourned at 6:20 p.m.

Attest:

Cheryl A. Fernstrom, CMC, Town Clerk

Copies to: Town Council (5)

 Town Administrator

 Finance Director

 Town Solicitor