



TOWN OF JAMESTOWN
 93 NARRAGANSETT AVENUE
 P.O. Box 377
 JAMESTOWN, RHODE ISLAND 02835

MEMORANDUM TO: Honorable Town Council

FROM: Town Administrator, Edward A. Mello *EM*

DATE: March 1, 2024

SUBJECT: FY 2024-25 Proposed Annual Town Budget

In accordance with the Jamestown Town Charter, the Administration has prepared the FY2024-25 Proposed Town Budget for the Town Council’s consideration. The budget represents the Town Administrations recommended plan for the continuation of municipal services and support for public facilities and infrastructure to Jamestown residents. With few exceptions, the budget is an effort to maintain the current levels of quality services which is provided to our residents.

This Town Administrators recommended budget results in a four (4) percent increase on the levy from taxes and conforms to Rhode Island General Law 44-5-2, “4 % maximum allowed levy”. This recommended budget funds the School Departments budget request from a General Fund contribution of \$14,390,303 which would be a 3.83% increase over the FY24 General Fund appropriation of \$13,859,769 and a 3.83% increase on the total levy from taxes. This will be an increase in FY25 General Fund appropriation to the school budget by \$530,534.

RIGL 44-5-2

Certified Levy FY24	\$23,630,993.00	FY24 School Appropriation	\$13,859,769.00
4% Maximum Levy	<u>\$945,239.88</u>	Per RIGL 16-2-21, 4% School	
Total Levy Limit FY25	\$24,576,232.88	from prior year appropriation	\$554,390.72
		Levy increase for Town	\$390,849.16

Budget Overview

Expenditures

Under the proposed spending plan for FY2024-25 the total cost of Town and School services is \$29,610,711 an increase of \$891,555 (3.10%) over the current year. Town operating expenditures will increase by \$390,409 (3.8%), proposed Capital spending will increase by \$60,060 (7.63%) and Debt service will increase by \$55,891 (3.61%). Education program costs are projected to increase by \$446,339 (3.00%), school capital costs are proposed to increase to \$445,000 (196.67%), Grants decrease \$348,494 (-59.34%) and School Nutrition remains the same and School Debt has a slight decrease.

Towns Budget Components:

	<u>Budget</u> FY2023/2024	<u>Admin Proposed</u> FY2024/2025	<u>Difference</u>
General Government	\$2,532,698	\$2,714,506	\$181,808
Finance/IT Department	\$480,854	\$497,614	\$16,760
Police/EMA	\$2,137,446	\$2,166,333	\$28,887
Fire/EMS	\$1,088,857	\$1,135,663	\$46,806
Building/Zoning	\$353,489	\$353,531	\$42
Public Works	\$2,285,257	\$2,325,677	\$40,420
Senior Services	\$148,994	\$182,889	\$33,895
Library	\$490,059	\$511,097	\$21,038
Recreation	\$649,975	\$670,728	\$20,753
Debt Service - General Fund	\$1,546,568	\$1,602,459	\$55,891
Debt Service - School	\$396,838	\$389,188	(\$7,650)
All others	\$100,700	\$100,700	\$0
Capital	<u>\$787,000</u>	<u>\$847,060</u>	<u>\$60,060</u>
Total	\$12,998,735	\$13,497,445	\$498,710

Employee Compensation

The Town has three (3) unions, NAGE 68 (Clerks and Dispatch), NAGE 69 (Public Works) and IBPO (Police). All three (3) have contractual salary increases of 3% for FY25. The current NAGE 68 and NAGE 69 three-year agreements will end in June 2025. The IBPO’s contract expires in June of 2026. The contracts do not set compensation for Department Heads or for non-union personnel. The proposed budget allows for a 3% increase to Department Heads and non-union personnel.

Health Benefits

The Town has been advised by The Rhode Island Interlocal Trust, that there will be an increase of approximately 10% for the health/dental premium. The Town will receive its actual rate in late-March and any adjustments will be made accordingly. Additional anticipated increases include those employees joining/enrolling into the Town healthcare coverage program.

Employee Retirement

The Town is enrolled in the Municipal Employees Retirement System (MERS), a contributory defined-benefit plan for general municipal employees. This plan is administered by the State for all enrolled municipalities. Employees contribute 7% to 9.25% of their salary depending on years of service. The town’s actuarial contributions are set annually by the State Retirement Board. In the current year, the actuarial funding requirement is 11.78% of payroll. In FY2024-25, State Retirement Board has set the Town’s actuarial required contribution at 11.50% which is a slight decrease from the previous year.

The Town Police Pension Plan is a private plan administrated at the local level by a Board consisting of the Town Administrator, Finance Director, a police union representative and an appointee of the Town Council. The police officers contribute 9% of salary through payroll deductions and the Town appropriates funding through the annual budget. The proposed budget

provides a contribution of \$288,397, which meets the actuarially determined contribution (ADC) as of the last valuation, June 30, 2023.

Debt Service

The current debt service for FY 2023-2024 is \$1,546,568. The proposed FY25 budget includes additional debt service for previously approved bonds for the purchase of DPW equipment, upgrades to the police station HVAC system and the final numbers for the Library Bond. The total Town debt service is \$1,602,459, an increase of 3.61%.

The Administration recognizes the Town Council's intent to consider various bonds and potentially submitting to the taxpayers for approval. These include affordable housing at \$3 million, senior center renovation project at \$2.5 million and potentially \$4-5 million for solar investment as well as the likelihood of the bonding of a ladder truck in FY27 at anticipated cost of \$2.5 million. However, this current budget proposal does not include such anticipated debt service nor any potential future school bond debt. It is suggested that any future bond obligation be carefully planned and forecasted into future fiscal years as legacy bond obligations reach maturity. Included in your budget package is the current schedule of debt service and the respective maturity dates.

Capital Budget

The adopted FY2023-24 capital budget appropriated \$787,000 for expenditures. In developing the FY 25 budget, municipal departments have requested capital asset maintenance, replacement and improvements that exceed \$1.8 million. After review with all the departments, we propose the capital budget at \$847,060. Projects, maintenance and equipment needs were discussed as to the priority and the needs of the departments and municipal facilities along with the capability of the staff completing these improvements was given consideration. This results in deferring \$1 million of projects from this fiscal year alone.

The budget package also includes a six (6) year capital improvement plan which summarizes all predictable capital projects according to each department. The six (6) year total cost exceeds \$11.5 million or approximately \$1.9 million per year.

Revenues

The Town of Jamestown relies primarily on the local property tax to meet revenue requirements necessary to support the operating and capital budget plans for the Town and the School. In FY25 we project a total of \$5,270,945 in Local, State and pass-through revenue to offset the \$29,610,711 proposed Town and School budget. This represents local and non-local revenue of 17.8% of the proposed budget.

Property Taxation

The balance of revenue necessary to support the \$29,610,711 Town and School budget is derived from local property tax. The FY2024-25 tax levy is \$24,339,766 on real and tangible property as proposed. The 4% levy increase is within State property tax cap statute. Note: Currently, we are continuing to review the real property as of 12/31/2023. We will have more precise assessments in the next month.

This proposed budget represents an increase of .28 cents per thousand of current assessed property value. This may change as the December 31, 2023 property records are finalized. Prior to December 31st, 2022 the value of a median home in Jamestown is \$718,600 at that value this increase would result in a tax increase of \$201.21 (\$5,015.83 ↑ \$5,217.04). Included in your budget package is a summary report which compares the tax rates and the median tax bill for other communities through Rhode Island.

Budget Initiative

Planning Department: The current administrative assistant position is proposed to increase from (4) days/week to five (5)/week. This results in a 20% increase to salary and benefits costs.

The budget allocates \$25,000 for consultant fees as the Town pursues its' initiatives to advance Jamestown's sustainability objectives.

Senior Services: The budget includes an additional part-time position as a program assistant within the Senior Services Department.

Ft. Getty: The capital budget includes \$100,000 to the completion of the "lower" bathroom located at Ft. Getty. The anticipated total cost of the project is approximately \$250,000 to include the building and septic system.

Road Paving: Included in the capital budget is \$325,000 for road paving. An increase of \$50,000 from FY 24. These funds combined with previous years funding and State grant funding will allow for approximately four (4) miles of road paving at a total cost of \$1 million.

Fire/EMS Staffing: There is a moderate increase to the EMS division budget which includes additional staffing costs related to the per-diem ALS program. This model continues to meet the needs of the community while balancing declining numbers of volunteers in this di.

E-Permitting: The State has mandated that all municipalities offer e-permitting for building permits. The Town has taken advantage of previous incentives which has allowed for e-permitting to be eventually offered for the majority of permits obtained to the various Town departments. This annual cost to the Town is approximately \$12,000.

Tax Abatements: As the Town continues to formalize the increase in tax abatements offered the members of the fire/EMS department as an effort the maintain the volunteer rolls, the impact to the budget on a forecasted prorated amount is approximately \$35,000 for FY25. This will convert to the full impact of approximately \$70,000 for FY26.

Acknowledgements

As previously indicated, this budget is largely a maintenance of effort for all departments to continue to provide the same level of quality services to our community members. The largest impact to our budget revolves around personnel costs including salaries and benefits including health care costs.

I greatly appreciate the work of the department heads and their respective staff in preparing the budget. Their respective efforts combined with the overall leadership and guidance provided by Tina Collins has been extremely helpful to me in this significant undertaking.