

TOWN COUNCIL
Work Session
February 2, 2009

A work session of the Jamestown Town Council was called to order at the Jamestown Town Hall in the Rosamond A. Tefft Council Chambers at 93 Narragansett Avenue at 5:30 p.m. by Council President Julio J. DiGiando, for the purpose of discussing 2009/2010 budget preparation and budget overview. The following members were present:

Michael G. White, Vice President
William A. Kelly
Barbara A. Szepatowski
Robert W. Sutton, Jr.

also present:

Bruce R. Keiser, Town Administrator
Arlene D. Petit, Town Clerk
Peter D. Ruggiero, Town Solicitor

present representing the school:

Dr. Marcia Lukon, Superintendent
William C. Brennan, School Committee
Julia K. Held, School Committee
Catherine L. Kaiser, School Committee Chair
Julie A. Kallfelz, School Committee
B. J. Whitehouse, School Committee
Carole Melucci, Principal, Melrose School
Katheen Almanzor, Principal, Lawn School
Lewis Kitts, Director of Buildings and Maintenance

Town Council President DiGiando asked that the Town Administrator be allowed to present his report prior to any Council questions or comments.

The Town Administrator reviewed the Undesignated Fund Balance Report from FY 2003/04 to FY 2007/08. The report specifically targets year-end surplus and the resulting cumulative undesignated fund balance. The FY 2007/08 year-end surplus was \$646,150, increasing the Town undesignated fund balance to \$3,850,686. The undesignated fund balance is 18.6% of the current budget. The Town Administrator noted that as in the past, \$150,000 of the undesignated fund balance has been appropriated to the operations budget in order to begin funding that budget for the ensuing year.

The Town Administrator noted that a healthy undesignated fund balance should be between 10% and 15% of the total budget, with 15% being the preferred. With that in mind, the Town Administrator stated that a 15% undesignated fund balance would allow for \$741,000 in capital reserve which could be used for a one-time capital project or used to pay down the Town's debt service.

The Town Administrator stated that the School Undesignated Fund Balance is presently at \$835,846 with a year-end surplus of \$358,163, which is 7.1% of the total school budget. Of the \$358,163 surplus, \$196,634 was appropriated to operations and \$170,000 to a capital land-use project. The School Committee has set 5% as the preferred undesignated fund balance for the school side of the budget.

The Town Administrator reviewed the preliminary revenue and expenditure projections for the FY 2009/10 budget. In addition, the Town Administrator proposed two options on lowering the expenditure side of the budget.

Council comments and questions relating to the Undesignated Fund Balance Report were answered by the Town Administrator.

It was the consensus of the Council to instruct the Town Administrator to provide additional information relating to early payments of debt service as a way of reducing the Town's tax rate.

The Town Administrator suggested that he continue to monitor the Governor's recommendations for reduced State funding as it relates to increases in the tax burden to the Jamestown budget.

The meeting was adjourned at 6:45 p.m.

Attest:

Arlene D. Petit
Town Clerk

c: Town Council Members (5)
Town Administrator
Town Solicitor
Administrative Circulation