

## **TOWN COUNCIL WORK SESSION**

March 20, 2014

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 5:03 p.m. by Council President Kristine Trocki. The following members were present:

Mary Meagher Vice-President  
Blake Dickinson  
Thomas Tighe  
Eugene Mihaly

Also present:

Christina Collins, Acting- Town Administrator/Finance Director  
Heather R. Lopes, Assistant Town Clerk  
Wyatt Brochu, Town Solicitor  
Dr. Marcia Lukon, School Superintendent  
Jane Littlefield, Business Manager  
Cathy Kaiser, School Committee Chair  
B.J. Whitehouse, School Committee Member  
Sarah Baines, School Committee Member  
Ryan Conlon, School Committee Member

The work session began with Dr. Lukon giving a power point presentation on the zero based budget. Dr. Lukon stated the process begins with determining the goals of the school and following the Common Core Standards which are much higher and more difficult than previous standards. Goals are based on determining the needs of students, being social, emotional and academic needs. As well as continuing to provide high level of professional development to support changes and improvement initiatives. The present cost assumptions will vary depending on the costs of health and dental insurance premiums, state wide transportation, the number of military students and out of district SPED tuition rates. This budget is being presented with these numbers being based on the current year's costs.

Staffing changes proposed are based on the addition or reduction of needs of current students and the addition of a Technology Integration and Support Specialist. The IT specialist is an important addition due to the continuous changes and advancements in technology and equipment and the need to train all parties involved for use.

The proposed Fiscal Year 2014/2015 Operating Budget is \$11,885,458. This is an increase of \$246,810 or 2.12% over last year's budget. The increase in the contribution from the Town is \$177,401 or 1.6%. These figures are based on the historic assumptions in revenue. Based upon the actual revenue received in FY 2014, the amounts are raised for the FY 2015. Dr. Lukon stated the major costs are due to contractual obligations, salaries & benefits; State and Federal mandates & regulations; tuitions (including the high school students), transportation and plant operations.

On October 1 every year, the School Department must report to the State the number of enrolled students. This is done again January 1 due to not all students are enrolled by October, the number in January is always higher. Dr. Lukon reviewed the process in determining these figures based on the current number of students, 2014 rates and the attempts to reach out to parents of eighth graders to determine their intentions on choosing which high school their child will be attending. Placement of high school students varies budget figures as Charter or Technical schools have a higher tuition for the Town versus North Kingstown High School. Also, if a student goes to a private school, this lowers the amount of overall tuition figures. She also stated it is difficult to determine the number of military children and the grades they will be in. This information tends to come at the very beginning of the school year, making it difficult to have an exact number for budget time. The School Department has received confirmation that seven (7) current eighth graders will not be attending NKHS so this budget is based on 162 students, not the current enrollment of 169.

A summary of the tuition expenses are as follows:

High School general education:	\$1,644,685
NKHS special needs	\$ 288,971
Career Tech Ed	\$ 91,588
Out-of-District special needs (Public and non-public)	\$ 358,194
Charter school tuition	\$ 46,026
Total:	\$ 2,429,464

This is a decrease of \$14,748 from FY 2014. It is noted tuitions equal 20.4% of the total FY2015 budget. Dr. Lukon stated if a career technical school is part of any RIDE program, the Town is responsible for the cost and transportation of students attending that school. Dr. Lukon reiterated these figures can change due to enrollment and high school attendance decisions. Discussion ensued regarding the accuracy and process of determining student enrollment.

FY 2015 Department of Student Services Budget is \$2,658,286, a decrease of \$38,127 or 1.4% from FY 2014 budget. Key budget factors are Federal and State regulations, IEP requirements, salaries for special education staff and out-of-district tuitions and transportation. Anticipated out-of-district special education placements is five (5) students, a decrease of two (2) from last year. Dr. Lukon stated the district is required to provide students with special needs education up to their 22<sup>nd</sup> birthday if they have not earned a high school diploma by the end of twelfth grade.

The total Capital Budget is \$120,000. Maintenance and up-keep is done by Lew Kitts and his staff. Mr. Kitts is very diligent in cost control and lengthening the life of equipment as much as possible. Dr. Lukon gave an overview of the list of maintenance needed and replacement of items at both the Melrose and Lawn Ave schools. She stated this is not a Town expense. These funds come from the School Departments reserved funds. Dr. Lukon stated certain items in the Capital Budget are eligible for reimbursement by the State at approximately a 30% reimbursement if they are a capital expense. Discussion

ensued regarding large capital expenses such as replacement of the roof at Melrose School that are expected to occur in the next few years.

Councilor Meagher inquired on the number of students included in the tuition costs. Jane Littlefield stated it is based on 650 students. Councilor Trocki asked when the final count is expected. Ms. Littlefield stated a better idea is expected in April and North Kingstown needs to know as well for their budgets. It is difficult with military though as that number can remain unknown until October as well as the age and needs of these students.

Councilor Dickinson asked how the budget is determined for students under 9<sup>th</sup> grade. Jane Littlefield explained they start at zero and begin to look at programs, staffing and the number of classes needed, benefits and contract obligations for individual employee changes and steps reached. Dr. Lukon stated the budget is based on the cost of programs that the School Department is required to provide to the students for the year not built on the number of students unless the student has a special need. She stated the high school portion is based on per student attendance from Jamestown. School Committee Chair, Cathy Kaiser clarified Councilor Dickinson's question, if the school has funds to transfer into their General Fund every year why are they asking for more money. He states yes, that seems correct more-so he is trying to understand the method used to create the budget. Ms. Kaiser stated even with a zero based budget there is no way to have a figure for the unknown adjustments and approximately half of any surplus goes back into the budget for capital expenses. She noted the "Maintenance of Effort" rule that the Town cannot fund the schools less than they did in the previous year. Jamestown Schools come very close to the ballpark figures every year through diligent efforts. Councilor Meagher would like to see a tighter budget since any surplus or portion of is not returned to the Town. School Committee Member, BJ Whitehouse noted the overall increase in the school budget has been very modest over the past 5 years and the ability to fund the capital reserve is beneficial to Jamestown and its schools. He states this is a reflection of zero based budgeting. Jane Littlefield mentioned the 10 year Capital Plan noted in the budget and there are some large projects necessary and it is possible there will not be a need to go out for a bond for these items. Every line item and supply item is looked at closely and scrutinized every year.

Jane Littlefield stated the Blue Cross & Delta Dental rates were conservatively estimated at a 10% change. Tina Collins stated she and Jane are meeting with them next week and it has been indicated there will be a decrease. Those figures will be forthcoming. Councilor Dickinson asked what the School Department feels is an adequate growth for expenditures. Ms. Littlefield stated it is difficult to predict, a change of 5 students can increase or decrease tuition by \$50,000 a retiring teacher can change budgeting by a large amount as well. Many times these situations are last minute and unable to predict. The budget has a contingency line item to attempt to prepare for these unknowns at budget time. Councilor Mihaly asked for clarification of the 5 students listed as out-of-district down from 7 in last year's budget. The 2014/2015 Fiscal Year Budget has anticipated the current 5 students for out-of-district special education placements to continue. It was noted special education programs can be 12 month programs and can vary in cost per child up to \$100,000.

Councilor Meagher asked if a surplus is split between the reserve and unreserved funds. Ms. Littlefield stated the auditors require it to be placed in the unreserved fund and reserved for capital expenditure items. Tina Collins stated included in the reserved fund there is \$59,000 from FY 2014 for capital expenditures, \$1.5 million for OPED requirement and \$263,729 for compensated absences. Councilor Dickinson asked if the balance of \$1.13 million available for emergencies is correct. He is told this is correct. Discussion returned to replacement of the roof at Melrose School and the attempts by Mr. Kitts and his staff to lengthen the life of it that have been successful. It is inevitable this will be an upcoming expense in the next few years.

Council President Trocki thanked the School Department, Committee and staff for all their efforts and presenting this budget.

The work session adjourned at 6:15 p.m.

Attest:

Heather R. Lopes, CMC  
Assistant Town Clerk