

**TOWN COUNCIL BUDGET WORK SESSION**  
**April 10, 2014**

Town Council Members Present:

Kristine S. Trocki, President  
Mary E. Meagher, Vice President  
Eugene N. Mihaly  
Blake A. Dickinson

Town Council Members Absent:

Thomas P. Tighe

Also in Attendance:

Andrew E. Nota, Town Administrator  
Fred Brown, Building/Zoning Official  
James Bryer, Fire Chief  
Lisa Bryer, Town Planner  
Christina D. Collins, Finance Director  
Donna Fogarty, Library Director  
Kenneth Gray, Tax Assessor  
Michael Gray, Public Works Director  
Cathy Kaiser, School Committee Chair  
Edward A. Mello, Police Chief  
William Piva, Parks and Recreation Director  
Howard Tighe, Deputy Fire Chief  
David R. Petrarca, Jr., Assistant Town Solicitor  
Cheryl Fernstrom, Town Clerk

**Call to Order.** Town Council President Trocki called the work session of the Jamestown Town Council to order at 5:03 p.m. in the Jamestown Town Hall Rosamond A. Tefft Council Chambers at 93 Narragansett Avenue.

**Budget Review.** President Trocki stated today's session is for final review of the Town's operating budget, capital budget, and school budget for FY 2015 (July 1, 2014 to June 30, 2015). Town Administrator Nota and Finance Director Collins provided updated budgets for operating, capital, and school department budgets.

Jamestown Chamber of Commerce. President Trocki recused on the issue as she is on the Chamber Board of Directors, filed the appropriate form, left the dais, and designated Vice President Meagher as the presiding officer for the discussion. Executive Director John McCauley addressed the Council requesting \$8,000, in quarterly installments of \$2,000, from the \$78,000 (approximate) annual "meal tax" allocation the town receives from the State of RI. The funds would be used to assist in developing business locally, including an off-island advertising campaign to bring visitors to Jamestown's commercial district

not only for the tourist season but during the winter months as well. Discussion ensued of the Chamber, its mission, annual budget, and the proposed project and theme to promote Jamestown as an alternative to Newport and South County (“Jamestown a Bridge Away, a World Apart”).

Councilor Mihaly noted he is a Chamber member, and as a person concerned about promoting Jamestown, feels the \$8,000 would be well spent, a good investment, Jamestown should be promoted, and he supports the proposal.

Vice President Meagher expressed concern for procedure and development of a methodology for granting such requests from similar agencies and non-profit organizations, perhaps creating a larger fund with an application process. Mr. McCauley stated this request is for economic development rather than promoting a community organization. The goal is to promote economic development for Jamestown businesses and ultimately more jobs. Finance Director Collins and Town Administrator Nota referenced the types of non-profit agencies that receive funding from the Town. The “Sustainable Jamestown Plan” under development by the Town Planner was discussed. Councilor Dickinson commented economic development could be incorporated into the Town Council goals; money spent should be consistent with the goals the Council developed. This request comes late in the budget process and should be part of a larger discussion.

Discussion ensued of available funding in this year’s budget from the Emergencies and Incidentals account; perhaps \$4,000 from this fiscal year and \$4,000 from next year. This request is similar to that made by the Arts Center for their roof replacement. This request, if successful, may be partially self financing. Lengthy discussion ensued. Mr. McCauley was informed the Council will consider his request, which may be partially funded from this current budget and next year’s budget. Mr. McCauley thanked the Council.

President Trocki resumes the position of presiding officer for the meeting.

Operating Budget. Review of the revised Operating Budget by Town Administrator Nota and Finance Director Collins continued. Recent budget revisions by the School Department have an overall impact on the Operating Budget.

Page 2. Personnel. Blue Cross was budgeted for a 10% increase; recent information from Blue Cross/Blue Shield indicates rate increases of 0% to 1.5%. The overall reduction for Personnel amounts to \$78,788.00.

Page 4. Public Safety. Police Protection. Maintenance of Police Cars is reduced by \$3,000.

Page 5. Emergency Medical Services. This reflects an increase of \$87,600 for per diem workers (\$20 per hour) required to implement ALS services for Jamestown for six

months, beginning in January. The original proposal was for \$175,000 for the entire fiscal year. Fire Chief Bryer and Deputy Chief Tighe answer questions and explain the ALS function and use of the proposed intercept vehicle to transport ALS equipment to the ambulance, rather than providing the equipment on each ambulance, for optimum public safety and efficiency while maintaining costs. Lengthy discussion ensued. Due to time constraints to implement ALS for this coming fiscal year, \$87,600 was budgeted for six months funding, balancing priorities, and giving the time needed to secure licensing, do hiring, obtain certifications, achieve integration, vet out capital needs, and resolve issues, with January 1, 2015 as an appropriate start date. Deputy Chief Tighe explained the process, equipment storage, and how the ALS equipment will be transported by the intercept vehicle, so that it won't be tied up by non-ALS calls. For an ambulance to be certified for ALS, it must permanently have the ALS equipment on it. Ambulances would remain as BLS, with the intercept vehicle classified as ALS transporting the ALS equipment when needed, keeping it always available. Once an ambulance is certified ALS, all personnel on it must be ALS certified. The equipment and personnel certify the ambulance as ALS. The need for ALS transport is unknown until there is contact with the patient who called for service. Many issues need to be resolved, including licensing, training, certification, and hiring personnel, which will be revealed once we are into the project. Lengthy discussion ensued. Council members feel comfortable with the six-month phase-in.

Town Administrator Nota stated based on the data reviewed, this is the most flexible and conservative approach and a good transition. Five or six of the current EMS staff are ALS certified in other communities; per diem ALS workers can be mentors to our own members; our personnel with certified per diem ALS personnel is the best implementation plan. Councilor Dickinson commented ALS seems like a real asset and asked if there is enough demand to justify the cost. Deputy Chief Tighe noted using the last three years data, there is one transport per day, with 80% deemed ALS by protocol. He feels ALS is necessary and will benefit the whole community. Per Chief Bryer, RIDOH is trending towards ALS capabilities for all EMS departments, and we are trying to get ahead of the game. Per diems are private contractors, covered under JFD's insurance. The operating budget requested is \$87,600.

Capital Budget for ALS. The capital request is \$46,000 - \$15,000 for equipment consisting of defibrillators and ALS medication kits, and \$31,000 for replacement of the Ford Explorer with an intercept vehicle, or \$46,000 in total. Chief Bryer stated the JFD Donation Fund will match the \$15,000 for the equipment. President Trocki noted the Council's appreciation for that. Councilor Dickinson would like to see a Fleet Replacement Plan developed, and JFD is in agreement to develop that, as it is better to plan rather than react for such needs.

Operating Budget, continued. Page 7. Public Buildings. Telephones and Alarms is reduced by \$5,000 to \$15,000, as the VOIP is pushed off to next year; Landscape

maintenance is reduced by \$2,000 to \$10,000, for a total reduction of \$7,000 for that account.

Page 9. Parks and Recreation. Telephone is reduced by \$750 to \$2,500, and Water is reduced by \$500 to \$13,000, for a total account reduction of \$1,250.

The Operating Budget for the School Department was reduced \$301,000 from the original budget.

Capital Improvements Budget. Town Clerk's Office. An additional reduction of \$10,000 from the original \$15,000 is proposed; the \$5,000 for Microfilming Probate Records and \$5,000 for Clerks Records Management are put off for an additional year, as there is funding available from prior years.

Tax Assessor. The annual set aside for Revaluation is reduced from \$25,000 to \$20,000.

Planning. Planning and Development documents - the \$25,000 used for update of the comprehensive plan, subdivision regulations, etc. is eliminated, as there is ample funding to forego this expense for the next fiscal year.

Technology. Fiber installation is reduced by \$13,000 to \$13,000. The Town can do the work in house to save the \$13,000.

Police Protection/EMA. \$25,000 was added for an EMA vehicle for the Administrator. A Ford Escape is planned, to maintain consistency in the fleet.

Fire Department. \$100,000 was added for the design, architectural, and engineering process, which is 10% of the \$1,000,000 estimated project cost for the Fire Station expansion project. The Fire Station renovation will be designed for replacement of equipment, so that future replacements can be standard equipment rather than custom equipment at an inflated cost. JFD is prepared to move forward with RFP at the beginning of the new fiscal year. Discussion continued.

Public Works. This has been a difficult winter followed by a wet spring, resulting in road deterioration. Road Paving is usually budgeted at \$325,000; this allocation usually paves 1½ miles of road. Town staff performed an assessment of town roads, resulting in a recommendation of \$400,000 for Road Paving for next year. Discussion of road conditions continued. Some overlaying and patching is proposed at \$75,000, which buys 1,000 tons asphalt for a mile of overlay to improve conditions until a full depth construction can be done. Town Administrator Nota stated the Town likes to avoid bonding. The paving allocation should be well received by residents. Public Works Director Gray noted the tough winter.

Town Hall doors are proposed for \$17,000, reduced by \$17,000, to address winterization and ADA issues. The next step is to evaluate a design acceptable for implementation in the front of the building. The Town Hall generator switch was installed, in case it is needed, with elimination of the \$40,000 generator allocation.

Engineering. Discussion of the Capital spending ensued, which is needed for GIS, maps, software, which includes Main Street Maps, ESRI licensing, GIS training, and hardware replacement. The new generation of GPS software is \$12,000, and this is placed in the Capital Budget so that the funding can be rolled over.

Bay View Drive – embankment stabilization. The Council notes the serious erosion on the earthen bank, which lost 6 to 8 feet of shoreline. Public Works Director Gray commented on proposed riprap. The Town can perform the work, with purchasing stone, filter fabric, and restoration of the grass area. With the Hazard Mitigation Plan we may be able to apply for grants. North Bay View Drive is closed off and vehicles can't drive through by the North light. This is a future project, and it is too soon to evaluate; many issues contributed to the problem and we don't want to guess at an amount. This will not be ignored, and emergency action can be taken if needed.

Fort Getty Pavilion Site Improvements. Town Administrator Nota stated a \$200,000 line item is proposed based on GLA's scope of work for site preparation, infrastructure, stabilization, underground utilities, etc. The entire project is estimated at \$285,000. We can move forward with a majority of the project outlined by GLA. Councilor Dickinson is in favor of this, and Town Administrator Nota will look for grant opportunities.

Recreation Department. Existing reserve funds will be utilized for tennis court rehabilitation in the amount of \$40,000.

The Total Capital Improvement budget proposed is \$1,207,000, a \$245,000 increase over the original proposed budget.

School Department Budget. Vice President Meagher and Councilor Dickinson attended the School Committee meeting. They thanked the School Committee the \$301,567 budget reduction. Zero based budgeting was referenced.

Councilor Mihaly referenced the School Department contingency fund of \$272,000. School Committee Chair Cathy Kaiser noted this is for unknowns, such as salaries under negotiation, and it is not a rainy day fund for items that will end up in the budget, these are funds that will be spent. Councilor Mihaly stated he is uncomfortable with the magnitude of these reserves. If the contingency fund is to be spent, the extent of funds that aren't used is essentially increasing the size of the reserve. The current reserve is \$1,300,000; \$1,500,000 was removed for OPEB. Ms. Kaiser reviewed the school department's strategy to fund OPEB, and stated \$1,300,000 is just over 10% of the budget. After the budget is approved, the school department will review decreasing the

reserve and increasing the amount committed to OPEB. Discussion ensued of supplanting operating funds with reserve funds, which is not fiscally prudent. Discussion ensued of State and Federal contributions, with Jamestown receiving one of the lowest. Reserves are excess operating funds, and if they are always used to offset the budget, eventually there will be no reserves. The School Department averages a \$200,000-\$300,000 surplus annually. Ms. Kaiser explained they must be prepared for special education students who arrive, legal expenses, and other unexpected expenses.

Discussion ensued of surplus funds and whether the school department can justify the growth. Ms. Kaiser stated neither she nor the school department feel the need to justify it. If the roof goes, the reserves will be used to replace it. The School Committee does not want to supplant the operating budget with reserves/surplus. Town Administrator Nota stated today school districts have gotten away from supplanting operating expenses with surplus funds. Ms. Kaiser noted all contingency money is operating funds, and it is anticipated it will be spent, but it may not be.

President Trocki asked if there are any other comments.

Town Administrator Nota seeks Council direction regarding a suggested increase in the Transfer Station fee from \$100 to \$125. If the Council is in favor, justifying figures will be on the next agenda. Council members reference the sidewalk in front of the Library, which is part of the Safe Routes to School project. There were concerns by the Native Americans (the Narragansett's want more restrictive policies regarding private excavation), which in turn held up RIDOT and Federal funding. The sidewalks may be part of the Library redesign project; as the sidewalk is on a State road, their approval is required. Lengthy discussion ensued. The sidewalk design plan could be completed so that when the funding or permission becomes available, it ready to go. Town Administrator Nota commented he will obtain a project update and speak with other RIDOT administrators to see where this is at. Discussion ensued of putting more money into our roads as this winter has taken its toll. Discussion ensued of a town-wide fleet plan for standardization and cost controls.

The bottom line is a \$253,296 increase in the overall budget, which would be a 5 or 6 cent increase on the tax rate. Other funding sources and fee increases were referenced. The transfer station sticker fee increase could result in an additional \$25,000 in revenues. The \$40,000 expense for Police Department gas and tires was reviewed. Discussion continued.

Finance Director Collins would like to know of any major changes proposed for the budget, which is slated for Council approval on April 21<sup>st</sup>. She is working with the Tax Assessor to determine additional growth and gauge a preliminary tax rate figure. Council members comment the items they would like to add are additional funds for town roads, Bay View Drive, North Bay View Drive, and embankment stabilization.

Sav Rebecchi of Sail Street. Mr. Rebecchi asked for the amount of unreserved funds. He was informed it is \$3,585,628 as of December 31, 2013. Mr. Rebecchi referenced the recommended reserve of 16% of the total operating budget for maintaining a favorable bond rating, and 17% or an island community. Finance Director Collins noted that due to lower taxes, Jamestown gets a better bond rating. Discussion ensued of surplus funds. Last year \$212,000 was taken out of the rainy day fund due to the East Ferry seawall repair; the Town usually takes \$150,000 out of surplus annually toward its capital. A comparison of Town and School surplus ensued. Mr. Rebecchi commented on his tenure on the School Committee and the challenges faced, particularly negotiations, and he trusts how the School Committee spends taxpayer dollars. Discussion continued.

Mr. Rebecchi commented on the Comprehensive Plan and its components that were previously based on surveys sent to all households. Residents took it seriously, with a 30% return. The benefit of information gained through surveys is important and worth the \$4 cost per household. The Fort Getty charrette was a failure, and he suggests Council consider the cost of operating a survey for inclusion in the budget or take it from the rainy day fund for a suggested giant survey to cover numerous areas and topics (cultural activities, Lyme disease, historic preservation).

Councilor Dickinson referenced access to government through the new Town website, which will implement such survey services and others to the public. The level of spending suggested would not be necessary when the website is used for interaction. This is the Town Council's goal. He also has a high regard for the School Committee and his fellow Council members dealing with budgets. His challenge to the budget is what is a fair growth is in a reserve fund, in light of decreasing student enrollment.

Discussion of reserve funds continued. Mr. Rebecchi stated websites are not what they are cracked up to be; he objects to School Committee agendas not being posted in the *Jamestown Press*; he does not feel the paperless agenda will be successful; he feels a current survey would be valuable and worthwhile. Councilor Meagher is not sure what impeded the charrette process. The surplus issue arose as the Town surplus has been going down, while the School surplus is going up, with both entities using surplus to pay for capital. School Committee Chair Kaiser stated the school population is not substantially smaller. The high school population is 150 down from 190. Mr. Rebecchi was thanked for his comments.

Budget adoption is slated for the April 21<sup>st</sup> agenda, and potential changes need to be identified. The Chamber donation could come from the emergencies and incidentals fund. Charitable donations, Town roads, the Library plan, and embankment stabilization need to be addressed. Discussion ensued of moving \$50,000 from the Fort Getty Pavilion to Town roads and stabilization. Town Administrator Nota stated this discussion can be vetted on April 21<sup>st</sup>. Public Works Director Gray feels we can draw from other projects when the emergency arrives. Fort Getty could be dropped to \$170,000, putting the

\$30,000 towards roads, for a total of \$430,000, which allocates \$75,000 more for roads than originally planned.

Discussion ensued of placing a Resolution on the next agenda to increase the annual Transfer Station sticker fee by \$25. This will have a positive revenue impact. Council members affirm they are comfortable with the funding allocation for ALS. Discussion ensued of a standardized vehicle fleet plan (especially for SUV's). A copy of the fleet vehicle list will be forwarded to Council members prior to next agenda for review.

Finance Director Collins asked for direction regarding the Chamber request. Council suggested \$4,000 from the emergencies and incidentals account this year. Discussion ensued of having a line item for voter approval to fund such requests or grants. Finance Director Collins noted there should be a process for requests for funding for non-profit organizations. She suggested \$4,000 for the Chamber from this year's budget and \$4,000 in next fiscal year's budget as a line item. Discussion ensued of a charitable pool for funding to non-profits who contribute to the Town and/or a small economic development allocation. With such a line item, requests would be part of a procedure early on in the budget cycle. Discussion ensued of a \$4,000 line item for economic development in the upcoming budget with a discussion at a later time of a fund for non-profits. This requires further discussion with our Solicitor before moving forward. Lowering the Pavilion to \$170,000 and a line item for economic development for an agency like the Chamber were suggested.

Finance Director Collins will move forward with the suggested revisions.

**Adjournment.** There being no further business to discuss, the budget work session was adjourned at 7:33 p.m.

Attest:

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Cheryl A. Fernstrom, CMC, Town Clerk

Copies to:       Town Council (5)  
                      Town Administrator  
                      Finance Director  
                      Town Solicitor