

FINANCIAL TOWN MEETING
June 2, 2014

Call to Order

Moderator John Murphy called the Annual Financial Town Meeting to order at 7:01 p.m. in the Lawn Avenue School Gymnasium, 55 Lawn Avenue, Jamestown, and led the Pledge of Allegiance.

Town Council members present:

Kristine S. Trocki, President
Mary E. Meagher, Vice President
Thomas P. Tighe
Eugene B. Mihaly
Blake A. Dickinson

Also in attendance:

John A. Murphy, Town Moderator
Andrew E. Nota, Town Administrator
Christina D. Collins, Finance Director
James R. Bryer, Jr., Fire Chief
Lisa W. Bryer, Town Planner
Donna J. Fogarty, Library Director
Kenneth S. Gray, Tax Assessor
Edward A. Mello, Police Chief
Fred F. Pease, Town Sergeant
William J. Piva, Recreation Director
Howard F. Tighe, Deputy Fire Chief
Wyatt A. Brochu, Town Solicitor
David R. Petrarca, Jr., Assistant Town Solicitor
Cheryl A. Fernstrom, Town Clerk

School Committee members present:

Catherine L. Kaiser, Chair
Sarah Baines
Ryan Conlon
Julia Held
Bruce Whitehouse

Also in attendance:

Marcia A. Lukon, Superintendent
Jane Littlefield, Director of Finance
Lewis W. Kitts, Director of Buildings and Grounds
Carole Melucci, Melrose School Principal

Budget Process, Meeting Procedures and Voting Overview

Town Moderator Murphy thanked staff members and all volunteers for their hard work and for setting up the facility for tonight's FTM. He noted building exits in case of an emergency evacuation. Explanation of the Financial Town Meeting format, which operates under State law, followed. Moderator Murphy stated Town Council President Kristine Trocki will speak on behalf of the budget for general Town services. School Committee Chair Cathy Kaiser will speak on behalf of the School Department part of the budget. We will then entertain motions to adopt the Town part of the budget and the School Department part of the budget. Once a motion is seconded, we can proceed to vote on the motion or engage in discussion pertaining to the motion. Discussion is limited to three minutes per voter. Voters wishing to speak were instructed to use the microphone and identify themselves, including street address, and avoiding statements presented in previous voter comments.

Speaking at the FTM

Moderator Murphy stated discussion and voting is limited to registered voters (those who received white cards). However, a department spokesperson who is not a voter may answer a question directed to them by the Moderator. Our Town Charter requires that any proposal to amend the Council's recommended budget by \$10,000 or more be filed in writing 20 days in advance of this meeting. We have received no such filings, so there can be no such motions to amend the budget.

Voting on Motions

Moderator Murphy explained that voting on motions is as follows: the first alternative is to have a voice vote. Voters in favor of a motion are called upon to speak (not yell) "yes." The Moderator will then call for the voters opposed to that motion to speak (not yell) "no." If there is no clear majority voice vote, there will be a call for raising hands or a standing vote, holding up the white card to identify you as a voter. The Board of Canvassers will assist with the counting of these votes. Voters were requested not to move about the room while hand or standing counts are being taken. If a voter requests, and twenty percent of the registered voters present at this meeting support that request, we will have a paper ballot, a somewhat cumbersome and time-consuming procedure. We want to have a fair, open, and efficient meeting.

Canvassers Count of Voters Present

The Board of Canvassers advised there were 145 voters present.

Town Council President Kristine Trocki

Moderator Murphy introduced President Trocki, who thanked Moderator Murphy and addressed the assembled voters:

Good evening. I'm Kristine Trocki, President of the Jamestown Town Council. On behalf of the Town Council and the School Committee, I would like to thank you for joining us

this evening. For those of you who have not yet met our new Town Administrator, I would also like to extend a warm welcome to Andy Nota. (applause)

I am proud to be a part of tonight's Financial Town Meeting, a tradition that dates back over **300 years**. Jamestowners first gathered together to address their needs, costs and concerns of what it takes to live on this beautiful island in **1679**. We are continuing this process tonight by outlining priorities, developing, and *hopefully*, approving a budget that we believe will improve the quality of life for ALL residents. By way of background, the Budget Process is a year-round process that begins in December when the Town Administrator lays out the timeline for individual Town Departments and staff to develop recommendations. These recommendations are then submitted for his consideration. The Administrator reviews each request in light of community priorities, while balancing the Town's most immediate needs with the financial impact on Town residents.

In order to provide as much PUBLIC input as possible, the Town Council held a total of **five** public workshops to allow for sufficient time to discuss and review the Town Administrator's and School Department's budget recommendations. As the weeks progressed, and more information was provided by Department Heads and the Public, the budget was continuously updated and refined by the Town Council and the Town Administrator. ***I am proud to say, this will be the second year that residents can anticipate a 0% tax rate increase.***

Rhode Island's economy continues to recover at a slower pace than the other New England states. Although Jamestown has sustained significant losses in both state and local revenues for a number of years, Jamestown has *finally* begun to see *positive* trending with projected increases of approximately **\$82,000.00** in State revenues and **\$154,000.00** in local revenues. This added support, along with a healthy and well managed reserve fund, provides Jamestown with an opportunity in *this* Budget Cycle to address several specific community priorities and initiatives.

One of these priorities is the implementation of the Advanced Life Support (ALS) program with the Fire Department EMS Division. This program will be phased in over two fiscal years and will provide a much needed enhancement to the Basic Life Support (BLS) services currently offered in the community. The change to an ALS level of care will, based on patient needs, allow for Jamestown EMS to use and monitor EKG equipment, will increase the amount of medications that can be administered, and will utilize advance airway adjuncts, ALL of which will allow for quicker and more responsive care and transportation to advanced emergency room facilities, such as RIH.

The Capital budget was increased by just under **\$155,000.00** from last year. The Capital Budget includes: an expansion of the pavement management program to address the roads made worse by a very difficult winter and spring; the next phase of improvements at Fort Getty; and Architectural and Engineering plans for the expansion of the Fire Station on Narragansett Avenue. It also includes **two** important public works projects involving shoreline embankment restoration at both Bay View Drive and North Bay

View Drive. In addition, we have an initiative on the table today which allows for a revolving fund which will be sustainable over many years to help support our goal of Affordable Housing. We will discuss this issue in more detail and give the public an opportunity to speak about Resolution #5 when we get to that portion of our agenda.

In spite of significant volatility in the national and local economies, Jamestown has continued to offer its residents some of the lowest tax rates in the State. **In 2013**, Jamestown offered the **third lowest** residential tax rate, **third lowest** commercial rate and **fourth lowest** motor vehicle rate in Rhode Island. This level of stability and continuity by your local government is anticipated again in **2014-2015**.

The proposed **Fiscal Year 2014-2015 Budget** includes a **0% increase** in the Residential and Commercial Tax Rates, thus remaining at **\$8.75**. The Motor Vehicle Tax Rate will remain at **\$14.42**. The Town's Operating Program is proposed to increase by **4.2%**, Capital Expenditures by **12.4%** and debt service will increase by **9.4%**. These noted increases will be offset with increased Revenue Projections and the use of Undesignated Reserves in the Town and School budgets.

All of these figures, and this result, would not be possible without the collective effort of our Town Staff and School Committee members. I would like to extend a special thanks to Tina Collins who wore two hats during the most critical months of our budget process, both as Finance Director and as Acting Town Administrator. We also applaud Andy Nota for his efforts in making a fast transition into the position of Town Administrator and mastering the budget process, mid-cycle. No small feat. I would also like to extend a big thank you to Cathy Kaiser, her School Committee team, and ALL of the Department Heads who carefully "sharpened their pencils" and made this **Fiscal Year 2014-2015 Budget** possible for the residents and taxpayers of Jamestown.

With these efforts, the recommended Annual Town budget for **Fiscal Year 2014-2015 is \$10,283,286.00**. The recommended Jamestown School Department budget is **\$12,375,518.00**. The total recommended Town and School Department budget for fiscal year **2014-2015** totals, **\$22,658,804.00**.

On behalf of the Town Council, I respectfully request your support for the **Fiscal Year 2014-2015 Budget** as presented. **Thank you.** (applause)

Moderator Murphy thanked President Trocki.

School Committee Chair Cathy Kaiser

Moderator Murphy introduced Chairwoman Kaiser, who thanked Moderator Murphy and addressed the assembled voters:

OPEB. Four letters that prompted a lot of questions at the town council budget workshops and therefore merit some explanation tonight. OPEB. It stands for Other Post Retirement Benefits. And in Jamestown it stands for the cost of health care promises we made to teachers working in our schools in the early 1980s – lifetime health care

coverage in exchange for zero increase in salaries. At the time this was a reasonable trade-off. Health insurance was cheap and salaries weren't. Thirty years later, however, Jamestown's OPEB liability exceeds 6 million dollars.

What are we doing about this? That was the reasonable question posed by the Jamestown Taxpayers Association several years ago.

First, we are continuing our practice of budgeting each year for the current cost of retiree benefits – in the world of OPEB, this is known as the “pay-as-you-go” model. It's what most RI communities with retiree health care obligations do. But some communities are also beginning to set aside additional funds to lower the cost to future taxpayers.

Jamestown is one of these. Last year, working with the town auditors, we set aside 1.5 million dollars of the school reserves in a committed OPEB account. Each summer we will review preliminary year-end figures and decide whether we can set aside an additional portion of the school reserves for OPEB.

Now some people may question the wisdom of setting aside today's dollars to reduce costs in the future. We join communities such as Barrington, Bristol, Charlestown, Lincoln, Middletown, Newport, Portsmouth, South Kingstown, Warren and Westerly in saying “we disagree.” We aren't willing to just kick the can down the road.

At the same time, we are keenly aware of the needs of today's taxpayers, as our record of zero-based budgeting clearly demonstrates. For the budget before you, the school committee voted for the first time to pay the current yearly cost of retiree benefits – the so-called “pay as you go” expenses – from the school reserves rather than including them in the town contribution. We believe that this is a reasonable step, but we caution that it's a strategy we will have to re-evaluate every budget season.

For this year, it works. The required town contribution to the school budget is 3.8% lower than last year.

OPEB. It's a question of fiscal policy. The school committee believes that its OPEB policy ensures prudent use of taxpayers' dollars -- today's taxpayers and tomorrow's.
(applause)

Moderator Murphy thanked Chairwoman Keiser.

Budget Votes

Moderator Murphy called for a motion to approve the general Town Budget.

A motion was made by Council President Trocki with second by a voter in attendance to approve the Town budget in the amount of \$10,283,286.00. There was no discussion. Moderator Murphy called for a voice vote on the motion to adopt the General Government Budget, asking all those in favor to say “Yes”; “Yes” and all

those opposed to say “No”. (there were no negative votes) Voted unanimously in the affirmative.

Moderator Murphy called for a motion to approve the School Department Budget as presented.

A motion was made by Council President Trocki with second by a voter in attendance to adopt the recommended School Department Budget for \$12,375,518.00. There was no discussion. Moderator Murphy called for a voice vote on the motion to adopt the School Department Budget, asking all those in favor to say “Yes”; “Yes” and all those opposed to say “No” (there were no negative votes). Voted unanimously in the affirmative.

Moderator Murphy called for a motion to adopt the combined General Government Budget and School Department budget.

A motion was made by Council President Trocki with second by a voter in attendance to adopt the combined Town budget and School Department budget for a total budget of \$22,658,804.00. There was no discussion. Moderator Murphy called a vote on the combined budget for FY 2014-2015 asking all those in favor to say “Yes”; “Yes” and all those opposed to say “No”; (there were no negative votes). Voted unanimously in the affirmative.

Resolution votes

Moderator Murphy entertained a motion to adopt Resolution Number 1. Point of order called; there should be a motion to waive the reading of the Resolutions.

Moderator Murphy entertained a motion to waive the reading of the Resolutions, Number 1 through Number 4, as published on Page 11 of the Budget pamphlets.

A motion was made by Council Vice President Mary Meagher with second by a voter in attendance to waive the reading of Resolution Number 1 through Resolution Number 4. There was no discussion. Moderator Murphy called for a voice vote asking all those in favor to say “Yes”; “Yes” and all those opposed to say “No”; No. Motion passes by a majority vote in the affirmative.

Resolution Number 1 – Sewer Line Frontage Tax Rate – at a rate not to exceed .68 cents per linear foot.

Moderator Murphy entertained a motion to adopt Resolution Number 1 Sewer Line Frontage Tax Rate.

A motion was made by Council Vice President Meagher with second by Council President Trocki to adopt Resolution Number 1 – Sewer Line Frontage Tax Rate – at a rate not to exceed .68 cents per linear foot. Moderator Murphy called for a

voice vote asking all those in favor to say “Yes”; “Yes” and all those opposed to say “No”; (there were no negative votes). Voted unanimously in the affirmative.

Resolution Number 2 – Borrowing in Anticipation of Taxes - in an amount not to exceed \$1,000,000.

Moderator Murphy entertained a motion to adopt Resolution Number 2 Borrowing in Anticipation of Taxes.

A motion was made by Council Member Mihaly with second by a voter in attendance to adopt Resolution Number 2 – Borrowing in Anticipation of Taxes – in an amount not to exceed \$1,000,000. Moderator Murphy called for a voice vote asking all those in favor to say “Yes”; “Yes” and all those opposed to say “No”; (there were no negative votes). Voted unanimously in the affirmative.

Resolution Number 3 – Disposition of Collected Back Taxes - for placement in the General Fund.

Moderator Murphy entertained a motion to adopt Resolution Number 3 Disposition of Collected Back Taxes.

A motion was made by Council Member Dickinson with second by a voter in attendance to approve Resolution Number 3 – Disposition of Collected Back Taxes – for placement in the General Fund. Moderator Murphy called for a voice vote asking all those in favor to say “Yes”; “Yes” and all those opposed to say “No”; (there were no negative votes). Voted unanimously in the affirmative.

Resolution Number 4 – Setting the Tax Rate – assessment and collection of a tax on the ratable real estate and tangible personal property in an amount not less than \$18,483,757.00 or not less than \$8.75 nor more than \$9.00 per thousand dollars of assessed valuation.

Moderator Murphy called for a motion to adopt Resolution Number 4 Setting the Tax Rate.

A motion was made by Council President Trocki with second by a voter in attendance to adopt Resolution Number 4 – Setting the Tax Rate – assessment and collection of a tax on the ratable real estate and tangible personal property in an amount not less than \$18,483,757.00 or not less than \$8.75 nor more than \$9.00 per thousand dollars of assessed valuation. There was no discussion. Moderator Murphy called for a voice vote asking all those in favor to say “Yes”; “Yes” and all those opposed to say “No”; (there were no negative votes). Voted unanimously in the affirmative.

Resolution Number 5 – Authorizing the Town of Jamestown to Create the Jamestown Housing Fund and Appropriating \$400,000 from Undesignated Fund Balance to Finance an Affordable Housing Loan and/or Grant Program.

Moderator Murphy asked if there was a motion on Resolution Number 5 relating to Affordable Housing.

A motion was made by Council Member Dickinson to amend Resolution Number 5 as published striking the word grant.

Council Member Dickinson stated I have redlined a corrected version and ask that copies be distributed by the Clerk at this time. Moderator Murphy asked if the Clerk and Canvassing Authority have copies and are prepared to distribute the amended version of the Resolution. He was informed yes. Distribution of the amended Resolution proceeds.

Moderator Murphy stated the published Resolution provided for Affordable Housing to be funded on a revolving loan basis out of funds already in the hands of the Town of Jamestown on a loan and grant basis, and your motion is to eliminate the wording “grant”. Council Member Dickinson stated yes, that is correct.

Council Vice President Meagher seconds that motion.

Council Vice President Meagher stated I do so mindful that the bond counsel who wrote the original motion created a Resolution that is most comprehensive. But I share Councilor Dickinson’s concerns about the open-endedness of this language, and I respect that he wants to amend this Resolution and I second it. I also do this because we were elected to work together and Councilor Dickinson and I share concerns about fiscal frugality and support the goal of affordable housing funding. When people share goals and cooperate, we should be able to work together and get it done.

Council President Trocki agreed and stated the Council had discussion on this issue at a meeting at 5:00 p.m. today and all Town Council members agreed that the language “grant” should be stricken, based on the fact that we have an Affordable Housing Fund already that is part of the capital budget and that has monies in it that can be used for grant money. For this separate proposed Resolution 5 we are in agreement as a Town Council to amend it and remove the language regarding grants, and then have it be forwarded as prepared by bond counsel.

Councilor Mihaly stated he would like to associate with what is a very exciting fund for the Town of Jamestown. He would like to change one thing, to eliminate the word grant so this Affordable Housing Fund operates on a loan basis only.

Moderator Murphy asked if there was any discussion.

Bruce Whitehouse of Steamboat Street stated as he understands it, the Resolution printed here is exactly the same except for those minor changes. He was informed yes.

Moderator Murphy called for any further discussion. Moderator Murphy stated there is a motion before us to accept Councilor Dickinson's amendment. Then we will have a vote on the amendment, and if it passes, we will then have a subsequent vote on the motion as amended.

Moderator Murphy called for a voice vote on the amendment asking all those in favor to say "Yes"; "Yes" and all those opposed to say "No"; "No". The motion to amend passes by a majority vote in the affirmative.

Moderator Murphy stated we will now have a vote on the original motion as amended. Moderator Murphy called for a voice vote on the motion as amended.

A motion was made by Council Member Dickinson with second by Council President Trocki to adopt Resolution Number 5 as amended. Moderator Murphy called for a voice vote on the motion asking all those in favor to say "Yes"; "Yes" and all those opposed to say "No"; "No". The motion to adopt as amended passes by a majority vote in the affirmative.

Moderator Murphy states this concludes our business for this evening.

Adjournment

Moderator Murphy entertained a motion to adjourn.

A motion was made by Council President Trocki with second by a voter in attendance to adjourn the Financial Town Meeting. There was no discussion. Moderator Murphy called for a voice vote of all those in favor by saying "Yes"; "Yes" and all those opposed by saying "No" (there were no negative votes). Voted unanimously in the affirmative.

The Financial Town Meeting was adjourned at 7:29 p.m.

Attest:

Cheryl A. Fernstrom, CMC, Town Clerk

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