**Town Council Budget Work Session**

March 11, 2013

**Call to Order.** The Town Council Budget Work Session to review the Operating Budget was called to order at 6:05 p.m. in the Rosamond A. Tefft Town Council Chambers of the Jamestown Town Hall at 93 Narragansett Avenue, Jamestown by Council President Trocki.

**Roll Call.**

Town Council members present:

Kristine S. Trocki, President

Mary E. Meagher, Vice President

Thomas P. Tighe

Eugene B. Mihaly

Blake A. Dickinson

Department heads present:

Fred Brown, Building & Zoning Official

James Bryer, Fire Chief

Lisa Bryer, Town Planner

Catherine Kaiser, School Committee Chair

Edward A. Mello, Police Chief

Kenneth Gray, Tax Assessor

Michael Gray, Director of Public Works

William Piva, Recreation Director

Department heads absent:

Donna Fogarty, Library Director

Also in attendance:

Christina D. Collins, Finance Director

Bruce R. Keiser, Town Administrator

Cheryl A. Fernstrom, Town Clerk

**Operating Budget Review.** Town Administrator Keiser noted this evening’s work session is a review of the FY 2013-2014 Operating Budget. A recap of the Capital Budget work session held on Saturday, March 9th and the elements that comprise the Capital Budget followed. The FY 2013-2014 proposed Capital Budget at $1,203,716 represents a $270,876 increase over the FY 2012-2013 adopted Capital Budget of $932,840 (29.0%).

Town Administrator Keiser stated the proposed Town Budget is $9,617,580 and the proposed School Budget is $12,072,166. The total proposed FY 2013-2014 Town and School Budget of $21,689,746 is an increase of $103,681 over the FY 2012-2013 adopted Town and School Budget of $21,586,065, or 0.48%.

The Town budget is comprised of the Operating Budget, Capital Budget, and Debt Service. The proposed FY 2013-2014 Operating Budget at $7,650,835 is an increase of $157,579, or 2.1%. The proposed Capital Budget at $1,203,716 is an increase of $270,876, or 29%. The proposed Debt Service at $763,029 is a decrease of $12,562, or 1.6%.

The School Budget overall at $12,072,166 is a decrease of $312,212, or 2.5%. The Operating Budget at $11,722,312 is a decrease of $201,475, or 1.7%. The Capital Budget at $79,000 is a decrease of $113,175, or 58.9%. The Debt Service at $270,854 is an increase of $2,438, or 0.9%

**Employee Compensation.** Mr. Keiser noted contracts for the Town’s three municipal unions expire June 30, 2013. Cost of living increases (estimated at 1.7%), salaries, and wages are under review as part of contract negotiations. The cooperative nature of the Town’s union and non-union employees and concessions were noted. The areas of note for the FY 2013-2014 budget are Salaries and Wages and Health Benefits (estimated increase of 8.2%). Municipal Employees are part of the Municipal Employees Retirement System (80 active and 32 retired). Pension reform enacted by the General Assembly in 2011 was noted. Police officers are part of the private Town Police Pension Plan administered at the local level, with plan assets of $8,678,157 (108% of accrued liability).

**Debt Service.** Bond indebtedness for general fund projects amounted to $8,300,000 (Town Hall, Farmland Protection, Highway Garage), with an appropriation for FY 2013-2014 of $763,029. The Capital Budget and six-year Capital Improvement Plan discussed at length on Saturday were noted.

**Revenues.** Local property tax is the primary source of revenue. Revaluation underway will affect final values (preliminary report by March 31). It is projected $2,346,713 in revenue from non-property tax sources will be available (24.4% of Town budget) and $1,065,228 (4.9% of education expenses) will be available from State aid and pass-through sources and fees/charges ($3,411,941 or 15.71% of $21,689,746 Town and School budget). Diminishing State Aid/Pass-Through Revenues and interest income were referenced. School revenues are down, and will be reviewed further at the March 28th Budget Work Session. The Governor’s 2014 budget proposal for a new municipal aid program to assist cities and town with meeting actuarial obligations was noted. A proposed tax levy of $18,483,329 for FY 2013-2014 requires a 0.73% increase, below the 4.0% tax cap mandated by State statute. Growth is estimated at $10,000,000, resulting in $90,000 in new tax revenue. Without changes in valuation, it is estimated the average home owner ($400,000) would realize a tax bill increase of $28.00.

Town Administrator Keiser noted departmental budgets would be explained by department heads. Minimal departmental increases were noted.

**Public Works Department**

**Administration.** (70410 $47,431.00) Public Works Director Michael Gray reviewed the Salary distribution for the Director and GIS Coordinator and Fees, Supplies & Dues.

**Engineering.** (70420 $50,129.00) The Environmental Scientist (.5) salary and Intern is under this line item, as well as Fees, Supplies & Dues.

**Highway Department.** (70430 $794,013.00) Salaries, Wages, and Longevity were reviewed for the Supervisor and staff (10). Also discussed: Vehicle insurance, equipment upkeep; unexpected expenses; tires, oil and gas (17,000 gallons last year) and increased prices; gravel and sand and backfill for roads; cold patch supplies; personal safety equipment for staff/employees; professional licensing and dues; equipment rentals and supplies.

**Snow Removal** (70440 $68,000.00). This represents Overtime for plowing and Equipment for operations, which has not increased since 2004. It is difficult to predict when and how much snow will fall per season.

**Waste Removal** (70450 $415,620.00). This represents the expenses incurred to operate the Transfer Station, including Salary for the operator; transfer waste to the Central Landfill, Recycling (cost for curbside pickup by Island Rubbish), Maintenance and Testing (GZA) and hazardous waste recycling (if needed).

**Street Lighting** (70460 $40,000.00). This represents electricity for lighting the 358 street lights maintained under this budget.

**Other Public Works** (70480 $2,100.00). This represents Town Cemetery (maintenance) and Parade (Memorial Day) expenses.

**Public Buildings** (70490 $225,000.00). This represents salaries and service contracts to clean town facilities; supplies; telephones, utilities, repairs and maintenance; landscaping for all Town buildings and facilities.

**Tree Management** **Program** (70495 $31,400.00). This includes the Tree Warden salary, materials, maintenance, and tree purchases for the program, including the tree nursery.

Mr. Keiser explained electricity is purchased through a wholesale supply contract through the RI League of Cities and Towns (6.97 cents per KW down from 9.4 cents per KW). Street Lighting costs are under review (possible rebate).

**Total Public Works Department - $1,669,193.00 (1.24% increase)**

**Parks, Beaches and Recreation** (70800 $507,114.00)**.** Director William Piva explained Salaries and Wages for the entire department, including seasonal staff (40) and the need for Supervisors for special events. Fees supplies, and dues and printing are minimal. Insurance was reduced; Repairs and maintenance; trash removal; summer programs (including concerts); and winter programs and costs were reviewed. Yoga, Pilates and other classes are self-funded.

**Total Parks, Beaches & Recreation - $507,114.00 (0.20% increase)**

**Tax Assessor** (70110 $77,228.00)**.** Tax Assessor Ken Gray reviewed Salaries, Fees (mostly for software licenses) & Supplies, Clerical, and Advertising & Printing (tax books) for the Tax Assessor and Tax Board. Revaluation was referenced, and Field Inspections was increased $240.

**Zoning** (70080 $10,700.00) Building Inspector/Zoning Officer Fred Brown noted Salaries includes salaries for the Zoning Board of Review members (10). Supplies is mostly for postage (reimbursable account).

**Protective Services [Building Department]** (70330 $238,110.00)**.** This covers the Salaries for the 3 inspectors (monthly stipend), which is working well. The part time clerk is working well. Fees, Supplies and Dues is over budget due to a software upgrade. This is a revenue producing department, approximately $150,000 annually. Finance Director Collins reported the Hydrant Rental line item this is a placeholder that the general fund pays the Water Department to maintain the 110 hydrants.

**Planning** (70070 $118,315.00)**.** Planner Lisa Bryer reported on the Salaries for Planning Commission members. Fees, Supplies & Dues includes professional memberships, conferences, and office supplies. Advertising is small, and mostly charged back to applicants.

**Public Safety**

**Fire Protection** (70320 $379,000)**.** Fire Chief Jim Bryer referenced Salaries. The Incentive Program was explained, which is tied to training (point system). Fees, Supplies & Dues, and Telephone (now combined) were explained. Apparatus and Truck Repair is high due to aging equipment. Remaining accounts were reviewed. Maintenance, Fire Equipment, Insurance, Gas, Oil and Tires, and Training are the major expense accounts. JEMS is closing down their 501(c)3 status as they are under the Fire Department. The annual donation request was referenced (approximately $30,000 raised annually).

**General** (70600 $219,435.00)**.** The Ambulance Incentive Program was explained, which is tied to training and shift pay (by formula). The Medical Director at Newport Hospital and QA/QI stipends were explained. The Ambulance Building is kept separate, but buildings may be merged in the future; maintenance expenses and other general expenses were explained. Major expenses are EMS Director, Ambulance Medical, Ambulance Vehicles, Ambulance Training and Ambulance Insurance.

**Police Protection** (70310 $1,616,437.00). Police Chief Edward Mello referenced Salaries for the entire Department (union and non-union) plus Longevity, Benefits, Overtime and Sick Leave, and Retirement. Fees, Supplies and Dues include postage, general supplies, tolls, and copying machines. Computer Maintenance includes software for records management, Cad system and Early warning system. Major expenses reviewed and discussed included Telephone, Personal Equipment (Uniforms), Maintenance of Uniforms, Maintenance (Police Cars), Gas and Tires, Training, Police Incentive (University classes), and Maintenance of Radio System. Discussion of Maintenance of Uniforms continued and a comparative benefits analysis of southern RI police departments will be reviewed and compared to Jamestown. Discussion continued.

**Animal Control** (70610 $10,000.00)**.** Chief Mello explained Services/Shelter include vet fees and the contract for the North Kingstown Shelter ($3,000/year).

**Total Public Safety - $2,452,982.00 (0.52% decrease)**

A recess was called at 7:32 p.m. The Work Session resumed at 7:37 p.m.

**General Government**

**Council** (70001 $15,300.00)**.** Town Administrator Keiser explained the procedure for Salary increases for the five Council members and the survey online on the Municipal Affairs website. Council stipends run from $1,000 to over $10,000 (for larger communities). The line item remained the same for a number of years. The Council cannot vote to increase their stipend prior to an election. Fees & Supplies and Advertising is minimal, and some of the accounts overlap with Town Clerk and Records Department expenses.

**Town Administrator** (70002 $170,171.00). Town Administrator Keiser noted Salaries do not include Longevity for the Administrator and Executive Assistant (invaluable employee). Number of years of service for the Executive Assistant, Tax Collector, Building Official and Highway Supervisor were referenced. Supplies are minimal. Travel ($3,000) represents a $250 car expense and $2,500 for conference attendance.

**Probate Court** (70003 $6,718.00)**.** The Salary for the part time, appointed Probate Judge and supplies (minimal) were referenced.

**Elections and Town Meetings** (70004 $12,616.00).The Town Clerk explained the Salaries for the five Canvassers (3 regular and 2 alternate members) who serve six-year terms, the Town Sergeant and Town Moderator. Fees, Supplies and Dues and Advertising and Printing were reviewed. Expenses are down (22.88%) as this is not an election year.

**Legal** (70050 $95,000.00)**.** Town Administrator Keiser explained this account and referenced Solicitors Ruggiero and Brochu. The retainers for the Solicitor and Prosecutor and breakdown for fees and special services were explained. This is a very reasonable arrangement for Jamestown based on the caliber of services provided.

**Town Clerk and Records** (70060 $181,159.00)**.** The Salaries for the Town Clerk, Deputy Clerk/Canvassing Clerk and Assistant Clerk/Probate Clerk were referenced. Fees Supplies and Dues and Advertising and Printing is level funded. Items that make up the line items were explained. Revenues and fluctuations for 2004 to present were explained.

**Personnel** (70090 $1,575,101.00)**.** Finance Director Tina Collins referenced the major expenses of Social Security Taxes, Health and Dental Benefits, Worker’s Compensation, Retirement and Life Insurance. Insurance discussion continued, with a large increase for General Insurance based on claims for RI municipalities, which drive the premiums (2010 floods referenced). Vandalism, security cameras and security technology upgrades were discussed.

**Total General Government - $2,185,080.00 (6.77% increase)**

**Finance**

**Finance** (70100 $217,298.00). Finance Director Collins explained the Salary line items, IT Consultant services, Fees Supplies and Dues, and Advertising and Printing expenses. IT services need to be increased, as the more advanced we become technologically, the more problems arise. The Town-contracted IT services service the Fire Department, Police Department and all Town facilities except the schools ($36,000). IT Director Michael Glier is always available, though contracted for two days per week. He is a real asset and goes out of his way. A portion of the GIS Coordinator’s salary was adjusted for troubleshooting and website updates. Professional Services includes payroll services (ADP) and tax collection and assessing (Vision). Discussion continued.

**Audit of Accounts** (70120 $13,600.00). Finance Director Collins noted this is for the annual audit, and the RFP for auditing services goes out to bid every three years.

**Total Finance Department - $308,126.00 (3.01% increase)**

**Library** (70700 $382,683.00) Mr. Keiser noted the Salary line item for the Library Director and Staff (2 full time, 2 part time). Discussion ensued of consolidating part time Library staff with 10 to 11 hour positions into 30 hour and 35 hour positions, resulting in more reliable employees making a greater commitment. There is a benefit impact ($30,000, which equals 1 ½ cents on the tax rate). Custodian, Utilities, Insurance, Repairs and Maintenance ($18,000) and Books and Periodicals expense items, Equipment and State Aid were referenced. Discussion continued.

**Public Welfare.** (70500 $5,464.00) Finance Director Collins referenced the Salary for the Director (Margaret Grenier).

**Public Health. General**. (700600 $76,693.00) Finance Director Collins referenced the expenses for Visiting Nurse/Mental Health/Hospice/Substance Abuse and Senior Center Operations (meal site). The Housing Authority is funded by HUD.

**Debt Service**. (70900 $763,029.00) Debt Service is down.

**Miscellaneous** (70920 $53,500) Incidentals and Emergencies, Conservation Commission (expense for trail guides, etc. sand at Mackerel Cove), and Eastern RI Cooperative Extension (Farmer’s program – tips on gardening, etc.) were reviewed.

**Capital Improvement Fund**. ($2,117,984.00) This year’s request was the largest increase request in the budget.

The Budget Work Session with the School Department is March 28th. Their budget request is reduced by over $200,000.

Councilor Mihaly referenced the rebuilding of the Ferry Dock (East Ferry), estimated at $300,000 and asked if will be done in the FY 2013 2014 budget. Needs for improvement and other large projects were referenced. This will be placed on an agenda for the upcoming year. The Harbor Commission budget will be adopted at their next meeting, and will be placed on the March 18th Council agenda along with the mooring fee rate proposal. As this is an enterprise fund, it does not go before the FTM or Council.

Sav Rebecchi of Sail Street inquired about the revenue projection from the food and beverage tax. Finance Director Collins explained this is an unknown pass-through funding source projected by the State. Mr. Rebecchi referenced his tenure on the School Committee and the use of a professional negotiator for teacher union negotiations and its benefit. He asked if the Town had considered hiring a professional negotiator. Mr. Keiser noted our Town Solicitor is a professional negotiator with much experience, and has benefited the Town. He negotiated $20,000,000 in pension concessions for the City of Warwick last year with the Police and Fire Departments.

**Adjournment.** There being no further business to conduct, the work session was adjourned at 8:32 p.m.

Attest:

Cheryl A. Fernstrom, CMC, Town Clerk

Copies to: Town Council Members (5)

 Town Administrator

 Town Solicitor